

November 21, 2021

MEMORANDUM

To: Members of the Select Budget Committee
From: Aly Pennucci, Policy and Budget Manager
Subject: Select Budget Committee Amendments for 11/22/21

On November 22, 2021, the Select Budget Committee (Committee) will consider a final set of amendments that are necessary legislative changes to ensure that final action on the 2022 Budget can occur at the Full Council meeting at 2 p.m. the same day. This memo provides a summary of those final amendments. Please note that several of these changes are necessary to adopt a balanced budget; if the actions fail there may be a delay in taking final action on the budget on November 22nd.

Consent Group: Technical Amendments

There are ten technical amendments for the committee’s consideration that, unless an item is pulled from the group, will be voted on as a consent package. The Committee voted to approve previous versions of these amendments at the committee meeting on November 18. These technical amendments would rescind those actions and pass revised versions as described in Table 1.

Table 1: Technical Amendments:

Amendment #	Descriptions
1. ARTS-003-B-002-2022	This Council Budget Action (CBA) would rescind ARTS-003-B-001 and adds \$1 million of GF to the Office of Arts and Culture (ARTS) to fund organizations who did not qualify for grant funding through the federal Shuttered Venue Operators Grant (SVOG) program. The previous version of this CBA added \$1 million of Coronavirus Local Fiscal Recovery (CLFR) for this purpose; due to federal guidance on eligible uses of CLFR funds, this action adds GF for this purpose in place of CLFR funds. Separately, FG-001-D-001-2022 increases by \$1 million the use of CLFR funds used for GF revenue replacement to offset this swap.
2. CBO-501-B-002-2022	This CBA: (1) rescinds CBA CBO-501-A-001 due to changes to its attached amendment, which includes a technical change to debt service transactions and a \$125,000 lower reduction to Emergency Solutions Grant - CARES Act appropriations in the Human Services Department (HSD); and (2) recommends amending and passing as amending Council Bill (CB) 120221, the year end 2021 Supplemental Appropriations Ordinance.
3. FG-001-D-001-2022	This CBA would rescind FG-001-C-001 to make technical corrections to the transactions, including increasing the amount of Coronavirus Local Fiscal Recovery

Amendment #	Descriptions
	(CLFR) used for revenue replacement, and updates the attachments detailing the actions included in this omnibus amendment.
4. FG-006-B-002-2022	This CBA would rescind FG-006-B-001, due to a technical error in the description, and increases the transfer to the Revenue Stabilization Fund (RSF). After this increase, the amount appropriated from the GF to the RSF would be \$15.4 million, which is \$12.1 million higher than the amount required by City fiscal reserves policies.
5. FG-901-A-002-2022	<p>This CBA would: (1) rescind FG-901-A-001, (2) cut \$2.0 million of Coronavirus Local Fiscal Recovery (CLFR) funds from the proposed Finance General FEMA reserve to address revenue decreases identified in the November revenue forecast for the Sweetened Beverage Tax (SBT) and the GF; and (3) reduces the proposed increase to the Seattle Police Department’s (SPD) by \$400,000 that assumes that hiring for the proposed expansion of the Community Service Office (CSO) program in SPD will be staggered starting in quarter two.</p> <p>A verbal amendment was made to the previous version of this CBA in the Committee meeting on 11/18 to reduce the reduction to the CLFR FEMA reserve to \$1.6 million. Due to an error in balancing that did not account for a separate \$400,000 appropriation in CSCC-002-B-001, Central Staff determined that the original \$2 million cut to the CLFR FEMA reserve is necessary to balance. The combination of these actions will ensure that the spending in the proposed budget supported by SBT proceeds, the proposed expansion of the CSO program, and the spending in the balancing package for the Community Safety and Communications Center to develop an implementation plan and an expanded response protocol for contracted low-acuity 9-1-1 emergency response, can proceed in 2022.</p>
6. DEEL-900-A-002-2022	<p>This CBA would rescind DEEL-900-A-001, cut \$4.4 million of Coronavirus Local Fiscal Recovery (CLFR) funds from the Department of Education and Early Learning (DEEL), and add \$4.4 million of Families, Education, Preschool, and Promise Levy (FEPP Levy) funds to DEEL for enhancements to the Seattle Promise program.</p> <p>The FEPP Levy's Implementation and Evaluation Plan requires that the Levy Oversight Committee review and recommend any use of underspend other than to supplement the Seattle Preschool Program. The CBA rescinded by this action (DEEL-900-A-001) would have imposed a proviso on the FEPP Levy underspend funds until such time as the Levy Oversight Committee could provide a recommendation. However, on November 18, the Levy Oversight Committee reviewed the use of \$4.4 million of underspend to fund enhancements to the Seattle Promise program and voted to recommend that use. Therefore, the proviso is no longer necessary.</p>
7. HSD-054-C-002-2022	This CBA would rescind HSD-054-C-001 and amend and adopt as amended Resolution (RES) 32026 encouraging King County to increase funding for mental and behavioral health services. The changes in this CBA further amend the resolution to correct drafting errors and clarify language. Amendments to RES 32026 would (1) clarify that the resolution extends to the federal government and Seattle federal delegation, (2) update language to reflect actions taken by the Council to change the

Amendment #	Descriptions
	2022 Proposed Budget, (3) update Section 3 to reflect new plans for expanding behavioral health services, including the use of \$5 million provided in HOM-012-B-001, and (4) correct minor drafting errors.
8. SDOT-505-A-002-2022	This CBA would rescind SDOT-505-A-001, and recommends passage of CB 120224, which authorizes the Department of Finance and Administrative Services (FAS) to issue up to \$103 million of 2022 limited tax general obligation (LTGO) bonds. The change in this version corrects the CBA to accurately reflect the use of REET I funds for debt service in the Debt Service - REET II (MO-TR-D006) Capital Improvement Project (CIP).
9. SDOT-901-A-003-2022	This CBA would (1) rescind SDOT-901-A-001, and (2) utilize \$2.4 million of Real Estate Excise Tax II Fund (REET II) to replace \$2.4 million of General Fund (GF) in the Seattle Department of Transportation (SDOT) to make GF resources available for other budget priorities. This version adds language to clarify the descriptions of the actions included in this CBA address the November revenue forecast, including using REET to support appropriations to SDOT that were included in the proposed budget but were Commercial Parking Tax proceeds and GF that was back by Transportation Network Company Tax (TNC) proceeds. These changes do not reduce the proposed spending on projects and services previously support by CPT or TNC tax proceeds; on a one-time basis, that spending is funded using REET proceeds.
10. SDOT-902-A-002-2022	This CBA would (1) rescind SDOT-902-A-001, and (2) make a one-time adjustment to replace \$3.6 million of CPT in the Transportation Fund with \$3.6 million of Real Estate Excise Tax II (REET II) Capital Fund in the Seattle Department of Transportation (SDOT) for debt service. This one-time adjustment in 2022 would meet the City's debt service obligations in response to the revised revenue estimate. The change in this version corrects the CBA to accurately reflect the use of REET I funds for debt service in the Debt Service - REET II (MO-TR-D006) Capital Improvement Project (CIP).

Final Budget Legislation

There are two remaining budget amendments described in Table 2 that require final recommendations from the Committee. The final two amendments are necessary for the Committee to act on prior to the Full Council taking action to adopt the 2022 Budget.

Table 2: Final Budget Legislation

Amendment #	Descriptions
11. LEG-002-A-1-2022	This CBA files the Clerk File (CF) 314488, which contains the City Council changes to the Mayor's 2022 Proposed Budget and Proposed 2022 - 2027 Capital Improvement Program.
12. CBO-509-A-001-2022	This CBA amends CB 120211 (the budget adoption ORD), and recommends passage as amended. CB 120211 adopts the 2022 budget, including appropriations,

Amendment #	Descriptions
	provisos, revenue estimates, position modifications, and the 2022-2027 Capital Improvement Program (CIP). The changes approved by the Budget Committee via Council Budget Actions, including provisos, are incorporated into the budget adoption ordinance before the final Council vote.

Next Steps

Following action by the Committee on November 22, the Full Council will take final action on the 2022 budget at 2 p.m. that afternoon.

cc: Esther Handy, Director