



**Department of Administration
Budget and Management Division**

Cavalier Johnson
Mayor

Preston D. Cole
Administration Director

Nik Kovac
Budget and Management Director

May 27, 2025

MEMORANDUM

To: Finance & Personnel Committee

From: Nik Kovac, Department of Administration – Budget and Management Director

Subject: File # 250213 - Communication from the Department of Administration - Budget and Management Division relating to the impact of the proposed federal budget on the City of Milwaukee's 2026 budget.

The proposed federal budget is still being debated and negotiated, so we cannot be certain of its impacts yet. However, we do know that the President's budget request for FFY2026 would eliminate or substantially reduce funding for Community Development Block Grants (CDBG), the Home Investment Partnerships (HOME) program, Housing Opportunities for Persons with AIDS (HOPWA), as well as several other funding streams the City receives.

While the Mayor's Proposed Budget has not yet been developed for 2026, requested budgets from departments anticipated that the City would receive \$15 million for CDBG, \$5 million for HOME, and \$1.4 million for HOPWA in 2026. Those funds are typically distributed both internally to support grant administration and city services (across the Department of Administration, Comptroller's Office, Department of City Development, Department of Neighborhood Services, and Health Department), and externally to community-based organizations and other service providers in the City.

The Administration will continue to monitor the situation and communicate with the Common Council as updates are available to help inform budgetary decisions for 2026.

SO/NK

Budget/2026budget/F&P questions/CommsFile250213

