
FISCAL UPDATE Article

Fiscal Services Division

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COVID-19 — IOWA CORONAVIRUS RELIEF FUND UPDATE — OCTOBER 2020

Fund Update. As of October 5, 2020, a total of \$1.045 billion 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 \$206.8 million. Iowa received \$1.250 billion in federal funds through the [Coronavirus Aid, Relief, and Economic Security \(CARES\)](#) Act on April 20, 2020. The Fund has also generated \$1.7 million in interest earnings through the end of August 2020.

Since the last **Fiscal Update** article on the ICRF published on August 28, 2020, a total of \$254.4 million has been transferred to various programs. The latest transfers include:

- \$100.0 million to the Department of Revenue for local government relief payments.
- \$66.0 million to the Iowa Finance Authority for the Livestock Producer Relief Fund and the Beginning Farmer Debt Relief Fund.
- \$40.5 million to the Economic Development Authority for the Biofuels Relief Fund, the Small Business Utility Assistance Program, and the Iowa Nonprofit Recovery Fund.
- \$20.0 million to the Department of Homeland Security and Emergency Management (HSEMD) for the State match of federal funds received through the Federal Emergency Management Agency (FEMA) Public Assistance Program.
- \$1.0 million to the HSEMD for staffing costs associated with COVID-19. Of this amount, \$448,500 was transferred to the Governor's Office for salary expenses incurred in response to COVID-19 relief efforts.
- \$11.7 million to the Department of Human Services (DHS) to cover staff and equipment costs incurred in responding to the COVID-19 pandemic primarily at the Eldora State Training School and the Civil Commitment Unit for Sexual Offenders.
- \$5.0 million to the Department of Workforce Development for the Future Ready Iowa Employer Innovation Fund.
- \$5.0 million to the Iowa Economic Development Authority for the Small Business Disaster Assistance Fund.
- \$3.9 million to the Office of the Chief Information Officer for technology upgrades.
- \$875,000 to the Health Facilities Division of the Department of Inspections and Appeals for database and telework upgrades.
- \$318,000 to the Department of Agriculture and Land Stewardship for the Iowa Disposal Assistance Program.
- \$33,000 to the Department of Natural Resources for access upgrades to the Wallace State Office Building.

A brief summary of the programs funded with the Iowa Coronavirus Relief Fund is provided below by State agency.

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 are 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.

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.
- **Biofuels Relief Fund:** The program provides short-term cash flow assistance to Iowa-based biodiesel and ethanol companies impacted by the COVID-19 pandemic. The maximum award per company cannot exceed \$750,000.
- **Small Business Utility Assistance Program:** This program provides short-term relief of up to \$7,500 to eligible small businesses and nonprofits that face significant hardship in the payment of utility bills for service provided during the months of disruption to their business.
- **Nonprofit Recovery Fund:** This program will provide short-term relief to nonprofit organizations that have experienced a net loss in revenue as a result of the COVID-19 pandemic. The grant funds are to be used for short-term cash flow assistance to continue operations, provide increased services and supports, or to reopen the nonprofit following the COVID-19 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.
- **FEMA Public Assistance Program:** These funds provide the State match of federal funds received through the Federal Emergency Management Agency (FEMA) Public Assistance Program.
- **COVID Staffing:** These funds are being used to cover increased salary costs associated with responding to COVID-19 relief efforts. A portion of the funds (\$448,500) was transferred to the Governor's Office for increased salary costs.

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.
- **COVID Mitigation:** Includes staff and equipment costs incurred by DHS in responding to the COVID-19 pandemic.

Department of Inspections and Appeals (DIA)

- **Health Facilities Division Database:** The Centers for Medicare and Medicaid Services (CMS) implemented a new Infection Control Survey due to COVID-19. These funds will be used for the development of a new database to incorporate Infection Control Surveys and allow for transparent communication related to COVID-19.
- **Telework Equipment:** These funds will be used to comply with social distancing guidelines developed by the Center for Disease Control (CDC) and Iowa Department of Public Health. This will include the purchase of additional hardware for emergency telework needs for several critical DIA employees, including computers, printers, and supporting devices such as monitors, adapters, and cables.

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.

Iowa Finance Authority

- **Iowa Eviction and Foreclosure Prevention Program:** The funds for this Program will be used to assist lowans who have been economically impacted by COVID-19 and may be facing housing cost hardships.
- **Livestock Producer Relief Fund:** This [program](#) provides eligible livestock producers with grants up to \$10,000 that may be used as working capital to continue operations.
- **Beginning Farmer Debt Relief Fund:** This [program](#) provides eligible beginning farmers with a debt service payment up to \$10,000.

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.

Department of Natural Resources

- **Henry A. Wallace Building Access Upgrades:** The funds will be used to secure access to employee work space areas on each floor of the building through the installation of badge card readers for several access points and a new badged ADA accessible doorway.

Office of the Chief Information Officer

- **Technology Upgrades:** A total of \$95.0 million was transferred from the ICRF to the Office of the Chief Information Officer to fund five 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.
 - \$3.9 million for various technology upgrades.

Department of Revenue

- **Local Government Relief Payments:** These funds are to provide reimbursements to cities and counties for costs associated with the COVID-19 pandemic. The funds are required to be used in accordance with U.S. Treasury Department guidelines. Of the total, \$40.0 million is designated for counties and \$60.0 million for cities. Additional information is available [here](#).

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.
- **Future Ready Iowa – Employer Innovation Fund:** The Iowa Employer Innovation Program matches eligible employer moneys to expand opportunities for education and training leading to high-demand jobs, to encourage Iowa employers to provide leadership and support for regional workforce talent pools throughout the State, and to fund Future Ready Iowa education and outreach.

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 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 October 5, 2020			
	FY 2020	FY 2021	Total
Revenues			
Beginning Balance	\$ 0	\$ 601,774,908	\$ 0
Federal Support (CARES Act)	1,250,000,000	0	1,250,000,000
Interest	1,010,173	704,891	1,715,064
Total	\$ 1,251,010,173	\$ 602,479,799	\$ 1,251,715,064
Expenditures			
Economic Development Authority			
Small Business Disaster Assistance Fund	\$ 70,000,000	\$ 5,000,000	\$ 75,000,000
AmeriCorps	60,000	0	60,000
Grow Iowa Values Fund	7,000,000	0	7,000,000
Biofuels Relief Fund	0	15,500,000	15,500,000
Small Business Utility Assistance Program	0	15,000,000	15,000,000
Nonprofit Recovery Program	0	10,000,000	10,000,000
Agriculture & Land Stewardship			0
Feeding Iowans Initiative	500,000	340,000	840,000
Iowa Disposal Assistance Program	2,585,640	2,178,221	4,763,861
Human Services			0
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
Agency COVID Mitigation	10,000,000	1,716,632	11,716,632
Homeland Security & Emergency Management			0
Feeding Iowans Initiative - Food Banks	1,000,000	0	1,000,000
FEMA Public Assistance Program - State Match	20,000,000	0	20,000,000
COVID Staffing	1,000,000	0	1,000,000
Iowa Finance Authority			0
Iowa Eviction and Foreclosure Prevention Program	22,000,000	0	22,000,000
Iowa Livestock Producer's Relief Fund	0	60,000,000	60,000,000
Iowa Beginning Farmer Debt Relief Fund	0	6,000,000	6,000,000
Iowa College Student Aid Commission			0
Last-Dollar Scholarship Program Fund	5,100,000	0	5,100,000
Iowa Workforce Development			0
Unemployment Insurance Trust Fund	490,000,000	0	490,000,000
Future Ready Iowa - Employer Innovation Fund	0	5,000,000	5,000,000
Management			0
Economic Emergency Fund	17,000,000	0	17,000,000
Office of the Chief Information Officer			0
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
Technology Upgrades and Staffing	0	3,938,000	3,938,000
Revenue			0
Local Government Relief Payments	0	100,000,000	100,000,000
Inspections and Appeals			0
Health Facilities - Database and Telework Upgrades	0	875,233	875,233
Natural Resources			0
Wallace Building Access Upgrades	0	32,635	32,635
Total	\$ 649,235,265	\$ 395,641,321	\$ 1,044,876,586
Balance	\$ 601,774,908	\$ 206,838,478	\$ 206,838,478

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