

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
BLG	024	A	001

Budget Action Title: Adopt Resolution 31976 - CBO Arts and Culture Fund Policies

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Asha Venkataraman

Council Bill or Resolution: RES 31976

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

Summary of Dollar Effect

See the following pages for detailed technical information

	2021 Increase (Decrease)	2022 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	
General Fund Expenditures	\$0	
Net Balance Effect	\$0	
Total Budget Balance Effect	\$0	

Budget Action Description:

This budget action recommends adoption of Resolution 31976, which would update outdated language and modify financial policies related to the Arts and Culture Fund to require that the Office of Arts and Culture (ARTS) maintain a reserve equivalent to 20 percent of the Arts and Culture Fund's annual operating expenses.

Currently, appropriations for ARTS for the current year are based on admissions tax revenues from two years prior, which allows ARTS two years of lead time to address unexpected revenue issues. For example, appropriations in the 2021 Proposed Budget are based upon actual admissions tax revenues from 2019. However, given the impacts of COVID-19 on current revenue collection, adoption of Resolution 31976 would allow ARTS to shift to concurrently funding its budget beginning in 2022. This shift can mitigate the impacts of revenue loss from COVID-19 in 2020 and 2021 by effectively "skipping" those years of revenue and budgeting for 2022 with anticipated 2022 revenue, when revenues are

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forecasted to improve. Revenues collected in 2020 and 2021 would instead be used to build the reserve in the Arts and Culture Fund. To provide cushion previously provided by the two-year lag, this legislation increases the reserve from \$400,000 annually to 20 percent of operating expenses.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
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