DECLARATION OF DEBRA STANDRIDGE

I, Debra Standridge, declare as follows:

- I am a resident of the State of Wisconsin. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.
- I am currently employed by the Wisconsin Department of Health Services (WI-DHS) as Deputy Secretary.
- As Deputy Secretary, I oversee grants that we receive, including those from the Centers for Disease Control and Prevention (CDC) and the Substance Abuse and Mental Health Services Administration (SAMHSA).
- 4. Our agency received six award terminations from the CDC and SAMHSA. The total value of the terminated awards was \$225 million in unspent dollars.
- 5. All CDC terminations were "for cause" based on the end of the COVID pandemic, rather than failure of WI-DHS to follow the terms or conditions of the grants. Each CDC award termination uses the same identical form language stating: "The termination of this funding is for cause. HHS regulations permit termination if "the non-Federal entity fails to comply with the terms and conditions of the award", or separately, "for cause." The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out." Descriptions of each award and the effects of these terminations follow.

6. All SAMHSA terminations were also based on the end of the COVID pandemic, rather than failure of WI-DHS to follow the terms or conditions of the grants. Each SAMHSA award termination uses the same identical form language stating: "On April 10, 2023, President Biden signed PL 188-3 terminating the national emergency concerning the COVID-19 pandemic. Consistent with the President's Executive Order 14222, Implementing the President's 'Department of Government Efficiency' Cost Efficiency Initiative requiring a comprehensive review of SAMHSA grants, and where appropriate and consistent with applicable law, terminate such grants to reduce the overall Federal spending this grant is being terminated effective March 24, 2025. These grants were issued for a limited purpose: To ameliorate the effects of the pandemic. The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary."

<u>Supplemental Funding Under the Epidemiology and Laboratory Capacity for Prevention</u> <u>and Control of Emerging Infectious Diseases</u>

- In 2018, CDC awarded WI-DHS Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) grant.
- 8. In 2020, during the COVID-19 public health emergency, CDC awarded WI-DHS approximately \$137,000,000 in supplemental funding under the ELC grant. Unlike the process for most grants, in this emergency case, CDC awarded the funding and asked WI-DHS to submit an initial plan for how to use this money within 30 days of receipt. In 2021, WI-DHS was awarded a further supplement to the ELC grant of \$335,000,000. Similarly, WI-DHS was asked to develop an initial plan for how to use this funding within 60 days of receipt.

- WI-DHS's initial plans in 2020 and 2021 focused on lab development and directly supporting community testing.
- Since the initial funding in 2020 and 2021, several modifications have been made to the grant supplements. In recent years, in response to CDC priorities and in collaboration with CDC, WI-DHS focused the use of the ELC grant supplemental funding to support and improve public health labs and data modernization.
- As of the most recent modifications, funding was expected to end July 2026. DHS did not intend to seek an extension of the grant.
- 12. On July 18, 2019, CDC produced a Notice of Award setting forth the terms and conditions of the 2019 ELC grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated July 18, 2019, is attached as Exhibit A. On May 18, 2020, CDC produced a Notice of Award setting forth the terms and conditions of the \$137,000,000 in supplemental funding under the ELC grant. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 18, 2020, is attached as Exhibit B. On January 14, 2021, CDC produced a Notice of Award setting forth the terms and conditions of the \$335,000,000 in supplemental funding under the ELC grant. A true and correct copy of the corresponding Notice of Award and its attachments, dated January 14, 2021, is attached as Exhibit C. Each of these incorporate the CDC General Terms and Conditions for Non-Research Awards; a true and correct copy of the most recent version, dated February 28, 2025, is attached as Exhibit D. As set forth therein, termination of the grant by CDC is permitted only consistent with 45 CFR 75.372: if a recipient or subrecipient fails to comply with the terms and conditions of the award, for cause, or with the agreement of the recipient/subrecipient.

- Since 2020, WI-DHS has used the ELC grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and WI-DHS's grant application and modifications.
- 14. As of March 24, 2025, WI-DHS has approximately \$165,000,000 in unspent supplemental funds. Those funds are for continued work to address gaps and limitations in our public health infrastructure experienced during the COVID-19 pandemic (data infrastructure modernization and interoperability) and to strengthen our infrastructure for future pandemics. Timely, efficient, and effective response to outbreaks relies on modern data systems that talk to one another and laboratories that are accessible.
- 15. WI-DHS was instructed by HHS that funds could be used for purposes broader than COVID, such as other respiratory diseases and data modernization.
- 16. On or about March 24, 2025, without any prior notice or indication, CDC informed WI-DHS that effective immediately its ELC funding was being terminated as of March 24, 2025, as to "any remaining COVID-19 funding associated with this award." No further explanation as to which aspects of the award constituted "COVID-19 funding" was provided. A true and correct copy of the first grant award termination notice is attached as Exhibit E.
- 17. On March 25, 2025, CDC reissued the termination notice, this time providing no information at all as to which aspects of the grant were terminated nor the basis for termination. A true and correct copy of the second grant award termination notice is attached as Exhibit F.
- 18. The purported basis of the March 24, 2025 termination was "for cause." The first termination notice stated that "[t]he end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over,

the grants and cooperative agreements are no longer necessary as their limited purpose has run out." *See* Exhibit B.

- 19. WI-DHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide ELC funding it had awarded to WI-DHS. 85 WI-DHS employees support the work under the ELC grant. Sub-contractors include public health laboratories.
 20. The sudden termination of this funding will have several adverse results including:
 - Pause or termination of planned project to shift reporting from multiple systems into a streamlined, cloud-managed environment that would improve our ability to provide timely data to local and tribal partners and the public.
 - b. Loss of staff supporting PHAVR, a reporting system about diseases impacting Wisconsinites. This system is used by local health departments in response to investigations into food or waterborne diseases, illnesses from tick bites, and other infectious diseases. This data is also used for publicly available data dashboards used to inform the public, policy makers, local health departments and more about opioid overdoses. The assigned staff were terminated, which will result in delayed responses and management of the system and ultimately could lead to delayed response to public health threats.
 - c. Ending of project to support local and Tribal data infrastructure needs.
 Data is essential to understanding what health threats exist in Wisconsin and ensuring coordinated responses. WI-DHS just concluded an assessment of the needs of local and Tribal health departments related to

data infrastructure, and may need to pause efforts to address these needs and improve coordination, collaboration, and public health response statewide.

- d. Wisconsin Cancer Reporting System (WCRS), which collects, manages, and analyzes cancer data for Wisconsin residents, was being upgraded to a data management system that would expand the types of data collected, increases interoperability with other data systems, and reduces staff efforts while improving data quality. WI-DHS anticipated reduced staff labor costs once this system was upgraded, alongside better collection of more real-time cancer data to support surveillance and research. We no longer expect to be able to fund these upgrades, which means more manual processes, slower cancer reporting, and decreased ability to get current data out to cancer researchers which will slow their ability to improve cancer detection, treatment, and prevention.
- e. Due to loss of funding, Wisconsin State Lab of Hygiene (WSLH) will be unable to secure funding for new instruments needed to provide Wisconsin's public health and health systems with laboratory capacity, as well as support instruments currently in use as well as more cost-effective multi-year maintenance contracts for high-complexity lab instruments. These multi-year contracts provide a cost savings of hundreds of thousands of dollars over annual contracts. If equipment is not maintained and certified according to federal regulatory guidelines, equipment will be

shut down and unavailable for testing, which will provide a negative impact on disease detection, patient care, and disease prevention.

- f. Multiple laboratory tests performed at WSLH will be adversely impacted, including multi-target respiratory pathogen panel (RPP) that detects over 20 of the most common respiratory pathogens infecting humans. This testing is costly, and WSLH will be forced to halt this testing or halt testing for other illnesses to shift funding. Another test directly impacted by termination of COVID funding is SARS CoV-2 sequencing. WSLH is reliant on COVID funding for this testing. Sequencing for SARS CoV-2 will need to be greatly reduced or eliminated, leading to a loss of this valuable data and loss of information about circulating strains and their development of resistance to antiviral treatments, directly impacting patient care. Additionally, many analytical supplies and reagents have been purchased with the expectation that funding would be available until July 2026. Tens of thousands of dollars in reagents and supplies may go unused and discarded due to loss of testing.
- 21. Prior to the grant award termination on March 24, 2025, CDC had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was in any way unsatisfactory.

<u>Activities to Support State, Tribal, Local and Territorial (STLT) Health Department</u> <u>Response to Public Health or Healthcare Crises (STLT Response Grant)</u>

22. In 2021, the Department of Health and Human Services, CDC invited applications for Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises (STLT Response Grant).

- 23. As set out in its grant proposal, WI-DHS intended to use the STLT Response Grant to support populations that had significant negative impacts from the COVID pandemic. Projects included those related to addressing long-term negative health impacts from the pandemic, strengthening emergency medical services (EMS), improving data systems, and harm reduction.
- 24. In May 2021, WI-DHS was awarded approximately \$27,184,789. Initially, the grant term end date was May 2023, but extensions resulted in an expected termination date of May 31, 2026.
- 25. On May 27, 2021, CDC produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 27, 2021 is attached as Exhibit G. This Notice of Award incorporates the CDC General Terms and Conditions for Non-Research Awards; a true and correct copy of the most recent version, dated February 28, 2025, is attached as Exhibit D. As set forth therein, termination of the grant by CDC is permitted only consistent with 45 CFR 75.372: if a recipient or subrecipient fails to comply with the terms and conditions of the award, for cause, or with the agreement of the recipient/subrecipient.
- 26. Since May 2021, WI-DHS has used the STLT Response grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and WI-DHS's grant application.
- 27. STLT Response funding has been used for various projects, including to stand up a harm reduction strike team, to expand rural health initiatives, and to build out EMS infrastructure in areas where WI-DHS identified a gap in need, especially in rural areas.

- 28. As of March 24, 2025, approximately \$4,000,000 in STLT Response funding remains unspent.
- 29. On March 25, 2025, without any prior notice or indication, CDC informed WI-DHS that effective March 24, 2025 its STLT Response grant was being terminated. A true and correct copy of the grant award termination notice is attached as Exhibit H.
- 30. The purported basis of the termination was "for cause." The termination stated that "[t]he end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out." *See* Exhibit H.
- 31. WI-DHS relied and acted upon its expectation and understanding that CDC would fulfill its commitment to provide STLT Response grant funding it had awarded to WI-DHS. Sub-contractors include cities, counties, villages and tribal nations who have also relied on the expectation of these funds.
- 32. The elimination of this funding will result in termination of projects related to harm reduction and strengthening EMS.
- 33. For example, the following personnel were funded via the STLT Response grant and played critical roles in supporting Wisconsin's EMS system:
 - a. EmPOWER program manager: WI-DHS's Office of Preparedness and Emergency Health Care (OPEHC) Health Equity Strategist managed the emPower program in Wisconsin. This federal program provides data to help communities identify Medicare beneficiaries who rely on electricity-

dependent medical equipment and health care services. This data is used to conduct outreach to these populations during local incidents such as extended power outages or large-scale emergencies or disasters.

- b. Community EMS Coordinator: The Community EMS Coordinator facilitated collaboration with partners to address the unique needs of their community. Community Emergency Medical Services (CEMS) programs facilitate integration with primary care services, reduce hospital readmissions, and re-route unnecessary emergency department visits to effectively mitigate health care needs and to improve efficiency in the system.
- c. EMS Compliance Coordinator: The OPEHC EMS Section is responsible for investigating all complaints against EMS services, practitioners, and training centers. This position is responsible for ensuring that investigations into complaints are managed according to Wisconsin State Statute.
- d. EMS/Preparedness Data Coordinator: Data is a pivotal part of the EMS system. This position is responsible for data management, analysis, integration, and maintenance including for the Wisconsin Ambulance Run Data system. This data system offers each ambulance service in Wisconsin the ability to track their ambulance run data alongside quality improvement data.
- 34. In communities across the state, EMS providers invested the funds to support improved partnership with health systems and local public health systems and services to provide

comprehensive care and support improved health outcomes for community members who recently had strokes. The goal of each program was to provide mobile integrated health visits to these patients to reduce hospital readmissions, support improved health outcomes, and improved quality of life. This includes:

- a. De Pere Fire Rescue (serving City of De Pere, Town of Lawrence, Town of Ledgeview, some of Village of Ashwaubenon).
- b. Door County Emergency Services. In addition to supporting the mobile integrated health visits, this funding helped build a foundation for Door County to build out a community paramedic program, which is now being state certified.
- c. Greenfield Fire Rescue. In addition to the mobile integrated health visits, this project also allowed Greenfield Fire Rescue to model their community paramedicine/mobile-integrated health program for other communities who were just launching similar efforts, which brought foundational learnings to the programs.
- 35. Wisconsin's statewide trauma care system reduces death and disability from traumatic injuries by ensuring that health systems across the state can provide the best possible care to trauma patients and their families. During the COVID-19 pandemic health systems throughout Wisconsin experienced staffing shortages that cause delays in mandated reporting to the Wisconsin Trauma Registry and gaps in documentation for trauma programs. These gaps are critical to fill to ensure that trauma systems can effectively respond to their community's health care needs. This disproportionately impacted rural and critical access hospitals that serve as level 3 and level 4 trauma hospitals that ease the burden on large

systems, and improve patient outcomes by keeping people in their communities. In response to the staffing shortages, OPEHC brought on a trauma nurse consultant to serve as a technical advisor to service providers. This staff person helped health systems develop, revise, and update nursing program plans; provided comprehensive program review, technical assistance, and training to trauma coordinators seeking certification and renewal of their trauma departments; and assisted with the site visit process related to trauma center classification. Due to these funding cuts, this consultant position has now been terminated.

36. Prior to the grant award termination on March 24, 2025, CDC had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was in any way unsatisfactory.

Wisconsin Community Health Workers for COVID Response and Recovery

- 37. In 2021, the Department of Health and Human Services, CDC invited applications for aWisconsin Community Health Workers for COVID Response and Recovery (CHW) grant.
- 38. The purpose of the CHW grant was to support and sustain a network of community health workers, who are trusted messengers in their community. As trusted messengers, community health workers made a significant difference in sharing information and resources with communities facing some of the worst impacts of the COVID pandemic. They were able to support testing, treatment, and vaccination education and action as well as accessing other resources.
- 39. The CHW grant had a period of performance from August 2021 to August 2024, with a 12month no-cost extension resulting in a close out date of August 30, 2025. During this time, CDC committed to a total of \$9,000,000 in funding.
- 40. On August 23, 2021, CDC produced the initial Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award

and its attachments, dated August 23, 2021, is attached as Exhibit I. CDC issued Notices of Award annually for this funding each subsequent year. Each of these incorporate the CDC General Terms and Conditions for Non-Research Awards; a true and correct copy of the most recent version, dated February 28, 2025, is attached as Exhibit D. As set forth therein, termination of the grant by CDC is permitted only consistent with 45 CFR 75.372: if a recipient or subrecipient fails to comply with the terms and conditions of the award, for cause, or with the agreement of the recipient/subrecipient.

- 41. Since August 2021, WI-DHS has used the CHW grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and WI-DHS's grant application.
- 42. WI-DHS has used the CHW grant funds to build community health worker infrastructure in areas and for populations with health disparities, including rural areas, farm workers, low-income families, seniors, people with chronic conditions, etc. The funding provided trainings to community health workers, trainings to organization that could support community health workers, direct dollars to organizations that could hire community health workers, all in an effort to build infrastructure and to bring community health workers into care teams.
- 43. As of March 24, 2025, WI-DHS had approximately \$1,500,000 remaining in funds, to be spent by August 2026.
- 44. WI-DHS had no performance issues and HHS has not expressed any performance concerns, over the life of the grant.
- 45. On or about March 24, 2025, without any prior notice or indication, CDC informed WI-DHS that effective March 24, 2025 its CHW grant was being terminated as of March 24, 2025. A true and correct copy of the grant award termination notice is attached as Exhibit J.

- 46. The purported basis of the termination was "for cause." The March 24, 2025 termination stated that "[t]he end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out."
- 47. WI-DHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide CHW grant funding it had awarded to WI-DHS.
- 48. The termination of the CHW grant will result in a loss of support for training and development of community health workers, including support that established a Wisconsin Association of Community Health Workers. Since 2022, sites across the state have trained more than 300 community health workers in core competency training.
- 49. The termination will also eliminate direct funding of community health workers by organizations, reduce public education and awareness.
- 50. Prior to the grant award termination on March 24, 2025, CDC had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was in any way unsatisfactory.

<u>Supplemental Funding to Immunization and Vaccines for Children grant: HHS Bridge</u> <u>Access Program, IIS Modernization and Vaccine Confidence</u>

- 51. In June 2019, WI-DHS was awarded an Immunization and Vaccines for Children grant by the Department of Health and Human Services, CDC.
- 52. In September and December 2020, CDC utilized that Immunization and Vaccines for Children umbrella grant funding stream to provide emergency funding to WI-DHS in response to the COVID pandemic. Again, in January 2021 and March 2021 CDC utilized that Immunization and Vaccines for Children umbrella grant funding stream to provide

emergency funding to WI-DHS. The total for those supplemental funding issuances is \$115,214,185.

- 53. This supplemental funding was intended to be used to modernize and maintain public health data infrastructure, including the Wisconsin Immunization Registry (WIR). As part of COVID response and recovery, planning for Immunization Registry modernization was underway. The original system was established in 2000 and relies heavily on vendor development to make most changes or improvements. The goal of modernization was to move to a system that had a higher level of configurability so that changes needed in response to changing vaccine requirements, new inventory types, and provider registration types could be configured by the Wisconsin support team rather than expensive charges to a vendor. In addition, the volume of data exchange between providers, pharmacies and other vaccine provider types has continued at the higher COVID volume to this day, necessitating a larger data exchange staff than was needed pre-COVID.
- 54. In February 2025, WI-DHS submitted a request for the remaining \$12,000,000 of COVID funds not yet requested, as well as a no-cost extension for all funds for a two-year period to end in 2027. That request has not yet been approved. Absent that approval, the current close date for this funding was June 30, 2025.
- 55. The supplemental funding generated five separate Notices of Awards to be issued by CDC in 2020 and 2021, all of which incorporate the same termination language, found through a link and attached hereto as Exhibit D.
- 56. Since 2020, WI-DHS has used the Supplemental Funding for HHS Bridge Access Program, IIS Modernization and Vaccine Confidence grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and WI-DHS grant application.

- 57. Funding to date has been used for projects including the updating and ongoing maintenance of WIR, creating interoperability between WIR and other data, supporting local health departments and other local partners in vaccinating Wisconsinites, and generally modernization Wisconsin's health data system.
- 58. In the Single Audit A-05-23-66305 by CDC for CFDA 93.268, for the Fiscal Year Ended June 30, 2022: There was one finding: DHS did not comply with Federal Funding Accountability and Transparency Act (FFATA) requirements. FFATA requires federal agencies and prime grantees to report subaward information for subrecipients, through a single, publicly accessible website. The audit found that WI-DHS failed to report those specific sub-recipient awards, in the audit finding, in a timely manner to the FSRS federal website. Since November of 2022 there have been timely monthly uploads of collected data and it has continued to be reported monthly. This finding did not threaten the funding of these supplemental awards and CDC indicated that WI-DHS had corrected the issue to their satisfaction.
- 59. WI-DHS used the funds for COVID vaccine activities until it was permitted to broaden areas of focus to other vaccines (e.g., all childhood vaccines) and areas of focus, with approval from the CDC.
- 60. On or about March 24, 2025, without any prior notice or indication, CDC informed WI-DHS that effective March 24, 2025 its Supplemental Funding for HHS Bridge Access Program, IIS Modernization and Vaccine Confidence was being terminated as of March 24, 2025. A true and correct copy of the grant award termination notice is attached as Exhibit L.
- 61. The purported basis of the termination was "for cause." The termination stated that "[t]he end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to

ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out."

- 62. WI-DHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide Supplemental Funding for HHS Bridge Access Program, IIS Modernization and Vaccine Confidence funding it had awarded to WI-DHS. Approximately \$8.5 million dollars in funding was supporting 142 different organizations/employers throughout Wisconsin, affecting nearly every county. These organizations include nearly all local and tribal health partners, federally qualified health centers, 25 community-based organizations serving 40 counties in routine Immunization through Community Engagement and other community organizations such as the Wisconsin Literacy Inc, Milwaukee Consortium for Hmong Health, We All Rise African American Resource Center, Aging and Disability Resource Center of the Northwoods.
- 63. In addition to pulling funding from those partners, loss of funding will mean fewer staff supporting WIR, which leads to longer wait times for end user problem resolution and extended the wait time for new providers to set up a data exchange feed. Lack of staffing will reduce the accuracy of immunization data in the system and ultimately lead to more people to get over or under immunized due to the missing information. Loss of funding for a new, modernized system means we continue to have to more expensive vendor change costs, a lengthened time to implement the changes, on a framework that was designed in 2000.
- 64. Prior to the grant award termination on March 24, 2025, CDC had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was unsatisfactory.

<u>Substance Abuse Prevention & Treatment Block Grant, APRA Supplemental Funding –</u> <u>B08TI083973</u>

- 65. In 2021, the Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) invited applications for the American Rescue Plan Act (ARPA) Supplemental Funding for the Substance Abuse Prevention and Treatment (SABG) Block Grant Program.
- 66. The SABG ARPA supplemental funds provided additional funds through the SABG Grant Program to support states in addressing the effects of COVID-19 pandemic for Americans with mental illness and substance use disorders. The SABG allocation requires states to expend not less than 20% of their total allocation for substance use disorder primary prevention services for individuals who do not require treatment for substance abuse and requires designated states to expend 5% of their total allocation for EIS/HIV Services.
- 67. As set out in its grant proposal, WI-DHS intended to use the SABG ARPA supplemental funds to support the following efforts:
 - County System Supports provide funds directly to Wisconsin's 72 counties to allow each county to utilize SABG ARPA funds to address their own unique needs.
 - Tribal Supports provide funds to each of the 11 Federally recognized Tribal Nations in Wisconsin to allow them to address substance use disorder needs that have arisen from the COVID-19 pandemic.
 - Crisis Services provide funds to counties and non-profits in Wisconsin to expand and enhance Wisconsin's crisis system.
 - State Operations utilize funding to support programmatic staffing for administration and implementation.

- Harm Reduction expand investment in harm reduction techniques, including Narcan expansion in jail facilities, Naloxboxes, EMS leave behind programs, and distribution of Nacran with law enforcement.
- Prevention Activities utilize funding to support several prevention activities, including tobacco prevention, youth substance use prevention, and expansion of regional crisis centers focusing community prevention supports and communities and coalitions primary substance use prevention work.
- Women's Treatment Services provide funds to support the expansion of women's and family treatment residential settings and care coordination.
- Recovery Support/Peer Support Expansion provide funds to support additional substance use/co-occurring peer run respite and peer run centers and to support the training and expansion of peer specialists and recovery coaches.
- Data Dashboard/Data Development Initiatives utilize funding to improve and enhance data systems to monitor outcomes related to opioid epidemic initiatives.
- Telehealth Expansion for Medication Assisted Treatment (MAT) provide funds to support infrastructure development for MAT telehealth.
- SAMHSA awarded WI-DHS a SABG Block Grant, ARPA supplemental funds in the amount of \$22,016,587 for the period of September 1, 2021 through September 30, 2025.
- 69. On May 17, 2021, SAMHSA produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 17, 2021, is attached as Exhibit M. As set forth therein, the Award was subject to 42 U.S.C. 300x-21-300x-35 and 300x-51-300x-67, as amended. Pursuant to 42 U.S.C. §300x-55, termination of the grant by SAMHSA is permitted only if,

subject to adequate notice and appeal requirements, "the Secretary determines that a State has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved."

- 70. Since September 2021, WI-DHS has used the SABG Block Grant, ARPA supplemental funds in a manner fully consistent with SAMHSA's statements regarding the nature of the grant and WI-DHS's grant application.
- 71. As of March 24, 2025, WI-DHS had \$6,697.827.21 remaining in SABG Block Grant, ARPA supplemental funds committed by HHS, with a performance end day of September 30, 2025. WI-DHS disperses grant awards to local providers through a competitive procurement process. WI-DHS reimbursement process is automated. Expenses are posted daily and WI-DHS then draws the funds down a minimum of once per week, though the draw downs are usually also done daily. Once the draw down is requested, the funds typically take a couple of days to post to WI-DHS's system.
- 72. WI-DHS met with the SAMHSA Grant Program Officer quarterly. WI-DHS received positive feedback regarding how the funding was assisting local providers and communities. WI-DHS and the SAMHSA Grant Program Officer had ongoing discussions about the various supplemental funding sources being used and how WI-DHS was managing the overall timelines for each. To accommodate spending down other grants with earlier end dates, WI-DHS planned to use a portion of the SABG ARPA supplemental funding in 2025. WI-DHS and SAMHSA Grant Program Officer discussed SAMHSA's preference to spend more SABG ARPA supplemental funding prior to 2025, however, this was not an option with accommodating multiple grant timelines.

- 73. On or about March 24, 2025, without any prior notice or indication, SAMHSA informed WI-DHS that effective March 24, 2025 its SABG Block Grant, ARPA supplemental funds was being terminated as of March 24, 2025. A true and correct copy of the grant award termination notice is attached as Exhibit N. The March 24, 2025 termination notice cited the President's Executive Order 14222, Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative.
- 74. On March 28, 2025, WI-DHS staff received an email stating "The termination of this award is for cause. The block grant provisions at 42 U.S.C. §300x-55 permit termination if the state "has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved." The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out." A true and correct copy of the March 28, 2025 grant award termination email is attached as Exhibit O.
- 75. WI-DHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide SABG Block Grant, ARPA supplemental funds funding it had awarded to WI-DHS. WI-DHS has contracts with local service providers in the amount \$19,487,226.80. Providers assumed this funding was secure and are unsure how to continue providing mental health and substance use treatment services to adults and children. Abruptly ending services to adults and children can result in harm to their health and safety. Several agencies have reporting ending or reducing their services and terminating their staff immediately.

- 76. For example, one subrecipient, who provides respite services to promote participants' selfdirected recovery, improve their quality of life, and reduce their need for use of crisis services, has had to immediately reduce their services from seven nights per week to just four nights per week, resulting in the displacement for those three additional nights of the residents in respite care.
- 77. Another respite house subrecipient was shut down upon notification about terminated funding, eliminating twelve staff and four guests staying at their facility.
- 78. Another subrecipient was an organization that provides residential substance use disorder program and additional services necessary to provide treatment to pregnant women and infants. The loss of funding for pregnant women and their infants will have a profound and devastating impact on this program. The funding was crucial for providing comprehensive care and support to one of the most vulnerable populations, including:
 - a. Reduced Access to Essential Services: Pregnant women with substance use disorders require specialized medical, psychological, and social support. The loss of funding will limit their access to prenatal care, addiction treatment, mental health services, and postnatal support, increasing the risk of adverse outcomes for both mothers and infants
 - b. Increased Health Risks: Without adequate funding, we cannot provide the necessary interventions to mitigate the health risks associated with substance abuse during pregnancy. This can lead to higher rates of preterm births, low birth weights, developmental issues, and neonatal abstinence syndrome

- c. Strain on Existing Resources: Our program relies on this funding to maintain staffing levels and resources needed to deliver high-quality care. The reduction in funding will strain our existing resources, potentially leading to staff burnout and a decrease in the quality of care provided
- d. Long-term Societal Impact: The lack of support for pregnant women with substance use disorders can have long-term consequences for society.
 Children born to mothers who do not receive adequate care are at higher risk for developmental delays and behavioral issues, which can affect their educational outcomes and future opportunities
- e. Increased Stigma and Barriers to Care: The loss of funding may also exacerbate the stigma associated with substance use during pregnancy, making it even more difficult for women to seek help. This can lead to a cycle of untreated addiction and mental health issues that affect entire families
- 79. Additionally, there are five contracts for SABG Block Grant, ARPA supplemental funding that were not fully executed prior to the termination date but work had already begun; it is unknown if these agencies will be paid for this work.
- 80. Prior to the grant award termination on March 24, 2025, SAMHSA had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was in any way unsatisfactory.

<u>Community Mental Health Services Block Grant - American Rescue Plan Act (ARPA) Plan</u> <u>Award</u>

- 81. In 2021, the Department of Health and Human Services, SAMHSA invited applications for Block Grants for Community Mental Health Services under the American Rescue Plan Act (ARPA) (MHBG-APRA).
- 82. As set out in its grant proposal, communities across Wisconsin and the country had been negatively impacted by the pandemic due to the loss of life, short-term as well as lasting effects on health, and disrupted social connections. The inequities existing in populations across Wisconsin were highlighted during the COVID-19 pandemic across the continuum of care in the areas of prevention, intervention, access to crisis services, treatment, and recovery support services. WI-DHS intended to use the Block Grants for Community Mental Health Services in those areas of prevention, intervention, access to crisis services, treatment, and recovery support services, including for crisis call centers, crisis mobile response teams, stabilization and other mental health services.
- 83. On May 17, 2021, SAMHSA produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 17, 2021, is attached as Exhibit P. As set forth therein, the Award was subject to 42 U.S.C. 300x-21-300x-35 and 300x-51-300x-67, as amended. Pursuant to 42 U.S.C. §300x-55, termination of the grant by SAMHSA is permitted only if, subject to adequate notice and appeal requirements, "the Secretary determines that a State has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved."
- 84. Since May 2021, WI-DHS has used the MHBG-APRA grant funds in a manner fully consistent with SAMHSA's statements regarding the nature of the grant and WI-DHS's grant application.

- 85. These funds have been used for County Substance Abuse Prevention, Tribal Substance Abuse supplemental funding, Community Based Withdrawal Management Centers, Harm Reduction Fentanyl Test Kits, ED2 Recovery, Peer Run Recovery Centers, Certified Peer Specialists, Prevention and media campaigns. Contracted agencies include counties, tribes and non-profit organizations.
- 86. As of March 24, 2025, the remaining amount of funds committed by SAMHSA is\$7,195,871.61.
- 87. WI-DHS met with the SAMHSA Grant Program Officer quarterly. Feedback was positive regarding how the funding was assisting local providers and communities. There were ongoing discussions about the various supplemental funding sources being used and how WI-DHS was managing the overall timelines. To accommodate spending down other grants with earlier end dates, WI-DHS planned to use much of the ARPA funding in 2025. The preference by SAMHSA was to spend more ARPA funding prior to 2025, however this was not an option with accommodating multiple grant timelines
- 88. On or about March 24, 2025, without any prior notice or indication, SAMHSA informed WI-DHS that effective March 24, 2025 its MHBG-APRA funding was being terminated. A true and correct copy of the March 24, 2025 grant award termination notice is attached as Exhibit Q. The March 24, 2025 termination notice cited the President's Executive Order 14222, Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative.
- 89. On March 28, 2025, WI-DHS staff received an email stating "The termination of this award is for cause. The block grant provisions at 42 U.S.C. §300x-55 permit termination if the state "has materially failed to comply with the agreements or other conditions required for the

receipt of a grant under the program involved." The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out." A true and correct copy of the March 28, 2025 email is attached as Exhibit R.

- 90. WI-DHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide MHBG-APRA funding it had awarded to WI-DHS.
- 91. The termination of funds will mean that needed mental health treatments and services will no longer be available to high-risk populations. This includes those in crisis situations and those receiving support from peers with lived experience as part of the recovery process, or those in recovery that are currently experiencing a mental heal crisis/emergency.
- 92. Prior to the grant award termination on March 24, 2025, SAMHSA had never provided WI-DHS with notice, written or otherwise, that the grant administered by WI-DHS was in any way unsatisfactory.
- 93. In total, this action is expected to jeopardize over \$225 million that Wisconsin expected to receive, including investments to bolster Wisconsin's public health infrastructure, support mental health services, prevent and respond to substance abuse, and strengthen local EMS.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct.

Executed on March 28, 2025, at New Berlin, Wisconsin.

Nehra M. Standricks

DEBRA STANDRIDGE