



# Tony Evers

Office of the Governor | State of Wisconsin

March 9, 2022

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi, Leader Schumer, Leader McConnell, and Leader McCarthy:

I am writing to you in response to the federal budget omnibus legislation that would rescind COVID-19 aid that had previously been directed toward states—aid that states have long planned for and expected to receive.

The funding Wisconsin has received under the State and Local Fiscal Recovery Funds as part of the American Rescue Plan Act of 2021 has been invaluable to our Badger Bounceback agenda, Wisconsin's efforts in pandemic public health response and economic recovery. We are grateful to have had this support to date to make these necessary, critical investments.

However, I previously wrote to the federal government when Wisconsin learned the U.S. Department of Treasury would be reducing Wisconsin's initial estimated allocation of \$3.2 billion to \$2.5 billion—a decrease of more than 20 percent—based on the state's economic success, specifically our low unemployment rate in late 2020. In addition, Treasury elected to split payments for states whose unemployment rate was less than two percentage points above its pre-pandemic level, including Wisconsin. This meant significantly reduced aid for the state of Wisconsin and then also resulted in our state's allocation being paid out in two tranches, the latter of which we have not yet received but have still been working diligently to allocate and award in order to support our state's pandemic recovery efforts.

This virus has not discriminated or abided by state borders based on economic data. While Wisconsin's unemployment is at historic lows, our state nevertheless still faces many of the same challenges experienced by states across the country in ensuring our continued, long-term economic recovery. This fact has and continues to result in needing investments for the competing priorities of mitigating the ensuing delta and omicron variant waves of COVID-19 while also devoting maximum resources toward long-term investments that build a stronger Wisconsin and ensure our sustained economic recovery. For example, the fall and winter surges necessitated an increase in testing support for local communities beyond what could have been anticipated when federal funds were allocated to Wisconsin. The testing support was a critical tool in our efforts to keep our schools and economy open.

To that end, I write today because it would be unfortunate to honor the one-year anniversary of the American Rescue Plan Act—legislation that has been essential for our state's and our country's economic recovery—with an effort to arbitrarily retract aid from certain states. I understand today a version of the Consolidated Appropriations Act of 2022 was introduced that would further reduce funding for states for which Treasury previously decided to split payments. Under this provision, Wisconsin stands to lose roughly a quarter of a billion dollars—\$225 million or more based on current information available. That is just not acceptable. I also understand this provision is perhaps rooted in the mistaken belief that these funds are not being spent. I can speak for Wisconsin when I say that is simply incorrect. I have directed the state to move quickly and purposefully to disburse funds in ways that meet the moment. To date, nearly \$1.37 billion—an amount greater than Wisconsin's first split payment—has already been obligated or expended for programs that fund local public health efforts, assist small businesses, enable services provided by nonprofits, and invest in broadband infrastructure. Hundreds of millions in additional funds have been awarded to organizations that are working through contract agreements or directed to programs in active development, totaling hundreds of millions of additional dollars for specific uses.

When the American Rescue Plan was signed, Americans—including Wisconsinites—heard the message from federal leaders loud and clear: help is on the way. On behalf of the people of Wisconsin, I urge you to reconsider. Further downsizing these investments would impede our state's recovery and would needlessly create uncertainty, potentially putting at risk the progress we have made.

I welcome the opportunity to meet to discuss the potential negative impacts this would have as well as the successes Wisconsin has already had in administering these federal funds.

Sincerely,



Tony Evers  
Governor

cc: The White House