

## Notice of Funding Opportunity

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

Funding Opportunity Title: **2024 Child Care Business Incentive Grant 2.0**

Announcement Type: **Initial**

Assistance Listing Number (formerly CFDA Number): **21.027 American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds**

### **IMPORTANT DATES**

**Deadline:** Grant applications are due by **Monday, December 23, 2024, at 2:00 p.m.** Central Standard Time.

**Application Webinar Date:** Iowa Workforce Development (IWD) will host a webinar to provide additional information on Tuesday, December 3, 2024, 11:30A.M.-12:30P.M.

**Application Notification:** A Notice of Funding Opportunity will be posted on the following websites:

[www.iowagrants.gov](http://www.iowagrants.gov)

### **PROGRAM DESCRIPTION**

#### **Purpose**

The purpose of the 2024 Child Care Business Incentive Grant is to encourage and enable businesses and employer consortiums to build local, State of Iowa licensed, child care centers in the community (not at the expense of existing or available slots in the local area) to address the supply/demand and child age group gaps within their community. This grant program advances one of the top recommendations of the Child Care Task Force - to incentivize additional business engagement in child care.

#### **Funding Priorities**

Priority will be given to applicants that:

- Projects located in an Iowa county classified as a high Child Care need/demand ([see map](#)). Counties with a greater demand will receive additional priority. Applicants should take into account the child care age groups based on the supply/demand gaps within the community.
- Projects that utilize funding to increase the capacity of the child care center by creating additional child care slots across multiple age groups will receive priority. Applicants requesting additional funding to maintain current slot capacities will not receive priority.
- Priority will be provided for projects that build onsite child care centers.
- 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).

#### **Performance Measures**

- Total number of new additional child care slots by age group available based on the proposal.
  - Number of child care slots reserved for the employer's employees
  - Number of child care slots available to the public

## **Program Authority**

IWD's authority to award these grants may be found in the American Rescue Plan Act of 2021, (H.R.1319), as delegated by Governor Kim Reynolds pursuant to her authority under the same act.

## **Definitions**

**Licensed Capacity (Licensed or Registered):** Iowa Department of Health and Human Services (Iowa HHS) 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 Need:** 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.

**Operational Capacity:** Child care provider self-reported on their available child care slots for each facility.

## **AWARD INFORMATION**

### **Funding**

Governor Kim Reynolds has reserved funding under the federal American Rescue Plan Act (H.R.1319) of State and Local Fiscal Recovery Funds E.C. 2.11 for this Notice of Funding Opportunity. As a condition of receiving the funds appropriated under this Notice of Funding Announcement (NOFO), the subrecipient shall testify upon the request of any committee or subcommittee of the State of Iowa General Assembly regarding the expenditures of such funds.

Age-specific, child care slot capacities listed in the subrecipient application are factored into the final awards totals; award totals may be adjusted if slot capacities decrease.

### **Estimated Award Amount**

The estimated total award amount will be based on the number of eligible applicants, the number of approved awards and the amount of available funding. The total amount of funding previously made

available in the 2022 Child Care Business Incentives program was \$26.6 million. Individual grant awards will vary in amount as determined by the scope and eligibility of the project.

Projects that propose building a new facility will have a \$3 million maximum award amount. Projects that propose expanding, retrofitting, and/or renovating a facility will have a \$1.5 million maximum award amount.

Funding decisions are made as funding is available. IWD is not obligated to provide the maximum grant amount requested.

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 will only be provided to the employer for validated construction expenses.

### **State or Federal Match Requirement**

Projects are required to have a 50/50 private match requirement for all grant funds provided. Validated documentation of private match expenses must be expended and validated by IWD prior to grant funds becoming available. Grant funds are administered as a reimbursement only and no advance payments will be provided. In-kind and volunteer expenses are not eligible under this award.

### **Project and Award Period**

Pursuant to the American Rescue Plan Act of 2021, (H.R.1319), funds received as part of this program must be entirely spent by June 30, 2026. Any funds not expended for activity completed by June 30, 2026, will be forfeited and IWD will not be obligated to provide additional funding for program completion. Grant award funds must be obligated by the subrecipient (awardee) and under contract by June 30, 2025, which will provide subrecipients an additional twelve months to expend funds. If subrecipients are unable to obligate funds by June 30, 2025, IWD reserves the right to rescind the award agreement at IWD's discretion. Awarded projects not meeting these timelines may result in a default of the award and all grant funds may be required to be returned to IWD.

The funds for this award are provided by the State and Local Fiscal Recovery Fund (SLFRF), part of the American Rescue Plan. SLFRF requires that all costs incurred for this project must align within the federal award period. The period of performance for this program begins February 1, 2025, and ends June 30, 2026, providing up to 17 months for the award period.

All projects must be completed, licensed as a child care center by the State of Iowa, open for operation and grant funds expended by June 30, 2026. All projects must have approved architectural floor plans by the State of Iowa building code as well as an approved Fire Marshall inspection from the State of Iowa to ensure compliance. Expenses incurred related to this program outside of the period of performances are not eligible for reimbursement under this award.

### **Type of Award**

Awarded businesses will be considered subrecipients under 2 CFR 200. Grant funds are administered as a reimbursement only and no advance payments will be provided.

### **Use of Funds**

Provided funds are designed to address various needs as a result of the economic impact of the COVID-19

pandemic.

Grant funds provided to eligible employers can only be used for expenses related to construction to the child care project identified in the approved application. Direct payments to employees for child care expenses are prohibited. Grant funds cannot be used to subsidize the existing child care expenses of employees.

Expenses related to the private match requirement must be expended and fully validated prior to subrecipients becoming eligible to submit reimbursements for grant awarded funds. Validation of both match and award funds will be subject to evidence that funds were expended in compliance with procurement processes outlined in 2 CFR 200.317-200.327 and state procurement policies, and defined by the contract agreement. To be considered, all expenses must be entered and submitted on the IWD expense tracker document and include, at minimum, proof of purchase and proof of payment documentation for validation.

Specific expense categories eligible for grant and private match funds include:

- Construction Costs – Architecture
- Construction Costs – HVAC
- Construction Costs – Electric
- Construction Costs – Plumbing
- Construction Costs – Roofing
- Construction Costs – General
- Playground and Landscaping
- General Building Supplies
- Furniture and Storage

**Travel Reimbursements**

Travel is not an eligible expense category under this award. If travel expenses were allowed for reimbursement for this award, all travel expenses incurred by the subrecipient or beneficiary shall follow the guidelines in the Department of Administrative Services – State of Iowa travel policies in effect at the time of the beginning of the award period.

**Reporting Requirements**

Successful applicants will be required to submit pay application vouchers, receipts, expenditures, and reports to document how funds were spent and certify funds were used in accordance with the approved grant application and grant program. Grantees will be required to submit progress reports quarterly as well as a final report prior to closeout. All grantees must provide a detailed final report to Iowa Workforce Development by August 15, 2026. Reports must include, but are not necessarily limited to:

- Barriers or concerns related to the progress of the project awarded;
- Progress on completion providing key timeline milestones;
- Anticipated final completion/opening date of facility;
- Number of current slots available;
- Number of anticipated additional slots provided in application;
- Number of anticipated additional slots related to project changes;
- Number of actual additional slots created;

- Number of children served by the employer’s program.
- Number of total children served that were in any of the following categories:
  - Children with disabilities
  - Infants (up to 2 years)
  - Toddlers (2-3 years)
  - Preschool (3-4 years)
  - School-aged children (5 years +)
  - Attend child care during non-traditional hours (2<sup>nd</sup>/3<sup>rd</sup> shifts or weekends)

See Quarterly Report attachment for more information. IWD may change, add or remove reporting metrics throughout the award period. Awardees must provide a detailed report of the progress of the project and the use of funds each quarter, beginning from the date the Agreement between the applicant and the State is fully executed. If the reporting deadline falls on a weekend or holiday, the due date extends to the subsequent workday.

<b>Reporting &amp; Financial Period</b>	<b>Report</b>	<b>Due Date (No later than)</b>
2/15/2025-03/31/2025	Quarterly	April 30, 2025
04/01/2025-06/30/2025	Quarterly	July 31, 2025
07/01/2025 – 9/30/2025	Quarterly	October 31, 2025
010/01/2025-12/31/2025	Quarterly	January 31, 2026
1/1/2026-3/31/2026	Quarterly	April 30, 2026
04/01/2026-06/30/2026	Quarterly	July 31, 2026
<b>2/15/2025-6/30/2026</b>	<b>Final</b>	<b>August 15, 2026</b>

In accordance with U.S. Treasury final rule (updated in October 2024), all projects and awards will be monitored to maintain compliance with federal 2 CFR 200 requirements and adherence to stated timelines.

**Payment Schedule**

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

**ELIGIBILITY INFORMATION**

**Eligible Applicants**

Eligible applicants include businesses and consortiums of employers in good standing with the State of Iowa. Applicants must have a minimum of 75 full-time employees and has not held layoffs or layoff extensions within the past six (6) months from 12/01/2024.

Individual employers included in a consortium application are not required to each have 75 full-time employees; however, a minimum of 75 cumulative, full-time employees among the employers included in the consortium is required and no consortium partner may have held layoffs or layoff extensions within the past six (6) months. One employer must apply on behalf of all employers that are joining the consortium, and that entity will be the subrecipient and be responsible for consolidated reporting and funding requests. Documentation of all employer partnerships in the form of a memorandum of understanding (MOU) agreement will be required to be submitted with the application.

If the project involves partnering with a local, licensed child care center, the application must include a memorandum of understanding (MOU) agreement as evidence of a partnership with the licensed child care center.

All applicants must be employers not in the primary business of providing child care services. If the project is designed to create an onsite child care facility, the facility must become an Iowa HHS licensed facility prior to opening, and must open prior to the end of the period of performance for this award. To become a licensed child care facility, programs must meet licensing requirements set forth in Iowa Administrative Rules 441.109 as described in the Guidelines for Licensed Child Care Centers. To become a licensed child care facility, the program must submit architectural building and floor plans to the Iowa Department of Inspections, Appeals and Licensing-Building and Construction Division, obtain an approved State Fire Marshal certificate, prior to the Department of Health and Human Services application for licensing. Grantees must comply with all applicable provisions of State and federal laws pertaining to nondiscrimination, sexual harassment, and equal employment opportunity.

Applicants must be registered with SAM.gov prior to submission of an application and will be required to provide the unique entity identifier with the application. Subrecipients will be required to maintain an active registration in SAM.gov throughout the duration of the award period.

### **Ineligible Applicants**

Businesses that are in the primary business of providing child care services and already licensed with the state of Iowa are ineligible for this award.

Registered home-based child care programs are not eligible child care partners under this award.

### **Additional Considerations**

Awarded applicants will be required annually to provide evidence to IWD of maintaining a State of Iowa child care license and continue child care operations at over 50% capacity for a minimum of five (5) years after the period of performance ends to maintain compliance with the federal interest period.

## **APPLICATION AND SUBMISSION INFORMATION**

### **Electronic Submission Instructions**

Applicants must submit applications electronically via IowaGrants.gov. IWD recommends that applicants 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 B).

The applicant's authorized representative must be the person who submits the application. The authorized representative must be using his or her own IowaGrants.gov account to sign and submit the application.

Official email communication from IWD regarding this application will be issued from a representative from Iowa Workforce Development. Applicants are required to assure these communications are received and responded to accordingly.

**Content**

Applicants will enter or attach the following components of a complete application in [www.iowagrants.gov](http://www.iowagrants.gov).

**General Information**

- Contact Information
- SAM.gov UEI (required for application submission)
- Conflict of Interest Statement
- Minority Impact Statement
- Risk Assessment Questionnaire

**Project/Program Summary**

- A short description of the project or program

**Project/Program Proposal**

- Project Service Area
- Project Need
- Partnerships
- Project Design
- Organizational Capability and Sustainability
- Number Served and Cost per Child
- Budget

**Attachments**

- Completed Organization W-9
- Budget Summary Spreadsheet
- Other Attachments such as a Procurement Policy may be requested

See Appendix A for further information and application guidance.

**Submission Dates and Times**

Please see the Important Dates section at the beginning of this announcement for the submission deadline. IWD reserves 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**

**Scoring Criteria**

Project Service Area	5 points
Project Need	15 points
Partnerships	15 points

Project Design	40 points
Organizational Capability & Sustainability	10 points
Number Children Served	10 points
Budget Summary & Budget Narrative	5 points
<b>TOTAL</b>	<b>100 points</b>

See Appendix A for a full description of criteria and a scoring rubric.

**Priority Points**

Applicants that provide documentation related to the priorities listed previously must submit this documentation as an attachment under *Other Attachments* in Iowa Grants. Up to 16 additional points will be awarded to applicants that prove to meet the listed priorities. Applicants submitting documentation for priority consideration must combine all documents into one PDF, upload into Iowa Grants, and submit along with their application.

**Review and Selection Process**

A review team selected by Iowa Workforce Development will use the criteria listed in this section to review applications under this funding announcement.

**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 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.

**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:

Patrick Rice  
Iowa Workforce Development  
[patrick.rice@iwd.iowa.gov](mailto:patrick.rice@iwd.iowa.gov)  
515-725-9077

**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 will not make an award until all eligibility criteria are met.
2. IWD reserves the right to request additional information from applicants to evaluate applications.
3. IWD, at its sole discretion, reserves 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. 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 provision of law.
5. IWD is not 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. Upon IWD's approval, the successful applicant will receive a grant agreement via email from IWD. The applicant has 10 business days to sign the grant agreement. If the agreement is not executed within 10 business days, IWD reserves the right to cancel the award. IWD, at its sole discretion, may extend the timeframe for executing the grant agreement.
7. Any grant agreement awarded by IWD shall include specific provisions, terms, and conditions.
8. All decisions by IWD are final.

## APPENDIX A: 2024 Child Care Business Incentive Grant

Please review the following guidance when preparing your grant application in IowaGrants.gov. The application gathers general information, narratives, budget information, and attachments. Each section includes prompts that must be addressed.

### General Information

Complete Cover Sheet-General Information. On this form, applicants will enter basic information about their organization including:

- Contact information of your organization's Authorized Representative
- Contact information of your organization's Fiscal Officer/Agent
- Identification of County(ies) participating, involved, or affected by the proposal
- Identification of Congressional District(s), Iowa Senate District(s), and Iowa House District(s) involved or affected by the proposal.

Complete Project Information. On this form, applicants will enter basic information about their application including:

- Legal Organization Name
- Organization type (Government, Nonprofit, Institute of Higher Education, Business, etc.)
- Business Address
- Contact information of person for program matters
- The project's proposed start and end dates
- Amount requested

### Project Description and Overall Design

- Provide a summary (2-3 sentences) that tells us what you are proposing, the project goal(s) and anticipated outcomes.

### Project Service Area

- Describe the geographic service area including both the immediate location of the facility and the service area of employees that could utilize the facility. Provide general employee demographic information and age groups to be served through the project.

### Project Need and Demonstration of how proposal addresses this need:

- Provide information related to how the pandemic has affected or shifted the needs your workforce. In your responses, provide data points from various levels of the workforce, and how the data was collected such as employee surveys, exit interviews, employee absences, etc.
- Describe how the proposed program will help address this need and the benefits to your employees.
- Provide data and resources related to the current vacancies, supply, and demand for child care in the project service area to support the need to expand the current child care supply. Identify any current oversupply issues in child age groups and strategies the project will utilize not to contribute to the oversupply.

- If previous grant funding has been provided to either the applicant or the licensed child care partner through either the 2021 or 2022 Child Care Challenge award, please describe the continued need for this project. List specific information regarding the previous funding, the scope of the project under those awards and the need for this additional funding, such as increasing capacities or enhancements. If neither the applicant or child care partner have received prior funding from one of the three listed grant programs, list “Not a previous subrecipient of the 2021 or 2022 Child Care Challenge award.” in this section.

### **Partnerships**

- Provide information on collaborations and partners for the project including details of how these partnerships play a key role in project success. (This is not referring to businesses contracted to do construction or remodeling, if applicable in the project). Partnerships that are encouraged include:
  - Iowa Child Care Resource and Referral
  - Child Care Collaborative of Iowa
  - Early Childhood Iowa Area Board
  - Iowa Women’s Foundation
- If partnering with an existing child care center, provide evidence of agreement to partner in the grant opportunity. This includes providing evidence of known consortium partnerships.
- If applicable, provide detailed information of current structure of the licensed child care partner. Include details such as length of time in business, current staffing structure and child care capacities, current number of open slots, barriers partner faces if current slots are not filled and how this project will address this barrier.

### **Project Design and Timeline**

- Provide a detailed overview of the project including details such as the design of the building, spaces available for child care, outside structures including playground spaces, parking, for-profit/non-profit status, and capacity of various ages of the project.
- Provide a detailed timeline for the project including bidding and construction timelines. Include identified milestones along the timeline provided.
- Discuss potential barriers to the success of this project and how the organization will address these barriers.
- Provide information with recruitment for employee participation including reserved spots, early registration, and if applicable, marketing plan for additional slots.

### **Organizational Capability & Sustainability**

- Describe the staff who will be involved with this project, the roles and scope of their involvement, including financial documentation, bidding and contracting with contractor(s), partner and employee communication, marketing, and grant reporting.
- Provide details of a sustainability plan to ensure continued involvement beyond the grant periods including recruitment for new employee participation as well as recruitment and retention for child care center staff. Provide information on strategies the project will utilize, such as current child care staff retention, benefits, and wages, to ensure the sustainability of the child care center. Applicants are encouraged to provide evidence of partnership with the Child Care Collaborative of Iowa regarding financial management coaching and implementation of child care management system software.

**Number of Children Served**

- By child age categories (younger infants [less than 1 year old], older infants [1 year old], toddler [2 years], preschool [3 years], preschool [4-5 years], and school-age [5-8 years]), identify the current number of slots, anticipated increased number of slots with this project, separated by those reserved for employees and the general public. If applicable, identify the number of unfilled slots by child age category at the time of the application submission with an established, licensed child care center.

**Budget Summary and Budget Narrative**

- Complete the budget narrative. Include a description of proposed costs and an overview of how budgeted expenses are calculated. Ensure totals reconcile with the amounts included on the 2024 Child Care Business Incentives Grant Budget Form.
- Complete the 2024 Child Care Business Incentives Grant Budget Form for your project with expenses separated by the approved budget categories. Include information on this document for the private match amount. Applicants must upload the required information on the provided Budget Summary template form (Appendix C) as a Microsoft Excel file in the Application Attachments section for consideration.

**Application Attachments**

Upload the following in the Attachment section in IowaGrants.gov:

- Completed 2024 Child Care Business Incentives Grant Budget Form Excel document
- W-9 as a PDF
- Partnership MOU agreements -combined as a PDF
- Partnership with the Child Care Collaborative of Iowa for Financial Management Coaching
- Other Attachments (if applicable) – combined as one PDF

**Minority Impact Statement**

Pursuant to 2008 Iowa Acts, HF 2392, Iowa Code Section 8.11, all grant applications submitted to the State of Iowa must include a Minority Impact Statement. This requires applicants to consider the potential impact of the grant project's proposed programs or policies on minority groups. This form includes a series of questions for the applicant to complete identifying either a potential positive impact, negative impact, or no impact.

## APPENDIX B: IowaGrants.gov New User Registration Instructions

Are you new to IowaGrants.gov? Follow these basic instructions to create an account and begin your grant application.

1. Watch this 4 min video <https://dom.iowa.gov/iowa-grants-login>.
2. Go to [www.iowagrants.gov](http://www.iowagrants.gov)
3. Always select the blue button “Click Here to Access Single Sign On Tool” no matter if this is your first time accessing the system or you’re already registered.
4. Do not use the “enter your user ID and password” options
5. If you do not have an account, select “Sign Up” at the bottom of the screen.
6. Enter your first name, last name and valid email address.
7. Complete the Set Up for security methods, including setting your password.
8. Verify your email and enter the verification code that was sent by the system. This email is sent by [Admin@id.iowa.gov](mailto:Admin@id.iowa.gov). This provides you with a one-time code to complete the verification process.
9. Complete your registration by entering your contact information on the Registration page. Enter your basic information and select your Program Area of Interest. While the system instructions do not make this clear, it is important that you select a program area of interest from the drop-down list. This will expedite registration.

Your registration is now pending final system approval. You will receive a confirmation email once approval is complete.

*If you have any questions regarding these instructions or want additional assistance, please contact Patrick Rice at [patrick.rice@iwd.iowa.gov](mailto:patrick.rice@iwd.iowa.gov) or 515-725-9077.*