



Memorandum

To: Finance and Personnel Committee

From: Todd Cagnoni, City Administrator
Anquette Parham, Health and Human Services Department, Executive Director

Re: Request for allocation and reallocation of Cannabis Dollars for Health and Human Services Department.

Date: June 8, 2026

City Council previously approved the utilization of \$250,000 of the 3% Cannabis Recreation Tax for poverty reduction and childhood education through the Health and Human Services Department (HHS). This was the result of an ad-hoc bipartisan working group of four aldermen, (two democrats and two republicans) who had met with Health and Human Services Leadership to identify recommendations on the utilization of funds.

Of the approved funds, \$200,000 was allocated toward investments in technological infrastructure and \$50,000 toward contractual grant writing services. Because of the changing federal and state regulations, including state wide changes in software impacting operations, it has not been prudent to advance technology changes or grant writing services. However, to meet the changing environment, needs within the community, and the restrictions on grant funds, we are asking that those dollars be designated as unrestricted funds to support HHS operations and activities.

Additionally, we are recommending an additional utilization of Cannabis Funds in the amount of \$100,000 to sustain operations. These funds would offset previous unrestricted funds for operations support that have been depleted through normal operations.

The Health and Human Services Department team supports communities that have been disproportionately affected by past drug policies by improving housing assistance, youth programs, head start / early head start, and family services. HHS leads a critical role in deploying direct services to the community while also supporting all other departments in their work.

Staff recommends funding for Health and Human Services Department to assist in deployment of services to the community. These funds represent reallocation of \$250,000 previously approved funds and \$100,000 of 2026 Cannabis Funds. Utilization of funds will follow the City's financial policies.

RESOLUTION _____

By: Alderman Kevin Frost, Chairman
On Behalf of the Finance & Personnel Committee

WHEREAS, the City of Rockford, Illinois (City) collects a 3% Cannabis Recreation Tax with a designated purpose of funding programs for economic and business development; education; youth programming; job training; health; or other financial assistance to individuals, businesses, and communities within the City of Rockford that have been disproportionately impacted by cannabis-related laws; and

WHEREAS, the City’s Health and Human Services Department provides services to residents, including education, youth programing and other financial services to individuals and communities that have been disproportionately impacted by cannabis-related laws; and

WHEREAS, the City previously budgeted \$250,000 in 2024 to assist in poverty reduction and childhood education through the Health and Human Services Department through an ad-hoc bipartisan working group that is unspent; and

WHEREAS, the City desires to budget an additional \$100,000 of 2026 Cannabis funds to assist in poverty reduction and childhood education through the Health and Human Services Department

WHEREAS the Health and Human Services Department will benefit the community with unrestricted funds to meet certain obligations that are not covered by grant dollars for poverty reduction and childhood education.

NOW THEREFORE BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS as follows:

1. That the City of Rockford, Illinois budgets the previously unspent \$250,000 of the 3% Cannabis Recreation Tax from 2024, and \$100,000 of the 3% Cannabis Recreational Tax from 2026, for poverty reduction and childhood education as unrestricted funds through Health and Human Services Department.
2. That the Health and Human Services Department shall utilize said funds consistent with the City’s Financial Policies.
3. This Resolution shall be in full force and effective immediately upon its adoption.

ADOPTED by the City Council of the City of Rockford, Illinois this ____ day of June, 2026.

APPROVED by the Mayor of the City of Rockford, Illinois this _____ day of June, 2026.

Thomas P. McNamara, Mayor
City of Rockford, Illinois

ATTEST:

Angela Hammer, Legal Director and
Ex Officio Keeper of the Records and Seal of the
City of Rockford, Illinois

Ayes:

Nays:

Absent:

RECOMMENDATION FOR RESOLUTION

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Finance and Personnel having received a request hereby begs leave to report recommending **approval** of the reallocation of \$250,000.00 in previously approved Cannabis Recreation Tax funds and allocation of an additional \$100,000.00 in 2026 Cannabis Recreation Tax funds for poverty reduction and childhood education through the Health and Human Services Department. The Legal Director shall prepare the appropriate resolution.

Kevin Frost (Chair)

Chad Tuneberg (Vice Chair)

Frank Beach

Dawn Granath

Jaime Salgado

Committee Action Taken:

Frost:	Ayes:___	Nays:___	Absent:___
Tuneberg:	Ayes:___	Nays:___	Absent:___
Beach:	Ayes:___	Nays:___	Absent:___
Granath:	Ayes:___	Nays:___	Absent:___
Salgado:	Ayes:___	Nays:___	Absent:___