
FISCAL UPDATE Article

Fiscal Services Division

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FY 2022 CHILD CARE CHALLENGE GRANT PROGRAM APPLICATIONS

Summary. On November 4, 2021, Governor Reynolds [announced](#) \$10.0 million in available funding for the [Child Care Challenge](#) Grant Program, with an application deadline of December 3, 2021.

Background. The Child Care Challenge Grant Program enables businesses, nonprofit organizations, and consortiums to establish local child care facilities and increases the availability of child care for Iowans by awarding competitive grants for community and regional child care initiatives. The Program is administered by the [Iowa Department of Workforce Development \(IWD\)](#) in consultation with the [Iowa Department of Human Services \(DHS\)](#). [House File 871](#) (FY 2021 Economic Development Appropriations Act) allocated \$4.2 million to the [Employer Innovation Fund](#). IWD has discretion to transfer any amount of the appropriation to the Child Care Challenge Fund.

Eligibility. Eligible applicants include businesses, nonprofits, and consortiums in good standing with the State as well as registered child development homes and licensed child care centers or those seeking registration or licensure within the next 90 days.

Funding. Funding for the FY 2022 application round comes from both the IWD and the DHS. A maximum award of \$250,000 is available from IWD while a maximum award of \$750,000 is available from DHS. Awardees must be able to spend State funding by June 30, 2022. IWD funding priorities include:

- New construction of a child care facility.
- Rehabilitation of an existing structure as a child care facility.
- Retrofitting and repurposing of an existing structure for use as a child care facility.

DHS prioritization for the investment of federal resources includes the following:

- Entities that have applied for and received Child Care Challenge funding or funding from the [Investing in Iowa's Child Care \(IICC\) Program](#), but have an increased funding need due to supply chain issues and increases in labor costs.
- Entities that have not received any funding from the Child Care Challenge Fund or from IICC.
- Entities that are part of a community with a feasibility study on the need for child care in the community.
- Projects located in an [identified](#) "Child Care Desert."

More Information. Application details for the available Child Care Challenge Grant funds can be found [here](#).

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