

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: AN ORDINANCE relating to the establishment of a Fiscal Transparency Program; requiring periodic and consistent reporting and monitoring of City budgetary, financial, and fiscal policy information to the City Council and the public; adding a new Chapter 3.140 to, and amending Sections 3.14.100 and 5.08.020 of, the Seattle Municipal Code; and requesting that the Code Reviser recodify Chapter 5.08 of the Seattle Municipal Code in Subchapter I of Chapter 3.14.

Summary and Background of the Legislation:

This legislation would establish a Fiscal Transparency Program to increase and sustain transparency in City budgeting. To support the Program, the legislation:

- Consolidates existing financial reporting requirements on past activities, current activities, and future fiscal projections into a single section of the code;
- Adds a requirement for updates to the General Fund Financial Plan after each economic and revenue forecast;
- Establishes new and updated requirements for Summary and Fiscal notes to be prepared with legislation, updated and re-published priority to final City Council action and updated and published again after final City Council approval of legislation; and requires the City Budget Office (CBO) and Central staff (CS) to maintain a fiscal note template that includes a bill summary, fiscal impact estimates for the current year and four future years, and meet information requirements for capital projects and environmental impacts; and
- Updates the CBO Director’s authority to transfer between Budget Control Levels (BCL) mid-year to allow transfers between BCLs where the transfer does not exceed 10% of the total appropriations of receiving BCL or \$250,000. It maintains the requirement that the transfer may never result in a cumulative annual net transfer of more than \$500,000 for any one BCL.

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 formalizes and updates financial reporting and analysis practices that are currently being completed with existing staff at CBO, the Office of City Finance, the Office of Economic Revenue Forecasts (Forecast Office), and Council Central Staff. 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 ordinance.

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

The Fiscal Transparency Program will provide additional tools and information to inform decisions about the fiscal impacts of city policy and 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, the Forecast Office, and Central Staff team at the Legislative Department are responsible for implementing the requirements of this ordinance. All City Departments will participate in financial monitoring and planning.

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. Increasing transparency about the fiscal impact of policy and budget decisions in current and future years, enables the public and decision-makers to better understand the trade-offs when committing to an investment of city resources, and will inform discussion about racial equity impacts of a policy or budget decision.

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):