



# Tony Evers

Office of the Governor | State of Wisconsin

*VIA ELECTRONIC DELIVERY*

May 6, 2021

Majority Leader LeMahieu  
Room 211 South  
State Capitol

Speaker Vos  
Room 217 West  
State Capitol

Co-Chair Marklein  
Room 316 East  
State Capitol

Co-Chair Born  
Room 308 East  
State Capitol

Dear Members of Republican Leadership:

Thank you for your letter. I appreciate your continued interest in a portion of the funds Wisconsin will be receiving from the American Rescue Plan Act of 2021 (ARPA).

I want to first provide some clarity regarding ARPA funds as it relates to the 2021-23 biennial budget. As I have indicated—and several of our agencies noted during public testimony before the Joint Committee on Finance—the ARPA funds our state expects to receive are one-time federal funds intended to supplement investments in our Badger Bounceback agenda, not replace them. It seems apparent based on your public comments that you believe these funds are an opportunity to backfill portions of my budget that you have signaled for months you intend to gut. They are not. Using these funds for that purpose is inconsistent with my intent in preparing my biennial budget, with the plans I have laid out for our state's ARPA dollars, and, most importantly, with my goal to ensure families, our state, and our economy can recover quickly and bounce back from this pandemic.

Here is my bottom line: our state's economic recovery cannot wait, and Wisconsinites cannot afford for you to play politics.

That is why I have designed our ARPA funds plan and our Badger Bounceback agenda to work in tandem—providing both immediate, necessary resources to Wisconsinites who need help now and cannot wait for the passage of the biennial budget while also making long-term, sustainable investments that will ensure we not only recover from COVID-19 but bounce back better than we were before this pandemic hit. Fortunately, Wisconsin is in a strong fiscal position and we can afford to invest in our state's future while using federal resources to continue the state's pandemic response, invest in infrastructure and broadband, and restore the economic well-being of families, workers, small business owners, and communities across the state.

To this end, and as it seems you might not be aware, I announced my plan to use ARPA funds more than a month ago now. I am attaching my press release from March 29, 2021, where I outlined the framework of my

robust plans to utilize federal dollars while we await additional federal guidance. Below is a table outlining our announcements to date, which are also publicly available on my website:

<b>AMERICAN RESCUE PLAN FUNDS</b>	
<b>Restoring Economic Well-being</b>	<b>\$2.5 billion</b>
Support for Small Businesses	\$600 million
<i>Includes</i> Small Business Recovery grants	\$420 million
<i>Includes</i> Main Street Grants	\$50 million
<i>Includes</i> Equitable Recovery	\$50 million
Tourism Industry Grants	\$50 million
Beyond the Classroom Grants	\$50 million
<b>Continuing Pandemic Response</b>	<b>\$500 million</b>
<b>Infrastructure/Broadband</b>	<b>\$200 million</b>
<b>GRAND TOTAL</b>	<b>\$3.2 BILLION</b>

I have said all along that we will work to get these funds out the door as quickly as possible and continue eagerly awaiting additional guidance from the U.S. Department of Treasury to ensure we comply with federal law. Failing to wait for and trying to spend funds haphazardly without this guidance could actually have disastrous consequences, including, as the Legislative Fiscal Bureau has noted, losing hundreds of millions of dollars that could otherwise be used to support folks across our state. Moreover, as we expect there will be additional federal investments coming to states through the American Jobs Plan and the American Families Plan, I intend to use ARPA funds prudently by avoiding duplicative areas of investment and tailoring our resources into areas where there is both imminent need and limited existing streams of federal funds.

But, as I indicated above, none of these federal supports are intended to substitute the investments we must make through the biennial budget process and our Badger Bounceback agenda, which are essential to our state's economic recovery from this pandemic. That is also why I found it disingenuous you sent me a letter suggesting you are unable to decide how to allocate state resources without more ARPA funds information when less than 72 hours prior, you were perfectly capable of deciding to gut our Badger Bounceback agenda. Dropping a plan that strips the budget of provisions that are critical to our state's recovery, many of which are supported by a majority of Wisconsinites and critical to our state's economic recovery, shows you are, in fact, prepared to make decisions, however ill-advised and well-opposed, and apparently without regard for whether those decisions jeopardize our state's ability to bounce back from this pandemic.

Take, for example, the provision in my biennial budget around expanding BadgerCare. As you know, due to federal action through the ARPA, Wisconsin is poised to receive \$1.6 billion in federal funds over the next two years if we expand BadgerCare as proposed in my 2021-23 budget. Red and blue states alike have expanded Medicaid eligibility as a bipartisan venture. Yet, I understand you are prepared to strip BadgerCare expansion among nearly 400 other items from our Badger Bounceback agenda later today. In so doing, you are not only denying quality healthcare coverage for Wisconsinites across our state, but you are also passing on \$1.6 billion in new federal funds into our state—funds we could use to spur our economic recovery and invest in our state's future. If you continue to oppose and obstruct this policy that the majority of Wisconsinites support, we will have missed out on \$3.2 billion in federal funds in total from 2014 to 2023. It is time to move on from the misguided ideological position of the previous Administration, put politics aside, and do the right thing for the people of Wisconsin.

Make no mistake, your decisions to refuse to expand BadgerCare and lose out on federal funds, to gut our Badger Bounceback agenda, and to treat our ARPA funds as a backstop for cutting investments in broadband, education, healthcare, water quality, and equity will hold back our state's economic recovery and hinder our ability to bounce back from this pandemic.

Nevertheless, as has always been the case, my door is always open. Given your newfound interest in how federal funds should be used in our state, I would welcome the opportunity to meet and would ask that you not only bring your ideas for ARPA funds but a plan to expand BadgerCare and how you propose to spend the \$1.6 billion extra funds our state would receive to ensure our economy can bounce back from this pandemic. So you have the opportunity to come prepared to meaningfully discuss both of these issues, please reach out to my staff at your convenience and I will gladly accommodate my schedule to meet with all four of you.

Sincerely,

A handwritten signature in black ink that reads "Tony Evers". The signature is written in a cursive, flowing style.

Tony Evers  
Governor

Encl.: [ARPA Funds Announcement](#)