



Social Services Reset Update

Austin Audit & Finance Committee | October 21, 2026

Agenda



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BACKGROUND

Resolution Overview



- **Resolution [20260226-056](#)** calls for a rubric to evaluate social services funding decisions, and funding source evaluation, and community and vendor engagement.
- **Resolution [20260812-022](#)** calls for an evaluation of social services agreements going into FY27 to assess the need for changes and/or reductions.
- **Resolution [20260812-014](#)** calls for an evaluation and reset of the social services issue areas, partnerships, agreement structures, funding, and reporting to be implemented beginning in FY28.

Prioritization Rubric



Dimension	Max	What It Measures	Key Sources
D1. Community Need	25	Prevalence, severity, equity gap	2025 Community Health Assessment; American Community Survey; Homeless Management Information System; Continuum of Care Point-in-Time
D2. Need Trajectory	15	Trend direction, funding gap risk, growth pressure	American Community Survey year-over-year; Homeless Management Information System trends; Supplemental Nutrition Assistance Program data
D3. City Strategic Role	15	Citywide strategy alignment, unique City funder role, cost avoidance for other City systems	Citywide Strategic Plan; Resolution 20260226-056
D4. Investment Efficiency	10	Provider track record and external funding leverage	Contract performance data; federal and state match structures
D5. City Council and Community Direction	10	Inclusion in City, Council, and B&C strategic direction	Citywide Strategic Plan, City Council Resolution, Joint Inclusion Committee
TOTAL	75		



Social Services Strategic Reset

- Resolution 20260812-022 calls for a social services strategic evaluation including needs assessment, regional collaboration, city role, funding models and policy options, performance, reporting, accountability, and agreement structuring.
- Working groups led by the City Manager's Office and departments with social services funding:
 - Issue Area definition, level of need / gaps, City role, intervention strategy, services portfolio, best practices (sub-groups for each Issue Area)
 - Contract/grant structure, performance measures, and reporting
 - Stakeholder engagement
 - Governance and partnerships
- Work groups complete by end of December 2026, results will inform leadership direction on services portfolio, funding levels, partnerships, and agreement modifications and solicitations ahead of FY28.

Issue Area Reset

Social Services Funding Breakdown



Department	City Grants	Operations	One-Time	FY27 Total	Issue Areas
Public Health	\$20,598,851	\$2,000,000	\$2,295,738	\$24,894,589	Behavioral Health, Health Equity, Crisis Response & Rehab, Child & Youth, Violence Prevention, Basic Needs, HIV Services, Workforce Development, Family Services, Legal Services, Transportation
Community Court	\$2,671,500	\$0	\$3,744,590	\$6,416,090	Behavioral Health, Homelessness Services, Crisis Response & Rehab
Police	\$0	\$920,546	\$68,730	\$989,276	Behavioral Health, Child & Youth, Violence Prevention, Basic Needs
Homelessness Strategy & Operations	\$20,562,862	\$25,429,109	\$7,813,317	\$53,805,288	Behavioral Health, Homelessness Services, Workforce Development
Parks & Recreation	\$0	\$467,134	\$80,115	\$547,249	Child & Youth, Transportation
Economic Development	\$2,926,145	\$872,055	\$1,140,590	\$4,938,790	Child & Youth, Equity & Inclusion, Workforce Development
Equity & Inclusion	\$0	\$243,251	\$46,749	\$290,000	Equity & Inclusion
Housing	\$0	\$6,800,000	\$2,710,000	\$9,510,000	Housing
Totals:	\$46,759,358	\$36,732,095	\$17,899,829	\$101,391,282	

Issue Areas



Issue Area	City Grants	One-Time	FY27 Total	Definition
Basic Needs	\$2,116,594	\$539,390	\$2,655,984	Resources for the most fundamental aspects of daily living, such as food, utilities, safety, and personal care.
Behavioral Health	\$4,957,742	\$3,214,383	\$8,172,125	Services for mental health and well-being among individuals and families
Child & Youth	\$8,774,388	\$1,374,384	\$10,148,772	Supports children, youth, and families during and after school; provides access to quality childcare and early childhood development, and stable, nurturing home environments and family self-sufficiency.
Crisis & Rehab	\$1,619,725	\$120,207	\$1,739,932	Immediate interventions for acute mental health, behavioral health, or housing crises, and harm reduction from substance use disorders.
Health Equity	\$3,028,376	\$418,002	\$3,446,378	Services that improve health outcomes and access for marginalized communities.
HIV Services	\$632,493	\$14,296	\$646,789	Supports individuals living with HIV and those at risk through care, case management, housing assistance, and prevention programming.
Homelessness Services	\$20,753,134	\$8,317,471	\$29,070,605	Services for those experiencing or at risk of homelessness with focus on housing stability, behavioral health, and self-sufficiency resources.
Violence Prevention	\$2,221,483	\$29,938	\$2,251,421	Reduce interpersonal and community violence through community-led approaches.
Workforce Development	\$2,655,423	\$972,715	\$3,628,138	Increase economic opportunity and self-sufficiency through job training, workforce preparation, and employment support services.
Total	\$46,759,358	\$15,000,786	\$61,760,144	

- Issue Areas funded through department operational budgets and sources other than social services (Transportation, Equity & Inclusion, Housing) are not included in the FY28 social services reset.
- Legal Services are combined into Health Equity and Family Services into Child & Youth for the FY28 social services reset.

Compliance and Performance



Compliance Fundamentals

- Contract compliance monitoring includes fiscal, administrative, and programmatic elements.
 - Financial – allowable expenditures, reasonable expenses for the program, timely and accurate reimbursements.
 - Administrative – policies, program procedures, financial audit, 990, board structure and oversight.
 - Programmatic – eligible clients served, proof of services offered, proof of reported outcomes, timely and accurate reporting.
- Contract monitoring includes monthly and quarterly reviews of information submitted by vendors and an annual site visit.



Current Compliance Processes

- **Ongoing monitoring** - reporting, fiscal oversight, and coordination between contract and program staff.
 - CC holds biweekly staffing meetings with providers;
 - APH Contract Compliance Unit runs an annual risk-based monitoring plan that scores agreements on financial, performance, and organizational factors. Monitored 105 social service programs across 67 agencies in FY25.
 - HSO has two-tiered quarterly performance monitoring process to audit expenditures, administration, and outcomes.
- **Before payment** - verify invoices, confirm costs are allowable and services delivered.
 - Example: Agencies must submit a system-generated financial report with monthly claim; claims with unsupported / unallowable costs must be corrected before payment is approved.



Corrective Action

- **When compliance issues are identified** - departments follow **Corrective Action Processes** with clear expectations, measurable improvement targets, and defined timelines.
 - **Infractions** - violate federal, state, or local law, or breaches the terms of the agreement to an extent that jeopardizes the investment made by APH. May also be a persistent issue previously identified at a lower level.
 - **Oversight issues** - *could* lead to violations in federal, state, or local law; a small number of minor errors in files or documentation; or a failure by the grantee to follow their own policies and procedures.
- Vendors typically have **30-90 days to come into compliance**.
- **If issues are not corrected** - remedies include stop payment status, repayment requests, cure notices, and terminating contract.
- **All social services agreements** are subject to compliance processes and corrective action at all times.

Timeline and Next Steps



Policy Areas

- **Issue Area / portfolio validation and prioritization**
 - Understand Issue Areas definitions, levels of need, service portfolio, proposed funding levels
- **Accountability framework**
 - Validate compliance and performance approach for new agreement structures
 - Validate and prioritize City role and focus
- **Funding and Agreements**
 - Final grants / contracts for Council approval



Engagement and Partnerships

- Collaborating with vendors on services, agreement structure, and performance framework options.
- Working with Austin Communications and Engagement on community engagement with residents and affected individuals.
- City leadership and staff will collaborate with counterparts from regional government partners to define roles and focus across the system.

Timeline



Sept 2026

Oct 2026

Jan 2027

Apr 2027

July 2027

Oct 2027

Process

Agreement
evaluation and
vendor notification

New agreements take effect

Issue area definition, services and
partnership strategy, agreement structure,
and funding level determinations

Contract/grant modifications and solicitations
developed and issued

Engagement

Community, vendor, partner, Committee, Council
engagement

Budget process engagement

Vendor
notifications

Budget

FY28 budget proposal and adoption process



Next Steps

- Complete **Issue Area definition**, gap and services analysis, partnerships, funding, and agreement structure determinations.
- Determine and confirm **structure and governance** changes for portfolio and agreements.
- Continue **engagement** with vendors, staff, community, and leadership.
- **Prepare for agreement modifications and procurement** in early 2027.
Solicitations and agreement modifications for all Issue Areas will occur in FY27 with all agreements effective by FY28.

Thank You

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