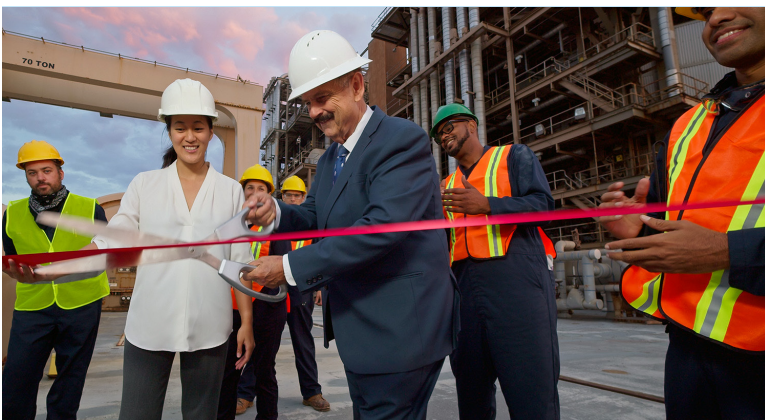


Unlocking Efficiency and Collaboration with the Innovation Grant



What is the Innovation Grant?

Wisconsin's local governments are constantly seeking new ways to enhance public services, increase efficiency, and maximize community investments. The Wisconsin Department of Revenue (DOR) is proud to announce an exciting opportunity to support these efforts – the Innovation Grant. Created under 2023 Wisconsin Act 12 and modified by 2025 Wisconsin Act 15, this program offers significant financial assistance to Wisconsin's counties, municipalities, and federally recognized tribes that demonstrate a commitment to innovation and collaboration. It's time to take a closer look at how this grant can help your community thrive.

The Innovation Grant program provides funding for counties, municipalities, or tribes (the "transferor") that implement an Innovation Plan to completely transfer one or more services or duties to another county, municipality, tribe, non-profit organization, or private entity (the "transferee"). This isn't just about efficiency and fiscal responsibility – it's about fostering creative, collaborative solutions that benefit the entire community.

Allowable services are wide-ranging and include critical functions such as:

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| • Public safety, including law enforcement | • Information technology |
| • Fire protection | • Economic development and tourism |
| • Emergency services | • Public health |
| • Courts | • Housing, planning, and zoning |
| • Jails | • Parks and recreation |
| • Public works | • Training |
| • Administration, including staffing and payroll | • Communications |

The program provides a total of \$300 million in statewide funding, with each county, municipality, or tribe eligible to receive up to \$10 million annually. The annual grant amount is substantial, equal to 25% of the total costs of providing the service for the local government transferor(s) in the calendar year prior to the transfer. This could potentially generate a total distribution of 125% of the local government transferors' total costs.

How to apply

To apply for the Innovation Grant, you must submit the Innovation Grant application (Form SL-405), which is now available for county and municipal clerks and tribe representatives within [MyDORGov](#). The online application is straightforward and must be accompanied by a copy of the signed contract or agreement between the transferor and the transferee (also known as an innovation plan).

Contract details

The contract is the cornerstone of your application and must include all the details outlined below (sec. 79.038(1)(a)1., Wis. Stats.):

- Services/duty to be transferred
- Signature date on or after the November 13, 2024, Administrative Rule notice date
- Effective date of the transfer
- Minimum contract length of three years
- Detailed cost information for both the transferor and, if applicable, the transferee, to provide the service/duty for the calendar year prior to the transfer. This includes wages, fringe benefits, training, and equipment costs.
- Amount the transferor will pay the transferee during the first year of the service transfer, and also for the duration of the agreement
- Allocation of how the grant funds should be distributed by the state to the participating local governments
- Stipulation for public safety, fire protection, and emergency services that the appropriate service level will be maintained

Important note – DOR must give priority to innovation plans for public safety, fire protection, and emergency services that also ensures the appropriate level of service is maintained. This prioritization reflects the critical nature of these services to our communities.

Grant process

Once an application is approved, DOR may distribute a maximum of five annual payments throughout the current eligible award period through June 30, 2030. The number of payments received depends on the first payment date and the duration of the service transfer. For example, if the grant is approved for a 5-year service transfer effective in 2025 and the first grant payment is distributed by June 30, 2026, SLF can distribute up to five annual payments through June 2030.

During the grant award period, recipients will also be monitored to ensure compliance with the cost increase limitation requirement created within 2025 WI Act 15, which states that the total costs for all participating local governments to provide the transferred service cannot exceed 115% of the total costs in the calendar year prior to the transfer. If this annual certification is failed, the following year's grant payment will be withheld.

The proceeds from the Innovation Grant are unrestricted, meaning they can be used for any activity or project approved by your local governing body – infrastructure, technology, or other strategic initiatives. DOR recommends avoiding the use of these funds for recurring operational or personnel expenses to prevent a future funding challenge, and/or inadvertently reducing your county or municipal levy limit.

The Innovation Grant is a powerful tool that can help Wisconsin's counties, municipalities, and tribes build a more resourceful and collaborative future. By leveraging these funds, communities can streamline operations, improve technology, enhance service quality, and create lasting partnerships.

Questions? For more information, visit the [Innovation Grants](#) page on DOR's website. If you have questions, contact us at lgs@wisconsin.gov.