



# Social Services Framework

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City of Austin Public Health Committee – February 4, 2026  
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# Agenda



- Executive Summary
- Partnership Assessment
- Funding Model Adjustment
- Contract Evaluation
- Timeline
- Q&A and Discussion

# Executive Summary

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# Why we're here



## ▪ Drivers

- City is projected to face **budget shortfalls**, with major reductions needed to balance FY27
- FY27 planned budget includes **\$16.8M in reductions across social services**
- City needs a **shared approach for assessing organization-wide strategy and performance** in social services and other 3<sup>rd</sup> party service contracts across departments

## ▪ Desired Outcomes

- Understanding of the content and function of our social services ecosystem
- Eliminate duplication and partnerships / ownership reassessment
- Framework for aligning social services strategy and resource allocation with strategic priorities
- Cost reduction options for FY27 budget
- Evaluation framework for future social service grants & portfolios that align with prioritization



# Definitions

- **Social Services:** Social services are coordinated programs and supports that help individuals and families meet essential needs and navigate social and economic challenges. These can include services related to education, healthcare access, workforce development, housing assistance, and income supports, and are intended to reduce disparities and promote stability and quality of life. A social service grant provides services to City residents or clients, rather than services to the City organization itself.
- **Social Services Contract:** contracts pay someone to do something on behalf of the City that we would otherwise have to do; contracts are more rigorous and subject to procurement policy / contract law (Example: funding to a vendor to operate a City-owned homeless shelter)
- **Social Services Grant:** value-add with nonprofits, but not mandatory or obligated. Shorter terms, less formal authorization (Example: funding to a not-for-profit to provide workforce development programs directly to the community)



# Three Primary Optimization Levers

The City's strategy for optimizing our social services funding portfolio is focused on three approaches:

## ***Partnership Reassessment***

Ensuring the right organization is responsible for each service area

## ***Funding Model Adjustment***

Ensuring City funding approaches and timing build resilience and fiscal efficiency

## ***Grant and Contract Evaluation***

Ensuring City-funded social services are strategically aligned, achieving outcomes, and meeting high performance standards

# Approach 1: Partnership Assessment

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# FY26 COA Social Services Funding Overview



Service Category	Lead Department	FY26 Budget	Service Description
<b>Homelessness Services</b>	Homeless Strategy (HSO)	<b>\$34,975,000</b>	Emergency Shelter Ops, Marshaling Yard, Rapid Rehousing
<b>Child &amp; Youth</b>	Public Health / Econ Dev.	<b>\$9,790,000</b>	After-school (Prime Time), Early Childhood, Youth Development
<b>Basic Needs</b>	Austin Public Health	<b>\$6,918,000</b>	Food Access, Rent Assistance, Survivor Services (SAFE)
<b>Rehabilitation Services</b>	Municipal Court	<b>\$5,666,000</b>	Community Court diversion, homeless case management
<b>Behavioral Health</b>	Austin Public Health	<b>\$4,784,000</b>	Mental Health Crisis (EMCOT), Substance Misuse
<b>Health Equity</b>	Austin Public Health	<b>\$3,800,000</b>	Community Health Workers, System Navigation
<b>Workforce Development</b>	Economic Development	<b>\$2,745,000</b>	Job training, apprenticeships, "Ready to Work" programs
<b>Violence Prevention</b>	Austin Public Health	<b>\$1,524,000</b>	Gun violence intervention, Victim Services contracts
<b>HIV Services</b>	Austin Public Health	<b>\$645,000</b>	Ryan White Part A Match, HIV prevention
<b>Community Planning</b>	Austin Public Health	<b>\$399,000</b>	Stigma Index, regional planning contracts
<b>TOTAL</b>		<b>\$71,246,000</b>	

# Area Partners: Focus & Funding

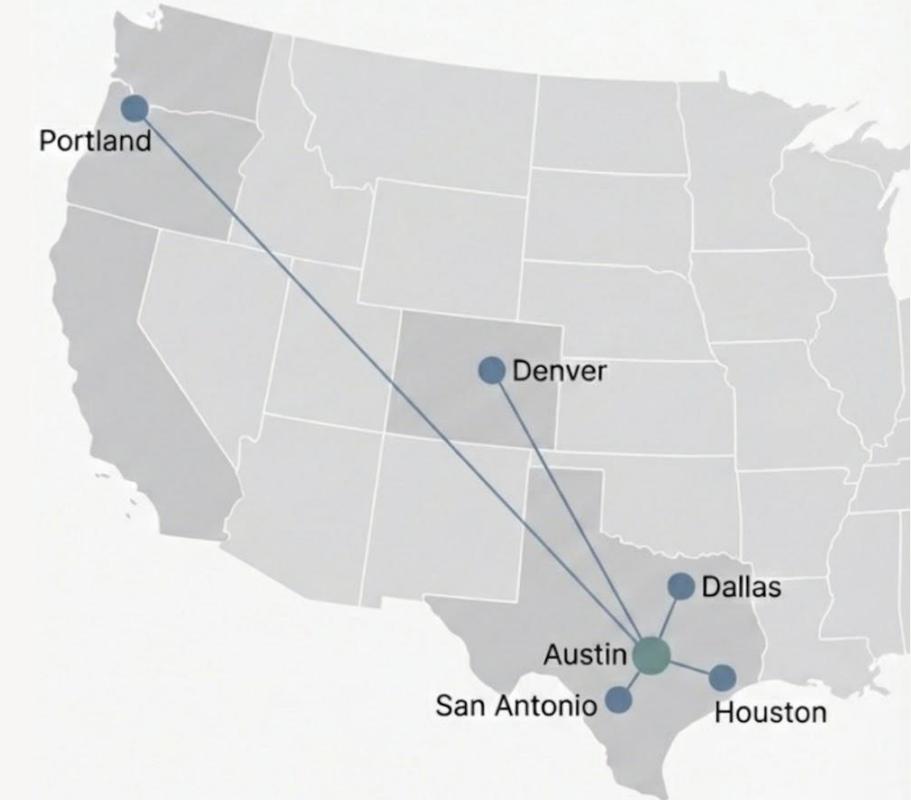


Partner Agency	Primary Funding Focus	Key Social Service Line Items (Est. Annual)
Travis County	<b>Justice, Crisis, &amp; Basic Needs:</b> Focuses on diversion, emergency assistance, and early childhood.	<ul style="list-style-type: none"><li><b>Mental Health Jail Diversion:</b> \$86 Million (Capital / Ops for new center)</li><li><b>Child Care &amp; Youth Fund:</b> \$75M/year (voter approved Nov 2024 tax)</li><li><b>Child Care Scholarships:</b> \$21 Million (via Workforce Solutions)</li><li><b>Family Support Services:</b> Specifics vary but includes rent / utility aid.</li><li><b>Central Health Tax Transfer:</b> The County helps levy the tax that funds Central Health.</li></ul>
Central Health	<b>Clinical Health &amp; Equity:</b> Focuses on direct healthcare delivery for low-income residents (MAP).	<ul style="list-style-type: none"><li><b>Healthcare Delivery Total:</b> \$353 Million</li><li><b>Specialty Care (Behavioral):</b> \$25.7 Million (Psychiatry / Substance Use)</li><li><b>Primary Care (CommUnityCare):</b> \$74 Million</li><li><b>Medical Respite:</b> \$5.2 Million (Recuperative care for homeless patients)</li><li><b>Patient Navigation:</b> \$6.1 Million (Connecting patients to social resources)</li></ul>
Integral Care	<b>Mental Health Authority:</b> The quasi-governmental LMHA for Travis County; heavily funded by Local / State / Federal dollars.	<ul style="list-style-type: none"><li><b>Homeless Housing (PSH):</b> \$1.8 Million (HUD grants for "Fresh Start" &amp; "Kensington")</li><li><b>Substance Use Treatment:</b> \$405,000 (State HHSC grant)</li><li><b>Zero Suicide Initiative:</b> \$400,000 (Federal SAMHSA grant)</li><li><b>Opioid Abatement:</b> \$4.6 Million (Pass-through from Central Health / County)</li></ul>

# Benchmarking: Comparative Analysis



- Metros reviewed and benchmarked:
  - Dallas
  - Houston
  - San Antonio
  - Denver
  - Portland
- Assessment included the City, County, Hospital District, and Mental Health Authority for each metro (details in appendix)
- Mix of Texas and national partners, all with mature social services ecosystems and funding approaches
- Reviewed responsibility distribution across partners and funding models / frequency.



How Austin's social service support compares to peer cities

# Benchmarking: Partnership Assessment



Austin centralizes costs in the General Fund (GF) while peers leverage diversified funding ecosystems, including dedicated revenue tools (e.g., levies, hospital districts, county budgets, state pass-throughs, federal grants, etc.).

Social Service	Austin	San Antonio	Dallas	Houston	Portland	Denver	Alignment
<b>Homelessness Services</b>	City (GF)	Shared (City / County GFs)	County (GF) / Non-Profit (The Bridge)	Federal Grants (CDBG / ESG)	Joint Office (City GF xfer / Metro Tax)	City / County (GF & sales tax)	OUTLIER
<b>Child &amp; Youth</b>	City (GF) / County (dedicated tax)	City (GF; Delegate Agencies)	City (GF)	City (GF)	County (Preschool for All Tax)	City (Fed Head Start Grants)	PARTIAL
<b>Basic Needs</b>	City (GF)	City (GF)	County (GF)	County (GF)	County (GF)	City (GF)	PARTIAL
<b>Rehabilitation Services</b>	City (GF) / County (probate/civil courts)	City (GF; Docket) / County (Judicial Ops)	City (GF; Docket) / County (Specialty Courts)	City (GF; Docket) / County (Specialty Courts)	City (GF; QOL offenses/ County (State Grants; Circuit Ct)	City / County (GF; Consolidated)	PARTIAL
<b>Behavioral Health</b>	City (GF)	County (GF) / Universal Health (Tax)	County (GF) / NTBHA, Parkland (Tax) / City (GF; Crisis only)	County (GF) / The Harris Center (Tax)	County (GF, State)	City (C4D Tax) / Non-Profit	OUTLIER
<b>Health Equity</b>	City (GF)	University Health (Tax)	Parkland Health (Tax)	Harris Health (Tax)	County (GF)	Denver Health (Fee, GF; Quasi-public)	OUTLIER
<b>Workforce Development</b>	City (GF)	City (Sales Tax)	Workforce Solutions (State)	Workforce Solutions (State)	Worksystems (Non-Profit; Grants)	City (GF, Grants)	PARTIAL
<b>Violence Prevention</b>	City (GF)	City (GF) / County (GF)	City (GF)	City (GF)	City (GF)	City (GF)	ALIGNED
<b>HIV Services</b>	City (GF)	University Health (Tax) / County (GF)	County (GF)	County (GF)	County (GF)	Denver Health (Pub Health Ath; Grants)	OUTLIER
<b>Community Planning</b>	City (GF)	Regional Alliance (CoC)	MDHA (Non-Profit; Grants)	Coalition (Non-Profit; Grants)	Joint Office (JOHS)	MDHI (Regional Non-Profit; Grants)	PARTIAL

# Benchmarking: General Fund Comparisons



City Organization	General Fund	Grants / Tax	Total SS	General Fund % of total SS spend	Notes / Differentiators
Austin	<b>\$71.2M</b>	<b>\$12.7M (Grants)</b>	<b>\$83.9M</b>	<b>85%</b>	Shelter operations, clinical health, and workforce contracts paid using primarily local tax dollars.
San Antonio	<b>\$20.1M</b>	<b>\$10.4M (Grants)</b>	<b>\$30.5M</b>	<b>66%</b>	DHS budget is smaller because Bexar County and University Health fund clinical / mental health.
Dallas	<b>\$33.5M</b>	<b>\$29.9M (Grants)</b>	<b>\$63.4M</b>	<b>52%</b>	Total Office of Community Care budget is higher but about half comes from grants. General Fund exposure is limited because Dallas County and Parkland Health fund health and housing.
Houston	<b>\$2.5M</b>	<b>\$49.5M (Grants)</b>	<b>\$52M</b>	<b>5%</b>	General Fund contribution is negligible. Nearly their entire \$50M+ homelessness system funded via federal CDBG/ESG/ARPA grants.
Portland	<b>\$40.6M</b>	<b>\$276.4M (Tax &amp; Grants)</b>	<b>\$317M</b>	<b>13%</b>	City transfers this funding to the Joint Office of Homeless Services, which is County-administered. Mental health and supportive housing funded by County and the regional Metro SHS Tax.
Denver (City and County)	<b>\$71.6M</b>	<b>\$134M (Tax &amp; Grants)</b>	<b>\$205.6M</b>	<b>35%</b>	<b>City and County</b> , \$71M spend for both. Three dedicated taxes / fees provide \$100M+ for social services. Caring 4 Denver tax administered by non-profit.

# Benchmarking: Partner Distribution Insights



- **Core municipal alignment:** Austin is aligned with other cities in child & youth and violence prevention (though County now had dedicated tax revenue for child & youth).
- **Structural misalignment:** Austin is an outlier or has only partial alignment in 9 of 10 service categories (including homelessness, behavioral health, and health equity). Austin retains operational responsibility where peers distribute these duties to Counties or Hospital Districts.
- **Service categorization:** Peer ecosystems consistently define health equity and mental health as medical or county functions (e.g., Parkland, King County).
- **Governance vs. funding:** Benchmarks (Portland, Dallas) often separate funding (City resources) from execution (County / Regional Authority manages). Austin currently does both, duplicating administrative infrastructure.
- **Non-diversified funding:** The City is a primary or sole funder for many services. We currently pay ~\$40M+ for services (e.g., clinical health, legal aid, shelter ops) where benchmarked cities share the investment with Counties, Hospital Districts, or Regional Authorities.

# Approach 2: Funding Model Review

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# Benchmarking: Funding Model Comparison



Different municipalities employ varied funding cycles to manage social service contracts. The models have tradeoffs between administrative agility, federal alignment, and provider stability.

Entity	Cycle Model	Strategic Approach	Rationale
Austin	Annual Budget Cycle	Adjusted annually	Risks: funding inertia, instability, admin. burden
Travis County	Rolling Notice Of Funding Availability (NOFA) Cycles	Targeted NOFAs by sector	Sector-specific focus
San Antonio	4-Year Cycle	Year 1: 16-month contract to align w federal FY, Performance-based renewals Year 2-4	Administrative ease, stability
Denver	Federal (HUD Annual Action Plan)	Mirrors HUD cycle (Feb-May)	Federal cycle alignment, maximized drawdown potential
Houston	Rolling NOFA Cycles	Aligned w/Federal grant cycles, grants-first strategy, use grants for nearly all services	Federal cycle alignment, shovel-ready projects prioritized, non-city funding source
Dallas	2-Year Cycle	2-year award cycle	Balance of impact measurement & agility
Portland	Multi-Year (levy-aligned)	Multiple (but not all) service areas funded with multi-year levies.	Long funding horizons, operational stability

# Benchmarking: Funding Model Insights



- **Austin's agility and responsiveness:** Our sole-funder annual cycle model gives the ability to pivot resources quickly based on needs and community conditions.
- **Structural Outlier:** Austin relies on the City General Fund and an annual cycle for services that peers fund via dedicated levies, special taxes, or County budgets over longer periods.
- **Operational Friction:** Our cycle of reassessing SS annually creates administrative and performance drag; peers utilize 3–5-year cycles to increase underwriting rigor and provider stability.
- **System Fragility:** Relying primarily on a single revenue source on an annual cycle creates instability, unlike peers with diversified funding sources, timing, and ownership.
- **Administrative Duplication:** Austin maintains parallel contracting systems with Travis County, whereas peers consolidate administration into joint offices or regional authorities.

**Note:** Peer city 'County' spend often reflects pass-through of State / Federal mandates which Austin supplements with General Fund revenue.

# Benchmarking: Philanthropic Safety Net



The philanthropic landscape focused on social services varies across benchmark metros but represents a crucial part of the funding ecosystem.

Metro	Major Philanthropic Anchors	Est. Annual Community Investment	Focus Areas
Austin	St. David's Foundation; Michael & Susan Dell Foundation.; United Way for Greater Austin	<b>\$157M:</b> \$100M (St. David's), \$40M (Dell Local), \$17M (United Way)	Health Equity, Resilience; Family Economic Stability; Early Childhood, Poverty
Houston	Houston Endowment; United Way of Greater Houston; Kinder Foundation	<b>\$159M:</b> \$100M (Endowment), \$34M (United Way), \$25M+ (Kinder)	Homelessness, Education; Family Financial Stability; Urban Parks, Education
Dallas	Meadows Foundation; United Way of Metro Dallas; Rees-Jones Foundation	<b>\$113M:</b> \$27M (Meadows), \$36M (United Way), \$50M+ (Rees-Jones)	Mental Health, Education; Income, Health; Child Welfare, Youth
San Antonio	San Antonio Area Foundation; United Way of SA & Bexar Co.; Kronkosky Charitable Fdn.	<b>\$107M:</b> \$44M (Area Fdn), \$48M (United Way), \$15M (Kronkosky)	Cultural Vibrancy, Youth; Safety Net, Family Violence, Seniors, Child Abuse Prev.
Denver	The Colorado Health Foundation; The Denver Foundation; Mile High United Way	<b>\$256M:</b> \$127M (Health Fdn), \$100M+ (Denver Fdn), \$29M (United Way)	Housing as Health, Mental Wellness; Basic Needs, Policy; Early Childhood
Portland	Oregon Community Foundation; Meyer Memorial Trust ; United Way Col-Willamette	<b>\$240.5M:</b> \$185M (OCF), \$45M (Meyer), \$10.5M (United Way)	Homelessness, Education; Housing Justice, Equity; Crisis Intervention, Poverty

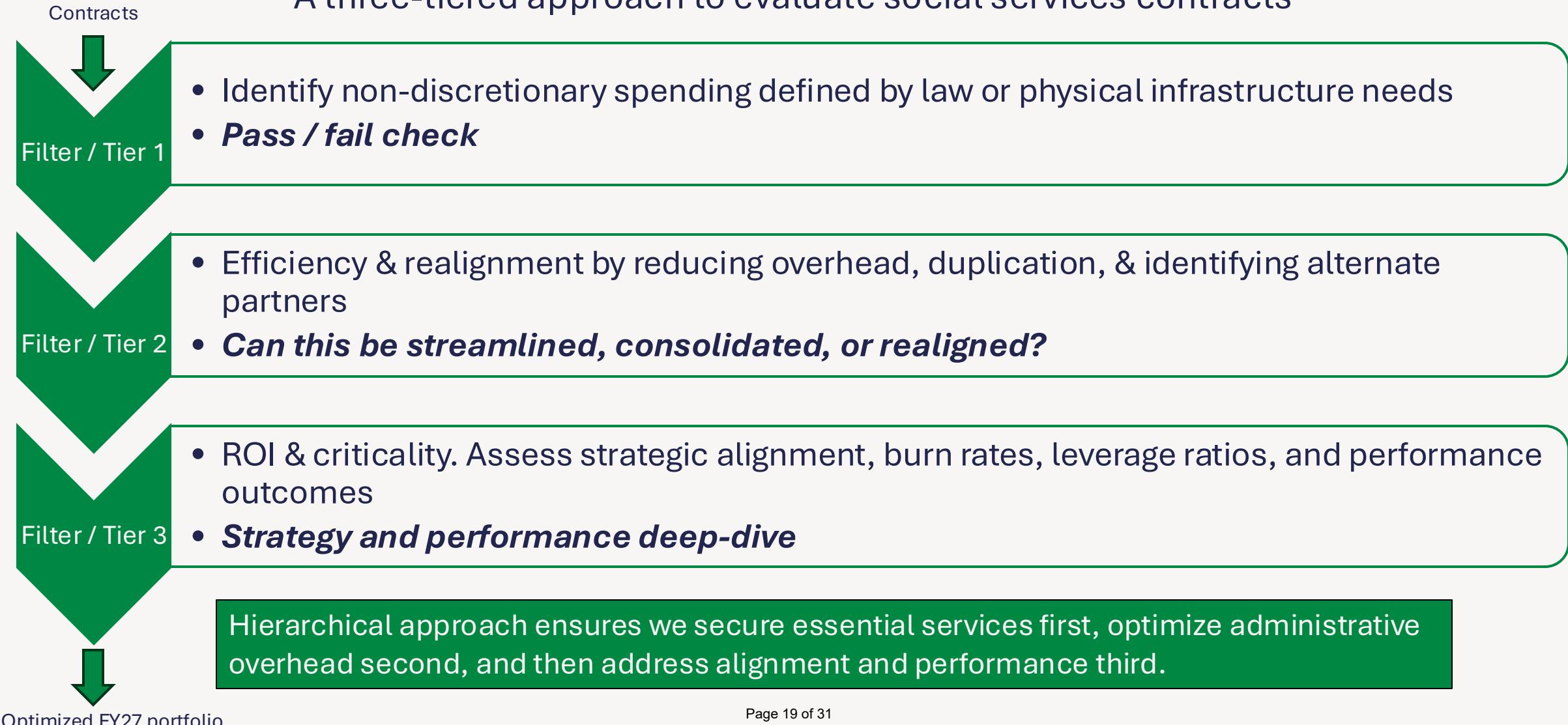
# Approach 3: Contract Evaluation

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# The Evaluation Methodology: A 3-Tiered Filtering Process



A three-tiered approach to evaluate social services contracts





# Tier 1: Mandatory & Structural Filter

Starting with non-negotiables. Before performance is assessed, each agreement is filtered through legal & structural requirements to identify non-discretionary spend.

## Legal & Regulatory Mandates

Services the City is legally compelled to provide

- Municipal Court interpretation services
- Specific health mandates

## Essential Assets

Services required to operate City-owned infrastructure & facilities

- City-owned homeless shelters

Filter output: “Must-fund” list and legal / structural flags

# Tier 2: Efficiency & Realignment Filter



\*This tier focuses on reducing administrative overhead & identifying alternative funding partners.

Simplification	<ul style="list-style-type: none"><li>• Consolidate multiple contracts for single vendors</li><li>• Identify multiple vendors providing the same service type across departments</li></ul>
Responsibility Realignment	<ul style="list-style-type: none"><li>• Identify owners of service categories to fund response</li><li>• Map services to the right funder</li><li>• Partnership opportunities with intergovernmental partners (county / state), philanthropic &amp; private sector, and community funders</li></ul>
Service Vulnerability Check	<ul style="list-style-type: none"><li>• Prevent catastrophic reductions to vulnerable services</li><li>• Protect high risk programs e.g., specialized medical respite, no other Austin providers</li><li>• Realign low risk programs e.g., multiple vendors providing same service capacity</li></ul>

Filter output: Optimization actions list (consolidate, realign, transfer)

# Tier 3: Performance & Strategic Value Filter



When Tier 1 and 2 filters are exhausted, Tier 3 filters rely on performance & strategic value by evaluating contracts across five dimensions

Fiscal Stewardship	<ul style="list-style-type: none"><li>Review average burn rates and identify ceiling gaps to find under-spent funding and right-size budgets allocations to actuals</li></ul>
Strategic Impact	<ul style="list-style-type: none"><li>Prioritize contracts delivering strong outcomes toward City strategic priorities: CSP, CHA, Levers of Economic Mobility</li><li>Prefer highly leveraged contracts compared to those primarily reliant on City-funding</li></ul>
Performance Integrity	<ul style="list-style-type: none"><li>High-friction / low-output contracts</li><li>High-friction / intense management contracts</li></ul>
Structure & Sustainability	<ul style="list-style-type: none"><li>Flag contracts funded via ARPA, one-time General Fund surplus, or specific Council-initiated one-time amendments</li><li>Review pilot programs for ability to secure permanent funding source and administration</li></ul>
Equity Considerations	<ul style="list-style-type: none"><li>Ensure reductions do not create or widen equity gaps</li><li>Avoid inadvertent impacts to sole service providers for disadvantaged communities</li></ul>

# Recap: how the framework is applied



## Decision Objectives

- Filter out non-discretionary spending before assessing performance
- Prioritize administrative optimization and alternative funding partners to meet reduction targets
- Use a consistent ROI vs. strategic criticality lens when deeper reductions are required
- Protect against service-disruption and equity gaps with explicit screens.

## Decision outputs

*(applied per contract)*

- Must-fund list (Tier 1)
- Consolidate list (Tier 2)
- Realign / transfer list (Tier 2)
- Reduce list (Tier 3)
- Sunset / terminate list (if applicable)

# Timelines

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# Milestones



## ■ Key project work streams

- Inventory, Departmental Capability and Delivery Assessment
  - To date: 168 contracts, ~\$207.8M
- Strategic Priorities and Decision Criteria
- Performance & Evaluation Framework Development
- Portfolio and Investment Analysis
- Outreach and Engagement
- Synthesis and FY27 Decision Support

## ■ Timeline

- January: Kickoff, scoping, inventory
- February: Framework finalized, analysis, presentation to PHC
- March / April: Analysis continued, draft recommendations
- May: Update to PHC & full City Council, continue foundational work to enable shifts / reductions



# Roadmap to FY27

Key milestones aligned to contractee budgeting cycles and City budget process.



# Q&A + Discussion

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# THANK YOU

# Appendix / Reference

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# Benchmarking: Social Services Ecosystems

(1 of 2)



Metro	Municipal (City)	County	Hospital District / Public Health	Local Mental Health Authority (LMHA)
Austin	<b>City of Austin</b> - Primary Funder for Shelter, PSH Services, Mental Health Crisis, Legal Aid)	<b>Travis County</b> - HHS Dept focus on rent / utility assistance & early childhood	<b>Central Health</b> - Clinical access & insurance	<b>Integral Care</b> - City General Fund contracts
San Antonio	<b>City of San Antonio</b> - Dept of Human Services - Delegate Agencies	<b>Bexar County</b> - Community Resources Dept	<b>University Health</b> - Hospital System & Clinical Care	<b>Center for Health Care Services (CHCS)</b>
Dallas	<b>City of Dallas</b> - Office of Community Care / Homeless Solutions	<b>Dallas County</b> - Health & Human Services	<b>Parkland Health</b> - Hospital District; funds palliative care, medical respite, equity	<b>Metrocare Services</b>
Houston	<b>City of Houston</b> - Housing & Comm Dev - Federal Grant Focus	<b>Harris County</b> - Community Services Dept	<b>Harris Health System</b> - ACCESS Harris program	<b>The Harris Center</b> - Mental Health & IDD

# Benchmarking: Social Services Ecosystems

(2 of 2)



Metro	Municipal (City)	County	Hospital District / Public Health	Local Mental Health Authority (LMHA)
Portland	<b>City of Portland</b> - Joint Office of Homeless Services (City contributes funding, County administers)	<b>Multnomah County</b> - Lead Agency for Homelessness, Mental Health & Public Health	<b>Multnomah County Health Dept</b> - Operates clinics directly; no separate Hospital District)	<b>Multnomah County</b> - Behavioral Health Division
Denver	<b>City &amp; County of Denver</b> - Consolidated Govt - "HOST" Dept for Housing	<b>City &amp; County of Denver</b> - Human Services Dept manages federal benefits	<b>Denver Health</b> - Quasi-public Hospital Authority; funds "Public Health Institute"	<b>Mental Health Center of Denver</b> - WellPower - Non-profit contracted by State / City