

RESOLUTION NO. 20141211-114

WHEREAS, Council adopted Resolution 20140626-078 (Resolution) which directed Staff to develop a recommendation regarding whether the current funding levels for the Health and Human Services Department and social service contracting are sufficient to meet the needs of the community; and

WHEREAS, the Resolution requested a study of best practices and funding levels for Health and Human Services by peer cities; and

WHEREAS, in a peer City comparison, Health and Human Services Staff (HHSD Staff) found that Austin invests a total of \$65 million in health and human services which accounts for 2.0% of the total City budget, where Denver invests \$1.68 billion which is 9.7% of their total budget, San Antonio invests \$152 million which is 6.6% of their total budget, San Francisco invests \$737.9 million which is 11.1% of their total budget, and Seattle invests \$129 million which is 3.6% of their total budget; and

WHEREAS, the peer study results demonstrate that Austin invests the lowest amount of funding and the lowest percentage of the total City budget among the cities evaluated for health and human services; and

WHEREAS, HHSD Staff identified a \$15,763,307 funding gap for social service contracts based on previously unfunded requests in the 2010 and 2014 competitive processes, which indicate both the need and the capacity to provide services; and

WHEREAS, HHSD Staff originally identified a \$41,623,470 gap in services for the Health and Human Services Department based on a calculation of the current cost per service of \$210 multiplied by the 198,207 currently unserved low income individuals in the City of Austin; and

WHEREAS, historically in Austin, only about 57% of people eligible for assistance will access those services; HHSD Staff based the recommendations for additional funding needed for the Health and Human Services Department on a calculation of the current cost per service of \$210 multiplied by 61,147 currently unserved, service seeking, low income individuals in the City of Austin assuming that each individual would only seek one service, which would bring the total number of eligible low-income individuals served to 57% of those that qualify; and

WHEREAS, Council should adopt a formal policy goal of investing \$15,763,307 of additional funding for social service contracts and investing \$12,840,970 of additional funding for the Health and Human Services Department within 3-5 years, and the City Manager should develop an implementation plan to reach these goals; and

WHEREAS, the Resolution also called for exploration of options for potential metrics that could determine a minimal level of funding for the overall Health and Human Services Department budget and the funding level dedicated to social service contracting in future budget cycles; and

WHEREAS, social service contracts encompass contracts through the Health and Human Services Department as well as workforce development contracts through the Economic Development Department; and

WHEREAS, HHSD Staff recommends that future annual proposed budgets incorporate an increase correlated to the Consumer Price Index for existing social service contracts to ensure that organizations are able to continue to provide the same level of services despite continuing increases in costs of operation; and

WHEREAS, establishing a metric for the minimum annual increases to social service contracts and the Health and Human Services Department is

consistent with the previous Austin Police Department practice of maintaining a minimum of 2.0 officers for 1,000 Austin residents; and

WHEREAS, the recommended metrics for funding increases to existing social service contracts and the Health and Human Services Department are intended to be a minimum increase in investment to preserve current service levels, and will not prohibit Council from additional increases in funding to meet community needs; and

WHEREAS, Council could reevaluate the practice of using metrics to determine the minimum funding increase needed for social service contracts and the Health and Human Services Department after a five year period to ensure that the City's investment in social services is adequate to keep up with the rising cost of operating and the level of need in the community; and

WHEREAS, a stakeholder group including HHSD Staff, Travis County staff, Council staff, and representation from a wide group of community based organizations met eight times to make recommendations in response to the Resolution; and

WHEREAS, One Voice Central Texas, which represents more than 80 local health and human services providers sent a letter to the Austin City Council on December 2, 2014 endorsing the recommendations of the stakeholder group and Health and Human Services Department Staff given that the poverty rate within Austin has increased 82% since 2000, federal and state resources continue to decline, and a need exists to address critical gaps in our social services infrastructure which is strained by the increase in the number of people in poverty; and

WHEREAS, on December 2, 2014 the Public Health and Human Services Committee voted unanimously to recommend that the Council adopt recommendations from the stakeholder group and Health and Human Services

Department Staff regarding implementing a metric for funding for social service contracts and the Health and Human Services Department and for closing the existing funding gap for these services; **NOW, THEREFORE,**

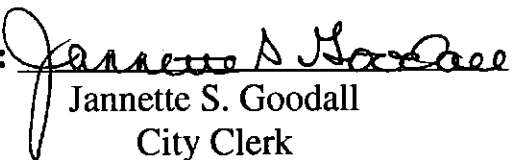
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Council establishes a budget policy that requires the City Manager to develop as part of the annual budget process for Council consideration an annual increase to existing social service and workforce development contracts in an amount equal to, or greater than, increases in the Consumer Price Index, and an annual increase for the Health and Human Services Department in an amount equal to, or greater than, the annual percent increase of population growth, in addition to any proposed budget increases for cost of living salary adjustments, health care costs, or fuel costs in future proposed budgets for Council consideration.

BE IT FURTHER RESOLVED:

Council hereby adopts a formal policy goal of investing \$15,763,307 of additional funding for social service contracts and investing \$12,840,870 of additional funding for the Health and Human Services Department within 3-5 years, and the City Manager shall develop an implementation plan to reach these goals to present to Council no later than May 1, 2015.

ADOPTED: December 11, 2014

ATTEST: 
Jannette S. Goodall
City Clerk