

SUMMARY and FISCAL NOTE*

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

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

1. BILL SUMMARY

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

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

2. CAPITAL IMPROVEMENT PROGRAM

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

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

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

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

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

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

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

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

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

3.a. Appropriations

_____ This legislation adds, changes, or deletes appropriations.

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

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

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

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

Is this change one-time or ongoing?

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

Appropriations Notes:

3.b. Revenues/Reimbursements

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

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

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

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

Is this change one-time or ongoing?

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

Revenue/Reimbursement Notes:

3.c. Positions

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

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

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

* List each position separately

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

Position Notes:

4. OTHER IMPLICATIONS

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

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

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

b. Is a public hearing required for this legislation?

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

No

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

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

No

d. Does this legislation affect a piece of property?

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

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

No

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

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

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

f. Climate Change Implications

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

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

No

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

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

No

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

This answer should highlight measurable outputs and outcomes.

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

List attachments/exhibits below: