

HUMAN SERVICES DEPARTMENT

Staff: Amy Gore

Budget Summary (\$ in 000s)

	2020 Adopted	2021 Proposed	% Change Adopted to Proposed
Appropriations by BSL			
Addressing Homelessness	\$97,570	\$135,213	39%
Leadership and Administration	\$12,581	\$12,664	1%
Preparing Youth for Success	\$21,612	\$14,138	(35%)
Promoting Healthy Aging	\$48,522	\$50,262	4%
Promoting Public Health	\$11,920	\$12,214	2%
Supporting Affordability and Livability	\$32,923	\$29,284	(11%)
Supporting Safe Communities	\$10,872	\$21,374	97%
Total Appropriations¹	\$236,000	\$275,150	17%
Total FTEs	385.5	375.5	(3%)
Revenues			
General Fund	\$141,918	\$149,029	5%
Other Sources	\$94,082	\$126,170	34%
Total Revenues	\$236,000	\$275,150	17%

¹ Numbers may not add up due to rounding. The 2021 Proposed Budget includes \$6.4 million in Addressing Homelessness that was not included in the Budget Book.

I. Background

The Human Services Department (HSD) funds and operates programs and services to meet the basic needs of all people, particularly people experiencing homelessness, children and youth, survivors of domestic violence, families and individuals with low incomes, persons with disabilities, and seniors. HSD's service delivery model relies on contracts with over 170 community organizations to provide services to the people of Seattle. The department is currently divided into five divisions:

- 1. Homeless Strategy and Investment (HSI)** – The majority of the funding for the City's response to homelessness is managed through this division, including contracts for shelters, tiny home villages, day and hygiene centers, and operations of permanent supportive housing facilities. Please see the Homelessness Issue Identification Paper that will be presented to the Select Budget Committee on October 21 for a discussion of Homelessness in the 2021 Proposed Budget and any budget actions proposed by councilmembers as of October 8, 2020.
- 2. Aging and Disability Services (ADS)** – This division is designated by the state and federal governments as the Area Agency on Aging for both Seattle and King County. The division manages programs that serve older people, family caregivers, and individuals with

disabilities, including case management for clients who receive in-home care, nutrition services, caregiver support, senior centers, information and referrals to a network of support.

3. **Youth and Family Empowerment (YFE)** – This division manages the department’s investments in programs for youth, low-income families and public health. Programs include youth development and mentoring, family resource centers, mental health counseling, community safety projects, food banks and nutrition programs. Funding for public health services is managed through a single contract with Public Health – Seattle and King County (PHSKC). PHSKC is housed within King County while a limited number of staff at HSD manage the contract.
4. **Mayor’s Office on Domestic Violence and Sexual Assault (MODVSA)** – This office manages the City’s response to gender-based violence and funds programs to support survivors of domestic violence and sexual assault, including shelters, prevention and intervention programs, victim services and mobile flexible advocacy programs.
5. **Leadership and Administration (LAD)** – This division provides support to the other divisions through executive, community, financial, human resource, technology, and business support.

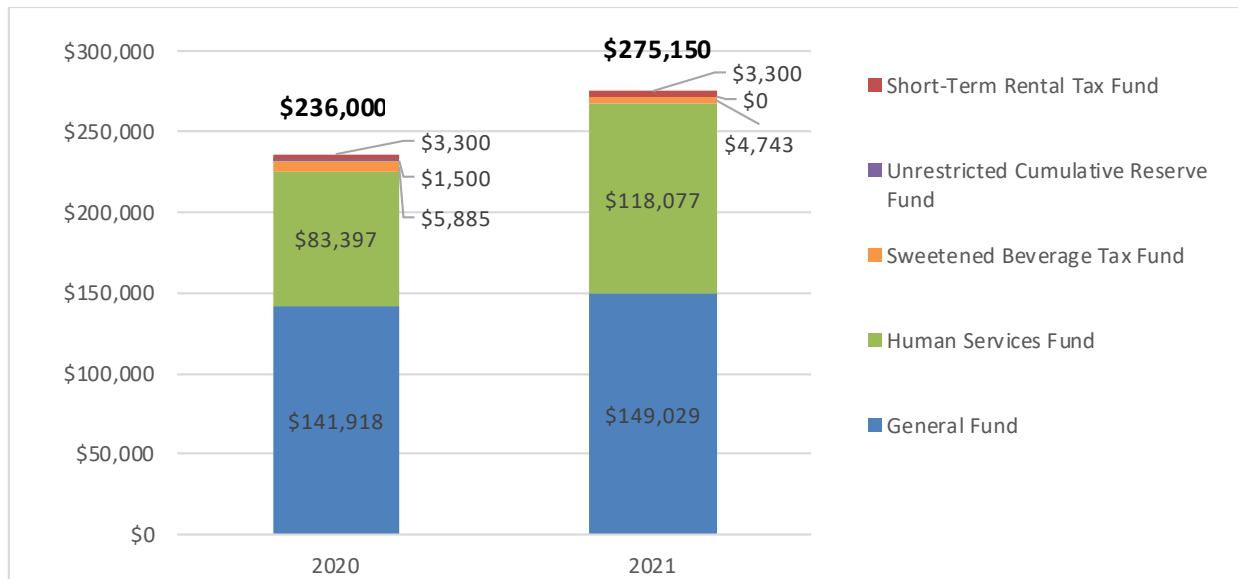
2021 Proposed Budget Overview

The 2021 Proposed Budget for HSD is \$275.0 million, an increase of \$39.2 million (17 percent) from the 2020 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.

In the 2021 Proposed Budget, HSD is funded through a combination of sources:

- **General Fund Revenues** – HSD’s 2021 budget includes \$149.0 million in GF revenues, an increase of \$7.1 million (five percent) from 2020. In the 2021 Proposed Budget, GF revenues represent 54 percent of the Department’s budget, compared to 60 percent in 2020.
- **Federal, State and Other Grants (Human Services Fund)** – The department’s 2021 budget includes \$118.1 million in outside grant funding, an increase of \$34.7 million (42 percent) from 2020. In the 2021 Proposed Budget, outside grant revenues represent 43 percent of the Department’s budget, compared to 35 percent in 2020. Approximately \$29.4 million of these funds (26 percent) are one-time grant awards.
- **Sweetened Beverage Tax (SBT) Revenues** – The department’s 2021 budget includes \$4.7 million in SBT revenues, a decrease of \$1.1 million (19 percent) from 2020.
- **Short-Term Rental Tax (STRT) Revenues** – The department’s 2021 budget includes \$3.3 million in STRT revenues, similar to the 2020 Adopted Budget. In 2020, these funds were swapped with State Commerce Grant funds due to the significant reduction in revenues due to COVID-19.

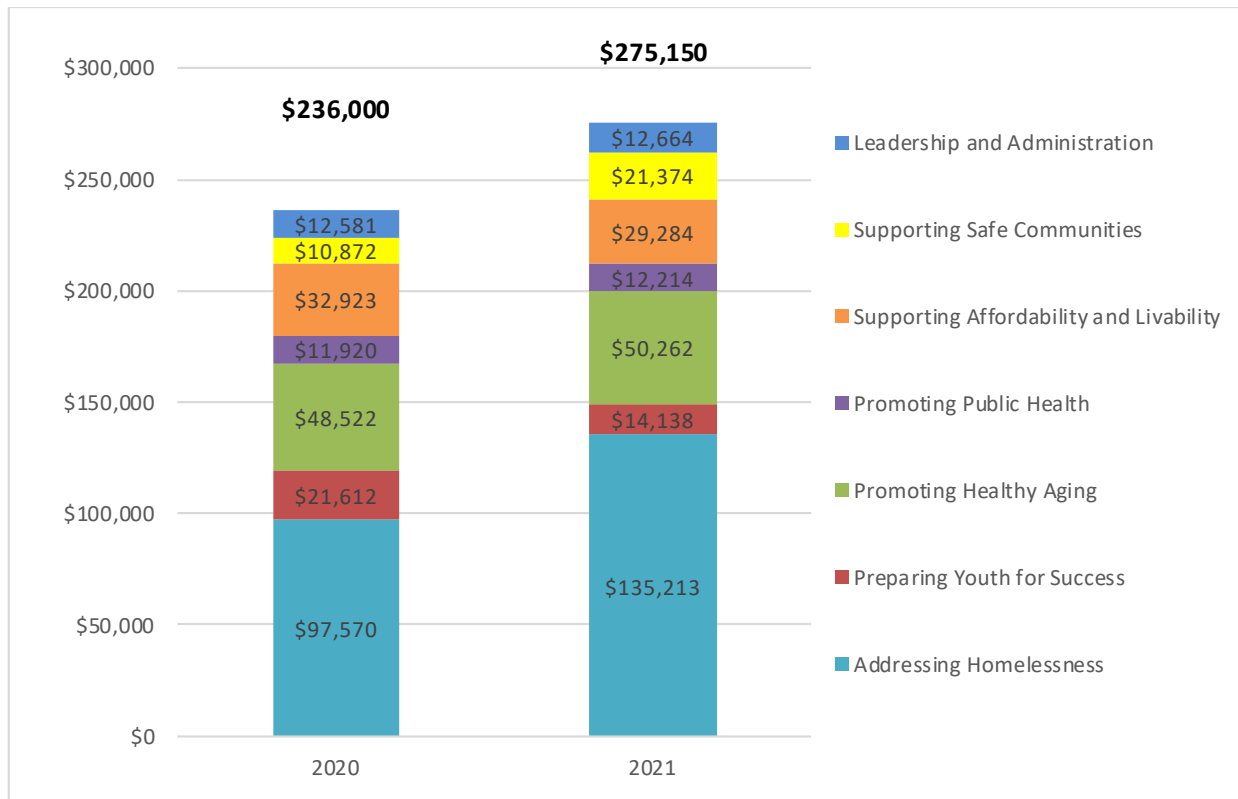
Chart 1: HSD Revenue Sources (\$ in 000s)



The 2021 Proposed HSD Budget appropriates \$275.2 million, almost half of which (49 percent) is in the Addressing Homelessness Budget Summary Level (BSL). The remainder includes:

- **Preparing Youth for Success** – These appropriations decrease 36 percent, from \$21.6 million in the 2020 Adopted Budget to \$14.1 million in the Proposed 2021 Budget, primarily due to transferring programs to the Supporting Safe Communities BSL. Youth programming represents five percent of the 2021 budget.
- **Promoting Healthy Aging** – This BSL increases four percent, from \$48.5 million in the 2020 Adopted Budget to \$50.3 million in the Proposed 2021 Budget. It represents 18 percent of the 2021 budget.
- **Promoting Public Health** – This BSL increases two percent, from \$11.9 million in the 2020 Adopted Budget to \$12.2 million in the Proposed 2021 Budget. It represents four percent of the 2021 budget.
- **Supporting Affordability and Livability** – This BSL decreases two percent, from \$11.9 million in the 2020 Adopted Budget to \$12.2 million in the Proposed 2021 Budget. It represents four percent of the 2021 budget.
- **Supporting Safe Communities** – Funding for these programs increase from \$10.8 million in the 2020 Adopted Budget to \$21.4 million in the 2021 Proposed Budget, an increase of 97 percent. This reflects the consolidation of Safety Programs into the BSL and into a new Safe and Thriving Communities Division.
- **Leadership and Administration** – This BSL remains virtually unchanged at \$12.7 million and represents five percent of the Department’s Proposed 2021 Budget.

Chart 2: HSD Appropriations by BSL (\$ in 000s)



2020 Budget Revision

The Human Services Department has been at the forefront of the City's COVID-19 response and has shifted service delivery of programs to meet increased need of Seattle residents in 2020 and to meet social distancing guidelines in their funded programs. During 2020, as part of emergency legislation and during the 2020 Budget Revision process, the HSD budget was amended to reduce spending, reprogram existing funds, appropriate new emergency funds, and increase non-emergency appropriations, resulting in an increase in the 2020 Adopted Budget from \$236.0 million to \$302.0 million. The 2021 Proposed Budget represents a reduction of \$24.8 million from the Revised 2020 Budget.

Notable Changes in the 2021 Proposed Budget

1. **Creation of New Safe and Thriving Communities Division** – Currently, HSD administers community safety interventions both within the Safety Program housed in the Youth and Family Empowerment (YFE) Division and in the Mayor's Office on Domestic Violence and Sexual Assault (MODVSA). The 2021 Proposed Budget would combine these functions into a new division called Safe and Thriving Communities Division, which would house Community Safety, Gender-Based Violence Services, and Victim Advocacy. Please see the Community Safety Issue Identification Paper that will be presented to the Select Budget Committee on October 21 for a discussion of this change and any budget actions proposed by councilmembers as of October 8, 2020.

2. **Provider Contract Inflation** – Consistent with [Ordinance \(ORD\) 125865](#), passed by Council in July of 2019, \$2.9 million is included in the 2021 Proposed Budget to provide all qualifying HSD provider contracts with a 1.9 percent inflationary increase to reflect the increasing costs of providing services. This inflation does not include approximately 11 percent of HSD contracts which are for services wholly outside of the City limits (as part of the City’s role as the Area Agency on Aging for King County) or contracts funded with Medicaid funds or funds appropriated by Title XIX of the Social Security Act, which expressly prohibit contract inflation.
3. **Program Transfers** – The 2021 Proposed Budget includes three program transfers:
 - Rainier Beach a Beautiful Safe Place for Youth from HSD to Department of Neighborhoods (DON) (\$518,486);
 - Food Opportunity Fund from HSD to DON (\$500,000); and
 - Good Food Bag Contracts from Office of Sustainability (OSE) to HSD (\$55,000).
4. **Childcare Bonus Fund** – The 2021 Proposed Budget appropriates \$3.8 million of Childcare Bonus Funds, which are generated through incentive zoning fees charged to new construction in some areas of the city. The funds will be awarded for the building of new childcare projects that will be selected in 2021.
5. **Changes to Appropriation from Additional Grant Revenue** – The 2021 Proposed Budget includes a net increase of \$3.4 million in grant revenue from federal, state and county sources. Significant changes to appropriations from grant revenues include:
 - An increase for older adult nutrition programs (\$526,000);
 - An increase in case management for older adults (\$1.2 million); and
 - A reduction to the Utility Discount Program due to the discontinuation of the Vehicle Licensing rebate component of the program (\$157,000).
6. **Miscellaneous Adjustments** – The 2021 Proposed Budget includes several adjustments applied to all departments including:
 - Citywide Adjustments for Standard Cost Changes (\$1.3 million);
 - Baseline Adjustments for Personnel Costs (\$1.0 million); and
 - Adjustments for Central Costs in Human Services Fund and Technical Changes (\$200,000).

Racial Equity

Programs in HSD typically serve vulnerable and disadvantaged populations that are disproportionately people of color due to systemic racism and disinvestment in Black, Indigenous, People of Color (BIPOC) communities. In Seattle, disparities by race are stark, for example:

- In 2019, 23 percent of Black or African American individuals were below the poverty line, compared to seven percent of white individuals. (Data for Alaska Native/American Indian

individuals was not available.)¹

- In 2019, 80 percent of Black households and 79 percent of Alaska Native/American Indian households were renters, compared to 52 percent of white households, creating greater risk of eviction and displacement.²
- A 2019 Healthy Food Availability report funded by the SBT found there was lower availability of healthy foods in lower-income neighborhoods and neighborhoods with more Black or Hispanic residents.³
- The 2020 Seattle/King County Point in Time Count found 25 percent of individuals experiencing homelessness in King County were Black or African-American, compared to seven percent of the overall population, and 15 percent of individuals experiencing homelessness were American Indian or Alaska Native, compared to one percent of the overall population.⁴

Therefore, any budgetary or programmatic changes to HSD will disproportionately impact BIPOC communities, either positively or negatively.

The 2021 Proposed Budget maintains or increases funding for almost all ongoing programs, which is significant given the overall reductions in many other departments in the proposed budget. However, existing disparities and the health and economic impacts of COVID-19 are disproportionately felt by BIPOC communities and it is clear that even this increased spending cannot meet the need of Seattle residents for supports such as emergency shelter, food banks and meal programs, or mental and behavioral health services.

The City typically relies on competitive funding processes for contracts. This requires an organization be aware of Request for Proposal (RFP) opportunities and have the capacity to prepare responsive, successful proposals which can lead to larger, more established organizations to have a competitive advantage for funding. In recent years, HSD has worked to address this challenge within some programs. Leading to the 2019 Safety RFP, HSD supported a [Co-Design process](#) to work with service providers and community members to determine intended outcomes for funding and funding process improvements. This led to a significant shift in funding goals for the program and an RFP process which prioritized funding for smaller community organizations which had not been awarded HSD funds in the past. Increasing this type of collaborative and community-driven process formation could increase the equitable distribution of HSD funds.

Overall, HSD funding priorities are still set by the Mayor and Council through annual budget appropriations and the adoption of guidance documents such as the [Consolidated Plan for Housing and Community Development](#). A more equitable model for funding could be participatory

¹ American Community Survey, 2019 1-Year Estimates, Table [S1701](#)

² American Community Survey, 2019 1-Year Estimates, Tables [B25003A](#), [B25003B](#), and [B25003C](#)

³ Bolt K, Carter L, Casey D, Chan NL, Chen R, Jones-Smith JC, Knox M, Oddo VM, Podrabsky M, Saelens BE, Schachter A, Ta M, Pinero Walkinshaw L, Yang A. [Healthy Food Availability & Food Bank Network Report](#). Report for City of Seattle and Seattle City Council. Feb 2019.

⁴ All Home. [Count Us In: 2020 Seattle/King County Point in Time Count](#). 2020

budgeting, in which funds are set aside for community members to determine priorities and specific investments to meet those priorities. If designed intentionally, this could put more decision-making power in the hands of impacted communities.

II. Issue Identification

1. Continuation or Removal of One-Time Funding

In 2019 and 2020 both the Executive and the Council proposed, and the Council ultimately adopted, new spending in HSD's budget for both one-time investments and ongoing investments that were funded using one-time resources. Some of these investments, such as capital investments, are true one-time costs, though most were investments in on-going programs. The 2021 Proposed Budget continues funding for some of those on-going programs previously funding with one-time resources, totaling \$2.6 million and removes funding for \$15.7 million of one-time investments. Table 2 lists the one-time investments from the past two years (by Council Budget Action (CBA) or Executive Change Request), the funded amounts and whether they are funded in the 2021 Proposed Budget. (This table does not include HSI appropriations.)

Options:

- A. Restore funding for selected discontinued one-time budget appropriations. Restoration of funds could be one-time or ongoing depending on the identified balancing cuts.
- B. No Action

Table 2. Continuation One-Time Budget Adds in the 2021 Proposed Budget

Description	CBA/Executive Change Request (Year)	Amount	In 2021 Proposed Budget**
Mt. Baker Family Resource Center Start Up Costs	HSD-138 (2020)	\$740,000	Y
First Responder Triage Program (Crisis Connections One Call)*	14-5-B-1 (2019)	\$403,030	Y
Harm Reduction Outreach Program for Sex Workers & Drug Users	HSD-54-B-2 (2020)	\$140,000	Y
HIV/AIDS and Chronic Illness Education for the African American Diaspora	HSD-51-A-2 (2020)	\$55,000	Y
Homelessness Navigation Services***	15-21-A-1 (2019)	\$80,000	Y
Homelessness Services for American Indian and Native Alaskan Women***	15-5-B-1 (2019)	\$95,000	Y
Provide Financial Assistance through the Seattle Helpline Coalition	15-7-B-1 (2019)	\$300,000	Y
Sex Industry Workers Diversion Program	CJ-61-B-1 (2020)	\$124,000	Y
Youth diversion, community building, and education programs	CJ-62-C-1 (2020)	\$300,000	Y
Legal Services for Sexual Assault Survivors	14-16-A-2 (2019)	\$150,000	Y
Services to LGBTQ seniors	14-13-A-2 (2019)	\$180,000	Y
Critical Incident Community Responders*	N/A	\$428,000	Y
Support for Construction of the Bill Hobson Comprehensive Clinic	HSD-50-B-2 (2020)	(\$1,800,000)	N
CDBG Capital Investments	HSD-150 (2020)	(\$2,000,000)	N
Chief Seattle Club Health Clinic	HSD-151 (2020)	(\$1,000,000)	N

Term-Limited 1.0 FTE to Support City's Homelessness Investments***	HOM-19-B-1 (2020)	(\$17,956)	N
Mt. Baker Family Resource Center	HSD-138 (2020)	(\$840,000)	N
Nurse Call Line (Most funding for this program was on-going.)	HSD-147 (2020)	(\$3,000)	N
One-time Capital Investment in LGBTQ Youth facility	HSD-149 (2020)	(\$500,000)	N
Redirect Sweetened Beverage Tax to Support Food and Education Programs	OSE-2-D-1 (2020)	(\$735,000)	N
Relocation and Building Renovations for a Youth Shelter	HOM-5-B-2 (2020)	(\$1,500,000)	N
Safety RFP Ramp-Down Funding	HSD-152 (2020)	(\$1,313,696)	N
State-Wide Human Services Lobbying and Advocacy	HSD-4-B-1 (2020)	(\$60,000)	N
Substance Use Disorder Treatment	14-3-B-1 (2019)	(\$500,000)	N

*Included in Community Safety Issue ID Paper

** For bookkeeping purposes, all one-time adds were removed and then selected funding was added back to the budget. To simplify this table, the reductions for programs which funding was continued were removed. This table does not include Homelessness investments.

*** Investments relating to homelessness but funded through LAD or Safe Communities because they are for administration or are investments specific to persons surviving Domestic Violence.

2. Elimination of Positions

The 2021 Proposed Budget eliminates a total of 14 positions in HSD, reducing the budget by \$1.5 million. Seven of these positions are in the Homeless Strategy and Investments Division, with four from Leadership and Administration and three from Youth and Family Empowerment Division. The positions eliminated from Leadership and Administration are primarily associated with anticipated reductions in workload associated with the transfer of homelessness investments to the King County Regional Homelessness Authority. The positions eliminated from YFE will likely result in increased workload for the remaining staff and could result in a reduction of service delivery.

Table 3. Proposed Position Eliminations in the 2021 Proposed Budget

Position	Cost	FTE Reduction	Vacant	BSL
Assistant Finance Analyst	(\$80,150)	0	N	Leadership and Administration
Executive Assistant	(\$109,518)	1	Y	Leadership and Administration
Assistant Management Systems Analyst	(\$84,206)	1	N	Leadership and Administration
Strategic Advisor I	(\$115,991)	0	N	Leadership and Administration
Administrative Specialist I	(\$84,509)	1	N	Youth and Family Empowerment
Senior Grants & Contracts Specialist	(\$112,998)	1	Y*	Youth and Family Empowerment
Sr Human Services Program Supervisor	(\$130,848)	1	Y	Youth and Family Empowerment

*Anticipated

**This table does not include positions in Homelessness Strategy and Investments proposed for elimination.

Options:

- A. Restore funding for selected eliminated positions.
- B. No Action

III. Budget Legislation

1. **CB 119910**: CBO 2020 3Q Supplemental Budget Bill

This legislation would amend the 2020 Adopted Budget to increase, decrease and transfer appropriation authority, amend the Capital Improvement Program, create new positions and transfer positions. The legislation would have the following impacts on the 2020 HSD Budget:

- Increase appropriations in the Addressing Homelessness BSL by \$3.0 million to support non-congregate shelter. This is funded through the federal Emergency Solutions Grant (ESG). Please see additional information in the Central Staff's Issue Identification papers about the Mayor's proposed COVID-19 investments and Homelessness (both to be presented to the Select Budget Committee on October 21st).
- Increase appropriations in the Promoting Public Health BSL by \$150,000 to support King County Public Health with a Flu Vaccination effort. This is funded through the federal Coronavirus Relief Funds.
- Increase appropriations in the Preparing Youth for Success BSL by \$250,000 to support the Reentry Workgroup Strategies project. These funds were appropriated in 2019 and were awarded in 2020 through the Reentry/Rerooting Indigenous Community Healing Request for Proposal (RFP). The funding was added in the Q3 supplemental because it was accidentally omitted from the carryforward legislation.

2. **CB 119909**: CBO 2020 3Q Grant Acceptance Ordinance

This legislation would accept funding from non-City sources in 2020. It includes acceptance of \$3 million in ESG funds as referenced above and discussed in the Homelessness Issue ID paper presented on October 21st.

3. **CB 119912**: CBO 2021 Recurring Grant Acceptance Bill

This legislation would authorize Department directors to accept and appropriate approximately \$140 million in grants and enter into revenue-backed service contracts that support appropriations in the proposed 2021 budget. It includes 53 grants totaling \$114.0 million appropriated to HSD as discussed in this paper and in the Homelessness Issue ID paper presented on October 21st.

4. **CB 119911**: CBO LEG Revised JumpStart Appropriations ORD

This legislation would repeal Ordinance 126149 that authorized spending \$57 million from the City's Emergency Fund for COVID relief efforts and replaces it with a bill that reflects the compromise between the Council and the Mayor to spend a total of \$45 million for COVID-19 relief efforts in 2020 and 2021. It includes \$3.0 million appropriated to HSD to support ongoing service and operation costs of shelter providers as discussed in the Homelessness Issue ID paper presented on October 21st.

IV. Budget Actions/SLIs Proposed by Councilmembers as of October 8, 2020

- 1. Report on Referrals to Law Enforcement Assisted Diversion (LEAD) Program (Councilmember Herbold)** – This proposal would request that HSD deliver a report to Council calculating the funding needed to meet the City’s “commitment to ensuring that law enforcement pre-arrest diversion programs, such as LEAD, receive public funding sufficient to accept all priority qualifying referrals citywide,” as stated in [Resolution 31916](#). The report should include forecasts of the number and type of priority qualifying referrals, including social referrals with or without law enforcement and arrest referrals, and estimate the funding necessary to support pre-arrest diversion services for those referrals citywide in 2021, 2022, and 2023. The SLI would request that HSD engage or coordinate with the LEAD Policy Coordinating Group to prepare the report.
- 2. Restore Funding to Age Friendly Seattle (Councilmember Herbold)** – This proposal would restore \$60,358 in funding to HSD for the Age Friendly Seattle program that is cut in the 2021 Proposed Budget.
- 3. Add Funding for Services for the Native Community (Councilmember Juarez)** – This proposal would add \$100,000 for HSD to contract with a native-led organization providing culturally appropriate services for the American Indian/Alaska Native community, such as United Indians of All Tribes. The funds would be used to support the Daybreak Star Preschool (\$67,000) and the Indian Child Welfare/Foster Care program (\$33,000).
- 4. Add Funding for Childcare Center Serving the Filipino Community (Councilmember Morales)** – This proposal would add \$1.5 million in one-time funding for the development of a childcare center administered by a community-led organization providing culturally appropriate services for the Filipino community, such as Filipino Community of Seattle.
- 5. Transfer Community Health Engagement Location funding to HSD (Councilmember Herbold)** – This proposal would transfer \$1.4 million from Finance General to HSD to provide funding the Seattle-King County Public Health to contract with non-profit community organizations to provide supervised consumption services. This funding was originally included by Council in the 2018 Adopted Budget (\$1.3M) and in the 2019 Adopted Budget (\$100,000) but has not yet been spent.
- 6. Restore Funding for Human Services Lobbying and Advocacy (Councilmember Morales)** – This proposal would add \$85,000 of funding to HSD to contract with a non-profit organization, such as the Statewide Poverty Action Network, 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 Adopted Budget included \$85,000 for this purpose, but funding is not included in the 2021 Proposed Budget.