

General Fund Balancing Analysis

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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.

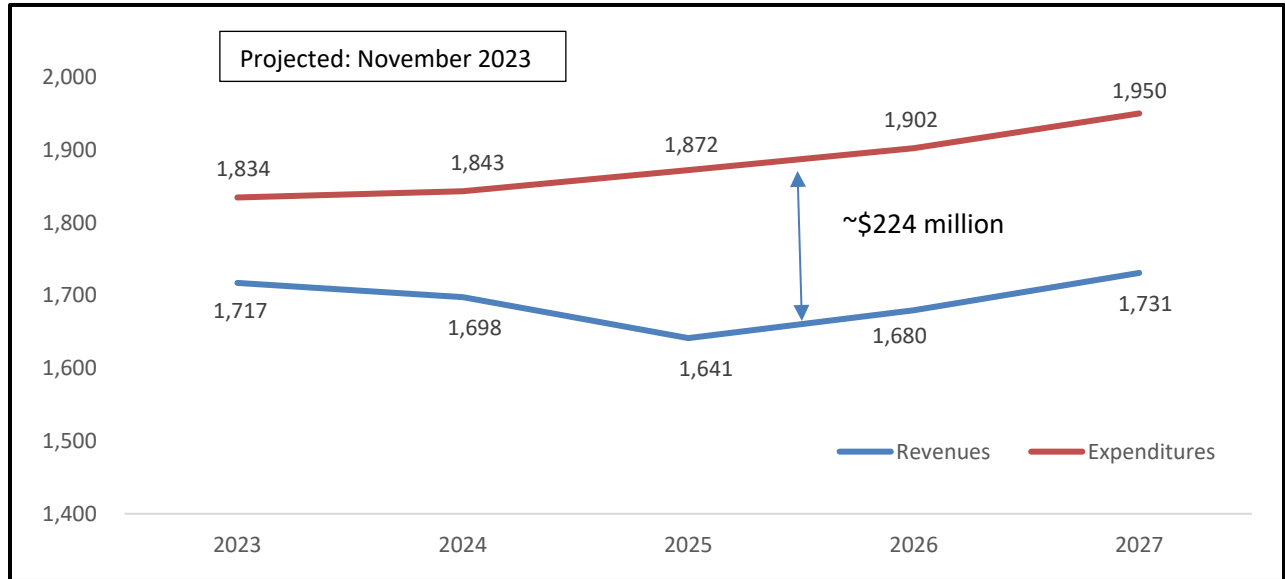
With this adjustment it is possible to see, as summarized in the *Surplus (Deficit)* row of Table 2 below, that the financial plan projected an average ongoing deficit in the GF of approximately \$224 million in 2025 through 2027. In simple terms, this means that the projected ongoing GF expenditures 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

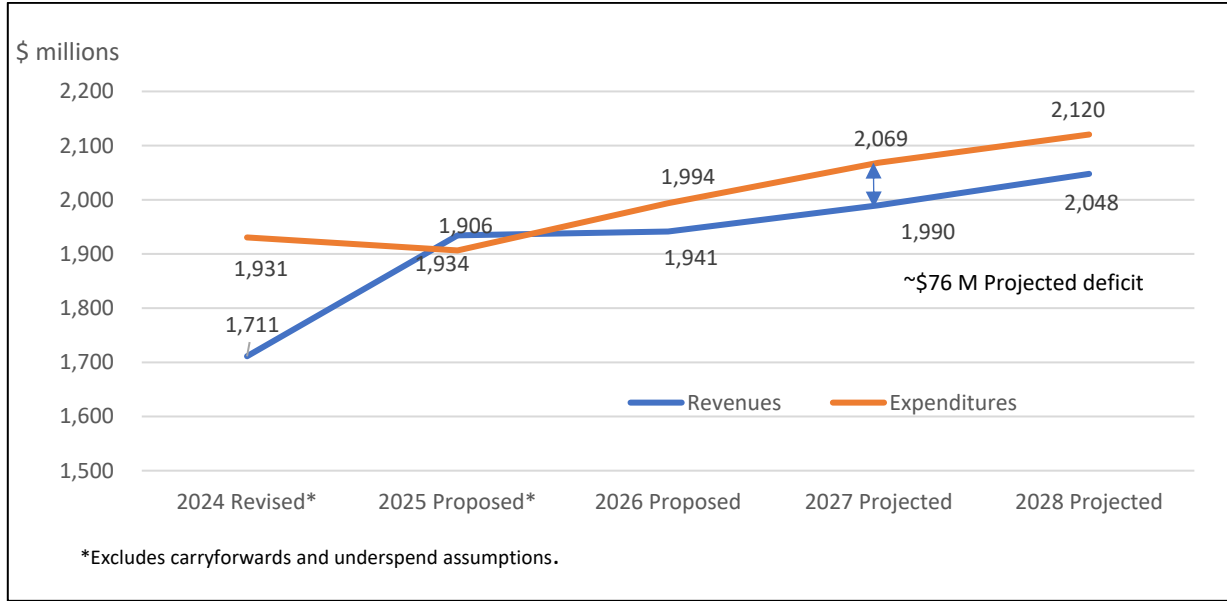
1/Net of amount reserved in 2024
 2/ Includes change in planning reserves over prior year.

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

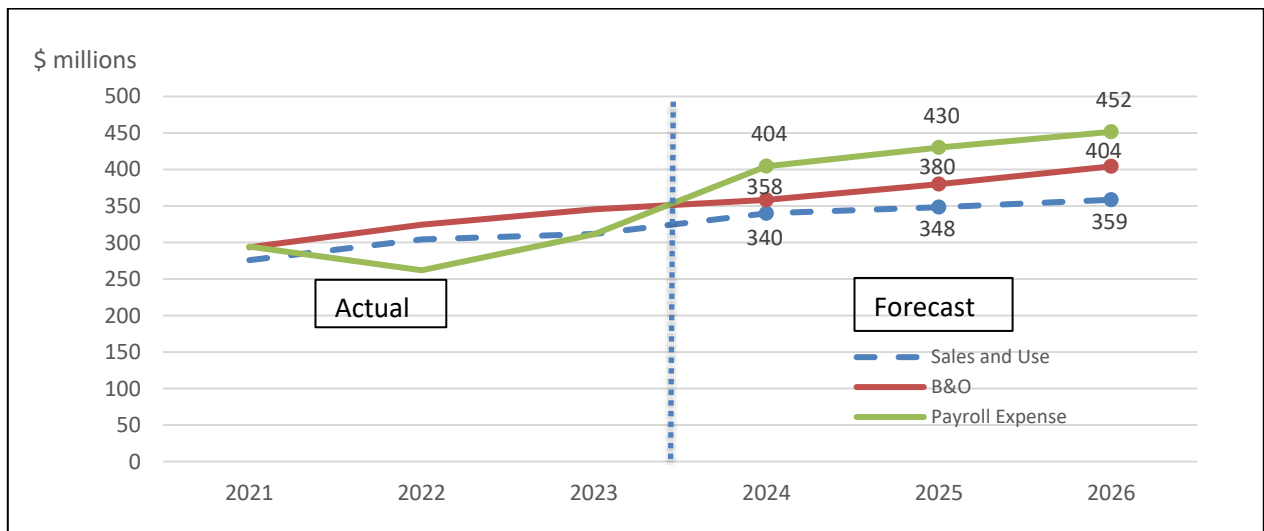
The first two items have been discussed previously in the memorandum; the latter point bears further explanation. As described in section IV.5 above, the primary mechanism used to balance the 2025-2026 Proposed Budget is a transfer-in of \$287 million and \$232 million of payroll expense tax revenue 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.

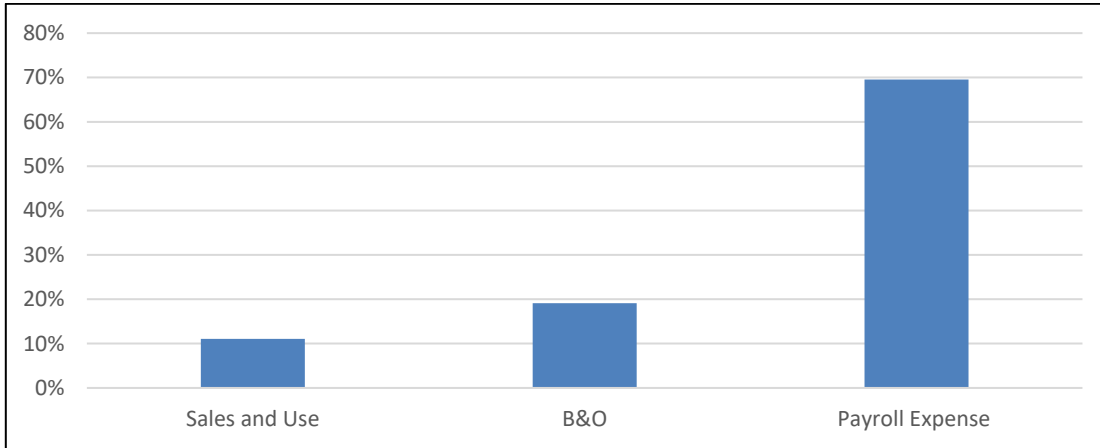


This is an important observation from a few perspectives. First, the payroll expense tax base, in terms of the number of taxpayers contributing to the tax, is very narrow compared to the other business taxes. Based on data provided by the Forecast Office, Figure 4 compares the percent of 2023 revenue 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