
FISCAL UPDATE Article

Fiscal Services Division

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CHILD CARE BUSINESS INCENTIVE GRANT

On October 4, 2023, the Iowa Governor's Office [announced](#) a third round of funding for the Child Care Business Incentive Grant Program. This program is funded by Iowa Workforce Development (IWD) and the Iowa Department of Health and Human Services (HHS) in order to encourage employers to offer child care benefits to their employees.

The Child Care Business Incentive Grant Program was established in September 2022 to enable businesses and employer consortiums to build on-site child care centers or partner with local child care providers to increase new child care slots for employees. The first round of grants awarded \$26.6 million in funding to 23 projects intended to help businesses jumpstart new child care opportunities and make it easier for Iowans to find child care options through their employers. The HHS estimates that the first round of funding created almost 1,800 new child care slots in 23 different communities across Iowa. The second round of funding in January 2023 totaled \$443,000 and was awarded through IWD and the HHS.

The third round of funding will provide \$5.0 million to support arrangements between employers and child care facilities in order to reserve spots. This round of funding is being offered solely by the HHS. Each applicant is eligible to apply for up to \$250,000.

More information. Additional information is available from the LSA upon request.

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