

2025-2026 PROPOSED BUDGET
POLICY CONSIDERATIONS PAPER

SEATTLE CHANNEL

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This paper highlights selected policy considerations related to Seattle Channel’s 2025-2026 Proposed Budget. Considerations included here are not intended to be exhaustive and others may surface as Central Staff continues its analysis of the proposed budget. For more information about Seattle Channel’s 2025-2026 Proposed Budget, please see the Seattle Information Technology (IT) portion of the 2025-2026 Proposed Budget Overview Papers.

Policy Considerations

1. Programming & Staffing Reductions

In 1997, the responsibility for the precursor to Seattle Channel moved from the Seattle Public Library to the Executive group that operated the City’s website, which would later become Seattle IT. The service has been known by many names throughout its history – Seattle Municipal Television, Channel 28, TVSea – but it eventually became Seattle Channel in 2002. Today, Seattle Channel airs live government meetings and press conferences, arts coverage, a public affairs show, a news/lifestyle magazine show, community features, and panel discussions and interviews with local leaders. The [2023 Annual Report](#) for Seattle Channel describes highlights from its nearly 700 productions, outreach and viewership numbers, and awards and honors.

Cable Franchises and Revenues

The operations and activities of Seattle Channel are funded by revenues raised from franchise fees assessed on cable providers’ gross revenues. In 2010, the Council adopted a cable franchise fee of 4.4 percent for all cable franchises.¹ In addition, individual franchise agreements with cable providers include a fee in support of public, educational, and government access, which is set at 0.4 percent of gross revenue for current cable providers. The franchise agreements also specify the provision of public, educational, or government channels (including Seattle Channel) without charge and to all subscribers.

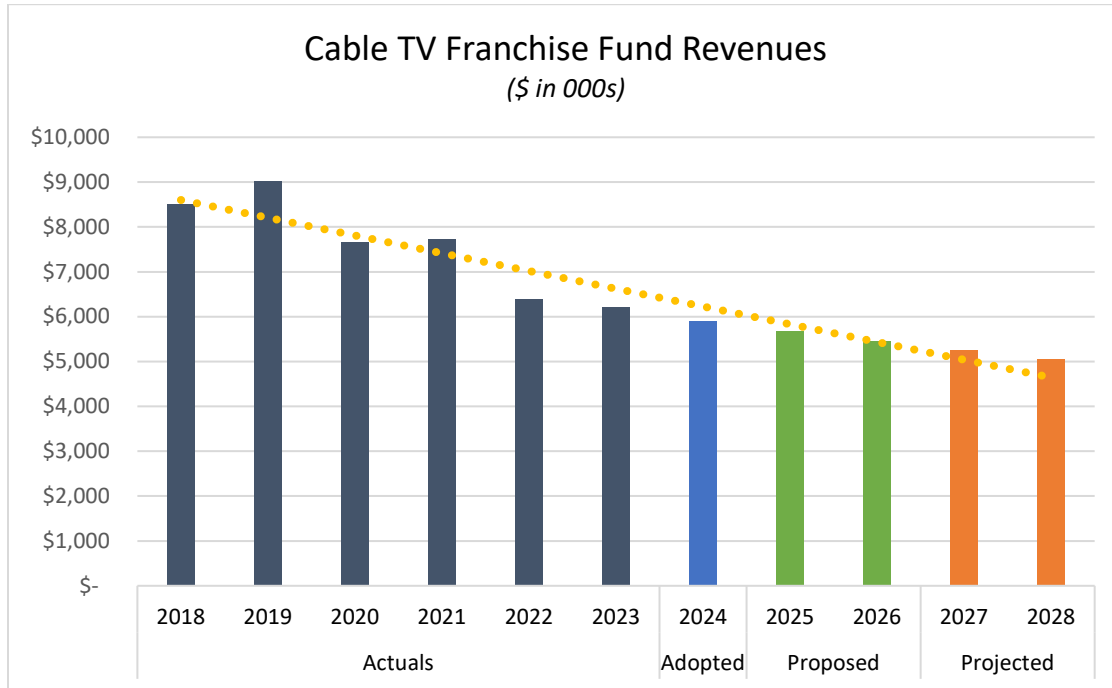
The revenues generated from the franchise fees and public, educational, and government access fees are deposited into the City’s Cable Television (TV) Franchise Fund. Expenditures from that fund follow guidance from policies adopted by the Council in 2001.² According to those policies, funds may be used for: (a) administration of the Cable Customer Bill of Rights and costs the City is obligated to fund under the terms of its franchise agreements; (b) operating and capital support for the Seattle Channel; (c) programs and projects that promote technology literacy and access; and (d) use of innovative and interactive technology to provide ways for residents to access City services.

¹ [ORD 123461](#) (November 2010)

² [RES 30379](#) (August 2001) provided financial policies for General Fund Subfunds, including a subfund that received cable franchise revenues. In December 2017, Council adopted [ORD 125492](#) pertaining to the structure of the City Treasury which, among other things, created the Cable TV Franchise Fund as a separate fund.

For many years, likely due to customers switching away from traditional cable television service towards streaming, cable franchise revenues have been declining. Chart 1 shows total budgetary revenues for the Cable TV Franchise Fund from 2018 through 2028. The chart displays actual amounts for 2018 through 2023, the adopted budget amount for 2024, proposed budget amounts for 2025 and 2026, and financial plan projections for 2027 and 2028.

Chart 1: Cable TV Franchise Fund Revenues 2018–2028



As the chart shows, revenues have generally declined over the last decade, from a high of about \$9 million in 2019 to a proposed amount of \$5.7 million in 2025, with continuing projected declines. Table 1 shows the 2024 Adopted and 2025-2026 Proposed uses of the Cable TV Franchise Fund revenues.

Table 1: Cable TV Franchise Fund Usage (\$ in 000s)

	2024 Adopted	2025 Proposed	2026 Proposed
Citywide Public Records Act	\$78	\$59	\$62
Digital Equity & Engagement	\$2,033	\$2,433	\$2,551
Indirect Costs	\$870	\$734	\$768
Open Data	\$311	\$370	\$387
Privacy	\$19	\$28	\$29
Seattle Channel	\$3,572	\$1,684	\$1,708
Technology Matching Fund	\$320	\$320	\$320
Total	\$7,203	\$5,629	\$5,825

2025-2026 Proposed Budget Reductions

In recognition of the declining cable franchise revenues, the 2025-2026 Proposed Budget would make reductions to Seattle Channel's staffing and budget. The proposed budget would reduce Seattle Channel's operating budget from approximately \$3.2 million in 2024 to about \$1.7 million in 2025. In terms of staffing, Seattle Channel would be reduced from 13.0 FTE in 2024 to 7.0 FTE in 2025. Although this is a reduction of 6.0 FTE, the proposal would impact seven City employees due to a job-sharing arrangement for one of the positions.

The proposed reductions would result in the elimination of all non-governmental programming on Seattle Channel. According to the Executive, Seattle Channel would reduce programming down to basic City Council and Executive coverage, but would lose all other civic, cultural, and community programming, including City Inside/Out, CityStream, Art Zone with Nancy Guppy, and Book Lust with Nancy Pearl. In addition to the City staffing impacts, the reductions would eliminate the contracts and other work arrangements with the outside producers, hosts, and crews of the affected programming.

The proposed budget would also zero out funding for a project in the proposed Capital Improvement Program (CIP) that is typically used to maintain, replace, and upgrade technical and production systems for Seattle Channel. The budget for this capital project was approximately \$360,000 in 2024 and, as of last year, was projected to have a budget of around \$400,000 annually. The Executive has stated that due to significant investments in equipment over recent years, Seattle Channel is well positioned to reduce annual equipment expenditures by delaying upgrades for a couple of years, although critical equipment failure could result in supplemental budget requests.

Options:

- A. Full restoration – To fully restore the operating portion of Seattle Channel staffing and programming to current levels, the Council would need to add \$1.6 million and 6.0 FTE in 2025 and \$1.65 million in 2026. In addition, if the Council wanted to restore the capital budget for equipment, it would need to add \$372,000 in 2025 and \$384,000 in 2026.
- B. Partial restoration – The Council could choose to restore some of the staffing and funding to Seattle Channel to maintain a reduced level of non-governmental programming. Given the nature of producing programming content and the need for certain types of staff, there are logical groupings that would need to be packaged together.

One of the options explored with Executive staff would be to restore four of the positions along with funding to continue approximately 50 percent of the non-governmental programming. This option would cost about \$920,000 in 2025. Other restoration options at various funding levels may also be possible.

- C. Explore alternative models – The Executive has indicated that staff are exploring new revenue and partnership models for Seattle Channel. Regardless of the other options pursued, the Council could request the Executive to provide a report to the Council in 2025 with its findings and conclusions on the feasibility of other operating models.
- D. No change.