

# Agencies asked to lapse more than \$301M to address COVID-19 revenue shortfalls

Posted on Wednesday, Sep 23, 2020

DOA Secretary Joel Brennan announced the Evers administration has upped to \$301.5 million how much it expects agencies to lapse back to the state at the end of fiscal year 2020-21.

The Department of Health Services is expected to account for more than half of the savings.

In July, the Evers administration announced it was targeting \$250 million in lapses amid uncertainty over state revenues with the COVID-19 pandemic impacting the state's economy. The announcement, coming on the heels of \$70 million in lapses for 2019-20, didn't include specifics on how the reductions would impact each agency.

Tuesday's announcement ups the targeted savings by more than \$50 million and includes a breakdown of how much agencies will be expected to lapse to the state at the end of the fiscal year.

**>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

Agencies are being asked to submit by Dec. 15 their plans to meet their targets.

"This pandemic has affected every community in Wisconsin, and families across our state have also had to make tough decisions," Brennan said. "This Administration is committed to taking the necessary actions to stabilize the state's budget and spur on Wisconsin's economic recovery from the COVID-19 pandemic."

Of the \$151.7 million in lapses from DHS, \$120 million of that is expected savings in

the Medicaid program. In July, the agency reported the Medicaid fund was projected to finish 2020-21 with a surplus of \$85.4 million in general purpose revenue.

The agency referred questions to DOA.

Besides the savings from DHS, the other biggest lapse is more than \$45 million from the UW System. The university already accounted for \$41 million of the \$70 million in lapses for the 2019-20 fiscal year.

The UW System in a series of tweets this afternoon said the gov's office originally indicated the university would account for some \$69 million back when the overall lapse was \$250 million. The system added that it appreciates the reduction to \$45 million after lengthy negotiations.

"We worked very closely w/@GovEvers team to review the proposed lapse & appreciate the recognition of our concerns," the tweets read. "The administration has also been helpful in our COVID-19 response effort, and we continue to work closely with them on key issues such as contact tracing."

The other largest targeted lapses include:

- \*Corrections, \$28.2 million
- \*Children and Families, \$24.7 million
- \*Public Instruction, \$8.9 million
- \*Wisconsin Technical College System Board, \$5.9 million
- \*Revenue, \$5.7 million
- \*Natural Resources, \$5 million

Joint Finance Co-chair John Nygren, R-Marinette, criticized the gov's cost-cutting efforts, saying \$103 million of the \$371 million in lapses sought for the full budget have come from the UW, tech colleges and the Department of Public Instruction. Meanwhile, Nygren said additional federal matching money from the Medicaid program gave the state the ability to free up money for the lapse from that program.

"The 'education' governor is once again pounding education with budget cuts," Nygren said.

See an overview of the lapse targets:

<https://doa.wi.gov/Secretary/9.22.20-SeptLapseInfo.pdf>

See the DOA release:

<https://www.wispolitics.com/2020/dept-of-administration--announces-300-million-in-cost-savings-targeted/>

See Nygren's full statement:

<https://www.wispolitics.com/wp-content/uploads/2020/09/200922Nygren.pdf>