

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
LEG	Esther Handy	

** 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: A RESOLUTION relating to the City’s annual budget process; updating modified biennial budgeting processes; establishing guidelines for mid-year budget changes; establishing data sharing and reporting requirements; and superseding Resolutions 28885 and 31954.

Summary and Background of the Legislation:

This legislation would define and update the City’s practices for biennial budgeting and mid-year budget changes. Specifically, it would:

- Set the City’s biennial budgeting process, in which the Mayor develops and the Council deliberates on a biennial budget consisting of two one-year budgets. The Council passes an ordinance adopting the budget for Year 1 consistent with chapter 35.32A RCW and endorses appropriations for Year 2. In Year 2, the Mayor’s proposes adjustments to the endorsed budget and the Council reviews those adjustments, considers additional adjustments, and adopts a budget for Year 2.
- Define the cadence of mid-year budget changes through an Annual Carryforward, Mid-year and Year-End Supplementals and up to three Supplemental Grant Appropriations Bills per year.
- Explore new practices for the planning reserves including an approach to brief the Select Labor Committee on labor reserves and the creation of an appropriated Risk Reserve for items with confidentiality considerations.
- Maintain requirements for the City to adopt department-wide position lists in each year of the biennium.
- Establish a current-year financial reporting program consisting of mid-year and year-end updates on the performance of all financials by department and BCL, beginning in the third quarter 2025, and asks the City Budget Office (CBO) to propose thresholds, format and timing for the reporting.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes 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.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?

Yes No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

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 legislation updates the City's practices for biennial budgeting, mid-year budget changes and financial reporting, that are currently being completed with existing staff at CBO, the Office of City Finance and Council Central Staff, with participation from all City Departments. It is expected the requirements can be sustained in the long term with existing staff resources.

In the short term, in 2024, as the Executive strives to work collaboratively with the City Council to address the projected General Fund deficit and develop a balanced 2025-2026 biennial budget, CBO has competing demands for their existing resources. CBO may reach a capacity limit to complete all projects in 2024, including the financial reporting required in this resolution.

Are there financial costs or other impacts of *not* implementing the legislation?

The current year financial reporting program will provide an additional tool and information about year-to-date spending, to inform budget decisions. Not implementing this legislation would leave the City with fewer tools to inform decisions, and may result in less sustainable budget decisions.

4. OTHER IMPLICATIONS

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

Yes, CBO, the Office of City Finance, and Central Staff team at the Legislative Department are responsible for implementing the requirements of this ordinance. All City Departments will participate in budget development, mid-year budget changes and financial monitoring.

b. Is a public hearing required for this legislation?

No

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

No

d. Does this legislation affect a piece of property?

No

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

Equitable budgeting is a core strategy defined in the City's current RSJI strategic plan to embed racial equity into City of Seattle policies and process. This Resolution does not directly address racial disparities in the City but may indirectly increase capacity and tools to focus on the impact of city services.

Updating City practices for biennial budgeting are designed to:

- Create sustainable budgets, which maintain appropriate service levels and enable City Departments, and the contracted partners that deliver city services, to focus on service performance.
- Shift second-year budget process goals towards financial monitoring and planning, to improve the City's financial management and the information available to budget decision-makers.

f. Climate Change Implications

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

No

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

No

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

Summary Attachments (if any):