



Federal Funds Update

As related to the COVID-19 pandemic

This document was originally published on October 23, 2020, as the State of Iowa Financial Update. All documents relating to COVID-19 federal stimulus funds are being compiled on this page for archival purposes.





State of Iowa Financial Update

REVENUE AND BUDGET IMPLICATIONS
OF COVID-19 with an Update
on Disaster Assistance Due to the Derecho

October 23, 2020



Introduction

This report is the fifth in a series designed to provide the General Assembly with updates on the State budget as Iowa responds to Coronavirus 2019 (COVID-19), and more recently the derecho that struck Iowa last August. **The four previous State of Iowa Financial Updates, including the last report published on September 4, 2020, can be found at the following [website](#).**

The Revenue Estimating Conference (REC) met on October 13, 2020, and increased the estimated FY 2021 net General Fund receipts by \$74.2 million compared to the FY 2021 adjusted May estimate. The October REC estimate for FY 2021 net General Fund receipts, including transfers, totals \$7.912 billion, a decrease of \$18.9 million (0.2%) compared to actual FY 2020. The estimated changes include increases of 10.3% in gross personal income tax, 2.8% in gross sales/use tax, and 15.4% in gross corporate income tax receipts.

LSA staff contacts for the sections on federal legislation, State revenues, and State budget are listed at the end of each section. Contacts for the section on subcommittee issues are listed by appropriations subcommittee. **This document provides the following updated information:**

- **More information on Federal Stimulus Awards** including a table of federal grant awards and expenditures by agency (page 2), an updated table of year-to-date revenue and expenditures of the Coronavirus Relief Fund (page 7), the Governor's planned allocations and transfers (page 9), local federal grant awards (page 11), and a detailed table of funding received to date (pages 14-22).
- **State Revenue Update** (page 23).
- **State Budget Update** including the Rebuild Iowa Infrastructure Fund, which has not changed since the previous update (page 28).
- **Derecho Assistance Update** (page 34)
- **Governor's Economic Recovery Advisory Board** (page 37)
- **Subcommittee sections were updated if there was new or changed information from the September 4th document** (page 39). This includes updates on various assistance programs available through the Iowa Economic Development Authority (page 43), and updated expenditure and enrollment information for Medicaid, Food Assistance, and the Family Investment Program (page 49).

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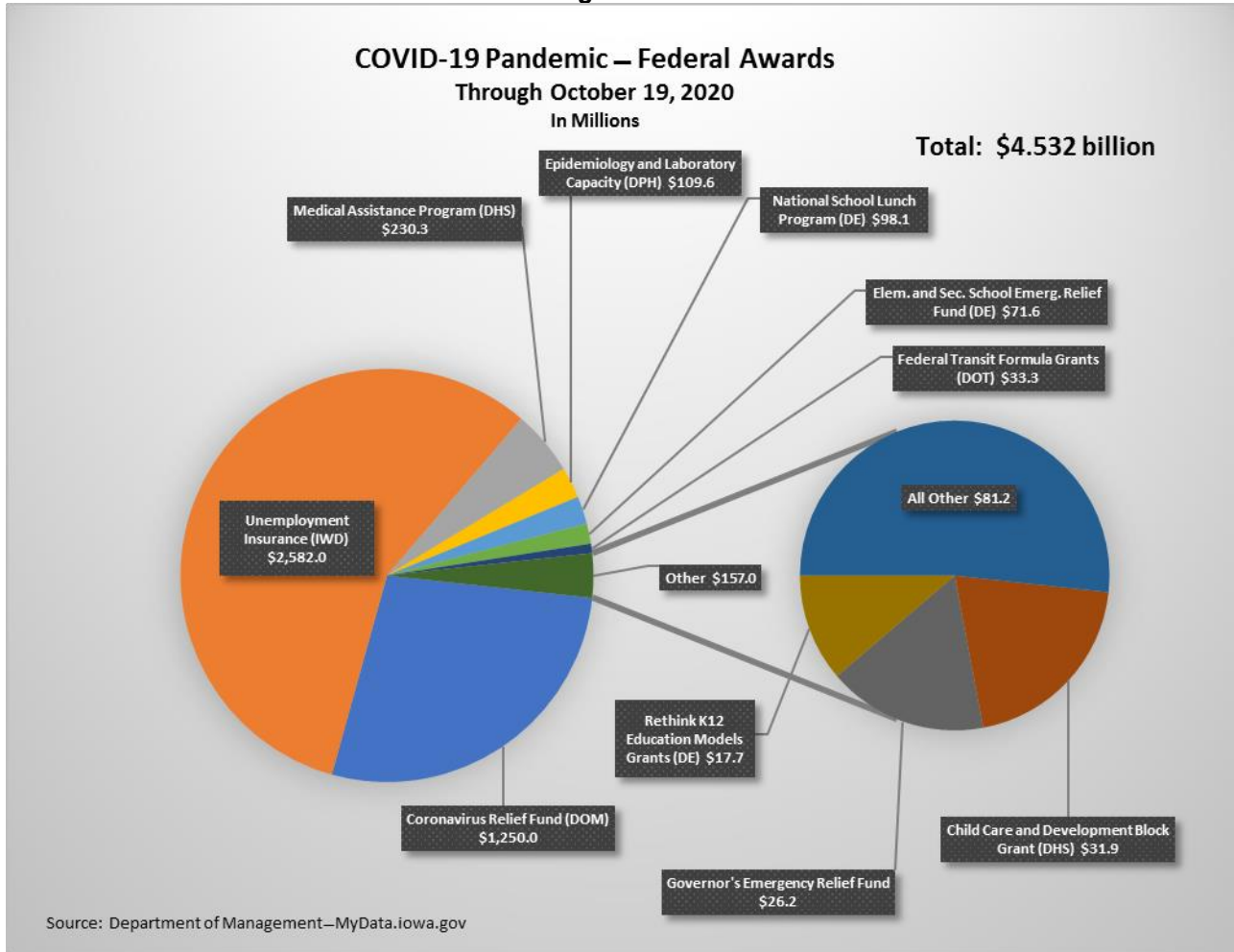
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Federal Grant Awards Reported by State Agencies

Through October 19, 2020, State agencies have reported federal awards totaling \$4.532 billion to address a wide variety of expenses related to the COVID-19 pandemic (**Figure 1**). The numbers in the chart represent the funds awarded to State departments after notification from federal agencies that the federal grants are available for expenditure. The numbers will be updated as State departments receive additional notifications of awards.

Figure 1



Iowa Departments Represented on the Above Chart

- DOM - Department of Management
- IWD - Department of Workforce Development
- DPH - Department of Public Health
- DE - Department of Education
- DOT - Department of Transportation
- DHS - Department of Human Services
- DHR - Department of Human Rights

Figure 2 shows the federal awards by State agency. The table does not reflect all of the funding provided in the federal acts, but focuses on funding that will flow through State of Iowa government agencies. Items such as stimulus funding to individuals and families are not included. Iowa residents have received \$4.078 billion in direct federal Economic Impact Payments (EIP).

Figure 2
Federal Awards by State Agency
As of October 19, 2020
In Millions

<u>State Department</u>	<u>Award Amount</u>
Workforce Development	\$ 2,582.0
Department of Management	1,250.0
Department of Human Services	280.0
Department of Education	213.9
Department of Public Health	130.8
Department of Transportation	33.3
Department of Human Rights	15.0
Department on Aging	10.7
Governor's Office of Drug Control Policy	5.8
Secretary of State	4.8
Veterans Affairs	2.8
Homeland Security and Emergency Management	1.3
Department of Cultural Affairs	0.9
Attorney General	0.3
Department of Agriculture and Land Stewardship	0.3
Total	\$ 4,531.9

Totals may not add due to rounding.

A detailed spreadsheet (**Awarded Federal Funding to Date**) listing all of the federal awards by State agency is available at the end of this section. The federal awards listed include only funds actually awarded to departments. Additional funding allocated by the Governor through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act is not included if the funds have not yet been awarded to the department. The LSA will continue to monitor federal funds received and expended by State agencies and report this information to the Legislature through [Fiscal Update Articles](#).

The federal awards granted to State agencies are subject to reporting requirements that vary based on the type of grant. Guidance related to proper usage and reporting requirements for each of the grants is available from the corresponding federal agency facilitating the grant.

Federal Grant Expenditures by State Agency

The Department of Management (DOM) and Department of Administrative Services (DAS) have established a process for tracking expenditures of federal funds that State agencies have received for costs associated with the COVID-19 pandemic. The expenditure data is available at data.iowa.gov.

To date, State agencies have been awarded \$4.532 billion in federal funds related to the COVID-19 pandemic. Of the total funds awarded, State agencies have expended \$3.051 billion through October 19, 2020, for numerous programs and purposes. Of the total year-to-date expenses, \$2.385 billion (78.2%) has been for worker unemployment benefits. **Figure 3** shows the State agencies with the most expenditures.

Figure 3

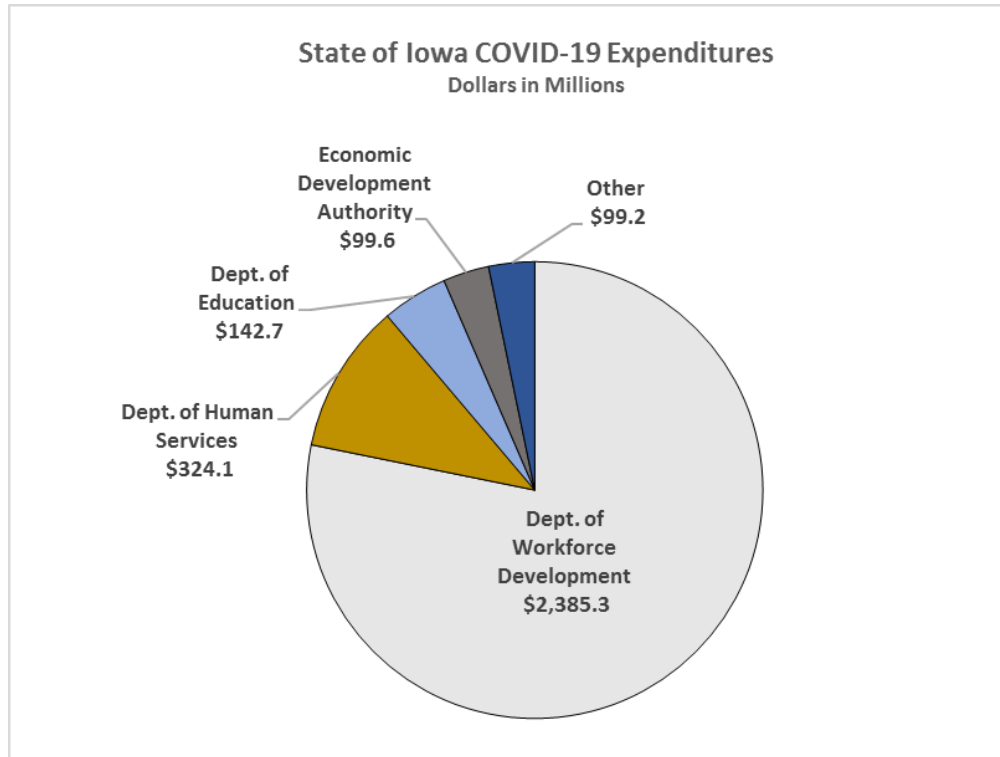


Figure 4 on the next page shows the year-to-date expenditures by State department and federal program as of October 19, 2020. A description of the federal programs can be found [here](#) and in the attachment following this section.

Figure 4

Year-to-Date Federal COVID-19 Award Expenditures by State Department

Department Name	Federal Program Title	FY 2020	FY 2021	Total
Aging, Iowa Department of				
	National Family Caregiver Support, Title III, Part E	\$ 415,636	\$ 0	\$ 415,636
	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	1,030,542	0	1,030,542
	Special Programs for the Aging, Title III, Part C, Nutrition Services	4,685,009	39,032	4,724,041
	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older	6,801	8,748	15,548
Aging, Iowa Department of Total		6,137,988	47,780	6,185,767
Agriculture and Land Stewardship				
	Coronavirus Relief Fund	2,585,640	2,365,085	4,950,725
	Plant and Animal Disease, Pest Control, and Animal	59,753	83,567	143,320
Agriculture and Land Stewardship Total		2,645,393	2,448,652	5,094,045
Attorney General				
	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	16,264	21,384	37,648
Attorney General Total		16,264	21,384	37,648
Chief Information Officer, Office of the				
	Coronavirus Relief Fund	2,209,924	3,009,071	5,218,996
Chief Information Officer, Office of the Total		2,209,924	3,009,071	5,218,996
College Student Aid Commission				
	Coronavirus Relief Fund	206,832	4,893,168	5,100,000
College Student Aid Commission Total		206,832	4,893,168	5,100,000
Cultural Affairs, Department of				
	Promotion of the Humanities Division of Preservation and Access	434,000	0	434,000
	Promotion of the Humanities Federal/State Partnership	377,500	0	377,500
Cultural Affairs, Department of Total		811,500	0	811,500
Economic Development Authority				
	Coronavirus Relief Fund	86,573,138	13,008,507	99,581,645
Economic Development Authority Total		86,573,138	13,008,507	99,581,645
Education, Department of				
	Elementary and Secondary School Emergency Relief Fund	64,391,648	27,234	64,418,882
	National School Lunch Program	61,936,487	16,174,633	78,111,120
	Grants to States	144,208	0	144,208
Education, Department of Total		126,472,344	16,201,867	142,674,211
Governor's Office of Drug Control Policy				
	Coronavirus Emergency Supplemental Funding Program	139,714	62,480	202,195
Governor's Office of Drug Control Policy Total		139,714	62,480	202,195
Homeland Security and Emergency Management				
	Coronavirus Relief Fund	18,438,526	294,294	18,732,820
	Emergency Performance Management Grant	7,745	136,387	144,132
Homeland Security and Emergency Management Total		18,446,271	430,681	18,876,951
Human Rights, Department of				
	Community Services Block Grant	1,504,262	1,322,745	2,827,007
	Low-Income Home Energy Assistance	1,346,949	1,283,430	2,630,379
Human Rights, Department of Total		2,851,211	2,606,175	5,457,386

Federal Stimulus

Department Name	Federal Program Title	FY 2020	FY 2021	Total
Human Services, Department of				
	Adoption Assistance	2,013,018	1,371,466	3,384,484
	Child Care and Development Block Grant	12,839,681	7,464,992	20,304,673
	Children's Health Insurance Program	3,840,788	3,671,244	7,512,032
	Coronavirus Relief Fund	4,207,265	55,441,328	59,648,593
	Foster Care Title IV-E	357,938	155,297	513,235
	Guardianship Assistance	993	1,420	2,413
	Medical Assistance Program	139,185,045	91,147,246	230,332,292
	Money Follows the Person Rebalancing Demonstration	48,524	18,318	66,842
	Providers Relief Fund	188,833	251,439	440,272
	Stephanie Tubbs Jones Child Welfare Services Program	386,750	68,090	454,840
	Emergency Food Assistance Program (Administrative Costs)	1,413,281	0	1,413,281
	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	739	0	739
Human Services, Department of Total		164,482,855	159,590,841	324,073,696
Iowa Finance Authority				
	Coronavirus Relief Fund	1,058,464	18,461,140	19,519,604
Iowa Finance Authority Total		1,058,464	18,461,140	19,519,604
Iowa Workforce Development				
	Coronavirus Relief Fund	490,000,000	0	490,000,000
	Unemployment Insurance	1,237,109,301	658,196,018	1,895,305,318
Iowa Workforce Development Total		1,727,109,301	658,196,018	2,385,305,318
Public Health, Department of				
	Epidemiology and Laboratory Capacity For Infectious Diseases (ELC)	829,895	816,270	1,646,165
	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	2,586,437	948,376	3,534,813
	Small Rural Hospital Improvement Grant Program	4,613,143	534,452	5,147,595
	Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	5,362	16,636	21,998
	National Bioterrorism Hospital Preparedness Program	267,390	48,364	315,754
	HIV Care Formula Grants	67,000	89,000	156,000
	Immunization Cooperative Agreements		17,833	17,833
Public Health, Department of Total		8,369,227	2,470,931	10,840,158
Revenue, Department of				
	Coronavirus Relief Fund		5,369,312	5,369,312
Revenue, Department of Total			5,369,312	5,369,312
Secretary of State				
	2018 HAVA Election Security Grants	1,113,749	2,329,124	3,442,874
Secretary of State Total		1,113,749	2,329,124	3,442,874
Transportation, Department of				
	Federal Transit Formula Grants	10,583,694	2,459,556	13,043,250
Transportation, Department of Total		10,583,694	2,459,556	13,043,250
Grand Total		\$ 2,159,227,869	\$ 891,606,686	\$ 3,050,834,556

Coronavirus Relief Fund

The following is an update on the status of the Iowa Coronavirus Relief Fund (ICRF), which received \$1.250 billion in federal funds through the CARES Act on April 20, 2020. As of October 19, 2020, a total of \$1.056 billion has been transferred to various programs for addressing costs associated with the COVID-19 pandemic. The current balance in the Fund is \$201.8 million. **Figure 5** provides the revenues and expenditures from the ICRF as of October 19, 2020. Additional information regarding the use and purpose of the funds already transferred is available in the *Fiscal Update Article* [COVID-19 — Iowa Coronavirus Relief Fund Update — October 2020](#).

Figure 5

Iowa Coronavirus Relief Fund			
Year-to-Date Revenues and Expenses			
As of October 19, 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
Transfers ¹	0	5,850,000	5,850,000
Interest	1,010,173	704,891	1,715,064
Total	\$ 1,251,010,173	\$ 608,329,799	\$ 1,257,565,064
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			
Feeding Iowans Initiative	500,000	340,000	840,000
Iowa Disposal Assistance Program	2,585,640	2,178,221	4,763,861
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
Agency COVID-19 Mitigation	10,000,000	1,716,632	11,716,632
Homeland Security & Emergency Management			
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-19 Staffing	1,000,000	0	1,000,000
Iowa Finance Authority			
Iowa Eviction and Foreclosure Prevention Program	22,000,000	3,000,000	25,000,000
Iowa Livestock Producer's Relief Fund	0	62,850,000	62,850,000
Iowa Beginning Farmer Debt Relief Fund	0	11,000,000	11,000,000

	FY 2020	FY 2021	Total
Iowa College Student Aid Commission			0
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
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			
Local Government Relief Payments	0	100,000,000	100,000,000
Inspections and Appeals			
Health Facilities - Database and Telework Upgrades	0	875,233	875,233
Natural Resources			
Wallace Building Access Upgrades	0	32,635	32,635
Total	<u>\$ 649,235,265</u>	<u>\$ 406,491,321</u>	<u>\$ 1,055,726,586</u>
Balance	<u>\$ 601,774,908</u>	<u>\$ 201,838,478</u>	<u>\$ 201,838,478</u>
¹ The transfers include \$3,000,000 of unspent funds from the Small Business Disaster Assistance Fund and \$2,850,000 from the Biofuels Relief Fund.			

Governor's Planned Allocations. The Governor's Office released an update on planned allocations from the ICRF on August 24, 2020 (**Figure 6**). The Governor has budgeted a total of \$1.245 billion to be allocated from the Fund to seven program areas. The LSA will continue to monitor information related to the planned use of the funding and will report this information as it becomes available in [Fiscal Update Articles](#). An update on the Governor's planned allocations will be available and reported by the LSA later this month.

Figure 6

Iowa Coronavirus Relief Fund Governor's Allocations			
As of August 24, 2020			
	<u>Budgeted</u>	<u>Transferred/ Allocated</u>	<u>Difference</u>
Revenues			
Federal Funds	<u>\$ 1,250,000,000</u>		
Allocations			
Relief for Iowa Businesses and Families			
Small Business Relief Program	\$ 94,000,000	\$ 94,000,000	\$ 0
Small Business Utilities	15,000,000	15,000,000	0
Non-profit Program	10,000,000	10,000,000	0
Housing Assistance	22,000,000	22,000,000	0
Workforce Initiatives	50,000,000	10,100,000	39,900,000
Feeding Iowa	4,000,000	4,000,000	0
Held back for Fall reevaluation	40,000,000	0	40,000,000
Total	<u>\$ 235,000,000</u>	<u>\$ 155,100,000</u>	<u>\$ 79,900,000</u>
Relief for Iowa Farmers			
Depopulation	\$ 9,000,000	\$ 4,408,925	\$ 4,591,075
Ethanol Relief	7,000,000	0	7,000,000
Iowa Biofuels Relief Program	15,500,000	15,500,000	0
Iowa Livestock Producer Relief Fund	60,000,000	60,000,000	0
Beginning Farmer Debt Relief Fund	6,000,000	6,000,000	0
Specialty Crops/Farm to School	500,000	0	500,000
Meat Processing Investment Program	2,000,000	0	2,000,000
Total	<u>\$ 100,000,000</u>	<u>\$ 85,908,925</u>	<u>\$ 14,091,075</u>
Relief for Iowa Communities			
Reimbursement for Cities and Counties	\$ 100,000,000	\$ 0	\$ 100,000,000
FEMA Reimbursement	25,000,000	0	25,000,000
Total	<u>\$ 125,000,000</u>	<u>\$ 0</u>	<u>\$ 125,000,000</u>
Relief for Iowa Healthcare Providers			
Home and Community Based Providers	\$ 30,000,000	\$ 30,000,000	\$ 0
Substance Use Providers	10,000,000	10,000,000	0
Mental Health Providers	10,000,000	10,000,000	0
Mental Health Relief	30,000,000	30,000,000	0
Total	<u>\$ 80,000,000</u>	<u>\$ 80,000,000</u>	<u>\$ 0</u>
Expanding Access to Telework, Tele-health, Tele-learning			
Broadband Expansion	\$ 50,000,000	\$ 50,000,000	\$ 0
State IT Upgrades	40,000,000	40,000,000	0
Total	<u>\$ 90,000,000</u>	<u>\$ 90,000,000</u>	<u>\$ 0</u>
State Response to COVID-19			
FEMA 25.0% Match	\$ 75,000,000	\$ 0	\$ 75,000,000
State Government Expenses	50,000,000	0	50,000,000
Total	<u>\$ 125,000,000</u>	<u>\$ 0</u>	<u>\$ 125,000,000</u>
Unemployment Trust Fund			
Unemployment Trust Fund	\$ 490,000,000	\$ 490,000,000	\$ 0
Total Allocations	<u>\$ 1,245,000,000</u>	<u>\$ 901,008,925</u>	<u>\$ 343,991,075</u>
Balance	<u>\$ 5,000,000</u>		

ICRF 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. The funds 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 on December 30, 2020. **Any CRF funds that are unobligated as of December 30, 2020, 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. Necessary expenditures also 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 essentially as a tax anticipation note to mitigate cash flow issues.

For additional information, see the U.S. Department of the Treasury's [Guidance for State, Territorial, Local, and Tribal Governments](#) (last updated September 2, 2020) and [Coronavirus Relief Fund Frequently Asked Questions](#) (last updated October 19, 2020).

ICRF Spending Authority

The \$1.250 billion allocated to Iowa from the federal CRF was received by and is under the administration of the DOM. The federal CRF funds that Iowa received were deposited into the ICRF on April 20, 2020. Currently, the Governor of Iowa has the authority to allocate the funds from the ICRF to State programs through 2019 Iowa Acts, chapter 134, [section 19](#) (2019 Federal Block Grant Act). However, the General Assembly also has the ability to exercise its authority to appropriate from the ICRF to State programs, should it choose to do so.

U.S. Department of Treasury CRF Reporting Requirements

The Department of the Treasury Office of Inspector General (OIG) is responsible for monitoring and oversight of the receipt, disbursement, and use of CRF payments. The Treasury OIG also has authority to recover funds in the event that it is determined that a recipient of a CRF payment failed to comply with the requirements of subsection [801\(d\)](#) of the federal Social Security Act, as amended.

Each prime recipient of CRF payments is required to report COVID-19-related costs incurred during the covered period. The covered period is defined as the period beginning March 1, 2020, and ending on December 30, 2020. Each prime recipient is required to report interim and quarterly data and other recipient data according to the requirements set out by the Treasury OIG.

Each prime recipient is required to report COVID-19-related costs on a quarterly basis. A procedures guide with detailed submissions required is available [here](#). Data required to be reported includes but is not limited to the following:

- The total amount of payments from the CRF received from the Treasury.
- The amount of funds received that were expended or obligated for each project or activity.
- A detailed list of all projects or activities for which funds were expended or obligated, including:
 - The name of the project or activity.
 - A description of the project or activity.
- Detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than \$50,000.

The first quarterly report was due by September 21, 2020, and covered the period of March 1 through June 30, 2020. The next quarterly report, for the period of July 1 through September 30, 2020, was due by October 13, 2020. Prime recipient reporting data is published by the Pandemic Response Accountability Committee (PRAC) at pandemicoversight.gov. This website provides a number of interactive maps and charts that show where the money is being spent. Reporting will end with either the calendar quarter after the COVID-19-related costs and expenditures have been liquidated and paid or the calendar quarter ending September 30, 2021, whichever comes first.

Federal Grant Awards Reported to Non-State Agencies and Local Entities (October 19, 2020)

Non-State agency federal funds recipients have reported federal awards funded by the CARES Act totaling \$378.3 million to address a wide variety of expenses related to the COVID-19 pandemic. These payments have been awarded to local entities, including school districts, local boards of health, county hospitals, community action agencies, Area Agencies on Aging, and food banks to provide direct assistance to communities across the State (**Figure 7**). The numbers in **Figure 7** represent the funds awarded to local recipients after notification from federal and State agencies that the federal grants are available for expenditure. The numbers will be updated as these entities receive notifications of federal awards and additional grants are added.

Figure 7 — Federal Payments to Local Entities

Federal Awards	Award Amount
Coronavirus Relief Fund	\$ 184,986,028
Federal Transit Formula Grants	67,466,430
Elementary and Secondary School Emergency Relief Fund	64,520,193
Child Care and Development Block Grant	21,341,137
Federal Transit Formula Grants	14,186,150
Small Rural Hospital Improvement Grant Program	5,147,595
Special Programs for the Aging, Title III, Part C, Nutrition Services	4,724,041
2018 HAVA Election Security Grants*	2,947,709
Community Services Block Grant	2,806,886
Low-Income Home Energy Assistance	2,646,236
Public Health Emergency Response	2,634,788
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	1,030,542
Epidemiology and Laboratory Capacity for Infectious Diseases	751,270
Emergency Food Assistance Program	633,003
Stephanie Tubbs Jones Child Welfare Services Program	454,340
Promotion of the Humanities Division of Preservation and Access	434,000
National Family Caregiver Support, Title III, Part E	415,636
Promotion of the Humanities Federal/State Partnership	375,000
National Bioterrorism Hospital Preparedness Program	253,875
Emergency Performance Management Grant	174,154
HIV Care Formula Grants	166,000
Coronavirus Emergency Supplemental Funding Program	111,391
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	40,369
Immunization Cooperative Agreements	23,833
Total	\$ 378,270,606

Note: Awards to small businesses were omitted from State Aid amounts; however, the CARES Child Nutrition Programs award amount includes awards to childcare providers for child nutrition expenses.

*HAVA = Help America Vote Act

Local Government Relief Fund

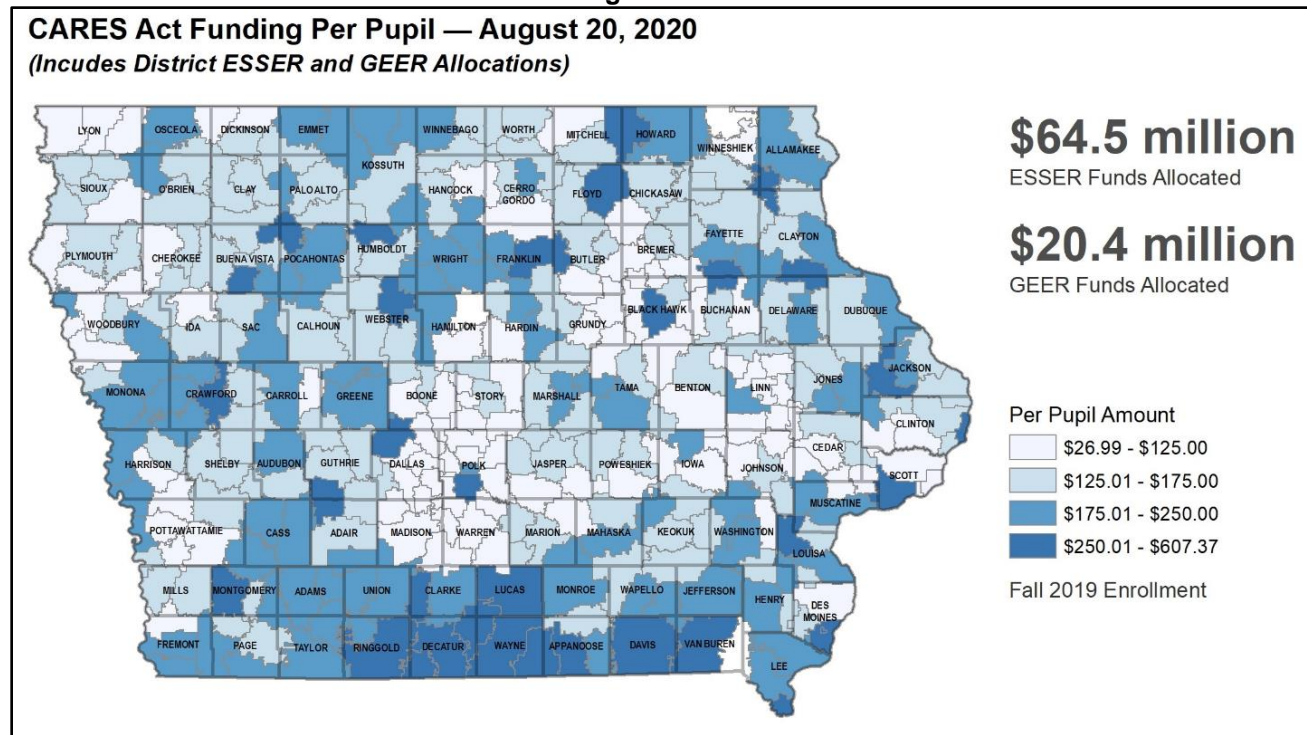
Local entities are eligible for reimbursement for qualified COVID-19-related expenses through the Department of Revenue’s Local Government Relief Fund. A total of \$100.0 million is to be paid out to local governments in Iowa by December 30, 2020, and another \$25.0 million will be distributed to assist local governments in meeting the local government Federal Emergency Management Agency (FEMA) match through the Iowa Department of Homeland Security and Emergency Management. The application window for submissions closed on October 16, 2020, for expenses incurred August 1, 2020, through September 30, 2020. To date, \$15.2 million has been paid out to local governments with qualifying expenses for reimbursement. The largest payment to date was made to Polk County, in the amount of \$6.2 million. More information is available upon request from the LSA.

Additionally, the Iowa Department of Homeland Security and Emergency Management received pass-through funds from FEMA. There are a total of 267 projects related to COVID-19 in various phases, with an estimated total cost of \$192.2 million. The entities applying for funds for these projects include cities, counties, county hospitals, and school districts.

Elementary and Secondary School COVID-19 Relief Funding

Figure 8 shows a total of \$64.5 million in Elementary and Secondary School Emergency Relief (ESSER) and \$20.4 million in Governor’s Emergency Education Relief (GEER) funds has been allocated to Iowa school districts for the purpose of mitigating the effects of the COVID-19 pandemic.

Figure 8



Sources: Department of Education, LSA calculations

The ESSER funding has been allocated to public school districts for the purpose of mitigating the effects of the COVID-19 pandemic. Accredited nonpublic schools had the choice to participate in the ESSER Fund distribution, and participating accredited nonpublic schools were allocated an equitable share, allowing them to receive services related to COVID-19 disaster relief in that amount. The GEER funds are being allocated to public school districts and accredited nonpublic schools for expanding broadband access and improving access to technology in other ways, including providing hotspots and devices and remote learning professional development for educators.

Additional information

The following resources are available for additional information related to federal stimulus funding:

- DOM — Additional information on the federal stimulus funds awarded to State agencies is available [online](#).
- Pandemic Response Accountability Committee (PRAC) — PRAC [website](#) provides a number of interactive maps and charts that show where federal COVID-19 award money is being spent.
- National Conference of State Legislatures (NCSL) — Information on actions taken by other states and territories related to CARES Act funding may be found on the NCSL [website](#).

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The following pages are a detailed spreadsheet (**Awarded COVID-19 Federal Funding to Date**) listing all of the federal awards by State agency.

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Cherokee Mental Health Institute (Human Services)	Providers Relief Fund	To provide additional funding to help offset costs of providing services during the COVID-19 pandemic.	\$ 2,190,652
Governor's Office of Drug Control Policy	Coronavirus Emergency Supplemental Funding Program	To assist states, local units of government, and tribes in preventing, preparing for, and responding to the coronavirus emergency.	\$ 5,754,321
Independence Mental Health Institute (Human Services)	Providers Relief Fund	To provide additional funding to help offset costs of providing services during the COVID-19 pandemic.	\$ 1,518,409
Iowa Department of Agriculture & Land Stewardship	Plant and Animal Disease, Pest Control, and Animal Care	Iowa Swine Depopulation Projects	\$ 266,176
Iowa Department of Cultural Affairs	Promotion of the Humanities Division of Preservation and Access	To support managing the grant program making subawards to Iowa's arts, culture, heritage and humanities organizations.	\$ 465,700
	Promotion of the Humanities Federal/State Partnership	To support arts programs, services, and activities associated with carrying out the agency's National Endowment of the Arts-approved strategic plan, as well as salaries, administration costs, and related subgranting to the nonprofit arts sector in response to the COVID-19 pandemic.	\$ 442,700
Iowa Department of Education	Elementary and Secondary School Emergency Relief Fund	To provide emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across Iowa.	\$ 71,625,561
	Governor's Emergency Relief Fund	To provide emergency block grant funding for educational purposes. The Governor is empowered to decide how best to meet the current needs of students, schools, postsecondary institutions, and other education-related organizations in Iowa, so that faculty continue to teach and students continue to learn.	\$ 26,217,108

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Department of Education	Grants to States	To help the State Library of Iowa prevent, prepare for, and respond to coronavirus, including to expand digital network access, purchase internet access, purchase internet accessible devices, and provide technical support services.	\$ 285,087
	National School Lunch Program	To provide additional funding for the school lunch program in response to the Coronavirus Emergency.	\$ 98,070,209
	Rethink K12 Education Models Grants	Iowa e-Learning Central. A state-supported virtual learning environment to support student accelerated and sustained learning by expanding rigorous instructional opportunities.	\$ 17,681,016
Iowa Department of Human Rights	Community Services Block Grant	To help communities prevent, prepare for or respond to the Coronavirus Emergency.	\$ 10,821,398
	Low-Income Home Energy Assistance	To help prevent, prepare for, or respond to home energy needs surrounding the national emergency created by the Coronavirus Disease 2019 (COVID-19).	\$ 4,221,430
Iowa Department of Human Services (Assistance)	Adoption Assistance	To provide increased federal funding to Iowa for adoption assistance payments as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the calendar year quarter in which a public health emergency was declared. The increase is to remain in place until the last day of the calendar year quarter in which the public health emergency period ends. Award amount reflects reported receipts.	\$ 3,384,484
	Child Care and Development Block Grant	To provide additional support to childcare providers during the COVID-19 pandemic.	\$ 31,899,093

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Department of Human Services (Assistance)	Children's Health Insurance Program	To provide increased federal funding to Iowa for the Children's Health Insurance Program as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the calendar year quarter in which a public health emergency was declared. The increase is to remain in place until the last day of the calendar year quarter in which the public health emergency period ends. Award amount reflects reported receipts.	\$ 7,512,032
	Foster Care Title IV-E	To provide increased federal funding to Iowa for foster care maintenance payments as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the calendar year quarter in which a public health emergency was declared. The increase is to remain in place until the last day of the calendar year quarter in which the public health emergency period ends. Award amount reflects reported receipts.	\$ 513,235
	Guardianship Assistance	To provide increased federal funding to Iowa for guardian assistance payments as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the calendar year quarter in which a public health emergency was declared. The increase is to remain in place until the last day of the calendar year quarter in which the public health emergency period ends. Award amount reflects reported receipts.	\$ 2,413

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Department of Human Services (Assistance)	Medical Assistance Program	To provide increased federal funding to Iowa for Medicaid as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the	\$ 230,332,292
	Money Follows the Person Rebalancing Demonstration	To provide increased federal funding to Iowa for the Money Follows the Person (MFP) Partnership for Community Integration Project as a result of a percentage point increase in the federal medical assistance percentage (FMAP) authorized by the Families First Coronavirus Response Act. The expanded federal support is made effective retroactive to January 1, 2020, the first day of the calendar year quarter in which a public health emergency was declared. The increase is to remain in place until the last day of the calendar year quarter in which the public health emergency period ends. Award amount reflects reported receipts.	\$ 66,842
	Stephanie Tubbs Jones Child Welfare Services Program	To provide additional support for child welfare services during the Coronavirus Emergency.	\$ 476,722
Iowa Department of Human Services (Field Operations)	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	To provide additional support for refugee services in response to the Coronavirus Emergency.	\$ 248,496
Iowa Department of Human Services (General Administration)	Emergency Food Assistance Program (Administrative Costs)	To provide temporary additional funding for the administration of the commodity (food assistance) program in response to the Coronavirus Emergency.	\$ 735,827
		To reimburse Food Bank additional administration expenses related to the Coronavirus Emergency.	\$ 1,103,741

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
		<p>To assist covering necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); were expenditures were not accounted for in the budget most recently approved as of March 27, 2020 for State of Iowa; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.</p> <p>The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State of Iowa government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures 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.</p>	
Iowa Department of Management	Coronavirus Relief Fund		\$ 1,250,000,000
Iowa Department of Public Health	Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	To provide support for crisis intervention services, mental and substance abuse disorder treatment, and other related intervention services during the Coronavirus Emergency.	\$ 2,000,000
	Epidemiology and Laboratory Capacity For Infectious Diseases (ELC)	Project W (Infants with Congenital Defects SET-NET) and Project O (VPD MIS-C)	\$ 300,000
		To establish or enhance the ability to identify cases, conduct contact tracking and follow up, as well as implement containment measures, improve morbidity and mortality surveillance, enhance testing capacity, control COVID-19 in high-risk settings, and work with healthcare systems to manage and monitor system capacity.	\$ 109,330,947
	HIV Care Formula Grants	To assist in accessing HIV care and treatment for low-income people living with HIV during the Coronavirus Emergency.	\$ 173,373

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Department of Public Health	Immunization Cooperative Agreements	Awarded under the Immunization and Vaccines for Children program, whose purpose is to support efforts to plan, develop, and maintain a public health workforce that helps assure high immunization coverage levels, low incidence of vaccine-preventable diseases, and maintain or improve the ability to respond to public health threats.	\$ 1,060,853
		Immunization and Vaccines for Children	\$ 1,515,688
	National Bioterrorism Hospital Preparedness Program	To support hospitals, health systems, health care coalitions, emergency medical services (EMS), Ebola treatment centers, and health care workers to help them identify, isolate, assess, transport, and treat COVID-19 patients; and to prepare these	\$ 2,464,248
	National Center for Injury Prevention and Control	To provide financial support to students at Indian Hills Community College who identify as pregnant and/or parenting students, to help with tuition, books, and fees.	\$ 33,588
	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	To carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communication, and other preparedness and response activities in response to the Iowa Public Health Crisis.	\$ 6,347,829
	Small Rural Hospital Improvement Grant Program	To support rural hospitals with increased demands for clinical services and equipment, and short-term financial and workforce challenges related to patients seeking care at their facilities due to COVID-19. 100% of funds will pass through to hospitals.	\$ 7,588,530
Iowa Department of Transportation	Federal Transit Formula Grants	To assist public transit organizations prevent, prepare for, and respond to coronavirus. Projects included in this grant are only operations, planning and/or capital projects, with no substantial functional, location, or capacity change.	\$ 33,288,313
Iowa Department on Aging	National Family Caregiver Support, Title III, Part E	To pay for direct support professionals, caregivers trained to help w/ ADLs, to assist disabled individuals in response to the Coronavirus Emergency.	\$ 993,985

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Department on Aging	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	To provide home and community based services in response to the Coronavirus Emergency.	\$ 1,959,577
	Special Programs for the Aging, Title III, Part C, Nutrition Services	To provide meals in a congregate setting in response to the Coronavirus Emergency.	\$ 783,831
		To provide meals via home delivery (including drive-thru, To Go) in response to the Coronavirus Emergency.	\$ 6,270,645
	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	To provide additional funding for expanding care transitional support for at-risk populations in response to the Coronavirus Emergency.	\$ 450,000
	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	To provide additional support to long term care ombudsman activity in response to the Coronavirus Emergency.	\$ 195,958
Iowa Homeland Security and Emergency Management Department	Emergency Performance Management Grant	Fiscal Year 2020 Emergency Management Performance Grant Program COVID-19 Supplemental (EMPG-S) to assist with public health and emergency management activities supporting the prevention of, preparation for, and response to the ongoing Coronavirus Disease 2019 (COVID-19) public health emergency, in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Div. B (Pub. L. No. 116-136)	\$ 1,320,520
Iowa Office of Attorney General	and Services/Domestic Violence Shelter and Supportive Services	Family Violence Prevention and Services Grants for Battered Women's Shelters	\$ 331,515

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Office of the Secretary of State	2018 HAVA Election Security Grants	To improve the administration of elections, and enhance technology and make certain election security improvements in response to the COVID-19 pandemic and its impact on primaries and the general election.	\$ 4,843,615
Iowa Veterans Home	Providers Relief Fund	Payments to qualified providers (nursing homes) for healthcare related expenses or lost revenue to to COVID-19	\$ 1,805,000
		Payments to qualified providers (nursing homes) for healthcare-related expenses or lost revenue due to COVID-19	\$ 1,027,900
Iowa Workforce Development	Unemployment Insurance	LOST WAGES - ADMIN	\$ 1,102,797
		LOST WAGES - BENEFITS	\$ 145,691,000
		Pandemic Emergency Unemployment Compensation (PEUC) provides unemployment insurance benefits to those individuals who have exhausted their state unemployment insurance entitlement.	\$ 61,044,000
		Pandemic Extended Benefits for unemployment claims	\$ 8,473,000
		Pandemic Unemployment Assistance (PUA) provides temporary income to eligible individuals who became unemployed as a result of the novel COVID-19 pandemic and are either self-employed, do not have sufficient work history to be eligible for a claim, or have exhausted other forms of unemployment insurance benefits.	\$ 133,254,000
		Temporary Compensation for benefits	\$ 105,456,000
		To provide additional funding for unemployment administration during the Coronavirus Emergency.	\$ 10,053,959
		To provide additional unemployment funding for claimants in response to the Coronavirus Pandemic.	\$ 2,112,000,000

Awarded COVID-19 Federal Funding to Date (October 19, 2020)

State Department	Federal Program Title	Award Description	Sum of Award Amount
Iowa Workforce Development	Unemployment Insurance	To support Federal Pandemic Unemployment Compensation administration.	\$ 863,664
		To support Pandemic Emergency Unemployment Compensation administration.	\$ 735,046
		To support Pandemic Unemployment Assistance administration.	\$ 3,336,987
Grand Total			<u>\$ 4,531,931,312</u>

General Fund Revenues

Figure 9
















General Fund Revenues, March 19 to October 16					
Dollars in Millions					
Tax Item	2019	2020	\$ Change		% Change
Withholding	\$ 2,075.1	\$ 2,101.9	\$ 26.8		1.3%
Estimate Payments	341.7	325.1	-16.6		-4.9%
Payments with Returns	493.5	370.1	-123.4		-25.0%
Individual Income Tax	\$ 2,910.3	\$ 2,797.1	\$ -113.2		-3.9%
Corporate Income Tax	533.2	523.3	-9.9		-1.9%
Sales/Use Tax	1,768.9	1,777.0	8.1		0.5%
Other Taxes	261.9	249.1	-12.8		-4.9%
Total Taxes	\$ 5,474.3	\$ 5,346.5	\$ -127.8		-2.3%
Tax Refunds					
Cash Refunds					
Individual Income Tax Refunds	\$ -685.8	\$ -665.4	\$ 20.4		-3.0%
Corporate Income Tax Refunds	-67.0	-26.5	40.5		-60.4%
Sales/Use Tax Refunds	-40.1	-36.6	3.5		-8.7%
Other Refunds	-4.3	-10.0	-5.7		132.6%
Total Cash Refunds	\$ -797.2	\$ -738.5	\$ 58.7		-7.4%
School Infrastructure Refunds	\$ -300.8	\$ -299.3	\$ 1.5		-0.5%
Net General Fund Taxes	\$ 4,376.3	\$ 4,308.7	\$ -67.6		-1.5%

Figure 9 provides a breakdown of General Fund receipts by major revenue source and associated tax refunds. The data used to develop the table includes State tax deposits made and tax refunds issued from March 19 through October 16 for calendar years 2019 and 2020. Over that time frame, net State General Fund tax revenue declined \$67.6 million (-1.5%) year-over-year. The following discusses significant impacts by tax type as displayed in Figure 9.

Individual Income Tax Withholding — Increase due to unemployment insurance.

Individual income tax withholding increased \$26.8 million (1.3%) over the period. The single factor keeping withholding tax revenue from experiencing a decrease is the transfer from the Unemployment Trust Fund of income tax withheld from unemployment payment checks. That source has provided an additional \$99.6 million for the State General Fund over the period when compared to last year.

Individual Income Tax Payments with Returns — Tax year 2019 decline.

Payments with tax returns declined \$123.4 million (-25.0%) over the period. Since the 2020 payments represent tax year 2019 tax payments, this decline is not a result of COVID-19.

Sales/Use Tax — Minor increase.

Sales/use tax gross deposits increased \$8.1 million (0.5%) over the period, indicating that the COVID-19 impact on sales subject to the sales/use taxes has been relatively minor.

Corporate Income Tax — Decrease in gross deposits, increase in net revenue.

Corporate income tax gross deposits declined \$9.9 million (-1.9%) over the period while corporate income tax refunds were lower by \$40.5 million. This yields positive growth in net revenue of \$30.6 million (6.6%).

See the State Budget Update section for a summary of the recent Revenue Estimating Conference meeting.

Iowa Economic Indicator Data

Iowa Unemployment Applications — Unprecedented levels.

The Department of Labor (DOL) October 15, 2020, weekly unemployment insurance report shows continued elevated initial unemployment claim counts at both the State and national levels. **Figure 10** provides U.S. and Iowa initial and continued claims numbers for the most recent report week as well as the previous week and the same week last year. Both continued and initial claims are significantly elevated compared to the same week last year. Please note that the claims reported are actual claims numbers and have not been seasonally adjusted. The initial claims numbers represent preliminary (advanced) reporting and the numbers are subject to revision the following week. In many instances, the preliminary number is revised lower one week later.

Figure 10

Weekly Continued Claims Week ending 10/3/2020		Weekly Initial Claims Week ending 10/10/2020	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	1,369,887	Last Year	201,677
Last Week	10,819,790	Last Week	809,215
This Week	9,631,588	This Week	885,885
Iowa Continued Claims		Iowa Initial Claims	
Time Period	Claims	Time Period	Claims
Last Year	12,665	Last Year	2,117
Last Week	51,560	Last Week	4,288
This Week	46,577	This Week	4,644

Claim numbers are not seasonally adjusted.

Figure 11 displays the number of Iowa continued claims over each of the past 32 weeks for 2019 and 2020. Iowa continued claims have declined by 143,066 claims since the week ending May 2, 2020. However, continued claims remain significantly higher than last year, with claims for the week ending October 3, 2020, exceeding claims for the week ending October 5, 2019, by 33,912 claims. It is important to note that while continued claims numbers decline as people return to employment, they also decline as people run out of eligibility for regular unemployment benefits.

Figure 11

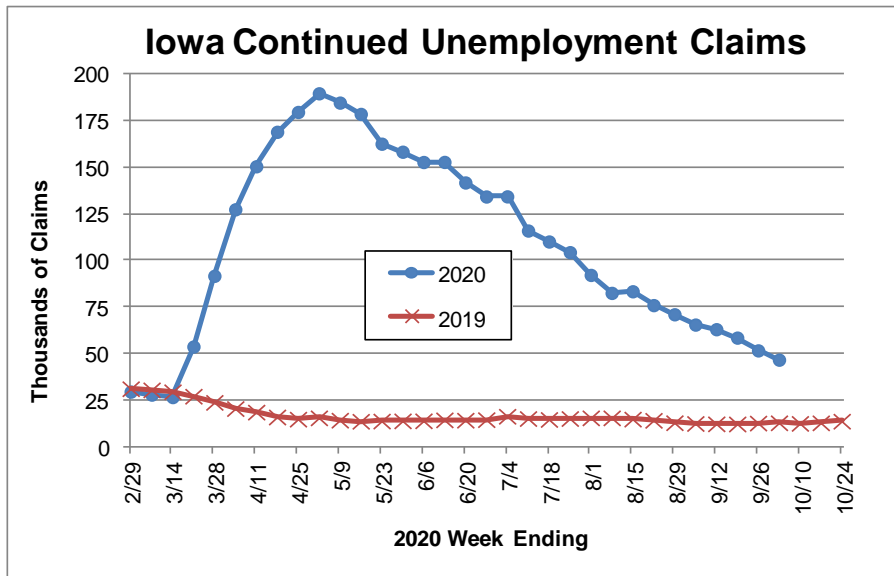
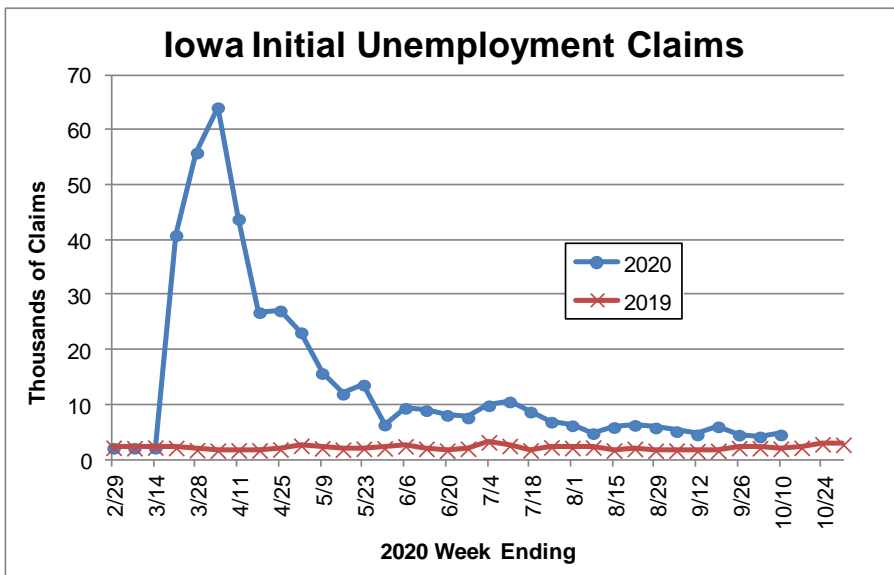


Figure 12 displays Iowa initial unemployment claims over each of the past 33 weeks for 2019 and 2020. Initial claims for the most recent 12 weeks have averaged 5,503. For a similar 12-week period of 2019, the weekly average was 2,040. The recent peak in the number of initial claims was 64,194 for the week ending April 4, 2020. The pre-COVID-19 Iowa initial claims record (14,603) occurred in December 2001.

Figure 12



Other Tax Revenues**Figure 13**

Other Fund Tax Revenues, March 19 to October 16				
Dollars in Millions				
Other Fund Taxes	FY 2019	FY 2020	\$ Change	% Change
Gambling Tax	\$ 178.4	\$ 110.0	\$ -68.4	-38.3%
Fuel Tax	437.5	402.2	-35.3	-8.1%
Vehicle Sales Tax	225.6	240.0	14.4	6.4%
Cigarette/Tobacco Tax	124.4	125.4	1.0	0.8%
Other Taxes	42.5	40.5	-2.0	-4.7%
Tax Refunds	-35.6	-34.7	0.9	-2.5%
Total Other Fund Taxes	\$ 972.8	\$ 883.4	\$ -89.4	-9.2%

Gambling Tax — Down modestly since reopening.

Gambling tax deposits declined \$68.4 million (-38.3%) (**Figure 13**). The Governor's March 17, 2020, order closed Iowa's State-regulated gambling casinos. The reduction in gambling revenue is a direct result of this action. The casinos began to reopen starting June 1, 2020. Most of the decline over the period occurred during the shutdown. Nineteen weekly deposits have been made since the industry reopened, totaling \$103.7 million. Deposits on similar dates in 2019 totaled \$107.6 million.

Vehicle Sales Tax (Fee for New Registration) — \$14.4 million above last year.

Vehicle sales tax increased \$14.4 million (6.4%) over the period (**Figure 13**). The tax is collected by counties when the vehicle is first registered by the new owner and is remitted to the State around the 10th of each month. The increase over the period is not a real increase as \$25.0 million of last year's October deposit was not made until October 25, 2019.

State Actions to Close Budget Shortfalls

The National Conference of State Legislatures (NCSL), with support from the Pew Charitable Trusts, has created a [database](#) detailing revenue-increasing and budget-cutting measures states are taking to close the gap in state revenue collections due to the COVID-19 pandemic. The database relies on government sources and media outlet coverage of the revenues and budgets in each state. Information is updated daily and covers actions that are enacted, ordered, or proposed by policy makers. The database illustrates cuts by budget areas, revenue increases by source, or reserve fund transfers.

The Center on Budget and Policy Priorities [compiled](#) estimated revenue decreases by state as a result of the COVID-19 pandemic. **Figure 14** shows that of the states surrounding Iowa, Nebraska is anticipated to have the smallest revenue decrease with an estimated decrease of 5.0% in FY 2020 and 1.0% in FY 2021. Illinois is anticipated to see the largest revenue decrease with a 7.0% decrease in FY 2020 and a 12.0% decrease in FY 2021. Nationally states are estimating revenues to decrease anywhere from 0.0% to over 25.0%, with most states anticipating double digit percentage declines in revenues between FY 2020 and FY 2022.

Figure 14
Estimated Revenue Decrease by State

	FY 2020		FY 2021	
	Revenue	Percent Decrease	Revenue	Percent Decrease
Illinois	\$ -2,700,000,000	7.0%	\$ -4,600,000,000	12.0%
Iowa	\$ -150,000,000	2.0%	\$ -360,000,000	4.0%
Kansas	-816,000,000	11.0%	-549,000,000	7.0%
Minnesota	-610,000,000	3.0%	-3,000,000,000	12.0%
Missouri	-864,000,000	9.0%	-1,000,000,000	10.0%
Nebraska	-269,000,000	5.0%	-50,000,000	1.0%
South Dakota	no data	n/a	no data	n/a
Wisconsin	no data	n/a	-2,000,000,000	10.0%

Additional Iowa-Related Information

Revenue Estimates website: www.legis.iowa.gov/publications/fiscal/quarterlyRevenueEstimate

Iowa Economic Trends website: www.legis.iowa.gov/publications/fiscal/economicTrends

COVID-19 Analysis and Resources website:
www.legis.iowa.gov/publications/information/covid19Resources

LSA Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov

State Budget Update

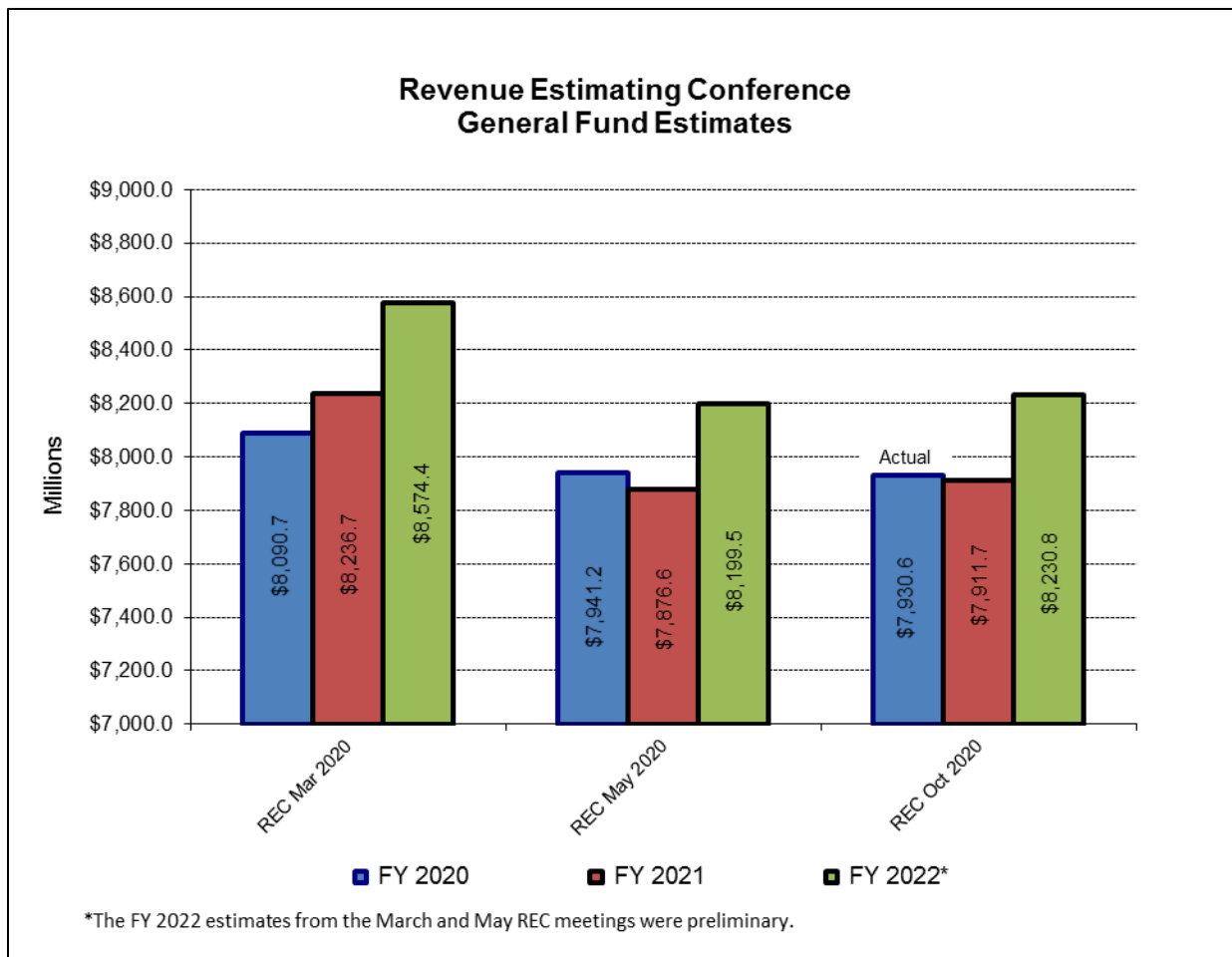
The 2020 Legislative Session proved to be a unique and challenging session because of the COVID-19 pandemic. Due to concerns over COVID-19, the General Assembly recessed the Legislative Session on March 17, 2020, for approximately two and a half months. The Session resumed on June 3, and the General Assembly adjourned the 2020 Legislative Session on June 14, 2020.

Revised Revenue Estimates (REC). The REC met October 13, 2020, and revised the General Fund revenue estimates for FY 2021 and FY 2022. The REC agreed to an FY 2021 estimate of \$7.912 billion, a decrease of \$18.9 million (0.2%) compared to actual FY 2020. The FY 2022 estimate agreed to by the REC is \$8.231 billion, which reflects an increase of \$319.1 million (4.0%) compared to the FY 2021 estimate.

Compared to the May 2020 estimates (adjusted for post-REC law changes), the FY 2021 and FY 2022 estimates were revised upward by \$74.2 million (0.9%) and \$31.3 million (0.4%), respectively.

Figure 15 shows the changes in the REC’s General Fund revenue estimates for FY 2020, FY 2021, and FY 2022, from the last three REC meetings. While the estimates from May and October were down considerably from March, there were relatively minor changes between the May and October estimates.

Figure 15



FY 2020 and FY 2021 Budget Update. Figure 16 compares the General Fund budget estimates for FY 2020 and FY 2021 at the close of the 2020 Legislative Session to the actual FY 2020 numbers and the revised FY 2021 budget.

The FY 2020 General Fund budget ended the fiscal year with a \$305.5 million balance, which was \$7.4 million less than the previous estimate of \$312.9 million. Net receipts ended the fiscal year at \$7.931 billion, which was \$6.1 million (0.1%) below the estimate used at the close of the 2020 Legislative Session. Net appropriations ended the fiscal year \$1.3 million (0.02%) higher than estimated due to small changes in standing appropriation adjustments and reversions.

The revised estimate of total available resources for FY 2021 reflects an increase of \$62.5 million (0.8%) compared to the estimate at the close of the 2020 Legislative Session. The revised FY 2021 surplus is estimated at \$390.9 million.

Figure 16

General Fund Budget						
FY 2020 and FY 2021 Point-in-Time Comparisons						
(Dollars in Millions)						
	FY 2020			FY 2021		
	End of Session	Actual	Change	End of Session	Oct 2020 Estimate	Change
Resources						
Net Receipts	\$ 7,936.7	\$ 7,930.6	\$ - 6.1	\$ 7,837.5	\$ 7,911.7	\$ 74.2
Surplus Carryforward	195.6	195.6	0.0	264.4	252.7	- 11.7
Total Available Resources	\$ 8,132.3	\$ 8,126.2	\$ - 6.1	\$ 8,101.9	\$ 8,164.4	\$ 62.5
Appropriations and Expenditures						
Enacted Appropriations	\$ 7,642.6	\$ 7,642.6	\$ 0.0	\$ 7,778.5	\$ 7,778.5	\$ 0.0
Adjustments to Standing Appropriations	- 3.8	4.7	8.5	0.0	0.0	0.0
Net Supplemental/Deappropriations	185.6	185.6	0.0	0.0	0.0	0.0
Total Appropriations	\$ 7,824.4	\$ 7,832.9	\$ 8.5	\$ 7,778.5	\$ 7,778.5	\$ 0.0
Reversions	- 5.0	- 12.2	- 7.2	- 5.0	- 5.0	0.0
Net Appropriations	\$ 7,819.4	\$ 7,820.7	\$ 1.3	\$ 7,773.5	\$ 7,773.5	\$ 0.0
Ending Balance – Surplus	\$ 312.9	\$ 305.5	\$ - 7.4	\$ 328.4	\$ 390.9	\$ 62.5

Significant General Fund Appropriations in FY 2021. For FY 2021, there were numerous increases and decreases for State agencies and programs (Figure 17). The two programs that received the largest increases were State Foundation School Aid and the State Children’s Health Insurance (Hawki) Program. [Senate File 2142](#) (Supplemental State Aid Act) was signed into law on March 12, 2020, and increased the State cost per pupil (SCPP) by 2.3%. The increase in the SCPP, along with adjustments to State Foundation School Aid in other legislation, resulted in a net increase in the General Fund State Foundation School Aid appropriation of \$91.3 million (2.8%) compared to the funding for FY 2020. The Hawki Program received an increase of \$16.5 million (78.2%), which reflects the Hawki Forecasting Group’s estimate for the Program from its meeting held on May 22, 2020.

The increases were offset by appropriation reductions. The three largest reductions included two one-time appropriations made in FY 2020 that included \$21.0 million for flood mitigation assistance to local governments and the \$70.0 million supplemental appropriation to eliminate the projected budget shortfall in the Rebuild Iowa Infrastructure Fund (RIIF). The third significant reduction was the

appropriation for Medicaid, which was also reduced by \$56.8 million for FY 2021 primarily due to an increase of 6.2% in the Federal Medical Assistance Percentage (FMAP).

The majority of the FY 2021 General Fund appropriations for State programs' and agencies' operations were status quo compared to FY 2020.

Figure 17

Significant Changes to General Fund Appropriations				
(In Millions)				
Programs/Appropriations	Est Net FY 2020	Enacted FY 2021	Change	Percent Change
State Foundation School Aid	\$ 3,285.7	\$ 3,377.0	\$ 91.3	2.8%
Human Services – State Children's Health Insurance	21.1	37.6	16.5	78.2%
Education – Transportation Equity Fund	19.0	26.7	7.7	40.5%
Human Services – Eldora Training School	13.9	16.0	2.1	15.1%
Public Safety – Overtime	2.4	0.0	- 2.4	-100.0%
Regents Institutions	576.7	569.1	- 7.6	-1.3%
Flood Recovery Assistance	21.0	0.0	- 21.0	-100.0%
Medical Assistance (Medicaid)	1,516.4	1,459.6	- 56.8	-3.7%
Appropriation to RIIF	70.0	0.0	- 70.0	-100.0%
Subtotal	<u>\$ 5,526.2</u>	<u>\$ 5,486.0</u>	<u>\$ - 40.2</u>	<u>-0.7%</u>
All Other Net Appropriations	2,306.7	2,292.5	- 14.2	-0.6%
Total	<u>\$ 7,832.9</u>	<u>\$ 7,778.5</u>	<u>\$ - 54.4</u>	<u>-0.7%</u>

Note: Numbers may not equal totals due to rounding.

FY 2022 Budget Projection. The Legislative Services Agency (LSA) budget projection for FY 2022 shown in **Figure 18** provides a preliminary analysis of the condition of the General Fund budget for the next fiscal year. The estimates that comprise the FY 2022 projection are based on the following factors and assumptions:

- The FY 2022 REC revenue estimate of \$8.231 billion was set on October 13, 2020. The REC estimate is based on tax laws and other revenue policies in place at the time the estimate is adopted. This estimate is included in the calculation of the FY 2022 expenditure limitation.
- A carryforward balance of \$252.3 million from the revised FY 2021 General Fund surplus is expected after the estimated reserve fund and Taxpayer Relief Fund requirements are met.
- The expenditure limitation for FY 2022 is estimated to be \$8.401 billion.
- The enacted appropriations from FY 2021 (\$7.779 billion) are used as the baseline for FY 2022 appropriations.
- The LSA's estimated net built-in and anticipated expenditure changes for FY 2022 total \$228.3 million. **Figure 19** summarizes the built-in and anticipated expenditures. The estimate reflects the incremental increases above the baseline appropriation.
- Reversions are estimated to total \$5.0 million. Reversions are appropriated funds that remain unexpended at the close of the fiscal year and are deposited back in the General Fund.

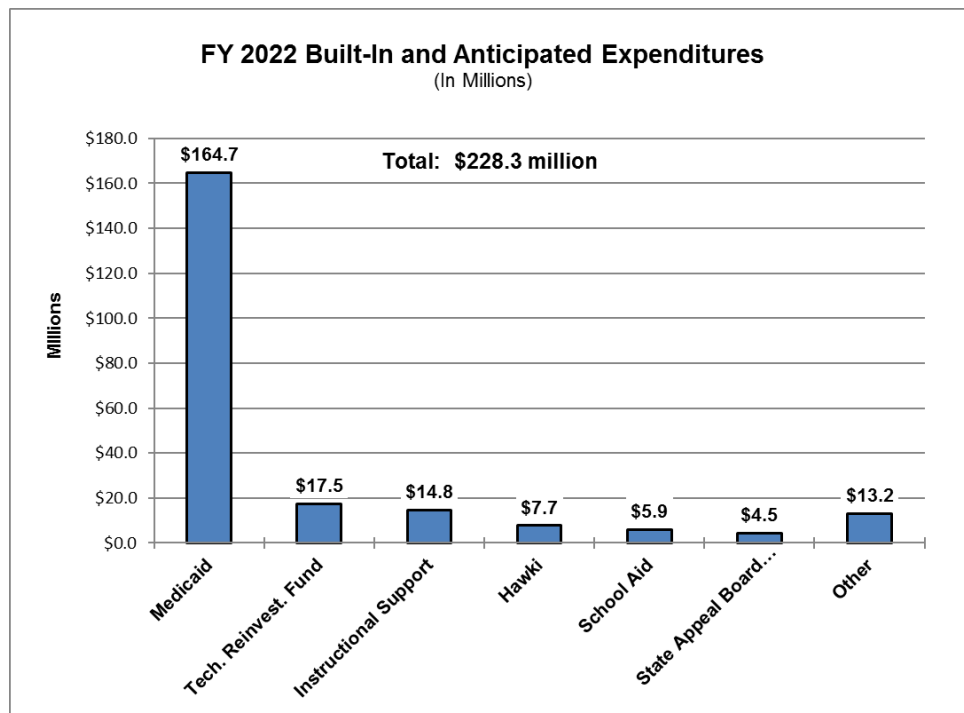
Based on the above assumptions, the FY 2022 General Fund surplus is projected to total \$481.3 million.

Figure 18

State of Iowa
Projected Condition of the General Fund
(In Millions)

	Actual FY 2020	Estimated FY 2021	LSA Projection FY 2022
Resources			
Receipts (Oct 2020 REC Est)	\$ 7,930.6	\$ 7,911.7	\$ 8,230.8
Surplus Carryforward	195.6	252.7	252.3
Total Available Resources	\$ 8,126.2	\$ 8,164.4	\$ 8,483.1
Expenditure Limitation			\$ 8,400.8
Appropriations and Expenditures			
Appropriations	\$ 7,642.6	\$ 7,778.5	\$ 7,778.5
Adjustment to Standing Appropriations	4.7	0.0	0.0
Built-In and Anticipated Expenditures	0.0	0.0	228.3
Supplemental/Deappropriations	185.6	0.0	0.0
Total Appropriations	\$ 7,832.9	\$ 7,778.5	\$ 8,006.8
Reversions	- 12.2	- 5.0	- 5.0
Net Appropriations	\$ 7,820.7	\$ 7,773.5	\$ 8,001.8
Ending Balance - Surplus	\$ 305.5	\$ 390.9	\$ 481.3

Figure 19



Reserve Funds. The balances in the State’s two reserve funds (**Figure 20**) are projected to be at the statutory maximum for both FY 2021 and FY 2022. The combined balances are estimated at \$783.7 million for FY 2021 and are projected to increase to \$823.1 million in FY 2022.

Figure 20

State of Iowa Reserve Funds			
(In Millions)			
	Actual	Estimated	Projected
<u>Reserve Fund Balances</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Cash Reserve Fund	\$ 587.9	\$ 587.8	\$ 617.3
Economic Emergency Fund	189.5	195.9	205.8
Total	\$ 777.4	\$ 783.7	\$ 823.1
<u>Reserve Fund Statutory Maximums</u>			
Cash Reserve Fund	\$ 587.9	\$ 587.8	\$ 617.3
Economic Emergency Fund	196.0	195.9	205.8
Total	\$ 783.9	\$ 783.7	\$ 823.1

Taxpayer Relief Fund. For FY 2022, the balance in the Taxpayer Relief Fund is estimated at \$164.4 million (**Figure 21**). Beginning in FY 2021, the \$60.0 million cap on the General Fund surplus transfer amount to the Taxpayer Relief Fund is repealed. This results in an estimated General Fund surplus transfer of \$74.2 million to the Fund in FY 2022.

Figure 21

Taxpayer Relief Fund			
(In Millions)			
	Actual	Estimated	Projected
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Funds Available			
Balance Brought Forward	\$ 13.5	\$ 74.0	\$ 90.2
General Fund Surplus Transfer	60.0	21.5	74.2
Interest	0.5	0.0	0.0
Total Funds Available	\$ 74.0	\$ 95.5	\$ 164.4
Expenditures			
Homestead Tax Credit	\$ 0.0	\$ -2.8	\$ 0.0
Elderly & Disabled Tax Credit	0.0	-2.5	0.0
Ending Balance	\$ 74.0	\$ 90.2	\$ 164.4

[House File 2642](#) (FY 2021 Infrastructure Appropriations Act) includes a provision that changed the allocation of funds directed to the Taxpayer Relief Fund in FY 2021. Under current law, the Taxpayer Relief Fund can receive an allocation from the previous fiscal year's General Fund surplus after the two State reserve funds reach the maximum statutory balance equal to 10.0% of the adjusted revenue estimate. Once the reserve funds reach the maximum limit, the Taxpayer Relief Fund can receive a portion of the remaining surplus funds. The amount that the Taxpayer Relief Fund can receive is equal to the difference between the actual net General Fund revenue of the preceding fiscal year and the adjusted revenue estimate used in establishing the budget for the current fiscal year.

Division V of HF 2642 changed this provision for FY 2021, and allocates the surplus funds in excess of the reserve fund balances as follows:

- The first \$70.0 million is to be transferred to the General Fund.
- An amount equal to the difference between the actual net General Fund revenue and the adjusted revenue estimate for FY 2020, less the first \$70.0 million, is to be transferred to the Taxpayer Relief Fund.
- The remainder of any surplus funds is to be transferred to the General Fund.

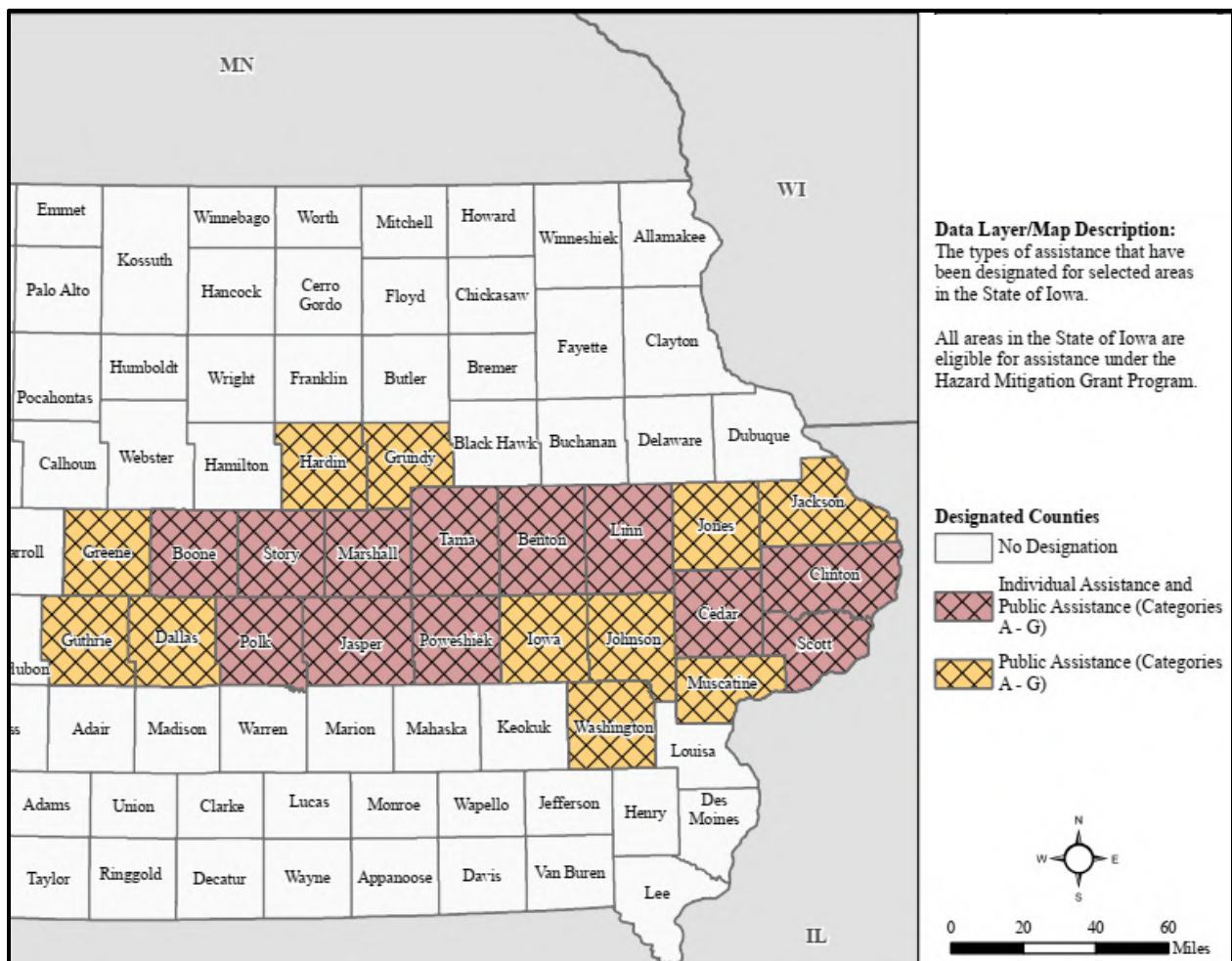
The change made in HF 2642 is only applicable to FY 2021. Beginning in FY 2022, the allocation of funds returns to current statute.

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Derecho Assistance Update

A derecho, a powerful storm system known for widespread straight-line winds, hit central and eastern Iowa on August 10, 2020, causing both significant structural and crop damage across a large part of the State. The President issued a major disaster [declaration](#) for 16 counties on August 17, 2020. The declaration has been amended on multiple occasions to add additional counties and to make individual assistance available in the counties most impacted by the storm. **Figure 22** shows that, as of October 5, 2020, 23 counties qualify for public assistance and 12 counties qualify for both public assistance and individual assistance. The deadline to register for federal assistance has been extended to November 2, 2020. As of October 14, 2020, the Federal Emergency Management Agency (FEMA) has approved \$9.0 million in individual assistance. The federal Small Business Administration [has approved](#) more than \$14.0 million in disaster loans for homeowners, renters, and small businesses. A summary of both State and federal assistance and resources available is listed by department below. While it remains unclear at this time how much federal moneys will be available for cleanup and recovery, the LSA will continue to update the General Assembly as more information becomes available.

Figure 22
FEMA Disaster Declaration



Iowa Department of Workforce Development

Disaster Unemployment Assistance. Disaster Unemployment Assistance (DUA) is available to eligible individuals as a result of a Major Disaster Declaration signed by President Trump on August 17, 2020. The Iowa Department of Workforce Development (IWD) is accepting applications for DUA from individuals in eligible counties whose employment or self-employment was lost or interrupted due to severe storms beginning August 10, 2020. DUA expands eligibility for unemployment benefits and provides assistance to the self-employed, including business owners and farmers. Individuals from Linn County were required to file DUA applications by September 24, 2020. Individuals from Benton, Boone, Cedar, Jasper, Marshall, Polk, Poweshiek, Scott, Story, and Tama counties were required to file for DUA by October 2, 2020. Individuals from Clinton County must file for DUA by November 6, 2020. Eligibility information can be found [here](#). Available resources and application instructions can be found [here](#).

Iowa Department of Cultural Affairs

Iowa Arts and Culture Emergency Relief Fund. A Derecho Recovery Grant of up to \$5,000 from the Iowa Arts and Culture Emergency Relief Fund may be available for nonprofit organizations or units of government that oversee humanities collections that were affected by the storm. Applicants must be located in the 16 counties designated as disaster relief areas, according to criteria from FEMA. Funding is made possible through a Chairman's Grant for Disaster Mitigation from the National Endowment for the Humanities, a federal agency. More information is available [here](#).

Iowa Department of Human Services

As of September 27, 2020, the Department of Human Services (DHS) has provided \$11.1 million in Disaster Supplemental Nutrition Assistance Program (D-SNAP) benefits to 24,188 households in the 23 counties impacted by the derecho. Eligible families received D-SNAP in an amount equal to one month of the maximum amount of Food Assistance/SNAP benefits, based on household size. The DHS is no longer accepting new applications for D-SNAP.

While application deadlines for disaster-related food assistance have concluded, there are a variety of assistance programs available to individuals impacted by the derecho. A complete list of programs and information on how to access those programs is available [here](#). A summary of the programs available includes:

- **Federal Individual Assistance** — Benton, Boone, Cedar, Jasper, Linn, Marshall, Polk, Poweshiek, Scott, Story, and Tama County homeowners, renters, and businesses impacted by the storm can now apply for Federal Individual Assistance by calling (800)621-3362 or (800)462-7585 (TTY), or applying online at disasterassistance.gov.
- **Iowa Individual Disaster Assistance Grant Program (IIAGP)** — The IIAGP offers grants to families whose household's annual income is 200.0% or less of the federal poverty level. Each qualifying household may receive up to \$5,000. The IIAGP is activated when the Governor issues a disaster proclamation initiating the IIAGP for the affected counties. (Note: If a Presidential Disaster Declaration for Individual Assistance is issued for a county for the same event, the State program is automatically canceled for that county, as the federal program then goes into effect. The federal program does not have an income restriction.)
- **Disaster Case Management** — Disaster Case Management is a time-limited resource and process that involves a partnership between a disaster case manager and a household impacted by a disaster to develop and carry out a disaster recovery plan. This partnership provides the client with a single point of contact to facilitate access to a broad range of resources, promoting sustainable assistance for an individual's and a household's recovery. These services are client-focused and provided in a manner consistent with standards for trauma-informed practice in human services.

- **Disaster Behavioral Health Response Team** — The Iowa Disaster Behavioral Health Response Team (DBHRT) is a trained team of volunteers who respond to the mental health needs of Iowa residents following disasters and critical incidents. The team provides services for community providers based on local area needs. Services may be delivered at a disaster site in an affected community or statewide. Services may include:
 - Conduct behavioral health needs assessment following a disaster.
 - Provide psychological first aid.
 - Provide brief crisis counseling and intervention.
 - Provide community outreach.
 - Provide public information and education.
 - Provide critical incident stress debriefing.
 - Provide behavioral health consultation for providers, communities, and individuals.
 - Provide screening and referral for those affected by a disaster or critical event.

Local authorities may request DBHRT assistance in order to meet the behavioral health needs of communities in crisis by contacting the Homeland Security and Emergency Management Duty Officer. The duty officer is available 24 hours a day, 7 days a week, at (515)725-3231. For more information, [see this site](#).

Regents Institutions

The University of Iowa estimates derecho damage to the campus at \$1.6 million. Iowa State University estimates \$1.5 million in damage plus \$150,000 for tree removal. The University of Northern Iowa and the Iowa School for the Deaf report no damage from the derecho.

Iowa State University is offering informational webinars for farmers coping with derecho damage. These resources can be found [here](#).

Department of Agriculture and Land Stewardship

According to early estimates, approximately 57.0 million bushels of permanently licensed grain storage were seriously damaged or destroyed by the derecho. Further information and resources can be found [here](#).

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Governor's Economic Recovery Advisory Board



Executive Order. Governor Reynolds signed [Executive Order 6](#) on June 18, 2020, establishing the Governor's Economic Recovery Advisory Board. The Board serves as the central point of coordination for State activities related to the recovery and rebuilding efforts following the COVID-19 pandemic.

Board. The Board consists of a chairperson; the State's Chief Economist, Robin Anderson; and additional members appointed by the Governor. Each appointed member serves at the pleasure of the Governor and without compensation. The Governor made the following initial appointments:

- Ben McLean, Chief Executive Officer (CEO) of Ruan Transportation Management Systems, Advisory Board Chairperson
- Mary Andringa, Chairperson of the Board of Vermeer Manufacturing
- Nick Bowdish, President and CEO of Elite Octane
- Randy Edeker, CEO of Hy-Vee
- Rosalind Fox, Factory Manager at John Deere
- Suresh Gunasekaran, CEO of University of Iowa Hospitals and Clinics
- Dan Houston, Chairperson, President, and CEO of Principal Financial Group
- A.J. Loss, CEO of Bush Construction
- Megan McKay, President of Peace Tree Brewing Company
- Emily Schmitt, General Counsel of Sukup Manufacturing
- Barbara Sloniker, Executive Vice President of the Siouxland Chamber of Commerce
- Adam Wright, President and CEO of MidAmerican Energy Company
- Diane Young, Director of Technical Services/Owner of Foundation Analytical Laboratory

Working Groups. The Governor appointed working groups to assist the Board in coordinating a comprehensive recovery and growth effort. The chairpersons of the working groups and any other additional members the Governor appoints serve at the pleasure of the Governor and without compensation. Each working group provides weekly reports on progress, and Board meeting materials can be found [here](#). The following seven working groups were established, with the following individuals named to lead each group:

- [Agriculture](#) — Secretary Mike Naig, Nick Bowdish, and Diane Young
- [Connectivity](#) — Director Annette Dunn and Dan Houston
- [Economic Growth](#) — Director Debi Durham, Adam Wright, and Megan McKay; the group included the following subgroups:
 - Hospitality and Tourism
 - Housing
 - Innovation
 - Manufacturing
 - Supply Chain and Reshoring
- [Education](#) — Director Ann Lebo and Rosalind Fox
- [Government](#) — Director Kraig Paulsen, Barbara Sloniker, and Emily Schmitt
- [Public Health and Healthcare](#) — Director Kelly Garcia, Randy Edeker, and Suresh Gunasekaran
- [Expanding Iowa's Workforce](#) — Director Beth Townsend, Mary Andringa, and A.J. Loss

Meeting. The Governor's Economic Recovery Advisory Board had its final meeting on October 6, 2020, by teleconference.

Report. The Board reviewed the drafting process for the final report to be issued, which will include the top recommendations approved by the Board, "Just Do It" recommendations, and additional recommendations provided by the individual working groups. As approved by the Board, the top-ranked recommendations and "Just Do It" recommendations can be found [here](#).

Presentation. The recommendations are scheduled to be presented to Governor Reynolds in mid-October with a press conference anticipated to follow. Governor Reynolds shared with the Board that the recommendations will be the foundation for her legislative agenda in the upcoming Legislative Session.

Final Report. The final Governor's Economic Recovery Advisory Board report is scheduled for release on October 30, 2020.

Website. An [Economic Recovery website](#) has been developed and provides the following:

- Board membership and working group leadership.
- Updates on Board activity and meeting schedules.
- Posting of any documents presented during Board meetings.
- Posting of agendas.
- An opportunity to submit economic recovery ideas.

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Subcommittee Issue Update

The following sections highlight budget issues and topics related to appropriations subcommittees. Please consult the Fiscal Services Division [staff directory](#) to contact the Division with questions or for additional information.

Administration and Regulation

Department of Inspections and Appeals (DIA)

Health Facilities Division Database: The DIA received \$850,000 from the ICRF to develop a new database that incorporates the new Infection Control Survey implemented by the Centers for Medicare and Medicaid Services (CMS) due to COVID-19. The new database will allow for transparent communication related to COVID-19.

Telework Equipment: The DIA received \$25,000 from the ICRF for telework equipment. These funds will be used to comply with social distancing guidelines developed by the Centers for Disease Control and Prevention (CDC) and the 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.

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 \$95.0 million was transferred from the ICRF to the Office of the Chief Information Officer to fund five projects. The transfers include:

- \$21.0 million for the Executive Branch to replace the State's budget, accounting, and human resources systems with a new provider (Workday, Inc.). The State Auditor released a report on October 19, 2020, indicating that the \$21.0 million expenditure is not an appropriate use of ICRF dollars, as the State contracted with Workday in 2019 and the expenditure is not due to the COVID-19 public health emergency. The Auditor has indicated that the U.S. Treasury Department's Office of Inspector General concurs that the replacement is not a qualifying expense for ICRF funds. The Governor indicated on October 21, 2020, that her administration plans to engage in communications with the Office of Inspector General regarding the expenditure.
- \$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 Fund Payments: A total of \$100.0 million was transferred from the ICRF to the Department of Revenue 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](#). An additional \$25.0 million from the ICRF will be used to cover the Federal Emergency Management Agency matching requirement for local governments. The Local Government Relief Fund is discussed in the Federal Stimulus section of this document.

Governor’s Office

A transfer in the amount of \$448,000 was paid from a \$1.0 million ICRF transfer to the Department of Homeland Security and Emergency Management on September 15, 2020, to fund Governor’s staff salaries during the period of March 15, 2020 through June 30, 2020. According to the Governor’s Chief of Staff, these salary payments were compensation for overtime accrued due to the Office’s COVID-19 response during the pay periods noted above. In the report released on October 19, 2020, the Auditor noted that the [official guidance](#) from the Treasury Department (last updated on October 19, 2020) states payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency is an eligible use of the ICRF. The Auditor recommended that the work the Governor’s staff performs that is directly related to the pandemic be tracked separately from daily work duties and supported with appropriate documentation, as indirect costs cannot be covered.

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Agriculture and Natural Resources

CARES Act. On Tuesday, August 25, 2020, the Governor allocated \$100.0 million in federal [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) funding as follows:

- Iowa Livestock Producer Relief Fund (administered by the Iowa Economic Development Authority (IEDA)) — \$60.0 million.
- State Biofuel Grant Program (IEDA) — \$15.5 million.
- Renewable Fuel Retail Recovery Program (Iowa Department of Agriculture and Land Stewardship (IDALS)) — \$7.0 million.
- Iowa Beginning Farmer Debt Relief Fund (IEDA) — \$6.0 million.
- Meat Processing Development and Expansion Program (IDALS) — \$2.0 million.
- Farm Produce and Protein Program (IDALS) — \$500,000.
- Iowa Disposal Assistance Program (IDALS) — Up to \$9.0 million.

More information on IEDA programs is available [here](#).

More information on IDALS programs is available [here](#).

State Parks. As of October 14, 2020, all campgrounds, playgrounds, bathrooms, and shower areas had been reopened at State parks. Visitors can rent campsites, cabins, shelters, and lodges; however, kitchenware has been removed from the cabins and renters must bring their own dishes, pots, pans, and utensils. Playgrounds are open; however, the equipment is not sanitized. The majority of events scheduled at State parks are modified for group sizes, and many visitor centers, museums, and nature centers are closed. Visitors are encouraged to visit State parks and forests and are allowed to use trails, roads, and shorelines, as well as boat ramps for access to lakes and rivers. Current information on State park usage is available on the Department of Natural Resources (DNR) [website](#). **Figure 23** summarizes year-to-date camping and cabin rental revenue through October 14, 2020 (as compared to October 2019).

Figure 23

Camping and Cabin Rental Receipts Summary – As of October 14, 2020				
Description	FY 2020	FY 2021	\$ Change	% Change
Camping Without Reservation System	\$ 597,303	\$ 719,305	\$ 122,002	20.4%
Camping Using Reservation System	615,972	866,831	250,859	40.7%
Cabin Rental Using Reservation System	220,569	253,430	32,861	14.9%
Total	\$ 1,433,844	\$ 1,839,566	\$ 405,722	28.3%

Hunting and Fishing Licenses. All of Iowa's ponds, rivers, and streams are available for fishing, and there have been no changes to fishing regulations. The DNR asks visitors to practice social distancing and keep groups to fewer than 10 people. In FY 2020, revenue collected for hunting and fishing licenses has increased by \$5.0 million (15.6%) compared to FY 2019. FY 2021 (July through October 14, 2020) year-to-date revenue collected has increased by \$1.4 million (19.6%) compared to the same period in FY 2020. A hunting or fishing license can be purchased anytime [online](#) and can be printed on paper or stored electronically.

Food Assistance. The United States Department of Agriculture (USDA) accepted applications for the [Coronavirus Food Assistance Program \(CFAP\)](#) through September 11, 2020. Producers that have experienced losses due to a 5.0% or greater price decline may be eligible. Other losses covered by the Program include disruptions in the market supply chain and increased market costs due to COVID-19. [CFAP](#)-eligible commodities include: nonspecialty crops, wool, livestock, dairy products, specialty crops, fruits, vegetables, and nuts. The USDA opened another round of CFAP ([CFAP2](#)) applications from September 21 through December 11, 2020.

Pass the Pork Program. The IDALS received \$500,000 from the Iowa Coronavirus Relief Fund to fund the [Pass the Pork Program](#) on May 28, 2020. The Pass the Pork Program allows Iowa farmers to donate pigs they cannot send to slaughter to Iowa food banks. The pigs are donated to local meat lockers to process and package. The funding that the IDALS received will pay for processing, transportation, and other related costs. Iowa beef producers will also be participating in the Program.

According to the Iowa Pork Producers Association, in the first phase, farmers donated 451 pigs (50,000 pounds) to local lockers for food banks. Businesses and individuals donated approximately \$140,000 to cover the cost of processing.

Beef Up Program. On June 19, 2020, the [Beef Up Iowa Program](#) was launched to allow Iowa beef producers to donate cattle that can be processed and donated to Iowa food banks. The Program is in partnership with the IDALS, Iowa State University, and Iowa beef producers. The cattle will primarily be donated by 4-H and Future Farmers of America (FFA) participants, and Iowa State University will process the beef.

Animal Mortality. The USDA is assisting producers with the disposal of animals that are not being slaughtered due to the temporary closure of meat processing plants. The [Coronavirus and USDA Assistance for Farmers](#) website provides information on several programs including the Emergency Animal Mortality Management practice, which makes payments to swine producers based on the type of disposal. Prior to payment, a swine mortality certification from a veterinarian is required. Payments include:

- Burial: \$74.28 per animal unit (\$89.14 for historically underserved producers).
- Carcass disposal other than burial: \$111.53 per animal unit (\$191.20 for historically underserved producers).
- Incineration: \$219.88 per animal unit (\$263.86 for historically underserved producers).
- Disposal at landfill or render: \$0.05 per pound (\$0.06 for historically underserved producers).

The IDALS implemented the [Iowa Resource Coordination Center](#) to assist producers in animal disposal or with other related issues. The Program is no longer taking applications for assistance. The Department also launched the [Iowa Disposal Assistance Program](#) to alleviate the impact of disposal to pork producers (**Figure 24**). According to the Department, the total number of animals in the program, as of August 17, 2020, is 6.9 million, valued at \$4.8 million. Since the previous version of this Issue Update, layer hens were added to the Program. Layer hens constitute 6.7 million animals and \$1.7 million of the total value.

Figure 24



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Economic Development

Employment/Unemployment

Iowa Unemployment Claims. Information on Iowa unemployment claims can be found [here](#).

Iowa Nonfarm Employment. Information on Iowa nonfarm employment can be found [here](#).

Employment-Population Ratio. Information on Iowa's employment-population ratio can be found [here](#).

Household Employment Survey. Information on the Household Employment Survey for Iowa can be found [here](#).

Financial Assistance

Iowa Small Business Utility Disruption Prevention Program. The [Small Business Utility Disruption Prevention Program](#) provides short-term relief to eligible small businesses and nonprofits that face significant hardship in the payment of utility bills for services provided during the months of economic disruption to their business as a result of COVID-19. The Program provides direct payments to utility providers to be applied to accounts of eligible small businesses and nonprofits. Requests for assistance must be for a minimum of \$400 for natural gas and electric service charges combined and may not exceed \$7,500. The Governor has allocated \$14.5 million in federal [Iowa Coronavirus Relief Fund \(ICRF\)](#) funds to the IEDA for the Small Business Utility Disruption Prevention Program. The Program will accept applications through October 31, 2020, or until all funds have been exhausted. Eligibility criteria for the Program has been expanded to include utility assistance for eligible small businesses and nonprofits for electric or natural gas service provided between March 17, 2020, and October 15, 2020. To be eligible, small businesses and nonprofits must have experienced a COVID-19 related loss of income.

Iowa Residential Utility Disruption Prevention Program. The new [Residential Utility Disruption Prevention Program](#) provides eligible households with up to \$2,000 toward electric, natural gas, and water bills if they are at risk of disconnection due to an inability to pay resulting from a COVID-19 related loss of income. Payments through the Program will be made directly to utility providers and applied to the applicant's account. Funding for the Program is from the [ICRF](#) and is connected to the [Small Business Utility Disruption Prevention Program](#). A full list of eligibility requirements and additional information, as well as application information, is available [here](#). Applications will be accepted between October 8, 2020, and November 20, 2020, or until funding is depleted, whichever comes first. Assistance will be awarded based on application completeness and eligibility in order received until all funds have been exhausted.

U.S. Small Business Administration Paycheck Protection Program. The U.S. Small Business Administration (SBA) [Paycheck Protection Program \(PPP\)](#) is a loan program designed in response to COVID-19 to provide a direct incentive for small businesses to keep their workers on the payroll. The CARES Act includes \$349.000 billion for the PPP. All small businesses with 500 or fewer employees are eligible. A PPP loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, or utilities. Additional information regarding the Program is available in the *[Fiscal Update Article COVID-19 — U.S. Small Business Administration Paycheck Protection Program Update — August 27, 2020](#)*. The Program closed August 8, 2020, and is no longer accepting applications.

Pandemic Unemployment Assistance Program. The U.S. Department of Labor (DOL) announced on April 5, 2020, the publication of Unemployment Insurance Program Letter (UIPL) No. [16-20](#) providing guidance to states for implementation of the [Pandemic Unemployment Assistance \(PUA\) Program](#). The DOL provided additional guidance with the April 27, 2020, publication of UIPL [No. 16-20, Change 1](#); the July 21, 2020, publication of UIPL [No. 16-20, Change 2](#); and the August 27, 2020, publication of UIPL [No. 16-20, Change 3](#). Under the PUA, individuals who do not qualify for regular unemployment compensation and are unable to continue working as a result of COVID-19, such as self-employed workers, independent contractors, and gig economy workers, are eligible for PUA benefits. An individual who has primary caregiving responsibility for a child who is unable to attend school or another institution may be eligible for PUA benefits. This provision is contained in Section 2102 of the CARES Act, enacted on March 27, 2020. Funding for the PUA benefits will be provided from federal funds. Additional information regarding the Program is available in the *[Fiscal Update Article COVID-19 — Pandemic Unemployment Assistance Program — October 12, 2020](#)*.

Pandemic Emergency Unemployment Compensation Program. The DOL announced on April 10, 2020, the publication of UIPL [17-20](#) providing guidance to states for implementation of the Pandemic Emergency Unemployment Compensation (PEUC) Program. This provision is contained in Section 2107 of the CARES Act. Under the PEUC Program, states can provide up to 13 weeks of federally funded benefits to qualified individuals who:

- Have exhausted all rights to regular compensation under state law or federal law with respect to a benefit year that ended on or after July 1, 2019.
- Have no rights to regular compensation with respect to a week under any other state unemployment compensation law or federal unemployment compensation law, or to compensation under any other federal law.
- Are not receiving compensation under the unemployment compensation law of Canada.
- Can work, are available to work, and are actively seeking work, although states must offer flexibility on “actively seeking work” where there are COVID-19 impacts and constraints.

Additional information regarding the Program is available in the *Fiscal Update Article [COVID-19 — Pandemic Emergency Unemployment Compensation Program — October 12, 2020](#)*.

Unemployment Insurance Enrollment and Benefits Distributed in Response to COVID-19. The CARES Act provides emergency administration grants to states’ unemployment trust funds and instructs states to ease eligibility requirements and access to unemployment compensation for claimants, including waiving work search requirements and the waiting week. Iowa is eligible for \$5.0 million in Administration Base grants and \$5.0 million in Supplemental Administration grants.

U.S. Small Business Administration Economic Injury Disaster Loans Program. The SBA Economic Injury Disaster Loans (EIDL) Program is a loan program designed to provide states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of COVID-19. Upon a request received from a state’s or territory’s governor, the SBA will issue under its own authority, as provided by the federal [Coronavirus Preparedness and Response Supplemental Appropriations Act](#), an EIDL assistance declaration. Additional information regarding the Program is available in the *Fiscal Update Article [COVID-19 — U.S. Small Business Administration Economic Injury Disaster Loans Program — October 2020](#)*.

Federal Pandemic Unemployment Compensation Program. The DOL announced on April 4, 2020, the publication of Unemployment Insurance Program Letter No. [15-20](#) providing guidance to states for implementation of the Federal Pandemic Unemployment Compensation (FPUC) Program. The FPUC Program provided an extra \$600 per week on top of the weekly benefit amounts an employee would have otherwise received through the Unemployment Insurance Program through the end of July 2020. This provision is contained in Section 2104 of the CARES Act. Funding for the FPUC benefits was provided from federal funds. According to the IWD, the FPUC Program payments were not available for individuals receiving Training Extension Benefits or Business Closing Benefits. The first week this benefit was payable was the week ending April 4, 2020. The last week of unemployment that this benefit was payable was the week ending July 25, 2020. Additional information provided by the IWD can be found [here](#). The IWD [reports](#) that a total of approximately \$3.5 million in FPUC benefits has been paid for the week ending October 3, 2020. The payments were for unemployment before the Program ended. A total of approximately \$1.611 billion in FPUC benefits has been paid since April 4, 2020.

Iowa Nonprofit Recovery Fund. [The Iowa Nonprofit Recovery Fund](#) provides short-term relief to nonprofit organizations that have sustained a negative economic impact as a result of COVID-19. The Fund is an extension of the [Iowa Small Business Relief Program](#). The funds are to be used for short-term cash flow assistance to continue operations, provide increased services and support, or reopen. Any other use of the funds, including paying debts incurred prior to March 1, 2020, is not permitted. Eligible nonprofits may be awarded a grant of up to \$25,000, based on income, expenses, outstanding obligations, and other State and federal assistance received, including the [PPP](#), the Iowa Small Business Relief Program, the [Iowa Arts and Culture Emergency Relief Fund](#), and the [Iowa Small Business Utility Disruption Prevention Program](#). The Governor has allocated \$10.0 million from the [ICRF](#) to the IEDA for the Iowa Nonprofit Recovery Fund. Iowa Nonprofit Recovery Fund. On October 9, 2020, \$5.4 million was [awarded](#) from the Fund. The IEDA is no longer accepting applications for this program.

Iowa Small Business Relief Program. The Iowa Small Business Relief 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 the deferral of sales and use taxes or withholding taxes and the waiver of penalty and interest. [Iowa Small Business Relief Grants](#) assist eligible businesses in maintaining operations or reopening business following the COVID-19 pandemic. The grants cannot be used to pay debts incurred prior to March 17, 2020. The grant amount will be determined by the level of impact, including the loss of sales revenue and employees.

The Program is not first-come, first-served, but is based on level of impact. A total of \$94.5 million has been made available. The Program has been allocated \$17.0 million from the Economic Emergency Fund (EEF), \$7.5 million from Iowa Values Fund (IVF) repayments and recaptures, and \$70.0 million from the CARES Act; interest related to the allocated funds totals approximately \$40,000 as of October 20, 2020. The Governor has transferred \$17.0 million from the ICRF to the EEF and \$7.0 million from the ICRF to the IVF to reimburse those funds for contribution to the Program.

As of October 20, 2020, a total of \$86.9 million has been granted to approximately 4,600 Iowa recipients. Information on the awards can be found [here](#). Additional information regarding the Program is available in the *Fiscal Update Article* [COVID-19 — Iowa Small Business Relief Program Update — August 26, 2020](#).

Business Disruption Relief Program. Governor Reynolds announced the establishment of the [Business Disruption Relief Program](#) on September 2, 2020. The Program provides grants to bars, taverns, and other establishments impacted by the August 27, 2020, COVID-19 disaster proclamation, which closed bars in six counties: Black Hawk, Dallas, Johnson, Linn, Polk, and Story. Eligible businesses received a one-time \$10,000 grant to assist with cash flow. The Program is an extension of the Iowa Small Business Relief Program. The application period for a grant was September 10 through September 24, 2020. A total of \$2.6 million in grants was [awarded](#) on October 5, 2020. More information is available in the *Fiscal Update Article* [COVID-19 – Business Disruption Relief Program – October 2020](#).

Lost Wages Assistance. On August 8, 2020, President Trump issued a [memorandum](#) authorizing Other Needs Assistance under the federal Stafford Act, which governs major disaster and emergency declarations and assistance. The authorization came in response to the July (the week ending July 25, 2020, in Iowa) expiration of the \$600 per week in FPUC. Under the Other Needs Assistance initiative, states may access disaster relief funds administered by [FEMA](#) for \$300 in weekly benefits. Additional information regarding the Program is available in the *Fiscal Update Article* [COVID-19 — Lost Wages Assistance — October 13, 2020](#).

FEMA and the DOL have informed Iowa that the Lost Wages Assistance (LWA) program has ended. Iowans whose unemployment is the result of the pandemic, and who are eligible for at least \$100 in benefits each week, qualified for up to a maximum of six weeks of \$300 in additional weekly benefits. The last week of eligibility for the program was the week ending September 5, 2020. Individuals eligible for LWA for any of the six weeks of the program can still receive those payments as the IWD works through issuing retroactive weeks.

Coronavirus Relief Employer Innovation Fund. The [Iowa Employer Innovation Fund](#) was established during the 2018 Legislative Session by [HF 2458](#) (Future Ready Iowa Act). The funding is provided to the IWD and is used for the Future Ready Iowa Employer Innovation Program. The 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. A “high-demand job” means a job identified by the IWD Board or a community college pursuant to Iowa Code section [84A.1B\(14\)](#). The new Coronavirus Relief Employer Innovation Fund expands opportunities for Iowans whose jobs have been impacted as a result of COVID-19. The Governor has allocated \$5.0 million in [ICRF](#) funds to the IWD for the [Employer Innovation Fund](#) to support the new Coronavirus Relief Employer Innovation Fund. Recipients were notified of \$4.4 million in [awards](#) on September 23, 2020. Awards must be expended by December 31, 2020. Unlike the Iowa Employer Innovation Fund, no matching funds are

required from applicants for the new Coronavirus Relief Employer Innovation Fund funding. For more information, see the **Fiscal Update Article** [COVID-19 – Coronavirus Relief Employer Innovation Fund](#).

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. The balance of the Fund, as of October 12, 2020, was approximately \$1.044 billion. For information on unemployment, see the State Revenue section in this document.

Iowa Eviction and Foreclosure Prevention Program. The [Iowa Eviction and Foreclosure Prevention Program](#) is administered by the Iowa Finance Authority. This Program assists Iowans who have been economically impacted by COVID-19 and may be facing housing hardships. The Governor allocated \$25.0 million from the ICRF for the Program. Additional information regarding the Program is available in the **Fiscal Update Article** [Iowa Eviction and Foreclosure Prevention Program — COVID-19 — October 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 the [Volunteer Iowa](#) program. The Governor has allocated \$60,000 from the ICRF for the Volunteer Iowa food bank response.

Iowa Department of Cultural Affairs COVID-19 Response. The Iowa Department of Cultural Affairs (DCA) is providing [resources](#) for artists, cultural organizations, and small businesses, as well as an array of educational materials about Iowa art, history, film, and culture, in response to COVID-19. The DCA has distributed more than \$1.1 million in grants to Iowa cultural organizations that have been severely affected by the COVID-19 pandemic. Additional information regarding the DCA response to COVID-19 is available in the **Fiscal Update Article** [Iowa Department of Cultural Affairs COVID-19 Response — June 3, 2020](#).

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Education

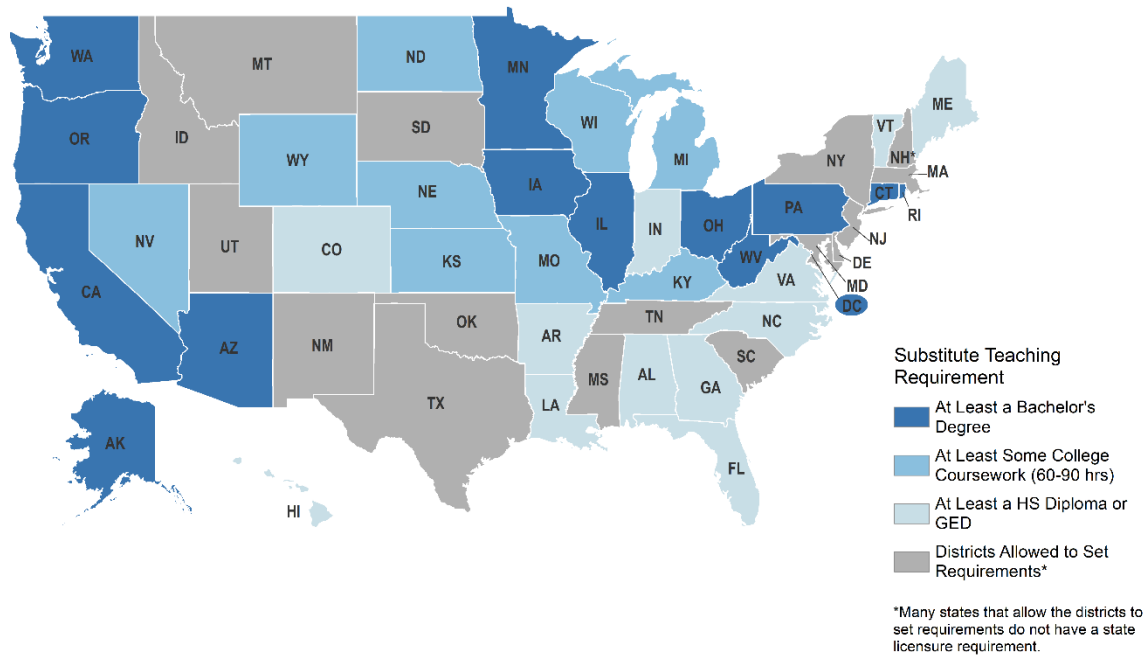
Substitute Teacher Requirements. To address the anticipated increased need for substitute teachers, Governor Reynolds issued a [proclamation](#) on July 17, 2020, which allows for increased flexibility in the use of substitute teachers during the disaster period. Measures included in the proclamation include:

- The degree requirement to obtain a substitute authorization is changed from a bachelor’s degree to an associate’s degree or 60 semester hours through a regionally accredited institution.
- The age requirement of 21 years is changed to age 20.
- The day limitations are removed for both short- and long-term substitutions.
- Paraeducators who hold a paraeducator certificate with limited substitute authorizations may serve as a substitute in any classroom (except driver’s education).
- Holders of a career and technical authorization with at least one year of experience may serve as a substitute in any classroom (except driver’s education).

For the period of August 1, 2019, to October 12, 2019, the Board of Educational Examiners (BOEE) issued 260 substitute authorizations. Comparatively, for the period of August 1, 2020, to October 12, 2020, the BOEE issued 711 substitute authorizations, an increase of 173.5% from 2019. Included in the authorizations issued during the 2020 period are 257 for those without a bachelor’s degree.

Figure 25 below shows nationwide substitute teacher requirements as compared to the requirements in Iowa prior to the July 17, 2020, proclamation.

Figure 25
Licensure Requirements for Substitute Teachers — 2020



Summer Food Service Program Extended. The USDA has [announced](#) the continued extension of nationwide flexibilities that allow free school meals for all children throughout the 2020-2021 school year. The waivers include:

- Allowing meals to be served in all areas at no cost.
- Permitting meals to be served outside of the typically required group settings and meal times.
- Waiving meal pattern requirements as necessary.
- Allowing parents and guardians to pick up meals for their children.

For the school fiscal year from July 2019 through June 2020, the following summer food service program meal counts were reported by the Iowa Department of Education:

- 6,659,461 breakfasts self-prep
- 95,860 breakfasts vended
- 7,827,072 lunches self-prep
- 106,042 lunches vended
- 89,196 suppers self-prep
- 896 suppers vended
- 243,323 snacks self-prep
- 4,136 snacks vended

School Budget Review Committee (SBRC). The SBRC approved a transfer of funds due to COVID-19 for FY 2020 for Hinton Community School District from the district's general fund to the district's preschool fund in the amount of \$63,000 for staff costs related to the closure due to COVID-19. Following an emergency work session in June 2020, the SBRC identified two situations in which districts may appear before the SBRC to request fund transfers due to COVID-19:

- Incurring additional costs necessary for response to the pandemic, such as the purchase of technology devices.
- Experiencing a pandemic-related interruption to revenue streams that support regularly budgeted costs, particularly district programs accounted for in enterprise funds.

COVID-19 related requests can only involve transfers from a district's general fund to a nutrition fund, day care fund, regular education preschool fund, community enterprise fund, or student activity fund.

Higher Education. Iowa's institutions of higher education now have access to the Higher Education Emergency Relief Fund (HEERF) funding allocated to them in the CARES Act. HEERF funding for all higher education institutions in Iowa, including private nonprofit and private for-profit institutions, can be found in a [Fiscal Update Article](#) published April 20, 2020.

On August 19, 2020, U.S. Secretary of Education Betsy DeVos announced a new grant program for higher education institutions. The [Institutional Resilience and Expanded Postsecondary Opportunity](#) (IREPO) program is designed to help institutions emerge from the COVID-19 pandemic more resilient and expand educational opportunities for students. The grants can be utilized in a variety of ways, including resuming operations, supporting students, reducing disease transmission, and developing more agile instructional delivery models for students who cannot or choose not to attend classes in person. The deadline for transmittal of applications is October 20, 2020. The estimated range of awards is between \$1.0 million and \$3.0 million. Approximately 19 awards will be granted.

Priority for grant awards will be given to colleges and universities with the greatest unmet needs related to COVID-19. In addition, proposals will receive additional consideration if they meet one or more of the following criteria:

- Provide dual enrollment opportunities to high school students who live or attend school in a rural community or Opportunity Zone.
- Are led by, or include as partners, Historically Black Colleges and Universities (HBCUs), Tribal Colleges, minority serving institutions (MSIs), and/or developing institutions that are eligible to participate in Title III or Title V programs.
- Are committed to developing more resilient instructional delivery models, such as distance learning, that make learning possible even when students cannot be physically present on campus for any reason.

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Health and Human Services**Figure 26**

Medicaid Balance Sheet			
	Estimated FY 2020	DHS Request FY 2021	DHS Request FY 2022
Medicaid Funding			
Carryforward from Previous Year	\$ 87,888,114	\$ 185,521,867	\$ 70,604,839
Palo Replacement Generation Tax	1,204,161	602,081	0
Health Care Trust Fund	211,757,745	198,943,000	203,105,000
Nursing Facility Quality Assurance Fund	53,353,966	56,305,139	56,305,139
Hospital Trust Fund	33,920,554	33,920,554	33,920,554
Medicaid Fraud Fund	211,278	150,000	150,000
Transfer Decategorization Reversion	907,404	0	0
CFS Foster Care Transfer	0	0	0
Total Non-General Fund Sources	\$ 389,243,222	\$ 475,442,641	\$ 364,085,532
General Fund Appropriation	1,427,381,675	1,459,599,409	1,459,599,409
General Fund Supplemental	88,982,734	0	0
Total General Fund Sources	\$ 1,516,364,409	\$ 1,459,599,409	\$ 1,459,599,409
Total Medicaid Funding	\$ 1,905,607,631	\$ 1,935,042,050	\$ 1,823,684,941
Estimated State Medicaid Need	\$ 1,781,756,972	\$ 2,038,815,317	\$ 1,924,166,494
FMAP Changes	-53,120,556	-32,412,311	-13,454,459
6.2% FMAP Adjustment — COVID-19	-134,650,000	-144,644,900	0
Health and Wellness Program FMAP Phase-in	16,900,000	0	0
Adjustment Due to Gov. Line Item Veto	-195,000	0	0
MCO Capitation Increase	67,834,927	0	0
Risk Corridor Payments	0	0	0
Habilitation Risk Pool Adjustment	0	0	0
MCO Incentives	0	0	0
CY 2018 Health Insurer Fee Payment	0	0	0
FY 2020 Appropriations Act Changes	27,926,781	0	0
Nursing Facility Rebase	13,385,247	0	0
Adult and Children MH Funding	0	2,679,105	2,903,819
Total Estimated Medicaid Need	\$ 1,719,838,371	\$ 1,864,437,211	\$ 1,913,615,854
Balance (Underfunded If Negative)	\$ 185,769,260	\$ 70,604,839	\$ -89,930,913
MCO – Managed Care Organization		CFS – Child and Family Services	
FMAP – Federal Medical Assistance Percentage		MH – Mental Health	

Medicaid Final FY 2020. Figure 26 shows that the Medicaid Program ended FY 2020 with a surplus of \$185.8 million, which is a \$65.2 million increase from the projected surplus at the end of the 2020 Legislative Session. The increase in the surplus was a result of \$14.0 million in increased revenue from the Health Care Trust Fund, \$9.0 million due to the DHS being allowed to claim additional Covid-19 related Federal Medical Assistance Match (FMAP) on Medicare-related payments, and \$37.0 million in revenue and expenditure changes that are shifting from FY 2020 to FY 2021. The overall driver of the \$185.8 million surplus is the 6.2% FMAP increase related to COVID-19, which decreased State Medicaid expenditures by \$134.7 million in FY 2020.

Medicaid Department Request FY 2021 and FY 2022. Figure 26 also shows that the DHS submitted its budget request on October 1, 2020, for Medicaid for FY 2021 and FY 2022. The DHS estimate assumes that Medicaid will have a surplus of \$70.6 million in FY 2021 and will need an additional \$89.9 million in FY 2022. The estimate does not include the following, which will have a significant impact on Medicaid revenues and expenditures:

- The DHS estimates were completed before the federal Bureau of Economic Analysis released final data allowing states to calculate the final FMAP for FY 2022. Iowa’s FMAP rate increased from 61.75% to 62.14%. This will reduce State Medicaid expenditures by \$13.3 million in FY 2022.
- The DHS estimate does not include capitation rate increases for the managed care organizations (MCOs). The MCO capitation rate for FY 2020 was extended to cover the first six months of FY 2021 due to COVID-19. A new rate will be negotiated for the second half of FY 2021 and FY 2022.
- The federal Health and Human Services Secretary, Alex Azar recently renewed the [public health emergency determination](#), which will extend the 6.2% FMAP rate increase from December 31, 2020, to March 30, 2021. This will decrease State expenditures by approximately \$78.0 million for the quarter. The decrease will be offset by additional Medicaid enrollees whom the State is not allowed to disenroll during the public health emergency.

The Medicaid Forecasting Group will meet several times before the 2021 Legislative Session to set estimates for FY 2021 and FY 2022 and to incorporate the changes noted above. Summaries of those meetings will be posted [here](#), and updates will also be provided in future editions of this publication.

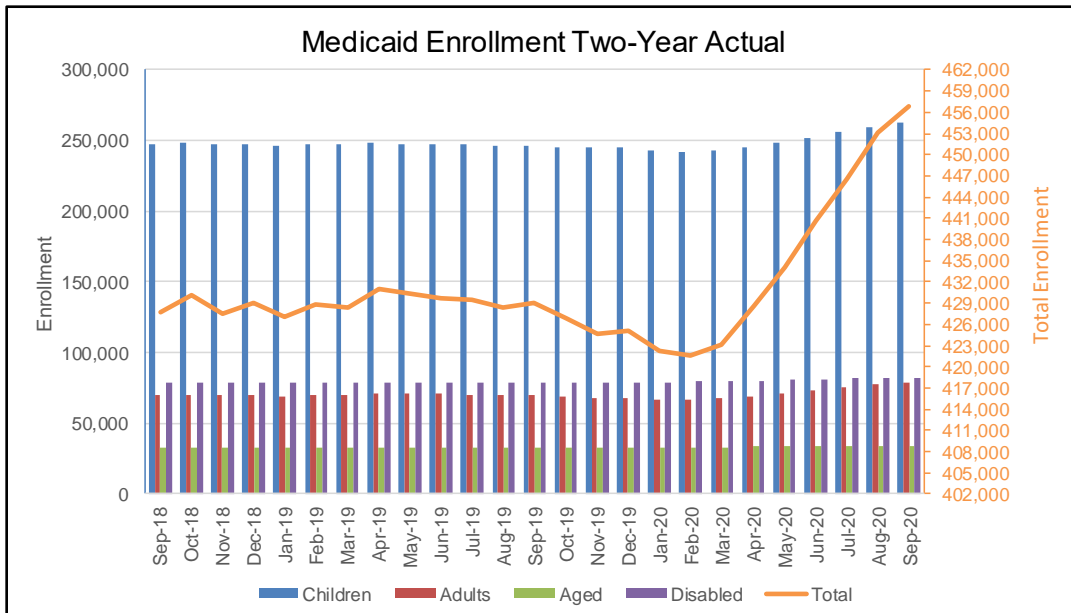
Medicaid Enrollment. Figure 27 shows Medicaid and Iowa Health and Wellness Plan (IHAWP) enrollment changes by month. Enrollment tends to fluctuate on a monthly basis, and those fluctuations can be as large as 3,000 individuals in Medicaid and 1,500 in IHAWP in a normal month. Since March 2020, Medicaid and IHAWP have grown on average by slightly over 9,000 individuals per month.

Figure 27

FY 2021	Regular Medicaid					Total	IHAWP Total
	Children	Adults	Aged	Disabled	Total		
July	3,613	2,133	-130	388	6,004	2,255	
August	4,058	2,213	58	243	6,572	3,310	
September	2,353	1,348	-121	94	3,674	2,640	
Total FY 2021	10,024	5,694	-193	725	16,250	8,205	
Grand Total	262,300	79,072	33,515	81,935	456,822	197,210	

Figure 28 shows monthly Medicaid enrollment over the past two years. The Medicaid Program has seen a large spike in enrollment over the past six months as a result of suspending disenrollment. It is estimated that approximately 7,100 of the monthly increases are associated with the COVID-19 maintenance-of-effort requirement for receiving the 6.2% enhanced FMAP rate. The requirement does not allow the State to disenroll anyone while the federal [public health emergency](#) is in effect. The requirement was recently extended through January 21, 2021. The remaining individuals are assumed to be new enrollment growth. It is estimated that enrollment growth of 9,500 will continue through the end of January 2021 and could continue if the public health emergency determination is once again extended.

Figure 28

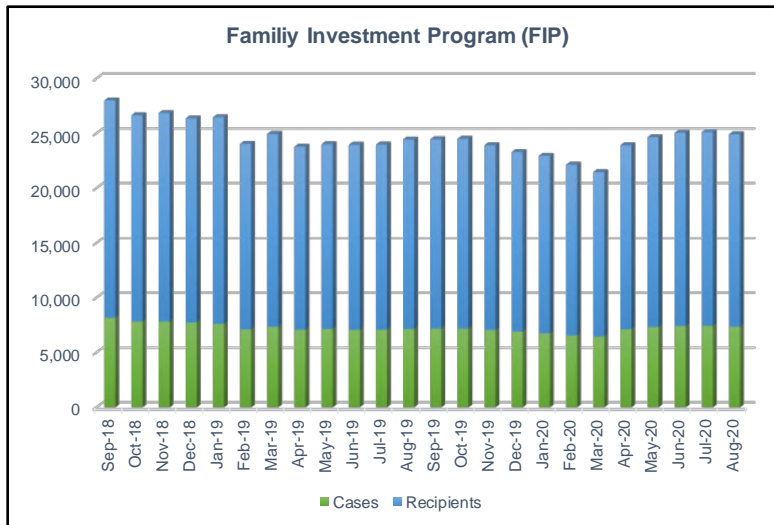


Family Investment Program (FIP) and Supplemental Nutrition Assistance Program (SNAP)

FIP Enrollment. The FIP is Iowa’s Temporary Assistance to Needy Families (TANF) Program. The Program provides cash assistance to needy families as they become self-supporting so that children may be cared for in their own homes or in the homes of relatives. In FY 2020, the average annual benefit per FIP recipient was \$1,682.

Figure 29 illustrates a sharp increase in recipients in April and May 2020 after years of steady decline. While enrollment increased significantly in April and May (2,332 recipients), it began to level out between June and August with a net increase of 233 recipients as individuals have returned to work. Unless there is another shutdown due to COVID-19, it is anticipated that enrollment in the Program will remain flat or begin to decline slightly.

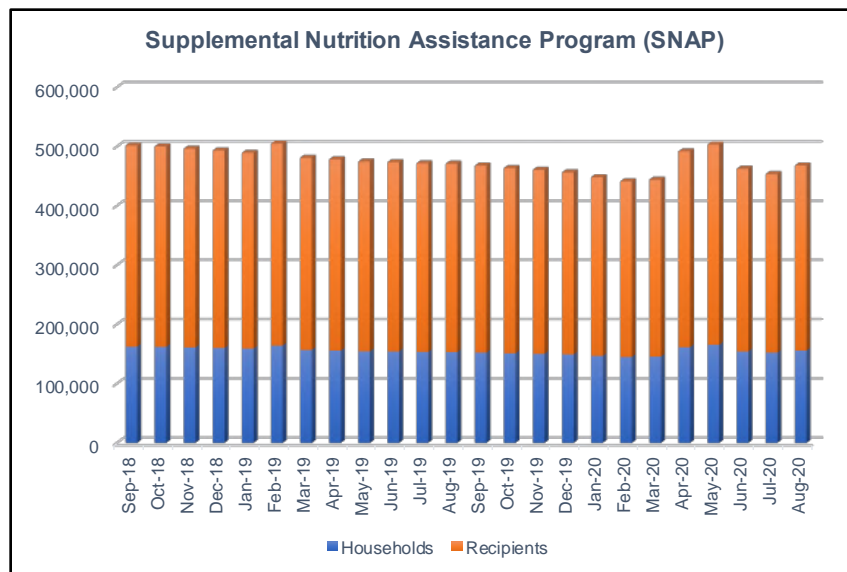
Figure 29



SNAP is a federally funded program that provides benefits to low-income lowans to purchase food. To be eligible for the Program, a family must have household income that does not exceed 160.0% of the federal poverty level. For a family of three, that equals a gross annual income of approximately \$34,752. The average benefit is \$226.90 per month per household or \$109.05 per month per individual.

Figure 30 shows a gradual decline in Program enrollment over the past two years, with a sharp increase in April 2020 of 31,918 recipients (10.7%) and in May 2020 of 7,894 recipients (2.4%). The Program experienced a sharp decline of 29,965 recipients in June (-8.7%), with a smaller decline of 6,991 in July (-2.3%) and an increase in August of 11,015 cases (3.7%). The decreases are mainly a result of increased unemployment benefits that individuals received from the federal government, which are calculated as income and individuals returning to work. The increase in August is mainly due to the D-SNAP provided to individuals who were impacted by the derecho.

Figure 30



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Justice System

Department of Corrections (DOC). The following updates relate to the DOC COVID-19 response and available funding:

- **Future Ready Iowa Grant** — On September 23, 2020, Iowa Prison Industries (IPI) was awarded \$100,000 from the Coronavirus Relief Fund Employer Innovation Fund Grants. IPI is using these funds to provide vocational training to inmates at the North Central Correctional Facility in Rockwell City. The vocational training will be provided to inmates who are close to release and will include training, testing, and work opportunities leading to American Welding Society qualification and federal Occupational Safety and Health Administration (OSHA) 10-hour safety certification.
- **Admissions and Population Management** — Currently, the institutions are approximately 6.6% over capacity, which is down from 22.0% in March. The current prison population is about 7,400. As of October 2, 2020, there have been 1,774 parolees and 543 inmates on work release since March. The Board of Parole (BOP) has completed 7,343 reviews since April 1, 2020, with 43.0% of those reviews resulting in release.
- **COVID-19 Testing and Case Data** — Up-to-date COVID-19 testing and case data from the institutions is available on the [DOC COVID-19 webpage](#).

Judicial Branch. Jury trials commenced on September 14, 2020. COVID-19 information and updates impacting court services is available on the Judicial Branch [website](#). The Supreme Court recently issued two orders relating to the COVID-19 response. The September 1, 2020 order relates to judicial discretion regarding remote technology in certain juvenile proceedings. The October 2, 2020 order implements a CDC order entitled "[Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19](#)". Both orders supplement the previously existing Supreme Court orders relating to COVID-19, which remain in effect. The Supreme Court COVID-19 orders are available on the Judicial Branch [website](#).

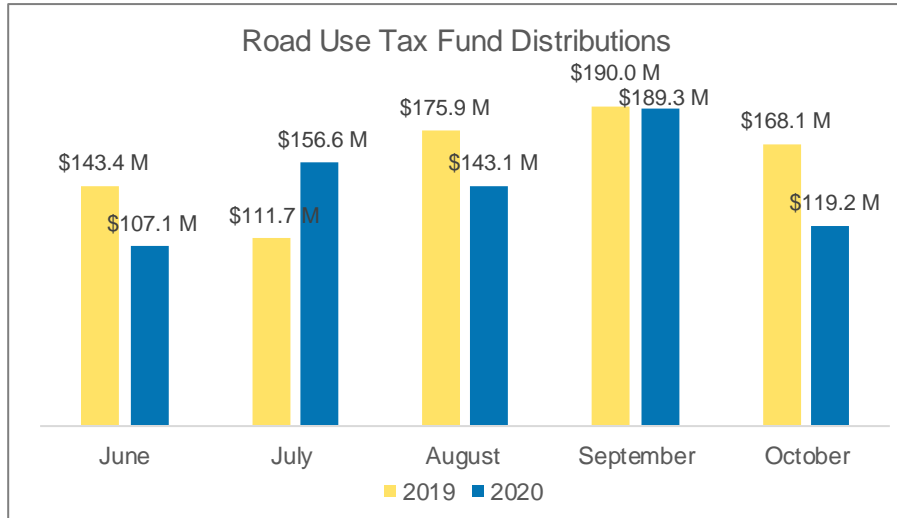
National Guard. The National Guard continues to support six Testlowa sites in Black Hawk, Linn, Scott, two in Polk, and Pottawattamie counties, with 142 soldiers and airmen and women on active duty.

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Transportation, Infrastructure, and Capitals

Department of Transportation. Due to the COVID-19 pandemic, Road Use Tax Fund (RUTF) revenue is anticipated to decrease. **Figure 31** shows cash year RUTF distributions for the five months that have been impacted by decreases in revenue from the fee for new registration and fuel taxes. The total drop for this five-month period is \$73.8 million, which is a decrease of 9.4% compared to the same period in 2019.

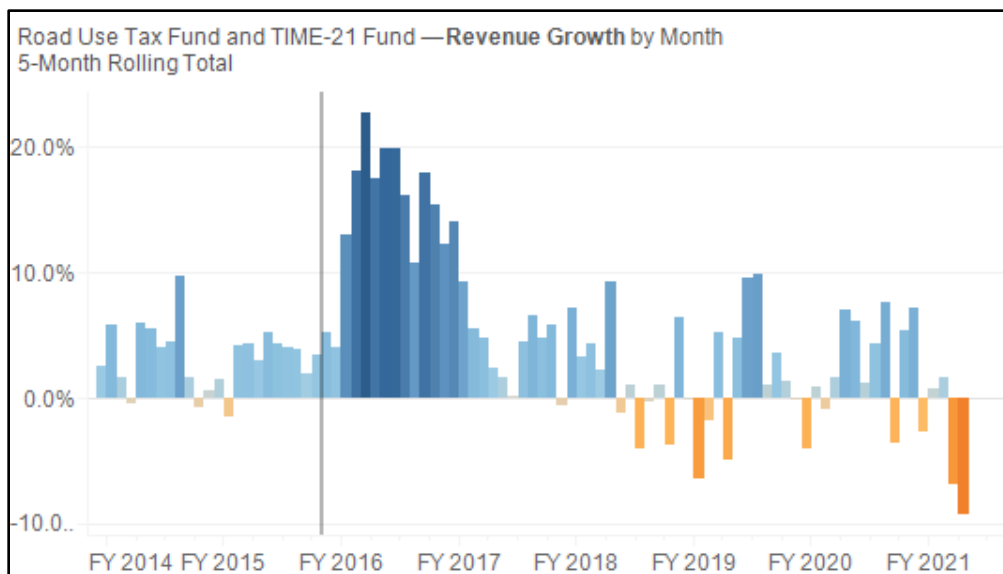
Figure 31



Part of this decrease is due to an error regarding the deposit of the fee for new registration. This funding (over \$27.0 million) was deposited in the RUTF on October 1, 2020, and will correct for some of the decline in RUTF revenue.

Prior to September 2020, the total drop in RUTF distributions had not impacted growth substantially. A downward trend has become clearer in the last two months. However, this trend is likely less pronounced than displayed in **Figure 32** when accurately accounting for fees for new registration revenue.

Figure 32



Rebuild Iowa Infrastructure Fund

The Rebuild Iowa Infrastructure Fund (RIIF) ended FY 2020 with a balance of \$19.8 million (**Figure 33**). Revenues from State wagering taxes ended FY 2020 stronger than forecast, which resulted in a larger ending balance for the RIIF. For estimated FY 2021, the RIIF is expected to end with a positive balance. However, this projection relies on gambling taxes, which may be negatively impacted by the pandemic.

Figure 33

Rebuild Iowa Infrastructure Fund (RIIF)				
(dollars in millions)				
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Estimated FY 2021
Funds Available				
Beginning Balance	\$ 3.2	\$ 10.9	\$ 10.9	\$ 19.8
State Wagering Taxes and Fees	164.6	163.3	105.3	138.6
Tobacco Settlement Payment	13.4	13.1	13.1	13.1
Interest	8.4	15.7	14.4	16.0
General Fund Transfer	-	-	70.0	-
Total Funds Available	<u>\$ 189.6</u>	<u>\$ 203.0</u>	<u>\$ 213.7</u>	<u>\$ 187.5</u>
Appropriations	<u>\$ 179.4</u>	<u>\$ 193.6</u>	<u>\$ 198.9</u>	<u>\$ 170.3</u>
Reversions	-0.6	-1.5	-4.9	-
Ending Balance	<u>\$ 10.9</u>	<u>\$ 10.9</u>	<u>\$ 19.8</u>	<u>\$ 17.2</u>

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