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CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE amending Ordinance 126000, which adopted the 2020 Budget; making appropriations from the Emergency Fund for public assistance due to the COVID-19 civil emergency; making an appropriation from the General Fund for public assistance in the civil emergency; and making appropriations from the Revenue Stabilization Fund for public assistance in the civil emergency; all by a 3/4 vote of the City Council.

..body

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, on February 29, 2020 the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19, and

WHEREAS, on March 13, 2020 the President of the United States declared a national state of emergency in response to the COVID-19 pandemic; and

WHEREAS, on March 25, 2020 the Washington Governor issued Proclamation 20-25, prohibiting all people in Washington State from leaving their homes and all non-essential businesses in Washington State from conducting business (“Stay Home – Stay Healthy Proclamation”); and

WHEREAS, these actions are appropriate for public health reasons but result in severe economic impacts on businesses, families and individuals in Seattle; and

1 WHEREAS, these impacts are felt most strongly by people with low incomes who have become
2 unemployed or had their work hours severely reduced; and

3 WHEREAS, federal and state assistance to people with low incomes will not be sufficient to
4 meet their basic needs during this public health and financial crisis; and

5 WHEREAS, without additional support, many people with low incomes will face severe
6 financial hardship which will have significant negative impacts, including but not limited
7 to public health impacts, greater housing insecurity, as well as impacts to small
8 businesses and the local economy; and

9 WHEREAS, the City will use general fund balance and emergency funds in 2020 to support
10 programs and services that support immigrant communities, small businesses, and the
11 housing needs of low-income households, and people experiencing homelessness or
12 housing insecurity in 2020, to be repaid with proceeds from the new tax collected in
13 2021; and

14 WHEREAS, regarding use of the proceeds of these appropriations for emergency financial
15 assistance in response to the COVID-19 civil emergency, the City Council has
16 determined that there is no viable alternative available for advancing a core City
17 objective during a time of civil emergency; and

18 WHEREAS, after accounting for 2020 deposits the currently available Emergency Fund balance
19 is \$66.9 million and the currently available Revenue Stabilization Account balance is
20 \$60.8 million; and

21 WHEREAS, the City Budget Director reported on April 22, 2020 that the General Fund had an
22 unanticipated year-end balance of \$18.6 million; and

1 WHEREAS, the affordable housing crisis, homelessness emergency, and now the COVID-19
2 pandemic and related economic and unemployment emergencies, in Seattle are deeply
3 impacting the lives of people throughout Seattle and the region and disproportionately
4 harms people of color, immigrants, the LGBTQIA community, indigenous peoples'
5 communities, disabled community members, and women, who already struggle against
6 entrenched inequality; NOW, THEREFORE,

7 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

8 Section 1. Findings. The City Council finds that:

9 A. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of
10 Seattle related to the COVID-19 virus.

11 B. On March 11, 2020, the Governor of Washington State and the Local Health Officer
12 for Public Health – Seattle & King County issued parallel orders prohibiting gatherings of 250
13 people or more for social, spiritual and recreational activities in King County.

14 C. On March 13, 2020, the Governor of Washington state issued an emergency order
15 announcing all K-12 schools in Washington to be closed from March 17, 2020 through June 19,
16 2020 to combat the spread of the disease.

17 D. On March 13, 2020, the President of the United States declared a national emergency
18 to allow the government to marshal additional resources to combat the virus.

19 E. On March 23, 2020, the Governor of Washington State issued an emergency order
20 (“the Stay Home, Stay Safe” order) announcing that “[a]ll people in Washington State shall
21 immediately cease leaving their home or place of residence except: (1) to conduct or participate
22 in essential activities, and/or (2) for employment in essential business services.”

1 F. As of June 11, 2020, the Washington State Department of Health confirmed 25,171
2 cases of COVID-19 and 1,204 deaths caused by the virus in Washington State, with 8,611
3 confirmed cases and 586 deaths caused by the virus in King County.

4 G. The COVID-19 crisis has had a significant impact on the local economy impacting the
5 retail, restaurant, construction, gig economy, and other industries resulting in layoffs and reduced
6 work hours for a significant percentage of this workforce and loss of income for small
7 businesses. These impacts are being felt most strongly by low income workers, people of color,
8 immigrants, and members of the LGBTQIA community, who have become unemployed or had
9 their work hours severely reduced and will have both immediate and long-term impacts.

10 H. There are at least 38,000 businesses in the City of Seattle employing a minimum of
11 655,000 individuals. Since the Governor of Washington closed or limited operations of many
12 businesses in the state beginning in March, the statewide unemployment rate went from 5.1
13 percent in March to 15.4 percent in April. This equates to 199,000 individuals in March, and
14 610,000 individuals in April who are unemployed. In the Seattle/Bellevue/Everett area, the
15 unemployment rate went from 5.6 percent in March to 14.5 percent in April. This equates to
16 96,000 individuals in March and 248,000 individuals in April who are unemployed. Rising
17 unemployment will put more and more Seattle households, particularly low-income households,
18 in financial peril.

19 I. The impacts of the COVID-19 crisis on the economy, employment, job retention, child
20 care, and businesses has resulted in: restaurants, bars, and other businesses being forced to close;
21 workers being unable to go to work because of illness; the need to care for children home from
22 day care or school or for other family members without paid sick or safe time; and reduced
23 business income due to reduced demand as businesses struggle during the state of emergency

1 proclaimed by Mayor Durkan on March 3, 2020. These impacts have led to a temporary closure
2 of many businesses, which will struggle to reopen.

3 J. The impacts of the forced closure of businesses will be felt most by small businesses
4 and nonprofits, which typically have smaller profit margins, smaller cash reserves, and less
5 access to capital than larger for-profit businesses.

6 K. Providing financial assistance to small business owners and operators, including
7 owners of family child care businesses, is necessary to prevent small businesses from having to
8 close permanently due to the hardship associated with government-mandated full or partial
9 closure of their businesses, or requirements to implement new businesses practices and physical
10 modifications to the business to meet public health guidance, during and after the COVID-19
11 crisis. Such assistance shall provide economic benefits to the public by saving or creating jobs,
12 maintaining access to child care so workers who have children at home can return to work,
13 moderating impacts to local tax revenue by supporting continued operations of small businesses,
14 and ensuring that businesses can modify operations as necessary to comply with public health
15 guidance.

16 L. Federal and state assistance is inaccessible to many people with low-incomes, to many
17 small businesses, and is being delayed for many others, and will not be sufficient to meet their
18 basic needs during the COVID-19 public health and financial crisis. In addition, federal
19 assistance provided to small businesses, including child care providers, may not allow flexibility
20 in terms of non-payroll costs that can be covered, timeline for expending funds, etc. Therefore,
21 additional and immediate financial support to small businesses and people with low-incomes is
22 necessary to help meet their basic needs and to help minimize impacts to public health as well as
23 the local economy.

1 K. On March 12, 2020, the Governor issued Proclamation 20-08 closing schools in King,
2 Snohomish, and Pierce Counties. The next day, he issued Proclamation 20-09 expanding the
3 closing of schools to require the statewide closure of K-12 public and private schools until April
4 24, 2020 and then extended such orders again until June 19,2020.

5 L. On June 11, 2020, the Governor issued Proclamation 20.09.2 allowing a phased re-
6 opening of schools subject to the requirements of the Washington State Department of Health’s
7 K-12 Schools – Summer 2020 Guidance and the Re-opening K-12 Fall 2020-2021 Guidance.

8 M. The science of COVID-19 will evolve over the summer and into the school year, and
9 the trajectory of disease in Washington State and Seattle specifically may require changes to the
10 public health response and adds uncertainty to when the re-opening of schools full-time will
11 occur.

12 N. The closure of schools increased the need for childcare for first responders, healthcare
13 workers, and other essential front-line employees as they combat the COVID-19 emergency, and
14 as other non-essential businesses are beginning to re-open workers who are required to return to
15 work before schools re-open full time will add to increased need for childcare for all workers.

16 O. The economic impacts from the COVID-19 emergency are drastic and immediate but
17 are also expected to last much longer than the civil shut-down emergency itself.

18 P. Data from the 2012-2016 American Community Survey (ACS) shows that: over
19 60,000 households in Seattle with incomes at or below 80 percent of AMI are cost burdened,
20 paying more than 30 percent of their income for rent and utilities; and 29,000 households with
21 incomes at or below 50 percent of area AMI are severely cost burdened, paying over 50 percent
22 of their income for rent and utilities, and, as a result, are at potential risk of homelessness.

1 Q. The 2019 point-in-time count of people experiencing homelessness in King County
2 found in Seattle at least 3,558 individuals who are living unsheltered in addition to at least 4,239
3 more individuals who are experiencing homelessness but are sheltered, for a total of at least
4 7,797 individuals who are experiencing homelessness in Seattle.

5 R. The Centers for Disease Control and Prevention recommend against removing
6 encampments while there is community spread of COVID-19 unless there is adequate housing
7 available, defined as individual housing and non-congregate shelter options.

8 S. There may be circumstances in which moving people is necessary, even in a pandemic,
9 but in those limited cases such activity should be planned and implemented with great care and
10 appropriate individual housing or temporary alternative workable living arrangements made
11 available.

12 T. The COVID-19 emergency poses a serious threat to the housing stability of
13 households who are unable to pay rent due to this crisis. The United Way of King County, with
14 funding provided by the City and other partners, expanded their Home Base program to provide
15 emergency rental assistance to households in King County during the COVID-19 emergency.
16 Over 2,500 applications have been submitted by low-income households in Seattle in need of
17 rental assistance.

18 U. Investments in the programs and services described in this ordinance will help
19 counteract the economic and health impacts caused by the COVID-19 crisis by investing in low-
20 income communities, small businesses, and other services that will be needed by people who saw
21 significant reductions in income due to employment changes and business closures or reductions
22 stemming from the crisis.

1 V. The City’s Adopted 2020 Budget fully appropriates all available municipal revenues
2 to address the many and varied needs of the community.

3 W. At an April 22 presentation to the Select Budget Committee, the City Budget Director
4 stated that a “Rapid Recovery” in City General Fund finances from the COVID 19 civil
5 emergency would result in a \$100 million or 7 percent reduction in General Fund revenues
6 available for City spending priorities in 2020, and further stated that a “Slow Recovery” scenario
7 would result in a \$186 million or 13 percent reduction in General Fund revenues and about \$113
8 million reduction in other general government revenues in 2020, for a total reduction of about
9 \$300 million in 2020. Additional information provided by the City Budget office anticipates the
10 budget gap expected in 2020 due to increased spending addressing COVID-19 related needs and
11 reduced General Fund resources.

12 X. A new payroll tax authorized through Council Bill _____ is anticipated to provide new
13 and sufficient revenues to replenish the Emergency Fund and Revenue Stabilization Fund in
14 2021.

15 Section 2. In order to pay for the expenses and obligations to address the economic
16 impacts caused by the COVID-19 epidemic that could not have been anticipated at the time of
17 making the 2020 Budget, contingent appropriations for the following items in the 2020 Budget
18 are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
2.1.a	Office of Economic Development	Emergency Fund (10102)	TBD	\$14,448,000

2.1.b	Department of Education and Early Learning	Revenue Stabilization Fund (00166)	TBD	\$3,612,000
2.1.c	Human Services Department	Emergency Fund (10102)	TBD	\$32,643,800
2.1.d	Office of Housing	Emergency Fund (10102)	TBD	\$3,429,800
2.1.e	Office of Immigrant and Refugee Affairs	Emergency Fund (10102)	TBD	\$17,050,000
2.1.f	Office of Immigrant and Refugee Affairs	Revenue Stabilization Fund (00166)	TBD	\$1,050,000
2.1.g	Office of Sustainability & Environment	Revenue Stabilization Fund (00166)	TBD	\$13,545,000
Grand Total				\$85,778,600

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Section 3. The City Council (“Council”) intends to replenish the Emergency Fund and Revenue Stabilization Fund as described in the ordinance introduced as Council Bill ____ in 2021 using proceeds received from the tax authorized in Council Bill ____.

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020 Adopted Budget, shall be subject to the following provisos:

A. Of the funding appropriated to the Office of Economic Development’s _____ Budget Summary Level in the 2020 Adopted Budget, \$14.45 million of the funds shall be used to address the economic hardship small business owners and their employees experience due to loss of business income, layoffs and reduced work hours for a significant percentage of this workforce as a result of the COVID-19 crisis and may be used for no other purpose. Up to five percent of these funds may be used for expenditures incurred by the department or the community based nonprofit organizations (CBOs) to administer the investments. The Council intends that this funding will be allocated as follows:

1. \$14.1 million to provide financial assistance to small business owners or operators that would be used to reduce the economic hardship caused by COVID-19 crisis and assist small businesses to comply with public health guidelines, thereby protecting the local economy by reducing the number of businesses that are permanently closed and jobs permanently lost due to the short- and long-term economic impacts caused by COVID-19.

- 1 2. \$315,000 to provide training, referral services, and technical assistance to
2 support businesses, including assistance in preparing applications for federal
3 or state loans or grants that provide direct financial assistance to small
4 businesses to prepare such businesses for the road to recovery.
- 5 3. The Council further intends that:
 - 6 a. Up to \$10,000 in financial assistance may be provided to any single
7 eligible small business owner under this proviso.
 - 8 b. Assistance should be prioritized for businesses who commit to not
9 reducing wages and benefits provided prior to the COVID-19 emergency,
10 and for business who have historically, or recently, been unable to access
11 other forms of assistance through state or federal programs available to
12 support businesses, including businesses owned by communities of color
13 and businesses in the creative industry. Any awards to those in the creative
14 industry should be made in partnership with advocates in the creative
15 industry sphere.
 - 16 c. For purposes of this proviso, “small business” is defined as a business
17 with five or fewer employees.
 - 18 d. The Executive should develop eligibility criteria for small businesses who
19 have been economically impacted by the COVID-19 crisis and for whom
20 such assistance will provide economic benefits to the public by saving or
21 creating jobs, moderating impacts to local tax revenue by supporting
22 continue operations of small businesses and ensuring that businesses can
23 modify operations as necessary to comply with public health guidance.

24
25 B. Of the funding appropriated to the Department of Education and Early Learning’s
26 _____ Budget Summary Level in the 2020 Adopted Budget, \$3.61 million of the
27 funds shall be used to address the economic hardship family child care providers and
28 their employees experience due to loss of income, layoffs and reduced work hours for
29 a significant percentage of this workforce as a result of the COVID-19 crisis and may
30 be used for no other purpose. Up to five percent of these funds may be used for
31 expenditures incurred by the department or the community based nonprofit
32 organizations (CBOs) to administer the investments. The Council intends that
33

- 34 1. Up to \$10,000 in financial assistance may be provided to any single eligible
35 family child care provider under this section.
- 36 2. Assistance should be prioritized for child care providers who commit to not
37 reducing wages and benefits provided prior to the COVID-19 emergency, and
38 for providers who have historically, or recently, been unable to access other
39 forms of assistance through state or federal programs available to support
40 businesses.

- 1 3. For purposes of this ordinance, family child care is generally defined as
2 licensed child care for mixed-age children and youth (0-12) provided by
3 individuals operating in residential homes.
- 4 4. The Executive should develop eligibility criteria for family child care
5 providers who have been economically impacted by the COVID-19 crisis and
6 for whom such assistance will provide economic benefits to the public by
7 saving or creating jobs, providing essential child care services as people return
8 to work, and ensuring that family child care providers can modify operations
9 as necessary to comply with public health guidance.

10
11 C. Of the funding appropriated to the Human Services Department's _____ Budget
12 Summary Level in the 2020 Adopted Budget, \$32.64 million of the funds shall be used
13 to address housing insecurity by funding housing programs and services that support
14 low-income households and people experiencing homelessness and may be used for no
15 other purpose. Up to five percent of these funds may be used for expenditures incurred
16 by the department or the CBOs to administer the investments. The Council intends that
17 the City will partner with CBOs that have a history of trust and success in reaching
18 low-income communities and people experiencing homelessness, including experience
19 reaching those who are traditionally marginalized or typically face barriers to enrolling
20 in assistance programs, such as, but not limited to, language barriers, and other
21 historically marginalized communities, to distribute the funds as follows:

- 22 1. \$19.5 million for existing homelessness prevention programs and rental
23 assistance programs such as the United Way of King County's Home Base
24 program; and
- 25 2. \$10.8 million for shelter de-intensification activities and housing or shelter
26 options for unsheltered homeless individuals in non-congregate settings,
27 including costs for new tiny homes, acquiring or leasing hotels or motels or
28 other buildings, or extending leases on such facilities; and
- 29 3. \$2.35 million to support the ongoing service and operation costs of shelter
30 providers. Eligible service and operating costs can include, but are not limited
31 to: personal protective equipment, overtime or premium pay for staff, food
32 service, or cleaning supplies.

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35 D. Of the funding appropriated to the Office of Housing's _____ Budget Summary
36 Level in the 2020 Adopted Budget, \$3.43 million of the funds shall be used to address
37 housing insecurity by funding housing programs and services that support low-income
38 households and may be used for no other purpose. Up to five percent of these funds
39 may be used for expenditures incurred by the department or the CBOs to administer
40 the investments. The Council intends that the City will partner with CBOs that have a
41 history of trust and success in reaching low-income communities, including experience
42 reaching those who are traditionally marginalized or typically face barriers to enrolling
43 in assistance programs, such as, but not limited to, language barriers, and other
44 historically marginalized communities, to distribute the funds as follows:

- 1 2. \$1.1 million for mortgage counseling and foreclosure prevention programs,
2 including costs for housing counselors, legal aid, service coordination, and
3 direct financial assistance; and
- 4 2. \$2.35 million for programs that support the ongoing service and operation
5 costs of nonprofit affordable housing providers. Eligible service and operating
6 costs can include, but are not limited to: personal protective equipment,
7 overtime or premium pay for staff, food service, or cleaning supplies.
8

9 E. Of the funding appropriated to the Office of Immigrant and Refugee Affairs'

10 _____ Budget Summary Level in the 2020 Adopted Budget, \$17.05 million shall
11 be for direct financial assistance to Seattle's low-income immigrant and refugee
12 communities who have experienced the economic impacts caused by the COVID-19
13 crisis and may be used for no other purpose. Up to five percent of these funds may be
14 used for expenditures incurred by the department or the community based nonprofit
15 organizations (CBOs) to administer the investments. The Council intends the
16 following:

- 17 1. Prior to the expenditure of any funds for direct financial assistance, the
18 Executive will partner with CBOs who have a history of trust and success in
19 reaching immigrant and refugee communities to provide such assistance, such
20 as the organizations who worked with the City to distribute emergency
21 grocery vouchers.
- 22 2. Assistance should include direct cash assistance, including pre-paid debit or
23 credit cards, or other services to assist with basic living expenses. The
24 maximum amount of financial assistance provided per household will not
25 exceed \$1,000.
- 26 3. CBOs will determine the eligibility, including criteria to confirm income
27 eligibility, prioritizing those who are ineligible for other federal or state
28 emergency assistance, or are receiving such assistance in a limited or delayed
29 manner that does not meet their needs, or those who have had or whose
30 families have had adverse health impacts from COVID. Requests for
31 documentation of eligibility should not impose an unnecessary burden on
32 those applying for assistance and should not unnecessarily delay the approval
33 and distribution process.
34

35 F. Of the funding appropriated to the Office of Immigrant and Refugee Affairs'

36 _____ Budget Summary Level in the 2020 Adopted Budget, \$1.05 million shall
37 be for programs and services that provide language access support for low-income
38 people who need help accessing and understanding federal, state and local assistance
39 programs and may be spent for no other purpose. Up to five percent of these funds
40 may be used for expenditures incurred by the department or the CBOs to administer
41 the investments. The Council expects that the Executive will partner with CBOs who
42 have a history of trust and success in reaching immigrant and refugee communities to
43 provide such assistance.

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2 G. Of the funding appropriated to the Office of Sustainability and Environment's
3 _____ Budget Summary Level in the 2020 Adopted Budget, \$13.6 million shall
4 be used to continue and expand the Emergency Grocery Voucher program to allow
5 more people participating in existing City programs to be served by this program and
6 may be used for no other purpose. Existing City programs include, but are not limited
7 to: Fresh Bucks, Utility Discount Program, Early Childhood Education and Assistance
8 Program, Child Care Assistance Program, and the portion of the Seattle Preschool
9 Program and the Pathway to Seattle Preschool Program that provide services to
10 households that qualify for free tuition. Up to five percent of these funds may be used
11 for expenditures incurred by the department or the CBOs to administer the
12 investments.

13 The Council intends that vouchers will be made available for use at grocery stores
14 participating in the existing Emergency Grocery Voucher program and expanded to
15 include other community grocers and farmers markets. The Council intends that the
16 Executive will work with CBOs that currently enroll people in the Fresh Bucks
17 program to expand the use of vouchers by identifying culturally appropriate
18 neighborhood grocers to participate in the voucher program.
19

20 Section 5. Severability. The provisions of this ordinance are declared to be separate and
21 severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of
22 this ordinance, or the invalidity of its application to any person or circumstance, does not affect
23 the validity of the remainder of this ordinance or the validity of its application to other persons or
24 circumstances.
25

1 Section 6. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by a 3/4 vote of all the members of the City Council the _____ day of
5 _____, 2020, and signed by me in open session in authentication of its
6 passage this _____ day of _____, 2020.

7 _____
8 President _____ of the City Council

9 Approved by me this _____ day of _____, 2020.

10 _____
11 Jenny A. Durkan, Mayor

12 Filed by me this _____ day of _____, 2020.

13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)
16
17

DRAFT 2020 Spending – Direct COVID Relief

Program/Activity	Program Description	% of total	2020 Spending ¹	Potential Impacts
Small Business Support	Small Business Stabilization Fund - Child Care	4.2%	\$3.6 million	\$10k grants to about 340 child care providers
	Small Business Stabilization Fund - All other small businesses	16.4%	\$14.1 million	\$10k grants to about 1,300 small businesses
	Training, referral services, and technical assistance to support businesses	0.4%	\$0.3 million	
	<i>Small Business Support - subtotal</i>	21%	\$18 million	
Immediate Housing	Homelessness prevention programs & Rental assistance programs such as the United Way of King County’s Home Base program	22%	\$19 million	1-month of rental assistance to 9,700 households or 3-months of rental assistance to about 3,300 households
	Shelter de-intensification and housing or shelter options for unsheltered homeless individuals in non-congregate settings (e.g. tiny homes, hotels or motels)	13%	\$11 million	If all used for tiny homes, create about 5-7 new villages
	Mortgage counseling and foreclosure prevention programs	1%	\$1 million	Mortgage assistance to about 35 households
	Programs that support the ongoing service and operation costs of nonprofit affordable housing & shelter providers	6%	\$5 million	
	<i>Immediate Housing - subtotal</i>	42%	\$36 million	
Immigrant and Refugee Support	Direct financial assistance for immigrant and refugee households	20%	\$17 million	Provide \$1,000 in financial assistance to about 16,200 households
	Language access support for people who need help accessing and understanding assistance programs	1%	\$1 million	
	<i>Immigrant and Refugee Support- subtotal</i>	21%	\$18 million	
Food Security Programs	Continuation or expansion of the Emergency Grocery Voucher program	16%	\$14 million	2-months of grocery vouchers (\$400/month) to about 16,000 households
	<i>Food Security - subtotal</i>	16%	\$14 million	
TOTAL ANNUAL SPENDING:		100%	\$86 million	

¹ The investments assume about five percent of funds will be needed to implement and administer these investments; if the full 5% is not needed to administer the funds, anything funds may be used for the direct programs and services described.