

2022 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
DEEL	900	A	002-2022

Budget Action Title: Rescind DEEL-900-A-001, cut \$4.4 million of Coronavirus Local Fiscal Recovery funds from DEEL, and add \$4.4 million of Families, Education, Preschool, and Promise Levy funds to DEEL for Seattle Promise enhancements

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Brian Goodnight

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2022 Increase (Decrease)	2023 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	
General Fund Expenditures	\$0	
Net Balance Effect	\$0	
Other Funds		
Coronavirus Local Fiscal Recovery Fund (14000)		
Revenues	\$0	
Expenditures	\$(4,400,000)	
Net Balance Effect	\$4,400,000	
Families Education Preschool Promise Levy (17871)		
Revenues	\$0	
Expenditures	\$4,400,000	
Net Balance Effect	\$(4,400,000)	

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Total Budget Balance Effect	\$0
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Budget Action Description:

This Council Budget Action (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.

The 2022 Proposed Budget includes \$6.7 million of CLFR funds to continue investing in a set of enhancements to the Seattle Promise program. DEEL received a \$4 million allocation from the first tranche of CLFR funding in June 2021 as part of Seattle Rescue Plan 1, and the additional \$6.7 million included in the 2022 Proposed Budget would bring the total spending on enhancements to \$10.7 million. The enhancements include items such as: increasing the amount of the equity scholarship for individual students, allowing students impacted by the pandemic up to one additional year of program support, and increasing the amount of overall tuition funding available to sustain higher-than-projected program enrollment. The funding included in the 2022 Proposed Budget would continue those enhancements during the 2021-22 and 2022-23 school years.

DEEL estimates that by the end of 2021, the FEPP Levy's undesignated fund balance (also known as underspend) will be approximately \$14.4 million. DEEL has recommended, and the FEPP Levy's Oversight Committee has supported, retaining \$10 million of undesignated fund balance as a reserve to ensure the sustainability of DEEL programs throughout the life of the current FEPP Levy. This Council Budget Action would use \$4.4 million of undesignated fund balance to continue funding the enhancements to the Seattle Promise program in place of \$4.4 million of CLFR funds, and it would leave \$10 million in undesignated fund balance as a reserve as recommended by DEEL and the Levy Oversight Committee.

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.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Decrease appropriations of CLFR funds for Seattle Promise		0	0	DEEL - EE000	DEEL - BO-EE-IL300 - Post-Secondary Programs	14000 - Coronavirus Local Fiscal Recovery Fund	2022	\$0	\$(4,400,000)
2	Increase appropriations of FEPP funds for Seattle Promise		0	0	DEEL - EE000	DEEL - BO-EE-IL300 - Post-Secondary Programs	17871 - Families Education Preschool Promise Levy	2022	\$0	\$4,400,000