

# Budget Hearing

# OFFICE OF ECONOMIC DEVELOPMENT

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Select Budget Committee | October 12, 2023

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# Budget Summary (\$ in 000s)

|                                        | 2023 Adopted    | 2024 Endorsed   | 2024 Proposed   | % Change 2024<br>Endorsed to 2024<br>Proposed |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------------------------------------|
| <b>Operating Appropriations by BSL</b> |                 |                 |                 |                                               |
| Leadership and Administration          | \$4,371         | \$4,276         | \$7,681         | 79.6%                                         |
| Business Services                      | \$23,265        | \$23,100        | \$28,315        | 22.6%                                         |
| <b>Total Appropriations</b>            | <b>\$27,637</b> | <b>\$27,376</b> | <b>\$35,997</b> | <b>31.5%</b>                                  |
| <b>Total FTE</b>                       | <b>52.0</b>     | <b>52.0</b>     | <b>61.0</b>     | <b>17.3%</b>                                  |
| <b>Revenues</b>                        |                 |                 |                 |                                               |
| General Fund                           | \$11,987        | \$11,776        | \$10,501        | -10.8%                                        |
| Other Sources                          | \$15,650        | \$15,600        | \$25,496        | 63.4%                                         |
| <b>Total Revenue</b>                   | <b>\$27,637</b> | <b>\$27,376</b> | <b>\$35,997</b> | <b>31.5%</b>                                  |

# Issue Identification

## **1. Proposed OED JumpStart Economic Revitalization Investments**

OED's 2024 Proposed Budget Adjustments allocate \$9.9 million of the total \$13.1 million that had previously been held in Finance General to implement the Future of the Seattle Economy (FSE) strategic framework, adopted by Council in Resolution 32099, and the forthcoming workforce development strategic plan.

The FSE framework includes five pillars:

1. Investing in Talent and Building our Workforce
2. Supporting Small Business and Women- and Minority-Owned Business Enterprises
3. Building BIPOC Community Wealth
4. Investing in Neighborhood Business Districts
5. Growing Businesses and Key Industries

# Issue Identification

## **1. Proposed OED JumpStart Economic Revitalization Investments (cont'd)**

Council may wish to repurpose, scale, or provide direction for these proposed adjustments to advance other Council priorities, consistent with the FSE framework.

### **Options:**

- A. Reduce proposed appropriations in favor of other Council priorities, consistent with the FSE strategic framework;
- B. Impose a proviso on proposed appropriations to ensure they align with Council priorities; or
- C. No change.

# Issue Identification

## **2. Ongoing vs. One-Time Expenditures**

The 2024 Proposed Budget Adjustments allocate \$6.3 million out of \$9.9 million in OED as ongoing expenditures, including 9.0 FTE.

Council may want to change some of the proposed ongoing expenditures to one-time, to help ensure greater transparency and flexibility in next year's budget.

### Key considerations:

- Integration of the Generational Wealth Initiative
- Workforce Development Strategic Plan
- Budget sustainability

### **Options:**

- A. Change some proposed ongoing expenditures to one-time.
- B. No change.

# Issue Identification

## **3. Childcare and the Future of the Seattle Economy**

The FSE framework identifies the need for greater childcare services for Seattle's workforce. This falls outside of OED's core lines of work.

Council may want to consider giving direction to OED to work with other departments to develop a coordinated City approach towards increasing childcare supply, and clarify departmental roles and expectations in developing this "big bet" strategy.

### **Options:**

- A. Provide direction for OED to further develop a childcare "big bet" strategy in partnership with other departments, including DEEL and HSD, via a Statement of Legislative Intent.
- B. No change.

# Questions?