



City of Austin
**2025-26
BUDGET**

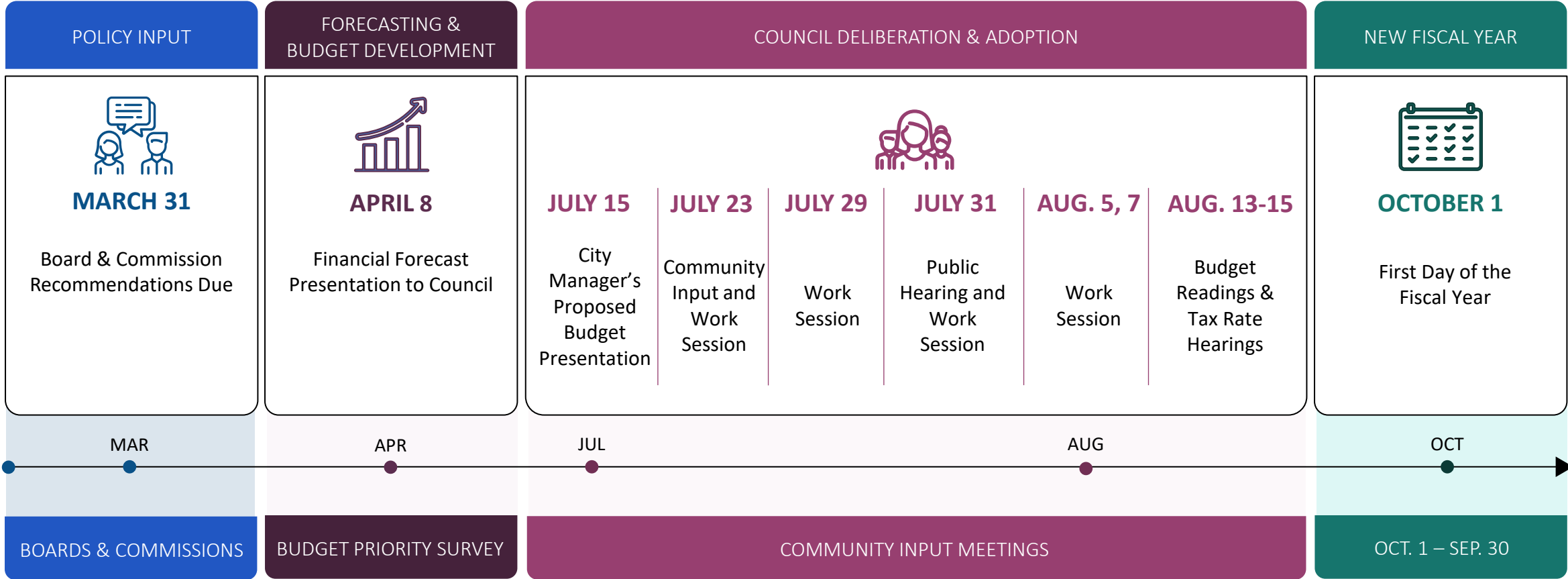


Art in Public Places: La Mujer by J Muzacz/Caminos Internship Program, 2022

Budget Work Session

July 23, 2025

FY 2025-26 Budget Timeline





Today's Agenda

- General Fund Balancing
- Social Service Contracts
- Impact of Federal Grant Reductions
- Department Discussions:
 - Equity and Inclusion – Immigrant Affairs Office
 - Homeless Strategies and Operations
 - Housing
 - Parks and Recreation
 - Wildfire response – PARD, AF, AW, & AE





General Fund

FY 2025-26 General Fund Balancing



City of Austin
**2025-26
BUDGET**

Measures taken to close the \$33.4 million gap:

- \$14.1 million one-time increase in revenue from a transfer from Budget Stabilization Reserve Fund
- \$19.3 million reduction in expenditures

Department	Reduction Description	FY26 Amount
Animal Services	Reduction in funding for contracts to provide emergency and specialty surgeries	(\$586,195)
EMS	Reduction in medical software	(\$91,071)
Fire	Reduction in OT in anticipation of a planned restructuring of the Fire staffing model	(\$8,260,664)
Fire	Reduction in fire protection system contract funding for testing and inspection services	(\$350,000)
Fire	Reduced funding for legal fees, vehicle rentals, supplies, and small tools	(\$243,344)
Fire	Reduction in sworn educational travel and training	(\$107,068)
Planning	Reduced funding for contract services	(\$71,345)
Police	Decrease in OT budget resulting from a staffing model changes that will increase officer availability for patrol functions	(\$9,011,894)
Police	Reduction for relocating the Blue Santa warehouse to a City-owned facility	(\$500,000)
Public Library	Reduction from closure of the Recycled Reads site to allow for expansion of the program across the library system	(\$107,000)
TOTAL		(\$19,328,581)



Social Service Contracts



Social Service Contracts

Department	Service Category	Service Area Description	FY 2025-26 Proposed
Austin Public Health	Basic Needs	Domestic Violence Shelter, Victim Services, Violence Intervention, Food Access	\$7,059,375
	Behavioral Health	Mental Health, Substance Misuse, Counseling	\$4,836,126
	Child & Youth	After School, Parent Support, Tutoring, Family Stabilization, Infant and Early Childhood Services, Youth Development	\$8,852,375
	Community Planning	Food Access, Substance Misuse, HIV Stigma Index	\$399,724
	Health Equity Contracts	Food Access, Reproductive Health, Health Navigation, Peer Support	\$3,926,008
	HIV	HIV Stigma Index, Case Management, Housing, Early Intervention Services, Psychosocial Support Services	\$645,191
	Violence Prevention	Violence Intervention, Victim Services	\$1,665,000
Homeless Strategies and Operations	Homelessness Services	Emergency Shelter Operations, Permanent Supportive Housing, Cold Weather Shelter, Bridge Shelters, Rapid Rehousing	\$36,432,961
Municipal Court	Rehabilitation Services	Bridge shelter, Transitional Housing, Peer Recovery Support Services, Sobering Center Interlocal Agreement	\$6,295,655
Economic Development	Child & Youth	Early Childhood Education, Childcare Assistance, Parenting Programs, Early Childhood Intervention Services, Workforce Development Leadership Training for Childcare Administrators	\$1,322,337
	Workforce Development	Adult Basic Education, High School Equivalency, English for Speakers of Other Languages (ESOL), Vocational Training Programs, Job Mobility Programs	\$3,196,257
TOTAL			\$74,631,009

FY27 Plan includes \$57.8M for Social Service Contracts, a reduction of \$16.8M, or 22.5%



Federal Grant Reductions

Impact of Federal Grant Reductions



City of Austin
**2025-26
BUDGET**

Operating Grants – APH

Program	Status
CDC COVID-19 Health Disparities	Ended March 2025 (scheduled to end June 2025)
COVID-19 Vaccination Capacity	Ended March 2025 (scheduled to end June 2025)
COVID-19 Epidemiology and Laboratory Capacity (ELC)	Ended March 2025 (scheduled to end July 2026)
Tobacco Control	Not renewed
Public Health Emergency Preparedness (PHEP)	FY26 grant award reduced
Tuberculosis Control and Outreach	FY26 grant award reduced

- Other grant programs with terms ending in late FY25 or FY26 may or may not be renewed or awarded again. These could be considered at-risk, but the City cannot speculate on the outcome.

CIP Grant - Cancelled

Grantor	Program	Project	Award
FEMA	Building Resilient Infrastructure and Communities (BRIC)	South Austin Regional Wastewater Treatment Plant/Sand Hill Energy Center Flood Mitigation (Fallwell Lane Phase B)	\$50,000,000



Department Discussions

Immigration Affairs

- Human Rights Division within the office of Equity and Inclusion actively advises, supports, and collaborates with City leadership on matters concerning immigrant communities

Human Rights Division	FY 2025-26 Proposed
Personnel – includes funding for 6 positions	\$879,488
Contractual and Commodities	\$555,870
Total	\$1,435,358

Homeless Strategies and Operations



FY26 Proposed Budget - \$51.5M

Program	FY 2025-26 Proposed
Homeless Diversion Services	\$10.1M
Homeless Strategy Office	\$4.5M
Social Service Contracts	\$36.4M
Support Services	\$0.1M
Transfers, Debt Service, & Other Requirements	\$0.4M
TOTAL	\$51.5M

New Investments:

- \$8.0M in one-time funding, provided through the Housing Trust Fund, for emergency shelter operations at the Marshaling Yard
- \$3.5M for a contract to continue operations at the 8th Street Shelter
- \$925,000 for twelve new positions to expand outreach and improve encampment management

Housing Trust Fund

	FY 2025-26 Proposed	FY 2026-27 Planned
HOMELESS DIVERSION SERVICES <ul style="list-style-type: none"> Marshalling Yard Emergency Shelter Operations, Permanent Supportive Housing – Wrap-around Services 	\$10.1M	-
HOUSING <ul style="list-style-type: none"> Local Housing Voucher Program 	\$5.7M	-
DISPLACEMENT PREVENTION <ul style="list-style-type: none"> Emergency Rental Assistance, Displacement Mitigation Plan for Colony Park, Tenant Eviction Prevention 	\$5.0M	-
PUBLIC SERVICES <ul style="list-style-type: none"> Compliance & Monitoring Study, Tax & Estate Planning Services 	\$1.1M	-

Grounds Maintenance - \$20.4M

- \$300,000 increase in FY26 to support tree maintenance on newly acquired and developed land

Golf - \$4.0 Million Transfer to CIP

- \$2.5 million for Kizer Ponds repairs
- \$1.5 million to replace aging infrastructure: pump stations, driving range netting and shade structures, and material bins

Wildfire Response – Fuel Mitigation



City of Austin
**2025-26
BUDGET**

Department	FY 2025-26 Proposed
Austin Energy	\$32,830,590
Austin Water	\$350,000
Fire	\$421,000
Parks and Recreation	\$834,108

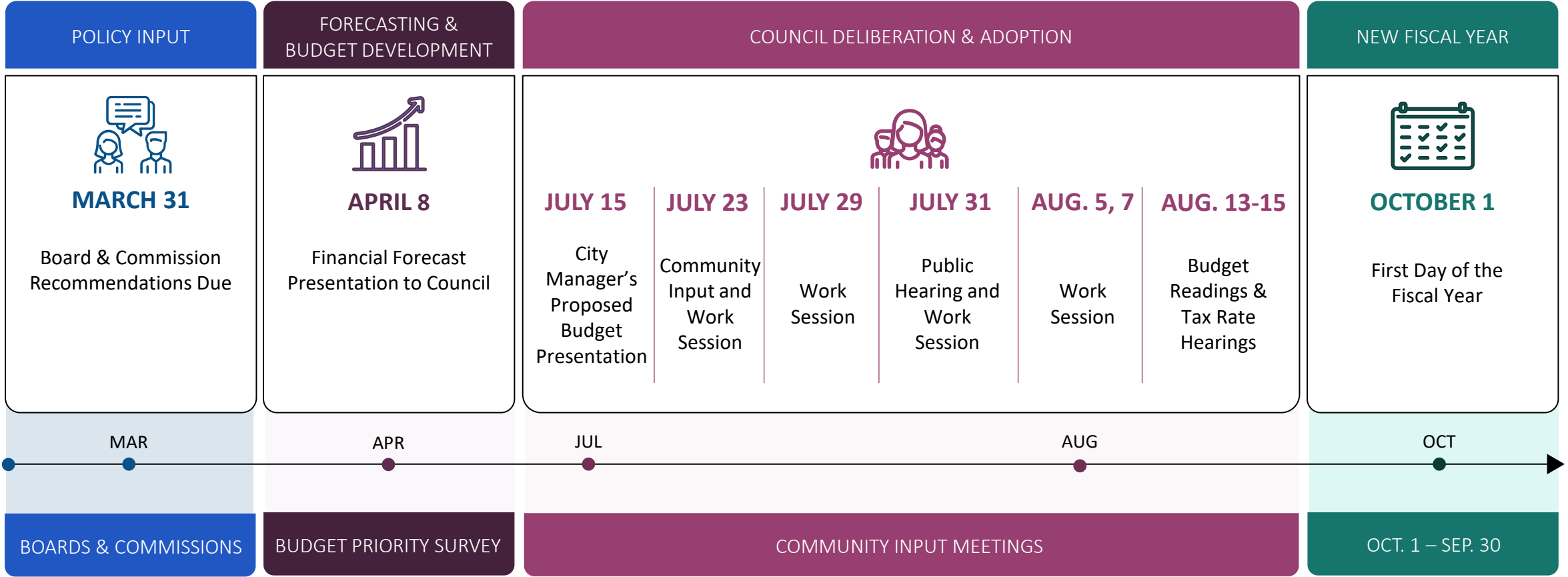
Additional wildfire mitigation efforts within Austin Fire:

- \$3.5M and 17 positions within Wildfire Division for wildfire risk reduction efforts
- Battalion 5 receives supplemental wildfire operations training
- Wildland Urban Interface (WUI) code plan review and inspection by Fire Marshal's Office



Next Steps

FY 2025-26 Budget Timeline



QUESTIONS?



City of Austin
**2025-26
BUDGET**

For more information on Financial Services and the Budget: austintexas.gov/budget

Kerri Lang

Director of Budget and
Organizational Excellence

Kerri.Lang@austintexas.gov

Erik Nelson

Deputy Director of Budget and
Organizational Excellence

Erik.Nelson@austintexas.gov

Art Featured:

La Mujer is a mosaic mural created by participants in the Emma S. Barrientos Mexican American Cultural Center's (MACC) **Camino teen leadership** program, under the guidance of local muralist **J Muzacz** and Caminos coordinator Frederico Geib. This permanent outdoor artwork is located at the Southeast corner of the MACC.

Iconic role models featured in the mural include Selena Quintanilla, Dolores Huerta, and Emma Barrientos, to name a few. The mural celebrates their courage and success as trailblazers in art, music, and dance as well as their dual roles of activists, mothers, and community leaders.