
FISCAL UPDATE Article

Fiscal Services Division

August 28, 2020



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COVID-19 — IOWA CORONAVIRUS RELIEF FUND UPDATE — AUGUST 28, 2020

Fund Update. As of August 28, 2020, a total of \$790.5 million has been transferred from the Iowa Coronavirus Relief Fund (ICRF) to various programs for addressing costs associated with the COVID-19 pandemic. The current balance in the Fund is \$461.8 million. Iowa received \$1.250 billion in federal funds through the [Coronavirus Aid, Relief, and Economic Security \(CARES\)](#) Act on April 20, 2020.

A transfer of \$1.9 million was made from the ICRF on August 21, 2020, to provide additional funding for the Iowa Disposal Assistance Program in the Department of Agriculture and Land Stewardship. In addition, the \$614,000 of July interest earnings were credited to the Fund on August 20. These were the only changes to the ICRF since the previous update on August 14, 2020.

To date, ICRF moneys have been transferred to several State agencies and programs to address different aspects of the COVID-19 pandemic. The programs are summarized below.

Economic Development Authority

- **Small Business Disaster Assistance Fund:** This program provides financial assistance to small businesses that have been impacted by the COVID-19 pandemic. The program offers eligible small businesses grants ranging from \$5,000 to \$25,000 and permits deferral of sales and use taxes or withholding taxes and a waiver of penalty and interest. For additional information, see the **Fiscal Update Article** [COVID-19 — Iowa Small Business Relief Program Update — May 12, 2020](#).
- **AmeriCorps:** AmeriCorps is a program of the federal [Corporation for National and Community Service](#), which is an independent federal agency designed to improve lives, strengthen communities, and foster civic engagement through service and volunteering. The AmeriCorps program in Iowa is coordinated through [Volunteer Iowa](#).
- **Grow Iowa Values Fund:** The Governor transferred \$7.0 million from the ICRF to the Grow Iowa Values Fund (GIVF) to reimburse the GIVF for transfers totaling \$7.0 million to the Small Business Disaster Assistance Fund that were made in March and April 2020.

Department of Agriculture and Land Stewardship (DALs)

- **Feeding Iowans Initiative:** The Feeding Iowans Task Force was created by Governor Reynolds to implement the Feeding Iowans Initiative. The purpose of the Initiative is to assist Iowans impacted by food insecurity during the COVID-19 pandemic. The Feeding Iowans programs through the DALs include the Pass the Pork Program, the Beef Up Iowa Program, and the Pack the Pantry Program. Additional information on these programs can be found at the [DALs](#) website.
- **Iowa Disposal Assistance Program:** The [Iowa Disposal Assistance Program](#) was created to assist Iowa pork producers who are unable to harvest pigs because of COVID-19 supply chain disruptions. In the event pork producers are forced to euthanize animals, the producers can apply for State funding to properly dispose of carcasses in an environmentally sound manner. The Program will provide producers \$40 per animal to help cover a portion of the disposal costs for qualifying hogs.

Department of Human Services (DHS)

- **Double Up Food Bucks:** The [Double Up Food Bucks](#) program connects low-income families with healthy food grown by Iowa farmers and increases those families' access to fresh fruits and vegetables.

- **Commodity Supplemental Foods Program (CSFP):** The [CSFP](#) provides supplemental food and nutrition education for persons ages 60 and over. Available foods include canned fruits and vegetables, hot and cold cereals, cheese, peanut butter, beans, pastas, and canned and powdered milk.
- **Medicaid Mental Health Services:** The Governor transferred \$80.0 million from the ICRF to the DHS on August 11, 2020. Of this, \$50.0 million is related to mental health and substance use disorders, including \$30.0 million for the Mental Health and Disability Services Regions to supplement current funding for adult and children's mental health services and to meet increased needs, and \$20.0 million for Medicaid mental health and substance abuse provider services due to increased costs related to the COVID-19 pandemic. The remaining \$30.0 million will be provided as a one-time payment to Medicaid habilitation services providers to help ensure patient access through the pandemic.

Department of Homeland Security and Emergency Management

- **Feeding Iowans Initiative — Food Banks:** The funds for this initiative will be used for the purchase and repackaging of bulk food products for food banks across Iowa.

Iowa Finance Authority

- **Iowa Eviction and Foreclosure Prevention Program:** The funds for this Program will be used to assist Iowans who have been economically impacted by COVID-19 and may be facing housing cost hardships.

Iowa College Student Aid Commission

- **Last-Dollar Scholarship Program Fund:** The Last-Dollar Scholarship Program was created in 2018 in [HF 2458](#) (Future Ready Iowa Act). The Program provides financial aid to students attending community colleges or accredited private nonprofit institutions and enrolled in programs of study that lead to a postsecondary credential, up to and including an associate degree, aligned with a high-demand job as designated by Iowa Workforce Development or a community college.

Department of Workforce Development

- **Unemployment Insurance Trust Fund:** The Unemployment Insurance Trust Fund finances the costs of the Unemployment Insurance Program, which pays benefits to covered workers who become involuntarily unemployed and meet specified eligibility requirements. The Governor transferred \$490.0 million from the ICRF to the Unemployment Insurance Trust Fund on June 29, 2020.

Department of Management

- **Economic Emergency Fund:** The Governor transferred \$17.0 million from the ICRF to the Economic Emergency Fund to reimburse the Fund for transfers totaling \$17.0 million to the Small Business Disaster Assistance Fund made in March and April 2020.

Office of the Chief Information Officer

- **Technology Upgrades:** A total of \$91.1 million was transferred from the ICRF to the Office of the Chief Information Officer to fund four projects. They are:
 - \$21.0 million for the Executive Branch to replace the State's budget, accounting, and human resources systems with a new provider (Workday, Inc.).
 - \$50.0 million for funding of grants to expand broadband services in Iowa.
 - \$13.0 million for design and development of prioritized data streams, which will provide a backbone for analytics in the event of another pandemic.
 - \$7.1 million to develop and enhance citizen digital access for State government services.

Coronavirus Relief Fund Spending Guidelines. Provisions of the CARES Act and guidance from the U.S. Department of the Treasury provide direction to states and other grant recipients concerning the qualified uses of the Coronavirus Relief Fund (CRF) grants. In summary, the funds can cover costs that are necessary expenditures incurred due to the COVID-19 public health emergency that were not previously accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the period that began March 1, 2020, and ends December 30, 2020. Any unexpended CRF funds revert back to the federal government.

Necessary expenditures may include expenditures incurred to allow the states to respond directly to the emergency, such as by addressing medical or public health needs. In addition, necessary expenditures include those incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19 related business closures.

The funding cannot be used to backfill the loss of State revenues that have resulted from the economic impacts of COVID-19, but may be used as a cash management tool. For example, changing tax filing deadlines may cause cash flow issues for states. The U.S. Treasury has indicated that states can use CRF funds for cash flow purposes. For additional information, see the U.S. Department of the Treasury's [Guidance for State, Territorial, Local, and Tribal Governments](#).

Iowa Coronavirus Relief Fund			
Year-to-Date Revenues and Expenses			
As of August 28, 2020			
	FY 2020	FY 2021	Total
Revenues			
Beginning Balance	\$ 0	\$ 632,774,908	\$ 0
Federal Support (CARES Act)	1,250,000,000	0	1,250,000,000
Interest	1,010,173	0	1,010,173
Total	<u>\$ 1,251,010,173</u>	<u>\$ 632,774,908</u>	<u>\$ 1,251,010,173</u>
Expenditures			
Economic Development Authority			
Small Business Disaster Assistance Fund	\$ 70,000,000	\$ 0	\$ 70,000,000
AmeriCorps	60,000	0	60,000
Grow Iowa Values Fund	7,000,000	0	7,000,000
Agriculture & Land Stewardship			
Feeding Iowans Initiative	500,000	340,000	840,000
Iowa Disposal Assistance Program	2,585,640	1,860,405	4,446,045
Human Services			
Double Up Food Bucks Program	1,000,000	0	1,000,000
Commodity Supplemental Foods Program	1,000,000	0	1,000,000
Mental Health Programs & Habilitation Services	0	80,000,000	80,000,000
Homeland Security & Emergency Management			
Feeding Iowans Initiative - Food Banks	1,000,000	0	1,000,000
Iowa Finance Authority			
Iowa Eviction and Foreclosure Prevention Program	22,000,000	0	22,000,000
Iowa College Student Aid Commission			
Last-Dollar Scholarship Program Fund	5,100,000	0	5,100,000
Iowa Workforce Development			
Unemployment Insurance Trust Fund	490,000,000	0	490,000,000
Management			
Economic Emergency Fund	17,000,000	0	17,000,000
Office of the Chief Information Officer			
Technology Upgrades - Workday	989,625	20,010,375	21,000,000
Broadband Grants	0	50,000,000	50,000,000
Design & Development of Data Streams	0	13,000,000	13,000,000
Digital Access to State Government Services	0	7,050,225	7,050,225
Total	<u>\$ 618,235,265</u>	<u>\$ 172,261,005</u>	<u>\$ 790,496,270</u>
Balance	<u>\$ 632,774,908</u>	<u>\$ 460,513,903</u>	<u>\$ 460,513,903</u>

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