

FY 2026-2027 BUDGET QUESTION

Response to Request for Information

DEPARTMENT(S): Austin Budget & Organizational Excellence;

CBQ NO.: 41

REQUESTED BY: (District 6) Krista Laine

DATE REQUESTED: Thursday, July 16, 2026 5:07 PM

DATE POSTED: Tuesday, August 11, 2026

REQUEST:

For each department that received a net general fund increase of over \$5M total between FY26 and the proposed budget for FY27, please identify budget reduction options totaling at least half of the proposed increase. These reduction options should minimize impact on service quality to the greatest degree possible and should not include elimination, demotion, or compensation changes of occupied staff positions. For each budget reduction option, describe the anticipated service, operational, and community impact.

RESPONSE:

The following chart shows the General Fund Departments whose budget increased by over \$5 million from Fiscal Year 2026 to 2027.

Department	FY26 Amended Budget	FY27 Proposed Budget	Change
APD	\$525,359,250	\$549,574,618	\$24,215,368
AFD	\$269,064,011	\$287,926,152	\$18,862,141
EMS	\$151,080,254	\$157,121,876	\$6,041,622
APR	\$135,791,723	\$141,049,864	\$5,258,141
HSD Operating*	\$9,954,869	\$31,905,495	\$21,950,626
HSD Social Services Contracts*	\$38,705,288	\$22,562,862	(\$16,142,426)
HSD Total	\$48,660,157	\$54,468,357	\$5,808,200

* note that operational costs moved between HSD Operating Budget and HSD Social Services Contracts

Within Austin Police, Austin Fire, Austin-Travis County EMS, and Austin Parks and Recreation, the majority of these increases are due to increases in City-wide cost drivers such as fleet maintenance, fuel, civilian and sworn wage increases and overtime expense, health insurance contributions, and allocated expenses from support and internal services departments. For these departments to achieve multimillion-dollar reductions from their FY27 Proposed budgets, it would require significant cuts to core service levels. During the budget development process, all departments were asked to evaluate their services and identify the 5% of their budgets that supported services farthest from their core missions. The linked [Service Prioritization](#) report contains information on each departments'

prioritizations and would be the first place staff would look to begin identifying opportunities for significant budget reductions.

With respect to HSO, the two major drivers of growth in its proposed budget are a \$3 million increase in ongoing funding for the operation of the Marshaling Yard and a \$2 million increase in funding for wraparound services associated with Permanent Supportive Housing (PSH) units in which the City has recently invested. Reversing the increase for the Marshaling Yard would mean that the City does not have sufficient resources to operate this facility. Reducing the increase in HSO's budget from \$5.8 million to \$2.9 million could be achieved by eliminating other new investments, or by identifying reductions from the [Service Prioritization](#) report or other programmatic reductions.