

Cable Television Franchise Subfund

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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 Subfund (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.

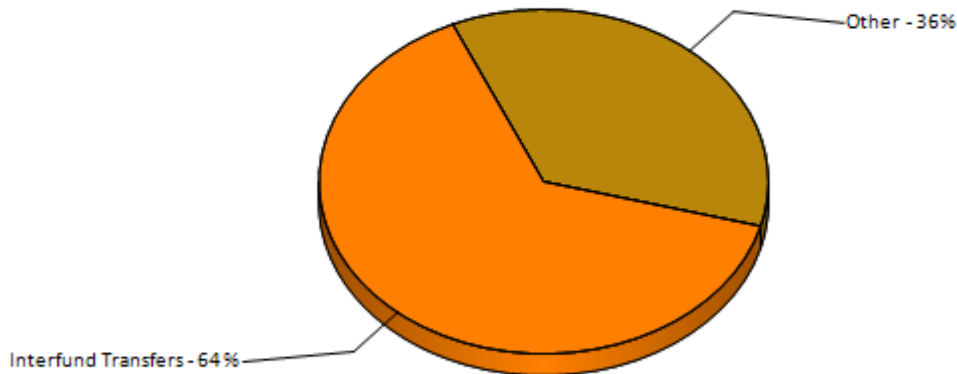
Budget Snapshot

Department Support	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Other Funding - Operating	\$10,196,356	\$10,353,466	\$10,041,960	\$10,201,960
Total Operations	\$10,196,356	\$10,353,466	\$10,041,960	\$10,201,960
Total Appropriations	\$10,196,356	\$10,353,466	\$10,041,960	\$10,201,960
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

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

Cable Television Franchise Subfund

2018 Proposed Budget - Expenditure by Category



Budget Overview

The Cable Television Franchise Fund (Cable Fund) receives revenues from cable television provider franchise fees. The 2018 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.

In addition, the proposed budget increases funding to provide closed captioning services for live City Council and Council Committee video on the Seattle Channel. This change will improve the Channel's ability to provide inclusive content to all residents of the city.

In past years, the Cable Fund has had sufficient revenue growth to offset inflationary impacts on expenditures. While Cable franchise fee revenues increased by 2% from 2015 to 2016, they 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 Subfund

Incremental Budget Changes

Cable Television Franchise Subfund

	2018	
	Budget	FTE
Total 2018 Endorsed Budget	\$ 10,041,960	0.00
Proposed Changes		
Closed Captioning for Seattle Channel	\$ 160,000	0.00
Total Incremental Changes	\$ 160,000	0.00
2018 Proposed Budget	\$ 10,201,960	0.00

Descriptions of Incremental Budget Changes

Proposed Changes

Closed Captioning for Seattle Channel - \$160,000

The Seattle Channel strives to produce compelling content that informs residents about city issues, resources and services. The Channel also strives to be inclusive and to both represent and reach diverse audiences. Closed captioning is a process of displaying text on a television, video screen, or other visual display to provide additional or interpretive information of the video presented. To improve the Channel's ability to provide inclusive content to all residents of the City, this item funds closed captioning services for live City Council and Council Committee videos.

Cable Television Franchise Subfund

Expenditure Overview

Appropriations	Summit Code	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Cable Fee Support to Information Technology Fund Budget Control					
Applications		0	742,062	430,062	430,062
Business Office		238,440	456,822	386,145	386,145
Citywide Web Team		1,105,252	1,122,959	1,135,302	1,135,302
Community Technology		1,815,772	1,701,104	1,687,396	1,687,396
Engineering and Operations		1,155,468	762,585	770,763	770,763
Office of Cable Communications		907,836	811,121	821,776	821,776
Open Data		0	307,153	312,935	312,935
Seattle Channel		3,709,800	3,306,378	3,343,070	3,503,070
Security, Risk and Compliance		0	435,097	442,581	442,581
Strategy and Planning		733,788	68,185	69,930	69,930
Total	D160B	9,666,356	9,713,466	9,399,960	9,559,960
Cable Fee Support to Library Fund Budget Control Level	D160C	530,000	640,000	642,000	642,000
Department Total		10,196,356	10,353,466	10,041,960	10,201,960

Department Full-time Equivalents Total*	0.00	0.00	0.00	0.00
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Cable Television Franchise Subfund

Revenue Overview

2018 Estimated Revenues

Summit Code	Source	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	9,458,367	9,356,315	9,356,315	9,351,090
	Total Franchise Fees, Licenses, Permits, and Fines	9,458,367	9,356,315	9,356,315	9,351,090
461110	Interest Earnings	30,784	36,818	27,453	57,024
	Total Interest Earnings/Investment Earnings	30,784	36,818	27,453	57,024
	Total Revenues	9,489,151	9,393,133	9,383,768	9,408,114
379100	Use of (Contributions to) Fund Balance	707,205	960,333	658,192	793,846
	Total Use of (Contributions to) Fund Balance	707,205	960,333	658,192	793,846
	Total Resources	10,196,356	10,353,466	10,041,960	10,201,960

Appropriations By Budget Control Level (BCL) and Program

Cable Fee Support to Information Technology Fund Budget Control Level

The purpose of the Cable Fee Support to Information Technology Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Seattle Information Technology Department's Information Technology Fund. These resources are used by the department for a variety of programs consistent with Resolution 30379.

Program Expenditures	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Applications	0	742,062	430,062	430,062
Business Office	238,440	456,822	386,145	386,145
Citywide Web Team	1,105,252	1,122,959	1,135,302	1,135,302
Community Technology	1,815,772	1,701,104	1,687,396	1,687,396
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Strategy and Planning	733,788	68,185	69,930	69,930
Total	9,666,356	9,713,466	9,399,960	9,559,960

Cable Television Franchise Subfund

Cable Fee Support to Library Fund Budget Control Level

The purpose of the Cable Fee Support to Library Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Seattle Public Library's Operating Fund. The Library uses these resources to pay for and maintain computers available to the public.

Program Expenditures	2016	2017	2018	2018
	Actuals	Adopted	Endorsed	Proposed
Citizen Literacy/Access	530,000	640,000	642,000	642,000
Total	530,000	640,000	642,000	642,000

Cable TV Fund Table

Cable Television Franchise Subfund (00160)

	2016	2017	2017	2018	2018
	Actuals	Adopted	Revised	Endorsed	Proposed
Beginning Fund Balance	4,457,697	3,658,061	3,750,492	2,697,728	2,802,370
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	9,489,151	9,393,133	9,405,344	9,383,768	9,408,114
Less: Actual and Budgeted Expenditures	10,196,356	10,353,466	10,353,466	10,041,960	10,201,960
Ending Fund Balance	3,750,492	2,697,728	2,802,370	2,039,536	2,008,524
Ongoing Reserve	2,129,453	2,153,020	2,153,020	2,106,294	2,105,294
Planning Reserve	500,000	283,754	283,754	97,699	97,699
Total Reserves	2,629,453	2,436,774	2,436,774	2,203,993	2,202,993
Ending Unreserved Fund Balance	1,121,039	260,954	365,596	-164,457	-194,469