

Budget Deliberations – October 17, 2019

HUMAN SERVICES DEPARTMENT (HSD)

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Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Addressing Homelessness</i>	\$80,629	\$81,948	\$89,863	9.7%
<i>Promoting Healthy Aging</i>	\$42,021	\$43,849	\$48,512	10.6%
<i>Preparing Youth for Success</i>	\$19,510	\$19,777	\$20,989	6.1%
<i>Supporting Affordability and Livability</i>	\$23,597	\$21,803	\$28,888	32.5%
<i>Promoting Public Health</i>	\$11,882	\$11,093	\$11,865	7.0%
<i>Supporting Safe Communities</i>	\$9,392	\$9,436	\$10,608	12.4%
<i>Leadership and Administration</i>	\$11,224	\$11,844	\$12,503	5.6%
Total Appropriation	\$198,255	\$199,750	\$223,228	11.8%
Total FTEs	382.75	382.75	384.75	0.5%
Fund Source(s)				
<i>General Fund</i>	\$123,330	\$124,667	\$129,881	4.2%
<i>Sweetened Beverage Tax Fund</i>	-	-	\$5,150	-
<i>Unrestricted Cumulative Reserve Fund</i>	-	-	\$1,500	-
<i>Short-Term Rental Tax Fund</i>	-	-	\$3,300	-
<i>Human Services Fund</i>	\$74,925	\$75,083	\$83,397	11.1%
Total Funding	\$198,255	\$199,750	\$223,228	11.8%

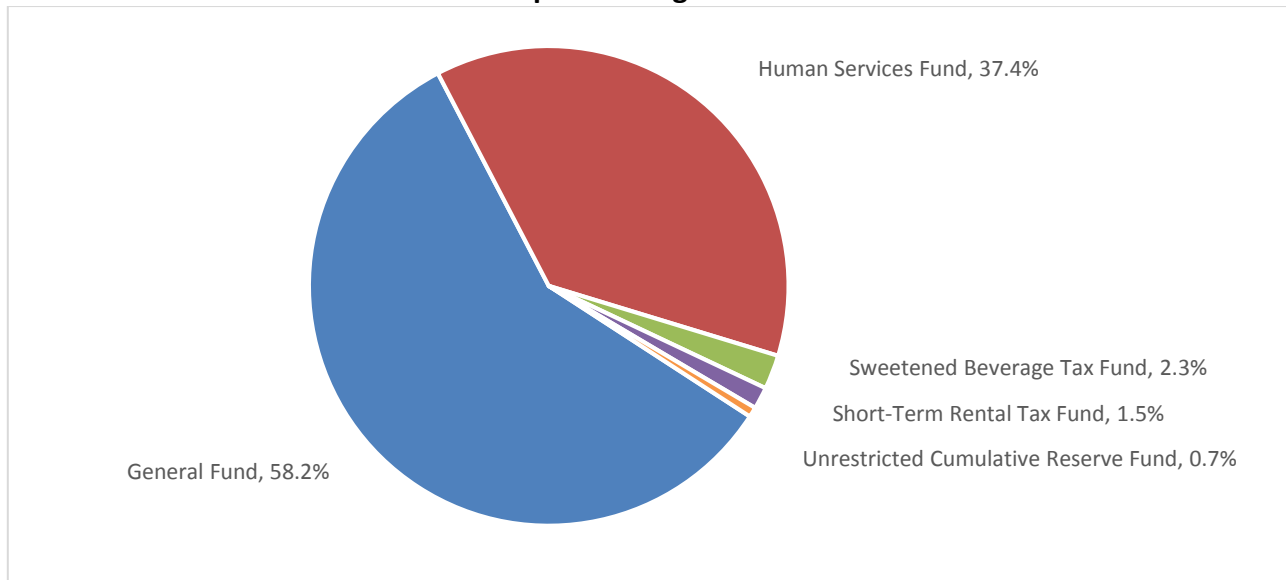
Background

The 2020 Proposed Budget for the Human Services Department (HSD) is \$223.2 million, an increase of \$23.5 million (11.8 percent) from the 2020 Endorsed Budget and an increase of \$24.9 million (12.6 percent) from the 2019 Adopted Budget. This increase continues the recent trend of HSD budget growth outpacing the growth of both General Fund (GF) expenditures and total budget expenditures. The largest increase, \$7.9 million, is in homelessness programming; these items are discussed separately in the Budget Deliberations paper on homelessness.

In 2019, Council passed [CB 119551](#) and [CB 119402](#) creating separate funds for Sweetened Beverage Tax (SBT) and Short-Term Rental Tax (STRT) and clarifying spending priorities for these revenues. The 2020 Proposed Budget reflects these changes, with \$5.2 million of the department's revenue now coming from the SBT Fund and \$3.3 million from the STRT Fund.

The 2020 Endorsed Budget was \$199.8 million, with 62.4 percent of revenues from the General Fund and 37.6 percent from the Human Services Fund. The 2020 Proposed Budget revenues are 58.2 percent General Fund, 37.4 percent Human Services fund, 2.3 percent SBT Fund, 1.5 percent STRT Fund and 0.7 percent from the Unrestricted Cumulative Reserve Fund.

2020 Proposed Budget Fund Source



Other changes from the 2020 Endorsed Budget for HSD are highlighted below. They include (1) general items that impact the HSD budget but for which there are no issues identified at this time and (2) items with identified issues for the Council's consideration.

General Items:

1. Baseline Budget Changes

Of the \$23.5 million increase in HSD's proposed budget, \$3.5 million is for baseline changes, including citywide adjustments for standard cost changes, an increase for the City's share of the 2020 State Paid Family Medical Leave, and the Annual Wage Increase in the tentative agreement between the City and the Coalition of Unions.

2. Inflationary Increase for HSD Contracts

Over 72 percent of HSD's appropriations support contracts with community organizations that provide services in HSD's key priority areas. These contracts are funded both by General Fund and through state or Federal Grants, such as Community Development Block Grants (CDBG), and now through special revenue funds as described above.

From 2014 to 2018, the adopted budget included an inflationary adjustment ranging from 0.6 percent to 2.3 percent to be applied only to GF contracts. The 2019 Adopted Budget included a two percent inflationary adjustment for both GF and non-GF contracts. The 2020 Endorsed Budget included an additional two percent inflationary adjustment for GF contracts, but did not include funding for an inflationary adjustment for non-GF contracts.

In 2019, Council passed [CB 119542](#) requiring annual inflationary adjustments to both GF and non-GF HSD contracts equal to the average increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the preceding year. The 2020 Endorsed Budget added

\$739,770 to increase the GF contracts adjustment from the already-funded 2.0 percent increase to 2.6 percent, and \$825,228 to provide non-GF contracts a 2.6 percent increase, consistent with CB 119542. The 2020 Proposed Budget adds \$1.6 million GF for contract inflation; combined with the \$1.9 million from the endorsed budget, the total funding for contract inflation for 2020 is \$3.5 million.

3. King County Domestic Violence Hotline

The 2020 Proposed Budget adds \$375,000 for a county-wide Domestic Violence Hotline. This increase would supplement funds from the King County Veterans, Seniors & Human Services Levy to create, operate and staff a countywide, 24-hour, multi-lingual, multi-modal domestic violence hotline. King County levy funding is anticipated to be \$725,000 in 2020, increasing to \$770,000 in 2023, totaling \$3.3 million. HSD does not currently fund domestic violence hotline services, though several of the contracted partners do provide limited hotline services.

4. Seattle Youth Employment Program Year-Round Expansion

The 2020 Proposed Budget adds \$310,019 GF and two additional FTEs to expand the Seattle Youth Employment Program (SYEP). In 2019, SYEP enrolled 311 youth in Summer internships. This funding will expand the Summer internship program to 400 youth as well as provide a year-round skills-development program for 200 youth. These funds will support two Youth Development Counselors.

5. Statewide Human Services Advocacy

The 2020 Proposed Budget adds \$25,000 GF for contracted statewide human services advocacy. While this item is an add of \$25,000 to the HSD budget, it represents a reduction in funding from previous years; in 2019, funding for this contract was \$80,000 and managed by the Office of Intergovernmental Affairs.

6. CDBG Capital Investments

The 2020 Proposed Budget adds \$2.0 million from CDBG resources for capital investments which will support two projects:

- \$1.0 million for Seattle Housing Authority (SHA) – SHA will use these funds to upgrade fire alarm systems and other building maintenance needs which will improve safety for residents and reduce the number of false alarms that require Seattle Fire Department responses.
- \$1.0 million for International Community Health Services (ICHS) – These funds will be used to complete the facility for Program of All-Inclusive Care for the Elderly (PACE) serving the Asian Pacific Islander community.

In the past, CDBG funds have been allocated to various community projects; however, many organizations find reporting requirements and other stipulations of the CDBG funds to be too onerous to use.

7. Grant Funded Appropriations

The 2020 Proposed Budget adds \$6.6 million in increased grant-funded appropriations, which will support the following programmatic changes:

- \$1.5 million in HUD McKinney for Permanent Supportive Housing and Transitional Housing;
- \$590,000 in Housing Opportunities for People with AIDS for Permanent Supportive Housing;
- \$370,000 in use of OH Housing Levy funds for Prevention;
- \$3.1 million in Title XIX Medicaid for case management for older adults and adults with disabilities; and
- \$760,000 in Older Americans Act for senior nutrition, health promotion, and community living connections

8. Leadership and Administration Division (LAD) Staffing

The LAD Division is projected to spend \$1.2 million (13 percent) over their 2019 Adopted Budget appropriation of \$8.5 million, primarily in personnel spending. This is due, in part, to staff vacancies being filled by temporary or out of class employees. HSD is currently restructuring the division and believes that the division will be “right sized” after the transition of the Homelessness Strategies and Investments division to the regional authority on homelessness.

Issue Identification

1. Safety Request for Proposal (RFP) Ramp-Down Funding

In 2019, HSD released the Safety RFP and provided \$4.4 million in contracts spread across 14 community organizations. The Safety RFP was the result of a two-year co-designed process to update the Seattle Youth Violence Prevention Initiative (SYVPI). Changes included two new primary strategies for the program, systems navigation and trauma intervention, and a new priority population of 18 to 24-year-olds harmed by the criminal legal system in Seattle.

The 2020 Proposed Budget adds twelve months of ramp-down funding (January - December) for eight community partners previously funded by SYVPI who were not selected as part of the 2019 Safety RFP. (A ninth unfunded application, King County Superior Court, is not included in the bridge funding.) Some of these programs may be more competitive through other RFPs, including a Youth Development RFP that will be released in 2020.

Options:

1. Reduce the proposed ramp-down funding and redirect \$328,000 to \$656,000 to other programs, such as the upcoming Youth Development RFP.
2. Cut proposed ramp-down funding and redirect \$1.3 million to other programs, such as the upcoming Youth Development RFP.
3. No action.

2. Additional Staff to Support the Utility Discount Program (UDP)

The UDP provides eligible households with a 60 percent discount on their City Light electric bill and a 50 percent discount on their Seattle Public Utilities bill. To qualify for the program, household income must be lower than 70 percent of Washington State's median income. In 2014, responsibility for enrolling qualified households was moved to HSD, though program funding is shared by City Light and Seattle Public Utilities.

Currently, an estimated 98,000 households in Seattle are eligible for the program and 32,821 households are enrolled in the program. The goal of the program is to enroll 34,000 households. There are 14.0 FTEs supporting UDP:

- 2.0 Administrative Specialist 1s;
- 9.0 Program Intake Representatives;
- 2.0 Sr Program Intake Representatives; and
- 1.0 Program Supervisor

According to data provided by HSD, the 14 staff members field an average of 3,200 calls per month. During the third quarter of 2019, UDP received 9,647 calls and enrolled 631 households. The 2020 Proposed Budget will increase the programs capacity by adding two FTEs, one Admin Specialist 1 and one Program Intake Representative, at an annual cost of \$167,000.

According to [SLI Response 40-1-B-1](#) provided to Council in June of 2019, cross-enrollment from other programs have “proven particularly effective” in increasing enrollment in the program. For example, developing a partnership with SHA in 2016 led to 7,000 new households enrolled, the highest increase in the program's history. The SLI sets forth several strategies to optimize the UDP, including:

- Conduct a self-certification pilot with “fast-track” application;
- Pursue additional cross-enrollment opportunities;
- Develop strategic outreach and marketing plan; and
- Launch a customer self-service portal

Options:

1. Add an FTE and funding (amount to be determined) focused on the strategies outlined in [SLI Response 40-1-B-1](#).
2. No action.

3. SBT-Backed Investment in Food Banks and HSD Staff Capacity

The 2020 Proposed Budget adds \$1,125,000 in SBT revenue for Food Banks and staffing, bringing total SBT funding to \$5.1 million in 2020. Of the \$1.1 million, \$825,000 will go to expanded funding for Food Banks and \$300,000 for 2.0 FTEs.

The two new staff include a Strategic Advisor II position which will be charged with communicating with stakeholders, including the SBT Community Advisory Board, the Mayor's office and Council. The second position is a Senior Grants and Contracts Specialist who will develop, execute and monitor contracts for SBT-funded programs.

Options:

1. Reduce funding and reclassify the two new positions as a Grants and Contracts Specialist or Strategic Advisor I and use salary cost savings to fund programming.
2. No action.

Budget Actions Proposed by Councilmembers as of October 10, 2019

Leadership and Administration

- 1. Report and Recommendations on Contracts with American Indian and Alaska Native (AI/AN) Organizations Statement of Legislative Intent (SLI) (Councilmember Juarez)** – This action would create a SLI requesting a report on existing HSD contracts with AI/AN organizations as well as recommendations to ensure funding for these organizations is equitable and sufficient. On September 9, 2019, the City Council adopted [Resolution 31900](#), establishing a work plan to address the Missing and Murdered Indigenous Women and Girls (MMIWG) crisis in the City of Seattle. The resolution included a request that HSD submit a report on funding adequacy for the AI/AN community to the Civic Development, Public Assets, and Native Communities Committee (or its successor committee) by the first quarter of 2020. This SLI would formalize that request and create a transparent conversation between City Council and HSD on MMIWG priorities.
- 2. Study on the Value of Human Services Work (Councilmember Sawant)** – This action would add \$102,000 one-time funding to HSD to contract with an organization that has experience organizing and coordinating human services providers, such as the Seattle Human Services Coalition, to conduct an analysis of the value of human services work and equitable compensation. This budget action would fund a study into the disparity between compensation for human service work in Seattle, and the compensation for other jobs requiring similar levels of education, expertise, difficulty, and danger.
- 3. Equity Organizing in Human Services (Councilmember Sawant)** – This action would add \$102,000 ongoing funds to HSD to contract with a non-profit organization that has experience in the operations of human services in Seattle, such as the Seattle Human Services Coalition, to pilot a racial equity organizing project integrated into the delivery of human services.

4. **Human Services Lobbying and Advocacy (Councilmember O'Brien)** – This action would add \$60,000 of ongoing funding to HSD to contract with a non-profit organization to conduct state-wide lobbying and advocacy with a focus on addressing poverty and creating opportunities for everyone to prosper through people-centered approaches. The 2020 Proposed Budget includes \$25,000 for this purpose; this proposal would bring total funding to \$85,000.

Promoting Healthy Aging

5. **Transportation and Senior Activities for Low-Income Seniors (Councilmember Sawant)** – This action would add \$30,000 ongoing funds to HSD to contract with a non-profit community-based organization, such as the Vietnamese Senior Association, to fund transportation and senior activities for low income seniors. The Vietnamese Senior Association serves low income seniors in the Chinatown/International District, who rely on subsidized bus passes for transportation and senior activities. This budget action would provide funds to subsidize bus passes for the seniors the Vietnamese Senior Association serves and accommodate senior activities in 2020 and ongoing.
6. **Capital Costs for LGBTQ-Affirming Senior Advocacy Organization (Councilmember Sawant)** – This action would add \$50,000 one-time funds to HSD to fund the capital costs of the minimal buildout of interim office space for an LGBTQ Affirming Senior non-profit organization, such as GenPRIDE, to continue operating before moving into the new LGBTQ Affirming Senior housing project on Broadway on Capitol Hill. This will allow these LGBTQ senior advocacy services to remain available on Capitol Hill until their permanent home comes online.

Supporting Affordability and Livability

7. **UDP Direct Line and Warm Hand-Off (Councilmember Mosqueda)** – This action would impose a proviso on the two new FTEs for the UDP in the 2020 Proposed Budget, to be lifted after the development of a dedicated service provider line and warm hand-off process. HSD depends on service providers to refer applicants to the UDP; currently, providers are reporting long wait times on the existing UDP customer service phone line. A dedicated line and warm hand off would assist in the enrollment of new UDP customers and be a more efficient use of service providers' and clients' time. The proviso would be imposed on FTE funding beginning in July of 2020, with the expectation that the two new staff will enable the development of the dedicated service provider line and warm hand-off process during the first half of 2020.
8. **Career Development for Transgender and Gender Non-Conforming Job Seekers (Councilmember Sawant)** – This action would add \$30,000 ongoing funds to HSD to contract for career development and job search services for transgender and gender non-conforming job seekers. Funding of \$30,000 is sufficient to provide 200 Seattle residents \$150 scholarships to participate in a career development program designed to support transgender and gender non-conforming people overcoming discrimination and other barriers to entering and succeeding in the workplace.

Supporting Safe Communities

- 9. Legal Support for Sexual Violence Survivors (Councilmember Sawant)** – This action would add \$186,300 ongoing funds to HSD to contract for legal representation for non-intimate partner sexual violence survivors. This legal support would be focused on defending the civil rights and wishes of sexual violence survivors regardless of the criminal and civil judicial systems' procedures and responses. This legal support includes protecting survivors' privacy rights.

Preparing Youth for Success

- 10. Culturally- and Linguistically-Competent Summer and After School Programming (Councilmember Pacheco)** – This action would add \$72,724 ongoing funds to HSD to contract with a culturally and linguistically competent non-profit, such as El Centro de la Raza, to continue providing summer and after school programming serving Latino, Spanish-speaking low-income youth beyond existing contracts which expire in June of 2020.
- 11. American Indian and Alaska Native Youth Development through Sports (Councilmember Juarez)** – This action would add \$150,000 ongoing funds to HSD to contract with a 501(c) 3 non-profit dedicated to empowering native youth to live healthy lives by providing awareness, prevention and character enrichment using sport as a modality, such as Rise Above, to increase mentorship opportunities through the delivery of culturally relevant, pro-social interactions with tribal youth.

Promoting Public Health

- 12. Harm-Reduction Outreach for Street-Based Sex Workers and Drug Users (Councilmember Mosqueda)** – This action would add \$280,000 ongoing funds to an organization providing direct outreach to street-based sex workers and drug users, such as The Green Light Project, to provide safe sex supplies, safe injection supplies, fentanyl test kits, and other resources at no-cost to recipients.
- 13. Educational Program on HIV/AIDS and Other Chronic Illness Targeted to the African American Diaspora (Councilmember Harrell)** – This action would add \$55,000 ongoing funds to support educational services on HIV/AIDS and chronic diseases with a focus of reaching the African American diaspora in Seattle. These funds would be added to the base contract with Seattle-King County Public Health.
- 14. Medication Assisted Treatment Pilot for Methamphetamine Use Disorder (Councilmember O'Brien)** – This action would add \$500,000 to develop a pilot testing the feasibility and efficacy of medication assisted treatment for individuals who misuse or abuse methamphetamines.
- 15. Construct a Comprehensive Clinic Inside a Permanent Supportive Housing Facility (Councilmember Bagshaw)** – This action would add \$2 million in one-time funding to develop the Bill Hobson Comprehensive Clinic, located in a permanent supportive housing facility in Rainier Valley. These funds would reduce the amount of debt required for construction.