



SEATTLE CITY COUNCIL

Select Budget Committee

Agenda

Wednesday, October 16, 2024

9:30 AM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Dan Strauss, Chair
Maritza Rivera, Vice-Chair
Joy Hollingsworth, Member
Robert Kettle, Member
Cathy Moore, Member
Tammy J. Morales, Member
Sara Nelson, Member
Rob Saka, Member
Tanya Woo, Member

Chair Info: 206-684-8806; Dan.Strauss@seattle.gov

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SEATTLE CITY COUNCIL
Select Budget Committee
Agenda
October 16, 2024 - 9:30 AM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<http://www.seattle.gov/council/committees/budget>

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.

Only written public comment will be accepted at this meeting. Please submit written comments to all Councilmembers four hours prior to the meeting at Council@seattle.gov or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m., Monday through Friday. The deadline is 4:30 p.m. the business day before a meeting with a start time of 9:30 a.m.

Please Note: Times listed are estimated

Policy Considerations

Central Staff will present analyses related to aspects of the 2025 and 2026 Proposed Budgets, including how the proposed budgets are balanced, and identify initial department-specific policy options for the Select Budget Committee's consideration.

A. Call To Order

B. Approval of the Agenda

C. Items of Business

1. Introduction and Process Overview

Supporting Documents: [Presentation](#)

Briefing and Discussion

Presenters: Ben Noble, Director, and Yolanda Ho, Deputy Director, Council Central Staff

2. Central Staff Overview of the 2025 and 2026 Proposed Budgets

Attachments: [Presentation](#)
Supporting Documents: [2025 - 2026 Proposed Budget Overview](#)

Briefing and Discussion

Presenters: Yolanda Ho, Deputy Director, and Ben Noble, Director, Council Central Staff

3. General Fund Balancing Overview

Supporting Documents: [Memo](#)
[Presentation](#)

Briefing and Discussion

Presenters: Tom Mikesell and Ben Noble, Director, Council Central Staff

4. JumpStart Policies

Supporting Documents: [Presentation](#)

Briefing and Discussion

Presenters: Ben Noble, Director, and Tom Mikesell, Council Central Staff

D. Adjournment



Legislation Text

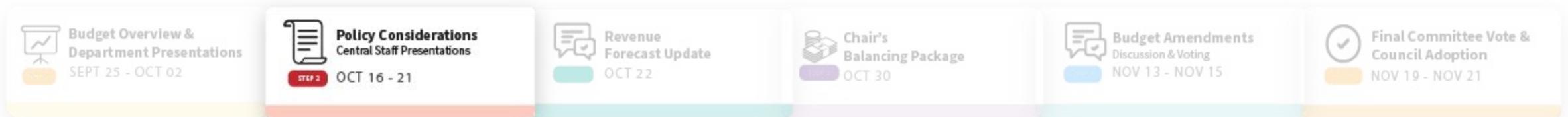
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Introduction and Process Overview

Seattle City Council 2024 Budget Process Policy Considerations

Select Budget Committee | October 16, 2024

Ben Noble, Director

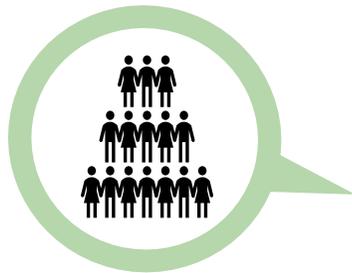




Policy Considerations Central Staff Presentations

STEP 2

OCT 16 - 22



Revenue Forecast Update

OCT 22

Central Staff Overview of the 2025 – 2026 Proposed Budget (10.16.24)

Central Staff presents an overview of the Proposed Budget, by Department, in relation to the 2024 Adopted Budget. Today’s presentation also includes a review of the Mayor’s proposed General Fund balancing strategy and the role of JumpStart/PET policies in that strategy.

Policy Considerations (10.17.24 – 10.22.24)

Central Staff Analysts identify potential budget considerations and, where appropriate, offer policy options associated with the Proposed Budget

Opportunity for the committee to review, discuss, and ask questions about the Proposed Budget, and provide direction to staff on issues and amendments they are considering.

Councilmembers may also share amendment ideas they are considering with their colleagues during these discussions.

Public Hearing #1

Economic Revenue Forecast Council and Update (10.22.24)

A joint meeting of the Select Budget Committee and the Forecast Council. Staff from the Office of Economic and Revenue Forecasts and CBO will present an updated economic and revenue forecast, and the Forecast Council will decide whether to approve the forecast recommended by the Director of the Forecast Office.



Policy Considerations
Central Staff Presentations

STEP 2

OCT 16 - 22

Select Budget Committee Schedule

	Wednesday, October 16	Thursday, October 17	Friday, October 18	Monday, October 21	Tuesday, October 22
9:30 a.m.	Introduction & Overview	Office of Planning & Community Development	Participatory Budgeting	Seattle Police Department	 Revenue Forecast Update OCT 22
	CS Proposed Budget Overview	Office of Arts & Culture	Human Services Department	Community Assisted Response & Engagement Department	
	GF Balancing Analysis				
	JumpStart Fund Policies	Seattle Channel	Unified Care Team	Seattle Fire Department	Seattle Department of Transportation*
2:00 p.m.	RESERVED (if needed)	Seattle Department of Human Resources	Office of Economic Development	City Attorney's Office	RESERVED (if needed)
		Seattle Department of Construction & Inspections			
5:00 p.m.	Public Hearing				

*Exec staff will join CS to present a description of the amendments that will be needed to implement the Transportation Levy, should it be approved by voters on Nov. 5th.



**Chair's
Balancing Package**

STEP 4

OCT 30

Public Presentation of Chair's Proposed Balancing Package

Presentation of Chair's Balancing Package:

Central Staff will walk the Select Budget Committee through the group of budget amendments that make up the Chair's Balancing Package.

The package will include any changes needed to address the October revenue forecast update, and will also incorporate changes that reflect priorities identified by individual councilmembers.

Budget Timeline | FALL 2024



Budget Overview & Department Presentations

STEP 1

SEPT 25 - OCT 02



Policy Considerations

Central Staff Presentations

STEP 2

OCT 16 - 21



Revenue Forecast Update

OCT 22



Public Hearing #1

OCT 16 @ 5 PM



Chair's Balancing Package

STEP 3

OCT 30



Budget Amendments

Discussion & Voting

STEP 4

NOV 13 - NOV 15



Final Committee Vote & Council Adoption

STEP 5

NOV 19 - NOV 21



Public Hearing #2

NOV 12 @ 5 PM

Context of the Proposed Budget

Economic Conditions

- National economy showing continued strength, with the Fed beginning to lower interest rates.
- Local economy continues to grow, but at a slower rate than experienced in recent years. Last week's layoff announcement from Boeing will likely materially impact the revenue forecast update.
- Growth in the technology sector, and the resulting boom in residential and commercial construction, has slowed over the last 2 years.

Budget Situation

- \$250+M projected General Fund deficit.
- Revenue forecast projects modest growth forecast in overall General Fund resources.
- JumpStart/PET revenue has out-paced original forecasts, but volatility and forecast uncertainty will be challenges going forward.
- One-time, COVID-related Federal assistance expires in December.
- Some new “outside” funding sources for City priorities (e.g., Inflation Reduction Act, Climate Commitment Act, King County “Doors Open” Arts & Culture funding program).
- Transportation Levy renewal vote in December; Families, Education, Preschool & Promise Levy renewal in 2025.

On-going Policy Challenges

- Budget Sustainability
- Homelessness
- Downtown Recovery
- Housing Affordability
- Public Safety



Legislation Text

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Central Staff Overview of the 2025 and 2026 Proposed Budgets

2025-2026 Proposed Budget Overview

Citywide Summary

Select Budget Committee | October 16, 2024

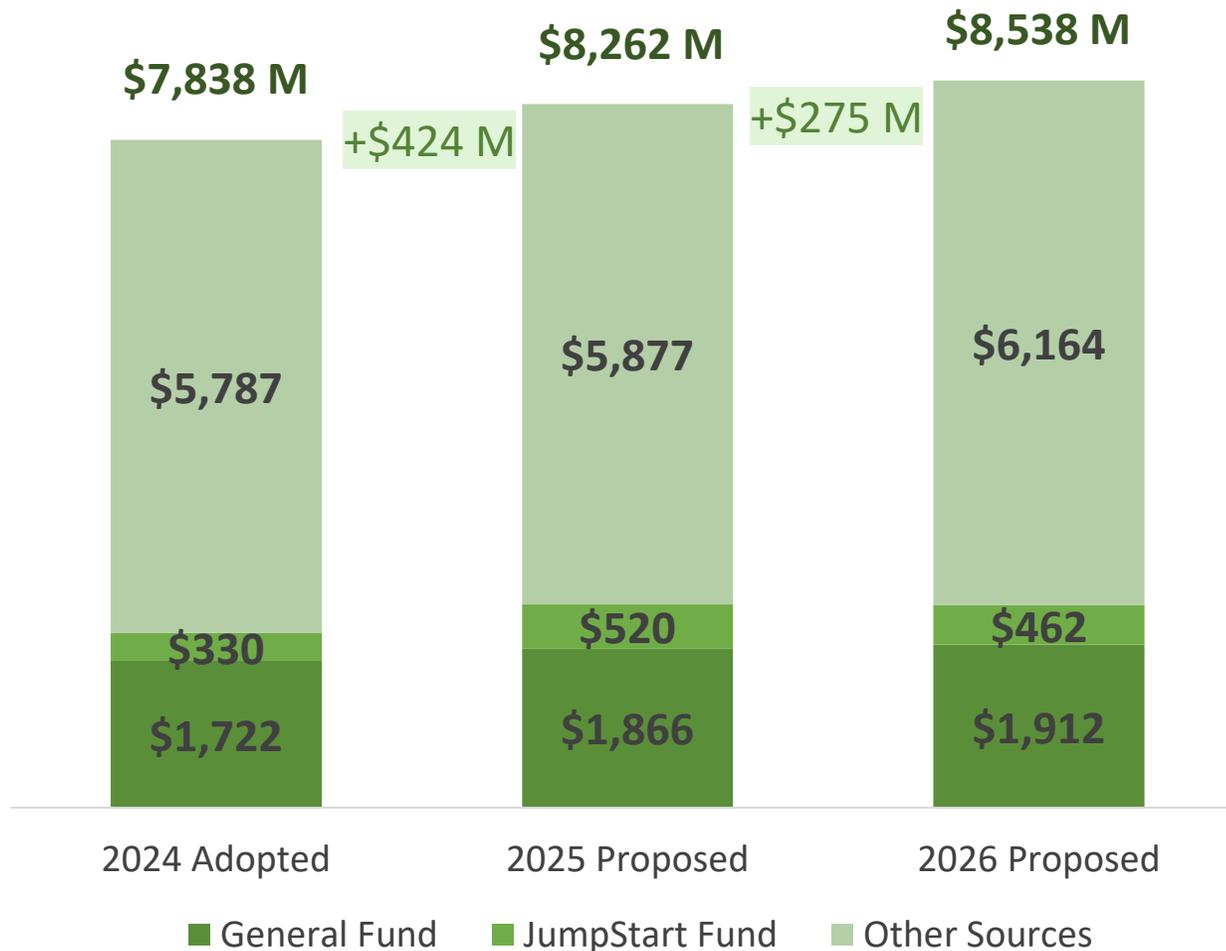
Yolanda Ho, Deputy Director



Agenda

- 2025-2026 Proposed Budget Overview by Department Walkthrough
- Budget Snapshot
- Positions and Personnel Budget Changes
- Central Service Costs
- Proposed Capital Improvement Program (CIP) Adjustments
- Future Considerations

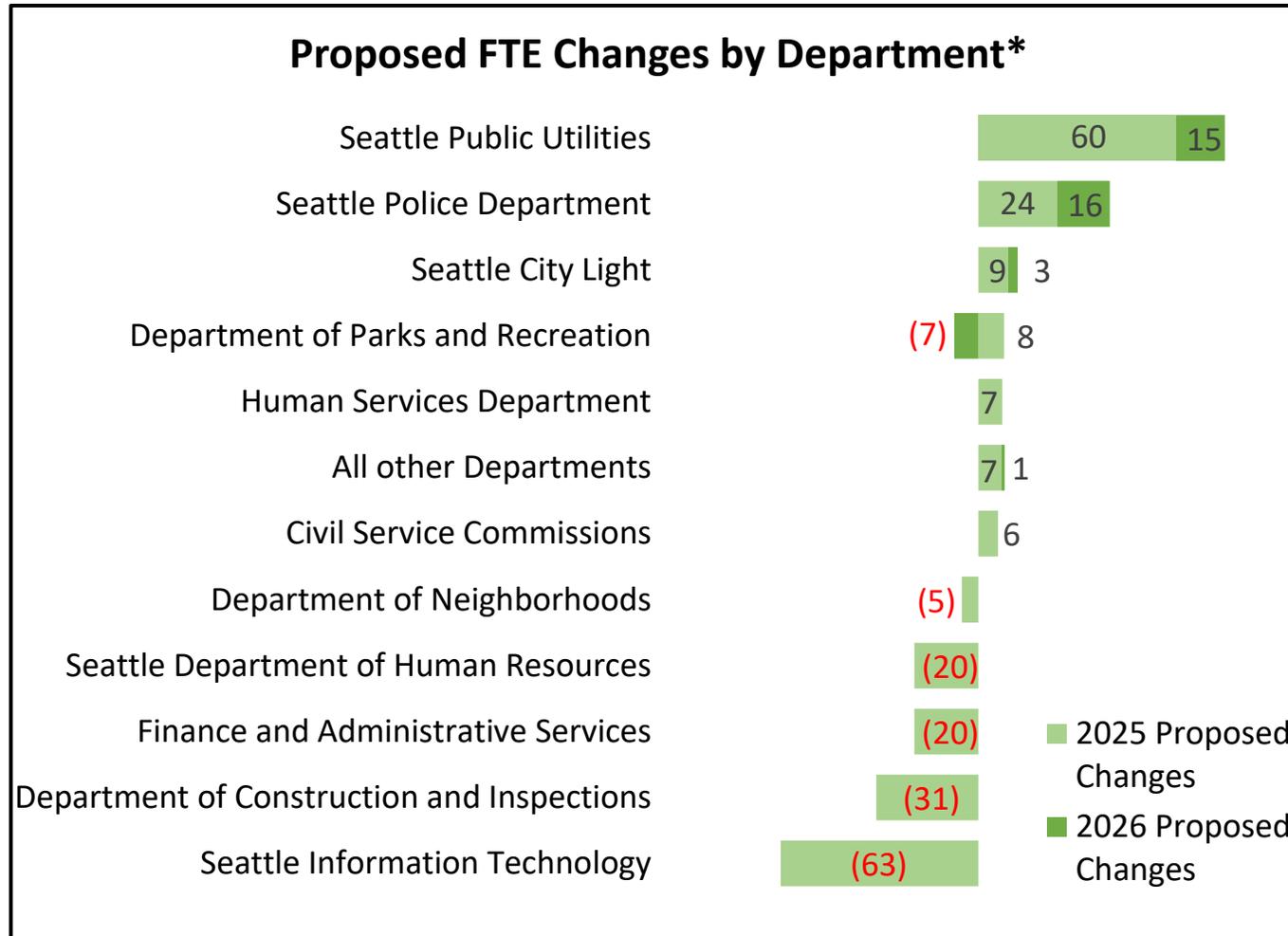
Budget Snapshot



Significant change drivers between 2024 Adopted and 2025-2026 Proposed:

- Annual Wage Increases (AWI) and related market adjustments
- JumpStart Fund contributions to the General Fund
- \$72 million (2025) and \$101 million (2026) in Seattle City Light for purchased power
- \$14 million GF contribution for Judgement and Claims related expenses in Finance and Administrative Services
- \$10 million GF in SPD for emphasis patrols overtime

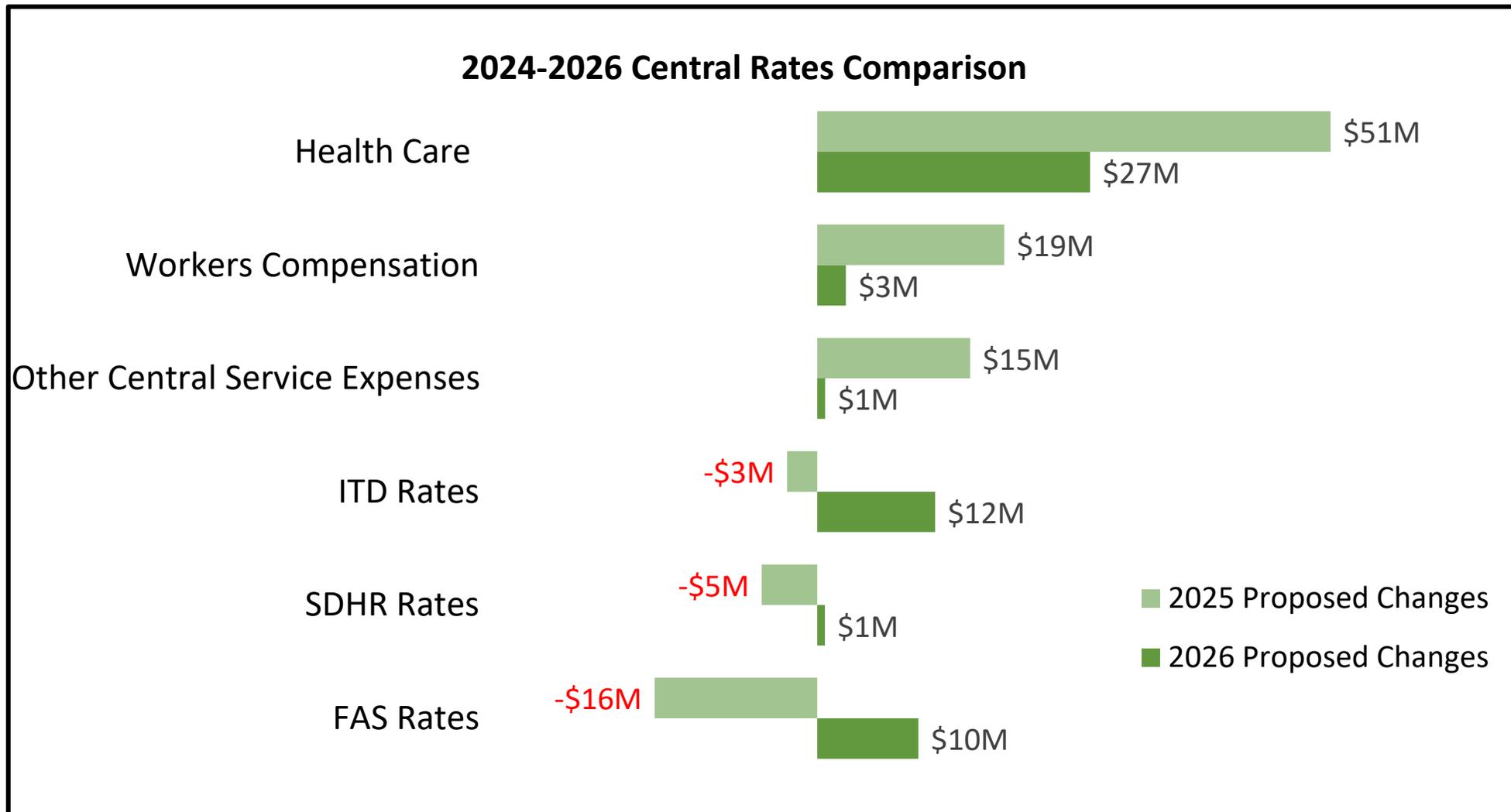
Position & Personnel Changes



*Excludes 2024 supplemental and stand-alone legislation.

- Additional 51 FTE (of which 40 FTE are GF supported) added by 2024 legislation
- 10 FTE increase Citywide across the biennium (of which 13 FTE are GF and 1 FTE is JS Fund supported)
 - Net decrease of 17 FTE in 2025
 - Net increase of 28 FTE in 2026
- Salary & benefits are \$2.9B (one-third) of the \$8.3B Proposed Budget in 2025, a \$359M increase (14%) from the 2024 Adopted Budget

Central Service Costs



Capital Improvement Program (CIP)

- City adopts a 6-year CIP (2025-2030) and appropriates funding for the first 2 years
- Citywide 6-year CIP totals \$8.1B
- Over 70% for utility projects (SPU and SCL)
- 15% for transportation (SDOT)
 - Reflects the expiration of the Move Seattle Levy and assumes no new levy – SDOT’s budget shows a significant reduction
 - Includes the Culture Connector (\$410 million in 2030 – no specific funding source identified)
 - SDOT will present on October 22 its proposed allocation for funding from the 2024 Transportation Levy
- 15% spread across general government departments (Parks, FAS, Seattle Center, Public Library, and Seattle IT)

Future Considerations

- **Central Service Costs Evaluation**
 - Council-initiated effort to better understand the City's internal service costs
 - Consultant engaged to focus on Department of Finance and Administrative Services, Seattle Department of Human Resources, and Seattle Information Technology Department
 - Intended to inform development of the 2026 Proposed Budget

- **Families, Education, Preschool and Promise (FEPP) Levy Renewal**
 - Current seven-year, \$619 million levy set to expire next year
 - Funds early learning, college and job readiness, physical and mental health services to support learning, and post-secondary educational opportunities
 - 2025-2026 Proposed Budget indicates additional areas the Executive may include in a levy renewal package
 - Council anticipated to consider proposed levy legislation next spring

Questions?

Seattle City Council Central Staff 2025-2026 Proposed Budget Overview

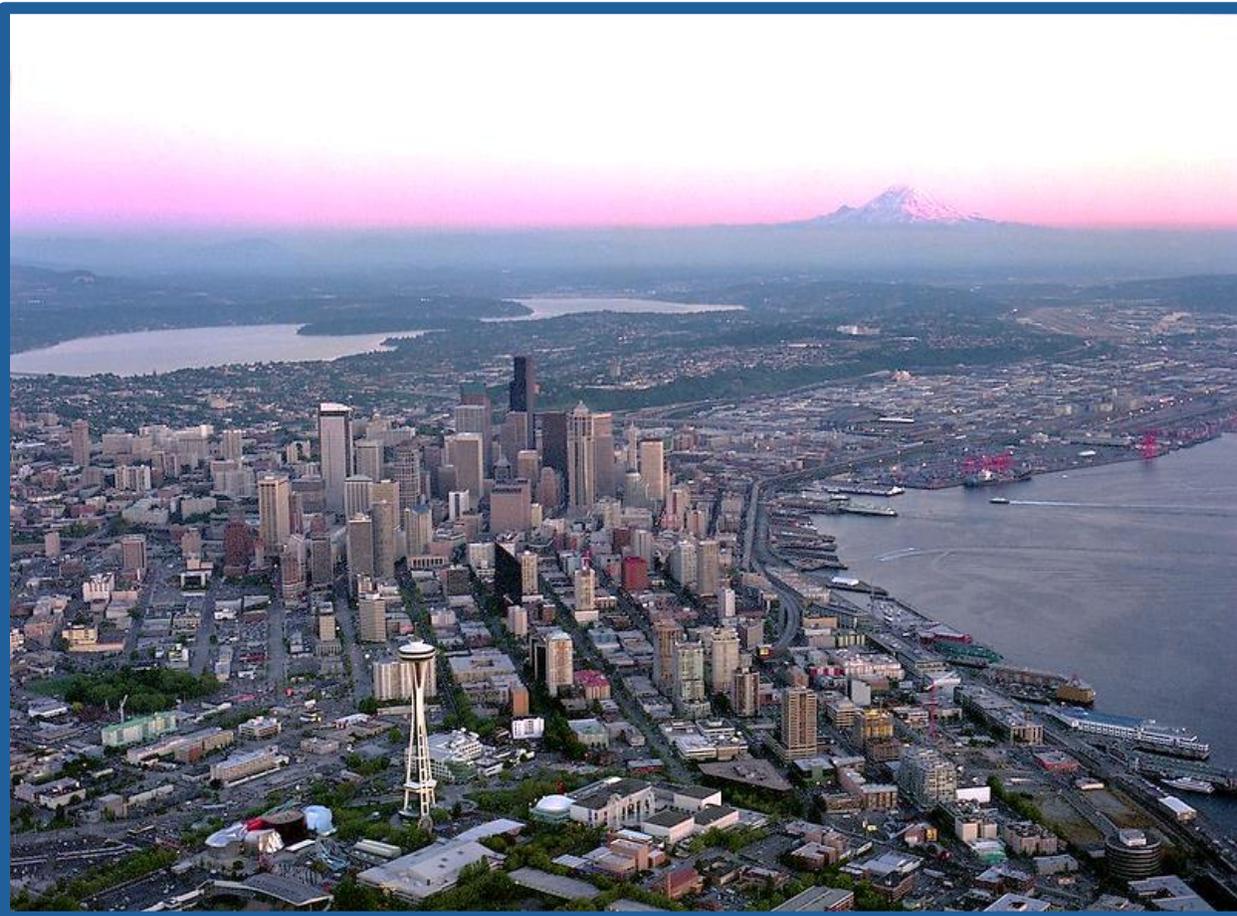


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Version 1: October 15, 2024

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2025-2026 Proposed Budget – Introduction and Citywide Summary

This Citywide Summary describes high-level changes from the 2024 Adopted Budget compared to the 2025-2026 Proposed Budget and notes generally where there will be future decisions for the Council to consider about funding for programs and services during the biennium. More information about changes included in the 2025-2026 Proposed Budget are provided in individual department budget overviews that follow and accompanying policy considerations papers. Budget legislation transmitted with the Mayor’s proposal is also described in this overview document.

The 2025-2026 Proposed Budget is \$8.3 billion and \$8.5 billion respectively, across all departments and funds. The 2025 Proposed Budget would represent an increase of \$424 million, or 5.4 percent, compared to the 2024 Adopted Budget. The increase from 2025 to 2026 would be an additional \$275 million, or 3.3 percent. Attachments A and B provide overall budget changes between the 2024 Adopted and 2025-2025 Proposed budgets for each department and fund.

Chart 1: Citywide Summary – 2024-2026 Operating and Capital Budget Comparison by Fund

Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Operating					
General Fund	\$1,717.7M	\$1,864.2M	8.5%	\$1,910.5M	2.5%
JumpStart Fund	\$328.6M	\$516.7M	57.2%	\$458.2M	(11.3%)
Other Sources	\$4,355.3M	\$4,622.2M	6.1%	\$4,720.1M	2.1%
Operating Subtotal	\$6,401.6M	\$7,003.1M	9.4%	\$7,088.8M	1.2%
Capital					
General Fund	\$4.5M	\$1.5M	(67.5%)	\$1.6M	10.9%
JumpStart Fund	\$1.0M	\$3.6M	259.4%	\$3.8M	6.5%
Other Sources	\$1,431.5M	1,254.5M	(12.4%)	\$1,443.8M	15.1%
Capital Subtotal	\$1,436.9M	\$1,259.5M	(12.3%)	\$1,449.3M	15.1%
Grand Total	\$7,838.5M	\$8,262.6M	5.4%	\$8,538.1M	3.3%

Citywide Labor / Non-Labor Summary

Most of the programs and services provided by the City rely on workers to deliver those services, and particularly programs and services that are funded by the GF. Personnel costs for City workers across all funds comprise approximately one-third of the overall budget, and over half (56 percent) of the proposed \$1.9 billion GF budget. This excludes costs that may be associated with a position, such as the cost of purchasing and maintaining vehicles for positions that require use of the City fleet. Additionally, much of the “non-labor” budget across all funds is for contracted services with organizations whose workers deliver key services (e.g., contracts with human service organizations that deliver most services related to the City’s homelessness response).

As shown in *Chart 2* below, the Citywide labor budget proposed for the biennium would increase by 14.2 percent in 2025 and 0.9 percent in 2026. This change is primarily due to the Annual Wage Increase (AWI) and related market adjustments, as described below.

Chart 2: Citywide Summary of Labor / Non-Labor Budget by Fund Source

Expense Category by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Labor					
General Fund	\$890.5M	\$1,037.1M	16%	\$1,071.6M	3%
JumpStart Fund	\$9.8M	\$11.0M	12%	\$11.1M	1%
Other Sources	\$1,633.1M	\$1,844.4M	13%	\$1,834.4M	(1%)
Labor Subtotal	\$2,533.4M	\$2,892.5M	14%	\$2,917.1M	1%
Non-Labor					
General Fund	831.7M	828.6M	-	840.5M	1%
JumpStart Fund	319.8M	509.3M	59%	450.9M	(11%)
Other Sources	4,153.7M	4,032.2M	(3%)	4,329.5M	7%
Non-Labor Subtotal	\$5,305.2M	\$5,370.1M	1%	\$5,621.0M	5%
Grand Total	\$7,838.5M	\$8,262.6M	5%	\$8,538.1M	3%
Total FTE (for reference)¹	13,251	13,289	0.3%	13,317	0.2%

Operating Summary

The 2025 Proposed Budget operating appropriations would increase by approximately \$601 million (9.4 percent) compared to the 2024 Adopted Budget. The increase from the 2024 Adopted Budget is primarily driven by two factors:

- Annual Wage Increases (AWI) and related market adjustments** approved by the Council earlier this year. The overall annual labor budget increase is \$359 million (14 percent) and \$24 million (1 percent) in 2025 and 2026, respectively. The 2025-2026 Proposed Budget captures wage and market adjustments, backdating in some cases to as early as 2021. This net increase also includes the various position and associated labor budget changes legislated in 2024, as well as proposed 2025-2026 position changes.
- JumpStart Fund (JS Fund) contributions to the General Fund (GF).** The 2025-2026 Proposed Budget appropriates approximately \$233 million in 2025 and \$239 million in 2026 in JS Fund proceeds to departments. The Executive is proposing to transfer JS Fund revenues above department-programmed expenses to the GF to support general operating expenses. In 2025, the total transfer is \$287 million, including \$85 million of one-time 2023 fund balance, and \$202 million for expected 2025 revenue collections above original projections. The expected JS Fund transfer is \$223 million in 2026. For more detailed analysis of the use of JumpStart Payroll Expense Tax revenues and the General Fund, see the General Fund Balancing paper.

¹ The City does not use a position-based budgeting system; therefore, it is not possible to connect FTE directly to department budgets, and the total FTE count does not reflect the actual number of City employees in permanent positions.

Other significant operating budget increases between the 2024 Adopted and 2025-2026 Proposed budgets include:

- **\$72 million (2025) and \$101 million (2026) in Seattle City Light (SCL) for purchased power.** To meet anticipated load growth and comply with new emissions regulations, SCL would add new energy resources to the utility's long-term purchased power portfolio. This proposal advances SCL's "Create Our Energy Future" business strategy by investing in a diverse mix of long-term energy resources to meet customer demand.
- **\$14 million GF contribution for Judgement and Claims related expenses in Finance and Administrative Services.** Based on actuarial projections of anticipated losses that departments incurred over the previous five years, Judgement and Claims rates² have increased by \$14 million in 2025, which represents a 30 percent increase compared to the 2024 Adopted Budget of \$46 million. Recent actuarial estimates have been driven to a new high by the growing expenses the fund has incurred since 2021 but are expected to moderate in the next few years. The Executive estimates that the costs will return to a lower long-term cost trend in 2026, and the GF includes a reserve of \$10.2 million should these costs increase above the current 2026 baseline of \$47 million.
- **\$10 million GF in SPD for emphasis patrols overtime.** The 2025-2026 Proposed Budget would add \$10 million to SPD's overtime budget to allow the department to continue to deploy emphasis patrols that address criminal behavior through proactive policing in areas where crime is concentrated. SPD indicates that increased officer shortages have required the department to rely on overtime to deliver essential public safety services. Emphasis patrols are being currently being deployed at a level that exceeds the 2024 overtime budget. The funding in the 2025 Proposed Budget would align with projected spending.

Position and Personnel Budgets

The 2025-2026 Proposed Budget would add 63 Full-Time Equivalent (FTE) positions compared to the 2024 Adopted Budget (37.5 FTE in 2025 and an additional 27.5 FTE in 2026) across all departments and funds.³ According to data provided by the Executive, 61 FTE are permanent positions with ongoing budget impacts, and 2 FTE are temporary/sunsetting positions. Of the total FTE changes, a net increase of 53 FTE would be supported by the General Fund (13 FTE of which are part of the 2025-2026 Proposed Budget and exclude current-year legislation).

² Per Resolution 31847, the budget level for the Judgement & Claims Fund must be set at the 90 percent confidence level of meeting actual expenditures as annually estimated by the City's actuaries.

³ The total FTE count includes the position changes that were approved by Council through 2023 supplemental or standalone legislation. The total FTE count also includes Firefighters' Pension Fund, Police Relief and Pension Fund, and Seattle Public Library positions even though the Library's position list is established by the Library Board of Trustees, and positions for the Police and Firefighter Pension funds are set by their respective board members.

Chart 3: 2025-2026 Proposed FTE Changes by Fund

Fund	2025 Proposed FTE Changes	2026 Proposed FTE Changes
SPU Funds (Drainage, Wastewater, Water)	68	15
General Fund	3	10
Light Fund	9	3
Arts and Culture Fund	3	-
Office of Housing Fund	3	-
School Safety Traffic and Pedestrian Improvement Fund	3	-
Families Education Preschool Promise Levy	2	-
Library Fund	2	-
Sweetened Beverage Tax Fund	1	-
Seattle Center Fund	1	-
JumpStart Payroll Expense Tax Fund	1	-
REET I Capital Fund	(1)	-
FileLocal Agency Fund	(1)	-
Office of Labor Standards Fund	(3)	-
Finance and Administrative Services Fund	(15)	-
Coronavirus Local Fiscal Recovery Fund	(24)	-
Construction and Inspections	(30)	-
Information Technology Fund	(40)	-
Total FTE Changes in the 2025-2026 Proposed Budget	(17)	28

After accounting for position changes that were approved by Council through 2024 supplemental or stand-alone legislation, the 2025 Proposed Budget represents a net decrease of 17 FTE, followed by a net 28 FTE increase in 2026. The decrease is primarily driven by the proposed abrogation of 63 FTE in Seattle Information Technology Department (ITD), 20 FTE in Seattle Department of Human Resources (SDHR), 20 FTE in the Department of Finance and Administrative Services (FAS), and 20 FTE in the Seattle Department of Construction and Inspections (SDCI). These reductions are offset by increases in various departments and across several funds.

Departments with the largest FTE increases in the 2025-2026 Proposed Budget⁴ include:

- **40 FTE in the Seattle Police Department (SPD)**, 21 of which are Real Time Crime Center analyst positions (12 FTEs in 2025 and 9 FTEs in 2026). These positions will allow the department to establish a fully staffed Real Time Crime Center. In addition, SPD proposes adding two Office of Accountability (OPA) civilian investigators and 14 investigative support positions to assist detectives with homicide, robbery, and gun crime investigations. Lastly, the Department proposes converting five temporary Community Crisis Response positions to permanent positions.
- **75 FTE in Seattle Public Utilities (SPU)**, including 18 to administer the City’s side sewer permitting program (8 new, 10 transferred from SDCI), 21 to assume operations of the Tolt Water Treatment Facility, 29 in 2025 and 15 in 2026 to further a variety of Strategic Business Plan-endorsed priorities, and one to establish and maintain a City-owned tree nursery. The 2025 Proposed Budget would also transfer 9 FTE to Seattle Parks and Recreation (SPR) for graffiti abatement services.

⁴ Excludes 2024 supplemental and stand-alone legislation.

- **12 FTE in SCL**, to meet the City’s transportation and building electrification growing needs, reduce volatility in power supply costs, and address cybersecurity risks. In addition, the SCL proposes adding two revenue-backed cable splicer positions to meet the Sound Transit 3 expansion project timelines.
- **7 FTE in the Human Services Department (HSD)**, five of which are Victim Advocate positions to provide support and interventions for survivors of commercial sexual exploitation. Additionally, HSD proposes adding two administrative FTEs related to Unified Care Team (UCT) response as well as one position to address school-based violence intervention.

Attachment C provides a comprehensive list of FTE position changes in the 2025-2026 Proposed Budget by department and by fund. Attachment D provides a comparison summary of labor budget between the 2024 Adopted and the 2025-2026 Proposed budgets for each City department.

Central Services Costs

Indirect costs, commonly referred to as “overhead” or central services, are costs that account for support services that are provided by multiple departments, primarily FAS, ITD, SDHR, and includes centrally managed costs for healthcare, retirement, and industrial insurance charges for the City.

Through a cost allocation plan, the City identifies and distributes these central service costs across all departments and funds to ensure that the departments and funds are fairly and accurately charged for the services they are projected to receive. Under this model, the City’s overall budget “double counts” these costs because it includes both the appropriation for the service departments as well as the discrete amounts in each ‘customer’ department to ‘pay’ the internal service department for the services it receives. For example, based on their usage, all departments contribute to maintaining the City’s fleet that FAS manages, and the FAS budget includes the total cost to provide the fleet services for the City.

The 2025-2026 Proposed Budget includes central services costs of \$975 million and \$1.0 billion respectively. The 2025 Proposed Budget represents an increase of \$37 million, or 4 percent, compared to the 2024 Adopted Budget. The increase from 2025 to 2026 is an additional \$53 million, or 5 percent. Approximately one-third of all budgeted central service expenditures are funded by the GF. This growth is primarily driven by increased rates for healthcare and workers compensation, as illustrated in *Chart 4*, and described below.

Chart 4: Central Service Rates Summary Chart by Fund and Cost Category

Central Cost Category	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund					
Health Care	107.3M	114.3M	6.5%	125.0M	9%
Workers Compensation	30.4M	38.2M	25.6%	40.3M	5%
FAS Central Rates	102.9M	96.0M	(6.6%)	99.7M	4%
Seattle IT Central Rates	71.4M	72.2M	1.1%	76.5M	6%
SDHR Central Rates	11.6M	8.1M	(30.1%)	8.4M	4%
All Other Central Service Expenses ⁵	30.0M	35.9M	19.9%	39.6M	10%
GF Subtotal	\$353.5M	\$364.7M	3.2%	\$389.5M	7%
All Other Funds					
Health Care	247.7M	268.6M	8.4%	285.0M	6%
Workers Compensation	15.3M	26.1M	70.3%	26.8M	3%
FAS Central Rates	128.5M	119.3M	(7.2%)	125.6M	5%
Seattle IT Central Rates	139.5M	135.8M	(2.7%)	143.1M	5%
SDHR Central Rates	14.9M	12.9M	(13.4%)	13.3M	3%
All Other Central Service Expenses	38.2M	47.4M	24.1%	44.6M	(6%)
Other Funds Subtotal	584.2M	610.0M	4.4%	638.4M	5%
Grand Total	\$937.7M	\$974.7M	4.0%	\$1,027.9M	5.5%

- Health Care:** Determined by the City’s health care actuary based on the past two years of actual claims and confirmed by a joint committee of City management and City Labor partners, healthcare costs would increase by \$27 million, or 8 percent, in the 2025 Proposed Budget compared to the 2024 Adopted Budget. The increase from 2025 to 2026 is an additional \$27 million, or 7 percent.
- Industrial Insurance (Workers Compensation):** City departments contribute to the Industrial Insurance Fund via annual rates that are set based on the department’s share of all recent (three years) medical and time-loss claims. Proposed rates in 2025 for the fund would increase by 41 percent relative to the 2024 Adopted Budget, from \$45.7 million to \$64.3 million. This is primarily driven by an increase in pensionable claims – infrequent and tragic cases when a City employee is permanently disabled or dies due to a workplace injury or occupational disease. The Executive states that courts have ruled in favor of claimants in recent years, which is expected to continue in 2025 and 2026. In addition to these changes, the 2025 rate increase is driven by a need to replenish fund reserves after losses incurred in 2023 related to pension payouts of nearly \$10 million.

During the 2024 Mid-Biennial Budget Adjustments deliberations last year, Central Staff noted the difficulty with tracking and tying various central rates to budget changes in individual departments and funds, limiting the City’s ability to understanding budget impacts and cost implications of certain internal service costs. Following adoption of the 2024 Budget, the Council adopted [Resolution 32116](#) related to the City’s annual budget process, which included a request that “the City Budget Office (CBO), Department of Finance and Administrative Services (FAS), Seattle Information Technology

⁵ This category includes Unemployment Insurance, Judgment and Claims, and Central Service Department rates, which are allocated to the “six funds” including SPU, SDOT, SCL, SDCI and Retirement, with the General Fund covering the remainder.

Department (Seattle IT), and the Seattle Department of Human Resources (SDHR), provide a detailed joint briefing to the Council’s Finance Committee on the City’s cost allocation plan, estimates of central rates, and indirect cost changes, for the 2025-2026 biennium.”

Earlier this year, CBO contracted with a consultant to lead a Priority Based Budgeting (PBB) project to help analyze the City’s internal services. PBB is an approach to budgeting that allocates resources based on strategic priorities, community needs, and program importance. This effort is currently underway, and the consultant is engaging with FAS, ITD, and SDHR to develop a comprehensive list of the programs and services each department provides. The consultant will then compare this list to those of other jurisdictions, as appropriate, to help the City understand where it is in relation to others. This project is expected to be completed in time to help inform decision making for the 2026 Proposed Budget.

Families, Education, Preschool and Promise (FEPP) Levy Renewal

The seven-year, \$619 million FEPP Levy will expire next year. The levy currently funds the following program areas in the Department of Education and Early Learning (DEEL):

- High-quality early learning opportunities that prepare children for success in kindergarten;
- College and job readiness experiences that promote on-time high-school graduation;
- Physical and mental health services that support learning; and
- Post-secondary opportunities that promote attainment of a certificate, credential, or degree.

In the spring of 2025, the Council is anticipated to consider what programs to fund in a proposed levy renewal that will require voter approval in November. The 2025-2026 Proposed Budget includes one-time funding from the GF, JS Fund, and Sweetened Beverage (SBT) Tax Fund in 2025 for a variety of programs, with the assumption that in 2026, these will be instead funded by the levy. Given the ongoing anticipated GF deficit and insufficient SBT revenue, the Executive has chosen to focus the use of SBT revenue on direct food assistance (e.g., Fresh Bucks and food banks) in 2026 with the goal of shifting the ongoing fund source of some SBT investments in early learning and child development to the renewed levy.

To keep SBT-funded programs whole in 2025, the 2025 Proposed Budget exhausts the SBT Fund reserve, and some food-related investments are proposed to be reduced in the Human Services Department beginning in 2026 (see HSD Policy Considerations paper for more detail). See the DEEL Budget Overview paper for more information about some of the programs that may be included in the levy package next year.

Capital Improvement Program Overview

The City’s 2025-2030 Proposed Capital Improvement Program (CIP) totals 1.3 billion in 2025, which represents a decrease of \$177 million, or 12 percent over the 2024 Adopted CIP. However, in comparing the 2024-2029 Revised CIP⁶ budget to the 2025-2030 Proposed Budget, the six-year CIP budget increases from \$7.6 billion to \$8.1 billion, representing a \$504 million, or 6.6 percent change over the six years. As detailed in Attachment E, this overall increase is driven primarily by utility projects.

⁶ This accounts for the 2024 supplemental budget changes and excludes the 2023 Carry Forward to achieve a direct comparison over the six-year 2024-2029 CIP.

Approximately \$5.8 billion (71 percent) of the 8.1 billion in the 2025-2030 Proposed CIP are utility-funded projects, managed by SCL and SPU, and mostly funded by rates charged to utility customers. The SDOT CIP totals \$1.1 billion (14 percent), while general government departments (SPR, FAS, Seattle Center, Seattle Public Library, and ITD) account for the remaining \$1.2 billion, or 15 percent over the six-years (2025-2030).

Accounting for the 2024 CIP budget revisions, noteworthy changes included in the 2025-2030 Proposed CIP for the four largest CIP departments include:

- **SDOT's** 2025-2030 Proposed CIP reflects the expiration of the Move Seattle Levy and does not assume passage of the 2024 Transportation Levy. As such, SDOT's budget shows a significant reduction across its capital project portfolio, which relies heavily on levy funding. In addition, SDOT's Proposed CIP includes the Culture Connector (aka Center City Streetcar) as an unfunded \$410 million project in 2030; no specific funding source has been identified for this project. At the October 22 Select Budget Committee, SDOT will present budget amendments for Council's consideration should the 2024 Transportation Levy be approved by voters.
- **SPR's** CIP portfolio reflects reductions in projects that support the operating side of the department's budget, primarily due to GF operating revenue reductions. This realignment includes reductions in SPR's Major Maintenance and Asset Management program, community proposed parks projects, park land acquisition, and Golf Improvements program. SPR's proposed CIP portfolio also includes increases in the Landscape Conservation and Local Infrastructure Program, improvements at Westlake Park, and the Municipal Energy Efficiency Program. SPR's Proposed CIP does not make any adjustments to REET beyond technical changes to align with the citywide debt schedule and the addition of funding to the outyears of the CIP.
- **SPU's** proposed CIP portfolio incorporates changes for all three of SPU's utilities: Drainage and Wastewater, Solid Waste, and Water. The utility with the largest increase is Drainage and Wastewater, which includes increases due to delays in the Ship Canal Water Quality project, now estimated to be completed in 2027; increased spending on operational facility construction; and increases to the Creek Culvert Replacement program in the later years of the CIP. The highlights for the increasing Water utility capital program include additional funding for transmission pipeline rehabilitation, transmission system seismic improvements, and watermain rehabilitation. Lastly, the Solid Waste utility's six-year capital program is proposed to decrease slightly primarily due to delays and scope changes in multiple projects, as well as an overall decrease in the amount programmed for miscellaneous transfer station improvements.
- **SCL's** proposed CIP includes new investments in software and critical IT projects, distributed energy resources, services to support the Sound Transit 3 Light Rail expansion project, and renovation in the historic Georgetown Steam Plant.

More information on these and other capital projects in the 2025-2030 Proposed CIP are provided in each department's budget overview papers.

Attachments:

- A. Citywide Budget Summary by Department
- B. Citywide Budget Summary by Fund
- C. Summary of Full-Time Equivalent (FTE) Changes by Department
- D. Citywide Labor Budget Summary by Department
- E. Capital Improvement Program Summary by Department and Budget Summary Level

Attachment A - Citywide Budget Summary by Department

Department (\$ in Millions)	2024 Adopted	2025 Proposed	2025 Change from 2024	2025 % Change from 2024	2026 Proposed	2026 Change from 2025	2026 % Change from 2025
Finance General	\$ 342	\$ 566.5	\$ 224.5	66%	\$ 490.6	\$ (76)	-13%
Seattle City Light	\$ 1,085	\$ 1,222.5	\$ 137.1	13%	\$ 1,297.6	\$ 75	6%
Seattle Police Department	\$ 396	\$ 457.9	\$ 62.1	16%	\$ 462.1	\$ 4	1%
Seattle Fire Department	\$ 283	\$ 327.6	\$ 45.0	16%	\$ 340.7	\$ 13	4%
Seattle Department of Human Resources	\$ 410	\$ 449.4	\$ 39.9	10%	\$ 473.9	\$ 25	5%
Seattle Parks and Recreation	\$ 227	\$ 258.7	\$ 31.5	14%	\$ 268.7	\$ 10	4%
Human Services Department	\$ 341	\$ 364.7	\$ 23.6	7%	\$ 377.2	\$ 13	3%
Seattle Public Utilities	\$ 1,153	\$ 1,173.4	\$ 20.5	2%	\$ 1,218.4	\$ 45	4%
Department of Finance and Administrative Services	\$ 391	\$ 401.5	\$ 10.8	3%	\$ 396.3	\$ (5)	-1%
Seattle Public Library	\$ 90	\$ 98.9	\$ 9.1	10%	\$ 103.4	\$ 4	4%
Ethics and Elections Commission	\$ 4	\$ 11.7	\$ 7.4	172%	\$ 4.6	\$ (7)	-60%
Community Assisted Response and Engagement	\$ 26	\$ 32.4	\$ 6.1	23%	\$ 35.9	\$ 4	11%
Employees' Retirement System	\$ 11	\$ 16.0	\$ 5.3	50%	\$ 16.5	\$ 1	4%
Seattle Center	\$ 50	\$ 55.4	\$ 5.0	10%	\$ 58.0	\$ 3	5%
Law Department	\$ 41	\$ 45.6	\$ 4.8	12%	\$ 47.9	\$ 2	5%
Seattle Department of Construction and Inspections	\$ 118	\$ 121.4	\$ 3.7	3%	\$ 126.9	\$ 6	5%
Firefighter's Pension	\$ 23	\$ 26.5	\$ 3.4	15%	\$ 27.5	\$ 1	4%
Office of the Mayor	\$ 12	\$ 15.1	\$ 3.3	28%	\$ 16.0	\$ 1	6%
Office of Housing	\$ 339	\$ 342.4	\$ 3.1	1%	\$ 342.9	\$ 0	0%
Seattle Municipal Court	\$ 43	\$ 46.2	\$ 2.9	7%	\$ 48.5	\$ 2	5%
Office of Planning and Community Development	\$ 36	\$ 38.0	\$ 2.1	6%	\$ 38.9	\$ 1	2%
Legislative Department	\$ 21	\$ 22.8	\$ 1.7	8%	\$ 23.9	\$ 1	5%
Civil Service Commissions	\$ 1	\$ 2.5	\$ 1.6	184%	\$ 2.6	\$ 0	2%
City Budget Office	\$ 9	\$ 9.9	\$ 0.9	10%	\$ 10.2	\$ 0	4%
Office of Arts and Culture	\$ 23	\$ 23.6	\$ 0.7	3%	\$ 21.6	\$ (2)	-8%
Office of Inspector General for Public Safety	\$ 5	\$ 5.2	\$ 0.5	11%	\$ 5.5	\$ 0	5%
Office of the City Auditor	\$ 2.3	\$ 2.6	\$ 0.2	10%	\$ 2.7	\$ 0.1	5%
Office of Intergovernmental Relations	\$ 3	\$ 3.3	\$ 0.2	5%	\$ 3.4	\$ 0	4%
Office of Emergency Management	\$ 3	\$ 3.0	\$ 0.1	4%	\$ 3.2	\$ 0	5%
Office of Hearing Examiner	\$ 1	\$ 1.3	\$ 0.1	8%	\$ 1.4	\$ 0	5%

Department (\$ in Millions)	2024 Adopted	2025 Proposed	2025 Change from 2024	2025 % Change from 2024	2026 Proposed	2026 Change from 2025	2026 % Change from 2025
Office of the Employee Ombud	\$ 1	\$ 1.2	\$ 0.1	7%	\$ 1.3	\$ 0	5%
Community Police Commission	\$ 2	\$ 2.1	\$ 0.0	1%	\$ 2.2	\$ 0	5%
Office of Immigrant and Refugee Affairs	\$ 6	\$ 6.4	\$ (0.0)	-1%	\$ 6.7	\$ 0	6%
Office of Economic and Revenue Forecasts	\$ 1	\$ 0.7	\$ (0.1)	-10%	\$ 0.9	\$ 0	22%
Office for Civil Rights	\$ 8	\$ 7.9	\$ (0.1)	-2%	\$ 8.2	\$ 0	4%
Department of Neighborhoods	\$ 19	\$ 18.5	\$ (0.2)	-1%	\$ 18.9	\$ 0	2%
Office of Labor Standards	\$ 9	\$ 8.4	\$ (0.6)	-7%	\$ 8.2	\$ (0)	-2%
Office of Sustainability and Environment	\$ 31	\$ 26.7	\$ (3.8)	-13%	\$ 27.3	\$ 1	2%
Police Relief and Pension	\$ 27	\$ 22.5	\$ (4.3)	-16%	\$ 22.5	\$ 0	0%
Department of Education and Early Learning	\$ 157	\$ 150.6	\$ (6.2)	-4%	\$ 100.8	\$ (50)	-33%
Office of Economic Development	\$ 37	\$ 30.3	\$ (7.0)	-19%	\$ 30.4	\$ 0	0%
Seattle Information Technology Department	\$ 278	\$ 262.5	\$ (15.5)	-6%	\$ 269.7	\$ 7	3%
Seattle Department of Transportation	\$ 337	\$ 319.3	\$ (17.9)	-5%	\$ 324.6	\$ 5	2%
Operating Subtotal	\$ 6,401.6	\$ 7,003.1	\$ 601.5	9%	\$ 7,088.8	\$ 86	1%
Capital Improvement Program (CIP)							
Department of Finance and Administrative Services	\$ 446	\$ 482.7	\$ 36.7	8%	\$ 516.9	\$ 34	7%
Seattle Center	\$ 5	\$ 16.8	\$ 11.7	230%	\$ 10.0	\$ (7)	-40%
Seattle City Light	\$ 6	\$ 8.4	\$ 2.4	41%	\$ 7.6	\$ (1)	-9%
Seattle Department of Transportation	\$ 60	\$ 61.4	\$ 1.4	2%	\$ 41.9	\$ (19)	-32%
Seattle Information Technology Department	\$ 24	\$ 21.0	\$ (3.5)	-14%	\$ 17.6	\$ (3)	-16%
Seattle Parks and Recreation	\$ 93	\$ 80.7	\$ (12.8)	-14%	\$ 238.2	\$ 158	195%
Seattle Public Library	\$ 428	\$ 412.0	\$ (15.8)	-4%	\$ 462.0	\$ 50	12%
Seattle Public Utilities	\$ 374	\$ 176.6	\$ (197.5)	-53%	\$ 155.0	\$ (22)	-12%
Capital Improvement Program (CIP) Subtotal	\$ 1,436.9	\$ 1,259.5	\$ (177.4)	-12%	\$ 1,449.3	\$ 2.0	0%
Grand Total	\$ 7,838.5	\$ 8,262.6	\$ 424.1	5%	\$ 8,538.1	\$ 87.7	1%

Attachment B - Citywide Budget Summary by Fund

Fund (\$ in millions)	2024 Adopted	2025 Proposed	2026 Proposed	2025 Change from 2024	2026 Change from 2025	2025 % Change from 2024	2026 % Change from 2025
General Fund	\$ 1,722.2	\$ 1,865.7	\$ 1,912.1	\$ 143.5	\$ 46.4	8%	2%
Light Fund	\$ 1,531.4	\$ 1,705.2	\$ 1,814.5	\$ 173.8	\$ 109.3	11%	6%
Drainage and Wastewater Fund	\$ 776.8	\$ 789.5	\$ 862.3	\$ 12.7	\$ 72.8	2%	9%
Payroll Expense Tax	\$ 329.6	\$ 520.3	\$ 462.0	\$ 190.6	\$ (58.2)	58%	-11%
Water Fund	\$ 438.5	\$ 458.6	\$ 492.3	\$ 20.2	\$ 33.7	5%	7%
Health Care Fund	\$ 329.8	\$ 360.4	\$ 381.3	\$ 30.6	\$ 20.9	9%	6%
Solid Waste Fund	\$ 338.7	\$ 310.6	\$ 298.1	\$ (28.2)	\$ (12.5)	-8%	-4%
Transportation Fund	\$ 324.7	\$ 281.8	\$ 283.0	\$ (42.9)	\$ 1.2	-13%	0%
Information Technology Fund	\$ 294.7	\$ 276.7	\$ 280.4	\$ (18.0)	\$ 3.7	-6%	1%
Finance and Administrative Services Fund	\$ 222.3	\$ 226.4	\$ 235.6	\$ 4.1	\$ 9.2	2%	4%
Low Income Housing Fund	\$ 185.4	\$ 196.5	\$ 191.7	\$ 11.1	\$ (4.8)	6%	-2%
Seattle Park District Fund	\$ 122.9	\$ 129.8	\$ 131.2	\$ 6.8	\$ 1.4	6%	1%
Families Education Preschool Promise Levy	\$ 107.6	\$ 112.8	\$ 63.0	\$ 5.2	\$ (49.8)	5%	-44%
Construction and Inspections	\$ 105.5	\$ 110.8	\$ 115.9	\$ 5.3	\$ 5.1	5%	5%
Human Services Fund	\$ 86.5	\$ 96.9	\$ 97.8	\$ 10.4	\$ 0.8	12%	1%
Transportation Benefit District Fund	\$ 96.9	\$ 91.2	\$ 96.8	\$ (5.7)	\$ 5.6	-6%	6%
Library Fund	\$ 64.7	\$ 69.3	\$ 72.6	\$ 4.6	\$ 3.3	7%	5%
Judgment/Claims Fund	\$ 46.4	\$ 56.9	\$ 46.6	\$ 10.5	\$ (10.3)	23%	-18%
Industrial Insurance Fund	\$ 42.4	\$ 53.4	\$ 56.1	\$ 11.0	\$ 2.8	26%	5%
Park And Recreation Fund	\$ 41.1	\$ 49.6	\$ 51.8	\$ 8.5	\$ 2.2	21%	4%
2025 Multipurpose LTGO Bond Fund	\$ -	\$ 44.9	\$ -	\$ 44.9	\$ (44.9)	0%	-100%
2019 Library Levy Fund	\$ 31.0	\$ 36.9	\$ 37.7	\$ 5.9	\$ 0.8	19%	2%
REET I Capital Fund	\$ 29.9	\$ 36.2	\$ 41.4	\$ 6.3	\$ 5.2	21%	14%
Arts and Culture Fund	\$ 26.8	\$ 32.2	\$ 29.7	\$ 5.4	\$ (2.5)	20%	-8%
REET II Capital Fund	\$ 32.3	\$ 31.1	\$ 41.0	\$ (1.2)	\$ 9.9	-4%	32%
Seattle Center Fund	\$ 24.2	\$ 27.0	\$ 27.9	\$ 2.8	\$ 0.9	11%	3%
Fireman's Pension Fund	\$ 23.0	\$ 26.5	\$ 27.5	\$ 3.4	\$ 1.0	15%	4%
Fleet Capital Fund	\$ 32.9	\$ 25.9	\$ 18.1	\$ (7.0)	\$ (7.8)	-21%	-30%
Sweetened Beverage Tax Fund	\$ 22.4	\$ 23.2	\$ 22.4	\$ 0.9	\$ (0.9)	4%	-4%

Fund (\$ in millions)	2024 Adopted	2025 Proposed	2026 Proposed	2025 Change from 2024	2026 Change from 2025	2025 % Change from 2024	2026 % Change from 2025
Police Relief & Pension Fund	\$ 26.7	\$ 22.5	\$ 22.5	\$ (4.3)	\$ 0.1	-16%	0%
Move Seattle Levy Fund	\$ 131.3	\$ 20.5	\$ 5.6	\$ (110.8)	\$ (14.9)	-84%	-73%
UTGO Bond Interest Redemption Fund	\$ 16.2	\$ 17.5	\$ 16.2	\$ 1.4	\$ (1.4)	8%	-8%
Employees' Retirement Fund	\$ 10.7	\$ 15.3	\$ 15.8	\$ 4.6	\$ 0.5	43%	3%
School Safety Traffic and Pedestrian Improvement Fund	\$ 15.7	\$ 14.3	\$ 15.0	\$ (1.4)	\$ 0.7	-9%	5%
Seattle Streetcar Operations	\$ 14.4	\$ 13.9	\$ 14.3	\$ (0.5)	\$ 0.4	-4%	3%
Office of Housing Fund	\$ 11.8	\$ 13.1	\$ 12.2	\$ 1.3	\$ (0.9)	11%	-7%
Short-Term Rental Tax Fund	\$ 11.7	\$ 12.1	\$ 12.3	\$ 0.4	\$ 0.2	4%	1%
Election Vouchers Fund	\$ 3.0	\$ 10.3	\$ 3.1	\$ 7.3	\$ (7.2)	242%	-70%
2026 LTGO Bond Fund B	\$ -	\$ 9.0	\$ 2.9	\$ 9.0	\$ (6.1)	0%	-67%
Office of Labor Standards Fund	\$ 8.4	\$ 8.4	\$ 8.2	\$ (0.0)	\$ (0.2)	0%	-2%
Group Term Life Fund	\$ 6.7	\$ 7.1	\$ 7.2	\$ 0.4	\$ 0.2	6%	2%
Municipal Arts Fund	\$ 5.8	\$ 5.7	\$ 5.8	\$ (0.1)	\$ 0.1	-2%	2%
Cable TV Franchise Fund	\$ 7.2	\$ 5.6	\$ 5.8	\$ (1.6)	\$ 0.2	-22%	3%
Seattle Center McCaw Hall Fund	\$ 5.7	\$ 5.5	\$ 5.9	\$ (0.2)	\$ 0.4	-3%	7%
Transit Benefit Fund	\$ 5.2	\$ 5.4	\$ 5.6	\$ 0.2	\$ 0.2	4%	3%
2024 Multipurpose LTGO Bond Fund	\$ 73.2	\$ 4.7	\$ 4.7	\$ (68.5)	\$ -	-94%	0%
Facility Asset Preservation Fund	\$ 4.0	\$ 4.0	\$ 4.0	\$ -	\$ -	0%	0%
Unemployment Insurance Fund	\$ 2.5	\$ 4.0	\$ 3.6	\$ 1.5	\$ (0.3)	58%	-8%
Unrestricted Cumulative Reserve Fund	\$ 4.3	\$ 3.4	\$ 2.4	\$ (1.0)	\$ (1.0)	-22%	-30%
General Bond Interest and Redemption Fund	\$ 2.4	\$ 3.2	\$ -	\$ 0.8	\$ (3.2)	31%	-100%
King County Parks Levy Fund	\$ 2.9	\$ 2.9	\$ 2.9	\$ 0.0	\$ (0.1)	1%	-2%
Fire Fighters Healthcare Fund	\$ 2.0	\$ 2.0	\$ 2.0	\$ -	\$ -	0%	0%
Opioid Settlement Proceed Fund	\$ 2.2	\$ 1.9	\$ 1.9	\$ (0.3)	\$ 0.0	-14%	1%
Wheelchair Accessible Fund	\$ 2.6	\$ 1.2	\$ 1.2	\$ (1.4)	\$ 0.0	-54%	2%
LTGO Bond Interest and Redemption Fund	\$ 1.5	\$ 1.1	\$ 0.9	\$ (0.3)	\$ (0.2)	-22%	-18%
2012 Library Levy Fund	\$ -	\$ 0.7	\$ -	\$ 0.7	\$ (0.7)	0%	-100%
McCaw Hall Capital Reserve	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.0	\$ -	0%	0%
FileLocal Agency Fund	\$ 0.5	\$ 0.3	\$ 0.3	\$ (0.2)	\$ 0.0	-46%	8%
Animal Shelter Donation Fund	\$ -	\$ 0.2	\$ 0.0	\$ 452.5	\$ (0.2)	0%	-100%
Central Waterfront Improvement Fund	\$ 19.2	\$ 0.0	\$ 0.0	\$ -	\$ -	0%	0%

Fund (\$ in millions)	2024 Adopted	2025 Proposed	2026 Proposed	2025 Change from 2024	2026 Change from 2025	2025 % Change from 2024	2026 % Change from 2025
Waterfront LID #6751	\$ 9.5	\$ 0.0	\$ 0.0	\$ -	\$ -	0%	0%
2026 Multipurpose LTGO Bond Fund	\$ -	\$ -	\$ 164.3	\$ -	\$ -	0%	0%
Total	\$ 7,838.5	\$ 8,262.6	\$ 8,538.1	\$ 905.0	\$ 111.2	\$ 2.5	\$ (6.5)

Attachment C - Summary of Full-Time Equivalent (FTE) Changes by Department

Department	2024 Revised Total	2025 Proposed Changes	2025 Proposed Budget	2026 Proposed Changes	2026 Proposed Budget
City Budget Office	45.00	(1.00)	44.00	-	44.00
Civil Service Commissions	3.00	6.00	9.00	-	9.00
Community Assisted Response and Engagement	184.00	2.00	186.00	-	186.00
Community Police Commission	10.00	-	10.00	-	10.00
Department of Construction and Inspections	482.00	(31.00)	451.00	-	451.00
Department of Education and Early Learning	122.50	2.00	124.50	-	124.50
Department of Neighborhoods	72.00	(5.00)	67.00	-	67.00
Department of Parks and Recreation	1,131.89	7.81	1,139.70	(7.35)	1,132.35
Economic and Revenue Forecasts	3.00	-	3.00	-	3.00
Employees' Retirement System	30.50	3.00	33.50	-	33.50
Ethics and Elections Commission	9.40	-	9.40	-	9.40
Finance and Administrative Services	637.50	(19.50)	618.00	-	618.00
Human Services Department	459.25	7.25	466.50	-	466.50
Law Department	209.80	-	209.80	-	209.80
Legislative Department	101.50	-	101.50	-	101.50
Office for Civil Rights	38.50	(3.50)	35.00	-	35.00
Office of Arts and Culture	41.34	2.41	43.75	-	43.75
Office of Economic Development	62.50	0.50	63.00	-	63.00
Office of Emergency Management	15.00	(1.25)	13.75	-	13.75
Office of Hearing Examiner	5.00	0.00	5.00	-	5.00
Office of Housing	66.00	3.00	69.00	-	69.00
Office of Immigrant and Refugee Affairs	12.50	0.00	12.50	-	12.50
Office of Intergovernmental Relations	10.00	0.00	10.00	-	10.00
Office of Labor Standards	43.00	(3.00)	40.00	-	40.00
Office of Planning and Community Development	50.50	(2.50)	48.00	-	48.00
Office of Sustainability and Environment	50.50	-	50.50	-	50.50
Office of the City Auditor	10.00	-	10.00	-	10.00
Office of the Employee Ombud	6.00	-	6.00	-	6.00
Office of the Inspector General	22.50	-	22.50	-	22.50
Office of the Mayor	40.50	-	40.50	-	40.50
Seattle Center	254.93	1.00	255.93	-	255.93
Seattle City Light	1,809.80	9.00	1,818.80	3.00	1,821.80
Seattle Department of Human Resources	116.00	(19.50)	96.50	-	96.50
Seattle Department of Transportation	1,113.50	3.00	1,116.50	-	1,116.50
Seattle Fire Department	1,204.35	0.50	1,204.85	1.00	1,205.85
Seattle Information Technology	678.00	(63.00)	615.00	-	615.00
Seattle Municipal Court	201.85	(1.00)	200.85	-	200.85
Seattle Police Department	1,828.40	24.00	1,852.40	16.00	1,868.40
Seattle Public Utilities	1,507.80	60.00	1,567.80	15.00	1,582.80
Total Budgeted FTE	12,689.81	(18.78)	12,671.03	27.65	12,698.68
Seattle Firefighters' Pension Fund	4.00	0.00	4.00	0.00	4.00
Seattle Police Relief and Pension Fund	3.00	0.00	3.00	0.00	3.00
Seattle Public Library	609.00	2.00	611.00	0.00	611.00
Total Citywide FTEs	13,305.81	(16.78)	13,289.03	27.65	13,316.68

Note: Firefighters' Pension Fund, Police Relief and Pension Fund, and Seattle Public Library positions: Personnel figures are for informational purposes only. The Library's position list is established by the Library Board of Trustees, and positions for the Police and Firefighter Pension funds are set by their respective board members.

Attachment D - Citywide Labor Summary by Department

Department (\$ in Millions)	2024 Adopted	2025 Proposed	2025 Change from 2024	2025 % Change from 2024	2026 Proposed	2026 Change from 2025	2026 % Change from 2025
Seattle City Light	\$ 290	\$ 410.2	\$ 120.2	41%	\$ 353.9	\$ (56)	-14%
Seattle Police Department	\$ 291	\$ 357.3	\$ 65.8	23%	\$ 357.4	\$ 0	0%
Seattle Fire Department	\$ 232	\$ 273.1	\$ 41.4	18%	\$ 287.0	\$ 14	5%
Seattle Department of Human Resources	\$ 376	\$ 416.1	\$ 39.7	11%	\$ 439.4	\$ 23	6%
Seattle Parks and Recreation	\$ 153	\$ 181.1	\$ 28.6	19%	\$ 189.7	\$ 9	5%
Seattle Public Utilities	\$ 233	\$ 250.5	\$ 17.8	8%	\$ 261.7	\$ 11	4%
Human Services Department	\$ 59	\$ 71.9	\$ 13.1	22%	\$ 73.6	\$ 2	2%
Seattle Public Library	\$ 71	\$ 80.5	\$ 9.2	13%	\$ 84.6	\$ 4	5%
Department of Finance and Administrative Services	\$ 104	\$ 112.0	\$ 7.7	7%	\$ 119.9	\$ 8	7%
Community Assisted Response and Engagement	\$ 21	\$ 26.9	\$ 5.7	27%	\$ 30.2	\$ 3	12%
Seattle Department of Construction and Inspections	\$ 72	\$ 76.7	\$ 5.1	7%	\$ 80.8	\$ 4	5%
Seattle Municipal Court	\$ 27	\$ 31.3	\$ 4.6	17%	\$ 32.9	\$ 2	5%
Seattle Center	\$ 35	\$ 39.4	\$ 4.6	13%	\$ 41.7	\$ 2	6%
Law Department	\$ 33	\$ 37.5	\$ 4.1	12%	\$ 39.4	\$ 2	5%
Department of Education and Early Learning	\$ 19	\$ 21.6	\$ 2.9	16%	\$ 15.3	\$ (6)	-29%
Office of Sustainability and Environment	\$ 7	\$ 9.3	\$ 2.3	32%	\$ 8.6	\$ (1)	-8%
Firefighter's Pension	\$ 22	\$ 23.7	\$ 2.0	9%	\$ 24.6	\$ 1	4%
Legislative Department	\$ 17	\$ 18.8	\$ 2.0	12%	\$ 19.7	\$ 1	5%
Office of Economic Development	\$ 9	\$ 10.4	\$ 1.5	17%	\$ 11.0	\$ 1	5%
Office of Housing	\$ 10	\$ 11.7	\$ 1.5	14%	\$ 12.1	\$ 0	3%
Employees' Retirement System	\$ 6	\$ 7.1	\$ 1.3	22%	\$ 7.5	\$ 0	5%
Civil Service Commissions	\$ 1	\$ 1.9	\$ 1.3	195%	\$ 2.0	\$ 0	5%
Office of the Mayor	\$ 7	\$ 8.3	\$ 0.9	12%	\$ 8.7	\$ 0	5%
City Budget Office	\$ 7	\$ 8.2	\$ 0.8	11%	\$ 8.6	\$ 0	5%
Department of Neighborhoods	\$ 10	\$ 10.8	\$ 0.8	8%	\$ 11.4	\$ 1	5%
Office of Planning and Community Development	\$ 9	\$ 9.2	\$ 0.6	8%	\$ 9.7	\$ 0	5%
Office of Arts and Culture	\$ 6.5	\$ 7.1	\$ 0.6	10%	\$ 7.5	\$ 0.4	5%
Office for Civil Rights	\$ 5	\$ 5.6	\$ 0.6	11%	\$ 5.9	\$ 0	5%
Office of Inspector General for Public Safety	\$ 4	\$ 4.3	\$ 0.4	11%	\$ 4.5	\$ 0	5%
Ethics and Elections Commission	\$ 2	\$ 1.8	\$ 0.3	19%	\$ 1.9	\$ 0	5%

Department (\$ in Millions)	2024 Adopted	2025 Proposed	2025 Change from 2024	2025 % Change from 2024	2026 Proposed	2026 Change from 2025	2026 % Change from 2025
Office of the City Auditor	\$ 2	\$ 2.3	\$ 0.3	14%	\$ 2.4	\$ 0	5%
Finance General	\$ 45	\$ 45.4	\$ 0.2	0%	\$ 45.5	\$ 0	0%
Office of Immigrant and Refugee Affairs	\$ 2	\$ 2.1	\$ 0.2	8%	\$ 2.3	\$ 0	5%
Office of Hearing Examiner	\$ 1	\$ 1.0	\$ 0.1	16%	\$ 1.0	\$ 0	5%
Office of the Employee Ombud	\$ 1	\$ 1.1	\$ 0.1	13%	\$ 1.2	\$ 0	5%
Office of Emergency Management	\$ 2	\$ 2.2	\$ 0.1	4%	\$ 2.3	\$ 0	5%
Community Police Commission	\$ 2	\$ 1.7	\$ 0.1	4%	\$ 1.8	\$ 0	5%
Office of Economic and Revenue Forecasts	\$ 1	\$ 0.7	\$ 0.1	10%	\$ 0.7	\$ 0	5%
Office of Intergovernmental Relations	\$ 2	\$ 1.8	\$ (0.1)	-5%	\$ 1.9	\$ 0	6%
Office of Labor Standards	\$ 5	\$ 5.0	\$ (0.2)	-4%	\$ 5.3	\$ 0	6%
Seattle Information Technology Department	\$ 129	\$ 125.4	\$ (3.4)	-3%	\$ 129.1	\$ 4	3%
Police Relief and Pension	\$ 27	\$ 22.3	\$ (4.3)	-16%	\$ 22.3	\$ 0	0%
Seattle Department of Transportation	\$ 179	\$ 157.1	\$ (21.4)	-12%	\$ 150.0	\$ (7)	-5%
Total	\$ 2,533.4	\$ 2,892.5	\$ 359.1	14%	\$ 2,917.1	\$ 24.6	1%

Attachment E - Capital Improvement Program Summary by Department and Budget Summary Level

Budget Summary Level	2024-2029 Adopted CIP	2024 Revised-2029 Proposed*	2025-2030 Proposed CIP
Seattle Department of Transportation (SDOT)			
Central Waterfront	\$38,957,001	\$28,514,001	\$14,813,001
Capital General Expense	\$ -	\$ -	\$38,264,311
Major Maintenance/Replacement	\$331,905,606	\$307,923,843	\$193,931,455
Major Projects	\$4,111,985	\$3,527,289	\$2,265,985
Mobility-Capital	\$967,321,366	\$996,548,301	\$882,568,533
SDOT Total	\$1,342,295,957	\$1,336,513,434	\$1,131,843,285

Information Technology			
Capital Improvement Projects	\$100,670,510	\$97,663,054	\$102,618,670

Seattle Public Library			
Capital Improvements	\$24,344,000	\$30,547,650	\$18,407,000

Seattle Center (SC)			
Building and Campus Improvements	\$82,978,732	\$83,781,712	\$110,999,797
McCaw Hall Capital Reserve	\$3,660,979	\$3,125,083	\$4,438,000
Monorail Rehabilitation	\$3,765,000	\$3,765,000	\$2,735,754
SC Total	\$90,404,711	\$90,671,795	\$118,173,550

Seattle City Light			
Conservation & Environmental - CIP	\$302,118,263	\$277,562,873	\$305,690,147
Customer Focused - CIP	\$660,449,442	\$684,504,986	\$837,267,938
Power Supply - CIP	\$557,145,682	\$570,924,308	\$642,491,872
Transmission and Distribution - CIP	\$1,233,567,974	\$1,175,147,111	\$1,296,996,673
SCL Total	\$2,753,281,361	\$2,708,139,278	\$3,082,446,628

Finance & Administrative Services (FAS)			
ADA Improvements	\$4,883,000	\$4,883,000	\$4,283,000
Asset Preservation - Schedule 1 Facilities	\$28,245,333	\$27,766,462	\$30,976,560
Asset Preservation - Schedule 2 Facilities	\$27,510,000	\$27,510,000	\$33,440,440
FAS Oversight-External Projects	\$1,500,000	\$1,206,370	\$3,132,134
FAS Project Delivery Services	\$14,000,000	\$29,585,120	\$28,200,000
Garden of Remembrance	\$134,714	\$134,714	\$101,957
General Government Facilities - General	\$26,256,750	\$23,119,104	\$50,021,437
Information Technology	\$26,686,887	\$33,667,887	\$4,043,169
Neighborhood Fire Stations	\$40,676,800	\$38,911,048	\$40,117,179
Publ Safety Facilities Police	\$11,600,000	\$11,600,000	\$7,000,000
Public Safety Facilities Fire	\$36,869,830	\$31,146,667	\$16,760,830
FAS Total	\$218,363,314	\$229,530,372	\$218,076,707

Seattle Parks and Recreation (SPR)			
Building For The Future	\$81,934,601	\$82,245,807	\$50,014,658
Debt and Special Funding	\$97,492,221	\$99,832,221	\$95,674,497
Fix It First	\$537,760,335	\$559,564,684	\$552,741,317
Maintaining Parks and Facilities	\$5,839,340	\$5,875,890	\$5,711,314
SR520 Mitigation	\$19,248,000	\$19,248,000	\$19,248,000
SPR Total	\$742,274,497	\$766,766,602	\$723,389,787
Seattle Public Utilities (SPU)			
Combined Sewer Overflows	\$353,823,960	\$316,442,193	\$421,435,908
Distribution	\$366,498,914	\$367,998,914	\$428,615,571
Flooding, Sewer Backup & Landslide	\$168,800,703	\$163,981,530	\$151,852,816
Habitat Conservation Program	\$6,859,053	\$6,859,053	\$16,206,959
New Facilities	\$101,231,597	\$93,478,732	\$81,863,649
Protection of Beneficial Uses	\$294,439,759	\$297,354,042	\$309,448,799
Rehabilitation	\$310,539,313	\$309,154,160	\$301,270,759
Rehabilitation & Heavy Equipment	\$3,360,000	\$3,016,824	\$3,385,000
Sediments	\$85,930,559	\$86,666,395	\$116,843,814
Shared Cost Projects	\$293,882,509	\$286,206,364	\$431,826,287
Technology	\$63,424,000	\$54,016,182	\$63,118,950
Transmission	\$120,879,116	\$120,879,116	\$167,201,745
Water Quality & Treatment	\$110,914,317	\$126,294,666	\$92,290,534
Water Resources	\$77,606,007	\$74,071,728	\$85,736,301
Watershed Stewardship	\$12,249,066	\$11,868,717	\$15,713,188
SPU Total	\$2,370,438,874	\$2,318,288,616	\$2,686,810,280
Grand Total	\$7,642,073,224	\$7,578,120,802	\$8,081,765,907

CITY BUDGET OFFICE (CBO)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: BEN NOBLE

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
City Budget Office	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%
Operating Subtotal:	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%
Grand Total:	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%

Proposed funding for the City Budget Office (CBO) increases somewhat for the 2025-2026 biennium. The additional appropriations are principally driven by Citywide wage increases and technical changes in centrally billed costs, rather than any broader policy issues. However, as described below there are two specific one-time funding proposals of potential interest to the City Council.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$7.4M	\$8.2M	11.0%	\$8.6M	5.3%
Non-Labor	\$1.6M	\$1.7M	7.0%	\$1.6M	(4.3%)
Total:	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%
Total FTE:	45	44	(2.2%)	44	-

The 2025 Proposed Budget would transfer of 1.0 FTE from CBO to the Seattle Information Technology Department (ITD). This position supports the City’s Affordable Seattle Program, which provides residents a “one-stop” opportunity to access the variety of City programs designed to help those in need. This position had originally been funded with federal COVID resources, but has more recently been supported by an allocation of JumpStart Payroll Expense Tax resources. There are no other proposed personnel changes, and Citywide wage adjustments underlie CBO’s increasing labor costs for 2025 and 2026.

Changes in CBO’s non-labor expenses mainly result from technical changes in charges for centralized City costs. However, the Office’s proposed budget does include two one-time funding proposals that are worthy of note:

- \$100,000 to fund a third-party, consultant evaluation of the effectiveness of the programs funded by the JumpStart Payroll Expense Tax, and the impact the tax has had on city employment and the local economy. This funding proposal will be explored in greater detail in Central Staff’s overall assessment of the Mayor’s JumpStart policies; and
- \$30,000 to support an assessment of the Office of Emergency Management (OEM), including a review of OEM’s funding, organizational structure, and a comparison of comparable functions in other cities.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	City Budget Office				
Purpose	The purpose of the City Budget Office Budget Summary Level is to develop and monitor the budget, carry out budget-related functions, oversee financial policies and plans, support and advance Citywide innovation and performance measurement, and provide financial and other strategic analysis.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$8.8M	\$9.9M	12.5%	\$10.2M	3.6%
JumpStart Fund	\$0.2M	-	(100.0%)	-	-
Other Sources	-	-	-	-	-
Total:	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
City Budget Office	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%
Total:	\$9.0M	\$9.9M	10.3%	\$10.2M	3.6%

CBO relies almost exclusively on General Fund resources to support its activities. JumpStart Payroll Expense Tax funding for 1.0 FTE associated with the City’s Affordable Seattle Program represents the one exception to this funding profile. For 2025 and beyond, this position and the associated funding are proposed to be shifted from CBO to ITD.

CIVIL SERVICE COMMISSIONS (CIV)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Civil Service Commissions	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Operating Subtotal:	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Grand Total:	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%

The Civil Service Commissions (CIV) houses two City Charter-mandated commissions: the Seattle Civil Service Commission (CSC) and the Seattle Public Safety Civil Service Commission (PSCSC). The CSC conducts appeal hearings of alleged violations of the City’s personnel rules, disciplinary actions, and alleged violations of the Personnel Ordinance. The PSCSC directs the civil service system for sworn personnel of the Seattle Police Department (SPD) and uniformed positions of the Seattle Fire Department (SFD), and conducts appeals related to serious disciplinary decisions, examination and testing, and other civil service issues.

CIV’s proposed budget would increase over 184 percent from 2024 to 2025, and about an additional two percent between 2025 and 2026. The proposed increase is primarily due to the transfer of the Fire and Police Exams Unit (Exams Unit), comprised of 6.0 FTE and associated costs, from the Seattle Department of Human Resources (SDHR) to CIV and, to a lesser extent, technical adjustments that include changes to internal service costs and annual wage increases.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$0.6M	\$1.9M	195.2%	\$2.0M	5.3%
Non-Labor	\$0.2M	\$0.6M	154.7%	\$0.6M	(9.0%)
Total:	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Total FTE:	3	9	200.0%	9	-

- CIV’s labor appropriations would increase by 195.2 percent (\$1.3 million) from 2024 to 2025 and by 5.3 percent (\$100,000) between 2025 and 2026.
- The increase in labor appropriations is primarily due to the transfer of the Exams Unit (6.0 FTE) from SDHR to CIV.
 - The transfer of the Exams Unit would “return” this body of work to CIV, where it was housed prior to 2002. CIV would directly manage staff in the Exams Unit, reducing the interdepartmental coordination with SDHR. The action is intended to simplify the City’s organizational structure, making CIV the sole entity developing and administering entry-level and promotional civil service exams for public safety positions; and aligning the roles/responsibilities of CIV and authority of the PSCSC. The action is also intended to increase quality and efficiency of police examinations and the application process while maintaining accountability.

- The transfer of staff would include the following positions:
 - 1.0 FTE Manager 2, General Govt,
 - 3.0 FTE Personnel Analysts, Senior, and
 - 2.0 FTE Personnel Analysts.
- There is an active hiring process for the Manager 2 position; all other positions are filled. As the Manager 2 position at SDHR manages Fire and Police Exams work along with Workforce Development, the transfer of this position to CIV, where it will solely focus on exams, will create additional capacity for the Exams Unit.
- Non-labor appropriations would increase by almost 155 percent from 2024 to 2025 and decrease by nine percent between 2025 and 2026. The proposed increases in 2025 are primarily due to the transfer of the Exams Unit, including projected expenses for office space modifications and exam administration.
 - Non-labor appropriations associated with the transfer of the Exams unit include \$60,200 one-time in 2025 for office space modifications to accommodate additional staff and \$341,000 ongoing for exam administration (e.g., consultants, travel and per diems for assessors from other jurisdictions, space rental).
 - Other non-labor appropriations include changes to internal service costs.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Civil Service Commissions				
Purpose	The purpose of the Civil Service Commissions Budget Summary Level is to support, advise, and execute the work of two independent commissions, the Public Safety Civil Service Commission (PSCSC and the Civil Service Commission (CSC. The PSCSC administers entry and promotional civil service exams for ranks in the Seattle Police and Fire departments and conducts hearings on sworn police and uniformed firefighter employee appeals of discipline and other employment matters. The CSC conducts hearings on employment-related appeals filed by non-PSCSC civil service covered employees, investigates allegations of political patronage in hiring, and advises on the administration of the City’s personnel system.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Civil Service Commissions	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%
Total:	\$0.9M	\$2.5M	184.3%	\$2.6M	1.8%

- CIV is entirely funded through the General Fund.
- CIV’s 2025-2026 Proposed Budget includes a significant appropriation increase from 2024 to 2025 that is almost entirely due to the transfer of the Exams Unit (6.0 FTE and associated costs) from SDHR to CIV. This transfer would consolidate a body of work that is already under CIV oversight and is intended to increase efficiency and improve outcomes. Other proposed changes are due to technical adjustments (e.g., internal service costs, annual wage increases).

1. CIV Exam Reorganization ORD

This legislation would amend the Seattle Municipal Code (SMC) to authorize transfer of the Exams Unit from SDHR to CIV. This transfer would require amendments to SMC 4.04.030, 4.04.040, 4.08.070, and 4.08.110 to reflect the relocation of the Exams Unit and function in CIV.

The Exams Unit develops and administers entry level and promotional exams for most ranks of the City's sworn police officers and fire fighters. The Exams Unit prepares and complete exams and employment registers on behalf of the Public Safety Civil Service Commission (PSCSC) and in compliance with state law, the City Charter, and City ordinances. The Exams Unit was transferred by [Ordinance 120658](#) from the PSCSC to the Personnel Department (now SDHR) in 2002 although the PSCSC eventually resumed all substantive powers over the unit, including direction of civil service exam development and rulemaking.

The Executive has shared that both SDHR and CIV seek to formally transfer the Exams Unit back to CIV. The departments view the body of work as core to CIV's mission rather than SDHR and forecast that the PSCSC can function more efficiently if it has direct managerial direction and control over the unit's working environment.

The financial impacts of this legislation would include an on-going transfer of \$1.5 million GF from SDHR to CIV for 6.0 FTE and associated costs, and a one-time allocation of \$60,200 GF to CIV for office space modification. These impacts are reflected in the 2025-26 Proposed Budget for SDHR and CIV.

If Council does not pass this legislation, SDHR would continue to house the Fire and Police Exams Unit and administer the Exam Unit's work in coordination with CIV and under the oversight of the PSCSC. There would be reduced opportunity to increase the efficiency and responsiveness of the Exams Unit and improve outcomes in public safety testing. For the 2025-26 Proposed Budget, appropriations in CIV's budget designated for the transfer of the Fire and Police Exams Unit would need to be allocated back to SDHR. There would be a savings of \$60,200 GF that would no longer be necessary for office space modification at CIV.

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES(FAS)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KETIL FREEMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL*	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Bond Interest and Redemption	\$1.5M	\$1.1M	(22.1%)	\$0.9M	(17.9%)
Citywide Admin Services	\$17.8M	\$17.2M	(2.9%)	\$19.1M	10.6%
Citywide Operational Services	\$90.1M	\$99.7M	10.6%	\$103.2M	3.5%
Debt Issuance Cost - LTGO	\$2.5M	\$1.7M	(31.8%)	\$3.1M	87.5%
Fleet Capital Program	\$32.9M	\$25.9M	(21.2%)	\$18.1M	(30.1%)
Indigent Defense Services	\$13.6M	\$14.1M	3.7%	\$14.1M	0.1%
Jail Services	\$22.4M	\$27.2M	21.2%	\$28.1M	3.2%
Judgment & Claims Claims	\$5.5M	\$9.5M	72.4%	\$5.5M	(42.0%)
Judgment & Claims Litigation	\$34.4M	\$37.0M	7.5%	\$34.7M	(6.1%)
Judgment & Claims Police Action	\$6.4M	\$10.4M	62.8%	\$6.4M	(38.6%)
Leadership & Administration	\$79.1M	\$73.5M	(7.1%)	\$76.1M	3.5%
Office of City Finance	\$35.0M	\$35.3M	1.1%	\$38.4M	8.8%
Other FAS Services	\$3.8M	\$2.2M	(41.0%)	\$2.3M	2.9%
Public Services	\$24.2M	\$23.7M	(2.1%)	\$24.5M	3.4%
Seattle Animal Shelter	-	-	-	-	-
Transit Benefit	\$5.2M	\$5.4M	3.7%	\$5.6M	3.0%
UTGO Debt Service	\$16.2M	\$16.2M	0.0%	\$16.2M	(0.1%)
Debt Issuance Cost - UTGO	\$1.4M	\$1.4M	-	-	(100.0%)
Operating Subtotal:	\$390.8M	\$401.5M	2.8%	\$396.3M	(1.3%)
Capital Budget					
ADA Improvements	\$0.6M	\$1.4M	127.8%	\$2.4M	77.2%
Asset Preservation - Schedule 1 Facilities	\$8.5M	\$6.7M	(21.6%)	\$6.7M	-
Asset Preservation - Schedule 2 Facilities	\$2.0M	\$5.9M	202.6%	\$5.5M	(7.2%)
FAS Oversight – External Projects	\$1.5M	\$1.9M	25.0%	\$1.3M	(33.0%)
FAS Project Delivery Services	\$3.5M	\$4.7M	34.3%	\$4.7M	-
Garden of Remembrance	>\$0.1M	>\$0.1M	0.7%	>\$0.1M	2.9%
General Government Facilities - General	\$2.4M	\$13.3M	448.5%	\$14.7M	10.2%
Information Technology	\$4.9M	\$4.0M	(17.6%)	-	(100.0%)
Neighborhood Fire Stations	\$5.8M	\$6.7M	16.0%	\$6.7M	(1.1%)
Public Safety Facilities Police	\$4.6M	-	(100.0%)	-	-
Public Safety Facilities Fire	\$26.2M	\$16.8M	(36.0%)	-	(100.0%)
CIP Subtotal:	\$60.0M	\$61.4M	2.3%	\$41.9M	(31.7%)
Grand Total:	\$450.8M	\$463.0M	2.7%	\$438.2M	(5.3%)

*Beginning in 2024, the BSL structure for FAS was consolidated and simplified. For comparison purposes, the 2025 Proposed Budget shows appropriations to historical BSLs. However, because this overview does not extend to 2023, historical BSLs and those with no proposed appropriations in 2024 and over the biennium are omitted here.

The Department of Finance and Administration Services (FAS) provides:

- internal services to other City departments, such as purchasing and contracting, facilities management, fleet management, real estate services, and capital development services;
- external customer service, through the Customer Service Bureau and the Seattle Animal Shelter; and
- regulatory services, such as administration and enforcement of regulatory licenses and consumer protection.

The Office of City Finance (OCF) is located within FAS. Among other things, OCF manages and collects City taxes, licenses businesses to operate within the city, manages City payroll, processes remittances to the City, and provides risk management services.

For budgetary purposes, FAS also serves as the repository for appropriations for judgment and claims, jail services contracts, indigent defense contracts, and transit benefits paid to City employees.

The 2025 Proposed Budget for FAS increases by approximately \$12.2 million, or 2.7 percent, relative to the 2024 Adopted Budget, and the 2026 Proposed Budget decreases by approximately \$24.7 million, or 5.3 percent, relative to the 2025 Proposed Budget.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$104.4M	\$112.0M	7.3%	\$119.9M	7.0%
Non-Labor	\$346.4M	\$350.9M	1.3%	\$318.3M	(9.3%)
Total:	\$450.8M	\$463.0M	2.7%	\$438.2M	(5.3%)
Total FTE:	638	618	(3.1%)	618	-

- The 2025 Proposed Budget would abrogate 27 FTE at FAS and add seven new FTE for a net decrease of 20 FTE, which is a 3.1 percent reduction from the staffing levels in the 2024 Adopted Budget
- The majority of the positions proposed to be abrogated are in OCF and perform risk management, remittance processing, and business licensing functions. Remittance processing functions are being abrogated due to outsourcing.
- Five FTE are proposed to be added for Workday and 3 FTE are proposed to be added to administer the Network Company Regulatory License established by [Ordinance 126953](#).

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Bond Interest and Redemption				
Purpose	The purpose of the Bond Interest and Redemption Budget Summary Level is to make certain debt service payments through the Bond Interest and Redemption Fund (BIRF).				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-		-	
JumpStart Fund	-	-		-	
Other Sources	\$1.5M	\$1.1M	(22.1%)	\$0.9M	(17.9%)
Total:	\$1.5M	\$1.1M	(22.1%)	\$0.9M	(17.9%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Bond Interest & Redemption	\$1.5M	\$1.1M	(22.1%)	\$0.9M	(17.9%)
Total:	\$1.5M	\$1.1M	(22.1%)	\$0.9M	(17.9%)

- The reduction in this BSL represent annual changes associated with the interest payment on some City bonds.

BSL	Citywide Admin Services				
Purpose	The purpose of the Citywide Admin Services Budget Summary Level is to provide Citywide administrative services such as customer services, purchasing and contracting services, and mail services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.4M	\$0.4M	(0.0%)	\$0.4M	0.0%
JumpStart Fund	\$1.3M	\$0.8M	(34.6%)	\$1.8M	111.8%
Other Sources	\$16.1M	\$16.0M	(0.5%)	\$16.9M	5.5%
Total:	\$17.8M	\$17.2M	(2.9%)	\$19.1M	10.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Support Services	\$17.8M	\$17.2M	(2.9)	\$19.1M	10.6%
Total:	\$17.8M	\$17.2M	(2.9%)	\$19.1M	10.6%

- Reductions in this BSL in the 2025 Proposed Budget are from (1) abrogated positions and reduced contract support and various (2) non-labor savings, such as reductions in training, supplies, and deferred hardware and software purchases. Positions proposed to be abrogated are an Assistant Capital Projects Coordinator in the Public Works Contracting Program and an Administrative Support Specialist in the Purchasing and Contracting Program. Funding for some non-labor reduction would be restored in the 2026 Proposed Budget.

BSL	Citywide Operational Services				
Purpose	The purpose of the Citywide Operational Services Budget Summary Level is to provide Citywide asset management services including facility maintenance and fleet management.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$90.1M	\$99.7M	10.6%	\$103.2M	3.5%
Total:	\$90.1M	\$99.7M	10.6%	\$103.2M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Billable Services	\$31.7M	\$32.8M	3.6%	\$33.9M	3.2%
Citywide Asset Services	\$58.4M	\$66.9M	14.4%	\$69.3M	3.7%
Total:	\$90.1M	\$99.7M	10.6%	\$103.2M	3.5%

- Changes to the Government Policy Safety and Support BSL are due to various technical changes related to internal services costs and Council-approved city-wide increases in employee compensation.

BSL	Debt Issuance Cost - LTGO				
Purpose	The purpose of the Debt Issuance Costs - LTGO Budget Summary Level is to pay debt issuance costs related to Multipurpose Limited Tax General Obligation (LTGO Debt Issuance).				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$2.5M	\$1.7M	(31.8%)	\$3.1M	87.5%
Total:	\$2.5M	\$1.7M	(31.8%)	\$3.1M	87.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
LTGO Debt Issuance Cost	\$2.5M	\$1.7M	(31.8%)	\$3.1M	87.5%
Total:	\$2.5M	\$1.7M	(31.8%)	\$3.1M	87.5%

- Reductions in the Debt Issuance LTGO BSL are due to reduced debt issuance costs in the 2025 Proposed Budget and anticipated increased issuance costs in the 2026 Proposed Budget.

BSL	Fleet Capital Program				
Purpose	The purpose of the Fleet Capital Program Budget Summary Level is to manage City of Seattle Fleet Replacement, including the purchase and disposal of vehicles owned by the Department of Finance and Administrative Services (FAS) and the administration of the Fleet Replacement Capital Reserve.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$32.9M	\$25.9M	(21.2%)	\$18.1M	(30.1%)
Total:	\$32.9M	\$25.9M	(21.2%)	\$18.1M	(30.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Fleet Capital Program	\$32.9M	\$25.9M	(21.2%)	\$18.1M	(30.1%)
Total:	\$32.9M	\$25.9M	(21.2%)	\$18.1M	(30.1%)

- The Proposed 2025 and 2026 Budgets reduce appropriations for replacement of some fleet vehicles, including replacement of existing gas-fueled fleet vehicles with electric replacements. According to FAS, State law will mandate purchasing of electric vehicles starting in 2026. If this funding is not restored in 2027, the City may have difficulty meeting its Greenhouse Gas emissions goals and may have difficulty meeting the State law.

BSL	Indigent Defense Services				
Purpose	The purpose of the Indigent Defense Services Budget Summary Level is to secure legal defense services, as required by State law, for indigent people facing criminal charges in Seattle Municipal Court. Funding is also provided for a pilot program offering civil legal representation to indigent defendants.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$13.6M	\$14.1M	3.7%	\$14.1M	0.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$13.6M	\$14.1M	3.7%	\$14.1M	0.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Indigent Defense Services	\$13.6M	\$14.1M	3.7%	\$14.1M	0.1%
Total:	\$13.6M	\$14.1M	3.7%	\$14.1M	0.1%

- Increases in the Indigent Defense Services BSL are due to annual contract inflators.

BSL	Jail Services				
Purpose	The purpose of the Jail Services Budget Summary Level is to provide for the booking, housing, transporting, and guarding of City inmates. The jail population, for which the City pays, are adults charged with or convicted of misdemeanor crimes alleged to have been committed within the Seattle city limits.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$22.4M	\$27.2M	21.2%	\$28.1M	3.2%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$22.4M	\$27.2M	21.2%	\$28.1M	3.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Jail Services	\$22.4M	\$27.2M	21.2%	\$28.1M	3.2%
Total:	\$22.4M	\$27.2M	21.2%	\$28.1M	3.2%

- Increases to the Jail Services BSL in the 2025 Proposed Budget are due to a new contract with the South Correctional Entity and a renegotiated contract with King County that modifies booking restrictions and increases the allowable average daily population of inmates. Increases in the 2026 Proposed Budget are due to annual contract inflators.

BSL	Judgment & Claims				
Purpose	The purpose of the Claim Expenses Budget Summary Level is to pay pending or actual claims and related costs against City government, as authorized by Chapter 5.24 of the Seattle Municipal Code. The Claims Budget Summary Level is supported by the Judgment/Claims Fund of the General Fund.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$5.5M	\$9.5M	72.4%	\$5.5M	(42.0%)
Total:	\$5.5M	\$9.5M	72.4%	\$5.5M	(42.0%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
GF Claims	\$3.8M	\$7.8M	105.5%	\$3.8M	(51.3%)
Utility Claims Reimbursable	\$1.7M	\$1.7M	0.0%	\$1.7M	0.0%
Total:	\$5.5M	\$9.5M	72.4%	\$5.5M	(42.0%)

- Increases to the Judgment and Claims BSLs are due to (1) ongoing appropriation increases to reflect the long term trend of increasing claim costs and (2) a one-time \$14 million increase in the 2025 Proposed Budget to achieve the 90 percent confidence level for anticipated claims prescribed by [Resolution 31847](#), which sets financial policies for the Judgment and Claims Fund.

BSL	Judgment & Claims Litigation				
Purpose	The purpose of the Litigation Expenses Budget Summary Level is to pay anticipated, pending or actual judgments, claims payments, advance claims payments, and litigation expenses incurred while defending the City from judgments and claims. The Litigation Expenses Budget Summary Level is supported by the Judgment/Claims Fund of the General Fund.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$34.4M	\$37.0M	7.5%	\$34.7M	(6.1%)
Total:	\$34.4M	\$37.0M	7.5%	\$34.7M	(6.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
GF Expenses	\$7.1M	\$7.1M	0.0%	\$7.1M	0.0%
GF Judgments	\$21.3M	\$23.9M	12.1%	\$21.6M	(9.5%)
Utility Expenses Reimbursable	\$2.5M	\$2.5M	0.0%	\$2.5M	0.0%
Utility Judgments Reimbursable	\$3.6M	\$3.6M	0.0%	\$3.6M	0.0%
Total:	\$34.4M	\$37.0M	7.5%	\$34.7M	(6.1%)

- Increases to the Judgment and Claims BSLs are due to (1) ongoing appropriation increases to reflect the long term trend of increasing claim costs and (2) a one-time \$14 million increase in the 2025 Proposed Budget to achieve the 90 percent confidence level for anticipated claims prescribed by [Resolution 31847](#), which sets financial policies for the Judgment and Claims Fund.

BSL	Judgment & Claims Police Action				
Purpose	The purpose of the Police Action Expenses Budget Summary Level is to pay pending or actual settlements and judgments against the City related to police action cases, or pay related costs to investigate and defend the City against claims and judgments related to police action cases. The Police Action Expenses Budget Summary Level is supported by the Judgment/Claims Fund of the General Fund.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$6.4M	\$10.4M	62.8%	\$6.4M	(38.6%)
Total:	\$6.4M	\$10.4M	62.8%	\$6.4M	(38.6%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
GF Police Action	\$6.4M	\$10.4M	62.8%	\$6.4M	(38.6%)
Total:	\$6.4M	\$10.4M	62.8%	\$6.4M	(38.6%)

- Increases to the Judgment and Claims BSLs are due to (1) ongoing appropriation increases to reflect the long term trend of increasing claim costs and (2) a one-time \$14 million increase in the 2025 Proposed Budget to achieve the 90 percent confidence level for anticipated claims prescribed by [Resolution 31847](#), which sets financial policies for the Judgment and Claims Fund.

BSL	Leadership & Administration				
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide appropriation for core management and policy direction for Finance and Administrative Services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.1M	\$0.3M	212.5%	\$0.3M	6.8%
JumpStart Fund	-	-	-	-	-
Other Sources	\$79.0M	\$73.2M	(7.3%)	\$75.8M	3.5%
Total:	\$79.1M	\$73.5M	(7.1%)	\$76.1M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
City Services	\$1.1M	\$1.1M	(0.3%)	\$1.2M	6.4%
Debt Service	\$43.0M	\$35.7M	(17.1%)	\$36.0M	0.8%
Department Stewardship	\$10.1M	\$10.5M	3.5%	\$11.1M	6.2%
FAS Internal Service Charges	\$24.8M	\$26.3M	5.8%	\$27.8M	5.9%
Total:	\$79.1M	\$73.5M	(7.1%)	\$76.1M	3.5%

- Changes to the Leadership & Administration BSL are due to various technical changes related to internal services costs, revenue from large blanket contracts, and Council-approved city-wide increases in employee compensation.
- The 2025 Proposed Budget would also abrogate 1 FTE who provides administrative support to the Purchasing and Contracting Division.

BSL	Office of City Finance				
Purpose	The purpose of the Office of City Finance Budget Summary Level is to provide management of the Citywide financial services such as fiscal policy, debt issuance, and financial monitoring.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$8.6M	\$8.2M	(4.8%)	\$8.8M	7.3%
JumpStart Fund	\$0.0M	\$0.5M	N/A	\$0.5M	0.0%
Other Sources	\$26.3M	\$26.6M	1.1%	\$29.1M	9.4%
Total:	\$35.0M	\$35.3M	1.1%	\$38.4M	8.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Financial Services	\$27.2M	\$26.6M	(2.1%)	\$29.1M	9.4%
Tax & Fee Collection Services	\$7.8M	\$8.7M	12.0%	\$9.3M	6.9%
Total:	\$35.0M	\$35.3M	1.1%	\$38.4M	8.8%

- Most position modification in the 2025 Proposed Budget discussed above are in the Office of City Finance BSL. Modifications would include reduction in FTE, primarily from the risk management and remittance processing functions in OCF and the addition of FTE for, among other things, Workday implementation.
- Other changes in appropriations and resources are associated with non-labor savings, various technical changes related to internal services costs, savings from outsourcing remittance processing functions, and Council-approved city-wide increases in employee compensation.

BSL	Other FAS Services				
Purpose	The purpose of the Other FAS Services Budget Summary Level is to provide appropriation for program specific support outside of the direct operations for Finance and Administrative Services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.0M	\$0.0M	0.7%	\$0.0M	0.6%
JumpStart Fund	-	-	-	-	-
Other Sources	\$3.8M	\$2.2M	(41.8%)	\$2.2M	2.9%
Total:	\$3.8M	\$2.2M	(41.0%)	\$2.3M	2.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Benaroya/Program Specific	\$0.7M	\$0.7M	3.5%	\$0.8M	3.0%
FileLocal	\$0.5M	\$0.3M	(46.0%)	\$0.3M	7.6%
General Fund Revenues	\$0.0M	\$0.0M	0.7%	\$0.0M	0.6%
Wheelchair Accessible Fund	\$2.6M	\$1.2M	(53.5%)	\$1.2M	1.9%
Total:	\$3.8M	\$2.2M	(41.0%)	\$2.3M	2.9%

- Changes in the Other FAS Services Fund reflect modification to appropriations and expenditures in program-specific areas supported by FAS, including FileLocal, the Wheelchair Accessible Fund, and the Benaroya Hall Program. Those modifications are driven by changes to baseline revenue, internal costs, and labor and non-labor inflation costs.

BSL	Public Services				
Purpose	The purpose of the Public Services Budget Summary Level is to provide public services such as consumer protection and animal control services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$18.4M	\$19.1M	3.5%	\$19.9M	4.3%
JumpStart Fund	\$0.9M	\$0.0M	-100.0%	\$0.0M	
Other Sources	\$4.8M	\$4.6M	-4.1%	\$4.6M	-0.2%
Total:	\$24.2M	\$23.7M	-1.9%	\$24.5M	3.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Public Support Services	\$16.9M	\$15.9M	-6.0%	\$16.5M	3.7%
Seattle Animal Shelter	\$7.2M	\$7.8M	7.7%	\$8.0M	2.7%
Total:	\$24.2M	\$23.7M	-2.1%	\$24.5M	3.4%

- Changes to the Public Services BSL are primarily due to increased revenue from parking rates for SeaPark garage and animal shelter fees and reductions to appropriations for the Priority Hire.
- The 2025 and 2026 Proposed Budgets would reduce Priority Hire expenditures by \$495,000 in each year. This reduction would reduce the capacity of the program to provide outreach and training to residents of economically distressed communities to participate in the construction trades, including training for clean energy jobs.

BSL	Transit Benefit				
Purpose	The purpose of the Transit Benefit Budget Summary Level is to pay for the transit benefits offered to City employees. The Transit Benefit Fund receives payments from Finance General and fee supported departments to pay for reduced cost King County Metro and other regional transit passes and related administrative expenses.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$5.2M	\$5.4M	3.7%	\$5.6M	3.0%
Total:	\$5.2M	\$5.4M	3.7%	\$5.6M	3.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Employee Transit Benefits	\$5.2M	\$5.4M	3.7%	\$5.6M	3.0%
Total:	\$5.2M	\$5.4M	3.7%	\$5.6M	3.0%

- Increases to the Transit Benefits BSL reflects anticipated increased usage of the employee transit benefit as more employees use transit to return to in-office work.

BSL	UTGO Debt Service				
Purpose	The purpose of the UTGO Debt Service Budget Summary Level is to create the legal appropriations to pay debt service on outstanding Unlimited Tax General Obligation (UTGO) Bonds.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$16.2M	\$16.2M	0.0%	\$16.2M	(0.1%)
Total:	\$16.2M	\$16.2M	0.0%	\$16.2M	(0.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
UTGO Debt Service	\$16.2M	\$16.2M	(0.0%)	\$16.2M	(0.1%)
Total:	\$16.2M	\$16.2M	(0.0%)	\$16.2M	(0.1%)

- Changes to the UTGO Debt Service BSL over the biennium reflect the debt issuance and redemption cost of City bonds.

CAPITAL BUDGET

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	ADA Improvements				
Purpose	The purpose of the ADA Improvements - FAS Budget Summary Level is to update or modify facilities for compliance with the standards contained in the American with Disabilities Act.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
ADA Improvements	\$0.6M	\$1.4M	127.8%	\$2.4M	77.2%
Total:	\$0.6M	\$1.4M	127.8%	\$2.4M	77.2%

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- Appropriation to the ADA improvement BSL Support of the Americans with Disabilities Act (ADA) improvements at FAS-owned and operated facilities. Past projects were delayed under the previous 6-year CIP cycle and the proposed CIP would accelerate this work. Past work has included reconfiguration of internal space, amenities, and public access routes.

BSL	Asset Preservation - Schedule 1 Facilities				
Purpose	This purpose of the Asset Preservation - Schedule 1 Facilities Budget Summary Level is to provide for long term preservation and major maintenance to the Department of Finance and Administration's schedule 1 facilities. Schedule 1 facilities consist of existing and future office buildings located in downtown Seattle, including but not limited to City Hall, the Seattle Municipal Tower and the Justice Center. Typical improvements may include, but are not limited to, energy efficiency enhancements through equipment replacement, upgrades/repairs to heating/ventilation/air conditioning systems, upgrades/repairs to electrical systems, upgrades/repairs to fire suppression systems, roof repairs or replacement, and structural assessments and repairs. This work ensures the long-term preservation of the operational use of the facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Asset Preserv_Sch 1 Facilities	\$8.5M	\$6.7M	(21.6%)	\$6.7M	0.0%
Total:	\$8.5M	\$6.7M	(21.6%)	\$6.7M	0.0%

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- Reduced appropriations to the Asset Preservation – Schedule 1 Facilities BSL reflect declining revenue sources, such as REET 1, for asset preservation.
- The 2025 Proposed Budget and CIP prioritizes expenditures from this BSL on elevator upgrades for SeaPark Garage and the Justice Center and replacement of a water pump for the Seattle Municipal Tower for sprinkler and hose operations on the higher floors.

BSL	Asset Preservation - Schedule 2 Facilities				
Purpose	This purpose of the Asset Preservation - Schedule 2 Facilities Budget Summary Level is to provide for long term preservation and major maintenance to the Department of Finance and Administration's schedule 2 facilities. Schedule 2 facilities comprise existing and future structures, shops and yard located throughout Seattle, including but not limited to City vehicle maintenance facilities at Haller Lake and Charles Street, Finance and Administrative Services shops located at Airport Way S., fire stations, police precincts including the animal shelter, and other FAS managed facilities used for City Services. Typical improvements may include, but are not limited to, energy efficiency enhancements through equipment replacement, upgrades/repairs to heating/ventilation/air conditioning systems, upgrades/repairs to electrical systems, upgrades/repairs to fire suppression systems, roof repairs or replacement, and structural assessments and repairs. This work ensures the long-term preservation of the operational use of the facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Asset Preserv_Sch 2 Facilities	\$2.0M	\$5.9M	202.6%	\$5.5M	(7.2%)
Total:	\$2.0M	\$5.9M	202.6%	\$5.5M	(7.2%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- The 2025 Proposed Budget and CIP prioritizes expenditures from this BSL on roof replacements for Charles Street Fire Garage, Seattle Police Department (SPD) West Precinct, Fire Station 16, and the SPD Airport Way Center Building.

BSL	FAS Oversight-External Projects				
Purpose	The purpose of the FAS Oversight-External Projects Budget Summary Level is to provide a structure for debt financing projects, including information technology projects, for City departments that lack their own capital program.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
FAS Oversight - External Proj	\$1.5M	\$1.9M	25.0%	\$1.3M	(33.0%)
Total:	\$1.5M	\$1.9M	25.0%	\$1.3M	(33.0%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- The funding in this BSL supports the Energy Efficiency for Municipal Buildings program, which is an ongoing program that delivers energy efficiency work across City facilities, managed by the Office of Sustainability and Environment (OSE). Typical work includes building tune-ups, facility improvements, building energy upgrades, and energy efficiency measures.

BSL	FAS Project Delivery Services				
Purpose	The purpose of the FAS Project Delivery Services Budget Summary Level is to execute capital projects in general government facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
FAS Project Delivery Services	\$3.5M	\$4.7M	34.3%	\$4.7M	0.0%
Total:	\$3.5M	\$4.7M	34.3%	\$4.7M	0.0%

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- The BSL supports the Customer Requested Tenant Improvement program, which provides pass-through budget authority for FAS to provide tenant improvement work, as requested by City departments, at facilities that are managed or leased by FAS. Typical improvements include tenant space remodels, security system upgrades and equipment replacement.

BSL	General Government Facilities - General				
Purpose	The purpose of the General Government Facilities - General Budget Summary Level is to execute capital projects in general government facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Govt Facilities	\$2.4M	\$13.3M	448.5%	\$14.7M	10.2%
Total:	\$2.4M	\$13.3M	448.5%	\$14.7M	10.2%

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- The adopted budget fluctuates annually in this BSL to align the budget with the planned annual expenditures for individual CIP projects, as well as aligning debt service with the planned bond issuances.
- Incremental appropriations to this BSL in the 2025 and 2026 Proposed Budget include: (1) approximately \$3.6 million in 2025 for improvements to the Bakun building, which will house a cultural space for the Muckleshoot Tribe and City waterfront operations offices; (2) approximately \$10 million over the biennium for improvements to the animal shelter; and (3) approximately \$13 million over the biennium for a waterproofing membrane system under City Hall Plaza.

BSL	Information Technology				
Purpose	The purpose of the Information Technology Budget Summary Level is to replace, upgrade or maintain FAS information technology systems to meet the evolving enterprise activities of the City.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology	\$4.9M	\$4.0M	(17.6%)	\$0.0M	(100.0%)
Total:	\$4.9M	\$4.0M	(17.6%)	\$0.0M	(100.0%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- This BSL funds the replacement of FAS IT systems that are at the end of their useful lives, accommodate new programmatic and operational needs, and allow the department to function efficiently.
- Decreased appropriations in this BSL is driven primarily by reduced expenditures on the replacement of City's HR timekeeping and payroll system.

BSL	Neighborhood Fire Stations				
Purpose	The purpose of the Neighborhood Fire Stations Budget Summary Level is to replace and renovate fire stations and other emergency response facilities as part of the Fire Facilities and Emergency Response Levy program.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Neighborhood Fire Stations	\$5.8M	\$6.7M	16.0%	\$6.7M	(1.1%)
Total:	\$5.8M	\$6.7M	16.0%	\$6.7M	(1.1%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- This BSL funds the Fire Station Improvement Debt Service project, which provides funding for the payment of debt service on bonds issued to cover a portion of the costs associated with the 2003 Fire Facilities and Emergency Response Levy and associated asset preservation expenses.

BSL	Public Safety Facilities Police				
Purpose	The purpose of the Public Safety Facilities - Police Budget Summary Level is to renovate, expand, replace, or build police facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Public Safety Facilities Police	\$4.6M	\$0.0M	(100.0%)	-	-
Total:	\$4.6M	\$0.0M	(100.0%)	-	-

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- This BSL provides funding for capital improvements at Seattle Police Facilities; the 2024 Budget made a one-time appropriation for environmental remediation work of the Seattle Police Department’s shooting range in Tukwila. Those costs relate to complying with an enforcement action by the City of Tukwila for unpermitted grading work.

BSL	Public Safety Facilities Fire				
Purpose	The purpose of the Public Safety Facilities - Fire Budget Summary Level is to renovate, expand, replace, or build fire facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Public Safety Facilities_Fire	\$26.2M	\$16.8M	(36.0%)	\$0.0M	(100.0%)
Total:	\$26.2M	\$16.8M	(36.0%)	\$0.0M	(100.0%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- This BSL provides funding for a new Fire Station 31, which was adopted as part of the 2020-2025 CIP process. Construction of the fire station is anticipated to be completed in 2025.

1. FAS Seattle Animal Shelter Fees ORD

This proposed bill would increase fees for pet licensing and spay and neuter services provided by the animal shelters. The bill would also reduce adoption fees. The fee changes would increase revenue to General Fund by \$150,000 annually.

2. FAS Recycling Fee ORD

This proposed bill would increase annual licensing fees charged to companies that collect and process recyclable materials. The fee would increase from \$105 annually to \$500 annually. The increased fee would allow FAS to recover the cost of regulating recycling companies. The fee change would increase revenue to the General Fund by approximately \$60,000 annually.

3. OCF HCMS Interfund Loan ORD

This proposed bill would authorize an interfund loan of up to \$11 million from the Finance and Administrative Services Fund to the 2025 Multipurpose LTGO Bond Fund. The loan would support development of the Human Capital Management System capital project, also known as Workday. The total lifetime estimated project cost of that capital project is approximately \$50 million. The maximum authorized loan amount exceeds the 2025 unreserved fund balance in the Finance and Administrative Service fund, which is \$10,634. However, on a cash flow basis that fund balance would not be drawn down. The proposed interfund loan is anticipated to be repaid mid-year by proceeds from the 2025 LTGO bond sale.

4. OCF Multipurpose LTGO Bonds 2025 ORD

This proposed bill would provide legal authority to issue bonds in fiscal year 2025, to provide a total of \$65.3 million for projects in the 2025 Proposed Budget and the 2025-2030 CIP, as follows (with the approximate bond-financed project cost):

- Drive Clean Seattle Fleet Electric Vehicle Infrastructure (\$3 million)
- Electrical Infrastructure Upgrades (\$2.5 million)
- Fire Station 31 (\$16.8 million)
- Human Capital Management System (\$15 million)
- Seattle Municipal Tower Elevator Rehab (\$2 million)
- Computing Services Architecture (\$4.6 million)
- Data and Telephone Infrastructure (\$4.6 million)
- Alaskan Way Main Corridor (\$7.7 million)
- Overlook Walk and East-West Connections Project (\$3 million)
- Waterfront Operations and Tribal Interpretive Center (\$4.2 million)
- Issuance Costs and Pricing Adjustments (\$1.9 million)

CONTEXTUAL BUDGET CONSIDERATIONS

1. **Seattle Social Housing Developer Administrative Funds (Central Staff Analyst: Jennifer LaBrecque)**

Initiative 135 (I-135), passed by voters in February 2023, created the Seattle Social Housing Developer. Under I-135, Seattle must provide the organization eighteen months of “limited in-kind assistance,” including funding to hire and retain a chief executive officer and chief financial officer. The 2024 adopted budget provided \$850,000 for these start-up costs and the Executive has executed a contract for this amount with the Seattle Social Housing Developer. The 2025-2026 Proposed Budget would not include any additional funding for the Seattle Social Housing Developer.

In September this year, Seattle City Council voted to send I-137 along with an alternative measure to the ballot in February 2025. The outcome of that election will inform whether the Seattle Social Housing Developer will need additional start-up support and at what level. The Seattle Social Housing Developer appears to have sufficient unspent balance in the current contract with the City to sustain operations for the first few months of 2025. Thus, if Council does want to take action on providing additional start-up support they could do it through a supplemental budget action after the election.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: TOM MIKESELL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Employee Benefit Management	\$10.7M	\$15.3M	43.5%	\$15.8M	3.5%
Deferred Comp Management	\$0.0M	\$0.7M		\$0.7M	4.5%
Operating Subtotal:	\$10.7M	\$16.0M	50.0%	\$16.5M	3.5%
Grand Total:	\$10.7M	\$16.0M	50.0%	\$16.5M	3.5%

The Seattle Employee Retirement System's (SCERS's) 2025 Proposed Budget is \$5.3 million more than the 2024 Adopted Budget, representing a 50 percent increase. The 2026 Proposed Budget is 3.5 percent higher than the 2025 Proposed Budget. As explained below, this change is primarily due to the project costs for upgrading the Pension Administration System in 2025 and 2026, as the current system is no longer supported by the vendor. A smaller, but operationally significant, change that is also proposed in the budget is the transfer of the management of the City's voluntary Deferred Compensation program from the Seattle Department of Human Resources (SDHR) to SCERS.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$5.8M	\$7.1M	21.7%	\$7.5M	5.3%
Non-Labor	\$4.8M	\$8.9M	84.2%	\$9.1M	2.1%
Total:	\$10.7M	\$16.0M	50.0%	\$16.5M	3.5%

Total FTE:	31	34	9.8%	34	-
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- The 2025-2026 Proposed Budget would transfer 3.0 FTE positions from SDHR to SCERS, for administration of the City's deferred compensation program. The salary and benefits for these new positions, plus standard cost increases for current SCERS employees, make up the increase in labor costs in 2025 and 2026.
- Nonlabor cost increases are primarily due to a placeholder for a planned pension administration system upgrade, which is in the planning stage but is currently estimated at \$4 million in each year of the proposed budget. SCERS resources will pay the full cost of this upgrade.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Employee Benefit Management				
Purpose	The purpose of the Employees' Retirement Budget Summary Level is to manage and administer retirement assets and benefits.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$10.7M	\$15.3M	43.5%	\$15.8M	3.5%
Total:	\$10.7M	\$15.3M	43.5%	\$15.8M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Employee Benefit Management	\$10.7M	\$15.3M	43.5%	\$15.8M	3.5%
Total:	\$10.7M	\$15.3M	43.5%	\$15.8M	3.5%

- A \$4 million Retirement Fund increase in 2025 is continued into 2026 to provide placeholder resources for a planned upgrade of the SCERS benefit administration system, due to lack of ongoing vendor support for the current system, which was last upgraded in 2019.
- The 2026 Proposed Budget increases by 3.5 percent over the 2025 Proposed Budget due to standard cost increases.

BSL	Deferred Comp Management				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	\$0.7M	-	\$0.7M	4.5%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	-	\$0.7M	-	\$0.7M	4.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Deferred Compensation Management	-	\$0.7M	-	\$0.7M	4.5%
Total:	-	\$0.7M	-	\$0.7M	4.5%

- This is a new BSL in SCERS, which includes \$700,000 and 3.0 FTE positions to manage the City's voluntary Deferred Compensation program. These resources had previously been budgeted in SDHR. This budget is funded from the GF and is supported by program fees.

BUDGET LEGISLATION

1. RET 2025 ARC RES

This legislation would adopt a resolution that the City will fund the contribution to the Employee's Retirement Fund at amount equal to 15.17 percent of the payroll for participating employees in 2025, based on the recommendation by the Seattle City Employee Retirement System's Board of Administration. An independent actuary, using a set of assumptions about member demographics and investment earnings, provided an Actuarially Required Contribution (ARC) of 15.17 percent of covered payroll. The ARC is the annual contribution to the Retirement Fund that the City must make to meet the objective of a 100 percent funded retirement plan (sufficient funds to pay current and future benefits) by 2042. The contribution proposed in the resolution would fund the contribution at the ARC. The 2025 Proposed Budget assumes this rate in personnel services budget calculations.

2. RET 2025 Credit Interest Rates RES

This legislation would adopt a resolution that the City Council approves the 2025 interest rates on member contributions set by the SCERS Board of Administration. The resolution would approve, for 2025, an annually compounding interest rate of 4.39 percent on all contributions received after December 31, 2011. This rate is based on the average yield on 30-year U.S. Treasury Bonds.

3. RET Deferred Comp Transfer to Retirement ORD

This legislation would transfer the management of Seattle Voluntary Deferred Compensation Plan and Trust from SDHR to SCERS in 2025. The 2025-2026 Proposed Budget includes the appropriation and position authority transfers enabled by this legislation.

SEATTLE ETHICS AND ELECTIONS COMMISSION (SEEC)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: LISH WHITSON

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Election Vouchers	\$3.0M	\$10.3M	241.8%	\$3.1M	(69.8%)
Ethics and Elections	\$1.3M	\$1.5M	12.8%	\$1.5M	5.1%
Operating Subtotal:	\$4.3M	\$11.7M	172.5%	\$4.6M	(60.4%)
Grand Total:	\$4.3M	\$11.7M	172.5%	\$4.6M	(60.4%)

The Seattle Ethics and Election Commission (SEEC) oversees Seattle’s Ethics, Elections, Whistleblower Protection, and Lobbying ordinances and manages the levy-funded Democracy Voucher program. The SEEC’s Democracy Voucher budget has large swings between election years and non-election years.

- The \$7.3 million increase in the Elections Voucher Budget Summary Level (BSL) between 2024 and 2025 reflects an increase in funding for Democracy Vouchers between 2024, which has one citywide Council seat on the ballot, and 2025, when the Mayor, two citywide Council positions, and the City Attorney will all be up for election.
- At the end of 2025, the Democracy Voucher levy will expire. The 2026 Proposed Budget does not assume additional Democracy Voucher revenue. Given current funding, the 2026 Proposed Budget anticipates that some fund balance will remain after the 2025 elections, and staff will be retained for into 2026 to close out the program.
- The 12.8% increase in the Ethics and Elections BSL between 2024 and 2025 is due to a combination of Council-approved city-wide increases in employee compensation, standard cost increases, and adjustments to the base budget in recognition of increased labor costs over a number of years.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$1.5M	\$1.8M	19.1%	\$1.9M	5.1%
Non-Labor	\$2.8M	\$9.9M	258.3%	\$2.7M	(72.6%)
Total:	\$4.3M	\$11.7M	172.5%	\$4.6M	(60.4%)
Total FTE:	9	9	-	9	-

- SEEC’s staffing would be stable over the biennium. Changes to the labor budget would be due to standard cost increases and reclassification of existing positions. Changes to the non-labor budget would be due to the election cycle and whether Democracy Vouchers will be needed.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Election Vouchers				
Purpose	The purpose of the Election Voucher Budget Summary Level is to pay costs associated with implementing, maintaining and funding a program for providing one hundred dollars in vouchers to eligible Seattle residents that they can contribute to candidates for City office who qualify to participate in the Election Voucher program enacted by voters in November 2015.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$3.0M	\$10.3M	241.8%	\$3.1M	(69.8%)
Total:	\$3.0M	\$10.3M	241.8%	\$3.1M	(69.8%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Election Vouchers	\$3.0M	\$10.3M	241.8%	\$3.1M	(69.8%)
Total:	\$3.0M	\$10.3M	241.8%	\$3.1M	(69.8%)

- The Elections Vouchers BSL is entirely funded out of the Democracy Voucher levy. Changes to this BSL's budget are due to the election cycle.

BSL	Ethics and Elections				
Purpose	The purpose of the Ethics and Elections Budget Summary Level is to: 1) audit, investigate, and conduct hearings regarding non-compliance with, or violations of, Commission-administered ordinances; 2) advise all City officials and employees of their obligations under Commission-administered ordinances; and 3) publish and broadly distribute information about the City's ethical standards, City election campaigns, campaign financial disclosure statements, and lobbyist disclosure statements.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$1.3M	\$1.5M	12.8%	\$1.5M	5.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$1.3M	\$1.5M	12.8%	\$1.5M	5.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Ethics and Elections	\$1.3M	\$1.5M	12.8%	\$1.5M	5.1%
Total:	\$1.3M	\$1.5M	12.8%	\$1.5M	5.1%

- Changes in the Ethics and Elections BSL are due to standard cost adjustments and increased labor costs.

BUDGET LEGISLATION

1. CBO 2024 Year-End Supplemental ORD

The 2024 Year-End Supplemental adds \$70,000 to the Ethics and Elections BSL in 2024 to address increased labor costs in the office due to reclassifications and pay rate increases over a number of years. If not adopted, the Department would not be able meet its payroll costs.

FINANCE GENERAL (FG)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: TOM MIKESELL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Appropriation to Special Funds	\$280.2M	\$496.5M	77.2%	\$416.3M	(16.2%)
General Purpose	\$61.8M	\$70.0M	13.2%	\$74.4M	6.3%
Operating Subtotal:	\$342.0M	\$566.5M	65.6%	\$490.6M	(13.4%)
Grand Total:	\$342.0M	\$566.5M	65.6%	\$490.6M	(13.4%)

The Finance General budget comprises a series of non-departmental appropriations across several City funds. In general, these appropriation account for the transfer of resources between City functions, and for the establishment of reserves for known and projected risks and other purposes, contingent on future need and subject to future appropriation. The 2025 Proposed Budget for Finance General (FG) increases by nearly \$225 million, or 66 percent over the 2024 Adopted Budget. The 2026 Proposed Budget for FG decreases by \$76 million, or 13.4 percent, from the 2025 Proposed Budget. The 2025 increase is primarily due to the \$287 million transfer from the Jump Start Fund to the GF in the Appropriation to Special Funds BSL, which is a \$202 million increase in the transfer over 2024; the 2026 decrease is largely due to the decrease in this transfer to \$223 million. This transfer is intended to balance the GF due to insufficient base revenue projections from current sources. Other changes include the alignment of various transfers to other funds to meet administrative and policy requirements, and the creation of new GF reserves.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$45.3M	\$45.4M	0.4%	\$45.5M	0.3%
Non-Labor	\$296.8M	\$521.1M	75.6%	\$445.1M	(14.6%)
Total:	\$342.0M	\$566.5M	65.6%	\$490.6M	(13.4%)
Total FTE:	-	-	-	-	-

As shown in the table above, the FG budget does not include any FTE, but the 2025 and 2026 Proposed Budgets includes \$45 million for Labor expenditures. This apparent inconsistency is largely explained by the presence of two large regular transfer amounts from the GF, budgeted in the Appropriation to Special Funds BSL, to pay for public safety pension costs. These include transfers to the Police Relief and Pension Fund (\$16.1 million in 2025 and \$15.8 million in 2026) and to the Firefighters Pension Fund (\$25.2 million in 2025 and \$25.5 million in 2026), to support legacy public safety pensions for public safety personnel hired prior to 1977. (Police Officers and Firefighters hired after 1977 receive pension benefits from a state-wide system to which the City contributes via the Police and Fire Departments’ budgets.) The remainder of the labor portion of the FG budget is \$3.8 million GF in 2025 Proposed and \$3.9 million GF in 2026 Proposed for transit pass subsidies for City employees. These amounts are budgeted in the General Purpose BSL.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Appropriation to Special Funds				
Purpose	The purpose of the Appropriation to Special Funds Budget Summary Level is to appropriate General Fund and other centrally managed resources, several of which are based upon the performance of certain City revenues, to bond redemption or special purpose funds. These appropriations are implemented as operating transfers to the funds or accounts they support.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$177.6M	\$189.8M	6.8%	\$173.1M	(8.8%)
Jumpstart Fund	\$92.7M	\$296.9M	220.2%	\$233.4M	(21.4%)
Other Sources	\$9.8M	\$9.8M	(0.1%)	\$9.8M	0.1%
Total:	\$280.2M	\$496.5M	77.2%	\$416.3M	(16.2%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Appropriation to Special Funds	\$280.2M	\$496.5M	77.2%	\$416.3M	(16.2%)
Total:	\$280.2M	\$496.5M		\$416.3M	(16.2%)

- As described in the department overview, the largest increase in this BSL in both the 2025 and 2026 Proposed Budgets is from an increase in the transfer from the Jump Start Fund to the GF for revenue backfill. Other notable changes include:
 - A \$6.4 million GF increase in 2025, and an additional \$3.1 million increase in 2026, for higher funding requirements for the Seattle Public Library. These increases bring the GF support to the Library to \$68.5 million in 2025 and \$71.6 million in 2026. The Library operates with a degree of financial autonomy and the City provides its' General Fund financial support to Library operations through a transfer from Finance General.
 - A \$6.7 million increase in 2025 to fund a \$15 million GF transfer to the Judgment and Claims Fund for anticipated claims; the 2026 amount represents a \$13.9 million reduction from the 2025 Proposed Budget. It is worth noting that CBO is retaining unbudgeted amounts in 2026 in the GF financial plan to cover potential 2026 Judgement and Claims costs. If needed, these amounts may be proposed for appropriation in the future.
 - A \$3.7 million increase in 2025, and an additional \$3 million increase in 2026, for the GF share of City insurance costs, bringing the total proposed GF budget for insurance premiums to \$19 million and \$22 million in 2025 and 2026, respectively, compared to \$15.2 million in the 2024 Adopted Budget. According to CBO, total citywide insurance premiums, including payments for the City utility funds, are estimated to be \$24 million in 2025, which is a \$3 million increase, or 15 percent increase over the 2024 Adopted Budget. In 2026, citywide premiums are projected to be \$27.9 million, which is a \$3.9 million or 16 percent increase over the 2025 Proposed Budget.
 - A \$1.5 million GF decrease in 2025 and an additional \$10.3 million decrease in 2026 to adjust the transfer to the Emergency Fund to policy requirements. Since using fund resources for Covid 19 relief in 2021, the City has been replenishing the Emergency fund on a 5-year schedule as provided in [RES 32024](#). The Emergency Fund balance will be \$88 million, which is 100 percent of policy (2016 value of \$60 million, inflated annually by consumer price index) after the 2026 transfer.
 - A new \$1 million transfer from the GF to Seattle City Light in both 2025 and 2026 to install streetlights in high-crime areas. The cost of streetlights, which is a general government purpose, as opposed to a utility function, cannot be billed to City Light ratepayers.

BSL	General Purpose				
Purpose	The purpose of the General Purpose Budget Summary Level is to provide appropriation authority to those programs for which there is no single appropriate managing department, or for which there is Council and/or Mayor desire for additional budget oversight.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$50.6M	\$49.9M	(1.4%)	\$51.2M	2.6%
Jumpstart Fund	\$0.0M	\$3.4M		\$5.6M	61.4%
Other Sources	\$11.2M	\$16.6M	48.4%	\$17.6M	5.8%
Total:	\$61.8M	\$70.0M	13.2%	\$74.4M	6.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Purpose	\$61.8M	\$70.0M	13.2%	\$74.4M	6.3%
Total:	\$61.8M	\$70.0M		\$74.4M	6.3%

- Notable changes in the 2025 -2026 Proposed budget includes the adjustment of existing reserves, and the creation of new reserves, as follows:
 - A FIFA Expense Reserve, totaling \$2 million from the JumpStart Fund (JSF) in 2025 and \$4 million JSF in 2026 to cover any unreimbursed costs from the preparation and support of World Cup matches.
 - A Sound Transit 3 staffing reserve, totaling \$5.2 million in 2025 and \$6.8 million in 2026 for projected staffing costs associated with Sound Transit 3 (ST3) implementation in 2025 and 2026. This is partially funded with \$1.4 million JSF in 2025 and \$1.6 million JSF in 2026, with the remainder in each year coming from the Transportation Benefit District Fund.
 - A one-time \$1.5 million GF increase in the Election Expense reserve in 2025, for costs associated with a special election for the I-137 ballot initiative in February 2025.
 - A \$775,000 increase in the Tax Refund Interest reserve in both 2025 and 2026, bringing the total reserve in each year to \$1,550,000. This higher reserve is intended to cover the interest costs on refunds of overpayments of taxes.
 - A \$1.3 million decrease in the FAS Fleet Vendor Maintenance reserve in 2025 and 2026, bringing the revised reserve to \$500,000 in each year.
 - A \$400,000 decrease in the High Barrier Workgroup reserve in both 2025 and 2026, bringing the reserve to zero. This reserve was initially created in 2020 to fund operating costs for a comprehensive place-based treatment center at the King County Jail. Project delays due to Covid 19, and use of the available space as a shelter by the Downtown Emergency Services Center, have meant these funds have not been spent since being included in the budget. As King County does not appear to be pursuing this project in 2025, the 2025 -2026 Proposed Budget removes this reserve.

LEGISLATIVE DEPARTMENT (LEG)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: BEN NOBLE

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Leadership and Administration	\$5.0M	\$5.0M	0%	\$5.3M	5.2%
Legislative Department	\$16.0M	\$17.7M	11.0%	\$18.7M	5.1%
Operating Subtotal:	\$21.0M	\$22.8M	8.3%	\$23.9M	5.2%
Grand Total:	\$21.0M	\$22.8M	8.3%	\$23.9M	5.2%

The Legislative Department (LEG) budget remains largely unchanged for 2025 and 2026, as compared to the 2024 Adopted Budget. Overall funding would grow by \$1.7 million (8.3 percent) in 2025 and \$1.2 million (5.2 percent) in 2026, driven by Citywide wage and benefit increases and technical changes in central costs.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$16.8M	\$18.8M	11.8%	\$19.7M	5.2%
Non-Labor	\$4.2M	\$4.0M	(5.8%)	\$4.2M	4.9%
Total:	\$21.0M	\$22.8M	8.3%	\$23.9M	5.2%
Total FTE:	102	102	0.0%	102	0.0%

- LEG staffing would remain unchanged for 2025 and 2026. Increased labor costs reflect Citywide changes in wages and benefits.
- Non-labor costs drop for 2025 because \$200,000 included on a one-time basis in the 2024 Adopted Budget for Council Staff transitions will not be needed in the upcoming biennium, and because the Department will increase its assumed vacancy rate by one percent as part of the Citywide effort to address the General Fund deficit by reducing discretionary costs.
- Technically driven reductions in the internal service costs billed to the Department also contribute to lower non-labor costs in 2025.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the department.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$5.0M	\$5.0M	0%	\$5.3M	5.2%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$5.0M	\$5.0M	(0.5%)	\$5.3M	5.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$3.2M	\$3.7M	15.3%	\$3.9M	5.2%
Departmental Indirect Costs	\$1.8M	\$1.3M	(28.3%)	\$1.4M	5.3%
Total:	\$5.0M	\$5.0M	(0.5%)	\$5.3M	5.2%

- LEG receives all its resources from the General Fund, which will not change for 2025 or 2026.
- The removal of one-time 2024 expenses decreases the Department’s indirect costs for 2025 for 2026.

BSL	Legislative Department				
Purpose	The purpose of the Legislative Department Budget Summary Level is to set policy, enact City laws, approve the City's budget, provide oversight of City departments, and support the mission of the Council.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$16.0M	\$17.7M	11.0%	\$18.7M	5.1%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$16.0M	\$17.7M	11.0%	\$18.7M	5.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Central Staff	\$3.9M	\$4.4M	12.9%	\$4.7M	5.2%
City Clerk	\$4.0M	\$4.5M	12.4%	\$4.8M	5.2%
City Council	\$8.0M	\$8.8M	9.5%	\$9.2M	5.1%
Total:	\$16.0M	\$17.7M	11.0%	\$18.7M	5.1%

- Increase labor costs, driven by Citywide compensation changes, underlie the overall increase in appropriations. These changes affect all the Department’s divisions in a comparable way, so nearly proportional increases have been proposed for each division.
- The City Council budget program represents the one exception to this pattern of proportional appropriation growth. For the Council, removing one-time 2024 expenses leads to a slightly smaller percentage increase, when compared to the other divisions.

OFFICE OF ECONOMIC AND REVENUE FORECASTS (OERF)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: EDIN SISIC

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Economic and Revenue Forecasts	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
Operating Subtotal:	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
Grand Total:	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%

Created in 2021 through a Council-sponsored Ordinance ([ORD 126395](#)), the Forecast Office serves as an independent source for the economic and revenue forecasts that underlie the City's annual budget process. Prior to its creation, the work purview had been housed within the City Budget Office and the Council did not receive forecast updates on the same timeframe as the Executive. The Forecast Office reports to the Economic and Revenue Forecast Council, which includes equal representation from the Legislative and Executive branches of City government. All of the Office's 2024 budget allocations are intended to support 3 FTE positions.

The 2025 Proposed Budget for the Forecast Office decreases by 10 percent relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by 22 percent over the 2025 Proposed Budget.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$0.6M	\$0.7M	9.9%	\$0.7M	5.2%
Non-Labor	\$0.2M	\$0.1M	(70.1%)	\$0.2M	200.1%
Total:	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
Total FTE:	3	3	-	3	-

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Economic and Revenue Forecasts				
Purpose	The purpose of the Economic and Revenue Forecasts Budget Summary Level is to provide support to 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.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Economic and Revenue Forecasts	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%
Total:	\$0.8M	\$0.7M	(10.4%)	\$0.9M	21.7%

- The Forecast Office’s entire budget is funded by the GF and supports 3.0 FTE. The fluctuation in the annual budget for the Forecast Office is due to renewal cycle of its forecast data subscriptions and grows with the associated inflationary effects on its services, wages, and central costs. Accordingly, the Proposed Budget decreases by 10 percent in 2025 and increases by 22 percent in 2026.

OFFICE OF INTERGOVERNMENTAL RELATIONS (OIR)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Intergovernmental Relations	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Operating Subtotal:	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Grand Total:	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%

The Office of Intergovernmental Relations (OIR) works with City elected officials, City departments, and external partners to ensure that the City’s interests are advanced with regional, state, federal, tribal, and international entities with the ultimate goal of better serving the Seattle community. As part of this work, OIR issues an annual State Legislative Agenda listing the City’s interests and priorities for the state legislative session and manages lobbying contracts that align the City’s lobbying resources with the City’s strategic advocacy priorities.

OIR’s proposed budget would increase by five percent (\$157,000) from 2024 to 2025, and by additional 4.4 percent (\$145,000) between 2025 and 2026. The proposed changes reflect technical adjustments, including annual wage increases, and the removal of funding for 1.0 FTE in the International Affairs Portfolio.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$1.9M	\$1.8M	(5.3%)	\$1.9M	5.6%
Non-Labor	\$1.3M	\$1.5M	20.4%	\$1.6M	3.0%
Total:	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Total FTE:	10	10	-	10	-

- **OIR’s labor appropriations** would decrease by 5.3 percent (\$99,000) from 2024 to 2025 and increase by 5.6 percent (\$100,000) between 2025 and 2026. The proposed changes would reflect an account-level transfer of the Tribal Affairs work to the office’s consultant budget, removal of funds for 1.0 FTE in the International Affairs Portfolio, and alignment of labor expenditures and membership dues with actual costs.
 - **Transferring funds** (\$200,000) for Tribal Affairs work to the office’s consultant budget would reflect the management of this work by a consultant contract. OIR would retain the empty pocket to quickly staff-up if a consultant is not available.
 - **Removing funds** (\$190,000 in 2025 and \$201,000 in 2026) for the Government and International Affairs Director (1.0 FTE) would shift all work in this portfolio to the International Affairs Director (1.0 FTE), reducing capacity for special projects, curation of international engagement opportunities based on City priorities, and travelling with the Mayor on international trips. Both positions are classified as Strategic Advisor 2, Exempt; the unfunded position is currently filled. OIR would retain the empty pocket to quickly staff-up if funding becomes available.

- **Aligning labor expenditures and membership dues with actual costs** would provide necessary funds for these expenses, reflecting a fully staffed office with no vacancy rate assumption (i.e., no projection of salary savings that could otherwise be used to pay salaries above the budgeted midpoint or increases in membership dues).
- **Non-labor appropriations** would increase by over 20 percent from 2024 to 2025 and an additional three percent between 2025 and 2026, primarily due to moving funds for Tribal Affairs work to the office’s consultant budget and increases to membership dues.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Intergovernmental Relations				
Purpose	The purpose of the Intergovernmental Relations Budget Summary Level is to promote and protect the City's federal, state, regional, tribal, and international interests by providing strategic advice, representation, and advocacy to, and on behalf of, City elected officials on a variety of issues. These include: federal and state executive and legislative actions; issues and events relating to the City's tribal and international relations; and jurisdictional issues involving King County, suburban cities, and regional governmental organizations.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of Intergovernmental Relations	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%
Total:	\$3.1M	\$3.3M	5.0%	\$3.4M	4.4%

- OIR is entirely funded through the General Fund.
- OIR’s 2025-2026 Proposed Budget reflects technical adjustments that do not impact the office’s core operations and reduced funding for 1.0 FTE that is estimated to limit the work of the International Affairs Portfolio.

OFFICE OF CITY AUDITOR (AUD)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of the City Auditor	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%
Operating Subtotal:	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%
Grand Total:	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%

The Office of City Auditor (AUD) performs independent performance audits of City departments, programs, grantees, and contracts to provide the Council, Mayor, and City employees with objective recommendations on how best to use public resources. AUD performs most of this work in response to specific requests from Councilmembers and occasionally initiates non-audit projects to fulfill the office’s mission.

AUD’s Proposed Budget would increase about 10 percent from 2024 to 2025, and an additional five percent between 2025 and 2026. The proposed increases for both years, approximately \$242,000 in 2025 and an additional \$129,000 in 2026, are attributable to technical adjustments and annual wage increases.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$2.0M	\$2.3M	14.3%	\$2.4M	5.2%
Non-Labor	\$0.3M	\$0.3M	(15.2%)	\$0.3M	3.5%
Total:	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%

Total FTE:	10	10	-	10	-
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- AUD’s 2025-26 Proposed Budget would retain current staffing levels; there would be no change in the number of FTE. Labor appropriations would increase by 14.3 percent due to annual wage adjustments.
- Non-labor appropriations would decrease by 15 percent from 2024 to 2025 and increase by 3.5 percent between 2025 and 2026 due to technical adjustments, including changes for internal service costs.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of the City Auditor				
Purpose	The purpose of the Office of City Auditor Budget Summary Level is to provide unbiased analyses and objective recommendations to assist the City in using public resources more equitably, efficiently and effectively in delivering services to the public.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of the City Auditor	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%
Total:	\$2.3M	\$2.6M	10.4%	\$2.7M	5.0%

- AUD is entirely funded through the General Fund.
- AUD's 2025-2026 Proposed Budget does not include any notable changes. The proposed increases are entirely related to technical adjustments that do not impact the office's operations.

OFFICE OF EMPLOYEE OMBUD (OEO)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Employee Ombud	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
Operating Subtotal:	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
Grand Total:	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%

The Office of the Employee Ombud (OEO) provides City employees with a confidential and independent resource for addressing concerns about workplace conduct that may constitute harassment, discrimination, or retaliation; or that may conflict with City Personnel Rules or workplace expectations. In 2025 and 2026, OEO would continue this work through intakes, referrals, trainings, conflict resolution, and submission of an annual report to the Mayor and Council with an overview of case outcomes, analysis of Citywide workplace issues, and recommendations for policy and rule changes needed to address departmental or system-wide inefficiencies.

OEO’s proposed budget would increase seven percent from 2024 to 2025, and by an additional five percent between 2025 and 2026. The increases for both years, approximately \$80,000 in 2025 and an additional \$62,000 in 2026, are due to technical adjustments, including changes to internal service costs, annual wage increases, and aligning the lease cost with actual expenses.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$1.0M	\$1.1M	13.2%	\$1.2M	5.3%
Non-Labor	\$0.2M	\$0.1M	(30.9%)	\$0.1M	2.4%
Total:	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
Total FTE:	6	6	-	6	-

- OEO’s 2025-26 Proposed Budget would retain current staffing levels; there would be no change in the number of FTE. Labor appropriations would increase by 13.2 percent (\$130,000) due annual wage adjustments.
- Non-labor appropriations would decrease by almost 31 percent from 2024 to 2025 and increase by 2.4 percent between 2025 and 2026 due to technical adjustments, including changes to internal service costs and correcting a surplus charge for leasing office space.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Employee Ombud				
Purpose	The purpose of the Office of Employee Ombud (OEO Budget Summary Level) is to support City of Seattle employees in navigating the City's conflict management system, including processes related to harassment, discrimination, and misconduct. OEO provides recommendations to the Mayor and City Council on policies and procedures that can help create an inclusive and respectful workplace environment.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Employee Ombud Office	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%
Total:	\$1.2M	\$1.2M	7.0%	\$1.3M	5.0%

- OEO is entirely funded through the General Fund.
- OEO's 2025-2026 Proposed Budget does not include any notable changes. The proposed increases are entirely related to technical adjustments that do not impact the office's operations.

BUDGET LEGISLATION

1. CBO 2024 Year-End Supplemental ORD

The proposed legislation would increase appropriations to OEO (\$28,000) to support backfill labor costs associated with Paid Parental Leave use in 2024.

OFFICE OF THE MAYOR (MO)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: BEN NOBLE

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of the Mayor	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%
Operating Subtotal:	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%
Grand Total:	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%

The Mayor’s Office (MO) budget shows a significant increase in the 2025-2026 Proposed Budget, relative to the 2024 Adopted Budget. As detailed below, this increase is most directly driven by a substantial increase in non-labor expenses. So, while staffing levels at MO remain unchanged, overall expenses would increase by more than 27 percent in 2025 and 5.6 percent in 2026.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$7.4M	\$8.3M	12.4%	\$8.7M	4.8%
Non-Labor	\$4.5M	\$6.8M	52.5%	\$7.3M	6.5%
Total:	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%

Total FTE:	41	41	-	41	-
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- MO staffing levels would remain unchanged in 2025 and 2026, with the increase in labor costs attributable to Citywide annual wage increases and escalation in associated benefit costs.
- Non-labor costs, in contrast, would increase by \$2.3 million in 2025, and by \$442,000 in 2026. This increase in non-labor cost reflects payments to replenish the Judgements and Claims Fund for settlements and legal expenses associated with the previous administration. Although payments for settlements and legal expenses are made directly from the Judgement and Claims Fund, departments are essentially “billed” for these costs, based on a rolling five-year average of their share of these payments. This approach is designed to provide some level of accountability for the share of Judgement and Claims Fund costs related to each department’s actions and activities, with the long-term goal of minimizing future expenses.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of the Mayor				
Purpose	The purpose of the Office of the Mayor Budget Summary Level is to provide executive leadership to support City departments, engage and be responsive to residents of the city, develop policy for the City, and provide executive administrative and management support to the City.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of the Mayor	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%
Total:	\$11.9M	\$15.1M	27.5%	\$16.0M	5.6%

- MO currently relies on the General Fund for all its financial support, which remains unchanged for 2025 and 2026.
- As described above, non-labor factors related to Judgment and Claims Fund expenditures drive the significant increase in proposed MO funding for 2025 and 2026.

SEATTLE DEPARTMENT OF HUMAN RESOURCES (SDHR)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
GTL/LTD/AD&D Insurance Service	\$6.7M	\$7.1M	5.9%	\$7.2M	2.5%
Health Care Services	\$331.8M	\$362.4M	9.2%	\$383.3M	5.8%
HR Services	\$26.2M	\$10.6M	(59.7%)	\$11.0M	4.6%
Industrial Insurance Services	\$42.4M	\$53.4M	25.9%	\$56.1M	5.2%
Leadership and Administration	-	\$12.0M	-	\$12.6M	4.6%
Unemployment Services	\$2.5M	\$4.0M	58.3%	\$3.6M	(8.3%)
Operating Subtotal:	\$409.5M	\$449.4M	9.7%	\$473.9M	5.5%
Grand Total:	\$409.5M	\$449.4M	9.7%	\$473.9M	5.5%

The Seattle Department of Human Resources (SDHR) establishes the strategic direction for the City’s human resources (HR) services; develops and administers a compensation and benefits program; and provides core HR services to all departments and City employees, as well as end-to-end HR services for small departments.

The 2025-26 Proposed Budget would increase appropriations to SDHR by almost 10 percent (\$40 million) from 2024 to 2025, and almost six percent (\$25 million) between 2025 and 2026, primarily due to technical changes that would increase the Personnel Compensation Trust Funds (i.e., Health Care, Fire Fighters Health Care, Industrial Insurance, Unemployment Insurance, Group Term Life Insurance).

In contrast, appropriations to SDHR Operations (i.e., HR Services, Leadership and Administration) would decrease. These proposed changes are guided by SDHR’s differentiation between “core services” (i.e., services required by law or City regulation) and “non-core” services. SDHR’s identification of core services includes (1) Employee Benefits, Leaves, Workers Compensation, Talent Acquisition; (2) HR Compliance, Policy, and Legislation; (3) Labor Relations; and (4) Classification of Positions and Wage Management. Non-core services include (1) Workforce Development, (2) Workforce Equity, and (3) Learning and Development.

Overall, SDHR’s proposed budget would include technical adjustments; reorganization or consolidation of programs/projects, and targeted General Fund reductions that are intended to address the General Fund deficit while preserving core HR services within the City.

- **Technical adjustments** would include changes to central costs (e.g., internal services, health care, retirement, workers’ compensation charges); implementation of annual wage and market wage increases; and removal of one-time budget authority.
- **Reorganization or consolidation of programs/projects** would include the transfer of Fire and Police Exams Unit (Exams Unit) to the Civil Service Commissions (CIV); transfer of the Deferred Compensation Unit to the Seattle Retirement Department (RET); and transfer of the Police Recruitment and Retention Unit to the Seattle Police Department (SPD)
- **General Fund Reductions** would include non-core services, including the elimination of three bodies of work (i.e., Citywide Learning and Development, Workforce Development, and the Equity Performance Management program); removal of the Workforce Equity Director and Advisor positions; removal of a Benefits Lead position; and reduced funding for temporary/contractor labor to support special projects (e.g., conversion of instructor-led Citywide training into online Cornerstone courses).

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$376.3M	\$416.1M	10.6%	\$439.4M	5.6%
Non-Labor	\$33.2M	\$33.3M	0.4%	\$34.6M	3.7%
Total:	\$409.5M	\$449.4M	9.7%	\$473.9M	5.5%
Total FTE:	118	96.5	(18.2%)	96.5	-

Labor

Labor appropriations would increase by 10.6 percent (\$40 million) from 2024 to 2025 and an additional 5.6 percent (\$23 million) between 2025 to 2026, primarily due to changes in the Personnel Compensation Trust Funds for Citywide labor costs associated with benefits. In SDHR Operations, notable changes to department programs would include the transfer 11.0 FTE to other City departments to reorganize or consolidate programs/projects and the abrogation of 10.5 FTE to address the General Fund deficit.

- **Transfer of the Deferred Compensation Unit to RET (3.0 FTE)** – This transfer would move the Deferred Compensation Unit from SDHR to RET with the intention of aligning employee retirement benefits in one department to create efficiencies and optimize the employee experience.
- **Transfer of the Exams Unit to CIV (6.0 FTE)** – This transfer would move the Exams Unit from SDHR to CIV with the intention of simplifying the City’s organizational structure and increasing outcomes for public safety hiring. CIV would become the sole entity for developing and administering entry-level and promotional civil service exams for public safety positions. See proposed budget legislation (CIV Exam Reorganization ORD).
- **Transfer of the Police Recruiting Innovation Team to SPD (net 2.0 FTE)** – This transfer was required by the 2024 SPD Recruitment and Retention Ordinance (ORD 127026). The ordinance moved 3.0 FTE from SDHR to SPD and created an additional 1.0 FTE in SDHR, resulting in a net reduction of 2.0 FTE in SDHR; the additional 1.0 FTE in SDHR was incorporated into the Exams Unit and is part of the proposed transfer to CIV.
- **Elimination of the Citywide Learning and Development Division (4.0 FTE)** – All Citywide training and development would be administered at the department level. In-person trainings would be converted to an online format. SHDR would assist departments in an advisory capacity and retain a budget of about \$1.0 million to develop and maintain the City’s e-learning library (e.g., Cornerstone, LinkedIn Learning), and staff the program with an ongoing position (1.0 FTE) and temporary labor for short-term projects.
- **Elimination of the Workforce Development Unit (1.5 FTE)** – All Citywide mentorship/internship responsibilities would be administered at the department level. SDHR would assist departments in an advisory capacity.
- **Elimination of the Equity Performance Management Program (1.0 FTE)** – SDHR would terminate the online E3 employee performance management program, a platform that allows departments to centrally manage performance employee goals, employee performance evaluation, and succession planning. Departments continuing to use the E3 program would migrate to an offline (e.g., paper), lower cost alternative. SDHR would assist supported departments in an advisory capacity.
- **Elimination of the Workforce Equity Division (1.5 FTE)** – SDHR would eliminate the Workforce Equity Division: removing the full-time Workforce Equity Director position and part-time Workforce Equity Advisor position; and allocating the remaining two Workforce Equity positions to the SDHR Business Operations unit. The Workforce Equity Division leads and manages the [Workforce Equity Initiative](#) which is the City’s commitment to eliminating racial disparities and achieving equity for the City’s employees. Part of this work includes implementation of the 2024-2029 Workforce Equity Strategic Plan. Following elimination of the Workforce Equity Division, the Workforce Equity Strategic Plan would be administered

at the department level and Citywide progress would be primarily monitored through a Unifying Next Level Inclusion Through Equity (UNITE) Sharepoint infrastructure. The UNITE site would serve as a digital representation of equity work in each department; the site is currently being tested by Seattle Center and is expected to be launched Citywide Q3 2025. SDHR would assist departments in an advisory capacity. Please see the SDHR Policy Considerations Paper for discussion of this change.

- **Removal of one position in the Benefits unit (1.0 FTE) / (\$195,000 in 2025 and \$206,000 in 2026)** – SDHR would abrogate a lead benefits position and reallocate the work to the Benefits Manager and remaining positions in the Shared Administrative Services Division. Additionally, some benefits programs would be evaluated for efficiencies to absorb work.

Non-labor

Non-labor appropriations would increase by 0.4 percent (\$125,000) from 2024 to 2025 and by 3.7 percent (\$1.24 million) between 2025 and 2026, primarily due to adjustments in the Health Care Services fund and technical rebalancing of the Leadership and Administration Fund. Other proposed changes would include non-labor costs associated with transfer and/or elimination of programs and technical adjustments (e.g., removal of one-time budget authority and changes to standard costs).

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	GTL/LTD/AD&D Insurance Service				
Purpose	The purpose of the Group Term Life Budget Summary Level is to provide appropriation authority for the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$6.7M	\$7.1M	5.9%	\$7.2M	2.5%
Total:	\$6.7M	\$7.1M	5.9%	\$7.2M	2.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
GTL/LTD/AD&D Insurance	\$6.7M	\$7.1M	5.9%	\$7.2M	2.5%
Total:	\$6.7M	\$7.1M	5.9%	\$7.2M	2.5%

- The 2025-2026 Proposed Budget would increase appropriations for Group Term Life Insurance Services by 5.9 percent (\$392,000) from 2024 to 2025, and an additional 2.5 percent (\$176,000) between 2025 to 2026.
- The proposed changes are due to current and projected growth in employee enrollment and premium costs. Costs have risen steadily over the last few years and are anticipated to continue increasing in 2025 and 2026.

BSL	Health Care Services				
Purpose	The purpose of the Health Care Budget Summary Level is to provide for the City's medical, dental, and vision insurance programs; the Flexible Spending Account; the Employee Assistance Program; and COBRA continuation coverage costs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$331.8M	\$362.4M	9.2%	\$383.3M	5.8%
Total:	\$331.8M	\$362.4M	9.2%	\$383.3M	5.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Health Care Services	\$331.8M	\$362.4M	9.2%	\$383.3M	5.8%
Total:	\$331.8M	\$362.4M	9.2%	\$383.3M	5.8%

- The City is self-insured for both the Aetna and Kaiser medical plans, the vision plan, and one dental plan and carries insurance for the remaining dental plan.
- The 2025-2026 Proposed Budget would increase appropriations to Health Care Services by 9.2 percent (\$30.6 million) from 2024 to 2025, and an additional 5.8 percent (\$20.9 million) between 2025 to 2026 due to increases in medical, dental and vision claims, as well as increased administrative expenses.

BSL	HR Services				
Purpose	The purpose of the HR Services Budget Summary Level is to provide Citywide strategic and technical human resources support while incorporating workforce equity strategies. This BSL administers employee benefits including health care and workers' compensation, the voluntary deferred compensation plan, and absence management; provides recruitment and staffing services; delivers employee training and development services; and negotiates and implements collective bargaining agreements. Other functions include safety, compensation/classification, supported employment programs, and Citywide human resources information management services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$26.2M	\$10.6M	(59.7%)	\$11.0M	4.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$26.2M	\$10.6M	(59.7%)	\$11.0M	4.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
HR Investigations	\$1.5M	\$1.0M	(30.2%)	\$1.1M	4.9%
HR Service Delivery	\$2.2M	\$0.8M	(65.1%)	\$0.8M	6.2%
HR Shared/Admin Services	\$11.1M	\$5.2M	(53.4%)	\$5.4M	4.9%
HR Work Force Equity	\$1.1M	-	(100.0%)	-	-
Labor Relations	\$2.8M	\$1.1M	(59.1%)	\$1.2M	4.9%
Recruit Retention	\$5.7M	\$1.6M	(72.0%)	\$1.6M	4.3%
Training/Org Effectiveness	\$1.9M	\$0.9M	(54.9%)	\$0.9M	0.6%
Total:	\$26.2M	\$10.6M	(59.7%)	\$11.0M	4.6%

- The 2025-2026 Proposed Budget would decrease appropriations to HR Services by 59.7 percent (\$15.6 million) from 2024 to 2025 and increase appropriations by 4.6 percent (\$482,000) between 2025 to 2026. Proposed changes would include:
 - **HR investigations and Labor Relations** - technical adjustments including annual wage and market wage increases and reversing one-time budget items (i.e., Classification and Compensation Study included in the 2024 Adopted Budget).
 - **HR Service Delivery** – elimination of the Equity Performance Management Program and removal of one-time budget authority.
 - **HR Shared/Admin Services** – transfer of Deferred Compensation Unit to RET, removal of a lead benefits position, and technical adjustments
 - **HR Workforce Equity** – removal of the Workforce Equity Director and Advisor positions and technical adjustments.
 - **Recruitment and Retention** – transfer of the Fire and Police Exam Unit from SDHR to CIV, transfer of the Police Recruitment Innovation Team from SDHR to SPD, elimination of the Workforce Development Unit, and technical adjustments including removal of one-time budget authority.
 - **Training/Org Effectiveness** – elimination of the Citywide Learning and Development Division, elimination of the Equity Performance Management Program and technical adjustments.

BSL		Industrial Insurance Services			
Purpose	The purpose of the Industrial Insurance Budget Summary Level is to provide for medical, wage replacement, pension, and disability claims related to occupational injuries and illnesses, occupational medical monitoring, workplace safety programs, and related expenses.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$42.4M	\$53.4M	25.9%	\$56.1M	5.2%
Total:	\$42.4M	\$53.4M	25.9%	\$56.1M	5.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Industrial Insurance Services	\$42.4M	\$53.4M	25.9%	\$56.1M	5.2%
Total:	\$42.4M	\$53.4M	25.9%	\$56.1M	5.2%

- The City is a self-insured employer authorized under state law. City departments make payments to the Industrial Insurance Services Fund to cover program costs, including fees levied by the Washington State Department of Labor and Industries (L&I), reinsurance premiums, and administrative expenses.
- The 2025-2026 Proposed Budget would increase appropriations in the Industrial Insurance Services by 25.9 percent (\$11 million) from 2024 to 2025, and an additional 5.2 percent (\$2.8 million) between 2025 to 2026.
- The year over year increase in expenditures is primarily due to an adjusted outlook for pensionable claims (i.e., catastrophic injuries for which L&I collects a large sum from the City to seed a pension fund for the claimant). Additionally, the rising cost of medical care is expected to increase typical claims by nearly 47 percent.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to establish Citywide personnel rules and policies; provide consultative assistance to employees, departments, and policymakers; and lead Citywide programs and initiatives with the underlying objective of workforce equity. This Budget Summary Level also provides services that support City and SDHR department management, including financial and accounting services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	\$12.0M	-	\$12.6M	4.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	-	\$12.0M	-	\$12.6M	4.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$3.6M	\$3.6M	0.2%	\$3.7M	3.3%
Departmental Indirect Costs	\$2.9M	\$3.0M	1.5%	\$3.1M	4.5%
Divisional Indirect Costs	\$4.1M	\$3.2M	(22.1%)	\$3.3M	4.6%
Indirect Cost Recovery	(\$13.2M)	-	(100.0%)	-	-
Pooled Benefits	\$2.5M	\$2.3M	(9.6%)	\$2.4M	6.8%
Total:	-	\$12.0M	-	\$12.6M	4.6%

- The 2025-2026 Proposed Budget would increase appropriations for Leadership and Administration to \$12 million from 2024 to 2025 and increase by an additional 4.6 percent (\$554,000) between 2025 to 2026.
- Proposed changes would include adjustments related to transfers of units, non-labor costs associated with elimination of the Citywide Learning and Development Division, removal of the Workforce Equity positions, and transitioning to a standard and simplified methodology for indirect cost recovery.
- Note: The 2023-2024 Adopted Budget rebalanced the Leadership and Administration BSL from BSL N5000 Leadership & Administration to N6000 HR Services to improve labor budget tracking and monitoring.

BSL	Unemployment Services				
Purpose	The purpose of the Unemployment Insurance Budget Summary Level is to provide the budget authority for the City to pay unemployment compensation expenses.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$2.5M	\$4.0M	58.3%	\$3.6M	(8.3%)
Total:	\$2.5M	\$4.0M	58.3%	\$3.6M	(8.3%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Unemployment Services	\$2.5M	\$4.0M	58.3%	\$3.6M	(8.3%)
Total:	\$2.5M	\$4.0M	58.3%	\$3.6M	(8.3%)

- The City is a self-insured employer with respect to unemployment insurance.
- The 2025-2026 Proposed Budget would increase appropriations in the Unemployment Services by 58.3 percent (\$1.5 million) from 2024 to 2025 and would decrease appropriations by 8.3 percent (\$332,000) between 2025 to 2026.
- The proposed changes in 2025 reflect anticipation of increased claims activity and higher costs per claimant. Total costs are expected to increase as the impacts of annual wage and market wage increases are reflected in the City's claims payments and continue to change as departments adjust program spending down and lay off staff to align with available resources.

BUDGET LEGISLATION

1. RET Deferred Compensation Transfer to Retirement

The proposed legislation would transfer the administration of the City's Voluntary Deferred Compensation Plan and Trust from SDHR to RET. See the RET Budget Overview paper for more information.

2. CIV Exam Reorganization ORD

The proposed legislation would amend the Seattle Municipal Code (SMC) to authorize transfer of the Fire and Police Exams Unit (Exams Unit) from SDHR to CIV. See the CIV Budget Overview paper for more information.

3. CBO 2024 Year-End Supplemental ORD

The proposed legislation would make the following changes to SDHR's appropriations:

- **Increase to Industrial Insurance Fund for unanticipated costs (\$6.7 million)** - The proposed change would pay for unanticipated costs due primarily to high volumes of pension payouts from the fund, as well as for overages for standard medical and time-loss claims. Both settlement payments and retro payments to claimants related to annual wage increases are expected to be larger than anticipated. This item would also increase appropriations to address inadvertent underbudgeting in 2024 due to incomplete accounting actions related to year-end accruals. Per normal practice, departments would reimburse the fund for some portion of these excess claims. To cover the remainder, this item would transfer \$3 million in General Fund reserves, established for this eventuality, to the fund.
- **Increase to Unemployment Insurance Fund for claims (\$900,000)** – The proposed change would allow SDHR to make the appropriate entries to clear a previously booked liability dating back to the 2018 transition from the SUMMIT accounting system to PeopleSoft 9.2.
- **Year-end adjustment to Group Term Life Fund for increased premium expenses (\$190,000)** – The proposed change would add funding for group term life insurance premium costs that are now projected to increase more than was captured in the 2024 Adopted Budget. This increase would be covered by existing fund balance.

SEATTLE INFORMATION TECHNOLOGY (SEATTLE IT)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Applications	\$110.8M	\$99.9M	(9.8%)	\$99.0M	(0.9%)
Cable Franchise	\$7.2M	\$5.6M	(21.9%)	\$5.8M	3.5%
Client Solutions	\$5.8M	\$7.3M	26.1%	\$7.6M	3.8%
Digital Security and Risk	\$8.2M	\$8.5M	3.7%	\$8.5M	0.1%
Frontline Services and Workplace	\$49.8M	\$48.5M	(2.5%)	\$49.7M	2.3%
Leadership and Administration	\$30.2M	\$27.4M	(9.2%)	\$28.8M	4.9%
Technology Infrastructure	\$66.0M	\$65.1M	(1.2%)	\$70.3M	8.0%
Operating Subtotal:	\$278.0M	\$262.5M	(5.6%)	\$269.7M	2.8%
Capital Budget					
Capital Improvement Projects	\$24.5M	\$21.0M	(14.4%)	\$17.6M	(15.9%)
CIP Subtotal:	\$24.5M	\$21.0M	(14.4%)	\$17.6M	(15.9%)
Grand Total:	\$302.5M	\$283.4M	(6.3%)	\$287.4M	1.4%

The 2025 Proposed Budget for Seattle Information Technology (Seattle IT) decreases by approximately \$19 million relative to the 2024 Adopted Budget, or about 6.3 percent, and the 2026 Proposed Budget increases by 1.4 percent relative to the 2025 Proposed Budget, or approximately \$4 million. The proposed reductions to Seattle IT will impact a number of the department’s services, including its project delivery program, the device support and replacement program, the service desk, and the non-governmental programming on the Seattle Channel. The department has also been directed to absorb additional reductions that will be less impactful to Seattle IT’s customers (other City departments), but will need to be managed throughout the year, such as reductions to operations and maintenance contracts, reductions to the temporary staffing budget, and assuming a higher personnel vacancy rate.

Similar to Finance and Administrative Services (FAs) and the Seattle Department of Human Resources (SDHR), Seattle IT is one of the City’s three primary internal service providers and its budget is largely tied to central cost allocations. Through a cost allocation plan, Seattle IT distributes central service costs across all departments and funds to ensure that IT services are fairly and accurately paid for by the departments receiving the services. In addition, Seattle IT bills departments directly, outside of the cost allocation process, for certain projects or services that are unique to a specific department’s needs.

Please note that in the tables below, the Information Technology Fund includes a mixture of funds from across the City departments, including the General Fund.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$128.8M	\$125.4M	(2.6%)	\$129.1M	2.9%
Non-Labor	\$173.7M	\$158.0M	(9.0%)	\$158.3M	0.2%
Total:	\$302.5M	\$283.4M	(6.3%)	\$287.4M	1.4%
Total FTE:	678	615	(9.3%)	615	0.0%

- The 2025 Proposed Budget abrogates 64 FTE from Seattle IT, resulting in a staffing reduction of more than nine percent. Of these 64 FTE, 19 employees will be subject to layoffs. The remaining positions are vacant.
- The staffing reductions include positions in project delivery (12 FTE), device support (11 FTE), service desk (6 FTE), Seattle Channel (6 FTE), applications (2 FTE), and positions scheduled to sunset at the end of 2024 (27 FTE).
- The 2025 Proposed Budget transfers 1 FTE from the City Budget Office to Seattle IT to consolidate City staff working on the Affordable Seattle program, bringing the net change to a reduction of 63 FTE.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Applications				
Purpose	The Applications Services Budget Summary Level designs, develops, and supports application solutions for both individual business and enterprise platform needs. In addition, it advances several IT functions, practices, and services such as vendor management, enterprise architecture, automation, quality assurance and analytics.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Jumpstart Fund	\$0.6M	\$1.1M	96.8%	\$1.1M	0.9%
Information Technology Fund	\$110.2M	\$98.8M	(10.4%)	\$97.9M	(0.9%)
Total:	\$110.8M	\$99.9M	(9.8%)	\$99.0M	(0.9%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Business Applications	\$27.0M	\$29.2M	8.3%	\$29.9M	2.3%
Department Initiatives	\$44.6M	\$33.6M	(24.6%)	\$30.7M	(8.6%)
Platform Applications	\$26.2M	\$26.9M	2.6%	\$27.9M	3.5%
Service Modernization	\$13.0M	\$10.2M	(21.8%)	\$10.5M	3.3%
Total:	\$110.8M	\$99.9M	(9.8%)	\$99.0M	(0.9%)

- The 2025 Proposed Budget for the Applications BSL is approximately \$10.9 million lower than the 2024 Adopted Budget, a reduction of almost 10 percent.
- The largest reduction in this area is to discretionary budgets across the department, which accounts for about \$5.5 million and most of 2 FTE (a small portion of one of the FTEs is in the Client Solutions BSL). The changes would eliminate capacity built into Seattle IT’s budget for potential projects from the Seattle Department of Transportation (SDOT) that went unspent in recent years, and they would reduce budget authority for temporary staffing and training.

- Project delivery staffing would be reduced by 8.25 FTE and \$1.6 million in anticipation of fewer IT projects across City departments due to overall budget reductions. (See the Client Solutions BSL for additional impacts related to this change.) After reductions, the project delivery team will have approximately 36 FTE and a budget of \$7.5 million.
- The proposed budget would abrogate 4 FTE scheduled to sunset at the end of 2024 that were added to support the Accela permitting program, along with the associated budget of about \$750,000.
- The Applications BSL also receives the greatest impact, an approximately \$1.7 million reduction, from increased vacancy and retirement assumptions that impact every Seattle IT BSL. Seattle IT typically budgets a six percent vacancy assumption, but the 2025-2026 Proposed Budget assumes an eight percent vacancy rate. Over the last five years, the department has had an average vacancy rate between eight and 13 percent, depending upon the quarter.
- The 2025 Proposed Budget includes increases within the Applications BSL as well, including almost \$2.3 million for maintenance of police, fire, and utility software applications.
- Technical adjustments (e.g., inflation, wages, anticipated departmental project work, and central cost changes) account for approximately \$2.7 million in reductions.
- The 2026 Proposed Budget remains largely in line with the 2025 Proposed Budget, although there are adjustments for increasing operations and maintenance for specific projects, reductions related to expected departmental projects, and reductions to offset inflationary pressures on maintenance contracts.

BSL	Cable Franchise				
Purpose	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 Fund to the Seattle Information Technology Department's Information Technology Fund. These resources are used by the department for a variety of programs consistent with Resolution 30379.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Cable TV Franchise Fund	\$7.2M	\$5.6M	(21.9%)	\$5.8M	3.5%
Total:	\$7.2M	\$5.6M	(21.9%)	\$5.8M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Cable Franchise for Info Tech	\$7.2M	\$5.6M	(21.9%)	\$5.8M	3.5%
Total:	\$7.2M	\$5.6M	(21.9%)	\$5.8M	3.5%

- The Cable Franchise BSL is the vehicle used to transfer revenues received from cable franchise fees to the Information Technology Fund, where the funds are ultimately spent. As traditional cable subscription rates have dwindled, so have cable fee revenues. Although the revenue decline has not been steady, the decrease between 2018 and 2023 was approximately 27 percent, from \$8.5 million in 2018 to \$6.2 million in 2023.
- See the Frontline Services and Workplace BSL for a description of the proposed reductions to the Seattle Channel in response to decreased revenues.

BSL	Client Solutions				
Purpose	The Client Solutions Budget Summary Level provides account management and support for Seattle IT customers, which includes services that build and mature relationships, support and facilitate strategic planning, guide technology learning and decisions through customer innovation labs, establish standards for Project Management and Business Analysis services for all IT projects, facilitate IT project intake analysis, and support consistent communication and customer service practices across all customer-facing divisions.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$5.8M	\$7.3M	26.1%	\$7.6M	3.8%
Total:	\$5.8M	\$7.3M	26.1%	\$7.6M	3.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Client Solutions	\$5.8M	\$7.3M	26.1%	\$7.6M	3.8%
Total:	\$5.8M	\$7.3M	26.1%	\$7.6M	3.8%

- The 2025 Proposed Budget for the Client Solutions BSL increases by approximately \$1.5 million, or about 26 percent, relative to the 2024 Adopted Budget. A smaller increase of about \$300,000 occurs in the 2026 Proposed Budget.
- The proposed increases are driven by technical adjustments, primarily attributable to realignment of labor and maintenance budgets within the department (\$1.9 million) and increases to account for bargained wage adjustments (\$440,000).
- The BSL’s proposed budget also includes offsetting decreases to account for increased vacancy and retirement assumptions (\$200,000) and a reduction in project delivery staffing (\$700,000, 2.75 FTE). (See the Applications BSL for additional impacts related to this change.)

BSL	Digital Security and Risk				
Purpose	The Digital Security and Risk Budget Summary Level provides security and risk mitigation services for the City's computing environments, and develops, applies, and monitors compliance with technology policies and procedures. This Budget Summary Level also includes the department’s Emergency Management team.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$8.2M	\$8.5M	3.7%	\$8.5M	0.1%
Total:	\$8.2M	\$8.5M	3.7%	\$8.5M	0.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Digital Security & Risk	\$8.2M	\$8.5M	3.7%	\$8.5M	0.1%
Total:	\$8.2M	\$8.5M	3.7%	\$8.5M	0.1%

- The 2025 Proposed Budget for the Digital Security and Risk BSL increases by under four percent, or about \$300,000, relative to the 2024 Adopted Budget, and it remains almost static for the 2026 Proposed Budget.
- The largest non-technical budget changes are almost \$650,000 in reductions to account for the department-wide decrease to discretionary budgets, increases in the assumed vacancy and retirement rates, and inflationary pressures on maintenance contracts.
- The largest proposed increase is approximately \$450,000 for cybersecurity services software that the City uses to defend itself from cyber-attacks.

BSL	Frontline Services and Workplace				
Purpose	The Frontline Services and Workplace Budget Summary Level develops, maintains, and manages all client support services, including incident resolution, end-user equipment and software deployment, device maintenance, operating system configuration and management, digital tools that enable everyday work, public-facing communications software development, and support. This Budget Summary Level also includes the Seattle Channel as the public-facing entity of the department and the Broadband and Community Technology programs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$49.8M	\$48.5M	(2.5%)	\$49.7M	2.3%
Total:	\$49.8M	\$48.5M	(2.5%)	\$49.7M	2.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Community Technology & Broadband	\$1.7M	\$1.5M	(10.4%)	\$1.5M	3.0%
Digital Workplace	\$13.7M	\$15.1M	9.8%	\$15.7M	4.2%
Frontline Digital Services	\$34.4M	\$32.0M	(7.1%)	\$32.4M	1.4%
Total:	\$49.8M	\$48.5M	(2.5%)	\$49.7M	2.3%

- The 2025 Proposed Budget for the Frontline Services and Workplace BSL decreases by \$1.3 million, or 2.5 percent, relative to the 2024 Adopted Budget.
- The proposed budget includes decreases for department-wide discretionary reductions (\$500,000), to account for increases in the assumed vacancy and retirement rates (\$670,000), and for three of the department’s significant service reductions: device support, service desk, and the Seattle Channel.
- The device support program is proposed to receive a 25 percent reduction in staffing, resulting in a reduction of 11 FTE and approximately \$2 million. The program primarily serves as the staff that replaces computers and other equipment for City departments. After reductions, the program would have 33 FTE and a budget of about \$6 million.
- The service desk staff is also proposed to receive a reduction of 25 percent, equaling 6 FTE and about \$1 million. The service desk handles technology issues for City staff through an online ticket system and calls into a phone center. The service desk would be left with 18 FTE and a budget of approximately \$3 million after the reductions.
- The third significant service cut in this BSL is to Seattle Channel staff, which would be reduced by 6 FTE and approximately \$1.6 million. This reduction would eliminate all non-governmental programming at Seattle Channel, leaving coverage of Council meetings and Mayoral events as the only remaining services. Please see the Seattle Channel Policy Considerations paper for additional information.
- This BSL is also proposed to receive an increase of approximately \$1.7 million to account for increased annual renewal costs for the City’s Adobe and Microsoft Enterprise agreements.
- Technical adjustments, including inflation, bargained wage increases, and labor and maintenance cost realignments, provide approximately \$2.4 million of increases to the BSL as well.
- The 2026 Proposed Budget increases by \$1.2 million, or 2.3 percent, relative to the 2025 Proposed Budget, primarily due to inflation adjustments and increased costs for the City’s Adobe and Microsoft Enterprise agreements.

BSL	Leadership and Administration				
Purpose	The Leadership and Administration Budget Summary Level provides executive, community, financial, human resource, and business support to Seattle IT.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$30.2M	\$27.4M	(9.2%)	\$28.8M	4.9%
Total:	\$30.2M	\$27.4M	(9.2%)	\$28.8M	4.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$8.3M	\$6.6M	(20.9%)	\$7.0M	7.0%
Departmental Indirect Costs	\$22.1M	\$20.9M	(5.2%)	\$21.8M	4.2%
Pooled Benefits and PTO	-\$0.2M	-\$0.1M	(57.9%)	-\$0.1M	(26.7%)
Total:	\$30.2M	\$27.4M	(9.2%)	\$28.8M	4.9%

- The Leadership and Administration BSL decreases by approximately \$2.8 million, or about nine percent, relative to the 2024 Adopted Budget. The 2026 Proposed Budget increases slightly over the 2025 Proposed Budget, by about \$1.4 million, primarily due to inflation and other technical adjustments.
- The largest decreases are due to the department-wide discretionary budget reductions (\$1.3 million), reductions to operational maintenance agreements (\$350,000), and this BSL’s portion of the project delivery staffing reductions (\$276,000, 1 FTE).

BSL	Technology Infrastructure				
Purpose	The Technology Infrastructure Budget Summary Level develops, maintains, and manages core IT services including communications and data networks, data center and cloud computing infrastructure, and database systems.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$66.0M	\$65.1M	(1.2%)	\$70.3M	8.0%
Total:	\$66.0M	\$65.1M	(1.2%)	\$70.3M	8.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Communications Infrastructure	\$4.2M	\$4.2M	0.0%	\$4.7M	13.2%
Database Systems	\$2.8M	\$2.9M	4.3%	\$2.9M	0.9%
Enterprise Computing	\$0.2M	\$0.2M	(4.2%)	\$0.2M	7.7%
Enterprise Services	\$3.4M	\$4.1M	22.8%	\$4.3M	4.9%
Infrastructure Tools	\$4.9M	\$5.1M	5.2%	\$6.0M	17.6%
Middleware	\$2.8M	\$3.6M	26.4%	\$3.7M	4.1%
Network Operations	\$8.3M	\$7.5M	(9.4%)	\$7.8M	3.3%
Radio Management	\$6.2M	\$5.6M	(10.5%)	\$5.9M	6.0%
Systems Engineering	\$5.4M	\$4.9M	(8.9%)	\$6.1M	25.7%
Telephone Engineering	\$15.1M	\$13.9M	(7.4%)	\$14.6M	4.7%
Windows Systems	\$12.8M	\$13.1M	2.6%	\$14.0M	6.5%
Total:	\$66.0M	\$65.1M	(1.2%)	\$70.3M	8.0%

- The 2025 Proposed Budget for the Technology Infrastructure BSL decreases by a little less than \$1 million, or 1.2 percent, relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by \$5.2 million, or eight percent, relative to the 2025 Proposed Budget.
- The largest proposed increase is approximately \$1.7 million for the City’s annual contribution to the Puget Sound Emergency Radio Network. The network began operations in February 2024, and the City’s costs are expected to grow annually.
- The largest proposed reductions include decreases to operational maintenance agreements (\$1.6 million), accounting for increased vacancy and retirement assumptions (\$1 million), and department-wide discretionary budget reductions (\$400,000).
- For 2026, the proposed increases are primarily attributable to increasing infrastructure renewal costs (\$1.9 million), realignment of labor and maintenance budgets within the department (\$1.3 million), and inflation (\$1.2 million).

CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

Note: Changes in the table below may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

CAPITAL BSL SUMMARY CHARTS BY FUND

BSL	Capital Improvement Projects				
Purpose	The Capital Improvement Projects Budget Summary Level provides support for citywide or department-specific IT projects and initiatives within Seattle IT's Capital Improvement Program (CIP).				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Information Technology Fund	\$24.5M	\$21.0M	(14.4%)	\$17.6M	(15.9%)
Total:	\$24.5M	\$21.0M	(14.4%)	\$17.6M	(15.9%)

- Although the 2024 Adopted Budget for the Capital Improvement Projects BSL was \$24.5 million, a more accurate comparison for the 2025 and 2026 Proposed Budget amounts is the amount of capital spending that was projected for 2025 and 2026 in last year’s adopted Capital Improvement Program. Those projected amounts were \$14.2 million for 2025 and \$15.5 million for 2026.
- With the 2025 projected amount as the point of comparison, the 2025 Proposed Budget increases planned spending in 2025 by approximately \$6.8 million. For 2026, the proposed budget increases by about \$2.1 million relative to the 2026 projected amount.
- The largest increase (\$3.5 million in 2025) is for the Telecom Redesign capital project, but rather than representing an increase in costs, the increased budget authority represents a shifting of an expected bond issuance for the project from 2024 to 2025. See the 2024 Year-End Supplemental budget legislation description below for the related 2024 reduction.
- The proposed budget includes funding for two new projects: a new scheduling and timekeeping system for the Seattle Police Department (SPD) (\$1.9 million in 2025), and a three-year project to upgrade and migrate two Oracle Enterprise Content Management platforms to the cloud (\$1.8 million in 2025, \$2.6 million in 2026).
- The proposed budget also zeros out an ongoing capital project that was used to maintain, replace, and upgrade the production systems for the Seattle Channel (\$372,000 in 2025, \$384,000 in 2026).

1. 2024 Year-End Supplemental ORD

The 2024 Year-End Supplemental bill contains 15 items related to Seattle IT:

- There are four appropriation increases in the operating budget totaling almost \$1.8 million, covering a payment to the Puget Sound Emergency Radio Network (\$683,000), increasing costs of the City’s cybersecurity liability policy (\$200,000), labor and equipment to support the transition to Windows 11 (\$600,000), and a continuation of work on the Affordable Seattle program and the computer replacement project that was previously funded by Coronavirus Local Fiscal Recovery (CLFR) funds (\$286,000).
- There are seven other appropriation increases that are backed by revenues from City departments, either through direct billing or monthly billing as costs are incurred. The increases include SPD cloud services (\$550,000), radio purchases for the Community Assisted Response and Engagement (CARE) department and staff support for SDOT and Seattle Public Utilities (SPU) (\$400,000), new computer purchases outside of the regular replacement cycle (\$2.2 million), cabling projects in the Seattle Municipal Tower (\$650,000), software integration and testing for SPD and the Seattle Fire Department (SFD) (\$100,000), mobile telephone costs (\$1.9 million), and online business directory costs (\$150,000).
- One item transfers remaining CLFR appropriation authority from Seattle IT to Finance General.
- The remaining three items abandon unneeded capital appropriation authority for two SPD projects, a permit system integration project, and the Telecom Redesign project in recognition of the bond issuance shifting from 2024 to 2025.

2. 2024 Year-End Grant Acceptance ORD

The 2024 Year-End Grant Acceptance bill would authorize Seattle IT to accept two grants, and it would provide the appropriation authority necessary to spend the grant funding beginning in 2024. Both of the grants come from the Federal Emergency Management Agency (FEMA) via the Cybersecurity and Infrastructure Security Agency (CISA) to bolster the City’s cybersecurity programs, and the combined total of the grants is \$235,000.

OFFICE OF ARTS AND CULTURE (ARTS)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ASHA VENKATARAMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Arts and Cultural Programs	\$12.3M	\$12.3M	0.1%	\$10.1M	(18.2%)
Cultural Space	\$1.0M	\$0.9M	(13.0%)	\$0.9M	1.1%
Leadership and Administration	\$4.7M	\$5.2M	10.5%	\$5.4M	3.6%
Public Art	\$4.9M	\$5.2M	5.8%	\$5.2M	1.2%
Operating Subtotal:	\$22.9M	\$23.6M	2.9%	\$21.6M	(8.4%)
Grand Total:	\$22.9M	\$23.6M	2.9%	\$21.6M	(8.4%)

The Office of Arts and Culture (ARTS) activates and sustains Seattle through arts and culture, investing in artists and arts and cultural institutions throughout the city. The 2025-2026 Proposed Budget for ARTS would increase by \$700,000, a 2.9 percent increase relative to the 2024 Adopted Budget. The increase in the 2025-2026 Proposed Budget would be due primarily to ongoing annual wage increases and several position adds, as well as one-time additions to support challenged arts and cultural organizations (\$2 million) and funds to support the Downtown Activation Plan (DAP) (\$2.5 million). The 2026 Proposed Budget would decrease by 8.4 percent, reflecting a reduction of \$2 million, as the one-time funds added in the 2025 Proposed Budget would not continue into 2026. ARTS is funded entirely by admissions tax revenues and the 2025-2026 Proposed Budget for ARTS does not have any General Fund or JumpStart Fund appropriations. The August revenue forecast reflects a steady growth increase year over year in admissions tax funding.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$6.5M	\$7.1M	9.9%	\$7.5M	5.3%
Non-Labor	\$16.5M	\$16.5M	0.1%	\$14.1M	(14.3%)
Total:	\$22.9M	\$23.6M	2.9%	\$21.6M	(8.4%)
Total FTE:	41	44	5.8%	44	0.0%

- The increase in labor costs would reflect \$600,000 in annual wage increases for bargained and exempt employees and the net addition of 2.41 FTE, increasing from 41.34 FTE in the 2024 Adopted Budget to 43.75 FTE in the 2025-2026 Proposed Budget. The added FTE would be:
 - 0.41 FTE to increase an existing events booking representative at LANGSTON to a full-time 1.0 FTE (\$56,000);
 - 0.5 FTE for a new Maintenance Laborer to support activation of Denny Substation (\$81,000);
 - 1.0 FTE for a new Strategic Advisor 1 position for technical support of the Fluxx grant management system (\$185,000); and
 - 1.0 FTE temporary employee to support HopeCorps in 2025 and 2026 (\$156,000).
- The increase in total FTE would be partially offset by the reduction of 0.5 FTE vacant arts program specialist position supporting creative economy work (\$81,000).
- The decrease in non-labor costs in the 2026 Proposed Budget reflects the removal of one-time additions in the 2025 Proposed Budget related to challenged arts and cultural organizations and funds to support DAP.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Arts and Cultural Programs				
Purpose	The purpose of the Arts and Cultural Programs Budget Summary Level is to invest in Seattle's arts and cultural community.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	\$0.7M	-	(100.0%)	-	-
Other Sources	\$11.6M	\$12.3M	6.1%	\$10.1M	(18.2%)
Total:	\$12.3M	\$12.3M	0.1%	\$10.1M	(18.2%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Activations Equity & Youth Development	\$4.1M	\$2.0M	(52.6%)	\$2.0M	3.3%
Communication Outreach & Events	\$0.7M	\$0.6M	(17.1%)	\$0.7M	5.2%
Cultural Facilities Operations	\$2.1M	\$1.4M	(32.8%)	\$1.5M	4.0%
Funding Programs & Partnership	\$5.3M	\$8.3M	56.0%	\$6.0M	(28.7%)
Total:	\$12.3M	\$12.3M	0.1%	\$10.1M	(8.2%)

- The decrease in the Activations Equity and Youth Development budget program would be due primarily to the removal of one-time adds in the 2024 Adopted Budget, which included:
 - \$650,000 bridge funding to support arts and cultural institutions;
 - \$764,000 for Seattle Center’s Folklife and Festal programming;
 - \$675,000 (JumpStart) for public space improvements related to the Storm practice facility.
- The decrease would include a reduction of \$81,000 and abrogation of 0.5 FTE vacant arts program specialist position supporting creative economy work. The work this position supports is intended to help students of color that are furthest from educational and economic justice leverage their creativity to access meaningful careers and provide a foundational for building generational wealth for communities of color. ARTS therefore identified that this reduction would have negative impacts on racial equity and will ultimately negatively affect vulnerable or historically disadvantaged communities by perpetuating the current status quo.
- The decrease in the communication outreach and events budget program would include removal of one-time funds (\$150,000) for website design and \$30,000 in ongoing funds supporting event communications.
- The decrease in the Cultural Facilities Operations budget program would be due primarily to the removal of \$1 million in one-time funds in the 2024 Adopted Budget to work with the Office of Economic Development on DAP.
- The increase in the 2025 Proposed Budget in the Funding Programs and Partnerships budget program would include the one-time additions to support arts and cultural organizations that are still facing challenges related to deficits and stabilization related to the pandemic (\$2 million) and funds to support DAP in 2026 (\$2.5 million).

BSL	Cultural Space				
Purpose	The purpose of the Cultural Space Budget Summary Level is to fund the development of new cultural spaces, the retention of crucial cultural anchors, and physical space improvements in existing cultural institutions.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$1.0M	\$0.9M	(13.0%)	\$0.9M	1.1%
Total:	\$1.0M	\$0.9M	(13.0%)	\$0.9M	1.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Cultural Space	\$1.0M	\$0.9M	(13.0%)	\$0.9M	1.1%
Total:	\$1.0M	\$0.9M	(13.0%)	\$0.9M	1.1%

- The decrease in the 2025 Proposed Budget would include the removal of \$150,000 in one-time funding in the 2024 Adopted Budget for the African Cultural and Arts Center.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, financial, human resource, and business support to the Office and to support the Seattle Arts Commission, a 16-member advisory board that advises the Office, Mayor, and City Council on arts programs and policy.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$4.7M	\$5.2M	10.5%	\$5.4M	3.6%
Total:	\$4.7M	\$5.2M	10.5%	\$5.4M	3.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$1.1M	\$1.2M	4.8%	\$1.2M	4.1%
Departmental Indirect Costs	\$2.1M	\$2.5M	18.6%	\$2.5M	1.8%
Pooled Benefits and PTO	\$1.5M	\$1.6M	3.3%	\$1.6M	6.1%
Total:	\$4.7M	\$5.2M	10.5%	\$5.4M	3.6%

- The increase in the 2025 Proposed Budget in this BSL would be due primarily to Citywide costs, annual wage increases, other baseline or technical changes, and the addition of two positions:
 - o 0.5 FTE for a new Maintenance Laborer to support activation of Denny Substation (\$81,000);
 - o 1.0 FTE for a new Strategic Advisor 1 position for technical support of the Fluxx grant management system (\$185,000); and
- The increase would be offset by an ongoing reduction of \$35,000 in training and professional development funds.

BSL	Public Art				
Purpose	The purpose of the Public Art Budget Summary Level is to fund the Public Art Program, which develops art pieces and programs for City facilities, and the Artwork Conservation Program, which maintains the City's permanent art collection.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$4.9M	\$5.2M	5.8%	\$5.2M	1.2%
Total:	\$4.9M	\$5.2M	5.8%	\$5.2M	1.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Artwork Conservation	\$0.4M	\$0.5M	9.8%	\$0.5M	2.6%
Public Art	\$4.4M	\$4.7M	5.4%	\$4.7M	1.0%
Total:	\$4.9M	\$5.2M	5.8%	\$5.2M	1.2%

- The increase in the public art budget program in the 2025-2026 Proposed Budget would include the addition of 1.0 FTE temporary employee to support HopeCorps in 2025 and 2026 (\$156zz,000). HopeCorps is a grant program designed to connect under- and unemployed workers in creative industries with career opportunities, launched by ARTS in 2021. The one-time addition of \$356,000 for HopeCorps in the 2025 Proposed Budget is intended for implementation in 2026. There is no ongoing funding for HopeCorps, so the position would sunset at the end of 2026.

BUDGET LEGISLATION

BUDGET LEGISLATION SPECIFIC TO ARTS

1. CBO Admissions Tax 2024 Amendments ORD

The 2025-2026 Proposed Budget would, for the first time, allocate admissions tax revenue directly to departments other than ARTS on an ongoing basis. This legislation would amend the code to allow revenues collected from the admissions tax to be appropriated to any department for arts-related purposes rather than directly appropriated to ARTS. If the Council does not pass this legislation, all admissions tax funds would continue to be appropriated to ARTS. Allocations to other departments proposed in the 2025-2026 Proposed Budget (including \$884,000 that would fund arts-related programs in Seattle Parks and Recreation and \$1.25 million that would fund arts-related programs at Seattle Center) would need to be re-appropriated to ARTS, either for potential further allocation to those or other departments or for retention in ARTS for other purposes. See ARTS’s Policy Considerations paper for more information about this proposed legislation.

2. 2024 Year End Supplemental ORD

This legislation would make two technical changes transferring Coronavirus Local Fiscal Recovery Fund (CLFR) dollars from ARTS to Finance General. The CLFR funds will lapse at the end of 2024. \$6,400 remains in the Public Art BSL from the Created Commons program, which is no longer active. \$167,000 supporting HopeCorps and Cultural Organization rehiring would also be transferred to Finance General. If this legislation does not pass, the CLFR funds will lapse and could not be transferred to Finance General to provide offsets for General Fund deficits.

SEATTLE CENTER (CEN)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Campus	\$26.3M	\$32.9M	25.1%	\$34.2M	3.7%
Leadership and Administration	\$11.3M	\$9.1M	(19.1%)	\$9.8M	7.3%
McCaw Hall	\$6.8M	\$6.7M	(2.2%)	\$7.1M	6.4%
Waterfront	\$6.1M	\$6.7M	10.8%	\$6.9M	3.4%
Operating Subtotal:	\$50.5M	\$55.4M	9.9%	\$58.0M	4.6%
Capital Budget					
Building & Campus Improvements	\$3.1M	\$14.5M	364.9%	\$8.1M	(44.1%)
McCaw Hall Capital Reserve	\$0.7M	\$0.7M	-	\$0.7M	-
Monorail Rehabilitation	\$1.3M	\$1.5M	21.8%	\$1.2M	(21.0%)
CIP Subtotal:	\$5.1M	\$16.8M	230.3%	\$10.0M	(40.2%)
Grand Total:	\$55.5M	\$72.2M	30.0%	\$68.0M	(5.8%)

The operating budget in the 2025-2026 Proposed Budget for the Seattle Center would increase by nearly 10 percent in 2025 and nearly 5 percent from 2025 to 2026. The increase from 2024 to 2025 in the Proposed Budget would be primarily due to labor market adjustments and annual wage increases consistent with Council’s authorization of agreements with the Coalition of Unions and other standalone unions in 2024. The change to 2026 would accommodate annual wage increases, other inflationary costs, and technical changes.

The proposed increase from 2024 to 2025 for capital spending, 230.3 percent, would result primarily from a single change to the Capital Improvement Program (CIP), the \$9 million Memorial Stadium appropriation. See the discussion below in the Building and Campus Improvements Capital BSL section. The Memorial Stadium project is a significant and unique project, and the related appropriation change exemplifies the potential for large swings in capital spending from year to year depending upon the number and scale of projects underway in a City department.

Seattle Center is funded by a combination of tax dollars from the GF and revenue earned from commercial operations and other sources. Major sources of commercial revenue include facility rentals, parking fees, long-term leases to for-profit and non-profit organizations, sponsorships, concession sales, and monorail fares. The earned revenues are deposited and spent from the Seattle Center Fund generally and from the Seattle Center McCaw Hall Fund for revenues generated at this facility.

In the 2025-2026 Proposed Budget, Seattle Center would receive less GF support. To accommodate the reduction, the Seattle Center budget would rely more on revenue generated at the Seattle Center, reclassify and underfill positions, eliminate the Bumbershoot workforce development program, and raise parking, event space, and facility rental fees.

Seattle Center would also rely on increases in support from Admissions Tax revenue to offset the \$1 million GF reductions to the Northwest Folklife Festival, cultural administration staffing, and to fully support the Festal series of community festivals. Similarly, Admissions Tax revenue would be used to fund the annual Winterfest celebration and, therefore, liberate revenues earned by the Seattle Center for other purposes. See notes below per BSL and refer to the ARTS Policy Considerations paper.

The 2025-2026 Proposed Budget for the Seattle Center is predicated upon the passage of two ordinances included in the raft of budget legislation: the CEN 2025-2026 Parking Rates Ordinance and the CEN 2025-2026 Facility Fees Ordinance. See the Budget Legislation section for more information.

The proposed budget relies on substantial, forecasted increases in earned revenue for the Seattle Center during 2025 and 2026: almost \$3 million (11.7 percent) with parking revenues growing the most among the multiple revenue sources (20.8 percent).

In 2018, [Ordinance 125717](#) authorized an interfund loan of up to \$5 million to the Seattle Center Fund from the Unrestricted Cumulative Reserve Fund to support Seattle Center operations during the renovation of KeyArena to Climate Pledge Arena. In 2020, recognizing the economic impact of the COVID-19 pandemic, the City extended the time to repay the interfund loan from the end of 2026 to the end of 2033 and increased the maximum amount to \$18 million via [Ordinance 126218](#). This legislation also changed the loan fund to the REET II Capital Projects Fund.

The balance of the interfund loan is \$15.7 million. Seattle Center is proposed to make payments according to the repayment schedule in the amounts of \$1.5M in 2025 and \$1.6 M in 2026.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$34.8M	\$39.4M	13.2%	\$41.7M	5.8%
Non-Labor	\$20.7M	\$32.7M	58.3%	\$26.3M	(19.8%)
Total:	\$55.5M	\$72.2M	30.0%	\$68.0M	(5.8%)
Total FTE:	249	256	2.8%	256	-

The 2025 Proposed Budget would make the following changes to CEN positions:

- Add 1.0 FTE Event Booking Representative and 1.0 FTE Parking Attendant;
- Eliminate 1.0 FTE Admission Employee (two part-time positions); and
- Add 6.0 FTE Security Officers to service the Waterfront. The Security Officers were originally scheduled to be included in the 2025 budget to coincide with the opening of the new Overlook Walk. Council approved the addition of the positions via the Mid-Year Supplemental Budget Ordinance ([ORD 127068](#)).

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Campus				
Purpose	The purpose of the Campus Budget Summary Level is to manage and operate Seattle Center's Campus events, grounds and facilities.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$8.3M	\$8.1M	(3.4%)	\$8.4M	4.6%
JumpStart Fund	\$0.2M	\$0.2M	60.9%	\$0.3M	5.4%
Other Sources	\$17.8M	\$24.6M	38.2%	\$25.5M	3.4%
Total:	\$26.3M	\$32.9M	25.1%	\$34.2M	3.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Access	\$2.2M	\$3.3M	47.8%	\$3.4M	2.4%
Campus Grounds	\$17.1M	\$21.1M	23.3%	\$21.9M	3.7%
Commercial Events	\$1.9M	\$2.6M	37.2%	\$2.7M	4.2%
Community Programs	\$2.8M	\$3.4M	23.1%	\$3.6M	4.3%
Cultural Facilities	\$0.3M	\$0.4M	18.0%	\$0.4M	4.8%
Festivals	\$2.0M	\$2.2M	7.9%	\$2.3M	4.4%
Total:	\$26.3M	\$32.9M	25.1%	\$34.2M	3.7%

- Other Sources for the Campus BSL includes the Seattle Center Fund and the Arts and Culture Fund;
- Admissions Tax revenue from the Arts and Culture Fund would replace \$1 million GF for Northwest Folklife Festival, cultural administration staffing, and Festal;
- Admissions Tax revenue would replace Seattle Center Fund support of \$240,000 for Winterfest;
- Refer the Arts Policy Considerations paper for a discussion of the spending supported with the Admission Tax revenues;
- The Proposed Budget reduces JumpStart support for the Bumberworks program by \$150,000 in 2026; and
- Increase JumpStart support by \$265,000 in 2026 to fund an ongoing 2026 FIFA World Cup games coordinator position

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the department.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$7.1M	\$7.7M	8.6%	\$8.3M	7.3%
JumpStart Fund	-	-	-	-	-
Seattle Center Fund	\$4.2M	\$1.4M	(66.3%)	\$1.5M	7.7%
Total:	\$11.3M	\$9.1M	(19.1%)	\$9.8M	7.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$4.5M	\$3.8M	(15.9%)	\$4.1M	7.9%
Departmental Indirect Costs	\$8.1M	\$10.4M	28.5%	\$10.8M	4.6%
Divisional Indirect	(\$0.4M)	(\$0.1M)	(81.8%)	(\$0.1M)	33.4%
Employee Benefits	(\$5.7M)	(\$4.2M)	(26.2%)	(\$4.2M)	1.1%
Indirect Cost Recovery Offset	\$4.8M	(\$0.8M)	(116.9%)	(\$0.8M)	4.9%
Total:	\$11.3M	\$9.1M	(19.1%)	\$9.8M	7.3%

- Would increase appropriation by \$945,000 in 2025 and \$1 million in 2026 to make interfund loan payments totaling \$1.5 million in 2025 and \$1.6 million in 2026

BSL	McCaw Hall				
Purpose	The purpose of the McCaw Hall Budget Summary Level is to operate and maintain McCaw Hall.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.8M	\$0.8M	4.8%	\$0.9M	4.0%
JumpStart Fund	\$0.0M	\$0.0M		\$0.0M	
Other Sources	\$6.0M	\$5.8M	(3.3%)	\$6.2M	7.1%
Total:	\$6.8M	\$6.7M	(2.2%)	\$7.1M	6.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
McCaw Hall	\$6.8M	\$6.7M	(2.2%)	\$7.1M	6.4%
Total:	\$6.8M	\$6.7M		\$7.1M	6.4%

- Other Sources for McCaw Hall include the Seattle Center McCaw Hall Fund and REET I
- REET I funding goes to the McCaw Hall Capital Reserve, see discussion in capital section below
- Revenues generated at McCaw Hall are deposited to the Seattle Center McCaw Hall Fund
- Appropriations from the Seattle Center McCaw Hall Fund would be \$5.5 million in 2025 and \$5.9 million in 2026
- Reduces GF expenditures for City allocations by \$96,000 and \$101,000 in 2025 and 2026, respectively, with commensurate increases in expenditures for this purpose from the Seattle Center McCaw Hall Fund

BSL	Waterfront				
Purpose	The purpose of the Waterfront Budget Summary Level is to fund and track the annual operation and maintenance costs of the Seattle Waterfront.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.1M	-	(100.0%)	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$6.0M	\$6.7M	12.7%	\$6.9M	3.4%
Total:	\$6.1M	\$6.7M	10.8%	\$6.9M	3.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Waterfront O&M	\$6.1M	\$6.7M	10.8%	\$6.9M	3.4%
Total:	\$6.1M	\$6.7M	10.8%	\$7.1M	6.4%

- Seattle Center is responsible for operations, maintenance, and public safety for the Waterfront, and receives Metropolitan Park District (MPD) funding;
- MPD funding (\$5.7 million and \$5.9 million in 2025 and 2026, respectively) and Seattle Center Fund comprise Other Sources in the Waterfront BSL
- Friends of the Waterfront Seattle (FOW) support of \$1 million per year would be allocated from the Seattle Center Fund according to the City’s agreement with FOW to partner in operating and managing the Waterfront Park spaces

CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

Note: Changes in the tables that follow may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Building and Campus Improvements				
Purpose	The purpose of the Building and Campus Improvements Budget Summary Level is to provide for improvements throughout the Seattle Center campus, including buildings and building systems, open spaces, public gathering places, utility infrastructure, and long-range planning.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Armory Rehabilitation	-	\$0.5M	-	\$1.6M	255.6%
Campuswide Improvements & Renovations	\$1.1M	\$11.2M	922.0%	\$3.2M	(71.7%)
Facility Infrastructure Renovations	\$1.5M	\$1.6M	5.6%	\$0.3M	(78.1%)
Parking Repairs & Improvements	-	\$0.2M	-	\$0.6M	291.3%
Public Gathering Space Improvements	-	\$0.2M	-	\$0.6M	213.1%
Utility Infrastructure MP and Repairs	\$0.5M	\$1.0M	89.7%	\$1.8M	83.3%
Total:	\$3.1M	\$14.5M	364.9%	\$8.1M	(44.1%)

- The most significant increase in the 2025 Proposed Budget for the Building and Campus Improvements BSL relative to the 2024 Adopted Budget is a \$9 million appropriation for the Memorial Stadium Redevelopment project. The \$9 million of capital spending on the project in 2025 was assumed in the Capital Improvement Program (CIP) that was adopted last year, but rather than being funded with LTGO bonds in 2025, the proposed budget funds the expenditures with an interfund loan. See the Budget Legislation section for additional detail on the interfund loan.
- The 2026 Proposed Budget does not contain additional capital spending on the Memorial Stadium Redevelopment project, although the CIP does include an additional \$29 million in planned expenditures in 2027. In addition, the 2026 Proposed Budget incorporates a decrease of approximately \$970,000 to account for the debt service on bonds being delayed by one year.

BSL	McCaw Hall Capital Reserve				
Purpose	The purpose of the McCaw Hall Capital Reserve Fund Budget Summary Level is to maintain and enhance the McCaw Hall facility.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
McCaw Hall Asset Preservation	\$0.7M	\$0.7M	-	\$0.7M	-
Total:	\$0.7M	\$0.7M	-	\$0.7M	-

- The Pacific Northwest Ballet and Seattle Opera would together match the City’s REET investment in the McCaw Hall Capital Reserve at \$337,000 per year. Adding the interest earnings, the total comes to \$691,000 per year
- This funding supports the McCaw Hall Capital Renewal/Major Maintenance Plan, under the direction of the McCaw Hall Operating Board

BSL	Monorail Rehabilitation				
Purpose	The purpose of the Monorail Rehabilitation Budget Summary Level is to provide for the renovation and maintenance of the Seattle Center Monorail, including the two trains, the two stations, and the guideways that run in between.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Monorail Rehabilitation	\$1.3M	\$1.5M	21.8%	\$1.2M	(21.0%)
Total:	\$1.3M	\$1.5M	21.8%	\$1.2M	(21.0%)

- The 2025-2026 Proposed Budget includes one-time JumpStart funding of \$350,000 in 2025 for schematic design for a Westlake Station upgrade and ADA accessibility improvements.

BUDGET LEGISLATION

BUDGET LEGISLATION SPECIFIC TO SEATTLE CENTER

1. Year End Supplemental Ordinance

This supplemental budget ordinance proposes changes to the 2024 budget in various departments. For Seattle Center, this legislation would:

- Increase appropriation authority by \$764,000 in the Campus Fund Campus Budget Control Level (BCL) due to receipt of Admissions Tax revenue from the Office of Arts and Culture. This item was included in the Office of Arts and Culture 2024 Adopted Budget, but due to a technical oversight no expenditure authority was added to Seattle Center;
- Transfer appropriation authority in the amount of \$128,792 from Finance General, General Fund General Purpose BCL. This request is necessary to pay for employee backfill due to Paid Parental Leave and Paid Family Care Leave;
- Increase grant-backed appropriation authority by \$115,500 in the Building & Campus Improvements BCL. The original grant acceptance and appropriation was approved in [Ordinance 127069](#). The grant is from the State of Washington Department of Commerce and provides funding to install Electric Vehicle Charging Stations in three locations within Seattle Center; and
- Increase revenue-backed appropriation authority by \$74,580 in the Seattle Center Building & Campus Improvements BCL. This request is necessary to increase the available spending due to reimbursement by Seattle Public Schools for 50 percent of certain expenses

2. CEN Parking Rates 2025-2026 Ordinance

This legislation would update Seattle Center's parking charges by amending Section 17.19.010 of the Seattle Municipal Code. The main changes include:

- Increasing the upper limit of the range of both daily and monthly parking charges to better align with the current market conditions;
- Eliminating sections related to Parking Scrip to streamline the special parking charges;
- Renaming parking programs and replacing parking terminology; and
- Introducing a new monthly parking access card

3. CEN Facility Fees 2025-2056 Ordinance

This legislation would update Seattle Center's facility use fees for event facilities. As proposed, the Seattle Center Director would continue to have discretion to raise or lower fees if the current event market supports the change. The proposal would generally continue the fee structure for the Center's event facilities bounded by established minimums and maximums. The fee changes proposed include:

- An increase in the Maximum and certain Minimum fees for use of certain Seattle Center Campus Facilities and for Marion Oliver McCaw Hall, and
- An option for the Exhibition Hall and Fisher Pavilion to have use fee ranges for spectator events that include a percentage of net gross sales in lieu of an event day fee.

The legislation would modify the terms and conditions for events at the Seattle Center by:

- Changing the Seattle Center Director's authority to approve event contracts with terms up to three years instead of two without City Budget Office review;
- Update the name of Seattle Center's public programming unit from "Seattle Center Productions" to "Seattle Center Public Programs"; and
- Update the threshold of financial support requiring the City Budget Director's approval from \$25,000 to \$75,000

4. CEN Memorial Stadium Interfund Loan Ordinance

The Memorial Stadium Interfund Loan bill would authorize the Director of Finance to make a non-revolving loan of up to \$9.3 million from the REET I Capital Projects Fund to the 2026 Multipurpose LTGO Bond Fund for the benefit of the Memorial Stadium Redevelopment project. The City, in partnership with Seattle Public Schools, has been pursuing the redevelopment of Memorial Stadium into a state-of-the-art, multi-purpose sports, educational, and entertainment stadium, and the Executive anticipates that the City will be contractually obligated to provide funding for the project beginning in early 2025. The interfund loan authorized by this bill would allow Seattle Center to make expenditures in support of the project while negotiations are completed, and project commitments are formalized.

The interfund loan would be repaid, with interest, with proceeds from the sale of LTGO bonds in 2026, and the bill states that the loan is to be repaid no later than December 31, 2026. The bill also creates a new 2026 LTGO bond fund in the City Treasury, into which the bond proceeds will be deposited.

SEATTLE PARKS AND RECREATION (SPR)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYSTS: TRACI RATZLIFF & KARINA BULL

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Departmentwide Programs	\$20.1M	\$22.0M	9.8%	\$22.8M	3.7%
Golf Programs	\$14.0M	\$18.3M	30.8%	\$18.5M	0.7%
Leadership and Administration	\$48.4M	\$52.3M	8.1%	\$54.6M	4.4%
Parks & Facilities Maintenance & Repairs	\$88.4M	\$102.1M	15.6%	\$106.9M	4.7%
Recreation Facility Programs	\$47.4M	\$54.8M	15.5%	\$56.4M	3.0%
Zoo and Aquarium Programs	\$9.0M	\$9.2M	2.3%	\$9.4M	2.3%
Operating Subtotal:	\$227.3M	\$258.7M	13.8%	\$268.7M	3.8%
Capital Budget					
Building For The Future	\$39.2M	\$7.4M	(81.2%)	\$7.6M	3.0%
Debt and Special Funding	\$6.0M	\$5.0M	(15.5%)	\$10.1M	100.9%
Fix It First	\$47.7M	\$66.4M	39.3%	\$218.7M	229.2%
Maintaining Parks and Facilities	\$0.6M	\$1.8M	197.8%	\$1.8M	0.9%
SR520 Mitigation	-	-	-	-	-
CIP Subtotal:	\$93.5M	\$80.7M	(13.7%)	\$238.2M	195.3%
Grand Total:	\$320.7M	\$339.4M	5.8%	\$506.9M	49.3%

Seattle Parks and Recreation (SPR) provides safe and accessible spaces for residents and visitors to work, recreate, rejuvenate; and enhances quality of life and wellness for children, teenagers, adults and seniors. SPR manages a 6,400+ acre park system of nearly 500 parks and extensive natural areas and more than 25 miles of boulevards and 120 miles of trails. The system comprises about 12 percent of the city's land area. SPR also manages many facilities, including 26 community centers, eight indoor swimming pools, two outdoor (summer) swimming pools, three environmental education centers, two small craft centers, four golf courses, an outdoor stadium, and more. SPR also partners with neighbors, volunteer groups, non-profit agencies, local businesses, the Associated Recreation Council, and Seattle Public Schools to provide access to open spaces, facilities, and programs.

SPR is funded by the General Fund (GF), Parks and Recreation Fund, Seattle Park District (Park District) Fund, and the King County Levy. The 2025-2026 Proposed Budget would increase appropriations to SPR from these funds by about six percent (\$18.7 million) from 2024 to 2025, reflecting an increase by 14 percent of its operating budget and a decrease by 14 percent of its capital budget largely due to updating planned bond issuance to align with project schedules; and an additional 49 percent (\$167.5 million) between 2025 to 2026. The changes are intended to maintain core SPR services (e.g., community centers and pools, parks, recreation opportunities) while maintaining budget for future major capital projects (e.g., 8th & Mercer, Queen Anne, Loyal Heights Community Center renovations, new park development, athletic field turf conversions).

Notable changes in the proposed budget include:

- **Changes to Park District Funding to address GF deficit** – shift of \$8.8 million in Park District funding in 2025 and \$6.7 million in 2026 to cover core programming previously supported by GF. Changes include: using one-time excess Park District interest income, reducing Park-District funded capital budgets; and reducing planned debt payments and shifting to out years to align with current project schedules.
- **Reducing GF funded programming and staffing** – ongoing reduction of \$1 million in staffing efficiencies and reductions in 2025 and 2026.
- **Changes to funding sources to address GF deficit** – fund swaps to replace GF with other resources. Changes include: using Admission Tax revenue (\$884,000 in 2025 and \$900,000 in 2026) for Downtown Buskers, Arts in the Parks Grant Program, and Teen Performing Arts Programming; and using the Payroll Expense Tax revenue (\$186,000 in 2025 and 2026) for Center City Activation Programming (i.e., concierges at downtown parks).
- **Downtown investments** – allocation of \$1.3 million in 2025 and \$2.3 million in 2026 of Payroll Expense Tax revenue for the Mayor’s Downtown Activation Plan (DAP) for improvements at Westlake Park.
- **Youth Mental Health Programming** – allocation of \$1.1 million in 2025 and \$600,000 in 2026 of Payroll Expense Tax funding to support Youth Mental Health Program. One-time funding of \$500,000 in 2025 is proposed to be used to design, create and implement an online platform for teens to access a variety of youth programs including community services, education, recreation programs, scholarships, and mental health supports. The \$600,000 in ongoing funding in 2025 and 2026 is proposed to be used to provide opportunities for youth to access rural nature experiences at the Red Barn Branch, a SPR-owned property in rural King County.
- **Unified Care Team (UCT) Expansion** – funding of \$880,000 in 2025 and \$1.1 million in 2026 to expand UCT teams from 5- to 7-days a week coverage.
- **Transfer Graffiti Abatement funding and positions** – GF (\$1.1 million in 2025 and \$774,000 in 2026) and nine positions are transferred from Seattle Public Utilities to SPR resulting in some GF savings and consolidation of some of the City staffing for Graffiti Abatement.
- **Revenue generation** – fee increases for aquatics, athletics, Amy Yee Tennis Center (AYTC), special events and recreation facilities, community centers, and revocable use permits to offset the cost of implementing annual wage increases and provide funds to add positions and support scholarships.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$152.5M	\$181.1M	18.7%	\$189.7M	4.8%
Non-Labor	\$168.2M	\$158.3M	(5.9%)	\$317.1M	100.3%
Total:	\$320.7M	\$339.4M	5.8%	\$506.9M	49.3%
Total FTE:	1,132	1,140	0.7%	1,132	(0.6%)

Labor

The 2025-2026 Proposed Budget would increase labor appropriations by 19 percent (\$28.6 million) from 2024 to 2025 and an additional five percent (\$8.6 million) in between 2025 to 2026. In addition to changes related to annual wage increases, notable changes include position increases (18.25 FTE in 2025) to reflect interdepartmental transfers and investment priorities and position reductions (10.4 FTE in 2025 and 7.35 in 2026) to address the GF deficit.

Increases

- **Graffiti Abatement Program from Seattle Public Utilities (SPU) to SPR (11.0 FTE)**
 - Transfer the Graffiti Abatement Team (9.0 FTE) from SPU to SPR to consolidate Citywide graffiti abatement in one department.
 - Add 2.0 FTE to provide oversight and administrative support for the expanded graffiti abatement team.
 - As a result, these changes account for \$496,000 in GF savings due to SPU’s overhead rate.
- **Unified Care Team (UCT) to seven-day coverage (6.0 FTE)**
 - Expand UCT services (e.g., outreach/referrals to shelter for people experiencing homelessness, removing trash from encampments) from five to seven days per week by hiring more laborers and management staff. UCT currently has 54.5 FTE; this proposal would add 6.0 FTE, an increase of 11 percent.
- **Aquatics Programming (1.0 FTE)**
 - Add positions for aquatic programs, providing an Assistant Aquatic Coordinator (0.5 FTE) at the Rainier Beach Pool and a Senior Lifeguard (0.5 FTE) at the Ballard Pools, to fully support seven day per week operations. Aquatic fee increases would provide funding.
- **Revocable Use Permits (.25 FTE)**
 - Increase a Real Property Agent from part-time to full-time to support compliance revocable use permit (RUP) fee administration of public land under the control of SPR. SPR charges RUP fees to third parties, including property owners, developers, utilities and others, for short-term or ongoing non-park uses (e.g., construction, maintenance, repair work, etc.). RUP fee increases would provide funding.

Reductions

- **Parks and Natural Areas Maintenance (5.69 FTE)**
 - Reduce seven part-time laborer positions (retaining about 240 FTE for this work) and one supported employment position, resulting in limited impacts on maintenance levels across the parks system, but fewer supplemental staffing resources during the peak season March through October.
- **Leadership and Administration Staffing (3.75 FTE)**
 - Reduce positions in three leadership and support teams: Policy and Performance (0.75 FTE), Communications and Business Systems (1.0 FTE), and Customer Service (2.0 FTE). SPR estimates that reduced capacity on these teams could slow response time to customers by 25 percent, and delay/stall progress on improvements to customer service innovation, staff training for customer-facing positions, and organizational performance management.
- **Outdoor Park Activation (1.0 FTE)**
 - Reduce one position for outdoor park activation, resulting in fewer resources for activating areas outside of the Downtown core and returning funding for this work to Park District Cycle 1 funding levels (i.e., Ballard Commons and one to two other focus locations each year).
- **Environmental Programming Staff in 2026 (7.35 FTE)**
 - Reduce nine positions in 2026 for environmental programming at Carkeek Park and Discovery Park. SPR will engage in an RFP process in 2025 to identify a public-private partnership to operate the site and provide programming.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Departmentwide Programs				
Purpose	The purpose of the Department-Wide Services Budget Summary Level is to provide management and operations of services that span across multiple lines of business within Seattle Parks and Recreation such as partner relationship management, emergency operations, security services, athletic and event scheduling, and the Seattle Conservation Corps.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$4.7M	\$5.5M	17.0%	\$5.6M	1.8%
JumpStart Fund	\$0.0M	\$0.2M	-	\$0.2M	-
Other Sources	\$15.4M	\$16.4M	6.4%	\$17.1M	4.4%
Total:	\$20.1M	\$22.0M	9.8%	\$22.8M	3.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Departmentwide Other	\$6.2M	\$6.4M	2.7%	\$6.6M	2.7%
Partnerships - Departmentwide	\$8.3M	\$9.4M	13.5%	\$9.7M	3.4%
Seattle Conservation Corps	\$5.6M	\$6.2M	12.2%	\$6.6M	5.3%
Total:	\$20.1M	\$22.0M	9.8%	\$22.8M	3.7%

The Departmentwide Programs BSL includes the following notable changes:

- **Departmentwide Other Program** – reduce appropriations for Leadership and Administration staffing and environmental programming at Carkeek and Discovery Park in 2026, as described previously.

- **Partnerships Departmentwide Program** – reflect revenue from athletic field and events scheduling fee increases, a fund swap to broaden use of Admissions Tax revenue to support downtown music buskers, and a fund swap to use the JumpStart Fund to support SPR park activation in downtown. Increased appropriations would include funding to support administration of Revocable Use Permit (RUP) fee program and event scheduling expenses (funded by fee increases) among other expenses.

BSL	Golf Programs				
Purpose	The purpose of the Golf Budget Summary Level is to manage the City’s four golf courses at Jackson, Jefferson, West Seattle, and Interbay to provide public golf courses and related programs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$14.0M	\$18.3M	31.1%	\$18.5M	0.7%
Total:	\$14.0M	\$18.3M	30.8%	\$18.5M	0.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Golf Course Programs	\$14.0M	\$18.3M	30.8%	\$18.5M	0.7%
Total:	\$14.0M	\$18.3M	30.8%	\$18.5M	0.7%

The Golf Program BSL includes the following notable changes:

- **Golf Course Programs** – increase appropriations for annual wage adjustments that are supported by revenues generated from City golf courses.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology, and business support to the department.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$40.6M	\$44.4M	9.5%	\$46.9M	5.7%
JumpStart Fund	\$0.1M	\$1.1M	1100.0%	\$0.6M	(45.5%)
Other Sources	\$7.7M	\$6.8M	(12.4%)	\$7.0M	3.7%
Total:	\$48.4M	\$52.3M	8.1%	\$54.6M	4.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$19.5M	\$20.6M	5.4%	\$22.1M	7.5%
COVID Planning 2021	\$1.5M	-	(100.0%)	-	-
Departmental Indirect Costs	\$15.3M	\$16.7M	8.7%	\$17.4M	4.2%
Divisional Indirect Costs	\$14.2M	\$17.0M	20.3%	\$17.2M	0.8%
Indirect Cost Recovery Offset	(\$6.3M)	(\$7.4M)	17.4%	(\$7.7M)	3.9%
Pooled Benefits	\$4.1M	\$5.4M	30.3%	\$5.6M	3.8%
Total:	\$48.4M	\$52.3M	8.1%	\$54.6M	4.4%

The Leadership and Administration Program BSL includes the following notable changes:

- **Departmental Indirect Costs** – increase appropriations for RUP administration; and reduce leadership and administration staffing.
- **Divisional Indirect Costs** – increase appropriations for Youth Connector Program and RUP administration.

- **Pooled Benefits** – increase appropriations to support the addition of aquatic staffing (funded by fee increases) and the transfer of the Graffiti Abatement Team from SPU to SPR. Reductions would include changes to parks and natural areas maintenance staffing, outdoor parks activation, leadership and administration staffing and environmental programming at Carkeek and Discovery Park in 2026, described previously.

BSL	Parks and Facilities Maintenance and Repairs				
Purpose	The purpose of the Parks and Facilities Maintenance and Repairs Budget Summary Level is to repair and maintain parks, park buildings, and park infrastructure.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$55.4M	\$57.4M	3.7%	\$61.9M	7.9%
JumpStart Fund	-	-	-	-	-
Other Sources	\$33.0M	\$44.7M	35.4%	\$45.0M	0.6%
Total:	\$88.4M	\$102.1M	15.6%	\$106.9M	4.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
CIP Cost Recovery Offset	(\$1.0M)	(\$1.6M)	51.9%	(\$1.6M)	-
M&R Grounds Crews	\$52.2M	\$59.7M	14.5%	\$63.0M	5.5%
M&R Shops Crews	\$27.2M	\$33.0M	21.4%	\$34.0M	3.1%
M&R Specialty Crews	\$10.1M	\$11.0M	9.0%	\$11.5M	4.6%
Total:	\$88.4M	\$102.1M	15.6%	\$106.9M	4.7%

The Parks and Facilities Maintenance and Repairs BSL includes the following notable changes:

- **M & R Grounds Crews** – increase appropriations for Public Hygiene Funding to reflect transfer from SPU to SPR; increase appropriations for expansion of UCT from five to seven days; reduce appropriations for staffing for parks maintenance.
- **M & R Shops Crews** – increase appropriations for Graffiti Abatement Team transfer from SPU to SPR.
- **M & R Specialty Crews** – reduce appropriations for staffing for parks maintenance (see grounds crew appropriations).

BSL	Recreation Facility Programs				
Purpose	The purpose of the Recreation Facility Programs Budget Summary Level is to provide active and passive recreation services to Seattle residents through the direct management, maintenance, and operation of programs and facilities and by leveraging partnerships.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$15.9M	\$17.2M	7.9%	\$17.2M	(0.1%)
JumpStart Fund	-	-	-	-	-
Other Sources	\$31.5M	\$37.6M	19.3%	\$39.2M	4.4%
Total:	\$47.4M	\$54.8M	15.5%	\$56.4M	3.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Aquatic & Swimming Programs	\$10.4M	\$12.6M	20.7%	\$13.3M	5.7%
Partnerships - Recreation	\$1.3M	\$1.6M	22.4%	\$1.7M	5.8%
Rec Programs & Facility Ops	\$35.7M	\$40.6M	13.7%	\$41.4M	2.1%
Total:	\$47.4M	\$54.8M	15.5%	\$56.4M	3.0%

The Recreation Facilities Programs BSL includes the following notable changes:

- **Aquatics and Swimming programs** – increase appropriations for fee increases that would also support increased funds for swim lesson scholarships and additional positions to enhance new swim programs to generate additional revenue.
- **Partnerships Recreation** – increase appropriations for scholarships (funded by fee increases) at the Amy Yee Tennis Center.
- **Rec Programs and Facility Ops** – reflect a fund swap broadening use of the Admissions Tax revenue to support arts in Parks grants and programming, and Teen Performing Arts summer programs; and reduced appropriations for: community grants for culturally relevant health and fitness programs for under resourced communities, programming for outdoor parks activation, leadership and administration staffing, and environmental programming at Carkeek and Discovery Park in 2026.

BSL	Zoo and Aquarium Programs				
Purpose	The purpose of the Zoo and Aquarium Budget Summary Level is to support contracted non-profit partners ability to provide services to the community through operations of the Woodland Park Zoo and the Seattle Aquarium.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.9M	\$3.7M	27.4%	\$3.7M	0.0%
Jumpstart Fund	\$0.0M	\$0.0M	0%	\$0.0M	0%
Other Sources	\$6.1M	\$5.5M	(9.8%)	\$5.7M	3.9%
Total:	\$9.0M	\$9.2M	2.3%	\$9.4M	2.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Zoo & Aquarium Programs	\$9.0M	\$9.2M	2.3%	\$9.4M	2.3%
Total:	\$9.0M	\$9.2M	2.3%	\$9.4M	2.3%

The Zoo and Aquarium Programs BSL includes the following notable changes:

- **Zoo** - increase appropriations for operating and maintenance payments to the Woodland Park Zoo based on inflation as required by the Master Operating Agreement with Woodland Park Zoological Society.

CAPITAL BUDGET

SPR's 2025-2030 Proposed CIP budget across all funds would be \$81 million in 2025 and \$238 million in 2026, reflecting a wide range of discrete projects and ongoing programs with a mix of funding sources. Of this amount, 57 percent or about \$46 million is from Park District revenues. The reduction in 2025 is primarily due to shifting about \$118 million of planned bond funding from 2025 to 2026 to align with updated project delivery schedules for four community centers.

Proposed changes include reductions in certain CIP projects to support the operating side of the SPR's budget given projected ongoing shortfalls in operating revenues, particularly in the GF. This realignment entails the following reductions in CIP projects for the 2025-2029 period:

- Reduced appropriations (\$2.4 million in 2025 and \$2 million in 2026) for the Major Maintenance and Asset Management CIP project.
- Reduced appropriations (\$1 million a year from 2025-2029) for the CommUNITY fund that supports community proposed parks projects.
- Reduced appropriations (\$440,000 per year from 2025-2029) for park land acquisition program.
- Reduced debt service payment (\$5.3 million in 2025) for four community center projects (i.e., renovations/rebuilds at Green Lake, Lake City, and Queen Anne Community Centers, project development at 8th & Mercer) that have had construction schedule adjustments that have pushed the start date from 2025 to 2026. Of these debt service payments, \$2.5 million in 2025 is shifted to the operating budget due to GF shortfalls, and \$2.8 is redistributed to other priority capital projects. This reduction in debt service payments is due to a shift in the planned bond issuance of \$117.9 million from 2025 to 2026 when the four community center projects are projected to begin construction.
- Shift appropriation (about \$1 million per year) of King County Parks Levy Funding from the Golf Capital Improvements program to support increased utility costs. Golf revenues would support the Golf Capital Improvements going forward.

In addition to the above reductions, there are proposed adds to the SPR CIP over the 5-year period:

- Increased appropriations (\$500,000 in 2025 and \$1.5 million annual thereafter for 10 years in total) for the Landscape Conservation and Local Improvement Program (LCLIP), supporting parks and recreation investments, described in more detail below.
- Increased appropriations (\$1.3 million in 2025 and \$2.3 million in 2026) to the Major Maintenance and Asset Management CIP project to fund improvements at Westlake Park.
- Adds \$195,000 in 2025 and 2026 for the Municipal Energy Efficiency Program. This is funded by JumpStart Green New Deal funding and overseen by the Office of Sustainability and Environment.

SPR's Proposed CIP does not make any adjustments to REET beyond technical changes to align with the Citywide debt schedule and the addition of funding to the outyears of the CIP.

Note: Changes in the tables that follow may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Building For The Future				
Purpose	The purpose of the Building for the Future Budget Summary Level is to develop new parks and facilities, to acquire new park land, and to improve existing parks and facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Building For The Future - CIP	\$39.2M	\$7.4M	(81.2%)	\$7.6M	3.0%
Total:	\$39.2M	\$7.4M	(81.2%)	\$7.6M	3.0%

The Building For The Future BSL includes the following notable changes:

- **LCLIP** – increase LCLIP appropriations to provide funding for capital improvements in South Lake Union or Downtown. The LCLIP program allows cities to receive a portion of County property tax revenue for local infrastructure investments if they implement a program to obtain regional Transfer of Development Rights (TDRs). The City has participated in this program since approximately 2013 and has only funded transportation projects for the first ten years. It will now fund parks infrastructure projects through 2034. SPR would identify and develop a list of potential projects in coordination with community groups; the projects would require legislation and Council consideration in early 2025.
- **CommUNITY Fund** – reduce appropriations for the CommUNITY Fund that provides grants to community organizations for increasing access to green space and safety from environmental harms in neighborhoods with a history of racial and social disparities. Remaining funding is \$2.3 million for this program.
- **Land Acquisition Funding** – reduce appropriations for SPR’s capital acquisition program and reallocate those resources to other base services; retain \$1 million per year in funding to leverage grant King County Conservations Futures tax (CFT) funding to continue SPR’s greenspace acquisition program and to support other low-cost priority acquisitions (e.g., park additions, recreation easements).

BSL	Debt and Special Funding				
Purpose	The purpose of the Debt and Special Funding Budget Summary Level is to meet debt service obligations on funds borrowed to meet the Department of Parks and Recreation’s capital expenditure requirements and to accomplish unique projects with special funding sources.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Debt and Special Funding	\$6.0M	\$5.0M	(15.5%)	\$10.1M	100.9%
Total:	\$6.0M	\$5.0M	(15.5%)	\$10.1M	100.9%

The Debt and Special Funding BSL includes the following notable changes:

- **Park District Debt Service CIP Funding** – reduce appropriations to adjust 2025-2030 funding for proposed debt service funded capital projects to align with changes being proposed to those projects in the Park District Cycle 2 Financial Plan and reallocate resources to other base services or other priority capital projects.
- **Utility Costs** – reduce King County Levy funding supporting debt service for the Golf Capital Improvements CIP project. Revenues from the Golf Program will now support the annual debt service payment. The King County Levy funds will now be used to cover increased utility cost.

BSL	Fix It First				
Purpose	The purpose of the Fix It First Budget Summary Level is to provide for major maintenance, rehabilitation, and preservation of parks, forests, facilities, and related infrastructure.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Fix It First - CIP	\$47.7M	\$66.4M	39.3%	\$218.7M	229.2%
Total:	\$47.7M	\$66.4M	39.3%	\$218.7M	229.2%

The Fix It First BSL includes the following notable changes:

- **Reduce Long Term General Obligation Bond Funding** – move the planned LTGO bond issuance for the renovation of four community centers (Queen Anne Community Center, Green Lake Community Center and Evans Pool, Lake City Community Center, and 8th and Mercer Community Center) from 2025 to 2026 to align funding with current project schedules.
- **Park District Debt Service CIP Funding to Priority Capital Projects** – adjust 2025-2030 funding for proposed debt service funding for the renovation of community centers mentioned above to align with current project schedules, reallocating funding to three capital projects in Fix It First (Soundview, West Queen Anne, Green Lake Community Center design).
- **MEEP Funding** - increase appropriations from the Municipal Energy Efficiency Program (MEEP) to support implementation of the Citywide Resource Conservation program budget, specifically funding pre-electrification work in community centers in 2025.
- **Westlake Park** – increase appropriations of Payroll Expense Tax revenue to support the DAP initiative of revitalizing Westlake Plaza, providing funds for possible removal of the out-of-commission foundation, stage renovation, electrical systems upgrade, repairs to paving, and other improvements.
- **Facility decarbonization** – reduce appropriations of planned bond issuance for decarbonization of SPR facilities in 2027; retain \$2 million annually for facility carbonization and continue building decarbonization efforts into scope and budget of major capital projects
- **CDBG Seattle Conservation Corps** – restore appropriations from Community Development Block Grants (CDBG), to support the Seattle Conservation Corps’ Park Upgrade Program.
- **Capital Major Maintenance** - reduce appropriations for SPR's Capital Major Maintenance and Asset Preservation Program, shifting these resources to the operating budget to support core department services previously funded by the GF and resulting in a revised scope and scale of major maintenance projects in 2025. As a result of this reduction, SPR will revise the scope and scale of major maintenance projects in 2025.

BSL	Maintaining Parks and Facilities				
Purpose	The purpose of the Maintaining Parks and Facilities Budget Summary Level is to improve existing P-Patches and dog off-leash areas as set forth in the first six-year planning cycle of the Seattle Park District.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Maintaining Parks & Facilities	\$0.6M	\$1.8M	197.8%	\$1.8M	0.9%
Total:	\$0.6M	\$1.8M	197.8%	\$1.8M	0.9%

The Maintaining Parks and Facilities BSL does not include any changes in the 2025-2026 Proposed Budget.

BSL	SR520 Mitigation				
Purpose	The purpose of the SR520 Mitigation BSL is to account for projects resulting from SR520 construction impacts.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
SR520 Mitigation	-	-	-	-	-
Total:	-	-	-	-	-

The SR520 Mitigation BSL does not include any changes in the 2025-2026 Proposed Budget.

1. SPR 2025-2026 Fees and Charges ORD

SPR charges programming and usage fees to provide financial support for its programs, facilities, and park grounds. The proposed legislation would include increase fees to offset the cost of annual wage increases (\$3.3 million in 2025 and \$4.6 million in 2026). A portion of the revenue (\$865,000) would be used to support additional expenses including additional staffing and scholarship funds for aquatics (i.e., Swim Safety Equity Fund) and tennis programs at AYTC. Specific changes include:

- **Aquatics:** Swim lessons, drop-in swimming, and pool rentals. Revenues are estimated to generate \$1.4 million in additional revenue in 2025 and 2026. A portion of the revenues generated by the fee increases (\$50,000) is proposed to augment the Swim Safety Equity Fund to support free swim lesson for young people most in need of these services; fund new premium pay for certified instructors teaching swimming lessons, lifeguard instruction, and water exercise programs; and to add a half time senior lifeguard position and a half time assistant coordinator position to support operations for revenue generation.
- **Athletics:** Sports field use fees for adults and youth sports teams. Revenues are estimated to generate \$422,000 in additional revenue in 2025 (fee increases start July 1, 2025) and \$940,000 in 2026.
- **Amy Yee Tennis Center:** Tennis lesson fees for adults and youth and court rentals. Revenues are estimated to generate \$360,000 in additional revenue in 2025 and \$450,000 in 2026. \$11,000 of this revenue is proposed to be set aside for a new AYTC-specific scholarship fund to reduce barriers to access.
- **Special Event Scheduling:** Fees for Special Event and Use permits such as premium picnic shelters, special amenity rental facilities (e.g., buildings at Magnuson Park), weekend rates for table rentals, and shelter house rentals. Revenues are estimated to generate \$315,000 in additional revenue in 2025 and \$250,000 in 2026.
- **Community Centers:** Rental fees for community center rooms, kitchens, and gyms and related staffing and booking fees. Revenues are estimated to generate \$130,000 in additional revenue in 2025 and 2026.
- **Revocable Use Permits:** Revocable use fees charged to third parties for short term or ongoing non-park use. Revenues are estimated to generate \$675,000 in additional revenue in 2025 and \$560,000 in 2026. A portion of the revenues is proposed to offset the cost of additional administrative support, including increasing an existing property agent to full-time.

If Council does not approve this legislation, SPR would not increase fees and would not generate additional revenue to support annual wage increases, additional staffing, and scholarship funds. While Council would need to identify alternative resources for the required salary increases, the decision to fund additional positions and scholarships would be a policy decision.

2. CBO Participatory Budgeting Implementation

In 2021 the Office for Civil Rights (OCR) selected the Participatory Budgeting Project to run a community-led process to determine how to allocate \$27.25 million in resources with a focus on directly investing in Black, Indigenous, and People of Color communities consistent with applicable laws. Out of this community process, six projects were selected for funding.

The “Public Restroom Access” project is one of the six projects selected and would be managed by SPR. This \$7.2 million 5-year pilot project is intended to expand access to public restrooms in the city. A community-based organization would be selected via a request for proposal process to implement this program. See the Participatory Budgeting Policy Considerations paper for more detail.

3. CBO 2024 Year End-Supplemental ORD

The proposed legislation would make the following changes to SPR related appropriations:

- Increase appropriations for the Golf Program to reflect increased revenues that were generated from the City’s golf courses (\$1.2 million). Funds support the Citywide Golf Program.
- Abandon the appropriations for an expired grant for the Stan Sayres Boat Ramp project that has been replaced with a new grant.
- Appropriate remaining 2008 Parks Levy funds (\$475,000) to support the remaining named parks and playground projects included in the 2008 Levy.
- Increase appropriation for the Major Maintenance and Asset Management Project supported by the King County Parks Levy Fund (\$625,000) that will be used to fund play area renovation projects.
- Increase appropriation of unexpended Park District funding to be allocated to Major Maintenance and Asset Management Projects (\$640,000).
- Increase appropriation of funds for the Urban Forestry Tree Replacement Project based on the receipt of in-lieu fee payments from developers and private property owners (\$10,000).
- Increase appropriation to the Fix It First Budget Control Level supported by the Urban Forestry Federal Forest Service Grant received by the Office of Sustainability and Environment (\$4.4 million). This grant will fund tree restoration work performed by the Green Seattle Partnership and work by the Youth Green Corps Program.
- Increase appropriation for the Gas Works Park Remediation Project based on receipt of revenues from the Washington State Department of Ecology’s Model Toxins Control Act (\$150,000). This grant supports the clean-up work at Gas Works Park.

5. CBO 2024 Year-End Grant Acceptance ORD

The proposed legislation would accept grants awarded to SPR from King County Parks and Open Space Program (\$1.2 million), Washington State Department of Commerce (\$2.95 million), Washington State Land and Water Conservation Fund (\$4.1 million), Washington State Recreation and Conservation Office’s Wildlife and Recreation grant program (\$1 million), King County Youth and Amateur Sports grants program (\$500,000), and King County Parks Capital and Open Space Program (\$1.65 million). These grants would support the following projects: Little Brook Park Improvement project; Kubota Garden Visitor Center improvement project; Garfield Super Block project; Rainer Beach Playfield Skatepark project; Be’er Sheva Park Improvement project; and the Rainier Community Center Playground project. Grants funds were awarded for specific these projects.

6. CBO 2024 Annual Grant Acceptance ORD

The proposed legislation would accept grants awarded to SPR from the Department of Housing and Urban Development (HUD) Community Development Block Grant program (\$808,000) and Federal Community Services Block Grant (\$277,000) awarded by the Washington State Department of Commerce. These grants are proposed to be used to support the Seattle Conservation Corps Program.

SEATTLE PUBLIC LIBRARY (SPL)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Administrative/Support Service	\$13.9M	\$15.7M	13.2%	\$16.4M	4.7%
Chief Librarian's Office	\$0.7M	\$0.7M	12.0%	\$0.8M	4.4%
Human Resources	\$2.6M	\$2.8M	6.6%	\$2.9M	5.0%
Institutional & Strategic Advancement	\$1.9M	\$2.1M	12.9%	\$2.2M	4.7%
Library Program and Services	\$70.8M	\$77.6M	9.5%	\$81.0M	4.4%
Operating Subtotal:	\$89.8M	\$98.9M	10.1%	\$103.4M	4.5%
Capital Budget					
Capital Improvements	\$5.9M	\$8.4M	41.1%	\$7.6M	(9.4%)
CIP Subtotal:	\$5.9M	\$8.4M	41.1%	\$7.6M	(9.4%)
Grand Total:	\$95.8M	\$107.3M	12.0%	\$110.9M	3.4%

The 2025-2026 Proposed Budget would increase Seattle Public Library's (SPL's) budget appropriations by 12 percent from 2024 Adopted to 2025 Proposed and by 3.4 percent from 2025 to 2026. The operating budget would increase by \$9.1 million (10.1 percent) from 2024 to 2025 and \$4.5 million (4.5 percent) from 2025 to 2026. The increase from 2024 to 2025 in the Proposed Budget for SPL is primarily due to Council-approved city-wide increases in employee compensation in addition to technical changes, increases in labor costs related to the annual wage increase, and standard cost adjustments. The 2026 increases are also impacted by the higher employee compensation in the ongoing budget.

SPL is currently assessing the cost impacts from the 2024 cybersecurity attack on the SPL system and may seek supplemental budget adjustments in 2025 to address related expenditures. The ransomware attack did not directly impact the Library's 2025-26 budget proposal due to the timing of the event and the demands of the budget development process.

As proposed, SPL's operating costs in 2025 and 2026 would be supported mostly by General Fund (GF) (69 percent) and next by the 2019 Library Levy Fund (28 percent). SPL would continue to receive support from revenue sources including the Library Foundation, gifts, fund balance, and other Library revenues (such as parking and space rental) in the Library Fund.

In the 2024 Adopted Budget, the Council approved \$62 million GF for SPL. In the 2025-2026 Proposed Budget, the City's GF support to SPL would be \$68.4 million in 2025 and \$71.5 million in 2026. The 2019 Library Levy funding for 2025 would be budgeted at \$36.9 million and at \$37.7 million for 2026. There remains a relatively small amount of 2012 Library Levy funding available as a one-time resource: \$700,000 in 2025.

The capital budget would increase 41.1 percent from 2024 to 2025 and decrease 9.4 percent from 2025 to 2026. Capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Capital spending in SPL is supported primarily by

the 2019 Library Levy with additional Real Estate Excise Tax (REET) I funding \$386,000 in 2025 and \$601,000 in 2026.

A note regarding SPL budgeting and governance

The five-member Library Board of Trustees (Board), who are appointed by the Mayor and confirmed by the City Council, govern SPL. The Revised Code of Washington ([RCW 27.12.240](#)) and the City Charter ([Article XII, Section 5](#)) grant the Board "exclusive control of Library expenditures for Library purposes." In terms of oversight of SPL's budget, that means that the Council only has authority to allocate resources annually at the fund level. The Council does not approve SPL's budget by Budget Control Level (BCL) unlike the budget approval for other City departments. Also, unlike for other City departments, the Council does not approve staffing (number of FTE) changes for SPL. The power to make these decisions is held by the Board. The Board adopts an annual Operations Plan in December to allocate funds to specific programs after the City Council adopts the annual budget.

The forecasted General Fund revenue over the biennium is insufficient to cover all anticipated city-wide costs. SPL developed its 2025-2026 budget consistent with the direction from CBO to find savings in lieu of GF support. SPL would compensate for reduced reliance on GF support with collections reductions, information technology (IT) reductions, vacancy savings rate, and use of Levy fund balance (\$1.9 million in 2025 and \$2.0 million in 2026).

There are no legal or policy constraints on the City's funding support to SPL, separate from the maximum tax allowed by the 2019 Library Levy. The City transfers GF support to the Library Fund as an appropriation to special funds. GF dollars are contained in the Library Fund amounts reported in the tables below.

The Council has the power to propose Library levies through the City's taxing authority as approved by voters. In August 2019, Seattle voters approved a seven-year, \$219.1 million property tax levy lift to maintain and enhance Library services from 2020 through 2026, renewing the seven-year, 2012 Library Levy.

The Council approves the annual levy amount as authorized by the 2019 Library Levy as part of the annual tax ordinance each year alongside the annual budget approval ordinance. SPL reports annually to the Council regarding performance on achieving the goals of the 2019 Library Levy.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$71.2M	\$80.5M	13.0%	\$84.6M	5.2%
Non-Labor	\$24.5M	\$26.8M	9.3%	\$26.3M	(2.0%)
Total:	\$95.8M	\$107.3M	12.0%	\$110.9M	3.4%
Total FTE:	609	611	0.3%	611	-

- The increase from 2024 to 2025 in labor appropriations for SPL is mostly due to Council-approved city-wide increases in employee compensation
- The Library Board of Trustees maintains control over positions at the Library and has the authority to institute its own hiring policies.
- The 2025-2026 Proposed Budget would include an increase of 2 FTE in 2025 as added by the Library Board

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Administrative/Support Service				
Purpose	The purpose of the Administrative Services Program is to support the delivery of library services to the public through providing services such as financial services, capital and operating budget planning and management, facilities maintenance and landscaping, and security services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Library Fund	\$10.2M	\$11.5M	12.8%	\$12.1M	4.6%
2019 Library Levy Fund	\$3.6M	\$4.1M	14.1%	\$4.4M	5.0%
Total:	\$13.9M	\$15.7M	13.2%	\$16.4M	4.7%

BSL	Chief Librarian's Office				
Purpose	The purpose of the Chief Librarian's Office is to provide leadership for the Library in implementing the policies and strategic direction set by the Library Board of Trustees, and in securing the necessary financial resources to operate the Library in an effective and efficient manner. The Chief Librarian's Office serves as the primary link between the community and the Library, and integrates community needs and expectations with Library resources and policies.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Library Fund	\$0.6M	\$0.6M	14.2%	\$0.7M	5.1%
2019 Library Levy Fund	\$0.1M	\$0.1M	0 %	\$0.1M	0%
Total:	\$0.7M	\$0.7M	12.0%	\$0.8M	4.4%

BSL	Human Resources				
Purpose	The purpose of Human Resources is to provide responsive and equitable services, including human resources policy development, recruitment, classification and compensation, payroll, labor and employee relations, volunteer services, and staff training services so that the Library maintains a productive and well-supported work force.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Library Fund	\$2.6M	\$2.8M	7.0%	\$2.9M	5%
2019 Library Levy Fund	\$0.03M	\$0.03M	(20.9%)	\$0.03M	3.2%
Total:	\$2.6M	\$2.8M	6.6%	\$2.9M	5.0%

BSL	Institutional & Strategic Advancement				
Purpose	The purpose of the Institutional and Strategic Advancement division is to provide planning and support functions, including strategic analysis, government relations, community partnerships and external and internal communication, to help the City Librarian shape the strategic direction, work and culture of the Library in pursuit of its mission. The division ensures that the public is informed about services and programs offered by the Library.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Library Fund	\$1.2M	\$1.3M	11.8%	\$1.4M	4.3%
2019 Library Levy Fund	\$0.7M	\$0.8M	14.8%	\$0.8M	5.5%
Total:	\$1.9M	\$2.1M	12.9%	\$2.2M	4.7%

BSL	Library Program and Services				
Purpose	The purpose of the Library Programs and Services Division is to provide services, materials, and programs that benefit and are valued by Library patrons. Library Programs and Services provides technical and collection services and materials delivery systems to make Library resources and materials accessible to all patrons.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Library Fund	\$50.1M	\$53.0M	5.8%	\$55.5M	4.8%
2019 Library Levy Fund	\$20.7M	\$23.8M	15.3%	\$25.4M	6.7%
2012 Library Levy Fund	-	\$0.7M	-	-	(100%)
Total:	\$70.8M	\$77.6M	9.5%	\$81.0M	4.4%

CAPITAL BUDGET

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Capital Improvements				
Purpose	The purpose of The Seattle Public Library Capital Improvements Budget Summary Level is to provide major maintenance to Library facilities, which include the Central Library and all branch libraries, to help ensure building integrity and improve functionality for patrons and staff.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Capital Improvements	\$5.3M	\$8.4M	57.4%	\$7.1M	(15.1%)
IT Infrastructure	\$0.6M	-	(100.0%)	\$0.5M	-
Total:	\$5.9M	\$8.4M	41.1%	\$7.6M	(9.4%)

Note: Changes in the table above may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

- The 2019 Library Levy would contribute \$8 million in 2025 and \$7 million in 2026 for capital spending (including seismic/unreinforced masonry (URM) allocations);
- REET I would support \$386,000 in capital spending in 2025 and \$601,000 in 2026;
- SPL will utilize additional funds from grants as approved by legislation. See the Budget Legislation section for additional information.
- Nearly all the 2025 and 2026 SPL capital spending would be in the Library Major Maintenance Project (MC-PL-B3011) including structural and mechanical repairs or improvements, safety and security upgrades, lighting and signage improvements, wall and floor surface repairs, landscape and exterior hard surface repairs, energy efficiency upgrades and projects that enhance service delivery or facilitate operational cost-savings; and
- The remaining spending of \$474,000 would purchase system-wide IT Infrastructure improvements in 2026

BUDGET LEGISLATION

1. 2024 Year-End Grant Acceptance Ordinance

This legislation would accept grants from various sources to several City departments. For SPL, the grants include \$367,000 from the Washington State Department of Commerce for electric vehicle charging stations and \$5.5 million from the Federal Emergency Management Agency (FEMA) to install efficient air conditioning (A/C) in five library branch buildings currently without A/C, in order to serve as public cooling centers and mitigate consequences of extreme heat events. The Commerce grant requires 25 percent matching which would be funded through use of existing Library resources. The FEMA grant is a pass-through via the Washington State Military Department, Emergency Management Division and is comprised of \$5.2 million federal funds and \$0.3 million state funds. SPL would match spending on the project with an additional \$0.3 million from 2019 Library Levy funds, for a total project cost of \$5.8 million. The Office of Emergency Management is receiving a related grant for management costs (\$0.3 million) that is not part of the total grant project cost but is associated with the overall effort.

2. 2024 Year-End Supplemental Ordinance

This supplemental budget ordinance proposes changes to the 2024 budget in various departments. For SPL, the legislation would increase appropriation authority by \$37,000 GF for backfill costs related to the Paid Parental Leave and Paid Family Care Leave legislation.

DEPARTMENT OF EDUCATION AND EARLY LEARNING (DEEL)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: JASMINE MARWAHA

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Early Learning	\$76.2M	\$80.6M	5.8%	\$52.3M	(35.1%)
K-12 Programs	\$62.0M	\$54.3M	(12.5%)	\$36.6M	(32.5%)
Leadership & Administration	\$8.4M	\$9.2M	10.1%	\$6.3M	(31.5%)
Post-Secondary Programs	\$10.2M	\$6.5M	(36.2%)	\$5.5M	(14.5%)
Operating Subtotal:	\$156.8M	\$150.6M	(4.0%)	\$100.8M	(33.0%)
Grand Total:	\$156.8M	\$150.6M	(4.0%)	\$100.8M	(33.0%)

The 2025-2026 Proposed Budget for the Department of Education and Early Learning (DEEL) is \$6.2 million less in 2025 than the 2024 Adopted Budget, primarily due to two factors: (1) one-time funding in 2024 expiring; and (2) the ongoing youth mental health appropriation adjusted from \$20 million in 2024 to one-time proposed appropriations of \$13.9 million in 2025 and \$14.4 million in 2026.

DEEL is responsible for developing and managing the City’s education policies and programs, and it serves as the liaison with the City’s educational partners. DEEL investments contribute to four department results: (1) families have access to affordable, quality childcare, (2) children are kindergarten ready, (3) students graduate high school college and career ready, and (4) students attain a postsecondary degree, credential, or certificate. To help achieve these results, DEEL administers programs and investments primarily funded by the Families, Education, Preschool, and Promise (FEPP) Levy, which voters approved in 2018 to fund education services through the 2025-26 school year. While the state primarily funds basic K-12 education, the FEPP Levy supplements services and programs in, and out, of schools to support student achievement. The City’s investments in this area date back to 1990, when voters first passed the Families and Education Levy.

Because the FEPP Levy expires at the end of 2025, the 2026 Proposed Budget reflects a significant reduction in expenditures. The FEPP Levy financial plan includes a planned reserved fund balance each year to ensure programs can continue to be funded after the expiration of the levy until the end of the 2025-2026 school year. DEEL is actively engaged in planning for a renewal of the FEPP Levy, and next Fall’s Council budget process will include a proposed levy renewal plan. The proposed levy will be transmitted to Council in the first half of 2025, for placement on the ballot in November 2025.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$18.7M	\$21.6M	15.7%	\$15.3M	(29.3%)
Non-Labor	\$138.1M	\$129.0M	(6.6%)	\$85.5M	(33.7%)
Total:	\$156.8M	\$150.6M	(4.0%)	\$100.8M	(33.0%)
Total FTE:	122	125	2.5%	125	0.0%

The 2025-2026 Proposed Budget adds 3.0 FTE in 2025:

- Two positions to support the planned expansion of the Seattle Preschool Program in 2025, in alignment with the FEPP Implementation and Evaluation Plan that was adopted by ordinance in 2018.
- One position to support youth mental health strategies in the K-12 division. This additional FTE is proposed to be added in the 2024 year-end supplemental budget, and the 2025-2026 Proposed Budget makes this position permanent.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Early Learning				
Purpose	The purpose of the Early Learning Budget Summary Level is to help children enter school ready to succeed, provide preschool teachers with resources and training, and assist Seattle families with gaining access to early learning resources.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$16.7M	\$14.7M	(11.8%)	\$14.7M	(0.1%)
JumpStart Fund	-	-	-	-	-
Other Sources	\$59.6M	\$65.9M	10.7%	\$37.6M	(42.9%)
Total:	\$76.2M	\$80.6M	5.8%	\$52.3M	(35.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Early Learning	\$76.2M	\$80.6M	5.8%	\$52.3M	(35.1%)
Total:	\$76.2M	\$80.6M	5.8%	\$52.3M	(35.1%)

- The overall increase in the Early Learning BSL represents the planned expansion of the Seattle Preschool Program in 2025, in alignment with the FEPP Implementation and Evaluation Plan that was adopted by ordinance in 2018, as well as an increase in grant funds from the state’s Early Childhood Education and Assistance Program (ECEAP).
- The General Fund reduction in 2025 reflects a removal of one-time childcare worker retention payments.
- The proposed reductions in 2026 reflect the expiration of the FEPP Levy (as discussed above), as well as a reduction in programs funded by the Sweetened Beverage Tax (SBT) by \$648,000, accounting for a reduction in projected SBT revenues. The reduction includes but is not limited to the following changes: 1) transfers 1.5 FTE coaches to FEPP Levy funds to align with workload changes; 2) reduces the [Developmental Bridge](#) contract by nine percent; 3) reduces the [ParentChild+](#) contract by seven percent; 4) reduces the SBT portion of the [Child Care Health Program](#) by 14 percent; and 5) reduces grants impacting prenatal to age 3 services by \$173,000.

BSL	K-12 Programs				
Purpose	The purpose of the K-12 Division Budget Summary Level is to manage K-12 investments in elementary, middle, and high school, as well as health strategies across the K-12 continuum.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$3.0M	\$0.8M	(73.9%)	\$0.8M	4.1%
JumpStart Fund	\$21.0M	\$13.9M	(33.8%)	\$14.4M	3.6%
Other Sources	\$38.0M	\$39.6M	4.0%	\$21.4M	(45.9%)
Total:	\$62.0M	\$54.3M	(12.5%)	\$36.6M	(32.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
K-12 Programs	\$62.0M	\$54.3M	(12.5%)	\$36.6M	(32.5%)
Total:	\$62.0M	\$54.3M	(12.5%)	\$36.6M	(32.5%)

- The JumpStart Fund reduction reflects the decrease in appropriations for youth mental health from \$21 million in 2024 (\$20 million ongoing, \$1 million one-time) to one-time proposed appropriations of \$13.9 million in 2025 and \$14.4 million in 2026. The mental health investments proposed in DEEL for 2025 include:
 - \$560,000 for a mental health awareness campaign called Reach Out, of which \$456,000 is proposed for advertising costs;
 - \$1.5 million to expand universal mental health screening to include high school students;
 - \$3.9 million for telehealth services;
 - \$7.6 million for in-person mental health services; and
 - \$380,000 for administration and evaluation
- The reduction in GF appropriation reflects approximately \$1.7 million in ongoing GF-backed programming shifting to one-time levy-backed appropriations. This includes:
 - \$800,000 for Restorative Justice Programs, proposed to be funded by 2011 Families and Education Levy fund balance;
 - \$875,000 for Culturally Sensitive and Responsive Programming that support Black Girls, LGBTQ+, Youth Leadership, and Educator Diversity, proposed to be funded by FEPP Levy fund balance.
- The remaining reduction in GF spending reflects the expiration of one-funding for mental health programming (\$500,000 GF) and culturally specific and responsive after school programming (\$173,000 GF).
- As noted previously, the proposed reductions in 2026 reflect the expiration of the FEPP Levy at the end of 2025.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Department of Education and Early Learning.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.8M	\$0.4M	(48.8%)	\$0.4M	10.4%
JumpStart Fund	-	-	-	-	-
Other Sources	\$7.6M	\$8.8M	16.0%	\$5.9M	(33.3%)
Total:	\$8.4M	\$9.2M	10.1%	\$6.3M	(31.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$2.4M	\$2.4M	0.7%	\$1.6M	(31.9%)
Departmental Indirect Costs	\$0.2M	\$0.0M	(87.6%)	\$0.0M	40.2%
Divisional Indirect Costs	\$5.8M	\$6.8M	16.9%	\$4.6M	(31.6%)
Total:	\$8.4M	\$9.2M	10.1%	\$6.3M	(31.5%)

- The proposed increase in the Leadership and Administration BSL is primarily related to the annual wage increase and technical adjustments that do not impact the department’s operations, as well as a shift of \$400,000 in administrative labor costs from the General Fund to the FEPP Levy.
- As noted previously, the proposed reductions in 2026 reflect the expiration of the FEPP Levy at the end of 2025.

BSL	Post-Secondary Programs				
Purpose	The purpose of the Post-Secondary Budget Summary Level is to help achieve the goal of the City’s Education Action Plan that 70% of all student groups in Seattle Public Schools will go on to attain a post-secondary credential by the year 2030.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$10.2M	\$6.5M	(36.2%)	\$5.5M	(14.5%)
Total:	\$10.2M	\$6.5M	(36.2%)	\$5.5M	(14.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Post-Secondary Programs	\$10.2M	\$6.5M	(36.2%)	\$5.5M	(14.5%)
Total:	\$10.2M	\$6.5M	(36.2%)	\$5.5M	(14.5%)

- The reduction in the Post-Secondary Programs BSL primarily represents a sunset of one-time transfers from FEPP Levy reserves that sustained funding for Promise equity supports through the 2023-2024 and 2024-2025 school years.
- The 2026 Proposed Budget would appropriate \$2 million in FEPP Levy fund balance to sustain the equity supports in the 2025-2026 school year.
- As noted previously, the proposed reductions in 2026 reflect the expiration of the FEPP Levy at the end of 2025.

BUDGET LEGISLATION

1. CBO Year-End Supplemental ORD

This proposed legislation would do the following:

- Make adjustments to grant-backed appropriation authority to reflect changes in grant awards;
- Increase appropriation authority for \$700,000 in FEPP Levy funds to align the K-12 2023-24 School Year budget with FEPP Implementation and Evaluation Plan guidance and historical spending trends;
- Carry forward appropriation authority of \$331,000 in the FEPP Levy to support Seattle Promise equity enhancements.
- Add 1.0 FTE to support youth mental health strategies in the K-12 division for the remainder of 2024. The 2025-2026 Proposed Budget makes this position permanent.

CONTEXTUAL BUDGET CONSIDERATIONS

The 2025-2026 Proposed Budget shifts previously ongoing appropriations in DEEL to one-time, which may put pressure on increasing the size of the FEPP Levy renewal package if Council wishes to continue funding these programs in future years. The appropriations shifting from ongoing to one-time include, but may not be limited to:

- \$20 million to improve mental health outcomes for youth, previously funded by ongoing JumpStart Fund and now proposed to be funded at \$13.9 million in 2025 and \$14.4 million one-time;¹
- \$800,000 for Restorative Justice Programs, previously funded by ongoing General Fund;
- \$875,000 for Culturally Sensitive and Responsive Programming, previously funded by ongoing General Fund; and
- \$648,000 for programs serving children from birth to age 3, previously funded by the Sweetened Beverage Tax, to be removed in the 2026 Proposed Budget.

If any of these programs are contemplated to be continued using FEPP Levy funds, this would have significant implications for the total levy package. The table below illustrates these implications, assuming a six-year levy proposal, similar to the 2018 FEPP Levy, and that the \$14.4 million proposed for 2026 remains JumpStart funded.

	2025 Proposed one-time funding	2026 Proposed one-time funding	Potential Implications for Levy package
Youth Mental Health investments in DEEL	\$13,900,000	\$14,400,000	\$72,000,000
Restorative Justice funding	\$800,000	--	\$4,800,000
Culturally Sensitive & Responsive Programming	\$875,000	--	\$5,250,000
Prenatal – Age 3 programming	\$648,000	--	\$3,888,000
Total			\$85,938,000

While there may be compelling reasons for the funding shifts, Council may wish to consider these changes in the context of the upcoming FEPP Levy renewal discussions. Council’s budget deliberations may present an opportunity to clarify expectations for the Levy renewal package to address any reductions or potential funding shifts.

¹ The 2025-2026 Proposed Budget also includes \$4.25 million JumpStart Fund ongoing for Youth Violence Prevention programming in the Human Services Department, \$500,000 JumpStart Fund one-time for a “Youth Connector” project to improve awareness of mental health resources, and \$600,000 JumpStart Fund ongoing for Red Barn Ranch in Seattle Parks and Recreation.

HUMAN SERVICES DEPARTMENT (HSD)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: JENNIFER LABRECQUE & ANN GORMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Addressing Homelessness	\$123.1M	\$128.1M	4.1%	\$134.8M	5.2%
Leadership & Administration	\$17.0M	\$18.9M	11.2%	\$19.5M	3.4%
Preparing Youth for Success	\$17.0M	\$16.8M	(1.7%)	\$17.3M	3.5%
Promoting Healthy Aging	\$71.3M	\$79.1M	10.9%	\$80.7M	2.1%
Promoting Public Health	\$20.1M	\$25.0M	24.3%	\$25.7M	2.8%
Supporting Affordability & Livability	\$35.1M	\$34.9M	(0.6%)	\$35.4M	1.4%
Supporting Safe Communities	\$57.4M	\$61.9M	7.8%	\$63.6M	2.8%
Operating Subtotal:	\$341.0M	\$364.7M	6.9%	\$377.2M	3.4%
Grand Total:	\$341.0M	\$364.7M	6.9%	\$377.2M	3.4%

The 2025 Proposed Budget for the Human Services Department (HSD) would increase by \$23 million (6.9 percent) relative to the 2024 Adopted Budget. The 2026 Proposed Budget would increase by \$13 million (3.4 percent) relative to the 2025 Proposed Budget. That net increase is the result of additional funds for programs and mandatory increases for wages and contracts, along with reductions in funding for programs and vacant staff positions.

The major appropriation increases are due to:

- New ongoing funding to expand, create or sustain investments in homelessness, community safety and human trafficking intervention (\$14.4 million in 2025 and \$17.6 million in 2026).
- Annual Wage Increase (AWI) adjustments (\$4 million in 2025 and \$5.4 million in 2026).
- Inflationary adjustment for HSD-administered contracts, as required by SMC 3.20.060. Adjustments are 4.4 percent in 2025 and 3 percent in 2026 (\$10 million in 2025 and \$17 million in 2026).
- New grant revenue, mostly from Title XIX Medicaid funding (\$9.3 million in 2025 and \$9.2 million in 2026).

The major appropriation reductions are due to:

- Reduction or elimination of funding for programs (\$1.8 million in 2025 and \$2.1 million in 2026).
- Elimination of funding for 3.0 FTE that are vacant (although 2.0 FTE are transferred to other BSLs) and reduction of the budget for items such as professional development and language access (\$600,000 in 2025 and \$600,000 in 2026).
- Removal of \$10.7 million in one-time funding included in the 2024 Adopted Budget. See HSD Policy Considerations paper for discussion of one-time funding related to food programs.

Additionally, the 2025-2026 Proposed Budget would shift revenue both within HSD and outside the department, as follows:

- Programs shift from being supported by General Fund revenue to another source, mainly grant revenue (\$1.3 million in 2025 and 2026).
- Transfer of the Crisis Response Team Budget to the Seattle Police Department (\$1.1 million in 2025 and \$1.1 million in 2026).

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$58.8M	\$71.9M	22.3%	\$73.6M	2.3%
Non-Labor	\$282.2M	\$292.7M	3.7%	\$303.6M	3.7%
Total:	\$341.0M	\$364.7M	6.9%	\$377.2M	3.4%
Total FTE:	434	467	7.4%	467	-

HSD would have a net increase of 32.25 FTE in the 2025 Proposed Budget, an increase of 7 percent compared to the 2024 Adopted Budget, and then remain flat from 2025 to 2026. Most of this growth is within HSD’s Homelessness Division and occurred with the passage of the 2024 Mid-Year Supplemental Ordinance, which added 21.0 FTE to accommodate the transition of homelessness outreach and prevention contracts from the King County Regional Homelessness Authority (KCRHA) to HSD and to expand HSD direct homelessness outreach. Those Mid-Year Supplemental staffing adds are described below:

- 5.0 FTE Unified Care Team (UCT) Regional Coordinators (Strategic Advisor I),
- 14.0 FTE Counselors for UCT Outreach,
- 1.0 FTE Executive Assistant, and
- 1.0 FTE Senior Grant and Contractor Administrator.

The 2024 Mid-Year Supplemental Ordinance also added 3.0 FTE Case Management and 1.0 FTE Senior Grants and Contracts Specialist to the Aging and Disability Services Division, bringing the total to 25.0 FTE added in that ordinance.

The 2025 Proposed Budget would add another 8.0 FTE to HSD, described below:

- 2.0 FTE for the UCT – 1.0 FTE Administrative Specialist III to provide customer support and 1.0 FTE Administrative Staff Analyst to respond to more complex inquiries and support leadership. These positions are proposed to be transferred from FAS, where they were previously supported with one-time funds.
- 4.0 FTE Victim Advocates and 1.0 FTE Victim Advocate Supervisor to support proposed new investments in Human Trafficking Interventions.
- 1.0 FTE Planning and Development Specialist to coordinate a proposed new school-based gun violence prevention program.
- 1.0 FTE Grants and Contracts Specialist in the Aging and Disability Services Division.

HSD would also eliminate a 0.75 FTE Senior Grants and Contracts Specialist position in the Aging and Disability Services Division; the position is currently vacant.

Although not a net new add, 2.0 FTE are proposed to be transferred from other BSLs to the Addressing Homelessness BSL. That includes 1.0 FTE Senior Buyer position currently in the Leadership and Administration BSL and 1.0 FTE Senior Planning and Development Specialist position in the Preparing Youth for Success BSL. Both of those positions are currently vacant.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Addressing Homelessness				
Purpose	The purpose of the Addressing Homelessness Budget Summary Level is to support programs that provide resources and services to Seattle’s low-income and homeless residents to reduce homelessness.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$109.9M	\$113.8M	3.6%	\$120.4M	5.8%
JumpStart Fund	-	-	-	-	-
Other Sources	\$13.2M	\$14.3M	8.5%	\$14.4M	0.8%
Total:	\$123.1M	\$128.1M	4.1%	\$134.8M	5.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
City-Managed Homelessness Programs	\$10.1M	\$15.8M	56.3%	\$16.4M	3.3%
Contract Oversight and Administration	\$1.2M	\$1.9M	55.3%	\$2.0M	2.3%
Homeless Outreach and Provider Ecosystem (HOPE) Team	\$2.5M	\$5.8M	136.6%	\$6.0M	3.8%
King County Regional Homelessness Authority	\$109.3M	\$104.6M	(4.3%)	\$110.5M	5.6%
Total:	\$123.1M	\$128.1M	4.1%	\$134.8M	5.2%

Overall, the Addressing Homelessness BSL would increase by 4 percent from 2024 to 2025 and by 5 percent from 2025 to 2026, reflecting increased funding for homelessness services, AWI adjustments, and required inflationary adjustments to HSD administered contracts, including the master services agreement with KCRHA.

KCRHA Budget Program

KCRHA’s budget would be reduced by \$4.7 million (4.3 percent) in 2025, from \$109 million in 2024 to \$104.6 million in 2025. This reduction is the result of:

- Transfer of \$11.4 million in homelessness prevention and outreach dollars from KCRHA back to HSD;
- Reduction of KCRHA’s administrative budget by \$85,000; and
- Removal of \$2.6 million in one-time funding in the 2024 Adopted Budget:
 - \$500,000 for behavioral health services at tiny house villages (THVs);
 - \$100,000 for relocation of Rosie’s Tiny Home Village;
 - \$500,000 for contract inflation and provider pay; and
 - \$1.5 million for RV parking and storage, which was never operationalized.

Additionally, there were three new investments under the KCRHA budget program to sustain, expand or create new homelessness services programs. Those are:

- \$1 million to fill an ongoing operating gap for the City’s investment in THVs operated by the Low-Income Housing Institute. LIHI is expected to use an additional \$1 million from a 2023 safe lot award to fund THV costs – bringing total funding to close the operating gap to \$2 million. See the HSD Policy Consideration Memo for a more detailed discussion of the issue related to reallocating the safe lot funding to THVs.
- \$2.2 million for Africatown’s Benu shelter, a 150-bed shelter serving African American men. Benu’s one-time \$2.2 million Coronavirus Local Fiscal Recovery (CLFR) funding will expire in 2024 and the program would have to close without this funding.

- \$2.26 million for a shelter to replace the Navigation Center, which will close at the end of 2024. This is in addition to about \$2 million of base funding for the Navigation Center, all of which will be used for the new location. A new site has not been identified but HSD is actively searching for one, as the Navigation Center leases ends at the end of January 2025 and the goal is to minimize any service gap. The new location is anticipated to offer at least 60 non-congregate units, along with intensive wraparound services for behavioral health and substance abuse treatment. In 2026, that investment would increase to \$5.3 million to fully support those wrap-around services.

KCRHA's proposed funding increases by \$5.9 million (5.6 percent) to \$111 million in 2026, due mostly to inflationary adjustments to contracts and increased funding for the shelter to replace the Navigation Center, as described above.

Beginning in September 2020, HSD provided about \$5.2 million COVID federal relief funding for 16 projects at 12 different homelessness services agencies. The City and King County identified one-time funding to sustain some of these programs through 2025, while others are reduced or eliminated beginning in 2025, with further reduction in 2026 that could result in shelter closures. This \$5.2 million is not reflected in either the 2024 Adopted Budget or 2025-2026 Proposed Budget because the source was KCRHA underspend and King County funds. However, there are considerations related to the 2025-2026 Proposed Budget; see the HSD Policy Considerations paper for a more detailed discussion.

HOPE Team Budget Program¹

The HOPE Team budget program includes the staff at HSD providing UCT coordination and outreach. The HOPE Team budget program would grow by \$3.3 million (136 percent) from 2024 to 2025 and increase by \$222,000 (3 percent) from 2025 to 2026. This increase reflects a shift of existing funds from the KCRHA budget program to the HOPE Team budget program and new funding for UCT positions.

- \$2.1 million for 14 Counselor (UCT Outreach) positions added in the 2024 Mid-Year Supplemental Ordinance.
- \$308,000 for extended intake hours at shelter program. This funding would allow up to two shelter providers to hire two additional admissions staff (4.0 FTE total) to ensure they can process UCT shelter referrals daily, including weekends. This is necessary for the UCT to expand operations to seven days a week, from the current five.
- \$210,000 for a UCT Director; this is an existing position that has been funded through one-time sources.
- \$280,000 for 1.0 FTE UCT Administrative Specialist III to provide customer support and 1.0 FTE UCT Administrative Staff Analyst (see Department Overview Labor/Non-Labor Section for more detail).

City-Managed Homelessness Budget Program

The City-Managed Homelessness budget program would grow by \$5.7 million (56 percent) from \$10.1 million to \$15.8 million from 2024 to 2025 and would increase by \$523,000 (3 percent) from 2025 to 2026. This increase is primarily due to shifting of homelessness outreach contract funding and homelessness prevention contract funding from KCRHA to HSD. The net increase is less than \$11.5 million, because \$4.9 million for healthcare for the homeless has been shifted from this budget program to the Public Health BSL. HSD's 2025 Proposed Budget would also be reduced by \$195,055 for the lease costs of land for THVs to align the shelter lease budget to actual costs.

¹ The Executive has renamed the HOPE Team the Unified Care Team, but the budget program name has not been updated to reflect this change.

BSL	Leadership and Administration				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.4M	\$13.5M	8.5%	\$14.1M	4.2%
JumpStart Fund	-	-	-	-	-
Other Sources	\$4.5M	\$5.4M	18.5%	\$5.5M	1.6%
Total:	\$17.0M	\$18.9M	11.2%	\$19.5M	3.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Departmental Indirect Costs	\$17.0M	\$18.9M	11.2%	\$19.5M	3.4%
Total:	\$17.0M	\$18.9M		\$19.5M	3.4%

The Leadership and Administration BSL would grow by \$1.9 million (11.2 percent) from 2024 to 2025 and then by another \$651,000 (three percent) from 2025 to 2026. The main driver in the increase is AWI adjustments and increases to grant-based appropriations. There is about \$200,000 GF savings in 2025 and 2026 related to the elimination of funding for a vacant 1.0 FTE Senior Buyer (the position will be transferred to the Addressing Homelessness BSL) and shifting budget for 1.0 FTE Administrative Staff Analyst to the Sweetened Beverage Tax Fund and Community Development Block Grant funding.

BSL	Preparing Youth for Success				
Purpose	The purpose of the Preparing Youth for Success Budget Summary Level is to support programs that help youth and young adults develop and succeed.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$16.6M	\$16.4M	(1.3%)	\$16.9M	3.5%
Jumpstart Fund	\$0.4M	\$0.4M	4.4%	\$0.4M	3.0%
Other Sources	\$0.1M	-	(100.0%)	-	-
Total:	\$17.0M	\$16.8M	(1.7%)	\$17.3M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Family Support	\$7.3M	\$7.5M	2.7%	\$7.8M	3.1%
Safety	-	-	-	-	-
Youth Development	\$9.7M	\$9.2M	(5.1%)	\$9.6M	3.8%
Total:	\$17.0M	\$16.8M	(1.7%)	\$17.3M	3.5%

The Preparing Youth for Success BSL would decrease by \$295,000 (1.7 percent) from 2024 to 2025 and increase \$581,000 (3.5 percent) from 2025 to 2026. Increases are primarily related to AWI adjustments and required inflationary adjustments to HSD administered contracts. There are also the following proposed reductions or eliminations:

- Eliminate \$70,000 in 2025 and 2026 of unallocated funding;
- Eliminate \$215,000 in 2025 and 2026 for Community Rise, a technical assistance and capacity building program for eight community-based organizations;
- Eliminating \$124,000 in 2025 and 2026 for Legal Counsel for Youth and Children, which provides homeless youth free legal assistance (see HSD Policy Considerations Paper for more information); and
- Reduction of \$250,000 in 2025 and 2026 for programs to provide preemployment skill building and mentorship; this funding is currently unallocated.
- Eliminate \$174,000 for a vacant 1.0 FTE Senior Planning and Development Specialist. This new position, which would have been focused on Native and Indigenous people, was never filled. (This position will be transferred to Addressing Homelessness BSL).

BSL	Promoting Healthy Aging				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.4M	\$11.9M	(3.8%)	\$12.8M	7.9%
Jumpstart Fund	-	-	-	-	-
Other Sources	\$58.9M	\$67.1M	14.0%	\$67.9M	1.1%
Total:	\$71.3M	\$79.1M	10.9%	\$80.7M	2.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Care Coordination	\$3.4M	\$2.6M	(23.5%)	\$2.7M	3.9%
Case Management	\$53.4M	\$58.3M	9.3%	\$58.7M	0.7%
Healthy Aging	\$14.5M	\$18.2M	25.1%	\$19.3M	6.4%
Total:	\$71.3M	\$79.1M	10.9%	\$80.7M	2.1%

The Promoting Healthy Aging BSL would increase by \$8 million (10.9 percent) from 2025 to 2026 and then increase \$1.7 million (2.1 percent) from 2025 to 2026. In addition to increases due to AWI, required inflationary adjustments for HSD-administered contracts and standard cost changes, there is a proposed \$7 million increase in grant-backed appropriations for the Human Services Fund. Those grants including a \$7.2 million increase in the Title XIX grant. HSD has shifted about \$1.1 million of case management costs from general fund to Title XIX grant funds.

The 2025 Proposed Budget would also reduce or eliminate the following funding:

- Eliminate \$424,000 in 2025 and 2026 for the Home Health Program, which coordinates care and services for Medicaid beneficiaries with chronic health issues. City funds were used to launch and stabilize the program and are no longer needed, as in 2024 the program became self-sustaining by meeting its target caseloads.
- Reduction of \$150,000 in 2025 and 2026 for Community Living Connections, a resource line for older adults and their caregivers.
- \$93,000 for the elimination of a vacant 0.75 FTE Senior Grants and Contracts Specialist.

BSL	Promoting Public Health				
Purpose	The purpose of the Promoting Public Health Budget Summary Level is to provide programs that give access to chemical and dependency services and reduce the disparities in health among the Seattle population.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$17.9M	\$23.1M	29.1%	\$23.8M	2.9%
Jumpstart Fund	-	-	-	-	-
Other Sources	\$2.2M	\$1.9M	(14.5%)	\$1.9M	0.8%
Total:	\$20.1M	\$25.0M	24.3%	\$25.7M	2.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
HIV Management	\$1.3M	\$0.7M	(46.5%)	\$0.7M	5.9%
Physical Health Care	\$18.9M	\$24.3M	29.1%	\$25.0M	2.7%
Total:	\$20.1M	\$25.0M	24.3%	\$25.7M	2.8%

Funding in this BSL supports contract funding. King County (Seattle-King County Public Health and the County's Department of Community Health) would receive 86 percent of all contract funding housed in this BSL's 2025 Proposed Budget. This is an increase from the 2024 Adopted Budget, when the figure was 79 percent.

Programmatically, the non-inflationary increase in the BSL from the 2024 Adopted Budget to the 2025 Proposed Budget is driven in large part by funding increases and new investments related to substance use disorder. Notable changes in the 2025-2026 Proposed Budget include:

- The Access to Drug and Alcohol Treatment budget project housed in this BSL would more than double to \$5.2 million as compared to \$2.1 million in the 2024 Adopted Budget.

- Transfer of a \$4.9 million component of the City’s contract with Seattle-King County Public Health (SKCPH) into this BSL from HSD’s Addressing Homelessness BSL. That transfer reflects HSD’s intent to better align investments with outcomes.
- In the City’s SKCPH contract, the 2025 Proposed Budget includes funding of \$8.2 million to provide medical and dental primary care, a reduction of 18 percent from the \$10.2 million level in the 2024 Adopted Budget.

BSL	Supporting Affordability and Livability				
Purpose	The purpose of the Supporting Affordability & Livability Budget Summary Level is to support programs that promote affordability to Seattle residents with low incomes.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$16.3M	\$15.4M	(5.6%)	\$16.1M	4.8%
Jumpstart Fund	\$0.1M	>\$0.1M	(95.6%)	>\$0.1M	71.2%
Other Sources	\$18.7M	\$19.5M	4.4%	\$19.3M	(1.3%)
Total:	\$35.1M	\$34.9M	(0.6%)	\$35.4M	1.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Access to Services	\$6.6M	\$6.7M	2.0%	\$6.9M	2.3%
Community Facilities	\$3.4M	\$3.6M	4.0%	\$3.6M	0.4%
Emergency Preparedness and Program Administration	\$0.7M	\$0.4M	(39.5%)	\$0.5M	6.3%
Food & Nutrition	\$24.3M	\$24.1M	(0.8%)	\$24.4M	1.2%
Total:	\$35.1M	\$34.9M	(0.6%)	\$35.4M	1.4%

The Supporting Affordability & Livability BSL would increase by \$200,000 (2 percent) from 2024 to 2025 and then by \$495,000 (2 percent) from 2025 to 2026. Major increases are due to AWI adjustments and the required inflationary adjustment for HSD-administered contracts.

Notable proposed reductions in funding:

- \$353,000 Sweetened Beverage Tax (SBT) Fund in 2026 for the Culturally Nourishing Food Program;
- Elimination of \$120,000 SBT Fund for food system support and evaluations program; this funding will be used to replace \$120,000 GF in an existing contract with Food Lifeline;
- \$80,000 in 2026 for food bags for at home childcare providers (See HSD Policy Considerations Paper for more information);
- \$50,000 in 2025 and 2026 for Public Benefits Legal Assistance (See HSD Policy Considerations Paper for more information);
- \$100,000 in 2025 and 2026 for United Way Tax Prep Assistance (See HSD Policy Considerations Paper for more information);
- \$107,000 in 2025 and 2026 for professional development, language access, intern wages and CBO capacity building funds;
- Removal of \$990,000 in one-time funding for food programs, including funding for meal delivery, food banks and senior meals (See HSD Policy Considerations Paper for more information).

BSL	Supporting Safe Communities				
Purpose	The purpose of the Supporting Safe Communities Budget Summary Level is to support programs that help reduce instances of individuals experiencing trauma, violence, and crisis.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$55.8M	\$54.2M	(3.0%)	\$60.1M	10.9%
Jumpstart Fund	\$1.5M	\$7.7M	413.0%	\$3.5M	(54.4%)
Other Sources	\$0.1M	\$0.0M	(64.9%)	\$0.0M	0.0%
Total:	\$57.4M	\$61.9M	7.8%	\$63.6M	2.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Advocacy	-	-	-	-	-
Community Safety	\$36.1M	\$38.5M	6.5%	\$39.6M	2.9%
Gender-Based Violence Services	\$16.1M	\$15.3M	(5.3%)	\$15.6M	2.3%
Prevention & Intervention	-	-	-	-	-
Safe Communities Division Administration	\$2.7M	\$3.5M	30.2%	\$3.7M	3.9%
Support Services	-	-	-	-	-
Victim Advocacy	\$2.5M	\$4.7M	88.0%	\$4.8M	2.2%
General Fund	\$55.8M	\$54.2M	(3.0%)	\$60.1M	10.9%
Total:	\$57.4M	\$61.9M	7.8%	\$63.6M	2.8%

The 2025 Proposed Budget for HSD’s Supporting Safe Communities BSL, which houses the Safe and Thriving Communities division, is \$4.5 million more than in the 2024 Adopted Budget, an increase of almost eight percent. However, the 2025 Proposed Budget backs out a total of \$5.6 million in one-time expenditures from the 2024 Adopted Budget, obscuring the budgetary impact of some significant programmatic adds. Of that \$5.6 million, \$1.9 million for a contract with We Deliver Care, Inc., to manage the Third Avenue Project, is made ongoing in the 2025 Proposed Budget. One-time funding that would not be continued includes:

- \$500,000 to support a gun-violence reduction program housed in SKCPH; this incremental funding was added to expand to an adult population the reach of a current youth-focused program;
- \$450,000 for organizations seeking to end gender-based violence;
- \$238,000 for a dedicated phone line for crisis prevention and intervention services for first responders;
- \$200,000 for contracts with community-based organizations that support pre-filing diversion;

The 2025 Proposed Budget would not restore \$1.8 million in contract funding to expand mobile mental health crisis services. Council added \$2.5 million for these services in the 2022 Adopted Budget. In the 2023-2024 Proposed Budget, funding was reduced to \$700,000, and HSD communicated an intent to restore it to the \$2.5 million level in the 2025-2026 Proposed Budget.

Other notable programs and initiatives funded by this BSL include:

- \$2 million for new investments in commercial sexual exploitation interventions, specifically for those seeking to leave the sex trade. The allocation includes \$706,000 for 4.0 FTE Victim Advocates and 1.0 FTE Victim Advocate Supervisor and funding for contracts with community-based organizations.
- \$4.25 million continued from the 2024 Proposed Budget for a set of investments to prevent gun violence in city schools. Funding would support school-based violence intervention specialists, expand safe passage programs and case management for students, and establish a family resource fund for those participating in case management. The allocation includes 1.0 FTE Planning and Development Supervisor (\$175,000).
- \$14.1 million for the City’s contract with Purpose. Dignity. Action. for the LEAD and CoLEAD programs. In the 2024 Adopted Budget, this amount was \$15.7 million.
- \$2 million for inflationary increases to 2024 contracts that are maintained.

1. CBO Participatory Budgeting Implementation Ordinance

Below are the two appropriations to HSD that are included in the participatory budgeting ordinance. See the Participatory Budgeting Policy Considerations paper for more detail.

- \$2 million for enhanced homelessness navigation services, to be administered by KCRHA
- \$1.85 million for capital improvements to emergency shelter for youth and young adults

2. CBO 2024 Year-End Supplemental ORD

This legislation includes appropriation changes to HSD as follows:

- \$269,250 increase for revenue received by the City in 2024 from an opioid settlement payment; proceeds will be used to fund the Valley Cities Project, which expands the number of treatment beds available to people with SUD.
- \$411,000 reduction reflecting the transfer of appropriation authority to the Seattle Police Department, reflecting the transfer of the Crisis Response Team program to SPD. This change is continued in the 2025 proposed budget.
- \$3.5 million increase for an increased grant for case management, nutrition and supportive services for older adults.
- \$816,000 transfer from Finance General to HSD for Rosie's Village relocation. This budget was placed in Finance General in the 2024 adopted budget as a reserve to provide funding to relocate the Rosie's Village site. LIHI has secured a new site for this village and budget is required in 2024 to support the move.
- \$150,000 reduction in Community Development Block Grant funds as the result of a technical correction.
- \$115,000 increase for ESG and HOPWA funding to reflect 2024 Annual Action Plan amounts
- \$15,000 increase for increased state funding for nutrition programs.

3. CBO 2024 Year-End Grant Acceptance ORD

This legislation includes acceptance of the following grants supporting HSD programs, as follows:

- \$385,000 from the Washington State Department of Commerce to support unhoused migrants in the Seattle Area.
- \$2.2 million from the Washington State Department of Community and Human Services to support unhoused migrants in the Seattle area.
- \$1.4 million from King County to support the LEAD Program.
- \$1.2 million from the Washington State Health Care Authority to support the LEAD Program.
- \$4.5 million from the Washington State Department of Social and Health Services for Washington Cares Fund outreach, senior nutrition, care transition services and training for service providers working with older adults.

CONTEXTUAL BUDGET CONSIDERATIONS

The 2025-2026 Proposed Budget includes the transfer of \$670,000 from HSD to SPD for the contracted services of Downtown Emergency Service Center (DESC) mental health professionals (MHPs) who work as part of SPD's Crisis Response Unit (CRU). This transfer would be the last stage in an operational change that has essentially already been executed (see the note above regarding the 2024 Year-End Supplemental Ordinance); a description of that change is provided here for Council's awareness

Historically, the CRU has been comprised of five teams – one at each SPD precinct – of one specially trained police officer and one MHP. These teams seek to (1) provide a holistic approach to law enforcement calls that involve an individual who is experiencing a behavioral health crisis and (2) divert these individuals from the criminal justice system, redirecting them instead to appropriate care resources.

Funding for this contract was in SPD's budget until 2021, when Council transferred it to HSD. This transfer had no operational effect. Contracted MHPs still reported to SPD precincts and worked in tandem with SPD officers and with the support of SPD staff. Council's transfer of the funding reflected its judgment that the DESC contract, with its nexus to behavioral health service provision, aligned more closely with HSD's service portfolio than SPD's.

Earlier this year, SPD took steps to change the current structure of the CRU, intending to end the contract with DESC and instead hire permanent SPD civilian employees to serve alongside SPD officers on CRU teams. In April, CBO authorized the creation of emergency positions in SPD, with position authority to expire at the end of 2024: 4.0 FTE Community Crisis Responder (CCR) II and 1.0 FTE CCR Supervisor. (Previously, these job classifications were only in use at the Community Assisted Response and Engagement (CARE) Department.) SPD has filled all of these positions. Central Staff will engage with SPD for a clear understanding of the transition from the previous MCU structure to the new one – for instance, the date of its effect and its service impact as new CCRs receive training and instruction. Central Staff will also seek to understand how the position determination was made.

Net new position costs associated with this new structure for the MCU will be approximately \$217,000 in 2025. SPD plans to absorb these costs within its existing budget. At the time of this paper's production, SPD had not provided its rationale for this proposed change. Central Staff will also engage with SPD to learn more about any analysis that supports the proposed change and the potential service decrement of designating one of the five former direct-service MHP roles as a supervisory position.

DEPARTMENT OF NEIGHBORHOODS (DON)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ASHA VENKATARAMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Community Building	\$6.9M	\$6.4M	(7.0%)	\$6.7M	4.0%
Community Grants	\$6.1M	\$5.8M	(5.1%)	\$5.7M	(2.7%)
Leadership and Administration	\$5.7M	\$6.3M	10.2%	\$6.6M	4.9%
Operating Subtotal:	\$18.7M	\$18.5M	(1.1%)	\$18.9M	2.2%
Grand Total:	\$18.7M	\$18.5M	(1.1%)	\$18.9M	2.2%

The Department of Neighborhoods (DON) engages communities in Seattle and provides resources and opportunities to help Seattle residents build strong communities, receive equitable access to government, and improve quality of life. The 2025-2026 Proposed Budget for DON would decrease by \$210,000, a 1.1 percent decrease relative to 2024. The decrease is due primarily to the removal of 6.0 FTE and associated salaries as well as a \$208,000 decrease in the [Neighborhood Matching Fund \(NMF\)](#). The 2.2 percent increase in the 2026 Proposed Budget would be due to annual wage increases and Citywide standard cost changes, partially offset by a decrease of \$231,000 in Sweetened Beverage Tax (SBT) funding for the Food Equity Fund (FEF), reflecting projected revenue decreases for SBT.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$10.0M	\$10.8M	7.7%	\$11.4M	5.4%
Non-Labor	\$8.7M	\$7.7M	(11.2%)	\$7.6M	(2.4%)
Total:	\$18.7M	\$18.5M	(1.1%)	\$18.9M	2.2%
Total FTE:	74	67	(8.8%)	67	0.0%

- The increase in labor costs for 2025 and 2026 would be due to annual wage increases and Citywide standard cost changes. These increases would be partially offset by the abrogation of the following positions and associated salary savings:
 - 1.0 FTE filled Strategic Advisor position for Early Community Outreach for Design Review. This work would be absorbed by existing staff in the Major Institutions and Schools program. The position that would be laid off was previously funded with salary savings from other vacant positions. With the abrogation of those positions and associated salaries described below, there would no longer be funding to support this position.
 - 1.0 FTE vacant Senior Planning and Development Specialist to manage the Payroll Expense Tax Oversight Committee (\$201,000). The Payroll Expense Tax Oversight Committee has never formally convened, and the Executive proposes to eliminate it. Central Staff will discuss this in more detail as part of JumpStart Policies.
 - 1.0 FTE vacant Senior Planning and Development Specialist in the FEF program. This position was funded with SBT, and those savings would be redirected to replace General Fund currently supporting portions of two positions supporting the FEF (\$70,000).

- 1.0 FTE vacant Manager 2 position in the Community Innovations program (\$175,000), reflecting the merging of programming into the Community Investments division and transfer of Generational Wealth to the Office of Economic Development (OED).
 - 1.0 FTE vacant Administrative Staff Assistant in the Community Partnerships program (\$111,000). Existing staff would absorb this work.
 - 1.0 FTE vacant Administrative Specialist II in the Major Institutions and School program (\$97,000). Existing staff would absorb this work.
- The 2025-2026 Proposed Budget would also reflect the transfer of 1.5 FTE (two positions) to OED for Generational Wealth programming. The funds supporting these positions were transferred in the 2024 Mid-Year Supplemental ordinance.
 - 1.0 FTE would be added and 3.0 FTE would be internally reorganized to add 4.0 FTE to the Equity Engagement Advisers program.
 - Non-labor costs in 2025 would decrease due to a reduction of \$208,000 in the NMF, reduction of \$500,000 in one-time funds from the 2024 Adopted Budget, and a decrease in vacancy assumptions. Removal of 2024 additions include:
 - Chinatown-International District Capacity Building (\$300,000);
 - Payroll Expense Tax Oversight Committee Evaluation and Annual Reporting (\$100,000); and
 - Resident Assembly for Space Needle Thinking (\$100,000)
 - Non-labor costs would decrease in 2026 due to a reduction of \$231,000 SBT for the FEF based on projections of reduced SBT revenues.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Community Building				
Purpose	The purpose of the Community Building Budget Summary Level is to deliver technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources, and complete neighborhood-initiated projects.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$6.6M	\$6.4M	(2.8%)	\$6.7M	4.0%
JumpStart Fund	\$0.3M	-	(100.0%)	-	-
Other Sources	-	-	-	-	-
Total:	\$6.9M	\$6.4M	(7.0%)	\$6.7M	4.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Civic Engagement & Leadership Development	\$0.4M	-	(100.0%)	-	-
Commissions	\$0.2M	\$0.2M	26.1%	\$0.2M	3.3%
Community Engagement Coordinators	\$0.7M	\$0.6M	(19.6%)	\$0.6M	5.2%
Community Liaisons	\$0.8M	\$0.7M	(8.3%)	\$0.7M	3.3%
Community Safety	\$1.0M	\$0.9M	(2.5%)	\$0.9M	-
Historic Preservation	\$0.9M	\$1.0M	14.8%	\$1.0M	5.0%
Housing Affordability and Livability Agenda (HALA)	-	-	-	-	-
Major Institutions and Schools	\$0.2M	\$0.2M	(29.3%)	\$0.2M	5.3%
Participatory Budgeting (Your Voice Your Choice)	-	-	-	-	-
People's Academy for Community Engagement (PACE)	-	\$0.2M	-	\$0.2M	7.6%
P-Patch Community Gardening	\$0.8M	\$0.9M	12.6%	\$0.9M	4.3%
Re-imagination and Recovery	\$1.1M	\$0.3M	(70.8%)	\$0.3M	5.9%
Strategic Partnerships	\$0.9M	-	(100.0%)	-	-
Equity and Engagement Advisors	-	\$1.5M	-	\$1.5M	4.6%
Total:	\$6.9M	\$6.4M	(29.3%)	\$6.7M	4.0%

- Reductions in the 2025 Community Building BSL would be due primarily to the position abrogation described above, redistribution of staff to support the revenue backed Equity and Engagement Advisors program, and removal of one-time funding. Through the Equity and Engagement Advisors program, DON contracts with other city departments to support their outreach and engagement efforts.
- The increase in 2026 would be due primarily to annual wage increases and revenue from other departments supporting the Equity and Engagement Advisors program.

BSL	Community Grants				
Purpose	The purpose of the Community Grants Budget Summary Level is to provide support to local grassroots projects within neighborhoods and communities by providing funding to implement community-based self-help projects.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$3.3M	\$2.8M	(12.6%)	\$2.9M	1.0%
Jumpstart Fund	-	-	-	-	-
Other Sources	\$2.9M	\$3.0M	3.4%	\$2.8M	(6.3%)
Total:	\$6.1M	\$5.8M	(5.1%)	\$5.7M	(2.7%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Duwamish River Opportunity Fund	-	-	-	-	-
Find It Fix It	-	-	-	-	-
Healthy Food Fund	\$2.9M	\$3.0M	3.4%	\$2.8M	(6.3%)
Neighborhood Matching	\$3.3M	\$2.8M	(12.6%)	\$2.9M	1.0%
Total:	\$6.1M	\$5.8M	(5.1%)	\$5.7M	(2.7%)

- Reductions proposed for 2025 include reducing the NMF by \$208,000 and eliminating double appropriation of \$308,000 for FEF staffing to allow payment directly by SBT revenues rather than paying for positions through GF then billing SBT.
- The reduction in 2026 would include a reduction of \$231,000 SBT for the FEF.
- BIPOC communities receive 66 percent of NMF grants, which provide matching dollars for neighborhood improvement, organizing, or projects developed and implemented by community members. The reduction in NMF dollars in 2025 would result in four to six fewer grants offered, resulting in fewer investments in community-led projects, furthering the decrease in funding available since 2020, in which \$900,000 was cut from NMF. This reduction would result in \$2 million left in the NMF.
- FEF specifically prioritizes vulnerable populations including BIPOC communities, immigrants and refugees, youth, and seniors already at higher risk of food insecurity. In 2023, 100 percent of general grants were awarded to organizations led by BIPOC leaders and 85 percent of starter grants were awarded to community groups led by BIPOC leaders. The reduction in FEF dollars in 2026 would result in three to five fewer projects funded, resulting in fewer community organizations receiving funding.
- Consequently, the Department has identified that the reductions to the NMF would most impact overall investment in historically disadvantaged groups, negatively affecting racial equity efforts and the reduction to the FEF would affect BIPOC communities, immigrants and refugees, youth, and seniors who are already at a higher risk of food insecurity.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Department of Neighborhoods.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$5.7M	\$6.3M	10.2%	\$6.6M	4.9%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$5.7M	\$6.3M	10.2%	\$6.6M	4.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$3.2M	\$3.2M	(2.7%)	\$3.3M	5.7%
Departmental Indirect Costs	\$2.5M	\$3.1M	27.3%	\$3.3M	4.0%
Divisional Indirect Costs	-	-	-	-	-
Total:	\$5.7M	\$6.3M	10.2%	\$6.6M	4.9%

- Changes in the 2025-2026 Proposed Budget to the Leadership and Administration BSL would be due primarily to annual wage increases and Citywide standard cost wages.

BUDGET LEGISLATION

1. 2024 Year End Supplemental ORD

This legislation would make one change to the DON budget by increasing appropriation authority by \$79,000. These funds are revenue backed by Seattle Parks and Recreation (SPR) under an interdepartmental agreement in which DON supports SPR in community engagement through its Equity and Engagement Advisor program. If this legislation does not pass, DON will not have the needed appropriation authority to do this work.

2. CBO Participatory Budgeting Implementation ORD

DON may receive \$7 million for the urban farming and food equity participatory budgeting project in appropriations legislation transmitted by the Executive. See the Participatory Budgeting Policy Considerations paper for more detail.

OFFICE FOR CIVIL RIGHTS (OCR)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: TAMASO JOHNSON

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Civil Rights	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%
Operating Subtotal:	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%
Grand Total:	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%

The 2025 Proposed Budget for the Office for Civil Rights (OCR) is reduced by \$122,000 (1.5 percent) from the 2024 Adopted Budget and increased by \$322,000 (4.1 percent) between 2025 and 2026. Under the proposed budget, OCR would maintain core functions and staffing in 2025 and 2026, while reducing some funding available to outside partners via decreases to community investments, capacity building, and outreach funds.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$5.0M	\$5.6M	11.5%	\$5.9M	5.2%
Non-Labor	\$3.0M	\$2.3M	(23.5%)	\$2.3M	1.3%
Total:	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%
Total FTE:	39	35	(9.1%)	35	-

- The 2025-26 Proposed Budget would abrogate four positions:
 - 3.0 FTE positions associated with the Participatory Budgeting Program which are set to end in December 2024 as the Participatory Budgeting process has concluded and implementing legislation has been transmitted to Council. These positions were originally set to sunset at the end of 2023, but were extended in the 2024 Adopted Budget via one-time use of underspend in Participatory Budgeting administrative funding. As a result, this abrogation will not reduce OCR’s labor cost in 2025, relative to 2024, even though they will produce an overall costs savings for the City.
 - One Strategic Advisory position (0.5 FTE) for the Title VI employment discrimination program which is currently vacant and unfunded, and whose body of work is being carried out by other staff in the OCR leadership team.
- Increasing labor costs in 2025 and 2026 are due to standard salary increases.
- Reductions to non-labor costs in 2025 consist of decreased funding available to outside partners for community investment grants, capacity building, and outreach funds. Additional details about these reductions are provided below.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Civil Rights				
Purpose	The purpose of the Civil Rights Budget Summary Level is to encourage and promote equal access and opportunity, diverse participation, and social and economic equity in Seattle. OCR works to eliminate discrimination in employment, housing, public accommodations, contracting, and lending in Seattle through enforcement, and policy and outreach activities. In addition, OCR is responsible for directing the Race and Social Justice Initiative, which leads other City departments to design and implement programs that help eliminate institutionalized racism.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Civil Rights Enforcement	\$1.8M	\$2.0M	10.7%	\$2.1M	5.0%
Commissions	-	\$0.6M	-	\$0.6M	-
Community Investments	\$1.1M	\$0.5M	(50.9%)	\$0.5M	(3.8%)
Leadership and Administration	\$2.1M	\$2.2M	2.9%	\$2.3M	4.7%
Policy	\$1.4M	\$1.2M	(17.7%)	\$1.2M	5.8%
RSJI	\$1.6M	\$1.4M	(10.8%)	\$1.5M	5.2%
Total:	\$8.0M	\$7.9M	(1.5%)	\$8.2M	4.1%

Proposed reductions to the OCR operating budget in 2025-26 total \$1.3 million of General Fund and include:

- Reduction of \$550,000 in 2025 and \$570,000 in 2026 in Community Investments BSL;
 - Reduction of Collective Network Fund by \$490,000 in 2025 and \$510,000 in 2026.;
 - Elimination of \$60,000 Racial Equity Fund in 2025 and 2026;
- Reduction of \$90,000 in both 2025 and 2026 of outreach and engagement funds;
 - Reduction of \$85,000 from Policy BSL for outreach and engagement activities;
 - Reduction of \$5,000 from RSJI BS for outreach and engagement activities.

Proposed reductions to the Collective Network Fund will directly impact OCR’s support for Community Alternatives to Incarceration and Policing. The funding available for future procurements to community-based organizations will decrease by close to 50 percent. This funding is intended to support alternatives to addressing harm created by the criminal legal system by partnering with historically marginalized populations to develop and implement procurement opportunities for community organizations. OCR has stated that [current awards made through the Collective Network Fund in 2024](#) will not be impacted by this proposed reduction in the 2025-26 budget. The Racial Equity Fund, which would be eliminated in the Proposed Budget, provides support and technical assistance to address structural racism to human services providers funded by the City of Seattle. Reductions to both funds will limit the capacity of OCR to engage with Black, Indigenous, communities of color, LGBTQ+, immigrant and refugee, and other historically marginalized populations in Seattle.

Proposed reductions to outreach and engagement funds for OCR's Policy and RSJI work will decrease the department's capacity to engage community members from historically marginalized populations to better understand the impacts of city policy decisions.

These reductions in the Policy and RSJI BSLs would be partially offset by standard cost and wage adjustments in 2025 and 2026.

BUDGET LEGISLATION

1. **CBO Participatory Budgeting Implementation ORD (TMP-10659)**

This legislation implements recommendations developed during the Participatory Budgeting process facilitated by the Seattle Office for Civil Rights. This legislation appropriates a total of \$27.3 million in one-time General Fund dollars held in Finance General to five city departments (CARE Department, Department of Neighborhoods, Human Services Department, the Office of Planning and Community Development, and Seattle Parks and Recreation) to implement projects identified during the Participatory Budgeting process. See the Participatory Budgeting Policy Considerations paper for more information.

OFFICE OF ECONOMIC DEVELOPMENT (OED)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: JASMINE MARWAHA

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Business Services	\$29.6M	\$21.1M	(28.8%)	\$21.3M	1.2%
Leadership and Administration	\$7.7M	\$9.2M	20.3%	\$9.1M	(1.5%)
Operating Subtotal:	\$37.2M	\$30.3M	(18.7%)	\$30.4M	0.4%
Grand Total:	\$37.2M	\$30.3M	(18.7%)	\$30.4M	0.4%

The Office of Economic Development (OED) 2025-2026 Proposed Budget would sustain its role in creating and implementing the City’s economic growth strategies based on the Future of the Seattle Economy (FSE) framework, which was adopted as City policy in [RES 32099](#). These strategies are predominantly funded by the JumpStart Fund, and the reduced scale of investments for the FSE strategies reflects the proposed transfer of payroll tax revenues to the General Fund to mitigate the GF shortfall.

The 2025 Proposed Budget for the Office of Economic Development (OED) is \$6.9 million less than its 2024 Adopted Budget, representing an 18.7 percent decrease. The decrease reflects the sunseting of one-time appropriations (\$18.1 million) added in 2024, and new ongoing appropriations to continue the one-time investments at a reduced scale. The 2026 Proposed Budget shows relatively little change from 2025. The use of JumpStart Fund to address the GF shortfall will be discussed as part of the JumpStart Fund Analysis Presentation.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$8.9M	\$10.4M	17.0%	\$11.0M	5.1%
Non-Labor	\$28.3M	\$19.8M	(30.0%)	\$19.4M	(2.1%)
Total:	\$37.2M	\$30.3M	(18.7%)	\$30.4M	0.4%
Total FTE:	61	63	3.3%	63	0.0%

- The 2025-2026 Proposed Budget includes a 17 percent increase in labor expenditures, driven by annual wage and market wage increases to OED’s base budget, as well as the addition of 2.0 FTE to increase capacity in the Special Events Office.
- The proposed reductions in OED’s budget are driven by reductions in OED’s non-labor expenditures, which are discussed further in the following section, as well as in the OED Policy Considerations paper.

OPERATING BUDGET
OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Business Services				
Purpose	The purpose of the Business Services Budget Summary Level is to promote economic development in the City.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$7.3M	\$5.6M	(23.1%)	\$5.8M	3.6%
JumpStart Fund	\$22.3M	\$15.5M	(30.7%)	\$15.5M	0.4%
Other Sources	-	-	-	-	-
Total:	\$29.6M	\$21.1M	(28.8%)	\$21.3M	1.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Business Services	\$29.6M	\$21.1M	(28.8%)	\$21.3M	1.2%
Total:	\$29.6M	\$21.1M	(28.8%)	\$21.3M	1.2%

- The expenditures in the Business Services BSL have primarily been built around the five pillars outlined in the Future of Seattle Economy (FSE) framework. The 2025 Proposed Budget includes the following changes to each pillar:
 1. *Investing in Diverse Talent and Building Our Workforce* would be reduced to \$500,000, representing an 86 percent reduction from the 2024 Adopted Budget. The elimination of OED’s investments in the [Seattle Jobs Initiative](#) would be responsible for 75 percent of this reduction (\$2.2 million);
 2. *Supporting WMBE and Small Business Enterprises* would increase to \$1.8 million, reflecting a six percent increase from the 2024 Adopted Budget, accounting for market wage adjustments and annual wage increases, while retaining its non-labor program funding level from 2024;
 3. *Creating BIPOC Community Wealth* would be reduced to \$10.0 million,¹ reflecting a 22 percent reduction from the 2024 Adopted Budget, including but not limited to \$1 million reduced from the [Business Community Ownership Fund](#), \$300,000 reduced from the [Capital Access Program](#), and \$1 million reduced from the [Tenant Improvement Fund](#);
 4. *Investing in Neighborhood Business Districts* would be reduced to \$3.8 million, reflecting a 42 percent reduction from the 2024 Adopted Budget, including but not limited to the expiration of one-time funds for neighborhood retail analyses and grants for neighborhood-based nonprofit organizations; and
 5. *Growing Businesses and Key Industries* would be reduced to \$3.3 million, reflecting a nine percent reduction from the 2024 Adopted Budget, and including a \$500,000 reduction in OED’s Green Economy program.
- Please see the OED Policy Considerations paper for a more detailed discussion of the proposed program reductions for OED.
- The General Fund reduction for the Business Services BSL in the 2025 Proposed Budget reflects reductions to programs discussed above that were GF funded as well as an addition of \$250,000 for Westlake Park planning and activations.
- The 2025 Proposed Budget also includes an additional \$387,000 JumpStart Fund to reflect annual wage increases and an additional 2.0 FTE to increase capacity in the Special Events Office, for a total appropriation of \$1.4 million. The Special Events Office is not currently categorized by OED in any specific FSE pillar.
- The Storefront Repair Fund is not reflected in the BSL summary chart above, as it was funded by a prior-year allocation from the Coronavirus Local Fiscal Recovery (CLFR) Fund, initially appropriated at \$2 million through mid-year standalone legislation in 2021.

¹ FSE pillars 3-5 include proposed increases for labor costs, which offset the program reductions. The resulting total reduction for each pillar may therefore be lower than the reductions for non-labor program costs that are detailed in this section.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Office of Economic Development.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$4.2M	\$4.7M	13.2%	\$5.0M	4.7%
JumpStart Fund	\$3.5M	\$4.5M	28.8%	\$4.1M	(8.1%)
Other Sources	-	-	-	-	-
Total:	\$7.7M	\$9.2M	20.3%	\$9.1M	(1.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$0.9M	\$1.0M	6.2%	\$1.0M	4.6%
Departmental Indirect Costs	\$6.0M	\$7.4M	23.5%	\$7.1M	(3.5%)
Pooled Benefits	\$0.8M	\$0.8M	11.3%	\$0.9M	9.3%
Total:	\$7.7M	\$9.2M	20.3%	\$9.1M	(1.5%)

- The proposed increase of GF appropriations in the Leadership and Administration BSL is primarily related to the annual wage increase and technical adjustments that do not impact the department’s operations.
- The proposed increase of JumpStart Fund would be due to both annual wage increases as well as continued investments in the Downtown Activation Plan, representing \$2.75 million of the \$4.5 million of JumpStart Fund allocated to this BSL. Citywide, the 2025 Proposed Budget includes \$8.2 million for the Downtown Activation Plan (See the OED Policy Considerations paper for a more detailed discussion of the proposed investments in the Downtown Activation Plan).

BUDGET LEGISLATION

1. CBO Year-End Supplemental ORD

This proposed legislation would do the following:

- Abandon \$681,000 in prior-year Community Development Block Grant (CDBG) funds to align with the CDBG Action Plan for 2024; and
- Shift \$556,000 in funding for the Seattle Maritime Academy from Coronavirus Local Fiscal Recovery (CLFR) Fund to General Fund, which would be backed by a transfer of the remaining balance of CLFR funds in OED (\$572,000) to the General Fund. This funding swap would ensure that the City spends down the remaining CLFR funds before the expiration of the funds at the end of the year, and that the Seattle Maritime Academy does not experience a CLFR cliff in its funding for 2024-2025 school year. This General Fund appropriation is intended to carryforward until spent or abandoned.

2. CBO Grants Acceptance ORD

This proposed legislation would do the following:

- Increase grant-backed appropriation authority by \$30,000 GF to reflect a grant from the Washington State Department of Commerce to support program sponsorship of the M5 building film production programs. These funds would allow the M5 building to provide reduced rate access to hot desks and film production offices. This grant does not require a local match and will not result in ongoing costs after the period of performance.
- Increase grant-back appropriation authority by \$500,000 GF to reflect a grant from the Washington State Department of Commerce to lease space for nonprofit and academic institutions to incubate technology business start-ups, especially those focusing on artificial intelligence, and develop and teach curricula to skill up workers to use artificial intelligence as a business resource. The period of performance for this grant runs from July 1, 2024, through June 30, 2025. This grant does not require a local match and will not result in ongoing costs after the period of performance.

HEARING EXAMINER (HXM)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KETIL FREEMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of the Hearing Examiner	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
Operating Subtotal:	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
Grand Total:	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%

The Office of the Hearing Examiner (HXM) acts as the City’s administrative law judge and adjudicates disputes related to the application and administration by various departments of the Seattle Municipal Code, including, but not limited to, the Land Use Code, Office of Labor Standards Ordinances, Office for Civil Rights Ordinances, and the Seattle Fire Code. The HXM also conducts open record hearings and makes recommendations for quasi-judicial decisions made by the Council. The HXM consists of 5 FTE: the Hearing Examiner, a deputy hearing examiner, an executive assistant, a legal assistant, and an administrative specialist.

The 2025 - 2026 Proposed Budget for the HXM would increase by 7.9 percent, from approximately \$1.2 million in 2024 to \$1.3 million in 2025, and then would increase to \$1.4 million in 2026. These changes are associated with changes to internal service costs and annual wage increases.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$0.8M	\$1.0M	16.4%	\$1.0M	5.1%
Non-Labor	\$0.4M	\$0.3M	(11.2%)	\$0.4M	4.7%
Total:	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
Total FTE:	5	5	-	5	-

- HXM’s labor appropriations would increase by 16.4 percent \$111,000 from 2024 to 2025 and by 5.1 percent \$40,000 between 2025 and 2026 due to annual wage increases.
- Other non-labor changes in appropriations are due to changes in internal services costs.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of the Hearing Examiner				
Purpose	The purpose of the Office of Hearing Examiner Budget Summary Level is to conduct fair and impartial hearings in all subject areas where the Seattle Municipal Code grants authority to do so (there are currently more than 75 subject areas and to issue decisions and recommendations consistent with applicable law.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of the Hearing Examiner	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%
Total:	\$1.2M	\$1.3M	7.9%	\$1.4M	5.0%

- HXM is entirely funded through the General Fund.

BUDGET LEGISLATION

1. HXM Filing Fees ORD

This legislation would increase the filing fee for a case before the HXM from \$85 to \$120 and consolidate and clarify the cases for which no filing fee is required. With the increase, filing fees would remain lower than those charged by most other jurisdictions. The proposed filing fee change would increase revenue to the General Fund in 2025 by \$3,420 and in 2025 by \$3,600.

OFFICE OF HOUSING (OH)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: TRACI RATZLIFF

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Homeownership & Sustainability	\$27.6M	\$30.1M	8.9%	\$26.3M	(12.5%)
Leadership and Administration	\$10.0M	\$11.6M	16.4%	\$11.0M	(5.1%)
Multifamily Housing	\$301.7M	\$300.8M	(0.3%)	\$305.6M	1.6%
Operating Subtotal:	\$339.3M	\$342.4M	0.9%	\$342.9M	0.1%
Grand Total:	\$339.3M	\$342.4M	0.9%	\$342.9M	0.1%

The 2025 Proposed Budget for the Office of Housing (OH) increases by 0.9 percent (\$3.1 million) relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by 0.1 percent (\$500,000) over the 2025 Proposed Budget. JumpStart funding to the OH is reduced by \$9.3 million in the 2025 Proposed Budget compared to the 2024 Adopted Budget and increases by \$6 million in the 2026 Proposed Budget compared to the 2025 Proposed Budget. As shown in the chart above, there is a \$900,000 reduction in the Multifamily Housing Program in the 2025 Proposed Budget that is directly related to the JumpStart funding reduction. The addition of one-time funds in the Multifamily Housing Program in 2025 and 2026 helps to mitigate for the reduction in JumpStart funding that primarily impacts the Multifamily (MF) Capital Lending Program in 2025 and 2026.

The reduction in JumpStart funding also impacts the Homeownership and Sustainability Program - specifically the Homeownership Capital Program, seen most readily in the 2026 Proposed Budget. The increase in weatherization funding in the Homeownership and Sustainability Program in the 2025 Proposed Budget masks the impact of the JumpStart reduction to this program in 2025.

Additional changes to JumpStart Fund spending in the MF Capital Lending Program in 2025 and 2026 include transferring funding out of the MF Capital Lending Program to pay for administrative costs, new staff, and inflationary increases to agency support contracts for affordable housing providers. Because of the JumpStart funding reductions in OH, the Proposed Budget prioritizes funding inflationary increases to agency support contracts with affordable housing providers, and administrative costs versus funding the MF Capital Lending Program that supports the production of new rental units. For reference see Attachment 1 that includes a breakdown of JumpStart funding in OH by program for 2024 through 2026.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$10.2M	\$11.7M	14.3%	\$12.1M	3.5%
Non-Labor	\$329.1M	\$330.7M	0.5%	\$330.8M	0.0%
Total:	\$339.3M	\$342.4M	0.9%	\$342.9M	0.1%
Total FTE:	66.0	69.0	4.5%	69.0	-

- Three new positions are included in the 2025-2026 Proposed Budget: Budget manager position, Community Development Specialist in the Asset Management Program, and an administrative support position. These positions provide added support for: Budget development, tracking, and management; ongoing asset management compliance functions for city funded housing units; and administrative support for contracting, production of annual reports, and the annual funding processes. Funding from one-time 2016 Housing Levy Administrative funds, 2023 Housing Levy Administrative funds, and JumpStart Administrative funds support these positions. The significant increase in funding to the OH from the 2023 Housing Levy and the JumpStart fund warrants addition of these positions.

- A true-up of administrative cost sharing between the 2023 Housing Levy, Mandatory Housing Affordability Program, and JumpStart funding is included in the 2025 and 2026 Proposed Budgets. The percentage share of administrative costs is based on the amount of funding generated from each fund source. The distribution is: 40 percent each to the 2023 Housing Levy and JumpStart and 20 percent to Mandatory Housing Affordability. JumpStart’s share of administrative costs is increased in the 2025 and 2026 Proposed Budgets. Funding from the Multifamily Capital Lending Program.

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Homeownership & Sustainability				
Purpose	The purpose of the Homeownership & Sustainability Budget Summary Level is to provide loans, grants, and other types of assistance to affordable housing providers and low-income Seattle residents in order to support permanently affordable homeownership, address displacement risks, provide health and safety home repair needs, and implement energy efficiency improvements for qualifying properties.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	\$8.8M	\$7.1M	(19.3%)	\$7.1M	0.3%
Other Sources	\$18.8M	\$23.0M	22.0%	\$19.2M	(16.4%)
Total:	\$27.6M	\$30.1M	8.9%	\$26.3M	(12.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Home Ownership	\$16.2M	\$14.5M	(10.3%)	\$14.5M	0.2%
Home Repair	\$1.4M	\$1.4M	3.0%	\$1.5M	1.2%
Weatherization	\$10.0M	\$14.1M	40.6%	\$10.3M	(27.0%)
Total:	\$27.6M	\$30.1M	8.9%	\$26.3M	(12.5%)

The Homeownership and Sustainability Program includes the following notable changes:

- JumpStart funding for the Home Ownership Capital Production program is reduced by \$1.7 million in the 2025 and 2026 Proposed Budgets. This is an ongoing reduction. The Executive indicates that this reduction in funding over the next two years will not impact the production of homeownership units because these funds are not needed during this time period for planned projects. However, this additional funding will be needed in 2027 and beyond to support planned homeownership projects. Therefore, JumpStart or other funds will need to be identified in future budgets to meet the anticipated need for funding for these projects.
- Funding for the Weatherization program increases by approximately \$4 million in 2025 Proposed Budget compared to 2024 due to the receipt of grant funds from the State and Federal governments. This is in addition to baseline funding of \$1.6 million in JumpStart Green New Deal funds in OH to fully fund conversions from oil heat to electric heat pumps for low-income households as part of the [Clean Heat Program](#).

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide centralized leadership, strategic planning, program development, financial management, and administrative support services to the office.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	\$3.0M	\$4.2M	38.1%	\$4.5M	7.6%
Other Sources	\$6.9M	\$7.4M	7.7%	\$6.5M	(12.2%)
Total:	\$10.0M	\$11.6M	16.4%	\$11.0M	(5.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$2.1M	\$2.0M	(2.9%)	\$2.2M	9.2%
Departmental Indirect Costs	\$5.2M	\$6.1M	15.9%	\$5.9M	(2.4%)
Policy & Planning	\$3.3M	\$4.2M	29.1%	\$3.7M	(13.7%)
Pooled Benefits	(\$0.6M)	(\$0.7M)	15.9%	(\$0.8M)	5.8%
Total:	\$10.0M	\$11.6M	16%	\$11.0M	(5.1%)

The Leadership and Administration BSL includes the following notable changes:

- JumpStart funding is added to true up the JumpStart Fund’s share of administrative costs and to cover a portion of annual wage increases.
- Funding is also added to support several of the new positions that are proposed to be added. 2016 Levy and 2023 Levy Administrative funds support these appropriations.
- Funding is also added to cover OH’s share of costs for maintaining the Fort Lawton Redevelopment site, pre-development work and property management costs at the Mount Baker Laundry Site and property management costs at several other OH-owned sites that await development. Levy Administrative funds, authorized for this purpose up to \$10 million over the life of the Levy, are used to support these appropriations.

BSL	Multifamily Housing				
Purpose	The purpose of the Multifamily Housing Budget Summary Level is to support the development, preservation, and acquisition of multifamily rental housing, as well as the long-term stewardship and monitoring of that housing, and to support affordable housing providers and low-income residents.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	\$130.3M	\$121.6M	(6.7%)	\$127.5M	4.8%
Other Sources	\$171.4M	\$179.2M	4.5%	\$178.1M	(0.6%)
Total:	\$301.7M	\$300.8M	(0.3%)	\$305.6M	1.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Asset Management	\$23.0M	\$51.9M	125.7%	\$57.3M	10.5%
Multifamily Lending	\$278.8M	\$248.9M	(10.7%)	\$248.3M	(0.2%)
Total:	\$301.7M	\$300.8M	(0.3%)	\$305.6M	1.6%

The Multifamily Housing BSL includes the following notable changes:

- Although the Multifamily Lending program shows a \$29.9 million reduction from the 2024 Adopted Budget to the 2025 Proposed Budget, this amount includes technical adjustments that do not impact program delivery. The real reduction impact to this program is \$6.3 million in the 2025 Proposed Budget compared to the 2024 Adopted Budget and \$6.9 million in the 2026 Proposed Budget. A technical correction that moves JumpStart funding for the Workforce Stabilization program from the MF Capital Lending Program to the Asset Management Program accounts for \$25 million of the reduction shown in

the chart above. Another technical correction moves \$1.4 million of Housing Levy funding for the Homelessness Prevention and Housing Stability program to the MF Capital Lending Program from the Asset Management Program. Again, this change has no impact on the level of spending for the MF Capital Lending Program. The real reductions that impact actual spending for the MF Capital Lending Program are described below:

- Re-direction of MF Capital Lending Program funding to the Asset Management Program to cover increased agency support contracts (described below) - \$4.7 million in 2025 and \$9.3 million in 2026 (JumpStart);
- Re-direction of MF Capital Lending Program funding to other OH programs to support the increased share of JumpStart Administration costs (described above) - \$836,000 in 2025 and 2026 (JumpStart);
- Re-direction of MF Capital Lending Program funding to partially support new positions \$108,521 in 2025 and 2026 (JumpStart); and
- Reduction in MF Capital Lending funding due to JumpStart reductions - \$7.5 million in 2025, \$1.6 million in 2026 (JumpStart)

Partial offset for JumpStart funding reductions to the MF Capital Lending Program is provided with one-time funding from Mandatory Housing Affordability (MHA) administrative funds: \$7 million in the 2025 and \$5 million in the 2026 Proposed Budgets. This MHA funding is a one-time accrual of funding designated to support staffing costs for the MHA program that were not needed for that purpose and were available to be used to offset the JumpStart reductions to the MF Capital Lending Program in 2025 and 2026 only. There is a decline in funds being generated from the MHA program due to reduced development activity in the city. Therefore, it is unlikely that excess MHA funds will be available in 2027 to provide backfill for ongoing reductions of JumpStart funding should they occur in 2027 and beyond.

- Overall funding for the Asset Management Program increases by \$29 million in the 2025 Proposed Budget compared to the 2024 Adopted Budget and \$5.4 million in the 2026 Proposed Budget compared to the 2025 Proposed Budget. Technical corrections (described above in the MF Capital Lending Program) account for a \$25 million increase due to the movement of Workforce Stabilization program funding to the Asset Management program and a \$1.4 million decrease due to the movement of program funding for the Homelessness Prevention and Housing Stability program to the MF Capital Lending Program. The remaining major increases are described below:
 - Funding for inflationary increases to agency contracts for the Operating, Maintenance and Services Program, the Workforce Stabilization Program and Resident Services Program: \$4.7 million in 2025 and \$9.3 million in 2026 (JumpStart). As described above, this funding is redirected from the MF Capital Lending Program.
 - Funding for inflationary increases to agency contracts supported by the 2023 Housing Levy - \$416,714.
 - Funding for the proposed asset management position - \$150,000 (Housing Levy and JumpStart)

BUDGET LEGISLATION

1. CBO Legislated Reporting Requests ORD

This proposed legislation would change the deadline from March to June for OH to provide an annual report on the Multi-Family Tax Exemption (MFTE) program and remove the requirement for a semiannual report in September to better align with available information.

2. CBO 2024 Year-End Supplemental ORD

This legislation includes appropriation changes to OH as follows:

- \$1.5 million appropriation is transferred from the Office of Sustainability and Environment to OH to support gas to electric conversions in single family homes in Seattle and King County. This grant funding was awarded by the Washington State Department of Commerce. Funding must be expended by the end of 2025.
- \$51,000 appropriation to support the increased security and maintenance expenses at the Fort Lawton Redevelopment property. FAS incurs the costs, which are then shared between the Office of Housing and Parks.
- \$400,000 appropriation of JumpStart funding from the Office of Sustainability and Environment to support decarbonization retrofits in three multifamily affordable housing projects.

3. CBO 2024 Year-End Grant Acceptance ORD

This legislation includes acceptance of two grants supporting OH programs, as follows:

- \$5 million grant from the U.S. Department of Housing and Urban Development's (HUD's) Pathways to Removing Obstacles to Housing (PRO Housing) grant program. This grant will be shared between OH and the Office of Planning and Community Development (OPCD) to help fight displacement and housing instability for lower-income residents.
- The grant funding is proposed to be expended over a 5-year period.
- \$300,000 grant from the Bonneville Power Administration (BPA). This grant supports weatherization projects for low-income households residing in single family homes. Funding can be used for such activities as: side sewer replacement, ductless heat pumps, replacement for source of fuel heat. The period of performance for the grant runs from October 1, 2024, through September 30, 2025.

4. CBO 2025 Annual Grant Acceptance ORD

This legislation includes acceptance of one grant supporting OH:

- \$161,000 grant from HUD's Community Development Block Grant (CDBG) program. This grant supports the work of OH staff related to the expenditure of CDBG funds for the Single Family Home Repair program, development of the Consolidated Plan, and other reporting requirements related to this fund source.

Attachments

1. Summary of JumpStart Funding by Program in the Office of Housing

Attachment 1
Summary of JumpStart Funding included in Office of Housing’s
2024 Adopted and 2025 - 2026 Proposed Budgets by Program Area

	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Multi-Family (MF) Capital Lending and Asset Management Program					
Acquisition & Development ¹	\$78,098,974 ²	\$65,583,330	(16%)	\$66,106,910	.8%
Acquisition and Development in Areas at Risk of Displacement-Capital	\$15,623,684	\$15,039,339	(3.7%)	\$15,846,911	5.3%
Acquisition and Development in Areas at Risk of Displacement – Technical Assistance, pre-development, capacity building grants	\$2,000,000 ³	\$2,000,000	0%	\$2,000,000	0%
Subtotal MF Capital Lending	\$95,722,658	\$82,621,669	(14%)	\$83,953,821	1.6%
Services for City-funded PSH units	\$10,045,607	\$13,890,533	38%	\$17,441,990	26%
Services for City-funded Affordable Housing (non-PSH) (Resident Services)	\$1,733,903	\$1,803,259	4%	\$1,875,389	4%
Workforce Stabilization	\$21,695,343	\$22,563,157	4%	\$23,465,683	4%
Subtotal Asset Management	\$33,474,853	\$38,256,949	14%	\$42,783,062	12%
Total MF Capital Lending & Asset Management	\$129,197,511	\$120,878,618	(6.4%)	\$126,736,883	5%
Homeownership and Weatherization Program					
Homeownership Development in Areas at Risk of Displacement	\$6,722,566	\$5,006,693	(26%)	\$5,020,969	.3%
Single Family Oil Heat Conversion (GND Investment)	\$1,625,000	\$1,625,000	0%	\$1,625,000	0%
Homeownership Total	\$8,347,566	\$6,631,693	(21%)	\$6,645,969	.2%
Administration					
Admin (in various Budget Programs)	\$4,569,073	\$5,333,486	16%	\$5,678,235	6.4%
Total Funding All Programs	\$142,114,150	\$132,843,797	(7%)	\$139,061,087	5%

¹ Acquisition and Development funding includes funding for MF Rental Production and Preservation funding for existing City units

² During 2024, \$10 m of funding from the Acquisition and Development program and \$4 million from Services for City funded PSH units not needed in 2024 that were reallocated to the Organizational Stabilization program in the Asset Management program and used for a one-time Organizational Stability Request for Proposals process to assist affordable housing developers address significant funding challenges.

³ During 2024, OH was prevented from issuing a contract for \$2 million technical assistance grants due to a hold placed by the Executive as it considered ways to address the General Fund shortfall.

OFFICE OF IMMIGRANT AND REFUGEE AFFAIRS (OIRA)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ASHA VENKATARAMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Immigrant and Refugee Affairs	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%
Operating Subtotal:	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%
Grand Total:	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%

The Office of Immigrant and Refugee Affairs (OIRA) supports immigrant and refugee Seattle residents and leads coordination of City efforts to support equity and access for immigrants and refugees. The 2025 Proposed Budget for OIRA remains relatively unchanged relative to the 2024 Adopted Budget. The decrease in the 2025 Proposed Budget would reflect position alignment with actual costs, centralization of language access costs, and removal of the \$17,000 intern budget. The increase in the 2026 Proposed Budget would be due primarily to annual wage increases.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$2.0M	\$2.1M	8.0%	\$2.3M	5.2%
Non-Labor	\$4.4M	\$4.2M	(4.4%)	\$4.5M	5.8%
Total:	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%
Total FTE:	13	13	-	13	-

- The increase in the labor budget would be due primarily to annual wage increases, offset by the removal of \$17,000 for an intern and a reduction of \$37,000 to align the labor budget with actual position costs.
- Non-labor reductions in 2025 would include the removal of \$25,000 due to centralization of language access costs and removal of \$225,000 in one-time funding from the 2024 Adopted Budget, made up of \$200,000 to support migrant and asylum seekers and \$25,000 to support an anti-trafficking conference.
- In 2026, the non-labor increase would be due to standard cost changes.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Immigrant and Refugee Affairs				
Purpose	The purpose of the Office of Immigrant and Refugee Affairs Budget Summary Level is to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic, and cultural life and to advocate on behalf of immigrant and refugee communities so that the City's programs and services better meet the unique needs of these constituents.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$6.2M	\$6.2M	(0.3%)	\$6.6M	5.6%
JumpStart Fund	\$0.2M	\$0.1M	(12.8%)	\$0.2M	6.6%
Other Sources	-	-	-	-	-
Total:	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of Immigrant and Refugee Affairs	\$6.4M	\$6.4M	(0.6%)	\$6.7M	5.6%
Total:	\$6.4M	\$6.4M	-	\$6.7M	5.6%

- The 2025 Proposed Budget would reflect a decrease in alignment of budgeted position costs with actual costs (\$37,000), centralization of language access costs with Seattle IT (\$25,0000), and a removal of the \$17,000 intern budget. The increase in the 2026 Proposed Budget would be due primarily to annual wage increases.

BUDGET LEGISLATION

1. 2024 Year End Supplemental

This legislation would make two changes in OIRA. A minor \$6,000 increase would reflect an increase in funding amounts from the Washington Department of Health and Social Services and the Seattle Housing Authority for the New Citizen Program. The second change would increase OIRA's appropriation authority by \$150,000 for the Victim Compensation Fund, correcting a technical error. If this legislation does not pass, OIRA would not be able to use the increase in funds for the New Citizen Program and appropriation authority for the Victim Compensation Fund programming would lapse at the end of 2024.

OFFICE OF LABOR STANDARDS (OLS)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: LISH WHITSON

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Labor Standards	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)
Operating Subtotal:	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)
Grand Total:	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)

The Proposed Budget for the Office of Labor Standards (OLS) is reduced by \$617,000 (6.8 percent) from 2024 to 2025 and an additional \$178,000 (2.1 percent) between 2025 and 2026. Under the proposed budget, OLS would continue its efforts to implement and enforce 19 different labor regulations, including the City’s minimum wage (Seattle Municipal Code (SMC) [14.19](#)), wage theft (SMC [14.20](#)) and Paid Safe and Sick Time (SMC [14.16](#)) Ordinances, with reduced resources.

Pursuant to SMC Section [3.15.007](#), OLS’s budget is appropriated from the General Fund to a separate fund (Office of Labor Standards Fund). The OLS Fund is currently supported by the General Fund, but a new dedicated fund source, Network Company License Fees, will begin to be collected in 2026. Proceeds from that fee is not reflected in the 2025-2026 Proposed Budget.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$5.2M	\$5.0M	(3.6%)	\$5.3M	5.6%
Non-Labor	\$3.8M	\$3.4M	(11.3%)	\$2.9M	(13.6%)
Total:	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)
Total FTE:	43	40	(7.0%)	40	-

- The 2025-2026 Proposed Budget would abrogate 3.0 FTE that are currently vacant, these positions are:
 - 1.0 FTE Planning & Development Specialist II (\$156,000 in 2025 and \$164,000 in 2026) – this position is responsible for supporting outreach and education regarding the City’s labor regulations, including oversight of some of the Business Outreach and Education Fund (BOEF) and Community Outreach and Education Fund (COEF) contracts. After this position is abrogated, four positions would remain in OLS to do this work.
 - 1.0 FTE Strategic Advisor I, Gen Gov’t (\$185,000 in 2025 and \$195,000 in 2026) – this position is responsible for providing a variety of data collection, cleaning and analysis functions, specifically around the App-Based Worker ordinances. After this position is abrogated, the department will not be able to do some of this work.
 - 1.0 FTE Civil Rights Analyst (Investigator) (\$159,000 in 2025 and \$168,000 in 2026) – this position is responsible for conducting labor standards investigations and resolving complaints of labor standards violations. After this position is abrogated, 10 funded investigator positions would remain in OLS.
- 1.0 FTE Civil Rights Analyst (Investigator) position would be defunded starting in April 2025, after the planned retirement of the incumbent employee (\$125,000 in 2025 and \$159,000 in 2026). This position is

responsible for conducting labor standards investigations and resolving complaints of labor standards violations. After this position is abrogated, nine funded investigator positions would remain in OLS.

- Reductions to these positions are offset by Council-approved city-wide increases in employee compensation, resulting in a net increase of 5.6 percent in labor costs in 2026.
- OLS would retain position authority for 7.0 vacant and unfunded FTE. These positions were added in the 2024 Adopted Budget to support implementation of the App-Based Worker Deactivation Rights [Ordinance](#) (SMC 8.40), which will go into effect on January 1, 2025. These positions are not planned to be filled until Network Company License Fee revenues (authorized under [ORD 126953](#)) are received starting in the first quarter of 2026. Proceeds from the Fee will be available to be used to enforce SMC 8.40 and SMC [8.37](#), the App-Based Worker Minimum Payment Ordinance. Until revenues from the Fee are collected and OLS is able to hire additional staff, OLS will oversee these ordinances along with the City’s other labor regulations using existing staff. Early [estimates](#) anticipated that revenue from the Network Company License Fee would equal \$2.1 million in 2025.
- Non-labor costs, primarily contracts with outside organizations to support outreach and education regarding the City’s labor laws and one-time adds in the 2024 budget, would be reduced by \$400,000 (11.3 percent) in 2025 and an additional \$500,000 (2.1 percent) in 2026, as described in more detail below.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Labor Standards				
Purpose	The purpose of the Office of Labor Standards Budget Summary Level is to implement labor standards for workers performing work inside Seattle’s city limits. This includes investigation, remediation, outreach and education, and policy work related to existing labor standards and those that the City may enact in the future.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.0M	\$0.0M	-	\$0.0M	-
JumpStart Fund	\$0.6M	\$0.0M	(100.0%)	\$0.0M	-
OLS Fund	\$8.4M	\$8.4M	(0.2%)	\$8.2M	(2.1%)
Total:	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Business Outreach & Education (BOEF)	\$0.6M	\$0.5M	(16.7%)	\$0.5M	-
Community Outreach & Education (COEF)	\$1.5M	\$1.5M	-	\$1.0M	(33.3%)
Office of Labor Standards	\$6.9M	\$6.4M	(7.4%)	\$6.7M	5.0%
Total:	\$9.0M	\$8.4M	(6.8%)	\$8.2M	(2.1%)

The OLS budget includes three programs: the Office of Labor Standards program, which includes all staff and overhead expenses; and two outreach and education funds, which are budgeted separately. The BOEF and the COEF are both used to contract with community-based organizations to develop awareness and understanding of the City’s labor standards ordinances. The BOEF focuses on increasing understanding by businesses, and the COEF focuses on increasing understanding by workers.

Proposed reductions to the Office of Labor Standards Program in 2025 and 2026 total \$1.5 million and include:

- Removal of \$500,000 of one-time JumpStart funding added in the 2024 Adopted Budget for early implementation of the App-Based Worker Ordinances;
- Removal of \$100,000 of one-time JumpStart funding added in the 2024 Adopted Budget to support development of a portable paid-time-off policy for domestic workers;
- Removal of \$25,000 GF added to the OLS budget in 2023 to support implementation of the App-Based Worker Ordinances;
- Reduction of \$216,000 in general overhead funds, these funds would have been used for 1) outreach and engagement related to the App-Based Worker Ordinances, 2) Independent Contractor Protection communication and outreach activities, 3) funding for the Hotel Employees Worker Safety contract, and 4) funding for enforcement capacity.
- The abrogation of 3.0 FTE and defunding of 1.0 FTE, resulting in a reduction of in \$625,000 salary and benefit costs, as described above.

These reductions would be partially offset by Council-approved city-wide increases in employee compensation and other standard cost increases equaling \$949,000 in 2025 and \$1.3 million in 2026.

The BOEF program would be reduced from \$600,000 a year to \$500,000 a year in both 2025 and 2026. The BOEF uses two-year contracts with its partners, and current contracts will end at the end of 2024. This reduction will result in fewer contracts with community-based organizations, and reduced outreach and education to businesses regarding their obligations under Seattle’s labor regulations.

The COEF program would be reduced from \$1.5 million to \$1 million in 2026. Half of that reduction would be one-time and half would be ongoing (i.e., the baseline would be \$1.25 million in 2027, assuming no other changes). The COEF uses two-year contracts with its partners, and current contracts will end at the end of 2025. By backloading this reduction, existing obligations are not affected, but there will be significantly fewer resources available for 2026-2027 contacts for outreach and education to workers about their rights under the City’s labor regulations.

BUDGET LEGISLATION

1. CBO Legislated Reporting Requests ORD

This proposed legislation would remove the requirement established via [Resolution 31863](#) (adopted in 2019) to report biannually on incidence of worker/independent contractor misclassification. The City has shifted focus from misclassification to regulation in this area and the requested information is no longer relevant in this context.

OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT (OPCD)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: LISH WHITSON

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Design Commission	\$0.7M	\$0.8M	10.9%	\$0.8M	4.9%
Equitable Development Initiative	\$25.3M	\$26.6M	4.9%	\$27.6M	3.8%
Planning & Community Development	\$9.9M	\$10.7M	8.2%	\$10.5M	(1.6%)
Operating Subtotal:	\$35.9M	\$38.0M	6.0%	\$38.9M	2.3%
Grand Total:	\$35.9M	\$38.0M	6.0%	\$38.9M	2.3%

The Office of Planning and Community Development (OPCD) leads citywide planning efforts and implementation and support equitable community-led investments to address the needs of communities at risk of displacement. Under the 2025 Proposed Budget, OPCD’s budget would increase by \$2.1 million (6.0 percent) compared to the 2024 Adopted Budget and a further \$874,000 (2.3 percent) in 2026. Over two-thirds of the OPCD budget would be allocated to grants and other support for Equitable Development Initiative projects.

OPCD’s budget is divided into three Budget Summary Levels (BSL):

- The Equitable Development Initiative (EDI) includes funding for grants and funding to administer the EDI program, but not funding for EDI staff, which are funded through the Planning and Community Development BSL.
- The Planning and Community Development BSL primarily includes funding for staff and consulting dollars to support the OPCD’s work.
- The Design Commission BSL pays for staff and other support for the Commission. It is entirely funded through Real Estate Excise Tax proceeds.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$8.5M	\$9.2M	7.6%	\$9.7M	5.4%
Non-Labor	\$27.3M	\$28.8M	5.4%	\$29.2M	1.3%
Total:	\$35.9M	\$38.0M	6.0%	\$38.9M	2.3%
Total FTE:	52	48	(6.8%)	48	-

Increases in labor costs due to Council-approved city-wide increases in employee compensation amounting to \$1.2 million, are partially offset by abrogation of 3.5 FTE in 2025:

- 1.0 FTE vacant Planning and Development Specialist Senior (\$175,000) in the Land Use Policy and Strategic Initiatives division, leaving four permanent positions in the division. Abrogating this position would reduce the Office’s capacity to work on zoning changes to promote middle housing, upzones in urban centers, policy changes to support downtown activation, and other future Council and Mayoral policy initiatives.

- 1.0 FTE filled Planning and Development Specialist Senior (\$175,000) supporting the Seattle Planning Commission, leaving 2.5 FTE to support the Commission’s functions. The Commission, which is an independent commission set up under the City Charter, is responsible for reviewing and providing recommendations related to the City’s Comprehensive Plan. Abrogating this position would reduce the ability of staff to support the commissioners in issue identification, peer and best practice research, data and policy analysis, discussion synthesis and independent report production.
- 0.5 FTE filled Admin Staff Assistant (\$35,000), leaving 1.0 FTE administrative assistant split between the Planning and Design Commissions, and 0.5 FTE in administrative support for the rest of the office. Abrogating this position will require professional staff to take on more of the Office’s administrative duties, reducing capacity to undertake the Council’s work.
- In addition to these reductions, 1.0 FTE Duwamish Valley planner in the Community Planning division (\$163,000) was transferred to Seattle Public Utilities (SPU) in the Mid-Year Supplemental ordinance ([ORD 127068](#)) and is reflected in the FTE counts above, along with the SPU budget.

Non-labor budgetary increases would include two primary changes:

- Increases to EDI Grant funding (\$1.2 million in 2025 and \$1.0 million in 2026).
- One-time addition of \$350,000 in 2025 for a supplemental Environmental Impact Statement (EIS). See the OPCD Policy Considerations Paper for more detail.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Design Commission				
Purpose	The purpose of the Design Commission Budget Summary Level is to give advice to the Mayor, City Council, and City Departments, concerning City-funded Capital Improvement Projects, projects that seek long-term use of the right-of-way, or major transportation projects.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Real Estate Excise Tax I (REET I)	\$0.7M	\$0.8M	10.9%	\$0.8M	4.9%
Total:	\$0.7M	\$0.8M	10.9%	\$0.8M	4.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Design Commission	\$0.7M	\$0.8M	10.9%	\$0.8M	4.9%
Total:	\$0.7M	\$0.8M	10.9%	\$0.8M	4.9%

- The Design Commission’s work is funded through the Real Estate Excise Tax. Changes to the budget reflect Council-approved city-wide increases in employee compensation.

BSL	Equitable Development Initiative				
Purpose	The purpose of the Equitable Development Initiative Budget Summary Level is to foster community leadership and support organizations that promote equitable access to housing, jobs, education, parks, cultural expression, healthy food, and other community needs and amenities. The goal of the Equitable Development Initiative is to address displacement and the unequal distribution of opportunities in order to sustain a diverse Seattle.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.4M	-	(100.0%)	-	-
JumpStart Fund	\$19.8M	\$21.4M	8.5%	\$22.4M	4.7%
Short-Term Rental Tax	\$5.1M	\$5.1M	-	\$5.1M	-
Total:	\$25.3M	\$26.6M	4.9%	\$27.6M	3.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Equitable Development Initiative	\$25.3M	\$26.6M	4.9%	\$27.6M	3.8%
Total:	\$25.3M	\$26.6M	4.9%	\$27.6M	3.8%

- This BSL, which funds EDI grants and the EDI Advisory Board, would increase by \$1.3 million (4.9 percent) to \$26.6 million in 2025 and an additional \$1 million (3.8 percent) to \$27.6 million in 2026.
- Funding for EDI projects from the JumpStart Fund would increase by \$1.6 million in 2025 and \$1 million in 2026.
- The 2025-2026 Proposed Budget would remove \$430,000 GF annually of Community Development Block Grant (CDBG) funding from the EDI as part of a citywide realignment of CDBG expenditures. Given federal funding restrictions, the EDI program has had a difficult time identifying projects that can utilize CDBG funding.
- \$5.1 million annually is allocated from the Short-Term Rental Tax (STRT) to EDI grants. STRT proceeds are limited to EDI projects and affordable housing under Washington State Law. [Ordinance 125872](#) requires that the first \$5 million of STRT proceeds to be used toward EDI grants. Approximately \$135,000 of those funds are for soft costs related to the EDI program administration, including stipends for the EDI Advisory Board and review committees, and the office’s Indigenous Seattle internship program.

BSL	Planning and Community Development				
Purpose	The purpose of the Planning and Community Development Budget Summary Level is to manage a collaborative vision for planning that advances equitable development and creates great places in the City of Seattle that is consistent with Seattle's Comprehensive Plan, and to inform and guide growth related decisions for future development.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$7.3M	\$7.7M	5.2%	\$8.1M	5.4%
JumpStart Fund	\$1.7M	\$1.9M	9.0%	\$1.2M	(34.0%)
Short-Term Rental Tax	\$0.8M	\$1.1M	34.7%	\$1.1M	5.1%
Total:	\$9.9M	\$10.7M	8.2%	\$10.5M	(1.6%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Planning	\$9.2M	\$10.1M	10.0%	\$9.9M	(2.0%)
Planning Commission Management	\$0.7M	\$0.6M	(14.5%)	\$0.6M	4.8%
Total:	\$9.9M	\$10.7M	8.2%	\$10.5M	(1.6%)

The Planning and Community Development BSL would increase by \$600,000 or 0.6 percent between 2024 and 2026, due to Council-approved city-wide increases in employee compensation and other standard cost increases, partially offset by cost savings associated with the abrogation of 2.0 FTE. Most of the funding in the BSL is ongoing funding for staff. Key changes in the 2025 and 2026 Proposed Budgets would be:

- Addition in 2025 of \$763,000 GF, \$159,000 JumpStart Fund, and \$106,000 Short-Term Rental Tax for standard cost increases and wage adjustments.
- Addition of \$350,000 of one-time JumpStart funding in 2025 to support the development of a Supplemental Environmental Impact Statement to analyze zoning increases in Regional and Urban Centers, see the OPCD Policy Considerations Paper for more discussion.
- Removal of \$130,000 of one-time JumpStart funding in 2025 to support outreach and engagement around the One Seattle Comprehensive Plan update.
- Removal of \$50,000 of ongoing JumpStart funding in 2025 and \$350,000 of one-time JumpStart funding in 2026 that had been provided to support the development of plans for the City’s Regional Growth Centers as required by the Puget Sound Regional Council.
- Shifting the funding for 1.0 FTE EDI project manager position (\$174,522) from the JumpStart Fund to the STRT.
- Abrogating 3.0 FTE in the Planning and Planning Commission programs, as described above.

BUDGET LEGISLATION

1. CBO 2024 Year-End Grant Acceptance ORD

This bill includes \$142,500 of Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) grant to support the development of an equitable, citywide climate change mitigation strategy that prioritizes vulnerable populations and places. The City’s match for this grant is \$7,500, which will be provided through existing staff’s time on the grant.

2. CBO 2024 Year-End Supplemental ORD

The 2024 Year-End Supplemental bill includes \$50,000 to support outreach and engagement efforts around zoning proposals related to the Comprehensive Plan update in Fall 2024. The bill also cuts \$860,000 of unexpended CDBG funding from 2023 and 2024 from the EDI program.

3. CBO Participatory Budgeting Implementation ORD

The Participatory Budgeting implementation ordinance would allocate \$7.2 million to the Office of Planning and Community Development to support the “creation of a community-owned and operated community center focused on Duwamish cultural education and recreation for youth.” This funding is not reflected in the 2025-2026 Proposed Budget. See the Policy Considerations Paper regarding the Participatory Budgeting project for more information.

SEATTLE DEPARTMENT OF CONSTRUCTION AND INSPECTIONS (SDCI)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: KETIL FREEMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Compliance	\$16.0M	\$15.6M	(2.3%)	\$16.3M	4.2%
Government Policy, Safety & Support	\$2.7M	\$2.9M	9.1%	\$3.0M	4.8%
Inspections	\$32.0M	\$34.0M	6.4%	\$35.7M	4.8%
Land Use Services	\$26.4M	-	(100.0%)	-	-
Leadership and Administration	-	-	-	\$0.6M	-
Permit Services	\$31.6M	-	(100.0%)	-	-
Process Improvements & Technology	\$9.1M	-	(100.0%)	-	-
Land Use & Engineering Services	-	\$43.8M	-	\$45.1M	2.9%
Technology Investments	-	\$8.7M	-	\$9.6M	9.8%
Customer Success	-	\$12.2M	-	\$12.5M	2.2%
Process Improvements	-	\$4.2M	-	\$4.3M	3.0%
Operating Subtotal:	\$117.7M	\$121.4M	3.2%	\$126.9M	4.6%
Grand Total:	\$117.7M	\$121.4M	3.2%	\$126.9M	4.6%

The Seattle Department of Construction and Inspections (SDCI) is the primary City department with regulatory authority over the use and physical development of private property. SDCI:

- Administers City ordinances that regulate rental housing, building construction, and the use of land;
- Enforces compliance with those regulations; and
- Reviews and issues land use and construction permits, including Master Use Permits, shoreline development permits, mechanical and electrical system permits, site development permits, and permits related to energy standards.

SDCI is an operating fund department. Most department activities are funded through fees for regulatory services, which are deposited into the Construction and Inspections Fund. A small portion of SDCI's activities, approximately 10 percent, are supported by the General Fund (GF). GF support primarily funds activities that cannot be supported by fee revenue, such as initial investigations related to complaints of code violations and development of some new regulations. In the last several years GF support has also funded tenant services grants and contracts, which similarly cannot be funded through fee revenue.

SDCI's 2025 Proposed Budget increases by approximately \$4 million, 3.2 percent, relative to the 2024 Adopted Budget and increases by \$5.5 million, 4.6 percent, in 2026. The proposed budget includes staff reductions from lay-offs due to reduced permit volumes and a transfer of a side sewer regulatory service to Seattle Public Utilities (SPU); a reorganization of permitting functions to better serve applicants for small to medium-sized projects; and various technical changes related to internal services costs and Council-approved city-wide increases in employee compensation. The reorganization is reflected in new Budget Summary Levels for core Departmental functions.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$71.6M	\$76.7M	7.1%	\$80.8M	5.4%
Non-Labor	\$46.1M	\$44.8M	(2.9%)	\$46.2M	3.2%
Total:	\$117.7M	\$121.4M	3.2%	\$126.9M	4.6%
Total FTE:	482	451	(6.4%)	451	-

- The 2025 Proposed Budget would abrogate 21 positions; transfer 10 positions to SPU; and defund, but retain authority for, nine additional positions. Of the positions proposed to be abrogated or defunded, 15 are vacant.
- Of the 21 positions proposed to be abrogated, 20 are term-limited positions that are scheduled to sunset at the end of 2025. Those positions are primarily land use planner positions that review land use permit applications, such as applications with Design Review, SEPA, variance, and administrative conditional use components. The proposed abrogations and consequent reduction in capacity for permit application review is discussed in the SDCI policy considerations paper.
- The 2025 Proposed Budget would also abrogate an unfilled Code Compliance Analyst position added through the 2024 Adopted budget that was intended to help administer the Economic Displacement Relocation Assistance Ordinance.
- Positions proposed for transfer to SPU would help administer the side sewer permitting program. The 2025 Proposed Budget adds eight additional positions to SPU to administer that program. For further discussion see the SPU overview paper.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Compliance				
Purpose	The purpose of the Compliance Budget Summary Level is to ensure land and buildings are developed, used and maintained according to applicable code standards, reduce deterioration of structures and properties, enforce tenant protections, and support outreach and education for landlords and tenants in coordination with other departments and community organizations.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$9.5M	\$7.1M	(25.4%)	\$7.5M	5.1%
JumpStart Fund	\$0.5M	\$1.8M	286.4%	\$1.8M	-
Construction & Inspections Fund	\$5.5M	\$6.2M	13.6%	\$6.5M	4.6%
Other Sources	\$0.5M	\$0.5M	2.0%	\$0.5M	1.0%
Total:	\$16.0M	\$15.6M	(2.3%)	\$16.3M	4.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Compliance	\$13.1M	\$12.8M	(2.4%)	\$13.4M	4.1%
Compliance Resources	\$0.5M	-	(100.0%)	-	-
Rental Housing	\$2.4M	\$2.8M	16.5%	\$2.9M	4.4%
Total:	\$16.0M	\$15.6M	(2.3%)	\$16.3M	4.2%

- The \$500,000 reduction in the compliance resources program reflects removal of a one-time 2024 increase in GF support for tenant services grants and contracts that provided rental assistance in conjunction with eviction legal defense.
- Overall, the 2025 Proposed Budget would reduce tenant services funding by approximately \$850,000 and shift the revenue source for those expenditures from the General Fund to the JumpStart Fund. This is further discussed in the SDCI Budget Considerations paper.
- Other changes in GF support to the Compliance BSL include the proposed abrogation of the unfilled Code Compliance Analyst position and funding shifts to align bodies of work with eligible use of Construction and Inspections Fund revenue.

BSL	Government Policy, Safety & Support				
Purpose	The purpose of the Government Policy, Safety & Support Budget Summary Level is to develop and update land use code and technical code regulations, and provide appropriate support for disaster preparation, mitigation, response, and recovery services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$1.1M	\$1.1M	(0.4%)	\$1.2M	5.2%
JumpStart Fund	-	-	-	-	-
Construction & Inspections Fund	\$1.5M	\$1.8M	16.3%	\$1.8M	4.6%
Total:	\$2.7M	\$2.9M	9.1%	\$3.0M	4.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Govt Policy, Safety & Support	\$2.7M	\$2.9M	9.1%	\$3.0M	4.8%
Total:	\$2.7M	\$2.9M	9.1%	\$3.0M	4.8%

- Changes to the Government Policy Safety and Support BSL are due to various technical changes related to internal services costs, internal reorganizations, and Council-approved city-wide increases in employee compensation.

BSL	Land Use & Engineering Services				
Purpose	The purpose of the Land Use & Engineering Services Budget Summary Level is to provide a comprehensive review of development plans and to process land use and building permits.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	-	\$43.8M	-	\$45.1M	2.9%
Total:	-	\$43.8M	-	\$45.1M	2.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Land Use	-	\$6.1M	-	\$6.3M	3.7%
Permit & Engineering	-	\$33.8M	-	\$34.8M	3.1%
Land Use & Engineering Services CBA	-	\$3.9M	-	\$3.9M	-
Total:	-	\$43.8M	-	\$45.1M	2.9%

- The proposed budget would create two new BSLs: (1) Land Use & Engineering Services and (2) Customer Success.
- The new BSLs are intended to implement some recommendations from the City Auditors report [City's Construction permitting Needs More Customer Focus and Consistency](#) (2023).
- The proposed BSLs move appropriation authority from the existing Land Use Services and Permit Services BSLs.
- The proposed BSLs are intended to create more consistency in permit review and provide more upfront assistance to applicants who do not regularly interact with SDCl.

BSL	Customer Success				
Purpose	The purpose of the Customer Success Budget Summary Level is to provide pre-application customer service and guidance on the permit application process and to fully support the customer experience throughout the permit review and inspections process to ensure successful outcomes for SDCI's customers.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	\$0.1M	-	\$0.1M	-
JumpStart Fund	-	-	-	-	-
Construction & Inspections Fund	-	\$12.1M	-	\$12.4M	2.5%
Total:	-	\$12.2M	-	\$12.5M	2.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Customer Success	-	\$10.8M	-	\$11.1M	2.5%
Customer Success CBA	-	\$1.4M	-	\$1.4M	-
Total:	-	\$12.2M	-	\$12.5M	2.2%

– See the description above under Land Use and Engineering Services.

BSL	Land Use Services				
Purpose	The purpose of the Land Use Services Budget Summary Level is to provide land use permitting services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.3M	-	(100.0%)	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	\$26.1M	-	(100.0%)	-	-
Total:	\$26.4M	-	(100.0%)	-	-
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Land Use Services	\$24.8M	-	(100.0%)	-	-
Land Use Services CBA	\$1.7M	-	(100.0%)	-	-
Total:	\$26.4M	-	(100.0%)	-	-

– See the description above under Land Use and Engineering Services.

BSL	Permit Services				
Purpose	The purpose of the Permit Services Budget Summary Level is to facilitate the review of development plans and processing of permits.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Construction & Inspections Fund	\$31.6M	-	(100.0%)	-	-
Total:	\$31.6M	-	(100.0%)	-	-
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Permit Services	\$27.9M	-	(100.0%)	-	-
Permit Services CBA	\$3.7M	-	(100.0%)	-	-
Total:	\$31.6M	-	(100.0%)	-	-

– See the description above under Land Use and Engineering Services.

BSL	Inspections				
Purpose	The purpose of the Inspections Budget Summary Level is to provide on-site inspections of property under development, inspections of mechanical equipment at installation and on an annual or biennial cycle, and certification of installers and mechanics.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.3M	-	(100.0%)	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	\$31.7M	\$34.0M	7.2%	\$35.7M	4.8%
Total:	\$32.0M	\$34.0M	6.4%	\$35.7M	4.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Inspections	\$29.2M	\$31.3M	7.0%	\$32.9M	5.3%
Inspections Services CBA	\$2.7M	\$2.7M	-	\$2.7M	-
Total:	\$32.0M	\$34.0M	6.4%	\$35.7M	4.8%

- Increases to the Inspections BSL are due to various technical changes related to internal services costs and Council-approved city-wide increases in employee compensation.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to lead and direct department employees, provide policy guidance, and oversee relationships with the community.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	-	-	-	\$0.6M	-
Total:	-	-	-	\$0.6M	-
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$29.3M	\$30.7M	4.8%	\$31.9M	4.0%
Departmental Indirect Costs	\$5.1M	\$6.1M	18.4%	\$6.3M	4.5%
Divisional Indirect Costs	\$4.4M	\$2.5M	(42.3%)	\$2.6M	4.3%
Indirect Cost Recovery Offset	(\$38.8M)	(\$39.3M)	1.2%	(\$40.3M)	2.7%
Total:	-	-	-	\$0.6M	-

- Changes to the Leadership and Administration BSL due to various technical changes related to internal services costs and Council-approved city-wide increases in employee compensation.

BSL	Process Improvements & Technology				
Purpose	The purpose of the Process Improvements and Technology Budget Summary Level is to allow the department to plan and implement continuous improvements to its business processes, including related staff training and equipment purchases. The purpose includes ensuring the Department's major technology investments are maintained, upgraded, or replaced when necessary.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Constructions and Inspections Fund	\$9.1M	-	(100.0%)	-	-
Total:	\$9.1M	-	(100.0%)	-	-
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Process Improvements and Tech	\$9.1M	-	(100.0%)	-	-
Total:	\$9.1M	-	(100.0%)	-	-

- The proposed budget would create two new BSLs: (1) Technology Investments and (2) Process Improvements from the existing Process Improvements and Technology BSL.
- The new BSLs are intended to implement some recommendations from the City Auditors report [City's Construction permitting Needs More Customer Focus and Consistency](#) (2023).
- The proposed BSLs are intended to help distinguish appropriations for technology purposes from other process improvement appropriations.
- Total proposed appropriations in the two new BSLs exceed those in the existing Process Improvement and Technology BSL. That is due to citywide increases in internal rates and Council-approved annual wage increases and proposed appropriations of approximately \$600,000 in 2025 and \$900,000 in 2026 to the Technology Investments BSL to migrate Oracle Enterprise Management platforms to the cloud.

BSL	Technology Investments				
Purpose	The purpose of the Technology Investments Budget Summary Level is to maintain the Seattle Department of Construction and Inspections' permitting technology products and programs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	-	\$8.7M	-	\$9.6M	9.8%
Total:	-	\$8.7M	-	\$9.6M	9.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Technology Investments	-	\$8.7M	-	\$9.6M	9.8%
Total:	-	\$8.7M	-	\$9.6M	9.8%

- See the description above under Process Improvements and Technology.

BSL	Process Improvements				
Purpose	The purpose of the Process Improvements Budget Summary Level is to implement innovative permitting technology and process improvement solutions for SDCI.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Construction and Inspections Fund	-	\$4.2M	-	\$4.3M	3.0%
Total:	-	\$4.2M	-	\$4.3M	3.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Process Improvements	-	\$4.2M	-	\$4.3M	3.0%
Total:	-	\$4.2M	-	\$4.3M	3.0%

– See the description above under Process Improvements and Technology.

BUDGET LEGISLATION

1. CBO Legislated Reporting Requests ORD

This legislation would:

- a) extend by a year the timeline for submittal of permanent regulations to align with the expiration of temporary regulations related to design review of affordable housing included in [Ordinance 126854](#). Legislation establishing permanent regulations would be transmitted to the Council by the Mayor by April 17, 2025, instead of April 17, 2024; and
- b) eliminate the quarterly report on the development of permanent tree regulations requested in [Resolution 31902](#), as the Council passed the regulations last year ([Ordinance 126821](#)).

2. SDCI 2025 Fee ORD

The 2025 proposed SDCI Fee Ordinance would raise fees associated with SDCI’s regulatory functions by 6.5 percent and make other changes to fees, including modifications to value-based fees. The City most recently increased fees for SDCI’s regulatory services in 2023 through [Ordinance 126935](#). Fee increases in that Ordinance reflected an inflationary adjustment of 2 percent, which was below inflationary cost increases. The 2025 proposed fee ordinance is anticipated to increase revenue to the Construction and Inspections Fund by approximately \$7.6 million in 2025. New fees would be effective January 1, 2025.

3. SDCI 2026 Fee ORD

The 2026 proposed SDCI Fee Ordinance would raise fees associated with SDCI’s regulatory function by an additional 6.5 percent for an increase in fees over the biennium of 13.5%, using 2024 fees as the base. The 2026 proposed fee ordinance is anticipated to increase revenue to the Construction and Inspections Fund by approximately \$8.9 million in 2026. New fees would be effective January 1, 2026.

COMMUNITY ASSISTED RESPONSE AND ENGAGEMENT (CARE) DEPARTMENT

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ANN GORMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
911 Call Response	\$24.0M	\$28.0M	16.7%	\$29.4M	5.0%
Community Assisted Response and Engagement	\$2.3M	\$4.4M	88.7%	\$6.5M	49.1%
Operating Subtotal:	\$26.3M	\$32.4M	23.0%	\$35.9M	10.9%
Grand Total:	\$26.3M	\$32.4M	23.0%	\$35.9M	10.9%

The 2025 Proposed Budget for the Community Assisted Response and Engagement (CARE) Department increases by almost 23 percent relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by an additional five percent over the 2025 Proposed Budget. This increase is largely due to two factors. First, the department will incur new ongoing costs of \$3.5 million associated with the expansion of CARE’s Community Crisis Responder (CCR) program from six CCRs (i.e., three two-person response teams, or units) to 24 CCRs (12 units). That expansion will be complete early in 2025.

The 21 positions associated with the expansion (18.0 FTE responders and 3.0 FTE supervisors) were included in the Mid-year Supplemental Ordinance ([ORD 127068](#)) so that the hiring process for some new positions could begin later in 2024. This hiring process has already begun, and the 2024-2025 Proposed Budget adds the funding to support the positions. Second, appropriation authority was provided in 2024 for department employees’ annual wage increases (AWIs) for both 2023 and 2024. In this sense, the department’s 2024 Adopted Budget did not include known budgetary commitments, because the specific size of those commitments would remain unknown for several months. Additional information about these AWIs is provided below.

Two new positions (2.0 FTE) external to the crisis-response function are also included in CARE’s 2025 Proposed Budget. Details are provided below. The net new 23.0 FTE included in the 2025 Proposed Budget would increase the size of the CARE Department by 14 percent over its current level. The department is growing rapidly. From 2023 to 2024 its number of positions increased by 10 percent.

The CARE Department’s budget is funded by the General Fund, and ongoing General Fund resources will be needed to sustain the department at its proposed funding level.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$21.2M	\$26.9M	27.0%	\$30.2M	12.0%
Non-Labor	\$5.1M	\$5.5M	6.6%	\$5.8M	5.7%
Total:	\$26.3M	\$32.4M	23.0%	\$35.9M	10.9%

Total FTE:	163	186	14.1%	186	-
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- Labor costs in the CARE Department’s 2025 Proposed Budget increase by 27 percent over the 2024 level. Direct salary costs make up almost 50 percent of the department’s overall budget, and the 2025 increase is driven in part by the non-inclusion of 2023 and 2024 annual wage increase (AWI) costs in the 2024 Adopted Budget. The Executive reached agreements with City unions regarding those wages in May of this year and funding was subsequently appropriated for costs associated with the agreement. Across the two years, the net AWI was 9.7 percent. Increased wage and salary costs also drive increased costs for expenditures like overtime, step increases, and pension contributions. In addition, CARE’s 2025 Proposed Budget includes costs associated with 23.0 new FTE.
- The increase in labor costs from the 2025 Proposed Budget to the 2026 Proposed Budget in part reflects the fact that the department will not incur full-year position costs, in 2025, for all of the 21.0 FTE that were added in the Mid-Year Supplemental Ordinance.
- The two new positions included in CARE’s 2025 Proposed Budget are a 1.0 FTE Strategic Advisor 2, who would be the department’s first public disclosure officer, and a 1.0 FTE Strategic Advisor 3 who would serve as the Seattle Restoration Director, leading and guiding the development of a new initiative. Please see the BSL summaries below.
- In the 2025 Proposed Budget, the Department calculates its ongoing non-labor costs specific to the CCR Program expansion at \$221,000, or approximately \$25,000 per new CCR unit.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	911 Call Response				
Purpose	The purpose of the 911 Call Response Budget Summary Level is to answer 911 calls, dispatch City public safety responses, facilitate reporting of minor incidents; and respond to community safety requests.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$24.0M	\$28.0M	16.7%	\$29.4M	5.0%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$24.0M	\$28.0M	16.7%	\$29.4M	5.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Communications Center	\$24.0M	\$28.0M	16.7%	\$29.4M	5.0%
Community Safety	-	-	-	-	-
Parking Enforcement	-	-	-	-	-
Total:	\$24.0M	\$28.0M	16.7%	\$29.4M	5.0%

- The 2025 Proposed Budget for the CARE Department’s Call Response Budget Summary Level (BSL) increases by almost 17 percent over the 2024 level. The majority of this increase is due to the impact of the 2024 appropriation for 2023 and 2024 AWI and the various cost increases that flow from them. Other than those expenditures, drivers of the BSL’s budget increase from 2024 to 2025 include higher internal-services and benefits costs. This BSL houses 153 of the department’s current 163 positions.
- The five percent increase from the 2025 Proposed Budget to the 2026 Proposed Budget reflects typical inflationary and wage expectations.
- In the 2025 Proposed Budget, costs associated with the proposed new public disclosure officer (PDO) position are included in this BSL’s budget. Before 2021, the 9-1-1 Call Center was a unit of the Seattle Police Department (SPD), and SPD PDOs responded to requests for information concerning the dispatch function. The CARE Department does not currently have a designated PDO resource.

BSL	Community Assisted Response and Engagement				
Purpose	The purpose of the Community Assisted Response and Engagement Budget Summary Level is to develop and implement programs that address behavioral issues and substance abuse, share information across departments, and respond to non-emergent, low-risk community calls for service.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.3M	\$4.4M	88.7%	\$6.5M	49.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$2.3M	\$4.4M	88.7%	\$6.5M	49.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Dual Dispatch	\$2.3M	\$4.4M	88.7%	\$6.5M	49.1%
Total:	\$2.3M	\$4.4M	88.7%	\$6.5M	49.1%

- This BSL houses the six-person CCR team, the CCR Manager, the Deputy Department Director, and an Executive Assistant (10.0 FTE). It is proposed to expand to 32.0 FTE in 2025.
- This expansion accounts for the BSL’s budget increase, in the 2025 Proposed Budget, by \$2.1 million (89 percent) over its 2024 level, and in the 2026 Proposed Budget by an additional \$2.1 million (49 percent) over the 2025 level. From 2024 to 2026, the total proposed increase is \$4.3 million (282 percent).

- The Seattle Restoration Director position included in the 2025 Proposed Budget would be housed in this BSL. In the published 2025-2026 Proposed Budget, the Executive describes this position’s intended focus on as “bringing together departments in addressing placed-based public safety concerns, similar to how the existing Unified Care Team effectively and systematically addresses unsheltered persons living in encampments.” For discussion related to this position, please see the Policy Considerations paper.

BUDGET LEGISLATION

1. CBO Year End Grants Acceptance ORD

Would authorize CARE to accept \$68,000 in funding from the Washington Association of Cities. The funding would support the salary and benefit costs of CCRs. If Council does not pass this ordinance, an opportunity to forgo General Fund expenditures in this in this amount will be missed. For reference, the Mid-Year Grants Acceptance Ordinance ([ORD 120769](#)) included appropriation authority for the department to accept \$1.9 million in one-time funding from the Federal Bureau of Justice Assistance for the same purpose.

2. CBO Participatory Budgeting Implementation ORD

The proposed spending plan for the City’s Participatory Budgeting Program also includes \$2 million in one-time support for the expansion of CARE’s CCR program. See the Participatory Budgeting Policy Considerations paper for more detail.

Attachments

1. Expansion 2024

The Executive provided this overview during the Mid-Year Supplemental Budget Process, describing the intended expansion of the CARE Crisis Response Program and substantiating the request for 21.0 FTE to support that expansion.

Seattle CARE Department

Citywide Expansion Data

Seattle CARE Department



City of Seattle

Expansion Focus

Recommendation: Expand into citywide afternoon/evening coverage

Based on a combination of data analysis and operational needs the program would benefit from focusing on geographic expansion before expanding hours of operation, for multiple reasons:

- Increased call load citywide from roughly 12pm onward (see Pages 13 and 14)
- More consistent availability of services, across neighborhoods with greater variation of historically marginalized populations
- Consistency of training/practices for officers (who may work across precincts) and dispatchers (who consistently work across precincts)
- Limitations of attempting to facilitate citywide coverage with only three 12 hour shifts per week, rather than moving to proposed schedule of four 10 hour shifts per week (see Page 5)



Zone Boundaries

Recommendation: Teams will operate in three two-area zones. North zone will be split into Northwest and Northeast areas based on the Seattle Police sectors on each side of I-5. West/East and South/Southwest zones will comprise of areas matching the respective precinct boundaries within them.

Using zone boundaries in line with existing precinct mapping will be important to maintain appropriate radio procedures, CAD organization, and dispatch protocols in line with current Seattle 9-1-1 processes.

North is recommended to be split into two areas in scheduling and dispatching as that precinct carries a similar call load to the combined call load in West/East and South/Southwest (see Page 14) and a similar geographic spread (see Page 15)



Staffing Numbers

Recommendation: 24 FTE Crisis Responders (12 CCR1/12 CCR2), 3 Supervisors. Four teams of two will cover each zone (NW/NE, W/E, S/SW) with a minimum of 2-3 teams covering each zone per shift, ensuring one team operates in each area at a minimum. When a third team is on shift they will operate as an “umbrella car” across that zone.

Per the existing Memorandum of Understanding between the Mayor’s office and the Seattle Police Officer’s Guild, the program has a current ceiling of 24 FTE, not including support staff.

CARE staff have been advised to plan for this possibility in 2024, as well as a maximum of 2-3 supervisors. As it is recommended that team coverage be divided into three zones containing two areas each this would allow for one supervisor per zone.

Note, to cover citywide 7 day/week operations the program will likely require additional supervisory staff in the future for appropriate employee support, accountability, and development, particularly if/when staffing in those zones is increased.



Anticipated Schedule

Recommendation: Four 10-hour shifts per week, including one day every four weeks when all staff are on shift to allow for continued team meetings, trainings, etc.

Teams currently work in the field for 3 shifts, 12 hours each, as well as one 4-hour administrative shift per week. Attempting citywide coverage under this model would create two days per week where two areas are covered by one team, also increasing the need for 12-hour overtime shifts or taking the team out of service in the event of a single illness, vacation, or leave.

Conversely, ideal coverage of one team minimum per day in each of the six areas would require a minimum of 10 team members each, total of 30. Maintaining the existing model would also make for less flexibility in hours and/or create excessive shift overlap when expanding into AM shifts in the future.

Current call load and administrative load indicates a likelihood of sufficient administrative task time on the new model between: Supervisor support as predominantly non-field staff, the ability to manage administrative tasks when not on a call, and the intention to create one all-staff day every four weeks to allow for team meetings and trainings (which would only use a portion of that scheduled time).



Hours of Operation

Recommendation: Adjustment of hours of operation from current 1100-2300 schedule to a 1200-2200 schedule

When considering the ideal hours for new operational hours, a review of existing call data was plotted. This showed that within the existing 11am-11pm shift the hours of 12pm-10pm have the highest need based on both when calls are entered and when the team is requested (see Page 12).

The previously mentioned analysis of relevant call types likely to elicit a CARE response as they were entered/queued, hour-per-hour, supports the same (see Page 13).



Rollout Schedule

Recommendation: Hire one CCR1 and one CCR2 to expand operations into East as well as a West/East supervisor and a North supervisor initially. Hire four CCR1's and four CCR2's no less than 8 weeks later to staff the North zone as well as the South/Southwest supervisor. No less than 8 weeks after that, hire the last four CCR1's and four CCR2's to staff the South/Southwest precinct.*

Initial team members participated in 4 weeks of training to review behavioral health and outreach skills, learn first responder and radio procedures, and practice safety related trainings. Training plans under development will likely be for a similar length of time.

Each two-area zone will share a single supervisor who will only work 4 days per week, while management continues to support existing areas and administrative, organizational, and coordination efforts. Should senior CCR's move they will not necessarily be familiar with their new zone and will soon be outnumbered by newer hires.

Consequently, each team will need intensive support and onboarding for at least 4 additional weeks following training to be quickly prepared to function with a high level of independence.

*Note – Management will be exploring offering movement into new zones to existing staff, then using new hires to fill in the staffing gaps across existing and new zones. This not only supports work/life balance for team members hoping to improve their commute time and rewards seniority, it also increases availability of experienced CCR's to support new hires and model existing team norms.



Rollout Schedule (continued)

It is recommended that East hiring and expansion occur first (two CCR's, one supervisor), to test training and setup processes with nearby support from our more stable West location.

A second supervisor (North) should also be hired then, to gain a deeper familiarity with program institutional knowledge and processes with leadership at West, study resources and needs in the North area, and take an active part in the onboarding of the North team and the establishment of their location(s).

Team hiring for North would occur no less 8 weeks later (highest need per relevant call volume, see Page 14) at which time the South/Southwest supervisor would be hired in advance, for reasons previously noted. Finally, South/Southwest responder hiring no less than 8 weeks later.



Required Equipment

Info only at this time: Increasing vehicle inventory to no fewer than 10 SUV's and 2 ADA vans (total of 12 vehicles). 2 SUV's and 1 ADA van have already been purchased and are in process.

With each of the 4 teams working 4 shifts per week each of three zones will have 2-3 teams active per day, requiring a minimum of 10 SUV's, due to the possibility of a maximum of 3 teams operating at a time as well as potential for vehicles going out for repairs, need for managerial or supervisory travel between zones, and additional activities such as trainings, community events, etc.

While the program has one ADA van on order, for citywide coverage a second at least is advisable (they are also valuable for large family transports).

These can also function as emergency back-up vehicles and assist in supply pick-ups requiring a large amount of vehicle space.



Additional Considerations

Info only at this time: Researching CJIS secure (or modifiable) locations in each of the additional five areas. If any zones require operations out of a single location every effort will be made to ensure they are central to as much of their zone areas as possible. Creating standard inventory minimums (iterated per unique area needs as required) as the basis of initial stocking of new locations.

The team will need to find locations that are either CJIS secure or can be modified for CJIS security in the 5 zones in which we do not yet operate.

Stationing teams in these areas allows them to maintain low response times critical to their intended purpose, allows for quicker resolution of community member needs with proximate resources, and keeps the teams more informed, present, and consistent in the community.

SPD and SFD are being consulted for co-locating options and FAS will be consulted as well, while baseline supply minimums are established to prepare for standing up new locations.



Summary of Recommendations

Expand into citywide afternoon/evening coverage, 7 days per week, and adjust operating hours to 1200-2200.

Staff work four 10-hour shifts per week. Every four weeks all staff will be on, to allow for meetings, trainings, supervisor 1-on-1's, etc.

Assign four teams to each of the following 'Zones', with one team in each area daily:

North zone – Northwest Area (inclusive of B, J, and N sectors) and Northeast Area (inclusive of U and L sectors)

West/East zone – Areas matching the included precincts

South/Southwest Zone – Areas matching the included precincts

(Additional teams on shift will operate as an "umbrella car")

Hire total of 18 additional responders (6 CCR1/6 CCR2) and 3 Supervisors in phases (no less than 8 weeks between each):

Phase 1: One CCR1, One CCR2, One East/West Supervisor, One North Supervisor – Expand operations into East post-training

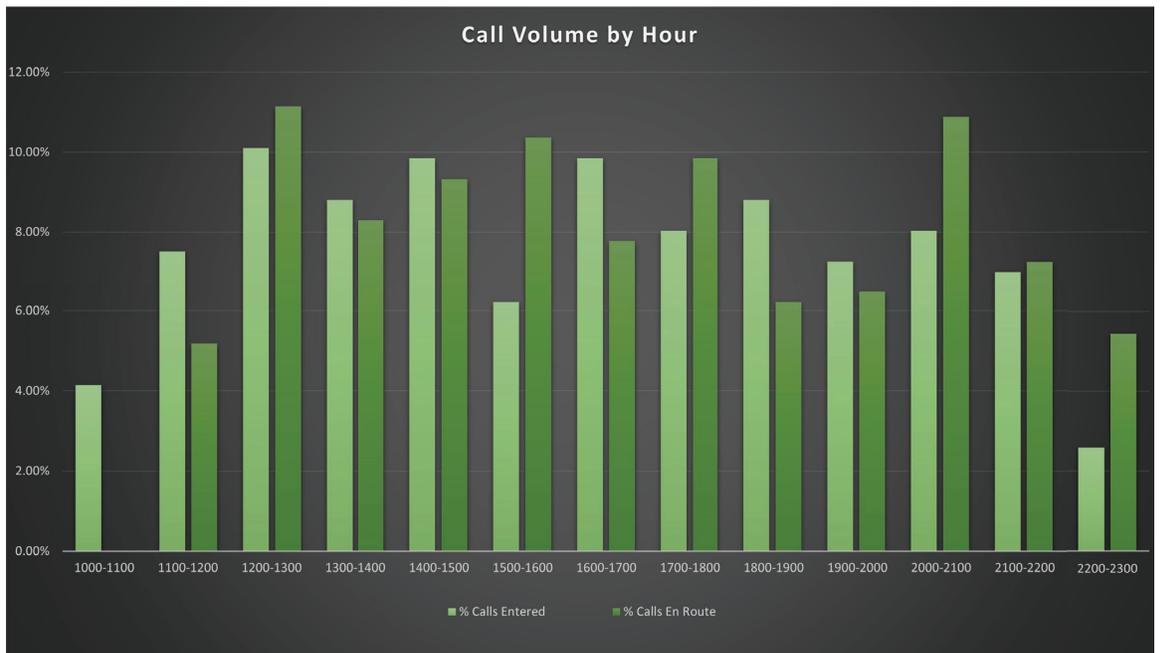
Phase 2: Four CCR1's, Four CCR2's, One South/Southwest Supervisor – Expand operations into North post-training

Phase 3: Four CCR1's, Four CCR2's – Expand operations into South/Southwest post-training

Hourly Mapping

Calls responded to by the CARE team in just under a six-month period (10/26/23-04/13/24), hour-by-hour.

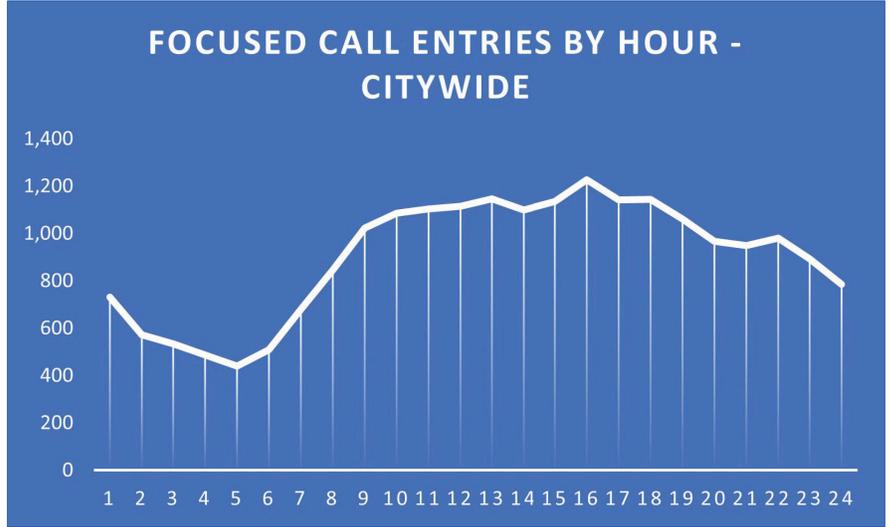
Outlying hours (each representing less than 1% of calls) were excluded.



Hourly Mapping

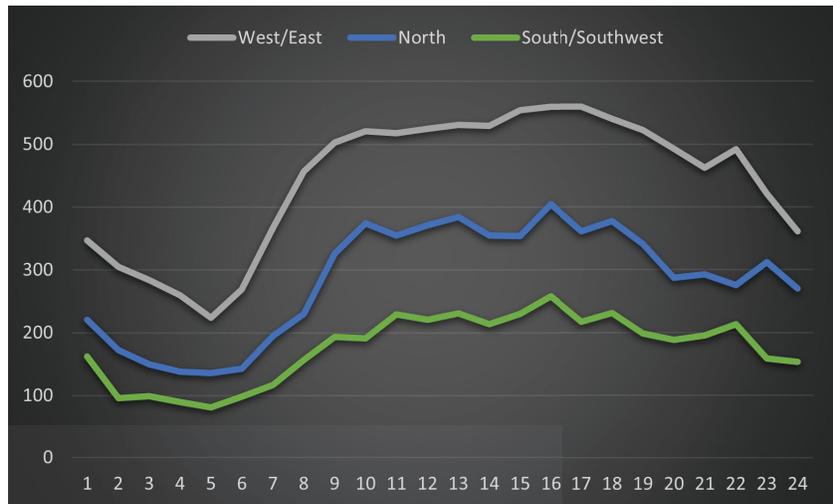
Chart represents call entry time for the combined call volume of the following call types/priorities in 2023.

These were selected from a combination of the low acuity (non-priority 1) calls amongst the top 10 CARE Team call types to date amongst secondary dispatch requests by officers (Priority 3 Crisis, Narcotic, Nuisance, and Assist the Public calls) and calls likely to fall within existing dual dispatch criteria (Priority 2 and 3 Down Person and Welfare Check calls).



Precinct Call Load Comparison

Same call types/2023 data set presented on Page 13 showing relevant call volume hour-by-hour, separated according to recommended CARE Team zones

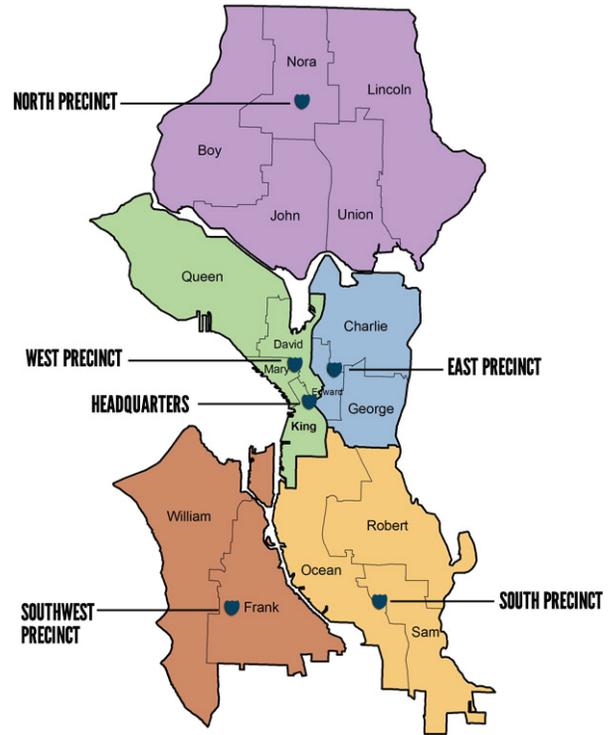


Precinct/Zone Visualization

As can be seen in the precinct map included here, the geographic spread of North Precinct is similar to the combined area of the additional proposed two-area zones.

Teams will attempt to station in each location independently.

If required to station in a central location in their zone teams will still focus their responses on their specific area of operation whenever possible.



COMMUNITY POLICE COMMISSION (CPC)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: GREG DOSS

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of the Community Police Commission	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Operating Subtotal:	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Grand Total:	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%

The Community Police Commission’s (CPC’s) 2025 Proposed Budget is nearly the same as its 2024 Adopted Budget, with changes amounting to a 0.9 percent increase. The 2026 Proposed Budget shows relatively little change from 2025, although technical adjustments increase the budget by another 4.8 percent. CPC’s budget reflects its sustained role in leveraging the ideas, talents, experience, and expertise of the community to provide ongoing community input into the development of the Seattle Police Department (SPD) reforms, the establishment of police priorities, and facilitation of police/community relationships necessary to promote public safety.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$1.6M	\$1.7M	4.4%	\$1.8M	5.1%
Non-Labor	\$0.5M	\$0.4M	(10.7%)	\$0.4M	3.7%
Total:	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Total FTE:	10	10	-	10	-

There is only one Budget Summary Level for the CPC as the majority of its budget supports labor expenditures for Commission members and staff. The main drivers of growth are citywide adjustments for standard costs (rate increases for fleets, technology and other internal services), and annual wage increases. There is only one proposed non-technical operating change in the CPC 2025-2026 Proposed Budget as follows:

- **\$146,000 is reduced to establish a 10 percent vacancy rate.** This ongoing item mandates a 10 percent vacancy rate, which is approximately 8 percent of the Commission’s salary budget. The Commission currently has multiple vacancies, and this reduction would create a need to hold open at least 1.0 FTE to achieve the required savings. The Executive has not specified which FTE must be held open, or whether two 0.5 FTEs could be held open. The Executive implements this cut in recognition that the General Fund revenue forecast for the City’s 2025-2026 Proposed Budget is insufficient to cover all expected Citywide costs. General Fund reductions were identified to mitigate this shortfall in revenues.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of the Community Police Commission				
Purpose	The purpose of the Office of the Community Police Commission Budget Summary Level is to leverage the ideas, talents, experience, and expertise of the community to provide ongoing community input into the development of the Seattle Police Department reforms, the establishment of police priorities, and facilitation of police/community relationships necessary to promote public safety.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of the Community Police Commission	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%
Total:	\$2.1M	\$2.1M	0.9%	\$2.2M	4.8%

CITY ATTORNEY'S OFFICE (LAW)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: TAMASO JOHNSON

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Civil	\$16.5M	\$18.2M	10.3%	\$19.1M	4.8%
Criminal	\$10.6M	\$11.7M	10.5%	\$12.2M	4.6%
Leadership and Administration	\$12.9M	\$14.8M	14.6%	\$15.7M	6.1%
Precinct Liaison	\$0.7M	\$0.8M	12.3%	\$0.9M	4.8%
Operating Subtotal:	\$40.8M	\$45.6M	11.7%	\$47.9M	5.2%
Grand Total:	\$40.8M	\$45.6M	11.7%	\$47.9M	5.2%

The 2025 Proposed Budget for the Seattle City Attorney's Office (LAW) is increased by \$4.8 million (11.7 percent) from the 2024 Adopted Budget and an additional \$2,352,000 (5.2 percent) between 2025 and 2026. Under the proposed budget, LAW would maintain core functions while removing funding for three attorney positions to address the GF deficit.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$33.4M	\$37.5M	12.1%	\$39.4M	5.1%
Non-Labor	\$7.3M	\$8.1M	9.9%	\$8.5M	5.5%
Total:	\$40.8M	\$45.6M	11.7%	\$47.9M	5.2%
Total FTE:	210	210	-	210	-

- The 2025-26 Proposed Budget would unfund but not abrogate 3.0 FTE - two in the Civil Division and one in the Criminal Division (more detail is provided in the City Attorney's Office Policy Considerations paper):
 - 2.0 FTE Assistant City Attorneys (reduction of \$434,000 in 2025 and \$458,000 in 2026) in the Civil Division Employment and Contracts/Utilities Sections, respectively. These positions provide guidance and legal advice to departments and elected officials on employment matters and issues related to contracts and utilities.
 - 1.0 FTE Specialty Court Unit Prosecutor (reduction of \$182,000 in 2025 and \$192,000 in 2026). The Specialty Court Unit currently handles cases in Mental Health Court, Veteran's Treatment Court, and the Legal Intervention and Network of Care, as well as various non-criminal infractions and other violations. This unit also handled Community Court cases prior to LAW's withdrawal from the agreement establishing this specialty court and its subsequent dissolution in 2023.
- Labor cost increases in 2025 and 2026 are driven by citywide standard cost increases, annual wage increases, an inflationary increase associated with a Memorandum of Agreement (MOA) with King County for the Firearms Surrender program, and the addition of one contract paralegal position funded by Seattle City Light to assist with past-due account collection.
- Non-labor increases consist of citywide standard cost adjustments and licensing costs for the continued development of LAW's new Criminal Case Management System.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Civil				
Purpose	The purpose of the Civil Budget Summary Level is to provide legal advice to the City's policy-makers, and to defend and represent the City, its employees, and officials before a variety of county, state, federal courts, and administrative bodies.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$16.5M	\$18.2M	10.3%	\$19.1M	4.8%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$16.5M	\$18.2M	10.3%	\$19.1M	4.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Civil	\$16.5M	\$18.2M	10.3%	\$19.1M	4.8%
Total:	\$16.5M	\$18.2M	10.3%	\$19.1M	4.8%

- A reduction is proposed to unfund one Assistant City Attorney in the Employment Section and one in the Contracts/Utilities Section (reduction of \$434,000 in 2025 and \$458,000 2026), as discussed above.
- Additional funding (\$141,000 in 2025 and \$149,000 in 2026) is proposed for one new contract paralegal position funded by Seattle City Light to assist with past-due utilities account collection pursuant to an MOA.
- Other proposed increases to the Civil Division BSL are related to technical adjustments that do not impact the department's operations.

BSL	Criminal				
Purpose	The purpose of the Criminal Budget Summary Level includes prosecuting ordinance violations and misdemeanor crimes, maintaining case information and preparing effective case files for the court appearances of prosecuting attorneys, and assisting and advocating for victims of domestic violence throughout the court process.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$10.6M	\$11.7M	10.5%	\$12.2M	4.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$10.6M	\$11.7M	10.5%	\$12.2M	4.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Criminal	\$10.6M	\$11.7M	10.5%	\$12.2M	4.6%
Total:	\$10.6M	\$11.7M	10.5%	\$12.2M	4.6%

- A reduction is proposed to unfund one Specialty Court Unit Prosecutor (\$182,000 in 2025 and \$192,000 in 2026), as discussed above.
- Additional funding (\$47,000 in both 2025 and 2026) is proposed for inflationary increases to the Firearms Surrender MOA.
- Other proposed increases to the Criminal Division BSL are related to technical adjustments that do not impact the department's operations.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, financial, technological, administrative and managerial support to the Department.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.9M	\$14.8M	14.6%	\$15.7M	6.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$12.9M	\$14.8M	14.6%	\$15.7M	6.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$6.2M	\$7.1M	14.7%	\$7.5M	6.2%
Departmental Indirect Costs	\$2.8M	\$3.3M	19.5%	\$3.5M	4.6%
Pooled Benefits	\$4.0M	\$4.4M	11.0%	\$4.7M	7.0%
Total:	\$12.9M	\$14.8M	14.6%	\$15.7M	6.1%

- Additional funding (\$185,000 in both 2025 and 2026) is proposed for licensing costs for LAW’s new Criminal Case Management System.
- Other proposed increases to the Leadership and Administration BSL are related to technical adjustments that do not impact the department’s operations.

BSL	Precinct Liaison				
Purpose	The purpose of the Precinct Liaison Budget Summary Level is to support a program where attorneys work in each of the City’s five precincts, providing legal advice to police and other City departments. In helping to address a variety of neighborhood and community problems, the precinct liaison attorneys coordinate with the Civil and Criminal divisions with the goal of providing a consistent, thorough and effective approach.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$0.7M	\$0.8M	12.3%	\$0.9M	4.8%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$0.7M	\$0.8M	12.3%	\$0.9M	4.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Precinct Liaison	\$0.7M	\$0.8M	12.3%	\$0.9M	4.8%
Total:	\$0.7M	\$0.8M	12.3%	\$0.9M	4.8%

- The proposed increase to the Precinct Liaison BSL is entirely related to technical adjustments that do not impact the department’s operations.

OFFICE OF EMERGENCY MANAGEMENT (OEM)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ANN GORMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Emergency Management	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
Operating Subtotal:	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
Grand Total:	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%

The 2025 Proposed Budget for the Office of Emergency Management (OEM) is little changed from the 2024 Adopted Budget. Other than technical adjustments, this is due to ongoing reductions: the abrogation of 1.25 FTE, a reduction in the department’s training and travel budget, and the forgoing of a software license. A five percent increase in OEM’s 2026 Proposed Budget is driven by inflationary increases.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$2.1M	\$2.2M	4.1%	\$2.3M	5.4%
Non-Labor	\$0.8M	\$0.8M	3.5%	\$0.9M	4.4%
Total:	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
Total FTE:	15	14	(8.3%)	14	-

- OEM’s 2025 Proposed Budget reduces to 0.75 FTE a current 1.0 FTE Administrative Specialist II position, which is filled. Among other tasks, this position supports the department’s Community Engagement programs and responds to public requests for emergency preparedness information, training, and resources.
- The 2025 Proposed Budget also abrogates 1.0 FTE Strategic Advisor 1. The working title for this position, which has been vacant since July, is Community Education Coordinator. OEM’s community education team provides emergency preparedness training to various communities and interest groups.

OPERATING BUDGET
OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Emergency Management				
Purpose	The purpose of the Office of Emergency Management Budget Summary Level is to manage citywide emergency planning, hazard mitigation, disaster response and recovery coordination, community preparedness, and internal and external partnership building.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of Emergency Management	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%
Total:	\$2.9M	\$3.0M	3.9%	\$3.2M	5.1%

- Non-technical adjustments in OEM’s 2025 Proposed Budget are described above. With reference to the foregone software license costs, the department would partner with King County for ongoing access to the same program.

OFFICE OF INSPECTOR GENERAL FOR PUBLIC SAFETY (OIG)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: GREG DOSS

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Inspector General for Public Safety	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
Operating Subtotal:	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
Grand Total:	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%

The Office of the Inspector General for Public Safety’s (OIG’s) 2025 Proposed Budget is approximately \$500,000 higher than its 2024 Adopted Budget, which amounts to a 10.8 percent increase. The 2026 Proposed Budget shows relatively little change from 2025, although technical adjustments increase the budget another by 4.7 percent. OIG’s budget reflects its sustained role in the management, practices, training, supervision, and policies of the Seattle Police Department (SPD) and Office of Police Accountability (OPA) in order to promote fairness and integrity in the delivery of law enforcement services and in the investigation of police misconduct.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$3.8M	\$4.3M	11.1%	\$4.5M	5.2%
Non-Labor	\$0.9M	\$0.9M	9.9%	\$1.0M	2.5%
Total:	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
Total FTE:	23	23	-	23	-

There is only one Budget Summary Level for the OIG and the majority of its budget supports labor expenditures on OIG members and staff. The main drivers of growth are citywide adjustments for standard costs (rate increases for fleets, technology and other internal services), and annual wage increases. There is only one proposed non-technical, operating change in the OIG 2025-2026 Proposed Budget as follows:

- **Reduction to Non-labor Expenditures:** \$95,000 is reduced in 2025 and is a continued reduction in 2026 to meet the Executive’s General Fund Reduction Target. This item reduces the OIG non-labor budget for consultant services, supplies, travel, and equipment/software. This reduction is 2% of the OIG baseline budget and is made in recognition that the General Fund revenue forecast for the City’s 2025-2026 Proposed Budget is insufficient to cover all expected Citywide costs. General Fund reductions were identified to mitigate this shortfall in revenues.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Inspector General for Public Safety				
Purpose	The purpose of the Office of Inspector General for Public Safety Budget Summary Level is to provide civilian oversight of management and operations of the Seattle Police Department (SPD and Office of Police Accountability (OPA as well as civilian review of criminal justice system operations and practices that involve SPD or OPA.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Inspector General for Public Safety	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%
Total:	\$4.7M	\$5.2M	10.8%	\$5.5M	4.7%

SEATTLE FIRE DEPARTMENT (SFD)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ANN GORMAN

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Fire Prevention	\$12.3M	\$14.7M	19.3%	\$15.4M	4.3%
Leadership and Administration	\$50.0M	\$51.8M	3.6%	\$54.2M	4.6%
Operations	\$220.2M	\$261.0M	18.5%	\$271.1M	3.9%
Operating Subtotal:	\$282.6M	\$327.6M	15.9%	\$340.7M	4.0%
Grand Total:	\$282.6M	\$327.6M	15.9%	\$340.7M	4.0%

The 2025 Proposed Budget for the Seattle Fire Department (SFD) increases by \$45 million (almost 16 percent) relative to the 2024 level. The following factors contribute significantly to this increase:

- An increase of \$32.3 million for personnel costs related to the City’s 2023 and 2024 labor agreements with various unions (including Local 27, which represents SFD firefighters). This increase alone represents 10 percent of the department’s 2025 Proposed Budget.
- A technical adjustment of \$6.8 million, representing higher costs for the internal City services provided to SFD and for the costs of providing insurance to SFD employees.
- The inclusion of \$2.7 million to fund the hiring and training of new firefighter recruits and costs associated with the training of incumbent SFD firefighters as paramedics; this additional funding is included in both the 2025 Proposed Budget and the 2026 Proposed Budget because current staffing levels are relatively low compared to historic averages.
- The inclusion of \$3 million in one-time funding for the purchase of equipment that is nearing its expiration date.

The 2025-2026 Proposed Budget would expand SFD’s Mobile Integrated Health (MIH) program, adding one specialized Health 99 unit (for a total of two) and restoring the more generalist Health 3 unit. SFD established the Health 99 in July 2023 to support its response to drug overdoses (Health 99 is also known as the Post Overdose Support Team, or POST). To operationalize this new service efficiently, SFD converted its existing Health 3 unit specifically to serve those who have experienced an overdose. Previously, Health 3 had provided response to various types of non-emergency service calls. The 2025 Proposed Budget would restore Health 3 service and it would also add a new Health 99 unit to focus on follow-up care and services for individuals who have experienced an overdose (as discrete from overdose response, which would become the primary focus of the existing Health 99 unit). 1.5 new FTE would support this expansion of SFD’s MIH program. New costs associated with this expansion would be \$458,000 in 2025 and \$1.2 million in 2026. SFD actively seeks external funding to offset the ongoing costs of the MIH program. As an example, in 2025 and 2026 respectively federal grants will provide \$50,000 and \$200,000 for contracted Advanced Practice Nursing Provider (ARNP) services.

The 2025 Proposed Budget also includes ongoing funding of \$500,000 to support the abatement of dangerous buildings described in [ORD 127037](#), which the Council passed in June.

SFD’s budget is funded by the General Fund, and ongoing General Fund resources will be needed to sustain the department at its proposed funding level, including the backfilling of any one-time grant resources.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$231.7M	\$273.1M	17.9%	\$287.0M	5.1%
Non-Labor	\$50.9M	\$54.5M	7.1%	\$53.7M	(1.5%)
Total:	\$282.6M	\$327.6M	15.9%	\$340.7M	4.0%
Total FTE:	1,204	1,205	-	1,206	0.1%

- Firefighters comprise about 90 percent of SFD’s work force, and the majority of the department’s budget supports the response they provide, both in terms of labor costs and in areas like training, equipment, and vehicle maintenance. Most of the increase in labor costs in the 2025 Proposed budget is due to the terms of the City’s collective bargaining agreement (CBA) with Local 27, International Association of Firefighters. Council authorized execution of this CBA via [ORD 126794](#), in December 2023. [ORD 127067](#) appropriated funds for and authorized the payment of 2023 and 2024 obligations associated with that CBA.
- The City’s contract with Local 2898, which represents 34 battalion chiefs and deputy chiefs at SFD, expired at the end of 2021.
- The 2025 Proposed Budget adds 0.5 FTE Administrative Specialist II to support the proposed expansion of SFD’s MIH program. (Figures in the table above are rounded. In the 2024 Adopted Budget SFD had 1204.35 FTE, and in the 2025 Proposed Budget the department has 1204.85 FTE.) The 2026 Proposed Budget adds 1.0 FTE Fire Lieutenant Supervisor, also in the MIH program.
- The proposed increases in non-labor costs in 2025 and 2026 are typical for SFD.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Fire Prevention				
Purpose	The purpose of the Fire Prevention Budget Summary Level is to provide Fire Code enforcement to help prevent injury and loss from fire and other hazards.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.3M	\$14.7M	19.3%	\$15.4M	4.3%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$12.3M	\$14.7M	19.3%	\$15.4M	4.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Code Compliance	\$0.8M	\$1.5M	77.8%	\$1.5M	3.1%
Fire Investigations	\$1.7M	\$2.0M	17.1%	\$2.1M	4.7%
Office of the Fire Marshall	\$1.8M	\$2.0M	11.3%	\$2.1M	3.8%
Regulating Construction	\$4.4M	\$5.1M	15.5%	\$5.3M	4.5%
Special Events	\$1.0M	\$1.2M	17.3%	\$1.3M	4.4%
Special Hazards	\$2.6M	\$3.0M	14.9%	\$3.1M	4.6%
Total:	\$12.3M	\$14.7M	19.3%	\$15.4M	4.3%

- The Fire Prevention BSL is responsible for various bodies of work that provide fire and life safety other than on-scene response to calls for service. For example, this BSL issues permits and collects fees as required by the Seattle Fire Code, certifies the technicians who install and maintain fire and life safety systems in the city, and determines the cause and origin of specific fires.
- The Code Compliance unit’s funding increase from the 2024 Adopted Budget to the 2025 Proposed Budget is due in large part to the funding included for dangerous building abatement.
- Fees collected by programs in the Fire Prevention Division (also known as the Fire Marshal’s Office) currently recover 69 percent of the division’s costs. Legislation included with the 2025 Proposed Budget would increase this figure to 82 percent. Please see the Budget Legislation section of this paper.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide strategy and policy, public outreach and education, information and personnel management, recruitment and training of uniformed staff; allocate and manage available resources; and provide logistical support needed to achieve the Department’s mission.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$50.0M	\$51.8M	3.6%	\$54.2M	4.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$50.0M	\$51.8M	3.6%	\$54.2M	4.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$35.1M	\$33.9M	(3.5%)	\$35.6M	5.1%
Departmental Indirect Costs	\$14.9M	\$17.9M	20.1%	\$18.6M	3.8%
Total:	\$50.0M	\$51.8M	3.6%	\$54.2M	4.6%

- The Leadership and Administration BSL houses the Office of the Fire Chief and the department’s administrative functions. It also includes the Fire Alarm Center (the City’s secondary Public Safety Answering Point, from which all SFD response is dispatched).

- SFD's recruiting and training budget is partially allocated in this BSL, so some of the costs associated with the proposed funding for 20 additional firefighter recruits are included in the BSL's 2025 Proposed Budget.
- This BSL also contains the budget for internal City services provided to SFD, including the 2025 technical adjustment referenced above. This adjustment drives the increase in Departmental Indirect Costs from the 2024 Adopted Budget to the 2025 Proposed Budget.

BSL	Operations				
Purpose	The purpose of the Operations Budget Summary Level is to provide emergency and disaster response capabilities for fire suppression, emergency medical needs, hazardous materials, weapons of mass destruction, and search and rescue. In addition, reduce injuries by identifying and changing practices that place firefighters at greater risk and provide communication services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$220.2M	\$261.0M	18.5%	\$271.1M	3.9%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$220.2M	\$261.0M	18.5%	\$271.1M	3.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Battalion 2	\$33.0M	\$39.4M	19.3%	\$41.3M	5.0%
Battalion 3 Medic One	\$17.7M	\$20.2M	14.2%	\$21.1M	4.3%
Battalion 4	\$35.0M	\$41.2M	17.9%	\$43.2M	4.9%
Battalion 5	\$32.7M	\$38.3M	17.2%	\$40.1M	4.8%
Battalion 6	\$29.7M	\$34.8M	17.0%	\$36.5M	4.8%
Battalion 7	\$26.1M	\$31.1M	19.0%	\$32.6M	4.9%
Communications	\$6.8M	\$7.8M	14.7%	\$8.2M	4.4%
Office of the Operations Chief	\$9.9M	\$14.2M	43.8%	\$11.8M	(17.3%)
Operations Activities	\$27.2M	\$31.6M	16.2%	\$33.8M	7.1%
Safety and Risk Management	\$2.1M	\$2.4M	15.5%	\$2.5M	4.2%
Total:	\$220.2M	\$261.0M	18.5%	\$271.1M	3.9%

- The Operations BSL holds the costs for the majority of SFD expenditures, including the salary costs for members of the six battalions that comprise SFD's emergency response personnel and the MIH program. New costs associated with the proposed expansion of the latter program are included in both the 2025 and 2026 Proposed Budgets. Ninety-one percent of SFD's budget increase from the 2024 Adopted Budget to the 2025 Proposed budget is reflected here.
- This BSL's 2025 and 2026 Proposed Budgets also include the remainder of costs associated with the training of 20 additional firefighter recruits in each year.
- Additionally, this BSL's 2025 and 2026 Proposed Budgets includes the full costs of training of seven additional SFD firefighters as paramedics in each year. Currently, less than two-thirds of paramedic positions at SFD are filled.

1. 2025-2026 Permit and Fee ORD

SFD regularly revisits the fees that are charged by its Fire Prevention Division (FPD), which is also known as the Fire Marshal's Office, seeking to align fee levels with current service costs. At the same time, the department makes other administrative updates to its fee and permit schedule as needed. Typically, these proposed changes are included as budget legislation biennially, and current fee levels have been in effect since January 1, 2023. FPD fees address the department's work to staff special events consistent with Seattle Fire Code requirements, inspect high-rise buildings, and file testing documentation for fire and life safety systems, to name a few examples. The ordinance proposes an increase of 16 percent for most fees and an increase of 31 percent for plan review and construction inspections. These increases reflect SFD's actual costs of providing these services, which – as noted above – have outpaced general inflation since the fee and permit schedule was last updated. The legislation would increase FPD revenues by \$1.8 million annually, leading to cost recovery for the division of 82 percent, versus the current level of 69 percent.

2. BLS Transport Fees ORD

SFD firefighters provide basic life support (BLS) emergency medical services (EMS). It contracts with American Medical Response (AMR) for BLS transport services – i.e., the transportation of a person needing care to a hospital or clinic. When an AMR unit is not available, SFD provides this transport in a department vehicle. SFD currently provides BLS transport free of charge, even when those receiving services have insurance (private insurance, Medicare, or Medicaid) that would reimburse the department for some of its service costs. Currently SFD is the only fire agency in King County that provides BLS transport services and that does not have any cost-recovery mechanisms for such services. This legislation would authorize the collection of fees for BLS transport services by SFD firefighters, which SFD estimates would generate \$314,000 in new General Fund revenue in 2025. See SFD's Policy Considerations Paper for more information about this proposed legislation.

3. 2024 Year-End Grants Acceptance ORD

The Year End Grants Acceptance Ordinance requests appropriation authority for SFD to accept a total of \$394,000 in grant funding. One grant, from the Washington State Department of Ecology for \$100,000, provided funding for the purchase of firefighting equipment and supplies to support its ability to respond to fires involving hazardous materials. An additional grant of \$294,000 was from the Federal Emergency Management Agency of the Department of Homeland Security (through the King County Office of Emergency Management). This funding allowed SFD to provide training to other jurisdictions in the region and to purchase nerve-agent antidote kits and infrared spectrometer detectors. If Council does not pass this ordinance, SFD may not have sufficient General Fund resources in 2024 to avoid a budget exception.

4. 2024 Year-End Supplemental ORD

The Year End Supplemental Ordinance includes several appropriation requests from SFD, totaling \$4.1 million. \$1.7 million of this total is backed by external funding (e.g., a grant or reimbursable costs). The remaining \$2.3 million would fund expenditures incurred by SFD in excess of the amounts that were budgeted in the 2024 Adopted Budget.

- \$1.7 million of this amount would fund termination pay cashouts by SFD firefighters. "Termination" refers to any separation from service from an SFD firefighter. In almost all cases, the trigger for this payment – for various types of leave earned and not used – is a firefighter's retirement. 225 SFD firefighters are currently eligible for retirement, and the average termination pay to which each of them would be entitled is \$84,000.
- \$655,000 would fund SFD's payment of its employees' workers' compensation claims.

SEATTLE MUNICIPAL COURT (SMC)

CENTRAL STAFF
TAMASO

ANALYST:
JOHNSON

2025-2026 PROPOSED BUDGET OVERVIEW

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Administration	\$20.7M	\$22.6M	9.3%	\$23.6M	4.2%
Court Compliance	\$4.9M	\$0.0M	(100.0%)	\$0.0M	(0%)
Court Operations	\$17.7M	\$23.6M	33.5%	\$24.9M	5.6%
Operating Subtotal:	\$43.3M	\$46.2M	6.8%	\$48.5M	4.9%
Grand Total:	\$43.3M	\$46.2M	6.8%	\$48.5M	4.9%

The Proposed Budget for the Seattle Municipal Court (SMC) is increased by \$2,947,000 (6.8 percent) from 2024 to 2025 and an additional \$2,255,00 (4.9 percent) between 2025 and 2026. Under the proposed budget, SMC would maintain core functions, continue implementation of new data systems, and implement parking fine increases and school zone traffic camera expansion, while reducing three customer service staff positions. As detailed below, the existing Court Compliance functions would be distributed into SMC’s Administration and Court Operations BSLs, simplifying SMC’s budget structure.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$26.7M	\$31.3M	17.4%	\$32.9M	5.1%
Non-Labor	\$16.6M	\$14.9M	(10.1%)	\$15.6M	4.4%
Total:	\$43.3M	\$46.2M	6.8%	\$48.5M	4.9%
Total FTE:	201.9	200.9	(0.5%)	200.9	0.0%

- The 2025-26 Proposed Budget would abrogate 3.0 FTE Administrative Specialist II customer service staff positions (\$361,203 reduction in both 2025 and 2026).
- At the same time, 2.0 FTE additional positions would be added for the following purposes:
 - 1.0 FTE Mental Health Court Community Support Specialist (funded from \$165,000 in grant funding from the Washington State Administrative Office of the Court) made permanent to assist clients with mental health and/or substance use issues.
 - 1.0 FTE Administrative Specialist II (\$125,000 in both 2025 and 2026) to support expansion of the School Zone Camera program, in collaboration with the Seattle Department of Transportation and the Seattle Police Department.
- The overall Labor cost increases proposed for 2025 and 2026 are primarily the result of standard wage increases as well as a minor technical judicial salary adjustment.
- Non-labor cost reductions in 2025 result from technical adjustments to citywide standard costs.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Administration				
Purpose	The purpose of the Administration Budget Summary Level is to provide administrative controls, develop and provide strategic direction, and provide policy and program development.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$20.7M	\$22.6M	9.1%	\$23.5M	4.3%
Jumpstart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$20.7M	\$22.6M	9.3%	\$23.6M	4.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$12.6M	\$10.6M	(15.7%)	\$11.1M	4.7%
Departmental Indirect Costs	\$8.1M	\$12.0M	48.4%	\$12.4M	3.7%
Total:	\$20.7M	\$22.6M		\$23.6M	4.2%

- Substantive increases in the 2025-26 Proposed Budget for the Administration BSL are the result of:
 - o Contract costs for the new Court case management software launched in 2024 (\$247,000 in 2025 and \$259,000 in 2026).
 - o Administrative costs associated with implementation of the school zone traffic camera expansion (\$25,000 in 2025 only, funded by the Seattle Department of Transportation).
- This BSL includes a new 1.0 FTE Mental Health Court Community Support Specialist (\$165,000 in 2025 and \$330,000 in 2026) to assist clients with mental health and/or substance use issues, funded entirely by a grant from the Washington State Administrative Office of the Court.
- Other net increases to this BSL are related to the Court realignment consolidating aspects of the Compliance BSL into Administration and standard wage increases.
- Reductions to citywide indirect costs in this BSL are a result of standard cost adjustments.

BSL	Court Compliance				
Purpose	The purpose of the Court Compliance Budget Summary Level is to help defendants understand the Court's expectations and to assist them in successfully complying with court orders.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$4.9M	\$0.0M	(100.0%)	\$0.0M	0%
Jumpstart Fund	-	-	-	-	-
Other Sources					
Total:	\$4.9M	\$0.0M	(100.0%)	\$0.0M	0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Court Compliance	\$4.9M	\$0.0M	(100.0%)	\$0.0M	0%
Total:	\$4.9M	\$0.0M	(100.0%)	\$0.0M	0%

- The 2025-26 Proposed Budget redistributes all costs associated with the Court Compliance BSL into the Court Operations BSL and Administration BSL as part of a net-zero change effectuating a realignment of the Court organizational structure made in 2024. There are no Court service or operational changes associated with this realignment.

BSL	Court Operations				
Purpose	The purpose of the Court Operations Budget Summary Level is to hold hearings and address legal requirements for defendants and others who come before the Court. Some proceedings are held in formal courtrooms and others in magistrate offices, with the goal of providing timely resolution of alleged violations of City ordinances and misdemeanor crimes committed within the Seattle city limits.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$17.7M	\$23.3M	31.9%	\$24.6M	5.3%
Jumpstart Fund	-	-	-	-	-
Other Sources	\$0.0M	\$0.3M	100%	\$0.4M	30.6%
Total:	\$17.7M	\$23.6M	33.5%	\$24.9M	5.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Court Operations	\$17.7M	\$23.6M	33.5%	\$24.9M	5.6%
Total:	\$17.7M	\$23.6M	-	\$24.9M	5.6%

- The 2025-26 Proposed Court Operations BSL would abrogate 3.0 FTE Administrative Specialist II customer service staff positions (\$361,200 reduction in both 2025 and 2026). This staffing reduction is expected to somewhat negatively impact the service experience of members of the general public, who may experience additional wait times when interacting with the Court.
- The only substantive increase is due to the addition of funds (\$300,000 in 2025 and \$400,000 in 2026) from the Seattle Department of Transportation related to school traffic camera expansion, including a new 1.0 FTE Administrative Specialist II.
- Other net increases to this BSL are related to the Court realignment consolidating aspects of the Compliance BSL into Operations, citywide standard cost changes, and standard wage increases.

BUDGET LEGISLATION

1. SMC 2025 Parking Penalty ORD

This legislation would increase parking fines in the City of Seattle by approximately fifty percent beginning January 1, 2025. For example, a parking infraction with a current base amount of \$47 would increase to \$69. SMC judges set the fine amount for parking violations via a local court rule, which must then be adopted into Seattle Municipal Code by the Council to take effect. These fines have not been adjusted since 2011. The increased fines are expected to generate an estimated \$4.9 million in annual General Fund revenue beginning in 2025.

2. 2024 Year-End Supplemental ORD

The Year-End Supplemental ordinance includes two transfers from the Trial Court Improvement Account, housed in Finance General, to SMC. The Trial Court Improvement Account in Finance General is funded through revenues received from the Washington State Administrative Office of the Courts. \$40,000 would be transferred to SMC to remove barriers installed in courtrooms as health and safety measures related to the COVID-19 pandemic. \$61,700 would be transferred to SMC to make security improvements to the Criminal Justice Information Services system.

CONTEXTUAL BUDGET CONSIDERATIONS

Jail Expansion Implementation

SMC's 2025-2026 Proposed Budget does not include appropriations related to implementation of expanded City of Seattle jail capacity via the Interlocal Agreement signed with the South County Correctional Entity (SCORE) (see [CB 120825](#)) or the renegotiated bed floor and booking agreement with the King County Jail. Both of these agreements will expand available jail capacity and may have fiscal impacts on the Court in 2025 and/or 2026. Further information on potential SMC costs associated with increased jail capacity in 2025-2026 is available in the Policy Considerations Paper on the City Attorney's Office.

Public Safety Legislation Implementation

SMC's 2025-2026 Proposed Budget does not include appropriations related to implementation of public safety legislation impacting the Court passed in 2024, including the of the Stay Out of Drug Area (SODA) ordinance ([CB 120835](#)) and the prostitution loitering and Stay Out of Area of Prostitution (SOAP) ordinance ([CB 120836](#)). Further information on potential SMC costs associated with implementation of these ordinances in 2025-2026 is available in the Policy Considerations Paper on the City Attorney's Office.

SEATTLE POLICE DEPARTMENT (SPD)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: GREG DOSS

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Chief of Police	\$14.5M	\$17.0M	17.6%	\$19.0M	11.2%
Collaborative Policing	\$12.6M	\$15.2M	20.5%	\$15.6M	2.6%
Compliance and Professional Standards Bureau	\$5.2M	\$6.0M	16.7%	\$6.1M	1.4%
Criminal Investigations	\$43.0M	\$52.9M	23.1%	\$55.7M	5.3%
East Precinct	\$19.8M	\$21.9M	10.7%	\$22.8M	4.1%
Leadership and Administration	\$95.2M	\$103.3M	8.5%	\$107.6M	4.2%
North Precinct	\$29.6M	\$33.5M	13.2%	\$34.0M	1.6%
Office of Police Accountability	\$5.7M	\$6.8M	19.4%	\$6.9M	1.9%
Patrol Operations	\$13.3M	\$25.6M	92.7%	\$15.9M	(37.6%)
School Zone Camera Program	\$2.2M	\$3.7M	69.9%	\$4.6M	24.6%
South Precinct	\$20.6M	\$23.0M	11.8%	\$23.2M	0.6%
Southwest Precinct	\$15.6M	\$17.3M	10.7%	\$17.2M	(0.5%)
Special Operations	\$63.9M	\$72.0M	12.8%	\$73.6M	2.2%
Technical Services	\$31.0M	\$33.2M	6.9%	\$33.1M	(0.2%)
West Precinct	\$23.7M	\$26.5M	11.5%	\$26.7M	1.0%
Operating Subtotal:	\$395.8M	\$457.9M	15.7%	\$462.1M	0.9%
Grand Total:	\$395.8M	\$457.9M	15.7%	\$462.1M	0.9%

The 2025 Proposed Budget for the Seattle Police Department (SPD) increases 15.7 percent relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by an additional one percent over the 2025 Proposed Budget. A large portion of the proposed increases for both years, approximately \$50 million in 2025 and \$62 million in 2026, is attributable to technical changes such as inflation, labor, citywide indirect charges and annualization of one-time adds in the 2024 mid-year budgets.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$291.5M	\$357.3M	22.6%	\$357.4M	0.1%
Non-Labor	\$104.3M	\$100.6M	(3.6%)	\$104.6M	4.0%
Total:	\$395.8M	\$457.9M	15.7%	\$462.1M	0.9%
Total FTE:	1,826	1,852	1.4%	1,868	0.9%

Overview of labor-related changes:

Adjustments to sworn salary and overtime funding comprise the most significant changes between the 2024 Adopted Budget and the 2025-2026 Proposed Budget. Changes include:

1. An ongoing add of \$39 million in each year of the biennium to adjust wages for Seattle Police Officer Guild (SPOG) members. This adjustment is made to fund the compounded annual wage increases that result from [ORD. 127019](#), which increased SPD Sergeant and Officer wages and benefits by approximately 23 percent between 2020 and 2023.
2. A one-time add of \$10,000,000 to SPD's overtime budget in 2025.
3. Development of a baseline budget that would provide General Fund funding for 1,123 sworn FTE. The baseline budget is then reduced to reflect the following budget changes:
 - Unfunding of 23 sworn FTE to "save" \$4.2 million that is subsequently transferred to SPD's overtime budget; and
 - Unfunding of an additional 23 FTE to "save" another \$4.3 million that is subsequently cut from SPD's budget to fulfill a 1% General Fund Reduction target.
 - Dedication of the remaining funding of 1,076 FTE for SPD's Sworn Staffing Plan, which will fund all currently filled Recruit, Student Officer and Fully Trained Officer positions, and also add a net of 15 new officers above attrition.

These changes are examined in greater detail in the Contextual Budget Considerations section and will also be discussed in the Central Staff Policy Considerations Paper and Presentation. These documents note Central Staff's conclusions that (1) SPD's sworn staffing plan is likely overfunded by \$6.5 million in both years of the biennium; and (2) SPD's overtime budget is likely underfunded by \$10 million in 2026.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

The most significant changes proposed in the Seattle Police Department’s BSL lines are increases or decreases related to technical adjustments that do not impact the department’s operations. Therefore, a BSL level analysis may lead a reader to draw inaccurate conclusions about investments in the SPD budget. Significant policy changes in the 2025-2026 Proposed Budget are identified for each BSL below.

BSL	Chief of Police				
Purpose	The purpose of the Chief of Police Budget Summary Level is to lead and direct department employees and to provide policy guidance and oversee relationships with the community, with the goal that the department provides the City with professional, dependable, and respectful public safety services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$14.5M	\$17.0M	17.6%	\$19.0M	11.2%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$14.5M	\$17.0M	17.6%	\$19.0M	11.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Chief of Police	\$14.5M	\$17.0M	17.6%	\$19.0M	11.2%
Emergency Management Operations	-	-	-	-	-
Total:	\$14.5M	\$17.0M	17.6%	\$19.0M	11.2%

- **Real Time Crime Center:** \$2.0 million and 12 FTE are added in 2025, and an additional \$3.7 million and 9.0 FTE in 2026, for civilian positions that would staff SPD’s Real Time Crime Center. The added positions would utilize technology that integrates dispatch, camera, officer location, 911 calls, and records management systems into a single view to provide situational awareness to increase officer and community safety and reactively investigate incidents. The 2025 Proposed Budget also includes \$60,000 in 2025 and \$45,000 in 2026 for non-labor adds to support this item.

BSL	Office of Police Accountability				
Purpose	The purpose of the Office of Police Accountability Budget Summary Level is to investigate and process complaints involving officers in the Seattle Police Department.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$5.7M	\$6.8M	19.4%	\$6.9M	1.9%
JumpStart Fund	\$0.0M	\$0.0M		\$0.0M	
Other Sources	\$0.0M	\$0.0M		\$0.0M	
Total:	\$5.7M	\$6.8M	19.4%	\$6.9M	1.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Police Accountability	\$5.7M	\$6.8M	19.4%	\$6.9M	1.9%
Total:	\$5.7M	\$6.8M	19.4%	\$6.9M	1.9%

- **Civilian Investigators in OPA:** \$370,000 and 2.0 FTE are added in 2025 and continued in 2026 for civilian investigative positions that would oversee and manage investigations in the Office of Police Accountability (OPA). OPA is currently budgeted for nine sworn investigators and two civilian investigators. Civilian investigators will move Seattle closer to realizing directives from the Police Accountability Ordinance and the federal consent decree by empowering civilian oversight and building community trust. With these additions, OPA will have four civilian investigators and three civilian supervisors.

- **OPA General Fund Reduction:** (\$441,000) and 2.0 FTE are reduced in both 2025 and 2026 to meet an Executive General Fund reduction target. OPA staff indicate that the elimination of the positions, a 1.0 FTE Administrative Specialist II and 1.0 FTE Communications Manager would likely result in delays responding to media inquiries, as well as fewer social media updates and published newsletters. The \$441,000 includes a reduction of \$165,000 in OPA overtime, approximately two-thirds of the OPA overtime allocation in 2024.

BSL	Collaborative Policing				
Purpose	The purpose of the Collaborative Policing Budget Summary Level is to centralize the department's efforts to collaborate and partner with the community on public safety issues. The BSL is a combination of the department's community engagement and outreach elements including the new Community Service Officers (CSO program, Navigation Team, and Crisis Intervention Response Team.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.6M	\$15.2M	20.5%	\$15.6M	2.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$12.6M	\$15.2M	20.5%	\$15.6M	2.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Collaborative Policing	\$12.6M	\$15.2M	20.5%	\$15.6M	2.6%
Total:	\$12.6M	\$15.2M	20.5%	\$15.6M	2.6%

- **Community Crisis Responders:** \$700,000 and 5.0 FTE are added in 2025 and continue in 2026 to convert 4.0 FTE Community Crisis Responders II and 1.0 FTE Community Crisis Responder Supervisor from HSD contracted positions to permanent positions in SPD. These Mental Health Professional (MHP) positions were originally contracted through the Downtown Emergency Service Center (DESC) to work closely with SPD. Five MHP emergency positions were created in April 2024 with the emergency authority for these positions expiring on December 31, 2024. These positions conduct post-incident follow-up (both criminal and non-criminal), Extreme Risk Protection Order screening, care coordination for community members, and respond to in-progress incidents involving persons in crisis.

BSL	Compliance and Professional Standards Bureau				
Purpose	The purpose of the Compliance and Professional Standards Bureau Budget Summary Level is to investigate and review use of force issues. It includes the Department's Force Investigation Team and Use of Force Review Board as well as Compliance and Professional Standards Administration.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$5.2M	\$6.0M	16.7%	\$6.1M	1.4%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$5.2M	\$6.0M	16.7%	\$6.1M	1.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Compliance & Prof. Standards	\$5.2M	\$6.0M	16.7%	\$6.1M	1.4%
Total:	\$5.2M	\$6.0M		\$6.1M	1.4%

- No significant policy changes

BSL	Criminal Investigations				
Purpose	The purpose of the Criminal Investigations Budget Summary Level is to investigate potential criminal activity.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$43.0M	\$52.9M	23.1%	\$55.7M	5.3%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$43.0M	\$52.9M	23.1%	\$55.7M	5.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Coordinated Criminal Investigations	\$5.4M	\$7.3M	34.0%	\$7.5M	3.5%
Criminal Investigations	\$2.6M	\$4.7M	84.8%	\$6.0M	26.5%
Major Investigations	\$15.4M	\$18.0M	17.4%	\$18.6M	3.0%
Special Victims	\$6.5M	\$8.3M	26.9%	\$8.5M	3.2%
Violent Crimes	\$13.1M	\$14.6M	11.3%	\$15.1M	3.3%
Total:	\$43.0M	\$52.9M	23.1%	\$55.7M	5.3%

- **Investigative Support Positions:** \$1.1 million and 7.0 FTE are added in 2025, and an additional \$2.2 million and 7 FTE in 2026, for civilian positions that would assist SPD Detectives with homicide, robbery, and gun crime investigations. Hiring these positions will allow SPD to expand capacity and increase support for Detectives and Officers to complete thorough, precise, and timely documentation for criminal investigations, including pulling criminal histories, requesting 911 recordings, releasing information to a prosecutor. The 2025 Proposed Budget also includes \$35,000 in 2025 and in 2026 for non-labor adds to support this item.

BSL	East Precinct				
Purpose	The purpose of the East Precinct Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the East Precinct, to promote safety in their homes, schools, businesses, and the community at large.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$19.8M	\$21.9M	10.7%	\$22.8M	4.1%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$19.8M	\$21.9M	10.7%	\$22.8M	4.1%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
East Precinct	\$19.8M	\$21.9M	10.7%	\$22.8M	4.1%
Total:	\$19.8M	\$21.9M	10.7%	\$22.8M	4.1%

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology, and business support to the Seattle Police Department. It includes the Finance and Planning unit; Grants and Contracts unit; Fleet and Facilities Management; and the Administrative Services, Information Technology, and Human Resources programs. The Audit, Policy and Research Program and Education and Training Program are also included in this Budget Summary Level.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$95.2M	\$103.3M	8.5%	\$107.6M	4.2%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$95.2M	\$103.3M	8.5%	\$107.6M	4.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$20.7M	\$19.7M	(4.8%)	\$20.8M	5.5%
Departmental Indirect Costs	\$57.8M	\$64.2M	11.1%	\$66.9M	4.2%
Divisional Indirect Costs	\$16.7M	\$19.3M	16.1%	\$19.9M	2.9%
Total:	\$95.2M	\$103.3M	8.5%	\$107.6M	4.2%

BSL	North Precinct				
Purpose	The purpose of the North Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the North Precinct, to promote safety in their homes, schools, businesses, and the community at large.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$29.6M	\$33.5M	13.2%	\$34.0M	1.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$29.6M	\$33.5M	13.2%	\$34.0M	1.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
North Precinct	\$29.6M	\$33.5M	13.2%	\$34.0M	1.6%
Total:	\$29.6M	\$33.5M	13.2%	\$34.0M	1.6%

BSL	Patrol Operations				
Purpose	The purpose of the Patrol Operations Budget Summary Level is to provide public safety and order maintenance.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$13.3M	\$25.6M	92.7%	\$15.9M	(37.6%)
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$13.3M	\$25.6M	92.7%	\$15.9M	(37.6%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Patrol Operations	\$13.3M	\$25.6M	92.7%	\$15.9M	(37.6%)
Total:	\$13.3M	\$25.6M	92.7%	\$15.9M	(37.6%)

BSL	School Zone Camera Program				
Purpose	The purpose of the School Zone Camera Program Budget Summary Level is to support operations and administration for the School Zone Camera program				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$2.2M	\$3.7M	69.9%	\$4.6M	24.6%
Total:	\$2.2M	\$3.7M	69.9%	\$4.6M	24.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
School Zone Camera Program	\$2.2M	\$3.7M	69.9%	\$4.6M	24.6%
Total:	\$2.2M	\$3.7M	69.9%	\$4.6M	24.6%

- **Automated School Zone Camera Program:** \$1.2 million in revenue-backed funding is added for an expansion of the School Zone Camera Program. SPD plans to redirect two existing Parking Enforcement Officers to review and issue automated enforcement citations. SPD currently operates 30 cameras that enforce speed limits in school zones at 18 schools. The program would be expanded by installing 37 new cameras at 18 additional locations, intending to be operational by fall 2025. **PEO staffing will be an issue discussed in the Policy Considerations Paper.**

BSL	South Precinct				
Purpose	The purpose of the South Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services with the goal of keeping residents of, and visitors to, the South Precinct, safe in their homes, schools, businesses, and the community at large.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$20.6M	\$23.0M	11.8%	\$23.2M	0.6%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$20.6M	\$23.0M	11.8%	\$23.2M	0.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
South Precinct	\$20.6M	\$23.0M	11.8%	\$23.2M	0.6%
Total:	\$20.6M	\$23.0M	11.8%	\$23.2M	0.6%

- No significant policy changes

BSL	Southwest Precinct				
Purpose	The purpose of the Southwest Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the Southwest Precinct, to promote safety in their homes, schools, businesses, and the community at large.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$15.6M	\$17.3M	10.7%	\$17.2M	(0.5%)
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$15.6M	\$17.3M	10.7%	\$17.2M	(0.5%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Southwest Precinct	\$15.6M	\$17.3M	10.7%	\$17.2M	(0.5%)
Total:	\$15.6M	\$17.3M	10.7%	\$17.2M	(0.5%)

- No significant policy changes

BSL	Special Operations				
Purpose	The purpose of the Special Operations Budget Summary Level is to deploy specialized response units in emergencies and disasters. The Bureau provides crowd control, special event, search, hostage, crisis, and marine-related support to monitor and protect critical infrastructure to protect lives and property, aid the work of uniformed officers and detectives, and promote the safety of the public.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$63.9M	\$72.0M	12.8%	\$73.6M	2.2%
JumpStart Fund	-	-	-	\$0.0M	-
Other Sources	-	\$0.0M		\$0.0M	-
Total:	\$63.9M	\$72.0M	12.8%	\$73.6M	2.2%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Special Operations	\$63.9M	\$72.0M	12.8%	\$73.6M	2.2%
Total:	\$63.9M	\$72.0M	12.8%	\$73.6M	2.2%

- **Remove Support For SPD's Mounted Patrol Unit:** \$230,000 is reduced to eliminate the department's Mounted Patrol Unit (MPU), including 1.0 FTE Equipment & Facilities Coordinator, three unbudgeted part-time temporary maintenance laborers, and \$88,000 in associated operating costs. Sworn positions currently assigned to the MPU will continue to be funded by the General Fund but will be reassigned elsewhere in the department.

BSL	Technical Services				
Purpose	The purpose of the Technical Services Budget Summary Level is to provide technical support to the Seattle Police Department, including items such as the Internet Telephone Reporting, Data Driven Policing, Forensic Support Services and Technology Integration Programs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$31.0M	\$33.2M	6.9%	\$33.1M	(0.2%)
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$31.0M	\$33.2M	6.9%	\$33.1M	(0.2%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Technical Services	\$31.0M	\$33.2M	6.9%	\$33.1M	(0.2%)
Total:	\$31.0M	\$33.2M	6.9%	\$33.1M	(0.2%)

- **Scheduling and Timekeeping Software Expenditures:** \$1.9 million is added for the procurement, implementation, and maintenance of a scheduling and timekeeping system to provide for better management of staff resources in the department and help align with the City's new Workday timekeeping system implemented in 2024.
- **Implement CCTV at Additional Locations:** \$425,000 is added for the implementation of closed-circuit television (CCTV) cameras at locations where gun violence, human trafficking, or persistent felony crime is concentrated. The Council recently approved funding for CCTV at three locations as part of the Technology Assisted Crime Prevention Program. This funding would allow the Executive to place cameras at one or more additional locations that have yet to be determined.

BSL	West Precinct				
Purpose	The purpose of the West Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the West Precinct, to promote safety in their homes, schools, businesses, and the community at large.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$23.7M	\$26.5M	11.5%	\$26.7M	1.0%
JumpStart Fund	-	-	-	-	-
Other Sources	-	-	-	-	-
Total:	\$23.7M	\$26.5M	11.5%	\$26.7M	1.0%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
West Precinct	\$23.7M	\$26.5M	11.5%	\$26.7M	1.0%
Total:	\$23.7M	\$26.5M	11.5%	\$26.7M	1.0%

- No significant policy changes

BUDGET LEGISLATION

1. SPD Obsolete Fee Repeal ORD

This legislation would repeal a number of fees that are considered obsolete and are no longer collected by SPD. In 1989, the City enacted a number of fees to offset the costs to SPD of providing certain services to the public. In the intervening 35 years, technology and public demand has rendered many of these services obsolete, such as fingerprint classifications, annual reports, census tract code books, polygraph examinations, photographs and prints, Polaroid identification system cards, use of its firearm qualification facility, or examination of physical evidence. The repeal of these fees from the Seattle Municipal Code has no impact on services offered or the City’s budget, as the services have not been requested in many years. If the Council chooses to not pass this legislation, then obsolete fees will remain in the Seattle Municipal Code.

2. 2024 Year-End Supplemental Appropriations ORD

The SPD-related changes in the year-end supplemental ordinance would:

- Lift a Salary Savings Proviso that restricts SPD’s ability to use for any other purpose the funding that is necessary to support salary, benefits, and overtime for recruits and sworn officers.
- Add \$12.8 million in various Budget Control Levels to fund overtime and associated benefit costs for special events staffing, precinct minimum staffing requirements, and patrol augmentation. SPD staff indicate that sworn salary savings are insufficient to support unbudgeted overtime expenditures. Staff also indicate that the additional appropriation is required to keep the budget balanced in 2024. **This action will be discussed in Central Staff’s Policy Considerations Paper.**
- Add \$1.1 million in appropriation authority for revenue received from the federal government or other organizations for work that SPD officers perform on regional task forces and for other revenue-related reimbursements. Reimbursements are provided from the following organizations:

Organization / Revenue Source	Amount
ATF Puget Sound Regional Gun Task Force	\$9,000
Registered Sex Offender and Kidnapping Offender Address Verification Program	\$181,000
Durg Enforcement Administration Task Force	\$14,000
Organized crime Drug Enforcement Task Force	\$164,000
Puget Sound Joint Terrorism Task Force	\$20,000
Safe Streets Task Force	\$59,000
South Sound Regional Violent Crime Task Force	\$24,000
Homeland Security Investigations Task Force	\$96,000
FY23 Target Zero Grant Increase	\$40,000
FY23 High Intensity Drug Trafficking Area	\$20,000
Vehicle Accident Revenue	\$26,000
Total	\$653,000

- Transfer \$411,000 from the Human Services Department (HSD) to move the SPD Crisis Response Team Mental Health Practitioners from the Human Services Department to SPD to align program with the 2025-2026 Proposed Budget.

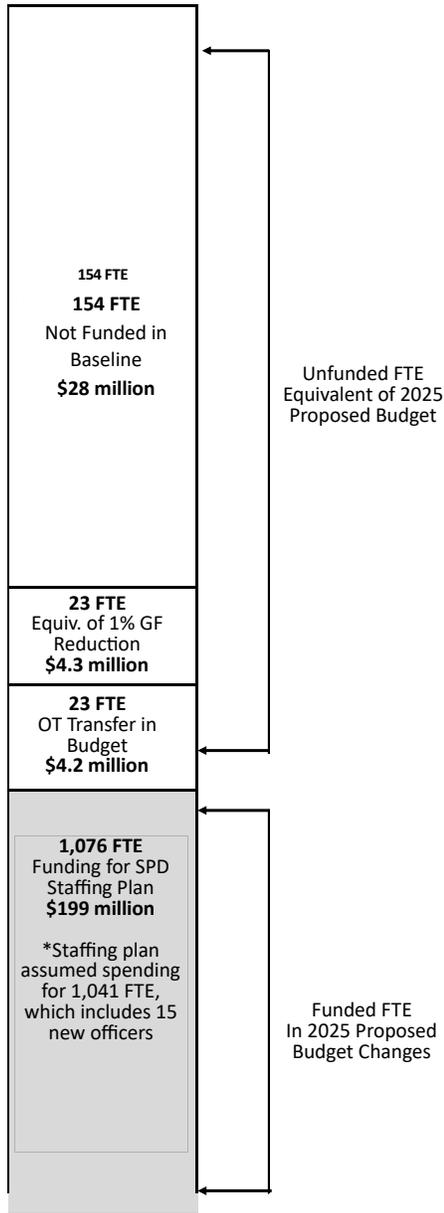
3. CBO Legislated Reporting Requests ORD

This legislation would reduce the frequency from quarterly to annually of reports from SPD related to an alternative enforcement provision to address excessive vehicle noise per [Ordinance 125602](#). Since its adoption, no violations of the ordinance have been issued due to a lack of staff resources.

CONTEXTUAL BUDGET CONSIDERATIONS

Staffing

1,277 Positions in Proposed Budget



Sworn Staffing and Salary Savings

SPD has one of the largest workforces of all City departments with a budget of \$457.9 million and 1,852 FTE. About three-quarters are sworn officers, including roughly 511 sworn personnel assigned to Patrol and distributed throughout the five precincts. Attachment 1 (Patrol Staffing) provides information on the distribution of SPD officers assigned to the precincts; and Attachment 2 (Sworn Officer Allocation) provides a breakout showing how officers and sergeants are distributed across department functions.

The department has 1,277 sworn officer positions, but not all of these are funded in the 2025-2026 Proposed Budget. The City’s General Fund budget deficit and recent officer wage increases constrained the resources available to fund police officer positions.¹ Therefore, SPD’s baseline budget funded only 1,123 positions. From there, two policy adjustments were made:

- Unfunding of 23 FTE to make available \$4.2 million for a 1% General Fund reduction; and
- Unfunding of an additional 23 FTE to make available \$4.2 million that was transferred into the department’s overtime budget.

Remaining sworn staffing funds support a total of 1,076 FTE. This funding is provided to support the salaries for SPD’s recruits, student officers and fully trained officers. It is also a greater amount of funding than the department projects that it will need to support its current positions and net new hires.

City Budget Office (CBO) and SPD staff have indicated that SPD will need 1,041 Funded FTE to support all of its recruit and sworn positions in 2025, and to hire an 15 additional officers above attrition. The difference between what is funded (1,076 FTE), and what is needed for existing staff and 15 net new hires (1,041 FTE) is a total of 35 FTE and approximates \$6.5 million in salary savings. This salary saving is currently unprogrammed in SPD’s budget and is available for any other use, including for unplanned, unbudgeted overtime expenses or for additional sworn officer hires, beyond the 15 net new hires that already are funded in 2025. The 2026 Staffing Plan is also overbudgeted by \$6.5 million.

Salary savings will be discussed in the Policy Considerations Paper.

¹ Ordinance [127067](#), adopted in August 2024, authorized a new Seattle Police Officer’s Guild agreement that increased officer wages by 23% over three years.

SPD Staffing Plan

Every August SPD submits a Staffing Plan that identifies the department’s hiring and separation projections for the upcoming year. The unprecedented separations and lethargic hiring that have occurred since 2020 have made it difficult for SPD staff to accurately predict changes to SPD’s sworn staffing levels. Although, separations have since 2023 begun to return to pre-pandemic levels and are becoming more consistent.

Table 1. Sworn Officer Hiring History

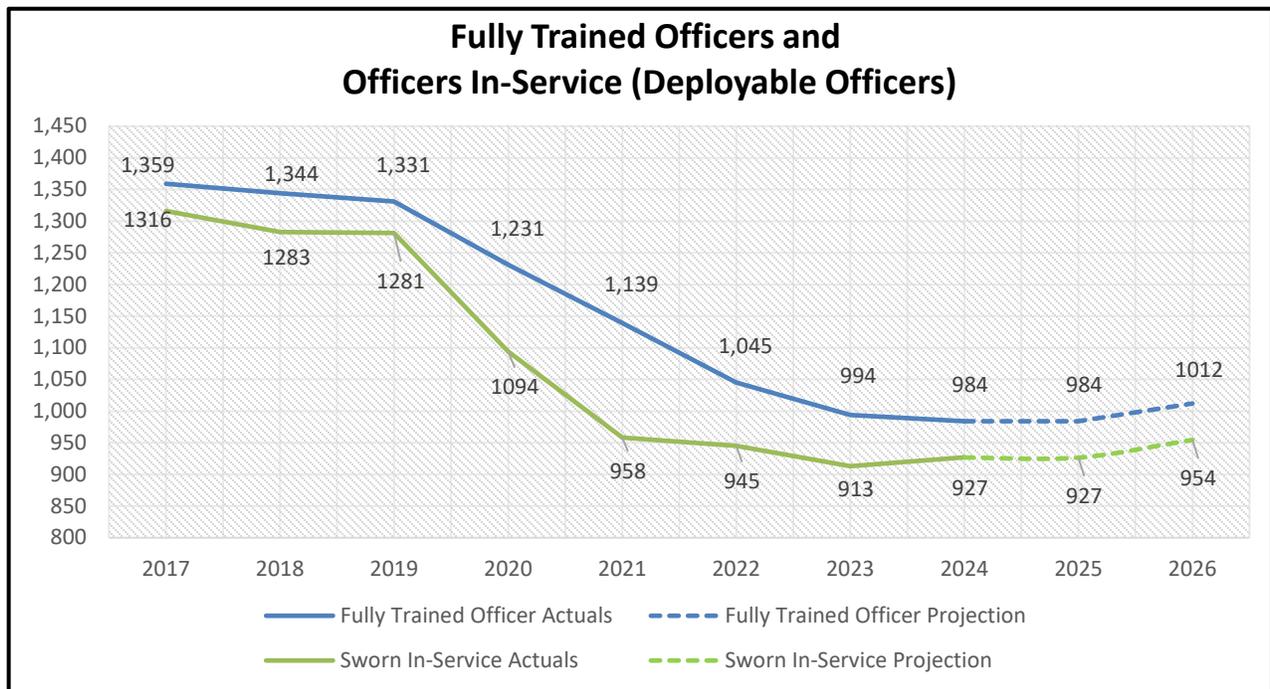
Year	New Hires	Separations	Net Adds
2017	102	(79)	23
2018	68	(109)	(41)
2019	108	(92)	16
2020	51	(186)	(135)
2021	81	(171)	(90)
2022	58	(159)	(101)
2023	61	(97)	(36)
2024 (projected)	72	(94)	(22)
2025 (planned)	120	(105)	15
2026 (planned)	120	(105)	15

Source: SPD Draft Sworn Hiring Projections with Actuals through August 2024

The Sworn Staffing Plan submitted by SPD assumes the department will make 120 total police hires and realize 105 separations in 2025. This staffing plan is identical to the plan that the department had hoped to achieve in both 2023 and 2024. SPD’s staff believe a recent increase in police applications and hiring will help the department realize its 2025 and 2026 Staffing Plan goals.

Unfortunately, even if the 2025 hiring plan’s goals are achieved (net 15 new hires), the department’s total number of trained sworn officers would remain relatively unchanged in 2025 as it generally takes a year for newly hired officers to become fully trained, as can be seen in the relatively unchanged projections line in Graph 1 below. It will likely take years of hiring to return the department to its pre-pandemic staffing levels.

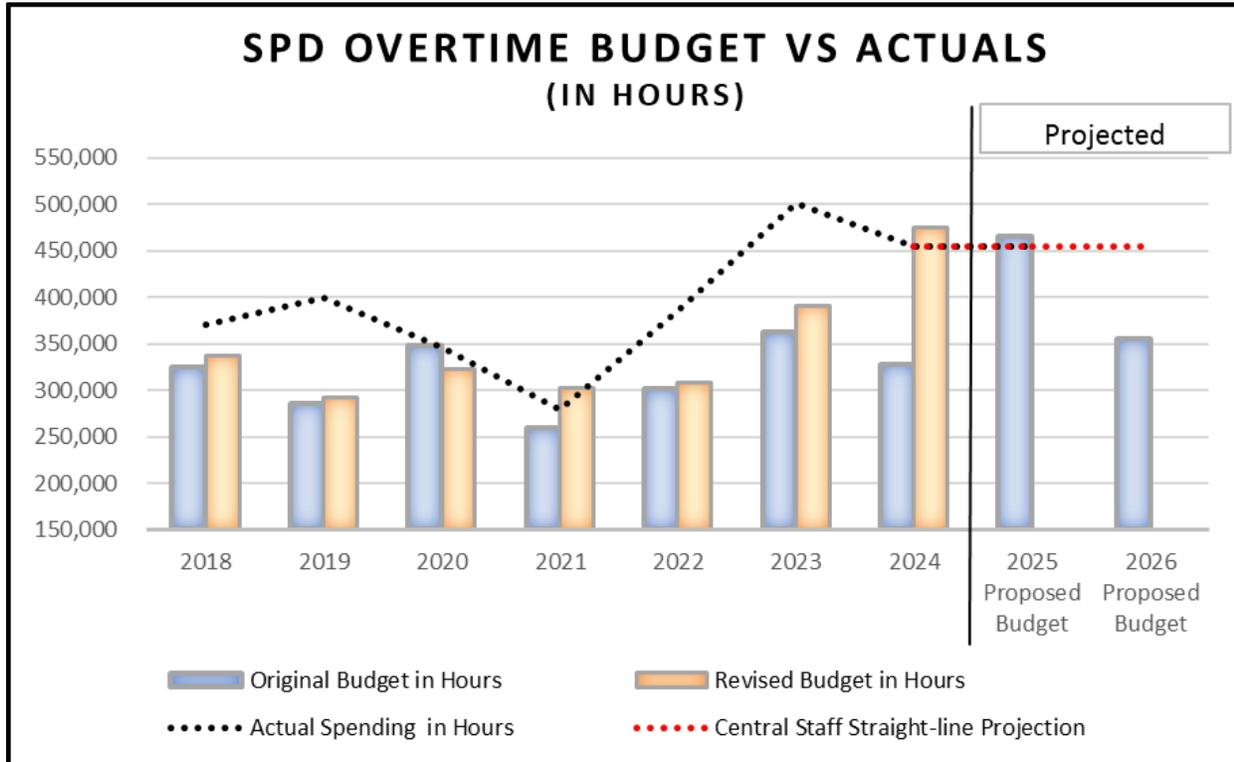
Graph 1. Fully Trained Officer and Deployable Officer History



Overtime

SPD staff indicate that ongoing officer shortages have required the department to rely on overtime to deliver essential public safety services, and that spending on emphasis patrols and patrol augmentation will exceed the \$37.8 million allocated in the department’s 2024 Adopted Budget.² In order to align overtime spending with the required funding, the Executive has requested an additional \$12.8 million in the 2024 Year-End Supplemental Budget Ordinance. If authorized by the Council, this add would bring SPD’s 2024 overtime budget to \$54.2 million. SPD is on track to use between 455k and 475k overtime hours in 2024, which represents a 5-10% decrease from 2023.

Chart 1. Overtime Budget vs. Actuals History



The 2025-2026 Proposed Budget would add \$10 million to continue funding overtime in 2025 at a level that approximates projected spending in 2024. Notable is that the \$10 million add in 2025 does not continue into 2026, which means that SPD would have to severely curtail its overtime spending, or the Executive and Council would need to add more funding in 2026.

Also notable in the 2025-2026 Proposed Budget is a \$165,000 reduction to the Office of Police Accountability (OPA) overtime budget, which was made to fulfill an Executive General Fund reduction target. OPA staff have indicated that while the reduction represents a two-thirds cut to its overtime budget, which is part of the larger agency-wide overtime budget, the addition of 2.0 FTE civilian investigators in OPA will reduce total overtime hours worked.

Overtime is an issue that will be discussed in the Policy Considerations Paper.

Attachments

1. Precinct Staffing Report History 2020-2022
2. Sworn Officer Allocation
3. 911 Response Times

² Not all of this spending represents an increase in the use of officer overtime hours. Some of the spending is driven by an increase in per-hour overtime rates as adjusted in [Ordinance 127067](#), which appropriated \$3.7 million to cover wage and overtime adjustments for the Seattle Police Officer’s Guild (SPOG) Interim Agreement.

Attachment 1: Precinct Staffing Report History 2021-2024

Precinct Staffing Report as of 8/31/24 | S = Sergeant | O = Officer

Job Categories	CRU		EAST		NORTH		SOUTH		SOUTHWEST		WEST		Grand Total
	S	O	S	O	S	O	S	O	S	O	S	O	
911	5	20	9	78	15	105	10	73	11	52	18	104	500
Beats													
Bikes											1	6	7
Seattle Center													
Stationmaster											1	3	4
Grand Total	5	20	9	78	15	105	10	73	11	52	20	113	511

Precinct Staffing Report as of 8/31/23 | S = Sergeant | O = Officer

Job Categories	CRU		EAST		NORTH		SOUTH		SOUTHWEST		WEST		Grand Total
	S	O	S	O	S	O	S	O	S	O	S	O	
911	5	20	10	71	18	110	12	79	9	56	17	100	507
Beats													
Seattle Center													
Stationmaster											1	3	4
Grand Total	5	20	10	71	18	110	12	79	9	56	18	103	511

Precinct Staffing Report as of 8/31/22 | S = Sergeant | O = Officer

Job Categories	CRU		EAST		NORTH		SOUTH		SOUTHWEST		WEST		Grand Total
	S	O	S	O	S	O	S	O	S	O	S	O	
911	5	30	11	68	19	116	12	76	8	55	11	120	531
Beats												3	3
Seattle Center											1	2	3
Stationmaster													
Grand Total	5	30	11	68	19	116	12	76	8	55	12	125	537

Precinct Staffing Report as of 10/8/21 | S = Sergeant | O = Officer

Job Categories	CRU		EAST		NORTH		SOUTH		SOUTHWEST		WEST		Grand Total
	S	O	S	O	S	O	S	O	S	O	S	O	
911	10	60	10	76	18	130	11	82	8	58	12	89	564
Beats											1	10	11
Seattle Center											1	2	3
Stationmaster												1	1
Grand Total	10	60	10	76	18	130	11	82	8	58	14	102	579

These reports include the following:

- Personnel who are unavailable due to vacation, training, limited duty, or short-term illness or injury, which is addressed by shift relief analysis; Half time officers; Officers in acting sergeant assignments (counted as sergeants); and Phase III student officers, who have completed all officer training yet remain in probationary status.

These reports exclude the following:

- Phase I (recruits) and Phase II student officers; Precinct detectives; and Personnel who are on extended sick leave or activated military leave.

Attachment 2: Sworn Officer Allocation History 2022-2024

As of August 31, 2024, the allocation of sworn positions was distributed as follows:

Patrol Personnel:	Feb 2022 % of Sworn	Aug 2022 % of Sworn	August 2023 % of Sworn	August 2024 % of Sworn
911 Responders	41.5%	42.9%	42.7%	43.9%
Other Precinct-Based Patrol Officers	0.6%	0.6%	0.3%	0.3%
Sergeants Supervising Patrol	6.4%	6.1%	7.1%	7.0%
Non-Patrol Personnel:				
Investigative Units	11.9%	12.5%	12.9%	13.2%
Specialty Units	7.4%	8.0%	8.9%	8.8%
Operations Support	19.9%	17.9%	16.4%	15.5%
Leadership	8.2%	8%	6.7%	6.8%
Administrative	4.0%	4.1%	5.1%	4.3%
Total Sworn*	100.0%	100%	100%	100%

Source: DAP, Reporting Hierarchy

Sworn position assignments are based on training, tenure, business needs, and contractual obligations. The department projects total sworn staffing but does not project where personnel will be assigned. SPD is in the process of reallocating sworn personnel to ensure minimum staffing for public safety.

*The Total Sworn percent above may differ slightly from the total sworn count in the Precinct Report (Appendix A). The SPD Precinct Report is used for budgeting and planning purposes only. The calculated fields used to estimate staffing levels in current and future months are based on a series of assumptions that may result in slight deviations from actual staff counts.

Attachment 3: 911 Response Times

Table 1: Six Year History of 911 Response Times (7 min average is historical goal)

Priority 1 Emergency Call Response Time		
Year	Median Response Time	Average Response Time
2018	6.34	9.03
2019	6.19	8.89
2020	6.62	9.58
2021	7.49	10.49
Aug 2022	7.20	10.27
Aug 2023	7.30	10.40
July 2024	7.8	11.1

- Between Jan and July 2024, SPD responded to 45 percent of all Priority 1 calls within seven minutes. Between January and August 2023, SPD responded to 47 percent of all Priority 1 calls within seven minutes.

Between January and July 2024, only 0.2 percent of calls – or 295 calls – were Z-disposition calls. These are calls cleared without an SPD response. The instruction provided to SPD supervisors for this call disposition is “A callback is not required but may be made at your discretion.” SPD supervisors review the call narrative and notes, and honor requests for callbacks when noted on the call log.

OFFICE OF SUSTAINABILITY AND ENVIRONMENT (OSE)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: YOLANDA HO

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Office of Sustainability & Environment	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%
Operating Subtotal:	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%
Grand Total:	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%

The Office of Sustainability and Environment’s (OSE’s) 2025 Proposed Budget is \$3.85 million less than its 2024 Adopted Budget, representing a 12.6 percent decrease. The 2026 Proposed Budget shows an increase of 2.3 percent relative to 2025. OSE’s budget continues its efforts to provide Citywide coordination across departments to implement myriad initiatives related to urban forestry, equitable food access, and climate change, and support the goals of Seattle’s Green New Deal ([Resolution 31895](#), adopted in 2019). Per SMC 5.38.055, JumpStart Green New Deal funding is intended to be used for programs that accelerate the elimination of climate pollutants and ensure a just transition for workers.

In recent years, OSE, in collaboration with other departments, has effectively leveraged existing City programs to apply for federal and state grant opportunities. Awarded grants include:

- \$12 million over five years from the U.S. Department of Agriculture’s Forest Service to address deficiencies in tree canopy cover in the Chinatown-International District and Beacon Hill neighborhoods and support youth workforce development;
- \$17.2 million over nine years from the U.S. Department of Energy to help building owners implement the City’s [Building Emissions Performance Standard \(BEPS\)](#), which mandates that all buildings over 20,000 square feet gradually reduce greenhouse gas emissions to net zero by 2050; and
- \$3.2 million over two years from the Washington State Department of Commerce Home Electrification and Appliance Rebates (HEAR) program to fund installation of electric heat pumps in single-family homes and small businesses, supporting the efforts of the [Clean Heat program](#).

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$7.1M	\$9.3M	32.2%	\$8.6M	(8.3%)
Non-Labor	\$23.5M	\$17.4M	(26.0%)	\$18.8M	7.9%
Total:	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%
Total FTE:	50	51	2.0%	51	0.0%

- OSE’s 2025-2026 Proposed Budget would add 1.0 FTE Administrative Staff Assistant that is also included in the proposed Year-End Supplemental ordinance to expand administrative capacity. The position will be funded using existing budget authority, specifically the revenue from the indirect rate applied to federal awards, and will sunset at the end of 2030 (aligning with the timeline for grants already accepted by the office thus far).
- The 8.3 percent decrease in labor costs between 2025 and 2026 is due to technical changes as OSE is working on adjusting its accounting practices.
- Non-labor appropriations would be decreased by 26 percent in 2025 as compared to 2024 (changes described below) and would increase by almost 8 percent in 2026.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Office of Sustainability and Environment				
Purpose	The purpose of the Office of Sustainability and Environment Budget Summary Level is to coordinate interdepartmental environmental sustainability initiatives, identify and develop next generation policies and programs, and lead the City's climate change action planning to move towards carbon neutrality.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$7.3M	\$8.4M	15.2%	\$8.7M	4.6%
Jumpstart Fund	\$17.2M	\$12.0M	(29.9%)	\$12.2M	1.1%
Sweetened Beverage Tax Fund	\$6.2M	\$6.3M	3.0%	\$6.4M	1.4%
Total:	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Office of Sustainability & Environment	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%
Total:	\$30.6M	\$26.7M	(12.6%)	\$27.3M	2.3%

Note: OSE's budget includes only one BSL and one budget program.

Beyond technical changes, increases in labor costs related to the annual wage increase, and standard cost adjustments, changes included in OSE's 2025 Proposed Budget are primarily driven by reductions to JumpStart Fund appropriations. Of the total \$5.2 million reduction in JumpStart funding, \$4 million represents the removal of the following one-time additions in the 2024 Adopted Budget:

- \$1.2 million JumpStart Fund for the [Environmental Justice \(EJ\) Fund](#), a grant program that supports community-led efforts that respond to impacts of climate change and work towards achieving environmental justice;
- \$2.5 million JumpStart Fund for Indigenous-led sustainability projects;
- \$270,000 JumpStart Fund for one-time BEPS implementation and compliance costs (of this amount, \$135,000 was erroneously marked as one-time and is proposed to be restored to baseline to support ongoing BEPS compliance education and language access);
- \$30,000 JumpStart Fund to support outreach for the forthcoming Tree Canopy Equity and Resilience Plan (anticipated completion in 2025); and
- \$50,000 GF for urban forestry community engagement.

Proposed ongoing changes would impact the following investments in the Duwamish Valley (see Attachment 1 for a full list of Duwamish Valley investments included in the 2025-2026 Proposed Budget provided by the Executive):

- Elimination of \$200,000 JumpStart Fund for workforce development and training investments in the Duwamish Valley, originally included in the 2022 Adopted Budget as part of a package of investments for the [Duwamish Valley Program \(DVP\)](#). Funding has been used to (1) align Duwamish Valley-specific workforce initiatives with the Citywide Clean Energy Workforce Development Strategy ([Executive Order 2022-07](#)) and the Office of Economic Development's Economic Revitalization Strategy and (2) address priorities from the City's [Industrial and Maritime Strategy](#).
- Elimination of \$200,000 JumpStart Fund for small business support in the Duwamish Valley, also originally included in the 2022 Adopted Budget's package of Duwamish Valley investments. Funding has been used to provide small and industrial businesses in South Park and Georgetown with technical assistance, marketing support, and financial advice in the wake of the pandemic and ongoing environmental challenges.

- Consolidation of \$250,000 JumpStart Fund for the [Duwamish River Opportunity Fund \(DROF\)](#) into the EJ Fund. The DROF is a grant program that began in 2014 to fund new and existing efforts focused on advancing priorities outlined in the Duwamish Valley Action Plan to address challenges faced by Duwamish River communities. Because the DROF and EJ Fund have different funding criteria, recipients of DROF grants may not be eligible for the EJ Fund. The EJ Fund supports efforts with a clear connection to addressing environmental issues or to respond to impacts of climate change, whereas the DROF funds a wider variety of projects.

OSE indicates that these reductions in dedicated funding for the Duwamish Valley may result in continued disparities for this community, which is home to 5,600 people, of whom 42 percent are immigrants, 37 percent are Latinx, and 63 percent are people of color, and disproportionately face myriad social and environmental stressors.

Other notable changes include:

- Addition of \$250,000 JumpStart Fund to baseline funding of \$550,000 JumpStart Fund for the EJ Fund. With the consolidation of the DROF into the EJ Fund (described above), the total amount of EJ Fund appropriations would be about \$1 million JumpStart Fund.
- Addition of \$100,000 JumpStart Fund to increase data and reporting capacity, with a particular focus on urban forestry and climate analysis.
- Reduction of \$900,000 JumpStart Fund for heavy-duty vehicle electrification incentives. This pilot program was launched in 2023 to incentivize the deployment of more electric heavy-duty vehicles in the Duwamish Valley (e.g., drayage trucks, school buses, and other fleets) and reduce exposure to harmful air pollutants in the community. OSE anticipates that this work will transition to another entity who can scale up the program with state and federal resources. Of the \$1 million JumpStart Fund originally appropriated for this purpose, OSE would retain \$100,000 to continue support for Seattle’s Transportation Electrification Blueprint, Transportation and Climate Justice Executive Order 2022-07, and intragovernmental coordination.
- Reduction of \$552,000 JumpStart Fund for the BEPS compliance tool. With this reduction, \$1.4 million JumpStart Fund would remain for this purpose for each year of the biennium. OSE, in partnership with the Information Technology Department, has determined that this is the appropriate amount of funding for this project.
- Addition of \$1.9 million JumpStart Fund in 2025 and \$1.5 million JumpStart Fund in 2026 for the Municipal Energy Efficiency Program (MEEP) CIP project, which is appropriated to the Department of Finance and Administrative Services, Seattle Parks and Recreation, and Seattle Center for a variety of capital projects that improve energy efficiency and reduce greenhouse gas emissions from City buildings. OSE oversees this work across departments.

BUDGET LEGISLATION

1. CBO Year-End Supplemental ORD

This proposed legislation would (1) add 1.0 FTE Administrative Staff Assistant to OSE to support administration of grant awards, described previously; (2) add \$254,000 GF for a prescription food pilot with the Seattle Indian Health Board that is currently supported by Coronavirus Local Fiscal Recovery Fund (CLFR) resources that must be expended before the end of 2024; (3) carry forward 2023 funding of \$3.7 million JumpStart Fund for Indigenous-led sustainability projects for a total of \$6.3 million to be distributed by the Seattle Foundation; and make the following transfers:

- \$400,000 JumpStart Fund to the Office of Housing (OH) to support decarbonization of three affordable multifamily housing projects;
- \$1.5 million to OH from the State’s HEAR grant to fund no-cost gas to heat pump conversions for low-income households;
- \$536,000 to Seattle City Light from the HEAR grant to increase existing rebate amounts for heat pumps and heat pump water heaters for approximately 100-150 small businesses (50 or fewer employees);
- \$4.4 million to Seattle Parks and Recreation from the U.S. Forest Service grant, of which \$1.8 million is for the Green Seattle Partnership and \$2.6 million is for the Youth Green Corps Program; and
- \$254,000 CLFR to Finance General for unspent funds for the prescription food pilot described above.

2. CBO Year-End Grant Acceptance ORD

This proposed legislation would accept \$100,000 from a U.S. Department of Agriculture Food and Nutrition Services grant to expand fresh and local food in school meals at Seattle Public Schools and increase education and training for students and practitioners. There is a match commitment of \$243,000 required for this award, which is included in OSE’s base budget using Sweetened Beverage Tax funds.

Attachments

1. Citywide Duwamish Valley Investments in the 2025-2026 Proposed Budget

Duwamish Valley Program (OSE), Duwamish Water Resiliency Initiative (SPU), and Related Investments (Proposed 2025-2026 Budget)

Summary:

The Proposed 2025-2026 Budget provides **\$2.6 million** annually in operating spending on Duwamish Valley programming at OSE and SPU. This is a change from the 2024 Adopted (\$3.6 million). The net impact of the changes is minimal to the Duwamish Valley Program, and primarily results from consolidating small business support at OED and shifting Heavy Duty EV spending from the City to public partners.

The proposed budget provides \$36 million in new capital spending for discrete projects in the Duwamish Valley in 2024, including projects at Seattle Public Utilities, Seattle Parks and Recreation, and Seattle Department of Transportation. This comes on top of \$51 million in capital spending in 2024 as well as \$22 million in housing investments committed in 2024.

In addition, the City of Seattle recently concluded a settlement with Monsanto that will bring in \$160 million. After attorney and administrative fees, this will leave roughly \$116 million for Lower Duwamish Cleanup work. The spending plan for this remains in development, but it will support a mix of existing capital projects (reducing rate pressures for Seattle residents) and new cleanup activities by SPU.

Changes in Detail

Changes of -\$1 million in operating funding includes:

1. \$1 million less by sunsetting new City funding at OSE for Heavy Duty EV incentives. (\$100,000 retained by OSE for Transportation Electrification policy work.)
 - \$3 million has been committed by the City from 2022 through 2024 and will be leveraged with funding from external partners for helping port and industrial operations transition to electric vehicles
2. \$400,000 reduction to OSE-led small business assistance in the Duwamish Valley and Duwamish Valley-specific workforce development funding.
 - The City will consolidate small business support in Office of Economic Development (OED)
 - Workforce investments for green energy jobs will continue on a Citywide and regional level. This includes:
 - \$1 million at OSE for clean energy apprenticeships and \$500K at OED for green economy workforce investments.
 - \$3 million [in federal funding](#) for the Seattle-King County Workforce Development Council.
 - Duwamish-area job investments will ramp up at SPU, including Priority Hire initiatives for EPA-mandated Superfund Cleanup operations (including apprenticeships, certifications, and job placements).

3. Consolidate the Duwamish River Opportunity Fund and the Environmental Justice Fund. OSE will consolidate into one community grantmaking program focused on environmental and climate justice.
4. \$400,000 more at SPU (including staffing costs) to support capital planning and community engagement for improving the riverfront, protecting homes and industry from flood risk and rising water levels, and integrating community spaces into resulting capital projects.

Table of City Duwamish Area Investments

Key (Funds)

- PET: Payroll Expense Tax
- DWF: Drainage and Wastewater Fund (SPU)
- SWF: Solid Waste Fund (SPU)
- OH Fund: Office of Housing Fund
- TF: Transportation Fund (SDOT)

Duwamish Investments by Operating (Ongoing), Operating (One-Time), and Capital (\$ in 1000s)

DEPT		Fund	2024 Revised	2025 Proposed	2026 Proposed	2024 – 25 Change
Ongoing Operating Funding - TOTAL			\$3,576	\$2,550	\$2,415	(\$1,161)
SPU	Duwamish Valley Water Resiliency	DWF	\$1,126 3.0 FTE	\$1,500 4.0 FTE	\$1,505 4.0 FTE	\$239 +1.0 FTE*
Planning for sea-level rise. Includes planning for capital investments, workforce investments (direct job creation as well as partnership with local businesses)						
OSE	Duwamish Valley Program (Total)	PET	\$2,450 1.0 FTE	\$1,050 2.0 FTE	\$1,050 2.0 FTE	(\$1,400) +1.0 FTE*
Duwamish Valley Youth Programming	PET		\$500	\$500	\$500	\$0
Duwamish Industrial Tree Planting	PET		\$300	\$300	\$300	\$0
Duwamish River Opportunity Fund >> EJ Fund	PET		\$250	\$250	\$250	\$0
Green Workforce Development and Small Business Support	PET		\$400	0	0	(\$400)

Heavy Duty EV Pilot	PET		\$1,000	--	--	(\$1,000)
One-Time Operating Funding (Carries Forward) - These investments will continue being managed by OSE and an estimated \$2 million will carryforward into 2025			\$24,657	N/A	N/A	--
OSE	Duwamish Valley Program investments	PET	\$3,384	N/A	N/A	
Duwamish Valley Community Resiliency	PET		\$1,350	N/A	N/A	
South Park Neighborhood Center	PET		\$1,123	N/A	N/A	
Georgetown Community Spaces and Accessibility	PET		\$911	N/A	N/A	
OH	Duwamish Area Housing Investments (Total)	PET / OH Fund	\$22,080	N/A	N/A	
SeaMar South Park Project (Multifamily Rentals)	PET / OH Fund		\$13,480			
Yarrow Cottages and Townhomes (Homeownership)	OH Fund		\$8,600			
Capital Funding (Carries Forward)¹			\$62,444	\$33,944	\$34,351	
Parks	Parks and CC Investments (Total)	Multiple	\$20,912			
South Park Community Center and Site Development	Multiple		\$15,557			
South Park Plaza	Multiple		\$2,953			
Duwamish Waterway Park	Multiple		\$661			
Georgetown Flume Off-Leash Area	Multiple		\$224			

Marra Desimone Park	Multiple		\$1,422			
Unity Electric Site	Multiple		\$95			
SPU	Project TOTAL		\$29,735	\$33,944	\$34,351	
Sediments (Lower Duwamish Cleanup)	DWF		\$11,172	\$13,422	\$13,178	
Other Lower Duwamish Cleanup	DWF			\$4,878	\$5,422	
South Park Stormwater Program	DWF		\$8,898	\$7,242	\$4,793	
South Recycling Center	SWF		\$2,388	\$6,562	\$6,562	
South Park Development	SWF		\$7,277	\$1,840	\$4,396	
SDOT	Project TOTAL		\$11,797			
Georgetown to South Park Trail	TF		\$10,807			
South Park Drainage Partnership	TF		\$990			
TOTAL (ALL)			\$90,677	\$36,494	\$36,766	

¹ Capital funding is for discrete Duwamish Area capital projects. These figures do not include other, wider capital projects that include work in the Duwamish Area.

SEATTLE CITY LIGHT (SCL)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Customer Care	\$54.4M	\$69.2M	27.1%	\$72.2M	4.3%
Debt Service	\$255.2M	\$248.1M	(2.8%)	\$259.0M	4.4%
Leadership and Administration	\$167.3M	\$184.9M	10.5%	\$198.4M	7.3%
Power Supply O&M	\$344.3M	\$417.8M	21.3%	\$456.0M	9.1%
Taxes	\$120.6M	\$131.1M	8.8%	\$134.4M	2.5%
Utility Operations O&M	\$143.4M	\$171.3M	19.4%	\$177.6M	3.7%
Operating Subtotal:	\$1,085.4M	\$1,222.5M	12.6%	\$1,297.6M	6.1%
Capital Budget					
Conservation & Environmental - CIP	\$50.2M	\$49.6M	(1.2%)	\$49.8M	0.5%
Customer Focused - CIP	\$99.3M	\$121.6M	22.5%	\$140.3M	15.4%
Power Supply - CIP	\$92.0M	\$109.1M	18.6%	\$116.3M	6.6%
Transmission and Distribution - CIP	\$204.6M	\$202.4M	(1.1%)	\$210.4M	3.9%
CIP Subtotal:	\$446.0M	\$482.7M	8.2%	\$516.9M	7.1%
Grand Total:	\$1,531.4M	\$1,705.2M	11.4%	\$1,814.5M	6.4%

SCL's 2025-2026 Proposed Budget appropriations would total \$1.7 billion in 2025 and \$1.8 billion in 2026. The 2025 Proposed Budget for SCL would increase 8.2 percent relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by 7.1 percent over the 2025 Proposed Budget.

The labor increase of \$112 million from 2024 to 2025 in SCL's budget follows Council-approved city-wide increases in employee compensation in 2024. This increase makes up 64 percent of the total change in appropriations from 2024 to 2025. The operating budget would increase 12.6 percent and 6.1 percent for 2025 and 2026 respectively. And the capital budget would increase 8.2 percent and 7.1 percent for 2025 and 2026 respectively.

Across the biennium, the main cost drivers for SCL include employee compensation, purchased power, material prices, increased demand due to electrification, regulation (clean energy and decarbonization), and a changing physical environment.

The 2025-2026 Proposed Budget for SCL is consistent with and relies upon City Light's 2025-2030 Strategic Plan and associated rate path. Council adopted SCL's 2025-2030 Strategic Plan and endorsed the rate path via on September 3, 2024. Refer to the [Central Staff memorandum](#) on RES 32139 for more information.

SCL's proposed rate changes for 2025 and 2026 would increase by 5.4 percent on January 1 of each year for all retail customer classes on average, per the endorsed rate path. SCL calculates the proposed rate changes for each customer class based on the cost of service and use of power per customer class. The proposed 2025-

2026 rate ordinance would codify SCL’s retail rates for these years in the Seattle Municipal Code. See Budget Legislation below for more information.

Consistent with the financial policies in RES 31187, SCL funds approximately 60 percent of its Capital Improvement Program (CIP) with the proceeds from bond sales and the remainder with revenues from retail electric rates, wholesale sales, direct customer billings for service connections and other customer requested work, and assorted fees. Federal and state grant funding also support the CIP. Again, see the budget legislation section below for information regarding SCL’s proposed bond ordinance.

The City of Seattle has a legal obligation to ensure revenues from utility use charges (rates) are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. The dollars in the Light Fund must be spent for purposes directly benefitting City Light’s rate payers (proprietary functions). SCL receives its revenues and funds its activities via its enterprise fund, the Light Fund.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$290.0M	\$401.6M	38.5%	\$423.3M	5.4%
Non-Labor	\$1,241.4M	\$1,303.6M	5.0%	\$1,391.2M	6.7%
Total:	\$1,531.4M	\$1,705.2M	11.4%	\$1,814.5M	6.4%
Total FTE:	1810	1819	0.5%	1822	0.2%

- SCL’s labor costs increase 38.5 percent from 2024 to 2025 consistent with passage of ORD 127047 authorizing three collective bargaining agreements between the City and the International Brotherhood of Electrical Workers Local 77.
- SCL would add 9.0 FTE in 2025 and 3.0 FTE in 2026 for a total of 12.0 FTE over the biennium. In 2025, this includes two Electric Power System Engineers (EPSEs) and one Information Technology Professional (ITP) to meet growing needs in transportation and building electrification; one EPSE and one EPSE Principal to reduce volatility in power supply costs; two ITP to address cybersecurity risk; and two, revenue-backed Cable Splicer Crew Chiefs to meet Sound Transit 3 expansion project timelines. SCL would then add three Power Marketers in 2026.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Customer Care				
Purpose	The purpose of the Customer Service Budget Summary Level is to provide customer experience support specific to customer information systems and to implement demand-side conservation measures that offset the need for additional generation resources.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Conservation Expenses	\$5.0M	\$9.7M	93.2%	\$11.2M	15.0%
Customer Accounts & Services	\$49.4M	\$59.5M	20.4%	\$61.0M	2.6%
Total:	\$54.4M	\$69.2M	27.1%	\$72.2M	4.3%

- The increases in the Customer Care BSL, as throughout the SCL proposed budget, would increase as result of the new labor contracts.
- Conservation Expenses would increase by \$4 million 2025 and \$5.8 million in 2026 for conservation incentives.

BSL	Debt Service				
Purpose	The purpose of the Debt Service Budget Summary Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Debt Service	\$255.2M	\$248.1M	(2.8%)	\$259.0M	4.4%
Total:	\$255.2M	\$248.1M	(2.8%)	\$259.0M	4.4%

- See the Budget Legislation section below for a description of the proposed 2025 SCL bond authorization of up to \$300 million for capital expenditures and up to \$200 million for debt optimization.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide overall management and policy direction for Seattle City Light and to provide core management and administrative services such as communications, finance, human resources, facility management and IT program support. This BSL is also utilized to provide for the general expenses of the utility that are not attributable to a specific organizational unit such as insurance and bond issue costs, legal fees, indirect costs related to employee benefits and PTO, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
City Indirect Costs	\$48.8M	\$46.0M	(5.8%)	\$49.1M	6.7%
Current Year Inventory	\$8.0M	-	(100.0%)	-	-
Department GA Indirect Recovery	(\$49.9M)	(\$51.6M)	3.4%	(\$51.9M)	0.7%
Departmental Indirect Costs	\$127.5M	\$164.7M	29.2%	\$171.6M	4.2%
Divisional Indirect	\$26.8M	\$24.7M	(8.0%)	\$25.7M	4.4%
PTO and Benefits Indirect Costs	\$6.1M	\$1.2M	(80.6%)	\$3.9M	228.5%
Total:	\$167.3M	\$184.9M	10.5%	\$198.4M	7.3%

- The changes in the Leadership and Administration BSL are technical and do not demonstrate significant adjustments beyond those related to budget changes in other BSLs with corresponding indirect costs in this BSL.

BSL	Power Supply O&M				
Purpose	The purpose of the Power Supply O&M Budget Summary Level is to support transportation electrification, solar, and other technologies; implement demand-side conservation measures that offset the need for additional generation resources; and monitor compliance with federal electric reliability standards. The power marketing operations of the utility are also included in this Budget Summary Level.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Purchased Power/Power Supply	\$344.3M	\$417.8M	21.3%	\$456.0M	9.1%
Total:	\$344.3M	\$417.8M	21.3%	\$456.0M	9.1%

- Compared to the 2024 Adopted Budget, the 2025-2026 Proposed Budget would increase the appropriations for purchasing power in the Power Supply Operations and Maintenance (O&M) BSL by \$72.4 million (2025) and \$101.5 million (2026). This increase includes:
 - A \$27.8 million increase in 2025 and a \$68.7 million increase in 2026 for long-term purchased power;
 - To accommodate higher wholesale market prices, the short-term purchased power budget authority would be increased by a \$44.6 million increase in 2025 and a \$32.8 million increase in 2026 in short-term purchased power in response to higher wholesale market prices;
 - \$942,000 in 2025 and \$2 million in 2026 to support for new transmission planning needs and future participation in an emergent regional day-ahead market; and
 - This proposal includes new position authority: 1.0 FTE EPSE and 1.0 FTE EPSE Principal in 2025 and 3.0 FTE Power Marketers in 2026.

BSL	Taxes				
Purpose	The purpose of the Taxes Budget Summary Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Summary Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Taxes	\$120.6M	\$131.1M	8.8%	\$134.4M	2.5%
Total:	\$120.6M	\$131.1M	8.8%	\$134.4M	2.5%

- The Taxes BSL would not include any notable changes in the 2025-2026 Proposed Budget.
- The increases in appropriations for this BSL track with increases in SCL's revenue and proposed rates.
- The City levies a 6 percent tax on SCL revenue from retail sales and the tax revenue (\$70.5 million in 2025 and \$72.5 million in 2026) goes to General Fund ([SMC 5.48.050](#)).

BSL	Utility Operations O&M				
Purpose	The purpose of the Utility Operations O&M Budget Summary Level is to provide reliable electricity to customers through operation and maintenance of City Light's power production facilities, substations, transmission systems, and overhead and underground distribution systems in a clean, safe, efficient, reliable, and environmentally responsible manner. The utility's energy delivery engineering, power production engineering, generation operations, asset management, power system functions, renewable resource development programs, hydroelectric relicensing, and real estate are also included in this Budget Summary Level.				
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Distribution O&M	\$83.2M	\$90.5M	8.8%	\$93.5M	3.2%
Generation O&M	\$36.0M	\$50.5M	40.2%	\$53.1M	5.0%
Transmission O&M	\$24.2M	\$30.3M	25.3%	\$31.1M	2.8%
Total:	\$143.4M	\$171.3M	19.4%	\$177.6M	3.7%

- The Utility Operations O&M BSL adds \$1.5 million in 2025 and \$2.5 million in 2026 to adapt to evolving threats to physical and technical assets from cyber-attacks, wildfire, and extreme weather events. This proposal adds 2.0 FTE ITP in 2025 for cybersecurity.
- This BSL also adds \$415,000 in 2025 and \$436,000 in 2026 to support customer adoption of building and transportation electrification. This proposal adds 1.0 FTE EPSE to support upgrades to building electrical service, and 1.0 FTE ITP to support grid modernization.

CAPITAL BUDGET

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

The rate path for City Light establishes the limits on City Light rates over the six-year period and, therefore, constrains capital spending over the same time frame to match expected revenue. City Light manages increases in spending for capital projects with reductions or deferrals in other capital projects.

SCL’s total six-year CIP spending would increase from \$2.75 billion in the Adopted 2024-2029 CIP to \$3.08 billion in the Proposed 2025-2030 CIP, a 12 percent increase. SCL’s CIP for 2025 would increase funding to existing projects by \$26.4 million in 2025 after accounting for offsetting reductions and project deferrals to later years. New CIP investments during the biennium for SCL (2025/2026) include investments in software and critical IT projects (\$4.4 million/\$8.2 million), distributed energy resources (1.7 million/2.6 million), for services supporting Sound Transit 3 Light Rail expansion (\$3.2 million/\$3.3 million), and renovation of the historic Georgetown Steam Plant (\$0/\$9 million).

The bulleted items below each BSL table highlight specific changes for 2025 and 2026 in the Proposed Budget and planned for in the six-year CIP.

Note: Changes in the tables that follow may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

BSL	Conservation & Environmental - CIP				
Purpose	The purpose of the Conservation & Environmental - CIP Budget Summary Level is to provide for the costs of conservation incentives and other energy efficiency programs. This Budget Summary Level also supports the utility's renewable resource development programs, hydroelectric relicensing, and real estate.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Light Fund	\$50.2M	\$49.6M	(1.2%)	\$49.8M	0.5%
Total:	\$50.2M	\$49.6M	(1.2%)	\$49.8M	0.5%

- The Conservation & Environmental – CIP BSL adds \$1.7 million to in 2025 and \$2.6 million in 2026 for distributed energy resources in the form of program management of energy efficiency funding and for a limited-scale Community Solar Program

BSL	Customer Focused - CIP				
Purpose	The purpose of the Customer Focused - CIP Budget Summary Level is to provide for the capital costs of rehabilitation and replacement of the utility's financial systems and information technology infrastructure, the development and implementation of large software applications, customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Light Fund	\$99.3M	\$121.6M	22.5%	\$140.3M	15.4%
Total:	\$99.3M	\$121.6M	22.5%	\$140.3M	15.4%

- The Customer Focused – CIP BSL adds \$903,000 in 2025 and \$4.6 million in 2026 for implementation and timely upgrades of critical software for supporting operational and business needs according to the Utility Technology Roadmap.
- This BSL also adds \$3.2 million in 2025 and \$3.3 million in 2026 to meet required timelines with the Sound Transit Light Rail (Sound Transit 3) Extension projects. This proposal includes 2.0 FTE Cable Splicer Crew Chief positions. These costs would be fully reimbursed by Sound Transit.

BSL	Power Supply - CIP				
Purpose	The purpose of the Power Supply - CIP Budget Summary Level is to provide for the capital costs of electrification, facility improvements, maintaining the physical generating plant and associated power licenses, and regulatory requirements. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Light Fund	\$92.0M	\$109.1M	18.6%	\$116.3M	6.6%
Total:	\$92.0M	\$109.1M	18.6%	\$116.3M	6.6%

- This BSL would add \$9 million in 2026 to fund exterior envelope repairs to preserve the historic Georgetown Steam Plant.

BSL	Transmission and Distribution - CIP				
Purpose	The purpose of the Transmission and Distribution - CIP Budget Summary Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the utility's transmission and distribution systems. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Light Fund	\$204.6M	\$202.4M	(1.1%)	\$210.4M	3.9%
Total:	\$204.6M	\$202.4M	(1.1%)	\$210.4M	3.9%

- This BSL would add \$3.5 million in 2025 and \$3.6 million in 2026 for implementation and timely upgrades of critical software for supporting operational and business needs according to the Utility Technology Roadmap

BUDGET LEGISLATION

1. CBO Year End Supplemental Ordinance

This legislation would make changes to the 2024 Adopted Budget for SCL including:

- Transfer of \$112.1 million of appropriation authority among multiple capital BSLs with the net effect of no increase to overall appropriations in SCL.
- Increase appropriation authority by \$15 million in the Taxes BSL. This increase is needed due to higher-than-expected taxes due at the City and State levels.
- Increase appropriation authority by \$75 million in the Power Supply BSL to cover increased spending on short-term power purchases due to a variety of factors including dry conditions affecting power generation, larger than expected load particularly during extreme weather conditions, and high market prices for energy.
- Increase appropriation authority by \$500,000 in the Customer Focused CIP BSL backed fully by reimbursement from Sound Transit.
- Increase revenue-backed appropriations by \$7.2 million to address increased customer requests in the Customer Focused CIP BSL.
- Increase appropriation authority by \$536,250 to the Seattle City Light Fund Conservation & Environmental CIP BSL to support the heating, ventilation, and cooling assistance (HVAC+) program backed with funding moved from the Office of Sustainability and Environment to SCL. This funding originating from a Department of Commerce Home Electrification and Appliance Rebates (HEAR) grant.

2. SCL Rate Ordinance

The SCL Rate Ordinance, [CB 120856](#), would codify the 2025 and 2026 retail customer rates for power in the Seattle Municipal Code (SMC) 21.49, consistent with the adopted Strategic Plan and the rate path endorsed by the Council via RES 32139 on September 3, 2024. On average, the retail rates would increase by 5.4 percent each year for 2025 and 2026. CB 120856 was presented to the Sustainability, City Light and Arts and Culture Committee on September 6, 2024, for discussion and will be re-referred to the Select Budget Committee for consideration with the adopted budget.

The proposed legislation includes:

New Rates

- Codifies new retail rates for all SCL customers for 2025 and 2026;
- Codifies municipal utility taxes, franchise rate differentials, and undergrounding charges for 2025 and 2026;
- Shifts to a flat energy rate for all electricity for residential customers, away from block rates starting in 2025; and
- Updates the Large Customer Solar Export Rate beginning in 2025.

Technical Changes

- Renames Time-of-Day rates to Time-of-Use (TOU) rates;
- Makes TOU rates effective for net metering customers after SCL updates the billing system;
- Removes obsolete rate schedules;
- Updates the net wholesale revenue forecasts for 2025 and 2026; and
- Updates rate definitions.

3. OCF Municipal Light and Power Bonds 2025 Ordinance

This legislation would authorize the City to issue up to \$300 million of bonds in 2025 to fund a portion of capital expenditures for SCL's system outlined in the proposed 2025-2030 Capital Improvement Plan (CIP) and to fund up to \$200 million of borrowing for potential debt optimization. Debt optimization involves refinancing high interest debt with low interest debt to reduce overall interest costs. As standard practice, the bond proceeds will contribute to SCL's bond reserve fund and to pay for issuance costs.

The City Light bond sale is anticipated to occur in mid-2025. The bond proceeds combined with internally generated funds will support City Light's capital program for about one year. The bonds would have a maximum maturity of 40 years. The planned issue will have a maximum maturity of 30 years.

4. CBO Legislated Reporting Requests ORD

This legislation would (1) remove a request from [Resolution 31971](#) (adopted in 2020) to update the Transportation Electrification Strategic Investment Plan every four years because SCL updates this plan on a more frequent basis, and (2) eliminate the required biannual reports on the Energy Efficiency as a Service (EEaS) pilot program included in [Ordinance 125556](#) (passed in 2018) as the pace of this program does not demand twice-yearly updates and SCL can provide updates if there is interest .

SEATTLE DEPARTMENT OF TRANSPORTATION (SDOT)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: CALVIN CHOW

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
Bridges & Structures	\$16.6M	\$14.0M	(15.4%)	\$14.4M	2.8%
Maintenance Operations	\$55.6M	\$52.5M	(5.5%)	\$53.9M	2.6%
Mobility Operations	\$106.4M	\$96.9M	(8.9%)	\$108.1M	11.5%
ROW Management	\$50.7M	\$53.9M	6.4%	\$55.7M	3.4%
First Hill Streetcar Operations	\$9.8M	\$9.4M	(3.3%)	\$9.8M	3.5%
South Lake Union Streetcar Operations	\$4.6M	\$4.4M	(4.5%)	\$4.5M	2.7%
General Expense	\$59.2M	\$51.7M	(12.7%)	\$40.8M	(21.0%)
Leadership and Administration	\$0.0M	\$0.0M	n/a	\$0.0M	-
Waterfront and Civic Projects	\$34.8M	\$36.3M	4.4%	\$37.3M	2.8%
Operating Subtotal:	\$337.2M	\$319.3M	(5.3%)	\$324.6M	1.7%
Capital Budget					
Major Maintenance/ Replacement	\$93.1M	\$35.8M	(61.5%)	\$39.7M	10.8%
Major Projects	\$2.0M	\$1.6M	(16.7%)	\$0.1M	(92.4%)
Mobility-Capital	\$243.4M	\$120.9M	(50.3%)	\$108.0M	(10.7%)
Capital General Expense	-	\$7.0M	-	\$6.5M	(6.3%)
Central Waterfront	\$35.6M	\$11.2M	(68.5%)	\$0.6M	(94.6%)
CIP Subtotal:	\$374.1M	\$176.6M	(52.8%)	\$155.0M	(12.2%)
Grand Total:	\$711.3M	\$495.9M	(30.3%)	\$479.6M	(3.3%)

The Seattle Department of Transportation’s (SDOT’s) 2025-2026 Proposed Budget shows a 30.3 percent reduction in spending from 2024 to 2025. SDOT’s Proposed Budget is a current law budget that reflects the expiration of the Move Seattle Levy and does not assume passage of the 2024 Transportation Levy proposal (on the November ballot). The Move Seattle Levy raised \$110.6 million of property tax revenue in the 2024 Adopted Budget.

Most of the budget reductions occur in SDOT’s capital budget BSLs, which typically vary from year to year based on project delivery status. The 52.8 percent reduction in SDOT’s 2025 capital budget largely reflects the completion of the Move Seattle portfolio of projects. Capital projects often include financial contributions from grants and external partners (including King County, Sound Transit, Seattle City Light, Seattle Public Utilities, and private utilities) and leveraged Move Seattle spending. The Move Seattle Levy also supported SDOT’s operating budget, which shows a 5.3 percent reduction in 2025 spending. SDOT’s Proposed Budget rebalances spending throughout the department’s operating and capital programs to address core services in the event that the 2024 Transportation Levy is not approved.

Approval of the 2024 Transportation Levy would represent a renewal and expansion of the Move Seattle Levy and would fund both capital projects and operational programs in SDOT. The Executive and Central Staff will prepare amendments to implement the 2024 Transportation Levy for Council’s consideration in the event the levy passes. Please see Contextual Budget Considerations: 2024 Transportation Levy Implementation for more information.

The following table shows SDOT appropriations by fund source. Note that appropriations authorize spending from a fund and do not necessarily reflect the revenues raised from a specific funding source. For example, the Move Seattle Levy Fund shows residual spending of \$20.5 million in 2025 and \$5.6 million in 2026, despite ceasing assessments in 2024.

APPROPRIATION BY FUND SOURCE	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
General Fund	\$63.4M	\$56.1M	(12%)	\$58.7M	5%
JumpStart Payroll Expense Tax Fund	\$1.0M	\$ 0.3M	(75%)	-	(100%)
Transportation Fund	\$324.4M	\$281.2M	(13%)	\$282.4M	-
Move Seattle Levy Fund	\$131.3M	\$20.5M	(84%)	\$5.6M	(73%)
Transportation Benefit District Fund	\$96.9M	\$87.4M	(10%)	\$91.6M	5%
Seattle Streetcar Operations	\$14.4M	\$13.9M	(4%)	\$14.3M	3%
School Safety Traffic & Pedestrian Improvement Fund	\$13.6M	\$10.3M	(24%)	\$10.1M	(3%)
REET I Capital Fund	\$6.9M	-	(100%)	-	-
REET II Capital Fund	\$24.3M	\$15.5M	(36%)	\$16.9M	9%
LTGO Bond Fund(s)	\$28.7M	\$10.7M	(63%)	-	(100%)
Waterfront LID #6751	\$0.4M	-	(100%)	-	-
Central Waterfront Improvement Fund	\$6.0M	-	(100%)	-	-
Total:	\$711.3M	\$495.9M	(30%)	\$479.6M	(3%)

SDOT's Proposed Budget includes \$56.1 million of General Fund in 2025 and \$58.7 million of General Fund in 2026. This is a 12 percent reduction from the \$63.4 million of General Fund in the 2024 Adopted Budget, which assists the Citywide General Fund balancing effort. The reduction from 2024 General Fund spending levels includes a \$3 million reduction from one-time 2024 General Fund spending, a \$6.2 million swap of General Fund for Transportation Fund for debt service payments in 2025, and additional General Fund reductions allocated across the department in 2025 and 2026.

The expiring Move Seattle Levy included a requirement to maintain a minimum General Fund contribution to SDOT's budget. The proposed 2024 Transportation Levy would continue this requirement, with the same inflationary factor (the lesser of 3 percent or the present yearly change in the Consumer Price Index). If the 2024 Transportation Levy is approved by voters, the minimum General Fund contribution requirement would be \$50.7 million in 2025 and would increase to \$52.3 million in 2026 (assuming 3 percent inflation).

Dedicated transportation revenues have remained depressed from pre-Covid levels. The Office of Economic and Revenue Forecasts provides an updated revenue projection to support Council's budget deliberations, which may affect estimates for sales tax, vehicle license fees, commercial parking tax, parking meters, automated camera enforcement citations, and real estate excise tax. The revenue forecast update is scheduled to be presented at the October 22 Select Budget Committee meeting.

To manage cash flow in the Transportation Fund, SDOT's Proposed Budget relies on a \$25 million interfund loan that was authorized in conjunction with the 2021 Adopted Budget ([ORD 126227](#)). The Executive has proposed legislation to extend the term of the loan to December 31, 2025. SDOT anticipates full repayment of the loan in 2025.

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$178.5M	\$157.1M	(12.0%)	\$150.0M	(4.5%)
Non-Labor	\$532.8M	\$338.8M	(36.4%)	\$329.6M	(2.7%)
Total:	\$711.3M	\$495.9M	(30.3%)	\$479.6M	(3.3%)
Total FTE:	1,114	1,117	0.3%	1,117	0.0%

- SDOT's 2025-2026 Proposed Budget is a current law budget and does not include appropriations related to the potential passage of the 2024 Transportation Levy. The expiration of the Move Seattle Levy is reflected in the 12 percent reduction in labor spending and 36 percent reduction in non-labor spending. However, SDOT's Proposed Budget does not adjust SDOT's position authority. If the 2024 Transportation Levy is not approved and other sources of transportation funding are not identified, position adjustments (including potential layoffs) would be necessary in the future.
- SDOT's Proposed Budget adds 3.0 FTE related to the expansion of the Unified Care Team (UCT) from 5-days a week to 7-days a week staffing. This increases SDOT's UCT staffing from 17.0 FTE to 20.0 FTE. The UCT is a multi-department initiative and is discussed in further detail in the UCT Policy Considerations Paper.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Bridges & Structures				
Purpose	The purpose of the Bridges and Structures Budget Summary Level is to maintain the City's bridges and structures which helps provide for the safe and efficient movement of people, goods, and services throughout the City. Additionally, the BSL provides general construction management, engineering support for street vacations, scoping of neighborhood projects, and other transportation activities requiring engineering oversight.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$5.4M	\$5.5M	2.0%	\$5.6M	1.9%
JumpStart Fund	-	-	-	-	-
Other Sources	\$11.2M	\$8.5M	(23.8%)	\$8.8M	3.3%
Total:	\$16.6M	\$14.0M	(15.4%)	\$14.4M	2.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Bridge Operations	\$4.2M	\$4.7M	10.0%	\$4.8M	3.4%
Engineering & Ops Support	\$0.9M	\$1.3M	44.2%	\$1.3M	3.1%
Structures Engineering	\$1.8M	\$1.8M	3.9%	\$1.9M	3.1%
Structures Maintenance	\$9.7M	\$6.3M	(35.5%)	\$6.4M	2.1%
Total:	\$16.6M	\$14.0M	(15.4%)	\$14.4M	2.8%

- The \$2.6 million reduction in spending levels for this BSL from 2024 to 2025 reflects the expiration of the Move Seattle Levy, which provided \$3 million for the Structures Maintenance program in 2024.
- The Executive will present potential amendments related to the 2024 Transportation Levy at the October 22 Select Budget Committee. If approved by voters, the 2024 Transportation Levy would restore some of this funding.

BSL	Maintenance Operations				
Purpose	The purpose of the Maintenance Operations Budget Summary Level is to maintain the City's roadways and sidewalks; maintain, protect and expand the City's urban landscape in the street right-of-way through the maintenance and planting of new trees and landscaping to enhance the environment and aesthetics of the city; and manage and administer street parking rules and regulations in the right-of-way.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$13.0M	\$14.0M	7.5%	\$14.3M	1.8%
JumpStart Fund	-	-	-	-	-
Other Sources	\$42.6M	\$38.5M	(9.5%)	\$39.6M	2.9%
Total:	\$55.6M	\$52.5M	(5.5%)	\$53.9M	2.6%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Emergency Response	\$10.1M	\$8.8M	(12.3%)	\$9.1M	3.3%
Operations Support	\$10.1M	\$12.0M	19.2%	\$12.3M	2.4%
Pavement Management/Repair	\$19.4M	\$17.8M	(8.4%)	\$18.2M	2.6%
Street Cleaning	\$9.2M	\$7.3M	(20.6%)	\$7.4M	2.1%
Tree & Landscape Maintenance	\$6.9M	\$6.6M	(3.5%)	\$6.8M	2.3%
Total:	\$55.6M	\$52.5M	(5.5%)	\$53.9M	2.6%

- The \$3.1 million reduction in spending levels for this BSL from 2024 to 2025 reflects the expiration of the Move Seattle Levy, which provided \$2.4 million for programs in this BSL in 2024. The Proposed Budget adjusts program spending within the BSL with the greatest impact to Street Cleaning (a \$1.9 million reduction in 2025) and Emergency Response (a \$1.3 million reduction in 2025).
- The Executive will present potential amendments related to the 2024 Transportation Levy at the October 22 Select Budget Committee. If approved by voters, the 2024 Transportation Levy would restore some of this funding.

BSL	Mobility Operations				
Purpose	The purpose of the Mobility-Operations Budget Summary Level is to promote the safe and efficient operation of all transportation modes in the city. This includes managing the parking, pedestrian, and bicycle infrastructure; implementing neighborhood plans; encouraging alternative modes of transportation; and maintaining and improving signals and the non-electrical transportation management infrastructure.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$27.6M	\$27.1M	(1.8%)	\$28.3M	4.5%
JumpStart Fund	-	-	-	-	-
Other Sources	\$78.8M	\$69.8M	(11.4%)	\$79.7M	14.2%
Total:	\$106.4M	\$96.9M	(8.9%)	\$108.1M	11.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Commuter Mobility	\$20.1M	\$18.5M	(8.3%)	\$19.0M	3.0%
Neighborhoods	\$0.7M	\$0.6M	(13.6%)	\$0.6M	3.4%
Parking & Curbspace	\$17.0M	\$18.3M	7.2%	\$19.4M	6.2%
Signs & Markings	\$5.0M	\$4.9M	(2.7%)	\$5.0M	2.8%
Traffic Signals	\$11.9M	\$10.6M	(11.2%)	\$10.9M	2.7%
Transit Operations	\$47.2M	\$41.1M	(12.8%)	\$50.0M	21.7%
Urban Planning	\$4.5M	\$3.0M	(32.1%)	\$3.1M	2.2%
Total:	\$106.4M	\$96.9M	(8.9%)	\$108.1M	11.5%

- The \$9.5 million reduction in spending levels for this BSL from 2024 to 2025 reflects the expiration of the Move Seattle Levy, which provided \$5.2 million for programs in this BSL in 2024. The Proposed Budget adjusts program spending within the BSL with the greatest impact to Commuter Mobility (a \$1.6 million reduction in 2025), Urban Planning (a \$1.5 million reduction in 2025) and Traffic Signals (a \$1.3 million reduction in 2025). The Commuter Mobility program reduction includes a \$980,000 decrease to the Transportation Operations Center, which would eliminate the late shift (8pm to 4am operations).
- The Executive will present potential amendments related to the 2024 Transportation Levy at the October 22 Select Budget Committee. If approved by voters, the 2024 Transportation Levy would restore some of this funding. The 2024 Transportation Levy would fund 24-hour operation of the Transportation Operations Center.
- The Transit Operations program is funded by the Seattle Transit Measure, which is a voter-approved 0.15 percent sales tax and supports the purchase of additional transit service from King County Metro, subsidized transportation access programs, and program management. Although the 2024 Adopted Budget included \$47.2 million for these programs, SDOT has revised the estimate of 2024 spending to \$37.2 million; thus the \$41.1 million of proposed 2025 spending represents a 10.5 percent increase. While transit demand continues to grow, it still lags behind pre-Covid levels.

BSL	ROW Management				
Purpose	The purpose of the Right-of-Way (ROW) Management Budget Summary Level is to review projects throughout the city for code compliance for uses of the right-of-way and to provide plan review, utility permit and street use permit issuance, and utility inspection and mapping services.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	\$1.0M	-	(100.0%)	-	-
Other Sources	\$49.7M	\$53.9M	8.5%	\$55.7M	3.4%
Total:	\$50.7M	\$53.9M	6.4%	\$55.7M	3.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
St Use Permit & Enforcement	\$49.7M	\$52.9M	6.5%	\$54.7M	3.4%
Street Use Contingent Budget	\$1.0M	\$1.0M	-	\$1.0M	3.5%
Total:	\$50.7M	\$53.9M	6.4%	\$55.7M	3.4%

- The ROW Management BSL is funded primarily through street use fees. The \$1 million JumpStart Payroll Expense Tax funding in the 2024 Adopted Budget was one-time spending in support of the Downtown Activation Plan and is not included in the 2025-2026 Proposed Budget.

BSL	First Hill Streetcar Operations				
Purpose	The purpose of the First Hill Streetcar Operations Budget Summary Level is to operate and maintain the First Hill Seattle Streetcar				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$9.8M	\$9.4M	(3.3%)	\$9.8M	3.5%
Total:	\$9.8M	\$9.4M	(3.3%)	\$9.8M	3.5%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
First Hill Streetcar Ops	\$9.8M	\$9.4M	(3.3%)	\$9.8M	3.5%
Total:	\$9.8M	\$9.4M	(3.3%)	\$9.8M	3.5%

- The First Hill Streetcar Operations BSL is supported primarily by Seattle Transit Measure funding (approximately \$7 million in 2025) and available fund balance in the Streetcar Operations Fund (approximately \$2.4 million in 2025). Streetcar fare revenues have remained depressed since the start of the Covid pandemic.

BSL	South Lake Union Streetcar Operations				
Purpose	The purpose of the South Lake Union Streetcar Operations Budget Summary Level is to operate and maintain the South Lake Union Seattle Streetcar.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	\$4.6M	\$4.4M	(4.5%)	\$4.5M	2.7%
Total:	\$4.6M	\$4.4M	(4.5%)	\$4.5M	2.7%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
S Lake Union Streetcar Ops	\$4.6M	\$4.4M	(4.5%)	\$4.5M	2.7%
Total:	\$4.6M	\$4.4M	(4.5%)	\$4.5M	2.7%

- The South Lake Union Streetcar Operations BSL is supported primarily by contributions from King County Metro (\$1.7 million in 2025), Seattle Transit Measure funding (approximately \$1.5 million in 2025) and available fund balance in the Streetcar Operations Fund (approximately \$1.2 million in 2025). Streetcar fare revenues have remained depressed since the start of the Covid pandemic.

BSL	General Expense				
Purpose	The purpose of the General Expense Budget Summary Level is to pay for general business expenses necessary to the overall delivery of transportation services, such as Judgment and Claims contributions and debt service payments.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$12.9M	\$8.4M	(34.6%)	\$9.0M	7.0%
JumpStart Fund	-	-	-	-	-
Other Sources	\$46.3M	\$43.3M	(6.6%)	\$31.8M	(26.5%)
Total:	\$59.2M	\$51.7M	(12.7%)	\$40.8M	(21.0%)
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Initiatives	\$10.2M	\$10.2M	(0.2%)	\$10.6M	3.5%
Debt Service	\$41.7M	\$33.4M	(19.9%)	\$21.2M	(36.3%)
Judgment & Claims	\$7.3M	\$8.1M	11.2%	\$9.0M	11.0%
Total:	\$59.2M	\$51.7M	(12.7%)	\$40.8M	(21.0%)

- The reduction in General Fund appropriations from 2024 to 2025 in this BSL largely reflects a substitution of Transportation Fund for General Fund in the Debt Service program to assist with Citywide General Fund balancing.
- The \$8.3 million reduction in 2025 for the Debt Service program is partially offset by the creation of the Capital General Expense BSL (\$7 million in 2025), which allows for Real Estate Excise Tax debt service payments to be accounted for in the CIP.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Seattle Department of Transportation.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	-	-	-	-
Other Sources	(\$0.5M)	-	(100.0%)	-	-
Total:	(\$0.5M)	-	(100.0%)	-	-
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$59.2M	\$52.1M	(12.0%)	\$54.8M	5.1%
Departmental Indirect Costs	\$23.5M	\$23.2M	(1.3%)	\$24.0M	3.4%
Divisional Indirect Costs	\$14.3M	\$16.0M	11.8%	\$16.5M	3.3%
Indirect Cost Recovery Offset	(\$97.0M)	(\$90.4M)	(6.8%)	(\$94.4M)	4.4%
Pooled Benefits and PTO	(\$0.5M)	(\$0.8M)	83.0%	(\$0.8M)	-
Total:	(\$0.5M)	-	(100.0%)	-	-

- This BSL covers centralized department costs such as City governance, SDOT management, IT charges, and fleet and facility charges. SDOT recovers these costs through an overhead rate applied to SDOT labor and charged to projects (shown as the Indirect Cost Recovery Offset). Citywide Indirect Costs are assigned centrally by the City Budget Office. The BSL is presented as net-zero to avoid showing double appropriations.

BSL	Waterfront and Civic Projects				
Purpose	The purpose of the Waterfront and Civic Projects Summary Level is to pay for expenses related to reimbursable design and construction services provided by the Central Waterfront program for other City departments and external partners. Additionally, the BSL provides planning and leadership support for other Civic Projects.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
JumpStart Fund	-	\$0.3M	-	-	(100.0%)
Other Sources	\$34.8M	\$36.1M	3.7%	\$37.3M	3.5%
Total:	\$34.8M	\$36.3M	4.4%	\$37.3M	2.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Waterfront and Civic Projects	\$34.8M	\$36.3M	4.4%	\$37.3M	2.8%
Total:	\$34.8M	\$36.3M	4.4%	\$37.3M	2.8%

- The Waterfront and Civic Projects BSL provides appropriations for the Office of the Waterfront and Civic Projects. This includes reimbursable funding from utilities and project partners to support the [portfolio](#) of Waterfront projects. Funding in this BSL is anticipated to decline in 2026, as Waterfront-related projects are completed; Central Staff anticipates that Executive will submit errata to reduce reimbursable appropriations in 2026.
- The 2025 Proposed Budget includes \$250,000 of JumpStart Payroll Expense Tax to support the grand opening of the Central Waterfront.
- Responsibility for the on-going maintenance, operation, and management of the Central Waterfront has been assigned to Seattle Center ([ORD 126755](#)). For more information on the Central Waterfront, please see the Seattle Center Budget Overview Paper.

CAPITAL BUDGET

Note: Changes in the tables that follow may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	Major Maintenance/Replacement				
Purpose	The purpose of the Major Maintenance/Replacement Budget Summary Level is to provide maintenance and replacement of roads, trails, bike paths, bridges and structures.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Bridges & Structures	\$55.0M	\$14.5M	(73.7%)	\$7.2M	(50.3%)
Landslide Mitigation	\$0.5M	\$0.5M	(5.0%)	\$0.5M	8.6%
Roads	\$28.4M	\$13.9M	(51.2%)	\$25.3M	82.5%
Sidewalk Maintenance	\$5.0M	\$5.0M	0.8%	\$5.1M	1.2%
Signs, Signals and Markings	\$1.8M	\$1.2M	(33.9%)	\$1.1M	(8.0%)
Trails and Bike Paths	\$1.9M	\$0.0M	(100.0%)	\$0.0M	(100.0%)
Urban Forestry	\$0.5M	\$0.8M	61.9%	\$0.5M	(38.7%)
Total:	\$93.1M	\$35.8M	(61.5%)	\$39.7M	10.8%

- Capital spending varies from year to year, based on the status and delivery schedule of individual projects. The \$58.3 million reduction in spending levels for this BSL from 2024 to 2025 reflects the expiration of the Move Seattle Levy. The 2024 Adopted Budget included \$55 million of Move Seattle Levy appropriations for this BSL. The 2025-2026 Proposed Budget maintains Sidewalk Maintenance spending levels in the event the 2024 Transportation Levy is not approved by voters.
- The Executive will present potential amendments related to the 2024 Transportation Levy at the October 22 Select Budget Committee. If approved by voters, the 2024 Transportation Levy would restore funding to capital programs and projects throughout this BSL.
- The increase in Urban Forestry reflects the transfer of budget from other CIP projects to deliver tree and landscape improvements to those projects through the Urban Forestry program. SDOT typically requests the transfer of additional appropriations from capital projects to the Urban Forestry program through the mid-year supplemental budget as projects finish substantial completion and move to project closeout.

BSL	Major Projects				
Purpose	The purpose of the Major Projects Budget Summary Level is to design, manage and construct improvements to the transportation infrastructure for the benefit of the traveling public including freight, transit, other public agencies, pedestrians, bicyclists and motorists.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
SR-520	\$2.0M	\$1.6M	(16.7%)	\$0.1M	(92.4%)
Total:	\$2.0M	\$1.6M	(16.7%)	\$0.1M	(92.4%)

- This BSL provides appropriations for major regional and interagency transportation projects. Currently, this BSL supports the SR-520 CIP project, which includes \$1.5 million of partnership funding from the Washington State Department of Transportation in 2025.

BSL	Mobility-Capital				
Purpose	The purpose of the Mobility-Capital Budget Summary Level is to help maximize the movement of traffic throughout the city by enhancing all modes of transportation including corridor and intersection improvements, transit and HOV improvements, and sidewalk and pedestrian facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Corridor & Intersection Imprv	\$54.9M	\$45.2M	(17.6%)	\$45.6M	0.8%
Freight Mobility	\$43.8M	\$6.1M	(86.1%)	\$0.8M	(86.4%)
Intelligent Transp System	\$1.3M	\$1.1M	(19.1%)	\$0.5M	(55.2%)
Neighborhood Enhancements	\$6.4M	\$2.0M	(69.3%)	\$2.0M	1.0%
New Trails and Bike Paths	\$20.9M	\$5.6M	(73.1%)	\$5.6M	-
Sidewalks & Ped Facilities	\$34.4M	\$17.7M	(48.7%)	\$18.0M	2.0%
Total:	\$243.4M	\$120.9M	(50.3%)	\$108.0M	(10.7%)

- Capital spending varies from year to year, based on the status and delivery schedule of individual projects. The \$122.5 million reduction in spending levels for this BSL from 2024 to 2025 reflects the expiration of the Move Seattle Levy and the completion of major projects. The 2024 Adopted Budget previously included \$65.6 million of Move Seattle Levy appropriations in this BSL. Examples of major projects that have been completed, are underway with existing appropriations, or have significant reduced appropriations in 2025 include the Madison BRT – RapidRide G Line, the Route 40 Transit-Plus Multimodal Corridor, and the Heavy Haul Network Program – East Marginal Way.
- The Sidewalks & Ped Facilities program includes the Pedestrian Master Plan – New Sidewalks program, which was largely funded by the Move Seattle Levy. The 2025-2026 Proposed Budget does not provide continued funding for this program, absent voter-approval of the 2024 Transportation Levy.
- The Executive will present potential amendments related to the 2024 Transportation Levy at the October 22 Select Budget Committee. If approved by voters, the 2024 Transportation Levy would restore funding to capital programs and projects throughout this BSL.

BSL	Capital General Expense				
Purpose	The purpose of the Debt and Special Funding Budget Summary Level is to meet debt service obligations on funds borrowed to meet the Seattle Department of Transportation’s capital expenditure requirements.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Capital Debt Service	-	\$7.0M	-	\$6.5M	(6.3%)
Total:	\$0.0M	\$7.0M	-	\$6.5M	(6.3%)

- This is a new BSL in the 2025-2026 Proposed Budget to identify debt service funded by Real Estate Excise Tax in the CIP for accounting purposes. Previously, these appropriations were included in the Debt Service program within the General Expense BSL. This is a technical adjustment and does not reflect any policy change.

BSL	Central Waterfront				
Purpose	The purpose of the Central Waterfront Budget Summary Level is to design, manage, and construct improvements to the transportation infrastructure and public spaces along the Central Waterfront.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Central Waterfront	\$35.6M	\$11.2M	(68.5%)	\$0.6M	(94.6%)
Total:	\$35.6M	\$11.2M	(68.5%)	\$0.6M	(94.6%)

- The Central Waterfront BSL provides funding for construction of the Central Waterfront, which will be substantially complete in 2025.
- Responsibility for the on-going maintenance, operation, and management of the Central Waterfront has been assigned to Seattle Center ([ORD 126755](#)). For more information on the Central Waterfront, please see the Seattle Center Budget Overview Paper.

BUDGET LEGISLATION

1. SDOT ST3 Material Change ORD

The Seattle Transit Measure was approved by voters in November 2020 and instituted a 0.15 percent sales tax for transit service and transit capital improvements. The tax expires on April 1, 2027. This legislation would authorize the use of Seattle Transit Measure revenue for City staffing in support of the Sound Transit 3 program, including delivery of the West Seattle Light Rail Extension and Ballard Light Rail Extension projects. The legislation would also authorize the use of Seattle Transit Measure revenue to provide funding contributions towards these projects. The 2025-2026 Proposed Budget proposes funding for City staffing but does not provide for direct funding contributions. Please see Contextual Budget Considerations: Sound Transit Project Delivery in Finance General for more information about this proposal.

2. SDOT STM 2023 Proviso Lift ORD

The 2023 Adopted Budget included a proviso restricting \$12 million of Seattle Transit Measure funding in the Seattle Transportation Benefit District – Transit Improvements CIP project to support bridge-related or structures-related transit improvements. SDOT has allocated \$10.5 million these funds to 21 eligible projects but was unable to identify eligible projects for the remaining \$1.5 million. If the proviso is lifted, this Seattle Transit Measure funding would support appropriations in Finance General in support of the Sound Transit 3 program. Please see Contextual Budget Considerations: Sound Transit Project Delivery in Finance General for more information about this proposal.

3. SDOT 2024 Interfund Loan Extension ORD

In conjunction with the 2021 Adopted Budget, Council authorized a \$25 million interfund loan to support the Transportation Fund as transportation revenues declined due to the Covid pandemic ([ORD 126227](#)). The loan is authorized until no later than December 31, 2024. The proposed legislation would extend the term of the loan to December 31, 2025. SDOT anticipates full repayment of the loan in 2025. The City's Debt Management Policy Advisory Committee reviewed the proposal on October 9 and recommended approval.

4. SDOT 2025 Street Use Fee Schedule ORD

This legislation updates SDOT's Street Use Fee Schedule for inflation as calculated by the Consumer Price Index. Base permit issuance, renewal, and hourly service fees were last updated in 2024 and are increased by 2.4 percent. Use, occupancy, and citation fees were last updated in 2019 and are increased by 25.8 percent. These increases would generate approximately \$6.7 million annually for the Transportation Fund, and they support appropriations in the 2025-2026 Proposed Budget. The proposed fee schedule continues to waive fees for street activities, sidewalk activities, and vending through January 1, 2026, as authorized by [ORD 126915](#).

5. CBO TNC Tax Spending Plan 2024 Amendments RES

This legislation extends temporary exemptions on the use of Transportation Network Company (TNC) Tax revenues that were enacted for the 2023 Adopted Budget. In 2019, the Council adopted a spending plan directing TNC Tax revenue to affordable housing near transit, transportation, and a driver conflict resolution center ([RES 31914](#)). In response to reduced revenues during the Covid pandemic, other revenues to support affordable housing, and the 2022 State law preempting the City for enforcing local TNC compensation and labor rights laws, the Council passed [ORD 126719](#) which allowed for TNC proceeds to be used on transportation, including transit, and to support other General Fund activities in 2023 and 2024. The proposed legislation extends this provision to 2025 and 2026.

6. CBO Legislated Reporting Requests ORD

This legislation would (1) reduce required reporting on streetcar operations from twice a year to once a year per [ORD 124946](#) (passed in 2015, prior to the First Hill Streetcar going into operation), recognizing that the Seattle Streetcar is now an established program, and (2) eliminate the annual report from the Executive, Office of Housing, and SDOT on the revenues and spending of TNC Tax revenues requested in RES 31914, which are far less than anticipated due to subsequent State actions.

7. CBO 2024 Year End Grants ORD

This legislation includes grant acceptance authorization for three SDOT-related projects. These include:

- \$2.1 million reimbursable Seattle City Light funding for streetlight improvements in the Madison BRT project.
- \$2 million for the Federal Railroad Administration-designated quiet zone at the Port of Seattle’s Terminal 5.
- \$5.4 million federal funding to support design of the N 130th St – Bitter Lake to Haller Lake Mobility Improvement project which connects to the future N 130th St Sound Transit light rail station.

8. CBO 2024 Year End Supplemental ORD

This legislation includes multiple 2024 Budget adjustments to reflect reimbursable funding from utilities and external partners, grant sources, and transfers between SDOT programs. The most significant transfers include:

- A \$9.1 million transfer to the Madison BRT project (primarily from savings on other projects).
- A \$4 million transfer to the Georgetown to South Park Trail (from the Protected Bike Lane program).
- A \$600,000 transfer to the Downtown Activation Plan – Wayfinding Expansion Project (from the Urban Design Capital program).

9. CBO 2025 Grant Acceptance ORD

This legislation includes acceptance of a \$430,000 Federal Transit Administration grant for First Hill Streetcar maintenance. For reference, the legislation also documents multiple SDOT grants and agreements (previously authorized by the Council) with appropriations included in the 2025 Proposed Budget.

CONTEXTUAL BUDGET CONSIDERATIONS

2024 Transportation Levy Implementation

SDOT's 2025-2026 Proposed Budget does not include appropriations related to the potential passage of the 2024 Transportation Levy. The Executive will present potential amendments to implement the 2024 Transportation Levy for Council's consideration (in the event voters approve) at the October 22 Select Budget Committee meeting. The legislation authorizing the submission of the 2024 Transportation Levy ([ORD 127053](#)) included a [spending breakdown](#) of levy proceeds, representing the levy's commitment to voters. Central Staff anticipates that the proposed amendments will include project and program appropriations, CIP project adjustments, and position changes necessary to implement the levy. Central Staff will be available to assist Councilmembers in reviewing the Executive proposed amendments and developing Council proposals. See SDOT Transportation Levy Policy Considerations Paper for additional information.

As companion legislation to the 2024 Transportation Levy, Council also passed [RES 32137](#), which included a request that SDOT prepare a Levy Readiness & Action Plan. SDOT submitted an initial readiness assessment on September 30, which is included as Attachment 1 to this memo. SDOT's initial assessment includes identification of early readiness needs by program area and a six-month calendar for initial levy implementation.

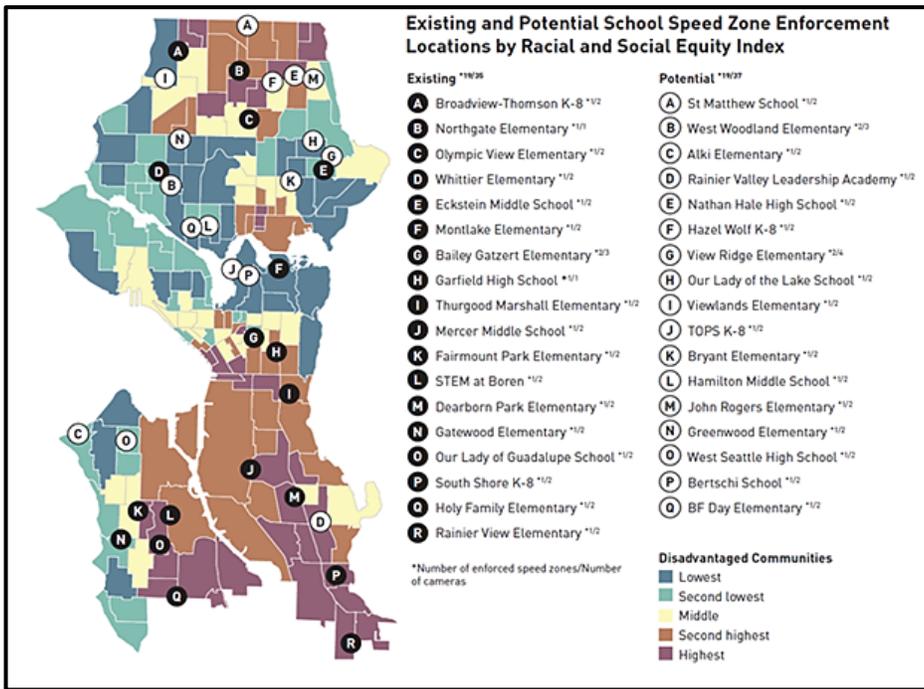
Sound Transit Project Delivery in Finance General

The City of Seattle is a partner in the delivery of Sound Transit's West Seattle Light Rail Extension and Ballard Light Rail Extension projects and signed a partnership agreement with Sound Transit in 2018 ([RES 31788](#)). To provide for City staffing in support of the design, permitting and construction of these projects, the Proposed Budget includes \$5.2 million in 2025 and \$6.8 million in 2026.

This work will involve multiple City departments, and the proposed funding is included in Finance General (not in SDOT's budget) as a staffing reserve pending the Executive's development of a staffing plan. Future legislative action will be necessary to reallocate these funds to impacted departments. The sources of funding for this staffing reserve are the JumpStart Payroll Expense Tax and the Seattle Transit Measure (sales tax). The Executive has submitted companion legislation to authorize the use of Seattle Transit Measure proceeds for this purpose.

School Zone Camera Expansion

As part of the 2025-2026 Proposed Budget, the Mayor announced expansion of SDOT’s School Zone Camera Program by 37 new cameras (at 17 schools) for the start of the 2025-2026 school year. This would roughly double the size of the existing School Zone Camera Program and result in more even deployment across the city. A map of the anticipated School Zone camera deployments is provided below.



The Proposed Budget anticipates this expansion will increase revenues by \$4.2 million in 2025 and \$10.3 million in 2026. Revenue from the School Zone Camera Program is deposited into the School Safety Traffic, and Pedestrian Improvement Fund (SSTPI Fund). The SSTPI Fund supports Safe Routes to Schools projects and camera program administration costs, including the costs to deploy new cameras and the costs to review and process infractions.

The Proposed Budget would add \$1.2 million of revenue-backed appropriations in the Seattle Police Department (SPD) budget to work with the City’s traffic camera vender to install the 37 new school zone cameras (see SPD Budget Overview). The Proposed Budget would also repurpose 2.0 FTE civilian SPD Parking Enforcement Officers in SPD’s budget to review infractions and issue citations. The Proposed Budget would add \$125,000 and 1.0 FTE to the Seattle Municipal Court for processing additional citations. No new appropriations are included in SDOT’s budget, as Council previously directed expansion of the program and provided appropriations in previous budget actions.

Prior to 2024, State law required review of infractions by sworn law enforcement officers and the Executive did not identify available staff to support expansion. Recent changes in State law now allow for civilian review of infractions. SDOT anticipates transmitting legislation to Council in early 2025 to conform Seattle Municipal Code with these changes and other new State law provisions related to camera enforcement, including the installation of general speed-enforcement cameras, block-the-box cameras, and transit-lane priority cameras.

State law requires that local jurisdictions conduct an analysis and seek local legislative authorization before installing cameras for automated enforcement purposes. SDOT anticipates providing this analysis for School Zone camera locations together with the implementation legislation expected in early 2025. SDOT also anticipates finalizing SDOT’s policies on administration of all traffic camera programs in 2025, however SDOT is not planning for expansion of non-School Zone camera programs at this time.

Attachments

1. SDOT’s 2024 Transportation Levy Readiness & High-Level Implementation Approach

2024 Transportation Levy Readiness & High-Level Implementation Approach – September 2024

A. Overview of this Document and Upcoming Deliverables

This document describes the initial readiness assessment and high-level implementation approach, requested in Council Resolution 32137, that the Seattle Department of Transportation (SDOT) is undertaking to prepare to deliver the 2024 Transportation Levy, if approved by voters in November 2024. This document is the first of multiple pieces of levy implementation information, including:

- SDOT’s proposal for a 2025-2026 “with levy” budget amendment as part of the current budget deliberation process, including a revised 2025-2030 Capital Improvement Program (CIP) reflecting an initial spending projection for the new levy
- Information requested by Resolution 32137 for the Neighborhood-Initiated Safety Partnership Program, Transit Passenger Safety, and Electric Vehicle Charging programs
- Annual Levy Delivery Workplan (if the levy is approved, due January 31, 2025)

B. SDOT’s Approach and Initial Readiness Actions to Implement the Levy

SDOT is taking steps now to be ready for implementation of key levy activities and planning in January 2025. This approach includes:

- A focus on early deliverables and demonstrated success, especially through crew-delivered work that can be constructed more rapidly,
- Early identification of program priorities through collaboration with community members and stakeholders,
- Comprehensive thinking about needs so delivery is aligned with current challenges and incorporates mitigation efforts,
- Recognizing the need to continue to completion Levy to Move Seattle large projects that are the currently the focus of SDOT’s construction and contracting teams,
- Proactive staffing and resource preparation (especially for items with long lead times),
- Leveraging external funding sources through interdepartmental work teams and collaboration,
- Timely startup of the new Levy Oversight Committee and Transportation Funding Task Force, and
- Early scoping of the approach and resource needs for high priority, new, and expanded programs.

SDOT’s approach to readiness gets us off to a fast start in developing new programs, positioning initial new levy projects for Q1 2025 construction, and prioritizes initial work on the largest capital projects that will take years to develop. This approach anticipates that spending for both hiring and procurement can begin immediately in January 2025.

To get ready for levy delivery, SDOT focused in Q2 and Q3 2024 on work planning for all proposed levy programs. Program owners, subject matter experts, and resource managers were involved in developing strategies and early wins to showcase the types of changes that stakeholders support. The conceptual planning work included:

- preliminary work planning for early years using Attachment A to the Levy ordinance as the guide
- strategies for expedited project delivery, including internal process adjustments and a variety of construction methods,
- development of a new strategy for community engagement that focuses on early outreach and project co-creation with community
- resource planning to establish staff assignments and the initial new hires needed to support new programs, such as People Streets and Public Spaces, Neighborhood-Initiated Safety Partnership Program, Electrification, and Transit Passenger Safety
- a focus on aligning project selection with the Seattle Transportation Plan, Transportation Equity Framework, Vision Zero Action Plan, Climate Change Response Framework, and SDOT's approach to asset management and equity analysis

This internal work allowed us to identify the areas in our pipeline for project design and delivery, as well as continued maintenance and operations, where early resources and planning are most needed. It also influenced the number of existing positions we propose to hire immediately following a successful vote and the number of new positions that will be needed for SDOT to start strong.

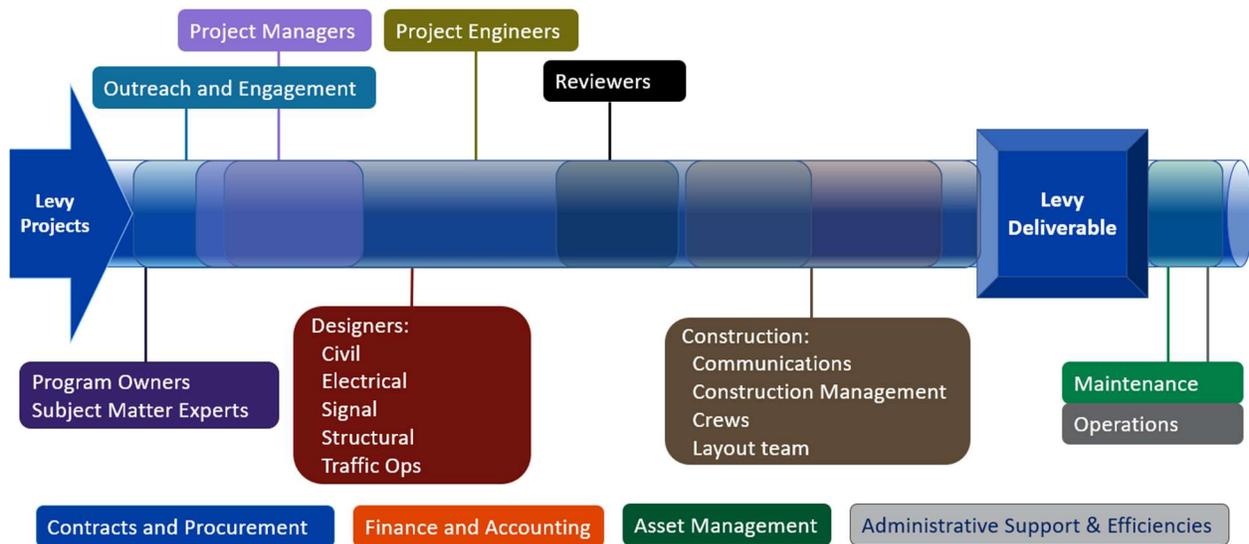
C. Additional Factors Crucial in Levy Preparation Work

Identifying the initial staff and consultant support needed to start strong in 2025 involved the internal resourcing review described above, but also relied heavily on other considerations. The key things that factored into how we then made our resourcing and preparation decisions included an assessment of where our delivery pipeline was constrained, the need to accommodate additional non-levy work, and lessons learned from the Levy to Move Seattle Oversight Committee.

[Project Development Timelines and Pipeline](#)

Capital projects go through significant steps on the path to construction. It is especially important to start the planning and development of large multimodal capital projects early, since they can take several years to move into construction in order to meet state and federal environmental requirements, cultivate grant opportunities and meet state contracting requirements. SDOT looked at this delivery pipeline as part of our preparation work, and at what points in the process resources would be needed to keep things moving. The graphic below shows the early work by Program Owners to scope and initiate projects, Outreach and Engagement to solicit community input, Project Management support, and Designers to begin the key work of finding real design solutions. It is helpful to think about it as an actual pipeline in which early steps are required to advance to successful design and construction.

Levy project pipeline as organizing principle



Analyzed through this pipeline approach, SDOT looked ahead to projects identified for construction in 2025, as well as the outreach, planning, and design work needed in 2025 for construction in 2026, 2027, and beyond. Because the early phases of project delivery are crucial to delivery, initial resourcing evaluation focused on increasing our planning, development, and design capacities to start this pipeline moving. We proposed staffing increases for areas of constraint, for example our capacity to review projects quickly. We also looked at how consultant support and alternate contracting delivery methods could augment staffing and crew deliveries in 2025 while we hire and train new staff.

Balancing SDOT Core Services and Other Community Deliverables

In thinking through the readiness needs of the 2024 Transportation Levy, we also considered non-levy commitments and community expectations. In addition to levy deliverables, there are many other significant lines of transportation work that the community expects to see provided by the City. The Levy to Move Seattle funded approximately 30% of SDOT’s budget. Some of the large Levy to Move Seattle projects, like Rapid Ride J construction, will be in construction in 2025 and completed in the following years. Some new efforts, like planning and permitting for Sound Transit 3 (West Seattle and Ballard Link Extensions), will also be underway. Areas of SDOT’s core lines of business, commitments, and responsibilities that we considered in readiness planning included:

- Snow and Ice, Emergency Response
- Levy to Move Seattle 2025 –2026 deliverables
- Regional agency coordination including Sound Transit 3 planning and permitting and WSDOT’s Revive I-5 project
- Downtown Activation and FIFA 2026 Men’s World Cup preparation
- Regular maintenance and operation needs
- Street use and traffic permits
- Day to day traffic operations

[Lessons Learned from the Levy to Move Seattle](#)

Levy readiness is an opportunity to apply lessons learned from the Levy to Move Seattle:

Levy to Move Seattle Lessons Learned	Transportation Levy Approach
<i>Major capital projects, such as the Maintenance & Modernization paving corridors, will take a long time to develop and build. These projects are often strong leverage candidates for grants and partnership funding, which adds additional timeline and planning considerations.</i>	Continue to seek leverage funds for major capital projects. Define project schedules with flexibility on starting and end points to accommodate these leverage opportunities and other unknowns.
<i>Transportation projects can create significant transportation benefits, but multi-year construction impacts can result in adjacent business and community frustration.</i>	Launch community relationships earlier in project design process through new outreach and engagement approach; work with other departments (i.e. Department of Neighborhoods, Office of Economic Development) to incorporate additional support strategies especially during construction; perform analyses of post-project delivery, design and impact evaluation as outlined in Council resolution 32137.
<i>New or significantly rescoped program work, such as accelerating sidewalks, require thoughtful early planning to define approach combined with longer-term flexibility to adjust as needed.</i>	Proactively create project teams for new or rescoped programs early in the levy and create multiple delivery options. For example, the accelerated sidewalk delivery necessitates early staff for outreach, planning, design and will utilize both in-house and contracted delivery methods to increase flexibility. SDOT early planning in multiple program areas will proactively identify resource needs and delivery strategies.
<i>Multi-year programs with many ongoing projects should expect course corrections mid-stream as priorities and needs change, or as unplanned events or emergencies occur.</i>	Acknowledge the likelihood of disruption and adjustment over the life of the levy from the outset. SDOT plans to communicate workplans through the Annual Levy Delivery Plan, and work with the new Levy Oversight Committee to record changes for clarity and transparency.
<i>Availability of staff capacity directly influences ability to execute programs and stay on schedule.</i>	Proactively plan for early staffing needs across programs, using awareness that needs early in the project pipeline (such as project development, outreach, design and permitting) differ from project construction and require earlier staffing.

D. Deliverables Informed by Levy Readiness & Action Plan Approach:

The approach outlined in this document will be the foundation for levy-funded work planning and financial actions occurring in late 2024 and early 2025. This section provides an overview of the type of work SDOT expects to accomplish early in 2025 if spending for both hiring and procurement can begin immediately in January.

A cornerstone of the Levy Readiness effort will be the 2025 SDOT levy program workplans, and **Appendix A** details Early Readiness Considerations by Program Category. **Appendix B** provides another lens into what to expect in the first six months following a successful levy vote.

Initial levy work in 2025 will vary by season, as there are types of work that cannot be performed during Seattle's wet and cold winters, such as asphalt and markings. Here is a sampling of what the public may see early in 2025:

- Ten community walks held to select new sidewalk projects for first four years of the levy
- Outreach and scoping for new sidewalks including Greenwood Ave N and Gilman Ave W, development of an accelerated sidewalk delivery team, and methods to increase sidewalk repair
- Downtown Activation, and People Streets and Public Spaces investments on Third Avenue, Fortson Square, Occidental Promenade and other key locations in advance of FIFA and other major events, in alignment with other agencies
- New positions posted at a variety of levels within SDOT, and new programs established once staff are hired
- Start of design on major corridor maintenance and modernization projects, with early focus on corridors with already secured grant funding such as Roosevelt Way NE, Pinehurst Way NE and E Marginal Way
- Request for Proposals issued and beginning design of mechanical and electrical repair packages for Fremont, University and Ballard bridges, programming of crew-delivered bridge repairs, and initiation of Project Readiness bridge studies
- Programming of expanded Vision Zero work citywide on high-injury network corridors, intersections and expansion of Leading Pedestrian Interval and safer crossings
- Advancing Aurora Avenue N planning in partnership with WSDOT to identify a preferred alternative and phasing plan that will drive implementation schedule
- Programming for operations funding to efforts like keeping the Transportation Operations Center open 24/7, and signal maintenance that keeps people moving citywide
- Building up a protected bike lane maintenance approach, and continuing to add hardened protection to existing bike lanes, including hardening of the E Union St protected bike lane

E. Change Management

Levies are powerful confirmation of current goals and conduits for priorities of decision-makers and the public. The proposed 2024 Transportation Levy establishes funding for existing programs beyond the expiration of the Levy to Move Seattle and creates funding for new projects and new programs. New endeavors or those with significantly different or expanded scope than the last nine years will involve learning curves, adjustments, and course corrections along the way.

As acknowledged by the current Levy Oversight Committee in their recommendations, and SDOT's own lessons learned from the Levy to Move Seattle: Flexibility is important to be able to respond to changing conditions and unforeseen events.

Over the eight years of the 2024 Transportation Levy, SDOT anticipates that changes may be needed to the programs or projects identified in Attachment A of Council Bill 120788. In these cases, SDOT will follow this approach:

2024 Transportation Levy Readiness and High-Level Implementation Approach

- Evaluate changes against and relative to the Council’s adopted ordinance and resolution, and make recommendations for needed changes in alignment with the adopted documents to the greatest extent feasible
- Utilize the new Levy Oversight Committee to share challenges, opportunities, and proposed adjustments, and document adjustments through annual levy-funded workplans and reports
- Engage with Council regularly and rely on existing supplemental and annual budget processes to adjust resource needs
- Maintain transparent communications with the public, documented through the new Levy Oversight Committee and the new levy’s delivery dashboard

F. Conclusion and Next Steps

This document describes the initial readiness assessment and high-level implementation approach and is the first step in an iterative and ongoing process. SDOT’s approach to readiness gets us a fast start to developing new programs, puts initial new levy projects out the door for Q1 2025 construction and prioritizes initial work on the largest capital projects which will take years to develop. SDOT will be continuing to delve deeper into the program development, project definition, work planning and resourcing efforts that will inform future documents.

This initial work emphasizes early commitments and priorities through initial resource actions including identifying key vacancies for early hiring and new positions requested through a 2025-2026 proposed with-levy budget amendment recommendation. The 2025 mid-year supplemental budget and the Proposed 2026 Budget are subsequent phased opportunities, if needed, to approach workforce alignment.

The immediate next deliverables that will be presented to Council include a 2025-2026 budget amendment proposal, including a revised 2025-2030 CIP, and the 2025 Levy annual workplan in January 2025.

Appendix A: Early Readiness Actions

The 2024 Transportation Levy has 11 program areas, some of which have early commitments and deliverables. The following table highlights those issues and considerations by program areas:

Program Area and Key Commitments	Initial Readiness Needs
<p>Vision Zero, School & Neighborhood Safety</p> <ul style="list-style-type: none"> • Vision Zero • Aurora Ave N Safety Corridor Project • Safe Routes to School • Neighborhood-Initiated Safety Partnership Program • Neighborhood-Scale Traffic Safety Programs 	<ul style="list-style-type: none"> • Increased funding: Levy doubles Vision Zero funding. Needs direct program staffing and pipeline support. • Pipeline support example: Leading Pedestrian Intervals require signal engineers and technicians. • New Programs: Neighborhood-Initiated Safety Partnership Program and Neighborhood-Scale Traffic Safety Programs require definition of workplan and approach.
<p>Street Maintenance & Modernization</p> <ul style="list-style-type: none"> • Arterial Roadway Maintenance & Modernization Corridors • Paving spot improvements for arterial repair, and pothole response. • Markings 	<ul style="list-style-type: none"> • Long lead time: Arterial Roadway Maintenance Corridors are multi-year efforts to design, fund and build. • Early starts: Key initial priorities are Roosevelt Way NE, Pinehurst Way NE and E Marginal Way, for which SDOT has secured grants and have the earliest delivery requirements.
<p>Bridges & Structures</p> <ul style="list-style-type: none"> • Bridge Structure Repairs and Upgrades • Bridge Preventative Maintenance Program • Project Readiness to advance structure design for 6 structures • Areaways 	<ul style="list-style-type: none"> • New Program: The initial Preventative Bridge Maintenance focus is on contract procurement and execution; design for complex bridge repair projects is supported by consultants. • Near-term deadline: Project Readiness initial cost estimates needed in 2026 to inform considerations of the Transportation Funding Task Force
<p>Transit Corridors & Connections</p> <ul style="list-style-type: none"> • Transit Improvements and Access to Light Rail • Transit Spot Improvements • Transit Passenger Safety 	<ul style="list-style-type: none"> • Long lead time: Light rail and transit projects (e.g. RapidRide R) schedules are tied to agency partner actions; planning and design phase for initial levy years • New Program: Transit Passenger Safety Program definition and development/execution of needed agreements with program partners
<p>Pedestrian Safety</p> <ul style="list-style-type: none"> • New Sidewalk and Sidewalk Alternatives • Sidewalk Safety Repair • ADA Program • Stairways • Crossing Improvements 	<ul style="list-style-type: none"> • Increased funding and hard deadline: Top readiness priority is defining approach and associated resources needed for accelerated sidewalk delivery of 250 blocks in first 4 years of the levy

<p>Signals & Operations</p> <ul style="list-style-type: none"> • Traffic Signal Timing • Traffic Signals and Maintenance • Sign Maintenance • Transportation Operations 	<ul style="list-style-type: none"> • Pipeline Support: Operations staff are essential to most deliverables. Pipeline support for these programs comes from a variety of groups and disciplines. Hiring lead times for new traffic engineers can be long, requiring early recruitment initiation.
<p>Bicycle Safety</p> <ul style="list-style-type: none"> • Protected Bike Lanes • Upgraded Bike Lanes • Bike Spot Improvements • Burke-Gilman Trail Missing Link • Neighborhood Greenways • Maintenance 	<ul style="list-style-type: none"> • New Program: Early readiness priority is on maintenance and upgrades to existing bike lanes, while planning begins on new connections • Pipeline Support: Equipment and supplies will be as important as planning, design and delivery staffing
<p>People Streets & Public Spaces</p> <ul style="list-style-type: none"> • People Streets Capital Projects • Downtown Activation • Lid I-5 Private Funding Study • People Streets and Wayfinding Maintenance • Pedestrian Lighting 	<ul style="list-style-type: none"> • New Program and near-term deadline: 2025 focus would center on levy-funded activation and place-making improvements needed before the 2026 Men’s World Cup, including 3rd Ave investments and initial tactical improvements on Occidental Promenade, as well as setting up the program for future year People Streets and Public Space investments outside of downtown
<p>Climate & Resiliency</p> <ul style="list-style-type: none"> • Climate and Electrification Program • Low Pollution Neighborhoods • Urban Forestry 	<ul style="list-style-type: none"> • New Program: Climate and Electrification Program requires program definition and workplan development in conjunction with Seattle City Light, Seattle Parks Department, and Seattle Public Libraries. 2025 focus on establishing the multi-department structure and evaluating results of current curbside EV charging pilot.
<p>Freight & Goods Movement</p> <ul style="list-style-type: none"> • Freight Spot Improvements • Heavy Haul Network • Freight Program • Port Connection to I-90/I-5 • Leary Way Industrial Zone Safety Improvements 	<ul style="list-style-type: none"> • Increased Funding: 2025 focus areas include construction of freight spot improvements and initiating planning for the new program components which will require planning, design, development, engagement and funding strategy development
<p>Good Governance & Equitable Implementation Initiative</p> <ul style="list-style-type: none"> • Oversight Committee Auditing and Professional Services • Property Tax Relief Outreach and Education • Durable Infrastructure Solutions 	<ul style="list-style-type: none"> • Establishing the new Levy Oversight Committee • Recruitment and consultant procurement for the Transportation Funding Task Force • Posting new Transportation Levy Website and Dashboard and establishing reporting formats • Developing and sharing the Annual Levy Delivery Plan by January 31, 2025

APPENDIX B: Levy Readiness 6-month calendar

Month	Legislative & Good Governance	Project Actions
November	<ul style="list-style-type: none"> • Levy Vote – Nov 5 • Council consideration of 2025-26 budget amendment to incorporate Levy, including revised 2025-2030 CIP reflecting an initial spend plan for the new levy • Prepare and update communications regarding levy outcome • Engage with key stakeholders 	<ul style="list-style-type: none"> • Initial work to set up community engagement events for accelerated sidewalks • Start design of winter-weather work • Initiate hiring to fill currently vacant positions • Start procurement of materials and equipment needed for expanded crew delivery • Initiate contracts for highest priority consultants • Initiate planning for new employee onboarding, training, and facilities needs
December	<ul style="list-style-type: none"> • Mayor and Council initiate process to create LOC • Initiate steps to select Transportation Funding Task Force members including issuing consultant RFQ • Begin development of 2025 Transportation Levy dashboard 	<ul style="list-style-type: none"> • Design underway for 2025 crew delivered projects • Post initial Request for Proposals for bridge planning and structural repair • Confirm approach and workplan for new or expanded programs • Project development begins on longer-duration projects like AAC
January	<ul style="list-style-type: none"> • Council receives 2025 Levy Workplan per Resolution 32137 • Set up financials for new levy programs and projects • Develop 2025-2026 Grant Strategy 	<ul style="list-style-type: none"> • Begin levy-funded work appropriate for winter conditions • Initiate hiring to fill new positions • Design continues for 2025 crew delivered projects • Onboard key City department partners to Levy workplans and commitments (SPU, SCL, FAS, OSE, DON, OED, OPCD)
February	<ul style="list-style-type: none"> • Project team development to support Task Force engagement and materials • Initiate Initial spend plan development 	<ul style="list-style-type: none"> • Initial community walks to select accelerated sidewalk projects • Design continues for 2025 crew delivered projects • Additional Request for Proposals issued for bridge projects • Project development and complete streets scoping on longer-duration AAC projects
March	<ul style="list-style-type: none"> • Mayor and Council complete selection of LOC and Task Force members • Council confirmation of Task Force Members per Resolution 31245 	<ul style="list-style-type: none"> • Execute contracts for initial bridge planning work • Additional community walks held to select new sidewalks • Design for 2025 crew-delivered projects transitioning to scoping for 2026 projects
April	<ul style="list-style-type: none"> • Target window for first Task Force meeting (Q2) • Target window for first LOC meeting (Q2) • Launch 2025 Transportation Levy dashboard 	<ul style="list-style-type: none"> • Additional community walks held to select new sidewalks • New program staffing complete; onboarding and training begins • 2025 crew delivered work scheduling for summer season • Initial scoping of 2026 crew-delivered projects underway

SEATTLE PUBLIC UTILITIES (SPU)

2025-2026 PROPOSED BUDGET OVERVIEW

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Operating Budget					
General Expense	\$761.7M	\$758.4M	(0.4%)	\$784.2M	3.4%
Leadership and Administration	\$162.7M	\$168.3M	3.4%	\$178.2M	5.9%
Utility Service and Operations	\$228.4M	\$246.6M	8.0%	\$255.9M	3.8%
Operating Subtotal:	\$1,152.9M	\$1,173.4M	1.8%	\$1,218.4M	3.8%
Capital Budget					
Drainage & Wastewater					
Combined Sewer Overflows	\$111.8M	\$92.1M	(17.6%)	\$92.2M	0.1%
Flooding, Sewer Backup & Landslide	\$12.2M	\$11.0M	(10.2%)	\$20.8M	89.4%
Protection of Beneficial Uses	\$36.7M	\$30.4M	(17.2%)	\$58.9M	93.9%
Rehabilitation	\$61.2M	\$43.9M	(28.3%)	\$43.1M	(1.7%)
Sediments	\$10.7M	\$13.4M	25.0%	\$13.2M	(1.8%)
Solid Waste					
New Facilities	\$24.2M	\$21.0M	(13.0%)	\$16.1M	(23.2%)
Rehabilitation & Heavy Equipment	\$2.3M	\$0.4M	(82.4%)	\$0.8M	103.3%
Water					
Distribution	\$44.1M	\$53.5M	21.4%	\$65.7M	22.9%
Habitat Conservation Program	\$3.7M	\$1.6M	(57.4%)	\$5.7M	265.3%
Transmission	\$13.5M	\$11.9M	(11.9%)	\$25.3M	112.0%
Water Quality & Treatment	\$6.5M	\$1.4M	(77.9%)	\$10.2M	617.8%
Water Resources	\$16.7M	\$19.5M	16.8%	\$15.3M	(21.7%)
Watershed Stewardship	\$4.9M	\$2.9M	(41.1%)	\$5.0M	72.2%
Shared (Drainage & Wastewater Solid Waste, and Water)					
Shared Cost Projects	\$66.2M	\$96.2M	45.2%	\$79.7M	(17.2%)
Technology	\$13.2M	\$12.9M	(2.3%)	\$10.1M	(21.9%)
CIP Subtotal:	\$427.8M	\$412.0M	(3.7%)	\$462.0M	12.1%
Grand Total:	\$1,580.7M	\$1,585.4M	0.3%	\$1,680.4M	6.0%

The 2025 Proposed Budget for Seattle Public Utilities (SPU) increases by a little less than \$5 million, or 0.3 percent, relative to the 2024 Adopted Budget, and the 2026 Proposed Budget increases by approximately \$95 million, or 6 percent, relative to the 2025 Proposed Budget. Its operating budget, which accounts for a little more than 70 percent of the overall budget, is proposed to increase in each year, by about \$20 million in 2025 and about \$45 million in 2026, largely due to increased staffing and investments related to priorities contained in the department’s recently approved 2025-2030 Strategic Business Plan. The proposed budgets include a variety of technical changes (e.g., debt service, major contracts, inflation, taxes and fees, etc.) and increased staffing and funding for SPU to take over operations of the Tolt Water Treatment Facility from an outside contractor. The 2025 Proposed Budget would also transfer all of SPU’s graffiti abatement staff and services to Seattle Parks and Recreation (SPR), and it would transfer a portion of the public hygiene program services to SPR as well.

SPU’s budgets are guided by a six-year Strategic Business Plan (SBP) and by utility rates that are established by the Council via ordinance. Strategic business plans describe priorities and guide service delivery and business strategy for the department’s three utilities: drainage and wastewater, solid waste, and water. The current 2025–2030 SBP was adopted by Council in September 2024 ([RES 32136](#)). The Council typically considers rate-setting legislation for one of SPU’s three utilities each year, with rates being set for a three-year period. The most recent updates occurred in 2022 for solid waste ([ORD 126689](#)), in 2023 for water ([ORD 126909](#)), and 2024 for drainage and wastewater ([ORD 127072](#), [ORD 127073](#)).

Each of the three SPU utilities receives its revenues, and funds its activities, via enterprise funds: the Drainage and Wastewater Fund (DWF), the Solid Waste Fund (SWF), and the Water Fund (WF). SPU bills customers for the services they receive, and the revenues from those customers may only be used for utility-related work. Activities that are for the benefit of the general public (e.g., public litter and recycling cans, public hygiene, etc.) must be paid for with other funds – typically the General Fund (GF).

DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2024 ADOPTED	2025 PROPOSED	% CHANGE	2026 PROPOSED	% CHANGE
Labor	\$232.7M	\$250.5M	7.6%	\$261.7M	4.5%
Non-Labor	\$1,348.0M	\$1,334.8M	(1.0%)	\$1,418.6M	6.3%
Total:	\$1,580.7M	\$1,585.4M	0.3%	\$1,680.4M	6.0%
Total FTE:	1,507	1,568	4.0%	1,583	1.0%

- The 2025 Proposed Budget would add a total of 61 FTE to SPU and the 2026 Proposed Budget would add 15 FTE, for a two-year increase of 76 FTE, which is a 5 percent increase over the staffing level in the 2024 Adopted Budget.
- The changes include staff to administer the side sewer permitting program (18 FTE: 8 new; 10 transferred from the Seattle Department of Construction and Inspections (SDCI)), to operate the Tolt Water Treatment Facility (21 FTE), to further a variety of SBP-endorsed priorities (29 FTE in 2025, 15 FTE in 2026), and to establish and maintain a City-owned tree nursery (1 FTE).
- The 2025 Proposed Budget would also transfer 9 FTE to SPR for graffiti abatement activities, and it would recognize a 1 FTE addition to SPU that occurred in the Mid-Year Supplemental.

OPERATING BUDGET

OPERATING BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

BSL	General Expense				
Purpose	The purpose of the General Expense Budget Summary Level is to provide for the Utility's general expenses such as debt service, taxes and major contracts.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$2.3M	\$2.4M	5.0%	\$2.5M	5.0%
Drainage & Wastewater Fund	\$360.3M	\$394.5M	9.5%	\$424.4M	7.6%
Solid Waste Fund	\$247.4M	\$213.4M	(13.7%)	\$205.4M	(3.8%)
Water Fund	\$151.8M	\$148.1M	(2.4%)	\$151.9M	2.6%
Total:	\$761.7M	\$758.4M	(0.4%)	\$784.2M	3.4%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Budget Reserves	\$14.1M	\$13.5M	(3.9%)	\$14.1M	4.0%
Capital Purchases	\$0.3M	\$0.3M	2.0%	\$0.3M	2.0%
Debt Service	\$233.9M	\$197.2M	(15.7%)	\$195.9M	(0.6%)
Major Contracts	\$348.5M	\$374.3M	7.4%	\$393.9M	5.2%
Taxes and Fees	\$165.0M	\$173.1M	4.9%	\$180.0M	4.0%
Total:	\$761.7M	\$758.4M	(0.4%)	\$784.2M	3.4%

- The large reduction in the Solid Waste Fund’s portion of the General Expense BSL is due to the use of existing fund balance to pay off long-term debt in 2024, thereby reducing debt service costs in 2025 and 2026.
- The increase in the Drainage and Wastewater Fund’s portion of the BSL is primarily due to increasing loan debt service, taxes, and contractual costs for King County wastewater treatment.

BSL	Leadership and Administration				
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide overall management and policy direction for Seattle Public Utilities and to provide core management and administrative services like finance, human resources, and facility management.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	-	-	-	-	-
Drainage & Wastewater Fund	\$75.7M	\$75.3M	(0.5%)	\$79.5M	5.6%
Solid Waste Fund	\$19.5M	\$19.9M	2.0%	\$21.2M	6.4%
Water Fund	\$67.6M	\$73.1M	8.1%	\$77.5M	6.0%
Total:	\$162.7M	\$168.3M	3.4%	\$178.2M	5.9%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Citywide Indirect Costs	\$81.1M	\$77.6M	(4.4%)	\$82.0M	5.7%
Departmental Indirect Costs	\$94.3M	\$108.2M	14.7%	\$115.0M	6.4%
Divisional Indirect Costs	\$0.9M	\$0.9M	(4.6%)	\$0.9M	3.8%
Indirect Cost Recovery Offset	(\$23.7M)	(\$25.5M)	7.4%	(\$27.0M)	6.0%
Paid Time Off Indirect Costs	\$5.4M	\$5.2M	(4.8%)	\$5.2M	1.5%
Pooled Benefits Indirect Costs	\$4.7M	\$2.0M	(57.8%)	\$2.0M	2.6%
Total:	\$162.7M	\$168.3M	3.4%	\$178.2M	5.9%

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs for the department. The proposed changes, approximately \$5.6 million in 2025 and \$9.9 million in 2026, are impacted by costs assigned by the City Budget Office and other proposed changes that add new staff.
- The BSL is also proposed to receive 4 FTE in 2025 and 1 FTE in 2026 to support internal human resources activities and training.

BSL	Utility Service and Operations				
Purpose	The purpose of the Utility Service and Operations Budget Summary Level is to fund the direct delivery of essential Customer Service programs and the operating expenses for Pre-Capital Planning & Development, Project Delivery, Drainage and Wastewater, Solid Waste, Water and General Fund programs.				
Appropriations by Fund	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
General Fund	\$24.4M	\$24.3M	(0.6%)	\$25.2M	3.7%
Drainage & Wastewater Fund	\$83.3M	\$88.5M	6.2%	\$91.3M	3.2%
Solid Waste Fund	\$40.8M	\$45.9M	12.4%	\$47.8M	4.0%
Water Fund	\$79.9M	\$88.0M	10.1%	\$91.7M	4.3%
Total:	\$228.4M	\$246.6M	8.0%	\$255.9M	3.8%
Appropriations by Program	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Customer Service	\$27.4M	\$30.2M	10.1%	\$31.4M	3.9%
Drainage System	\$10.4M	\$10.2M	(2.6%)	\$10.6M	4.0%
DWW Facilities & Equip	\$1.0M	\$1.1M	9.5%	\$1.2M	15.8%
DWW System Operations	\$36.7M	\$37.8M	3.1%	\$39.1M	3.3%
Emergency Response	\$2.9M	\$2.9M	1.1%	\$3.0M	4.0%
Engineering	\$19.1M	\$21.5M	12.4%	\$22.5M	4.7%
Pre-Capital Planning	\$4.6M	\$5.7M	23.7%	\$5.3M	(6.2%)
Solid Waste Facilities & Equip	\$6.5M	\$7.4M	13.7%	\$7.7M	3.9%
Solid Waste Operations	\$44.7M	\$48.5M	8.4%	\$50.4M	4.0%
Wastewater System	\$14.9M	\$16.5M	10.8%	\$17.2M	3.7%
Water Distribution System	\$17.7M	\$15.2M	(13.8%)	\$15.8M	4.1%
Water Facilities & Equipment	\$3.0M	\$2.8M	(5.9%)	\$3.0M	4.1%
Water Supply & Transmission	\$5.2M	\$5.1M	(2.5%)	\$5.2M	3.6%
Water System Operations	\$34.3M	\$41.7M	21.8%	\$43.5M	4.2%
Total:	\$228.4M	\$246.6M	8.0%	\$255.9M	3.8%

- The Utility Service and Operations BSL contains a number of staffing and budgetary increases related to the four core focus areas from the recently adopted Strategic Business Plan, with increases totaling 25 FTE and \$5.8 million in 2025, and 14 FTE and \$6.2 million in 2026. The next four bullet points describe some of these additions by focus area:
 - Delivering Essential Services: staffing support for capital project delivery, implementation of the Waste Prevention Strategic Plan, an acoustic leak detection test on the City’s East Side Supply Pipeline, and additional solid waste compactor maintenance at the transfer stations.
 - Empowering Customers, Community, and Employees: funding and staffing the next phase of the side sewer assistance program, conducting a federally mandated electrical study to ensure employee safety, and the conversion of a temporary employee into a regular position to address increased demand at solid waste transfer stations.
 - Stewarding Environment and Health: food waste prevention and diversion activities, support for a reusable foodservice ware initiative, work to improve the resilience of drainage and wastewater systems, and facility electrification.
 - Strengthening Utility Business Practices: staffing for an in-house pipe-lining crew and water service line replacements, operations and maintenance for new capital assets, and asset and fleet management support.
- The 2025 Proposed Budget would transfer 10 FTE from SDCI to SPU and would add 8 new FTE to SPU to administer side sewer permitting for both new developments and repairs or replacements of existing side sewers. Side sewer permitting is currently overseen by SDCI via an agreement with SPU, and SPU proposes to take over that work to promote consistent interpretation, application, and enforcement of the side sewer code.

- The 2025 Proposed Budget also adds staff and funding to directly operate the Tolt Water Treatment Facility. Since 1997, the facility has been managed by a contractor and the contract is scheduled to expire at the end of 2026, although the contractor has signaled a desire to end the contract early. The Utility Service and Operations BSL would increase by 21 FTE and approximately \$3.4 million in 2025 and \$3.5 million in 2026 to begin the work of hiring and training staff to operate the facility. SPU anticipates that overall costs to directly manage the facility will be higher than they are under the current contractor, but believes that other advantages, such as improved integration with related SPU operations and an improved equity focus in staffing, make the transition worthwhile.
- One new FTE and \$680,000 in funding (\$388,000 GF, \$292,000 DWF) is also proposed in 2025 to establish and maintain a publicly owned tree nursery to supply a stable stream of trees to the existing Trees for Neighborhoods program. Funding is proposed to continue in 2026 at a slightly lower amount (\$304,000 GF, \$229,000 DWF). According to SPU, it has been difficult for the program to acquire desirable tree species and tree quality has been inconsistent in recent years, and the goal is for the tree nursery to reduce these challenges and bridge the gap from wholesale nurseries to distribution of trees to residents. The broader goals of the Trees for Neighborhoods program are to support the City’s tree canopy, equity, climate resilience, and stormwater management.
- The 2025 Proposed Budget transfers the entirety of SPU’s graffiti abatement program to SPR to consolidate citywide graffiti abatement services in one department and to reduce the impact of SPU’s overhead charges on the GF. The proposed change to SPU’s 2025 budget is a reduction of 9 FTE and \$3.1 million, and the transfer is estimated to save approximately \$1.2 million in SPU overhead charges. The Executive estimates a final net benefit to the GF of \$500,000 after additional staffing and other resources at SPR are taken into account.
- The proposed budget also transfers operational control of hygiene stations (portable toilets and handwashing stations) to SPR, resulting in a net GF savings of \$250,000 due to reduced overhead and administration costs. SPU will maintain control of the shower trailer portion of its Public Hygiene Program.

CAPITAL BUDGET

CAPITAL BSL SUMMARY CHARTS BY FUND AND BUDGET PROGRAM

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

SPU’s capital program is separated into four parts: (1) Drainage and Wastewater, (2) Solid Waste, (3) Water, and (4) Shared Projects. The first three categories include capital projects pursued for the benefit of only one of the utilities, whereas the fourth category contains capital projects that provide benefits for, and are funded jointly by, all three of the utilities.

Note: Changes in the tables that follow may not represent policy shifts; capital spending varies based on the status and schedule of the projects being pursued.

Drainage & Wastewater

BSL	Combined Sewer Overflows				
Purpose	The purpose of the Combined Sewer Overflow (CSO) Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan and construct large infrastructure systems, smaller retrofits, and green infrastructure for CSO Summary.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$111.8M	\$92.1M	(17.6%)	\$92.2M	0.1%
Total:	\$111.8M	\$92.1M	(17.6%)	\$92.2M	0.1%

- Most of the capital projects in the Combined Sewer Overflows BSL are required under SPU’s consent decree with the U.S. Department of Justice, U.S. Environmental Protection Agency, and the Washington State Department of Ecology, and they are focused on reducing the number of overflows caused by combined sewer and drainage systems.
- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$85.7 million, and in 2026 was \$55.6 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$6.4 million. And for 2026, planned spending increases by \$36.6 million.
- The proposed increases are attributable to an updated construction schedule and cost for the Ship Canal Water Quality Project, including anticipated costs for a portion of the project that was re-bid in 2024.

BSL	Flooding, Sewer Backup & Landslide				
Purpose	The purpose of the Flooding, Sewer Back-up, and Landslides Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan, design and construct systems aimed at preventing or alleviating flooding and sewer backups in the City of Seattle, protecting public health, safety, and property. This program also protects SPU drainage and wastewater infrastructure from landslides, and makes drainage improvements where surface water generated from City rights-of-way contributes to landslides.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$12.2M	\$11.0M	(10.2%)	\$20.8M	89.4%
Total:	\$12.2M	\$11.0M	(10.2%)	\$20.8M	89.4%

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$20.8 million, and for 2026 was \$28.3 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$9.8 million. And for 2026, planned spending decreases by \$5.6 million.
- The proposed decreases are primarily due to delaying the start of the South Park Conveyance Phase II project until external funding is confirmed, as well as a delay in the Rainier View Drainage improvement project.

BSL	Protection of Beneficial Uses				
Purpose	The purpose of the Protection of Beneficial Uses Budget Summary Level, a Capital Improvement Program funded by drainage revenues, is to make improvements to the City's drainage system to reduce the harmful effects of storm water runoff on creeks and receiving waters by improving water quality and protecting or enhancing habitat.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$36.7M	\$30.4M	(17.2%)	\$58.9M	93.9%
Total:	\$36.7M	\$30.4M	(17.2%)	\$58.9M	93.9%

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$40.3 million, and for 2026 was \$63.2 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$10 million. And for 2026, planned spending decreases by \$4.2 million.
- The proposed decreases are primarily due to design delays for the 45th Ave SW Culvert Replacement project, the North Thornton Natural Drainage System project, and the Chief Sealth Trail project.

BSL	Rehabilitation				
Purpose	The purpose of the Rehabilitation Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to rehabilitate or replace existing drainage and wastewater assets in kind, to maintain the current functionality of the system.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$61.2M	\$43.9M	(28.3%)	\$43.1M	(1.7%)
Total:	\$61.2M	\$43.9M	(28.3%)	\$43.1M	(1.7%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$51.4 million, and for 2026 was \$45.4 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$7.5 million. And for 2026, planned spending decreases by \$2.3 million.
- The proposed decreases are mostly due to delays in construction schedules for drainage and wastewater facility rehabilitation and renewal projects.

BSL	Sediments				
Purpose	The purpose of the Sediments Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to restore and rehabilitate natural resources in or along Seattle's waterways.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$10.7M	\$13.4M	25.0%	\$13.2M	(1.8%)
Total:	\$10.7M	\$13.4M	25.0%	\$13.2M	(1.8%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$15.6 million, and for 2026 was \$10.6 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$2.2 million. And for 2026, planned spending increases by \$2.6 million.

- The proposed changes are due to shifting timelines for sediment remediation projects that occur in coordination with other governmental agencies.

Solid Waste

BSL	New Facilities				
Purpose	The purpose of the New Facilities Budget Summary Level, a Capital Improvement Program funded by solid waste revenues, is to design and construct new facilities to enhance solid waste operations.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Solid Waste Fund	\$24.2M	\$21.0M	(13.0%)	\$16.1M	(23.2%)
Total:	\$24.2M	\$21.0M	(13.0%)	\$16.1M	(23.2%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$30.6 million, and for 2026 was \$8.5 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$9.6 million. And for 2026, planned spending increases by \$7.6 million.
- The proposed decreases in 2025 are due to delays in multiple projects, including the South Transfer Station Phase II project and a transfer station floor resurfacing project.
- The proposed increases in 2026 are partially due to the impacts of delayed projects moving into 2026 and also increased costs for North Transfer Station compactors.

BSL	Rehabilitation & Heavy Equipment				
Purpose	The purpose of the Rehabilitation and Heavy Equipment Budget Summary Level, a Capital Improvement Program funded by solid waste revenues, is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills and household hazardous waste sites.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Solid Waste Fund	\$2.3M	\$0.4M	(82.4%)	\$0.8M	103.3%
Total:	\$2.3M	\$0.4M	(82.4%)	\$0.8M	103.3%

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$0.2 million, and for 2026 was \$0.2 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$0.2 million. And for 2026, planned spending increases by \$0.7 million.
- The proposed increases are due to infrastructure improvements at the City’s closed landfills, including flare replacements and office facility improvements.

Water

BSL	Distribution				
Purpose	The purpose of the Distribution Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's water lines, pump stations, and other facilities.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$44.1M	\$53.5M	21.4%	\$65.7M	22.9%
Total:	\$44.1M	\$53.5M	21.4%	\$65.7M	22.9%

- In last year's adopted CIP, the projected spending for this BSL in 2025 was \$57.1 million, and for 2026 was \$65.5 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$3.6 million. And for 2026, planned spending increases by \$0.2 million.
- The proposed changes are primarily due to shifting seismic and pump station improvements to later years of the capital program, along with increased investments in water main extension projects.

BSL	Habitat Conservation Program				
Purpose	The purpose of the Habitat Conservation Budget Summary Level, a Capital Improvement Program funded by water revenues, is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$3.7M	\$1.6M	(57.4%)	\$5.7M	265.3%
Total:	\$3.7M	\$1.6M	(57.4%)	\$5.7M	265.3%

- In last year's adopted CIP, the projected spending for this BSL in 2025 was \$1.1 million, and for 2026 was \$0.6 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$0.5 million. And for 2026, planned spending increases by \$5.2 million.
- The proposed increases are due to the Downstream Fish Habitat Protection Program, with the funds intended to be used for land acquisition and restoration to improve salmon habitat.

BSL	Transmission				
Purpose	The purpose of the Transmission Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's large transmission pipelines that bring untreated water to the treatment facilities, and convey water from the treatment facilities to Seattle and its suburban wholesale customers' distribution systems.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$13.5M	\$11.9M	(11.9%)	\$25.3M	112.0%
Total:	\$13.5M	\$11.9M	(11.9%)	\$25.3M	112.0%

- In last year's adopted CIP, the projected spending for this BSL in 2025 was \$26.3 million, and for 2026 was \$17.7 million.

- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$14.4 million. And for 2026, planned spending increases by \$7.5 million.
- The proposed changes in this BSL are primarily due to delayed implementation of the Cedar River Pipeline Renton Seismic Upgrade project and scope changes to the 430 Pipeline Improvement project.

BSL	Water Quality & Treatment				
Purpose	The purpose of the Water Quality & Treatment Budget Summary Level, a Capital Improvement Program funded by water revenues, is to design, construct, and repair water treatment facilities and remaining open-water reservoirs.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$6.5M	\$1.4M	(77.9%)	\$10.2M	617.8%
Total:	\$6.5M	\$1.4M	(77.9%)	\$10.2M	617.8%

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$5.1 million, and for 2026 was \$16.3 million.
- With the projected amounts as the point of comparison, the Proposed Budget decreases planned spending in 2025 by approximately \$3.6 million. And for 2026, planned spending decreases by \$6 million.
- The proposed decreases are due to decreases in the Treatment Facility/Water Quality Improvements capital program that constructs smaller-scale water quality and treatment facility rehabilitation and improvement projects, as well as shifting costs on the Bitter Lake Reservoir Covering project.

BSL	Water Resources				
Purpose	The purpose of the Water Resources Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade water transmission pipelines and promote residential and commercial water conservation.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$16.7M	\$19.5M	16.8%	\$15.3M	(21.7%)
Total:	\$16.7M	\$19.5M	16.8%	\$15.3M	(21.7%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$13.8 million, and for 2026 was \$7.5 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$5.7 million. And for 2026, planned spending increases by \$7.8 million.
- The proposed increases are a result of scope changes in the Tolt Reservoir Log Boom Improvement and Tolt Warning System Upgrade projects and increases in the Hatchery Works capital program.

BSL	Watershed Stewardship				
Purpose	The purpose of the Watershed Stewardship Budget Summary Level, a Capital Improvement Program funded by water revenues, is to implement projects associated with the natural land, forestry, and fishery resources within the Tolt, Cedar, and Lake Youngs watersheds.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Water Fund	\$4.9M	\$2.9M	(41.1%)	\$5.0M	72.2%
Total:	\$4.9M	\$2.9M	(41.1%)	\$5.0M	72.2%

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$1.4 million, and for 2026 was \$2.5 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$1.5 million. And for 2026, planned spending increases by \$2.4 million.
- The proposed increases in this BSL are primarily due to the replacement of current culvert infrastructure on the Hobo Creek Crossing in the Cedar River Watershed.

Shared Projects

BSL	Shared Cost Projects				
Purpose	The purpose of the Shared Cost Projects Budget Summary Level, which is a Capital Improvement Program, is to implement the Water, Drainage and Wastewater, and Solid Waste Utility's share of capital improvement projects that receive funding from multiple SPU funds.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$19.4M	\$34.5M	78.0%	\$34.5M	(0.1%)
Solid Waste Fund	\$2.2M	\$8.4M	274.5%	\$5.4M	(36.5%)
Water Fund	\$44.6M	\$53.2M	19.4%	\$39.8M	(25.2%)
Total:	\$66.2M	\$96.2M	45.2%	\$79.7M	(17.2%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$53.6 million, and for 2026 was \$44.4 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$42.5 million. And for 2026, planned spending increases by \$35.2 million.
- The proposed increases in this BSL are primarily driven by increases in operational facility construction projects heavy equipment purchases, and space utilization efforts in the Seattle Municipal Tower.

BSL	Technology				
Purpose	The purpose of the Technology Budget Summary Level, a Capital Improvement Program, is to make use of technology to increase the Water, Drainage and Wastewater, and Solid Waste Utility's efficiency and productivity.				
Appropriations	2024 Adopted	2025 Proposed	% Change	2026 Proposed	% Change
Drainage & Wastewater Fund	\$5.4M	\$5.8M	6.3%	\$4.3M	(25.4%)
Solid Waste Fund	\$2.4M	\$1.5M	(35.7%)	\$1.5M	(2.4%)
Water Fund	\$5.3M	\$5.5M	4.0%	\$4.2M	(23.7%)
Total:	\$13.2M	\$12.9M	(2.3%)	\$10.1M	(21.9%)

- In last year’s adopted CIP, the projected spending for this BSL in 2025 was \$10.1 million, and for 2026 was \$10.1 million.
- With the projected amounts as the point of comparison, the Proposed Budget increases planned spending in 2025 by approximately \$2.8 million. And for 2026, planned spending stays the same.
- The proposed increases are primarily due to increases in the IT Infrastructure program that supports GIS, hardware purchases, and security and operational needs.

BUDGET LEGISLATION

1. SPU Water Bonds 2025 ORD

This legislation would authorize up to \$106 million of 30-year fixed-rate bonds to support the City’s water system. SPU anticipates selling the bonds in mid-2025 and expects that this level of debt, along with other sources of funding, would support the water system capital program for approximately one year. If the Council chooses not to pass the legislation, SPU will have insufficient resources to fund its planned capital spending for the water system for the next couple of years. SPU estimates the annual debt service on this bond issuance to be about \$6.9 million per year, with total Water fund debt service for 2025 and 2026 being \$78.3 million and \$80.2 million, respectively.

2. 2024 Year-End Supplemental ORD

The 2024 Year-End Supplemental includes a \$3 million increase in appropriations for SPU’s Solid Waste Fund to account for greater than anticipated solid waste taxes due to an increase in residential demand and transfer station usage. SPU’s utility taxes are calculated as a percentage of revenue generated. The bill also includes 10 appropriation transfers between capital projects which do not have an impact on the department’s overall budget. For example, the supplemental bill would transfer \$4 million of appropriation authority from the Ship Canal Water Quality Project (which has appropriation capacity due to project delays) to the North Operations Center modernization project to enable potential land purchases.

3. 2024 Year-End Grant Acceptance ORD

The 2024 Year-End Grant Acceptance bill would authorize SPU to accept 10 grants, totaling \$37.6 million, and it would provide the appropriation authority necessary to spend the grant funding beginning in 2024. Examples of some of the grants include: almost \$12 million from the Washington State Department of Ecology for work related to the South Thornton Creek Natural Drainage Systems project, \$3 million from the Environmental Protection Agency for the South Park Phase 2 Conveyance project, and two grants totaling \$15 million, structured as low-interest loans, from the Washington State Department of Health for the Bitter Lake Reservoir replacement project.

Pre-Introduction List of 2025-2026 Proposed Budget Legislation

Most proposed legislation transmitted with the 2025-2026 Proposed Budget is described in one or more budget overviews for individual departments. This table lists the legislation and the relevant department paper(s); for those pieces of legislation that are not described elsewhere, it provides a brief summary. Note that not all budget legislation transmitted by the Mayor may be introduced.

#	Legislation Short Title	Overview Paper(s) / Summary
1	CBO 2024 AWI Appropriations Pt 2 ORD	Would increase 2024 appropriations to City departments for increased costs of labor due to executed agreements with City unions and related legislation for non-represented employees.
2	CBO 2024 Year End Grant Acceptance ORD	Would provide authority for select City departments to accept and appropriate the expenditure of specified grant revenues from non-City sources in FY 2024. For more details: CARE, FAS, HSD, ITD, LAW, LEG, OED, OEM, OH, OPCD, OSE, SFD, SDOT, SPD, SPL, SPR, SPU
3	CBO 2024 Year End Supplemental ORD	Would make appropriation, position, and capital project changes to meet needs that are assumed to be unforeseeable at the time the 2024 budget was adopted in November 2023. For more details: ARTS, CBO, CEN, DEEL, DON, FG, FAS, HSD, ITD, MO, OED, OEO, OH, OERF, OIRA, OPCD, OSE, SCL, SDHR, SDOT, SEEC, SFD, SMC, SPD, SPL, SPR, SPU
4	CBO 2025 Annual Grant Acceptance ORD	Would accept recurring or multi-year grants that the City receives annually.
5	CBO 2025 Budget Adoption ORD	Would adopt the 2025 budget.
6	CBO 2026 Budget Endorsement RES	Would endorse the 2026 budget.
7	CBO Admissions Tax 2024 Amendments ORD	ARTS
8	CBO Legislated Reporting Requests ORD	Would amend or eliminate certain legislated reporting requests. For more details: OH, OLS, SCL, SDCI, SDOT, SPD
9	CBO Long Property Tax 2025 (Transportation Levy Doesn't Pass) ORD	Would impose the City's property tax rate for 2025 to be levied and levies the taxes. This bill would increase the regular non-voted levy by one percent for taxes to be collected in 2025, would add the allowance for new construction and other allowable amounts, and would specify the dollar amounts to be collected for the special purposes of voter-approved property tax measures (\$610 million total). This bill also levies the excess levy property taxes to pay debt service on voter-approved bond measures. This version of the ORD assumes that the new Move Seattle Levy does not pass.
10	CBO Long Property Tax 2025 (Transportation Levy Passes) ORD	Same as above, except this version assumes collection of first year Transportation levy of \$187 million, for a total revenue estimate amount of \$797 million.

#	Legislation Short Title	Overview Paper(s) / Summary
11	CBO Participatory Budgeting Implementation ORD	Would appropriate funding as recommended through the Participatory Budgeting process. For more details: CARE, DON, HSD, OPCD, SPR
12	CBO Payroll Expense Tax Spend Plan 2024 Modifications ORD	Would (1) amend JumpStart Fund policies to include support for student mental health and violence prevention, GF-funded services and programs, the Seattle Social Housing Developer Public Development Agency, and public transit expansion as eligible expenditures; (2) remove the percent allocations for the original categories (affordable housing, economic revitalization, Equitable Development Initiative, and Green New Deal); and (3) eliminate the Payroll Expense Tax Oversight Committee.
13	CBO Raffle and Bingo Tax 2024 ORD	Would eliminate the gambling tax equal to ten percent of net receipts for raffles conducted by non-profit organizations and bingo games.
14	CBO Short Property Tax 2025 (Transportation Levy Doesn't Pass) ORD	Companion to the 'Long Property Tax', this ORD reflect changes in the regular property taxes in terms of dollars and percentages (assumes Move Seattle Levy renewal does not pass).
15	CBO Short Property Tax 2025 (Transportation Levy Passes) ORD	Companion to the 'Long Property Tax', this ORD reflect changes in the regular property taxes in terms of dollars and percentages (includes 1 st year collection of Move Seattle Levy)
16	CBO TNC Tax Spending Plan 2024 Amendments RES	SDOT
17	CEN Facility Fees 2025-2026 ORD	CEN
18	CEN Memorial Stadium Interfund Loan ORD	CEN
19	CEN Parking Rates 2025-2026 ORD	CEN
20	CIV Exam Reorganization ORD	CIV, SDHR
21	FAS Animal Shelter Fees and Fee Authority ORD	FAS
22	FAS Recycling Company Fees ORD	FAS
23	HXM Filing Fees 2024 ORD	HXM
24	OCF HCMS Interfund Loan ORD	FAS
25	OCF Multipurpose LTGO Bonds 2025 ORD	FAS
26	OCF Municipal Light and Power Bonds 2025 ORD	SCL
27	OCF SPU Water Bonds 2025 ORD	SPU
28	RET 2025 ARC RES	SCERS
29	RET 2025 Credit Interest Rate RES	SCERS
30	SCL 2025 and 2026 Rates ORD	SCL
31	SDCI 2025 Fee ORD	SDCI
32	SDCI 2026 Fee ORD	SDCI
33	SDHR RET Deferred Comp Transfer ORD	SCERS, SDHR
34	SDOT 2024 Interfund Loan Extension ORD	SDOT

#	Legislation Short Title	Overview Paper(s) / Summary
35	SDOT 2025 Street Use Fee Schedule ORD	SDOT
36	SDOT ST3 Material Change ORD	SDOT
37	SDOT STM 2023 Proviso Lift ORD	SDOT
38	SFD 2025-2026 Permit and Fee ORD	SFD
39	SFD BLS Transport Fees ORD	SFD
40	SMC 2025 Fees ORD	SMC
41	SPD Obsolete Fee Repeal ORD	SPD
42	SPR 2025-2026 Fees and Charges ORD	SPR



Legislation Text

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General Fund Balancing Overview

General Fund Balancing Analysis

Staff: Tom Mikesell, Analyst

Select Budget Committee, Policy Considerations: October 16, 2024

Executive Summary:

The Mayor's 2025-2026 Proposed Budget increases appropriations from the General Fund (GF) by \$133 million (7.8%) in 2025 compared to the 2024 Adopted Budget. The 2026 Proposed Budget increases expenditures by \$56.4 million (3%) in compared to the 2025 Proposed Budget. This memo:

- Reviews changes made by the Council and the Mayor since the Council adopted a 2024 budget in November 2023 (this includes legislative changes, revenue forecasts and year-end carryforwards) and describes the impact of policy choices embedded in the Mayor's Proposed Budget on the 2024 GF ending balance; and.
- Reviews high level changes in the General Fund (GF) budget for 2025 and 2026 and illustrates the impact on GF sustainability into the future.

At the highest level, the key takeaways from this analysis include:

- In November 2023, the Council adopted a budget for 2024. At that time, those decisions resulted in a projected average ongoing annual deficit in the GF of approximately \$224 million in 2025 and beyond.
- Based on baseline and technical changes in the 2025-2026 Proposed Budget, and the latest projection of GF revenues in the August 2024 forecast, prior to any policy proposals, the GF faced a \$258 million annual baseline deficit in 2025 and 2026.
- Operating budget proposals in the 2025-2026 Proposed Budget add an additional \$25 million of ongoing cost to this baseline deficit projection.
- The deficit is resolved in both 2025 and 2026 through a combination of underspend assumptions in 2024 and 2025, the transfer-in of payroll expense tax revenues from the JumpStart Fund totaling \$287 million in 2025 and \$232 million in 2026, and the use of \$52 million of one-time fund balances.
- Beginning in 2027, the GF has a projected operating deficit of \$76 million per year, due to the use of one-time funds to balance 2026, and a projected growth in ongoing expenditures that outpaces projected revenues by an additional ~\$25 million.
- The use of the large JumpStart Fund transfer to balance the GF invites consideration of the volatility and stability of the payroll expense tax, and the impact on investments made from the JumpStart Fund.

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I. Background

[RCW 35.32A.030](#) requires that Seattle adopts a balanced budget, where the estimated revenues of each fund meets or exceeds budgeted expenditures. Time of adoption is the only time State law requires that the budget be balanced. The law does not require the annual budget to be updated to reflect changes in the City's revenue projections throughout the year. If authorized spending exceeds available revenues, the Executive is constrained by the amount of resources available to support authorized spending. If this occurs, the Executive must make administrative spending reductions (that is, the Executive must choose areas to stop spending).

State law does not require that a balanced budget be demonstrated in the years beyond the year being adopted, however, making projections of how current expenditure decisions may result in projected surpluses or deficits in the future is a common fiscal practice to foster sustainable and stable provision of government services in the future.

As the starting point for the focus on the City's General Fund (GF) balance and projected financial status, Section II of this memorandum briefly describes the GF Financial Plan provided in the 2024 Adopted Budget Book, which demonstrates, beginning in 2025, an ongoing funding gap and negative unreserved fund balance. This will serve as the foundation for subsequent sections that will track how proposed revenue and expenditure changes in 2024 through 2026 impact the projected funding gap and GF sustainability.

Section III describes the budget measures, taken by the Council and Mayor to adjust the 2024 budget because of unforeseen events, and revenue changes in the August forecast update by the Office of Economic and Revenue Forecasts (Forecast Office) and the City Budget Office (CBO). Finally, this section describes new proposals from the Mayor for the 2024 Budget, by way of proposed year-end supplemental appropriations and grants ordinances, and a proposed bill to adjust the budget for Council-approved labor contracts, and ultimately updates the estimated 2025 beginning fund balance that would be available if these proposals are passed, and which is assumed in the Mayor's Proposed Budget for 2025-2026.

Section IV of this paper continues with a review of the Mayor's 2025-2026 Proposed Budget for the GF, in preparation for more detailed departmental or Council's topic-specific Policy Consideration discussions, scheduled for October 17- 22. This review covers the major categories of the Proposed Budget, with a specific focus on revenue and expenditure measures proposed to balance the fund. Attention is also given to the status of the balances held in the Emergency Fund and the Revenue Stabilization Fund, the City's primary fiscal reserves.

Section V of this paper concludes the analysis of the GF with a review of the GF Financial Plan through 2027, after accounting for the proposed changes discussed in previous sections and provides an updated view of the sustainability of the GF budget in 2027 and beyond.

II. 2024 Adopted GF Financial Plan

1. 2024 Adopted GF Budget

On November 21, 2024, the City Council passed [ORD 126955](#) which approved a 2024 Adopted City budget of \$7.8 billion, of which \$1.7 billion was for programs and services funded from the GF.

Table 1 shows the fiscal parameters of the two-year GF budget plan, including the 2023 beginning balance, operating revenues, operating expenditures, reserves, and ending unreserved fund balance. Put another way, this table represents the parameters of the balanced 2024 Adopted Budget.

Table 1. 2024 Adopted GF Budget

Amounts in \$1,000s	2023 Revised Budget	2024 Adopted Budget
Beginning Budgetary Fund Balance	\$361,106	\$243,684
Revenues	\$1,717,038	\$1,697,538
Expenditures	(\$1,834,460)	(\$1,722,180)
Ending Budgetary Fund Balance	\$243,684	\$219,042
Planning Reserves ^{1/}	(\$98,152)	(\$219,040)
Ending Unreserved Fund Balance	\$145,532	\$1

^{1/} Includes \$10 million underspend assumption in 2023 and 2024.

As shown in the table, a \$243.6 million ending budgetary fund balance in 2023 carries through to 2024 to arrive at a \$1 million ending unreserved fund balance at the end of 2024, representing a balanced budget. The 'Planning Reserves' row includes amounts that are intended to be budgeted in future years but are not yet part of the budget due to legal or other planning considerations as determined by the Executive. Since these amounts are not appropriated in the budget, in Table 1 they are shown 'below the line' (i.e., not part of expenditures). In 2024, these reserves specifically anticipated the additional labor costs associated with labor agreements that were then under negotiation.

2. 2024 Adopted GF Financial Plan

In February of this year, CBO published the [2023-2024 Adopted Mid-Biennial Budget book](#), that memorializes and describes the funding decisions in ORD 126955, and includes, on page 519, a financial plan for the GF, covering revenues and expenditures from 2022 actuals through 2027 projected. In the budget book, the financial plan is organized with the Planning Reserve amounts shown 'below the line'. Like past presentations, which restructured the CBO-developed plan into a format that clearly demonstrates the annual operating gap, Table 2, below, adds growth in non-appropriated planning reserves above the 2022 level to the 'Expenditures' row.

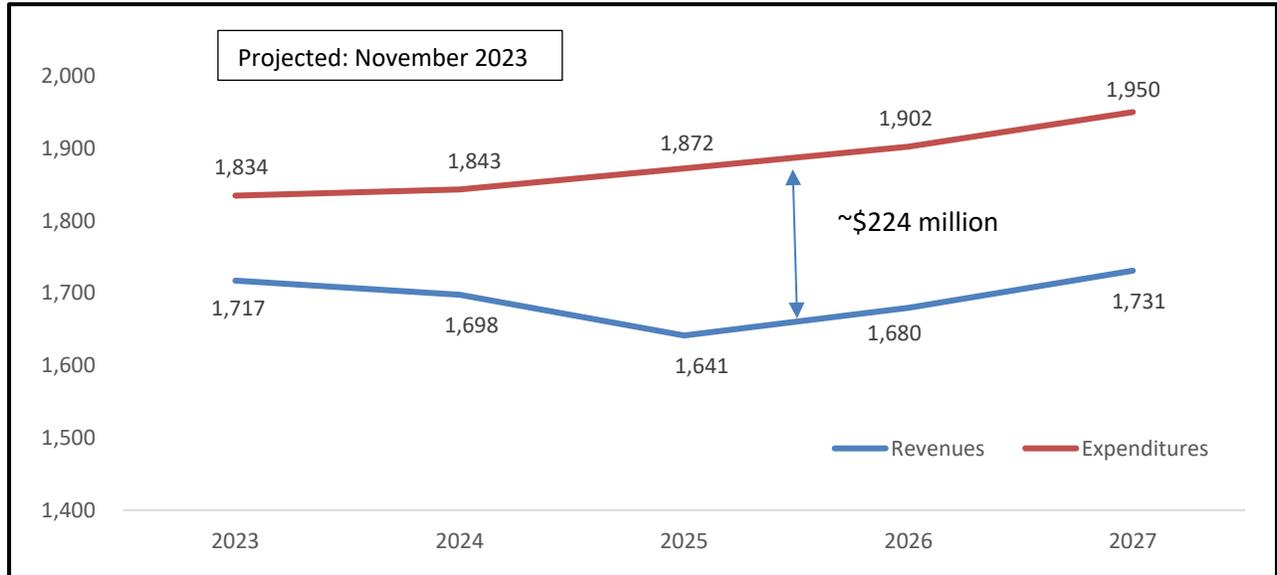
With this adjustment it is possible to see, as summarized in the *Surplus (Deficit)* row of Table 2 below, that the financial plan projected an average ongoing deficit in the GF of approximately \$224 million in 2025 through 2027. In simple terms, this means that the projected ongoing GF expenditures were higher than the revenues that would be available to support them each year.

Table 2. 2024 Adopted GF Budget Financial Plan¹

Amounts in \$1,000s	2023 Revised	2024 Adopted	2025 Projected	2026 Projected	2027 Projected
Starting Budgetary Balance	\$361,106	\$243,684	\$98,154	(\$132,591)	(\$355,225)
Revenues	\$1,717,038	\$1,697,538	\$1,641,282	\$1,679,576	\$1,730,839
Expenditures	(\$1,834,460)	(\$1,843,068)	(\$1,872,027)	(\$1,902,210)	(\$1,949,866)
Surplus (Deficit)	(\$117,422)	(\$145,530)	(\$230,745)	(\$222,634)	(\$219,027)
Ending Budgetary Fund Balance	\$243,684	\$98,154	(\$132,591)	(\$355,225)	(\$574,252)
Planning Reserves	(\$98,152)	(\$98,152)	(\$98,152)	(\$98,152)	(\$98,152)
Ending Unreserved Fund Balance	\$145,532	\$1	(\$230,744)	(\$453,378)	(\$672,404)

Figure 1 shows these revenue and expenditures trends graphically, to help visualize the \$224 million average operating gap between GF revenues and expenditures in the financial plan.

Figure 1. 2023-2024 Adopted Budget GF financial plan operating gap



As shown in Figure 1, the gap between revenues and expenditures in 2023 and 2024, which is supported by use of one-time fund balance from prior year activity, grows larger in 2025 as the temporary use of one-time transfers, primarily from the JumpStart Fund, expires according to provisions in [ORD 126719](#), the Funds Flexibility ordinance.

¹ To facilitate a functional display of the gap between ongoing revenue and expenditure projections, given the City Budget Office’s practice of leaving some expenditures in unbudgeted, ‘reserve’, status, the growth in ‘Planning Reserves’ above the 2023 base level of \$98 million is shown in the ‘Expenditure’ row in each future year.

III. 2024 GF Budget Adjustments

1. 2023 Year-end Reconciliation

As described in the [May 15th General Fund Balancing Analysis](#) presented to the Select Budget Committee, a combination of higher than anticipated revenues and lower than budgeted expenditures in 2023 resulted in an actual year-end fund balance that was \$164 million higher than what was expected when the 2024 Budget was adopted. As discussed below, most of that higher beginning balance was used to fund automatic and legislated appropriations carried forward into the 2024 budget to perform unfinished work.

2. Approved 2024 Adjustments and Carryforwards

Since November 2023, the 2024 Adopted Budget has been revised by a series of Council-approved and automatic updates, as shown in Table 3, which have a net GF balance impact of (\$126 million) after accounting for \$61 million of revenues associated with these changes and the drawdown of \$162 million of planning reserves held for these purposes.

Table 3. Adopted Current Year Budget Legislation and Automatic Carryforwards²

Amounts in \$1,000s	Revenues	Expenditures	Planning Reserves	GF Balance Impact
Automatic Carryforwards	\$51,801	(\$123,264)		(\$71,463)
ORD 127002 - OED Commerce Grant	\$50	(\$50)		\$0
ORD 127011 - CBO Q1 Grants	\$3,014	(\$3,014)		\$0
ORD 127036 - CBO 2024 Carryforward	\$0	(\$53,054)		(\$53,054)
ORD 127067 - CBO Labor Appropriations	\$300	(\$161,553)	\$161,253	\$0
ORD 127068 - CBO 2024 Mid-Year Supplemental	(\$2,663)	\$1,055		(\$1,608)
ORD 127069 - CBO 2024 Q2 Grants	\$6,243	(\$6,243)		\$0
Total - Revised Budget Changes	\$61,108	(\$348,234)	\$161,553	(\$126,126)

3. August Revenue Forecast Update

On August 5th, staff from the Forecast Office and CBO [presented](#) to the Economic and Revenue Forecast Council³ (Forecast Council) the second of three planned forecast updates for 2024. Relying on a baseline economic scenario, which has a 75 percent probability of economic activity being equal to or better than projected, this forecast projected 2024 GF revenue levels of \$1.745 billion, which is \$48 million higher than the amount originally projected in the 2024 Adopted Budget. However, the August forecast included most of the revenue from carryforwards and legislated changes detailed in Table 3, above. After accounting for this legislated revenue, the August GF revenue forecast is (\$10.5) million lower than the 2024 Adopted Budget level.

4. 2024 GF Balancing Status After Approved Changes

After accounting for the impact of the revenue forecast, and the carryforwards and legislated changes described above, the projected ending unreserved balance increases from \$1 million to \$27.4 million as detailed in Table 4. This is the unreserved ending balance before applying the 2024 proposed changes assumed in the Mayor’s 2025-2026 Proposed budget.

² As of September 13, 2024.

³ Pursuant to Seattle Municipal Code Section 3.44.010 (B), 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

Table 4. 2024 Unreserved Ending Fund Balance after Approved Adjustments

Amounts in \$1,000s	Balance
2024 Adopted Unreserved Ending Balance	\$1
2023 Year-End Reconciliation	\$163,971
2024 Adjustments and Carryforwards	(\$126,126)
August Revenue Forecast Update	(\$10,489)
2024 Revised Unreserved Ending Balance	\$27,358

The next subsection discusses new legislative and administrative proposals for the remainder of 2024 that the Mayor has included with the 2025-2026 Proposed Budget.

5. 2024 GF Budget Legislation Submitted with the Proposed Budget

This subsection discusses the budget legislation for the remainder of 2024 that the Mayor has included with the 2025-2026 Proposed Budget. This legislation includes proposed year-end grant acceptance and appropriations, comprehensive year-end supplemental budget adjustments, and legislation to provide budget authority for the remaining 2024 impacts of Council-approved collective bargaining agreements.

Year End Supplemental Legislation: Transmitted to the Council as part of a package of legislation necessary to implement the 2025-2026 Proposed Budget, this bill would increase revenues to the GF by \$13.6 million and increase GF expenditures by \$29.9 million, with a net balance impact of (\$16.3) million.

Notable GF revenue changes include:

- **Transfer Coronavirus Local Fiscal Recovery Funds to the GF:** \$17.8 million transfer from the Coronavirus Local Fiscal Recovery (CLFR) Fund to the GF for revenue replacement. These monies represent excess cash balances, as of July 30, 2024, for projects and programs created using federal CLFR dollars provided in the federal American Rescue Plan Act of 2021. As described below, the bill also includes \$16.7 million of one-time GF appropriations to continue select projects originally funded with these monies, with a net positive GF impact of \$1.1 million.
- **New Grant Appropriations Backed by Revenues:** \$3.9 million of new appropriations, fully offset by new grant and reimbursement revenues. Most of the change is from three items, including a \$2 million grant to the Seattle Fire Department (SFD) for BioWatch programs; \$500,000 from the Washington Student Achievement Council to increase resources for the Department of Education and Early Learning’s (DEEL) Postsecondary Success Network project, and a \$300,000 reimbursement from the Washington Department of Natural Resources to Seattle Fire Department (SFD) for wildland firefighting expenses.
- **Revenue Neutral Grant abandonments and Transfers to Other Funds:** \$6.4 million revenue reduction, completely offset by reduced appropriations, including \$1.7 million from grant abandonments and \$6.4 million from grants proposed to be managed in different City funds.

The bill also includes GF expenditure changes, not supported by new revenues, totaling \$17.4 million, including:

- **Seattle Police Department Overtime:** \$12.8 million increase to the Seattle Police Department for overtime.
- **Increase GF Contribution to Worker’s Compensation Fund:** \$3 million increase to Finance General (FG) for a cash contribution to the Industrial Insurance Fund for increased costs in 2024 that exceed department budgeted amounts.
- **SFD Termination Pay:** \$1.7 million increase for termination pay cashouts that were higher than anticipated due to more retirements than expected and higher amounts due per employee.
- **Higher City Insurance Costs:** \$1.2 million increase to FG for higher insurance premiums, bringing the total GF insurance premium payment to \$16.5 million, which is 6% higher than in 2023.
- **Adjust FG Reserves:** \$3.5 million decrease reflecting the adjustment of select FG reserves, including:
 - **High Barrier Workgroup Reserve:** \$400,000 reduction, eliminating the balance of reserve. It is worth noting that the 2025-2026 Proposed Budget would eliminate this funding on an ongoing basis.
 - **Fleet Vendor Maintenance Reserve:** \$1.8 million reduction, eliminating the balance of the reserve. It is worth noting that the 2025-2026 Proposed Budget would restore this reserve to \$500,000, and then maintain at this reduced level on an ongoing basis.
 - **GF Arena Reserve:** \$885,000 reduction to the amount reserved to pay the Seattle Arena Company, LLC, to align with the August revenue forecast.
 - **Reduce Transit Reserve:** \$460,000 decrease to reflect the lower GF need to pay for employee transit pass use.

Year-end Grant Acceptance Legislation: Transmitted as budget legislation, this represents the City’s formal acceptance of grants from non-City sources. Total grant revenue accepted by this bill would be \$3.3 million, of which \$3.3 million would go to the GF.

Second Annual Wage Increase Appropriations Legislation: This bill increases appropriations by \$110 million, of which \$29.7 million is GF, to provide funds to cover the costs associated with the series of Council-approved labor agreements. This includes agreements with the Coalition of City Unions, Local 27 of the International Association of Fire Fighters, Local 77 of the International Brotherhood of Electrical Workers, the Seattle Police Officer’s Guild, and several other unions. The total appropriation request is lower than what is required to fully fund the agreements through year’s end, due to a one-time ‘health care holiday’ that is also included in the bill. Due to overcollection of premiums into the City’s Health Care Fund, which accounts for health care costs in the City’s self-insured health insurance program, resources in the fund are sufficient to fund costs without collecting the full year’s premiums. The total impact of the healthcare holiday is a \$55 million reduction to department appropriations; without this approach, the total appropriation need would be \$165 million across all funds. This change is funded with a decrease in planning reserves which have been held for this purpose.

6. Change to Planning Reserves

The final adjustment to the 2024 Budget is a \$12 million increase to the amount recorded in the non-appropriated planning reserves. Including all changes in 2024, the reserved balance has declined from \$219 million in the 2024 Adopted Budget, to \$40 million in the 2024 Revised Budget. This adjustment reflects changes in planning assumptions. As will be discussed later in this paper, planning reserves are not included as appropriation changes in the Mayor’s budget proposal, so this adjustment is at the discretion of the Executive.

7. Planned Underspend

Though not part of the 2024 Revised Budget appropriation, the GF Financial Plan relies on an assumed underspend of \$24 million in 2024 to generate additional resources that are deployed in 2025 and 2026. In essence, the Executive expects final spending to come in \$24 million below budget, due in part to savings from a freeze on hiring and large contracts. This represents a \$14 million increase over the underspend assumption that was included in the 2024 Adopted Budget, and while not an explicit cut that can be evaluated and adopted on a department-by-department basis, represents a general declaration that current year spending will be sufficiently below budget to generate these savings by year end. As discussed later in this memorandum, the 2025 Proposed GF Budget parameters include a \$10 million underspend assumption.

8. 2024 Projected Ending Balance/2025 Projected Beginning Balance

Bringing together the totals from each of the prior subsections, the 2024 ending budgetary fund balance, which represents the beginning balance of one-time resources for the Mayor’s 2025-2026 Proposed Budget, is \$24 million, as shown in Table 5 below. This is \$23 million higher than the amount anticipated when the 2024 Budget was adopted. This amount represents one-time resources that are deployed in the Mayor’s 2025-2026 Proposed Budget.

Table 5. Impact on 2024 Ending Balance from Approved and Proposed 2024 Adjustments.

Amounts in \$000,000s	2024 Impact
2024 Adopted Ending Unreserved Fund Balance	\$1
1. 2023 Year End Reconciliation	\$164
2. Approved & Automatic Carryforwards/Supplementals	
Revenues	\$58
Expenditures	(\$346)
Changes in Plannings Reserves	\$162
<i>Subtotal - Approved Supplementals/Carryforwards</i>	<i>(\$126)</i>
3. August Revenue Forecast	(\$10)
4. Proposed Budget Legislation	
Revenues	\$17
Expenditures	(\$63)
Changes in Planning Reserves	\$30
<i>Subtotal - Proposed Budget Legislation</i>	<i>(\$16)</i>
5. Underspend Assumption	\$24
6. Final Changes to Planning Reserves	(\$12)
2024 Revised Unreserved Ending Fund Balance	\$24
Increase in 2023 ending balance compared to Adopted Budget	\$23

IV. 2025-2026 Proposed GF Budget

This section includes an overview of the 2025-2026 Proposed GF Budget, which totals \$1.86 billion in 2025, and \$1.91 billion in 2026, representing a \$133 million (7.8 percent), and \$190 million increase (11 percent), from the 2024 Adopted Budget, respectively. Building from the 2024 Adopted Budget, the analysis will add the proposed baseline and technical expenditures, planning reserves, and the August forecast information, to provide an assessment of the projected baseline deficit. Next, proposed policy expenditures are added. Finally, the changes to help balance the fund, notably the transfer in of \$287 million of payroll expense tax revenues, are reviewed

1. 2025-2026 Baseline, Technical and Planning Reserve Changes

As discussed above, the 2024 Adopted GF Budget totaled \$1.722 billion. Consistent with the City's incremental budgeting approach, the 2024 Adopted Budget is the starting point for both the 2025 and 2026 proposed budgets. Starting from the prior adopted budget, the Executive adjusts department budgets for one-time appropriations, inflation, wage increases, and existing policy or legal requirements, essentially determining the cost to continue 2024 service levels in the new biennium. These changes include the following:

- **Baseline Adjustments:** A decrease of \$34.6 million in 2025 and \$35.3 million in 2026 to reflect adjustment for one-time items in 2024, that are not intended to continue into 2025 and 2026, to zero-out the 2024 capital budget which is inherently one-time in nature, and to adjust various reserves and transfers to their legal levels.
- **Technical Adjustments:** An increase of \$157.7 million in 2025 and \$213.4 million in 2026 to adjust budgets for costs increases charged to departments by internal services departments, wage increases in settled labor contracts, and 2024 budget legislation with ongoing impacts, including:
 - Internal Service Charges: An increase of \$20.8 million in 2025 and \$47.5 million in 2026 to pay higher charges from departments that provide services to all City departments, including the Department of Finance and Administration, Seattle Information Technology, and the Seattle Department of Human Resources. Growth in these charges is directly due to growth in the budgets of internal services departments.
 - Miscellaneous Technical Adjustments: An increase of \$826,000 in 2025 and \$73,000 in 2026 for minor technical adjustments;
 - Wage Increases: An increase of \$134.3 million in 2025 and \$164 million in 2026 to adjust departmental labor budgets for ongoing costs of Council-approved labor agreements;
 - 2024 Budget Legislation: A \$1.7 million increase in both 2025 and 2026, to account for the ongoing impacts of legislation passed in 2024.
 - Transfers to Fiscal Reserves: A \$2.6 million decrease in 2025, and \$8.4 million decrease in 2026 to adjust the GF transfer to the City's fiscal reserves to policy requirements. The 2021 budget relied on drawdowns of the City's fiscal reserves, including the Emergency Fund and the Revenue Stabilization Fund, during the Covid-19 pandemic, and subsequent budgets have included amounts necessary to replenish them. Table 8 summarizes, for both reserves, the transfer amounts that are programmed in the GF in 2025 and 2026 and includes the beginning balances and funding levels compared to policy at the end of 2026.

Table 6. 2025-2026 Proposed Budget – Fiscal Reserves Summary

Amounts in \$1,000,000s	Emergency Fund ¹	Revenue Stabilization Fund	Total
2025 Beginning Balance	\$72.8	\$68.0	\$140.8
2025 Transfer from GF	\$12.7	\$1.1	\$13.8
2026 Transfer From GF	\$2.4	\$3.0	\$5.4
2026 Ending Balance	\$88.0	\$72.1	\$160.1
2026 Ending Balance: % of Policy	100%	100%	N/A
¹ RES 32024 allows repayment of the Emergency Fund over a five-year period after deep or multi-year use of the fund. 2026 is the final year in this plan after uses during the Covid 19 pandemic.			

As shown in the table, transfers budgeted in each year will bring both the Revenue Stabilization Fund and Emergency Fund balances to 100 percent of policy, respectively at the end of 2026. As of 2022, the Revenue Stabilization Fund has been at the policy maximum, and transfers to the fund are limited to the extent that they are necessary to keep up with growth in the fund’s target balance, which is five percent of GF tax revenue according to ORD 123743.

Adopted in 2021, RES 32024 updated the Emergency Fund policy to allow for a five-year repayment period after deep or multi-year uses of the fund, such as during the Covid-19 pandemic. Due to higher levels of inflation (the policy level of the Emergency Fund is \$60 million in 2016 dollars, with annual increase to CPI-U applied) the Proposed Budget includes payments of \$12.7 million and \$2.4 million, in 2025 and 2026, respectively to achieve full replenishment according to the policy-driven replenishment schedule.

- **Planning Reserve Changes:** As described in subsection III.7, above, in addition to formal appropriation amounts included in the Proposed Budget, the GF financial plan submitted with the budget includes amounts that are not part of the formal appropriation proposal. These are unappropriated balances reflected in the financial plan by the Executive, primarily to reflect the estimated cost of labor agreements that are under negotiation, but to also include potential legal and other obligations that are anticipated to be expenditures in the future. Compared to the 2024 Revised Budget, the GF Financial Plan includes a \$51 million increase in 2025 and an additional \$82 million increase 2026 for this future planned, but unappropriated, spending. Though not considered part of the budget appropriation under the State Budget Act, and in that sense not specifically considered part of the legal balanced budget, and not specifically discussed in public budget deliberations, they are considered part of the budget for balancing purposes. Through membership on the Labor Relations Policy Committee (LRPC), the Council has a role in determining the portion of the reserves related to unresolved labor negotiations.

2. 2025-2026 Baseline Resources, Starting Balance and Forecast Office/CBO Revenue Forecast Update

In August the Forecast Office and CBO updated the GF revenue forecast, increasing total GF revenues to \$1.639 billion in 2025 and \$1.71 billion in 2026. After adjusting for grants and transfers, which are not economically driven and can fluctuate from year to year, the August forecast for 2025 represents 2.3 percent growth over the 2024 revised revenue forecast, while the 2026 forecast represent 4.3 percent growth over 2025. In 2025, forecast revenue growth is below the level of inflation (2.8 percent) indicating a shrinking of the revenue base. In 2026, projected growth slightly outpaces inflation, which is estimated to be 2.9 percent based on the Forecast Office economic model. It is worth noting that the third and final forecast for 2024, which establishes the revenues used for the balanced budget and in the Budget Chair’s balancing package, will be presented by the Forecast Office and CBO to a joint meeting of the Select Budget Committee and the Forecast Council on October 22, 2024.

3. 2025-2026 Baseline GF Ongoing Deficit

Incorporating all the revenue and expenditures changes previously described in this section allows for an assessment of the baseline GF deficit for 2025 and 2026, before incorporating any Executive spending and revenue policy proposals included in the budget. As shown in Table 7 below, the baseline ongoing GF deficit, comparing the cost of providing current services with forecasted revenues, would be \$254 million in 2025 and \$261 million in 2026.

Table 7. Summary of 2025/2026 Baseline GF Deficit.

Amounts in \$1,000,000s	2025 Proposed	2026 Proposed
2024 Adopted	\$1,722	\$1,722
Baseline Adjustments	(\$35)	(\$35)
Adjust Reserve Transfers	(\$3)	(\$11)
Technical Adjustment	\$158	\$213
Planning Reserves Increase	\$51	\$82
Total Baseline Expenditures	\$1,893	\$1,971
Total Baseline Revenues	\$1,639	\$1,709
Baseline Ongoing Deficit	(\$254)	(\$262)

This is generally consistent with projections in the [General Fund Financial Plan Update](#) provided to the Select Budget Committee on May 17, 2024, which projected an average deficit of \$258 million.

4. 2025-2026 Proposed GF Expenditure Changes

The 2025-2026 Proposed Budget includes net new policy appropriations totaling \$23 million in 2025, and \$23 million in 2026. The 2026 amount includes \$25 million of ongoing costs which are partially offset by a one-time \$2 million reduction. In other words, the ongoing impact of the policy increase is larger than the apparent \$23 million 2026 increase due to this one-time offset. These net change amounts result from a combination of budget reductions, program transfers between departments, and budget increases, as shown in Table 8 below.

Table 8. Net policy-related expenditure changes in 2025-2026 Proposed GF Budget

Amounts in \$1,000,000s	2025 Proposed	2026 Proposed		
		One-time	Ongoing	Total
Expenditure Decreases	(\$54)	(\$4)	(\$46)	(\$50)
Transfers (Net)	(\$1)	\$0	(\$1)	(\$1)
Subtotal Expenditure Decrease	(\$55)	(\$4)	(\$47)	(\$51)
Expenditure Increases	\$78	\$2	\$72	\$74
Net Appropriation Change	\$23	(\$2)	\$25	\$23

As shown in the table, in 2025 decreases total (\$55) million, and are more than offset by increases totaling \$78 million. In 2026, a total decrease of (\$52) million is more than offset by a \$75 million increase. A detailed list of all changes, grouped by these three categories and by department, is included as Attachment A to this memorandum. Including these appropriations, prior to proposed revenue changes, increases the deficit to \$277 million in 2025, and \$285 million in 2026. The next section will cover the proposed revenue increases that balance the fund over the biennium.

5. 2025-2026 Proposed GF Revenue Changes

In addition to revenue available from the regular forecast update, the 2025-2026 Proposed GF Budget includes other revenue adjustments totaling \$295 million in 2025 and \$232 million in 2026. Table 9 details these adjustments and indicates what portion of the 2026 changes are ongoing or one-time.

Table 9. 2025-2026 Proposed GF Revenue Changes.

Amounts in \$1,000,000s	2025 Proposed	2026 Proposed		
		One-time	Ongoing	Total
Parking Fine Increase	\$4.9	\$0.0	\$4.9	\$4.9
Align JumpStart Fund to GF for Administration	\$2.5		\$3.0	\$3.0
Miscellaneous	\$1.0	\$0.7	\$0.7	\$1.4
JumpStart Fund Contribution to GF	\$287	\$0	\$223	\$223
Total Proposed New GF Revenues	\$295	\$0.7	\$232	\$232

Included as Attachment B is a memorandum from CBO that describes these changes, as required by [SMC 3.44.010.A](#). In general terms, these changes include:

- **Parking Fines Increase:** An increase of \$4.9 million in 2025 and 2026 to align parking fines with growth in inflation. The fines have not been adjusted since 2011.
- **Align JumpStart Fund Transfer to GF for Administration:** An increase of \$2.5 million in 2025 and \$3 million in 2026 to align the JumpStart transfer to the GF for administrative purposes with GF appropriations.
- **Miscellaneous:** An increase of \$1 million in 2025 and \$700,000 for miscellaneous revenues increases.
- **JumpStart Fund Contribution to GF:** An increase of \$287 million in 2025 and \$223 million in 2026 representing a revenue backfill transfer from the [JumpStart Fund](#) to the GF. In prior years, this transfer had been provided at a lower amount and on a temporary basis, as alternative strategies to balance a growing GF deficit were explored; in the 2024 Adopted Budget the transfer is \$85 million and one-time, as provided in [ORD 126719, the Use of Funds Flexibility ordinance](#).

Recent forecasts from the Forecast Office indicate that 2024 payroll expense tax revenues, which are the primary revenue source to the JumpStart Fund, will be \$89 million, or 28 percent, above 2023 actual collections, and \$79 million, or 25 percent, above amounts in the 2024 Adopted Budget. Further, the Forecast Office projects payroll expense tax revenues will grow to \$430 million in 2025 and \$451.5 million in 2026. This increase in forecast revenue provides both higher levels of unexpended balance in the JumpStart Fund, and higher revenues in the future, both of which are deployed to support this transfer. Under current law codified in [SMC 5.38.055](#), this transfer would not be an eligible use of monies in the JumpStart Fund. The Executive has transmitted legislation with the budget to revise the JumpStart Fund policies to make this transfer an eligible use of these funds on an ongoing basis. Policy considerations for this proposal, in the context of GF revenue sustainability and volatility, and policy trade-offs, are included in later sections of this memorandum.

6. 2025 Underspend Assumption

The final change in the Proposed 2025-2026 Budget is a \$10 million underspend assumption. This does not represent a discrete cut to the budget, but rather represents an assumption that actual spending in 2025 will be \$10 million below budget in 2025. This represents the third year of underspend assumptions in the GF budget. Table 10 shows the actual lapsable balance in budgets since 2021 compared to the underspend assumption, where applicable.

Table 10. Historical underspend comparison: Budget versus actual.

Amounts in \$1,000,000	Assumption	Actual
2021 Revised Budget	n/a	\$48.5
2022 Revised Budget	\$20	\$45.9
2023 Revised Budget	\$10	\$35.4
2024 Revised Budget ^{1/}	\$24	n/a
2025 Proposed	\$10	n/a
2026 Proposed	\$0	n/a

1/ As proposed in the 2025-2026 Budget. The 2024 Adopted Budget included a \$10 million underspend.

As shown in the table, recent underspend assumptions have been conservative compared to actual experience. In general, this approach seeks to account for the opportunity cost of natural underspend, whereby resources would be idled until year-end books are complete. However, in the event of an economic recession, natural savings would need to be replaced with actual cuts, and making those cost cutting decisions during a time of economic distress may lead to less-than-optimal results, such as across the board cuts versus a more deliberative, thoughtful process.

7. 2025-2026 Proposed Budget Combined Summary

Table 11 combines all the revenue, expenditure, reserves and underspend changes discussed in prior sections, to show the 2025-2026 Proposed GF Budget final balancing status.

Table 11. 2025-2026 Proposed Budget.

Amounts in \$1,000,000s	2025	2026
Starting Fund Balance ^{1/}	\$24	\$52
Baseline Revenues	\$1,639	\$1,709
Proposed Revenues	\$295	\$232
Subtotal – Resources	\$1,959	\$1,994
Baseline Expenditures ^{2/}	\$1,893	\$1,971
Proposed Expenditures	\$23	\$23
Underspend Assumption	(\$10)	\$0
Subtotal - Expenditures	\$1,906	\$1,994
Ending Balance	\$52	\$1

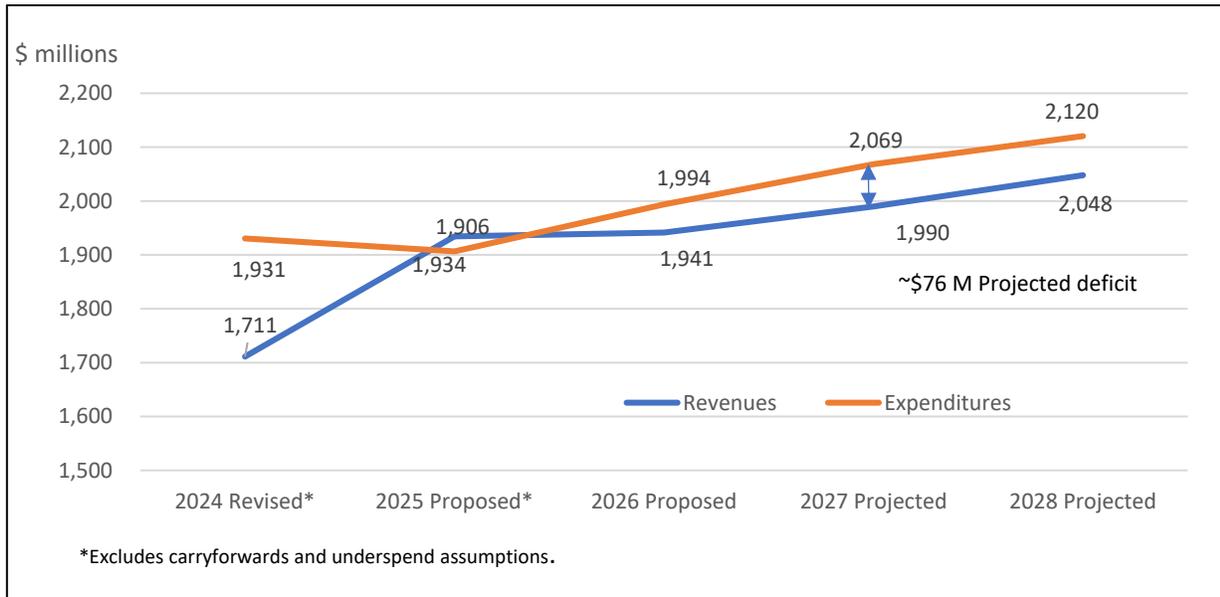
1/Net of amount reserved in 2024
2/ Includes change in planning reserves over prior year.

As shown in the row at the bottom of the table, the combined changes result in a net balance of one-time resources of \$52 million at the end of 2025, which are held until the next year to balance the 2026 budget. This represents a balanced budget over the biennium, however, use of one-time strategies, including the use of one-time fund balance, results in a projected ongoing deficit, which will be reviewed in Section V below.

V. 2027-2028 Projected GF Sustainability

The final step in the GF analysis is analyzing the projected GF revenues and expenditures into the future, to assess sustainability of the 2025-2026 Proposed Budget. Using data provided by CBO and relying on the Central Staff approach to displaying the financial plan, which includes the annual growth in planning reserves as an annual expenditure of GF revenue, Figure 2 displays the results.

Figure 2. 2025-2026 Proposed Budget GF financial plan future funding gap



As shown in Figure 2, the GF financial plan included with the 2025-2026 Proposed Budget shows a \$76 million average gap between ongoing revenues and expenditures starting in 2027.

While there is no legal requirement that future years of the financial plan are balanced, this finding is useful in the context of the policy decisions inherent in the 2025-2026 Proposed Budget that have been described earlier in this memorandum, including:

- Reliance on underspend assumptions in 2024 and 2025 to generate one-time funding to balance, versus discrete cuts which can be identified in advance and maintained in future years;
- Increase in net new ongoing spending;
- Reliance on a significant revenue transfer-in from a still novel revenue source with a short historical collections experience and narrow tax base, and how it is programmed in the outyears

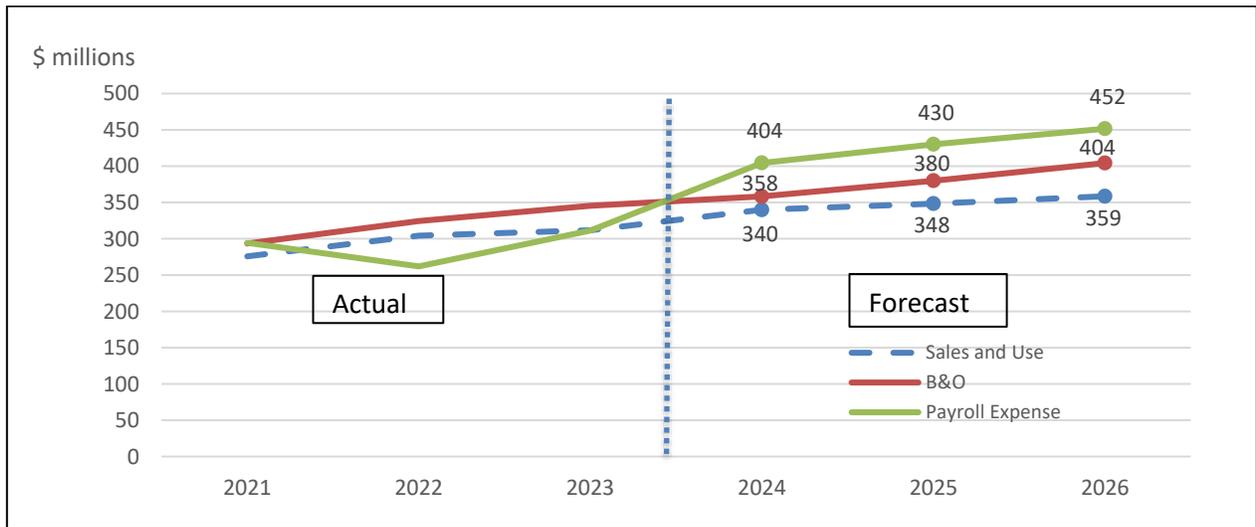
The first two items have been discussed previously in the memorandum; the latter point bears further explanation. As described in section IV.5 above, the primary mechanism used to balance the 2025-2026 Proposed Budget is a transfer-in of \$287 million and \$232 million of payroll expense tax revenue from the JumpStart Fund into the GF in 2025 and 2026, respectively. This transfer is significantly higher than the \$85 million one-time transfer that was budgeted for 2024 and is made possible by a substantial increase to the forecasted payroll expense tax revenues in 2024 through 2026. However, there is no current year collections evidence to support this higher forecast; it is primarily based on Wall Street predictions about future stock values and the Forecast Offices’ tracking of in-office work, both of which are predicted to support increased payroll expenses subject to the tax.

The payroll expense tax has historically been difficult to forecast. The initial revenue estimate for collections of the tax, provided in Central Staff’s review of [ORD 126108](#), during the early days of the Covid 19 pandemic and in the midst of a short but sharp economic recession, was \$214 million and for 2021 only. Further, due to lack of data, and to avoid overestimating the first year’s revenue, that initial estimate did not include likely revenue from businesses with over \$1 billion in payroll.

The initial longer-term projections of revenues, provided by CBO in the [2021 Adopted Budget GF Financial Plan](#), indicated that 2024 revenues would reach \$255 million. This is much lower than recent forecasts from the Forecast Office, which project payroll expense tax 2024 revenues of \$404 million, a nearly \$150 million, or 58 percent increase over the original estimate. Based on regular presentations by the Forecast Office, it appears much of this increase is due to the growth in the stock price of local companies subject to the tax, primarily those in the technology sector who compensate employees using grants of company stock. Since July 2020, when the tax was adopted, the S&P 500 index⁴, a market weighted measure of the price of a basket of the largest publicly traded companies, has risen from 3,169 on July 8, 2020, to 5,699 on October 3, a nearly 80 percent increase. The narrower S&P 500 Technology Sector Index⁵, which based on presentations by the Forecast Office captures much of the group of Seattle businesses that pay the bulk of the tax, has more than doubled, growing from 1,894 on July 8, 2024, to 4,337 on October 4, 2024, a 123 percent increase. This sector of the stock market is at historical highs, bringing the payroll expense tax forecast along with it.

Based on the August forecast, these large increases would make the payroll expense tax the second largest City tax in terms of collections, after the combined property tax levies. As shown in Figure 3, beginning in 2024 and continuing thereafter, the payroll expense tax is expected to outpace both the business & occupations (B&O) tax, and the sales and use tax in terms of annual revenue.

Figure 3. Seattle business taxes revenue collection comparisons: 2021 Actual to 2026 Forecast.

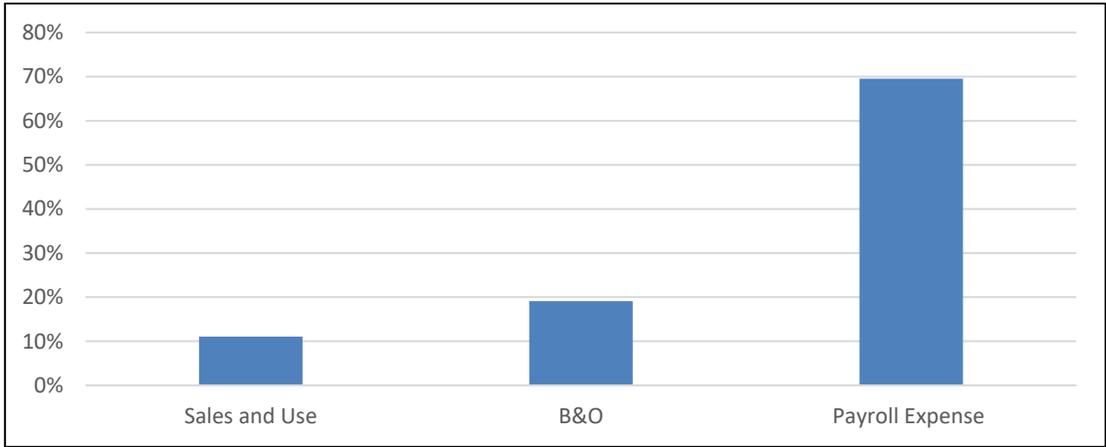


This is an important observation from a few perspectives. First, the payroll expense tax base, in terms of the number of taxpayers contributing to the tax, is very narrow compared to the other business taxes. Based on data provided by the Forecast Office, Figure 4 compares the percent of 2023 revenue that was collected from the top ten taxpayers.

⁴ S&P Global. “S&P500 Index” Accessed October 4,2024. www.spglobal.com

⁵ S&P Global. “S&P 500 Information Technology Index” Accessed October 4,2024. www.spglobal.com

Figure 4. Seattle’s primary business taxes - percent of 2023 revenues from top ten taxpayers.



As shown, in 2023 10 taxpayers paid 70 percent of the payroll expense tax, compared to 19 percent of B&O tax and 11 percent of sales taxes. This means that annual payroll expense tax revenues are highly concentrated to a small group of taxpayers, which means performance and/or business decisions from one or more of this small group of companies can have a large impact on tax collections from year to year.

The high level of forecasted revenue, and the concentration of those collections among a very small group of taxpayers, raise questions about the volatility of the tax, and the tax’s impact on business activity in Seattle. Volatility can lead to large positive and negative swings in revenues; as shown in Figure 3, while the B&O and Sales Tax grew in 2022, the payroll expense tax declined. Further, highly concentrated tax policy, focused on a small set of businesses, can create incentives to locate new and existing business outside of the City.

As discussed earlier, the City maintains a Revenue Stabilization Fund equivalent to 5% of GF tax revenues, to weather economic shocks. However, since the payroll expense tax, arguably a more volatile tax source than any of the existing GF taxes, is credited to the GF as a fund transfer in, its revenue is not included in the reserve calculation. The 2025-2026 Proposed Budget would include a \$37 million reserve in the JumpStart Fund, nearly 10 percent of revenue, which would serve as a buffer against volatility.

Finally, it bears mentioning that the GF Financial plan assumes that the transfer-in from the JumpStart Fund will not grow in future years, even though the payroll tax revenue is projected to grow by 4 percent in 2027 and 6 percent in 2028. There are planning reserves shown in the JumpStart Fund for 2027 and 2028, but whether these are intended to provide for growth in the transfer to the GF is unclear.

Given that balancing the GF in 2025-2026 relies significantly on the use of payroll expense tax revenues from the JumpStart Fund, and that the GF financial plan does not assume growth in this transfer beyond 2026, the JumpStart Fund Policy Analysis presentation reviews the budget proposal from the perspective of the JumpStart Fund, with attention to proposed fund policy revisions, allocations of payroll tax revenue in the 2025-2026 Proposed Budget against prior commitments, and how Council might memorialize the interaction between the GF and the JumpStart Fund in the future.

Attachments:

- A. 2025-2026 Proposed Operating Increases
- B. 2025-2026 Proposed GF Revenue Changes Detail

Attachment A - 2025-2026 Proposed Operating Increases

2025 GF Operating Decreases		
Department	Item	2025 Proposed
City Budget Office	Increase Vacancy Rate by 1%	(59,247)
City Budget Office Total		(59,247)
Community Assisted Response and Engagement	Vacancy Savings	(296,300)
Community Assisted Response and Engagement Total		(296,300)
Community Police Commission	Assume Vacancy Rate of 10%	(146,426)
Community Police Commission Total		(146,426)
Department of Education and Early Learning	General Fund CSR Reduction	(875,000)
	General Fund L&A Personnel Reduction	(397,377)
	General Fund L&A Reduction	(13,389)
	General Fund Mental Health Reduction	(500,000)
	General Fund Restorative Justice Reduction	(800,000)
Department of Education and Early Learning Total		(2,585,766)
Department of Finance and Administrative Services	Abrogate Vacant Positions - License & Tax Administration	(282,770)
	Eliminate CPD's Deputy Division Director - Policy	(195,591)
	Reduce License & Tax Administration Staff	(151,537)
	Reduce Nonlabor Budget for Tax System Improvements	(200,000)
Department of Finance and Administrative Services Total		(829,898)
Department of Neighborhoods	Abrogate Administrative Specialist II Position in MIS	(96,660)
	Abrogate Administrative Staff Assistant Position in CPD	(111,025)
	Abrogate Manager 2 Position in Community Innovations	(175,530)
	Abrogate Payroll Expense Tax Oversight Committee Position and Eliminate Funding	(200,781)
	Reduce NMF Awards Funding	(208,177)
	Repurpose Civic Engagement Advisor Position to Equity & Engagement Advisor	(160,962)
	SBTF/FEF Staffing Adjustments	(69,683)
Department of Neighborhoods Total		(1,022,818)
Finance General	Align General Fund Contribution for Seattle Public Library and Office of Labor Standards	(2,019,233)
	Reduce High Barrier Working Group Reserve	(400,000)
	Transfer Funding from Trial Court Improvement Account Reserve to Seattle Municipal Court	(104,222)
Finance General Total		(2,523,455)

Attachment A - 2025-2026 Proposed Operating Increases

Human Services Department	2024 One-time Bridge Funding for Open Arms Perinatal	(70,000)
	ADS Contract Inflation	(894,844)
	Communities Rise	(215,000)
	Community Facilities	(259,066)
	FGMU Labor	(179,690)
	Food System Support & Food Evaluations	(120,000)
	Health Home	(424,507)
	Legal Counsel for Youth and Children	(123,662)
	P&A Program Support	(93,000)
	Professional Development, Language access/translation services, intern wages, CBO capacity Building	(107,420)
	Reduction of Sr. Planning & Development Specialist Budget	(174,524)
	Reduction to Case Management - Aging Network	(100,000)
	Reduction to General Fund Support for Case Management	(1,100,000)
	Reduction to Information & Assistance (CLC)	(150,000)
	Reduction to KCHRA Admin	(85,210)
	Reduction to Sr. Buyer Position	(104,801)
	Shelter & Village Lease Budget	(195,055)
	Shift budget for Admin Staff Analyst to SBT and CDBG	(96,906)
	Solid Ground Public Benefits Legal Assistance	(49,901)
	Strategic Advisor Funding Related to Systems Improvements in Safety BSL	(199,274)
	Transfer Crisis Response Team Budget to SPD	(670,105)
	YYAS portfolio reduction	(250,000)
Human Services Department Total		(5,662,965)
Law Department	Unfund One Specialty Court Unit Prosecutor	(181,842)
	Unfund Two Assistant City Attorneys	(433,754)
Law Department Total		(615,596)
Legislative Department	Increase Vacancy Rate Assumption by 1%	(165,579)
Legislative Department Total		(165,579)
Office for Civil Rights	Outreach and Engagement	(90,000)
	SOCR Grants Program	(550,000)
Office for Civil Rights Total		(640,000)
Office of Economic Development	Workforce Realignment	(1,251,655)
Office of Economic Development Total		(1,251,655)

Attachment A - 2025-2026 Proposed Operating Increases

Office of Emergency Management	Eliminate Seattle WebEOC License for EOC	(45,000)
	Reduce Full-Time Administrative Support to Part-Time	(25,300)
	Reduce Travel, Training	(10,000)
	Remove 1.0 FTE Strategic Advisor 1 Providing Community Engagement	(174,600)
Office of Emergency Management Total		(254,900)
Office of Immigrant and Refugee Affairs	Eliminate Intern Budget	(16,850)
	Language Access Underspend	(25,000)
Office of Immigrant and Refugee Affairs Total		(41,850)
Office of Inspector General for Public Safety	Reduce Non-labor Accounts to Meet Budget Reductions	(95,325)
Office of Inspector General for Public Safety Total		(95,325)
Office of Intergovernmental Relations	Move budget associated with pocket to consultants	-
	Reduce International Portfolio	(190,389)
Office of Intergovernmental Relations Total		(190,389)
Office of Planning and Community Development	Administrative Efficiencies (Abrogate 0.5 FTE Admin Staff Asst)	(35,000)
	Right-Size Planning and Development Specialist Staffing	(349,044)
Office of Planning and Community Development Total		(384,044)
Office of the Employee Ombud	Reduce Lease Surplus	(41,000)
Office of the Employee Ombud Total		(41,000)
Office of the Mayor	Increase Vacancy Rate Assumption	(69,380)
Office of the Mayor Total		(69,380)
Seattle Center	Abrogate 1.0 FTE Regular Admission Employee (HC=2), Reclass .9 Regular Admissions Employee to 1.0 Mgr 2	(145,191)
	Eliminate General Fund from Waterfront	(100,000)
	Reallocate City Costs to McCaw	(563,258)
	Reclassify Executive Assist to Admin Staff Assistant	(30,419)
	Reclassify Strategic Advisor 3 to Strategic Advisor 2	(107,547)
	Shift funding from General Fund to Admissions Tax - Cultural Admin	(203,735)
	Shift Funding From General Fund to Admissions Tax - Festal > \$460,000	(424,560)
	Shift Funding from General Fund to Admissions Tax - Folklife	(381,711)
	Unfund 6.0 Positions (2.0 Laborers, 2.0 Janitors, 1.0 DRA, 1.0 ESU) from General Fund	(491,449)
Seattle Center Total		(2,447,870)

Attachment A - 2025-2026 Proposed Operating Increases

Seattle Department of Construction and Inspections	GF Reduction - Shift Funding for Electrical Contractor Enforcement Position	(241,041)
	GF Reduction- Reduce Tenant Services Funding and Shift Remainder to PET	(2,569,015)
	GF Reduction-Abrogate EDRA Position Added in 2024 Budget	(158,775)
	GF Reduction-Shift Code Compliance Director funding to align with Duties	(104,025)
	GF Reduction-Shift Non-Billable Licensing and Inspections Costs to Fees	(330,679)
	GF Reduction-Transition URM Program Manager to Fees	(162,719)
	SDCI Organizational Redesign in Response to Permitting Audit	0
Seattle Department of Construction and Inspections Total		(3,566,254)
Seattle Department of Human Resources	Eliminate Benefits Lead Personnel Analyst Supervisor	(195,492)
	Eliminate Citywide Learning & Development Division	(863,828)
	Eliminate Equity Performance Management Program	(468,181)
	Eliminate Workforce Development Unit	(485,573)
	Eliminate Workforce Equity Director & Workforce Equity Advisor	(371,115)
	Reduce temp labor funding	(106,142)
Seattle Department of Human Resources Total		(2,490,332)
Seattle Department of Transportation	General Fund Reduction and Funding Swap in Debt Service	(6,245,245)
	General Fund Reductions	(5,453,579)
	Maintaining Core Services After the Levy	(831,988)
	Paid Parking Revenue Increment	-
Seattle Department of Transportation Total		(12,530,812)
Seattle Fire Department	Civilianize Disability Officer	(47,290)
	Department-wide Overtime Savings	(400,000)
	HR OT Reduction	(10,000)
	Unplanned Unit outages - Aligning overtime budget with vacancy rate	(1,000,000)
Seattle Fire Department Total		(1,457,290)
Seattle Municipal Court	Customer Service Staff Reduction	(361,203)
	Traffic Camera Expansion	(210,602)
Seattle Municipal Court Total		(571,805)

Attachment A - 2025-2026 Proposed Operating Increases

Seattle Parks and Recreation	Activation Realignment: Center City Activation	(186,000)
	Activation Realignment: Realign Community Granting Programs	(200,000)
	Activation Realignment: Realign Outdoor Park Activation	(245,095)
	Admissions Tax Fund Swap - Downtown Buskers	(224,000)
	Admissions Tax Fund Swap with General Fund - Arts in Parks	(436,323)
	Admissions Tax Fund Swap with General Fund - Teen Performing Arts Program	(202,947)
	Leadership and Administration Efficiency	(492,211)
	MPD Capital Funding Swaps for Balancing	(6,434,231)
	Parks and Natural Spaces Reduction-modification (quarter reduction)	(590,749)
Seattle Parks and Recreation Total		(9,011,555)
Seattle Police Department	Additional Sworn Salary Savings	-
	OPA General Fund Reduction	(441,439)
	Remove 2024 Recurring Grants	(276,150)
	Remove Support for the Mounted Patrol Unit	(230,030)
	School Zone Camera Expansion	(191,229)
	SPD General Fund Reduction	(4,270,000)
Seattle Police Department Total		(5,408,848)
Total 2025 Operating Decreases		(54,361,358)
2025 GF Operating Increases		
Department	Item	2025 Proposed
City Budget Office	Emergency Management Assessment	30,000
	Payroll Expense Tax Evaluation	100,000
City Budget Office Total		130,000
Civil Service Commissions	Space Modifications	60,200
Civil Service Commissions Total		60,200
Community Assisted Response and Engagement	Add Seattle Restoration Director	215,760
	CARE Team expansion	1,500,000
	Public Disclosure staff	199,271
Community Assisted Response and Engagement Total		1,915,031
Department of Education and Early Learning	ECEAP Grant Award Increase	500,945
	Upward Bound Grant Award Increase	20,753
Department of Education and Early Learning Total		521,698

Attachment A - 2025-2026 Proposed Operating Increases

Department of Finance and Administrative Services	General Fund Appropriations for SCL Rebates for MEEP Projects	413,973
	Increase to Jail Services	1,922,379
	Network Company Regulatory License	434,576
	Public Defense Contract Increase	504,107
	SCORE Inter-local Agreement for Jail Services	2,839,550
Department of Finance and Administrative Services Total		6,114,585
Department of Neighborhoods	Increase Revenues from Equity & Engagement IDAs	381,427
Department of Neighborhoods Total		381,427
Finance General	Create Enhanced Public Safety Streetlight Reserve	1,000,000
	Final Alignment of Street Lighting Reserves	300,000
	Increase Appropriation for Citywide Insurance Costs	3,700,000
	Increase Election Reserve for Social Housing I-137 Election Cost	1,500,000
	Increase Judgment and Claims General Fund Contribution	14,100,000
	Increase Puget Sound Clean Air Agency Reserve	56,000
	Increase Reserve for Tax Rebate Interest	775,000
Finance General Total		21,431,000
Human Services Department	\$1 million for THVs	1,000,000
	Contract Inflation Increase	9,399,828
	Convert One-time funding to Ongoing - Africatown	2,200,000
	Human Trafficking Interventions	2,000,000
	Navigation Center Option 3	2,256,000
	One Seattle Outreach	150,000
	UCT Administrative Positions	279,070
	UCT Director	210,000
	UCT Expanded Operations - Half	308,074
Human Services Department Total		17,802,972
Office of Economic Development	CDBG Funding for Wealth Building Tenant Improvement Program	500,000
	Westlake Park Revitalization - Planning and Activations	250,000
Office of Economic Development Total		750,000
Office of Intergovernmental Relations	CDBG Ready To Work Continuation	700,000
Office of Intergovernmental Relations Total		700,000
Seattle Department of Transportation	Expanding Unified Care Team by two (2) teams	1,429,558
	Maintaining Core CIP Services After the Levy to Move Seattle	1,042,414
Seattle Department of Transportation Total		2,471,972

Attachment A - 2025-2026 Proposed Operating Increases

Seattle Fire Department	Add funding for 20 additional FF recruits	2,059,325
	Add funding for additional paramedic students	722,400
	BLS Transport Billing	5,000
	Dangerous Building abatement	500,000
	Major Equipment Funding	3,000,000
	MIH Program Expansion	458,482
	Overtime Budget AWI	600,000
Seattle Fire Department Total		7,345,207
Seattle Municipal Court	2025 TCIA Support	104,222
	Case Management Software Contract	246,351
	Judicial Salary Technical Adjustment	39,671
Seattle Municipal Court Total		390,244
Seattle Parks and Recreation	Technical: Increase Zoo Appropriation	800,000
	UCT Expansion to 7 Days	882,822
Seattle Parks and Recreation Total		1,682,822
Seattle Police Department	Implement CCTV at Additional Locations	425,000
	Investigative Support	1,091,333
	OPA Civilian Investigators	369,412
	Overtime for Emphasis Patrols	10,000,000
	Real Time Crime Center	2,048,467
	UKG Implementation	1,895,363
Seattle Police Department Total		15,829,575
Seattle Public Utilities	Funding for a One Seattle Tree Nursery	388,000
	Unified Care Team Expansion	85,000
Seattle Public Utilities Total		473,000
Total 2025 Operating Increases		77,999,734

Attachment A - 2025-2026 Proposed Operating Increases

2025 Operating Transfers		
Department	Item	2025 Proposed
Seattle Public Utilities	Graffiti Abatement Program Transfer	(3,089,944)
Seattle Parks and Recreation	Transfer Graffiti Abatement from SPU to SPR	2,594,469
Subtotal - Graffiti Abatement		(495,475)
Seattle Public Utilities	Transfer of Hygiene Station Budget and Operations to Seattle Parks and Recreation	(835,000)
Seattle Parks and Recreation	Transfer Public Hygiene Funding from SPU to SPR	585,000
Subtotal - Public Hygiene		(250,000)
Seattle Department of Human Resources	Transfer Fire & Police Exams from SDHR to CIV/PSCSC	(1,503,117)
Civil Service Commissions	Transfer Fire and Police Exams from SDHR to CIV	1,503,117
Subtotal - Fire and Police Exams		-
Seattle Department of Human Resources	Transfer Deferred Comp Unit from SDHR to RET	(559,751)
Employees' Retirement System	Deferred Comp Budget	698,016
Subtotal - Deferred Compensation		138,265
Total Operating Transfers		(607,210)
2025 Grand Total		23,031,166

Attachment A - 2025-2026 Proposed Operating Increases

2026 GF Operating Decreases				
Department	Item	2026 One-time	2026 Ongoing	2026 Total
City Budget Office	Increase Vacancy Rate by 1%		(59,247)	(59,247)
	Payroll Expense Tax Evaluation		-	-
City Budget Office Total			(59,247)	(59,247)
Community Assisted Response and Engagement	Vacancy Savings		(306,900)	(306,900)
Community Assisted Response and Engagement Total			(306,900)	(306,900)
Community Police Commission	Assume Vacancy Rate of 10%		(154,209)	(154,209)
Community Police Commission Total			(154,209)	(154,209)
Department of Education and Early Learning	General Fund CSR Reduction		(875,000)	(875,000)
	General Fund L&A Personnel Reduction		(397,377)	(397,377)
	General Fund L&A Reduction		(13,389)	(13,389)
	General Fund Mental Health Reduction		(500,000)	(500,000)
	General Fund Restorative Justice Reduction		(800,000)	(800,000)
Department of Education and Early Learning Total			(2,585,766)	(2,585,766)
Department of Finance and Administrative Services	Abrogate Vacant Positions - License & Tax Administration		(297,850)	(297,850)
	Eliminate CPD's Deputy Division Director - Policy		(205,998)	(205,998)
	Reduce License & Tax Administration Staff		(159,601)	(159,601)
Department of Finance and Administrative Services Total			(663,450)	(663,450)
Department of Neighborhoods	Abrogate Administrative Specialist II Position in MIS		(101,802)	(101,802)
	Abrogate Administrative Staff Assistant Position in CPD		(116,928)	(116,928)
	Abrogate Manager 2 Position in Community Innovations		(184,862)	(184,862)
	Abrogate Payroll Expense Tax Oversight Committee Position and Eliminate Funding		(208,794)	(208,794)
	Reduce NMF Awards Funding		(227,808)	(227,808)
	Repurpose Civic Engagement Advisor Position to Equity & Engagement Advisor		(169,519)	(169,519)
	SBTF/FEF Staffing Adjustments		(73,386)	(73,386)
Department of Neighborhoods Total			(1,083,099)	(1,083,099)
Finance General	Align General Fund Contribution for Seattle Public Library and Office of Labor Standards		(1,820,670)	(1,820,670)
	Increase Judgment and Claims General Fund Contribution	-	-	-
	Reduce High Barrier Working Group Reserve		(400,000)	(400,000)
Finance General Total		-	(2,220,670)	(2,220,670)

Attachment A - 2025-2026 Proposed Operating Increases

Human Services Department	2024 One-time Bridge Funding for Open Arms Perinatal	(70,000)	(70,000)
	ADS Contract Inflation	(894,844)	(894,844)
	Communities Rise	(215,000)	(215,000)
	Community Facilities	(259,066)	(259,066)
	FGMU Labor	(179,690)	(179,690)
	Food System Support & Food Evaluations	(120,000)	(120,000)
	Health Home	(424,507)	(424,507)
	Legal Counsel for Youth and Children	(123,662)	(123,662)
	P&A Program Support	(93,000)	(93,000)
	Professional Development, Language access/translation services, intern wages, CBO capacity Building	(107,420)	(107,420)
	Reduction of Sr. Planning & Development Specialist Budget	(184,199)	(184,199)
	Reduction to Case Management - Aging Network	(100,000)	(100,000)
	Reduction to General Fund Support for Case Management	(1,100,000)	(1,100,000)
	Reduction to Information & Assistance (CLC)	(150,000)	(150,000)
	Reduction to KCHRA Admin	(85,210)	(85,210)
	Reduction to Sr. Buyer Position	(104,801)	(104,801)
	Shelter & Village Lease Budget	(198,375)	(198,375)
	Shift budget for Admin Staff Analyst to SBT and CDBG	(96,906)	(96,906)
	Solid Ground Public Benefits Legal Assistance	(49,901)	(49,901)
	Strategic Advisor Funding Related to Systems Improvements in Safety BSL	(210,264)	(210,264)
	Transfer Crisis Response Team Budget to SPD	(670,105)	(670,105)
	YYAS portfolio reduction	(250,000)	(250,000)
Human Services Department Total		(5,686,950)	(5,686,950)
Law Department	Unfund One Specialty Court Unit Prosecutor	(191,878)	(191,878)
	Unfund Two Assistant City Attorneys	(457,608)	(457,608)
Law Department Total		(649,486)	(649,486)
Legislative Department	Increase Vacancy Rate Assumption by 1%	(173,789)	(173,789)
Legislative Department Total		(173,789)	(173,789)
Office for Civil Rights	Outreach and Engagement	(90,000)	(90,000)
	SOCR Grants Program	(570,000)	(570,000)
Office for Civil Rights Total		(660,000)	(660,000)
Office of Economic Development	Workforce Realignment	(1,251,655)	(1,251,655)
Office of Economic Development Total		(1,251,655)	(1,251,655)

Attachment A - 2025-2026 Proposed Operating Increases

Office of Emergency Management	Eliminate Seattle WebEOC License for EOC	(45,000)	(45,000)
	Reduce Full-Time Administrative Support to Part-Time	(26,300)	(26,300)
	Reduce Travel, Training	(10,000)	(10,000)
	Remove 1.0 FTE Strategic Advisor 1 Providing Community Engagement	(182,200)	(182,200)
Office of Emergency Management Total		(263,500)	(263,500)
Office of Immigrant and Refugee Affairs	Eliminate Intern Budget	(16,850)	(16,850)
	Language Access Underspend	(25,000)	(25,000)
Office of Immigrant and Refugee Affairs Total		(41,850)	(41,850)
Office of Inspector General for Public Safety	Reduce Non-labor Accounts to Meet Budget Reductions	(95,325)	(95,325)
Office of Inspector General for Public Safety Total		(95,325)	(95,325)
Office of Intergovernmental Relations	Move budget associated with pocket to consultants	-	-
	Reduce International Portfolio	(200,509)	(200,509)
Office of Intergovernmental Relations Total		(200,509)	(200,509)
Office of Planning and Community Development	Administrative Efficiencies (Abrogate 0.5 FTE Admin Staff Asst)	(35,000)	(35,000)
	Right-Size Planning and Development Specialist Staffing	(368,399)	(368,399)
Office of Planning and Community Development Total		(403,399)	(403,399)
Office of the Employee Ombud	Reduce Lease Surplus	(41,000)	(41,000)
Office of the Employee Ombud Total		(41,000)	(41,000)
Office of the Mayor	Increase Vacancy Rate Assumption	(72,782)	(72,782)
Office of the Mayor Total		(72,782)	(72,782)
Seattle Center	Abrogate 1.0 FTE Regular Admission Employee (HC=2), Reclass .9 Regular Admissions Employee to 1.0 Mgr 2	(149,546)	(149,546)
	Eliminate General Fund from Waterfront	(100,000)	(100,000)
	Reallocate City Costs to McCaw	(591,420)	(591,420)
	Reclassify Executive Assist to Admin Staff Assistant	(31,331)	(31,331)
	Reclassify Strategic Advisor 3 to Strategic Advisor 2	(95,438)	(95,438)
	Shift funding from General Fund to Admissions Tax - Cultural Admin	(213,922)	(213,922)
	Shift Funding From General Fund to Admissions Tax - Festal > \$460,000	(441,543)	(441,543)
	Shift Funding from General Fund to Admissions Tax - Folklife	(400,797)	(400,797)
	Unfund 6.0 Positions (2.0 Laborers, 2.0 Janitors, 1.0 DRA, 1.0 ESU) from General Fund	(506,192)	(506,192)
Seattle Center Total		(2,530,190)	(2,530,190)

Attachment A - 2025-2026 Proposed Operating Increases

Seattle Department of Construction and Inspections	GF Reduction - Shift Funding for Electrical Contractor Enforcement Position	(252,375)	(252,375)
	GF Reduction- Reduce Tenant Services Funding and Shift Remainder to PET	(2,569,015)	(2,569,015)
	GF Reduction-Abrogate EDRA Position Added in 2024 Budget	(165,126)	(165,126)
	GF Reduction-Shift Code Compliance Director funding to align with Duties	(108,186)	(108,186)
	GF Reduction-Shift Non-Billable Licensing and Inspections Costs to Fees; GF Reduction-Shift Non-Billable Land Use Costs to Fees	(370,507)	(370,507)
	GF Reduction-Transition URM Program Manager to Fees	(170,817)	(170,817)
	SDCI Organizational Redesign in Response to Permitting Audit	0	0
Seattle Department of Construction and Inspections Total		(3,636,026)	(3,636,026)
Seattle Department of Human Resources	Eliminate Benefits Lead Personnel Analyst Supervisor	(205,738)	(205,738)
	Eliminate Citywide Learning & Development Division	(899,272)	(899,272)
	Eliminate Equity Performance Management Program	(487,084)	(487,084)
	Eliminate Workforce Development Unit	(503,295)	(503,295)
	Eliminate Workforce Equity Director & Workforce Equity Advisor	(389,271)	(389,271)
	Reduce temp labor funding	(112,393)	(112,393)
Seattle Department of Human Resources Total		(2,597,052)	(2,597,052)
Seattle Department of Transportation	General Fund Reduction and Funding Swap in Debt Service	-	-
	General Fund Reductions	(6,135,159)	(6,135,159)
	Maintaining Core Services After the Levy	(861,107)	(861,107)
Seattle Department of Transportation Total		(6,996,266)	(6,996,266)
Seattle Fire Department	Civilianize Disability Officer	(47,290)	(47,290)
	Department-wide Overtime Savings	(400,000)	(400,000)
	HR OT Reduction	(10,000)	(10,000)
	Major Equipment Funding	-	-
	Unplanned Unit outages - Aligning overtime budget with vacancy rate	(1,000,000)	(1,000,000)
Seattle Fire Department Total		(1,457,290)	(1,457,290)
Seattle Municipal Court	Customer Service Staff Reduction	(361,203)	(361,203)
	Traffic Camera Expansion	(210,602)	(210,602)
Seattle Municipal Court Total		(571,805)	(571,805)

Attachment A - 2025-2026 Proposed Operating Increases

Seattle Parks and Recreation	Activation Realignment: (Modification) Reduce Environmental Programming by 50% in 2026		(1,053,838)	(1,053,838)
	Activation Realignment: Center City Activation		(186,000)	(186,000)
	Activation Realignment: Realign Community Granting Programs		(199,999)	(199,999)
	Activation Realignment: Realign Outdoor Park Activation		(246,510)	(246,510)
	Admissions Tax Fund Swap - Downtown Buskers		(224,000)	(224,000)
	Admissions Tax Fund Swap with General Fund - Arts in Parks		(444,459)	(444,459)
	Admissions Tax Fund Swap with General Fund - Teen Performing Arts Program		(209,958)	(209,958)
	Leadership and Administration Efficiency		(517,083)	(517,083)
	MPD Capital Funding Swaps for Balancing		(6,769,084)	(6,769,084)
	Parks and Natural Spaces Reduction-modification (quarter reduction)		(622,472)	(622,472)
Seattle Parks and Recreation Total			(10,473,402)	(10,473,402)
Seattle Police Department	Additional Sworn Salary Savings	-	-	-
	OPA General Fund Reduction		(459,686)	(459,686)
	Remove 2024 Recurring Grants	203,300	(479,450)	(276,150)
	Remove Support for the Mounted Patrol Unit		(236,928)	(236,928)
	School Zone Camera Expansion		(242,467)	(242,467)
	SPD General Fund Reduction	(4,300,000)		(4,300,000)
Seattle Police Department Total		(4,096,700)	(1,418,531)	(5,515,231)
Total 2026 GF Operating Decreases		(4,096,700)	(46,294,148)	(50,390,848)
2026 GF Operating Increases				
Department	Item	2026 One-time	2026 Ongoing	2026 Total
City Budget Office	Emergency Management Assessment			
City Budget Office Total				
Civil Service Commissions	Space Modifications			
Civil Service Commissions Total				
Community Assisted Response and Engagement	Add Seattle Restoration Director		215,760	215,760
	CARE Team expansion		3,533,832	3,533,832
	Public Disclosure staff		199,271	199,271
Community Assisted Response and Engagement Total			3,948,863	3,948,863
Department of Education and Early Learning	ECEAP Grant Award Increase		317,993	317,993
	Upward Bound Grant Award Increase		20,753	20,753
Department of Education and Early Learning Total			338,746	338,746

Attachment A - 2025-2026 Proposed Operating Increases

Department of Finance and Administrative Services	General Fund Appropriations for SCL Rebates for MEEP Projects	146,473		146,473
	Increase to Jail Services		2,722,641	2,722,641
	Network Company Regulatory License		249,156	249,156
	Public Defense Contract Increase		524,271	524,271
	Reduce Nonlabor Budget for Tax System Improvements			
	SCORE Inter-local Agreement for Jail Services		2,913,132	2,913,132
Department of Finance and Administrative Services Total		146,473	6,409,200	6,555,673
Department of Neighborhoods	Increase Revenues from Equity & Engagement IDAs		401,707	401,707
Department of Neighborhoods Total			401,707	401,707
Finance General	Create Enhanced Public Safety Streetlight Reserve		1,000,000	1,000,000
	Final Alignment of Street Lighting Reserves		1,150,000	1,150,000
	Increase 2026 Elections Reserve for Implementation of Ranked Choice Voting		1,200,000	1,200,000
	Increase Appropriation for Citywide Insurance Costs		6,700,000	6,700,000
	Increase Election Reserve for Social Housing I-137 Election Cost			
	Increase Puget Sound Clean Air Agency Reserve		106,000	106,000
	Increase Reserve for Tax Rebate Interest		775,000	775,000
	Transfer Funding from Trial Court Improvement Account Reserve to Seattle Municipal Court			
Finance General Total			10,931,000	10,931,000
Human Services Department	\$1 million for THVs		1,000,000	1,000,000
	Addressing Gun Violence in Schools and Protecting Youth		4,250,000	4,250,000
	Contract Inflation Increase		16,090,796	16,090,796
	Convert One-time funding to Ongoing - Africatown		2,200,000	2,200,000
	Human Trafficking Interventions		2,000,000	2,000,000
	Navigation Center Option 3		5,278,466	5,278,466
	One Seattle Outreach		150,000	150,000
	UCT Administrative Positions		279,070	279,070
	UCT Director		210,000	210,000
	UCT Expanded Operations - Half		308,074	308,074
Human Services Department Total			31,766,406	31,766,406
Office of Economic Development	CDBG Funding for Wealth Building Tenant Improvement Program	500,000		500,000
	Westlake Park Revitalization - Planning and Activations	250,000		250,000
Office of Economic Development Total		750,000		750,000

Attachment A - 2025-2026 Proposed Operating Increases

Office of Immigrant and Refugee Affairs	CDBG Ready To Work Continuation		700,000	700,000
Office of Immigrant and Refugee Affairs Total			700,000	700,000
Seattle Department of Transportation	Expanding Unified Care Team by two (2) teams		1,390,740	1,390,740
	Maintaining Core CIP Services After the Levy to Move Seattle	1,468,000		1,468,000
	Paid Parking Revenue Increment		600,000	600,000
Seattle Department of Transportation Total		1,468,000	1,990,740	3,458,740
Seattle Fire Department	Add funding for 20 additional FF recruits		2,059,325	2,059,325
	Add funding for additional paramedic students		1,204,000	1,204,000
	BLS Transport Billing		5,000	5,000
	Dangerous Building abatement		500,000	500,000
	MIH Program Expansion		1,206,953	1,206,953
	Overtime Budget AWI		600,000	600,000
Seattle Fire Department Total			5,575,278	5,575,278
Seattle Municipal Court	2025 TCIA Support			
	Case Management Software Contract		258,668	258,668
	Judicial Salary Technical Adjustment		39,671	39,671
Seattle Municipal Court Total			298,339	298,339
Seattle Parks and Recreation	Technical: Increase Zoo Appropriation		800,000	800,000
	UCT Expansion to 7 Days		1,144,674	1,144,674
Seattle Parks and Recreation Total			1,944,674	1,944,674
Seattle Police Department	Implement CCTV at Additional Locations		50,000	50,000
	Investigative Support	35,000	2,230,548	2,265,548
	OPA Civilian Investigators		389,843	389,843
	Overtime for Emphasis Patrols			
	Real Time Crime Center	45,000	3,654,527	3,699,527
	UKG Implementation		784,110	784,110
Seattle Police Department Total		80,000	7,109,028	7,189,028
Seattle Public Utilities	Funding for a One Seattle Tree Nursery		304,000	304,000
	Unified Care Team Expansion		85,000	85,000
Seattle Public Utilities Total			389,000	389,000
Total 2026 GF Operating Increases		2,444,473	71,802,982	74,247,455

Attachment A - 2025-2026 Proposed Operating Increases

2026 Operating Transfers				
Department	Item	2026 One-time	2026 Ongoing	2026 Total
Seattle Public Utilities	Graffiti Abatement Program Transfer		(3,209,591)	(3,209,591)
Seattle Parks and Recreation	Transfer Graffiti Abatement from SPU to SPR		2,315,079	2,315,079
Subtotal - Graffiti Abatement		-	(894,512)	(894,512)
Seattle Public Utilities	Transfer of Hygiene Station Budget and Operations to Seattle Parks and Recreation		(835,000)	(835,000)
Seattle Parks and Recreation	Transfer Public Hygiene Funding from SPU to SPR		585,000	585,000
Subtotal - Public Hygeine		-	(250,000)	(250,000)
Seattle Department of Human Resources	Transfer Fire & Police Exams from SDHR to CIV/PSCSC		(1,564,032)	(1,564,032)
Civil Service Commissions	Transfer Fire and Police Exams from SDHR to CIV		1,564,032	1,564,032
Subtotal - Fire and Police Exams		-	-	-
Employees' Retirement System	Deferred Comp Budget		729739	729739
Seattle Department of Human Resources	Transfer Deferred Comp Unit from SDHR to RET		(586,529)	(586,529)
Subtotal - Deferred Compensation			143,210	143,210
Total 2026 Operating Transfers			(1,001,301)	(1,001,301)
2026 Grand Total		(1,652,227)	24,507,533	22,855,306



Date: September 24, 2024

To: Honorable Sara Nelson, Council President
Honorable Dan Strauss, Chair, Finance, Native Communities and Tribal Governments Committee
Jeremy Racca, Mayor's Chief of Staff and General Counsel
Jamie Carnell, Director of Finance
Ben Noble, Council Central Staff Director
Jan Duras, Interim Director, Office of Economic and Revenue Forecasts

From: Dan Eder, City Budget Director

RE: Revenue Changes from August-Approved Forecast

On August 5, 2024 the Revenue Forecast Council approved the economic and revenue forecasts produced by the Office of Economic and Revenue Forecasts, which formed the basis for the Mayor's 2025-2026 Proposed Budget. Seattle Municipal Code 3.44.010 acknowledges that the Mayor and Council have the authority to deviate from the approved forecasts, but requires, "[A]ny 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." In compliance with these requirements, attached please find the Mayor's proposed changes to the August revenue forecasts for 2024-2026 as approved by the Revenue Forecast Council on August 5, 2024.

As the attached revenue change table indicates, for 2024, the Mayor's Proposed Budget increases the 2024 August forecast by \$459,000. This addition results from minor technical adjustments to Grants and Fund Balance Transfers.

For 2025 and 2026, the Mayor's Proposed Budget includes additional General Fund revenues of \$295.4 million and \$232.3 million, respectively. These amounts capture transfers from the JumpStart Payroll Expense Tax Fund of \$287 million in 2025 and \$223 million in 2026 to support administrative and operating General Fund expenses. Also included, among other minor adjustments, is an increase in Court Fines of \$4.9 million in each year.

Should you have questions or inquiries about these revenue changes or other revenue matters, please let me know or contact Dave Hennes.

Attachment: 2024-26 Proposed Budget: Revenue Changes from Approved August General Fund Forecast



SEATTLE CITY COUNCIL
CENTRAL STAFF

General Fund Balancing Analysis

TOM MIKESELL, ANALYST

SELECT BUDGET COMMITTEE

10/16/2024

Outline

A. 2024 GF budget

1. 2024 Adopted: Projected 2025-2026 GF Deficit
2. Approved Changes to 2024 GF Budget
3. 2024 Proposed Changes & Revised 2024 Ending/ 2025 Beginning Balance

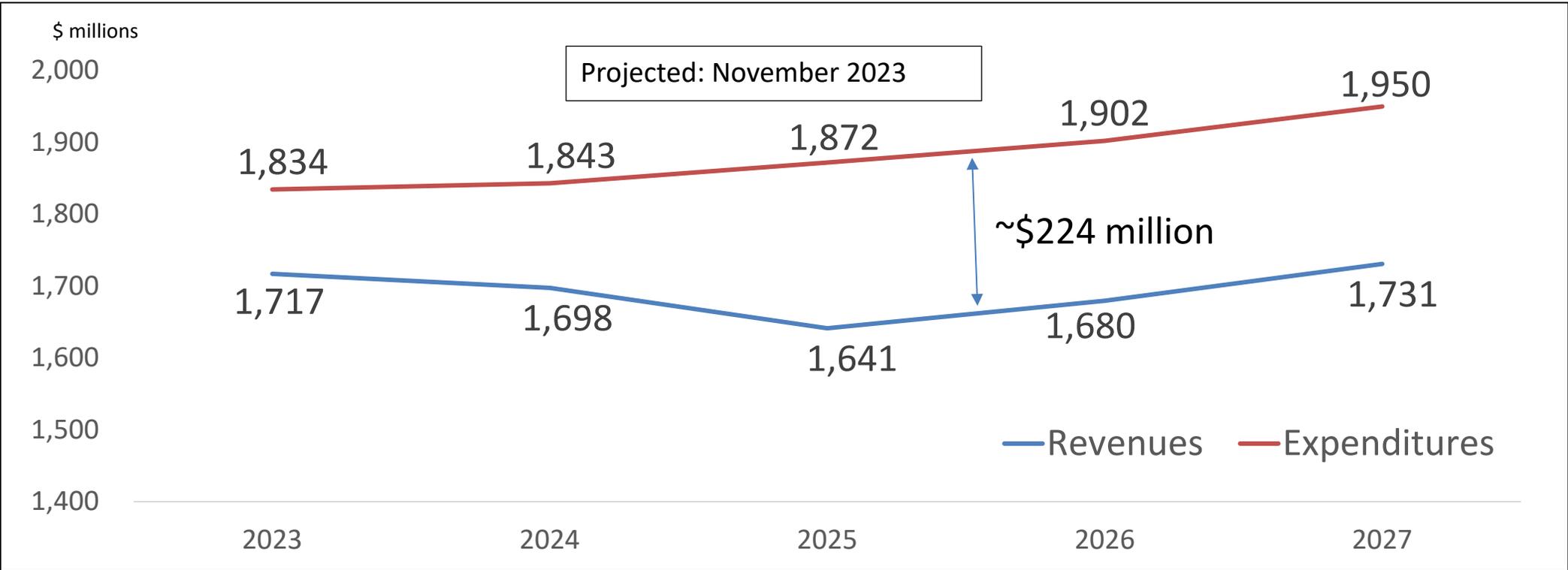
B. 2025-2026 Proposed

1. Baseline Balancing Status
2. Proposed Expenditures and Revenues
3. 2025-2026 Balancing Status

C. 2027-2028 Projected GF Sustainability

1. Payroll Expense Tax Unpredictability

November 2023: Projected 2025-2026 GF Deficit



Key takeaway: The GF financial plan published with the 2024 Adopted budget projected a \$224 million average deficit in 2025 and beyond.

Approved Changes to 2024 Budget

- 2024 Adopted budget assumed a \$1 million ending unreserved balance.
- Additional \$164 million in 2023-year end balance, from budget underspend and positive revenue forecast variance.
- Automatic carryforwards and legislation approved to date adds \$61 million of projected revenue, more than offset by \$348 million of added appropriation
- Largest appropriation increase is \$162 million from first wage increase bill, offset by decrease in monies held in planning reserves.
- August 2024 Revenue Forecast: After excluding carryforward and legislated revenues, forecast update reduced base 2024 GF revenues by \$10.5 million.

Key takeaway: Improved 2023-year end balance, August forecast, and legislation approved to date, have had a net positive impact of \$27.4 million.

Proposed Changes to 2024 Budget

- Year End Supplemental - would increase revenues to the GF by \$13.6 million and increase GF expenditures by \$29.9 million, with a net balance impact of **(\$16)** million.
- Year End grant Acceptance and Appropriations- would accept and spend \$3.3 million of grants in the GF, fully backed by new revenue.
- 2nd Wage Increase - would increase appropriations by \$110 million, of which \$29.7 million is GF, to provide funds to cover the costs associated with the series of Council-approved labor agreements. Backed by non-appropriated reserves, and “health care holiday” adjustment.
- Net 2024 balancing impacts of proposed legislation **(\$16)** million.

Key takeaway: Proposed budget legislation, including the year end supplemental, grant acceptance/appropriation, and 2nd wage increase increment, would have a **(\$16) million GF balancing impact.**

Proposed Changes to 2024 Budget (cont.)

- Increases the 2024 underspend assumption to \$24 million.
- Increases amount held in planning reserves by \$10 million.
- Revised 2024-year end balance increases to \$24 million, which represent one-time resources. These additional resources have been incorporated into the 2025-2026 Proposed Budget.

Key takeaway: Approved and proposed GF changes would increase 2024 ending/2025 beginning unreserved fund balance to \$24 million, increasing one-time resources for use in 2025-2026 Proposed Budget.

Proposed 2025-2026 Baseline/Technical Changes

- Baseline adjustments: Decreases of **(\$35)** million in 2025 and 2026 to reflect adjustment for one-time, capital, reserves, and transfers.
- Technical Adjustments: Increases of \$158 million in 2025 and \$213 million in 2026 for wage increases, 2024 budget legislation, internal service charges (FAS/IT/SDHR), miscellaneous items, and transfers to reserves.
- Planning Reserves: \$51 million increase in 2025 and an additional \$82 million increase 2026 for planned and contingent, needs.
- Transfers to Fiscal Reserves: decrease **(\$3)** million in 2025, **(\$11)** million decrease in 2026.

Key takeaway: Baseline and technical appropriations and reserves adjustments increase the Proposed Budget by \$171 million in 2025 and \$262 million in 2026.

2025-2026 Fiscal Reserve Status

Amounts in \$1,000,000s	Emergency Fund ¹	Revenue Stabilization Fund	Total
2025 Beginning Balance	\$72.8	\$68.0	\$140.8
2025 Transfer from GF	\$12.7	\$1.1	\$13.8
2026 Transfer From GF	\$2.4	\$3.0	\$5.4
2026 Ending Balance	\$88.0	\$72.1	\$160.1
2026 Ending Balance: % of Policy	100%	100%	N/A
^{1/} RES 32024 allows repayment of the Emergency Fund over a five-year period after deep or multi-year use of the fund. 2026 is the final year in this plan after uses during the Covid 19 pandemic.			

- Emergency Fund: \$60 million in 2016 dollars, inflated by annual CPI
- Revenue Stabilization Fund: 5% of GF tax revenues.

Key takeaway: Transfers in the 2025-2026 Proposed Budget would fully replenish the City’s fiscal reserves, after deep drawdowns during pandemic, bringing combined reserves to \$160.1 million at the end of 2026.

Proposed 2025-2026 Baseline/Technical Change (cont.)

- August Revenue GF forecast projected \$1.639 billion in 2025 and \$1.71 billion in 2026.
- 2025: 2.3 percent growth over the 2024 revised revenue forecast; slightly below inflation of 2.8 percent
- 2026: 4.3 percent growth outpaces inflation, which is estimated to be 2.9 percent based on the Forecast Office's August regional economic model.
- Totals do not include Mayor's revenue proposals included with the budget.
- Third and final forecast update, used for Chair's balancing package, at joint meeting of Select Budget Committee and Forecast Council on October 22.

Key takeaway: August revenue forecast projected total base GF revenues of \$1.64 billion in 2025 and \$1.71 billion in 2026. The third and final forecast will be presented on October 22 and will inform Chair's balancing package.

2025-2026 Baseline Deficit

Amounts in \$1,000,000s	2025 Proposed	2026 Proposed
2024 Adopted	\$1,722	\$1,722
Baseline Adjustments	(\$35)	(\$35)
Adjust Reserve Transfers	(\$3)	(\$11)
Technical Adjustment	\$158	\$213
Planning Reserves Increase	\$51	\$82
Total Baseline Expenditures	\$1,893	\$1,971
Total Baseline Revenues	\$1,639	\$1,709
Baseline Ongoing Deficit	(\$254)	(\$262)

Key takeaway: The 2025-2026 Baseline Deficit, prior to operating proposals, was (\$254) million in 2025 and (\$262) million in 2026.

2025-2026 Operating Appropriation Proposals

Amounts in \$1,000,000s	2025 Proposed	2026 Proposed		
		One-time	Ongoing	Total
Expenditure Decreases	(\$54)	(\$4)	(\$46)	(\$50)
Transfers (Net)	(\$1)	\$0	(\$1)	(\$1)
Subtotal Expenditure Decrease	(\$55)	(\$4)	(\$47)	(\$51)
Expenditure Increases	\$78	\$2	\$72	\$74
Net Appropriation Change	\$23	(\$2)	\$25	\$23

Key takeaway: Net operating proposals would increase the Proposed Budget by \$23 million in both 2025 and 2026. After adjusting for one-time items, the 2026 ongoing increase is \$25 million.

Underspend Assumptions

- 2025 GF financial plan includes a \$10 million underspend assumption.

Amounts in \$1,000,000	Assumption	Actual
2021 Revised Budget	n/a	\$48.5
2022 Revised Budget	\$20	\$45.9
2023 Revised Budget	\$10	\$35.4
2024 Revised Budget ^{1/}	\$24	n/a
2025 Proposed	\$10	n/a
2026 Proposed	\$0	n/a

1/ As proposed in the 2025-2026 Budget. The 2024 Adopted Budget included a \$10 million underspend.

Key takeaway: The 2025 budget includes a \$10 million underspend assumption, which is below recent GF underspend totals, but underspends have been declining.

2025-2026 Revenue Proposals

- Parking Fine Increase: would increase ongoing GF revenues by \$4.9 million in 2025 and 2026.
- Align Jump Start Fund administration transfer - would increase ongoing GF revenues by \$2.5 million in 2025 and \$3 million in 2026 all ongoing.
- Miscellaneous increase would increase ongoing GF revenues by \$1 million in 2025 and \$0.7 million in 2026.
- JumpStart Fund Contribution to GF - would increase, and make ongoing into the foreseeable future, the transfer from the Jump Start Fund to the GF for revenue backfill to \$287 million in 2025 and \$232 million in 2026.

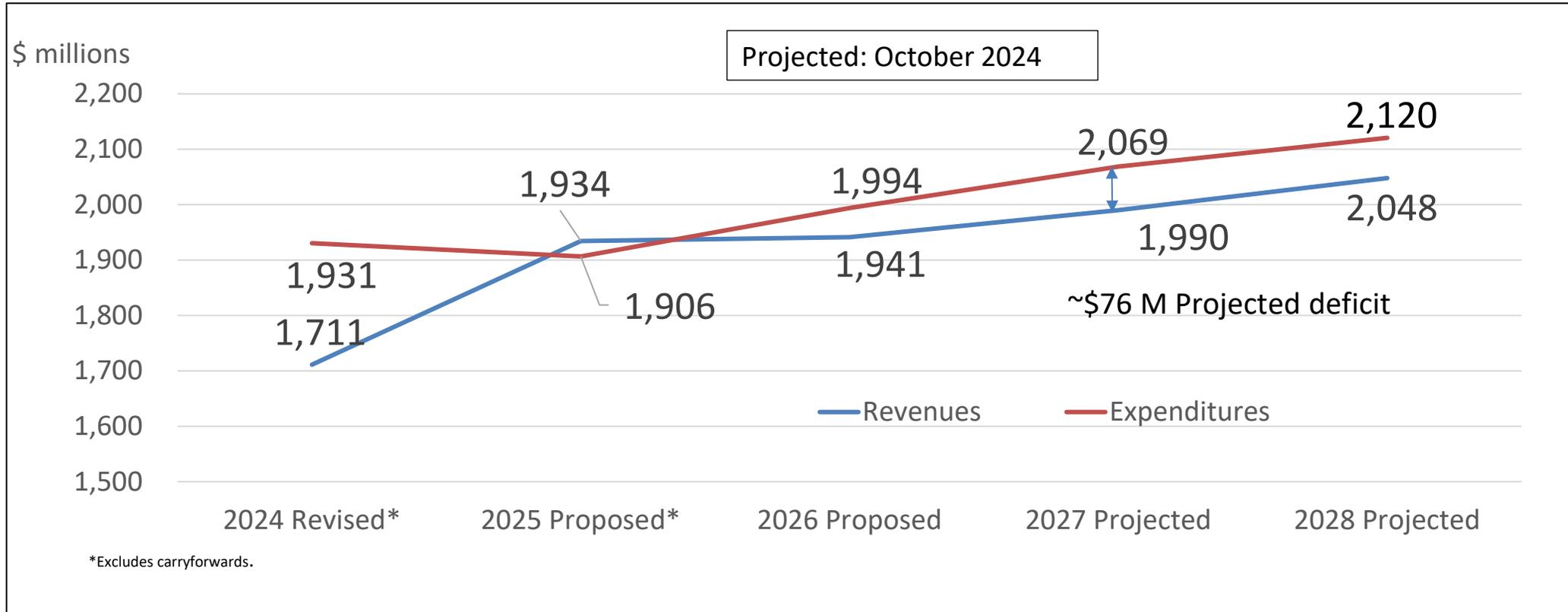
Key takeaway: New revenue proposals would increase ongoing GF resources by \$295 million in 2025 and \$232 million in 2026.

2025-2026 Proposed Budget

Amounts in \$1,000,000s	2025	2026
Starting Fund Balance ^{1/}	\$24	\$52
Baseline Revenues	\$1,639	\$1,709
Proposed Revenues	\$295	\$232
Subtotal – Resources	\$1,959	\$1,994
Baseline Expenditures ^{2/}	\$1,893	\$1,971
Proposed Expenditures	\$23	\$23
Underspend Assumption	(\$10)	\$0
Subtotal - Expenditures	\$1,906	\$1,994
Ending Balance	\$52	\$1
1/Net of amount reserved in 2024		
2/ Includes change in planning reserves over prior year.		

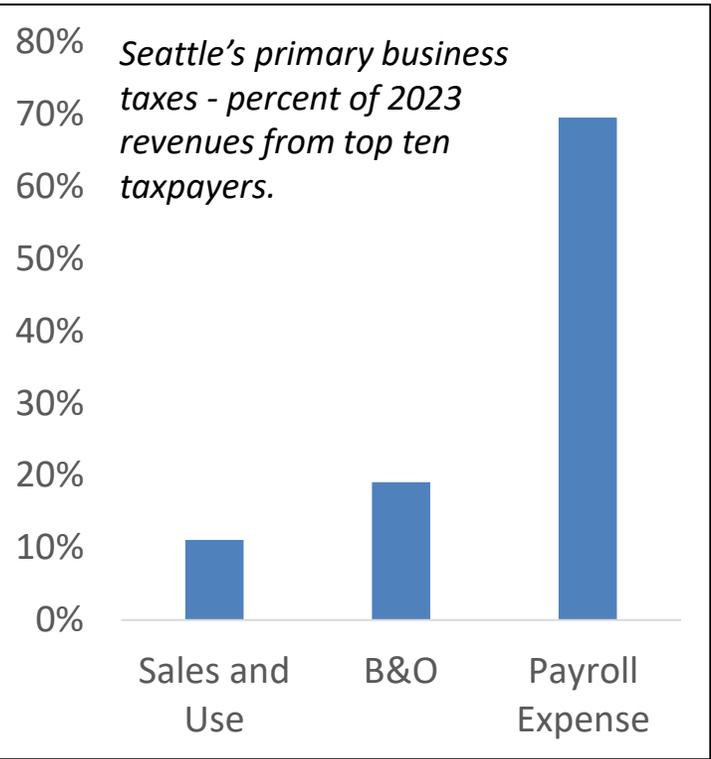
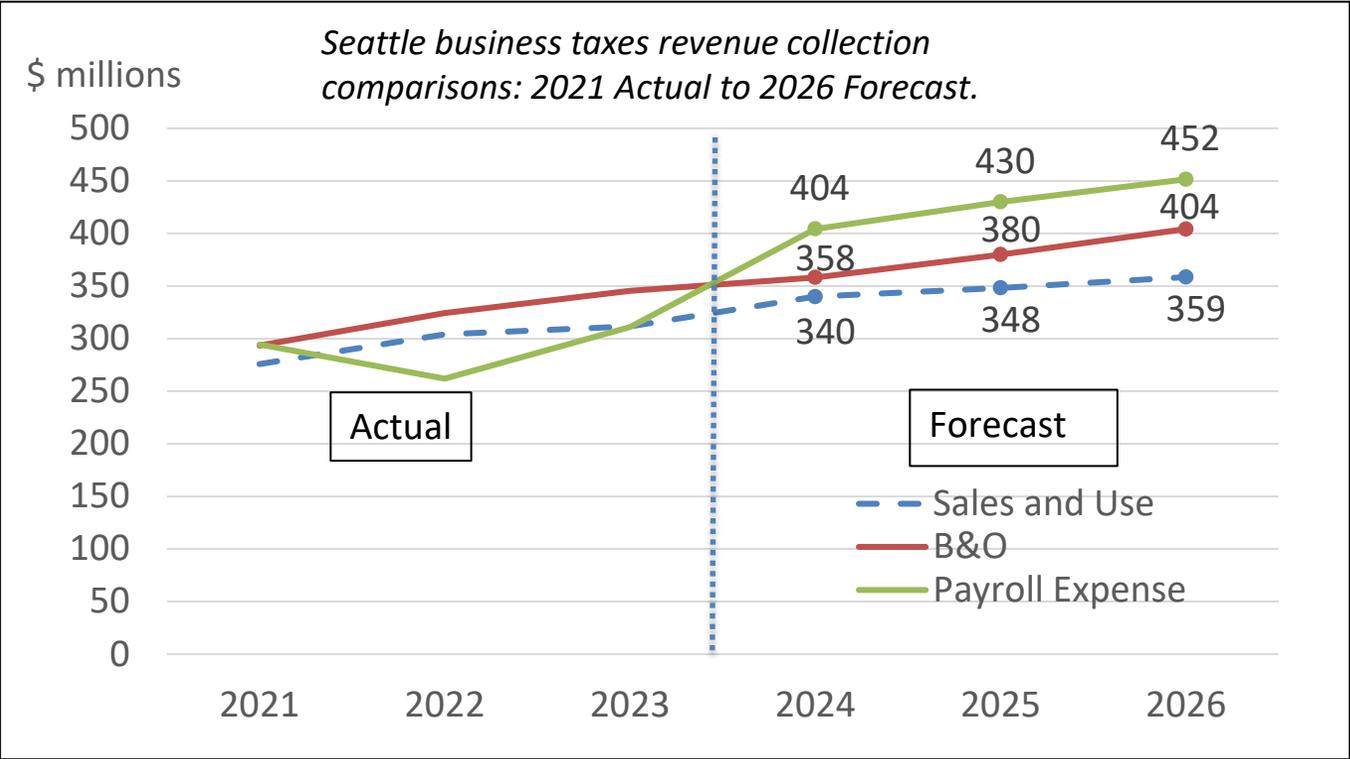
Key takeaway: The 2025-2026 Proposed Budget is balanced, but with \$52 million of one-time balance in 2026.

2027-2028 Projected GF Sustainability



Key takeaway: Due to use of \$52 million in one-time balances and spending above ongoing revenue growth, the average projected operating deficit is \$76 million.

Payroll Expense Tax Unpredictability



Key takeaway: High observed volatility due to dependence on stock performance and concentration of the tax base to a small number of taxpayers, make the payroll expense tax unpredictable.

Questions?



Legislation Text

File #: Inf 2573, **Version:** 1

JumpStart Policies

JumpStart/Payroll Expense Tax Proposed Appropriations & Spending Policies

Select Budget Committee | October 16, 2024

Ben Noble, Director

 **Budget Overview & Department Presentations**
STEP 1 SEPT 25 - OCT 02

 **Policy Considerations**
Central Staff Presentations
STEP 2 OCT 16 - 21

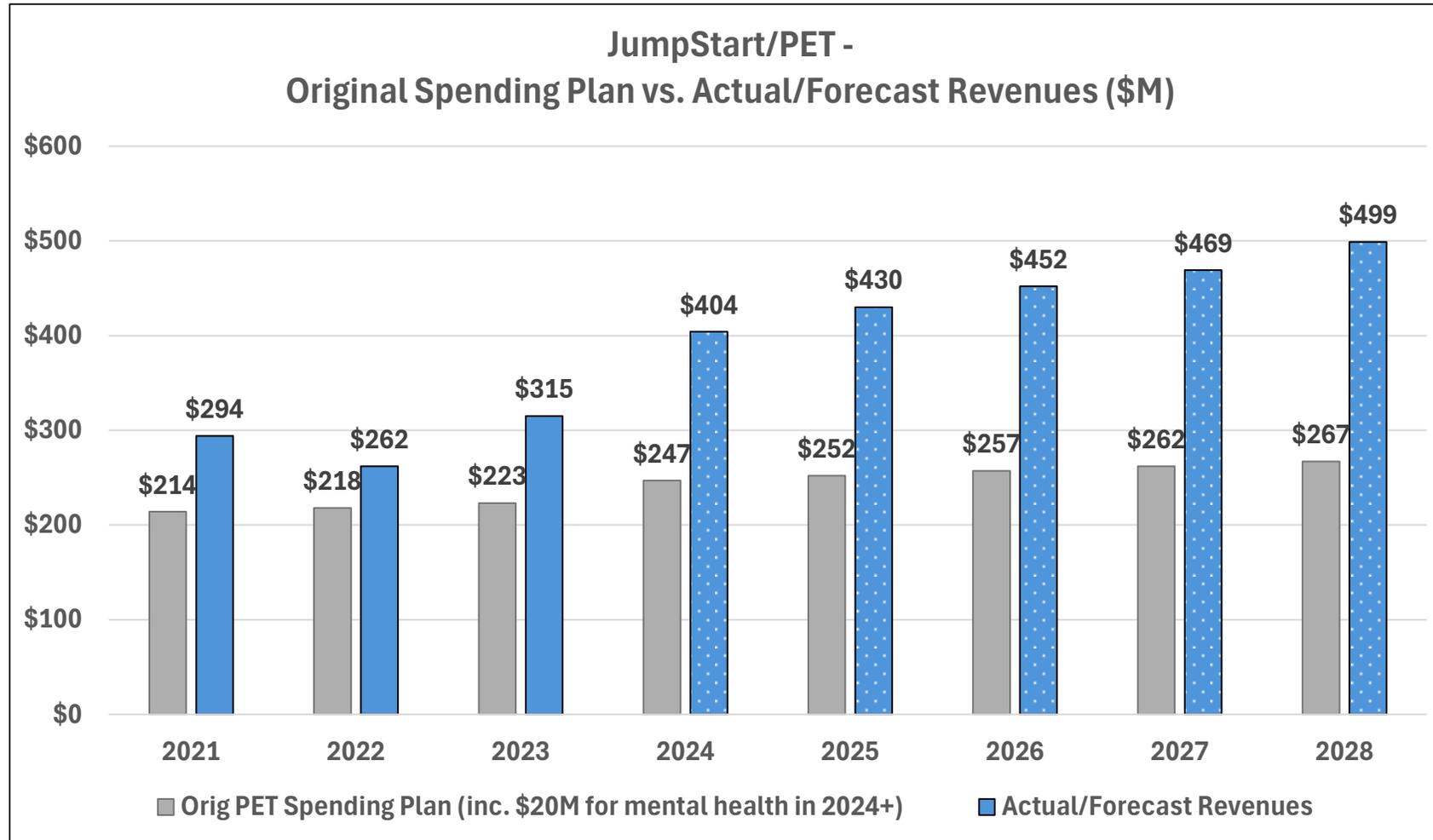
 **Revenue Forecast Update**
OCT 22

 **Chair's Balancing Package**
STEP 3 OCT 30

 **Budget Amendments**
Discussion & Voting
STEP 4 NOV 13 - NOV 15

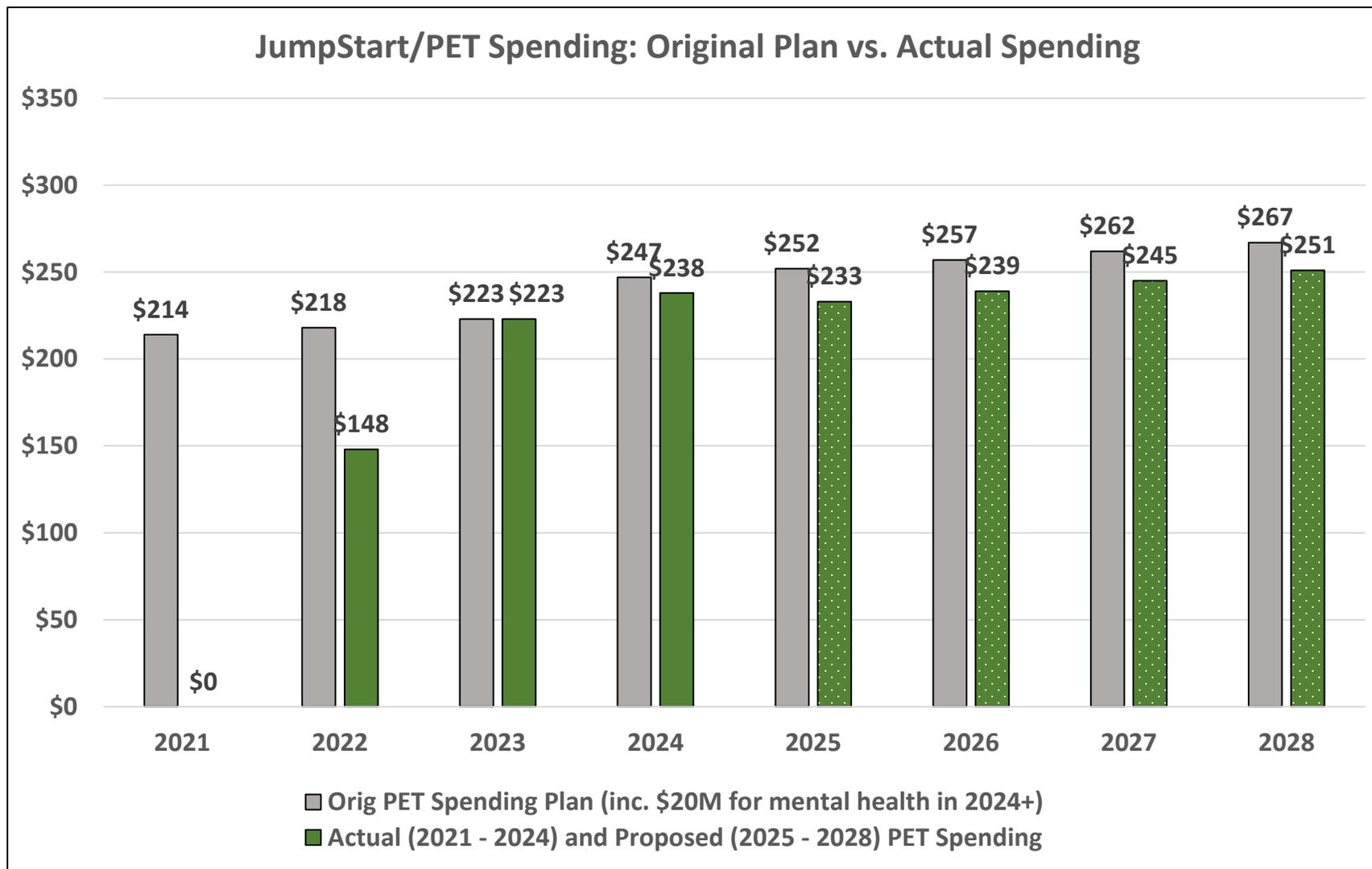
 **Final Committee Vote & Council Adoption**
STEP 5 NOV 19 - NOV 21

JumpStart/PET Revenues – History and Context



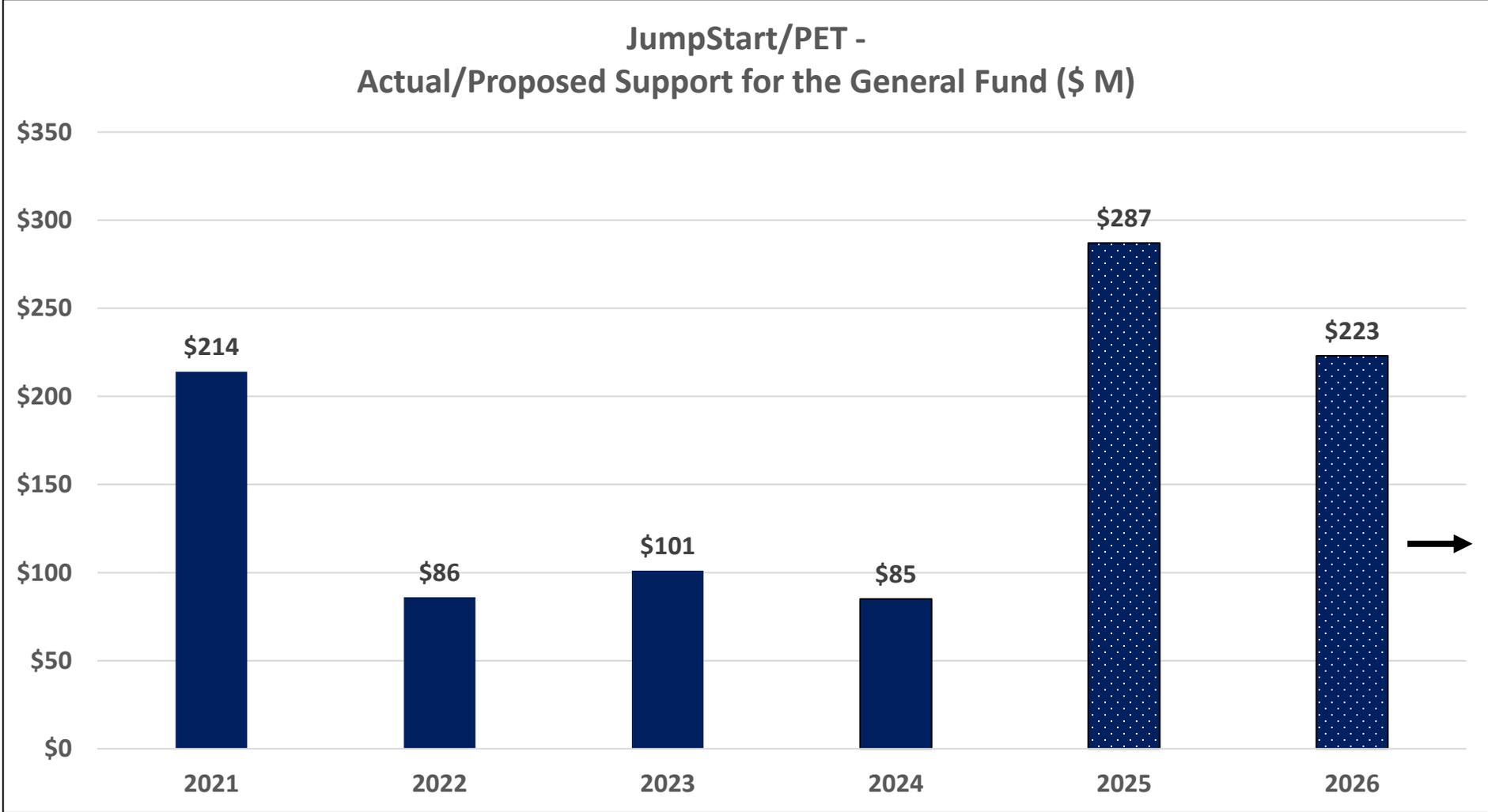
- Realized revenues have dramatically outpaced the original spending plan.
- We have only three years of actual revenue receipts, and the revenue stream has proven somewhat volatile in that time.
- The forecasts anticipate very significant growth in the near term.
- Both these factors represent risks going-forward.

JumpStart/PET Revenues – History and Context (cont.)

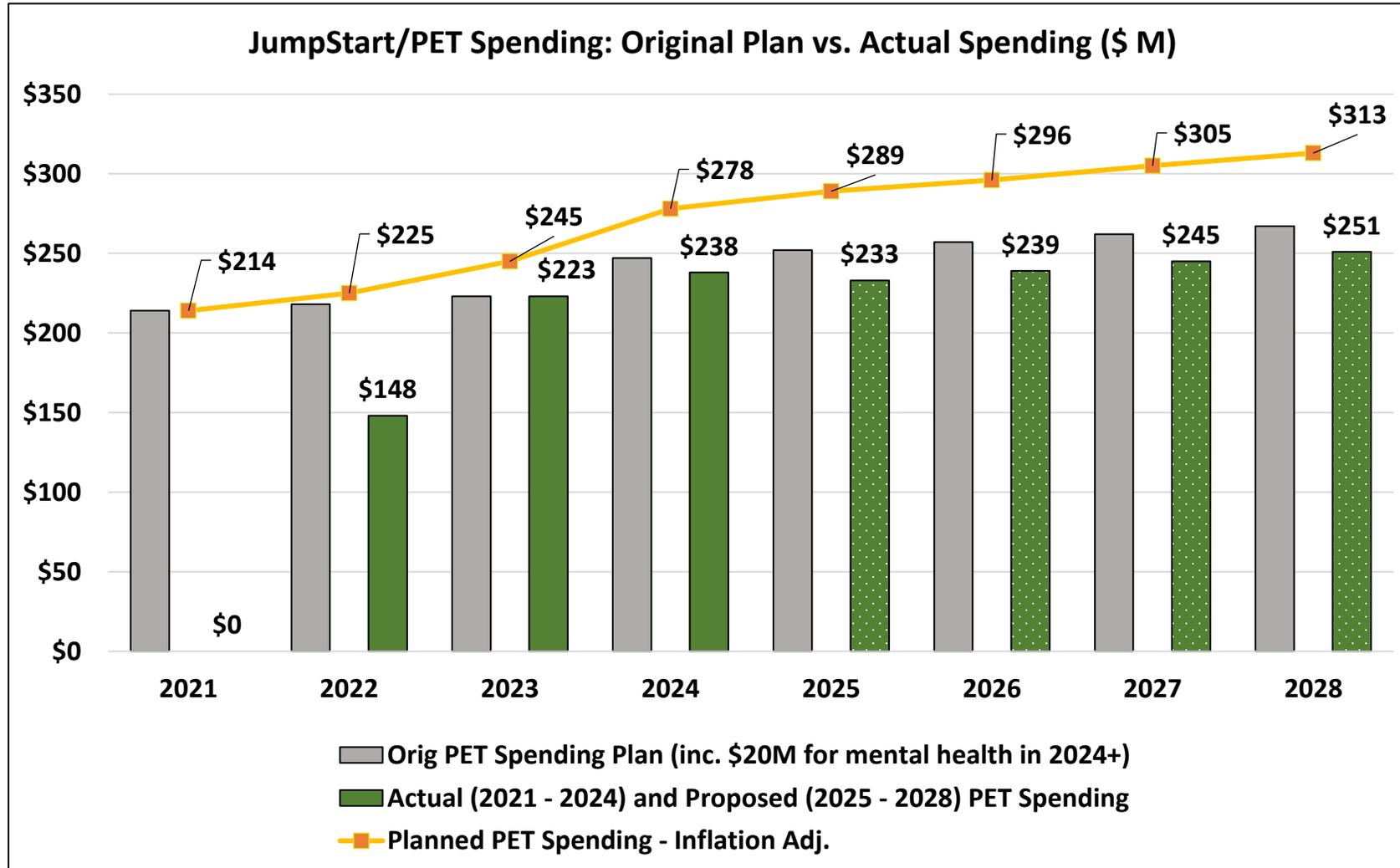


- To date, the original JumpStart/PET spending plan has been fully implemented only once, in 2023.
- The Mayor’s proposed budget falls short of the original JumpStart/PET spending plan in 2025, 2026, and beyond.
- Every year since it was first authorized, a significant share of JumpStart/PET revenues have been directed to the GF.

JumpStart/PET Revenues – History and Context (cont.)



JumpStart/PET Revenues - History and Context (cont.)



- Councilmembers asked what the original JumpStart/PET plan would require if it were adjusted for realized inflation.
- Relative to the Proposed Budget, meeting such a target would require a shift of ~\$56M from the GF to the JumpStart/PET priorities per year in 2025 and 2026. (Or the addition of new revenues.)

Current JumpStart/PET Spending Policies

Category	Percent	2025 Amount
Housing	62%	\$267 M
Economic Revitalization	15%	\$65 M
Equitable Development Initiative	9%	\$39 M
Green New Deal	9%	\$39 M
Administration	5%	\$22 M
Mental Health / Youth Violence Prev.	\$20 M	\$20 M
General Fund	<u>\$0</u>	<u>\$0</u>
Total (Excluding carry-forward balance from 2024)		\$430 M

- Adopted in 2022, Ordinance 126719 created the JumpStart/PET Fund, codified the spending plan included in Resolution 31957, and allowed limited use of the JumpStart/PET revenues to support the GF.
- This ordinance permits support for the GF in the 2023 and 2024 biennium only.
- To date, a portion of JumpStart/PET has always been used to support the GF.

Mayor's Proposed JumpStart/PET Policies

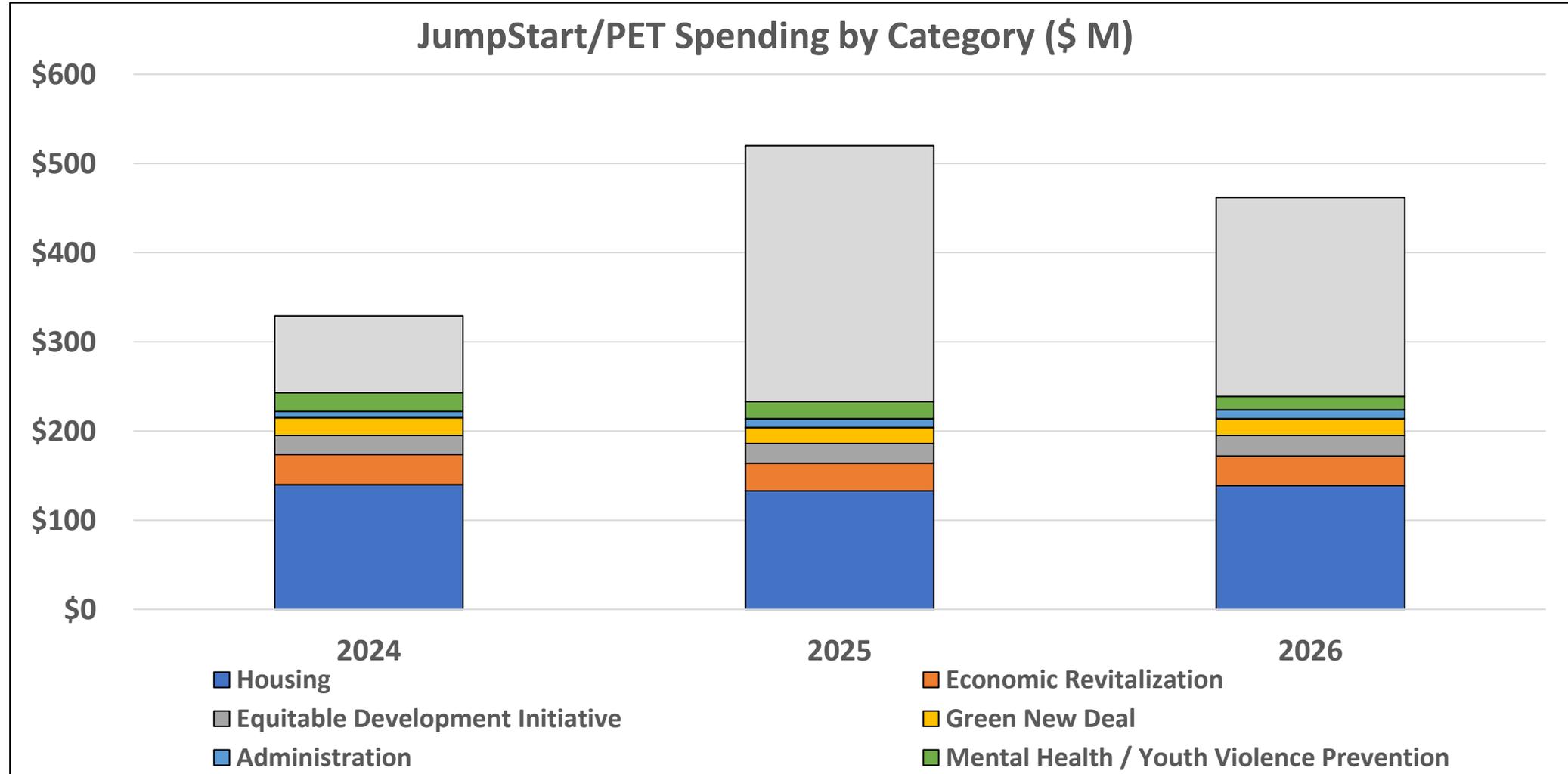
1. Define seven eligible spending categories:
 - General Fund
 - Affordable Housing
 - Economic Revitalization
 - Equitable Development
 - Green New Deal
 - Student Mental Health / Youth Violence Prevention (eligible only for '25 and '26)
 - Administration
2. Set no restrictions on how JumpStart/Pet resources are divided among these categories
3. Eliminate the JumpStart/PET Oversight Committee
 - The proposed budget instead allocates \$100K for CBO to conduct an assessment of program effectiveness and the economic impact of the tax
4. The Proposed Budget funds a ~10% Revenue Stabilization Reserve for JumpStart/PET but does not formally propose this as a policy

Mayor's Proposed JumpStart/PET Spending (\$ M)

Category	Percent	2024	2025	2026
Housing	62%	\$140	\$133	\$139
Economic Revitalization	15%	\$34	\$31	\$33
Equitable Development Initiative	10%	\$21	\$22	\$23
Green New Deal	9%	\$20	\$18	\$19
Administration	4%	\$7	\$10	\$10
Mental Health / Youth Violence Prevention		\$21	\$19	\$15
Total Spending for JumpStart Priorities		\$243	\$233	\$239
General Fund		\$86	\$287	\$223

- Although the Mayor's proposed policies do not set category-specific funding targets, the proposed biennial spending largely matches the original JumpStart/PET percentage allocations.
- The proposed budget includes significant allocations to GF, and the 2026 allocation of \$233 is assumed to continue in 2027 and beyond. However, this still leaves a GF deficit of \$75M+ going forward.

Mayor's Proposed JumpStart/PET Spending (\$ M)



Potential Alternative Policies?

Key Questions

- 1. Should JumpStart/PET just be deposited directly in the General Fund?**
 - This would obviate need for separate policies for the JumpStart/PET fund
 - Would not provide some level of transparency about the use of the funds
- 2. How much JumpStart/PET revenue should be available for the General Fund?**
 - Mayor's proposed policies set no specific limit
 - Current ~48% allocation will not be sufficient to close the projected 2027 GF deficit
- 3. Should Council establish fixed percentage allocations for each PET Category? If so, what percentages?**
 - Mayor's proposed policies set no specific percentages
 - Should flexibility be built-in to any allocation policies?
- 4. Should some minimum amount of PET be reserved for either GF or the JumpStart/PET categories?**
 - If revenues decline, should cuts be taken proportionally, or should the GF or a particular categories be given priority?
- 5. Should a revenue stabilization revenue be formally established for the JumpStart/PET fund?**
 - If so, what level? 5% 10%?
 - Over what time frame and by what mechanisms should any target reserve be funded?

Note: no matter how these questions are answered and legislated, future Councils could alter them (“Five votes makes policy ... “)