



Legislative Fiscal Bureau

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TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: State Funding Under the Consolidated Appropriations Act of 2021

On December 27, 2020, President Trump signed P.L. 116-260, the federal Consolidated Appropriations Act of 2021 (CAA), into law. The Act authorized \$1.4 trillion to fund the federal government through federal fiscal year 2021 and included an estimated additional \$900 billion in supplemental stimulus to offset the economic impacts of the COVID-19 pandemic in the form of forgivable loans under the payroll protection program (PPP), stimulus rebates for individuals with AGI below certain thresholds, expanded unemployment benefits, and additional funding for states for education, transportation, and COVID-19 mitigation. In addition, a number of provisions of the Act modify federal tax laws that Wisconsin could adopt for state income and franchise tax purposes.

On January 22, 2021, this office prepared a memorandum addressed to members of the Legislature entitled, "Federal Tax Law Changes in the Consolidated Appropriations Act of 2021." That memorandum discussed the tax changes of the CAA and their potential impact on Wisconsin.

This memorandum describes the major items of the CAA Act and the potential amount of funding that Wisconsin is eligible to receive under that federal legislation. Although the Act appropriates funds to individuals, businesses, and governments, this memorandum addresses the fiscal effects of the legislation and the potential impact that they may have on Wisconsin government and, in some instances, local governments and educational institutions. Following is a brief description of the provisions of the federal legislation and the funding that may be received under each item. If an estimated fiscal effect is available, it will be indicated in the summary of the provision. Estimates are generally based on briefs issued by Federal Funds Information for States (FFIS). It is important to note that the focus of the memorandum is not a comprehensive discussion of all items that potentially impact Wisconsin, but rather a description of the major items based on our review of the federal Act and materials that are available to us.

ADMINISTRATION

Emergency Rental Assistance. The Act provides funding for emergency rental assistance to help households unable to pay rent and utilities due to the pandemic. Funds will be distributed by the U.S. Department of the Treasury to state governments and to local governments with populations over 200,000.

State and local governments may provide assistance to eligible households through existing or newly created rental assistance programs. An “eligible household” is defined as a renter household in which at least one or more individuals: (a) qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19; (b) demonstrates a risk of experiencing homelessness or housing instability; and (c) has a household income at or below 80 percent of the area median.

At least 90 percent of funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, or utilities and home energy costs arrears. Up to 10 percent of funds may be used for administrative costs, including case management services. Funds expire on December 31, 2021.

Based on information provided by Federal Funds Information for States (FFIS), the Act provides Wisconsin with \$386,777,600 for emergency rental assistance. Of this, \$28,221,000 will be provided directly by the federal government to Milwaukee County, \$16,313,700 to Dane County, \$12,061,500 to Waukesha County, \$7,894,100 to Brown County, and \$322,287,300 to the state government.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Support for State Farmer Stress Programs. The Act provides \$28 million in funding for state departments of agriculture, up to \$500,000 per state, to support their farmer stress assistance programs. In order to receive funding, the Department of Agriculture, Trade and Consumer Protection (DATCP) will be required to submit a plan to the U.S. Department of Agriculture (USDA) describing the activities it would support with the grant, the expected timeline for conducting those activities, and amount of funding required to support them. USDA is required to allocate grants no later than 60 days after enactment of the Act, which is February 25, 2021. If funding remains available after the initial grant allocation, USDA may allocate amounts beyond the \$500,000 per-state limit.

DATCP's farmer stress assistance programming is administered by the Wisconsin Farm Center. The Farm Center operates a hotline that farmers may call for information, referrals, and support responding to crises. Farm Center services include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, mental health screenings and referrals, minority and veterans outreach, and mediation and arbitration. In addition to ongoing Farm Center activities, 2019 Wisconsin Act 9 set aside \$100,000 each year during the 2019-21 biennium in one-time funding for farmer mental health assistance activities subject to

approval by the Joint Committee on Finance. Funding was approved in September, 2019, and has supported: (a) a contract for 24/7 counseling support for farmers with immediate need for mental health assistance; (b) in-person and virtual counseling sessions with mental health professionals; (c) development of a podcast addressing challenges facing Wisconsin farmers; (d) hosting workshops for farmers related to decision making, problem solving, planning, and family communication; (e) hosting and facilitating virtual support groups for farmers and farm couples; and (f) hosting training sessions for agriculture industry professionals on how to identify the warning signs of suicidal ideation and how to encourage farmers to seek assistance.

CHILDREN AND FAMILIES

Child Care Development Block Grant. The Act increases funding for the child care and development block grant (CCDBG) by \$10.0 billion, of which Wisconsin is estimated to receive an additional \$147 million as a supplement to the state's FFY 2021 CCDBG allocation (\$136.8 million). This one-time funding is provided for states to prevent, prepare for, and respond to the COVID-19 pandemic.

States may use the supplemental CCDBG funding for any allowable uses under the CCDBG Act. In addition, states may use the supplement to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to coronavirus, and to assure that providers are able to remain open or reopen as appropriate. States are encouraged, but not required, to place conditions on receipt of funding so that providers use a portion of funds to pay the salary and wages of staff. Funding may be used to reimburse expenses incurred prior to the enactment of the Act. In order to assure that child care providers are able to remain open, or to reopen, and to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to coronavirus, the supplemental funding may be used for the costs of providing relief from copayments and tuition payments for families and for paying the portion of the child care provider's cost ordinarily paid through family copayments (including for fixed costs and increased operating expenses).

The supplemental funding may be used to provide child care assistance to essential workers (including health care sector employees, emergency responders, sanitation workers, farmworkers, and other workers deemed essential). Further, funding must be available to eligible child care providers for the purposes of cleaning and sanitation (and other necessary activities), even if such providers were not previously receiving CCDBG assistance.

The Department of Children and Families (DCF) may also use the funds to support the stability of the child care sector to help providers fund increased operating expenses during the COVID-19 public health emergency and to provide technical assistance to implement health policy guidance regarding the safe provision of child care during the pandemic. Federal law requires state administering agencies (in Wisconsin, DCF) to publicize the availability of, and provide technical assistance to help providers apply for, funding available for such purposes, including among center-based child care providers, family child care providers, and group home child care providers. Federal law encourages, but does not require, DCF to implement enrollment and eligibility policies that

support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child's absence and a provider's closure due to the COVID-19 public health emergency.

The supplemental funding cannot be used to supplant state funding for current programs.

Title IV-E of the Social Security Act - Chafee Foster Care Independence and Education and Training Vouchers Funds. The Chafee Foster Care Independence and Education and Training Voucher (ETV) funds costs of preparing youths to live independently after leaving out-of-home care. The Act provides \$400 million to supplement FFY 2021 state allocations and does not require states to provide a state match for the supplement. In addition, the Act increases the federal reimbursement rate from 50% to 100% for certain prevention programs authorized under the Family First Prevention Act of 2018. Further, the CAA makes various temporary program policy changes, including permitting youth who age out of care during the COVID-19 pandemic to voluntarily re-enter foster care.

For FFY 2020 and 2021, the CAA raises the maximum age of eligibility for both programs to 26 years of age. For federal fiscal years 2021 and 2022, the CAA increases the maximum ETV award amount from \$5,000 per youth per year to be up to \$12,000 per youth per year. For April 1, 2020 through September 30, 2021, the CAA waives the requirement for participating youth to be enrolled in a post-secondary education or training program (or making satisfactory progress towards completion of that program) if a youth is unable to do so due to the Covid-19 pandemic. Further, the CAA allows states and tribes to use more than 30% of its Chafee funds for room and board payments for a fiscal year.

It is estimated that DCF will receive an additional \$5.6 million in supplemental funding for the Chafee Foster Care Independence Program and \$0.9 million for the Chafee Education and Training Vouchers Program (Brighter Star). In FFY 2020, Wisconsin was allocated \$2.4 million under the Chafee Foster Care Independence Program and \$0.8 million under the Chafee Education and Training Vouchers Program.

Title IV-B, Subpart 2 of the Social Security Act - Promoting Safe and Stable Families (PSSF). Funding available under PSSF is intended to promote safe and stable families through family preservation, family support services, family reunification, and adoption promotion and support services. The CAA provides an \$85 million supplement for the PSSF program for FFY 2021, of which \$75 million is allocated to states and tribes and removes the state matching requirement for the additional funds. It is estimated that DCF will receive an additional \$1.1 million for the program. In FFY 2020, Wisconsin's allocation under the PSSF was \$5.0 million.

CORONAVIRUS RELIEF FUND

Extension Of Coronavirus Relief Fund Deadline. The Act extends the deadline for the use of Coronavirus Relief Fund (CRF) monies by one year from December 30, 2020 to December 31, 2021. This provision would allow the CRF monies to be used in accordance with Department of

Treasury guidance for expenses incurred in response to the COVID-19 pandemic, which were not accounted for in the state's most recent budget, and were incurred between March 1, 2020, and December 31, 2021. The funds would have to be expended or obligated prior to December 31, 2021, or would be returned to the U.S. Treasury. Under the CRF, the state received \$2.0 billion, which was allocated by the Governor to numerous state and local health-related and economic assistance activities.

HEALTH SERVICES

Centers for Disease Control and Prevention -- Vaccinations and Testing. The Act provides \$8.75 billion to the Centers for Disease Control and Prevention (CDC) to conduct, support, and monitor vaccination programs against COVID-19, including \$4.50 billion that will be provided to state and local public health departments. This funding will be available to support services through September 30, 2024. Of the \$4.50 billion appropriation, \$210 million will be transferred to the Indian Health Services and \$300 million will fund services to high-risk and underserved populations, including racial and ethnic minority populations and rural communities. The CDC has made an initial award to states and other jurisdictions totaling \$3.0 billion through the existing CDC Immunization and Vaccines for Children grant agreement; Wisconsin was allocated \$52.6 million.

In a separate appropriation, the Act places \$22.40 billion in the Public Health and Social Services Emergency Fund overseen by the Office of the Assistant Secretary for Preparedness and Response (ASPR) to support testing, contact tracing, surveillance, containment, and mitigation of COVID-19. This funding will be available through September 30, 2022. The Act specifies that \$790 million of this funding be transferred to the Indian Health Services and \$2.50 billion be allocated specifically to serve high-risk and underserved populations. The remaining \$19.11 billion has been allocated to states and other jurisdictions by the CDC through the existing Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant agreement; Wisconsin was allocated \$335.1 million.

Substance Abuse and Mental Health Services Administration -- Block Grant Supplements. The Act provides a one-time supplement to two state block grant funding programs to support behavioral health initiatives in response to the COVID-19 pandemic. On a nationwide basis, the Act provides a supplement of \$1.625 billion each for the Community Mental Health Services Block Grant (MHBG) and the Substance Abuse Prevention and Treatment Block Grant (SABG) programs. Funds in both programs are distributed to states by formulas that consider population and various measures of need related to mental health and substance abuse disorders. The Federal Funds Information for States (FFIS) estimates that Wisconsin will receive a one-time supplement of \$28.4 million under the MHBG and \$25.5 million under the SABG. Previously, Wisconsin had been allocated \$11.8 million and \$27.2 million in FFY 2020-21 under the MHBG and SABG, respectively.

In general, block grant funds in both programs must be distributed to programs and activities in accordance with plans developed by the states. States are required to establish and consult with mental health and substance abuse advisory boards in the development of these plans. The CAA

requires that at least 50% of funding distributed under the MHBG program must be provided directly to community mental health centers. The federal Substance Abuse and Mental Health Services Administration has not provided guidance on the distribution of the block grant funds, including the community mental health center allocation requirement.

Administration for Community Living -- Services for Elderly Individuals. The Act provides \$100 million for Administration for Community Living to address abuse, neglect, and exploitation of the elderly, including adult protective service and long-term care ombudsman activities. In addition, the CAA provides an additional \$175 million to increase support for nutrition programs funded under the Older Americans Act, including \$7 million for tribal nutrition programs. These programs are administered as grants to states and tribes, and the Wisconsin Department of Health Services will distribute available funds to the area agencies on aging in the state.

Department of Agriculture -- SNAP. In response to the Coronavirus pandemic, the Act makes a number of changes to the federal supplemental nutrition assistance program (also known as SNAP or FoodShare in Wisconsin). Specifically, the Act: (a) increases the monthly SNAP benefit level by 15% through June 30, 2021; (b) simplifies the state administrative process for SNAP benefit level increases; (c) provides \$100 million for state administrative costs through fiscal year 2021 and requires these funds to be made available to states within 60 days of enactment; (d) extends SNAP eligibility to college students who are eligible for a federal or state work-study program or have an expected family contribution of zero; (e) excludes federal pandemic unemployment compensation (or FPUC) from being counted toward household income for SNAP; and (f) shortens the statutory waivers for certain SNAP quality control requirements from Sept. 30, 2021, to June 30, 2021. The Act also directs the USDA Secretary to submit a report on the redemption rate and account balances for each month from January, 2021, to June, 2021.

In addition, the Act allocates \$5 million for technical support to the U.S. Department of Agriculture (USDA) to expand online purchasing programs for farmers markets and direct-marketing farmers and supporting mobile payment technologies and the electronic benefit transfer (EBT) system.

The Act provides \$75 million for grants to government agencies or nonprofits under the Gus Schumacher Nutrition Incentive Program, to help incentivize the purchase of fruits and vegetables by SNAP households and to prescribe fresh fruits and vegetables to members in cooperation with a healthcare partner. While the public health emergency is in effect, the required match, normally 50% of total costs, may be reduced to 10% of the federal contribution, and may be provided as in-kind services.

The Act provides states additional flexibilities to support the distribution of pandemic electronic benefit transfer (P-EBT) benefits to school-age children and expands the program for children younger than six years old who live in households receiving SNAP benefits and reside in an area in which schools or child care facilities are closed or operating with reduced hours or attendance without the need to verify child care enrollment at the individual household level.

PUBLIC INSTRUCTION

K-12 and Higher Education Funding. As part of the Consolidated Appropriations Act of 2021, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act provides additional funding totaling \$82 billion for the education stabilization fund created under the CARES Act. The table below shows the amount of funding in each of the three parts of the fund under the CARES Act and under the CRRSA Act.

Funding in Education Stabilization Fund Under CARES Act and CRRSA Act (\$ in Millions)

	CARES Act		CRRSA Act	
	Total	Wisconsin	Total	Wisconsin*
Higher Education Emergency Relief Fund	\$13,950.0	\$176.7	\$22,700.0	\$318.0
Elementary and Secondary School Emergency Relief Fund	13,200.0	174.8	54,300.0	686.1
Governors Emergency Education Relief	3,000.0	46.6	4,100.0	98.3
Other	<u>600.0</u>	<u>N.A.</u>	<u>900.0</u>	<u>N.A.</u>
Total	\$30,750.0	\$398.1	\$82,000.0	\$1,102.4

*Estimated

Under the CRRSA Act, an additional \$54.3 billion is allocated to the Elementary and Secondary School Emergency Relief Fund (ESSERF). As under the CARES Act, each state will be required to distribute at least 90% of its total ESSERF allocation to local education agencies. Of the remaining amount, at least 9.5% will be distributed to districts on the basis of need, as determined by the state educational agency, and no more than 0.5% can be retained by the state educational agency for administrative costs. The federal Department of Education (DOE) estimates that Wisconsin's portion of this fund could total \$686.1 million.

The CRRSA Act allocates an additional \$4.1 billion to the Governors Emergency Education Relief (GEER) fund. As under the CARES Act, funds can be distributed by the governor of each state to institutions of higher education or local education agencies which have been significantly impacted by coronavirus, and can be used by the recipients to support their ability to provide ongoing educational programming. The CRRSA Act requires that \$2.75 billion of the total GEER funding be designated for services or assistance to private K-12 schools, and permits state educational agencies to reserve the greater of \$200,000 or 0.5% of its allocation for these grants for private schools for administration of the program. As under other federal laws related to federal education funding for private schools, the funds are required to remain under public control, and therefore cannot be distributed directly to private schools. DOE estimates that Wisconsin could receive \$98.3 million for the governor's emergency education relief fund.

The CRRSA Act provides \$22.7 billion for the Higher Education Emergency Relief Fund. Of that amount, \$20.2 billion is allocated to public and non-profit institutions. While the CARES Act allocated these funds on the basis of full-time equivalent (FTE) enrollments, the CRRSA Act allocates funds as follows: 37.5% based on FTE enrollment of Federal Pell Grant recipients; 37.5%

based on headcount enrollment of Pell Grant recipients; 11.5% based on FTE enrollment of non-Pell grant recipients; 11.5% based on headcount enrollment of non-Pell recipients; 1% based on the relative share of FTE enrollment of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency; and 1% based on the relative share of the total number of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency. DOE estimates Wisconsin higher education institutions could receive approximately \$318 million, including \$317 million for public and private institutions and \$1.4 million for proprietary institutions, as described below.

Under the CRRSA Act, higher education institutions may use funds received to: defray expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings and payroll); to carry out student support activities authorized by the Higher Education Act (HEA) that address needs related to coronavirus; or provide financial aid grants to students (including students exclusively enrolled in distance education) which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care. In making financial aid grants to students, an institution of higher education is required to prioritize grants to students with exceptional need such as students who receive Pell grants. The CRRSA Act requires higher education institutions to provide at least the same amount of funding in emergency financial aid grants to students as was required to be provided under section 18004(a)(1) and (c) of division B of the CARES Act (these sections required at least 50% of the \$12.56 billion in CARES Act funds be used to provide emergency financial aid grants to students). The CARES Act required Wisconsin higher education institutions to provide a minimum of \$84.9 million for emergency aid grants to students, and the CRRSA Act would require the institutions to provide the same amount for emergency aid for students. Under the CRRSA Act, higher education institutions may not use the funds for recruitment activities, athletics facilities, endowments, religious instruction, or senior administrator salaries, bonuses, or stock options.

Additionally, the CRRSA Act provides \$1.7 billion to Historically Black Colleges and Universities (HBCUs), tribal colleges, and minority serving institutions; \$680.9 million for financial aid grants to students at proprietary colleges (such as schools of cosmetology), of which DOE estimates Wisconsin proprietary institutions could receive approximately \$1.4 million; and \$113 million for institutions that the Secretary of Education determines have, after allocating other funds available, the greatest unmet need related to coronavirus, including institutions of higher education with large populations of graduate students.

The remaining funding under the education stabilization fund is allocated for schools operated by the Bureau of Indian Education and tribal colleges and universities, and for aid to U.S. territories and commonwealths.

As under the CARES Act, states are required to fulfill a maintenance of effort requirement, under which the proportion of state spending allocated to K-12 and higher education in 2021-22 must be maintained at the same level as the state's average allocation in the 2017-18, 2018-19, and 2019-

20 fiscal years. Additionally, schools and school districts that receive funding under the CRRSA Act must agree to continue to pay their employees and contractors during any closures, to the greatest extent possible.

Additionally, the CRRSA Act provides \$50 million to the Department of Health and Human Services to remain available until expended for grants to public institutions of higher education to expand or support graduate education for physicians provided by such institutions, with priority to public higher education institutions located in states with a projected primary care provider shortage and \$45 million to the Department of Labor for developing, offering, or improving educational or career training programs at two-year higher education institutions, such as community colleges and technical colleges.

TRANSPORTATION

Highway Infrastructure. The Act provides a total of \$10.0 billion in federal highway aid to prevent, prepare for, and respond to the coronavirus. Funding provided is derived from the federal general fund without requiring a state match, and is available until September 30, 2024. Funds available through this provision may be used for costs related to preventive maintenance, routine maintenance, operations, personnel (including salaries), debt service payments, and coverage for revenue losses. Of this total, the Act apportions: (a) \$9.84 billion for the Surface Transportation Block Grant program, in the same ratio as the obligation and suballocation for federal fiscal year 2021, which provides flexible funding to states for a variety of projects including those related to highways, bridges, harbors, transit, intelligent transportation systems, and pedestrian infrastructure; (b) \$114.6 million for the Tribal Transportation Program, which provides access to basic community services to enhance quality of life; (c) \$35.8 million for the Puerto Rico Highway Program, which provides federal highway aid to Puerto Rico; and (d) \$9.5 million for the Territorial Highway Program, which provides federal highway aid to the governments of U.S. territories.

Wisconsin is estimated to receive \$188.0 million in additional federal funds under this provision to be available through the first quarter of 2024-25. The Wisconsin Department of Transportation would have the authority to either use these funds to carry out additional highway infrastructure work, or use the funds to supplant state segregated fund appropriations for existing state and local highway projects for which revenues may no longer be available in the same magnitude due to the pandemic. This is the first amount of federal funding provided under federal legislation enacted in response to the Covid-19 pandemic that was made available for highway infrastructure.

Grants-In-Aid for Airports. The Act provides a total of \$2.0 billion in grants to airports to prevent, prepare for, and respond to coronavirus. Funding provided is derived from the federal general fund without requiring a state match. Of this total, the Act apportions: (a) \$1.75 billion among airports with more than 10,000 annual passenger boardings (in Wisconsin, only General Mitchell International and Dane County Regional airports qualify) based on their portion of total national enplanements, and certain cargo airports based on total annual landed weight; (b) \$200,000,000 for sponsors of airports with more than 10,000 annual passenger boardings to provide

rent relief and minimum annual guarantees to airport car rentals, parking, and in-terminal concessions, based on their portion of total national enplanements; (c) \$45.0 million for airports with fewer than 10,000 annual passenger boardings; and (d) \$5.0 million for Federal Aviation Administration salaries and expenses to carry out the Small Community Air Service Development Program, with priority given to communities with service cuts or suspensions. Wisconsin airports are estimated to receive \$83.2 million in grants through this provision. Under the initial federal CARES Act, Wisconsin received an estimated \$83.2 million in airport grant funding in addition to \$2.9 million in funding to support the local share for airport improvement projects.

Transit Infrastructure Grants. The Act makes \$14 billion available in grants to transit providers for capital and operating assistance without requiring a state match. Notwithstanding existing federal regulations, funds may reimburse operating costs to maintain service and lost revenue beginning on January 20, 2020, due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.

Urban and rural transit allocations under the Act are capped, based on how much each urbanized area and state reported to the National Transit Database (NTD) in 2018 operating costs. No urbanized area can receive more than 75% of its reported 2018 operating expenses in combined CARES Act and CAA funding, and no state can receive more than 125% of its reported 2018 rural transit operating expenses in combined CARES Act and CAA funding. Those states and urbanized areas that received more CARES Act funding than their 2018 rural or urban transit operating expenses do not receive additional funding under the CAA. For example, under the rural area formula grant program for systems serving populations of less than 50,000 (Tier C Systems), Wisconsin received \$51.5 million under the CARES Act but will not receive any additional funding under the CAA.

In total, transit agencies and tribal governments in the state are estimated to receive \$79.6 million in additional federal transit funding under the Act. Under the federal urbanized area transit formula grant program, transit systems serving the Milwaukee area (Tier A-1) would be directly apportioned \$60.3 million, and transit systems serving the Madison area (Tier A-2) would be directly apportioned \$15.0 million. For transit systems serving areas with a population of 50,000 to 200,000 (Tier B Systems), the state would be allocated \$1.1 million to be distributed to these systems. Under the federal seniors and individuals with disabilities formula grant program, the Act would apportion \$884,900 to state systems: \$32,100 for Appleton, \$32,500 for Green Bay, \$54,400 for Madison, \$217,200 for Milwaukee County, and \$548,700 for the Wisconsin Department of Transportation to distribute to rural and small urban areas. In addition, \$2.3 million would be directly apportioned to tribal governments in the state under the federal tribal transit formula grant program.

National Network Grants to the National Railroad Passenger Corporation (Amtrak). The Act provides \$175 million in national network grants to Amtrak to be used by Amtrak in lieu of any increase in a state-supported route payments, and prohibits any state from paying Amtrak more than 80% of the amount paid in federal fiscal year 2019 under that Act. The Act also specifies that a state-supported route's share of funding would be: (a) 7% of the costs allocated to the route in fiscal year 2019 under the cost methodology specified in the Passenger Rail Investment and Improvement

Act of 2008, and (b) any remaining amounts be apportioned to a route in proportion to its passenger revenue and other revenue allocated to a state-supported route in fiscal year 2019 divided by the total passenger revenue and other revenue allocated to all state-supported routes in fiscal year 2019. The actual funding available to supplement Wisconsin's portion of the Hiawatha under the Act is unknown at this time.

The CARES Act provided \$239 million in additional funding directly to Amtrak to support state-supported route payments and also prohibited any state from paying Amtrak more than 80 percent of the amount paid in federal fiscal year 2019. According to the Wisconsin Department of Transportation, Amtrak allocated \$3,996,000 to support Wisconsin's state-supported Hiawatha service route payments through January, 2021.

WORKFORCE DEVELOPMENT

As part of CAA 2021, the Continued Assistance for Unemployed Workers Act of 2020 extended a number of provisions related to unemployment insurance (UI), which were originally created in the Families First Coronavirus Response Act (FFCRA) and the CARES Act.

Pandemic Unemployment Assistance (PUA) Benefits. The end of the PUA program is extended through the week ending March 13, 2021. Individuals receiving benefits as of this ending date may continue to receive PUA benefit payments through the week ending April 10, 2021, as long as the individual has not reached the maximum number of weeks. Under the extension, PUA provides 50 weeks of 100% federally funded UI benefits to individuals who are not eligible for regular UI and who are unemployed or unable or unavailable to work because of a COVID-19-related reason specified in the CARES Act.

Pandemic Emergency Unemployment Compensation (PEUC) Benefits. The end of the PEUC program is extended through the week ending March 13, 2021. Individuals receiving benefits as of this ending date may continue to receive PEUC benefit payments through the week ending April 10, 2021, as long as the individual has not reached the maximum number of weeks. Under the extension, PEUC provides an additional 24 weeks of 100% federally funded UI benefits to individuals that have exhausted regular state UI benefits. The PEUC extends UI benefits to a total of 50 weeks.

Additional PUA and PEUC Administrative Funding. To assist the state with fraud prevention, detection, and investigation activities, the United States Department of Labor is providing DWD with \$2,430,000 in administrative funding to address fraud and identity theft in the PUA and PEUC programs. The state may use these funds: (a) to cover administrative expenses associated with identity verification or validation of PUA claimants; (b) to assist with efforts to prevent and detect fraud and imposter claims resulting from identity theft in the PUA and PEUC programs; and (c) to recover overpayments from fraud in the PUA and PEUC programs.

Federal Pandemic Unemployment Compensation (FPUC) Payments. The FPUC program, which expired July 31, 2020, is reauthorized and modified under the Continued Assistance

Act to provide \$300 per week in supplemental benefits for weeks of unemployment beginning after December 26, 2020, through the week ending March 13, 2021. FPUC supplemental payments are provided to individuals who are collecting regular UI benefit payments as well as those individuals that receive payments under the PUA, PEUC, work-share, and other federal UI programs.

Mixed Earner Unemployment Compensation (MEUC) Program. The Continued Assistance Act authorizes a \$100-per-week MEUC payment in addition to the \$300-per-week FPUC benefit in states that elect to participate. MEUC provides \$100 weekly for individuals who received at least \$5,000 in self-employment income in the most recent taxable year ending prior to the individual's application for UI, and who receive a UI benefit other than PUA. MEUC is payable only in states that opt to administer the benefit for weeks of unemployment beginning on or after December 27, 2020, through the week ending March 13, 2021.

Extension of Full Federal Funding of Extended Benefits (EB). For states that meet certain requirements under the FFCRA, and meet the required unemployment thresholds to trigger on the EB program, the Continued Assistance Act extends the 100% funding of EB payments through the week ending March 13, 2021, thus eliminating the requirement that the state cover 50% of EB costs as is normally required. Wisconsin triggered onto the EB program, effective May 17, 2020, due to an increase in the state's unemployment rate. Wisconsin met the criteria for turning off the EB program, effective November 7, 2020.

The Continued Assistance Act allows states to disregard the 13-week mandatory "off" period for weeks through December 31, 2021, provided EB triggers are met. The provision would allow an EB period to resume in Wisconsin sooner than the 13 weeks currently required since the previous period, provided the standard "on" criteria were met. To utilize this provision of the Continued Assistance Act, Wisconsin would need to permit DWD to waive the current statutory prohibition under which a period of EB may not trigger "on" in Wisconsin.

Extension of Federal Funding of First Week of UI Benefits. The CARES Act provides temporary 100% federal funding of the first week of regular UI benefits through the week ending December 26, 2020, for states with no waiting week. Under the Continued Assistance Act, this provision is extended through the week ending March 13, 2021, but at a 50% federal reimbursement level for weeks starting after December 26, 2020. Under this provision, to receive the 50% federal reimbursement, Wisconsin would need to extend the waiver of the one-week waiting period through the week ending March 13, 2021. Currently, as specified in 2019 Act 185, Wisconsin's one-week waiting period is waived through the week ending February 6, 2021.

Extension of Temporary Assistance for States with Advances. The Continued Assistance Act extends, to March 14, 2021, the waiver of interest payments and the accrual of interest on federal loans to state UI trust funds. Wisconsin's UI trust fund currently has an estimated balance of \$1.1 billion and is not borrowing from the federal government.

Extension of 50% Federal Funding of Reimbursable Employer Benefits. The Continued Assistance Act provides federal funding to states to reimburse certain nonprofits, government agencies, and Native American tribes for 50% of the costs they incur to pay regular UI benefits

through the week ending March 13, 2021. Under the CARES Act, this provision was to end the week ending December 26, 2020.

Extension of Full Federal Funding of Work-Share Benefits. For states with a federally approved work-share program, like Wisconsin, the Continued Assistance Act provides 100% federally funded UI benefits through the week ending March 13, 2021. Under standard program provisions, Wisconsin's work-share program is funded entirely through the employer's reserve account.

Administrative Funding to Implement Program Changes. The Continued Assistance Act provides DWD with \$650,000 in administrative funding to implement the changes necessary to extend the PUA, PEUC and FPUC programs, in addition to pay the startup costs of the MEUC program.