

Office of Economic Development

2021 Proposed Budget Overview

Bobby Lee, Director

Amanda Allen, Finance & Operations Director

Seattle City Council Select Budget Committee
September 30, 2020



City of Seattle

BUDGET SUMMARY (\$000s)

| | 2020 Adopted | 2020 Revised | | 2021 Proposed | |
|-------------------------------------|---------------------|---------------------|-------|---------------------|---------|
| General Fund Appropriation | \$11,552,537 | \$16,551,129 | | \$13,864,426 | |
| Change from 2020 Adopted | | \$4,998,592 | 43.3% | \$2,311,889 | 20.0% |
| Change from 2020 Revised | | | | (\$2,686,703) | (19.4%) |
| Full-time Equivalents (FTEs) | 37.0 | 37.0 | | 34.0 | |
| Change from 2020 Adopted | | 0 | 0% | (3.0) | (8%) |
| Change from 2020 Revised | | | | (3.0) | (8%) |

ADDS, REDUCTIONS & COST SAVING MEASURES (\$000s) – 1/2

| # | Program | Fund | Appropriation Change (from 2020 Adopted) | | FTE Change | Council Priority |
|--|-----------------------------|--------------|---|-------|---------------------|---------------------|
| 1 | Small Business Development* | General Fund | \$3,000,000 | 1000% | 4.0 (3-month temps) | n/a |
| <p>\$3 million will be awarded to small businesses through Small Business Stabilization Fund program grants in 2021, bringing the total investment from 2020-2021 in SBSF to over \$9.8 million, supporting close to 1000 businesses. Priority given to micro-businesses, small businesses in high displacement neighborhoods, and small businesses that are likely to have experienced the greatest economic impact of the current climate.</p> | | | | | | |
| 2 | Key Industries | General Fund | (\$184,824) | (27%) | (1.0) | n/a |
| <p>Eliminate the position and reduce salary and benefits for OED's Director of Key Industries Team. OED proposes to reallocate the staff from this team into a new Workforce & Key Industries Development Team and the Small Business Development Team.</p> | | | | | | |

*Program Related to City's COVID Response

ADDS, REDUCTIONS & COST SAVING MEASURES (\$000s) – 2/2

| # | Program | Fund | Appropriation Change (from 2020 Adopted) | | FTE Change | Council Priority |
|--|---------------------------------|--------------|---|--------|------------|---------------------|
| 3 | Office of Film + Music | General Fund | (\$97,755) | (10%) | (1.0) | n/a |
| Eliminate the position and reduce salary and benefits for Nightlife Business Advocate Position. This work will be absorbed by existing OED staff. Reallocate \$58,000 to preserve funding for loss of Arts Ad Tax support for Special Events Lead position. Council added funding for the SE Lead via the 2020 Adopted budget. | | | | | | |
| 4 | Economic Development Leadership | General Fund | (152,954) | (-17%) | (1.0) | n/a |
| Reduce salary and benefits for OED's Strategy & Performance Advisor position (SA2) and reduces discretionary contract spending which is traditionally spent on specialized research capacity. \$30,000 from contract spending is reallocated within OED's budget to help offset 2021 ongoing staffing costs currently not supported by OED's ongoing budget. | | | | | | |

*Program Related to City's COVID Response

ADDS, REDUCTIONS & COST SAVING MEASURES (\$000s) – 2/2

| # | Program | Fund | Appropriation Change (from 2020 Adopted) | | FTE Change | Council Priority |
|---|---|--------------|---|-------|------------|---------------------|
| 5 | Workforce Development | General Fund | (\$413,000) | (13%) | n/a | n/a |
| | This cut eliminates a contract with PortJobs (\$50,000) and reduces the Seattle Jobs Initiative (SJI) contract by \$363,345. The reduction to the SJI contract leaves \$1.45 million available to support that work. Of this proposed reduction, \$290,200 is reallocated to support an internal OED budget reallocation to cover current staff salaries. | | | | | |
| 6 | Finance & Operations | General Fund | \$0 | 0% | n/a | n/a |
| | OED proposes to reallocate \$36,000 previously budgeted to support OED's general operations to help offset 2021 ongoing staffing costs currently not supported by OED's ongoing budget. To achieve this reduction, OED proposes to limit sponsorship of professional and community events, limit professional development opportunities for staff, reduce motor pool use, and cut technology and equipment purchases. | | | | | |

*Program Related to City's COVID Response

ADDS, REDUCTIONS & COST SAVING MEASURES (\$000s) – 2/2

| # | Program | Fund | Appropriation Change (from 2020 Adopted) | | FTE Change | Council Priority |
|--|---|--------------|---|----|------------|---------------------|
| 7 | Reallocations to OED Staffing Budget | General Fund | \$356,203 | 7% | n/a | n/a |
| <p>OED's 2020 Budget was adopted with structural issues related to staffing levels achieved in 2019 and 2019/2020 pay equity measures implemented with the support of the Seattle Human Services Department. To address these structural issues, OED proposed to reallocate existing resources to cover the gap identified of \$356,000.</p> | | | | | | |

*Program Related to City's COVID Response

RACIAL EQUITY

Department Theory of Change:

Growing local businesses, promoting middle wage jobs, scaling workforce training for unemployed workers, promoting community wealth will lead to Inclusive Economic Growth in Seattle.

Strategic Goals Centering BIPOC Communities:

- A. Stabilize and scale small businesses.
- B. Build community wealth.
- C. Workforce training and support for unemployed, under-employed and low-income workers.
- D. Grow middle wage jobs.

RACIAL EQUITY

How the Proposed Budget Advances Racial Equity (RE)

- Mitigated reductions that would impact those most vulnerable.
- Maintained funding for most activities supporting BIPOC.
- Added \$3 million to the Small Business Stabilization Fund for small business grants; maintained funding for Only In Seattle (OIS) Equity Districts; and, other new initiatives.

Recurring Funding Gaps or Limitations Inhibiting OED's Ability to Achieve RE

- Increased demand for small business technical assistance for BIPOC small businesses
- Community based organizations seeking capacity to promote community wealth
- Historically high number of unemployed workers with training needs
- Additional internal and external capacity building & technical assistance needed
- Increased support to build staff knowledge & capacity to address institutional racism.

RACIAL EQUITY

Activities to Attract & Retain a Diverse & Inclusive Workforce

1. Become more intentional about our recruitment strategies, hiring panels, pay equity, job descriptions and qualifications to demonstrate value for diversity and racial equity.
2. Engage all staff in mandatory Race and Social Justice Trainings annually to build staff knowledge & capacity to address institutional racism and be supportive of their BIPOC coworkers.
3. Create a culture in alignment with our RE values.

COVID-19 Pandemic Response

- 1/2

The framed vision is: Promote inclusive mitigation, reopening and recovery that will lead to a resilient and inclusive economy

Re-aligned Programs and Activities: (Not a complete list of all OED programs)

➤ **Providing Access to Capital:**

Small Business Stabilization Fund - Grants to address revenue shortfall faced by small businesses.

➤ **Pivoting Technical Assistance:**

Loan & Granting Opportunities: OED and other city staff were redeployed to answer the demand for small business, *in-language*, support to apply for various loan and grant products.

Lease Legal Support: Program features commercial lease toolkit, webinars, and one-on-one technical assistance.

➤ **New Permits Development & Coordination:**

SDOT and OED coordinated new sidewalk use and vending cart and foot truck permits.

SDCI and OED coordinated on new temporary free outdoor seating permits.

COVID-19 Pandemic Response

- 2/2

➤ **Supporting Dislocated & Unemployed Workers:**

Hospitality & Retail Workers Retraining Pathway: The program provides workforce training for displaced workers from the hospitality industry.

Digital Bridge: A pilot program to address the digital divide by distributing refurbished laptops and internet access to displaced workers.

Chefs for Ships: The program provides displaced BIPOC chefs and cooks opportunities to obtain family wage jobs in the maritime industry.

➤ **Supporting Youth During COVID:**

Construction Summer Camp: The program helps BIPOC youth gain internship opportunities in the construction industry.

Youth Maritime Collaboration “Level Up” Program: The program seeks to bridge youth with leading maritime companies to provide hands-on training and exposure to various occupations.

➤ **Inclusive Creative Industry:** The program focuses on creative industry (emphasis with music and film sectors) private employers to hire and support BIPOC adult and youth workforce.

QUESTIONS?
