

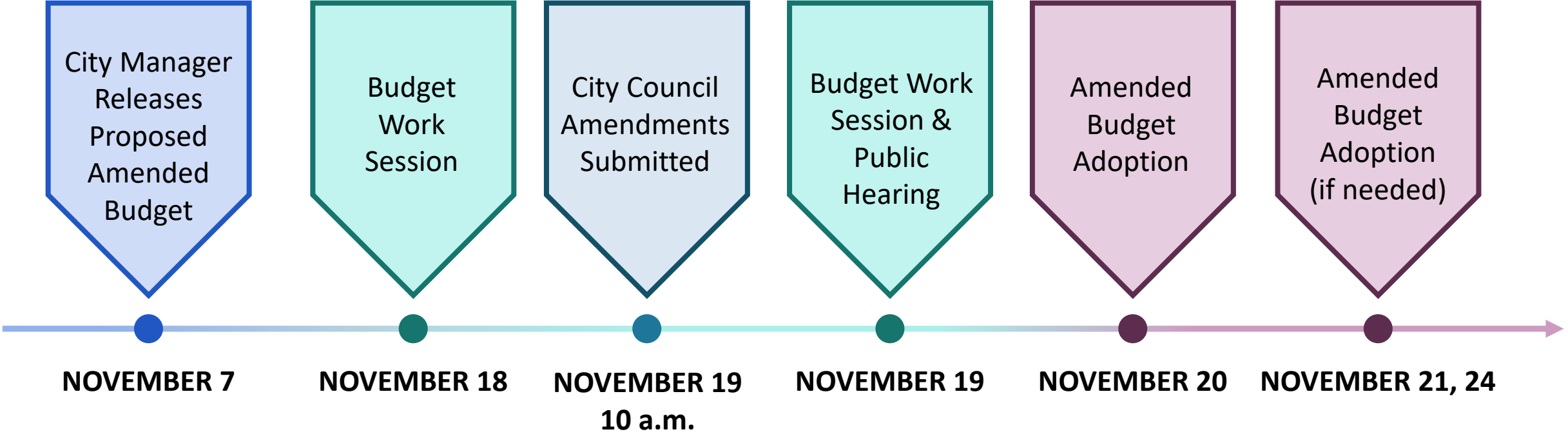


Art in Public Places: La Mujer by J Muzacz/Caminos Internship Program, 2022

FY 2025-26 Proposed Amended Budget Work Session

November 18, 2025

FY 2025-26 Proposed Amended Budget Timeline



Property Tax Revenue Impacts vs. Approved Budget

FY 2026 Property Tax Rate is the Voter-Approval Rate

- FY 2026 Voter-Approval Property Tax Rate is \$0.524017, five pennies below the approved property tax rate of \$0.574017
- Results in \$109.5 million less General Fund property tax revenue in FY 2026
- No impact to the debt service property tax rate or projected debt service collections

All Adoption Actions without a General Fund Impact are Maintained

- No change to adoption amendments that were revenue-neutral or were not funded with General Fund revenue

Restoring Balanced General Fund

- Eliminate approved \$40.5 million transfer **to** reserves
- Restore \$14.1 million transfer **from** reserves included in Proposed Budget
- Identify a net \$54.9 million in further appropriation reductions from Approved Budget

FY 2026 Proposed Amended Budget Recommendation

FY 2026 Proposed Amended vs. FY 2026 Approved Budget

General Fund	FY 2026 Approved	FY 2026 Proposed Amended	Change
Animal Services	\$25,029,991	\$25,029,991	\$-
Arts, Culture, Music & Entertainment	\$11,083,966	\$10,883,966	(\$200,000)
Emergency Medical Services	\$154,502,070	\$148,212,496	(\$6,289,574)
Fire	\$264,371,670	\$263,371,670	(\$1,000,000)
Forensic Science	\$16,328,260	\$16,328,260	\$-
Austin Public Health	\$66,793,656	\$65,463,588	(\$1,330,068)
Homelessness Strategy Office	\$6,258,259	\$9,954,779	\$3,696,520
Housing	\$12,153,147	\$12,053,147	(\$100,000)
Library	\$80,124,704	\$80,124,704	\$-
Municipal Court	\$40,753,749	\$37,017,716	(\$3,736,033)
Parks and Recreation	\$141,973,001	\$136,737,510	(\$5,235,491)
Planning	\$13,805,987	\$13,241,359	(\$564,628)
Police	\$526,010,042	\$526,010,042	\$-
Social Services Contracts - APH	\$31,652,799	\$24,895,420	(\$6,757,379)
Social Services Contracts - EDD	\$4,518,594	\$4,566,736	\$48,142
Social Services Contracts - HSO	\$69,320,861	\$39,002,763	(\$30,318,098)
Social Services Contracts - Municipal Court	\$7,358,655	\$6,166,090	(\$1,192,565)
Transfers & Other Requirements	\$66,610,597	\$64,715,658	(\$1,894,939)
Transfer to Budget Stabilization Reserve Fund	\$40,506,502	\$-	(\$40,506,502)
General Fund Total	\$1,579,156,510	\$1,483,775,895	(\$95,380,615)

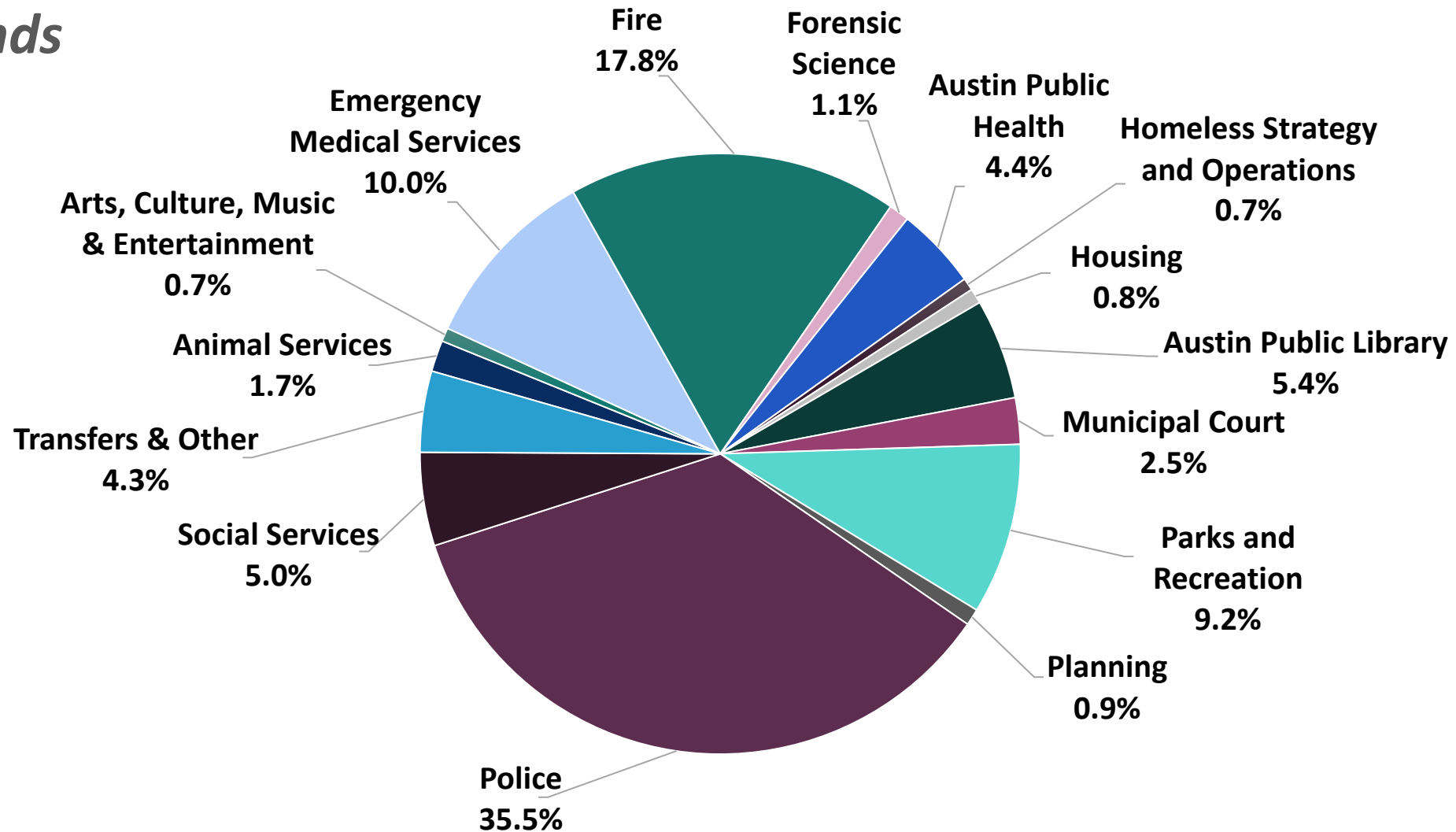
FY 2026 Proposed Amended Budget Recommendation

FY 2026 Proposed Amended vs. FY 2025 Amended Budget

General Fund	FY 2025 Amended	FY 2026 Proposed Amended	Change
Animal Services	\$23,466,278	\$25,029,991	\$1,563,713
Arts, Culture, Music & Entertainment	\$-	\$10,883,966	\$10,883,966
Emergency Medical Services	\$143,437,559	\$148,212,496	\$4,774,937
Fire	\$262,205,476	\$263,371,670	\$1,166,194
Forensic Science	\$14,965,178	\$16,328,260	\$1,363,082
Austin Public Health	\$64,685,017	\$65,463,588	\$778,571
Homelessness Strategy Office	\$3,301,254	\$9,954,779	\$6,653,525
Housing	\$11,266,741	\$12,053,147	\$786,406
Library	\$76,501,074	\$80,124,704	\$3,623,630
Municipal Court	\$38,885,039	\$37,017,716	(\$1,867,323)
Parks and Recreation	\$134,906,239	\$136,737,510	\$1,831,271
Planning	\$12,545,124	\$13,241,359	\$696,235
Police	\$513,185,014	\$526,010,042	\$12,825,028
Social Services Contracts - APH	\$27,383,799	\$24,895,420	(\$2,488,379)
Social Services Contracts - EDD	\$4,518,594	\$4,566,736	\$48,142
Social Services Contracts - HSO	\$32,932,961	\$39,002,763	\$6,069,802
Social Services Contracts - Municipal Court	\$3,878,866	\$6,166,090	\$2,287,224
Transfers & Other Requirements	\$55,829,664	\$64,715,658	\$8,885,994
Transfer to Budget Stabilization Reserve Fund	\$1,531,167	\$-	(\$1,531,167)
General Fund Total	\$1,425,425,044	\$1,483,775,895	\$58,350,852

FY 2025-26 General Fund Proposed Amended: \$1.5B

Uses of Funds



➤ \$58.4 million or 4.1% increase from the FY 2024-25 Amended Budget

General Fund Cost Drivers: Civilian Employees

	FY 2025-26 Proposed Amended	FY 2026-27 Planned
WAGE INCREASE, INCLUDING 4% in FY 2026 \$2,120 increase in-lieu of the 4% base wage pay increase for civilian regular employees earning less than \$53,000 0% in FY 2027	\$9.4M	\$0
LIVING WAGE - Increasing from \$21.63 to \$22.05 in FY 2026 - Placeholder funding for further increase in FY 2027	\$1.2M	\$2.0M
HEALTH INSURANCE (City Contribution) 0% in FY 2025-26 5% in FY 2026-27	\$0	\$2.4M
MARKET STUDIES - Trade titles in FY 2025-26 - City-wide review in FY 2026-27	\$0.9M	\$5.0M
CITY RETIREMENT CONTRIBUTIONS	\$3.9M	\$0.8M

General Fund Cost Drivers: Sworn Employees

	FY 2025-26 Proposed Amended	FY 2026-27 Planned
EMS	• \$2.1M for 3.0% base wage increase per Meet & Confer agreement	• \$2.2M for 3.0% base wage increase per Meet & Confer agreement
AUSTIN POLICE	• \$13.2M for 6.0% base wage increase per Meet & Confer agreement • \$1.3M incremental cost of legacy liability & \$3.7M increase City Contribution for payment to Police Retirement System	• \$11.7M for 5.0% base wage increase per Meet & Confer agreement • \$1.3M incremental cost of legacy liability & \$0.5M increase City Contribution for payment to Police Retirement System
AUSTIN FIRE	• \$5.7M to fund Fire tentative agreement • \$2.6M incremental cost for recent reforms to Austin Firefighters Retirement Fund (AFRF)	• \$4.3M incremental cost for recent reforms to Austin Firefighters Retirement Fund (AFRF)
SWORN HEALTH INSURANCE	• \$0 incremental cost	• \$3.2M incremental cost

General Fund Cost Drivers: Cost Allocations & Transfers

	FY 2025-26 Proposed Amended	FY 2026-27 Planned
SUPPORT SERVICES Support Service departments include Human Resources, City Attorney’s Office, Financial Services, Facilities Management, City Council, and others	\$6.8M	\$6.5M
INFORMATION & TECHNOLOGY MANAGEMENT Provides for the delivery of core IT infrastructure, applications, and information security	\$6.4M	\$2.8M
CTECC Combined Transportation, Emergency & Communications Center is a regional public safety facility sustaining the operations of shared, critical emergency communications and transportation management	\$1.0M	\$1.8M
OTHER ALLOCATIONS Includes 311 Call Center; Fleet Fuel & Maintenance; Capital Delivery Services; Wireless; Workers’ Compensation; Liability Reserve; and Accrued Payroll	\$3.8M	\$3.1M
TRANSFER TO BUDGET STABILIZATION RESERVE Backing out FY 2025 transfer in FY 2026	(\$1.5M)	\$0

General Fund: Significant Adjustments from FY25

Public Safety	
Emergency Medical Services	• \$338,000 for sworn positions added in FY 2025 for the Canyon Creek Fire/EMS station
Fire	• (\$8.3M) in overtime funding in anticipation of a planned restructuring of the Fire staffing model • \$5.7 million for wage adjustments other costs associated with the tentative labor agreement • \$416,000 for sworn positions added in FY 2025 for the Canyon Creek Fire/EMS station • \$280,000 for wildfire shelters and equipment to improve the safety of wildfire response teams
Forensic Science	• \$373,000 for 5 positions at the new Forensic Warehouse scheduled to open in FY 2026
Municipal Court	• (\$3.5M), including elimination of eighteen positions, as a result of a revised interlocal agreement reflecting Travis County providing magistration and Council At First Appearance services at its Central Booking facility
Police	• (\$16.1M) from moving funding for interlocal agreement with Travis County relating to Central Intake services to General Fund – Non-Departmental • (\$9.0M) in overtime budget resulting from a staffing model changes that will increase officer availability for patrol functions • (\$500,000) from relocating the Blue Santa warehouse to a City-owned facility

Black items: items included in Proposed, Approved, and Proposed Amended Budgets; Red items: reversed adoption amendments; Blue items: revised adoption amendments; Green items: new amendments to Approved Budget

General Fund: Significant Adjustments from FY25

Homeless & Housing

Homeless Strategies & Operations	• \$5.0M in ongoing funding for emergency shelter operations at the Marshaling Yard • \$3.0M in one-time funding provided through Housing Trust Fund • \$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	• \$3.7M provided through the Housing Trust Fund, for the Housing Voucher program (reflects additional \$2.0 million added through staff amendment at budget adoption) • \$750,000 \$540,000 provided through the Housing Trust Fund, for a tax and estate planning services pilot program • \$500,000 provided through the Housing Trust Fund, for Displacement Mitigation Plan • \$400,000 increase, provided through the Housing Trust Fund, for Emergency Rental Assistance, resulting in a total annual budget of \$4 million
Planning	• \$225,000 \$100,000 for two one positions to assist with district and comprehensive plans

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General Fund: Significant Adjustments from FY25

Community Services	
Animal Services	• \$370,000 for two new Animal Protection Officers and two support staff positions • (\$586,000) in funding for contracts to provide emergency and specialty surgeries
Arts, Culture, Music and Entertainment	• \$500,000 \$300,000 for five three positions to provide financial and managerial support
Parks and Recreation	• \$6.0 \$2.0 million for 60 20 new positions and related costs for parkland and grounds maintenance needs • \$517,000 for annualized cost of 20 positions added in FY 2025 to improve parks/cemeteries • \$375,000 to improve maintenance of youth athletic fields at recreation centers across the city • \$125,000 for two positions to support new Colony Park pool and other aquatics facilities
Public Library	• \$400,000 for additional security staffing at library branches • \$216,000 increase in funding for materials acquisition • (\$107,000) from closing Recycled Reads site to allow expansion of the program across system
Public Health	• (\$3.4 million) in rent and operating expenses due to move from leased space to City facility

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General Fund: Social Services Contracts

- Reprioritize \$5.3 million in social services contracts funding to City Council priorities
 - \$3.8 million from existing non-HSO-managed contracts, a 10% reduction
 - \$1.5 million from HSO-managed contracts, a 4% reduction

Social Services Contracts

Homelessness & Housing	• \$12M \$1M for additional rapid rehousing beds • \$3M \$750,000 for bridge shelters/HEAL • \$650,000 for rapid rehousing services, including converting 6 grant-funded positions to FTEs • \$1.1M one-time \$600,000 ongoing funding for landlord engagement • \$500,000 for homelessness diversion (moved from one-time to ongoing) • \$500,000 for homelessness navigation • \$27,000 for Charlie Center showers (moved from one-time to ongoing)
Other Social Services	• \$1.1M \$500,000 for expanded operations at the Sobering Center • \$1M one-time \$500,000 ongoing for programs to boost readiness for re-entry to the workforce • \$350,000 \$250,000 for Family Justice program

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General Fund: One-Time Expenditures & Reserves

Reserve Changes

- Reverse \$40.5 million transfer **to** reserves included in Approved Budget
- Restore \$14.1 million transfer **from** reserves included in Proposed Budget
- Reverse all one-time spending items added during Budget adoption
 - \$600,000 for landlord engagement, \$500,000 for homelessness prevention, \$500,000 for workforce re-entry, and \$27,000 for Charlie Center showers moved to ongoing
- Maintain three one time-items, totaling \$2.3 million, included in Proposed Budget
 - Re-appropriation of \$898,000 in unspent one-time funds to support development of the City's next bond program
 - \$875,000 in one-time for the second half of a Fire cadet class that began in late FY 2025
 - \$550,000 in one-time for replacements of self-contained breathing apparatuses for firefighters

General Fund: One-Time Expenditures & Reserves

Budget Relies on One-Time Transfer from General Fund Reserves

- General Fund Reserves budgeted to end FY26 at 15.7% of ongoing expenditures
- \$14.1 million one-time transfer from Budget Stabilization Reserve to General Fund to provide transitional funding for Social Services Contracts
 - \$2.3 million for critical one-time items
- FY27 Planned Budget ends year at 15.3% reserve level
 - No anticipated transfers or expenditures

Reserve Policy Summary: FY 2025-26	
Total Budgeted Year-End General Fund Reserves	\$233.2M
Reserve Level	15.7%

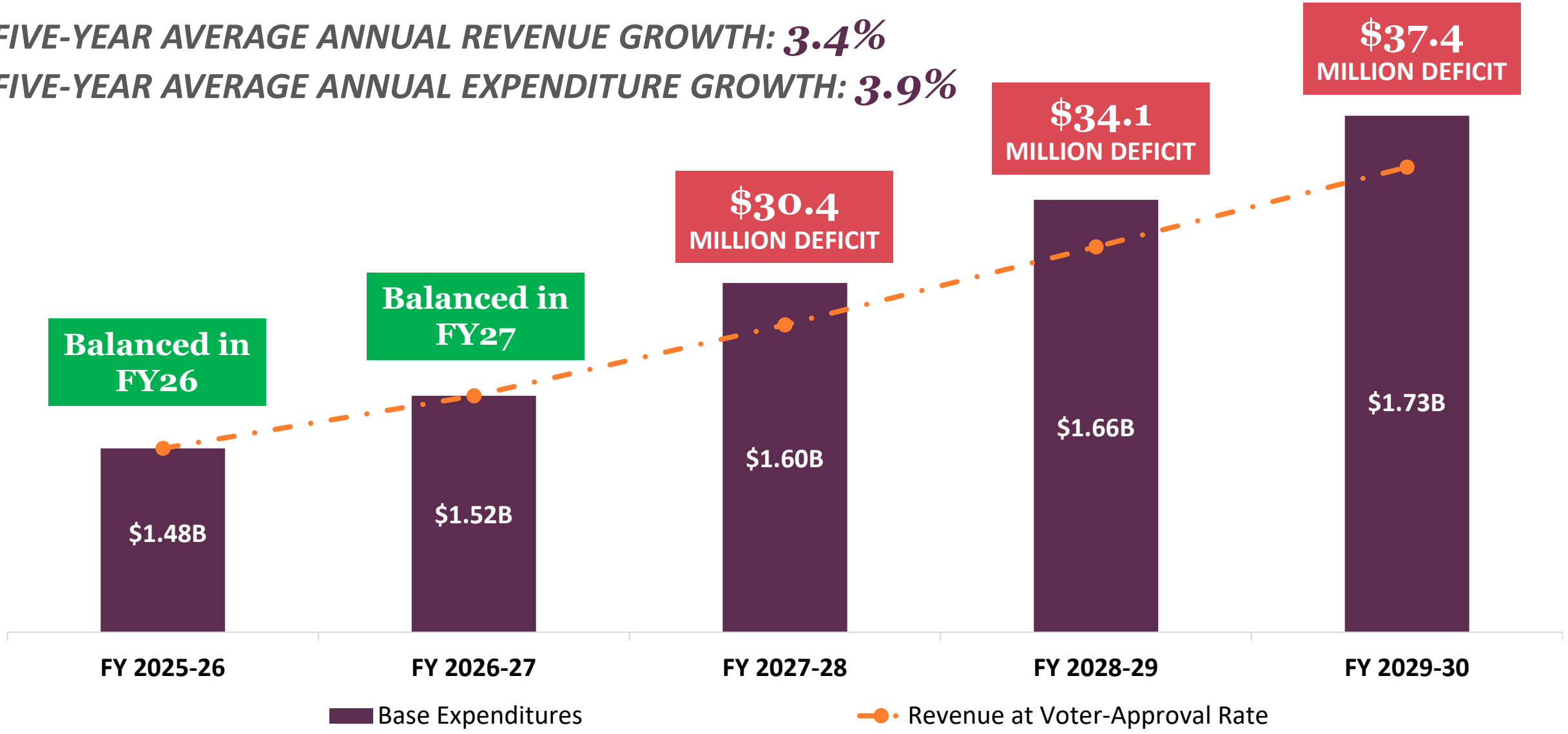
General Fund: FY27 Planned Budget

Significant Assumptions & Adjustments

- \$3 million increase in ongoing funding for Marshaling Yard, to total of \$8 million
- \$16.8 million reduction in Social Services Contract funding
- 0% planned civilian wage increase
- Elimination of transfer to Housing Trust Fund
- Elimination of transfer to Capital Rehabilitation Fund (may trigger violation of financial policies)

General Fund Five-Year Base Forecast

FIVE-YEAR AVERAGE ANNUAL REVENUE GROWTH: 3.4%
FIVE-YEAR AVERAGE ANNUAL EXPENDITURE GROWTH: 3.9%



FY26 Major Rate and Fees

Projected Combined Increase of 4.0% for Typical Rate- and Taxpayer

	FY25 Monthly Rate	FY26 Amended Rate	\$ Increase	% Increase	FY27 Planned Rate	\$ Increase	% Increase	Typical rate- and taxpayer defined as:
Austin Energy	\$121.96	\$117.07	(\$4.89)	(4.0%)	\$120.03	\$2.96	2.5%	Residential customer usage of 860 Kwh
Austin Water	\$91.20	\$99.91	\$8.71	9.6%	\$107.67	\$7.76	7.8%	Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater
Austin Resource Recovery	\$33.40	\$36.30	\$2.90	8.7%	\$37.60	\$1.30	3.6%	Residential customer with a 64-gallon cart
Clean Community Fee	\$10.15	\$10.25	\$0.10	1.0%	\$10.45	\$0.20	2.0%	Per residential unit
Transportation User Fee	\$19.74	\$21.80	\$2.06	10.4%	\$23.61	\$1.81	8.3%	Per single-family home
Drainage Utility Fee	\$13.38	\$14.05	\$0.67	5.0%	\$15.25	\$1.20	8.5%	Residential customer with 3,100 sq. ft./37% of impervious cover
Property Tax Bill	\$164.13	\$172.86	\$8.73	5.3%	\$186.90	\$13.74	8.0%	Median non-senior homestead with an FY26 assessed value of \$494,803, net of 20% exemption
Total	\$453.96	\$472.74	\$18.28	4.0%	\$501.21	\$28.97	6.1%	

QUESTIONS?

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.