

Notice of Funding Opportunity

State Agency Name: **Iowa Department of Workforce Development**

Funding Opportunity Title: **2022 Child Care Business Incentive Grant**

Announcement Type: **Initial**

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

IMPORTANT DATES

- Deadline: Grant applications are due by July 18, 2022, at **11:59 a.m.** Central Standard Time. Grant applications will not be accepted until June 17, 2022, and are due July 18, 2022, at 11:59 a.m., Central Standard Time.
- Application Notification: A Notice of Intent to Award will be posted on the Future Ready Iowa website: <https://www.futurereadyiowa.gov/childcarechallenge>.
- Iowa Workforce Development (IWD) and Department of Human Services (DHS) will host a webinar to provide information and an opportunity for a live Q&A. Check back on this posting for details and registration link.

PROGRAM DESCRIPTION

1. Purpose

The purpose of the 2022 Child Care Business Incentive Grant is to encourage and enable businesses and employer consortiums to build on-site child care centers or partner with local and regional child care services to increase new available slots for an employer's employees (not at the expense of existing or available slots in the local area). This grant program advances one of the top recommendations of the Child Care Task Force - to incentivize additional business engagement in child care.

2. Funding Priorities

IWD, IEDA, and DHS seek to provide matching funds 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 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.

3. Performance Measures

All projects must include as an outcome the creation of new child care slots available to a particular employer's employees and the number of children served by child care. A project planning form indicating how the increase of new available slots must be tracked and accounted for will be part of the application.

4. Program Authority

The Coronavirus State and Local Fiscal Recovery Funds are awarded to States in Section 9901 of the American Rescue Plan Act. Governor Reynolds has allocated a portion of these funds to provide for this program. As the Lead Agency for the Child Care Development Fund in Iowa, DHS authority is in the American Rescue Plan Act Section 2201 as signed by President Biden on March 11, 2021.

5. Definitions

Capacity (Licensed or Registered): DHS assigns a maximum allowable capacity of child care slots for each facility. A licensed or registered child care facility's maximum capacity may be different than a program's operational capacity.

Child Care Slots: A child care slot is space at a licensed or registered child care facility for a child to attend. To be eligible for this grant opportunity, evidence must be provided indicating there is an increase in slots for the child care facility's operational capacity.

Child Care Deserts: A census tract with more than 50 children under the age of 5 that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots. [See Map.](#)

Consortium: A group of two or more employers or businesses, at least one of which must be a private employer. Partnerships with existing child care facilities are eligible and encouraged; however, employers outside of child care must be the primary applicant.

Employer: To be eligible for this grant opportunity, an employer is defined as a business or entity that provides goods or services, controls and directs workers and pays W-2 wages to a minimum of 75 full-time employees, and is not in the business of providing child care. When counting employees for purposes of determining the number of employees, only full-time employees will be counted. Independent contractors and subcontractors do not count as employees.

Outcome: The creation of new child care slots available to the employees of the applicant's employers.

AWARD INFORMATION

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1. Estimated Available Funds

The State of Iowa has identified \$25 million to support the Child Care Business Incentive Grant. \$20 million will be available for infrastructure, while \$5 million will be available for the slots program. The source for infrastructure funding will be the American Rescue Plan Act (ARPA) Pub L. No. 117-2, Section 9901 Coronavirus State and Local Fiscal Recovery Funds. The source for slots funding will be the Child Care and Development Block Grant (CCDBG) Supplemental Discretionary funding as awarded in the American Rescue Plan Act (ARPA).

2. Estimated Award Amount

Grant awards will vary in amount as determined by the scope of the project.

For infrastructure projects, there will be a \$3 million cap for building a new facility and a \$1.5 million cap for expanding or renovating a facility.

For increasing/reserving net new slots, there will be a \$250,000 cap for increasing available child care slots (expanding hours of services as an example). Projects of smaller amounts are also eligible for funding. Funding decisions are made as funding is available and neither IWD, IEDA, nor DHS are obligated to provide the maximum grant amount requested. If more funds are requested than are available, funds will be awarded proportionately to eligible proposals to provide the greatest amount of support across all eligible applicants and reflecting the above-stated priorities.

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.

3. Project and Award Period

In order to request grant funds, successful applicants must provide proof in the application that privately raised matching funds are readily available.

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.

Awardees must provide a detailed report of the progress of the project and the use of funds every quarter, beginning from the date the Memorandum of Understanding between the applicant and the State of Iowa is fully executed.

4. Type of Award

For either infrastructure or slots awards, businesses must have a minimum of 75 employees and 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.

5. Use of Funds

Grant funds provided to eligible employers can be used on:

- Slots: Subsidizing a partial amount of the net-new childcare slots as a benefit to employees.
- Infrastructure: Improvements to or new construction of child care and/or daycare facilities for employees, either as the provider or in partnership with a local child care provider.

Direct payments to employees for child care expenses are prohibited. Moreover, grant funds cannot be used to subsidize the existing child care expenses of employees.

6. Cost Sharing or Matching for Child Care Business Incentive Grant

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.

7. Reporting Requirements

Successful applicants will be required to submit vouchers, receipts, expenditures, and reports to document how the funds were spent and certify the funds were used in accordance with the grant application and grant program. All grantees must provide reports of progress every three months with a detailed report of the use of funds within three months of project completion to the Director of IWD for Infrastructure Grants and the Contract Manager of DHS for Slots Grants. The report must include, but is not necessarily limited to:

- a. Date funds received.
- b. Amount of funds received.
- c. Amount of funds provided by the employer.
- d. Expenditures that account for how private and public funds were expended.
- e. Report concerning the progress of the project awarded.
- f. Report detailing the key performance indicators – including the number of child care slots created – key outcomes, lessons learned, and plan for sustainability.

Successful applicants for slots grant funding will also be required to report:

- a. Number of slots created with the partnership.
- b. Number of the total slots created that were:
 - i. Non-traditional hours
 - ii. Urban (based on zip code of care address)
 - iii. Rural (based on zip code of care address)
 - iv. In a child care desert
- c. Number of families served by the employer’s program.
- d. Number of children served by the employer’s program.
- e. Number of total children served that were in any of the following categories:
 - i. Children with disabilities
 - ii. Infants/toddlers (0-3 years)
 - iii. School-aged children
 - iv. Attend child care during non-traditional hours (2nd/3rd shifts or weekends)

PAYMENT SCHEDULE

The executed grant agreement will specify conditions for payment and payment schedule.

ELIGIBLE APPLICANTS

Eligible applicants include businesses and consortiums of employers in good standing with the State of Iowa. If the project involves partnering with local child care services, employers must provide evidence of partnership with registered child development homes and/or licensed child care centers. Prior to receiving funding, a detailed agreement between the child care facility and business shall be provided. 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.

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.

APPLICATION AND SUBMISSION INFORMATION

1. Electronic Submission Instructions

Applicants must submit applications electronically at www.iowagrants.gov. Applicants should create an account and begin the application in advance of the deadline. For registration guidance, refer to “IowaGrants.gov New User Registration Instructions” ([see Appendix D](#)).

Each application must include a Program Contact, which will be the email and phone number we use to contact for questions and to notify regarding the outcome of the grant application.

Official email communication from IWD or DHS regarding this application will be issued from iowa.grants@webgrantsmail.com or frigrants@iwd.iowa.gov. Applicants are required to ensure these communications are received and responded to accordingly.

2. Content

Applicants will enter or attach the following components of a complete application in www.iowagrants.gov.

- **General Information:**
 - **Cover Sheet**
 - **Project Information**

- **Project Description**
- **Defined Barriers/Description of Documented Need**
- **Partnerships**
- **Project Plan**
- **Project Measurement and Evaluation**
- **Project Sustainability and Organizational Capability**
 - **Recruitment and Retention**
- **Number Served and Cost per Child**
- **Budget Summary & Budget Narrative**
- **Application Attachments**
- **Minority Impact Statement**
- **Authorization, Assurances, and Certification**

[See Appendix A](#) for further instructions and application guidance.

3. Submission Dates and Times

Please see the Important Dates section at the beginning of this announcement for the submission deadline. IWD and DHS reserve the right to extend the submission deadline, and any notice of such extension will be posted on IWD’s website and/or IowaGrants.gov.

Attempted submission of a completed application after the stated due date and time will not be allowed by the system. If a submission is attempted after the published date and time, the applicant will receive a notice stating, “The Funding Opportunity is closed.”

APPLICATION REVIEW INFORMATION

1. Criteria

Defined Barriers/Description of Documented Need	15 points
Partnerships	10 points
Project Plan	15 points
Project Measures & Evaluation	10 points
Project Sustainability & Organizational Capacity	20 points
Number Served & Cost per Child	20 points
Budget Summary & Budget Narrative	10 points
TOTAL	100 points

[See Appendix C](#) for a full description of criteria and a scoring rubric.

2. Review and Selection Process

A review team will use the criteria listed in this section to review applications under this funding announcement.

3. Applicant Clarification

Some applicants may receive requests to provide clarifying information and/or make changes to their application, including changes to their budget. This information is used by IWD and DHS staff in making funding recommendations. Applications may be recommended for funding even if they are not asked clarifying questions. A request for clarification does not guarantee a grant award. Failure to respond to requests adequately and in a timely manner may result in the removal of applications from consideration.

4. Selection for Funding

Decisions to award grants and the funding levels will be determined per application based upon compliance with the requirements of this funding announcement. Applicants may be selected to enter into a grant agreement, finalizing grant terms, budget, and scope-of-work provisions, at which time the final decision to make a grant award will be made. Submission of an application is not a guarantee of an award.

AWARDING AGENCY CONTACT(S)

Please direct any questions regarding this NOFO to:

Kathy Leggett
Iowa Workforce Development
Kathy.leggett@iwd.iowa.gov

Ryan Page
Department of Human Services
rpage@dhs.state.ia.us

TECHNICAL ASSISTANCE

Technical Assistance (TA) will be provided throughout the application process, in the form of webinars and direct support. A TA schedule will be available and regularly updated on the Future Ready Iowa website.

OTHER INFORMATION

1. If an applicant fails to meet any eligibility criterion at the time of an application deadline, the application may still be reviewed, but the State of Iowa will not make an award until all eligibility criteria are met.
2. IWD, IEDA, and DHS reserve the right to request additional information from applicants to evaluate applications.
3. IWD, IEDA, and DHS, at their sole discretion, reserve the right to reject all applications; to reject individual applications for failure to meet any requirement; to award in part or total; and to waive minor defects and non-compliance. Such a waiver will not modify the program requirements or excuse the applicant from full compliance with program specifications or grant agreement requirements if the grant is awarded. Submission of an application confers no right to an award or to a subsequent grant agreement.
4. All application submissions become the property of IWD, IEDA, and DHS. If funds are awarded, the contents of all applications will be in the public domain at the conclusion of the selection process and will be open to inspection by interested parties, subject to exceptions provided in Iowa Code Chapter 22 or other provisions of law.

5. Neither IWD, IEDA, nor DHS are obligated to award any grants under this program, to pay any costs incurred by the applicant in the preparation and submission of an application, or pay any grant-related costs incurred prior to the grant beginning date.
6. All decisions by IWD, IEDA, and DHS are final.
7. Upon IWD, IEDA, and DHS' approval, the successful applicant will receive a grant agreement via email from IWD and/or DHS. The applicant has 10 working days to sign the grant agreement. If the agreement is not executed within 10 working days, IWD, IEDA, and DHS reserve the right to cancel the award. IWD, IEDA, and DHS, at their discretion, may extend the time period for executing the grant agreement.
8. Any grant agreement awarded by IWD, IEDA, and DHS shall include specific provisions, terms, and conditions.