



CARES Act Overview

Economic Development Appropriations Subcommittee

February 9, 2021

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Coronavirus Aid, Relief, and Economic Security (CARES) Act

- Passed March 27, 2020
- Overall \$2.2 trillion
 - ◆ State and local governments = \$150.0 billion in discretionary funds
 - ◆ Hospitals = \$130.0 billion
 - ◆ Distressed businesses = \$500.0 billion
 - ◆ Small businesses = \$377.0 billion
 - ◆ Individuals = >\$450.0 billion (direct payments of \$1,200; \$250.0 billion in Unemployment Insurance (UI); student loan deferrals)
- Iowa received \$19.1 billion for federal formula programs under many federal purviews
 - ◆ Department of Education = \$240.7 million
 - ◆ Department of Health and Human Services = \$1.2 billion
 - ◆ Small Business Administration = \$6.2 billion
 - ◆ Department of Labor = \$2.2 billion
 - ◆ Housing and Urban Development = \$77.7 million
- Iowa received \$1.25 billion in discretionary funding from the Coronavirus Relief Fund
 - ◆ Must be used for necessary expenditures due to COVID-19 that were not budgeted as of March 27, 2020 and were incurred between March 1 and December 30, 2020 (since extended through December 2021)
 - ◆ \$100.0 million transferred to local governments

Iowa Economic Development Authority (IEDA)

- \$230.7 million allocated from CARES Act, mostly from Coronavirus Relief Fund
 - ◆ At least \$175.8 million awarded to the public, the rest set to be allocated
- **Small Business Relief Grant Program** = \$94.7 million for businesses in spring/summer 2020
- **Restaurant and Bar Relief Program** = \$40.0 million available February 2021
- **Targeted Small Business (TSB) Sole Operator Fund** = \$600,000 State funding expended by May 4, 2020
- **Coronavirus Relief Fund Registered Apprenticeship Incentive Program** = \$6.4 million in CARES Act funding through Iowa Workforce Development (IWD) to schools, nonprofits, and small businesses
 - ◆ \$1.0 million General Fund appropriation to the IEDA for **Future Ready Iowa Registered Apprenticeship Program** for small-to-midsize businesses
- State/local government moneys from CARES and potential upcoming federal relief
 - ◆ Empower Rural Iowa grants to cities/towns and nonprofits

Iowa Finance Authority

- \$116.3 million allocated from Coronavirus Relief Fund
 - ◆ At least \$110.7 million awarded to public
- **Eviction and Foreclosure Prevention Program**
 - ◆ \$37.4 million allocated from Coronavirus Relief Fund
- **Federal Emergency Rental Assistance** from federal legislation passed December 27, 2020: \$195.0 million
- General Fund appropriated **Rent Subsidy Program**: \$658,000
 - ◆ Used for rent assistance to individuals on one of the Medicaid Home and Community-Based Services (HCBS) Waivers



Iowa Department of Workforce Development

Unemployment Insurance Programs	\$2.4 billion and counting*
Federal Pandemic Unemployment Compensation (FPUC) Program	\$1.7 billion
Pandemic Emergency Unemployment Compensation (PEUC)	\$201.2 million
Pandemic Unemployment Assistance Program	\$192.8 million
Lost Wages	\$154.0 million
Temporary Compensation for Benefits	\$105.5 million

*Week ending January 23, 2021

- Coronavirus Relief Fund: \$490.0 million to Unemployment Insurance Trust Fund
- Coronavirus Relief Fund: \$4.3 million to **Iowa Employer Innovation Fund**
 - ◆ Iowans can earn for-credit and noncredit postsecondary credentials leading to high-demand jobs
 - ◆ FY 2021 appropriation of \$1.2 million (split with **Child Care Challenge**)
 - ◆ FY 2022 recommendation of \$4.2 million (split with **Child Care Challenge**)

Department of Cultural Affairs

- \$7.9 million in CARES Act allocations
 - ◆ \$7.0 million from Coronavirus Relief Fund for **Iowa Arts & Culture Recovery Program** for hundreds of nonprofits, artists, live music venues, and government-owned cultural venues
- Federal grant opportunity for Shuttered Venue Operators Grant — \$15.0 billion nationally
- **Community Cultural Grants:** Fund local governments and nonprofits to support development of community programs that provide jobs; requires a 50.0% local match (General Fund (GF) appropriation of \$172,000)
- **Great Places Program:** Fund local communities' vertical infrastructure projects (GF \$150,000 appropriation)
- **County Endowment Funding:** Operational support grants to multidiscipline cultural organizations (GF State Wagering Tax Revenue \$448,000 appropriation)

Board of Regents

- \$2.2 million allocated from Coronavirus Relief Fund to **Biosciences**
 - ◆ Iowa/Iowa State partnership for COVID-19 vaccine administered via nasal spray instead of a needle
- FY 2021 appropriation/FY 2022 Governor's Recommendation for **Economic Development** = \$8.7 million
- FY 2021 appropriation to **Biosciences** = \$1.1 million
 - ◆ FY 2022 Governor's Recommendation = \$4.0 million
- FY 2021 appropriation/FY 2022 Governor's Recommendation to University of Northern Iowa for **Additive Manufacturing** = \$400,000

CARES Act direct to Higher Education (50% minimum for student grants)	
Iowa State University	\$21.7 million
University of Iowa	\$16.2 million
University of Northern Iowa	\$7.6 million



December 2020 COVID-19 Economic Relief Bill

- \$900.0 billion overall relief included with \$1.4 trillion government appropriations
- \$600/\$1,200 stimulus checks for individuals/families below \$75,000/\$150,000
- Extends CARES Act Coronavirus Relief Fund awards to December 31, 2021
- \$120.0 billion in Unemployment Insurance to states
 - ◆ Extends PUA and PEUC to March 14/April 5
 - ◆ Extends FPUC through March 14 with \$300 extra per week
- Extends refundable tax credit for employers that offer paid sick and family leave through March 31, 2021
- \$284.5 billion for forgivable Paycheck Protection Program (PPP) loans
- \$22.7 billion to Higher Education (1/3 minimum financial aid grants to students, 2/3 maximum)
 - ◆ ISU: \$32.4 million; SUI: \$25.0 million; UNI: \$12.1 million
- Housing: \$25.0 billion in emergency rental assistance (\$195.0 million to Iowa)

Questions?

- The Legislative Services Agency's (LSA) [State Budget Preview FY 2022](#) contains more information on CARES Act funding and Coronavirus Relief Fund expenditures.
- The LSA also has numerous fiscal analyses of COVID-19 relief programs, found [here](#).
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Appendix: Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

Departments Under Economic Development Appropriations Subcommittee

Agency	Program	Coronavirus Relief Funds	Description	Allocation (as of January 21, 2021)*	Expenditures (as of January 21, 2021)*
Iowa Economic Development Authority	Small Business Relief Grant Program	Yes	Financial assistance to small businesses economically impacted by COVID-19. The program offers eligible small businesses grants ranging from \$5,000-\$25,000 in addition to offering Iowa businesses a deferral of sales and use or withholding taxes due and waiver of penalty and interest. Includes \$2.6 million for Business Disruption Relief Program for grants to bars.	\$ 99,000,000	\$ 94,690,194
Iowa Economic Development Authority	Restaurant and Bar Relief Grant Program	Yes	Financial relief for eligible restaurants and bars impacted during the COVID-19 pandemic due to closures and other mitigation efforts. The Program may assist eligible businesses that experienced a decrease in gross sales of at least 15% during the second and third quarters of 2020, (April 1- September 30), compared to the same time the previous year. Award tiers will be used with a maximum award amount of \$25,000. The grant application window is from February 1 to February 15, 2021	\$ 40,000,000	-
Iowa Economic Development Authority	AmeriCorps	Yes	IEDA grant to AmeriCorps for the Iowa Commission on Volunteer Services food bank response.	\$ 60,000	\$ 60,000
Iowa Economic Development Authority	Biofuels Relief Program	Yes	Provides short-term cash flow assistance to Iowa-based biodiesel and ethanol companies impacted by COVID-19.	\$ 15,500,000	\$ 12,122,348
Iowa Economic Development Authority	Small Business Utility Disruption Prevention Program	Yes	Provides short-term relief to eligible small businesses and nonprofits that face significant hardship in the payment of utility bills for service provided during the months of disruption to their business. Includes funding for Residential Utility Disruption Prevention Program.	\$ 15,000,000	\$ 5,274,296
Iowa Economic Development Authority	Nonprofit Recovery Program	Yes	Provides short-term relief to nonprofit organizations that have experienced a net loss as a result of COVID-19.	\$ 10,000,000	\$ 9,773,411
Iowa Economic Development Authority	Iowa Movie Theatre Relief Program	Yes	Short-term relief to eligible movie theatres for the purpose of continuing or resuming business operations during COVID-19.	\$ 5,500,000	\$ 5,295,080
Iowa Economic Development Authority	Iowa State and County Fair Relief Fund	Yes	Short-term relief to eligible county and district fairs for the purpose of continuing or resuming business operations in the context of COVID-19. This is an extension of the Iowa Small Business Relief Grant Program.	\$ 6,975,000	\$ 9,975,000
Iowa Economic Development Authority	Iowa Hospitals Relief Program	Yes	Financial assistance to hospitals to combat increased costs resulting from the pandemic. Eligible hospitals can use the Iowa Hospital COVID-19 Relief allocations to pay for workforce-related expenses caused by the pandemic.	\$ 25,000,000	\$ 24,941,452
Iowa Economic Development Authority	Targeted Small Business (TSB) Sole Operator Fund	No - State Funding	Designed to help women, individuals with minority status, service-connected disabled veterans and individuals with disabilities overcome some of the hurdles to start or grow a small business in Iowa. The program offered eligible small businesses grants from \$1,000-\$10,000 to single-owner businesses with no employees that were also TSB certified.	\$ 600,000	\$ 600,000
Iowa Economic Development Authority	Iowa Revolving Loan Funds - Federal	No	Capitalize and administer Revolving Loan Funds (RLFs) that will provide critical gap financing to small businesses and entrepreneurs that have been adversely affected by the coronavirus pandemic across Iowa.	\$ 13,100,000	\$ 13,100,000

<u>Agency</u>	<u>Program</u>	<u>Coronavirus Relief Funds</u>	<u>Description</u>	<u>Allocation (as of January 21, 2021)*</u>	<u>Expenditures (as of January 21, 2021)*</u>
Iowa Finance Authority	Iowa Eviction and Foreclosure Prevention Program	Yes	Provides short-term relief to income-eligible renters and homeowners who are at risk of eviction or foreclosure. Awards are the lesser of 4 months of actual rent or \$3,200 maximum. -13,790 statewide number of renters assisted; 833 statewide homeowners assisted -\$31,336,084 statewide total assistance for renters; -\$2,057,256 statewide total assistance for homeowners -\$2,188 average assistance for renters; \$2,401 average assistance for homeowners -Accommodation and Food Service is #1 industry for renters helped through Program	\$ 37,400,000	\$ 34,507,296
Iowa Finance Authority	Iowa Livestock Producer's Relief Fund	Yes	Provides eligible livestock producers with grants up to \$10,000 that may be used as working capital to continue operations.	\$ 62,850,000	\$ 62,073,450
Iowa Finance Authority	Iowa Beginning Farmer Debt Relief Fund	Yes	Provides eligible beginning farmers with a debt service payment up to \$10,000.	\$ 16,000,000	\$ 14,143,755
Iowa Workforce Development	Unemployment Insurance Trust Fund	Yes	Money provided through the CARES Act was deposited into Iowa's Unemployment Insurance Trust Fund. The deposit ensured that eligible Iowans continue to receive unemployment insurance benefits and will also enable Iowa employers to not be charged for unemployment claims due to COVID-19. As of November 30, 2020, the Iowa Unemployment Insurance Trust Fund balance was \$1.048 billion.	\$ 490,000,000	\$ 490,000,000
Iowa Workforce Development	Coronavirus Relief Fund Earn and Learn Grant	Yes	Funds projects that support the creation and expansion of short-term training programs and support services resulting in industry-recognized credentials connected to high-demand jobs in Iowa.	\$ 5,860,066	\$ 5,230,562
Iowa Workforce Development	Future Ready Iowa - Employer Innovation Fund	Yes	Provides funding opportunities for employers, employer consortiums, community organizations and nonprofits, to provide training, books, tools and wrap around support for Iowans engaged in training programs in high-demand careers. The grant program will focus on Iowans whose jobs have been affected or eliminated because of the pandemic. Maximum available award will be \$100,000 per applicant.	\$ 4,350,000	\$ 1,055,324
Iowa Workforce Development	Coronavirus Relief Registered Apprenticeship Incentive Program	Yes	Provides training in an "earn and learn" model that helps employers create employees tailored to their needs. Registered Apprenticeships are an employer-driven model, combining on-the-job learning with related classroom instruction, providing the Apprentice with a nationally recognized credential and employers with a skilled worker at the end of the program.	\$ 6,600,000	\$ 3,769,221
Iowa Workforce Development	Federal Pandemic Unemployment Compensation (FPUC) Program	No	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. The Program ended July 25, 2020, but restarted with \$300 per week as of December 27, 2020.	\$ 1,650,609,427	\$ 1,650,609,427
Iowa Workforce Development	Lost Wages Assistance	No	Iowans whose unemployment is the result of the pandemic and who are eligible for at least \$100 in unemployment insurance (UI) benefits per week qualified for an additional \$300 in weekly benefits retroactive to the week ending August 1, 2020. The program ended the week of September 5, 2020.	\$ 215,820,000	\$ 153,976,607

<u>Agency</u>	<u>Program</u>	<u>Coronavirus Relief Funds</u>	<u>Description</u>	<u>Allocation (as of January 21, 2021)*</u>	<u>Expenditures (as of January 21, 2021)*</u>
Iowa Workforce Development	Pandemic Emergency Unemployment Compensation (PEUC)	No	Under the PEUC Program, states can provide up to 13 weeks of federally funded benefits to qualified individuals who have exhausted their regular UI benefits.	\$ 201,155,210	\$ 201,155,210
Iowa Workforce Development	Pandemic Extended Benefits (EB)	No	Extended Benefits fund unemployment claims for states with an insured unemployment rate (number of people currently receiving Unemployment Insurance as a percentage of the labor force) above 5% during a 13-week span	\$ 15,715,500	\$ 15,715,500
Iowa Workforce Development	Temporary Compensation for Benefits	No	Under the CARES Act, the federal government fully financed the first week of benefits through December 31, 2020, for states that lift the one-week waiting period. Many states currently impose a one-week waiting period because federal funds are not available for the first week after a claim is filed, although the Families First Act, enacted on March 18, 2020, now allows states to receive federal matching for the first week. Iowa does not have a waiting week (a week delay in the receipt of benefits that many other states have). The CARES Act provided 100% federal reimbursement to states that do not have a waiting week for the first week of every claim that is paid for the time period March 29th through December 16th. The second CARES Act provides 50% reimbursement for the first week of all claims paid from December 27, 2020 through March 13, 2021.	\$ 105,456,000	\$ 105,456,000
Iowa Workforce Development	Pandemic Unemployment Assistance (PUA) Program	No	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.	\$ 192,804,939	\$ 192,804,939
Iowa Workforce Development	Short Time Compensation Benefits	No	Program is an alternative to layoffs for employers experiencing a reduction in business activities and allows those employees facing a reduction in wages to collect a percentage of unemployment compensation benefits to replace a portion of their lost wages.	\$ 8,204,106	\$ 8,204,106
Iowa Workforce Development	Additional Funding for Unemployment Insurance	No	To provide additional unemployment funding for administration in response to the Coronavirus Pandemic	\$ 10,053,959	\$ 10,053,959
Department of Cultural Affairs	Promotion of the Humanities Division of Preservation and Access	No	To support managing the grant program making subawards to Iowa's arts, culture heritage and humanities organizations	\$ 465,700	\$ 438,500
Department of Cultural Affairs	Promotion of the Humanities Federal/State Partnership	No	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	\$ 387,500
Department of Cultural Affairs	Iowa Arts & Culture Recovery Program	Yes	Providing economic relief to Iowa's arts and culture industry, including nonprofit cultural institutions, live music venues, government-owned cultural venues, and individual artists.	\$ 7,000,000	\$ -
Board of Regents	Biosciences	Yes	Researchers at the University of Iowa and Iowa State University are working to help create a nanovaccine that would protect against the virus that causes COVID-19 and be administered via nasal spray rather than a needle.	\$ 2,150,000	\$ 2,150,000

*Information from Iowa Department of Management and Iowa Department of Workforce Development