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## FISCAL UPDATE Article

Fiscal Services Division

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### AMERICAN RESCUE PLAN ACT — ESTIMATED IOWA ALLOCATIONS

**American Rescue Plan Act.** On March 11, 2021, the [American Rescue Plan Act \(ARPA\) of 2021](#) was signed into law. The Act provides \$1.900 trillion for COVID-19 relief funding to individuals, businesses, states, and local governments. The following information is a brief summary of the estimated funding allocated to Iowa. A separate **Fiscal Update Article** relating to the federal implications of the ARPA is also available [here](#). The Legislative Services Agency (LSA) will continue to analyze the estimated funding allocations to Iowa and will provide future updates.

**State of Iowa and Local Government Allocations.** According to the [Federal Funds Information for States](#) (FFIS), the State of Iowa is estimated to receive approximately \$4.451 billion from the ARPA. This funding reflects the funds that will flow through the State of Iowa and does not include stimulus funding to individuals and families. Iowa residents received approximately \$3.776 billion in direct payments from the ARPA.

Of the total allocated funding to the State of Iowa, \$1.379 billion will be distributed to the State from the State Fiscal Recovery Fund, and local governments are estimated to receive approximately \$1.162 billion from the Local Fiscal Relief Fund. The funds are estimated to be distributed as follows:

- \$335.0 million for metropolitan cities.
- \$216.0 million for nonentitlement local governments (noncounties).
- \$612.0 million for counties (allocated by relative population).

Funds provided to state and local governments have broad spending flexibility, including addressing emergency and economic effects of the pandemic; replenishing revenue losses due to the shutdown of the economy; investments in water, sewer, and broadband infrastructure; and premium pay to essential workers. The funds may not be used to make payments to pension funds or to reduce taxes directly or indirectly between March 3, 2021, and the last day of the fiscal year in which all funds received have been spent or returned. **States and local governments may use the funds for costs incurred through December 31, 2024.** The payments are required to be made from the fund to states within 60 days of certification of the Act.

**Capital Projects.** Within the total ARPA allocation, the State of Iowa is estimated to receive \$152.8 million from the Coronavirus Capital Projects Fund. These funds may be used for capital projects which directly enable work, education, and health monitoring in response to the public health emergency.

**Table 1** on the following page shows the federal awards by federal program and the estimated allocations to Iowa from each program.

**Table 1 — Estimated ARPA Iowa Allocations**

<b>Federal Department</b>	<b>Federal Program</b>	<b>Est. Award (\$ in thousands)</b>
Department of Agriculture	WIC Cash Value Vouchers Increase	\$ 4,741
Department of Education	Elementary and Secondary School Emergency Relief Fund	774,516
	Emergency Assistance to Non-Public Schools	21,341
	Grants to States	26,807
	Higher Education Emergency Relief Fund	365,487
	Infants & Toddlers	2,361
	Preschool	2,091
Department of Health and Human Services	Child Abuse State Grants	1,008
	Child Care and Development Block Grant	142,639
	Child Care Entitlement to States (Increase in Matching Portion)	5,163
	Child Care Stabilization Grants	228,137
	Community-Based Child Abuse Prevention	2,421
	Congregate and Home Delivered Meals	7,462
	Family Caregiver	1,426
	Head Start	8,562
	Low Income Home Energy Assistance Program	55,392
	Mental Health Block Grant	11,187
	Pandemic Emergency Assistance	6,334
	Preventive Services	428
	Substance Abuse Block Grant	10,779
	Supportive Services	4,908
	Title VII Long-Term Care Ombudsman	97
Department of Homeland Security	Emergency Food and Shelter Program	2,209
	Emergency Management Performance Grants	1,320
Department of the Treasury	Capital Projects	152,847
	Local Fiscal Relief Fund	1,162,204
	State Fiscal Relief Fund	1,379,013
Department of Transportation	Enhanced Mobility of Seniors and Individuals with Disabilities - Local	115
	Enhanced Mobility of Seniors and Persons with Disabilities - State	350
	Nonurbanized Area	9,411
	Urbanized Area	56,013
Independent Agencies	Institute for Museum and Library Services - State Agencies	2,689
	National Endowment for the Arts - State Arts Agencies	797
	National Endowment for the Humanities - State Councils	838
<b>Grand Total</b>		<b>\$ 4,451,094</b>

Sources: FFIS, National Conference of State Legislatures (NCSL)

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