STATE AFFAIRS
WISPOLITICS
Wisconsin's Premier Political News Service

Gov. Evers: Blasts congressional leaders for plan to cut an estimated $225 million of Wisconsin's American Rescue Plan Act funds

Posted on Wednesday, Mar 9, 2022

>> 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.

MADISON — Gov. Tony Evers today, in a letter to Democratic and Republican congressional leadership, slammed a plan that would cut the state of Wisconsin's American Rescue Plan Act allocation by an estimated roughly quarter of a billion dollars according to information received by the Evers Administration. In the midst of the one-year anniversary of the American Rescue Plan Act being enacted, Congress released an omnibus budget bill today that includes a provision that is expected to reduce several states' shares of federal COVID relief aid under the American Rescue Plan Act.

Last year, the U.S. Department of Treasury announced final allocations under the American Rescue Plan Act, revealing Wisconsin would receive $2.5 billion in funds—$700 million less than had previously been estimated—based on the state's success returning to near pre-pandemic unemployment levels. The hundreds of millions that could be cut from Wisconsin's allocation based on the omnibus budget bill released today would be in addition to the already $700 million less that the state initially expected to receive.

Additionally, as Treasury last year re-estimated the amount each state would receive, the department also determined states that had success reducing unemployment would not only potentially receive less than previously expected but would also receive aid payments in a two-tranche structure—the first tranche payment to states was received in spring 2021, and the second tranche payment is expected in May of this year. At the time, after learning of Treasury's decision, Gov. Evers and U.S. Sen. Tammy Baldwin sent a letter to Secretary Janet Yellen urging the department to reconsider their decisions to help ensure Wisconsinites received the maximum resources available to invest in supporting families,

farmers, and small businesses and the state's economic recovery.

Under bill language released in Congress today, some states will have a portion of American Rescue Plan Act funds rescinded on a pro rata basis. If the language is enacted as currently drafted, the state of Wisconsin expects to lose an estimated roughly $225 million based on current reports.

"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," Gov. Evers wrote in his letter to congressional leaders. "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," Gov. Evers continued. "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.

"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."

A copy of Gov. Evers' letter to congressional leadership is available here.

An online version of this release is available here.