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| **ITEM #:** | **35** |
| **DATE:** | **05-27-25** |
| **DEPT:** | **CMO** |

## COUNCIL ACTION FORM

**SUBJECT:** **APPROVAL OF FY 2025/26 ASSET CONTRACTS AND UNALLOCATED FUNDS**

**BACKGROUND:**

The City Council approved a 5% increase for FY 2025/26 Analysis on Social Services Evaluation Team (ASSET) funding for a total of $2,020,807 in available funds. This increase of $96,229 over FY 2024/25 was earmarked for "continuous improvement and housing", so the amount available for ASSET volunteers to allocate remained the same as FY 2024/25 for a total of $1,924,578.

Of the $1,924,578 available to volunteers to allocate, all but $49,884 was recommended to be allocated to agencies. The ASSET Board is recommending the unallocated $49,884 remain as undesignated funds, reserved for basic needs, including, but not limited to, housing, food insecurity, or childcare, that may arise throughout the fiscal year (see Attachment A).

**Partial or all funding recommendations for three agencies--NAMI, HIRTA, and YSS--were recommended to be sequestered pending additional conversations between the agencies and the ASSET Funder Staff. Although substantial progress has been made to address issues resulting in the sequestration recommendation, additional time is needed to fully resolve ASSET Funder Staff concerns. Therefore, the three agencies' contracts will be presented to the City Council at a later date for consideration. The goal is to resolve any outstanding issues before the new fiscal year begins on July 1, 2025, and to bring the contracts to Council in late June for approval.** The details regarding each agency's sequestration can be found in Attachment B.

The FY 2025/26 ASSET allocation recommendations are shown in the table below. Contracts were mailed to the 22 agencies where no sequestration was recommended, and all those contracts have been returned. At this time, Council is being asked to approve the contracts for the 22 agencies with no sequestered funds.

| Agency | FY 24/25 Approved | FY 25/26 Recommended | FY 24/25 to FY 25/26 Change % | FY 24/25 to FY 25/26 Change $ |
|---|---|---|---|---|
| ACCESS | 135,824 | 143,601 | 5.7% | 7,777 |
| ACPC | 166,482 | 121,590 | -27% | -44,892 |
| All Aboard for Kids | 11,891 | 16,587 | 39.5% | 4,696 |
| American Red Cross | 9,933 | 2,500 | -74.8% | -7,433 |
| Arc of Story County | 11,400 | 11,400 | 0 | 0 |
| Boys & Girls Club | 126,093 | 130,553 | 3.5% | 4,460 |
| Camp Fire | 6,000 | 6,000 | 0 | 0 |
| Center for Creative Justice | 70,823 | 74,365 | 5% | 3,542 |

| | | | | |
|---|---|---|---|---|
| ChildServe | 24,200 | 24,200 | 0 | 0 |
| Community Academy | 10,000 | 16,500 | 65% | 6,500 |
| Good Neighbor | 47,800 | 54,369 | 13.7% | 6,569 |
| Heartland of Story County | 222,368 | 222,368 | 0 | 0 |
| HIRTA* | 49,359 | 49,359 | 0 | 0 |
| Legal Aid of Story County | 149,800 | 160,000 | 6.8% | 10,200 |
| LSI | 2,000 | 2,000 | 0 | 0 |
| MGMC Home Health Services | 34,178 | 34,178 | 0 | 0 |
| MICA | 33,000 | 35,000 | 6.1% | 2,000 |
| NAMI* | 27,550 | 27,550 | 0 | 0 |
| Primary Health Care | 88,382 | 95,388 | 7.9% | 7,006 |
| Prairie Flower | N/A | 15,300 | N/A | 15,300 |
| Raising Readers | 36,838 | 37,808 | 2.6% | 970 |
| RSVP | 37,150 | 37,350 | 0.5% | 200 |
| The Salvation Army | 180,200 | 217,200 | 20.5% | 37,000 |
| University Community Childcare | 104,250 | 114,675 | 10% | 10,425 |
| YSS* | 291,112 | 224,893 | -22.7% | -66,219 |
| Undesignated allocation to meet basic needs | 47,945 | 49,844 | | |
| Continuous Improvement and Housing (5% increase reserved) | 0 | 96,229 | | |
| **TOTAL** | **1,924,578** | **2,020,807** | | |

** These agencies have all or a portion of their services sequestered for FY 2025/26 per the notes in Attachment B. Staff will work to resolve any outstanding issues with the agencies and will bring to Council contracts with these agencies once all outstanding issues have been resolved.*

**ALTERNATIVES:**

1. Approve the City's:

    a. ASSET agency contracts for the 22 agencies with no sequestrations for FY 2025/26 totaling $1,572,932.

    b. Designation of unallocated FY 2025/26 ASSET funds in the amount of $49,844 for meeting basic needs.

    c. Designation of funds in the amount of $96,229 for continuous improvement and housing.

2. Do not approve the ASSET agency contracts.

3. Refer to staff for additional information.

**CITY MANAGER'S RECOMMENDED ACTION:**

**The City Council has allocated funds for human services through the ASSET process and the approval of the City's FY 2025/26 budget, which includes the unallocated funds. The 22 ASSET funded agencies with no funding sequestration recommendations have signed and returned their contracts for services. The contracts with HIRTA, NAMI and YSS will be brought to Council once outstanding items have been resolved.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

**ATTACHMENT(S):**

Attachment A: FY25-26 Final Funding Recommendations.pdf
Attachment B: 2025-26-asset-budget-wrap-up-report.pdf