

# Statewide Child Care Solution Fund

## Corporate Investments

### Why should our company invest?

- There are local solutions funds already in various start up stages in several counties across the state. Since you have employees across the state in numerous counties, you can guarantee your employees will be impacted.
- Local business leaders, local county/city government, and the state are all working together to keep quality child care open and available for their workforce based on this operational gap funding idea – you are the last piece of the puzzle to have ‘all hands on deck!’
- During the 2024 Pilot Program we heard from corporations that they wanted to invest but it was too labor intensive to track all the local child care solution funds to invest in. Corporations wanted a way to invest at the state level and have HHS collect the data on their investments.
- Iowa is leading the way on this innovative idea! Several other states have expressed interest in modeling a similar solution based on Iowa’s pilot success. The Statewide Child Care Solution Fund can be replicated across state lines.

### How does our corporate investment make a difference to our employees?

- By investing in the Statewide Child Care Solution Fund, you are helping keep the cost of child care low, building child care provider supply, keeping quality child care open and available wherever your employees choose to find care.
- The 2024 Pilot Program showed success in local Child Care Solution Funds. These local solution funds are successful due to the following:
  - Local operation. This ensures childcare needs are specific to your community.
  - Direct impact on the local workforce.

- Public and private dollars.
- Parent choice in childcare.
- More childcare slots opened due to staff retention.

## How do we know a Statewide Child Care Solution Fund will work?

- In 2024 Iowa HHS ran a pilot program in ten communities across the state. At the end of this pilot program a report was provided by Common Sense Institute of Iowa. The report built an economic projection model and found that based on the results from the pilot program, a Statewide Child Care Solutions Fund would:

### Add Child Care Slots

Nearly 11,000 new registered or licensed child care slots would be added across the state.

### Add more workers

Enable about 5,000 women to enter the workforce, increasing Iowa's female LFPR by 0.56%, from 80.3% to 80.86%. This includes 1,000 new childcare workers.

### Create more jobs

Directly and indirectly add a total of approximately 8,000 jobs to Iowa's economy, including the direct increase of 5,000 female workers.

### Increase personal income growth

The program would yield an estimated \$45 of GDP growth and \$21 in personal income growth for every \$1 invested by the private sector over the next decade.

## Is there data to show the local Child Care Solution Funds are sustainable before we invest?

Yes. Hamilton County launched almost four years ago with the following data:

- Four centers in the county were sitting at or below 65% of their licensed capacity with more than 125 slots sitting unused due to a lack of staff.
- Over \$710k has been pledged to the fund to date. \$277k in public funds and \$433k in private funds.
- They saw a 150% increase in center capacity after year one. To date, three of the four centers are operating at 100% capacity.
- Staff saw a 36% increase in salaries.
- As of July 2023, over 100 additional children could be enrolled in Hamilton County childcare centers due to improved retention and provider recruitment.

### **How do I invest?**

- Individuals and corporations may donate to the IEDA Foundation by sending a check made payable to the IEDA Foundation. A memo should be made that the donation is for the Childcare Solutions Fund. Donations must note if funds are restricted or unrestricted and the geographic restriction to the donation, if applicable.

Payments may be sent to:  
Iowa Economic Development Authority Foundation  
1963 Bell Avenue, Suite 200  
Des Moines, Iowa 50315  
Attn: Terry Roberson

### **What is the IEDA Foundation?**

- The Iowa Economic Development Authority (“IEDA Foundation”) is a separate, nonprofit corporation incorporated under Iowa Code chapter 504A. The IEDA Foundation is statutorily authorized under Iowa Code sections 15E.11-15E.16. The creation of the corporation is authorized for the purpose of “receiving and disbursing funds from public or private sources to be used to further the overall development and well-being of the state.”

Because contributions to the IEDA Foundation are exclusively for public purposes, they are deductible charitable contributions under section 170(c)(1) of the Internal Revenue Code.