

State of Wisconsin

SENATE CHAIR
Alberta Darling

317 East, State Capitol
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ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: July 21, 2020

Re: 14-Day Passive Review Approval – DOA

Pursuant to s. 16.54(2)(a)2, Stats., attached is a 14-day passive review request from the Department of Administration, received on July 21, 2020.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, August 7, 2020**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



JUL 21 2020

JT. Finance

Tony Evers

OFFICE OF THE GOVERNOR

July 21, 2020

The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
317 East, State Capitol
Madison, WI 53702

The Honorable John Nygren, Co-Chair
Joint Committee on Finance
309 East, State Capitol
Madison, WI 53702

SUBJECT: Notification of Federal Block Grant

Dear Senator Darling, Representative Nygren and Members:

Attached is a request for the expenditure of additional Community Development Block Grant funds being made available to the state by the Coronavirus Aid, Relief and Economic Security Act. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available for encumbering through the allotment process, unless you notify me within 14 working days after the date of this notification letter that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director Brian Pahnke (266-1035) at the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

Tony Evers
Governor

Attachments



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

Date: July 9, 2020

To: The Honorable Tony Evers
Governor of Wisconsin

From: Joel T. Brennan, Secretary *JTB*
Department of Administration

Subject: Request under s. 16.54(2)(a)(2), Wis. Stats., for expenditure of \$16,970,300 in response to the Coronavirus pandemic in the Department of Administration.

Recommendation: Approve the expenditure of funds from the U.S. Department of Housing and Urban Development (HUD) as proposed by the Department of Administration.

Description of Purpose of Expenditure: The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which passed into law on March 27, 2020, provides \$5 billion in Community Development Block Grant Funds-Coronavirus (CDBG-CV) funds. The U.S. Department of Housing and Urban Development (HUD) immediately allocated \$2 billion based on the federal fiscal year 2020 CDBG formula. Wisconsin's allocation was \$16,107,955 to the division and \$21,178,366 to 21 entitlement communities. A second round of funding in the amount of \$1 billion has been allocated to states based on needs. Wisconsin's allocation is \$16,970,300 and will go to the state only, although entitlement communities are eligible to receive funding through the state. A third round of funding in the amount of \$2 billion is yet to be allocated to states and local governments. The CARES Act does not set a deadline for the third round of funding. Due to the changes on how HUD was required to allocate the second round of CDBG-CV relief funding, a request for expenditure approval of the \$16,970,300 of second round funding must be submitted by the Governor to the Joint Committee on Finance for passive review.

All CDBG-CV funded projects must meet a HUD national objective and at least 70 percent of funds must meet the low-to-moderate income benefit national objective with the threshold being 80 percent of the county median household income, as determined by HUD. In addition, the funds are subject to rules preventing the duplication of benefits.

The Division of Energy, Housing and Community Resources within the Department of Administration intends to administer the block grant by splitting the funding to provide 57 percent to entitlement communities and 43 percent to the existing Small Cities program, consistent with HUD's formula model for regular Community Development Block Grant funds. The funding for the Small Cities program will then be apportioned to the seven state Community Development Block Grant Housing regions based on population. The allocation of funding to CDBG Housing regions would not be directly awarded to the regions but would rather serve as a budget target for each regional area. Units of local government would work with counties to submit applications to the division for funding of projects. This is an appropriate purpose and allocation of the federal funds.

Currently, the division is awaiting HUD's publication of rules regarding the use of CDBG-CV funds in the Federal Register. A table including the expected allocation of CDBG-CV funding contingent on approval of the plan submitted to HUD is below.

Proposed CDBG Funding Allocation

Name	HUD Round 1 Direct Allocation	Percentage	Round 1 Proposal With Regions	Round 2 Entitlement Using HUD Formula and Regional Population	Combined Rounds 1 and 2
Northwest Region		0.049493834	\$ 773,327.12	\$ 350,518.61	\$ 1,123,845.73
Northwoods Region		0.066588621	\$ 1,040,428.29	\$ 471,585.01	\$ 1,512,013.30
West Central Region		0.134297998	\$ 2,098,368.08	\$ 951,107.29	\$ 3,049,475.37
Central Region		0.129518454	\$ 2,023,689.06	\$ 917,258.24	\$ 2,940,947.30
Northeastern Region		0.223546318	\$ 3,492,847.73	\$ 1,583,169.78	\$ 5,076,017.52
Southwest Region		0.115390904	\$ 1,802,950.10	\$ 817,206.00	\$ 2,620,156.11
Southern Region		0.28116387	\$ 4,393,105.62	\$ 1,991,221.09	\$ 6,384,326.71
Dane County	\$ 730,767.00	0.034505353		\$ 323,931.25	\$ 1,054,698.25
Milwaukee County	\$ 992,237.00	0.046851443		\$ 439,834.55	\$ 1,432,071.55
Waukesha County	\$ 861,236.00	0.040665838		\$ 381,764.99	\$ 1,243,000.99
Appleton City	\$ 348,255.00	0.016443903		\$ 154,372.98	\$ 502,627.98
Beloit City	\$ 384,288.00	0.018145309		\$ 170,345.53	\$ 554,633.53
Eau Claire City	\$ 316,591.00	0.014948793		\$ 140,337.10	\$ 456,928.10
Fond du Lac City	\$ 335,496.00	0.015841449		\$ 148,717.22	\$ 484,213.22
Green Bay City	\$ 595,446.00	0.028115767		\$ 263,946.74	\$ 859,392.74
Janesville City	\$ 286,421.00	0.013524226		\$ 126,963.47	\$ 413,384.47
Kenosha City	\$ 655,910.00	0.030970756		\$ 290,748.96	\$ 946,658.96
La Crosse City	\$ 518,988.00	0.024505573		\$ 230,054.77	\$ 749,042.77
Madison City	\$ 1,160,897.00	0.05481523		\$ 514,597.43	\$ 1,675,494.43
Milwaukee City	\$ 9,574,616.00	0.45209418		\$ 4,244,194.59	\$ 13,818,810.59
Neenah City	\$ 128,328.00	0.006059391		\$ 56,884.68	\$ 185,212.68
Oshkosh City	\$ 494,757.00	0.023361434		\$ 219,313.75	\$ 714,070.75
Racine City	\$ 1,108,649.00	0.052348184		\$ 491,437.16	\$ 1,600,086.16
Sheboygan City	\$ 539,956.00	0.02549564		\$ 239,349.37	\$ 779,305.37
Superior City	\$ 417,655.00	0.019720832		\$ 185,136.31	\$ 602,791.31
Wausau City	\$ 371,608.00	0.017546585		\$ 164,724.00	\$ 536,332.80
Wauwatosa City	\$ 594,265.00	0.028060002		\$ 263,423.23	\$ 857,688.23
West Allis City	\$ 762,000.00	0.035980113		\$ 337,776.08	\$ 1,099,776.08
Totals	\$ 21,178,366.00		\$ 15,624,716.00	\$ 16,468,921.00	\$ 53,273,003.00

Notes: R1 and R2 totals reflect net of DOA 2% Admin and 1% TA

Prepared by: Olivia Rice
 266-5468



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Susan Brown, Division Administrator

MEMORANDUM

DATE: June 30, 2020

To: Joel Brennan, Secretary
Department of Administration

FROM: Susan Brown, Administrator
Division of Energy, Housing and Community Resources

SUBJECT: CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT) ALLOCATION NOTICE

Pursuant to s. 16.54(2)(a)(2), the Governor is required to notify the co-chairs of the joint committee on finance due to changes in the formula for awarding the second round of Community Development Block Grant - Coronavirus relief funding (CDBG-CV).

The U.S. Department of Housing and Urban Development has awarded the Department \$16,970,300 in Community Development Block Grant Funds – Coronavirus (CDBG-CV). This award may be spent on a statewide basis, including within entitlement areas. The CDBG-CV award must be used "to prevent, prepare for, and respond to the coronavirus (COVID-19)". The Department plans to set-aside 57% of the award for entitlement communities and plans to award the remaining 43% of the funds for the "Small Cities" program. This split utilizes HUD's formula model and will provide critical funding to both the entitlement as well as "small cities" areas to respond to COVID-19.

DEHCR plans to apportion the "Small Cities" funding across each of the existing seven State CDBG Housing regions based on their share of the state population and would subtract the entitlement communities from the total (funding and population). Under this plan, each State CDBG Housing region would receive a percentage of the total, for eligible projects within that region. The apportionment serves as only a budget target; housing regions would not administer funding under this plan. Units of General Local Government will work with counties to submit applications for funding and will administer the awards.

The Division will fund a variety of programs with the "Small Cities" funds including: Microenterprise (job retention and creation), Public Facilities (homeless shelters, senior centers, treatment facilities, publicly owned nursing homes and assisted living facilities), Public Service (food pantry operations, drug abuse services, domestic abuse services) and Housing (transitional housing). Funds to entitlement areas must be used consistently with their current programs. CDBG-CV funds are subject to rules preventing the duplication of benefits. The Department is awaiting HUD's publication of rules regarding the use of CDBG-CV funds in the Federal Register.

Thank you in advance for your attention to this notification of a block grant award.

Sincerely,

DocuSigned by:
Susan Brown
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Susan Brown, Administrator