



City of Austin
**2025-26
BUDGET**



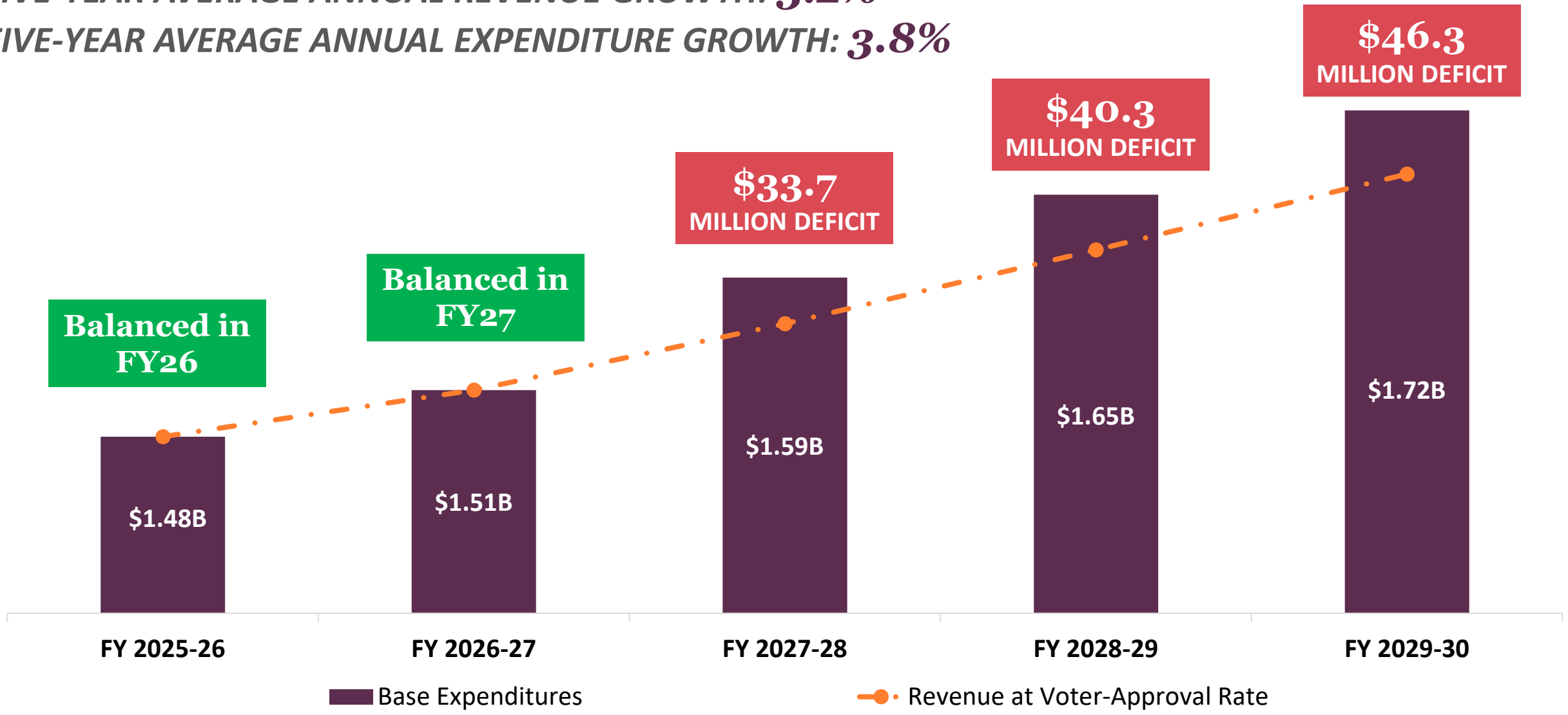
Art in Public Places: La Mujer by J Muzacz/Caminos Internship Program, 2022

Tax-Rate Election Discussion

Audit & Finance Committee | July 22, 2025

General Fund Five-Year Base Forecast

FIVE-YEAR AVERAGE ANNUAL REVENUE GROWTH: 3.2%
FIVE-YEAR AVERAGE ANNUAL EXPENDITURE GROWTH: 3.8%



Budget Relies on One-Time Transfer from General Fund Reserves

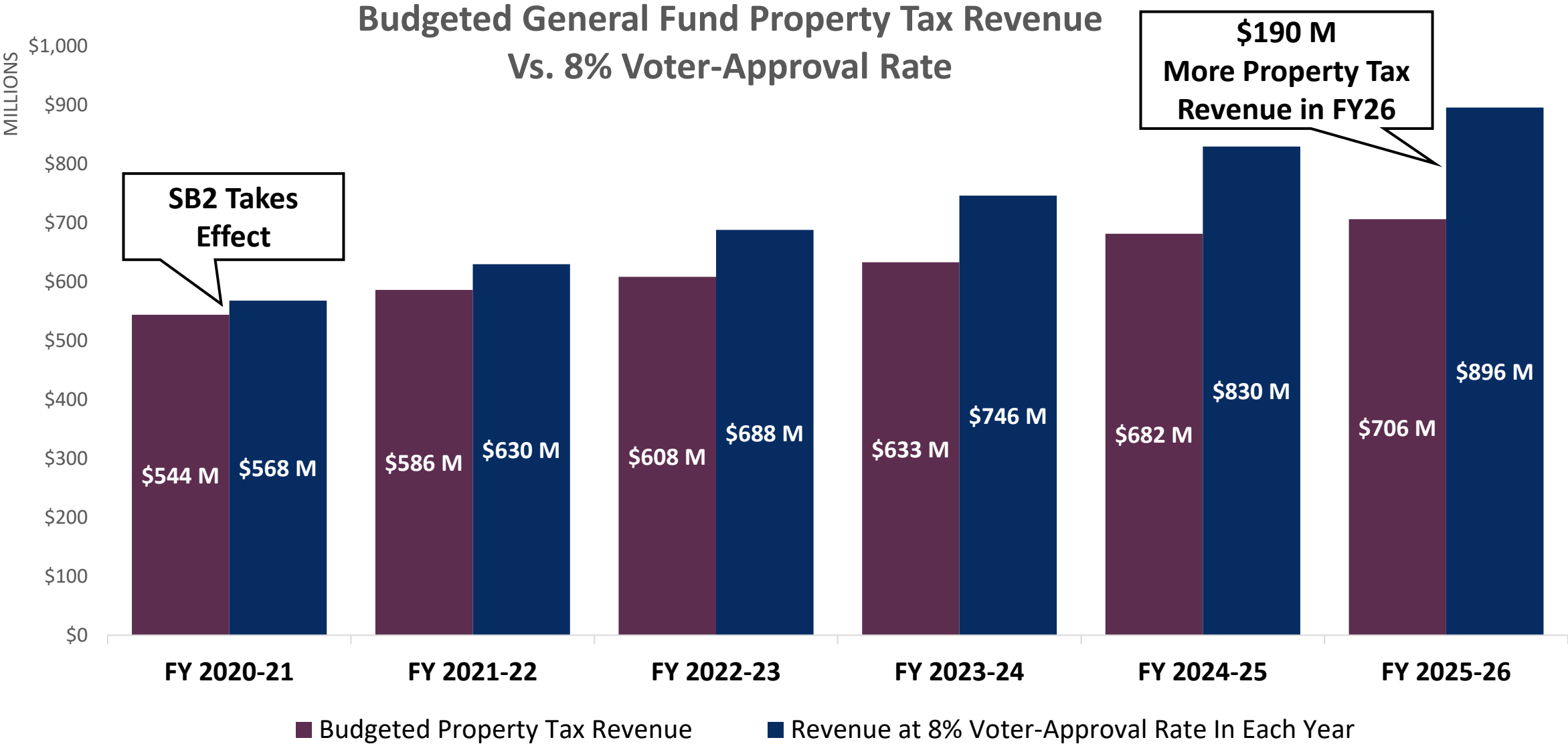
- General Fund Reserves budgeted to end FY26 at 15.8% of ongoing expenditures
- \$14.1 million one-time transfer from Budget Stabilization Reserve to General Fund to provide transitional funding for Social Services Contracts
 - \$2.3 million for critical one-time items
- FY27 Planned Budget ends year at 15.4% reserve level
 - No anticipated transfers or expenditures

Reserve Policy Summary: FY 2025-26	
Total Budgeted Year-End General Fund Reserves	\$233.2M
Reserve Level	15.8%

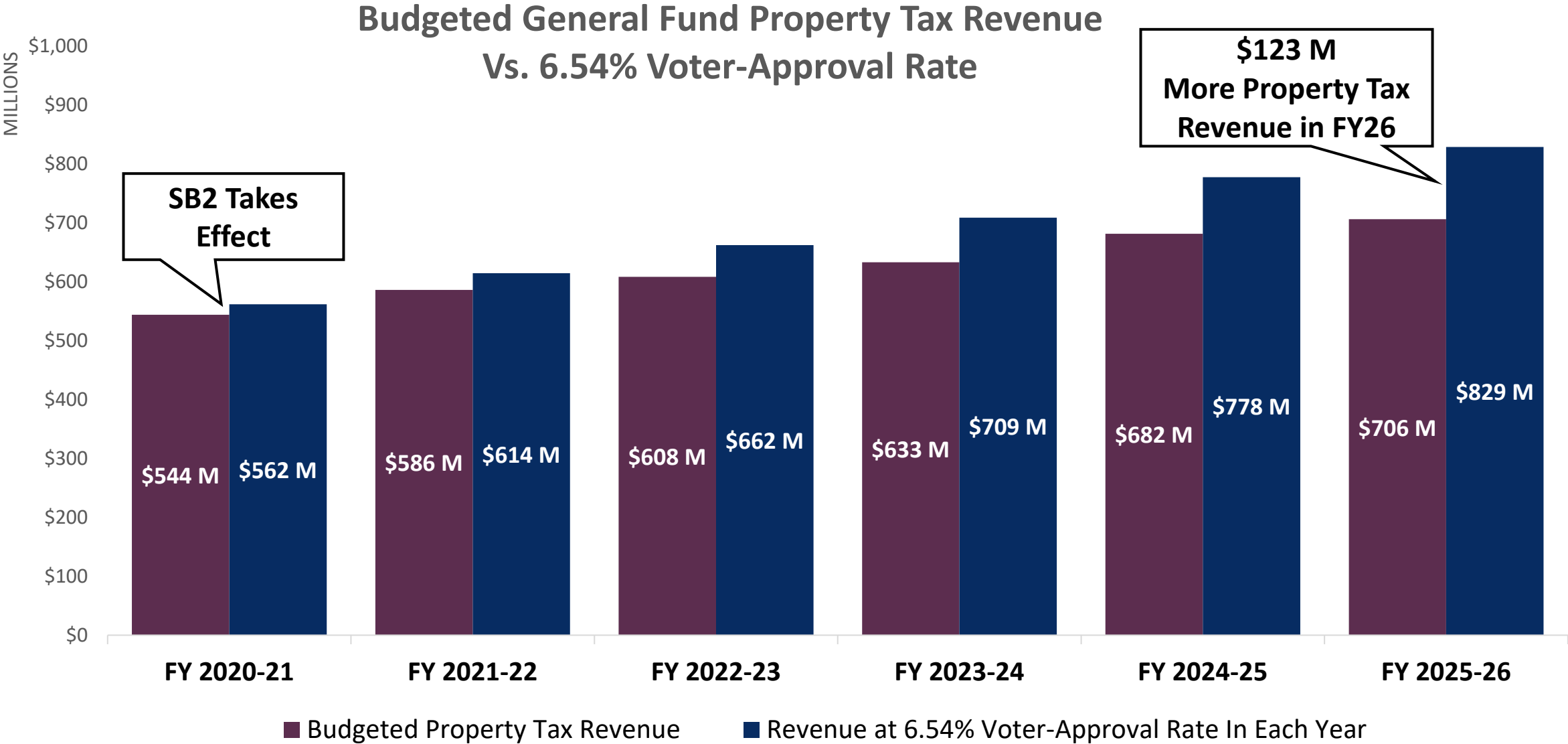
Significant Adjustments Projected to Remain Balanced

- No assumed wage adjustment for civilian staff
- Reduction of \$16.8 million, or 22.5%, in the budget for social services contracts
- Elimination of the transfer to the Housing Trust Fund
 - Projected policy level of \$11.4 million in FY 2027
- Elimination of the transfer to the Capital Rehabilitation Fund
 - Projected policy level of \$12.1 million in FY 2027

General Fund Property Tax Comparison



General Fund Property Tax Comparison





Typical Homeowner Property Tax History

Entity	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	10-Year CAGR
City of Austin	\$1,087	\$1,133	\$1,250	\$1,317	\$1,409	\$1,747	\$1,730	\$1,680	\$1,782	\$1,970	6.1%
Travis County	\$841	\$856	\$902	\$942	\$1,044	\$1,090	\$1,143	\$1,155	\$1,217	\$1,420	5.5%
AISSD	\$2,729	\$3,025	\$3,344	\$3,664	\$3,683	\$3,737	\$3,979	\$4,123	\$3,434	\$3,949	4.3%
ACC	\$248	\$279	\$303	\$343	\$365	\$380	\$414	\$443	\$488	\$517	9.5%
Healthcare District	\$237	\$246	\$262	\$280	\$298	\$321	\$358	\$358	\$402	\$445	6.8%
TOTAL	\$5,142	\$5,539	\$6,061	\$6,546	\$6,799	\$7,275	\$7,623	\$7,759	\$7,323	\$8,301	5.3%

FY 2026 Major Rate and Fees



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Projected Combined Increase of 4.9% for Typical Rate- and Taxpayer

	FY25 Monthly Rate	FY26 Proposed 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%	<i>Residential customer usage of 860 Kwh</i>
Austin Water	\$91.20	\$99.91	\$8.71	9.6%	\$107.67	\$7.76	7.8%	<i>Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater</i>
Austin Resource Recovery	\$33.40	\$36.30	\$2.90	8.7%	\$37.60	\$1.30	3.6%	<i>Residential customer with a 64-gallon cart</i>
Clean Community Fee	\$10.15	\$10.25	\$0.10	1.0%	\$10.45	\$0.20	2.0%	<i>Per residential unit</i>
Transportation User Fee	\$19.74	\$21.70	\$1.96	9.9%	\$23.51	\$1.81	8.3%	<i>Per single-family home</i>
Drainage Utility Fee	\$13.38	\$14.05	\$0.67	5.0%	\$15.25	\$1.20	8.5%	<i>Residential customer with 3,100 sq. ft./37% of impervious cover</i>
Property Tax Bill	\$164.13	\$177.03	\$12.90	7.9%	\$190.36	\$13.33	7.5%	<i>Median non-senior homestead with a projected FY26 assessed value of \$503,306, net of 20% exemption</i>
Total	\$453.96	\$476.31	\$22.35	4.9%	\$504.87	\$28.56	6.0%	



Tax-Rate Election (TRE) Overview

TRE Procedure

- If City adopts a property tax rate that exceeds the voter-approval rate, the rate would need to be ratified on the November ballot
- If the election is not successful, the City's FY26 property tax rate would automatically return to the voter-approval rate

TRE Financial Policy

- Comprehensive analysis of General Fund programs/services to identify areas for investment
- No more frequently than once every four years
- Clearly identify the level of programming or services funded with additional revenue, account for service impact if election should fail
- Sustainable over the medium term

TRE Scenario Elements: Analysis of >\$300 million of proposals

- Council feedback on priorities
- Board & Commission recommendations
- Community requests
- Departments' proposed service enhancements: solicited and evaluated through budget development process

Holistic financial analysis of General Fund impacts

- Both base budget & new investments sustainable through FY29
- Maintain health of General Fund Reserves
- Restore compliance with financial policies

TRE Scenario Summary



Pennies	New Expenditures (millions)	FY26	FY27	FY28	FY29	General Fund Balanced in FY29?	Projected Reserve Ratio in FY29
1	Ongoing	\$0	\$0	\$0	\$0	YES	16.2%
	One-Time	\$21.6	\$0	\$0	\$0		
2	Ongoing	\$21.6	\$22.5	\$23.4	\$24.3	YES	17.2%
	One-Time	\$0	\$0	\$0	\$0		
3	Ongoing	\$40.3	\$45.4	\$47.2	\$49.1	YES	16.9%
	One-Time	\$0.4	\$0	\$0	\$0		
4	Ongoing	\$58.1	\$68.0	\$70.5	\$73.2	YES	16.8%
	One-Time	\$0.4	\$0	\$0	\$0		
5	Ongoing	\$77.3	\$89.4	\$92.8	\$96.3	YES	16.9%
	One-Time	\$0.4	\$0	\$0	\$0		
6	Ongoing	\$88.3	\$111.8	\$115.7	\$119.8	YES	17.2%
	One-Time	\$0.5	\$0	\$0	\$0		
7	Ongoing	\$98.9	\$134.6	\$139.0	\$143.6	YES	17.5%
	One-Time	\$1.5	\$0	\$0	\$0		
8	Ongoing	\$110.4	\$152.0	\$157.2	\$162.6	YES	17.0%
	One-Time	\$6.7	\$8.0	\$8.2	\$8.5		



TRE Tax Rate & Revenue Impacts

Scenario	Total Projected Tax Rate	% Above No-New-Revenue Maintenance & Operations Rate	Increase in General Fund Property Tax Revenue (millions)	% Increase in General Fund Property Tax Revenue
Projected Voter-Approval Rate	\$0.5276	3.5%	-	-
1 penny	\$0.5376	6.0%	\$21.6	3.1%
2 pennies	\$0.5476	8.5%	\$43.2	6.1%
3 pennies	\$0.5576	11.0%	\$64.9	9.2%
4 pennies	\$0.5676	13.5%	\$86.5	12.2%
5 pennies	\$0.5776	16.0%	\$108.1	15.3%
6 pennies	\$0.5876	18.5%	\$129.7	18.4%
7 pennies	\$0.5976	21.0%	\$151.3	21.4%
8 pennies	\$0.6076	23.6%	\$172.9	24.5%

City of Austin 2025-26 BUDGET

QUESTIONS?



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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.