

## 2014 Adopted Budget Executive Summary

On November 18, 2013, after more than six weeks of thoughtful review and debate, the Seattle City Council's Budget Committee approved the 2014 Adopted Budget by a vote of 9-0. This vote was reaffirmed by the Full City Council one week later on November 25<sup>th</sup>. The 2014 Adopted Budget includes a number of changes made to the Mayor's 2014 Proposed Budget by the Council as a result of its review and deliberations. The purpose of this summary is to highlight the most significant elements of those changes. To provide a fuller picture of the overall 2014 Adopted Budget, this summary must be read in conjunction with the summary of the 2014 Proposed Budget, which describes the major elements of the budget as it was proposed to the Council by the Mayor (and follows this section). What is presented here is not an exhaustive accounting of Council's actions but highlights many of the most significant changes. While the Council provided new policy direction in a number of areas, it took the 2014 Proposed Budget as a base and made modifications from there.

### Revenue

Throughout 2013 the local economy was in a period of recovery. City revenues grew at a rate not seen since the onset of the Great Recession. The 2014 Proposed Budget had been balanced to reflect the forecast of 2013 and 2014 revenues that was available in August. This forecast was revised in November, as it is each year. The new forecast reflected better than anticipated results for 2013 sales tax revenues and projected an additional \$1.5 million would be available in the General Fund. For 2014, the forecast projected somewhat lower revenues in property taxes, but these were offset by increases in sales and business and occupation taxes. The net impact was that projections of 2014 General Fund revenue remained unchanged. In an action independent of the forecast update provided by Executive Staff, the Council also increased the 2014 revenue forecast to reflect \$250,000 in additional sales and business and occupation taxes to be generated by the sale of marijuana, as was legalized in November 2012 by the voters of Washington State. While detailed revenue estimates were difficult to construct because there has been no experience with marijuana sales, Council viewed the additional \$250,000 as a conservative estimate of potential revenues. Thus, in total, these revenue updates provided an additional \$1.75 million available in General Fund resources for the Council to consider as part of its budget deliberations.

### Changes in total Appropriations

The 2014 Proposed Budget included a total of \$4.4 billion in appropriations, of which \$1.015 billion was for the General Fund. Council actions increased General Fund appropriations by \$8.8 million, resulting in a final General Fund total of \$1.024 billion. The \$8.8 million in additional appropriations by the Council were made possible by the additional General Fund revenue described above and by the strategic use of fund balances available for general government use. Specifically, this included \$3.7 million in General Fund Balance that had been left unspent in the Mayor's 2014 Budget. Although such fund balances represent one-time resources, the Council applied this funding to many one-time needs and thus did not significantly alter the basic sustainability of the 2014 Proposed Budget. As summarized below, the Council's changes focused on a number of broad policy areas.

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## **Public Safety**

Council took action to increase the overall funding available for public safety, including significantly increased funding for both the Seattle Police Department (SPD) and the City Attorney's Office (CAO). During 2013, SPD worked with a court-established monitor to implement the terms of a Consent Decree that the City entered into with the United States Department of Justice. The Mayor's 2014 Proposed Budget included funding to implement various aspects of the required police reforms. However, one significant element – funding for a stand-alone Force Investigation Team – had not been anticipated in the 2014 Proposed Budget. Consistent with the Council's commitment to implementing the Decree and the overall effort of SPD reform, the Council provided just over \$1 million to pay for Force Investigation Team. With the same basic motivation, the Council provided \$700,000 in funding to both support the search for a new Police Chief and to fund a thorough management review once the new Police Chief has been confirmed by the City Council. On a separate front, the Council also added \$230,000 and authority for two new positions in the criminal division of the CAO. The positions will specifically target a growing backlog in the number of unresolved driving under the influence cases.

The Mayor's 2014 Proposed Budget included a significant new policy proposal to address issues of crime and uncivil behavior in the downtown area. In particular, the Mayor proposed \$1.5 million to fund expansion of the Law Enforcement Assisted Diversion (LEAD) program that had been established in the Belltown area. The program seeks to minimize criminal activity and other related behaviors by directing offenders into various forms of treatment and social service support. The Council ultimately did fund an expansion of the program but at a somewhat lower level and with a somewhat less-expansive charge. Council provided funding to support a geographic expansion of the LEAD program, but not for an expansion of the types of activities and offenders to be targeted by the program. The Mayor's proposal would have expanded LEAD to target more than the drug offenders and prostitutes that are the main focus of the current program. The Council elected to support application of the existing program throughout downtown (not just Belltown). At the same time, Council increased funding for the City's Multi-Disciplinary Team to target other, non-criminal activities. Thus, the Council and Mayor shared an overall commitment to providing additional resources to address criminal and uncivil behavior downtown, but supported somewhat different policy approaches.

## **Education and Early Learning**

The Council made two significant investments in the area of early learning. The first was to appropriate \$488,000, and to authorize one new position, to support the development of an Action Plan for how the City could fund and implement a program to provide high quality, affordable preschool to all of Seattle's children. Consistent with this effort, the Council also passed a Statement of Legislative Intent (SLI) requesting that the existing Office for Education be elevated to Department status as part of the 2015-2016 biennial budget. The Council also appropriated an additional \$168,000 to the City's existing Early Learning Academy program which provides professional development training to child care providers operating within the City. This additional funding will provide training for 60 additional home-based child care providers.

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## **Homeless Families and Youth and Young Adults**

Ongoing concern regarding the persistent problem of homelessness, and the particular plight of homeless families and youth and young adults, led the Council to provide nearly \$900,000 in additional funding for programs designed to rapidly rehouse homeless families, assist homeless youth and young adults and to provide emergency shelter or housing to these groups and other homeless individuals. In particular, \$450,000 was allocated to assist families, especially women and children, in rapidly securing near-term housing and a path to longer-term housing stability; \$200,000 was specifically targeted to expand emergency shelter capacity for homeless families; \$130,000 was provided to help retain 20 shelter beds at a facility serving youth and young adults; and \$100,000 was appropriated to support expansion of rehousing efforts that target those living in their vehicles.

## **Tenants Assistance and Housing Rights**

The Council took two demonstrative steps to support the interests of Seattle renters and to help protect their rights to housing. The budget for the Human Services Department was increased by \$100,000 to provide for counseling services, informational workshops and written education materials for tenants throughout Seattle, with the goal of helping stabilize those whose rental situations have become financially insecure and more generally informing tenants about their rights. An additional \$50,000 was appropriated to the Office of Civil Rights to support ongoing work that assesses the frequency of housing discrimination related to issues such as race and age, and to conduct enforcement actions where appropriate.

## **Additional Human Services Actions**

The Council provided additional funding in a number of other human service related programs: an additional \$240,000 was provided to support expanded services at each of the City's Senior Centers; \$250,000 in capital funding was provided for the potential development of a new health clinic in North Seattle, and \$15,000 was provided to expand legal advocacy services for victims of domestic violence.

## **Transportation**

The Council made several focused additions to the transportation investments included in the 2014 Proposed Budget. An additional \$1 million in funding was provided to support further design and development of a cycle track that will provide safer biking access to downtown. Funding for the Fauntleroy Green Boulevard Project was increased by \$1.3 million, an amount that should be sufficient to nearly complete design of this significant West Seattle project. Lastly, \$100,000 was added to support further planning for the redevelopment of Delridge Way, particularly the northern part of this significant arterial. To help offset these new expenditures, Council did shift \$1.1 million that had been allocated to implementing the Pedestrian Master Plan, but which the Seattle Department of Transportation did not anticipate spending until 2015.

## **Conservation and Sustainability**

Council took a number of actions in support of its long-standing commitment to promote energy conservation and environmental sustainability. Funding in the amount of \$200,000 was provided to develop a program to incentivize residential homes that heat with oil to convert to more efficient gas or

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electric furnaces. More than \$180,000 was provided to expand the City's "ReLeaf" program, which promotes tree planting across the city. Furthermore, a total of just over \$100,000 was provided to community-based efforts to respond to the challenges of climate change.

## Arts and Culture

Council took three specific steps to support existing cultural programs and facilities. Funding for the City's "Arts Means Business Program" was restored at \$150,000 for 2014. The goal of this program is to provide one-time salary or contract support for staff positions considered essential to the selected organizations' implementation of sustainable revenue strategies. An additional \$50,000 was provided for the Vera Project, which operates a facility at Seattle Center. And \$750,000 in additional capital funding was provided to Seattle Center to address the maintenance backlog throughout the Center's campus.

## Gender Wage Equity

In response to initial information that showed a significant earnings gap for women in the City, the Council took a number of steps to address and further study this issue. A new position and consultant resources were provided to the Personnel Department to further evaluate the nature and underlying causes of the pay discrepancy. An allocation of \$100,000 was provided to the Council consultant budget to evaluate potential modifications to the City's parental leave policies. The Council also approved \$83,000 and new a half-time position in the Office of Civil Rights to support further policy evaluation and development related to the gender wage equity.

## City Attorney's Office Civil Division

The Council took actions to increase the staffing within the Civil Division of the City Attorney's Office and to increase the compensation for those that already work there. A salary study showed that average salaries were well below market rates and Council responded with an additional \$425,000 in funding. An additional \$410,000 was provided to support four new positions: two attorneys to help address public disclosure issues; and two paralegals to assist in legislation drafting and code revising.

## Additional Actions

The Council made a number of other changes that are not as easily characterized. For example, in terms of budget additions, the Council increased appropriations to the Mayor's Office by \$750,000 in 2014 and provided \$250,000 to fund transition expenses; \$340,000 was provided to fund new positions at the Animal Shelter; \$250,000 was provided to the Department of Finance and Administrative Services to create a Labor Standards Enforcement Function, and nearly \$300,000 was provided to recreate a program designed to defray the costs of education and training sought by City employees. To help fund these and other additions, the following reductions were imposed: \$750,000 in funding for the development of an Innovation Lab at Seattle Center was eliminated for 2014; \$500,000 in funding for Police overtime was cut; \$406,000 to backfill for cuts in federal funding for senior services provided to individuals residing outside the city was eliminated; and \$400,000 for a program to assist non-native English speakers improve their job prospects was cut because the program was not yet well developed or specified.