

TO: Legislative Colleagues

FROM: Sen. Wimberger
Rep. Wittke

DATE: May 15, 2025

RE: Co-Sponsorship of LRB-3000/1 and LRB-3235/1 , interest earned on coronavirus state and local fiscal recovery funds.

DEADLINE: May 22, 2025

Since receiving \$3 billion through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, Governor Tony Evers and Secretary-designee Kathy Blumenfeld have amassed a \$170 million fund that violates Wisconsin law and evades legislative oversight.

In 2023, the nonpartisan Legislative Audit Bureau conducted its annual audit of the state's Annual Comprehensive Financial Report and issued [Report 23-26](#). That audit uncovered over **\$68 million in interest earnings** generated from federal COVID-19 relief funds. Under [Wis. Stat. § 20.906\(1\)](#), these interest earnings are required to be deposited **weekly** into the state treasury, making them available for legislative appropriation. Failure to comply with this statute constitutes a **misdemeanor**, and the responsible official is **personally liable** for the interest, which **must be deducted from their compensation**.

Despite the clarity of the law, both the Legislative Audit Bureau and the [Legislative Council](#) have confirmed that these earnings must be transferred to the General Fund. Governor Evers and Secretary-designee Blumenfeld have **refused** to comply. Instead, the Department of Administration (DOA) has misclassified the interest earnings under an appropriation designated for funds **received from the federal government** ([Wis. Stat. § 20.505\(1\)\(mb\)](#)). . However, the interest itself was **not** received from the federal government, and **no federal restrictions apply** to its use.

As a result of this misclassification, what began as \$68 million in June 2023 has ballooned to over **\$170 million** by May 2025—forming an **unauthorized and unaccountable slush fund**. The administration has effectively created a pool of discretionary money that can be spent without legislative approval, in direct contravention of Wisconsin law.

This legislation restores legal compliance and reasserts legislative control over public funds. It requires the administration to deposit the interest earnings into the General Fund, where the Legislature—not the executive branch—determines how public dollars are allocated.

If you are interested in co-sponsoring LRB 3000 please reply to Sen. Wimberger (266-5670) or Rep. Wittke (237-9163) by 5:00 PM on **Thursday, May 22, 2025**. We will add all co-sponsors to the Senate and Assembly bill, unless otherwise requested.

Analysis by the Legislative Reference Bureau

Under this bill, \$172,000,000 is lapsed to the general fund from a federal program revenue appropriation to the Department of Administration on the date the bill becomes law. On May 9, 2025, the secretary of administration reported to the co-chairs of the Joint Legislative Audit Committee that, as of the end of April, the total interest earned on advanced coronavirus state and local fiscal recovery funds and credited to the federal program revenue appropriation was \$171,487,101.82.

Under current law, unless specifically provided by law, miscellaneous receipts collected by a state agency, such as interest earnings, must be credited to general purpose revenues of the general fund.