




MEMORANDUM

TO: Mayor and Council

THRU: Rodney Gonzales, Assistant City Manager

FROM: Sylnovia Holt-Rabb, Acting Director 
Economic Development Department

DATE: November 30, 2020

SUBJECT: Equitable Chamber Funding Model Report Update and Revised Recommendation

During the Fiscal Year 2017/2018 budget adoption process, City Council adopted a budget rider “To provide recommendations on methods to equitably fund the chambers including the Small Business (AIBA).” In response to the budget rider, Economic Development Department (EDD) staff hired a consultant to assist with accomplishing the Council direction. After conducting stakeholder engagement, performing a chamber assessment, and reviewing national best practices, the consultant developed a funding model and methodology. The body of work was provided to Council on October 2, 2019 as the Equitable Chamber Funding Final Report (Report) which also provided recommendations for accomplishing the Council direction.

A key recommendation in the Report was to maintain contract funding levels with the minority chambers of commerce throughout calendar year 2020 in order to develop a full year of transition to the new funding model. Throughout 2020, EDD has held various conversations with the minority chambers of commerce regarding the funding model and the contemplated transition. In keeping with the recommendation from the Report, EDD staff placed award contracts for the minority chambers of commerce on the December 3, 2020 City Council agenda (see item number 8) based on the equitable funding model.

Modified Recommendation

EDD desires to modify the recommendation as follows:

- Maintain the current contractual funding levels for the Greater Austin Asian Chamber of Commerce and the Austin Lesbian and Gay Chamber of Commerce.
- Over the course of the next four (4) months, EDD will endeavor to develop any further additional components within the equity model which may not already be reflected.

EDD maintains the recommendation to increase the contractual funding for the Greater Austin Hispanic Chamber of Commerce (GAHCC) and the Greater Austin Black Chamber of Commerce (GABCC) in accordance with the rationale provided within the Report. The annual increases are \$40,382 and \$59,797, respectfully.

Next Steps

- Via this memo, EDD requests withdraw of item 8 on the December 3, 2020 Council agenda.
- EDD will place an item on the December 10, 2020 Council agenda which follows the modified recommendation described above. EDD staff has begun collaborating with the Budget Office to identify funds to increase the contract amounts for the GAHCC and GABCC.
- Hold a work session briefing on January 25, 2021 and obtain Council feedback for any further consensus feedback regarding the equity funding model and annual contracts with all chambers of commerce.
- Following the work session, EDD will follow up with a memo to Mayor and Council delineating the course of work to be performed, including consensus feedback from Council.

Please contact me at 512-974-3131 or sylnovia.holt-rabb@austintexas.gov if you have questions regarding this request.

Cc: Spencer Cronk, City Manager
Nuria Rivera-Vandermyde, Deputy City Manager
Veronica Briseño, Chief Recovery Officer
Susana Carbajal, Assistant Director
Dusty McCormick, Economic Development Liaison