



## Legislative Fiscal Bureau

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April 7, 2021

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 273: Use of Federal Funds for Emergency Communications and the Northern Wisconsin Regional Crisis Center

Senate Bill 273 was introduced on April 5, 2021, and referred to the Joint Committee on Finance. (The companion bill to SB 273 is Assembly Bill 240.)

### SUMMARY OF BILL

**WISCOM Replacement.** Senate Bill 273 would require the Governor to allocate \$33.0 million of the funds accepted under the federal American Rescue Plan Act of 2021 (ARPA) to replace the existing Wisconsin Interoperable System for Communications (WISCOM). The bill would require the Department of Military Affairs (DMA) to oversee the development and operation of any current or future statewide public safety interoperable communication system and administer the system. The bill would allow DMA to enter into agreements for the maintenance and support of, upgrades to, and enhancements for WISCOM. The bill incorporates the WISCOM-related provisions of 2021 AB 68/SB 111 (the 2021-23 budget bill), but would modify the funding source from general purpose revenue to federal state fiscal recovery fund (SFRF) monies and provide a greater amount of funds (under AB 68/SB 111, \$6.5 million GPR is provided for WISCOM in 2022-23).

The WISCOM system was developed to permit local, state, and federal emergency responders to communicate across jurisdictions. Under 2017 Act 59, DMA was required to upgrade or replace WISCOM. According to DMA, the system's key components have reached end-of-life, and its technical specifications are unable to fulfill program demand. In May, 2020, DMA solicited a request for information to develop specifications for the replacement system. The Department intends to select a vendor and system design through a request for proposal process in 2022, begin a phased deployment in 2023, and sustain the system through 2038.

**Next Generation 911.** Senate Bill 273 would require the Governor to allocate \$20.2 million of the funds accepted under ARPA to facilitate the state's transition to Next Generation 911 (NG911).

The bill is similar to the NG911-related provisions of AB 68/SB 111, but would modify the funding source from police and fire protection fund revenue to federal SFRF monies and provide a greater amount of funds (under AB 68/SB 111, \$14.7 million SEG is provided for NG911 over the biennium).

The bill would allocate \$18.5 million to develop an emergency services internet protocol network (ESInet). The first step of upgrading the state's 911 system is to create an internet-based network to connect local public safety answering points across the state. The ESInet would provide broadband speed transmissions and facilitate the delivery of data for field operations. It is anticipated that a contract to design the ESInet will be negotiated by May, 2021, and local agencies will transition to the network in 2022. In addition, the bill would allocate \$1.7 million to develop a statewide geographic information systems database. The database would help route 911 calls and messages to the correct answering center, thereby decreasing call transfers and response times.

***Northern Wisconsin Regional Crisis Center.*** Senate Bill 273 would allow the State Building Commission to allocate \$15.0 million of the funds accepted under ARPA to a hospital located in Eau Claire County to expand psychiatric bed capacity. The bill incorporates the provisions of 2021 SB 86, but would modify the funding source from general fund supported borrowing to federal SFRF monies.

The bill would specify that the project is in the public interest because it would expand access to timely inpatient mental health treatment. Further, the state would retain an ownership interest in the hospital's expansion equal to the amount of the grant if the grant is not used for the purpose of expanding psychiatric bed capacity.

The bill would provide a specific geographic location for the hospital. According to the Department of Health Services, the only hospital that currently meets the specifications is the HSHS Sacred Heart Hospital in Eau Claire. Under the bill, the hospital would be required to: (a) expand psychiatric bed capacity by 22 beds; (b) give admission preference to emergency medical detentions for individuals from Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Iron, Jackson, La Crosse, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vilas, Washburn, or Wood counties; (c) identify measures to serve area residents with mental health needs and reduce the burden on the Winnebago Mental Health Institute; and (d) report annually to the Legislature on services provided, including the number of individuals diverted from the Winnebago Mental Health Institute.

The hospital would be liable to repay the grant if it fails to maintain the expanded services and number of beds available, with potential repayments reduced proportionately over 10 years. Compliance would be based on findings that the hospital maintains at least half of expanded beds for emergency detentions and enters into a contract with at least two-thirds of the aforementioned counties. The contracts would require the hospital to be the primary receiver for emergency detentions, accept emergency detentions unless all 22 beds are filled regardless of payment source, and ensure the county department is the second payer after individual coverage is exhausted. The hospital may set the payment rate based on the acuity of the individual.

During the 2019-21 biennial budget process, the Joint Committee on Finance and Legislature allocated \$15.0 million of general fund supported borrowing for a grant to be awarded to a non-state organization to establish a northern Wisconsin regional crisis center. The provision was modified by the Governor through partial veto of 2019 Act 9 to delete language establishing a "northern Wisconsin regional crisis center," such that \$15.0 million would instead be available for a "center." To date, the State's Controller's Office classifies the "center" bonding as "available."

## **FEDERAL STATE FISCAL RECOVERY FUND (SFRF)**

The state of Wisconsin is expected to receive up to \$3.2 billion of the \$219.8 billion provided under ARPA to the SFRF under that Act. Although final federal guidance related to the allowable use of these funds has not yet been issued, the Act provides the following general outline of the allowable uses of funds received from the SFRF, as well as restrictions on the use of these funds.

Allowable Use of Funds. SFRF payments may be used to cover costs incurred prior to December 31, 2024, for the following purposes:

- a. to respond to the coronavirus pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b. to replace revenues lost as a result of the public health emergency caused by the coronavirus pandemic, for the purposes of providing government services;
- c. to make investments in water, sewer, or broadband infrastructure;
- d. to provide premium pay of up to \$13 per hour per worker, in addition to a worker's usual wage or remuneration (up to \$25,000 in total for any single worker) for workers employed by the state who perform essential work during the pandemic, or to provide grants to eligible employers that have eligible workers who perform essential work. The term "eligible workers" is defined to mean those workers needed to maintain continuity of operations of essential critical infrastructure sectors, as well as additional sectors designated by the Governor of a state or territory as critical to protect the health and well-being of residents of the state or territory.
- e. to transfer funds to private nonprofit organizations, tribal organizations, public benefit corporations involved in the transportation of passengers or cargo, or special-purpose units of state or local governments.

Restrictions on the Use of Funds. SFRF monies may not be used for the following:

- a. to either directly or indirectly offset a reduction in net tax revenues resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase. The covered period begins on March 3, 2021, and ends on the

last day of the fiscal year in which all funds have been either expended, or returned to or recovered by, the Department of the Treasury.

- b. for deposit into any pension funds.

Under ARPA, the U.S. Department of the Treasury is charged with distributing SFRF funds and providing guidance on how these funds may be spent by the states. The federal ARPA legislation does not explicitly include emergency communications system improvements or grants to hospitals for the expansion of facilities, as provided under SB 273, as an allowable use of SFRF funding. While the U.S. Department of the Treasury could allow such uses under future guidance, absent such guidance it does not currently appear that allocating SFRF funding for such projects would be considered an allowable use of this federal funding.

Prepared by: Angela Miller