



FROM: Kyle Patterson, Township Supervisor

DATE: August 19, 2025

SUBJECT: FY 26 budget

BACKGROUND:

The Township Supervisor met multiple times earlier in 2025 with the Executive Director of the Housing Authority of Champaign County (HACC) to discuss a grant of \$1,000,000 from HACC to Strides. It was explained that these funds were intended for Strides in their entirety. There would be an RFP process, according to HUD guidelines, but the intention was to fund a homeless shelter and the funds would be allocated to Strides.

Due to disruptions and turnover at HUD under the current federal administration, there was a delay in HACC being granted approval to distribute the funds and they were given a deadline of the end of 2025. Due to the short turnaround of the large amount of funds, the HACC decided it would only be possible to meet the deadline by distributing funds to 3-5 agencies. Although the Township still intends to apply for funds, this will result in a drastic cut to Strides' FY26 budget.

SUMMARY:

The budget shortfall due to the loss of the HACC grant is approximately 1/3rd of the FY26 Strides budget. Although there may still be a smaller amount of funds available to Strides from HACC, it is recommended that the Town Board should not include those potential funds in the FY26 budget.

There are two options identified as possible budgeting solutions:

1. Eliminate staffing equal to one shift. This would likely result in 2 shifts to provide for overnight services, and the elimination of daytime staffing and services including the day center and day beds for guests who are medically fragile and guests who work overnight. This would also impact the availability of case management and access to community resources that frequent Strides.
2. Fund Strides for 8 months, with funding ending at the end of March 2026.

Despite the funding structure chosen, The Township Supervisor will begin pursuing alternative funding sources from local government partners in Champaign County with the goal of making the Strides budget whole again.

RECOMMENDATION:

It is recommended by the Township Administration to set up a budget to fund Strides for 8 months because it is the option that is least disruptive to the operations of the shelter. Option 1 will reduce services temporarily until alternative funding sources can be secured and will cause the shelter to have to rebuild staffing and services, while the second option will allow services to go uninterrupted until, ideally, alternative funding can be secured.