



Innovation Grant

Program Modifications due to 2025 Wisconsin Act 15

The Innovation Grant (sec. [79.038\(1\)](#), Wis. Stats.) administered by the Wisconsin Department of Revenue (DOR) was created under [2023 WI Act 12](#) and modified under [2025 WI Act 15](#). Below is a comparison of the grant requirements before and after the modifications. If you have questions, contact us at lgs@wisconsin.gov.

Statute	Original	2025 WI Act 15
79.038(1)(a)	County, municipality, or tribe may apply for an innovation grant to implement an innovation plan, which is a plan to transfer an allowable service/duty to another county, municipality, tribe, nonprofit organization, or private entity	No change
79.038(1)(a)1.	A copy of the signed agreement or contract must be provided to DOR including: a. Service/duty being transferred am. Signed after November 13, 2024 b. Contract is for a period of at least six years (if grant applied for in 2025) c. Cost of providing the service in the year prior to the transfer for the county, municipality, or tribe transferring the service and any county, municipality, or tribe receiving the transferred service d. Amount the county, municipality, or tribe will pay to the transferee for the entire term of the contract or agreement e. Allocation of grant moneys between the counties, municipalities, or tribes party to the contract or agreement	Revised b. Contract is for a period of at least three years (79.038(1)(a)1.b.)
79.038(1)(a)2.	County, municipality, or tribe provided all services/duties included in the contract or agreement in the year prior to the transfer	No change
79.038(1)(b)1.	DOR may award a grant only for a contract or agreement transferring one of the allowable services or duties	No change
79.038(1)(b)1.	Contract or agreement must realize a projected cost savings of at least 10 percent	Removed
79.038(1)(b)2.	For the purposes of the subsection b., the total cost of providing the service includes the cost of wages, fringe benefits, training, and equipment associated with providing the service	No change
79.038(1)(b)3.	To calculate projected cost savings for fire protection or emergency medical services (EMS) utilizing volunteer fire fighters or EMS practitioners, DOR promulgates rules specifying the method to determine the fair market compensation to be used	No change – this allocation is still needed when determining costs prior to the transfer for the purpose of the grant award calculation and review of the 115% cost limitation
79.038(1)(c)1.	DOR cannot approve a grant after June 30, 2029	Removed
79.038(1)(c)2.	DOR may distribute up to \$300M	No change
79.038(1)(c)1m.		New – DOR cannot approve a grant after June 30, 2031

Statute	Original	2025 Wis Act 15
79.038(1)(d)1.	- Grant payments should be distributed by June 30, 2026 and the following two fiscal years - Each grant payment equals: - For plans with only counties, municipalities and tribes – 25% of the total cost to provide the service/duty in the year prior to the transfer excluding the highest cost district - For plans transferring a service/duty to a nonprofit organization or private entity – 25% of the total cost to provide the service/duty in the year prior to the transfer	Revised - Grant payments can be distributed each year that a service/duty is transferred under the innovation plan, for a period starting by June 30, 2026 and the following four fiscal years - Eligible payment period - July 1, 2025 through June 30, 2030 - Number of payments is based on the duration of the transfer period under the innovation plan and the timing of the first grant payment distribution - Allows a maximum of five annual payments - Each annual payment = 25% of the total cost for the county, municipality, or tribe to provide the service/duty in the year prior to the transfer
79.038(1)(d)2.	A county, municipality, or tribe cannot receive a total of payments exceeding \$10M in one year	No change
79.038(1)(d)3.	DOR must inform DOA if a county, municipality or tribe failed to realize its projected cost savings. DOA must withhold from the next payment an amount equal to the difference between the required cost savings and actual cost savings.	Removed
79.038(1)(d)3m.		New – if, for a year during the grant award period, the total costs for all counties, municipalities, or tribes – party to the contract or agreement – to provide the transferred service/duty exceeds 115 percent of the total cost to provide the service/duty in the year prior to the transfer, DOR must inform DOA. DOA may not make a payment for that grant in the following year to each county, municipality, or tribe party to the contract or agreement.
79.038(1)(d)4.	DOR must allocate the grant moneys as provided in the contract or agreement	No change
79.038(1)(e)1.	DOR must give priority to innovation plans that attempt to realize cost savings for public safety, fire protection, and emergency services while maintaining the appropriate level of such services.	No change
79.038(1)(e)1.	After DOR awards grants to priority applicants, DOR may award others a prorated share of the remaining amount.	No change
79.038(1)(e)2.a.	A county, municipality, or tribe must certify to realize 50 percent of their projected cost savings no later than 24 months after receiving the first grant payment	Removed
79.038(1)(e)2.b.	A county, municipality, or tribe must certify to realize the full amount of their projected cost savings no later than 36 months after receiving the first grant payment	Removed
79.038(1)(em)	DOR must certify the awarded grant amounts to DOA. DOA must distribute the grant payments.	No change

Statute	Original	2025 Wis Act 15
79.038(1)(f)1.	For each grant award distribution period, DOR must audit at least 10 percent of the grants awarded for which at least 24 months have passed since their first grant distribution	No change
79.038(1)(f)2.	For each grant award distribution period, no later than December 31, DOR must submit a report to JFC concerning all grants awarded	No change