Seattle City Council 2025 Budget Process Policy Considerations

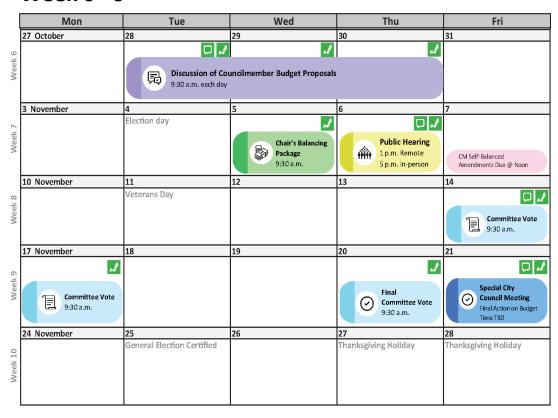
Select Budget Committee | October 15, 2025 Ben Noble, Director Calvin Chow, Lead Analyst

Fall 2025 Budget Calendar

Week 1 - 5



Week 6 - 9



Step 2 Week 3-4

Central Staff Policy Considerations & Revenue Forecast Update

<u>Central Staff Overview and Policy Considerations (Day 1 – Day 3)</u>

- General overview of 2026 Proposed Budget and GF/PET balancing strategy
- Presentation of Central Staff analysis for select departments
- Papers for departments not presented will be attached to Day 3 agenda
- Opportunity for committee discussion, and to provide direction to staff on issues and amendments they are considering

Economic Revenue Forecast Update (Day 4)

- Presentation of updated Economic and Revenue Forecast (approved by the Forecast Council)
- Discussion of revenue update on budget balancing parameters

Step 2 Week 3-4

Policy Considerations & Revenue Forecast Update Schedule

	Wednesday, October 15	Thursday, October 16	Friday, October 17	Monday, October 20
Session I	Introduction & Overview	Office of Housing	Seattle Police Department	
	CS Proposed Budget Overview	Department of Education & Early Learning	Community Assisted Response & Engagement	Revenue Forecast Council Meets (Select Budget Committee will convene at 2 p.m.)
	GF Balancing Analysis / PET		Seattle Fire Department	
Session II	Seattle Dept. of Transportation	Office of Planning & Community Development	. Human Services Department	Revenue Forecast Update Discussion
	Seattle Parks & Recreation	Seattle Department of Construction & Inspections		

Step 3 Week 5-6

Presentation of Councilmember Budget Proposals

Deadline for Initial CM Proposals: Tuesday, October 21 at Noon *Requires two co-sponsors for submittal.*

Central Staff will prepare Council Budget Actions (CBAs) and Statement of Legislative Intent (SLIs) for committee discussion.

- Each submitted CM proposal will be discussed in committee
- CS will provide a summary description of the proposal
- CMs will provide the rationale for their proposals
- Additional CMs may wish to signal co-sponsorship (in open session) during committee

Budget Chair will consider the discussed CM proposals for inclusion in his **Chair's Balancing Package**

Context of the Proposed Budget

Economic Conditions

- Economic uncertainty abounds. Since the August forecast, the labor market has shown significant signs of cooling, both nationally and locally.
- Shutdown of the Federal government has compounded this uncertainty for the near-term because key economic data are not currently being published.
- Revenue Forecast Update to be provided next Monday (October 20th)

Budget Situation

- ~\$140M General Fund deficit projected for 2027.
- In the face of this projected deficit, Mayor has proposed a budget that would significantly expand General Fund spending and expand the City workforce in 2026.
- Unclear whether the initiatives proposed for 2026 can be sustained beyond next year. One-time funding is being used to initiate what are intended to be ongoing programs and commitments.
- While new revenue sources are proposed, including both the B&O ballot measure and the 0.1% sales tax for public safety, the projected General Fund deficit for 2027 and beyond has increased, not decreased.

On-going Policy Challenges (Unchanged from Last Year)

- Budget Sustainability
- Homelessness
- Downtown Recovery

- Housing Affordability
- Public Safety