

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: February 26, 2026

TO: Marcelia Nicholson-Bovell, Chairwoman, County Board of Supervisors

FROM: Isaac Rowlett, Interim Director, Office of Strategy, Budget, & Performance (SBP)
Nichole Todd, Senior Policy Manager, SBP
Lindsey Peterson, Operating Budget Manager, SBP

SUBJECT: From the Interim Director, Office of Strategy, Budget, & Performance, requesting authorization to apply for and accept three Act 12 Innovation Grant Applications and enter into associated service transfer agreements with service partners

File Type: Action Report- Revised

REQUEST

The Interim Director, Department of Office of Strategy, Budget, & Performance requests authorization to apply for and accept two Act 12 Innovation Grant Applications and enter into associated service transfer agreements with service partners.

POLICY

This report is provided pursuant to *Wis. Stat. § 59.52(19)* and Milwaukee County Code of General Ordinances § 56.06, as well as applicable provisions of *Wis. Stat. § 79.038 Innovation grants and innovation planning grants*.

Wisconsin State Statutes:	§ 59.52(19), § 79.038
Milwaukee County Code of General Ordinances:	MCGO 56.06
Specific Adopted Budget:	N/A
Specific Adopted Budget Amendment:	N/A
Specific Adopted Capital Project:	N/A

BACKGROUND

The Innovation Grant Program (*Wis. Stat. § 79.038*) was created by 2023 Wisconsin Act 12 and modified under 2025 Wisconsin Act 15; it is administered by the Wisconsin Department of Revenue (DOR). Through this opportunity, a county, municipality, or tribe can apply for an innovation grant to support the transfer of an allowable service to another county, municipality, tribe, nonprofit organization, or private entity (transferee). The purpose of this program is to generate long-term cost savings for local governments by transferring services.

If awarded, the annual award is equal to 25% of the total costs of providing the service in the calendar year immediately preceding the transfer as outlined in the contract/agreement (referred to as the "baseline" year). The number of annual payments an applicant can receive (3-5) is based on the date of the first grant payment (the earliest possible payment being 3/20/26) and the duration of the service transfer/number of contract years.

Once awarded, to remain eligible each year the total post-consolidation costs of the transferred service cannot exceed 115% of the total costs for those entities to provide the service during the baseline year.

Following the passage of Act 12 in 2023, the Director of the Office of Strategy, Budget, & Performance assigned the policy team within the Project Management Office to review the administrative rule that was promulgated by DOR in spring of 2025 and amended in July 2025, and assess all potential opportunities within Milwaukee County for eligible projects under the innovation grant program. Staff met with all administrative departments and elected offices that manage services that were eligible under the program.

The two Milwaukee County service transfers that met innovation grant program and readiness criteria are DAS-Economic Development projects that are included within the service category of “economic development and tourism”.

Both service transfers have been previously approved by the Board of Supervisors. The request for approval to apply for the grant and enter agreements in this report pertains only to the acceptance of innovation grant awards; *it does not alter previously approved actions in any way.*

Each application requires a signed agreement that describes, among other things, the total cost of the service during the baseline year; the amount the transferor will pay to the transferee for the length of the agreement; and details regarding how the grant award will be allocated to the County and the transferee. These agreements are attached to this file and are contingent on receiving an innovation grant award and no parties are obligated to honor the terms of these agreements if a grant award is not received.

Service transfers/applications for which authorization is being requested:

1. Transfer of operations of Charles Allis Museum [Service] from Milwaukee County, a government entity [Transferor] to the Charles Allis and Villa Terrace Museums, Inc., a private non-profit organization [Transferee 1]. *Approved per File 24-940 (12/2024) and*

Transfer of operations of Villa Terrace Decorative Arts Museum [Service] from Milwaukee County, a government entity [Transferor] to Villa Terrace Museum and Gardens, LTD, a private non-profit organization [Transferee 2]. *Approved per File 24-940 (12/2024).*

2. Transfer of operations of Marcus Center for the Performing Arts [Service], from Milwaukee County, a government entity [Transferor] to Marcus Center for the Performing Arts, a private non-profit organization [Transferee]. *Approved per File 25-467 (9/2025).*

If awarded, grant allocations to Transferees will be as follows:

Service Transfer 1: The State of Wisconsin will allocate 100% of the award to Milwaukee County [Transferor]. Milwaukee County will retain 85% of the award and will provide 15% of the award to Charles Allis and Villa Terrace Museums, Inc. and the Villa Terrace Museum and Gardens, LLC. [Transferees]. The 15% shall be split equally between the two Transferees.

Service Transfer 2: The State of Wisconsin will allocate 100% of the award to Milwaukee County [Transferor]. Milwaukee County will retain 85% of the award and will provide 15% of the award to Marcus Center for the Performing Arts [Transferee].

Table A: Summary of Service Transfer Grant Distributions

Project/ Application		Annual Grant Payment	Number of Payments Based on Length of Agreement	Total Grant Payments	Percent Award Retained by Milwaukee County	Net Grant Payment Amounts Retained by Milwaukee County
1.	Charles Allis Museum & Villa Terrace Decorative Arts Museum	\$72,463	3	\$217,389	85%	\$184,779
2.	Marcus Center for the Performing Arts	\$135,676	5	\$678,380	85%	\$576,623
		\$208,139	-	\$895,769	-	\$761,402

NEXT STEPS

Upon authorization by the Board of Supervisors to apply for and accept the grants and enter into associated agreements, the applying departments will advance the agreements for approval following the County contract process and SBP will submit the innovation grant applications in the DOR online portal per the March 31, 2026 deadline.

ALIGNMENT TO STRATEGIC PLAN

The Act 12 Innovation Grant Program aligns with goal *3B: Enhance the County’s fiscal health and sustainability*, of Milwaukee County’s strategic plan, as it provides an opportunity to receive grant funding to transfer eligible services that will provide a long-term financial benefit to Milwaukee County while maintaining these critical institutions and programs in our community.

VIRTUAL MEETING INVITES

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PREPARED BY:

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Lindsey Peterson, Operating Budget Manager, Office of Strategy, Budget, & Performance

APPROVED BY:

Isaac Rowlett

Isaac Rowlett, Interim Director, Office of Strategy, Budget, & Performance

ATTACHMENTS:

RESOLUTION
FISCAL NOTE
Individual Agreements

cc:

David Crowley, County Executive
MaryJo Meyers, Chief of Staff, Office of the County Executive
Members of the Committee on Finance
Scott Brown, Corporation Counsel
Steve Cady, Director of Research and Policy
Katie Domina, Director of Government Affairs, Office of the County Executive
Isaac Rowlett, Interim Director, Office of Strategy, Budget, & Performance
Shakita LaGrant-McClain, Executive Director, Department of Health and Human Services
Aaron Hertzberg, Director, Department of Administrative Services
Ashley Adsit, Director of Project & Performance Management, Office of Strategy, Budget, & Performance
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