

In 1998 the City of Seattle embarked on an effort to align the budgetary decision-making process with a more complete understanding of the outcomes that each City program achieves. This approach, established under the City's Managing for Results (MFR) initiative, forms the basis for this budget document. The City's budget process no longer focuses merely on how much we spend, but rather on what is achieved through that spending.

In keeping with the principles of MFR, this budget document emphasizes the functions served by the organizational units within the City's departments and how they ultimately perform. This reader's guide describes the resulting structure of the 2002 Adopted Budget and outlines its contents. It is designed to help citizens and City officials more easily understand and participate in budget deliberations.

A companion document, the 2002-2007 Capital Improvement Program (CIP), identifies proposed expenditures and fund sources associated with the development and rehabilitation of major City facilities such as streets, parks, utilities, and buildings over the coming six years. The CIP also shows the City's financial contribution to projects owned and operated by other jurisdictions or institutions. The CIP fulfills the budgeting and financing requirements of the Capital Facilities Element of Seattle's Comprehensive Plan by providing detailed information on the capacity impact of new and improved capital facilities.

The 2002 Adopted Budget

This document is a detailed record of the spending plan proposed by the Mayor and adopted by City Council for 2002. It contains the following elements:

- Selected Financial Policies – a description of the policies that govern the City's approach to revenue estimation, debt management, expenditure projections, maintenance of fund balances, and other financial responsibilities;
- Budget Process – a description of the process by which the 2002 Adopted Budget and 2002-2007 Capital Improvement Program were developed;
- Summary Tables – a set of tables that inventory and sum up expected revenues and spending for 2002;
- Budget Overview – a narrative that spotlights the priorities reflected in the adopted budget and explains the most important elements of the detailed departmental budgets;
- City Revenue Overview – a narrative that explains where the City's revenues come from and the factors that affect the level of resources available to support City spending;
- Departmental Budgets – City departmental-level narratives that describe the services provided, the results desired, and the spending levels proposed to attain these results; and
- Appendices – the first appendix to the Adopted Budget contains an array of supporting documents that provide detailed numerical data and other supporting information; the second contains Managing for Results performance information for selected departments.

The 2002 Adopted Budget covers the second year of the 2001-2002 biennium and is based on a budget that was endorsed in November 2000. The 2002 Endorsed Budget was modified in September 2001 to become the

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Mayor's 2002 Proposed Budget. It was further revised in November 2001 to reflect economic changes, voter-approved initiatives, and Council priorities. The final 2002 budget was adopted on November 26, 2001.

Departmental Budgets: A Closer Look

The budget presentations for individual City departments (including offices, boards, and commissions) form the heart of this document. They are organized alphabetically within six functional clusters:

- Arts, Culture, & Recreation;
- Health & Human Services;
- Neighborhoods & Development;
- Public Safety;
- Utilities & Transportation; and
- Administration.

Each cluster comprises several departments that share a related functional focus, as shown on the organizational chart that follows this reader's guide. In accordance with the MFR initiative, departments are comprised of one or more lines of business, which in turn are comprised of several programs.

Managing for Results

To implement the MFR initiative, all City departments prepared a results-oriented business plan during the year 2000. Each departmental business plan included an overarching departmental mission statement; a purpose statement and several key performance targets at the line of business level; and a series of performance measures and associated baseline, actual, and target data at the program level. Many of these measures are identical to the goal, action, result, and measure (GARM) statements that were included in the 1999 Adopted Budget.

This budget document identifies some of the most important or well-established performance measures and describes them at the line of business level. In addition, and for the first time, an appendix to this document also presents performance-based information at the program level for 19 of the largest departments.

Budget Presentations

Most department-level budget presentations lead off with a statement of the department's mission and its goals. A table that summarizes historical and adopted or endorsed expenditures and associated appropriations for the years 2000 through 2002 follows. The adopted department-wide budget totals are broken down by lines of business, which serve as the ultimate level of budget control – that is, the level at which the City Council makes appropriations.

Information on the department's individual lines of business and associated programs follows the departmental summary sheet. Narrative related to a given line of business includes a purpose statement and a statement of key performance targets. In general, these targets represent a selection of the quantitative outcomes identified at the program level. The budget figures shown at the line of business level are in turn stratified by the individual programs that collectively support the line of business' ability to achieve the stated targets.

The final tier of detail appears at the program level. In addition to a program-level purpose statement, readers will find a description of two types of program changes. First, changes between the 2002 Endorsed and 2002 Proposed budgets are described. Second, changes between the 2002 Proposed and 2002 Adopted budgets are described. These highlights explain any substantial changes in the program's budget from the 2002 Endorsed budget. The budget figures shown at the program level are broken down by the source of funding: General Subfund or other funds.

Information on the number of staff positions to be funded under the adopted or endorsed budget appears at each of the three levels of detail: department, line of business, and program. These figures refer to regular, permanent staff positions (as opposed to temporary or intermittent positions) and are expressed in terms of full-time equivalent employees, or FTEs. Department-wide increases or decreases in regular permanent staffing are summarized on a separate sheet near the end of each departmental budget under the heading "Position Changes." These changes are shown at the program level and are subsequently added to or subtracted from the number of positions active in the prior year to indicate the total number of employees to serve the department in 2002.

Where relevant, some departmental sections close with one or two additional pieces of information: (1) a statement of actual or projected revenues for the years 2000 through 2002; and (2) a statement of appropriations to support capital projects appearing in the 2002-2007 CIP. Readers should note that an explicit discussion of the operating and maintenance costs associated with new capital expenditures appears in the CIP document itself.

Appendices

There are two appendices to this document. The first appendix provides detailed supporting information including a detailed breakdown of tax receipts and other revenue deposited in the City's General Subfund; debt service tables displaying principal and interest payments due on the City's general obligation and revenue bond issues; a glossary; and an overview of relevant demographic and economic statistics. The second appendix provides a compilation of 19 departments' MFR business plan updates. These reports present information on certain programs' performance measures, including baseline, target, and actual performance information for the first six months of 2001.

Organizational Chart

