

State of Iowa Recovery Plan

State and Local Fiscal Recovery Funds
2021 Report

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Executive Summary

In this section, provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period. See Section C(1) on page 24 of the Reporting Guidance for additional information.

With the support of the Iowa legislature, Governor Reynolds is committed to allocating American Rescue Plan (ARP) funds thoughtfully and responsibly in support of continued economic recovery and the long-term, sustainable success of the State of Iowa. To that end, to date Governor Reynolds has announced transformational investments into housing, tourism, and the unemployment trust fund. Following the recent announcement of \$100 million in state funding for broadband infrastructure, Governor Reynolds also announced the impending launch of a significant new broadband grant program funded with federal ARP funds.

Uses of Funds

Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, explain how the funds would support the communities, populations, or individuals in your jurisdiction. Address how you are promoting each of the following Expenditure Categories, to the extent they apply:

1. *Public Health (EC 1)*
2. *Negative Economic Impacts (EC 2)*
3. *Services to Disproportionately Impacted Communities (EC 3)*
4. *Premium Pay (EC 4)*
5. *Water, sewer, and broadband infrastructure (EC 5)*
6. *Revenue Replacement (EC 6)*

Where appropriate, include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.

See Section C(2) on page 24 of the Reporting Guidance for additional information.

Unemployment Insurance Trust Fund

To minimize the pandemic's impact on employers so they can focus on growing and reinvesting in Iowa.

Expenditure Category: EC 2.8, Contributions to UI Trust Fund

The allocation of \$237,470,586 in funds to the Iowa Unemployment Trust Fund will help to ensure employers do not see an expanded burden on their payroll expenses due to the increased number of unemployment insurance claims paid as a result of the COVID-19 pandemic and the state's response.

Housing

To increase the supply of housing options and protect and expand housing opportunities for lowans to live in or near the communities where they work.

Expenditure Category: 3.10; 3.12

Iowa continues to face widespread demand for quality, affordable housing due to a projected increase of 47,000 households by 2030, and an aging housing inventory with 40 percent of all housing units built before 1950. The Governor's \$100 million transformative investment in housing will help to build approximately 36,000 new housing units statewide, representing a much-needed down payment on Iowa's long-term prosperity. The investment includes:

- Federal Housing Tax Credit Program - \$45 million

This investment is estimated to move approximately 15 housing tax credit projects forward that otherwise would not be able to proceed and is expected to create an estimated total of 700 rental homes for lowans by providing a cash grant to match the 4% Federal Program.

- Workforce Housing Tax Credit Program - \$20 million

This investment will provide cash grant gap financing to current Workforce Housing Tax Credit Program projects to assist with the increased cost of construction building materials and ensure the projects are able to be completed, expanding housing opportunities for lowans.

- Downtown Housing Grant Program - \$20 million

This newly created program will provide financial assistance for projects that support local downtown revitalization through the creation of new housing opportunities in communities with populations of 30,000 or less.

- Homes for Iowa - \$10 million

Homes for Iowa is a public/private partnership that trains offenders in skilled building trades while building single family homes at the Newton Correctional Facility. This investment will allow the Homes for Iowa program to scale production and training efforts.

- Home Repair Block Grant Pilot Program - \$4 million

This investment will provide qualified homeowners with financial assistance for eligible repair expenses to help preserve their homes.

- Minority Homebuyer Down Payment Assistance Pilot Program - \$1 million

Homeownership is a leading driver of wealth creation, yet minority homeowners in Iowa

are underrepresented. This initial investment will assist in breaking barriers to homeownership by providing 200 eligible Iowa households with assistance purchasing a home.

Tourism

To assist the tourism industry in recovering from the negative impacts of the pandemic by encouraging people to visit, live, and work in Iowa.

Expenditure Category: EC 2.11

The State of Iowa launched a nationally televised commercial to introduce the state and its unmatched quality of life to a national audience. The 30-second spot will air on cable, online, and through connected/streaming services. It is designed to attract more visitors and residents to the state by revealing Iowa's natural beauty, vibrant communities, economical cost of living and working, cultural amenities, and growing business sectors. Bringing in a new customer base from around the country will aid the Iowa hospitality industry, which saw a significant sales decline during the COVID-19 pandemic. The hospitality industry in the State of Iowa experienced a 46.1 percent decline in employment as a result of the COVID-19 pandemic and a 24.2 percent decline in GDP for 2020 compared to a 2.3 percent decline in the overall economy.

Promoting equitable outcomes

In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Include how your jurisdiction will consider and measure equity at the various stages of the program, including:

- 1. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve?*
- 2. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?*
- 3. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?*
- 4. Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?*

Describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. Explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

- 1. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic*

(such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.

- 2. Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).*

Describe your jurisdiction's efforts to date and intended outcomes to promote equity using qualitative and quantitative data on how the jurisdiction's approach achieved or promoted equitable outcomes or progressed against equity goals. Describe any constraints or challenges that impacted project success in terms of increasing equity.

Describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

See Section C(3) on pages 24 and 25 of the Reporting Guidance for additional information.

The State of Iowa is committed to the goal of equity – both in the administration of grant opportunities and the structure of the opportunities themselves. Iowa's Minority Homebuyer Down Payment Assistance Pilot Program provides one such example. As additional plans are developed, the State will make sure that all metrics and KPI improve equitable outcomes for all Iowans.

Community Engagement

Describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

See Section C(4) on page 25 of the Reporting Guidance for additional information.

On June 18, 2020, Governor Reynolds signed an Executive Order establishing the Governor's Economic Recovery Advisory Board to assess the economic impact of COVID-19 on Iowa's industries, businesses and workforce, analyze recovery efforts, and recommend strategies that ensure the future prosperity of all Iowans. The Advisory Board held open meetings and solicited input from the general public via online submissions. The Advisory Board then submitted recommendations in the form of a report, which was released to the public on February 4, 2021. The report's recommendations have served to guide funding priorities and prompt further stakeholder engagement on targeted issues like workforce, child care, broadband, tourism, and carbon sequestration.

Labor Practices

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

See Section C(5) on page 25 of the Reporting Guidance for additional information.

We have not yet allocated funds to any projects falling within the Infrastructure (EC 5) expenditure category.

Use of Evidence

Identify whether SLFRF funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Specifically, in this section, recipients should describe their overall approach for using evidence and evaluation, including how a Learning Agenda (either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda) could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction. However, detailed evidence information for each project should be included in the Project Inventory (see details in the Project Inventory section below).

See Section C(6) on page 26 of the Reporting Guidance for additional information.

The State of Iowa is committed to evidenced-based interventions, tracking and enforcing performance metrics, and vigorously monitoring outcomes.

Table of Expenses by Expenditure Category

In this section, list the amount of funds used in each Expenditure Category. The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

Jurisdictions may modify the table as needed by deleting unused rows where they have not expended any funds or by adding columns to more clearly characterize their program expenditures over time.

For the initial Recovery Plan, the amounts listed for "Cumulative expenditures to date" and "Amount spent since last Recovery Plan" will be equal.

See Section C(7) on page 27 of the Reporting Guidance for additional information.

This table lists the cumulative expenditures and total spent in the current report period which is July 23, 2021, the date of award, through July 31, 2021. As this is the first annual report, both amounts are equal.

Category	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.8 Contributions to UI Trust Funds	\$237,470,586	\$237,470,586
7.4 Transfers to Nonentitlement Units (States and Territories only)	\$50,442,125.45	\$50,442,125.45

Project Inventory

In this section, jurisdictions should provide a description of each project undertaken. See Section C(8) on page 27 of the Reporting Guidance for additional information. Below is an example of how to present the information noted in the Reporting Guidance, which incorporates project details as well as evidence and performance measure information outlined in the relevant sections above. This information should be replicated for all of the jurisdiction's projects.

Example Project

Project [Identification Number]: [Project Name]

Funding amount: [Funding amount]

Project Expenditure Category: [Category number, Category Name]

Project overview

- A description of the project that includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes.
- Link to the website of the project if available
- How project contributes to addressing climate change (for infrastructure projects under EC 5)

Use of Evidence

- Briefly describe the goals of the project, and whether SLFRF funds are being used for evidence-based interventions, the evidence base for the interventions, and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. If a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design (see Reporting Guidance for additional details that should be included).
- Identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories.

See Section C(6) on page 26 of the Reporting Guidance for additional information.

As of 7/31/2021, the only allocations and expenditures that have occurred are contributions to the UI Trust Fund and transfers to Non-entitlement Units (NEU).

Ineligible Activities: Tax Offset Provision

For the initial reporting year, States and territories will report the following items related to the Tax Offset Provision 31 CFR 35.8. Baseline revenue or revenue-increasing covered charges are not required at this time.

Item	Amount
a. Revenue-reducing Covered Changes	\$ 0

See Section C(11) on page 28 of the Reporting Guidance for additional information.

Additional guidance will be forthcoming for reporting requirements regarding the tax offset provision.