



STATE OF WISCONSIN
Legislative Audit Bureau
NONPARTISAN • INDEPENDENT • ACCURATE

Report 22-23
December 2022

Decisions About the Use of Supplemental Federal Funds

Department of Administration



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STATE OF WISCONSIN

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December 14, 2022

Senator Robert Cowles, Co-chairperson
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles:

As requested by the Joint Legislative Audit Committee, we have completed a limited-scope review of how the Department of Administration (DOA) used supplemental federal funds provided in response to the public health emergency.

From March 2020 through June 2022, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Rescue Plan Act (ARPA), and the Consolidated Appropriations Act provided DOA \$5.7 billion in supplemental federal funds. DOA paid \$2.2 billion to other state agencies and spent \$1.5 billion on its own programs. As of June 30, 2022, \$1.9 billion was remaining.

Federal law provides the State with the discretion to spend \$4.5 billion of the \$5.7 billion in supplemental federal funds, but federal law requires that \$1.1 billion be spent for specified purposes, such as on particular programs that state agencies administer. As of June 30, 2022, \$1.8 billion in discretionary funds were remaining. In December 2022, DOA indicated it had plans for using most of these funds.

DOA did not provide us with information DOA indicated it and the Governor's Office had considered in deciding to use discretionary funds for the nine state programs that we selected for our review. However, DOA provided us with information on the planned use of the \$1.8 billion in remaining discretionary funds.

Federal law permits some supplemental federal funds to be spent through December 2026. DOA should increase the transparency and clarity of the State's use of supplemental federal funds, including by documenting how decisions were made to use discretionary funds for particular state programs. It should also include on its website additional information about supplemental federal funds, including plans for spending the remaining funds and how such plans change over time. Providing clear and comprehensive information will allow legislators and the public to more readily identify how these funds are spent in the future.

A response from DOA follows the appendix.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Joe Chrisman'.

Joe Chrisman
State Auditor

JC/DS/ss

Introduction

The federal government annually provides the State with federal funds for various programs administered by state agencies, such as the Department of Transportation's state highway program. Since March 2020, the federal government has also provided supplemental federal funds to help Wisconsin respond to and recover from the public health emergency. The federal government provided a portion of these supplemental federal funds to the Department of Administration (DOA), which paid funds to other state agencies for programs they administered and spent funds on its own programs. In addition, the federal government provided supplemental federal funds directly to state agencies other than DOA, such as \$2.4 billion provided to the Department of Public Instruction for the Elementary and Secondary School Emergency Education Relief Fund that helps local educational agencies prepare for and respond to the public health emergency.

***DOA was provided
\$5.7 billion in
supplemental federal
funds from March 2020
through June 2022.***

Table 1 shows the different types of federal funds provided to the State, including \$5.7 billion in supplemental federal funds provided to DOA from March 2020 through June 2022. This limited-scope review focuses on this \$5.7 billion, which includes funds DOA paid to other state agencies, funds DOA spent on its own programs, and funds that were remaining as of June 30, 2022. DOA had not paid these remaining funds to other state agencies or spent them on its own programs. Federal law permits some of these funds to be spent through December 2026.

Table 1

Federal Funds Provided to the State of Wisconsin
March 2020 through June 2022

Annual Federal Funds Provided to State Agencies	Supplemental Federal Funds Provided to State Agencies Other Than DOA	Supplemental Federal Funds Provided to DOA		
		Total Amount: \$5.7 billion		
		Funds DOA Paid to Other State Agencies	Funds DOA Spent on Its Programs ¹	Remaining Funds ²
		\$2.2 billion	\$1.5 billion	\$1.9 billion

¹ Includes \$163.2 million that DOA transferred with approval from the U.S. Department of Treasury to five local governments for emergency rental assistance programs.

² As of June 30, 2022, DOA had not paid these funds to other state agencies or spent them on its own programs. In December 2022, DOA indicated it had plans for using most of these funds.

Three federal acts provided DOA the \$5.7 billion in supplemental federal funds.

As shown in Table 2, three federal acts provided DOA the \$5.7 billion in supplemental federal funds, including the:

- Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed in March 2020 and provided funds to support K-12 and higher education, unemployment benefits, and transit, including funds provided through the Coronavirus Relief Fund;
- Consolidated Appropriations Act, which was passed in December 2020 and provided additional support for state programs funded by the CARES Act, as well as for the emergency rental assistance program and other newly created programs; and
- American Rescue Plan Act (ARPA), which was passed in March 2021 and provided funds to support education, health, and transportation, including Coronavirus State and Local Fiscal Recovery Funds.

Table 2

Supplemental Federal Funds Provided to DOA, by Federal Act¹
 March 2020 through June 2022
 (in millions)

Federal Act	Total
CARES	\$2,046.1
Consolidated Appropriations	323.6
ARPA	3,300.7
Total	\$5,670.4

¹ Includes supplemental federal funds provided to DOA through June 2022. Additional such funds may be provided in the future.

To the extent that certain programs incur eligible expenditures that are reimbursed after June 2022, additional supplemental federal funds beyond the \$5.7 billion will be provided.

In some instances, the federal acts support programs for which the State is reimbursed after eligible expenditures are incurred. For example, DOA was reimbursed with CARES Act funds after its Emergency Solutions Grant program incurred eligible expenditures. This limited-scope review includes the amounts reimbursed to DOA through June 2022. To the extent that certain programs incur eligible expenditures that are reimbursed after June 2022, additional supplemental federal funds beyond the \$5.7 billion will be provided.

Questions have been raised about how decisions were made to use the supplemental federal funds provided to DOA for particular state programs. Questions have also been raised about plans to spend the remaining funds.

To complete this limited-scope review of the \$5.7 billion in supplemental federal funds provided to DOA, we contacted DOA and analyzed information in the State's accounting system. To assess how decisions were made to use funds for particular state programs, we requested that DOA provide us with relevant information for nine state programs administered by DOA or other state agencies. This limited-scope review does not determine how state agencies spent the supplemental federal funds that DOA paid to them or whether DOA and other state agencies spent these funds appropriately.

■ ■ ■ ■

Supplemental Federal Funds

We assessed the \$5.7 billion in supplemental federal funds provided to DOA from March 2020 through June 2022. We determined the state agencies to which DOA paid a portion of the funds and categorized the types of programs supported by these funds. We also categorized the types of DOA-administered programs on which DOA spent a portion of the funds. The appendix provides information about the state programs supported by the funds. In addition, we determined the total amount of supplemental federal funds that remained as of June 30, 2022.

Amount of Funds

From March 2020 through June 2022, DOA paid \$2.2 billion in supplemental federal funds to other state agencies and spent \$1.5 billion on its own programs.

As shown in Table 3, DOA paid \$2.2 billion in supplemental federal funds to other state agencies and spent \$1.5 billion on its own programs from March 2020 through June 2022. The amount DOA spent on its own programs includes \$163.2 million that the federal government originally provided for DOA's Emergency Rental Assistance program but that DOA transferred, with approval from the U.S. Department of Treasury, in January 2022 to five local governments that operate their own emergency rental assistance programs. We discussed this transfer in our May 2022 audit of Emergency Rental Assistance and Emergency Solutions Grant Programs (report 22-3). As of June 30, 2022, \$1.9 billion in supplemental federal funds was remaining.

Table 3

Supplemental Federal Funds Provided to DOA
March 2020 through June 2022
(in millions)

	Amount	Percentage of Total
DOA Paid to Other State Agencies	\$2,219.2	39.1%
DOA Spent on Its Own Programs ¹	1,524.1	26.9
Remaining ²	1,927.1	34.0
Total	\$5,670.4	100.0%

¹ Includes \$163.2 million that DOA transferred with approval from the Department of Treasury to five local governments for emergency rental assistance programs.

² As of June 30, 2022. DOA had not paid these funds to other state agencies or spent them on its own programs. In December 2022, DOA indicated it had plans for using most of these funds.

Funds DOA Paid to Other State Agencies

DOA paid a total of \$1.8 billion in supplemental federal funds to the departments of Revenue and Health Services from March 2020 through June 2022.

Table 4 shows the 10 state agencies to which DOA paid the most supplemental federal funds from March 2020 through June 2022. DOA paid a total of \$1.8 billion to the departments of Revenue and Health Services, which was 79.4 percent of the total amount it paid to all state agencies. DOA required state agencies to use the funds to support a variety of programs.

Table 4

Supplemental Federal Funds DOA Paid to Other State Agencies
 March 2020 through June 2022
 (in millions)

State Agency	Federal Act		Total
	CARES	ARPA	
Department of Revenue	\$351.8	\$756.4 ¹	\$1,108.3
Department of Health Services	482.7	171.2	653.8
Wisconsin Economic Development Corporation	68.2	68.0	136.2
Department of Workforce Development	114.4	8.4	122.8
Department of Children and Families	82.0	0.0	82.0
Department of Agriculture, Trade and Consumer Protection	28.5	4.8	33.3
Department of Transportation	3.0	25.0	28.0
Department of Tourism	12.0	2.1	14.2
Public Service Commission	5.0	3.1	8.1
Department of Corrections	6.8	0.0	6.8
Other State Agencies	20.1	5.8	25.9
Total	\$1,174.4	\$1,044.8	\$2,219.2

¹ Includes \$411.4 million in ARPA funds that the Department of Revenue was required to transfer to local governments.

We used information in the State's accounting system to categorize the types of programs supported by the supplemental federal funds that DOA paid to other state agencies. These categories included:

- small business recovery grants, such as \$303.2 million for the Wisconsin Tomorrow program through which the Department of Revenue awarded grants to small businesses;
- public health emergency supplies and response, such as \$156.5 million for the Provider Payment Program through which the Department of Health Services awarded grants to home and community-based service providers, assisted living facilities, and nursing homes in order to offset public health emergency-related expenditures;
- local government recovery grants, such as \$411.4 million in Local Fiscal Recovery Funds that the Department of Revenue was required to transfer to local governments;

10 › SUPPLEMENTAL FEDERAL FUNDS

- industry and tourism assistance, such as \$100.0 million for the Wisconsin Farm Support program through which the departments of Agriculture, Trade and Consumer Protection and Revenue awarded grants to farmers that suffered economic damages as a result of the public health emergency;
- other purposes, such as \$67.4 million for staffing and other resources for the Department of Workforce Development's unemployment insurance systems;
- childcare and education assistance, such as \$79.5 million for the Child Care Counts program through which the Department of Children and Families awarded grants to childcare providers; and
- benefit programs for individuals, such as \$29.8 million for two Food Security grant programs through which the Department of Agriculture, Trade and Consumer Protection awarded grants to nonprofit organizations to fight food insecurity and support Wisconsin agricultural products, food banks, and consumers.

DOA paid state agencies \$659.0 million for small business recovery grant programs from March 2020 through June 2022.

As shown in Table 5, DOA paid state agencies \$659.0 million in supplemental federal funds for small business recovery grant programs and \$614.2 million for public health emergency supplies and response programs from March 2020 through June 2022. Combined, these two types of programs accounted for 57.4 percent of all funds that DOA paid to state agencies.

Table 5

**Types of Programs Supported by Supplemental Federal Funds
DOA Paid to Other State Agencies**
March 2020 through June 2022
(in millions)

Program Type	Total	Percentage of Total
Small Business Recovery Grants	\$ 659.0	29.7%
Public Health Emergency Supplies and Response	614.2	27.7
Local Government Recovery Grants ¹	413.9	18.7
Industry and Tourism Assistance	223.4	10.1
Other Purposes ²	194.6	8.8
Childcare and Education Assistance	79.5	3.6
Benefit Programs for Individuals	34.5	1.6
Total	\$2,219.2	100.0%

¹ Includes \$411.4 million in ARPA funds that the Department of Revenue was required to transfer to local governments.

² Includes \$67.4 million for staffing and other resources for the Department of Workforce Development's unemployment insurance systems.

Funds DOA Spent on Its Own Programs

We used information in the State's accounting system to categorize the types of DOA-administered programs on which DOA spent supplemental federal funds. These categories included:

- benefit programs for individuals, such as \$212.5 million for the Emergency Rental Assistance program through which DOA provided financial assistance to individuals who met certain income requirements and who owed rent and security deposits;
- public health emergency supplies and response, such as \$290.8 million for test kits and diagnostics;
- local government recovery grants, such as \$201.4 million for the Routes to Recovery program through which DOA awarded grants to local governments;
- childcare and education assistance, such as \$110.0 million for the School Aid Funding program that provided school districts and independent charter schools with \$134 per pupil;

- industry and tourism assistance, such as \$48.2 million for the COVID-19 Live Music and Entertainment Venue and the Live Event Small Business Assistance grant programs that awarded grants to various entities, including those that produced or presented live music;
- other purposes, such as \$5.0 million for state operations, emergency supplies, and other costs incurred during the public health emergency; and
- small business recovery grants, such as \$11,800 to help chambers of commerce and non-profit organizations provide assistance to small businesses.

DOA spent \$468.7 million in supplemental federal funds on benefit programs for individuals from March 2020 through June 2022.

As shown in Table 6, DOA spent \$468.7 million in supplemental federal funds on benefit programs for individuals as well as \$358.2 million on public health emergency supplies and response programs from March 2020 through June 2022. Combined, these two types of programs accounted for 54.3 percent of all such funds DOA spent on its own programs.

Table 6

Types of DOA-Administered Programs on Which DOA Spent Supplemental Federal Funds
 March 2020 through June 2022
 (in millions)

Program Type	Total	Percentage of Total
Benefit Programs for Individuals	\$ 468.7	30.8%
Public Health Emergency Supplies and Response	358.2	23.5
Local Government Recovery Grants	207.1	13.6
Childcare and Education Assistance	193.0	12.7
Industry and Tourism Assistance	127.5	8.4
Other Purposes ¹	6.5	0.4
Small Business Recovery Grants	<0.1	<0.1
Transferred to Local Governments ²	163.2	10.7
Total	\$1,524.1	100.0%

¹ Includes the costs of state operations and emergency supplies.

² DOA transferred these funds with approval from the Department of Treasury to five local governments for emergency rental assistance programs.

Remaining Funds

*As of June 30, 2022,
\$1.9 billion in
supplemental federal
funds remained.*

As of June 30, 2022, \$1.9 billion in supplemental federal funds remained. Most remaining funds were provided through ARPA. However, \$1.6 million was provided through the Consolidated Appropriations Act, and \$0.2 million was provided through the CARES Act.

Through June 2022, a portion of the \$1.9 billion in remaining supplemental federal funds had been designated by DOA for specific programs and, therefore, cannot be spent on other programs. For example, DOA signed an agreement with the Public Service Commission in July 2021 to designate \$103.4 million in ARPA funds to administer a broadband expansion grant program. The Public Service Commission subsequently awarded \$99.9 million in grants to telecommunication providers to support projects to construct broadband infrastructure throughout the state, as we noted in report 22-11. These projects were ongoing at the time of our limited-scope review. To the extent that these providers request reimbursement for their actual project costs, the Public Service Commission will request the necessary funds from DOA. Doing so will reduce the \$1.9 billion in remaining funds. In December 2022, DOA indicated it had plans for using most of the remaining funds.

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Discretionary Funds

Federal law requires supplemental federal funds to be spent on purposes related to the public health emergency. Federal law provides the State with the discretion to spend \$4.5 billion of the \$5.7 billion in supplemental federal funds provided to DOA from March 2020 through June 2022. In contrast, federal law requires that \$1.1 billion be spent for specified purposes, such as on particular programs that state agencies administer. We asked DOA to provide us with information it and the Governor's Office had considered in deciding to use discretionary funds for nine state programs. DOA did not provide us with such information. As of June 30, 2022, \$1.8 billion in discretionary funds remained. DOA provided us with information on the planned use of these remaining discretionary funds.

Amount of Funds

Federal law prescribes how \$1.1 billion in supplemental federal funds provided to DOA must be spent.

Federal law prescribes how \$1.1 billion in supplemental federal funds provided to DOA must be spent, including on programs DOA administered and programs other state agencies administered. For example, federal law provided \$434.7 million for DOA's Emergency Rental Assistance program, including \$322.2 million provided by the Consolidated Appropriations Act and \$112.5 million provided by ARPA. In contrast, federal law provides discretion in how most of the supplemental federal funds provided to DOA must be spent.

Statutes provide the Governor with the authority to decide how to spend discretionary federal funds provided to the State. Section 16.54, Wis. Stats., indicates that the Governor is authorized to accept federal funds provided to the State, other than funds designated for tribes. Chapter 20, Wis. Stats., indicates that all funds received from the federal

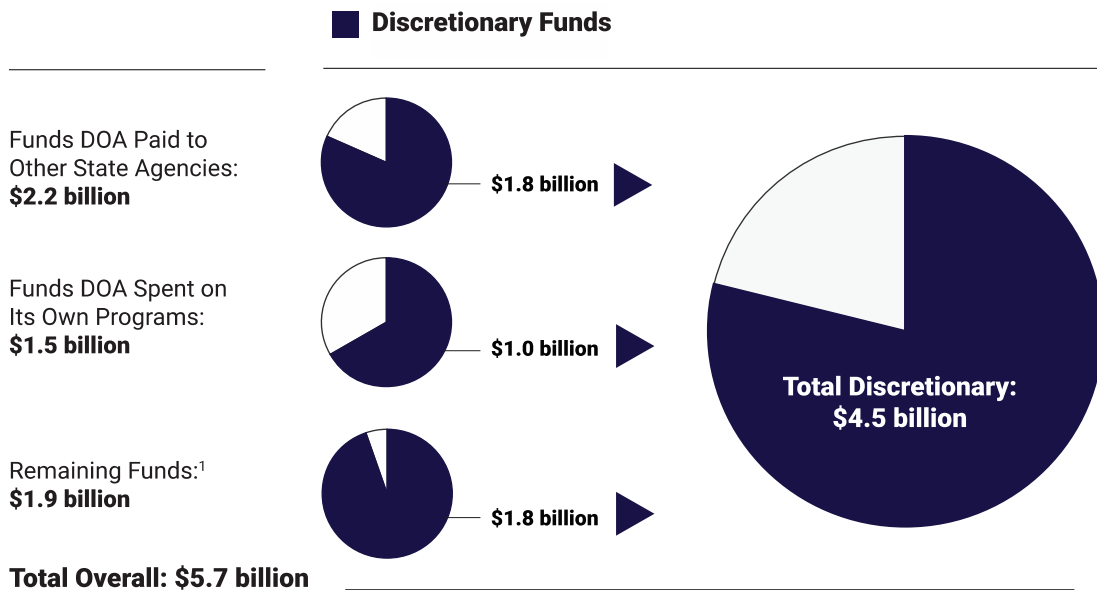
government, as authorized by the Governor under s. 16.54, Wis. Stats., are to be deposited into designated appropriations. These federal funds are spent without legislative input.

The Governor has the discretion to use \$4.5 billion in supplemental federal funds provided to DOA.

As shown in Figure 1, the Governor has the discretion to use \$4.5 billion in supplemental federal funds provided to DOA from March 2020 through June 2022. This amount includes \$1.8 billion that DOA paid to other state agencies and \$1.0 billion that DOA spent on its own programs.

Figure 1

Supplemental Federal Funds Provided to DOA
March 2020 through June 2022



¹ As of June 30, 2022. DOA had not paid these funds to other state agencies or spent them on its own programs. In December 2022, DOA indicated it had plans for using most of these funds.

As shown in Table 7, the CARES Act provided \$2.0 billion in discretionary funds and ARPA provided \$2.5 billion in discretionary funds to DOA from March 2020 through June 2022. The Consolidated Appropriations Act provided no discretionary funds.

Table 7

Discretionary and Prescribed Supplemental Federal Funds Provided to DOA, by Federal Act
 March 2020 through June 2022
 (in millions)

Federal Act	Type of Funds		Total
	Discretionary	Prescribed	
CARES	\$2,005.9	\$ 40.2	\$2,046.1
ARPA	2,533.2	767.5 ¹	3,300.7
Consolidated Appropriations	0.0	323.6	323.6
Total	\$4,539.1	\$1,131.3	\$5,670.4

¹ Includes \$411.4 million in ARPA funds that the Department of Revenue was required to transfer to local governments.

Funding Decisions

To decide how to use the discretionary funds for specific state programs, DOA indicated that individuals from the Governor's Office and DOA had relied on various sources of information, including:

- input from the public and organizations representing firms and other entities affected by the public health emergency;
- the Department of Revenue's tax data that indicate the extent to which business sectors suffered decreased revenue during the public health emergency;
- the Wisconsin Economic Development Corporation's knowledge about communities and businesses throughout the state; and
- relevant data from other state agencies.

DOA indicated the process for deciding how to use supplemental federal funds varied over time, depending on the particular issues and the state programs that were considered. However, DOA indicated the funds supported a broad range of individuals, firms, and organizations affected by the public health emergency.

We attempted to assess how decisions were made to use discretionary funds for particular state programs. To do so, we requested that DOA provide us with relevant information for nine state programs that we

selected based on factors such as the amounts of funds involved and the state agencies that administered these programs. The nine programs included four programs that DOA administered and five programs that other state agencies administered.

We selected for our review nine state programs for which DOA used \$412.6 million in discretionary funds through June 2022.

Table 8 shows the nine state programs we selected for our review. Press releases from the Governor’s Office and state agencies announced initially that \$795.0 million in discretionary funds would be provided to these nine programs. Information in the State’s accounting system indicated that the actual amounts used for these nine programs totaled \$412.6 million through June 2022. The actual amounts used for some programs exceeded the amounts that had been initially announced, and the actual amounts used for other programs were less than the amounts that had been initially announced. DOA indicated the changing effects of the public health emergency at times required it to adjust the amounts used for particular programs.

Table 8

Nine State Programs Included in Our Review¹

Program	State Agency
Routes to Recovery	DOA
Neighborhood Investment Fund Grant	DOA
Workforce Innovation Grant	Department of Workforce Development
	Wisconsin Economic Development Corporation
Child Care Counts	Department of Children and Families
Wisconsin Farm Support	Department of Agriculture, Trade and Consumer Protection
	Department of Revenue
Beyond the Classroom	DOA
Healthcare Infrastructure Capital Investment Grant	DOA
Equitable Recovery	DOA
Safer Communities and Violence Prevention	Department of Justice

¹ DOA used \$412.6 million in discretionary funds for these nine programs through June 2022.

DOA did not provide us with information DOA indicated it and the Governor's Office had considered in deciding to use discretionary funds for the nine state programs.

In May 2022, DOA described the process it and the Governor's Office had used to make funding decisions. Based on the description of this process and the information DOA indicated had been considered during meetings to decide how to use the discretionary funds, we requested that DOA provide us relevant documentation for the nine state programs. Our request included initial funding requests, agendas and minutes of the meetings that discussed the use of the funds, planning worksheets, one-page summary documents describing the use of the funds, and written approvals from the Governor's Office to use the funds. In response to our request, DOA provided us with publicly available information, such as press releases, links to state agency websites for the programs, and grant announcements for programs involving grants. DOA did not provide us with documentation of the process or the information DOA indicated it and the Governor's Office had considered in deciding to use discretionary funds for the nine state programs. In December 2022, DOA indicated that decisions for using the funds were made during daily conversations with the Governor's Office, rather than in written documents.

Remaining Discretionary Funds

As of June 30, 2022, \$1.8 billion in discretionary funds provided to DOA remained.

As shown in Table 9, \$1.8 billion in discretionary funds provided to DOA remained as of June 30, 2022. Almost all of these funds were provided by ARPA. Federal law required all discretionary CARES Act funds to be spent by September 30, 2022, but it permits ARPA discretionary funds to be spent through December 31, 2026.

Table 9

Remaining Discretionary Funds Provided to DOA, by Federal Act¹ As of June 30, 2022 (in millions)

Federal Act	Amount of Funds		Percentage Remaining
	Provided	Remaining ²	
CARES	\$2,005.9	\$ 0.2	<0.1%
ARPA	2,533.2	1,782.6	70.4
Total	\$4,539.1	\$1,782.7	39.3

¹ The Consolidated Appropriations Act provided no discretionary funds. DOA had not paid the remaining funds to other state agencies or spent them on its own programs.

² In December 2022, DOA indicated it had plans for using most of these funds.

The Department of Treasury requires states to submit to it quarterly reports on the state programs supported by ARPA funds, such as program expenditures made during the most-recent quarter and the planned use of remaining funds. DOA and Treasury publish information from these quarterly reports on their websites.

We reviewed DOA's quarterly report for the period from April 2022 through June 2022. This quarterly report indicates the planned use of remaining ARPA funds to support state programs. Although this information was current as of late-June, the planned use of funds can change if the Governor's Office and DOA subsequently identify more-pressing needs for the remaining funds. For example, DOA provided information indicating it anticipated using \$37.4 million in remaining funds to support six new programs that had not been included in the quarterly report for April 2022 through June 2022. At the time of our review, DOA indicated it had not yet determined how the overall plans for using the remaining funds would change as a result of the decision to fund these six new programs.

We used information DOA provided to us to categorize the state programs that DOA planned, as of June 2022, to support with remaining ARPA discretionary funds. We categorized these programs according to the methodology we used to categorize state programs supported by the supplemental federal funds that DOA paid to state agencies or spent on its own programs.

As of June 30, 2022, DOA planned to use \$392.2 million in remaining ARPA discretionary funds for local government recovery grant programs.

As shown in Table 10, DOA planned as of June 30, 2022, to use \$392.2 million in remaining ARPA discretionary funds for local government recovery grant programs, which includes grants to Local and Tribal governments to help neighborhoods recover from the public health emergency. DOA reserved \$216.4 million to support the future costs of public health emergency response, recovery, and economic assistance activities.

Table 10

DOA's Planned Use of Remaining ARPA Discretionary Funds, by Type of Program¹
 As of June 30, 2022
 (in millions)

Program Type	Amount
Local Government Recovery Grants	\$ 392.2
Public Health Emergency Supplies and Response	331.3
Industry and Tourism Assistance	252.7
Other Purposes ²	221.4
Reserved ³	216.4
Benefit Programs for Individuals	199.2
Small Business Recovery Grants	108.6
Childcare and Education Assistance	60.8
Total	\$1,782.6

¹ According to information DOA provided to us. In December 2022, DOA indicated it had plans for using most of these funds.

² Includes modernizing the unemployment insurance benefits system and increasing hourly wages for correctional officers and public health workers.

³ DOA reserved these funds to support the future costs of public health emergency response, recovery, and economic assistance activities.

■ ■ ■ ■

Increasing Transparency

DOA should increase the transparency and clarity of the State's use of supplemental federal funds.

DOA should increase the transparency and clarity of the State's use of supplemental federal funds. DOA should do so by documenting how decisions were made to use discretionary funds for particular state programs. It should also include on its website additional information about supplemental federal funds, including plans for spending the remaining funds and how such plans change over time. Providing clear and comprehensive information will allow legislators and the public to more readily identify how the remaining supplemental federal funds are spent in the future.

Documenting Funding Decisions

As noted, DOA did not provide us with information DOA indicated it and the Governor's Office had considered in deciding to use discretionary funds for nine state programs that spent \$412.6 million in such funds through June 2022. Instead, DOA provided us with publicly available information, such as press releases that announced funding for the nine state programs we selected for our review.

DOA should document how decisions were made to use discretionary funds for particular state programs.

DOA should document how decisions were made to use discretionary funds for particular state programs. For each program, such documentation should include:

- the proposed use of the funds, including whether the funds will support a new or an existing program;
- an explanation of why the funds are needed for the program;

- the amount that will be used for the program;
- relevant information and data that were used to arrive at the funding decision and amount;
- the anticipated benefits of using the funds to support the program;
- the state agency that manages the program; and
- the anticipated date the funding decision will be reassessed and the factors that will be used to reassess it, such as the extent to which the funds are spent.

Documenting how decisions were made to use specific amounts of discretionary funds for particular state programs will increase transparency and clarity of funding decisions. Such documentation can also explain why initial funding decisions were subsequently modified, including because more-pressing needs for the funds were identified and because the federal government modified spending requirements after DOA had used the funds.

Recommendation

We recommend the Department of Administration:

- *document how decisions were made to use discretionary funds for particular state programs; and*
- *report to the Joint Legislative Audit Committee by February 17, 2023, on the status of its efforts to implement this recommendation.*

Reporting Additional Information

Section 16.545 (3), Wis. Stats., requires DOA to establish a federal aids management service to advise the Governor and the Legislature of alternative and recommended methods of administering federal aid programs. Statutes require this service to conduct other activities, such as fully informing the Governor, the Legislature, state agencies, and the public about available federal aid programs and maintaining an information center on federal aid programs. DOA indicated it fulfills these requirements, in part, through ongoing discussions with the Legislative Fiscal Bureau, the Governor's Office, and state agencies, as well as by posting on its Badger Bounceback website information on how supplemental federal funds have been spent.

DOA reports information on how supplemental federal funds support particular state programs, including on its Badger Bounceback website and in quarterly and annual reports to the U.S. Department of Treasury on the use of ARPA funds. This information includes program descriptions and amounts spent. However, DOA does not publicly maintain a clear and comprehensive summary of its plans for spending the remaining funds and how such plans may have changed over time.

DOA should include on its Badger Bounceback website additional information about supplemental federal funds.

DOA should include on its Badger Bounceback website additional information about supplemental federal funds. Such reports should include all funds received through the CARES Act, the Consolidated Appropriations Act, and ARPA, as well as any additional federal acts that provide supplemental federal funds to DOA. The website should include information such as:

- the amount of funds that each federal act provided to DOA in the prior quarter and the total amount provided by each federal act to date;
- the amount of funds that DOA used for each state program during the prior quarter and the total amount that DOA used for each program to date, including programs administered by other state agencies and DOA;
- a brief description of each program, including the state agency that administered it;
- the amount of funds spent by each program during the prior quarter and the total amount spent by each program to date;
- any adjustment in the amount of funds previously used for a particular program, as well as a brief description of why such an adjustment was made;
- the total amounts of remaining funds at the end of a given quarter; and
- a summary of the planned use of funds in the next quarter, as well as a brief description of why the planned use may have changed since the last quarter.

Including additional information on the Badger Bounceback website will help to increase the transparency and clarity of how state agencies have spent and plan to spend supplemental federal funds. As noted, \$1.9 billion in such funds remained as of June 30, 2022. Including additional information on the website can also explain how and why plans for spending the funds change over time.

Recommendation

We recommend the Department of Administration:

- *include additional information on its Badger Bounceback website about supplemental federal funds, including plans for spending the remaining funds and how such plans change over time; and*
- *report to the Joint Legislative Audit Committee by February 17, 2023, on the status of its efforts to implement this recommendation.*

Issue for Legislative Consideration

The Legislature could consider modifying statutes to periodically require DOA to report to it specific information about supplemental federal funds.

The Legislature could consider modifying statutes to require DOA to periodically report to it specific information about supplemental federal funds. For example, the Legislature could require DOA to report information on the amount of such funds that the federal government provided in the prior quarter, how the funds were spent, and plans for spending the funds on particular state programs in the future. Such a reporting requirement could be developed by modifying the existing provisions in s. 16.545 (3), Wis. Stats.

■ ■ ■ ■

Appendix

Appendix

Use of Supplemental Federal Funds, by State Program¹

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
COVID-19 Testing Provision of test kits and laboratory diagnostic services to community testing sites and other locations	Administration, Health Services	CARES, ARPA	Discretionary	\$51,997,200	\$236,790,200	\$ 60,372,700	\$349,160,200
Wisconsin Tomorrow Grants to small businesses	Revenue, WEDC	CARES, ARPA	Discretionary		218,671,400	84,573,300	303,244,600
We're All In Grants to small businesses	Revenue, WEDC	CARES	Discretionary	75,000,000	164,297,900	45,775,000	285,072,900
Routes to Recovery Reimburse local governments for public health emergency costs	Administration	CARES	Discretionary	4,800	201,197,800	240,800	201,443,400
CARES Provider Payment Program Funds for home and community-based service providers, assisted living facilities, nursing homes, and emergency medical services	Health Services	CARES	Discretionary	3,474,800	153,665,300	(625,300)	156,514,700
State Operations Expenditures Funds for public health emergency supplies and response costs	Several agencies	CARES	Discretionary	30,982,000	79,491,500	1,611,800	112,085,300
School Aid Funding \$134 per pupil paid to school districts and independent charter schools	Administration	CARES	Discretionary		110,000,000		110,000,000
Wisconsin Farm Support Payments to farmers	Revenue	CARES	Discretionary		50,101,000	49,934,500	100,035,500

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Child Care Counts: Stabilization Payment Grants to childcare providers to fund care for children of essential workers, incentive pay for provider employees, and temporarily closed providers	Children and Families	CARES	Discretionary		\$ 79,678,900	\$ (140,000)	\$ 79,538,900
Hotel and Lodging Funds for hotels and lodging establishments to help offset financial losses	Revenue	ARPA	Discretionary			72,275,700	72,275,700
Main Street Bounceback Grants to businesses for the cost of leases, mortgages, operational expenses, and other costs associated with opening new locations in vacant commercial spaces	WEDC	ARPA	Discretionary			67,829,800	67,829,800
Unemployment Insurance Administration Funds for staff and operational resources to administer program benefits	Workforce Development	CARES	Discretionary		42,369,200	25,045,800	67,415,000
Health Care Surge Staffing Funds for health care facilities to mitigate stresses on staffing	Health Services	ARPA	Discretionary			66,630,400	66,630,400
Live Music and Entertainment Venue Grants to businesses that produce or present live music or other entertainment	Administration	CARES, ARPA	Discretionary		17,341,800	30,899,500	48,241,300
Contact Tracing Grant Program Grants to local and tribal public health departments for disease investigation, contact tracing, and monitoring	Health Services	CARES	Discretionary	\$ 2,600	46,820,000	(8,500)	46,814,100
Personal Protective Equipment Funds for personal protective equipment for health care facilities, first responders, and local governments	Administration, Health Services	CARES, ARPA	Discretionary	37,349,100	53,372,800	(43,982,300)	46,739,600

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
CARES Provider Payment Program Funds for hospitals	Health Services	CARES	Discretionary		\$ 40,000,000		\$ 40,000,000
Higher Education Institution Financial Assistance Funds for higher education institutions for eligible expenditures	Administration	CARES	Discretionary		36,773,200		36,773,200
Wisconsin Rental Assistance Program Payments to individuals who meet income requirements and owe rent or security deposits	Administration	CARES	Discretionary	\$ 627,700	32,287,300	\$ (51,700)	32,863,300
Local and Tribal Public Health Departments Response and Recovery Support Grants for public health emergency costs	Health Services	CARES	Discretionary			32,437,500	32,437,500
Ventilators Purchase, warehouse, distribute, and maintain ventilators	Health Services	CARES	Discretionary	16,143,400	15,013,900		31,157,300
Skilled Nursing Facility Post-Acute Care Admission Incentive Payments to nursing homes to staff additional beds and thus alleviate the strain on hospitals	Health Services	CARES	Discretionary		30,248,600		30,248,600
Madison and Milwaukee Transit Investment Initiative Support for transit systems	Transportation	ARPA	Discretionary			25,000,000	25,000,000
Food Security Initiative Grants to nonprofit organizations dealing with food insecurity	Agriculture, Trade and Consumer Protection	CARES	Discretionary		24,993,700		24,993,700

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Low-Income Home Energy Assistance Funds to help low-income households with home energy bills, energy crises, weatherization, and energy-related home repairs	Administration	CARES	Discretionary		\$ 24,998,400	\$ (94,000)	\$ 24,904,500
Beyond the Classroom Grants to organizations for increased enrollment, learning opportunities, and mental health support for children	Administration	ARPA	Discretionary		22,220,900		22,220,900
UW System COVID-19 Testing Funds for test kits, personal protective equipment, and test administration	Administration	CARES	Discretionary		20,402,400	1,014,900	21,417,300
COVID-19 Lodging Property Funds for the lodging industry to compensate for reduced travel and the cost of public health practices	Administration	CARES	Discretionary		20,244,000		20,244,000
CARES Provider Payment Program Funds for clinics that serve underserved populations and for telehealth services	Health Services	CARES	Discretionary		20,000,000		20,000,000
COVID-19 Movie Theater Grants to movie theaters that experienced financial losses	Administration	CARES, ARPA	Discretionary		10,000,000	9,993,900	19,993,900
Get Kids Ahead Behavioral Health Funds for public school districts and independent charter schools to support school-based mental health services	Administration	ARPA	Discretionary			15,342,500	15,342,500
Cultural Organizations Grants to organizations that produce or present music, dance, theater, etc.	Administration	CARES	Discretionary		15,007,500		15,007,500

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Destination Marketing Organizations Grants to tourism promotion and development organizations helping to restore economic activity	Administration	ARPA	Discretionary			\$ 14,994,200	\$ 14,994,200
Tourism Relief to Accelerate Vitality and Economic Lift Grants to tourism programs and development organizations to resume business operations and economic activity	Tourism	CARES	Discretionary		\$ 11,884,100		11,884,100
COVID-19 Testing Congregate Care Facilities Funds for services to test employees and patients	Administration, Health Services	CARES	Discretionary	\$ 38,200	2,102,600	8,950,500	11,091,200
UW Madison COVID-19 Testing Funds for test kits, personal protective equipment, and test administration	Administration	CARES	Discretionary		11,037,700		11,037,700
COVID-19 Contact Tracing Funds for the operation of a statewide COVID-19 contact tracing program	Health Services	CARES	Discretionary		10,717,000		10,717,000
Private, Nonprofit and Tribal Colleges and Universities COVID-19 Testing Funds for test kits, personal protective equipment, and test administration	Administration	CARES	Discretionary		7,433,400	3,245,900	10,679,200
COVID-19 Response Team Operations Funds for a response team	Health Services	CARES	Discretionary		9,019,100		9,019,100
Vaccine Incentive Program Financial incentives to individuals to become vaccinated against COVID-19	Health Services	ARPA	Discretionary			8,714,700	8,714,700
Milwaukee Violence Prevention Funds to implement a city project	Administration	ARPA	Discretionary			8,401,300	8,401,300

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Ventilators Assistance Funds to maintain the State's ventilators	Health Services	ARPA	Discretionary		\$ 7,523,500		\$ 7,523,500
Local And Tribal Health Department Response and Recovery Support Grants for public health emergency costs	Health Services	ARPA	Discretionary			\$ 6,720,700	6,720,700
COVID-19 Out-of-School Support Grants to nonprofit, nongovernmental organizations that provide after-school programming	Administration	CARES	Discretionary	6,599,800			6,599,800
COVID-19 State Employee Testing Funds for testing state employees	Administration	ARPA	Discretionary			6,032,500	6,032,500
Response Team Transition Operations Funds for a COVID-19 response team in the Department of Health Services	Health Services	ARPA	Discretionary			5,753,500	5,753,500
Unemployment Insurance Modernization Funds for system upgrades to technology to administer unemployment insurance benefits	Workforce Development	ARPA	Discretionary			5,747,700	5,747,700
Local Testing Coordination Grants to local and tribal public health departments for testing	Health Services	CARES	Discretionary		5,470,600		5,470,600
COVID-19 Pandemic Response Nonprofit Grants to nonprofit organizations that provide services to individuals	Administration	CARES	Discretionary		5,350,600		5,350,600
CARES Broadband Expansion Funds for broadband infrastructure in underserved areas of the state	Public Service Commission	CARES	Discretionary		4,891,100		4,891,100
COVID-19 Testing Pilot Program Funds for public health departments and health care providers that conduct tests	Health Services	CARES, ARPA	Discretionary		15,005,200	(10,136,100)	4,869,000

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
DHS COVID-19 Operations— Communications Staffing and programmatic costs associated with creating, updating, and maintaining DHS's web pages with COVID-19 information	Health Services	ARPA	Discretionary	\$ 1,775,200	\$ 3,015,000	\$ 4,790,200	
Food Security Grants Support for the State's two largest hunger relief organizations	Agriculture, Trade and Consumer Protection	ARPA	Discretionary		4,778,000	4,778,000	
Return to Workplace Initiative Funds for state agencies to cover the costs of technology and physical improvements	Several agencies	CARES	Discretionary	58,500	4,285,100	4,343,600	
Safety and Professional Services Licensing System upgrades to the State's occupational licensure review and adjudication process	Safety and Professional Services	ARPA	Discretionary		4,030,100	4,030,100	
CARES Provider Payment Program Funds for long-term care and emergency medical service providers	Health Services	CARES	Discretionary	4,000,000		4,000,000	
Medical College of Wisconsin Grant Funds for public health emergency costs	Administration	CARES	Discretionary	4,000,000		4,000,000	
COVID-19 Vaccination Public health efforts to make COVID-19 vaccinations available in communities across the state	Health Services	ARPA	Discretionary		3,463,900	3,463,900	
State Shelter Subsidy Funds for the State Shelter Subsidy Grant Program	Administration	ARPA	Discretionary		3,263,900	3,263,900	
Ethanol Industry Assistance Grants to ethanol producers	Agriculture, Trade and Consumer Protection	CARES	Discretionary	3,250,000		3,250,000	

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Alternate Care Facility Funding for a State Fair Park facility to accommodate the overflow of COVID-19 patients from hospitals and other facilities	Administration	CARES	Discretionary	\$ 3,135,400	\$ 23,726,800	\$(23,744,800)	\$ 3,117,300
Broadband Assistance Funds for broadband infrastructure in underserved areas of the state	Public Service Commission	ARPA	Discretionary			3,074,300	3,074,300
COVID-19 Public Awareness Campaign Statewide multimedia campaign related to COVID-19 awareness and prevention	Health Services	CARES	Discretionary		3,000,000		3,000,000
We're All Innovating Contest Grants to startups and small businesses that introduced innovations in response to the public health emergency	WEDC	CARES	Discretionary		2,894,900		2,894,900
Minor League Sports Teams Grants to minor league sports teams that experienced lost revenue and closure	Administration	ARPA	Discretionary			2,792,600	2,792,600
Local Preparedness Grants Grants to local and tribal public health departments to update preparedness plans	Health Services	CARES	Discretionary		2,486,900		2,486,900
Department of Tourism Marketing Funds to support the Department of Tourism's outreach and marketing	Tourism	ARPA	Discretionary			2,139,200	2,139,200
Summer Camp Assistance Grants to summer camps that experienced reduced enrollments and closure	Administration	ARPA	Discretionary			2,056,100	2,056,100
DHS Additional Pay for Security Personnel Additional pay for security personnel responsible for protecting the health and safety of vulnerable populations in DHS 24/7 facilities	Health Services	ARPA	Discretionary			1,777,100	1,777,100

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
DWD Virtual Career Center Funds to enhance DWD's online application	Workforce Development	CARES	Discretionary		\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
Worker Advancement Initiative Subsidizes employment and skills training opportunities with local employers for unemployed individuals	Workforce Development	ARPA	Discretionary		1,297,400	1,297,400	1,297,400
COVID-19 CNA Marketing Campaign Funds to address Certified Nursing Assistant shortages	Health Services	CARES	Discretionary		\$ 1,000,000		1,000,000
Keep Wisconsin Warm/Cool Fund and Heat for Heroes Outreach Assistance Funds for individuals facing energy-related emergencies	Administration	CARES	Discretionary		1,000,000		1,000,000
COVID-19 Enrollment Assistance Funds for promoting awareness of, enrollment in, appropriate usage of, and coverage under Medical Assistance and the ACA Marketplace	Health Services	CARES	Discretionary		933,300		933,300
DOA State Operations Funds for the administration of ARPA financial assistance, including fiscal oversight and reporting	Administration	ARPA	Discretionary		5,000	849,300	854,300
Wisconsin Historical Society Reopening Funds to reopen museums and historical sites	Wisconsin Historical Society	ARPA	Discretionary			838,600	838,600
COVID-19 Survey of the Health of Wisconsin Study Funds for the Survey of the Health of Wisconsin study to determine the prevalence of COVID-19 antibodies in the state	Health Services	CARES	Discretionary		815,700		815,700

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Worker Connection Program Funds for career coaches to connect individuals looking to expand their employment opportunities	Workforce Development	ARPA	Discretionary		\$ 727,600	\$ 727,600	\$ 727,600
Federal Funds Administration Funds for personnel and contractual resources to assist in the administration and reporting of Coronavirus Relief Funds	Administration	CARES	Discretionary	\$ 435,600		183,500	619,100
Assistant District Attorney Initiative Staffing and resources to hire assistant district attorneys to address existing caseloads and court backlogs	District Attorneys	ARPA	Discretionary			587,800	587,800
COVID-19 Wastewater Surveillance Funds for a survey to determine the prevalence of COVID-19 antibodies in the state	Health Services	CARES	Discretionary		585,900		585,900
DHS COVID-19 Operations—Division of Quality Assurance Funds for staffing to support complaint investigations of nursing homes and assisted living facilities	Health Services	ARPA	Discretionary			488,300	488,300
Just Recovery for Racial Equity Initiative Grants to community-based organizations for support strategies to respond to the public health emergency and building resilience in communities of color	Administration	CARES	Discretionary			468,300	468,300
DHS COVID-19 Operations—Contract Administration and Fiscal Oversight Funds for contract administration and fiscal oversight of COVID-19 related federal funding	Health Services	ARPA	Discretionary			438,100	438,100

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
DSPS Licensing and Certification Technology Solutions Funds for DSPS licensing and certification technology improvements	Safety and Professional Services	CARES	Discretionary		\$	314,200	\$ 314,200
Job Center Staffing Resources Funds for staff resources at job centers	Workforce Development	ARPA	Discretionary			302,500	302,500
Statewide Isolation Facilities Funds for a facility to isolate individuals who have COVID-19	Health Services	CARES	Discretionary			300,800	300,800
State Public Defender Initiative Funds for additional resources to support the Wisconsin State Public Defender Office	State Public Defender	ARPA	Discretionary			264,600	264,600
DHS COVID-19 Operations--Medicaid Services COVID Funding Implementation Staffing costs for the administration of COVID-19 Birth-to-3 grant funding, Medicaid, and FoodShare SNAP eligibility benefit and service delivery changes	Health Services	ARPA	Discretionary			260,200	260,200
WisconsinEye Funds to offset losses related to broadcasting legislative proceedings	Administration	ARPA	Discretionary			250,000	250,000
Employment and Training System Application and Upgrades Funds to improve technology systems for employment and training	Workforce Development	ARPA	Discretionary			249,500	249,500
Local Fiscal Recovery Funds State Administrative Costs Costs for administering the pass-through of Local Fiscal Recovery Funds to local governments	Revenue	ARPA	Discretionary		\$	67,400	152,900
							220,300

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
FoodShare Electronic Payment Equipment Program							
Funds for retailers to obtain wireless point-of-sale systems to increase FoodShare members' access to alternative grocery shopping options	Health Services	CARES	Discretionary	\$ 187,200	\$ 187,200	\$	\$ 187,200
DHS COVID-19 Operations—Office Of Health Informatics							
Staffing costs for state health department employees who manage and administer data and information technology	Health Services	ARPA	Discretionary		\$ 161,800		161,800
DHS COVID-19 Operations—Procurement, Fiscal and Reporting Staff							
Funds for budgeting, financial reporting, and procurement of COVID-19 related federal funding	Health Services	ARPA	Discretionary			160,400	160,400
DHS COVID-19 Operations—Aging and Disability Resources							
Funds for employees managing COVID-19 funding under the Older Americans Act and project management resources for the Wisconsin Coalition to End Social Isolation and Loneliness	Health Services	ARPA	Discretionary			148,100	148,100
Governor's Emergency Education Relief Fund Administration							
Funds for the administration of awards under the Governor's Emergency Education Relief Fund	Public Instruction	CARES	Discretionary		111,200	10,400	121,600
DWD Equal Rights Division Administration							
Funds for the Department of Workforce Development's Equal Rights Division and its administrative and IT needs related to hearing and mediation services	Workforce Development	ARPA	Discretionary			113,800	113,800

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
DHS COVID-19 Operations—Environmental and Occupational Health Staffing costs for industrial hygiene research roles dedicated to COVID-19 surveillance programs	Health Services	ARPA	Discretionary		\$ 103,100	\$ 103,100	\$ 103,100
WisconsinEye Funds to offset losses related to broadcasting legislative proceedings	Administration	CARES	Discretionary		\$ 100,000		100,000
Vaccine Uptake Incentive Grants to local and tribal health departments, community organizations, and other entities to create incentives for residents to receive COVID-19 vaccinations	Health Services	ARPA	Discretionary			96,800	96,800
Madison Isolation Facility Funds for a facility to isolate individuals who have COVID-19	Administration, Health Services	CARES	Discretionary	\$ 173,200	91,600	(175,700)	89,000
Project Resiliency Supports an initiative of the Wisconsin United Coalition of Mutual Assistance Association to provide mental health services	Health Services	ARPA	Discretionary			68,100	68,100
Assistant District Attorney Initiative in Milwaukee Provides staffing and resources to hire assistant district attorneys	District Attorneys	ARPA	Discretionary			48,300	48,300
Covering Wisconsin Funds a navigator agency to support outreach awareness and enrollment related to health insurance	Health Services	ARPA	Discretionary			45,700	45,700
Workforce Innovation Grants to regional organizations to design plans to address workforce challenges	Administration	ARPA	Discretionary			25,000	25,000

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Neighborhood Investment Fund Grants to local and tribal governments to help neighborhoods recover from the public health emergency	Administration	ARPA	Discretionary		\$	24,200	\$ 24,200
Equitable Recovery Health, Early Childhood, or Education Grant Program Grants to community-based organizations providing services to increase equity in health, early childhood development, education, economic support, and housing	Administration	ARPA	Discretionary			17,100	17,100
Tourism Capital Grant Program Grants to local and tribal governments and nonprofit organizations to restore tourism-related economic activity	Administration	ARPA	Discretionary			14,100	14,100
Milwaukee Isolation Facility Funds for a facility to isolate individuals who have COVID-19	Administration, Health Services	CARES	Discretionary	\$ 840,600	\$ 15,600	(842,200)	13,900
Equitable Recovery Economic Support, Housing, or Environmental Justice Grants to community-based organizations that provide services to increase equity in economic support and housing	Administration	ARPA	Discretionary			13,800	13,800
Health Infrastructure Capital Investment Grants to local and tribal governments or non-profit healthcare organizations to reduce disparities in healthcare services	Administration	ARPA	Discretionary			13,600	13,600
Diverse Business Assistance Grants to chambers of commerce and nonprofit organizations that help small businesses owned by individuals disproportionately affected by the public health emergency	Administration	ARPA	Discretionary			11,800	11,800

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Diverse Business Investment Grants to community development financial institutions to support small businesses in areas disproportionately affected by the public health emergency	Administration	ARPA	Discretionary		\$ 8,300	\$ 8,300	8,300
Medical College of Wisconsin Violence Prevention Initiative Responding to violence and trauma during the public health emergency by using public health-based solutions	Administration	ARPA	Discretionary			2,000	2,000
Coronavirus Local Fiscal Recovery Fund Funds to replace lost public sector revenue, respond to the public health emergency, and support local governments	Revenue	ARPA	Prescribed		\$203,733,000	207,708,400	411,441,400
Emergency Rental Assistance Funds for households unable to pay rent or utilities	Administration	ARPA, CAA ²	Prescribed		50,236,900	162,277,400	212,514,300
Low-Income Home Energy Assistance Funds for home energy bills, energy crises, and weatherization	Administration	CARES, ARPA	Prescribed		49,573,700	109,083,000	158,656,700
Emergency Solutions Grant Grants to local homelessness service providers	Administration	CARES	Prescribed		10,245,000	16,156,400	26,401,400
Homeowner Assistance Fund Funds for mortgage payments, homeowner's insurance, and utilities	Administration	ARPA	Prescribed			7,385,300	7,385,300
Community Development Block Grant Funds to provide low-income individuals with housing and public services	Administration	CARES	Prescribed		86,200	5,502,700	5,588,800

State Program and Description	State Agency	Act	Category	FY 2019-20	FY 2020-21	FY 2021-22	Total
Low-Income Household Water Assistance Funds to help low-income households with water and wastewater bills	Administration	ARPA, CAA ²	Prescribed			\$ 1,524,100	\$ 1,524,100
AmeriCorps Grants Grants for AmeriCorps	Administration	ARPA	Prescribed			166,300	166,300
HOPWA Grants for projects that benefit low-income individuals living with AIDS	Administration	CARES	Prescribed		\$ 72,100	41,600	113,700

¹ Amounts DOA spent on its programs or paid to other state agencies.

² Consolidated Appropriations Act.

Response



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee

December 9, 2022

Joe Chrisman, State Auditor
Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, WI 53703

Dear Mr. Chrisman:

On behalf of the Department of Administration (DOA), I would like to thank the Legislative Audit Bureau (LAB) for its evaluation of the supplemental federal funding being administered by DOA. DOA remains committed to our goal of quickly, carefully, and efficiently administering these funds to state agencies and third parties for high-impact initiatives that will achieve Governor Evers' vision for a Wisconsin that bounces back from the COVID-19 pandemic stronger than before.

LAB's report focuses on \$5.7 billion received by Wisconsin as of June 30, 2022, from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Rescue Plan Act (ARPA), and the Consolidated Appropriations Act. As summarized in the report, Governor Evers has authority to spend discretionary funds provided to the state by the federal government, and the Governor designated DOA as the administering agency over these funds. See s. 16.54 Wis. Stats.

DOA's administration of these funds has been crucial to the state's recovery from the COVID-19 pandemic and has played a part in putting the state in its best financial position ever. As the administering agency, DOA has worked to allocate and distribute an unprecedented amount of federal relief funds consistent with the Governor's directives by serving in administrative, coordination, and clearinghouse capacities to meet financial, reporting, legal, and compliance needs. The report affirms how the Governor is, through DOA, allocating these federal funds to invest in the areas key to our state's recovery: pandemic response and public health, workforce development and economic resilience, community building, education and childcare, individual assistance, and access to broadband.

The LAB's recommendations provided valuable assistance to the Department in recommending ways to improve documentation and transparency in its administration of these funds. The Department's responses to LAB's specific recommendations are set forth below in the order presented in the LAB's report.

Page 26: Documentation of Decision-making

DOA appreciates LAB's recommendation regarding improvement of its decision documentation and will plan to update the Joint Legislative Audit Committee (JLAC) on its efforts in this area by February 17, 2023.

The critical need for both expediency and responsiveness in administering these funds so that the state could meet evolving needs both from a public health and economic perspective lent itself to decision-making that took place largely through near-daily conversations with the Governor's Office and relevant agency partners. However, DOA did include information in what it provided to LAB regarding the policy underpinnings and need for programs and investments the Governor chose to fund—information that would have been relied upon in making such decisions. This information was present in the Memorandums of Understanding entered into between DOA and the implementing state agency, in the public documents created both to announce the various programs and investments and make them available to recipients, as well as in DOA's ongoing reporting to the U.S. Department of Treasury.

Page 29: Include additional information on the Badger Bounceback Website

DOA appreciates LAB's recommendation regarding making additional information available on the Badger Bounceback website and will plan to update JLAC on its efforts in this area by February 17, 2023.

The Badger Bounceback website includes a wealth of information for the public regarding the investments being made with certain supplemental federal funds. DOA notes that the investments included on the Badger Bounceback website already represent plans for the use of remaining funds in that typically the projects and initiatives are inclusive of the full allocation made by Governor Evers, even if the entire amount of funding has not yet been paid to the implementing agency or third party. In addition, the website also contains links to the quarterly and annual reports submitted by DOA to the U.S. Department of Treasury, which already contain the kinds of financial, narrative, and contextual information that LAB recommends documenting.

Thank you again for your time and consideration in completing this report. I appreciate the opportunity to comment on your recommendations.

Sincerely,

A handwritten signature in black ink that reads "Kathy Blumenfeld". The signature is written in a cursive style with a large, looped initial "K".

Kathy Blumenfeld
Secretary-designee