



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary

January 31, 2024

Mr. Edward Blazel, Chief Clerk
Wisconsin State Assembly
17 West Main Street, Suite 401
Madison, WI 53703

Mr. Richard Champagne, Acting Chief Clerk
Wisconsin State Senate
B20 Southeast, State Capitol
Madison, WI 53707

Dear Messrs. Blazel and Champagne:

In accordance with s. 16.548, Wis. Stats., please find enclosed the quarterly report for the Wisconsin Federal-State Relations Office (Office). This report contains information on the activities of the Office and the status of federal legislation of concern to the State of Wisconsin for the fourth quarter of calendar year 2023.

Please contact me if you have any questions about the report.

Sincerely,

DocuSigned by:

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Kathy Blumenfeld
Secretary-designee

cc: Governor Tony Evers

Enclosure

State of Wisconsin
Washington, D.C. Federal-State Relations Office
Quarterly Report
October 1, 2023 – December 31, 2023

The Office of the Governor and the Wisconsin Department of Administration (DOA) consistently and frequently continue to communicate with Wisconsin's federal delegation, the White House, and other federal agencies regarding issues affecting our state. The State Federal Director and the Office of Federal-State Relations similarly continue to maintain strong partnerships with federal stakeholders in an effort to ensure efficient and effective state-federal collaboration.

Gov. Tony Evers and the Evers Administration will continue to work with our federal and private partners to address the pressing needs facing Wisconsin today, as well as aiming to ensure our state is prepared to meet the needs of the future. From historic broadband and infrastructure investments, working to expand access to clean water, and uplifting the innovative work being done across the state, Gov. Evers and the Evers Administration continue to advocate on behalf of Wisconsinites to federal elected leadership regarding issues affecting the people of our state. The governor and his administration closed 2023 and this quarter highlighting the effectiveness of federal, state, and local partnerships and the critically important accomplishments fostered through those partnerships and collaborative efforts.

The health and well-being of Wisconsinites have been and will continue to be among Gov. Evers' top priorities—a critical part of which includes expanding access to clean drinking water and safe, affordable housing. This quarter saw major milestones in advancing the investments made in the Bipartisan Infrastructure Law enacted under the leadership of President Joe Biden to help build upon and support the governor's and the Evers Administration's efforts to ensure every Wisconsinite has access to clean water. In October, Gov. Evers, together with the Wisconsin Department of Natural Resources, announced more than \$402 million has been allocated for financial assistance through the Safe Drinking Water Loan Program (SDWLP) to 106 municipalities to improve drinking water quality for Wisconsinites. The funding will help municipalities across the state construct needed water infrastructure projects, including replacing lead service lines and addressing emerging contaminants such as per- and poly-fluoroalkyl substances, with a special focus on small and disadvantaged communities. In addition to the state funding allocated to the SDWLP, over \$120 million was able to be provided because of federal funding sources, bringing the total assistance to more than \$402 million.

Additionally, Gov. Evers was able to announce that \$414.4 million was allocated for financial assistance through the Clean Water Fund Program to 84 municipalities to improve their wastewater and stormwater infrastructure. The funding will help municipalities across the state construct needed water infrastructure, including projects that reduce phosphorus discharges and address aging equipment, again, with a focus on small and disadvantaged communities. Similar to the SDWLP program, the amount of funding was significantly higher due to federal funding provided through the Bipartisan Infrastructure Law.

In addition to those critical allocations of financial assistance, Gov. Evers announced the rollout of the new federally funded and created HOME-American Rescue Plan program (HOME-ARP) to support efforts to provide safe, affordable housing and supportive services for low-income and housing-insecure households. Wisconsin has received over \$41.8 million for HOME-ARP, which will be overseen by the Wisconsin Department of Administration Division of Energy, Housing and Community Resources. The state's allocation plan has targeted the development of rental housing units, supportive services, and nonprofit capacity building and operating activities. Gov. Evers and the Evers Administration will continue to work to ensure every Wisconsinite has access to clean, safe drinking water and safe, affordable housing.

In addition to efforts relating to federal investments and advocacy, Gov. Evers and the Evers Administration continued critical work partnering with Midwestern and Great Lakes partners to protect and conserve natural resources in the greater region. In October, Gov. Evers attended the Great Lakes St. Lawrence Governors and Premiers (GSGP) 2023 Leadership Summit in Cleveland, Ohio. Gov. Evers has chaired GSGP since he was appointed to the role in 2019. GSGP is an organization that unites the chief executives from Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Ontario, Pennsylvania, Québec, and Wisconsin to protect our Great Lakes resources and support the economic activity they facilitate. Gov. Evers announced at the start of this year's summit that Michigan Gov. Gretchen Whitmer will be the next chair of the GSGP. Gov. Evers and his administration have continued to work extensively to support Wisconsin's waterways and to ensure all Wisconsinites have access to clean, safe water. Similarly, under Gov. Evers' leadership, GSGP has remained committed to safeguarding the Great Lakes Region's valuable freshwater resources as well as working to cultivate the Great Lakes' economic strength. This work included initiatives promoting the Great Lakes cruising industry, supporting the efforts of the Aquatic Invasive Species Task Force, and focusing on the '100 Percent Great Lakes Fish' project, in addition to many more projects and initiatives run through GSGP. Gov. Evers will continue to remain active in GSGP while leaving a remarkable and positive legacy for Gov. Whitmer to continue.

Gov. Evers remains committed to ensuring Wisconsin's workforce and economy are prepared and equipped to meet the needs of the 21st century. This includes ensuring a strong child care industry so working parents have affordable and accessible child care. That is why Gov. Evers announced he was directing \$170 million in emergency funding, stemming from the American Rescue Plan Act, to the Wisconsin Department of Children and Families (DCF) to continue the Child Care Counts Stabilization Payment Program at current levels through June 2025. Additionally, the governor joined more than 400 attendees at the Wisconsin Economic Summit hosted by the Wisconsin Economic Development Corporation in Appleton. Gov. Evers championed the state's successes in creating opportunities for workers, businesses, and communities through smart, strategic investments in child care, jobs and skills training, housing, and entrepreneurship, among other key areas. One such investment was the Workforce Innovation Grants funded through the federal American Rescue Plan Act. Workforce Innovation Grants is an incredibly successful program that bore many innovative and effective initiatives, creating opportunities and positively impacting thousands of Wisconsinites. The projects address everything from worker training to child care, and highlights include:

- In the Milwaukee area, MobilISE is providing about 3,000 rides to and from work each month, allowing those without transportation access to higher-paying jobs and supporting businesses' workforce needs.
- In the Racine area, more than 300 people have earned their high school credentials through Gateway Technical College, allowing them to embark on new career paths.
- In Monroe, the Green County Family YMCA is preparing to break ground on an expansion that will open up 80 child care spots.

Fittingly, the same day as the summit, the U.S. Economic Development Administration (EDA) recognized Wisconsin's leadership in the field of personalized medicine and biohealth technology by designating our state as a Regional Technology Hub. Thanks to the continued advocacy of Wisconsin Sen. Baldwin, the Evers Administration, and countless state and local partners, the Regional Technology Hub designation from EDA clears the way for Wisconsin to compete for up to \$75 million in funding under the federal CHIPS and Science Act of 2022, which itself was a product of strong and continued advocacy by Wisconsin Sen. Baldwin. EDA announced it is also awarding Wisconsin a \$350,000 strategic development grant as part of the designation. Wisconsin continues to be at the leading edge of science and technology, and Gov. Evers and his administration will continue to support this sector of the economy to foster growth as well as make Wisconsin an attractive place for businesses to invest. Further illustrating this important work, shortly after EDA's announcement, Gov. Evers announced Microsoft will be investing billions of dollars to expand its data center footprint in Mount Pleasant, Wisconsin. The tech giant's investment in Wisconsin is positive proof that investing in building an economy and workforce to meet the needs of the 21st Century will lead to considerable return on that investment, benefiting Wisconsinites across the state.

In addition to bolstering and supporting new innovation and entrepreneurship of statewide and national scale, Gov. Evers knows working families, small businesses, and Main Streets play a critical role in maintaining Wisconsin's robust economy and our state's economic momentum. In December, Gov. Evers submitted a letter to the U.S. Small Business Administration petitioning for 'HUBZone' designations in Juneau, Langlade, and Lincoln counties. HUBZone stands for Historically Underutilized Business Zone. By awarding at least three percent of federal contract dollars to HUBZone-certified companies each year, the HUBZone program helps to grow small businesses in these historically underutilized business zones. Additionally, this fall, Gov. Evers announced the U.S. Department of the Treasury's State Small Business Credit Initiative (SSBCI) awarded the state of Wisconsin \$1.9 million in technical assistance funding to support legal and financial advice for small businesses. This funding builds upon the nearly \$80 million in SSBCI funding to support entrepreneurs and small businesses throughout Wisconsin, which the governor announced earlier this year. Gov. Evers and his administration will continue to be steadfast advocates for and on behalf of Wisconsin's small businesses.

Gov. Evers knows that central to any workforce or economic development initiative is every Wisconsinite, regardless of ZIP code, having access to affordable and reliable high-speed internet. Since becoming governor, Gov. Evers has allocated more than \$345 million in state and federal funds to expand high-speed internet, including the largest state investment in Wisconsin's history. Gov. Evers has sought to bridge the digital divide in every Wisconsin community, and this has led to ensuring more than 395,000 homes and businesses will have new or improved

service. This fall, Gov. Evers, together with U.S. Sen. Baldwin, as well as a host of state and federal agencies, announced that the U.S. Department of the Treasury approved the state's plans to utilize \$140 million of federal funds from the Capital Projects Fund provided by the American Rescue Plan Act. The funding will be used to support two new grant programs, the Flexible Facilities Program and the Digital Connectivity and Navigators Program. These programs will support high-quality multi-purpose community facilities and help address high-speed internet access, affordability, and adoption in the state. In addition, PSC is expected to award up to \$42 million from the Capital Projects Fund to administer Broadband Infrastructure Grants and invest in broadband construction and deployment that will provide high-quality internet to locations that lack access to adequate, affordable service.

Despite the historic investments made and proposed by Gov. Evers, more work remains. According to the most recent estimates from the Federal Communications Commission, there are still more than 224,000 unserved locations and more than 198,000 underserved locations in Wisconsin. This was highlighted by the fact that the Wisconsin Broadband Office received requests for \$221.6 million across 124 applications for the Broadband Infrastructure Grant Program funded through the American Rescue Plan Act's Capital Projects Fund, Gov. Evers announced in November. Recognizing that the need for reliable internet service far outweighs our current resources, in his most recent budget, Gov. Evers recommended investing \$750 million in state funding to supplement the federal funding being allocated to the state in coming years. Republicans in the Wisconsin State Legislature removed this provision from the final budget that was sent to the governor's desk, investing \$0 new state dollars in broadband. Gov. Evers and his administration will continue to work on behalf of every Wisconsinite to close Wisconsin's digital divide, which is a necessity in the 21st Century.

Gov. Evers knows that in order to adequately serve Wisconsin families and allow our state to reach its economic potential, we must invest and build the 21st-century infrastructure Wisconsin needs to support a 21st-century economy and workforce. Gov. Evers was pleased to announce PSC's Office of Energy Innovation was set to begin accepting applications for historic clean energy programs in November. These programs include the Wisconsin Grid Resilience Grant Program, the Energy Efficiency and Conservation Block Grant Program, and the Energy Innovation Grant Program. These historic programs will invest upwards of \$20 million, through Bipartisan Infrastructure Law funding, into our state and are designed to upgrade and strengthen Wisconsin's energy infrastructure. This will help to ensure critical access to secure, reliable, affordable, and environmentally responsible energy while accelerating the state's clean energy economy. This fall, Gov. Evers applauded similarly forward-looking investments in Wisconsin after the Federal Railroad Administration announced it would be funding four studies to expand passenger rail service in the state.

Investing in infrastructure and building projects directly in our communities remains an important way to bolster Wisconsin's communities by creating attractions for Wisconsinites to enjoy while also serving as long-term investments that create new economic activity and jobs. Gov. Evers announced he would be investing \$36.6 million in federal funding from the American Rescue Plan Act into building projects across the state in Janesville, Milwaukee, Green Bay, and Door County that were previously rejected by members of the Wisconsin State

Legislature in the 2023-25 Capital Budget process. Gov. Evers' building project investments include:

- \$15 million for the Janesville Sports and Convention Center, which will generate an estimated \$13 million in new economic impact to the community, as well as provide a regional venue for in-state athletic events.
- \$9.3 million for the new Milwaukee Iron District soccer stadium will transform a long-vacant property into a thriving destination, as well as advance both local and state tourism and athletic as well as community offerings at one of the busiest intersections in the state.
- \$7 million for the Green Bay National Railroad Museum expansion to meet the growing need for museum offerings, accessibility, and immersive programming.
- \$5 million for the Bronzeville Center for the Arts, on the site of the former Wisconsin Department of Natural Resources building in Milwaukee, which will elevate the history and culture of African Americans and promises to become a Wisconsin cultural tourism destination.
- \$330,000 for the Door County Peninsula Players Theatre upgrades, which will provide safe and modern dormitory facilities for the company that draws nearly 40,000 visitors locally.

The governor's investment is projected to support over 400 jobs and nearly \$68 million in economic activity. These investments will ensure the projects can move forward and build upon the Evers Administration's strategic investments that will provide long-term benefits to the state's workforce and economy.

Gov. Evers knows that without safe and reliable infrastructure, Wisconsin's economy, workforce, and Wisconsin family's quality of life will suffer. Repairing and rebuilding infrastructure that has been ignored for far too long has always been a priority for the governor. Blatnik Bridge connects Superior, WI, to Duluth, MN, and is one of the most critical pieces of infrastructure in our state, with more than 33,000 vehicles crossing the bridge each day, in addition to more than 265,000 trucks transporting nearly \$4 billion in goods passing over it each year. Unfortunately, it has suffered significant structural deterioration over the decades. Rebuilding Blatnik Bridge has remained a top priority for Gov. Evers. Earlier this year, Gov. Evers signed the 2023-25 biennial budget, which authorized \$47.2 million in funding and \$352.8 million in transportation fund-supported, general obligation bonding authority to secure sufficient state support for the rebuilding of this critical piece of infrastructure. In December, Gov. Evers, together with Minnesota Gov. Tim Walz, recently announced WisDOT and MnDOT have requested more than \$1 billion in federal funding through the U.S. Department of Transportation's Bridge Investment Program to replace the aging John A. Blatnik Bridge. Recently, Gov. Evers was proud to stand with President Biden, Wisconsin Sen. Baldwin, Minnesota Gov. Walz, and many more important leaders in the announcement of over \$1 billion being awarded to the rebuilding of this critical bridge. Through a combined effort and investment between Wisconsin, Minnesota, and the federal government, we can rebuild this important link between our states that can be enjoyed and utilized for decades to come.

This quarter, Gov. Evers welcomed multiple federal leaders and officials to our state, including President of the United States Joe Biden. In a trip to highlight work done over the past few years

to uplift small businesses, including those that are diverse owned, President Biden and Gov. Evers held an event at the Wisconsin Black Chamber of Commerce in Milwaukee. Investment in small businesses and underrepresented communities has always been a top priority for the governor, and President Biden's visit in December serves as testament to that commitment. Through federal, state, and local partnerships, tens of millions of dollars have been invested in supporting small businesses over just the past few years.

Like in previous quarters, the National Governors Association hosted a quarterly convening of states regarding the Infrastructure Investment and Jobs Act (IIJA) in December. State Federal Director Derek Campbell attended this convening, which was held in Washington, and represented the state throughout the week's briefings and conversations. This quarterly meeting included briefings at the U.S. Department of Energy (DOE) by senior DOE officials, including DOE Secretary Jennifer Granholm. The state representatives received briefings and had productive conversations with senior administration officials, the White House IIJA implementation team, and representatives from multiple other federal agencies. In addition to providing updates on both the current progress of implementation and upcoming implementation announcements, this quarter's meeting highlighted DOE's many policy offices and offered insight into how states can better partner with our federal counterparts. The Office of Federal-State Relations continues to work with the governor, our state agency staff, and federal partners to ensure Wisconsin continues to effectively utilize funding available through federal legislation as well as remains competitive for future federal funding opportunities.

Gov. Evers will continue to advocate on behalf of the people of Wisconsin to federal partners in Washington. This quarter, there were several pieces of significant legislation and other issues before the U.S. Congress that would have substantial impact on the lives of Wisconsinites. In November, Gov. Evers wrote to congressional leaders highlighting Wisconsin's priorities regarding the reauthorization of the 2023 Farm Bill. The Farm Bill will not only affect Wisconsin farmers and the agriculture industry, which generates nearly \$105 billion in economic activity and supports more than 435,000 jobs across a wide variety of industries in both rural and urban communities across the state, but it also includes funding for important programs for Wisconsin families like the Supplemental Nutrition Assistance Program commonly referred to as SNAP. The Farm Bill impacts the lives of Wisconsin families in many more ways than the ones listed above, and decisions made in its reauthorization are going to have consequences for years to come. Additionally, Gov. Evers signed on to a bipartisan letter with 25 fellow governors of states across the nation, calling on Congress to extend the funding for the Affordable Connectivity Program (ACP), which provides a monthly credit to help low-income households pay for broadband access. Broadband access has and will continue to be a top priority for the governor because living in the 21st Century, access to affordable and reliable, high-speed internet is a necessity for Wisconsin families in nearly every facet of life.

Finally, as Congress remained in a state of uncertainty regarding funding the federal government, Gov. Evers continued to work with the Office of Federal-State Relations and our state agencies to monitor the progress of federal appropriations and any potential impacts to the State of Wisconsin. This includes up-to-date information from state agencies whom he has instructed to work with their federal counterparts to review federal contingency plans and engage in planning to mitigate impacts in Wisconsin. While an unnecessary federal government shutdown has

thankfully been avoided thus far, Gov. Evers has instructed his administration to continue to update information until a long-term funding solution is passed. Gov. Evers and the Evers Administration are continuing to work to ensure the Wisconsin state government is prepared for any possibility and is in a position to lessen the negative impacts of congressional dysfunction on Wisconsinites.

The Evers Administration and the Office of Federal-State Relations will continue partnering and collaborating with state and federal partners to ensure that the interests of the people of Wisconsin are heard, considered, and advanced by the United States federal government in Washington, D.C.

Gov. Evers and the Evers Administration continue to work on behalf of the people of Wisconsin by partnering with federal, state, and local leaders, as well as private sector partners to invest in the people, economy, and communities of our state.