

Cable Television Franchise Fund

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Department Overview

Beginning in 1996, the City of Seattle entered into cable franchise agreements that included a franchise fee as compensation for cable television providers locating in the public right-of-way. The City has approved franchises with CenturyLink, Comcast and Wave Division I.

The Cable Television Franchise Fund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Seattle Information Technology Department (Seattle IT). Resolution 30379 establishes usage policies for the fund. The fund pays for the following services:

- administration of the Cable Customer Bill of Rights as well as the public, education, and government access costs the City is obligated to fund under the terms of its cable franchise agreements;
- support of the Seattle Channel, including both operations and capital equipment;
- programs and projects promoting technology literacy and access, including related research, analysis, and evaluation; and
- use of innovative and interactive technology, including television and online content, to provide ways for residents to access City services.

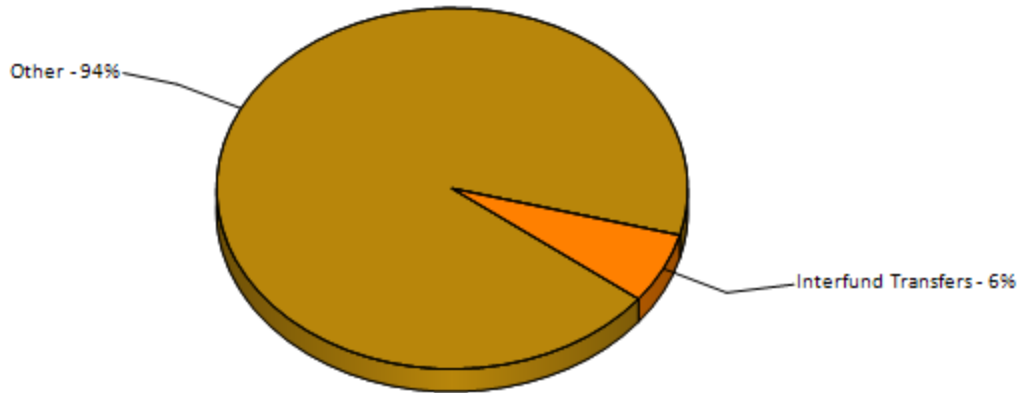
Budget Snapshot

Department Support	2018 Adopted	2019 Proposed	2020 Proposed
Other Funding - Operating	\$10,201,960	\$10,159,379	\$9,784,543
Total Operations	\$10,201,960	\$10,159,379	\$9,784,543
Total Appropriations	\$10,201,960	\$10,159,379	\$9,784,543
Full-time Equivalent Total*	0.00	0.00	0.00

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Cable Television Franchise Fund

2019 Proposed Budget - Expenditure by Category



Budget Overview

The Cable Television Franchise Fund (Cable Fund) receives revenues from cable television provider franchise fees. The 2019-2020 Proposed Budget continues previous uses of the Cable Fund for programs such as the Seattle Channel, the Cable Customer Bill of Rights, initiatives that promote technology literacy and access, and technology that provides ways for residents to access City services.

Cable franchise fee revenues are projected to flatten or decline in future years as Seattle residents increasingly discontinue their cable television service from regulated providers in favor of internet-based streaming video services that are not subject to the City's regulatory structure. The Seattle Information Technology Department is closely monitoring quarterly franchise payments to determine if future reductions are necessary to some programming that has historically been supported by the Cable Fund.

Cable Television Franchise Fund

Incremental Budget Changes

Cable Television Franchise Fund

	2019		2020	
	Budget	FTE	Budget	FTE
2018 Adopted Budget	\$ 10,201,960	0.00	\$ 10,201,960	0.00
Baseline Changes				
Technical Adjustments	\$ 0	0.00	\$ 0	0.00
Proposed Changes				
Align with Information Technology Fund	-\$ 42,581	0.00	-\$ 417,417	0.00
Total Incremental Changes	-\$ 42,581	0.00	-\$ 417,417	0.00
2019 - 2020 Proposed Budget	\$ 10,159,379	0.00	\$ 9,784,543	0.00

Descriptions of Incremental Budget Changes

Baseline Changes

Technical Adjustments

This item makes net zero budgetary transfers between accounts within the Cable Television Franchise Fund to better align budget with actual expenditures.

Proposed Changes

Align with Information Technology Fund - (\$42,581)

This adjustment aligns the Cable Fund with changes made in the Seattle Information Technology Department (Seattle IT) budget. In 2018, Seattle IT updated many of its cost recovery methodologies; these changes resulted in a net reduction of costs allocated to the Cable Fund in the 2019-2020 Proposed Budget.

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Cable Television Franchise Fund

Expenditure Overview

Appropriations	2018 Adopted	2019 Proposed	2020 Proposed
Cable Television Franchise Fund Budget Summary Level			
Cable Television Franchise Fund	10,201,960	10,159,379	9,784,543
Total for BSL: BO-IT-C1000	10,201,960	10,159,379	9,784,543

Department Total	10,201,960	10,159,379	9,784,543
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Department Full-time Equivalents Total*	0.00	0.00	0.00
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* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Budget Summary by Fund for Cable TV

	2018 Adopted	2019 Proposed	2020 Proposed
10101 - Cable Television Franchise Fund	10,201,960	10,159,379	9,784,543
Budget Totals for CBLFEE	10,201,960	10,159,379	9,784,543

Revenue Overview

2019 Estimated Revenues

Summit Code	Source	2018 Adopted	2019 Proposed	2020 Proposed
321090	Franchise Fee Revenues, Licenses, Permits, and Fines	9,351,090	8,705,429	8,433,321
	Total Franchise Fees, Licenses, Permits, and Fines	9,351,090	8,705,429	8,433,321
360020	Interest Earnings	57,024	25,390	0
	Total Interest Earnings/Investment Earnings	57,024	25,390	0
Total Revenues		9,408,114	8,730,819	8,433,321
379100	Use of (Contributions to) Fund Balance	793,846	1,428,560	1,351,222
	Total Use of (Contributions to) Fund Balance	793,846	1,428,560	1,351,222
Total Resources		10,201,960	10,159,379	9,784,543

Cable Television Franchise Fund

Appropriations By Budget Summary Level (BSL) and Program

Cable Television Franchise Fund Budget Summary Level

The purpose of the Cable Television Franchise Fund Budget Summary Level is to fund programs and projects promoting citizen technological literacy and access, innovative and interactive technology, and the Seattle Channel. The Cable TV Franchise Fund also administers the Cable Customer Bill of Rights and the Public, Education, and Government access costs that the City is obligated to fund under the terms of its cable franchise agreements.

Program Expenditures	2018 Adopted	2019 Proposed	2020 Proposed
Cable Franchise for Information Technology	9,559,960	9,517,379	9,142,543
Cable Franchise for Library	642,000	642,000	642,000
Total	10,201,960	10,159,379	9,784,543

