



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

June 14, 2021

TO: Senator Jon Erpenbach  
Room 130 South, State Capitol

FROM: Dave Loppnow, Assistant Director

SUBJECT: Potential Effect of Medicaid Expansion on Federal Maintenance of Effort Calculation

At your request, I am providing information relating to the potential effect of Medicaid expansion on federal maintenance of effort (MOE) calculations relating to federal education funding provided under the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA).

Based on Joint Finance Committee actions through June 10, 2021, it is estimated that an additional \$256 million GPR in 2021-22 and \$177 million GPR in 2022-23 of education funding would be needed to comply with the federal MOE requirements under the CAA and ARPA. You asked what the implications would be for the state's MOE calculation if the state adopts full expansion of Medicaid and uses the resulting net GPR savings (\$838 million in 2021-22 and \$821 million in 2022-23) to reduce GPR spending on the Medicaid program by the same amount. Because the federal MOE calculation is based on the total amount of GPR spending, no additional education funding would be needed to meet the federal MOE because of the major GPR spending reductions under this option.

I hope that this information is helpful. Please contact me if you have any questions.

DL/ml