Federal Funding Received. The State of Iowa received $851.3 million in funds on July 23, 2021, and deposited them in the Iowa Coronavirus Fiscal Recovery Fund. Of that total, $348.4 million was transferred. The first $237.5 million was transferred to Iowa Workforce Development to the Unemployment Insurance Trust Fund. These funds are used to support ongoing unemployment benefits for Iowans. An additional $110.9 million was transferred to the Iowa Department of Revenue for payments to nonentitlement units of government, which are cities with a population less than 50,000. 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.

Background. 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. Federal Funds Information for States (FFIS) estimates that the State of Iowa will receive approximately $5.003 billion from the ARPA. Direct payments to individuals in families, totaling $3.776 billion, are not included in this total. Additional details were published in a May 6, 2021, Fiscal Update Article.

The State of Iowa will receive an estimated $1.379 billion from the Federal State Fiscal Recovery Fund. Local governments are estimated to receive approximately $1.162 billion from the Local Fiscal Relief. The State began receiving funds for the State Recovery Fund and for Local Fiscal Relief in late July.

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