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## FISCAL UPDATE Article

Fiscal Services Division

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### MANUFACTURING 4.0 GRANT PROGRAMS — OCTOBER 2021

**Summary.** On October 20, 2021, Governor Reynolds [announced](#) two new grant opportunities totaling \$30.0 million from the [American Rescue Plan Act of 2021](#) to assist small and medium-sized manufacturing businesses to improve workforce innovation through retention, recruit new employees, and use technology to address vacancies and increase workforce capacity.

**Background.** The [Manufacturing 4.0 Technology Investment Program](#) was created in 2021 Iowa Acts, [chapter 177](#), under the auspices of the [Iowa Economic Development Authority \(IEDA\)](#) for manufacturing innovation equipment and manufacturing Industrial Internet of Things (IIoT) infrastructure. The first grant announced will supplement the existing Manufacturing 4.0 Program with \$5.0 million for small manufacturers. Iowa manufacturers must:

- Be incorporated or authorized to do business in Iowa.
- Employ a minimum of 3 and fewer than 75 full-time employees across all locations.
- Designate with [North American Industry Classification System \(NAICS\)](#) codes falling between 31 and 33 (used in Manufacturing 4.0 report).
- Derive a minimum of 51.0% of their revenue from the sale of manufactured goods.
- Have been operating for at least three years.

Companies can apply for up to \$75,000 in grants. Prior to applying, an Industry 4.0 assessment provided by the [Center for Industrial Research and Service \(CIRAS\)](#) will be required and must be submitted with the application. Click [here](#) to schedule. There is an open application window for applicants of the first grant opportunity.

The second grant announced, the [Manufacturing 4.0 Workforce Innovations Grant](#), will invest \$25.0 million to make similar grant opportunities available to midsize firms employing 76 to 250 employees. Eligibility is similar to the existing Manufacturing 4.0 Program but includes the stipulation that manufacturers must demonstrate negative economic impacts due to COVID-19. This second grant opportunity will require a 25.0% cash match, and awards are capped at \$500,000. Additional considerations will be given to organizations that demonstrate the administrative capacity and a history of successfully implementing innovative projects. Additional consideration will also be given to organizations and projects in local workforce areas and regions throughout the State that document how the project will impact workforce, education, and economic development. The application deadline for the second grant opportunity is December 31, 2021, at 11:59 p.m.

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