



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

October 22, 2020

TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Coronavirus Relief Fund Monies Under the Federal CARES Act

This memorandum provides updated information on the federal Coronavirus Relief Fund (CRF) monies received by state, local, and tribal governments in Wisconsin under the federal CARES Act of 2020. Information on the use of these funds by state, local, and tribal governments is also provided.

### **CARES Act Funds Received by the State**

The CARES Act was signed into law on March 27, 2020, and included the creation of the CRF to distribute money directly to state, local, tribal, and territorial governments. Each state received a payment from the CRF according to its share of the total US population, and was guaranteed a minimum payment of \$1.25 billion. Based on Wisconsin's population, the state was eligible to receive a total of \$2.26 billion. However, under the Act, three Wisconsin local governments (Dane County, and the City and County of Milwaukee) are eligible to directly receive \$260 million of this total, leaving \$2.0 billion that was paid directly to the state. The state received these funds on April 24, 2020.

The CARES Act laid out certain guidelines for the use of money received from the CRF, and additional guidance has been received from the U.S. Department of Treasury. Money that state and local governments receive from the CRF must be used for expenses incurred in response to the public health emergency declared in response to COVID-19. These expenses must not have been accounted for in the most recently passed budget, and must be incurred between March 1, 2020, and December 30, 2020. Money received from the CRF that is not used by December 30, 2020, must be returned to the Treasury. Furthermore, Treasury has issued guidance and provided answers to questions on what is and is not considered an eligible expense incurred in response to the public health emergency; notably, governments may not use the money from the CRF to replace lost revenue.

The Department of Administration (DOA) has indicated that the \$2.0 billion in CRF monies were deposited to a DOA federal, all monies received appropriation [s. 20.505 (1)(mb)]. Because this appropriation is an all monies received appropriation, the administration can expend the total amount of funds received without additional legislative authorization. DOA has established a system for agencies to track the financial impact of the coronavirus public health emergency. Agencies have been asked to report any unanticipated expenses related to emergency response to the public health emergency, the financial impacts of canceling or rescheduling events, revenue lost from canceling or rescheduling planned events or from canceled or postponed state operations and services, the amount of cost savings resulting from rescheduling or canceling planned events, the financial impact of grants received or lost, and the fair market value of any donations received by a state agency from a nongovernmental source.

### **State CRF Expenditures and Planned Uses**

The U.S. Department of Treasury has not outlined specific accounting or reporting requirements, but has indicated that the funds must be accounted for, and that use of the funds is subject to audit. Funds that are not used in accordance with the conditions laid out by the CARES Act must be returned to the Treasury. Treasury has also indicated that the unit of government that receives the money is responsible for both showing compliance with CARES Act requirements and repaying any money that is determined to have been inappropriately spent. Further, Treasury staff have indicated that the Department intends to trust the judgement of the officer who authorizes the spending. However, states are still expected to document their decision making, including laying out the reasoning for spending CRF money on a particular purpose. Treasury expects that the individual responsible for administering the funds document the decision to spend money for a particular purpose and track the money separately.

Consequently, in mid-May, 2020, the Governor's office began announcing a series of initiatives that would be funded from the state's share of federal CRF monies received under the CARES Act. As of September 9, 2020, this office reported that the CRF funds needed to fund the initiatives announced by the Governor's office totaled \$1.79 billion, with approximately \$206.7 million remaining.

Subsequent to that report, the Governor's office announced several new initiatives and reallocated some of the previously-announced funds in response to the state's changing needs in responding to the COVID-19 pandemic. Accounting for both the new programs and the reallocations, the total amount of CRF funds needed to fund the announced initiatives is \$1.87 billion, with approximately \$127.3 million remaining. These initiatives are summarized in the table below. Additional details on the intended purposes of the \$1.87 billion in funding are also provided.

**Uses of Federal CRF Money (\$ in millions)**

<u>Use of Funds</u>	<u>Previously Reported Initiatives</u>	<u>New Initiatives and Reallocated Amounts</u>
<b>Economic Support</b>		
Broadband Expansion	\$0.0	\$6.2
Privately Owned Movie Theater Grants	0.0	10.0
Tourism Grants Program	0.0	12.0
Cultural Organization Grant Program	5.0	15.0
Music and Performance Venue Grants	0.0	15.0
Low-Income Home Energy Assistance	0.0	16.0
Lodging Industry Grants	0.0	20.0
Rental Assistance Program	25.0	35.0
Supplemental Child Care Grants	30.0	80.0
Agricultural Supports		
Food Insecurity Initiative	15.0	25.0
Farm Support Program	50.0	50.0
Grants to Small Businesses		
Phase 1 - WEDC	75.0	75.0
Phase 2 - DOR	0.0	50.0
Innovation Contest	0.0	3.0
Wisconsin Eye	<u>0.0</u>	<u>0.1</u>
Subtotal	\$200.0	\$412.3
<b>Healthcare and Related Costs</b>		
Direct Payments to Hospitals	\$40.0	\$44.0
Contact Tracing	75.0	75.0
Assistance for Health Providers	110.0	110.0
Medical Equipment Acquisition		
Personal Protective Equipment	150.0	150.0
Ventilators	40.0	35.0
Testing Program		
Statewide Testing Program	202.0	391.0
National Guard Testing Support	4.0	13.0
Higher Education Testing Program	32.3	40.7
Local Public Health Department Funding	58.0	58.0
Other Testing Funding	0.0	3.9
Reserve/Surge Operating Fund	445.0	162.0
Other Healthcare Costs	<u>0.0</u>	<u>9.8</u>
Subtotal	\$1,156.3	\$1,092.4
<b>Local Government and Education Support</b>		
Out-of-School Support Grants	0.0	10.0
Higher Education Funding	37.0	37.0
Local Government Aid Grants	190.0	190.0
Tribal Government Aid Grants	10.0	11.0
Agency Reimbursements	<u>200.0</u>	<u>120.0</u>
Subtotal	\$437.0	\$368.0
<b>Total</b>	<b>\$1,793.3</b>	<b>\$1,872.7</b>

## Economic Support

**Broadband Expansion.** On October 8, 2020, the Public Service Commission (PSC) awarded \$5,378,500 to 12 projects to increase broadband internet access in underserved areas of the state and support telehealth, distance learning, and telecommuting needs during the coronavirus public health emergency. Funding was awarded to projects that applied for but did not receive funding under the 2020 grant round of the broadband expansion grant program, and that submitted an updated application by October 1, 2020. All eligible applicants who submitted an updated application were approved for funding. Allocation of funding must be in compliance with CARES Act requirements, most notably the requirement that all funding be expended by December 30, 2020. Under this requirement, projects will need to connect residents or businesses to broadband internet by December 30 to receive reimbursement for their project. During the 2020 grant round, PSC considered project proposals with requested funding of \$50.9 million and provided \$24.0 million in grants. While the initiative was initially allocated \$6.2 million, the grant process has concluded and no additional funding will be awarded.

**Privately Owned Movie Theater Grants.** A total of \$10 million has been allocated to support privately owned movie theaters. Information on eligibility and grant maximums is forthcoming.

**Tourism Grants Program.** A total of \$12 million is allocated to support local tourism organizations that have been negatively impacted by COVID-19. These grants, called Tourism Relief to Accelerate Vitality and Economic Lift (TRAVEL), are to be distributed to Wisconsin's tourism promotion and tourism development organizations, such as convention and visitors bureaus, to support these organizations in resuming business operations and restoring economic activity lost during the COVID-19 public health emergency.

Two types of grant funding are provided: (1) funds to support the continuation of operations due to impacts of COVID-19; and (2) marketing funds to promote a safe and healthy experience for travelers and resident consumers amid the COVID-19 public health emergency. Eligible applicants must meet the following criteria: (a) be a tourism-focused Wisconsin government or private nonprofit organization; (b) provide tourism promotion and tourism development services for geographic-based traveler destinations; (c) if a nonprofit organization, be registered in good standing with the Wisconsin Department of Financial Institutions; (d) conduct operations and have an administrative presence in Wisconsin; (e) operate for the benefit of the public; and (f) be in continuous operation since March 1, 2019. Ineligible applicants include: (a) for-profit organizations; (b) non-tourism related organizations; (c) individuals; (d) nonprofit independent arts organizations; (e) solely event-based organizations; and (f) political organizations.

Grants are not to exceed \$500,000 per award or 25% of the applicant's average tourism marketing and development budget over the three previous fiscal years, whichever is less. Grants are to support expenditures made or revenues lost between March 1, 2020, and December 30, 2020.

The Department of Tourism accepted applications through September 28 for an initial \$8 million allocation. Applications are scored according to financial need and how funding would allow for continuation of operations and/or marketing activities. An additional \$4 million was subsequently

allocated on October 6, 2020, to meet the demand identified in the initial grant round.

***Cultural Organization Grant Program.*** A total of \$15 million has been allocated to support nonprofit cultural organizations whose operations have been negatively affected by COVID-19. Eligible organizations must meet the following criteria: (a) conduct operations in Wisconsin and have an administrative presence in Wisconsin; (b) be in operation since at least March 1, 2019; (c) be registered, organized or incorporated with the Wisconsin Department of Financial Institutions and be in good standing; (d) be a nonprofit, nongovernmental organization with federal 501(c)3 tax-exempt status; (e) operate for the benefit of the public; and (f) have a primary mission of producing, presenting, or exhibiting cultural disciplines such as music, dance, theater, literature, and the visual arts, or items of environmental or scientific interest.

Grants are not to exceed \$250,000 per award or 25% of the applicant's average operating revenues over the three previous fiscal years, whichever is less. Grants are to support expenditures made or revenues lost between March 1, 2020, and December 30, 2020. Eligible expenditures generally include: (a) employee compensation; (b) protective equipment for staff; (c) cleaning and sanitizing expenses; and (d) equipment to facilitate employee telework.

DOA accepted applications through September 28 for an initial \$5 million allocation. Applications are scored according to: (a) financial need; (b) the extent to which the presentation, production or exhibition of cultural arts are part of the applicant's mission and goals; and (c) the applicant's area served, including contacts with residents or other organizations and the applicant's impacts on the community. An additional \$10 million was subsequently allocated on October 6, 2020, to meet the demand identified in the initial grant round.

***Music and Performance Venue Grants.*** A total of \$15 million has been allocated to support music and performance venues that are experiencing long-term closures. Information on eligibility and grant maximums is yet to be released.

***Low-Income Home Energy Assistance.*** A total of \$15 million has been allocated to the Home Energy Plus program, which also received increased funding directly from the CARES Act. The program, funded by the federal Low-Income Home Energy Assistance Program (LIHEAP), helps low-income households with energy and heating bills, crisis prevention, and weatherization. An additional \$1 million has been allocated for the non-profit organization Keep Wisconsin Warm/Cool Fund (KWW/CF).

To be eligible for the Home Energy Plus program, a household must have an income no greater than 60% of the statewide median income. In 2019-20, the guideline was equivalent to \$55,151 annually for a household of four. A household must generally meet the income requirement during the three months prior to application; however, in an emergency, eligibility may be based on the previous month of income. In response to the COVID-19 pandemic, 2019 Act 185 extended the application period for energy assistance to any time during 2020, rather than between October 1 and May 15.

Wisconsin had previously received \$8.1 million in CARES Act supplemental funding for LIHEAP. The state has until September, 30, 2021, to spend the CARES Act supplement.

***Lodging Industry Grants.*** A total of \$20 million has been allocated to support the lodging industry. Although information on eligibility and grant maximums is forthcoming, the Governor's announcement indicates funds are intended to mitigate the revenue impacts of generally lower traveler volumes and to cover costs of implementing health and sanitation best practices.

***Rental Assistance Program.*** Under the \$35 million rental assistance program, residents with household income at or below 80% of their county's median income can apply for direct financial assistance with rent or security deposit payments. Eligible residents may receive up to \$3,000 in total, paid directly to landlords on their behalf. DOA is partnering with 16 organizations across the state to process applications and provide assistance. The local organizations are as follows: (a) ADVOCAP (Calumet, Fond du Lac, Green Lake, and Winnebago counties); (b) CAP Services, Inc. (Marquette, Outagamie, Portage, Waupaca, and Waushara counties); (c) Central Wisconsin CAC, Inc. (Adams, Columbia, Dodge, Juneau, and Sauk counties); (d) Community Action of Rock and Walworth Counties (Rock and Walworth counties); (e) Community Action for South Central Wisconsin, Inc. (Dane, Jefferson, and Waukesha counties); (f) Indianhead CAA (Burnett, Clark, Rusk, Sawyer, Taylor, and Washburn counties); (g) Lakeshore CAP (Door, Kewaunee, Manitowoc, and Sheboygan counties); (h) NEWCAP, Inc., (Brown, Florence, Forest, Langlade, Marinette, Menominee, Oconto, Oneida, Shawano, and Vilas counties); (i) North Central CAP (Lincoln, Marathon, and Wood counties); (j) Northwest CSA (Ashland, Bayfield, Douglas, Iron, and Price counties); (k) Racine/Kenosha CAA (Racine and Kenosha counties); (l) Social Development Commission (Milwaukee, Ozaukee, and Washington counties); (m) Southwest CAP (Grant, Green, Iowa, Lafayette, and Richland counties); (n) West CAP (Barron, Chippewa, Dunn, Pepin, Pierce, Polk, and St. Croix counties); (o) Western Dairyland EOC (Buffalo, Eau Claire, Jackson, and Trempealeau counties); and (p) Couleecap, Inc. (Crawford, La Crosse, Monroe, and Vernon counties). As of October 12, 2020, preliminary records indicate that \$23.9 million has been distributed to 10,274 households in Wisconsin. On October 5, 2020, an additional \$10 million was allocated for this program, to increase the total allocation from \$25 million to \$35 million.

***Supplemental Child Care Grants.*** \$80 million from the CRF has been allocated to supplement the federal Child Care and Development Block Grant program, which also received increased funding directly from the CARES Act. The supplemental funding will be distributed through two new programs. The first of these will provide support for maintaining compliance status and increasing health and safety practices, while the second is intended to support costs of recruiting and retaining staff. On October 15, 2020, an additional \$50 million was allocated for this program to increase the total allocation from \$30 million to \$80 million.

Wisconsin had previously received \$51.3 million in CARES Act funding under the Child Care and Development Block Grant program. This increased funding was distributed to child care providers in the state by the Department of Children and Families (DCF) through the Child Care Counts: COVID-19 Emergency Payment Program. In order to be eligible for these grants, potential applicants must be open or able to re-open on or before October 19, 2020. Licensed group centers must have at least one-third of enrolled or attending children be under five years of age, while

regulated family providers must have at least one child under five years of age enrolled or in attendance. All providers must also adhere to the health and safety standards outlined by DCF. Applications were accepted between September 9 and September 18, 2020. As of October 12, 2020, preliminary records indicate that \$29.9 million has been paid out to 2,682 child care providers.

***Agricultural Supports.*** A total of \$75 million has been allocated to support the agricultural sector, consisting of \$50 million for the Wisconsin Farm Support Program and \$25 million for the Food Security Initiative. The Wisconsin Farm Support Program, administered by the Department of Revenue (DOR), provided direct payments to approximately 15,200 farmers totaling \$50 million in two phases. In phase one, farmers with 2019 gross incomes of \$35,000 to \$5,000,000 were eligible for payments, which totaled \$41.6 million. The second phase allocated remaining funding of \$8.4 million to farmers with 2019 gross incomes of \$10,000 to \$5,000,000 who had not previously received a payment.

Under the Food Security Initiative, the Department of Agriculture, Trade and Consumer Protection (DATCP) has awarded \$5 million in Network Support Grants and \$10 million in Wisconsin Products Grants to food banks, food pantries, and other nonprofit organizations. Network Support Grants support implementation of social distancing and public health guidance at recipient organizations, such as curbside pick-up or delivery services, additional food processing and packaging, increased cleaning, and other operating costs related to COVID-19. Wisconsin Products Grants support the purchase and distribution of Wisconsin agricultural products by recipient organizations to address food insecurity, reduce food waste, and strengthen farm-to-table connections. Grant awards were announced on August 27, and will support activities through mid-November, 2020. On October 5, 2020, an additional \$10 million was allocated to the Food Security Initiative. DATCP reports it is developing plans to distribute the additional funding.

***Grants to Small Businesses - Phase 1.*** The "We're All In" Small Business Grant program - Phase 1, administered by the Wisconsin Economic Development Corporation (WEDC), provides \$2,500 grants to up to 30,000 Wisconsin small businesses for a total of \$75.0 million from the CRF. Grant funds may be used for any operating costs, including, but not limited to, wages and salaries, rent, mortgages and inventory, and for health and safety improvements. Grant recipients must pledge to observe certain health safety best practices in their facilities intended to protect employees, customers, and the communities in which they operate.

To be eligible, a business must: (a) be a Wisconsin-based, for-profit business; (b) employ 20 or fewer full-time equivalent employees, including the owner; (c) earn greater than \$0 but less than \$1 million in annual revenues (gross sales and receipts); and (d) have started operating prior to January 1, 2020, and have been in business as of February, 2020. The business must not be part of a national chain, unless the business is a third-party franchise. The following industries are ineligible for this program: crop production; animal production or aquaculture; and lessors of residential buildings and dwellings.

The online grant application was accessible from June 15, 2020 through June 26, 2020. As of September 30, 2020, WEDC indicated that approximately \$65.3 million had been distributed to 26,122 businesses in Wisconsin.

***Grants to Small Businesses - Phase 2.*** The "We're All In" Small Business Grant Program - Phase 2, administered by DOR, will provide \$5,000 grants to more than 10,000 Wisconsin small businesses. DOR estimates the grant program will award \$50.0 million from the CRF. Grants may be used for the same purposes and grant recipients must follow the same guidelines as in Phase 1 of this program (described above).

To be eligible, a business must: (a) have started operating prior to January 1, 2020, operated in 2020, and suffered an economic loss as a result of the COVID-19 pandemic; (b) have filed their 2019 federal and Wisconsin income or franchise tax return (certain exceptions apply to non-calendar year filers); (c) earn greater than \$0 but less than \$1 million in annual revenues (gross receipts less returns and allowances); (d) employ 50 or fewer full-time equivalent employees, including the owner; (e) have at least 75% of the business's 2019 value of real and tangible personal property located in Wisconsin; and (f) have 75% of the business's labor costs be for services performed in Wisconsin. According to DOR, priority will be given first to eligible businesses that are in an industry with the greatest negative impact due to the COVID-19 pandemic, second to businesses that did not receive a grant in Phase 1, third to businesses that have minority ownership, and fourth to all other businesses. The following industries are ineligible for this program: crop production; animal production or aquaculture; lessors of real estate; and nonprofit organizations.

The online grant program will be accessible from Monday, October 19, 2020, through Monday, November 2, 2020. According to DOR, all award notifications are scheduled to be made by November 23, 2020, and grants will be issued December 4, 2020.

***Grants to Small Businesses - Innovation Contest.*** The "We're All Innovating" contest is a grant program administered by WEDC in conjunction with the Wisconsin Technology Council to support innovative startup and established small companies to introduce innovations responding to the impacts of the COVID-19 pandemic, including new business models and best practices for operations that would otherwise remain dormant. Grants are available to 195 businesses having 50 or fewer employees. WEDC estimates that the contest will award \$3.0 million from the CRF to 195 businesses throughout the state.

The contest categories and scoring criteria are based on three innovation categories for which applicants are grouped into three business size categories so that there are nine first place awards. The three business size categories are: (a) new businesses and businesses with five or fewer full-time employees; (b) businesses having between six and 20 full-time employees; and (c) business having between 21 and 50 full-time employees. Innovation categories eligible for the program include technical innovations to address COVID-19 health impacts, technical innovations to address COVID-19 business impacts, and operational innovations to address COVID-19 business impacts. The review committee will consist of industry experts throughout the state and consider several factors, including the significance of the innovation, the need for, and impact of, grant support, and the impact of the innovation on rural or ethnically diverse communities.

Businesses participating in the contest may receive awards of between \$12,000 and \$18,000 to help offset costs incurred from March 1, 2020, through December 30, 2020. In addition, the top proposal in each innovation category is eligible for an additional grant of \$20,000, and the overall



winning proposal may receive an additional \$30,000 (such that the top proposal may receive up to \$68,000 overall). Awardees will be required to complete performance reports at three and 12 months after receiving a grant to document project progress and innovation results.

WEDC began accepting applications for the contest on September 29, 2020, and the deadline to submit an application was October 18, 2020. Judging for the contest will take place in late October through early November, with grant announcements made by December 15, 2020.

***Wisconsin Eye.*** \$100,000 has been allocated as a grant to Wisconsin Eye, a 501(c)(3) organization that broadcasts proceedings at the Wisconsin State Capitol to the public. The grant is intended to help with revenue shortfalls incurred as a result of the COVID-19 pandemic, and was deemed necessary due to Wisconsin Eye's role in enabling the public to observe legislative proceedings while maintaining social distancing.

## **Healthcare and Related Costs**

***Direct Payments to Hospitals.*** \$44 million has been allocated to provide direct payments to hospitals in order to assist with lost revenue and expenses incurred as a result of the public health emergency. Of that amount, \$4 million is intended for the Medical College of Wisconsin. Hospitals will receive a single payment, based on their percentage of both inpatient and outpatient Medicaid revenue compared to other facilities around the state. The amount of the payment received will be offset by other relief payments, provided by private insurance, the Indian Health Service, Medicaid, Medicare, or other federal programs. The Department of Health Services made payments starting in the second week of July, 2020.

***Contact Tracing.*** The \$75 million allocated for contact tracing is to be split between the state and local and tribal public health departments. Of this amount, \$50 million will be provided to local and tribal health departments to hire additional staff for contact tracing, disease investigation, and monitoring. The remaining \$25 million will be used for acquiring technology resources and hiring additional state staff to supplement local contact tracing.

***Assistance for Health Providers.*** A total of \$110 million has been allocated for providing financial assistance to health providers, including emergency medical services, home and community-based services, and long-term health providers, such as nursing facilities and assisted living facilities. Of this amount, \$10 million has been set aside for providing grants to clinics serving underserved populations, including tribal federally qualified health care centers, rural health clinics, and free and low-cost clinics. The money distributed under this initiative is intended to help health providers cover expenses directly related to their COVID-19 responses, in addition to additional expenses such as overtime pay, changes to sanitation procedures, and disruption to standard care delivery.

The first round of applications closed on June 30, 2020. The program is administered by the Department of Health Services (DHS), which indicated that it will make initial payments within 14 business days of an approved application. Initial payments will be calculated by adding lost revenue and expenses and subtracting provider relief fund payments under the CARES Act and any other

payments, government loans, and business continuation payments. Applicants will receive a payment in the amount of their losses and expenses, up to a maximum initial payment, which varies by provider type. As of August 20, 2020, DHS had disbursed \$19 million, with an additional \$11 million in disbursements pending. Attachment 1 shows the distribution of the disbursed \$19 million. On September 3, 2020, DHS announced that it will be opening a second round of applications, so as to provide providers with greater needs additional support from remaining funds. In the second round of applications, DHS indicated that it will no longer subtract provider relief fund payments under the CARES Act when determining eligibility for or the amounts of the payment. DHS indicated that they intend to disburse the approximately \$80 million of the original allocation remaining during this second round.

***Medical Equipment Acquisition.*** The Governor has also allocated a total of \$185 million for the acquisition of needed medical equipment. Up to \$150 million may be used for the acquisition of personal protective equipment (PPE), and \$35 million has been allocated for the acquisition of ventilators. The Governor's office has indicated that the state will seek to acquire an additional 1,542 ventilators. Once the medical equipment has been procured, the state will distribute it to health care facilities, first responders, and local governments.

***Testing Program.*** A total of \$506.6 million has been allocated for the statewide testing program efforts described below.

Statewide Testing. Approximately \$391 million has been allocated for the following testing efforts: (a) \$368 million to provide testing kits to hospitals, clinics, nursing homes, local public health departments, and others; and (b) \$23 million intended to assist in statewide specimen collection (not conducted by the National Guard).

National Guard Testing Support. \$13 million in CRF funds will be used for the state's cost of the National Guard deployment to assist with COVID-19 testing, including specimen collection.

Higher Education Testing. To support testing costs at colleges and universities in the state, \$40.7 million has been allocated, including, \$32.3 million for UW System institutions and \$8.4 million for nonprofit and tribal colleges and universities. Under the UW System's plan, the money will be used to purchase a total of 276,000 tests, of which 246,000 will be allocated to UW institutions and 30,000 held in reserve to be used for peaks or shortages. The money will also cover the costs of personal protective equipment and staff to administer the tests. Of the amount provided UW system institutions, \$8.3 million has been specifically allocated to UW-Madison to be used for testing, personal protective equipment, and staff. UW-Madison will purchase 134,000 tests with this funding.

The \$8.4 million in funding for private nonprofit and tribal colleges and universities is distinct from an earlier allocation of approximately \$10 million to private, nonprofit and tribal colleges and universities announced on June 17, 2020 (described below). The money will be administered by DOA, and will provide reimbursement for COVID-19 testing, specimen collection, and other related expenditures. Eligible institutions may use this funding to test students, faculty, and staff.

**Local Public Health Department Funding.** A total of \$58 million in funding from the testing program will be provided to local public health departments, to be used as follows: (a) \$3 million as grants for updating preparedness plans for the rest of the year; (b) \$10 million for coordinating local testing efforts; and (c) \$45 million to provide incentive for public health departments, occupational health providers, home health agencies, and health systems to conduct testing in congregate, community, and occupational settings, including payments to eligible providers of \$35 for each COVID-19 test administered to a Wisconsin resident through August 31, 2020. It is possible that some of the costs for this initiative may also be covered in part by other sources of federal funding, including those provided under the Paycheck Protection and Health Care Enhancement Act of 2020.

**Other Testing Funding.** The remaining \$3.9 million in testing program funding will be distributed as follows: (a) \$1 million as grants to La Clinica, to support testing among migrant workers; (b) \$1.3 million to conduct waste water surveillance, as a means of tracking outbreaks of COVID-19; and (c) \$1.6 million in funding for the Survey of the Health of Wisconsin (SHOW), to support a survey of the health impacts of COVID-19.

***Reserve/Surge Operating Fund.*** \$162 million has been set aside in a reserve to fund necessary expenditures related to a surge in COVID-19 cases through the end of 2020. A portion of this reserve is being used to fund the operation of an alternate care facility, built in April by the Army Corps of Engineers, at the Wisconsin State Fair Park in West Allis. The facility has a capacity of 530 beds, and is meant to ease the strain on hospitals by accepting patients who no longer require hospitalization but still require medical attention. The facility opened on October 14, 2020, with a minimum capacity of 50 beds.

***Other Healthcare Costs.*** A total of \$9.8 million has been allocated for a range of programs, related to healthcare. These programs include: (a) \$4.0 million for a CARES Act Provider Program that provides funding for emergency physician independent groups; (b) \$3.0 million for public awareness efforts; (c) \$1.2 million for costs associated with two isolation facilities, one in Milwaukee and the other in Madison; (d) \$0.6 million for the Just Recovery for Racial Equity initiative, which will be administered by DHS in collaboration with the Population Health Institute at UW-Madison; and (e) \$1.0 million for the state's health insurance navigator organization, administered by the Commissioner of Insurance.

## **Government and Education Support**

***Out-of-School Support Grants.*** \$10 million has been allocated for the Out-of-School Support Grant Program. This program will provide grant awards to organizations which provide childcare to school-aged children during the pandemic. These grants can be used to cover pandemic-related costs, such as lost revenue, increased staffing, cleaning and sanitation, and other additional costs deemed necessary and incurred as a result of COVID-19. The grant program will be administered by DOA.

***Higher Education Funding.*** A total of \$37 million from the CRF has been allocated for financial assistance to institutions of higher education. \$35 million is to be distributed to technical colleges (\$8.05 million), private non-profit campuses (\$8.05 million), and the University of Wisconsin System (\$18.9 million), with the remaining \$2 million being distributed to Wisconsin

tribal colleges. The distribution of funds among private and public higher education institutions is based on the formula used by the CARES Act in providing direct aid to these institutions, which was largely based on the number of full-time equivalent Pell Grant recipients not enrolled exclusively in distance education prior to the coronavirus pandemic. Further details about the distribution of these funds to these institutions is provided in Attachment 2.

**Local Government Aid Grants.** \$190 million has been allocated to reimburse each county, town, village, and city government in the state for unbudgeted expenditures, related to the coronavirus public health emergency, that were incurred between March 1, 2020 and November 6, 2020. Each local unit of government will receive an allocation from this fund according to its share of the state's population, with a minimum allocation of \$5,000. Funds received under this program may be used to reimburse local governments for the costs of: (a) emergency operations activities; (b) purchases of personal protective equipment; (c) cleaning and sanitizing supplies and services; (d) temporary isolation housing; (e) testing and contact tracing costs not otherwise reimbursed by the state; (f) Family and Medical Leave Act (FMLA) and sick leave for public health and safety employees; and (g) meeting local match requirements for expenses submitted for reimbursement to the Federal Emergency Management Agency (FEMA). Other expenditures that meet the general eligibility requirements but are not explicitly listed may also be reimbursed.

DOA will set up a system for local governments to track their eligible expenses. There will be four reporting periods, during which time local governments can submit their eligible expenditures for reimbursement: July 1 to July 15, 2020, September 1 to September 15, 2020, October 5 to October 11, 2020 and November 7 to November 18, 2020. Each local government may make one submission of expenditures during each reporting period. Upon submitting expenditures, local governments will be required to certify that the expenditures were unanticipated expenses not accounted for in the entity's budget (prior to March 27, 2020), were reasonably necessary to responding to the COVID-19 public health emergency, and meet all federal eligibility requirements. The Department will review and reimburse eligible expenditures from the balance of each local government's allocation at the end of each reporting period. A government could also transfer its allocation to another government through the expense reporting system; this transfer must take place before the receiving government submits its expense report for the final reporting period in November, 2020. A government may also submit expenses for reimbursement for services provided to a different unit of government, so long as the expense is otherwise eligible for reimbursement. If a government does not use the full amount of its allocation before November 7, 2020, the remaining balance will be returned to state to be used as needed for COVID-19 related local expenditures before the federal deadline of December 31, 2020.

Under this initiative, Dane County will receive about \$8.7 million, Milwaukee County will receive about \$15.4 million, and the City of Milwaukee will receive about \$9.6 million. These local governments also received direct payments from the CRF under the federal CARES Act (see Attachment 3).

**Tribal Government Aid Grants.** \$11 million has been allocated to provide grants of \$1 million to each tribal government in Wisconsin. Funds disbursed to tribal governments under this program are subject to the same use guidelines as the aid grants made available to county and municipal

governments. In addition to receiving funds from this program, Wisconsin's federally recognized tribal governments were also eligible to receive direct payments from the CRF under the federal CARES Act (see Attachment 3).

***Agency Reimbursements.*** The Governor has indicated that \$120 million in CRF money will be set aside to reimburse state agencies for their eligible 2020 COVID-19 expenses. This is less than the \$200 million amount announced earlier and included in our earlier report. As mentioned above, DOA has asked state agencies to keep a record of costs incurred due to the public health emergency related to the coronavirus. The total amount of agency costs to be funded from the CRF is not known at this time.

BL/ml  
Attachments

# ATTACHMENT 1

## Provider Payments

<u>Type of Provider</u>	<u>Amount Received</u>
Assisted Living Facilities	\$5,689,852.31
Community Health Centers	1,156,756.15
EMS Providers	281,641.97
Free and Charitable Clinics	20,119.24
Home and Community-Based Service Providers	7,970,238.88
Nursing Homes	2,070,426.51
Rural Health Clinics	1,225,892.20
Tribal Clinics	<u>617,351.64</u>
Total	\$19,032,278.90

## ATTACHMENT 2

### Distribution of Higher Education Funding

<u><b>UW System</b></u>	<u><b>Amount</b></u>	<u><b>Private Non-Profit Campus</b></u>	<u><b>Amount</b></u>
Eau Claire	\$1,422,477	Alverno	\$355,241
Green Bay	703,005	Bellin	44,848
La Crosse	1,361,840	Beloit	221,984
Madison	3,967,997	Cardinal Stritch	210,681
Milwaukee	3,394,884	Carroll	498,054
Oshkosh	1,245,128	Carthage	545,269
Parkside	758,568	Columbia College of Nursing	24,836
Platteville	961,295	Concordia	749,374
River Falls	888,044	Edgewood	286,666
Stevens Point	1,266,195	Herzing	884,535
Stout	993,374	Holy Family	71,262
Superior	298,531	Lakeland	278,124
Whitewater	<u>1,638,661</u>	Lawrence	236,545
<b>Subtotal</b>	<b>\$18,899,999</b>	Marian	234,393
		Marquette	1,358,165
		Medical College of Wisconsin	78,918
		Milwaukee Institute	
		of Art and Design	171,775
		Milwaukee School of Engineering	466,961
		Mount Mary	236,472
		Nashotah House	3,448
		Northland	130,068
		Ripon	185,697
		St. Norbert	325,937
		Viterbo	261,531
		Wisconsin Lutheran	<u>189,215</u>
		<b>Subtotal</b>	<b>\$8,049,999</b>
		<b>Tribal Colleges</b>	<b>\$2,000,000</b>
		<b>Total</b>	<b>\$36,999,998</b>
<u><b>Technical Colleges</b></u>	<u><b>Amount</b></u>		
Blackhawk	\$440,775		
Chippewa Valley	553,591		
Fox Valley	520,232		
Gateway	523,383		
Lakeshore	195,739		
Madison Area	1,101,005		
Mid-State	305,878		
Milwaukee Area	1,702,608		
Moraine Park	243,276		
Nicolet Area	96,910		
Northcentral	296,743		
Northeast	747,925		
Southwest	156,867		
Waukesha	387,400		
Western	476,318		
Wisconsin Indianhead	<u>301,350</u>		
<b>Subtotal</b>	<b>\$8,050,000</b>		

## ATTACHMENT 3

### Direct Receipt of CRF Monies

#### Local Units of Government (Dane County, Milwaukee County, City of Milwaukee)

Under the CARES Act, local units of government are eligible to receive money directly from the CRF if their population exceeds 500,000. Wisconsin has three local governments that meet this criterion: Dane County, Milwaukee County, and the City of Milwaukee. The Act stipulated that local government eligibility for the direct payment of CRF funds is based on the total population of those governments, as estimated by the U.S. Census Bureau. Subsequent Treasury guidance clarified that the amount of the payment would be determined according to the proportion of the local government's population relative to the population of the state as a whole. The Treasury's guidance also clarified that in the case of overlapping jurisdictions (such as Milwaukee County and the City of Milwaukee), eligibility for the payment is determined based each jurisdiction's total population, while the payment amount for the overlying jurisdiction is to be based on that jurisdiction's population less the population of the underlying taxing jurisdiction(s) that is also eligible to receive a payment. In practical terms, this means that the City of Milwaukee's population may be used for determining the County's eligibility for a direct payment, but Milwaukee County's payment amount is based on only the population of the County that does not also live in the City of Milwaukee. The City of Milwaukee's eligibility and direct payment are both based on the City's total population. Accordingly, when this clarification in guidance is applied, the amount of the payment received by the County is smaller than initial estimates derived prior to Treasury's guidance.

As a result, based on their populations, Dane County received approximately \$95 million, Milwaukee County received approximately \$62 million, and the City of Milwaukee received approximately \$103 million. The remainder of the state's payment, approximately \$2.0 billion, was paid directly to the state. Treasury has indicated that the chief executive of each unit of government that received the funds is responsible for accounting that the funds are spent in accordance with the conditions required by the CARES Act. The chief executive of each unit of government receiving a payment also has the authority to decide how to spend the CRF money, provided it is used in accordance with the CARES Act requirements.

The City of Milwaukee passed a resolution authorizing the City to apply for, accept, and expend money from the CRF. The resolution authorized the City's Department of Administration to use the CRF money for expenses related to the City's response to the public health emergency, and specified that the Department is only to use the CRF money for purposes allowed under the CARES Act. In addition, the City has announced that \$15 million of its allocation will be used for rental assistance. Eligibility for the City's rental assistance program will be determined under the same guidelines as the statewide program (described above). Eligible households will receive up to \$3,000, to be used for either rent payments or security deposits. The City has also allocated approximately \$30 million for assistance to small businesses, defined as those with 20 or fewer full-time equivalent workers and annual revenue of less than \$2 million in 2019.

Milwaukee County has announced that its CRF allocation will be used in the following ways:  
(a) \$24.8 million for safety measures, including the purchase of PPE, increased cleaning and



sanitation, sick time related to COVID-19, and necessary technology enhancements; (b) \$25.5 million for emergency operating costs, including distancing and isolation in corrections facilities, emergency planning and communications, and increased death investigations; and (c) \$27.1 for the provision of economic support, access to healthcare, and housing assistance. This last category will include \$3 million for mortgage assistance, \$2 million for housing acquisition, \$10 million for eviction prevention, \$1.6 million for mental health services, \$7 million in aids to small businesses, and \$3.5 million for the Community Resource Navigator Employment Program.

Dane County has announced a series of initiatives that will be funded with by its CRF payment, including: (a) \$700,000 in funding for public health; (b) \$6 million in payments to food pantries to be used in purchasing food from local farmers; (c) \$3.5 million in grants to childcare providers; (d) \$10.8 million in grants to support local small businesses; and (e) \$10 million to assist renters facing possible eviction.

### **Tribal Governments**

As mentioned above, the CARES Act appropriated \$150 billion for the CRF. Of this amount, \$8 billion was set aside for distribution to federally recognized tribal governments. Unlike payments to county and municipal governments, CRF payments to tribal governments have been made wholly independently of the state's payment. There are eleven federally recognized tribal governments in Wisconsin. According to the federal Bureau of Indian Affairs, these tribes have received a combined total of approximately \$15.3 million in Aids to Tribal Governments from the CRF to date. It is possible that the tribes will receive more money from the CRF in the future, as the full \$8 billion allocated for distribution to federally recognized tribes has not yet been distributed.