

CITY OF WAUWATOSA MEMO

To: **Financial Affairs Committee**

From: **Laura Stephens, Health Officer**

Date: **July 15, 2025**

Subject: **Health Department Request to Amend the 2025 Adopted Budget and create a Public Health Reserve**

A. Issue

In 2023, the Health Department received a Public Health Infrastructure grant from the WI Department of Health Services for \$154,454. This grant is funded by the CDC and passed through the WI Department of Health Services to local health departments. The grant is intended to increase the capacity of health departments to implement public health Foundational Capabilities.

The Health Department planned to save this grant for use toward ARPA-funded positions (mainly the Public Health Strategist) in 2027 once the ARPA funds concluded. However, due to recent federal funding cuts and uncertainty about future funding, we propose an alternative plan to ensure this grant is fully utilized.

B. Background/Options

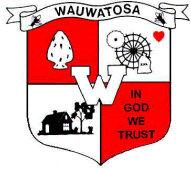
The Public Health Infrastructure grant funding period runs through November 30, 2027. However, the contract is divided into two funding periods, with our current contract ending on November 30, 2025. After this period, our remaining funds will be de-obligated, and we will receive a new contract for the remaining period.

Due to funding uncertainties, we would like to spend down the grant during the current funding period. However, we would like to ensure that we have sufficient funds available after 2026 to support our Public Health Strategist position.

Because the grant contract does not allow for supplanting funds by replacing available local funds for alternative uses, we recommend approval of the following amendments to the 2025 Budget:

- Decrease the property tax levy allocation to the Health Department by \$154,454.
- Increase the Health Department's 2025 grant revenue by \$154,454 reflecting the utilization of the Public Health Infrastructure grant for allowable expenses as described below.
- Transfer the levy allocation of \$154,454 to create a restricted public health reserve for the Health Department to access in future years in the Revolving Fund.

The reserve will be used to fund the grant-funded portion of the Public Health Strategist position in 2027 and 2028. This position is split between grant funding and tax levy. The grant-funded portion in 2027 and 2028 is approx. \$70,000/year. Any remaining funds will be used to support other grant-funded positions in the department.



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Following this approval, the Health Department will allocate the \$154,454 of the Public Health Infrastructure grant to current levy-funded positions performing grant-eligible activities through November 30, 2025, including the Public Health Strategist, Health Officer, Public Health Manager, and Public Health Specialist positions. These positions focus on the Foundational Capability work outlined in the grant objectives.

C. Strategic Plan (Area of Focus)

Priority 5: Quality of Life

Goal 2: Align public health resources in the City with those across the region and state.

D. Fiscal Impact

There is no fiscal impact as the budget amendment is a re-allocation of revenue between the General Fund and Revolving Fund. If we do not pursue the budget amendment, the City could incur a \$154,454 shortfall in 2027.

E. Recommendation

Health Department staff recommends approval of the proposed resolution amending the 2025 Budget and creating a restricted Public Health Reserve in the Revolving Fund. By creating the Public Health Reserve, the City is not supplanting existing resources but ensuring those funds are spent over multiple years as always intended.