

FISCAL UPDATE Article

Fiscal Services Division

July 1, 2020



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COVID - 19 — IOWA CORONAVIRUS RELIEF FUND

Fund Update. 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 [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) on April 20, 2020. As of July 1, 2020, a total of \$615.6 million has been transferred to various programs for addressing costs associated with the COVID-19 pandemic. The current balance in the Fund is \$634.5 million.

| Iowa Coronavirus Relief Fund | |
|---|-------------------------|
| Year-to-Date Revenues and Expenses | |
| As of July 1, 2020 | |
| | FY 2020 |
| Revenues | |
| Federal Support (CARES Act) | \$ 1,250,000,000 |
| Interest | 33,410 |
| Total | <u>\$ 1,250,033,410</u> |
| Expenditures | |
| Economic Development Authority | |
| Small Business Disaster Assistance Fund | \$ 70,000,000 |
| AmeriCorps | 60,000 |
| Grow Iowa Values Fund | 7,000,000 |
| Agriculture & Land Stewardship | |
| Pass the Pork Program | 500,000 |
| Iowa Disposal Assistance Program | 903,360 |
| Human Services | |
| Double Up Food Bucks Program | 1,000,000 |
| Commodity Supplemental Foods Program | 1,000,000 |
| Homeland Security & Emergency Management | |
| Feeding Iowans Initiative - Food Banks | 1,000,000 |
| Iowa Finance Authority | |
| Iowa Eviction and Foreclosure Prevention Program | 22,000,000 |
| Iowa College Student Aid Commission | |
| Last Dollar Scholarship Program Fund | 5,100,000 |
| Iowa Workforce Development | |
| Unemployment Insurance Trust Fund | 490,000,000 |
| Management | |
| Economic Emergency Fund | 17,000,000 |
| Total | <u>\$ 615,563,360</u> |
| Balance | <u>\$ 634,470,050</u> |

To date, ICRF moneys have been transferred to several State agencies to address different aspects of the COVID-19 pandemic.

Economic Development Authority

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

Department of Agriculture and Land Stewardship

- **Pass the Pork Program:** The funds for this [Program](#) will connect Iowa pig farmers with Iowa food banks to help provide a market for pork which might otherwise go to waste due to the COVID-19 pandemic.
- **Iowa Disposal Assistance Program:** The [Iowa Disposal Assistance Program](#) was created to assist Iowa pork producers who are unable to harvest pigs because of COVID-19 supply chain disruptions. In the event pork producers are forced to euthanize animals, the producers can apply for State funding to properly dispose of carcasses in an environmentally-sound manner. The Program will provide producers \$40 per animal to help cover a portion of the disposal costs for qualifying hogs.

Department of Human Services

- **Double Up Food Bucks:** The [Double Up Food Bucks](#) program receives funding through the Department of Human Services. The program connects low-income families with healthy food grown by Iowa farmers and increases those families' access to fresh fruits and vegetables.
- **Commodity Supplemental Foods Program (CSFP):** The [CSFP](#) provides supplemental food and nutrition education for persons ages 60 and over. Available foods include canned fruits and vegetables, hot and cold cereals, cheese, peanut butter, beans, pastas, and canned and powdered milk.

Department of Homeland Security and Emergency Management

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

Iowa Finance Authority

- **Iowa Eviction and Foreclosure Prevention Program:** The funds for this Program will be used to assist Iowans who have been economically impacted by COVID-19 and may be facing housing hardships. The [Iowa Eviction and Foreclosure Prevention Program](#) is administered by the Iowa Finance Authority.

Iowa College Student Aid Commission

- **Last-Dollar Scholarship Program Fund:** The Last-Dollar Scholarship Program was created in 2018 in [HF 2458](#) (Future Ready Iowa Act). The Program provides financial aid to students attending community colleges or accredited private nonprofit institutions and enrolled in programs of study that

lead to a postsecondary credential, up to and including an associate degree, aligned with a high-demand job as designated by Iowa Workforce Development or a community college.

Department of Workforce Development

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

Department of Management

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

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

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

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

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