

**Overview and Initial Issues Identification
OFFICE OF SUSTAINABILITY AND ENVIRONMENT (OSE)**

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Table 1: Expenditures/Revenues

	2014 Endorsed Budget	2014 Proposed Budget	% Change Endorsed to Proposed
Expenditures by Budget Control Level (BCL)			
<i>Office of Sustainability and Environment BCL</i>	\$2,092,000	\$2,518,000	20.4%
Total Expenditures	\$2,092,000	\$2,518,000	20.4%
Total Full Time Equivalent Staff (FTEs)	10.0*	10.5*	

* As shown on page 569 of the budget. See Issues section for a discussion of positions in the budget's Appendix A.

Introduction:

The Office of Sustainability and Environment (OSE) develops environmental policy, coordinates implementation of environmental programs and helps measure program results. OSE's work plan includes climate protection and adaption, energy efficiency, sustainable building practices, food policy, and urban forest stewardship. Compared to the endorsed 2014 budget, OSE proposes to spend \$426,000 (20.4%) more and add 0.5 FTE. OSE is unusual because grants and certain other revenue sources are "off budget" (not shown in OSE's budget) yet are shown in OSE spending reports. In 2013, OSE spent millions of off-budget grant dollars for Community Power Works (CPW). The proposed 2014 budget increase includes a shift of the CPW for Home program from its 2013 off-budget status to OSE's 2014 General Subfund (GSF) budget. It also adds funds for ongoing Fresh Bucks food assistance, district energy planning, energy benchmarking and municipal facility energy conservation programs.

OSE's revenues are shown as entirely GSF. But because OSE is a central city service, GSF dollars are only 36% of its funding and the rest is cost-allocated to Seattle City Light (SCL), Seattle Public Utilities (SPU), Seattle Department of Transportation (SDOT), the Department of Finance and Administrative Services (FAS) and the Department of Planning and Development (DPD). Those 2014 allocations, as well as planned off-budget spending, are shown in Table 2.

TABLE 2: TOTAL REVENUES SUPPORTING OSE 2014 WORK PLAN

Source	Endorsed 2014	Proposed 2014	% change
Cost-Allocated Revenue (appears as General Subfund (GSF) in budget)			
GSF departments (including Parks)	\$753,000	\$907,000	
DPD	\$94,000	\$113,000	
SDOT	\$157,000	\$189,000	
SCL	\$575,000	\$692,000	
SPU	\$408,000	\$491,000	
FAS	\$105,000	\$126,000	
Cost-Allocated Total	\$2,092,000	\$2,518,000	20.4%
Off-Budget Revenue			
Community Power Works (CPW) grant	\$0	\$297,000*	
SPU Green Stormwater Infrastructure MOA	\$95,000 est.	\$95,000 est.	
Puget Sound Energy	\$0	\$18,000	
Off-Budget Total	\$95,000	\$409,000	
TOTAL REVENUE AVAILABLE	\$2,187,000	\$2,927,000	33.8%

* Remaining federal ARRA grant funds will be expended in 1st quarter 2014. An added \$500,000 - \$900,000 of 2014 state grant funds for CPW are anticipated but not shown because the grant is not yet awarded.

Issues:

1. Fresh Bucks. OSE has been piloting the Fresh Bucks program in cooperation with the Washington State Farmers Market Association (WSFMA), Seattle farmers markets and the University of Washington Center for Public Health Nutrition. Fresh Bucks is a food assistance program that doubles the buying power at Seattle farmers markets for families receiving federal food stamp benefits. In 2013 \$50,000 of City funds were matched by \$140,000 of private foundation funds to help over 2,500 low-income families. OSE proposes to double the 2014 City contribution to \$100,000 and seek at least \$140,000 of private funds so that more people can be helped. OSE is confident they can reach their 2014 private fund-raising goal. OSE and its partners also are developing a 5-year vision and considering expansion of the program to the entire state under the umbrella of the WSFMA. There may be some interest in further expanding the program using more City funds or, to further the goal of statewide expansion, funds from sources outside of Seattle.
2. Farm Marketing. The 2012 Seattle Food Action Plan encourages Seattle residents to eat healthy locally grown food. There are a number of Puget Sound area programs that

market local farm products to consumers in Seattle and elsewhere. Puget Sound Fresh and the Cascade Harvest Coalition's (CHC's) Farm Guide are two examples. Puget Sound Fresh describes itself as "a buy local program that supports producers operating in any of the 12 Puget Sound Counties: Whatcom, Skagit, Snohomish, King, Pierce, Thurston, Jefferson, Clallam, Kitsap, Mason, Island and San Juan." Puget Sound Fresh and the Farm Guide to local farms are CHC programs funded by King County and the King County Conservation District.

Despite sustained interest by farmers and consumers, county funding for farm marketing programs is diminishing. The proposed budget adds \$136,000 to the Human Services Department for the Farm to Table marketing program, but that program helps local farmers market specifically to Seattle senior and childcare nutrition programs. General Subfund dollars also could be added to OSE's budget to support more broadly targeted marketing of locally produced food to all Seattle consumers under the umbrella of Food Action Plan implementation.

3. Positions. OSE's endorsed 2014 budget shows a baseline of 11 positions (10 FTE) to which one half-time CPW position is now proposed to be added, for a total of 12 positions (10.5 FTE). OSE represents that the baseline FTE count in the budget text is lower than its actual number of baseline positions because the personnel database was slow in recording a Resource Conservation Management Plan (RCMP) position created in the 1st quarter 2012 supplemental budget ordinance. The RCMP that will guide the position's work plan will not be complete until late 2013. However, it is anticipated that the position will coordinate with capital departments, develop O&M efficiency guidelines, monitor energy savings and manage building audits.

While the budget text does not include the RCMP position, it appears to be included in the position list in Appendix A. But even if the position is in Appendix A, it was approved with a sunset because it was supported by temporary grants and fund balance. The specific language in the 1st quarter 2012 supplemental fiscal note was: "The Strategic Advisor 1, Exempt position being added in the Office of Sustainability and Environment will sunset in December 2013." If the Council's intent is unchanged, a green sheet would be needed to remove the position and associated funds from the 2014 budget. If Council's intent has changed because it supports a permanent \$128,000 GSF position to monitor and coordinate other departments' implementation of the yet-to-be released RCMP, no action is needed.

Options:

- A. **Sunset Municipal Energy Position.** Consistent with the Council's original intent to sunset the position on December 31, 2013, remove the municipal energy conservation Strategic Advisor 1 position and associated spending from the proposed 2014 budget.
- B. **Establish a New Position Sunset Date.** Extend the sunset to December 31, 2014. Evaluate the RCMP after it is released to identify OSE's appropriate implementation role and level of effort, and consider removing the sunset as part of 2015 budget approval.

- C. **Executive Proposal.** Approve a permanent position and associated funding as proposed by OSE in its 2014 budget.
4. District Energy. The proposed budget adds \$100,000 to follow-up on 2013 district energy feasibility work. Due to landowner interest, the next phase of feasibility work will focus on South Lake Union (SLU). To get ahead of fast-paced development in SLU, there may be interest in adding district energy capital work to the 2014 budget.
 5. Urban Forest Stewardship Plan (UFSP) Implementation. OSE coordinates UFSP implementation and develops Plan-related policy. Because the UFSP involves multiple departments, it is addressed under the Overview of Cross-Cutting Issues and Departments Without Identified Issues.

Topics of Potential Council Interest:

Community Power Works (CPW). CPW is a federal grant-funded program to create green jobs and improve building energy efficiency. The federal grants will be fully expended in early 2014. OSE proposes to fund CPW's residential elements as an ongoing \$129,000/year GSF program coordinated by a new half-time OSE position. A non-profit organization would work under contract to implement the program on behalf of OSE and City Light's conservation program. During last year's budget review, the Council removed 4 CPW positions with 2013 sunsets from the endorsed 2014 budget. Because there are sufficient remaining grant funds to support work through early 2014, OSE is planning to continue one of those positions through mid-2014. It is unclear whether the remaining three positions have been entirely removed from the 2014 budget per Council direction and confirmation has been requested.

Climate Action Implementation. OSE recently submitted a Climate Action Plan implementation plan that outlines lead agencies, funding plans and next steps for actions to be completed by 2015. The plan included a community engagement strategy to build support for climate action by involving residents in community-led climate action work. That engagement strategy could be bolstered through further increases in the proposed budget.