

Cable Television Franchise Subfund

Department Description

The City of Seattle entered into cable franchise agreements beginning in 1996 that included a new franchise fee as compensation for cable television providers locating in the public right-of-way. A new franchise with Comcast was approved in 2006, and a renewed franchise for Broadstripe (formerly Millennium Digital Media) was approved in 2007. The Cable Television Franchise Subfund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Department of Information Technology (DoIT). Resolution 30379 establishes usage policies for the fund. The fund pays for the administration of the Cable Customer Bill of Rights and the Public, Education, and Government access costs the City is obligated to fund under the terms of its cable franchise agreements; support of the Seattle Channel, including both operations and capital equipment; programs and projects promoting citizen technology literacy and access, including related research, analysis, and evaluation; and use of innovative and interactive technology, including television and the Web, to provide means for citizens to access City services.

Policy and Program Changes

DoIT examined ways in which to relieve the financial stress on the General Fund by identifying opportunities for Cable Television Franchise Subfund dollars to be used to support technology access programs currently funded by the General Fund. As a result, the City will transfer \$538,000 of Cable Franchise dollars to fund a portion of the General Fund costs for email, which is a key avenue for citizens to access City government. More than three quarters of all Citywide email usage is attributable to external/public communication.

Funding in the amount of \$41,875 in 2011 and \$42,806 in 2012 from fund balance in the Cable Television Franchise Subfund (Cable Subfund) will be used to restore a 0.5 FTE Volunteer Programs Coordinator in the Human Services Department to coordinate a senior peer computer training project.

Additionally, the cable franchise fee rate has been increased from 4.2% to 4.4%, adding \$320,000 per year to cable revenues.

For further details regarding the use of Cable Television Franchise Subfund, please refer to the Department of Information Technology budget.

City Council Provisos

The City Council has adopted the following budget proviso: Of the appropriation in the 2011 budget for the Department of Information Technology's Office of Electronic Communications BCL, \$41,875 is appropriated (and of the amount endorsed for 2012, \$42,806 is expected to be appropriated) solely for a Volunteer Programs Coordinator in the Human Services Department to coordinate a senior peer computer training project and may be spent for no other purpose.

Although not a proviso, Council has also requested that DoIT consult with CTTAB about how best to spend the remaining revenue from the increased cable franchise fee. Candidates for this funding, which totals \$182,000, include the Technology Matching Fund grant program, and services to be provided by the public access television operator. The Council requests that in the first quarter of 2011, DoIT report back and submit proposed legislation that would appropriate the \$182,000.

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Appropriations	Summit Code	2009 Actual	2010 Adopted	2011 Adopted	2012 Endorsed
Cable Fee Support to Information Technology Fund Budget Control Level					
Cable Communications		1,346,745	1,170,894	629,221	654,262
Community Technology		1,139,160	1,402,183	1,200,253	1,234,204
Finance and Administration		139,311	285,642	290,198	310,173
Seattle Channel/Democracy Portal		3,361,371	2,899,033	2,755,454	2,738,135
Technology Infrastructure		423,323	956,073	1,426,432	1,446,555
Technology Leadership		150,689	306,262	276,054	294,145
Web Site Support		954,759	775,228	783,615	802,773
Cable Fee Support to Information Technology Fund Budget Control Level	D160B	7,515,358	7,795,316	7,361,228	7,480,248
Cable Fee Support to Library Fund Budget Control Level	D160C	150,000	190,000	190,000	190,000
Department Total		7,665,358	7,985,316	7,551,228	7,670,248
		2009	2010	2011	2012
Resources		Actual	Adopted	Adopted	Endorsed
Other		7,665,358	7,985,316	7,551,228	7,670,248
Department Total		7,665,358	7,985,316	7,551,228	7,670,248

Cable Fee Support to Information Technology Fund Budget Control Level

Purpose Statement

The purpose of the Cable Fee Support to Information Technology Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Department of Information Technology's Information Technology Fund. These resources are used by the Department for a variety of programs consistent with Resolution 30379.

Program Expenditures

	2009 Actual	2010 Adopted	2011 Adopted	2012 Endorsed
Cable Communications	1,346,745	1,170,894	629,221	654,262
Community Technology	1,139,160	1,402,183	1,200,253	1,234,204
Finance and Administration	139,311	285,642	290,198	310,173
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Technology Infrastructure	423,323	956,073	1,426,432	1,446,555
Technology Leadership	150,689	306,262	276,054	294,145
Web Site Support	954,759	775,228	783,615	802,773
Total	7,515,358	7,795,316	7,361,228	7,480,248

Cable Fee Support to Library Fund Budget Control Level

Purpose Statement

The purpose of the Cable Fee Support to Library Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Seattle Public Library's Operating Fund. The Library uses these resources to pay for and maintain computers available to the public.

	2009	2010	2011	2012
Expenditures	Actual	Adopted	Adopted	Endorsed
Citizen Literacy/Access	150,000	190,000	190,000	190,000

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2011 - 2012 Estimated Revenues for the Cable Television Franchise Subfund

Summit Code	Source	2009 Actuals	2010 Adopted	2010 Revised	2011 Adopted	2012 Endorsed
421911	Franchise Fee Revenues	6,600,891	7,054,951	6,600,891	6,986,901	7,053,570
461110	Arts Programming Account Investment Earnings	44,487	43,027	29,861	29,002	22,072
461110	Investment Earnings	36,394	68,166	32,244	31,656	29,153
Total Revenues		6,681,772	7,166,144	6,662,996	7,047,559	7,104,795
379100	Use of (Contribution to) Fund Balance	983,585	819,171	1,280,636	503,670	565,453
Total Resources		7,665,357	7,985,315	7,943,632	7,551,229	7,670,248

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Cable Television Franchise Subfund

	2009 Actuals	2010 Adopted	2010 Revised	2011 Adopted	2012 Endorsed
Beginning Fund Balance	7,020,472	6,187,153	6,060,190	4,779,553	4,275,883
Accounting and Technical Adjustments	23,305	0	0	0	0
Plus: Actual and Estimated Revenue	6,681,772	7,166,144	6,662,996	7,047,559	7,104,795
Less: Actual and Budgeted Expenditures	7,665,358	7,985,316	7,943,633	7,551,228	7,670,248
Ending Fund Balance	6,060,190	5,367,981	4,779,553	4,275,883	3,710,430
Designation for Cable Programs	3,680,068	3,019,392	2,987,489	2,318,401	1,621,623
Reserves Against Fund Balance	1,969,804	2,301,335	1,791,545	1,732,684	1,750,537
Total Reserves	5,649,872	5,320,727	4,779,034	4,051,085	3,372,160
Ending Unreserved Fund Balance	410,318	47,254	519	224,798	338,270