



SUCCESS BY 6

AUSTIN/TRAVIS COALITION

To: City of Austin Early Childhood Council
From: Austin/Travis County Success by Six Coalition (SX6)
Memo: SX6 City of Austin FY 2025 Budget Recommendations
Date: March 13, 2024

SX6 Goal: All children enter kindergarten happy, healthy, and ready to succeed in school and in life.

SX6 is grateful to the City of Austin for prioritizing early childhood through COVID Relief Funds and policy implementation. In the last year, this included: implementing property tax abatement for eligible child care providers through Proposition 2; easing parking restrictions and zoning bylaws to relieve barriers for child care expansion; creating a grant program to help cover the cost of City permitting fees; and including child care as a central component of the Infrastructure Academy. These policies will play a critical role in supporting working parents, providing stability for our youngest, most vulnerable children, and enhancing the early childhood education sector.

Austin/Travis County SX6 Coalition's City of Austin budget recommendations are rooted in equity, data-driven, and aligned with City of Austin priorities. We recognize Austin may experience a budget deficit in FY25 so our recommendations do not ask for increased funding and we encourage maintaining funding levels for existing initiatives.

Maintain funding levels for:

- **APH Staff:** \$171,000 for 2 FTE staff focused on early childhood programs and services
- **Social Service Contracts:** \$13,352,165 to six agencies to provide early childhood services, including early childhood education, infant and early childhood services, and early childhood education quality improvement, for a 12-month term through March 30, 2025, and four 12-month extension options.
- **Start-up costs for PreK classrooms:** \$128,000 for six classrooms; one-time cost per classroom
- **KinderCare at Bergstrom Tech's Lease:** Annual funding for operating expenses for city funded early childhood facilities
- **Maternal and Infant Outreach Program**

Consider new investments

- Incorporating an annual cost of living adjustment for all social service contracts
- Family Connects: Continue in-kind support and look for opportunities to extend the \$2 Million in ARPA funding once that investment ends on Dec. 31, 2024.

On the horizon

- Matching funds of \$75,000 per year in 2025 and 2026 per the required match to philanthropic funds for the implementation phase of the Home Grown Initiative grant with the City of Austin.
- Support for a dedicated revenue stream to fund the strategies outlined by the Children's Funding Project Taskforce, which included subsidizing birth-age-three contract slots, expanding the supply of non-traditional hour child care, strengthening quality and capacity infrastructure through shared services, partnerships, and a teacher pipeline, and piloting a business-government-parent tri-share funding model.
- Increasing child care funding and capacity, and building the teacher pipeline as key components of the Infrastructure Academy.