



RECOMMENDATION TO COUNCIL

Downtown Austin Community Court Advisory Board

Recommendation Number: 20260327-003: Fiscal Year 2026-2027 Community Court Budget Recommendation

Date of Approval: March 27, 2026

Introduction:

The Downtown Austin Community Court Advisory Board is grateful to City Council and City leadership for preserving six grant-funded FTEs in the FY 25–26 budget and for the investments in staff and social service resources made in recent years. These resources have meaningfully affected the Community Court’s ability to connect Austin residents experiencing homelessness with services and reflect the City’s stated commitment to addressing homelessness as a top priority. At the same time, the Board is concerned that the Austin Community Court’s central role in the City’s homelessness response infrastructure has at times been underestimated in budget and policy decisions.

Funding reductions to social service contracts enacted in FY 25–26, along with those projected for FY 26–27, place the Community Court’s service delivery model at risk and threaten access to essential services for Austin residents experiencing homelessness. The Board believes some aspects of these reductions were mistakes that disproportionately threaten an established, cost-effective, nationally recognized service model that should be preserved and fully supported.

To avoid repeating these mistakes, and to ensure the City does not lose ground on a stated priority, the Board offers the following recommendations to stabilize and strengthen Community Court operations. Some include targeted, cost-effective investments that would produce meaningful systemwide benefits. The Board respectfully urges Council and City Management to ensure upcoming budget decisions reflect the City’s commitment to addressing homelessness and sustaining the systems that make that work possible.

Recommendation:

The Downtown Austin Community Court Advisory Board respectfully recommends that the Austin City Council and City leadership consider the following priorities when developing the FY 26–27 budget:

- 1. Avoid Repeating Disproportionate Impacts on Homeless Services by Preserving Community Court’s Social Service Resources**

Applying across-the-board **10% social service contract reductions** to Community Court last fiscal year **effectively cut 17% of direct services integrated into their homeless services** and was a mismatch compared to the 4% reductions for Austin Homeless Strategies and Operations (HSO). This year, Council should instead approach cuts cautiously to avoid such disproportionality and compensate in this budget to remedy losses from the previous cycle.

2. **Recognize Austin Community Court as Essential Homelessness Response Infrastructure**

As a nationally recognized community court model, largely due to their intensive and integrated homeless services, and as a pillar of the City's Homelessness Response System, Community Court's programs and resources should receive the same priority as other homelessness services when making budget decisions.

3. **Direct New or Restored Funding to High-Impact Community Court Programs**

If additional resources become available, prioritize targeted investments in Community Court programs that provide direct services and generate measurable benefits for the City, including:

- **Increase investments in housing resources**
- **Expand Community Court's Community Service Program**

Description of Recommendation to Council:

Austin Community Court provides an important entry point into the City's homelessness response system for individuals who face significant barriers to accessing traditional services. Through case management, outreach, and partnerships with numerous City departments and community organizations, Community Court connects residents experiencing homelessness with housing resources, behavioral health services, and other supports.

Community Court's reach has expanded in recent years. **Mobile Court, a Council-supported initiative, has increased the Court's ability to resolve cases and connect individuals to services directly in the community.** In turn, these outreach efforts and growing trust within the unhoused community have increased demand for walk-in case management services. These trends demonstrate both the effectiveness of the model and the continued need for accessible service entry points.

As the City prepares the FY 26-27 budget, the Advisory Board believes it is important to preserve the capacity of Community Court's integrated service model and ensure that budget decisions reflect the City's stated priority of addressing homelessness.

The following considerations informed the Advisory Board's recommendations.

1. **Avoid Repeating Disproportionate Impacts on Homeless Services by Preserving Community Court's Social Service Resources**

- **Detrimental outcomes from prior budget process** - During the FY 25-26 budget cycle, HSO social service contracts were reduced by roughly **4%**, while reductions across other departments including Community Court were **10%**. Compounding this misalignment between the Court's role and its funding was the inclusion of the Sobering Center agreement within Community Court's contract totals, resulting in a functional **17% reduction to the Court's direct homeless services funded through social service contracts** that slashed capacity for mental health and substance use services for unhoused clients of Community Court.
- **Maintain Austin Community Court's social service funding at current levels or limit reductions consistent with other homeless service priorities.** For full context, please reference the [Advisory Board's Recommendation 20251114-001](#) for the FY 25-26 budget, which includes:
 - "Case management at Austin Community Court includes a portfolio of contracted social service supports to ensure clients receive the wraparound services they

need. These services include an array of long- and short-term housing solutions; substance use treatment; mental health services; peer support; and SSI/ SSDI Outreach, Access, and Recovery (SOAR) application assistance and representative payee services. Given that these social service resources are dedicated to individuals served directly by Community Court case managers, significant reductions will risk dilution of the quality and intensity of services needed by the individuals Austin Community Court serves.”

- **Community Court’s contracted social service providers are uniquely integrated directly into the Court’s service delivery model, supporting the needs of individuals being served directly by the Community Court.** These partnerships allow individuals to engage with housing navigation, behavioral health care, treatment providers, and case managers as part of resolving court cases and stabilizing their lives.
- **Reductions to Community Court’s social service contracts do not reduce demand for services. They reduce the Court’s ability to adequately support the individuals it serves.** Limiting these resources reduces the capacity of providers to deliver the level of care necessary for clients to make meaningful progress toward housing stability.
- **Communitywide public safety programs should not be included when calculating reductions to Community Court’s direct service contracts.** Communitywide public safety programs, which are not subject to social-service cuts, must be excluded from Community Court’s contract totals for purposes of calculating social-service cuts. Otherwise, services aligned with City priorities are effectively penalized for the very connectedness that makes them so successful.
 - Programs such as the Sobering Center and EMCOT serve the broader public safety ecosystem and operate as communitywide resources and Council priorities. These programs should not be categorized as Community Court social service contracts when determining reductions to the Court’s homeless services.
- **Additional reductions to Community Court’s contracted services would likely destabilize the Court’s integrated service model,** potentially displacing individuals who are currently housed or jeopardizing stability for clients who depend on mental health and substance use services to maintain housing.

2. Recognize Austin Community Court as Essential Homelessness Response Infrastructure

Community Court functions as a critical connector within the City’s homelessness response ecosystem¹, regularly coordinating with outreach teams, shelters, healthcare providers, and numerous community partners to connect individuals with housing, treatment, and supportive services. Operating at the intersection of homelessness and the justice system, Community Court frequently serves individuals who are otherwise difficult to reach through traditional service pathways. The Court’s model helps prevent minor offenses from escalating while simultaneously addressing the underlying causes of justice system involvement.

Community Court is both a court and a direct provider of services, with its Homeless Services serving as a core component of its nationally recognized judicial model. These services operate as an integral part of the City’s broader homelessness response infrastructure alongside programs administered by HSO. Community Court serves individuals experiencing homelessness who often face complex and overlapping challenges including physical health

¹ See [Austin Community Court’s 2024 Annual Report](#) and [2025 Joint Annual Report with Austin Municipal Court](#) for more information

needs, mental health conditions, and substance use disorders. Addressing these tri-occurring issues requires a coordinated set of wraparound supports that are delivered through both City staff and contracted service providers.

A key challenge in homelessness response is fragmentation across programs and service providers. Community Court plays a central role in overcoming this challenge by serving as a hub where multiple partners can engage individuals and coordinate services. Their co-located model enhances communication among providers, streamlines access to housing, treatment, and case management resources, and strengthens the overall effectiveness and responsiveness of the City's homelessness response system.

Recognizing Community Court as a pillar of Austin's Homelessness Response System will help ensure that policy and budget decisions serve the City's broader homelessness strategy. This includes prioritizing Community Court's homeless service contracts at a level consistent with other core homelessness response programs, including those administered through HSO. Aligning future funding and policy decisions with Community Court's dual role as both a judicial entity and a frontline provider of services will demonstrate the City's sincere commitment to its priority of ending homelessness.

3. Direct New or Restored Funding to High Impact Community Court Programs

If additional resources become available, the Advisory Board recommends prioritizing targeted investments in Community Court programs that generate measurable benefits for both the individuals served and the City.

- **Housing resources** - Community Court directly funds housing resources, particularly permanent supportive housing, to provide long-term housing solutions for individuals who have engaged in services for extended periods. These resources are reserved as a last resort for individuals who are unable to access other housing options in the community. By maintaining direct access to housing placements, Community Court ensures that individuals who have invested significant effort toward stability are not left without viable pathways to housing. This approach reflects both compassionate and effective service design. Demand for these resources is increasing as federal funding shifts and reductions affect housing and supportive service programs. Should funding be allocated for housing, Community Court has contracting infrastructure in place to enable an expedited competitive solicitation process and quickly make resources available to address the housing needs of the clients they're serving.

- **Trends we're seeing that impact housing availability include:**

- In 2025, Housing Authority City of Austin (HACA) received notice from HUD that they are cutting funding for the Emergency Housing Voucher Program that was started in 2021. Approximately 200 individuals are being rehoused, which lowers the number of new PSH units available.
- Due to the defeat of Proposition Q, local programs are losing funding for rental assistance to individuals at risk of entering the homeless response system.
- Federal funding comes from a Notice of Funding Opportunity (NOFO) from Housing and Urban Development (HUD). The NOFO was on a two-year funding cycle, the last release being in 2024. In 2025, the federal

government unexpectedly released a NOFO with a new set of criteria. Due to lawsuits, that NOFO was initially withdrawn, but the NOFO released in 2026 has the same priorities.

- **Key change impacting PSH availability:** HUD plans to institute a 30% cap on the amount of funding that can be requested for permanent housing (tier 1 funding)—including Permanent Supportive Housing and Rapid Re-Housing. This will force CoCs to reallocate funding from existing permanent housing projects in order to create new projects, with preference for new Transitional Housing and new Supportive Services Only projects for street outreach. This would mean a significant loss of PSH units.
- Community Court’s Walk-in Case Management has seen an uptick in the last six months with families with children needing assistance with housing.
- **Expansion of Community Court’s Community Service Program** - this program allows individuals to complete community service hour requirements to resolve outstanding cases in any court, while completing municipal purpose jobs to improve public spaces through activities such as beautification, graffiti abatement, and maintenance projects. Community Service crews complete work orders for multiple City departments, including Development Services Code Compliance, Watershed Protection, Austin Public Health, Austin Resource Recovery, and Parks and Recreation. Expanding staff for this program would increase the City’s capacity to complete community improvement projects while also providing meaningful opportunities to resolve court cases through service.

The Community Service Program also serves as an impactful alternative to fines for low-level offenses, ensuring individuals have an accessible pathway to resolve cases regardless of ability to pay. By structuring service opportunities in a way that is ethical, supervised, and tied to clear public benefit, the program protects the participant experience while fostering positive relationships and engagement. It also creates opportunities for participants to understand community needs and strengthen their investment in Austin’s public spaces. With Crew Leaders supervising up to four participants per shift, this program provides a highly cost-effective way to address Austin’s public space maintenance needs.

Community Service Program Expansion Costs & Impacts:

- **Estimated investment per Crew Leader:**
 - **\$78,821 ongoing funding** for salary, benefits, and ongoing fuel and vehicle maintenance costs
 - **\$50,300 one-time funding** for a City vehicle
- **Projected impact per Crew Leader:**
 - Can supervise up to 4 Community Service participants per shift
 - 210 work orders completed annually
 - Over 6 acres serviced annually

Rationale:

Austin Community Court operates a nationally recognized problem-solving court model that addresses the intersection of homelessness, behavioral health needs, and low-level criminal offenses through coordinated, person-centered services and justice interventions.

The Advisory Board recognizes the fiscal challenges the City faces and appreciates the leadership of the Austin City Council and City leadership during this period of constrained resources. At the same time, the Board wishes to preserve the capacity of Austin Community Court as the City develops the FY 26-27 budget.

Community Court's work sits at the intersection of the justice system and the City's homelessness response infrastructure, providing direct access to services for individuals who often face multiple barriers to engagement with traditional systems.

Through co-located services, outreach, and partnerships with numerous City departments and community organizations, Community Court connects individuals experiencing homelessness with housing resources, behavioral health care, and other essential supports. This model allows the City to address underlying challenges related to homelessness while also resolving low-level offenses and reducing deeper justice system involvement.

Maintaining the strength of this integrated service model helps advance multiple City priorities simultaneously, including homelessness response, public health, public safety, and efficient use of City resources.

As the City makes difficult budget decisions, the Advisory Board urges City Council to preserve Austin Community Court's social service resources and prioritize them alongside other core homelessness response investments. Allowing the Court to continue connecting unhoused residents to housing, treatment, and supportive services will align Austin's budget with its stated priority of homelessness response.

Motioned By: Vice Chair Anu Kapadia

Seconded By: Roy Woody

Vote: 7-0

For: Chair Lea Downey Gallatin, Vice Chair Anu Kapadia, Karly Jo Dixon, Patrick Howard, Katy Jo Muncie, Rev. Dr. Josh Robinson, Roy Woody

Against: N/A

Abstain: N/A

Off the dais: N/A

Absent: Kergin Bedell, Faye Mills, Amanda Marzullo, Azalia Perez

Attest:

