Sources of Strength Project: Rural Health Transformation Funding Application

Funding Opportunity Summary

The Wisconsin Department of Health Services (DHS) seeks to address behavioral health in rural Wisconsin by expanding Sources of Strength (SOS), a best practice, strength-based, suicide prevention and mental health program. SOS is designed to prevent negative outcomes while promoting wellbeing, help-seeking, resilience, healthy coping, and belonging among youth. This funding will support an educational organization with statewide reach to coordinate SOS train-the-trainer (T4T) certification for school staff in school districts serving rural and or semi-rural communities and support long-term sustainability of SOS in Wisconsin schools. Applicants may apply to multiple Rural Health Transformation Program (RHTP) funding opportunities for which their organizations are eligible.

Key Dates

- Application release: July 29, 2026
- Application submission due: August 5, 2026
- Estimated date for award notification: August 2026

Estimated Funding: The Rural Health Transformation Program will award up to $500,000 in Year 1. Additional funds will be available over a five-year period, *pending CMS approval, as estimated in the table below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Dates	10/01/2026 – 7/31/2027	8/01/2027 – 7/31/2028	8/01/2028 – 7/31/2029	8/01/2029 – 7/31/2030	8/01/2030 – 7/31/2031
SOS Award*	$500,000	$200,000	$200,000	$200,000	$200,000

Number of available awards: One

Award Amount: DHS may negotiate the terms of the award, including the award amount, with the selected applicant prior to entering into an agreement. If negotiations cannot be concluded successfully with a recommended applicant, DHS may terminate negotiations with that applicant.

Application submission: All applications must be submitted online through the Sources of Strength Project: Rural Health Transformation Funding Application form.

Background

The Wisconsin Rural Health Transformation Program is focused on improving healthcare access and health outcomes in rural communities across Wisconsin. This funding opportunity is part of the Rural Health Transformation Program, a federal funding opportunity provided to states through the Centers for Medicare and Medicaid Services. DHS received a first-year award from CMS for $203,670,005.21 to invest in rural capacity, sustainability, and innovation. The program aims to improve access to care through three initiatives: strengthening the healthcare workforce, enhancing technology innovation, and cultivating coordinated care partnerships. Through collaboration among healthcare providers, public health agencies, and community-based organizations, the program seeks to improve health and well-being in rural communities.

Rural residents in Wisconsin experience worse behavioral health outcomes than urban residents. In rural communities, where geographic isolation and limited access to behavioral health services are common, strong personal and community resources can play an important role in supporting youth mental well-being. Through this funding opportunity, the State of Wisconsin aims to address these challenges by leveraging evidence-informed frameworks focused on connections and fostering resilience within Wisconsin's rural communities.

Purpose

This grant funding opportunity is intended to address behavioral health needs in rural and semi-rural communities by expanding Sources of Strength (SOS), a best practice, strength-based, suicide prevention and mental health program. SOS is designed to prevent negative outcomes while promoting wellbeing, help-seeking, resilience, healthy coping, and belonging. Through this funding, the State of Wisconsin aims to expand the program in rural and semi-rural schools across Wisconsin.

Program Requirements

Organizations receiving this award will be expected, at a minimum, to perform the following activities:

- Provide services that benefit people living in rural and semi-rural areas of Wisconsin, outside of metropolitan hubs. See Addendum Exhibit 1 for a definition of rural counties.
- Coordinate, fund, and host SOS T4T certification for school staff within multiple school districts, serving a variety of rural and semi-rural locations statewide.

- Provide technical assistance to support the implementation of SOS in schools throughout rural and semi-rural areas of Wisconsin.
- Convene a community of practice supporting rural and semi-rural schools that implement SOS.
- Partner with at least three rural/semi-rural schools or school districts in each region of the state to expand implementation of SOS in Wisconsin.
- Attend regular grantee calls with DHS staff.
- Provide quarterly and annual progress reports related to strategy implementation and grant deliverables.
- Provide input on changes or improvements to strategy implementation as appropriate.

Preference will be given to organizations that:

- Demonstrate knowledge of and experience with supporting implementation of SOS programming in schools, especially rural or semi-rural schools.
- Demonstrate previous experience implementing and monitoring suicide prevention programs for youth.

Reporting Requirements: Evaluation

A combination of quantitative and qualitative data will be required quarterly and annually for state and federal evaluation purposes such as number adult advisors trained, number of peer leader trainings, number of students reached, and number of campaigns launched. Selected applicants will work closely with DHS staff and the contracted evaluation partner to ensure evaluation of implemented activities.

Eligible Applicants

- Applicants must provide services in Wisconsin outside of Milwaukee County and have experience serving rural or semi-rural communities (see Addendum Exhibit 1 for a definition of semi-rural and rural counties).
- Regional or state educational organizations in Wisconsin with the ability to work with school districts statewide.
- Prior experience supporting Wisconsin schools implementing SOS programming.

Funding Availability

Submission does not guarantee funding within this opportunity. This allows DHS to assess capacity of interested parties to conduct the work outlined in the scope of work. DHS reserves the right not to award funding to any applicant, and to award fewer or more grants than initially indicated. DHS also reserves the right to award grants for less than an applicant's proposed amount. DHS may award additional funding if more funding becomes available. Should additional funding become available at any point during the grant period, DHS reserves the right to use the results of this grant funding opportunity to increase funding to the selected agencies or to fund additional agencies that submitted an application but were not selected.

DHS uses a cost-based reimbursement model that limits reimbursement to actual allowable incurred costs. If funding is awarded, expenses can be submitted for reimbursement only after they have been incurred.

Allowable Costs

Grant recipients will be required to comply with the DHS Allowable Cost Policy Manual and all applicable state and federal reporting, fiscal, and audit requirements, including those incorporated through Exhibit 2: Federal Compliance Requirements Rural Health Transformation Program. Applicants must clearly describe how grant funds will be used and how the grant will meet community needs. The following allowable and unallowable costs and activities are provided as examples only and are not intended to be exhaustive. The agreements resulting from this request for applications will be between DHS and the awarded applicant. Grantees using subcontractors will be responsible for ensuring subcontractors abide by all terms and conditions of the grant.

Allowable Costs and Activities (examples)
Staff time to coordinate and implement the project.
Meeting expenses directly related to the project (meeting room, audiovisual (AV) equipment, travel, speakers, etc.) and in accordance with federal limitations
Infrastructure directly related tothe program, such as billing and/or fiscal infrastructure, technology for billing and tracking services, and administrative support
Office supplies, postage, copying, etc. related to the project
Consultant, contractor, and/or training services needed to implement the project
Unallowable Costs and Activities (examples)
Pre-award costs
Direct or indirect lobbying activities
Duplicate payments: Funds may not be used to replace payment for clinical services that could be reimbursed by insurance, or used for payments to clinical services if they duplicate billable services and/or attempt to change the payment amounts of existing fee schedules
Replacing or duplicating existing funding sources. For example, if funds are used for expanding an existing pilot program or initiative, funds may only be applied to the costs associated with the new population, new activities, new program milestones, etc. The original program's programmatic costs, administrative expenses, and activities must continue to be funded by those original sources.

Clinical care such as health screening, patient care, personal health services, medications, patient rehabilitation, and other costs associated with treatment and direct care are not permitted under this grant funding opportunity
Costs or activities not directly related to the overall project description and scope of work
Independent research and development, including associated indirect costs in accordance with 2 CFR 300.477
Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other direct costs that materially increase the value or useful life of the capital
Meals, unless in limited circumstances such as subjects and patients under study, if specifically approved as part of the project or program activity, or as part of a per diem in conjunction wit h allowable travel
Projects outside of Wisconsin

Administrative Cost Limits and Determinations

- No more than 8% of the award amount may be used for administrative expenses. This is based on CMS requirements: a 10% cap is applied to the cumulative administrative costs for the entire program, including those incurred by both the state and any subrecipients.
- Personnel costs associated with administering RHTP grant activities may be considered administrative costs. In contrast, if staff are directly carrying out program initiatives, the cost may be considered programmatic.
- Administrative costs support the day-to-day operations and general grant oversight. These costs generally include indirect costs, audit expenses, and salary and fringe benefits for personnel whose primary responsibilities involve managing, tracking, and overseeing the grant.
- More information is available in the Addendum, Exhibit 3: Budget Instructions.

Allowable Costs for Construction and Renovations

- Under federal grant regulations, alteration and renovation must be necessary and reasonable for performance of the award and directly related to program objectives. Any renovation or alteration costs will require prior approval from CMS. RHTP staff will submit required renovations requests to CMS for approval on behalf of grantees prior to purchase or start of work. Renovations may not proceed until written approval is received. Additionally, no more than 20% of the total award can be spent on minor alterations and renovations.
- See Exhibit 2: Federal Compliance Requirements for more information.

Application Submission

The application can be accessed through the [Sources of Strength Project: Rural Health Transformation Funding Application form] and must be completed by 11:59 p.m. on August 5, 2026. Only applications submitted through this link will be considered.

Letters of support from project partners are encouraged but not required. Letters of support can be uploaded at the end of the application. It is recommended that applicants use a word processing program to complete the sections of the application to ensure word limits are observed for each question and pasted into the online submission format. Do not include personally identifiable information (PII) or protected health information (PHI) in your responses.

Applications must include:

- Responses to the statements in the Application Questions section. Any information beyond the word count limits will not be read, reviewed, or scored.
- Proposed budget and justification

The budget, justification, and letters of support do not count toward the narrative response word limit.

Applicants should reach out directly to DHS at DHSRuralHealth@dhs.wisconsin.gov for questions regarding technical difficulties with the application submission process.

Application Questions

Section 1: Applicant Contact Information (not scored)

1. Has your agency ever supported the implementation of the Sources of Strength program in rural or semi-rural schools in Wisconsin? (Yes/No)
2. Name and address of lead organization applying
3. Contact information for the primary point of contact regarding this application.
    - First Name
    - Last Name
    - Email
    - Phone Number
4. Provide a brief executive summary of your project (maximum 100 words).

Section 2: Organizational Capacity (Maximum 1000 words)

1. Please describe your agency's experience supporting implementation of Sources of Strength in rural or semi-rural schools. Please include in your response the name and county location of the school(s) including information about your reach and impact.

2. What staffing resources does your agency have available to support the implementation of SOS in rural/semi-rural areas of the state? What else is needed to improve your staffing capacity to expand the reach of SOS in Wisconsin?

Section 3: Program Narrative (Maximum 1000 words)

1. Describe your agency's plan to meet the deliverables of this grant award. Include how you plan to:
   - Coordinate and host certification of SOS adult advisors across the state.
   - Conduct outreach to onboard new rural or semi-rural school districts (how many, where etc.).
   - Provide technical assistance to support the implementation of SOS in rural or semi-rural schools throughout Wisconsin.
   - Convene a community of practice supporting the selected school's implementation of SOS, and how you plan to engage with other rural or semi-rural school districts already implementing SOS.
     - ♦ Provide a timeline for your planned implementation. Provide a detailed plan for the first contract period (10/1/26 – 7/31/2027) and a summary for future contract periods.

Section 4: Provisional Budget and Budget Justification

- Complete the RHTP Sources of Strength Project Budget Template (Excel) with proposed expenditures for year one. For each item include a brief justification for the amount. Make sure this amount includes funding needed for the work itself, subcontracts with partner agencies, as well as associated administrative costs, including accounting services, and agency operating costs. Include a brief justification for the amounts you entered for each line item. This should include how you arrived at the total dollar amount requested for the expense. Example: Personnel: $10,000; Personnel Justification: Personnel is calculated based on a 0.20 FTE Program Coordinator at $24.04/hour = $10,000.
- **Salary:** Describe your personnel expenses for this project. If none, mark N/A.
- **Fringe:** Describe your fringe expenses. If none, mark N/A.
- **Travel:** Describe travel expenses (transportation, lodging, per diem, etc.) for this project. If none, mark N/A.
- **Contractual Services:** Describe any contractual partners you will fund (training provider, school district, etc.) for this project. If none, mark N/A.
- **Equipment:** Describe any equipment purchases that will be made for this project. Equipment is defined as having a per-unit cost that equals or exceeds $10,000 and requires approval from CMS. If none, mark N/A.
- **Supplies:** Describe your supply costs for this project. If none, mark N/A.
- **Other:** Describe any other costs associated with this project. If none, mark N/A.

- **Indirect:** Describe costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefitted. Limited to 8% of the total award amount. If none, mark N/A.

The budget template and Addendum Exhibits 2 and 3 (Federal Compliance Requirements and Budget Instructions) can be used as a guide when developing your budget and justification.

Section 5: Letters of Support

Letters of support from project partners are encouraged but not required. We encourage all applicants to combine letters of support into one PDF for upload. You may upload up to five files.

Application Scoring Rubric and Review Process

Applications will be reviewed and scored by an evaluation team using the 100-point scale below. **Note:** All programs must benefit people living in rural and semi-rural areas of Wisconsin, outside of metropolitan hubs. See Addendum Exhibit 1 for a definition of rural counties.

Point Allocation

Organizational Capacity: 45 points
Program Narrative: 45 points
Budget: 10 points
Total: 100 points

All on-time proposals that include all required documentation will be eligible for review. A committee of subject matter experts and knowledgeable stakeholders will review proposals and make recommendations for funding applications. In addition to rubric scoring, contextual factors such as past performance and spending history, geographic coverage and program reach, and project feasibility will be considered when making final award decisions, if applicable.

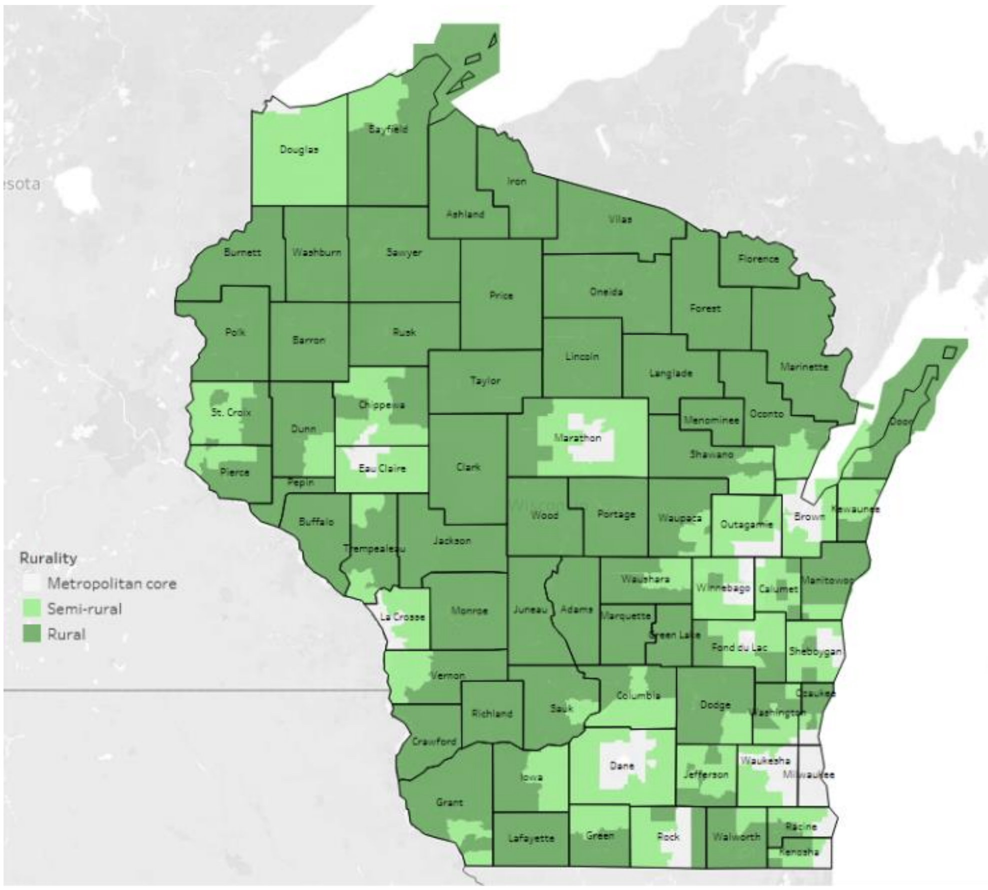
Submission Deadlines

Responses must be submitted by 11:59 p.m. on August 5, 2026.

Addendum

Exhibit 1: Target Areas of Wisconsin

Wisconsin applied to the federal Centers for Medicare and Medicaid Services (CMS) to participate in the Rural Health Transformation Program from 2026 to 2030. The program will improve rural health in rural and semi-rural counties, as defined by the 2020 U.S. Census.



Rural Counties	Semi-Rural Counties
Adams, Ashland, Barron, Buffalo, Burnett, Clark, Crawford, Florence, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Lincoln, Marinette, Marquette, Menominee, Monroe, Oneida, Pepin, Polk, Portage, Price, Richland, Rusk, Sawyer, Taylor, Vilas, Washburn, Wood	Bayfield, Brown, Calumet, Chippewa, Columbia, Dane, Dodge, Door, Douglas, Dunn, Eau Claire, Fond du Lac, Grant, Green, Iowa, Jefferson, Kenosha, Kewaunee, La Crosse, Manitowoc, Marathon, Oconto, Outagamie, Ozaukee, Pierce, Racine, Rock, Sauk, Shawano, Sheboygan, St. Croix, Trempealeau, Vernon, Walworth, Washington, Waukesha, Waupaca, Waushara, Winnebago

Exhibit 2: Federal Compliance Requirements
Rural Health Transformation Program

This document sets forth federal funding requirements applicable to federal funds under the Rural Health Transformation Program, authorized by Public Law 119-21 (The One Big Beautiful Bill Act), Section 71401. Subgrantees agree to comply with the federal regulations applicable to this award listed below and all other applicable federal statutes, regulations, executive orders, and requirements applicable to this agreement not described in this document. Awards are also subject to applicable provisions of [2 CFR Part 200] and [2 CFR Part 300]. Awards are also subject to CMS reporting requirements.

Limitations - the following costs are not allowed, unless otherwise noted:

1. Pre-award costs.
2. Meeting matching requirements for any other federal funds or local entities.
3. Services, equipment, or supports that are the legal responsibility of another party under federal, state, or tribal law, such as vocational rehabilitation or education services.
4. Services, equipment, or supports that are the legal responsibility of another party under any civil rights law, such as modifying a workplace or providing accommodations that are obligations under law.
5. Goods or services not allocable to the project.
6. Supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries.
7. Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost.
8. The cost of independent research and development, including their proportionate share of indirect costs. See 2 CFR 300.477.
9. Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order.
10. Purchase of covered telecommunications and video surveillance equipment (See 2 CFR 200.216) as well as financial assistance to households for installation and monthly broadband internet costs.
11. Meals, unless in limited circumstances such as:
    a. Subjects and patients under study.
    b. Where specifically approved as part of the project or program activity, such as in programs providing children’s services.
    c. As part of a per diem or subsistence allowance provided in conjunction with allowable travel.
12. Activities prohibited under 2 CFR 200.450 and the HHS Grants Policy Statement, including but not limited to: Paying the salary or expenses of any grant recipient, or

agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any state government, state legislature, or local legislature or legislative body.

13. Lobbying. Awardees can lobby at their own expense if they can segregate federal funds from other financial resources used for lobbying.
14. New construction is unallowable. Supplanting funding for in-process or planned construction projects or directing funding towards new construction builds is unallowable. Renovations or alterations, as described in Category J of the program requirements and expectations use of funds section, are allowed if they are clearly linked to program goals.
    a. Minor alterations and renovations projects include small modifications aimed at enhancing the functionality of the facility where the project will take place. In general, minor modifications to an existing building footprint, existing infrastructure, and existing rooms within a facility would be considered minor building alterations or renovations.
    b. Hypothetical, illustrative examples include but are not limited to:
        i. Interior modifications: Installing or relocating interior walls and partitions to create new offices or meeting rooms.
        ii. Lighting and electrical: Upgrading light fixtures to more energy-efficient systems.
        iii. HVAC and plumbing: Replacing vents and thermostats for better climate control.
        iv. Accessibility improvements: Installing automatic door openers to enhance accessibility.
        v. Security and safety: Installing or upgrading security cameras or access control panels.
        vi. Workspace reconfiguration: Creating open office layouts or converting private offices to better suit needs.
    c. Category J funding cannot exceed 20% of the total funding CMS awards states in a given budget period.
15. To replace payment for clinical services that could be reimbursed by insurance. We will not accept payments to clinical services if they duplicate billable services and/or attempt to change payment amounts of existing fee schedules.
    a. If you plan to fund direct healthcare services, you must justify why they are not already reimbursable, how the payment will fill a gap in care coverage (such as uncompensated care or services not covered by insurance), and/or how they transform the current care delivery model.

    b. Funding for provider payments, as described in Category B of the program requirements and expectations use of funds section, cannot exceed 15% of the total funding CMS awards states in a given budget period.
    c. Funding cannot be used for initiatives that fund certain cosmetic and experimental procedures that fall within the definition of a specified sex-trait modification procedure at 45 CFR 156.400 because that is beyond the scope of this program.
16. No more than 5% of total funding CMS awards to a state in a given budget period can support funding the replacement of an EMR system if a previous HITECH certified EMR system is already in place as of September 1, 2025.
    a. Upgrades, enhancements, and added modules, interfaces, or functionality to existing EMR/EHR systems are allowable uses of funds and are not subject to the 5% limitation.
17. Funding towards initiatives similar to the Rural Tech Catalyst Fund Initiative (as described in the appendix) cannot exceed the lesser of (1) 10% of total funding awarded to a state in a given budget period or (2) $20M of total funding awarded to a state in a given budget period, and funding is subject to all restrictions and requirements described in the example initiative.
18. Clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations.
19. None of the funding shall be used by the state for an expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-federal share of expenditures required under any provision of law.
20. SSA Section 2105(c), paragraphs (1), (7), and (9) apply as funding limitations. These limitations are related to general limitations, limitations on payment for abortions, and citizenship documentation requirements for payments made with respect to an individual.

Examples of allowable costs:

21. States must focus funding on the following categories as described in Section 71401 of Public Law 119-21:
    a. **Prevention and chronic disease:** Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
    b. **Provider payments:** Providing payments to healthcare providers for the provision of healthcare items or services, subject to restrictions described in the funding policies and limitations.
    c. **Consumer tech solutions:** Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.
    d. **Training and technical assistance:** Providing training and technical assistance for the development and adoption of technology-enabled solutions

that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.

e. **Workforce:** Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for at least 5 years.
f. **IT advances:** Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
g. **Appropriate care availability:** Assisting rural communities to right-size their healthcare delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
h. **Behavioral health:** Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.
i. **Innovative care:** Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.

22. Additional uses designed to promote sustainable access to high quality rural healthcare services, as determined by the CMS Administrator, including:
    a. **Capital expenditures and infrastructure:** Investing in existing rural healthcare facility buildings and infrastructure, including minor building alterations or renovations and equipment upgrades to ensure long-term overhead and upkeep costs are commensurate with patient volume, subject to restrictions in the funding policies and limitations.
    b. **Fostering collaboration:** Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other healthcare providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care.

Additional Resources

- Notice of Funding Opportunity (NOFO)
    - Pages 11-12, 18-20, 97-118
- Rural Health Transformation FAQ
    - Section V. Use of Funds, pages 34-53

Exhibit 3: Budget Instructions

Applicants must submit a detailed budget for Year 1 using the required RHTP Sources of Strength Project Budget Template (Excel) provided with this application. The completed budget template must be uploaded in Excel format as part of the application submission.

The budget should clearly demonstrate how grant funds will be used to support proposed activities and must be consistent with the program design.

This information will be shared with the federal government as part of cooperative agreement oversight. Non-state entities should adapt as necessary to comply with their budget policies. See CMS's website for additional guidance.

Completing the Budget Template

- Use the provided budget template. Please do not modify the format or formulas. Add additional rows as necessary to provide a detailed description of the budget.
- Locate Row 3 and type your organization's name in the designated field.
- Complete columns A through F in the budget table for each line item of your proposed expenses. Provide a detailed line-item breakdown for each cost category, including a description and justification for every budgeted expense.
- Navigate to Column G for every line item. Use this column to ensure your administrative and programmatic funding percentages are properly defined and add up to 100%.
- Complete all applicable budget categories. When all line items are added, locate cell C54 to verify that your total administrative costs do not exceed the funding limits.
- Ensure all costs are reasonable, necessary, and directly related to the proposed project.
- Submit one budget for Year 1. This applies to funds allocated from 10/1/2026 – 7/31/2027.

The completed budget template must be:

- Submitted in Excel format (.xlsx).
- Uploaded under Section 4: Provisional Budget and Budget Justification with the remainder of the application materials.
- Included at the time of application submission.

Applications submitted without a completed budget template may be considered incomplete.

Line-item Breakdown

Budgets must be broken down into specific line-items and assigned to a cost category. For example, salary costs should identify individual positions, and associated salary amounts rather than a single salary total. Similarly, travel costs should be separated into specific expenses such as mileage, lodging, registration fees, or other anticipated travel-related costs. Supplies, contractual services, and other expenses should also be itemized. Providing detailed line-item information allows for a complete review of proposed expenditures and supports the development of funding agreements, reporting requirements, and grant monitoring activities. Line-items must be rounded to the nearest dollar.

Budget Description and Justification

For each line-item, applicants must provide sufficient detail to explain:

- What the expense is.
- How the cost was calculated.
- Why the expense is necessary for the project.
- How the expense supports project goals and activities.

Examples include:

- Position title, percentage of time devoted to the project, and fringe percentage for personnel costs.
- Number of units and unit cost for supplies and materials.
- Number of trips, travelers, mileage, lodging, or registration costs for travel.
- Scope of work and estimated cost for consultants or contractors.
- Budget descriptions should provide enough information for reviewers to understand and evaluate the proposed expenditure without requiring additional clarification.

Administrative Cost Limits and Determinations

Administrative costs are limited to 8% of the total amount allocated to a subrecipient during a budget year. Administrative costs for your budget include indirect and direct costs that are considered administrative costs. Applicants should explicitly show that administrative expenses are less than or equal to 8%. **Note**: In the budget template, applicants will identify which line items count as administrative expenses (such as program management salaries) and show that their sum is 8% or less of the total.

The administrative cap is based on CMS requirements that no more than 10% of the amount allotted to a state for a fiscal year may be used by the state for administrative expenses (Public Law 119-21. This cap applies to the cumulative administrative costs for the entire program, including those incurred by both the state and any subrecipients. Therefore, DHS has determined an 8% allowable administrative cap for this grant funding opportunity. See CMS's RHTP Frequently Asked Questions (FAQ) (October 31, 2025), Sec. II, No. 91, and Sec. V, No. 8 and No. 9, for additional guidance.

The FAQ provides the following further guidance:

- Personnel costs *for administering RHTP grant activities* may be considered administrative costs (FAQ Sec. III, No. 91 and Sec. III, No. 92). If staff are *directly carrying out program initiatives*, the cost may be considered programmatic (FAQ Sec. III No. 92, Sec. III, No. 109).

- Determinations about whether a cost is "programmatic" or "administrative" depends on the nature of the activities performed (FAQ Sec. III, No. 101, Sec. V, No. 62, Sec. V, No. 63).
- Final determinations on costs will be made by CMS. Detailed justifications for requested expenses are necessary to ensure they are approved (FAQ Sec. III, No. 101 and 103).

Examples of costs that are **administrative** (See FAQ):

- General oversight and expenses "such as director's office, accounting, administrative personnel, and other types of expenditures classified as administrative" (FAQ Sec. V, No. 67)
- Salaries for program management staff (FAQ Sec. III, No. 62)
- State personnel costs administering the grant (FAQ Sec. III, No. 92)
- Staff "managing or overseeing the grant itself" (FAQ Sec. III, No. 109)
- Hiring an independent evaluator to collect data and evaluate the program (FAQ Sec. V, No. 62)
- Hiring an accountant to keep track of RHT program funds (FAQ Sec. V, No. 63)
- Hiring staff to train faculty on program or project management (FAQ Sec. V, No. 63)

Examples of costs that are likely **programmatic** (See FAQ):

- Costs are **programmatic** if they are "directly related to implementing, executing, and/or delivering activities described within specific initiatives in the state's application and the state provides sufficient detail in their application to justify their initiatives budget." (FAQ Sec. III, No. 103)
    - Costs directly related to implementing, executing, or delivering activities specifically identified in the state's application are presumed to be programmatic in nature.
    - Any programmatic costs must "support expansion and scale to better serve rural communities, not to replace or duplicate existing funding sources" (FAQ Sec. III, No. 61). If funds are used to expand a pre-existing pilot or program, RHT funds shall only apply "to the costs associated with the new population, new activities, new program milestones" and *not* to supplement costs previously funded by the state or existing fiduciaries.
- Directly carrying out program activities, such as providing technical services, technical assistance, or supporting program operations like expanding programs to rural areas or implementing new initiatives (FAQ Sec. III, No. 109)
- Hiring and training new community health workers to serve residents in a clinical workforce area. (FAQ Sec. V, No. 6)
- Purchasing new patient monitoring devices and educational materials to specifically serve populations in the clinical workforce area. (FAQ Sec. V, No. 6)
- Startup costs to establish new contracts or agreements for service delivery in the counties (FAQ Sec. V, No. 6)

- Hiring preceptors or equipment to facilitate training residents on how to access RHT services or programs. (FAQ Sec. III, No. 103)
- Community colleges using funds to create "a structured, certifiable pathway to a new degree, new certification, or to a career and/or new job opportunity in the clinical workforce area." (FAQ Sec. III, No. 105; note the 5-year commitment requirements)
- Hiring an independent evaluator to conduct a needs assessment in rural areas related to a core component one of the state's initiatives. (FAQ Sec. V, No. 62)

Cost Category Definitions

Term	Definition	Budget line-item specificity	Budget line-item descriptions should include the following:
Contractual Services	Legal instruments for purchasing professional services or property needed for the project. Includes consultants and vendors providing specific expertise rather than performing a significant part of the program scope.	One line item per contract	Vendor, method of selection (RFP, piggyback on existing contract, etc.), contract end date, scope of work, monitoring agency, notes, and budget justification.
Equipment	Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds $10,000.	One line item per equipment type	
Fringe	Employer-paid benefits provided as compensation in addition to regular salaries. This typically includes Social Security, retirement (WRS), health insurance, and worker's compensation, allocated equitably to all project activities.	One line item per fringe benefits for each individual employee	Fringe rate calculations used by your agency.
Salary	Compensation for personal services, including all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. Note: The salary rate limitation in the	One line item per individual employee salary	Hourly salary, time %, annual salary, months of time

	current federal appropriations act applies to this program. As of January 2025, the salary rate limitation is $225,700. In addition, funds cannot be used to supplant existing state, local, tribal, or private funding.		
Indirect Costs	2 CFR 200.1 defines an indirect cost as "costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefitted. Includes "overhead" or general operating expenses of an organization required to operationalize a grant (also known as Facilities and Administrative [F&A] costs). Indirect costs are typically calculated through an indirect cost rate. Note administrative expenses are limited to 8% of the total award amount. Most indirect cost will meet the definition of an administrative cost and subrecipients should use an 8% indirect rate. This applies to Modified Total Direct Cost (MTDC) - all direct salaries and wages, applicable fringe benefits, materials and supplies, services, and travel. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and participant support costs. Federally negotiated indirect cost rates should not be used. A subrecipient who believes they have an indirect cost that is not administrative should provide more information and a justification for DHS review.	All indirect costs may be grouped into a single line item	

Supplies	All tangible personal property other than equipment. This includes "computing devices" (laptops/tablets) if the unit cost is below the $10,000 threshold. Includes basic office tools such as pens, pencils, notepads, staples, paper clips, print cartridges and toners. This may also include services like telecommunications and IT subscriptions.	One line per supply type	
Other	A "catch-all" category for direct costs not fitting elsewhere.	One line per other type	
Travel	Reimbursable expenses for transportation, lodging, and meals incurred by employees on official project business. Please use the uniform travel schedule amounts (UTSAs) in estimating travel costs. In accordance with Wisconsin State Statute, the Division of Personnel Management Administrator, with the approval of the Joint Committee on Employment Relations, establishes the UTSAs. These amounts include mileage reimbursement rates, airfare costs, porterage tips, moving expenses, temporary lodging allowances, and meal and lodging rates. The approved travel schedule amounts are incorporated into the state employee compensation plan and are used by state agencies for budgeting purposes.	One line type of travel and specify in-state or out-of-state travel (e.g. in-state transportation, in-state parking, in-state lodging, in-state per diem, out-of-state airfare, out-of-state baggage fees, out-of-state conference registration, out-of-state taxi/ground transportation, out-of-state lodging, out-of-state per diem)	Purpose, locations, and frequency of travel.