

# City Budget Overview

November 20, 2020

Equitable Communities Initiative Task Force



# Agenda

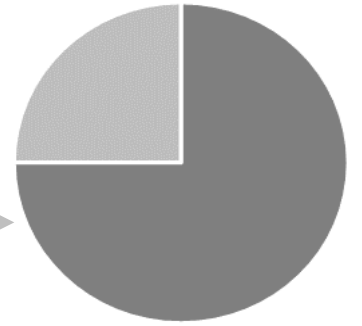
- 1 City Revenues: *Where the \$ comes from*
- 2 City Expenditures: *Where the \$ goes to*
- 3 Overview of Budget Process: *How/when decisions are made*
- 4 Community-Based Investments: *How \$ gets out the door*
- 5 Discussion



# 1 The City's Revenues

Sources	Amount in 2021 (based on 2021 Proposed budget)
General Fund (taxes and fees)	\$1.5 billion
SPU (utility rates and revenues)	\$1.4 billion
City Light (utility rates and revenues)	\$1.4 billion
SDOT (non-General Fund)	\$550 million
Other restricted sources (e.g. permit fees)	\$700 million
Voter-approved levies and Parks District	\$300 million
<b>Total City Revenues</b>	<b>~\$6 billion</b>

# 1 Restricted Funding Sources: \$5 billion

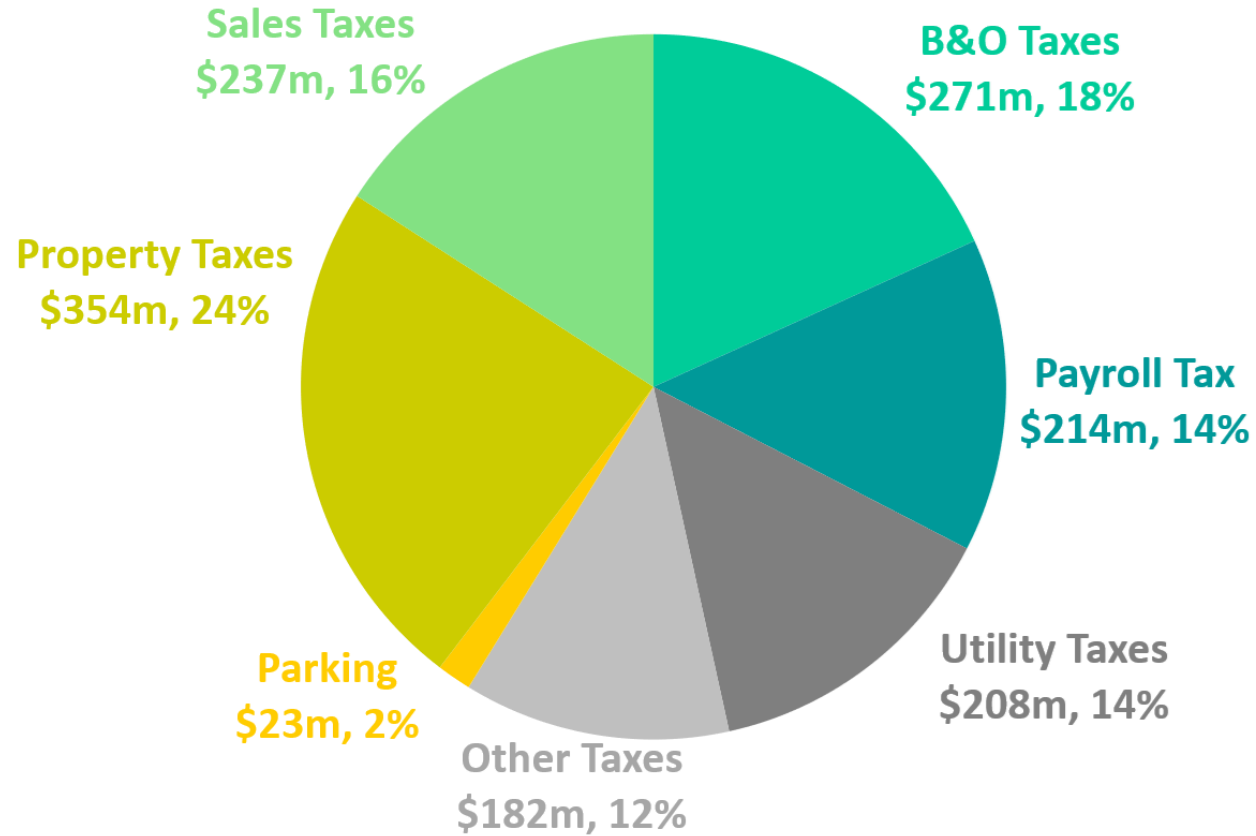
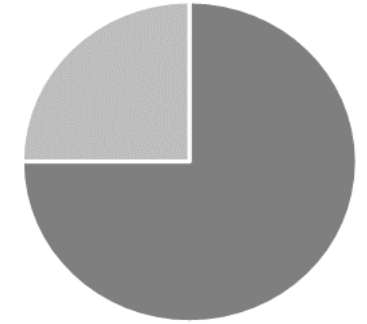


Different types of revenues have different legal restrictions, such as:

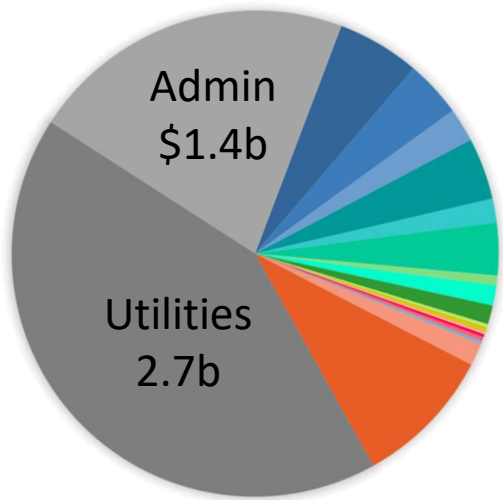
Constitutional Restrictions	<ul style="list-style-type: none"><li>- Rates and fees collected by departments (e.g. City Light)</li><li>- Certain state-authorized taxes (e.g. Property Tax)</li></ul>
State Law	<ul style="list-style-type: none"><li>- Real Estate Excise Tax</li><li>- Commercial Parking Tax</li></ul>
Local Restrictions	<ul style="list-style-type: none"><li>- Voter-approved levies (e.g. Housing)</li><li>- Dedication of new revenue streams to limited purposes (e.g. Short-Term Rental Tax)</li></ul>

# 1 General Fund: \$1.5 billion

The City's most flexible revenue source to spend



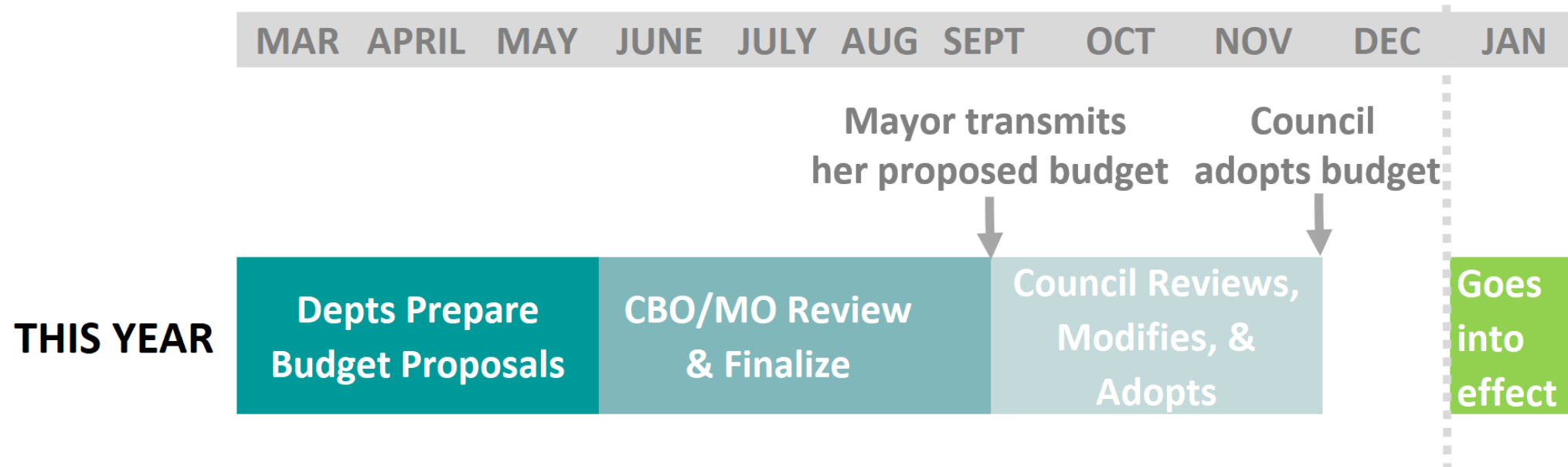
## 2 Expenditures in 2021 Proposed Budget: \$6.5 billion



Police	\$359m
Fire	\$246m
Other Public Safety	\$147m
Human Services	\$268m
Education & Early Learning	\$103m
Parks	\$228m
Seattle Center	\$42m
Library	\$86m
Housing	\$81m
Arts & Culture	\$14m

Economic Dev	\$13m
OIRA	\$3m
Civil Rights	\$5m
Labor Standards	\$7m
Environment	\$14m
Neighborhoods	\$16m
OPCD	\$13m
SDCI	\$97m
SDOT	\$607m

# 3 2021 Budget Process



- Typically developed for a two-year period, changed to one-year for 2021.
- Process starts with the existing (base) budget, any changes are made from the base budget.

# 3 2021 Budget Process



- Departments prepare next year’s budget, informed by emerging needs.
- Receive guidance on forecast for following year, with consideration of racial equity and language access when developing proposals.



# 3 2021 Budget Process



- Budget Office receives proposals from departments to analyze impacts and review mitigation strategies.
- Work with the Mayor’s Office to review proposals and make final decisions.
- Mayor submits budget to City Council 90 days before the new fiscal year (state law).

# 3 2021 Budget Process



- Council sets the overall budget amount for each department and fund.
- Holds public hearings and committee meetings.
- Adopts by end of November (at least 30 days before new fiscal year - state law).

# 3 2021 Budget Process



- All budget changes are effective January 1 unless otherwise stated in the budget.
- Departments have authority to manage resources within their budget.
- City tracks expenditures throughout the year.

[www.seattle.gov/budget](http://www.seattle.gov/budget)

# Community-based Investments

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# 4 Community investment models and examples

## **Community Based Review Panel**

DEEL's Opportunity & Access Investments

## **Community Driven Award Process**

EDI's Community-driven award process

## **Direct Contracting**

Seattle Disaster Relief Fund

## **Direct Service by the City**

Health One Program



## 4 Community Based Review Panel

**Example:** DEEL's Opportunity & Access Investments

**Gap:** Increase access to learning opportunities for historically underserved students and communities.

**Approach:**

- Criteria developed by DEEL based on Family and Education Levy Goals
- Community-based organizations submit proposals
- Community based review panel members individually score applications and as a group make recommendations

**Award:** \$4.8m to fund 11 projects in 2020

**Fund Source:** FEPP Levy

## 4 Community Driven Award Process

**Example:** Equitable Development Initiative

**Gap:** Respond to the needs of marginalized populations, reduce disparities, and address the historical lack of investment in communities of color.

### **Approach:**

- City co-designs criteria with community board made of residents of high displacement neighborhoods
- Community-based organizations submit proposals
- Review committee includes board members and other key partners, makes recommendations as a group

**Award:** \$11.1m in 2020 funding to 24 cohort organizations and COVID relief to additional 36 organizations

**Fund Sources:** Short-term Rental Tax, Mercer Sale proceeds, General Fund



## 4 Direct Contracting

**Example:** Seattle Disaster Relief Fund (COVID-19)

**Gap:** Urgent need for assistance to undocumented and mixed-immigration households left out of state and federal COVID assistance programs.

**Approach:**

- Criteria developed by trusted partners and the City due to "emergency"
- City worked directly with community-based, immigrant-serving organizations to determine interest and capacity
- Directly contracted with community-based organizations

**Award:** \$8m in cash assistance to 21 direct grants for outreach and 3,000 households

**Fund Source:** General Fund



## 4 Direct Service by the City

**Example:** Health One Program

**Gap:** Assistance to community who activated 9-1-1 system due to mental health needs, substance use disorders, social service needs, or non-emergent medical concerns.

**Approach:**

- City developed the program with community-based organizations
- New program creating a multidisciplinary team of firefighters and case managers respond to 9-1-1 incidents and perform short-term case management

**Cost:** \$475k in 2019 with expansion in 2021

**Fund Source:** General Fund, King County Innovation Award



## 5 Discussion

- What gaps have you experienced or seen in City funding?
- What models work best for addressing the gaps identified?
- What else would be helpful to know?

