

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: February 13, 2026

Original Fiscal Note ☒

Substitute Fiscal Note ☐

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

FISCAL EFFECT:

- | | |
|--|--|
| ☐ No Direct County Fiscal Impact | ☐ Increase Capital Expenditures |
| ☐ Existing Staff Time Required | ☐ Decrease Capital Expenditures |
| ☐ Increase Operating Expenditures
(If checked, check one of two boxes below) | ☐ Increase Capital Revenues |
| ☐ Absorbed Within Agency's Budget | ☐ Decrease Capital Revenues |
| ☐ Not Absorbed Within Agency's Budget | |
| ☐ Decrease Operating Expenditures | ☐ Use of contingent funds |
| ☒ Increase Operating Revenues | |
| ☐ Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue	Up to \$176,918	Up to \$285,594
	Net Cost		
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. In coordination with the Office of Strategy, Budget and Performance, Milwaukee County departments have identified three transfer of service projects that meet the requirements of the Innovation Grant Program (Wis. Stat. § 79.038). If this request to submit for the Act 12 Innovation Grant Program is approved and grant funding is awarded, the grant amount each year is equal to 25% of the total costs of providing each service in the calendar year immediately preceding the transfer (the “baseline” year). The number of annual payments an applicant can receive is based on the date of the first grant payment (the earliest possible payment being June 30, 2026) and the duration of the service transfer/number of contract years.

Once awarded, to remain eligible each year the total costs for all counties, municipalities, or tribes to provide the transferred service cannot exceed 115% of the total costs for those entities to provide the service during the baseline year. There is also no matching requirement for Milwaukee County if grant funds are awarded.

- B. Based on the grant applications planned for submission by Milwaukee County to the Wisconsin Department of Revenue by March 31, 2026, the maximum grant award amount anticipated in 2026 is \$208,139 with \$176,918 being retained by Milwaukee County. Grant award payments are anticipated to be split with service transferee partners in the manner prescribed in the agreements. If no grant funds are awarded, no payments to transferee partners will be required. The amount for 2026 is less than the subsequent year because the Wil-o-Way agreement will not become effective until 2027, meaning a grant payment is not anticipated for this application in the first round of awards.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Office of Economic Inclusion review is required on all professional service and public work construction contracts.

The amount could also be less if some or all applications are denied. Each application awarded funding in 2026 would have to meet the 115% cost requirement to receive grant funding again in subsequent years. Over the total grant period, Milwaukee County could receive up to \$1,439,150, with \$1,196,109 retained by the County.

The chart below provides additional detail on the total possible grant funding available to Milwaukee County if all applications are awarded funds and meet the 115% cost requirement for the duration of the grant period. The chart also details the percentage of the grant award that will be retained by Milwaukee County (the remainder to be provided to transferee partners as prescribed in the agreements).

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
3.	Wil-o-Way	\$135,846	4	\$543,382	80%	\$434,707
		\$343,984	-	\$1,439,150	-	\$1,196,109

- C. There is no cost to Milwaukee County to apply for or accept an award under the Act 12 Innovation Grant. The Innovation Grant Program does not require matching funds.
- D. This fiscal note assumes increased operating revenue to represent the maximum possible grant revenue the county could receive if awarded funding for all applications under the Act 12 Innovation Grant Program. This fiscal note also assumes that total grant funding awards have been split with transferee partners in the manner prescribed in the agreements.

Department/Prepared By Lindsey Peterson – Operating Budget Manager, OSBP

Authorized Signature Isaac Rowlett

Did SBP Fiscal Staff Review? ☒ Yes ☐ No

Did OEI Review?² ☐ Yes ☐ No ☒ Not Required