



Tony Evers

Office of the Governor | State of Wisconsin

July 15, 2020

Senator Tammy Baldwin
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Washington, DC 20510

Senator Ron Johnson
328 Hart Senate Office Building
Washington, DC 20510

Representative Bryan Steil
1408 Longworth HOB
Washington, DC 20515

Representative Mark Pocan
1421 Longworth HOB
Washington, DC 20515

Representative Ron Kind
1502 Longworth HOB
Washington, DC 20515

Representative Gwen Moore
2252 Rayburn HOB
Washington, DC 20515

Representative Jim Sensenbrenner
2449 Rayburn HOB
Washington DC, 20515

Representative Glenn Grothman
1427 Longworth HOB
Washington, DC 20515

Representative Tom Tiffany
1714 Longworth HOB
Washington, DC 20515

Representative Mike Gallagher
1230 Longworth HOB
Washington, DC 20515

Members of the Wisconsin Congressional Delegation:

As Wisconsin enters the second year of its 2019-21 biennial budget and local governments look to their upcoming budget processes, we write to reiterate the importance of additional investment in Wisconsin's state and local government. While previous federal bills responding to the COVID-19 pandemic have provided much-needed resources to a variety of sectors and support for government efforts to respond directly to the pandemic, more robust and direct stimulus is urgently needed.

State and local governments are key employers in communities across Wisconsin. The budget actions needed to balance our budgets without additional federal investment will sadly result in lost jobs, lost investment in communities, and a ripple effect throughout the industries in which state and local governments direct our resources. Urgent federal action is needed to soften these potential further blows to our economy and our working families.

As you know, we are facing both an unprecedented public health crisis as well as an economic crisis. Between March 15 and July 4, 2020, Wisconsinites have filed nearly 4 million weekly claims for unemployment benefits. The Department of Workforce Development indicates that approximately 417,800 Wisconsinites have been paid over \$2.4 billion in benefits since March 15. The speed and scope of the economic downturn has meant extraordinary challenges for nearly every Wisconsin resident, industry, and community.

Wisconsin counties, cities, villages and towns are experiencing declines in 2020 revenues as a result of the economic impacts of the new coronavirus crisis. Projections show drops in sales tax, fines, fees, investment performance, hotel room taxes, transit fares, parking revenues and more.

For many cities and villages the most significant decline is in hotel room tax revenues, which are projected to fall by 50% due to COVID-19's impact on travel and leisure spending. Looking ahead to 2021 and beyond, municipalities are concerned that the state will be forced to address its projected budget shortfalls by making cuts to shared revenue and general transportation aids, two municipal aid programs that provide a significant part of the revenue stream for many municipalities.

Town government budgets are small and focused on providing core services, such as, roads, bridges, fire, EMS, police, and elections. Even minor changes in revenue, be it the current room tax cliff or potential decreases in intergovernmental aid, will have major negative impacts on these core services. In fact, towns are already pulling back on infrastructure investment due to the lack of certainty. In addition to the impact on mobility and supply chain, because town road and bridge work is largely performed by contractors, there will be an undeniable impact on the private sector.

Without additional flexible federal funding, Wisconsin's ability to effectively combat COVID-19 and economically recover will be hampered. Wisconsin has risen to the challenges presented by COVID-19, done more with less, and creatively stretched existing federal, state, and local resources. We have worked to respond directly to public health needs as well as the dire economic consequences for many individuals and businesses, and ensuring various partners, including K-12 schools, institutions of higher education, health care providers, nursing homes, and small businesses are able to continue providing needed services. The ongoing needs, however, significantly outweigh the state and local resources that will be available.

As revenue continues to plummet, state and local governments in Wisconsin are entering a precarious budget situation at a time when our continued investment in communities is critically needed. We have appreciated the partnership of the federal government in ensuring that resources were available to respond to the pandemic this spring and summer. However, as we look to the fall and to looming budget deficits at the state and local levels, we encourage you to zealously advocate for additional, flexible fiscal aid.

The fiscal cliff we face in Wisconsin is substantial, with earlier estimates putting the potential impact to state revenues at \$2 billion or more and our local governments facing their own shortfalls. Without robust and flexible federal aid to offset this lost revenue and ensure that we are able to continue investing in our communities, severe budget cuts will impact nearly every part of our operations and our support to partners – from education and healthcare to infrastructure and economic development. We ask that you strongly support the allocation of additional funds and flexibility to ensure that funds can be used by state and local governments to address these budget shortfalls stemming from COVID-19's economic impact.

With your partnership and support for additional, flexible state and local fiscal relief, we can begin to turn the tide on the economic consequences of the pandemic and ensure that our state and local governments are positioned to support Wisconsin's economic recovery in the coming months and years.

Sincerely,



Tony Evers
Governor



Mandela Barnes
Lt. Governor



Jerry Deschane
Executive Director
League of Wisconsin Municipalities



Tommy G. Thompson
President
University of Wisconsin System



Stephanie Bloomingdale
President
Wisconsin State AFL-CIO



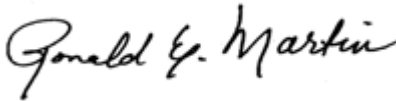
Rolf Wegenke
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Wisconsin Association of Local Health Departments and Boards

Wisconsin Public Health Association