
FISCAL UPDATE Article

Fiscal Services Division

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AMERICAN RESCUE PLAN ACT — ESTIMATED IOWA ALLOCATIONS (MAY UPDATE)

American Rescue Plan Act. On March 11, 2021, the federal [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 under the ARPA as of May 4, 2021. This article is an update of a previous [Fiscal Update Article](#) from [March 2021](#).

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 [Federal Funds Information for States \(FFIS\)](#), the State of Iowa is estimated to receive approximately \$5.003 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 under the ARPA.

Of the total funding allocated 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.

The table 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

Federal Agency	Federal Program	Est. Award (\$ in thousands)
Administration for Children and Families	Child Abuse State Grants	\$ 1,008
	Child Care and Development Block Grant	141,986
	Child Care Entitlement to States (Increase in Matching Portion)	5,163
	Child Care Stabilization Grants	227,551
	Community-Based Child Abuse Prevention	2,421
	Head Start	8,562
	Low Income Home Energy Assistance Program	78,508
	Pandemic Emergency Assistance Fund	6,334
Administration for Community Living	Congregate and Home Delivered Meals	7,462
	Family Caregivers	1,426
	Preventive Services	428
	Supportive Services	4,908
	Title VII Ombudsman	97
Centers for Disease Control and Prevention	COVID-19 Vaccine Preparedness	30,164
	COVID-19 Vaccine Preparedness Adjustment	3,344
	Epidemiology and Lab Capacity for School Testing	95,029
	Expand Genomic Sequencing	2,633
Department of Agriculture	Supplemental Nutrition Assistance Program (SNAP) Three-Year State Administrative Expense Grants	6,112
	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	23,744
	ESSER Homeless Children and Youth	5,073
	Higher Education Emergency Relief Fund - Proprietary Institutions	1,228
	Higher Education Emergency Relief Fund - Public & Non-Profit Institutions	363,231
	Individuals with Disabilities Education Act (IDEA) - Grants to States	26,807
	Individuals with Disabilities Education Act (IDEA) - Infants & Toddlers	2,361
Individuals with Disabilities Education Act (IDEA) - Preschool	2,091	
Department of Homeland Security	Emergency Food and Shelter Program	2,209
	Emergency Management Performance Grants	1,320
Department of Housing and Urban Development	HOME Investment Partnerships Program - Entitlement	13,064
	HOME Investment Partnerships Program - Non-Entitlement	29,474
Department of Labor	Unemployment Insurance Extension Implementation Grants	275
Department of Transportation	FTA Enhanced Mobility of Seniors and Persons with Disabilities	464
	FTA Intercity Bus Formula	1,969
	FTA Nonurbanized Area Formula	9,536
	FTA Urbanized Area Formula	49,117

Federal Agency	Federal Program	Est. Award (\$ in thousands)
Department of the Treasury	Capital Projects	\$ 152,847
	Emergency Rental Assistance	165,946
	Homeowner Assistance Fund	50,000
	Local Fiscal Recovery Fund	1,162,204
	State Fiscal Recovery Fund	1,379,013
	State Small Business Credit Initiative	84,242
Health Resources and Services Administration	Community Health Centers - Expanded Access to COVID-19 Vaccines, Build Vaccine Confidence	48,082
Independent Agencies	Institute of Museum and Library Services - States	2,689
	National Endowment for the Arts	787
	National Endowment for the Humanities	838
Substance Abuse and Mental Health Services Administration	Mental Health Block Grant	11,187
	Substance Abuse Prevention and Treatment Block Grant	10,779
Grand Total		\$ 5,002,971

Totals may not add due to rounding.

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

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