

APPENDIX B: 2022 Child Care Business Incentive Grant Frequently Asked Questions

NOTE: THESE ARE TWO SEPARATE GRANT OPPORTUNITIES – CHILD CARE INFRASTRUCTURE OR INCREASED CHILD CARE SLOTS – APPLICANTS MAY ONLY APPLY FOR ONE.

FREQUENTLY ASKED QUESTIONS (FAQS)

1. What is the purpose of the 2022 Child Care Business Incentive Grant?

The purpose of the fund is to encourage and enable businesses and employer consortiums to create and develop on-site child care centers or partner with local and regional child care services to create new available slots for an employer's employees.

2. Who will decide which applications receive funding?

IWD, IEDA, and DHS will identify an application panel to review and score proposals.

3. What will IWD, IEDA, and DHS take into account when determining grant awards?

IWD, IEDA, and DHS will evaluate applications based on a number of criteria, including but not limited to, the scoring guidance referenced in the scoring rubric.

IWD, IEDA, and DHS seek to prioritize the investment of resources in the following areas:

1. The building of on-site employer childcare centers and/or company partnerships with existing childcare centers to expand their facilities
 - Prioritized projects in this category will include:
 - Projects located in an Iowa Child Care desert (see map).
 - Projects that target a community that is engaged with IEDA and the Iowa Women's Foundation to address child care.
 - Projects that demonstrate a well-developed plan for recruitment and retention of staff in child care programs.
2. Subsidizing the cost of childcare for employees in partnership with licensed childcare centers or registered child development homes
 - Prioritized projects in this category will include:
 - Projects that build the supply of child care for historically-underserved populations such as infants and toddlers, families with non-traditional work hours, rural communities, dual language learners, and children with disabilities.

All projects will be prioritized by:

- Projects that can demonstrate they meet the documented need of employers' employees as evidenced by employee statements of need, etc.
- Projects that have not received previous Child Care Challenge or Investing in Iowa's Child Care (IICC) funding in either 2021 or 2022. This does not exclude partnering with an existing child care facility that may have already received a Child Care Challenge or Investing in Iowa's Child Care funding, provided there is a direct linkage between

providing additional slots to the employer's employees (additional slots must be new and not previously counted for in prior grant applications).

- Projects that put forth creative, new strategies that demonstrate a direct link to addressing the local child care challenges by increasing available slots.
- Priority will be based on the number of new slots to be created by the grant with more points provided for the largest increases in slots.

All projects **must** contain a plan for sustainability of the outcome beyond the grant funding period.

4. Are applicants required to identify specific project goal(s)?

Yes, all applications must include performance measures that logically connect a project's goal(s) with proposed activities and a timeline. Performance measures should include, to the extent possible, whether the expected results were achieved.

5. How will IWD and DHS ensure Child Care Business Incentive Funds are used as intended?

IWD and DHS will review programmatic and financial reports to evaluate grant progress. In addition, IWD and DHS may provide ongoing technical assistance to grantees, schedule site visits, and coordinate in-person or desk reviews, as needed.

6. How does the cost sharing work?

Infrastructure Grant:

This is a 50/50 cost sharing agreement, in which ARP SLFRF funds will be utilized to cover 50% of the proposed project costs and the remaining 50% will be funded by private investment. Applicants must provide proof of the existence of the required private investment, acceptable proof must be a certified statement from an FDIC – insured financial institution holding the funds. In the absence of a statement from a financial institution, an affidavit from a certified public accountant can be used to certify the existence of the required private investment. Awardees will be required to provide documentation supporting the required private spend first. The award will then be paid out on a reimbursement basis. An awardee may request ARP SLFRF funds 30 days in advance, provided they have submitted their required private spend. For advance payments, awardees will be required to provide documentation supporting the advance request (i.e., quote for service, contract agreement). Within 30 days of receiving the advance, awardees must submit documentation showing the advance was paid (i.e., bank statement, honored check, or invoice or contractor statement marked as paid).

Slots Grant:

This is a 50/50 cost sharing agreement, in which ARP CCDF Discretionary funds will be utilized to cover 50% of the proposed project costs and the remaining 50% will be funded by private investment. The business will be required to pay the child care costs upfront. Upon request for reimbursement, the business will be required to provide documentation of spending for child care slots in a 3-month period. DHS will reimburse the business 50% of the total spending on a 3-month rotational basis.

Grant dollars will be awarded in the following way:

Businesses must have a minimum of 75 employees and must provide 50 percent of the project

costs from privately raised or invested dollars and the State of Iowa may provide up to 50 percent of the project costs. Twenty-five percent (\$5 million) of the total amount available for infrastructure awards will be reserved for employers with between 75 and a maximum of 250 employees).

7. What are allowable expenses?

Examples include: costs related to building, renovating, and adding additions to space to increase child care capacity; or expenses paid to licensed centers and registered homes to reserve spots.

NOTE: Employers may not use grant funds to provide direct payments to employees, nor can the benefit of providing child care slots be used to offset a reduction in income or other benefits, such as health care insurance, etc. Grant funds must be provided to the employer for construction costs or be passed on to a child care center pursuant to an agreement for the employer to secure a portion of new child care slots for its employees.

8. Who can apply for the grants?

Eligible applicants include businesses and consortiums of employers in good standing with the State of Iowa with at least 75 full-time employees. If the project involves partnering with local child care services, employers must have partnered with registered child development homes and/or licensed child care centers. **All applicants must be employers not in the primary business of providing child care services.** If the project is designed to create an onsite facility, the center must become a DHS licensed facility prior to opening. Applicants are strongly encouraged to cultivate partnerships to enhance project activities and outcomes. Grantees must comply with all applicable provisions of state and federal laws pertaining to nondiscrimination, sexual harassment, and equal employment opportunity.

All non-federal entities that spend more than \$750,000 in federal awards during the entity's fiscal year, including ARPA funds, must have a single or program-specific audit conducted for that year compliant with 2 CFR 200 Subpart F. This audit must cover the compliance of the entity with Federal statutes, regulations, and the terms and conditions of the federal award, as well as the fair presentation of the entity's financial statements, pursuant to the Uniform Guidance (2 CFR part 200).

9. If a consortium applies for funding, do you still have to define one employer as the lead applicant? Assuming yes, do they have to have 75 employees or could it be a joint 75 employees between the consortium?

Individual employers building a consortium are not required to have 75 employees each; however, a minimum of 75 employees among the employers building a consortium is required. One entity must apply on behalf of all employers that are joining the consortium, and that entity will be responsible for consolidated reporting. Documentation of all employer partnerships will be required. The consortium will also need to provide a sustainability plan to ensure program viability beyond the expiration of federal funding.

10. When is the application due?

July 18, 2022, at 11:59 a.m., Central Standard Time.

11. When will awardees be notified?

As soon as the applications have been reviewed and decisions have been made regarding the awarding of funds.

12. What is the project timeline for expending the funds?

Infrastructure projects must be completed, and all grant funds spent, by June 30, 2026.

Funding for projects that will increase or reserve net slots must be obligated by September 30, 2023, and expended by September 30, 2024.

A note on funding timeframes: The funds for infrastructure awards are provided by the State and Local Fiscal Recovery Fund (SLFRF), part of the American Rescue Plan. SLFRF requires that all costs be incurred during the period beginning March 3, 2021, and ending December 31, 2024. Therefore, all costs incurred prior to March 3, 2021, and after December 31, 2024, are not eligible uses of these funds. The period of performance for SLFRF funds runs until December 31, 2026, which will provide recipients an additional two years during which they may expend funds for costs incurred (i.e., obligated) by December 31, 2024. Any award funds not obligated or expended within these timeframes must be returned to the State of Iowa. Recipients of these funds will be held accountable to these funding timeframes.

13. Is there a maximum award?

\$1.5M for expansion; \$3M for new build; \$250,000 for slots arrangement.

14. Will all applications be awarded?

Submission of an application does not guarantee an award.