



SEATTLE CITY COUNCIL

Governance and Education Committee

Agenda

Tuesday, July 13, 2021

2:00 PM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

M. Lorena González, Chair
Debora Juarez, Vice-Chair
Teresa Mosqueda, Member
Kshama Sawant, Member
Dan Strauss, Member
Andrew J. Lewis, Alternate

Chair Info: 206-684-8809; Lorena.González@seattle.gov

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SEATTLE CITY COUNCIL
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July 13, 2021 - 2:00 PM

Meeting Location:

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Committee Website:

<http://www.seattle.gov/council/committees/governance-and-education>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 2:00 p.m. Governance and Education Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Governance and Education Committee meeting will begin two hours before the 2:00 p.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember González at Lorena.Gonzalez@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

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Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164

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Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120120](#) **AN ORDINANCE relating to City employment of public records officers; returning positions to the civil service system; and amending Section 4.13.010 of the Seattle Municipal Code.**

Supporting Documents:

[Summary and Fiscal Note](#)

[Central Staff Memo](#)

Briefing, Discussion, and Possible Vote (30 minutes)

Presenter: Lish Whitson, Council Central Staff

2. [CB 120124](#) **AN ORDINANCE relating to the organization of City government; creating an Office of Economic and Revenue Forecasts; adding a new Chapter 3.44 to, amending Section 3.39.010 and 3.39.035 of, and repealing Section 3.40.060 and Chapter 3.82 of the Seattle Municipal Code.**

Supporting Documents:

[Summary and Fiscal Note](#)

[Central Staff Memo](#)

Briefing, Discussion, and Possible Vote (30 minutes)

Presenters: Aly Pennucci and Tom Mikesell; Council Central Staff

3. **Families, Education, Preschool, and Promise Levy School Year
2020-2021 Annual Update**

*Supporting
Documents:* [Presentation](#)

Briefing and Discussion (45 minutes)

Presenters: Dwane Chappelle, Director, Monica Liang-Aguirre, Dana Harrison, and Aaron Jeffers, Department of Education and Early Learning (DEEL); Miguel Sansalone, Seattle Public Schools; Teri Ginster, Seattle-King County Public Health; Francisco Ramos, Seattle Colleges; Ruth Brown, Causey's Learning Center; Willie Seals, Academy for Creating Excellence

E. Adjournment



Legislation Text

File #: CB 120120, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to City employment of public records officers; returning positions to the civil service system; and amending Section 4.13.010 of the Seattle Municipal Code.

WHEREAS, The City of Seattle is required under the Washington State Public Records Act (PRA), chapter

42.56 RCW, to timely respond to requests for public records from members of the public; and

WHEREAS, consistent with the PRA, the City identifies Public Disclosure Officers (PDOs) to respond to

public disclosure requests; and

WHEREAS, the role of PDO is nonpolitical and falls outside of the group of employees who transition with the

electoral cycle; and

WHEREAS, continuity is important to the performance of the PRA compliance function; and

WHEREAS, the three departments with elected officials as the appointing authority - the Office of the Mayor,

the Legislative Department, and the City Attorney's Office - have less continuity in senior management

than other departments; and

WHEREAS, the City strives to provide all employees with continuity in expectations and standards, and the

Civil Service Commission will be able to provide the continuity to PDOs in those departments that

frequently transition through elections; and

WHEREAS, it is appropriate to grant civil service protections to these PDO roles; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Returning five positions from exempt to non-exempt Civil Service status. The following

positions are returned to Civil Service:

- 1 filled position (10005310) in the Office of the Mayor; Strategic Advisor 2, Exempt designated to Strategic Advisor 2, General Government
- 1 vacant position (10005310) in the Office of the Mayor; Strategic Advisor 2, Exempt designated to Strategic Advisor 2, General Government
- 1 filled position (10005302) in the Law Department; Strategic Advisor 2, Exempt designated to Strategic Advisor 2, General Government
- 1 filled position (10003762) in the Legislative Department; Strategic Advisor-Legislative
- 1 filled position (10005304) in the Legislative Department, Paralegal

Section 2. Section 4.13.010 of the Seattle Municipal Code, last amended by Ordinance 126337, is amended as follows:

4.13.010 Exemptions from the Civil Service and Public Safety Civil Service Systems

* * *

Employment Unit	Titles of Exempt Positions
* * *	
8.	Executive
	Administrative Staff Assistant (CPC) (PosNo. 10005310)
	Planning and Development Specialist, Senior (PosNo. 10005310)
	All directors of offices in the Executive Department (PosNo. 10005310)
	All positions in the Office of the Mayor, except Strategic Advisor 2 (PosNo. 10005310)
	Executive Assistant (OED) (PosNo. 00025)
	Planning & Development Specialist, Senior (PosNo. 10005310)
* * *	
13.	Law
	All positions in the Law Department, except Administrative Support and Accounting Support (PosNo. 10005302)

14.	Legislative	All positions in the Legislative Department Administrative Support and Accounting Support Legislative (PosNo. 1003762), and Paralegal
* * *		

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Whitson/206-615-1674	N/A

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to City employment of public records officers; returning positions to the civil service system; and amending Section 4.13.010 of the Seattle Municipal Code.

Summary and background of the Legislation:

This bill would return five positions to the civil service. All five positions are filled by Public Records Officers whose duties are to respond to requests for the records of elected officials. Two positions are in the Mayor’s Office, two positions are in the Legislative Department, and one position is in the City Attorney’s Office. If adopted, civil service protections would be available to these employees, including the ability to appeal disciplinary demotions, suspensions, and terminations to the Civil Service Commission.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes ___ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	0	0	0	0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	0	0	0	0
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022
	5	5	5	5

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
 None identified.

Is there financial cost or other impacts of *not* implementing the legislation?

None identified.

3.a. Appropriations

 This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

 This legislation adds, changes, or deletes revenues or reimbursements.

3.c. Positions

 X This legislation adds, changes, or deletes positions.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

The legislation changes the titles for the following three positions, as shown:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2021 Positions	2021 FTE	Does it sunset? (If yes, explain below in Position Notes)
10005310	StratAdvsr2, Exempt, Mayor's Office	00100 – General Fund	MO - PO-MA-X1A00 - Office of the Mayor	FT	(2)	(2.0)	No
10005310	StratAdvsr2, General Government, Mayor's Office	00100 – General Fund	MO - PO-MA-X1A00 - Office of the Mayor	FT	2	2.0	No
10005302	StratAdvsr2, Exempt, Law Department	00100 – General Fund	LAW - BO-LW-J1300 - Civil	FT	(1)	(1.0)	No
1005302	StratAdvsr2, General Government, Law Department	00100 – General Fund	LAW – BO-LW – J1300 – Civil	FT	1	1.0	No
TOTAL					0	0	

Position Notes:

In addition to the position title changes listed above, two General Fund full time positions in the Legislative Department (BSL LEG - BO-LG-G1000 - Legislative Department) would be returned to the civil service, as follows:

1 filled position (10003762) Strategic Advisor-Legislative

1 filled position (10005304) Paralegal

No title change is proposed for these two positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

In addition to two positions in the Legislative Department, this legislation would return two positions in the Office of the Mayor and one position in the Law Department to the civil service.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

None identified.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

Not applicable.

List attachments/exhibits below:

July 9, 2021

MEMORANDUM

To: Governance and Education Committee
From: Lish Whitson, Analyst
Subject: Council Bill 120120: Returning Public Records Officers to the Civil Service

On July 13, 2021, the Governance and Education Committee will consider [Council Bill \(CB\) 120120](#), which would return five Public Records Officers (PROs) to the civil service. These officers each respond to public records requests for the records of the City’s elected officials: two positions in the Office of the Mayor, two positions in the Legislative Department and one position in the Law Department.

After the Executive Director of the Ethics and Elections Commission published [findings](#) in response to a complaint under the Whistleblower Protection Code, Council President González and City Attorney Holmes identified a need to provide more independence to PROs. By returning these positions to the civil service, they would be able to remain in their positions when new officials are elected. The PROs affected by this legislation would have the right to progressive discipline, just cause termination, and opportunities to appeal personnel actions and decisions related to discipline and alleged violations of personnel rules, laws and policies. Hiring of these PROs would need to follow personnel rules providing for appointment “based on relative ability, knowledge and skills, without regard for political beliefs or activities” (Personnel rules [4.1.2](#) and [4.2.2](#)).

This memorandum discusses the role of public records officers and provides background on civil service.

Public Records Officers

The Washington State Public Records Act (Revised Code of Washington (RCW) [Chapter 42.56](#)) requires that “each agency... shall make available for public inspection and copying all public records...” unless they fall under a stated exemption ([RCW 42.56.070](#)). Public records include “...any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function...” ([RCW 42.56.010](#)). Each state and local agency is required to appoint a public records officer “whose responsibility is to serve as a point of contact for members of the public in requesting disclosure of public records and to oversee the agency’s compliance with the public records disclosure requirements [of the PRA]” ([RCW 42.56.580](#)).

The City of Seattle has adopted rules and regulations related to public records in Chapter 3.104 of the Seattle Municipal Code (SMC) and Multi-Departmental Administrative Rule [MDAR 17-002](#).

The Office of the Mayor currently has two Strategic Advisor 2 – Exempt positions that serve as PROs for the Mayor and other members of her office. The Legislative Department currently has one Strategic Advisor – Legislative position and one Paralegal position within the Office of the City Clerk that serve as PROs for the City Council and other functions in the Legislative Department. The Law Department has one Strategic Advisor 2 position in its Civil Division that serves as PRO for the City Attorney’s Office, additional staff in the Law Department support their work. These PROs work with elected officials and their staff to respond to public records requests for their respective departments. By being part of these offices, the PROs have better access to records and are more easily able to work closely with elected officials and their staff to clarify how records relate to specific requests.

Civil Service

Article XVI, Section 3 of the Seattle City Charter sets up a [civil service system](#). The purpose of the civil service system is to administer personnel policies and regulations using a merit-based system, including “Assurance that employees are protected from coercions or importuning for political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of any election or nomination for office” ([Article XVI, Section 4](#)). The civil service system does that, in part, by allowing appeals of adverse personnel decisions to the [Civil Service Commission](#).

According to the Charter, “All City employees shall be members of the civil service except elected officers, persons holding appointive offices established by this Charter, assistant City Attorneys, heads of departments and members of boards and commissions created by this Charter or by ordinance. Additional positions may be exempted by ordinance approved by a two-thirds vote of the City Council” (Article XVI, Section 3). [SMC Chapter 4.13](#) lists the categories of employees who are exempt from civil service, including all employees in the Office of the Mayor and most employees in the Legislative and Law departments. Council Bill 120120 would return the five PDOs working for those departments and their incumbents to the civil service.

[Personnel Rule 2.2](#) provides further guidance regarding exemptions from the Civil Service. This rule provides that “movement of a position from an exempt designation to the classified service shall be treated as a reallocation. A selection process shall be required to fill the reallocated position.” That selection process may involve the Department of Human Resources reviewing the qualifications of the incumbent employees rather than a new hiring process.

Next Steps

If the committee recommends approval of CB 120120 at its July 13 meeting, it could be considered by the City Council as early as July 19.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager



Legislation Text

File #: CB 120124, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the organization of City government; creating an Office of Economic and Revenue Forecasts; adding a new Chapter 3.44 to, amending Section 3.39.010 and 3.39.035 of, and repealing Section 3.40.060 and Chapter 3.82 of the Seattle Municipal Code.

WHEREAS, the City’s economic and revenue forecasts inform the level of resources available to support City services; and

WHEREAS, development and presentation of economic and revenue data by an organization that is independent of the legislative and executive branches of government minimizes the possibility of bias and expands transparency; and

WHEREAS, the Washington State Economic and Revenue Forecast Council provides independent economic and revenue forecasts to inform the Washington state budget process; and

WHEREAS, the King County Forecast Council provides independent economic and revenue forecasts to inform the King County budget process; and

WHEREAS, the Mayor and City Council believe that a similarly structured independent economic and revenue forecast council will similarly benefit and inform the Seattle city budget process; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Chapter 3.44 of the Seattle Municipal Code is added to Subtitle II of Title 3 as follows:

CHAPTER 3.44 OFFICE OF ECONOMIC AND REVENUE FORECASTS

3.44.010 Economic and Revenue Forecast Council

A. Economic and Revenue Forecast Council (Forecast Council). There is established an Economic and

Revenue Forecast Council. The Forecast Council shall receive and review the general forecasts of local economic activity and the specific forecasts of the revenues that support the City's general government programs and services. The forecasts approved by the Forecast Council by the Director of the Office of Economic and Revenue Forecasts are the official city economic and revenue forecasts and shall serve as the basis for the estimates of revenues described in RCW 35.32A.030 and 35.32A.040, provided that the Mayor or Council shall have the authority to deviate from the official forecasts as provided in Section 3.44.010. Any Mayor or City Council deviation from the official forecasts must be described in writing, transmitted to the Forecast Council, and made available to the public. Additionally, any Mayor deviation must be described in writing and transmitted to the City Council, and any City Council deviation must be described in writing and transmitted to the Mayor.

B. Forecast Council composition. The Forecast Council shall be composed of the Mayor or designee, the Director of Finance, the Council President or designee, and the Chair of the City Council Finance Committee or designee. If the Council President and the Chair of the Council Finance Committee are the same individual, the position held by the Chair of the Council Finance Committee shall be determined by the Council President. The Forecast Council shall select one member to serve as Chair of the Forecast Council annually.

C. Approval of official economic and revenue forecasts. The Director of the Office of Economic and Revenue Forecasts (Director) shall present the forecasts described in Section 3.44.040 to the Forecast Council and shall make a recommendation on which of the scenarios (baseline, pessimistic, or optimistic) should serve as the official economic and revenue forecasts. If any member of the Forecast Council disagrees with the recommendation by the Director for the official forecasts, the member may call for a vote to approve, by affirmative vote of at least three members, approval of a different scenario before the date required in subsection 3.44.040.B. If the Forecast Council does not call for such a vote, the forecasts recommended by the Director become the approved official Forecast Council economic and revenue forecasts for that period.

D. Director of the Office of Economic and Revenue Forecasts

1. Appointing authority. The Forecast Council shall by a majority vote appoint the Director of the Office of Economic and Revenue Forecasts, who shall administer the Office of Economic and Revenue Forecasts established in Section 3.44.020. The Forecast Council may appoint an interim Director whenever the term of the current Director expires or the position is otherwise vacant.

2. Term. The first term of the Director shall last five years. The Forecast Council shall establish subsequent term lengths.

3. Salary. The Forecast Council, in consultation with the Seattle Department of Human Relations, or its successor, shall fix the compensation of the Director.

4. Hiring process. The Forecast Council shall conduct an open and competitive process to select the Director.

5. Annual performance review. The Chair of the Forecast Council shall, with input from all members of the Forecast Council, conduct an annual performance review of the Director.

6. Removal. The Director may be removed by a vote of at least three members of the Forecast Council only for cause, and only after the member(s) of the Forecast Council wishing to remove the Director give written notice, specifying the basis for the intended removal, to all members of the Forecast Council.

E. Annual work program

a. The Forecast Council shall review and approve annually, by a vote of at least three members of the Forecast Council, a work program for the Office. The work program shall include all economic and revenue forecasts and any recommended special studies to be conducted and managed by the Director.

b. The Forecast Council may amend the approved annual work plan to meet special circumstances as needed, including approving changes requested by the Director. No change to the work plan shall be made that adversely affects a forecast or study in progress without considering the recommendation of the Director.

F. Meetings. All meetings shall be open to the public, except the Forecast Council may hold an

executive session to consider matters as appropriate. The Director shall, in consultation with the Director of Finance, develop policies and procedures to ensure that confidential tax information is not reviewed or discussed in a manner that is open to the public. The Forecast Council shall, with input from the Director, establish the frequency of Forecast Council meetings.

G. The Forecast Council is further authorized to request the advice and assistance of City departments in the conduct of its duties and upon such request the head of each such department may designate a representative to meet with, advise, and assist the Forecast Council.

3.44.020 Office of Economic and Revenue Forecasts - Establishment and purposes

There is created an Office of Economic and Revenue Forecasts (Office). The Office shall staff the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program. Such analyses shall be nonpartisan, and confidential to the extent allowed by law.

In the course of performing this work, the Director of the Office of Economic and Revenue Forecasts (Director) shall work with the Director of Finance consistent with subsection 5.55.200.C.4 to access data related to the financial matters of any department, agency, program, or other entity that receives appropriations or funding of any type from the city. The Office and its staff shall be co-located with the City Finance Division and receive administrative support from the Department of Finance and Administrative Services, or its successor entity.

3.44.030 Director - Functions and powers

The Director of the Office of Economic and Revenue Forecasts functions and powers include but are not limited to the following:

A. Provide economic forecasting, including:

1. Monitoring forecasts for the national and state economies.
2. Developing forecasts for the regional economy.

B. Provide revenue forecasting and analysis for the following revenue sources and others as may be agreed to over time by the Forecast Council and the Director:

1. Retail Sales Tax
2. Business & Occupations Tax
3. Payroll Expense Tax
4. Real Estate Excise Tax
5. Private Utility Taxes
6. Business License Tax Certificate Fees
7. Assessed Value of real and personal property
8. Value of new construction (as input to Property Tax forecast).

C. In coordination with the Director of Finance, monitor revenue collections relative to forecasts.

D. Subject to the City's personnel ordinances and rules, appoint, assign, supervise and control all officers and employees in the Office. The Director shall be responsible for the employment and supervision of those employees whom they deem necessary to assist in the performance of the duties of the office.

E. The Director shall provide staff support to the Forecast Council.

F. The Director may enter into agreements to receive data, technical assistance, and staffing assistance from City departments, offices, and outside entities. Prior to receiving tax information, the Director shall enter into an agreement with the Director of Finance to establish policies and procedures to protect the confidentiality of any tax information provided by the Director of Finance. The Director is further authorized to establish a technical work group comprised of designated forecast staff from City departments to further promote the accuracy, robustness, and coordination across departments of the several forecasts undertaken within the departments.

G. The Director will develop an annual work plan for the Office and submit the work plan to the Forecast Council for review and approval as described in subsection 3.44.010.E.

H. Manage the preparation of the economic and revenue forecasts for the City as described in Section 3.44.040, to be used as the primary basis for estimates of revenues as described in subsection 3.44.010.A.

I. Provide ad hoc analyses on revenue and economic topics to executive and legislative staff. Such analyses shall be nonpartisan and confidential to the extent allowed by law.

J. Provide written reports, not less than quarterly, to the City Council's Finance Committee, or successor committee, on the performance of all forecasted revenues. The Chair of the Finance Committee shall provide direction to the Director on the expected format for such reports.

3.44.040 Revenue forecasts

The Director shall prepare and submit to the Forecast Council, and make available to the public, unofficial economic forecasts both of City revenues and for the Seattle region for the current fiscal year and the next five fiscal years. Each forecast will include three scenarios and assign probabilities to their occurrence: baseline; optimistic; and pessimistic. Forecasts shall be presented and approved each year by April 10, August 10, and the Wednesday immediately following the first Tuesday in November.

Section 2. Section 3.39.010 of the Seattle Municipal Code, enacted by Ordinance 123361, is amended as follows:

3.39.010 Department established-Purpose((=))

There is established a Department of Finance and Administrative Services.

A. The Department shall exercise general supervision over the financial affairs of the City, including but not limited to the following:

1. ~~((direct))~~ Direct City borrowing activities;
2. ~~((provide))~~ Provide policy direction concerning investments;
3. ~~((administer))~~ Administer licensing for regulation and/or revenue unless law or ordinance vests such power elsewhere; ~~((and))~~
4. ~~((provide))~~ Provide support to the Office of Economic and Revenue Forecasts;

5. ~~((provide))~~ Provide economic and policy analysis on matters related to these same revenue sources;

6. ~~((provide))~~ Provide assessments of local economic conditions and more general economic analyses, as appropriate and/or as requested;

7. ~~((provide))~~ Provide general oversight of the City's Retirement Boards; and

8. ~~((manage and maintain the City's accounting and))~~ Provide citywide oversight and management of the City's enterprise financial systems.

* * *

Section 3. Section 3.39.035 of the Seattle Municipal Code, last amended by Ordinance 125204, is amended as follows:

3.39.035 Director of Finance-Functions and powers

The Director of Finance's functions and powers include but are not limited to the following:

A. Provide support to the Office of Economic and Revenue Forecasts for economic forecasting~~((, in coordination with the City Budget Office, including:~~

~~1. Monitor forecasts for the national and state economies, and,~~

~~2. Develop forecasts for the region's and City's economies)).~~

B. Provide support to the Office of Economic and Revenue Forecasts for revenue forecasting and analysis~~((, in coordination with the City Budget Office,))~~ including:

~~((1. Develop and compile forecasts for revenues for the General Fund, Real Estate Excise Tax, Bridging the Gap program, and other special levy supported funds,~~

~~2. Monitor))~~ 1. Monitoring revenue collections relative to forecasts, and

~~((3.))~~ 2. Assessing and developing revenue policy options in response to emerging trends, changes in state policies, and requests by City officials (including the City Budget Office).

* * *

G. Report not less than quarterly to the Council's Finance (~~(& Budget)~~) Committee, or its successor committee, (~~(the performance of all major tax and fee revenue streams; the status of the City cash pool, including cash totals)~~) the cash position of each City Fund, performance of investments (~~(made from the pool)~~) in the common investment portfolio, and the status of (~~(any and)~~) all interfund loans authorized by ordinance. Such report may be in the form of an email to the members of the Council's Finance Committee, or its successor committee.~~(; and)~~

H. Report not less than annually to the City's Debt Management and Policy Advisory Committee as established by Section 3.76.010, or its successor committee, the status of City debts, debt service, debt capacity, and debt guarantees.

I. Report to the Council's Finance Committee, or its successor committee, the status of the budgetary fund balance of City funds, with the frequency and scope of this reporting to be determined at the discretion of the Director of Finance or when requested by the Chair of the Finance Committee.

J. In September 2022, and biennially thereafter, prepare and submit a citywide financial condition report to the Council's Finance Committee, or its successor, for the City Council and the people of Seattle. The report shall provide:

1. Information on the City's financial condition as of the end of the prior fiscal year; and
2. Historical trends on City financial indicators.

The report shall include analysis of financial indicators as identified by the Director of Finance, in consultation with the Director of the Office of Economic and Revenue Forecasts.

~~((H.))~~K. Financial oversight for specified City financial commitments, including:

1. Support the Director of the Office of Intergovernmental Relations by providing financial oversight of and monitoring the City's fiscal responsibilities related to public corporations established pursuant to ~~((Seattle Municipal Code))~~ Chapter 3.110, including City ~~((Public Development Authorities, Preservation and Development Authorities))~~ public development authorities, preservation and development authorities, and

the Museum Development Authority((7)) ;

2. Develop processes to monitor and report on City's use of federal stimulus and infrastructure funds((7-and,)) ; and

3. Assess the City's liabilities for compliance to the Americans with Disabilities Act.

~~((I. Report))~~ L. Submit a report in writing not less than quarterly to the Council's Finance ((& Budget)) Committee, or its successor committee, the status of any audits conducted by the Washington State Auditor's Office and act as a liaison to facilitate communication among City departments, the Washington State Auditor's Office, and the Seattle City Council. Such report may be in the form of an email to the members of the Council's Finance Committee, or its successor committee.

~~((At his or her discretion, and with))~~ With the approval of the Director of Finance and Administrative Services, the Director of Finance may delegate any of the duties authorized in this ~~((chapter))~~ Chapter 3.39 to any other qualified city employee.

Section 4. Section 3.40.060 of the Seattle Municipal Code, enacted by Ordinance 125204, is repealed:

~~**(3.40.060 Financial condition report**~~

~~A. In September, 2017, and September, 2018, and biennially thereafter, the City Auditor shall prepare a citywide financial condition report (the Report) for the City Council. The Report shall provide information to the people of Seattle on the City's financial condition and trends on the financial and economic indicators described in subsection 3.40.060.B.~~

~~B. The City Auditor shall endeavor to use the most reliable data available to produce the Report which shall include analysis of the following financial and economic indicators:~~

~~1. Revenues, including, but not limited to:~~

~~a. Sources of revenue, including, but not limited to, sales tax, property tax, fees, grants and utilities;~~

- ~~b. Revenue per resident;~~
- ~~c. Uses of property tax revenue; and~~
- ~~d. General fund revenue surpluses and shortfalls.~~

~~2. Expenditures, including, but not limited to:~~

- ~~a. Expenditures by category (such as public safety, utilities, human services, etc.); and~~
- ~~b. Expenditures per resident.~~

~~[3. Reserved.]~~

~~4. Debt, including, but not limited to:~~

- ~~a. Debt per resident;~~
- ~~b. Debt by type (such as bonds or lines of credit);~~
- ~~c. City debt backed by the general fund; and~~
- ~~d. City debt policies and ratings.~~

~~5. Property values (market and assessed values);~~

~~6. Employment, including but not limited to:~~

- ~~a. Jobs, by industry;~~
- ~~b. Unemployment rates;~~
- ~~c. Income per resident; and~~
- ~~d. Number of City employees by department or office.~~

~~[7. Reserved.]~~

~~[8. Reserved.]~~

~~9. City pensions and other liabilities, including, but not limited to:~~

- ~~a. The employee retirement system; and~~
- ~~b. Post-employment benefits.~~

~~10. Capital assets, including, but not limited to:~~

- a. ~~Infrastructure assets replacement value;~~
- b. ~~Infrastructure condition; and~~
- c. ~~Funding gap for infrastructure needs.~~

~~11. Financial and operating position, including, but not limited to:~~

- a. ~~Net position;~~
- b. ~~Business net position (utilities);~~
- c. ~~Government net position;~~
- d. ~~Liquidity;~~
- e. ~~Operating revenue surpluses and shortfalls;~~
- f. ~~Reserved and unreserved fund balances.~~

~~12. Other indicators and analysis as requested by the City Council.))~~

Section 5. Chapter 3.82 of the Seattle Municipal Code, enacted by Ordinance 124635, is repealed:

~~**(CHAPTER 3.82 ECONOMIC AND REVENUE FORECAST ADVISORY COMMITTEE**~~

~~**3.82.010 Committee established-Membership**~~

~~There is established an Economic and Revenue Forecast Advisory Committee ("Forecast Committee" in this Chapter 3.82) composed as follows:~~

- A. ~~The City Budget Director shall be its Chair;~~
- B. ~~The Chair of the City Council Budget Committee or its successor committee;~~
- C. ~~The General Manager and Chief Executive Officer of City Light;~~
- D. ~~The Director of Seattle Public Utilities;~~
- E. ~~The City Finance Director; and~~
- F. ~~The Director of the Central Staff Division of the City Council.~~

~~The President of the City Council (or in case of his or her absence, incapacity, disability or~~

~~disqualification, the acting President of the City Council) is authorized to designate alternate members to serve in the event of the absence, incapacity, disability or disqualification of the Chair of the Budget Committee and/or the Director of the Central Staff Division, and each Department Director is authorized to designate an alternate member to act in his or her stead in the event he or she is absent, incapacitated, disabled or disqualified from acting. If a Department Director is unable to designate his or her alternate, then the Mayor (or in case of his or her absence, incapacity, disability or disqualification, the acting Mayor pursuant to Section 9 of Article V of the Seattle City Charter) may designate the alternate. The City Attorney or his or her designated representative shall meet with and provide legal advice and assistance to the Forecast Committee in the conduct of its duties.~~

~~3.82.020 Functions designated.~~

~~A. The Forecast Committee is tasked with informing City decision makers of the assumptions and risks concerning the City's economic and revenue forecasts, and promoting internal consistency, where appropriate, across City forecasts.~~

~~B. The Forecast Committee shall be advisory to the City Budget Director, the City Finance Director, the General Manager and Chief Executive Officer of Seattle City Light, the Director of Seattle Public Utilities, the City Council and the Mayor. The Forecast Committee has the responsibility to review and assess forecasts for revenues that support the City's general government programs and services, as well as forecasts for utility load or demand. In addition, the Committee will review forecasts for components of the local economy that form the basis of City revenue and load forecasts. The Committee may also provide advice to City staff responsible for developing economic, revenue, or utility load forecasts.~~

~~C. The Forecast Committee is further authorized to request the advice and assistance of the City departments in the conduct of its duties and upon such request the head of each such department may designate a representative to meet with, advise and assist the Forecast Committee in the conduct of such duties.~~

~~D. The Forecast Committee shall meet at such times and intervals as suits the conduct of the City's~~

~~forecasting, financial and budget development processes.~~

~~E. The Forecast Committee is further authorized to establish a technical work group comprised of designated forecast staff from the City departments to further promote the accuracy, robustness and coordination across departments of the several forecasts undertaken within the departments.))~~

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG		Aly Pennucci / 4-8148

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the organization of City government; creating an Office of Economic and Revenue Forecasts; adding a new Chapter 3.44 to, amending Section 3.39.010 and 3.39.035 of, and repealing Section 3.40.060 and Chapter 3.82 of the Seattle Municipal Code.

Summary and background of the Legislation: The proposed legislation would establish a new Office of Economic and Revenue Forecasts (ERFO) that is independent of the Executive and Legislative branches of City government, and updates certain financial reporting required by code. Similar to functions of the King County Office of Economic and Financial Analysis and the Washington State Economic and Revenue Forecast Council, the ERFO would provide independent forecasts and economic analyses. This legislation would implement the policy intent of the Council Budget Action (CBA) [FG-001-A-003](#), included in the 2021 Adopted Budget through.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes ___x___ No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2026:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes ___x___ No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The new office will require about \$660,000 of ongoing General Fund (GF) support; about \$170,000 of this is a transfer of existing resources from the City Budget Office; the remaining \$490,000 will require ongoing GF resources. The specific staffing model and budget authority is not part of this legislation and will take form, should this legislation pass,

through a supplemental budget adjustment in 2021, and the 2022 proposed budget deliberations.

Is there financial cost or other impacts of *not* implementing the legislation?

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.a., 3.b., and 3.c. and answer the questions in Section 4.

3.a. Appropriations

_____ This legislation adds, changes, or deletes appropriations.

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/#*	2021 Appropriation Change	2022 Estimated Appropriation Change
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Appropriations Notes:

3.b. Revenues/Reimbursements

_____ This legislation adds, changes, or deletes revenues or reimbursements.

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2021 Revenue	2022 Estimated Revenue
TOTAL				

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Revenue/Reimbursement Notes:

3.c. Positions

 This legislation adds, changes, or deletes positions.
 If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2021 Positions	2021 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

Position Notes:

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

Yes, this legislation will modify the forecasting work that the City Budget Office currently manages, transfer certain positions from CBO to the new office, and change how FAS interacts with the forecasting work, and adds responsibilities to FAS to provide some administrative support to the new office. It is anticipated that CBO will request additional funding, through future budget appropriation bills, for an economist position to backfill the 0.5 FTE position that would transfer to the ERFO, if approved, and to restore other healthcare economist work. These resources would continue to support the forecasting work that would remain within CBO.

b. Is a public hearing required for this legislation?

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

No

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No

d. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a

note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

No

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities. If any aspect of the legislation involves communication or outreach to the public, please describe the plan for communicating with non-English speakers.

While there are not direct race and social justice impacts of this proposal identified by staff, as a key input into the City's budget processes, a more transparent forecasting process is one step towards providing more access to data that informs key decisions. A key component of achieving the RSJI goal of ending institutionalized racism is the examination of City policies, projects, initiatives, and budget decisions. The City's Budget lays out priorities in terms of policies and programs; an open process gives both branches, as well as the public and advocates, the opportunity to gain access to the information needed to help evaluate budget policies based on the facts before decisions are made.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

Please provide a qualitative response, considering net impacts. Are there potential carbon emissions impacts of not implementing the proposed legislation. Discuss any potential intersections of carbon emissions impacts and race and social justice impacts, if not previously described in Section 4e.

No

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

Describe the potential climate resiliency impacts of implementing or not implementing the proposed legislation. Discuss any potential intersections of climate resiliency and race and social justice impacts, if not previously described in Section 4e.

No

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

This answer should highlight measurable outputs and outcomes.

Creating a new office to provide independent forecasts and economic analyses is intended to increase transparency in the forecasting process, create a level playing field between both branches of government, enhance the City's work related to forecasts and other economic analysis, and creates consistency with other government entities. The outcomes could be measured through evaluation of the level of transparency (e.g., reviewing information made available to the public) and surveying elected officials, staff, and the public about the level of understanding of the process and benefits of the increased transparency after the office has been operating for some time.

List attachments/exhibits below:

July 8, 2021

MEMORANDUM

To: Governance and Education Committee
From: Aly Pennucci, Policy and Budget Manager, and Tom Mikesell, Analyst
Subject: CB 120124 - Legislation creating an Office of Economic and Revenue Forecasts

On July 13, 2021, the Governance and Education Committee (Committee) will discuss and may vote on Council Bill (CB) 120124. The proposed legislation would establish a new Office of Economic and Revenue Forecasts (ERFO) that is independent of the Executive and Legislative branches of City government, and updates certain financial reporting required by code. Similar to functions of the King County Office of Economic and Financial Analysis and the Washington State Economic and Revenue Forecast Council, the ERFO would provide independent forecasts and economic analyses. This legislation would implement the policy intent of the Council Budget Action (CBA) [FG-001-A-003](#), included in the 2021 Adopted Budget through.

This memorandum:

1. Provides background information on the City's current process for economic and revenue forecasting, and compares that to the forecasting processes used by the State of Washington and King County;
2. Describes CB 120124;
3. Highlights policy considerations for the Committee's deliberations; and
4. Outlines next steps.

Background

City of Seattle Forecasting

The State budget act that provides the basis for the City's budget process ([35.32A RCW](#)) requires that the City's annual spending cannot exceed reasonably anticipated annual revenues. The City's revenue forecast therefore establishes the funding available for spending proposals made by the Mayor and the City Council for each of the City's many funds. Encompassing the City's General Fund and other key general government revenue sources, it provides:

- The projection of total revenues for the coming budget year; and,
- The trends in income, population, construction, and other economic variables that drive the revenue estimates.

Staffing, Methods and Forecast Output

The Seattle Municipal Code ([SMC 3.39.035](#)) authorizes the Director of Finance in the Department of Finance and Administrative Services (FAS) to provide economic and revenue forecasts, “in coordination with the City Budget Office.” The Director of Finance is permitted by law, with approval of the Director of FAS, to delegate this authority to any other qualified City employee. In practice, the City’s revenue forecast is currently produced by analysts and economists in the City Budget Office (CBO) and FAS and then presented to the Mayor and City Council by the CBO Director and their staff. These economists use national and local economic data to update a model of the regional economy, which generates the economic inputs for their revenue forecasts. These economic input variables are fed into a series of forecasting questions to generate projections of City revenues. The forecast output is presented to the City Council as a ‘best guess’ of the amount of expected revenues given the available economic data.

Forecast Timing

The current General Fund financial policy included in [Resolution 30379](#) states “(t)he Department of Finance will provide the Council with revenue forecasts for general government revenues at least twice a year and will, through the budget document, provide an annual written report on General Subfund Revenues.”¹ In practice, the CBO Director delivers forecast information to the Select Budget Committee three times a year, as follows:

- April/May: The summer forecast is the first of the year and is presented as a standalone agenda item at a special meeting of the Council’s Select Budget Committee or in the Finance Committee;
- Late September:² The first fall forecast is typically presented with the Mayor’s Proposed Budget. All revenues from this forecast are fully programmed in the Mayor’s budget proposal; and
- Late October/Early November: Typically presented through an email to the Budget Chair and the Director of City Council Central Staff, this forecast is timed to closely precede the introduction of the Council’s Initial Balancing Package to the Select Budget Committee. Any newly identified revenue surpluses or deficits must be addressed in the Balancing Package.

Until its formal delivery at each of the above times, the forecast information is solely maintained within the Executive branch. The City Council does not formally approve the forecast.

¹Legislation that is pending introduction would amend the language in Resolution 30379 to update the language to reflect the ‘General Fund’ instead of the ‘General Subfund’ and would replace the Department of Finance with the City Budget Office as the responsible department. If this legislation is passed, additional changes to reflect the new office will be proposed.

² Note: in 2021 this forecast was transmitted to the Council in late August.

Economic and Revenue Forecast Advisory Committee

Established in [SMC Chapter 3.82](#) of the Seattle Municipal Code in 2014 through [Ordinance 124635](#), the Economic and Revenue Forecast Advisory Committee (Committee) was created to inform “City decision-makers of the assumptions and risks concerning the economic and revenue forecasts, and promoting internal consistency, where appropriate, across City forecasts.” The Committee is chaired by the CBO Director, and includes two members from the Legislative Branch and four members from the Executive branch.

The Committee was created to provide advice on the forecasts to the Mayor and City Council, as well as the department staff that develop the forecasts. The authorizing ordinance did not provide for a schedule of when the Committee shall meet, or a mechanism for a formal vote to accept or revise forecasts. Based on information from the CBO Office, the Committee has met one time in the five years since it was created.

Peer Comparisons

For purposes of comparison, the following table summarizes at a high level the forecasting processes used by the State of Washington and King County, the two largest general purpose governments in the state, with the City’s current practice. Appendix 1 to this memo provides additional details on the processes used by the State of Washington and King County.

Organization	Responsible Branch of Government	Who Presents Forecast	Forecast Frequency in Law?	Alternative Scenarios Provided?	Forecast Subject to Vote?	Economic Forecast Provided
City of Seattle	Executive	City Budget Director	Yes; at least 2x a year	No*	No	Yes
King County	Independent	Chief Economist	Yes; 2x a year	No	Yes	Yes
State of Washington	Independent	Forecast Council Executive Director	Yes; 4x a year	Yes	Yes	Yes

*In April and June of 2020, the CBO did present alternative scenarios.

CB 120124

Background

The 2021 Adopted Budget includes two measures to serve as the starting point for forming an independent forecast office like the Washington State Economic and Revenue Forecast Council and the King County Office of Economic and Financial Analysis, which provide economic and revenue forecasts for the Washington State and King County governments, respectively.

Added to the budget through CBA [FG-001-A-003](#), these measures included \$150,000 reserved in Finance General to fund the new office's start-up costs in 2021, and a \$330,000 proviso on CBO's 2021 appropriation that releases when an ordinance establishing an independent forecast office is created. If CB 120124 is passed by the Council, supplemental budget actions will be necessary to create positions for the new office and transfer funds.

Process

Since January, representatives from CBO, FAS and legislative staff have held bi-weekly meetings to discuss the parameters of the new office, and the make-up and responsibility of a new Forecast Council that would consider and vote on forecasts, including:

- Makeup of the new Forecast Council that considers the forecast;
- Staffing levels and funding requirements for the new office;
- Scope of responsibility for the new office;
- Timing of forecasts during the year; and
- Related legal and procedural issues.

Bill Summary

Forecast Council

The proposed legislation would create a new Forecast Council which is comprised of the City Council President, the councilmember who serves as the Chair of the Finance Committee, the Mayor, and the Finance Director, with alternative representation allowed for each elected official on the Forecast Council. The Forecast Council would be responsible for:

- Selecting and recommending removal of the Director of the ERFO;
- Approving the annual work plan for the Office; and
- Providing oversight and approval of forecasts produced by the ERFO staff.

The ERFO Director will present three forecast scenarios (pessimistic, baseline, and optimistic) to the Forecast Council, and the ERFO Director will also make a recommendation on which should serve as the basis for the official forecast for that period. If any member of the Forecast Council disagrees with that recommendation, they can call for a vote to approve an alternate; if no vote is called for the recommendation of the ERFO Director stands as the official Forecast Council forecast. Though the forecast coming out of this process would generally be considered the official forecast, state law provides for the Mayor and the City Council to propose reasonable alternatives. The proposed legislation would require that if the Mayor or the Council chose to rely on an alternate forecast for any budget decisions that deviates from the Forecast Council forecast, the change must be described in writing and transmitted to the other branch.

Meetings of the Forecast Council would be held in public, and at a minimum would take place concurrent with forecast updates, however the number of meetings during the year would be determined by the Forecast Council. The Forecast Council would be responsible for hiring a Director for the new office; the Director would hire personnel to staff the Forecast Council.

Economic and Revenue Forecasting Office

The ERFO would be responsible for: (1) staffing the Forecast Council; (2) performing economic and revenue forecasts; (3) conducting special studies at the request of the Forecast Council; and (4) providing ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program.

The ERFO would provide a revenue forecast for about 70 percent of general governmental revenue sources. CBO would separately forecast the remaining 30 percent of revenues. The rationale for this split is that the revenues that would be the responsibility of the ERFO are most heavily dependent on the regional economy and are based on econometric modelling performed by the lead CBO forecaster, who would transfer to the new office, whereas the revenues remaining with CBO are more dependent on departmental service metrics, which align with the budget work by CBO staff. There is cross-over work between forecasting and other budgetary work that complicates a clear-cut quantification of forecast duties.

CBO would retain 2.0 FTE positions that currently support the forecasting work as well as other fiscal policy and budget matters (one manager and one economist). In total, 1.0 FTE would be transferred from CBO to the ERFO, 0.5 FTE that is currently supports CBO's work but is paid for by FAS would now support the ERFO, and two new FTEs would be created for the new ERFO. It is anticipated that CBO will request additional funding, through future budget appropriation bills, for an economist position to backfill the 0.5 FTE position that would transfer to the ERFO, if approved, and to restore other healthcare economist work. These resources would continue to support the 30 percent of the forecasting work that would remain within CBO.

The new ERFO would consist of 3.5 FTE, including:

- 1.0 FTE: New Director position;
- 1.0 FTE: New Data Analyst position;
- 1.0 FTE: Lead Economist transferred from CBO; and.
- 0.5 FTE: Economist position shared with FAS (transferred from CBO).

The new office will require about \$660,000 of ongoing General Fund (GF) support; about \$170,000 of this is a transfer of existing resources from CBO; the remaining \$490,000 will require ongoing GF resources. The specific staffing model and budget authority is not part of CB 120124 and will take form, should this legislation pass, through a supplemental budget adjustment in 2021, and the 2022 proposed budget deliberations.

The proposed legislation co-locates the ERFO with the City Finance Division in FAS and provides that the office would receive administrative support from FAS. This will reduce the administrative costs of establishing a new office.

Financial Reporting

The City Auditor is responsible for creating a financial condition report biennially. The proposed legislation transfers that responsibility to FAS and the new ERFO and updates other reporting requirements from FAS.

Policy Considerations

Why consider modifying the City's structure related to economic and revenue forecasts?

Creating a new office to provide independent forecasts and economic analyses is intended to increase transparency in the process, create a level playing field between both branches of government, enhance the City's work related to forecasts and other economic analysis, and creates consistency with other government entities. Doing so does come with some tradeoffs; primarily, moving this function to a new office and enhancing the work related to forecasts does come with some increased costs compared to the status quo. The policy choice before the Council essentially is, "Do these changes justify the additional costs?". Below staff has provided more discussion on the policy intent for the Committee's consideration as well as information on the estimated increased costs associated with establishing the new office.

Transparency

An open, consensus forecast process would remove any real or perceived concerns about whether revenue forecasts are being used as a political tool to either boost or constrain expenditures or gain a strategic advantage.

In addition, the new office focused primarily on forecasting would be better positioned to provide greater transparency on:

- How the prior year's forecast compared to actual revenue collections; and
- How the current year's revenue performance compared to the forecast for the current year, which identifies additional revenues or shortfalls.

Race and Social Justice Initiatives (RSJI): While there are not direct race and social justice impacts of this proposal identified by staff, as a key input into the City's budget processes, a more transparent forecasting process is one step towards providing more access to data that informs key decisions. A key component of achieving the RSJI goal of ending institutionalized racism is the examination of City policies, projects, initiatives, and budget decisions. The City's Budget lays out priorities in terms of policies and programs; an open process gives both branches, as well as the public and advocates, the opportunity to gain access to the information needed to help evaluate budget proposals based on the facts before decisions are made.

Level the Playing Field

Both branches would be working from a common starting point and there would be certainty about delivery of good or bad economic information based on policy discussion at the Council. Currently, until formal delivery of the forecast, the forecast information is solely maintained within the Executive branch (e.g., The changes in the forecasted amount of revenues are sometimes presented to the Council simultaneously with new spending proposals from the Executive or the need for reductions. This can impact not just the annual budget process, but also supplemental budget requests.). Any difference between when data is first known and publicly communicated represents an opportunity to form a strategy and communicate policy proposals for using new resources.

Enhancement

The ERFO could provide regular economic and revenue monitoring reports, further educating the public and City Council about performance of the City's tax revenue portfolio and provide more detailed information for the public, enhancing transparency in the process. Both the County and the State provide regularly updated information on their websites for public review that could serve as a model for the ERFO (see examples [here](#)). Currently economic trends are discussed at a high level at the April forecast and the forecast presented with the budget. More regular reporting, showing budget to actual performance for all tax categories on perhaps a quarterly basis, would bridge these forecast presentations. Given the competing demands on CBO's staffs time for forecasting and other budgetary work, resources are limited to provide that level of public reporting.

In addition, both branches would have confidential access to the expertise in the forecasting unit to assist in other economic analysis, such as providing impartial analysis of tax proposals that one branch wants to pursue. The ERFO could provide a confidential analytical resource (during the deliberative process) to inform tax estimates while they are being developed. It would be incumbent on an independent office to provide an updated estimate for any new tax as part of the forecast. As an example, while building rates for the the payroll expense tax, a confidential forecasting office could have been consulted to fine tune rates and potentially capture unaccounted tax base.

Consistency with other government entities

Both the state and county have forecasting processes that rely on an independent office – the table presented previously summarizes the key elements of Seattle's forecasting process compared to the processes used by the County and the State.

Increased Costs

Creating an independent office will require some additional one-time (about \$32,000) and ongoing costs for two new positions and some non-labor costs (in total, about \$490,000 annually of new funding will be needed). This includes hiring a director for the new office,

adding an analyst position, and other administrative costs (note that, as proposed, the ERFO will be co-located with the City Finance Division and receive some administrative support from FAS). However, to achieve the policy goals described above, additional resources would be necessary even if the forecasting function were to remain within the executive branch (e.g., given competing demands on the CBO staff who support the forecasting work as well as other fiscal policy work, it is unlikely that more detailed and regular reporting, and other enhancements, could be achieved without additional resources). Further, some of the goals may not be achievable if the forecasting function remains within one branch (e.g., leveling the playing field).

Next Steps

If the Committee votes to recommend passage of CB 120124 on July 13, the City Council could consider the legislation at its July 19 meeting. If the bill is passed, amendments to the midyear supplemental budget ordinance, that is scheduled for discussion in the Finance and Housing Committee on July 20, 2021, will be required. At minimum, this will include creating a new position for the ERFO Director and could include creating a new budget summary level (BSL) for the ERFO and transferring funds from Finance General to the new BSL. Until the Director is hired, and the office is staffed, CBO will continue to produce the revenue forecasts in 2021.

Appendices:

1. Peer Comparison (pg. 9)
2. Appendix 2: Summary table of CB 120124 (pg. 11)

cc: Dan Eder, Interim Director

Appendix 1: Peer Comparison

For purposes of comparison, the following section describes the forecasting processes used by the State of Washington and King County, the two largest general purpose governments in the state.

State of Washington

Forecasting Process - Background

Established in 1984 through [Laws 1984, Chapter 138](#), the [Economic and Revenue Forecast Council](#) (ERFC) is a nonpartisan, independent agency that produces economic and revenue forecasts for the Executive and Legislative branches of Washington state government. The ERFC includes two members appointed by the Governor and four members from the State Legislature (representing members of the two largest political caucuses in the House and the Senate).

By affirmative vote of five of its members, the ERFC hires an Executive Director who employs professional forecasting staff to prepare economic and revenue forecasts. On specific dates which are described below, the staff provides three scenarios for review by the ERFC: an official forecast reflecting baseline economic assumptions, and two unofficial forecasts reflecting pessimistic and optimistic views of future economic conditions. By affirmative vote of four of its members, the ERFC approves an official forecast according to specific legal deadlines. Otherwise, the Executive Director transmits the forecast to the Governor and Legislature as if it were otherwise approved, with the same effect as if it had been approved.

Forecast Frequency and Timing

[RCW 82.33.020](#) requires the Forecast Council's Executive Director to submit quarterly economic and revenue forecasts to the Forecast Council, with the statutory date varying between even numbered and odd-numbered years as follows:

- Even years: November 20th, February 20th, June 27th, and September 27th
- Odd years: November 20th, March 20th, June 27th, and September 27th

The sequences vary with the long and short state legislative sessions, which occur in odd and even numbered years, respectively.

Other Information

1. Work program approved by forecast council
2. The unit conducts other studies as requested
3. Produces a website of economic data, past forecasts

King County

Forecasting Process - Background

Created through a [Charter amendment in 2008](#)³, the King County Forecast Council adopts official county economic and revenue forecasts that are the starting point for the executive budget. The Forecast Council includes four members: The King County Executive, a second member from the executive branch with budget and finance expertise, and two members of the King County Council, which are appointed annually by the Council Chair. By unanimous vote, the Forecast Council appoints a Chief Economist who employs professional forecasting staff to prepare county economic and revenue forecasts. By a majority vote, the Forecast Council either adopts or revises the forecasts. If a vote is not taken within 15 days from the date the Chief Economist transmits the forecast, the forecast is considered adopted as transmitted.

Forecast Frequency and Timing

[Section 425.40](#) of the King County Charter requires the Chief Economist to provide two economic and revenue forecasts during the year. Due March 1st, the first is a preliminary forecast used as the starting point for preparing the Executive's proposed budget, including forming the status quo budget and providing direction for department budget proposals. To be presented at least 170 days prior to the end of the year, the second forecast is the basis for the Executive's proposed budget for King County Council deliberation. Each year, a majority vote of the Forecast Council can approve alternative dates for receiving the forecast.

³ Placed on the 2008 ballot by King County [Ordinance 16207](#), which the King County Council approved on July 14, 2008.

Appendix 2: Summary table of CB 120124

Category	Proposal in CB 120124
A. Organizational Structure	Independent from both branches; oversight provided by the Forecast Council.
B. Governance	<p>A. Forecast Council (FC)</p> <p>i. Membership: Mayor, Director of Finance, Council President, and Chair of the Finance Committee. The positions held by elected officials can send a designee.</p> <p>ii. Responsible for: selecting and recommending removal of Director; Establishing annual work plan; Oversight and approval of forecasts</p>
C. Functions	<p>A. Primarily economic and revenue forecast; other economic studies and analysis based on the workplan and staff capacity.</p> <p>B. Timing of forecasts: Spring, Summer, Fall</p> <p>C. Publishing regular reports (see examples)</p>
D. Director / Chief Economist	<p>A. 1 FTE: Exec 1 position</p> <p>B. Term: Initial through 2022; 5 years thereafter (County: 5 years; State: 3 years)</p> <p>C. Who hires/fires: Forecast Council</p>
E. Other Staffing	<p>A. Other Positions:</p> <ul style="list-style-type: none"> • 1 FTE: Economist / forecast lead (SA II, transferred from CBO) • 0.5 FTE: Forecast backup (SA II) – FAS shared position • 1 FTE: Data Analyst (new position)



Legislation Text

File #: Inf 1839, **Version:** 1

Families, Education, Preschool, and Promise Levy School Year 2020-2021 Annual Update

FEPP Levy 2020-2021 School Year Updates

Department of Education and Early Learning

Presentation to the Governance & Education Committee

July 13, 2021

7/13/2021

Department of Education and Early Learning



City of Seattle

DEEL Results



All Seattle families have access to affordable, quality childcare.



All Seattle children are kindergarten ready.



All Seattle students graduate high school college and career ready.



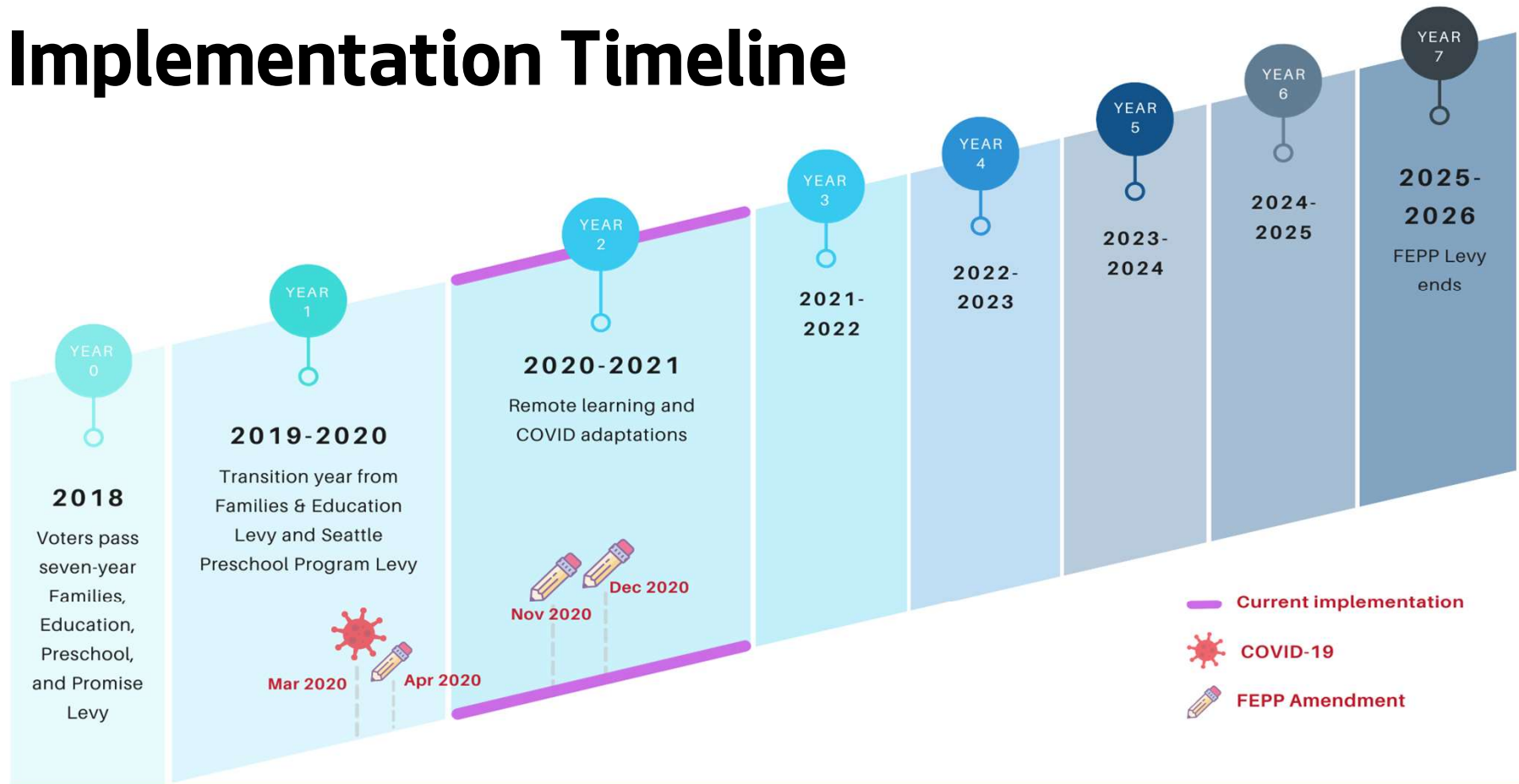
All Seattle students attain a postsecondary degree, credential, or certificate.

Purpose

- Brief Council on FEPP Levy Implementation in the 20-21 School Year
- Share stories of the experience of DEEL staff and partners in service to Seattle's children, youth, and families
- Respond to Councilmember questions



Implementation Timeline





FEPP Partner Panel

Dr. Dwane Chappelle, DEEL Director



Meet Our Panelists



Ruth Brown
Executive Director
Causey's Learning Center



Willie Seals
CEO, Co-Founder
Academy for Creating Excellence



Aaron Jeffers
Early Learning Coach
DEEL



Teri Ginster
Advance Registered Nurse Practitioner (ARNP)
Public Health – Seattle & King
County



Miguel Sansalone
Principal
Concord Elementary School, SPS



Francisco Ramos
Seattle Promise Outreach Specialist
Seattle Colleges





Early Learning Division Updates

Monica Liang-Aguirre, Division Director



Adaptations in Response to COVID-19



Flexible Preschool Models



Reduced Tuition



Modified Provider Payment Model



Home Learning Packets



Virtual Coaching Support



Flexible Family Support Dollars



Capped Childcare Co-pays



Process Evaluation



Summer SPP Extension

Highlights

FCC Mentorship Program

- Implemented by the Imagine Institute
- SY 20-21 first full year of implementation
- In 2020, 16 interns achieved licensure
- Currently 31 mentors and 21 interns are enrolled
- Exceeds current year contract targets

Children, Race, and Racism Institute

- 6th Annual Institute: Elevating the Brilliance of Black Boys
- 639 attendees over 3 days
- Co-hosted by Dr. Dwane Chappelle and Dr. William White, Director of My Brother's Teacher at the University of Washington



Access to Services: **Seattle Preschool Program**

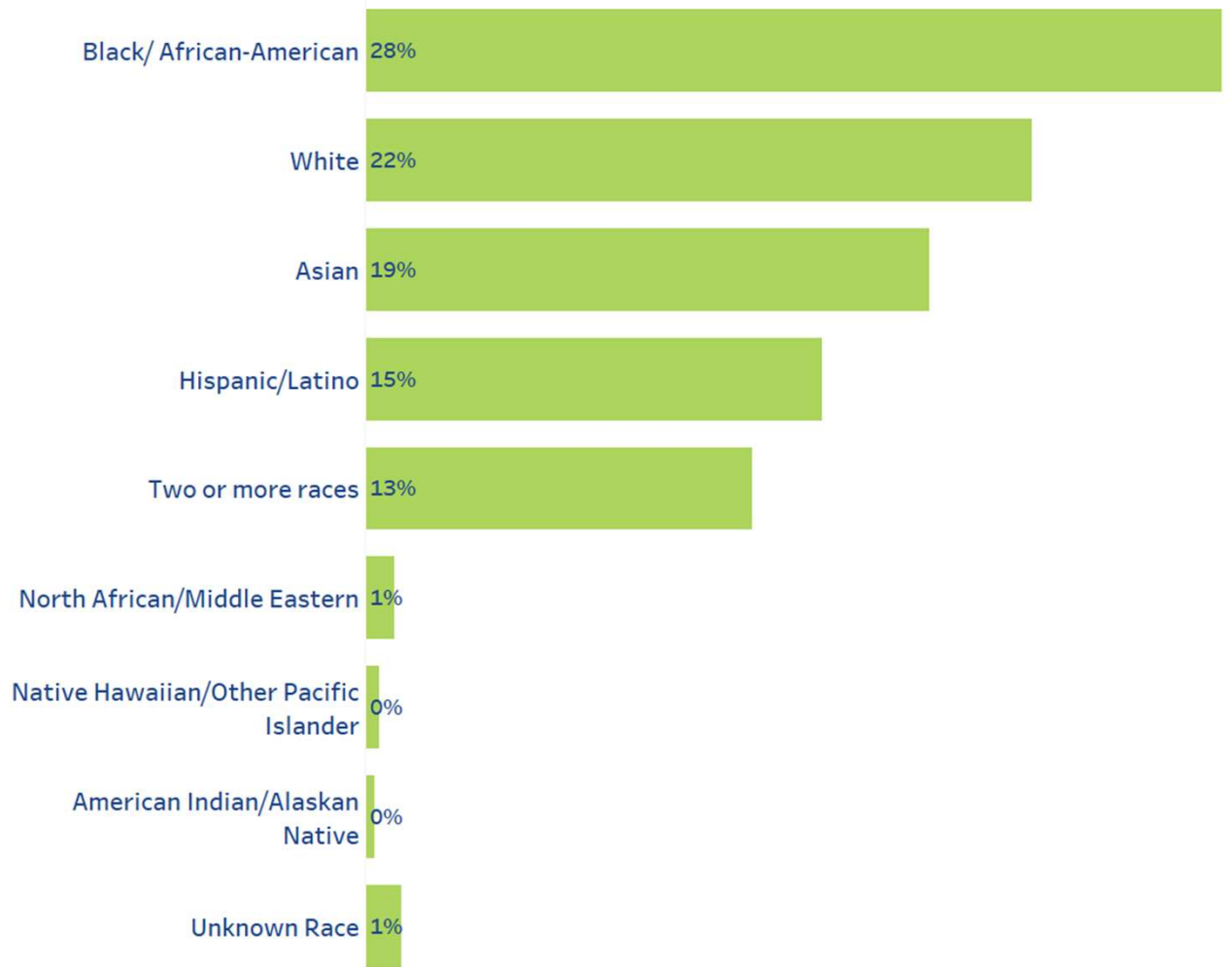
Measure	18-19 Cohort	19-20 Cohort	20-21 Cohort
Children Served	1300+ (77% BIPoC)	~1550 (76% BIPoC)	~1500 (77% BIPoC)
Available Seats	1,421	1,994	1,729
Sites	61 15 SPS (25%)	67 15 SPS (22%)	74 17 SPS (23%)
Partners	20	21	24



Access to Services: Seattle Preschool Program

*Each bar represents % of
overall 20-21 SPP enrollment
(total approximately 1,500)*

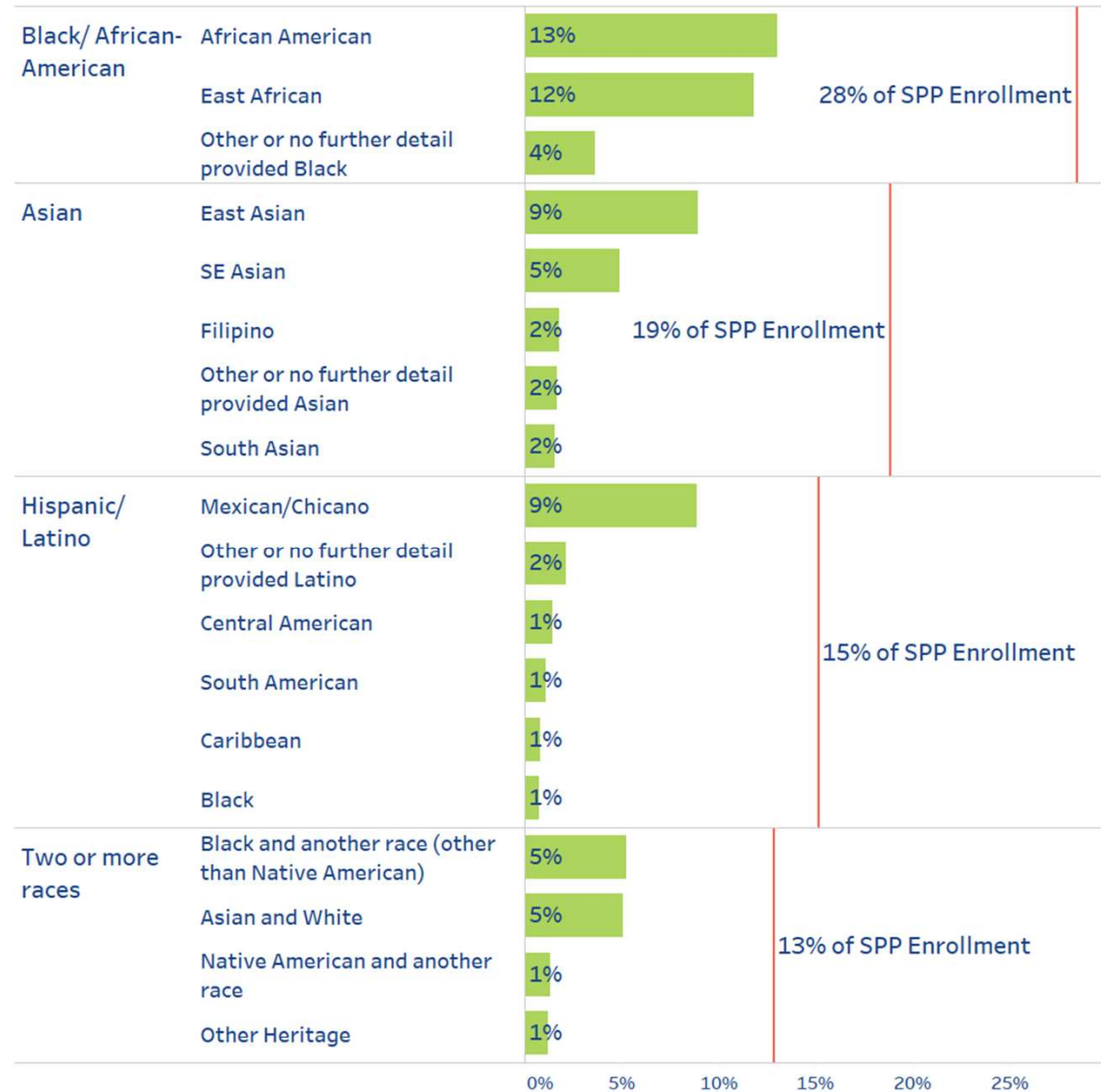
By Overall Race/ Ethnicity



Access to Services: Seattle Preschool Program

Each bar represents % of overall 20-21 SPP enrollment (total about 1,500)

Available Disaggregation



K-12 and Postsecondary Division Updates

Dana Harrison, Division Director

Adaptations in Response to COVID-19



Telehealth Services



Resource Drop-offs/Pick-ups



Virtual & Socially Distanced Support



Expanded Investment in Community-Based Programming



SPR Teen Hubs



Modified Workplans and Remote Instruction



2-Year Enrollment Limit for Seattle Promise Waived



Summer Program Expansion



Arts Kits



Anti-Bias/Hate Youth-Led Mini Grant*



**Repurposed funds in response to increase in hate crimes and bias toward Asian American, Pacific Islander, and other BIPOC communities*

Highlights

Remote Learning

- New ways of engaging families – more frequent, socially distanced home visits, tech support
- School/CBO partnerships provided 1:1 and small group support
- New enrichment programs/clubs
- Home delivery of project kits, enrichment resources, and learning materials

Culturally Specific & Responsive Programming

- Kingmakers of Seattle (KoS) remote at four schools
- KoS-Extended increased access for 7th-12th grade Black male students across all SPS schools
- Diverse mentorship models: virtual, in-person, near-peer, 1:1, and group
- Expanded educator diversity pathways and first graduating class of the Academy for Rising Educators (ARE)



Nothing About Us Without Us: Breaking Bread at the King's Table

Youth Panel Discussion with Kings from the African American Male Achievement (AAMA) Student Leadership Council



Not all programs included

Access to Services: K-12 Investments

Investment	SY 18-19	SY 19-20	SY 20-21
SBI	15,000+ Students (64% BIPOC) 41 SPS schools*	15,000+ Students (65% BIPOC) 41 SPS schools**	16,000+ Students (81% BIPOC) 30 SPS schools
Health	~15,000 Students (69% BIPOC) 25 SBHCs	9,000+ Students (69% BIPOC) 28 SBHCs	<i>Student Data TBD</i> 29 SBHCs
Educator Diversity	N/A	37 Participants	100+ Participants

Data source: Seattle Public Schools; Analyzed by DEEL.

*Families and Education Levy

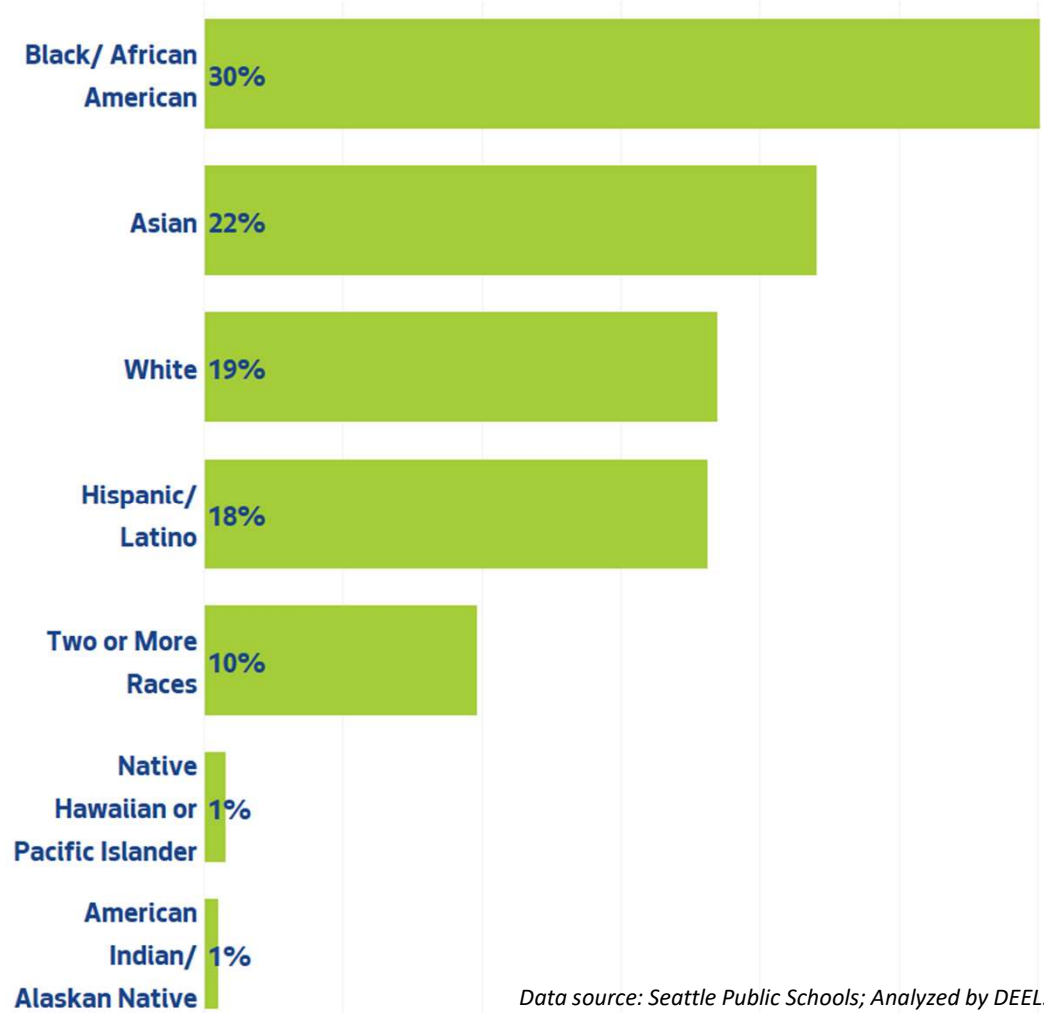
**1st year of FEPP Levy implementation; transition year



Access to Services: School-Based Investments

Each bar represents % of overall 20-21 School-Based Investment Enrollment (about 16,000 total)

By Overall Race/ Ethnicity



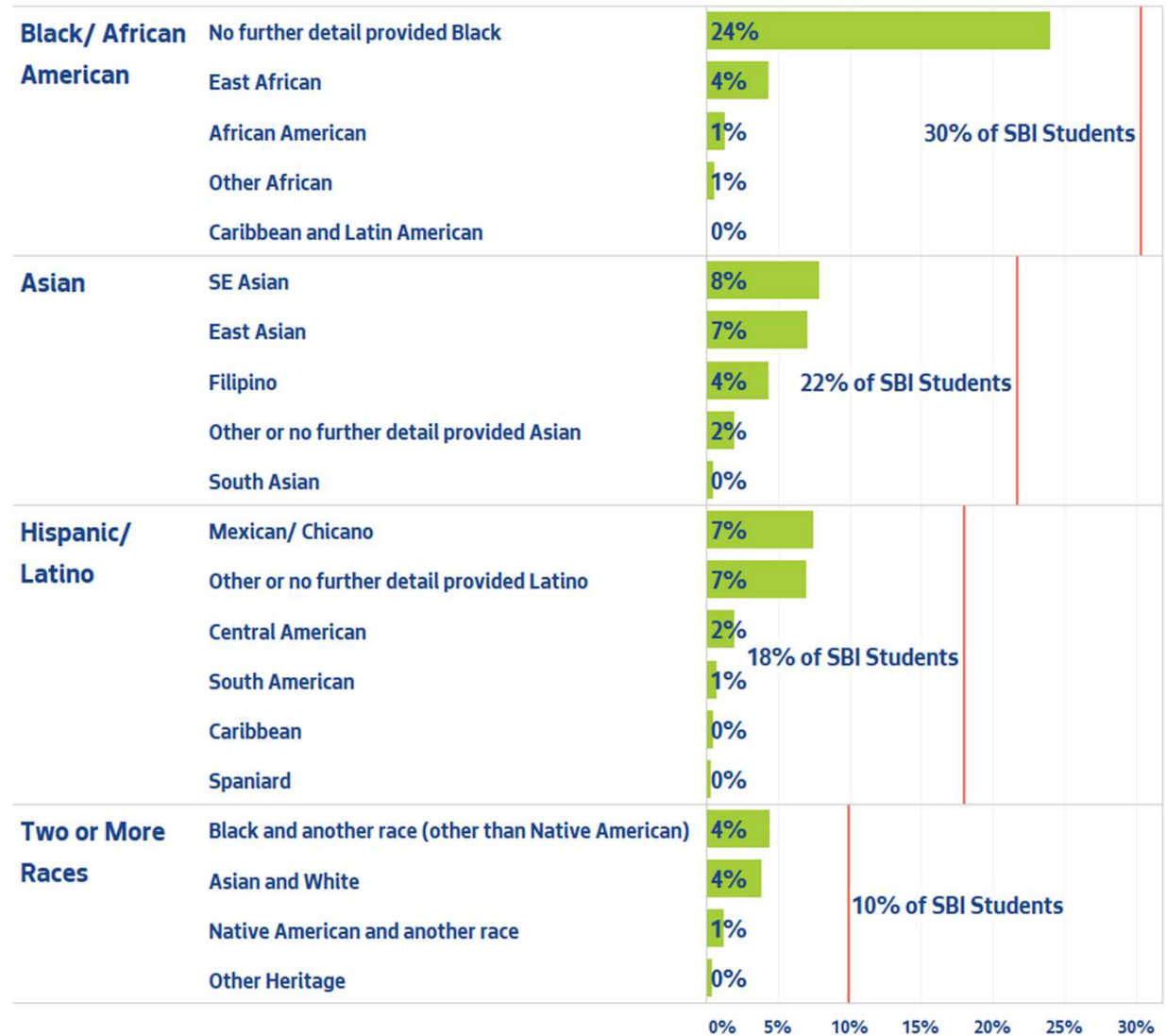
Data source: Seattle Public Schools; Analyzed by DEEL.



Access to Services: School-Based Investments

Each bar represents % of overall 20-21 School-Based Investment Enrollment (about 16,000 total)

Available Disaggregation



Data source: Seattle Public Schools; Analyzed by DEEL.

Access to Services: K-12 Investments

Investment	SY 18-19	SY 19-20	SY 20-21
Kingmakers of Seattle	140+ Kings (100% BIPOC) 4 SPS Schools	~85 Kings (100% BIPOC) 4 SPS Schools	~160 Kings (100% BIPOC) 4 SPS Schools
Opportunity & Access	<i>New FEPP investment strategy in SY 20-21</i>		14 grantees* 1034 students; 84 staff <i>(Race/Ethnicity Data TBD)</i>
Family Support Services	Over 200 Students (96% BIPOC) 5 SPS Schools	Over 400 Students (93% BIPOC) 9 SPS Schools	Approx. 700 Students (93% BIPOC) 18 SPS Schools + Native American Ed. Program

Data source: Seattle Public Schools; Analyzed by DEEL.

*Four grantees funded by FEL reserves



Access to Services: **Seattle Promise**

- Fall 2020 enrollment: 846 students; largest beginning of year enrollment to date (1st and 2nd year scholars)
- Spring 2021 applications: 2,100; largest number of applicants to date

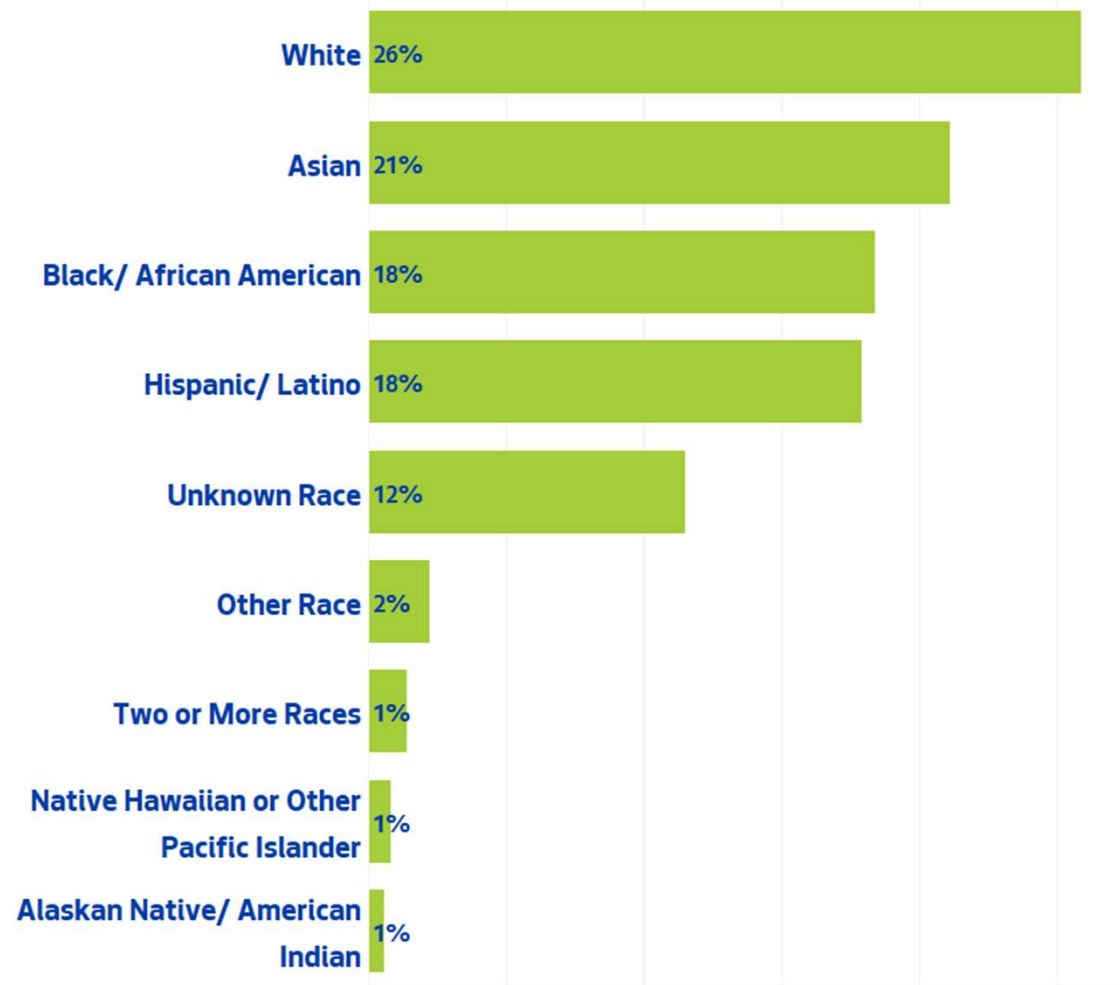
Measure	2018 Cohort	2019 Cohort	2020 Cohort
Scholars	190+ Scholars (76% BIPoC)	~300 Scholars (71% BIPoC)	~700 Scholars (60% BIPoC)
Eligible High Schools	6 High Schools	6 High Schools	17 High Schools

Data source: Seattle Colleges; Analyzed by DEEL.

Access to Services: Seattle Promise

Each bar represents % of overall 20-21 Promise enrollment (total about 840)

Race/Ethnicity



Data source: Seattle Colleges; Analyzed by DEEL.

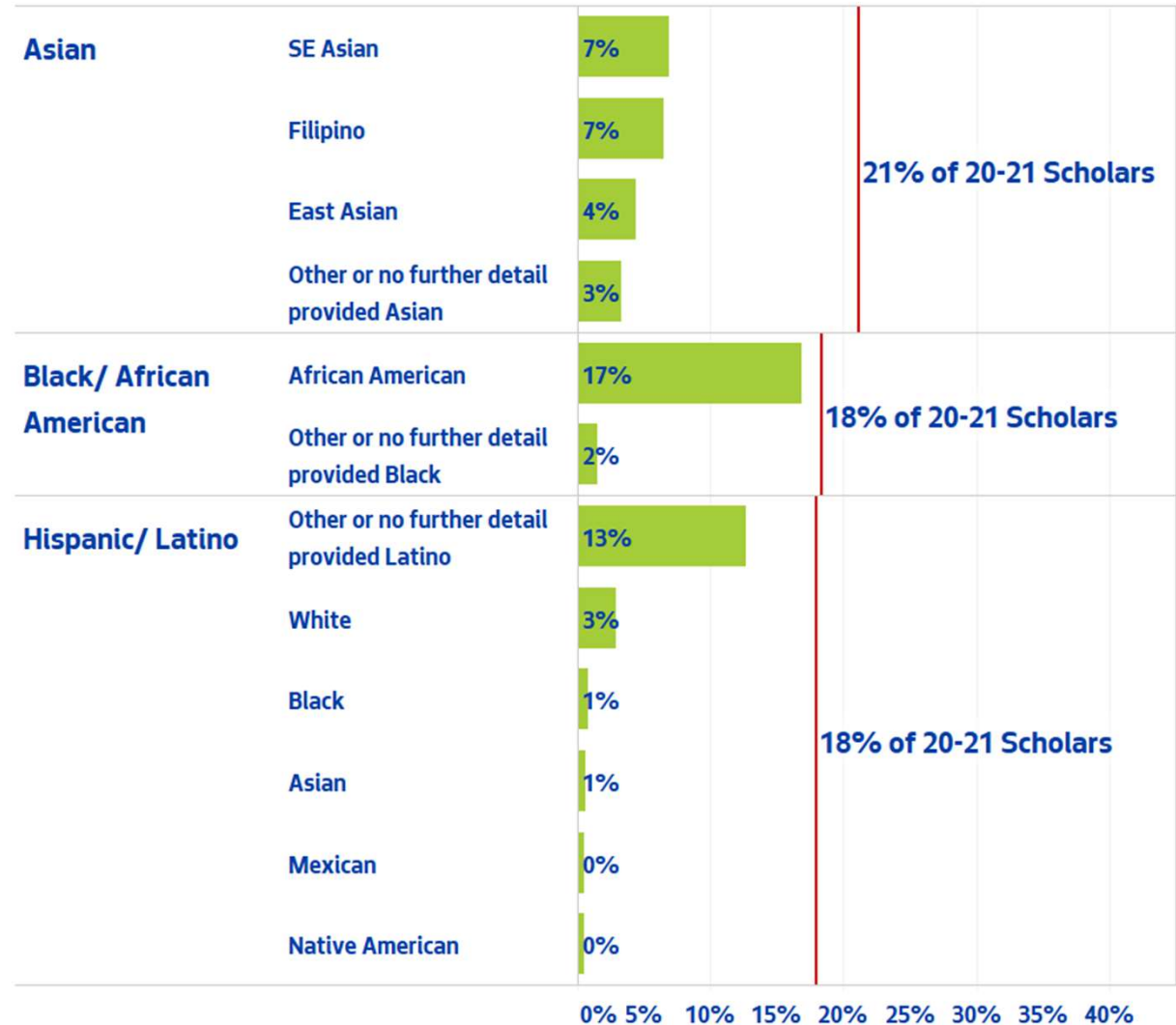


Access to Services: Seattle Promise

Each bar represents % of overall 20-21 Promise enrollment (total about 840)

Available Disaggregation

Data source: Seattle Colleges; Analyzed by DEEL.



Thank You!

Discussion & Questions

