



Legislative Department  
Seattle City Council  
Memorandum

**Date:** May 14, 2014

**To:** Councilmember Nick Licata, Chair  
Councilmember Jean Godden, Vice Chair  
Councilmember Tim Burgess, Member  
Finance and Culture Committee

**From:** Rebecca Herzfeld and Erik Sund, Council Central Staff

**Subject:** Issue Identification, 1<sup>st</sup> Quarter 2014 Supplemental Budget Package

The Executive has offered Council Bills 118094 and 118095, which together form the 1<sup>st</sup> Quarter Supplemental Budget package. In briefest overview, these bills would change the 2014 Adopted Budget as follows:

- Increase appropriations by \$13.5 million in various funds and departments for various purposes<sup>1</sup>
- Accept \$6.3 million in outside grants, and add appropriation allowing departments to spend the grant funds
- Abandon \$18.2 million in unused Seattle City Light (SCL) capital spending authority and \$40.2 million in unused Seattle Public Utilities' (SPU) capital spending authority.

### **Policy Issues for Committee Consideration**

On May 14, City Budget Office staff will brief the Finance and Culture Committee on the Mayor's proposal. The following policy issues have been identified for Committee discussion and direction and are outlined below.

#### **Item 1: Paid Parental Leave Study**

As part of the 2014 Budget review process, the City Council added \$100,000 to the Legislative Department budget to hire a consultant to review the City's existing leave benefits and develop potential options for expanding these benefits to include some form of paid parental leave. This analysis will consider such a leave benefit in the context of the City's existing employee benefit package, and will compare these benefits to those available elsewhere in the public and private sectors. It is anticipated that costs for such a program would be shared between the City and employees and any potential program would be bargained with the City's various bargaining

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<sup>1</sup> Some of this represents fund-to-fund double appropriations.

units. After discussions with the City’s Personnel Department, the Chair of the Parks, Seattle Center, Libraries, and Gender Equity Committee has determined that it would be more efficacious if the City’s Personnel Department were to manage the consultant who is hired to conduct this body of work. Council staff will participate on a client advisory team to provide input and direction as options are developed.

**Option 1** – Amend Council Bill 118094 to increase the Personnel Department’s General Subfund appropriation by \$100,000 and decrease the Legislative Department’s appropriation by the same amount. The Personnel Department will assume responsibility for administering the consultant contract.

Item	Fund	Department	Budget Control Level	Amount
<i>New Item</i>	General Subfund (00100)	Legislative Department (LEG)	Legislative Department (G1100)	(\$100,000)
<i>New Item</i>	General Subfund (00100)	Personnel Department (PD)	Employee Health Services (N2000)	\$100,000

**Option 2** – Leave the appropriations as they are. The Legislative Department will retain responsibility for administering the consultant contract.

**Item 2: Women’s Shelter Support**

Councilmember Licata is proposing to amend CB 118094 to increase the Human Services Department (HSD) Community Support and Assistance Budget Control Level (BCL) by \$22,000 of General Subfund to support shelter for single, adult homeless women. The proposal would be accompanied by a proviso limiting the appropriation to support the operation of the Women’s Housing Equality and Enhancement League (WHEEL) homeless women’s shelter in Seattle from April 19, 2014 through May 31, 2014.

Currently, the budget provides \$110,994 (approximately \$18,500 per month) for HSD to contract with Seattle Housing and Resource Effort (SHARE) to provide winter shelter services for women through WHEEL from October 1st through March 31st.

SHARE/WHEEL informed HSD that the agency lacked funding to extend the Winter Shelter for Women past the winter season, to year-round shelter. HSD supplied an additional \$11,100 to extend the shelter service contract by 18 days, through April 18th (equal to roughly \$18,300 per month).

The women’s shelter, which beginning this June will be operated by Catholic Community Services, will very likely be able to leverage the City’s support to obtain grant funding to operate from June 1st to October 1st, when the current City funding will again be available. This leaves a reported funding gap of \$22,000 for the time between April 19th and May 31st.

The Interagency Committee (IAC) of the King County Committee to End Homelessness (CEH) has recognized four priorities for responding to the crisis of homeless single adult persons:

1. Provide flexible re-housing funds and expanded outreach
2. Provide long-term housing subsidies and behavioral support for long term shelter (LTS) stayers
3. Sustain existing and create additional shelter capacity
4. Increase support and public education related to interim survival mechanisms (tent city arrangements and vehicle camping)

The City of Seattle currently supports all four of these priorities. The proposed appropriation would add support for the third priority. Note that Council approved funding for extending winter shelter to year- round shelter in the 2014 adopted budget. This extended the season of the winter shelter at Seattle City Hall operated by the Salvation Army and the Angeline's women's winter shelter operated by YWCA from six months a year to year round.<sup>2</sup>

There are two policy issues to consider.

First, the path the City has chosen to pursue is to provide resources to move more single individuals out of shelter and directly into permanent housing. The Single Adult Task Force of the Ten Year Plan to End Homelessness recommended in 2013 that year-round shelter be added outside Seattle, because currently more than 90% of shelter beds are located in the City. However, the majority of single adults (70%) also report a last permanent address from Seattle, according to Safe Harbors Homeless Management Information System (HMIS) data.

The extension of winter shelter at City Hall and at the Seattle downtown YWCA added to the shelter beds in Seattle in 2014. Although the proposed change to the supplemental budget bill would not increase shelter bed capacity outside Seattle or involve placement of homeless individuals in permanent housing, the addition of more year-round shelter beds in Seattle would support the immediate Crisis Response Initiative goal of reducing the numbers of people sleeping outside.

Councilmember Licata has proposed that reserve funds in Finance General be used to provide the additional support for WHEEL instead of increasing the current level of General Subfund appropriations. In the 2014 Adopted Budget, \$525,000 was reserved in Finance General to backfill anticipated reductions in federal and state support for human services programs. The Mayor has proposed the use of \$300,000 in the first quarter supplemental budget bill to support the Low-Income Housing Institute's Urban Rest Stop program, leaving \$225,000 in reserve to backfill potential loss of state funding for long-term case management for low-income seniors eligible for Medicare and Medicaid. HSD anticipates that this remaining reserve will be needed beginning in January 2015.

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<sup>2</sup> *The winter shelter program at City Hall was converted from a severe weather response program to nightly winter shelter in 2012. In the fall of 2013 the program was converted to a year round program. The shelter serves 75 adult men and women. The City of Seattle is funding the King County-funded YWCA Winter Shelter for Women to extend their services from 4/16/14 through 9/30/14 with capacity to serve 35 women.*

The second issue is that the City Council generally funds programs, not specific providers. The proposed funding for WHEEL would require implementation in a specific manner by HSD in agreement with Council proviso.

**Option 1** – Appropriate \$22,000 to the HSD Community Support and Assistance BCL with a proviso limiting the funds to support the WHEEL women’s shelter from April 18, 2014 to May 31, 2014. This option would result in immediate new shelter capacity by providing funding to continue the operation of WHEEL's low-barrier shelter, and would likely leverage grant funding to operate from June 1st to October 1st, when the current City funding will again be available.

Item	Fund	Department	Budget Control Level	Amount
<i>New Item</i>	Human Services Operating Fund (16200)	Human Services Department (HSD)	Community Support and Assistance (H30ET)	\$22,000

**Option 2** –Appropriate \$22,000 to the HSD Community Support and Assistance BCL with a proviso limiting the funds to help move single, adult women from temporary shelter to permanent housing, thus freeing up more shelter space and staying consistent with efforts to not fund more year-round shelter in Seattle. This option would not result in immediate new shelter capacity but would make additional resources available for other services to single homeless women.

Item	Fund	Department	Budget Control Level	Amount
<i>New Item</i>	Human Services Operating Fund (16200)	Human Services Department (HSD)	Community Support and Assistance (H30ET)	\$22,000

**Option 3** – Make no change to current appropriations.

**Next Steps**

The next opportunity for Council staff to present a follow-up report on any issues arising during the May 14<sup>th</sup> meeting and for Committee action will be at the special Finance and Culture Committee meeting on Friday, May 23<sup>rd</sup>. If the bills are approved at that hearing, they would be eligible for full Council action on Monday, June 2<sup>nd</sup>.

If additional time is required for deliberation, the next opportunity for a vote in Committee would be Thursday, June 5<sup>th</sup>, in which case the Council could consider the bills at its meeting on Monday, June 16<sup>th</sup>.