

GOVERNOR'S VETO MESSAGE

April 22, 2021

To the Honorable Members of the Assembly:

I am vetoing **Assembly Bill 237** in its entirety.

This bill requires the Governor to deposit federal funding allocated through the American Recovery Plan Act (ARPA) of 2021 into the unemployment insurance trust fund to maintain the lowest unemployment insurance tax rate schedule, as set forth in Wis. Stat. s. 108.18(3m)(d), in effect through the end of calendar year 2023.

I am vetoing this bill due to several objections. First, the use of ARPA funds outlined by this bill may be prohibited under the language of Section 9901 of the American Rescue Plan Act of 2021, which specifies that federal funds allocated to a state under ARPA cannot be used to directly or indirectly offset or reduce currently imposed taxes through a change in state law or regulations. While the federal government has not issued final guidance regarding this prohibition, implementing Assembly Bill 237 when it could be in violation of federal law may result in Wisconsin having to repay significant amounts of money to the federal government, and would unnecessarily jeopardize current or future federal funding for Wisconsin.

Second, I object to the bill's proposed limitations on the ability to use federal funds with the flexibility necessary to confront the variety of challenges posed by recovery from the COVID-19 global pandemic and respond to Wisconsin's changing needs over the course of the pandemic and our recovery. In Wisconsin, the role of the Governor to oversee use of federal funds under Section 16.54 of the Wisconsin Statutes is clearly established and has been in place for decades, a fact that was confirmed by legislative leadership in a letter they sent to me in April 2020.

In lieu of this bill, I will continue to utilize the authority provided to the Governor to oversee use of federal funds in a manner that is transparent and consistent with both Wisconsin's needs and federal law.

Respectfully submitted,
TONY EVERS
Governor