

Department Overviews Not Presented in Committee

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OFFICE OF ARTS AND CULTURE (ARTS)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: HB HARPER

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Arts and Cultural Programs	\$14.2M	\$11.6M	(18.0%)	\$11.3M	(3.1%)
Creative Placemaking	\$0.9M	\$0.9M	1.1%	\$1.7M	93.0%
Leadership and Administration	\$5.2M	\$5.4M	3.6%	\$5.5M	1.2%
Public Art	\$5.2M	\$5.2M	1.2%	\$5.2M	(1.1%)
Total:	\$25.4M	\$23.1M	(9.0%)	\$23.6M	2.0%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget would increase by \$500,000, a two percent increase relative to the 2026 Endorsed Budget.

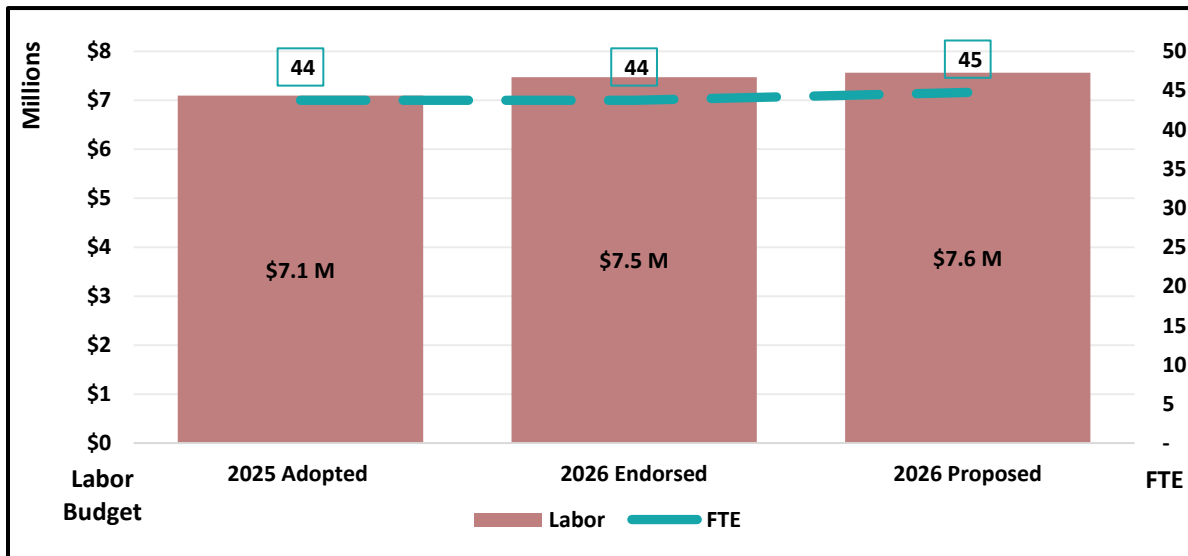
A. Operating Budget

Notable adjustments to the ARTS 2026 Proposed Operating Budget include:

- \$200,000 (Arts and Culture Fund) one-time for the execution of a comprehensive city-wide cultural plan, to align Seattle’s cultural investments with broader economic development strategies and community and workforce needs.
- \$350,000 (Arts and Culture Fund) ongoing to support a permanent [Hope Corps](#) program, supporting Seattle’s creative workforce by connecting them to paid opportunities that advance City priorities, and providing a cohort model for professional development. Hope Corps was previously funded at \$700,000 in the 2025 Adopted Budget for projects in Downtown, Capitol Hill, and Ballard with one-time funds. This funding will also cover a one-year temporary employee for the program.
- A new “Creative Placemaking” Budget Summary Level (BSL) that combines the previous Cultural Space BSL, and transfers \$487,000 from the Arts and Culture BSL relating to operating cultural facilities and activating public spaces. \$323,000 of the proposed Hope Corps funding would also be placed in this BSL.

B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary

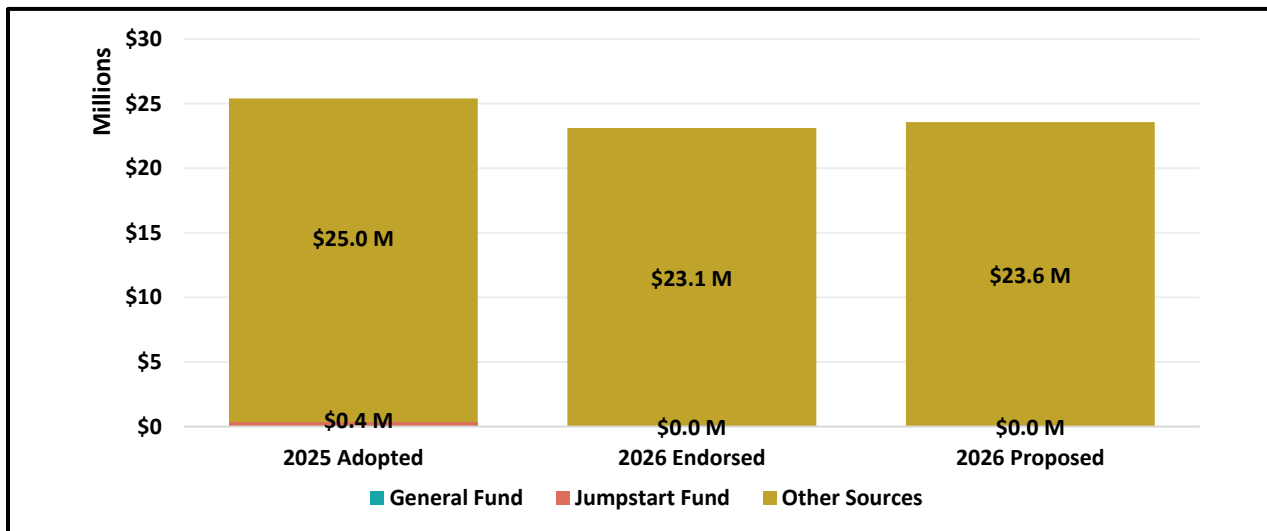


The 2026 Proposed Budget reflects an increase of 1.0 FTE over the 2026 Endorsed Budget, an Administrative Specialist III position to provide administrative support to the Public Art team, funded by the Municipal Arts Fund. This increase was previously authorized by Council in the 2025 Mid-Year Supplemental ([ORD 127264](#)).

The 2026 Proposed Budget also includes an extension of a temporary 1.0 FTE Graffiti Specialist that is on loan to the Mayor’s Office and reports directly to the Mayor’s Office Graffiti Executive

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The 2026 Proposed Budget for ARTS is comprised of \$5.9 million of Municipal Arts Fund (also known as the 1% for Arts Fund) and \$17.7 million of Arts and Culture Fund, which is supported by the Admissions Tax.

II. BUDGET LEGISLATION

1. CBO Year-End Supplemental

The proposed legislation would decrease appropriation authority by \$125,000 in ARTS to abandon grant funding from the National Endowment for the Arts (NEA). The City received an NEA “Our Town” grant in 2021. In the 2025 Mid-Year Supplemental \$125,000 was transferred to ARTS to complete the grant. The City and community group partnering on the grant were not able to implement the grant before a federal cut to all NEA funding went into effect nationally.

OFFICE OF CITY AUDITOR (AUD)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TRACI RATZLIFF

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of the City Auditor	\$2.6M	\$2.7M	5.0%	\$2.6M	(2.2%)
Total:	\$2.6M	\$2.7M	5.0%	\$2.6M	(2.2%)

I. OVERVIEW AND SUMMARY

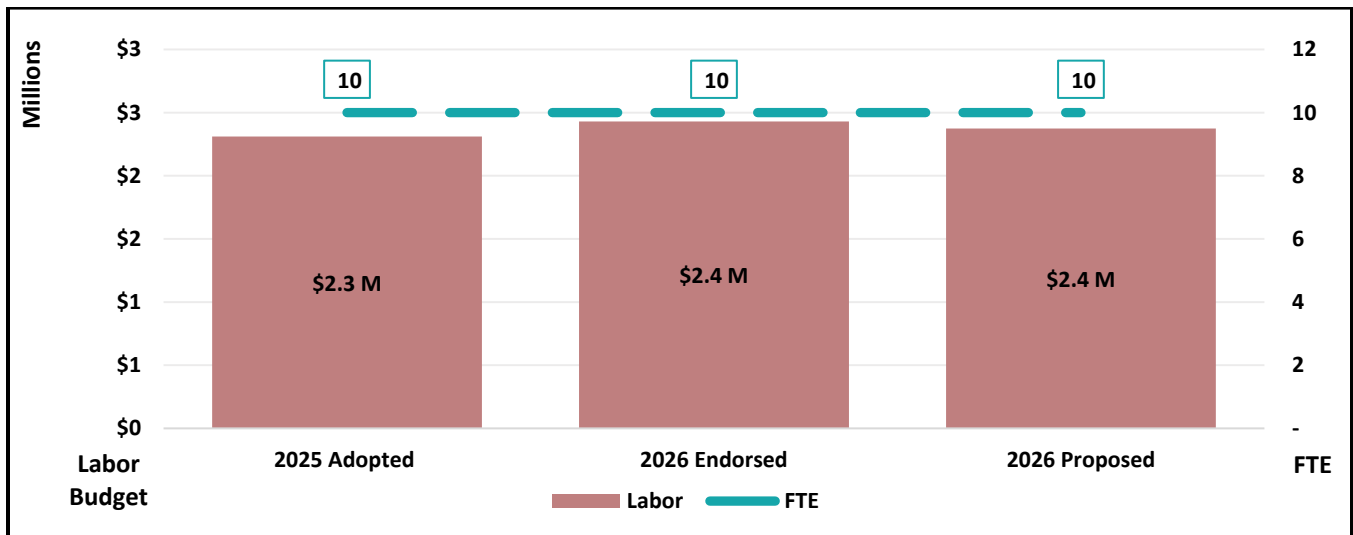
The 2026 Proposed Budget for the Office of the City Auditor (AUD) would decrease by ~\$58,000 (2.2 percent) relative to the 2026 Endorsed Budget. This decrease represents a reduction to internal services costs. In addition, there is also a reduction in the Annual Wage Increase (AWI), and a slight reduction in the employer contribution to the Seattle City Employees Retirement System (SCERS).

A. Operating Budget

The decrease in the AUD 2026 Proposed Budget represents a reduction to internal services costs, including rates from the Department of Finance and Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare and other central cost factors. In addition, there is also a reduction in the AWI to reflect actual CPI data, which was lower than the amount used to develop the 2026 Proposed budget. Finally, there is a slight reduction in the employer contribution to SCERS based on the updated actuarial valuation.

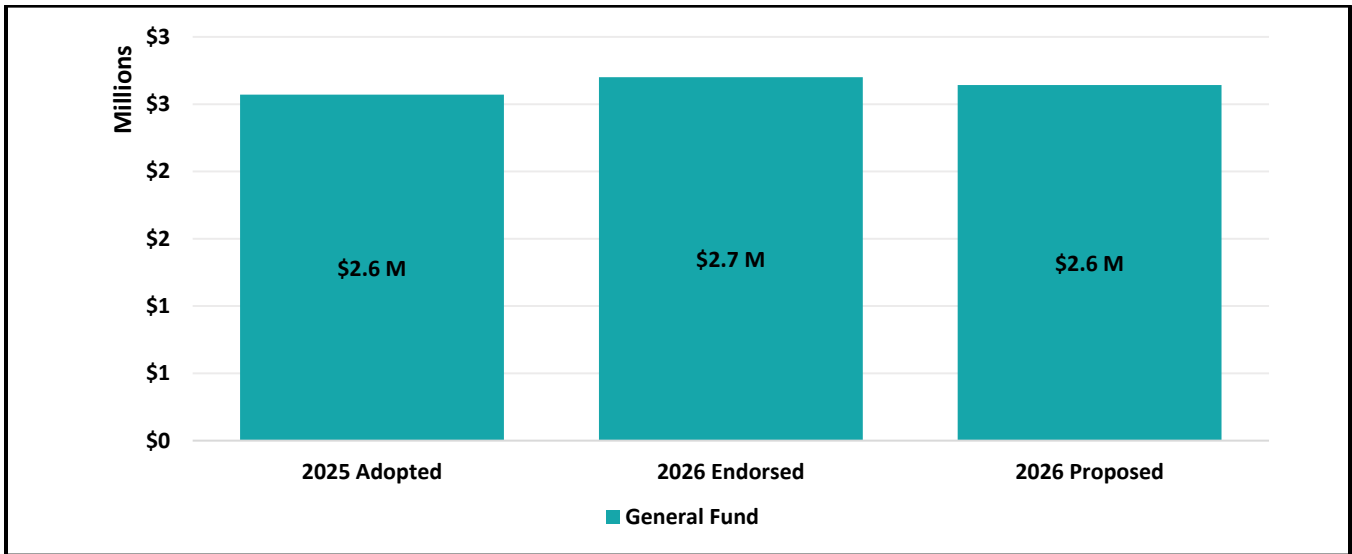
B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



CITY ATTORNEY’S OFFICE (CAO)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BEN NOBLE

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Civil	\$18.7M	\$19.6M	4.8%	\$19.5M	(0.2%)
Criminal	\$11.9M	\$12.4M	4.6%	\$12.5M	0.6%
Leadership and Administration	\$14.8M	\$15.7M	6.1%	\$15.7M	(0.3%)
Precinct Liaison	\$0.8M	\$0.9M	4.8%	\$0.8M	(1.6%)
Total:	\$46.2M	\$48.6M	5.2%	\$48.5M	(0.1%)

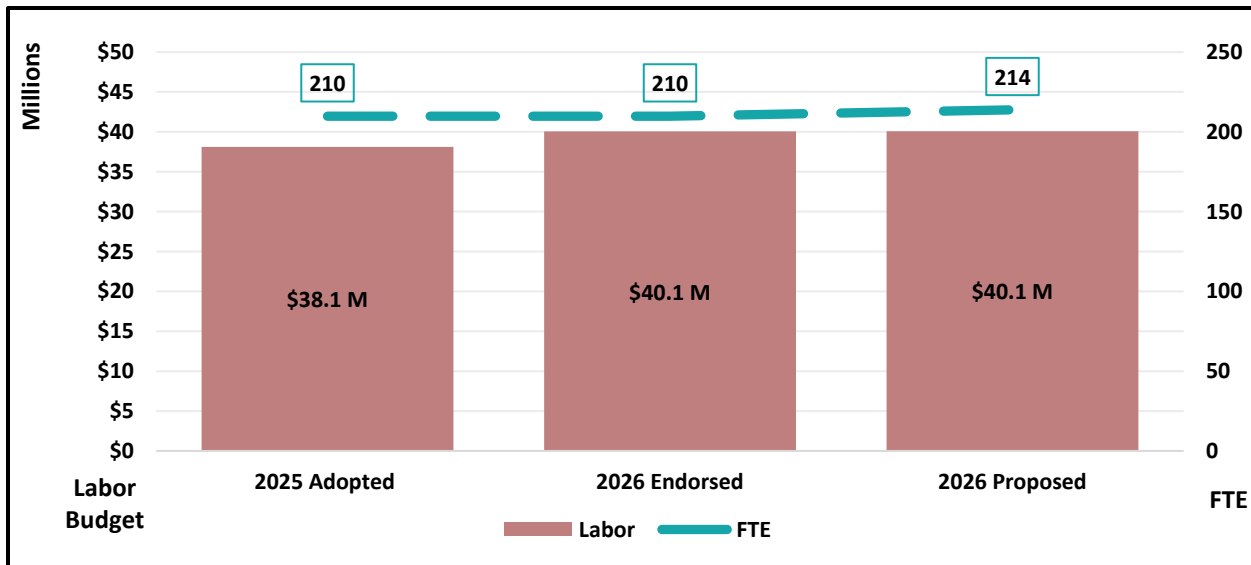
I. OVERVIEW AND SUMMARY

A. Operating Budget

The 2026 Proposed Budget for the City Attorney’s Office (CAO) remains largely unchanged from the 2026 Endorsed Budget. That said, the 2026 Proposed Budget does reflect the addition of four new positions that were approved as part of supplemental budget actions approved earlier this year. In particular, one Assistant City Prosecutor and one Legal Assistant were added as part of the Drug Prosecution Alternative Program established in 2025. In addition, 2025 supplemental budget actions also funded one Assistant City Attorney and one Legal Assistant to respond to recent actions taken by the Federal government, including those that threaten significant City funding streams. While these four positions require roughly \$790,000 of ongoing funding in 2026 and beyond, this additional cost will be offset by technical changes related to city-wide central services and lower-than-anticipated labor costs. Thus, the overall CAO budget remains unchanged even with the addition of these four positions. There are no other changes of note in the CAO budget.

B. FTE & Labor Changes

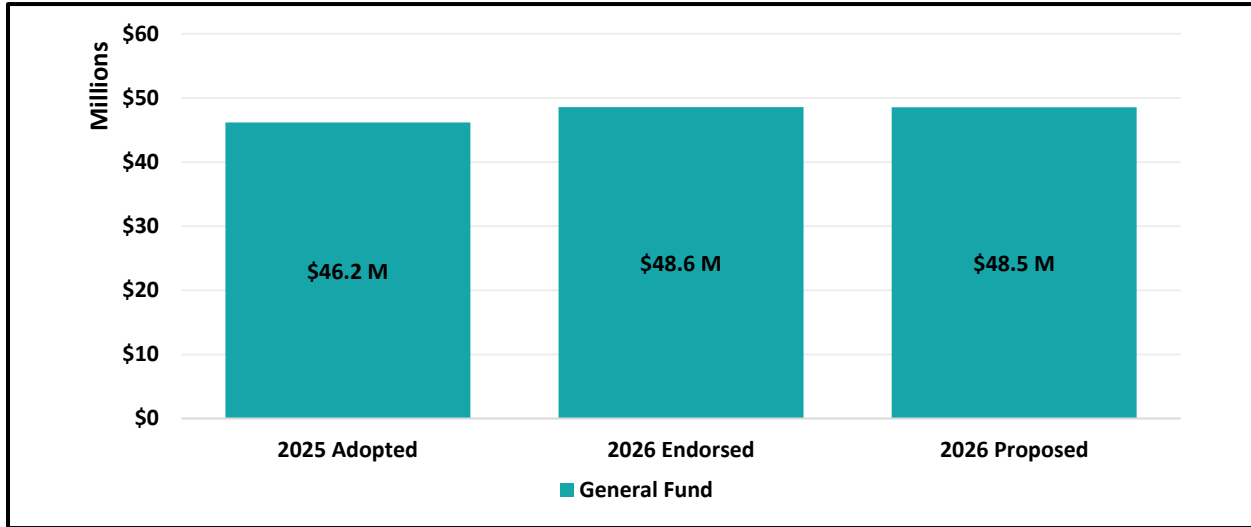
Figure 1. FTE & Labor Budget Summary



As detailed in Figure 1, the 2026 Proposed Budget for the CAO includes authority for four additional positions, beyond those anticipated in the 2026 Endorsed Budget. The additional costs of these positions is offset by labor savings due to lower-than-anticipated inflation and other central cost savings.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The CAO receives essentially 100% of its financial support from the General Fund. However, in turn, the General Fund receives some payments from both Seattle City Light and Seattle Public Utilities, as well as some of the other enterprise funds, to pay for the cost of legal services provided to these entities.

II. BUDGET LEGISLATION

1. 2025 Year-End Supplemental

The CAO will abandon \$13,500 in unexpended State grant dollars as part of the 2025 Year-end Supplemental Ordinance.

2. 2025 Year-End Grant Acceptance

As part of an ongoing series of grants, the CAO will accept a \$255,000 grant to support an existing criminal prosecution position dedicated to traffic safety.

CITY BUDGET OFFICE (CBO)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BEN NOBLE

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
City Budget Office	\$9.8M	\$10.2M	4.7%	\$10.2M	(0.5%)
Total:	\$9.8M	\$10.2M	4.7%	\$10.2M	(0.5%)

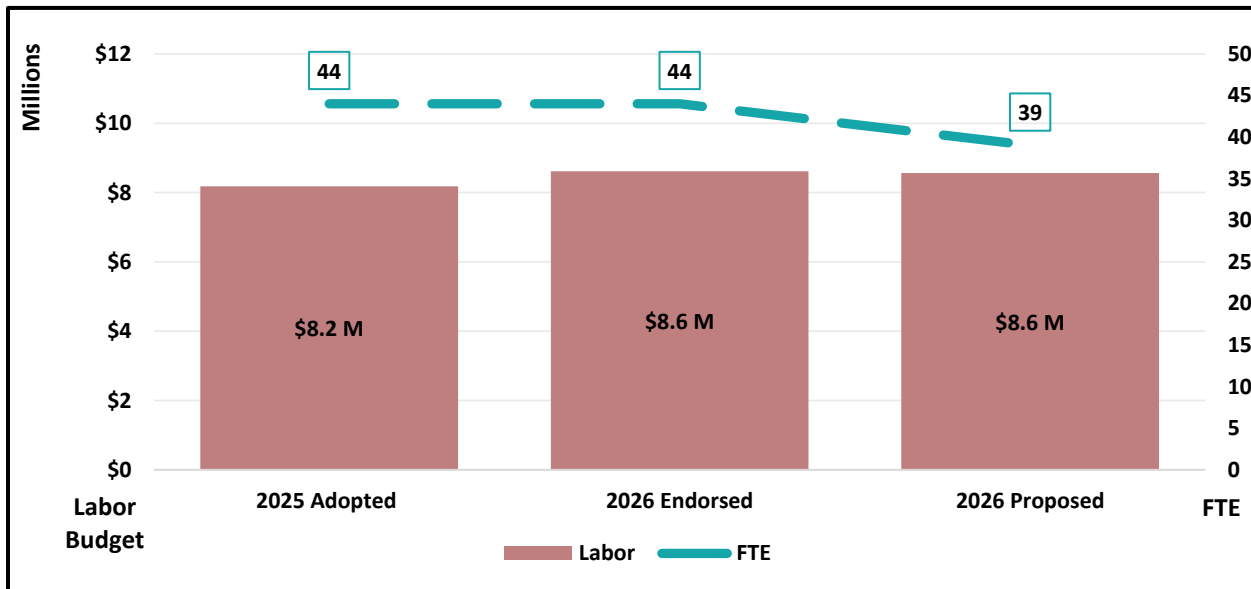
I. OVERVIEW AND SUMMARY

A. Operating Budget

As illustrated in the table above, the City Budget Office’s (CBO) 2026 Proposed Budget remains essentially unchanged from the 2026 Endorsed Budget from a financial perspective. The 2026 Proposed Budget does reflect some personnel changes, but these involve the abrogation of term-limited and/or vacant positions that are not anticipated to have any policy-level impacts.

B. FTE & Labor Changes

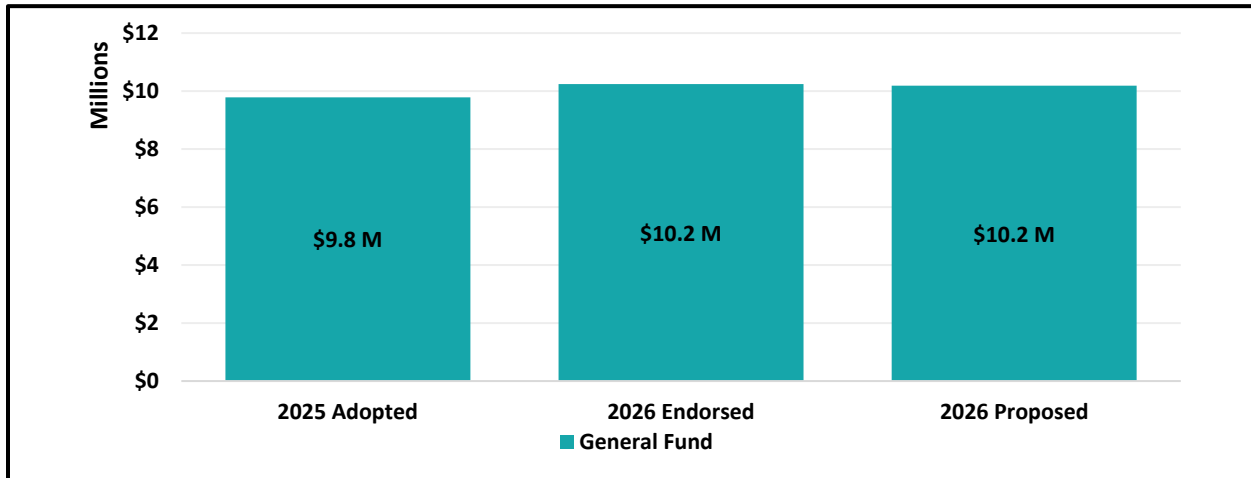
Figure 1. FTE & Labor Budget Summary



The 2026 Endorsed Budget would abrogate five positions in CBO. These include three sunsetting positions whose terms end at the close of 2025. These positions were funded with Federal COVID-19 relief funds and supported the distribution and oversight of the City’s allocation of those relief funds, which have now been exhausted. In addition, two other analyst positions that were held vacant in 2025 to generate budget savings will also be abrogated for the long term. CBO believes it can complete its ongoing budget development and oversight functions without these positions.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



CBO is entirely dependent on the General Fund for its financial support. That said, through centralized cost allocations, a share of the costs associated with some Budget Office functions, such as the time that CBO analysts spend on Seattle City Light and Seattle Public Utilities issues, is charged to other funds. These costs are billed to the appropriate City departments. Payments are deposited into the General Fund and then directed to CBO.

II. BUDGET LEGISLATION

1. 2025 Year-End Supplemental

This legislation includes \$90,000 in additional appropriation authority for CBO to cover the cost of backfilling for two staff members who took extended periods of paid parental leave this year. The resources to cover the costs of such leave is held centrally and distributed to departments when they can demonstrate the need for backfill.

SEATTLE CENTER (CEN)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Campus	\$33.2M	\$34.4M	3.7%	\$34.1M	(0.9%)
KeyArena	\$0.0M	\$0.0M	0.0%	\$0.0M	0.0%
Leadership and Administration	\$9.1M	\$9.8M	7.3%	\$9.4M	(4.4%)
McCaw Hall	\$6.7M	\$7.1M	6.4%	\$7.0M	(1.2%)
Waterfront	\$6.7M	\$6.9M	3.4%	\$8.6M	23.6%
Operating Subtotal:	\$55.7M	\$58.2M	4.6%	\$59.1M	1.4%
Capital Budget					
Building & Campus Improvements	\$14.5M	\$8.1M	(44.1%)	\$36.4M	348.4%
McCaw Hall Capital Reserve	\$0.7M	\$0.7M	0.0%	\$0.7M	0.0%
Monorail Rehabilitation	\$1.5M	\$1.2M	(21.0%)	\$1.2M	0.0%
CIP Subtotal:	\$16.8M	\$10.0M	(40.2%)	\$38.3M	282.4%
Total:	\$72.4M	\$68.3M	(5.8%)	\$97.4M	42.7%

I. OVERVIEW AND SUMMARY

Compared to the 2026 Endorsed Budget, the 2026 Proposed Budget for Seattle Center would increase \$29 million, or 42.7 percent. This change results primarily from the addition of \$27.3 million in capital appropriations related to the Memorial Stadium Redevelopment project (see discussion below).

Seattle Center’s 2026 Proposed Budget also includes ongoing positions and appropriations stemming from FIFA legislation approved in 2025 ([Ordinance 1272265](#)). The City of Seattle was chosen as one of the 16 cities in North America to host six soccer matches for the FIFA World Cup games in 2026. For Seattle Center, total FIFA expenditures are estimated at \$3.3 million for operating costs and \$2.9 million for capital costs over 2025 and 2026. Of these totals, about \$2.1 million operating and at least \$450,000 capital costs are speculative because the City’s planning efforts and negotiations with the Local Organizing Committee/FIFA are not complete. See the 2026 Proposed Mid-biennial Budget Adjustments paper for additional discussion of FIFA-related appropriations.

A. Operating Budget

The 2026 Proposed operating budget for the Seattle Center would increase by 1.4 percent from the 2026 Endorsed Budget. The proposal would add nearly \$1.7 million Seattle Metropolitan Park District (MPD) to the Waterfront operations and maintenance appropriations to support additional laborers, gardeners and security staff added for work in Waterfront Park. This one-time funding is from underspent budget from 2024 in the MPD for Waterfront operations. To continue this level of staffing, future year budgets would need to provide ongoing appropriations.

The 2026 Proposed Budget for Seattle Center also includes an increase of \$500,000 in spending from the Seattle Center Fund to compensate for a decrease in this amount in GF support to Seattle Center.

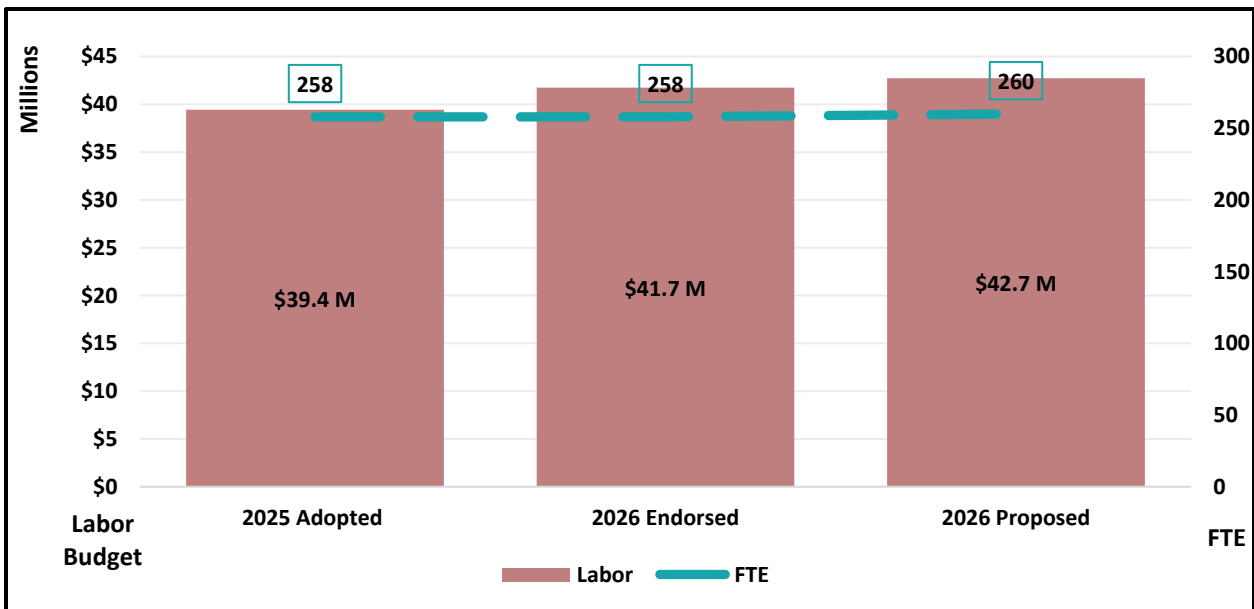
B. Capital Budget

Capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Seattle Center’s capital appropriations would increase by 42.7 percent in 2026 mostly resulting from the first item in the following list of significant changes:

- Add \$27.3 million interfund loan dollars (backed by REET I and II) for Memorial Stadium Redevelopment, to be repaid in 2027 from bond proceeds (see Budget Legislation below);
- Add \$1.6 million REET I for barriers on the Seattle Center Campus for ongoing pedestrian safety during large events in time to support Seattle's Fan Celebration for FIFA;
- Transfer \$195,000 REET I from Seattle Center to FAS for the Municipal Energy Efficiency Program (MEEP) improvements; and
- Add \$310,000 GF one-time to replace the fiberoptics of the fire alarm system.

C. FTE & Labor Changes

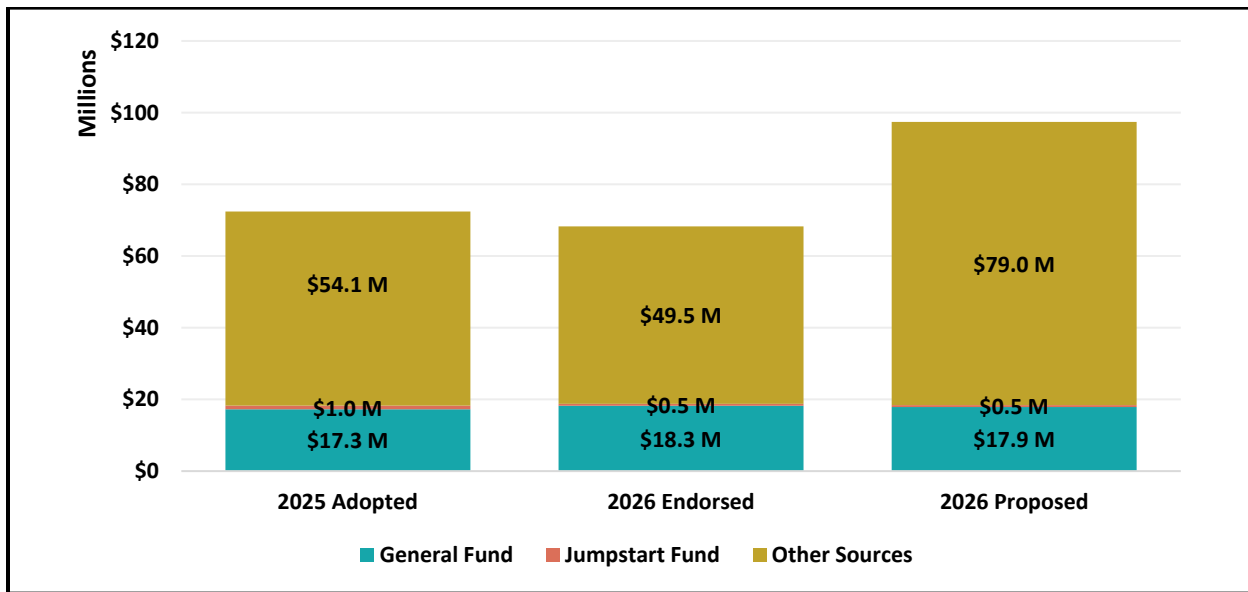
Figure 1. FTE & Labor Budget Summary



Seattle Center’s 2026 Proposed Budget would add 2 FTE to account for Waterfront Park gardener positions added via the 2025 Mid-Year Supplemental Ordinance ([ORD 127264](#)). It would also include standard technical reductions to appropriations for labor for annual wages and retirement contributions.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



In the 2026 Proposed Budget, Seattle Center would be funded by a combination of GF, MPD, JumpStart, REET, LTGO, and revenue earned from commercial operations and other sources, including state and federal grants.

Major sources of commercial revenue include facility rentals, parking fees, long-term leases to for-profit and non-profit organizations, sponsorships, concession sales, and monorail fares. The earned revenues are deposited and spent from the Seattle Center Fund generally and from the Seattle Center McCaw Hall Fund for revenues generated at this facility.

In Figure 2, Other Sources (81 percent) combines all funding sources that are not GF or JumpStart. GF and JumpStart funds make up 18 percent and one percent of Seattle Center’s 2026 Proposed Budget, respectively.

In 2018, [ORD 125717](#) authorized an interfund loan of up to \$5 million to the Seattle Center Fund from the Unrestricted Cumulative Reserve Fund to support Seattle Center operations during the renovation of KeyArena to Climate Pledge Arena. In 2020, recognizing the economic impact of the COVID-19 pandemic, the City extended the time to repay the interfund loan from the end of 2026 to the end of 2033 and increased the maximum amount to \$18 million via [ORD 126218](#). This legislation also changed the loan fund to the REET II Capital Projects Fund.

The balance of the interfund loan is \$16 million (loan draw plus interest). Seattle Center made repayments totaling \$1.3 million; with repayment in 2025 of \$241,000. As directed by the Mayor, CBO worked with each City department to reduce GF and JumpStart spending in 2025 (underspend) to provide money for 2026 spending. Seattle Center has requested deferments on interfund loan payments to contribute towards its underspend target in 2025. CBO is monitoring revenues and available cash this year to determine further payments. Seattle Center’s interfund loan repayments in 2026 are currently scheduled to total \$1.2 million.

II. ISSUE FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

1. Budget Sustainability

As described above, Seattle Center's 2026 Proposed Budget would rely on one-time funding from underspent MPD appropriations for Waterfront operations and shifting costs from GF to the Seattle Center Fund to balance. In addition, Seattle Center may defer payments on its interfund loan to comply with the Mayor's direction to underspend in 2025. While the 2026 Proposed Budget would add funding to Seattle Center's capital budget for the emergent need to replace its fire alarm fiberoptics, overall, Seattle Center's capital budget is not keeping up with needed renovation and redevelopment.

Seattle Center identified the need for a more sustainable approach to ongoing funding in their budget submission to the Mayor and CBO and recently in their [presentation to the Select Budget Committee](#) on September 30, 2025. Seattle Center plans to propose its ten-year strategic plan and potential funding models to Council in early 2026. This may provide Council an opportunity to work with Seattle Center, CBO, and the Mayor's Office to develop new, ongoing funding approaches for Seattle Center operations and CIP.

Options:

Contextual budget issue. No staff options identified at this time.

III. BUDGET LEGISLATION

2. CEN Memorial Stadium Interfund Loan Amendment ORD

The City and Seattle Public Schools (SPS) have embarked on the redevelopment of Memorial Stadium on the Seattle Center campus. In June 2025, the Council passed [ORD 127222](#) approving an interlocal agreement with SPS and a development agreement with Memorial Stadium Redevelopment LLC. As part of those agreements, and as authorized in prior Capital Improvement Programs (CIP), the City's financial commitment to the project is \$40 million.

Along with the 2025 Adopted Budget, the Council passed [ORD 127125](#) that authorized the Director of Finance to make a non-revolving loan of up to \$9.3 million from the REET I Capital Project Fund for the benefit of the Memorial Stadium Redevelopment project. The interfund loan was slated to be repaid with proceeds from the sale of Limited Tax General Obligation (LTGO) bonds in 2026. The 2025–2030 Adopted CIP also included an additional \$29 million of LTGO-backed resources for 2027.

The proposed legislation would amend ORD 127125 to: a) increase the interfund loan amount from \$9.3 million to \$39.8 million, b) add the REET II Capital Project Fund as an additional source of the loan, c) create a new 2027 Multipurpose LTGO Bond Fund B in the City Treasury, and d) change the repayment date for the interfund loan from the end of 2026 to the end of 2027.

In summary, the proposed bill would replace two years of LTGO bond sales with one bond sale in 2027, and it would increase the interfund loan amount and extend the repayment date to cover all of the City's project costs.

3. 2025 Year-End Supplemental Ordinance

There is one item in the Year-End (YE) Supplemental Ordinance that would change operating appropriations related to Seattle Center's planned Waterfront Operations and Tribal Interpretive Center. FAS manages the capital renovation and operations of this building. This item would decrease \$500,000 GF for a Finance General reserve to fund the operations and maintenance of the Bakun Building, acquired by the City in 2023 for this purpose. The building requires capital improvements that are planned to be completed in 2027. The 2026 Proposed Budget would decrease the same amount of GF for the same reason.

There are two items in the YE Supplemental Ordinance that would change Seattle Center's 2025 capital budget appropriations:

- Transfer \$9 million in appropriation authority, related to the Memorial Stadium Redevelopment project, from the 2026 LTGO Bond Fund B to the 2027 LTGO Bond Fund B. As described above for the Memorial Stadium Interfund Loan Amendment legislation, the Executive is proposing to replace two years of bond sales with only one bond sale in 2027. This item simply moves existing appropriation authority to the proper fund where 2027 bond proceeds will be deposited.
- Add revenue-backed appropriation authority in the amount of \$3 million for the replacement of a sewer main under Memorial Stadium. Seattle Center will bill SPU for the project costs and there is a corresponding change in SPU's 2025 appropriations proposed separately in the YE Supplemental Ordinance.

4. CBO 2026 Annual Acceptance Ordinance

This legislation includes an item that would accept \$1.2 million in Federal Transit Administration (FTA) grant funds for preventative maintenance on the Seattle Monorail for 2026.

CIVIL SERVICE DEPARTMENT (CIV)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: AMANDA ALLEN

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Civil Service Department	\$2.8M	\$2.9M	2.3%	\$3.0M	5.4%
Total:	\$2.8M	\$2.9M	2.3%	\$3.0M	5.4%

I. OVERVIEW AND SUMMARY

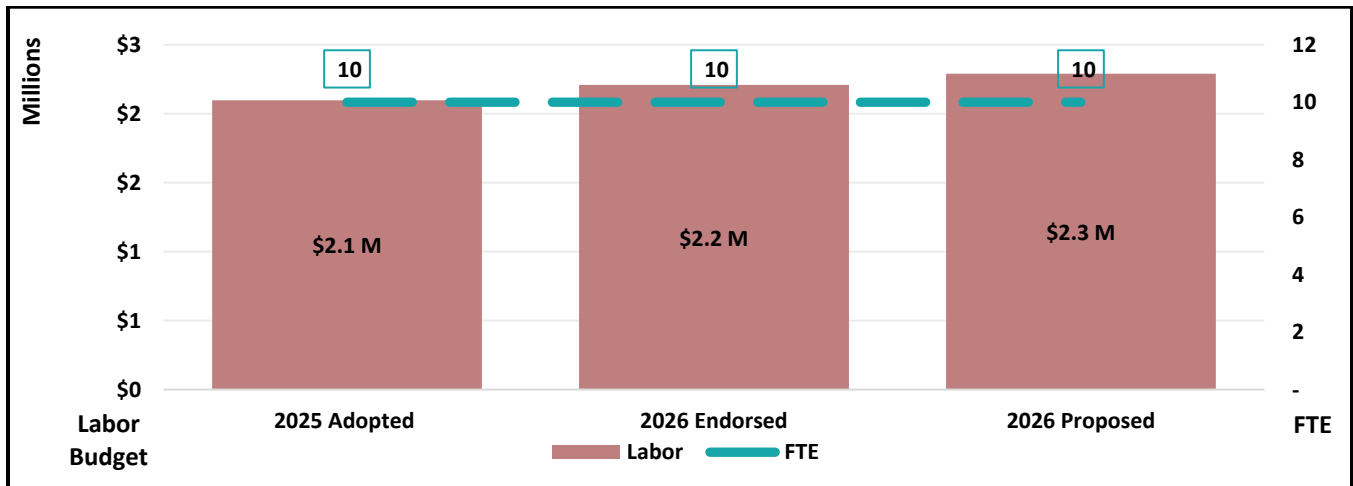
The Civil Service Department (CIV) houses and carries out the work of two City Charter-mandated policy-making and quasi-judicial commissions: the Seattle Civil Service Commission (CSC) and the Seattle Public Safety Civil Service Commission (PSCSC). The CSC conducts appeal hearings of alleged violations of the City’s personnel rules, disciplinary actions, and alleged violations of the Personnel Ordinance. The PSCSC directs the civil service system for sworn personnel of the Seattle Police Department (SPD) and uniformed positions of the Seattle Fire Department (SFD), and conducts appeals related to serious disciplinary decisions, examination and testing, and other civil service issues.

A. Operating Budget

CIV’s Proposed Budget would increase over 5 percent from 2026 Endorsed to 2026 Proposed to a total of \$3 million. The proposed increase is the result of technical adjustments to wages and retirement costs greater than previously seen in this department due particularly to increased central costs supporting the 6.0 FTE civil service exam staff transferred from the Seattle Department of Human Resources in 2025.

B. FTE & Labor Changes

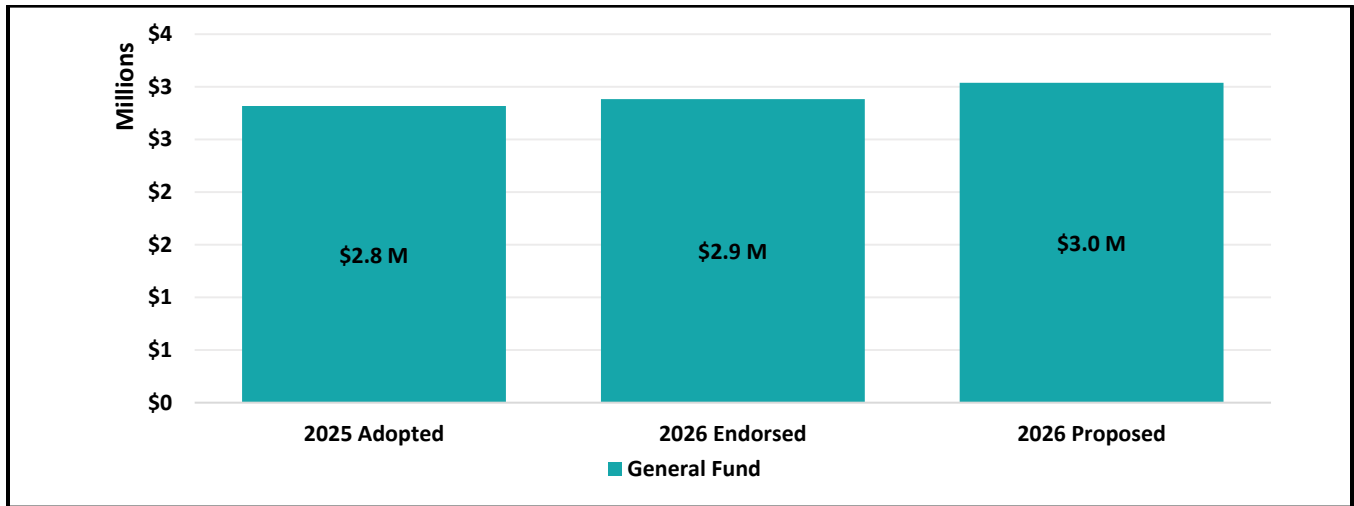
Figure 1. FTE & Labor Budget Summary



CIV’s labor appropriations would increase by four percent (\$100,000) from 2026 Endorsed to 2026 Proposed, reflecting the anticipated standard increases in health care only and maintaining the same number of staff from 2025.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



- CIV's entire budget is backed by the General Fund.
- The 2026 Proposed Budget does not include any notable changes. The minor increase is entirely related to technical adjustments that do not impact the department's operations.

COMMUNITY POLICE COMMISSION (CPC)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: GREG DOSS

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of the Community Police Commission	\$2.1M	\$2.2M	4.8%	\$2.5M	11.8%
Total:	\$2.1M	\$2.2M	4.8%	\$2.5M	11.8%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for the Community Police Commission (CPC) increases 11.8 percent relative to the 2026 Endorsed Budget. The largest portion of the proposed increase, approximately \$233,000, is attributable to changes made in the department’s salary and Commissioner stipend budgets, including funding added to increase Commissioner and Co-Chair stipends and to reverse a civilian vacancy rate cut made in the 2026 Endorsed Budget.

The budget is also adjusted for minor technical changes for citywide internal rates (e.g., Seattle IT) and various personnel-related costs.

A. Operating Budget

Adjustments to the CPC salary and Commissioner stipend budgets comprise the most significant changes between the 2026 Endorsed Budget and the 2026 Proposed Budget. Changes include:

- **Restore 10 percent Vacancy Reduction: \$146,000**

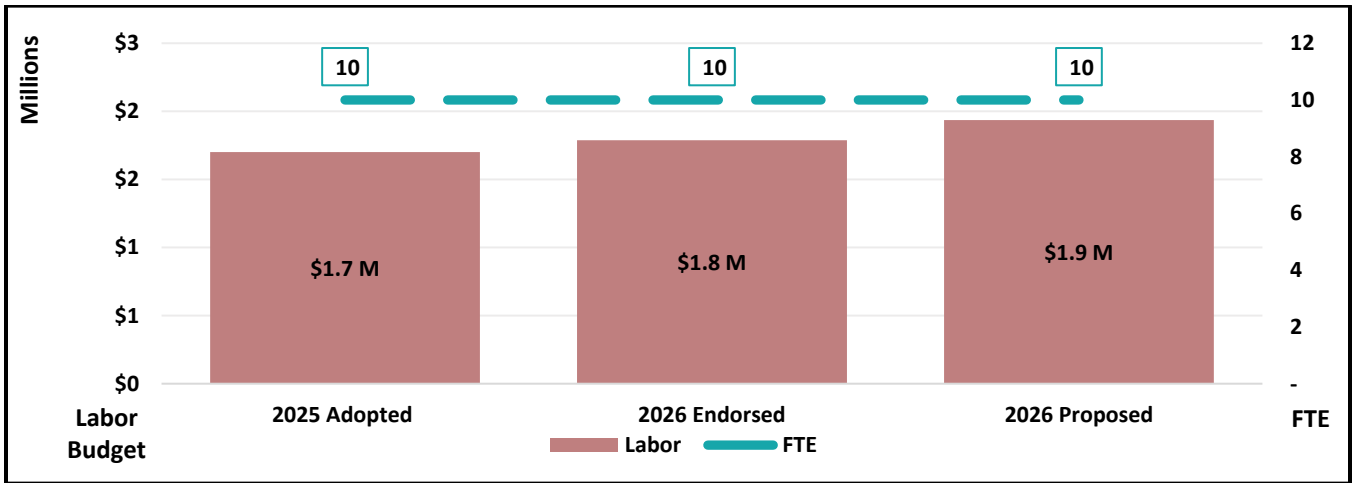
This item restores a 10 percent salary reduction from the 2025 Adopted Budget and 2026 Endorsed Budget. While there have been vacancies in the past, the new Executive Director has filled all positions except the newly created Deputy Director. Fully funding and filling these positions is consistent with the mandates of the Accountability Ordinance.

- **Increase in Commissioner Stipends: \$87,000**

This item adds funding for an increase in Commissioner stipends (from \$550 to \$700 per month for Commissioner, and from \$550 to \$1,200 per month for Co-Chairs). The stipend increase was one of the Police Accountability Ordinance ([ORD 125315](#)) revisions the Council passed in 2023.

B. FTE & Labor Changes

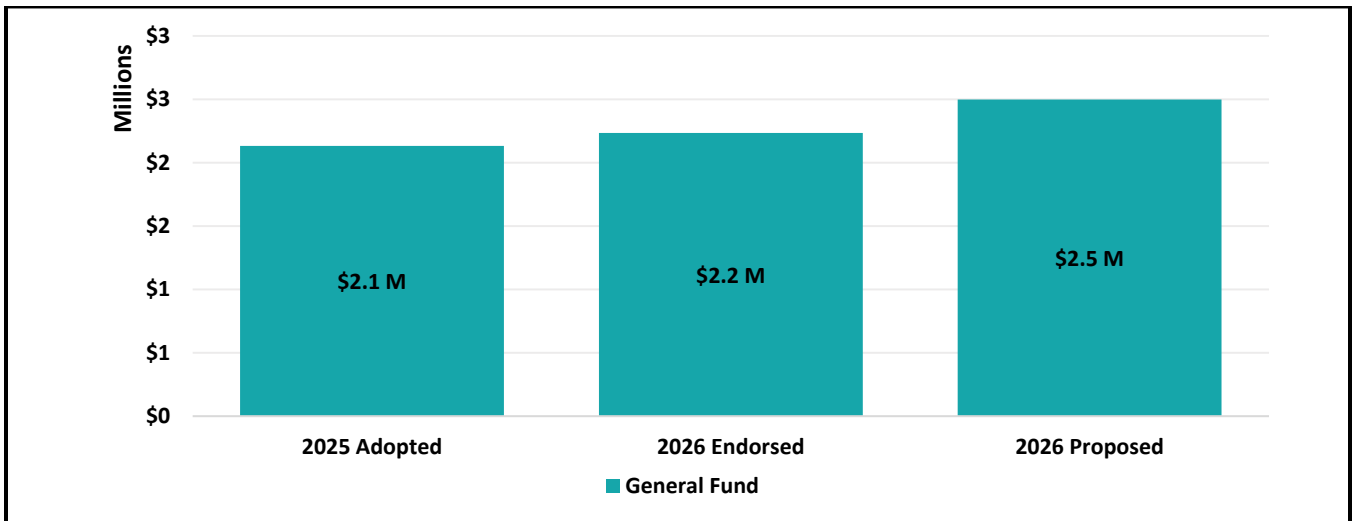
Figure 1. FTE & Labor Budget Summary



In addition to the changes noted above, the 2026 Proposed Budget for the CPC makes technical adjustments for bargained wage increases and adjusts the SCERS retirement rate.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



II. BUDGET LEGISLATION

1. 2025 Year-End Supplemental Appropriations ORD

- Restore 10 percent Vacancy Reduction Expenditures \$146,426

This item increases appropriation authority by \$146,426 in the CPC to reverse a 10 percent salary reduction to meet the General Fund revenue shortfall in the 2025 Adopted Budget. While there have been vacancies in the past, the new Executive Director has filled all positions except the newly created Deputy Director. It is necessary to fully fund and fill this position to meet the mandates of the Accountability Ordinance.

DEPARTMENT OF NEIGHBORHOODS (DON)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Community Building	\$6.9M	\$7.0M	2.5%	\$6.9M	(2.2%)
Community Grants	\$6.0M	\$5.9M	(2.3%)	\$5.9M	(0.8%)
Leadership and Administration	\$6.3M	\$6.6M	4.9%	\$6.8M	3.9%
Total:	\$19.2M	\$19.5M	1.8%	\$19.6M	0.3%

I. OVERVIEW AND SUMMARY

The Department of Neighborhoods (DON) engages communities in Seattle and provides resources and opportunities to help Seattle residents build strong communities, receive equitable access to government, and improve quality of life. The 2026 Proposed Budget appropriations for DON would increase by 0.3 percent from the 2026 Endorsed Budget. DON’s operating budget in 2026 would be supported by 16.8 million GF and \$2.8 million Sweet Beverage Tax (SBT) revenues.

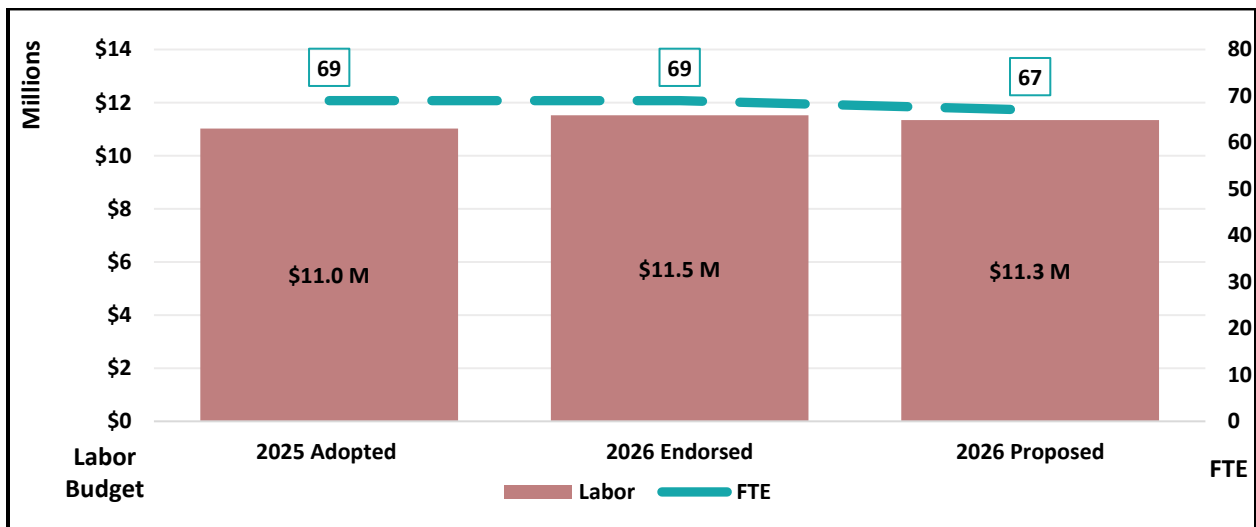
A. Operating Budget

The 2026 Proposed Budget would:

- Transfer \$250,000 GF from FAS to DON for coordination and implementation of the One Seattle Day of Service;
- Transfer 1 FTE and \$194,000 GF from OPCD to DON for community capacity building;
- Reallocate fleet costs to other transportation costs (budget-neutral);
- Reduce labor budget by \$50,000 GF corresponding to a portion of the costs associated with the removal of 2 FTE; and
- Transfer 1 FTE and \$184,000 GF from DON to OPCD for the Major Institutions and Schools Program (see Budget Legislation below).

B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



The 2026 Proposed Budget would include the net reduction of 2 FTE in DON’s budget. As described above, DON’s 2026 Proposed budget includes:

- the reduction of 2.0 FTE;
- the transfer in of 1.0 FTE from OPCD; and
- the transfer out of 1.0 FTE to OPCD.

The FTE reductions include the abrogation of a vacant Community Engagement Coordinator position and elimination of associated funding to meet the Executive’s budget reduction target. Council added this position (Planning and Development Specialist II) and appropriations to the 2025 Adopted Budget. This position was intended to serve as a fifth Community Engagement Coordinator (CEC), with the goal of splitting the Central region across two Coordinators. One Coordinator continues to serve the area including the Central District, CID, Capitol Hill, Pioneer Square, and Downtown. DON was not authorized to fill this position due to the hiring freeze.

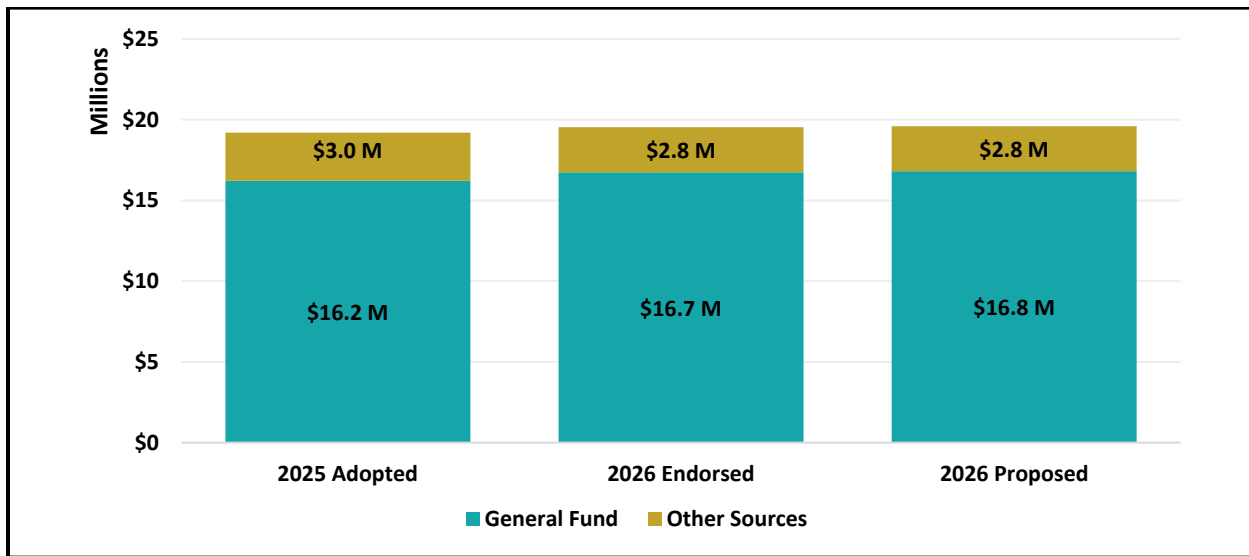
The other reduction would be the abrogation of DON’s Data and Impact Advisor position (Strategic Advisor I) and associated costs. This position started in 2024 with an organizational restructure in 2024 and was intended to build a departmentwide data and evaluation program to analyze DON’s programs and assess the impact of their investments on community priorities. In 2025, this position is vacant but filled with a temporary out-of-class assignment.

Also, the 2026 Proposed Budget includes the elimination of 1 FTE that occurred mid-year per the 2025 Adopted Budget and the addition of 1 FTE in support of Sound Transit 3 (ST3) added to DON via [Ordinance 127304](#).

The 2026 Proposed Budget would include standard technical reductions to DON’s appropriations for labor for annual wages and retirement contributions.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



There would be little change in the support to DON from GF and SBT (Other Sources in Figure 2) in the 2026 Proposed Budget compared to 2026 Endorsed Budget. All the \$2.8 million SBT would support the Healthy Food Fund in the Community Grants BSL.

II. BUDGET LEGISLATION

1. MO Major Institutions and Schools Program ORD

This legislation would transfer the Major Institutions and Schools program from DON to OPCD. The Major Institutions and Schools program provides staff support to community related to Major Institution Master Plans and Public School development standard departures. See the OPCD Policy Overview and Policy Considerations for more information and issue identification.

2. CBO 2025 Year-End Supplemental Ordinance

This legislation would abandon \$827,000 GF of unspent Neighborhood Matching Fund appropriations from pre-2025 budget years. This change would not impact grant funding in 2025.

3. CBO 2025 Year-End Grant Ordinance

This legislation would increase DON's 2025 appropriation authority by \$550,000 with grant funding from the Port of Seattle and Sound Transit.

The Port would provide \$200,000 to support the program to create sustainable career pathways in port-related industries for limited English proficiency immigrants and refugees. No local match would be required.

The legislation would also accept \$350,000 in grants from Sound Transit to enhance the functionality of DON's historic resource databases to facilitate decreased review times and increased transparency in project review and permitting. No match would be required.

FINANCE AND ADMINISTRATIVE SERVICES (FAS)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: EDIN SISIC

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Bond Interest and Redemption	\$1.1M	\$0.9M	(17.9%)	\$0.9M	0.0%
Citywide Admin Services	\$17.4M	\$19.1M	9.8%	\$17.1M	(10.4%)
Citywide Operational Services	\$99.8M	\$103.2M	3.4%	\$106.2M	2.8%
Debt Issuance Cost - LTGO	\$1.7M	\$3.1M	87.5%	\$1.1M	(64.5%)
Debt Issuance Cost - UTGO	\$1.4M	\$0.0M	(100.0%)	\$1.6M	
Fleet Capital Program	\$25.9M	\$18.1M	(30.1%)	\$19.5M	7.5%
Indigent Defense Services	\$14.1M	\$14.1M	0.1%	\$14.7M	3.9%
Jail Services	\$27.2M	\$28.1M	3.2%	\$25.2M	(10.4%)
Judgment & Claims Claims	\$9.5M	\$5.5M	(42.0%)	\$5.5M	0.0%
Judgment & Claims Litigation	\$36.5M	\$34.2M	(6.3%)	\$34.7M	1.3%
Judgment & Claims Police Action	\$10.4M	\$6.4M	(38.6%)	\$6.4M	0.0%
Leadership & Administration	\$73.7M	\$76.1M	3.3%	\$77.4M	1.7%
Office of City Finance	\$36.0M	\$38.4M	6.8%	\$40.3M	4.9%
Other FAS Services	\$2.2M	\$2.3M	2.9%	\$2.3M	(0.2%)
Public Services	\$24.2M	\$25.0M	3.3%	\$25.1M	0.4%
Transit Benefit	\$5.4M	\$5.6M	3.0%	\$4.3M	(23.6%)
UTGO Debt Service	\$16.2M	\$16.2M	(0.1%)	\$16.2M	0.0%
Operating Subtotal:	\$402.6M	\$396.3M	(1.5%)	\$398.2M	0.5%
Capital Budget					
ADA Improvements	\$1.4M	\$2.4M	77.2%	\$1.5M	(38.1%)
Asset Preservation - Schedule 1 Facilities	\$6.7M	\$6.7M	0.0%	\$6.7M	0.0%
Asset Preservation - Schedule 2 Facilities	\$5.9M	\$5.5M	(7.2%)	\$7.3M	32.8%
FAS Oversight-External Projects	\$1.9M	\$1.3M	(33.0%)	\$1.5M	15.5%
FAS Project Delivery Services	\$4.7M	\$4.7M	0.0%	\$4.7M	0.0%
General Government Facilities - General	\$13.3M	\$14.7M	10.2%	\$12.9M	(12.0%)
Neighborhood Fire Stations	\$6.7M	\$6.7M	(1.1%)	\$6.2M	(7.0%)
Public Safety Facilities Police	\$0.0M	\$0.0M		\$0.6M	
Public Safety Facilities Fire	\$16.8M	\$0.0M	(100.0%)	\$9.8M	
CIP Subtotal:	\$61.5M	\$41.9M	(31.8%)	\$51.1M	21.9%
Total:	\$464.0M	\$438.3M	(5.6%)	\$449.4M	2.5%

I. OVERVIEW AND SUMMARY

The Department of Finance and Administration Services (FAS) provides:

- Internal services to other City departments, such as purchasing and contracting, facilities management, fleet management, real estate services, and capital development services;
- External customer services, through the Customer Service Bureau and the Seattle Animal Shelter; and
- Regulatory services, such as administration and enforcement of regulatory licenses and consumer protection.

For budgetary purposes, FAS also serves as the repository for appropriations for judgment and claims, jail services contracts, indigent defense contracts, and transit benefits paid to City employees.

The Office of City Finance (OCF) is an independent office housed within FAS. Among other things, OCF manages and collects City taxes, licenses businesses to operate within the City, manages City payroll, processes remittances to the City, and provides risk management services.

The 2026 Proposed Budget for FAS increases by approximately \$11.1 million, or 2.5 percent, relative to the 2026 Endorsed Budget. While the overall operating appropriations remain relatively unchanged (0.5 percent), proposed adjustments within FAS' capital budget increase by \$9.2 million (22 percent), as described in section B, below.

A. Operating Budget

FAS's proposed operating budget increases by approximately \$1.9 million relative to the 2026 Endorsed Budget. Notable increases include:

- \$2.1 million (FAS Fund) to reflect anticipated expenditures for external vendors that maintain the City's fleet. Over the past 4 years, the external fleet vendor maintenance expenditures have averaged \$4 million, and this proposed adjustment would bring the total maintenance budget to \$4 million, thus reducing FAS's need to request additional funds annually via supplemental budget ordinance. This is an ongoing increase which is funded in 2026 using one-time FAS fund balance.
- \$1.4 million (Fleet Capital Fund) to bring the Fund in line with anticipated expenditures in 2026. The Fleet Capital Fund operates as a sinking fund, which collects a relatively steady stream of revenue annually with the goal of having sufficient cash balance to cover fleet purchase expenditures when they come due. The expenditure levels fluctuate, sometimes substantially, from year to year, necessitating this annual adjustment. The internal central cost rates paid by City departments to FAS would be increased to offset this additional appropriation.
- \$1.2 million (FAS Fund) for various financial system contracts within the Office of City Finance (OCF). OCF manages several contracts that support citywide financial programs, and according to the department, this increase is necessary for key citywide systems that support critical operating infrastructure for the City's financial system. This is an ongoing increase which is funded in 2026 using one-time FAS fund balance.
- \$1.2 million (General Fund) for one-time and ongoing administrative costs in the implementation of changes to the Business & Occupation Tax (B&O Tax) due to the Seattle Shield Initiative. One-time funding (\$665k) supports a temporary Management Systems Analyst and changes to the FileLocal system. The proposed ongoing appropriations (\$485k) support communications, outreach, and customer service needs related to the B&O Tax system changes, including an Outreach Coordinator and three Customer Service Representatives.

- \$1 million (FAS Fund) to reflect a portion of needed maintenance costs for City-owned buildings due to aging infrastructure, insufficient capital replacement funding, and deferred maintenance caused by the COVID pandemic. FAS Facility Operations Division started addressing the backlog in 2023. Since maintenance has been deferred for so long FAS has faced more costly repairs. Another factor in the increase in maintenance needs is the lack of increased funding for capital replacements to support the long-term safety and operability of the 120 facilities that FAS owns and operates. Capital replacement would reduce ongoing maintenance and emergency costs. This is an ongoing increase which is funded in 2026 using one-time FAS fund balance.
- \$235,000 (GF) to expand Joint Enforcement Team (JET) – a joint effort between FAS, SPD, SFD, and SDOT to conduct inspections of nightclubs, bars, restaurants, and other businesses at peak after-hours times to help them maintain a safe environment for patrons and the community. This proposed appropriation would support the addition of 1 Licenses and Standards Inspector FTE and training budget for topics such as use of force, equipment, fire safety, report writing, fake IDs, emergency response and club drugs. The baseline budget for JET operations is \$220,000. The 2026 Proposed Budget includes increases of \$762,000 in FAS, SFD and SDOT, for a total ongoing appropriation of approximately \$1 million. These investments will enhance staffing for increased inspections each month (from current level of 18 outings to 50 outings annually) and broaden the training opportunities available for nightlife businesses.

Notable decreases in FAS’s operating budget include:

- \$2.9 million (General Fund) reduction related to jail services. The City has a long-term inter-local agreement with King County (KC) to provide jail services for the City’s misdemeanants through 2030. KC instituted booking restrictions in 2020 limiting the number of bookings the Seattle Police Department could bring to the KC jail. South Correctional Entity (SCORE) facility was going to be used to book and hold misdemeanants arrested for offenses that fell outside King County jail booking restrictions. Subsequently, KC lifted booking restrictions in January of 2025, and the City can book all misdemeanors without restriction. The SCORE facility agreement was never executed, and this funding is no longer required.
- \$2.2 million (FAS Fund) reduction for fuel usage and associated costs. The 2026 Endorsed budget was based on higher projected fuel prices which have since declined.

B. Capital Budget

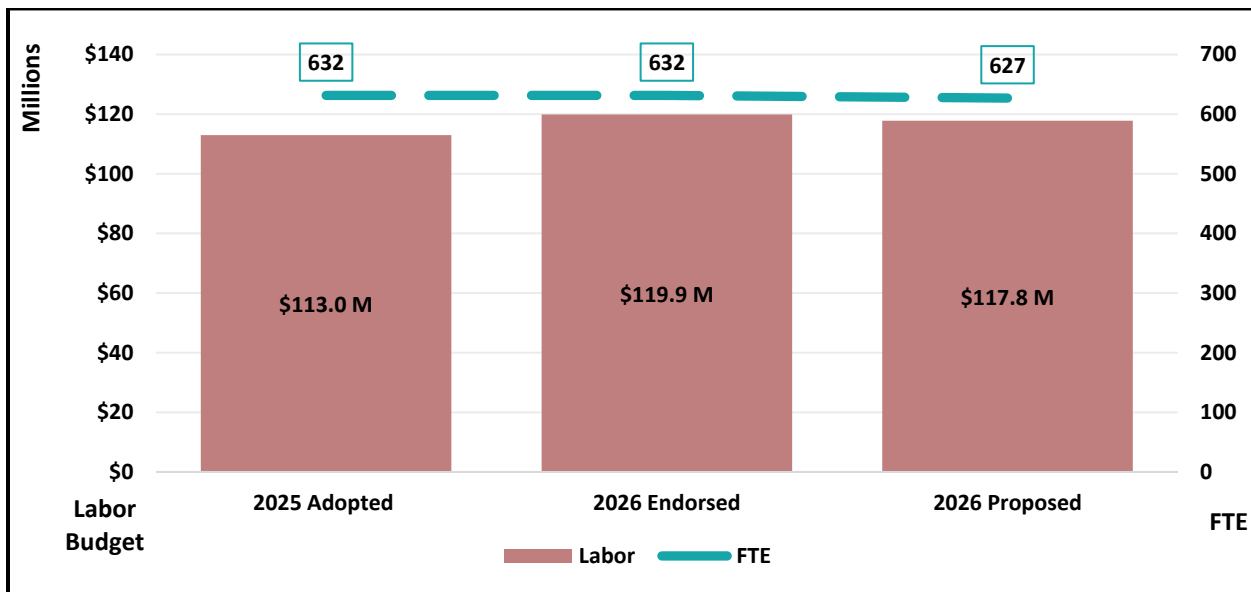
FAS’s 2026 Proposed CIP portfolio increases from \$41.9 million to \$51.1 million, a \$9.2 million net increase. This increase is primarily due to bond issuance realignment and schedule shifts for various projects, as itemized in Chart 1 below. Corresponding project appropriation reductions are itemized in the 2025 Year-End Supplemental and described in the Budget Legislation section below. In addition to shifting appropriations between years, FAS proposes increasing the Asset Preservation program in 2026 by \$1.8 million. This is an ongoing asset maintenance program supported by space/rent rates charged to departments. This specific increase would add REET funding for smaller energy efficiency and decarbonization projects.

Chart 1. Proposed Adjustments in the 2026 CIP due to Bond Issuance Timeline Changes

CIP Project	Change Amount
Fire Station 31 Replacement	\$8.1 M
Fire Station 31 Temporary Station	\$1.8 M
Drive Clean Seattle Fleet Electric Vehicle Infrastructure	\$1.0 M
Waterfront Operations and Tribal Interpretive Center	\$1.0 M
ADA Improvements - FAS	(\$0.9 M)
Electrical Infrastructure Upgrades	(\$3.5 M)

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



Labor Costs decreased by \$2.1 million, representing 1.7 percent of labor costs, due to downward technical adjustments to wage inflation and retirement contributions that affect most departments’ proposed budgets. This reduction also reflects a \$1.3 million reduction in transit benefit rates (from \$5.6 million to \$4.3 million) to better reflect projected transit usage. The City’s transit benefit program (ORCA cards and ferry subsidy) appropriations are housed in FAS’s budget and billed to departments directly based on final usage costs.

The 4.5 FTE reduction is primarily due to the abrogation of 12.5 positions that were restored for 6 months during the 2025-2026 budget process. The Council adopted Council Budget Action [CBO-002-A](#), which extended employment through June 2025 for some employees originally scheduled to be laid off in January 2025 in the Proposed Budget. In addition, FAS abrogated two sunset positions and proposes eliminating a vacant Treasury Strategic Advisor, as this position is no longer needed within the OCF’s Treasury program. Lastly, the Proposed Budget transfers the parking meter collections unit (3 FTE) to the Seattle Department of Transportation, which installs and operates the parking meters.

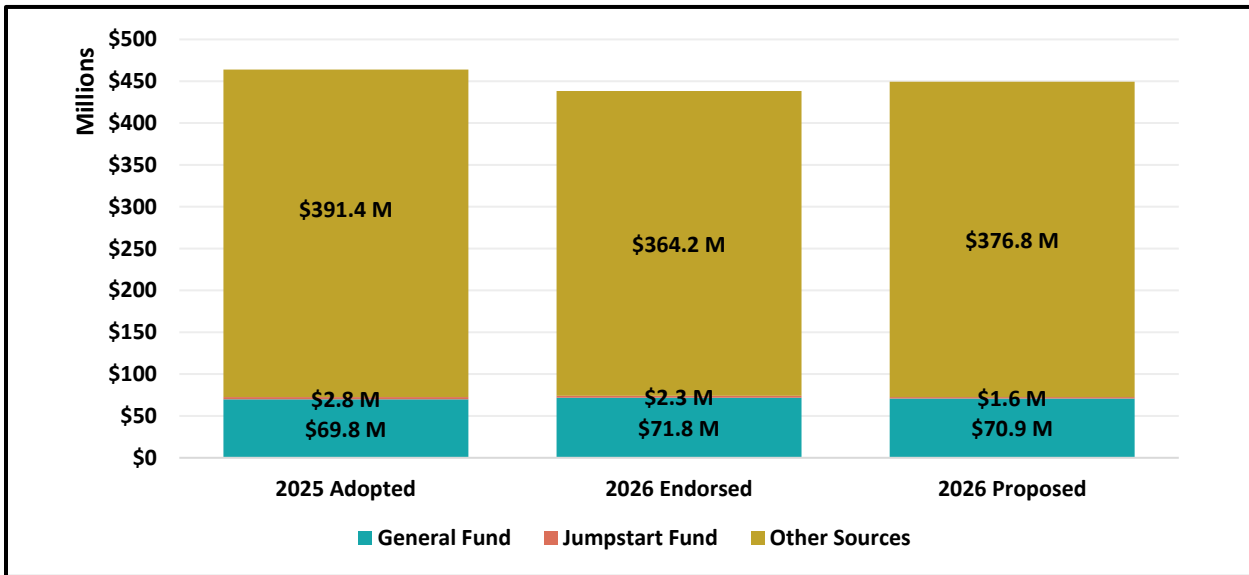
These reductions are offset by 14 proposed FTE additions within FAS, including:

- 4 FTE to implement the restructuring changes to the Business & Occupation (B&O) Tax system. This is ongoing GF proposal which would support communications, outreach, and customer service needs related to the B&O Tax system changes, including an Outreach Coordinator and three Customer Service Representatives.
- 3 FTE Auto Mechanics focused on providing maintenance for Seattle City Light vehicles and equipment. FAS has 58 FTE mechanics that provide maintenance for the City’s fleet. In total, adding these positions increases capacity by 4,500 mechanic service hours which would allow the City to better meet obligations to properly maintain the fleet. Most of these ongoing costs will be paid by City Light through rates charges.
- 1 FTE for Joint Enforcement Team (JET) expansion, which is an interdepartmental effort to increase the number of after-hours establishment inspections and offer training opportunities for businesses. For additional JET information, see the Operating Budget section above.

- 1 FTE Veterinarian Assistant (VA) within Seattle Animal Shelter’s (SAS) veterinarian services team. This proposal would convert a current temporary VA to a permanent role and use the current baseline budget to fund it, so additional appropriations are not being requested with this proposal. According to FAS, continuance of this position is needed to prevent the Shelter from falling below the industry standard for shelter veterinary medical services. Losing this position would lead to fewer spay and neuter surgeries, lower General Fund revenue, reduced vaccination numbers and less outreach overall to the shelter community.
- 2 FTE Customer Service Representatives to implement the voter-approved Social Housing Tax. These positions will support ongoing collection and administrative support for the Tax, supported by the GF.
- 1 FTE Accounting and Payroll Technician to restore a position in OCF that was eliminated during the 2025-2026 budget process. According to FAS, this position is filled and needed for payroll support, including the ongoing implementation of the Workday system. This proposal would only add position authority; no additional funding is currently proposed to fund this position.
- 2 FTE to create a new Human Resources (HR) unit within OCF by adding a manager and a Sr. Strategic Advisor. Until now, OCF’s HR needs have been met with a term-limited Manager and a Recruitment & Benefits Specialist position, both of which were absorbed by the department’s base budget. With those temporary positions now expiring without the option to extend, dedicated ongoing staff are needed to provide consistent HR capacity and support. This proposal would only add position authority, and these positions would be funded with FAS’s baseline budget.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



FAS’s proposed GF appropriations increase by \$844,000 (1 percent) compared to the 2026 Endorsed Budget. Most notable changes include proposed appropriations for B&O and Social Housing Tax changes and implementation, JET expansion, and other inflation-related increases. These are offset by downward wage adjustments and a \$2.9 million reduction in jail service costs. These changes are discussed in the operating budget section above. The JumpStart Fund appropriations decrease of \$636,000 reflects an updated debt service schedule. Similarly, changes in other FAS funds are primarily technical to align capital project schedules and debt service payments, along with related proposed changes discussed in the operating and capital budget sections above.

II. BUDGET LEGISLATION

1. OCF Multipurpose LTGO Bonds 2026 ORD

This proposed bill would provide legal authority to issue bonds in fiscal year 2026, to provide a total of \$38.2 million for projects in the 2026 Proposed Budget and the 2026-2031 CIP, as follows (with the approximate bond-financed project cost):

- Electrical Infrastructure Upgrades (\$3.5 million)
- City Hall Plaza (\$5.6 million)
- Waterfront Operations and Tribal Interpretive Center (\$1.0 million)
- Fire Station 31 (\$8.1 million)
- Human Capital Management System (\$13.2 million)
- Drive Clean Seattle Fleet Electric Vehicle Infrastructure (\$1.0 million)
- Computing Services Architecture (\$2.6 million)
- Data and Telephone Architecture (\$2.1 million)
- Issuance Costs and pricing Adjustments (\$1.1 million)

2. CBO 2025 Year End Supplemental ORD

This legislation includes 2025 Budget adjustments that reflect FAS's increased appropriation needs and aligns bond issuances with capital project schedules, resulting in an overall \$8.3 million appropriations decrease in the 2025 Revised Budget. This is primarily due to shifting \$16.7 million of bond issuance and related appropriations for Fire Station 31 from 2025 to 2026.

Notable supplemental budget increases in the operating budget include:

- \$2 million facilities maintenance appropriation to cover maintenance needs of FAS-owned properties, which have exceeded the base budget. This increase is funded by one-time fund balance in FAS Fund.
- \$1.2 million to cover vehicle repairs and maintenance needs, supported by central rates charged to departments based on actual expenditures for this maintenance.
- \$672,000 in the Office of City Finance to support B&O Tax restructuring system changes in 2025.
- \$644,000 for costs associated with a new centralized dispatch contract for dispatching wheelchair-accessible transportation services in Seattle, supported by one-time fund balance in the Wheelchair Accessible Service Fund.
- \$100,000 for higher than anticipated costs for disposing of abandoned RVs in the public right of way.

Lastly, the bill includes a revenue-backed appropriations increase and appropriation transfers between capital projects which do not have an impact on the department's overall budget.

3. OCF General Business License Amendment ORD

The City requires all persons engaging in business in the city to obtain a business license and to obtain a business license tax certificate, subject to a mandatory, minimum threshold. This minimum threshold relieves businesses that are not located in the city and that conduct only a small amount of business in the city from the obligation of obtaining a business license and a business license tax certificate. This bill increases the annual minimum business license threshold in the City of Seattle from \$2,000 to \$4,000 and includes an automatic periodic increase based on cumulative inflation.

FIREFIGHTERS PENSION (FPEN)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Firefighter's Pension	\$26.5M	\$27.5M	3.8%	\$27.5M	0.0%
Total:	\$26.5M	\$27.5M	3.8%	\$27.5M	0.0%

I. OVERVIEW AND SUMMARY

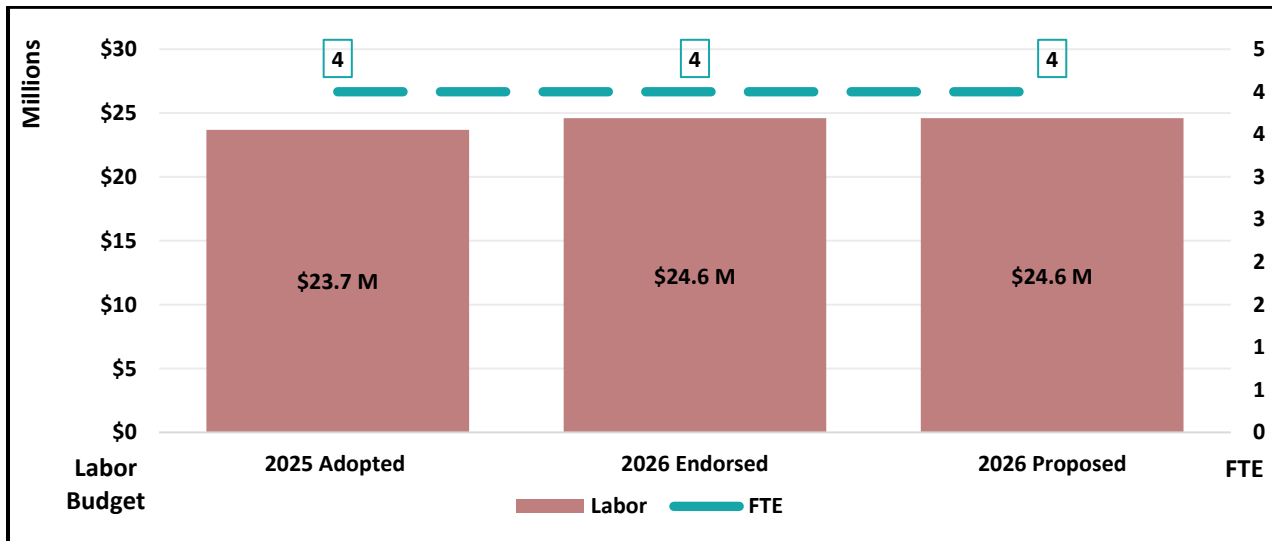
The 2026 Proposed Budget for the Firefighter’s Pension is essentially unchanged relative to the 2026 Endorsed Budget, reflecting only minor technical adjustments to standard costs and the Actuarial Account, which acts as a reserve for future pension obligations for eligible firefighters and their beneficiaries.

A. Operating Budget

As discussed in the Overview and Summary, the 2026 Proposed Budget for the Firefighter’s Pension includes only minor changes above endorsed budget levels.

B. FTE & Labor Changes

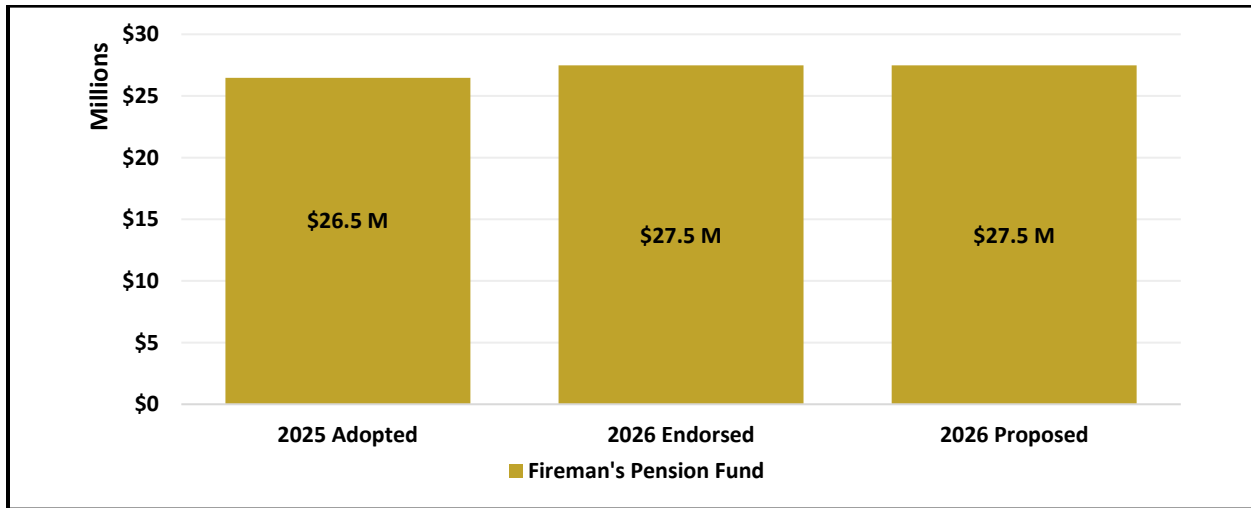
Figure 1. FTE & Labor Budget Summary



Staffing levels are unchanged in the 2026 Proposed Budget compared to the endorsed amount, reflecting four FTE positions.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The Firefighter’s Pension budget is funded entirely by the Fireman’s Pension Fund, which is supported by a transfer in of property tax revenues from the General Fund and fire insurance premium taxes. As discussed above, the 2026 Proposed appropriations from the Fireman’s Pension Fund in the Firefighter’s Pension reflects only a minor increase over the 2026 Endorsed Budget, to fund technical adjustments.

OFFICE OF HEARING EXAMINER (HXM)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KETIL FREEMAN

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of the Hearing Examiner	\$1.3M	\$1.4M	5.0%	\$1.4M	(0.6%)
Total:	\$1.3M	\$1.4M	5.0%	\$1.3M	(0.6%)

I. OVERVIEW AND SUMMARY

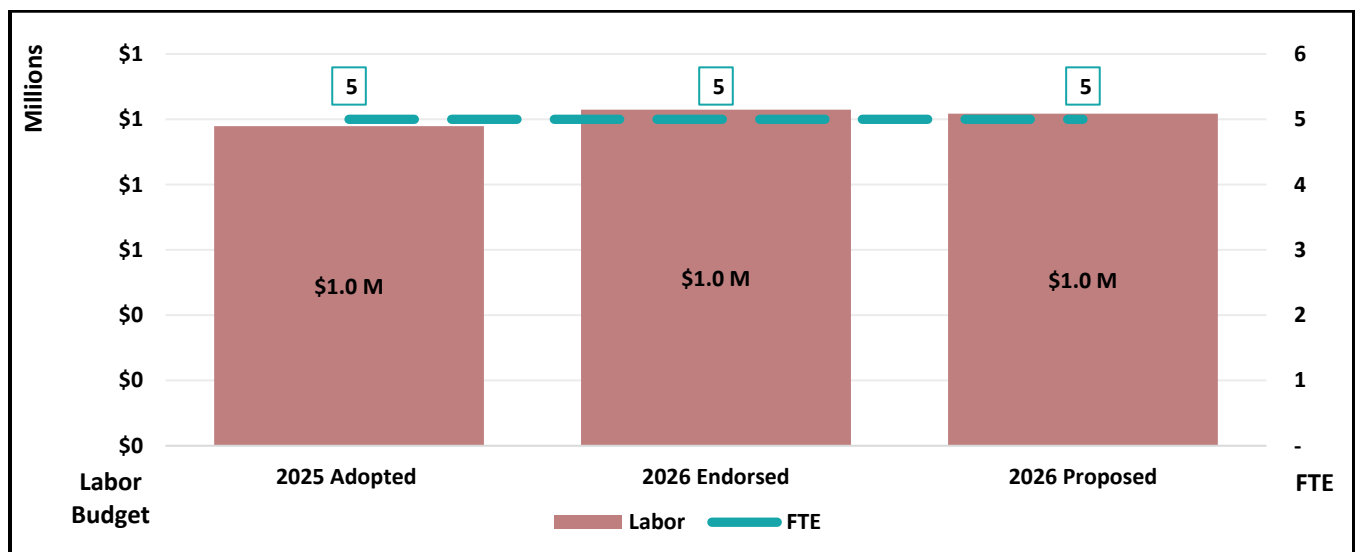
The Office of the Hearing Examiner (HXM) acts as the City’s administrative law judge and adjudicates disputes related to the application and administration, by various departments, of the Seattle Municipal Code, including the Land Use Code, Office of Labor Standards Ordinances, Office for Civil Rights Ordinances, and the Seattle Fire Code. The HXM also conducts open record hearings and makes recommendations for quasi-judicial decisions made by the Council. The HXM consists of 5 FTE: the Hearing Examiner, a deputy hearing examiner, an executive assistant, a legal assistant, and an administrative specialist.

A. Operating Budget

The 2026 Proposed Budget for the HXM would decrease by 0.6 percent from the endorsed. These changes are associated with changes to internal service costs, adjusted annual wage increases, and reimbursements from hearing examiner services offered to other jurisdictions. The net effect of these changes in proposed revenues and expenditures is a proposed reduction in appropriations over the 2026 Endorsed Budget of approximately \$8,000.

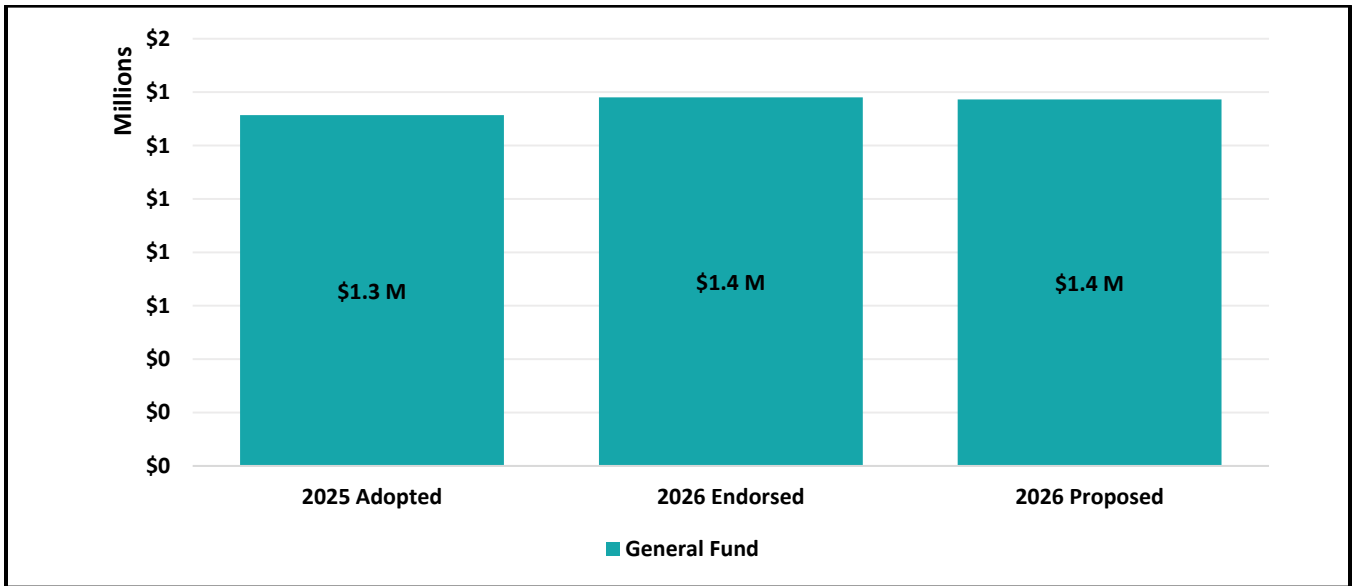
B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



LEGISLATIVE DEPARTMENT (LEG)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BEN NOBLE

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Leadership and Admin	\$5.0M	\$5.3M	5.2%	\$5.3M	(0.3%)
Legislative Department	\$17.7M	\$18.7M	5.1%	\$18.4M	(1.6%)
Total:	\$22.8M	\$23.9M	5.2%	\$23.6M	(1.3%)

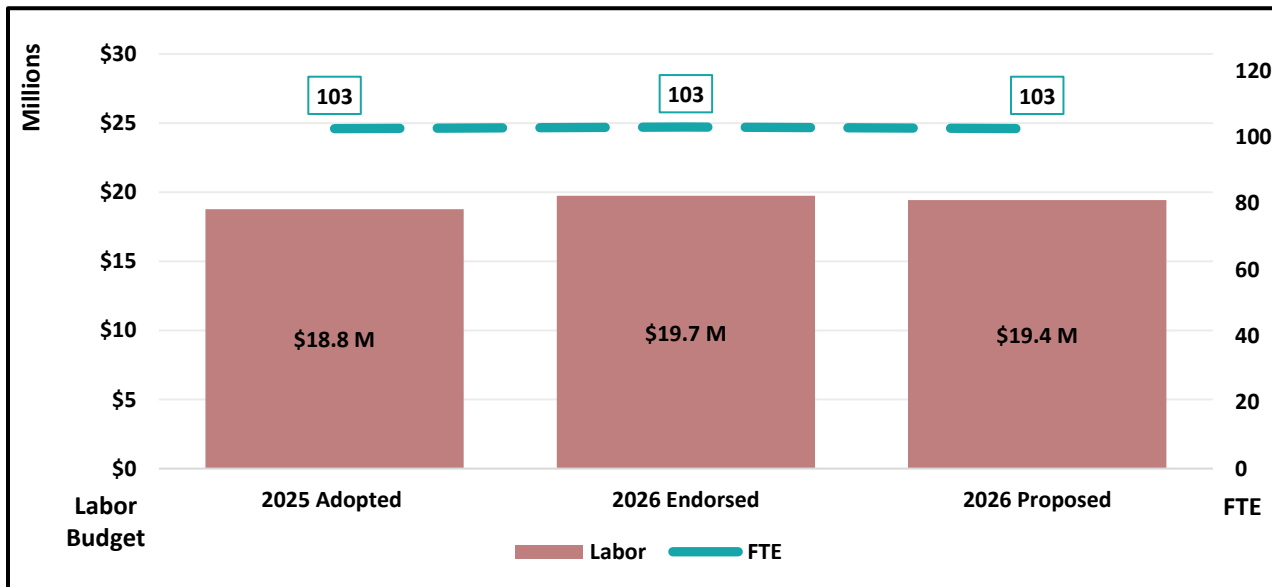
I. OVERVIEW AND SUMMARY

A. Operating Budget

The 2026 Proposed Budget for the Legislative Department (Leg) remains effectively unchanged from the 2026 Endorsed Budget. Position authority remains the same, and the modest funding changes are driven by City-wide technical adjustments.

B. FTE & Labor Changes

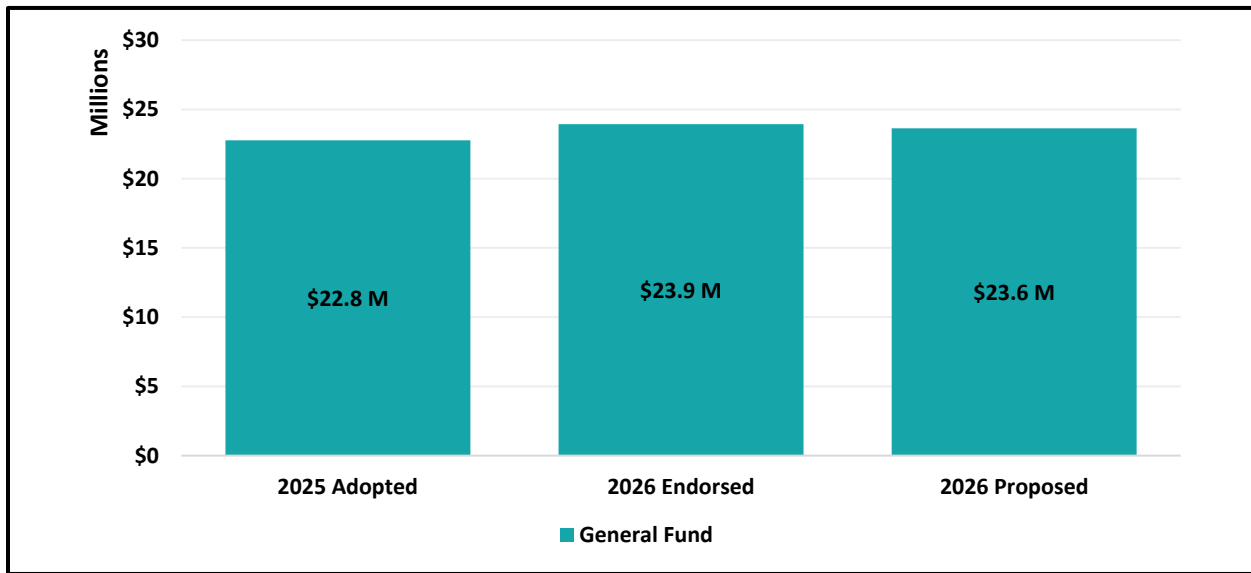
Figure 1. FTE & Labor Budget Summary



Staffing levels in the Legislative Department remain unchanged from 2025 and from the 2026 Endorsed Budget. The modest decrease in labor costs between the Endorsed and the Proposed is due to lower-than-anticipated inflation. Many of the City’s labor contracts are indexed to inflation, and the 2026 Endorsed budget assumed a higher rate of inflation than was ultimately realized.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



As shown in the chart above, the General Fund provides all the funding upon which the Legislative Department relies. That said, through centralized cost allocations, a share of the costs associated with some Legislative Department functions, such as the time that Central Staff spends on Seattle City Light and Seattle Public Utilities issues, are charged to other funds. Payments are deposited into the General Fund and then directed to the Legislative Department.

MAYOR'S OFFICE (MO)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BEN NOBLE

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of the Mayor	\$15.1M	\$16.0M	5.6%	\$15.9M	(0.4%)
Total:	\$15.1M	\$16.0M	5.6%	\$15.9M	(0.4%)

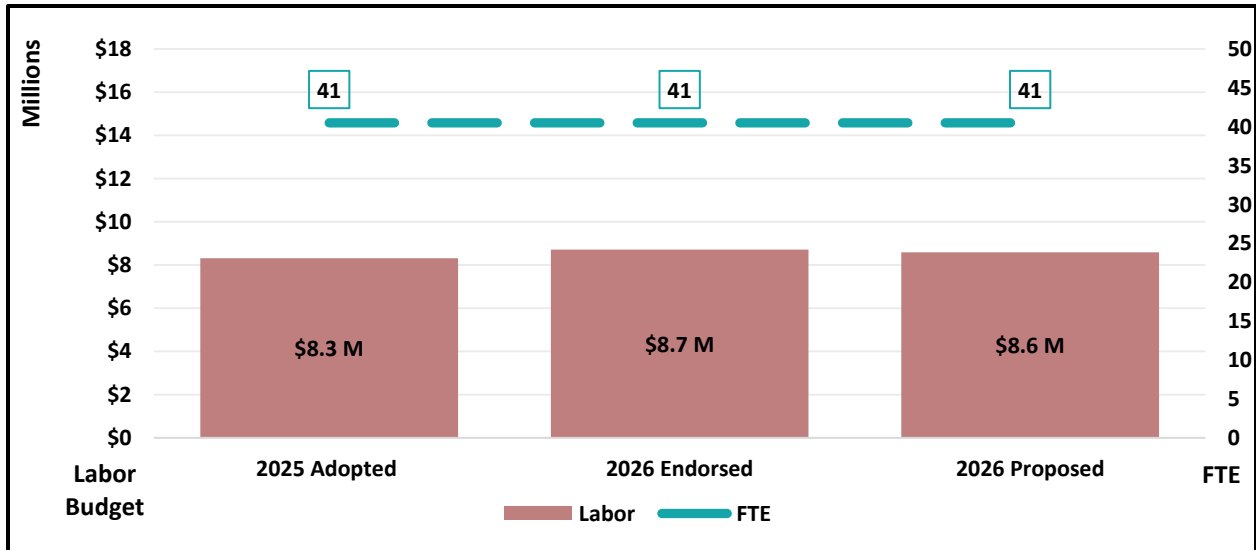
I. OVERVIEW AND SUMMARY

A. Operating Budget

The 2026 Proposed Budget for the Mayor's Office (MO) remains effectively unchanged from the 2026 Endorsed Budget. Overall funding changes are entirely attributable to City-wide technical changes, and the Mayor has proposed no position changes for his office.

B. FTE & Labor Changes

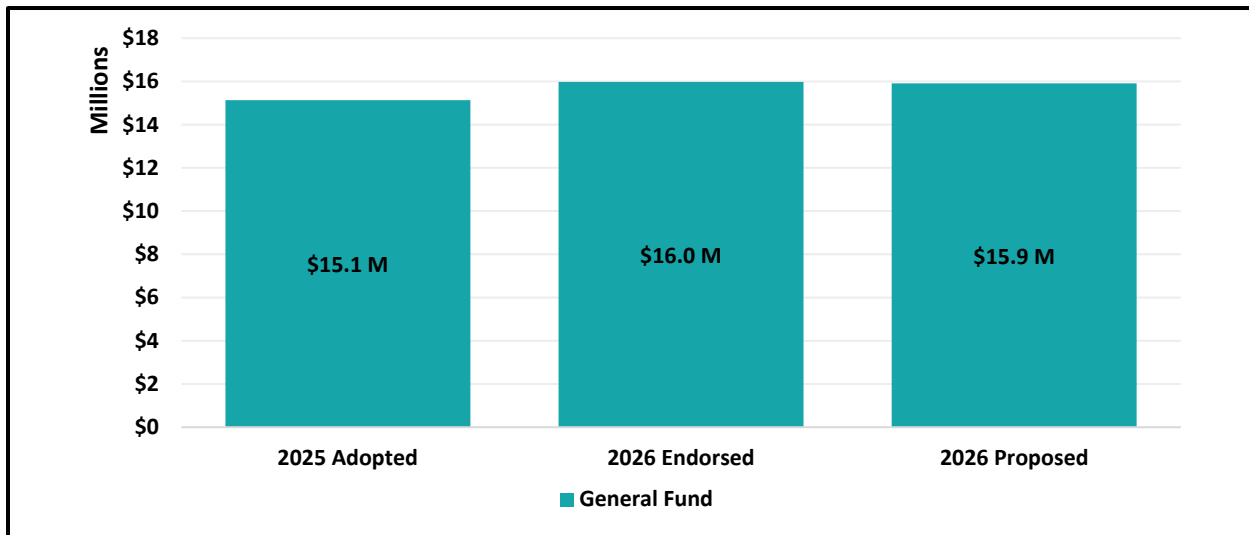
Figure 1. FTE & Labor Budget Summary



The Mayor's Office staffing levels have remained unchanged, at 40.5 FTE, since 2024. That said, staff from other departments have been "detailed" to the Mayor's Office to work under the more direct management and oversight of Mayor's Office staff.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



As illustrated in the chart above, the Mayor’s Office Budget relies on the General Fund for 100 percent of its funding. That said, a grant from the Casey Family Program of \$500,000 provides a portion of the Office’s overall \$15.9 million budget. This grant, awarded annually since 2023, provides funding for three positions focused on researching, planning, and implementing public safety policies and programs. The City deposits these grant resources into the General Fund, and as a result, they are not identified as a distinct funding source in the tables and charts provided in this overview.

II. BUDGET LEGISLATION

1. 2026 Annual Grant Acceptance

Consistent with the description above, the 2026 Annual Grant Acceptance Ordinance accepts a \$500,000 grant from the Case Family Program to support three public-safety-related positions.

OFFICE OF ECONOMIC DEVELOPMENT (OED)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: JASMINE MARWAHA

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Business Services	\$22.0M	\$22.3M	1.4%	\$29.2M	31.1%
Leadership and Administration	\$9.2M	\$9.1M	(1.5%)	\$11.5M	26.8%
Total:	\$31.2M	\$31.3M	0.6%	\$40.7M	29.8%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for the Office of Economic Development is \$9.4 million more than the 2026 Endorsed Budget, a 29.8% increase. This increase is primarily driven by one-time investments in new funding initiatives to support businesses, described below.

A. Operating Budget

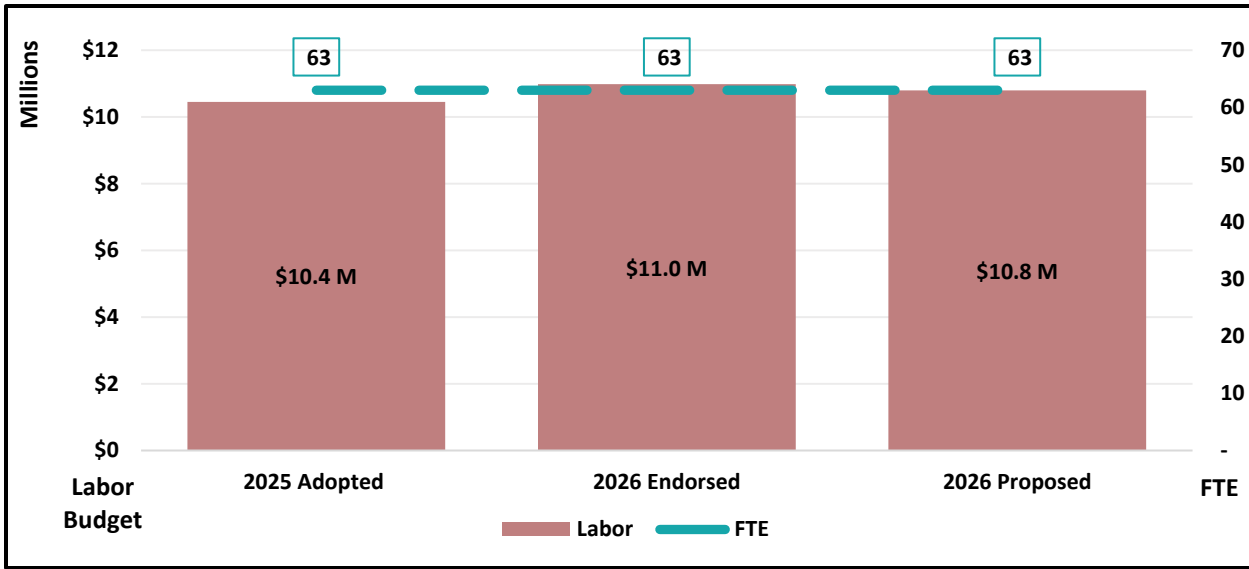
Significant increases in OED’s 2026 Proposed Budget include the following one-time additions:

- \$2.5 million (Jumpstart Fund) for a “Back to Business” Fund, which will provide grants to businesses or neighborhood business districts to continue the [Storefront Repair Program](#) as well as institute preventive security measures, such as Crime Prevention Through Environmental Design (CPTED).¹
- \$4 million (General Fund) for a “Stabilize, Activate, and Invest Locally” (SAIL) fund to provide intensive support and coordination of City investments to select neighborhoods. Unlike the Back to Business Fund, the SAIL Fund would fund activities executed across multiple departments. OED anticipates Little Saigon to be the first neighborhood to receive support, likely to be followed by Lake City. Based on lessons learned from these neighborhoods, they will expand to others.
- \$200,000 (Jumpstart Fund) for the Phố Đẹp Initiative, focused on business-related support in the Little Saigon neighborhood, such as technical assistance for businesses or activation of vacant spaces.
- \$700,000 (General Fund) to support neighborhood grocers, to either launch or expand food access in low-income neighborhoods or those with limited access to groceries.
- \$1 million (General Fund) for a Grocery Store Security Fund, which would fund similar physical improvement activities as the Back to Business Fund, but with a focus on grocery stores.
- \$500,000 (General Fund) for a Business Climate Assessment, to create an updated strategic plan that includes an assessment of Seattle’s economic policies and practices, comparisons to other jurisdictions, and recommendations for future actions.
- \$250,000 (General Fund) to support capital costs for the development of a community workforce training center, to be developed and operated by Uplift Northwest.
- \$400,000 (Jumpstart Fund) to support development of a customer relationship and case management system, using 2025 underspend from the Business Community Ownership Fund, discussed in Section III.

¹ This is in addition to \$800,000 ongoing to support the Storefront Repair Fund (SRF), which was allocated by Council in the 2025 Adopted Budget. According to OED, they received feedback from businesses to expand the SRF to more proactively prevent vandalism. OED will continue to analyze demand and public safety data in deciding how the ongoing funding is spread among the three elements of the Back to Business Fund.

B. FTE & Labor Changes

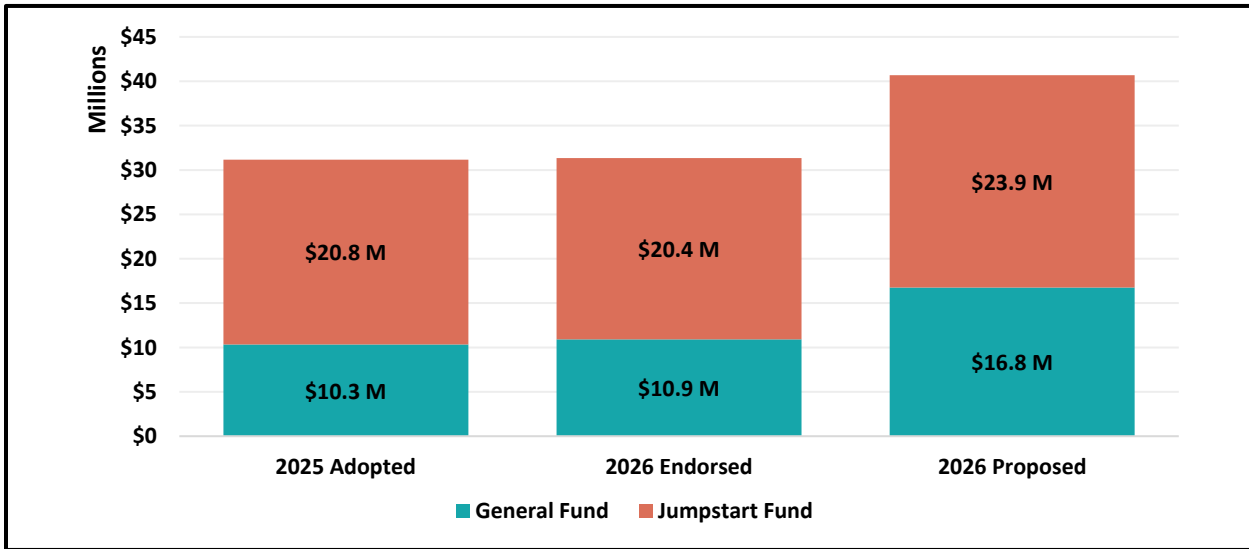
Figure 1. FTE & Labor Budget Summary



The 2026 Proposed Budget does not include any changes to FTEs and reflects technical adjustments in accordance with citywide standard costs and bargained wage adjustments.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The 2026 Proposed Budget includes one-time increases in JumpStart Fund appropriations of \$3.5 million, and General Fund appropriations of \$5.9 million, over the 2026 Endorsed Budget. These funds face long-term balancing challenges stemming from increased costs for current levels of services and decreasing revenues. For discussion on the General Fund’s sustainability, please see the General Fund Balancing and Sustainability Analysis paper.

II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

1. Scale and Prioritization of OED Budget Increase

As mentioned above, the additions to OED’s 2026 Proposed Budget are significant – a 30 percent increase over the 2026 Endorsed Budget – and supported by funds that face long-term balancing challenges. Some proposed increases represent expansions of current programs, while other proposed expenditures are less defined. These increases may also create expectations in community for ongoing support beyond 2026. Council may wish to repurpose, scale, or provide direction for these proposed changes.

III. BUDGET LEGISLATION

1. CBO 2025 Year-End Supplemental Ordinance

This proposed legislation would make the following adjustments to the 2025 Adopted Budget:

- Reduce appropriation authority by \$400,000 JumpStart Fund, abandoning underspend in the Business Community Ownership Fund, which will instead be used in OED’s 2026 Proposed Budget to support development of a customer relationship and case management system.
- Increase appropriation authority by \$150,000 GF to support catenary street lighting projects in Belltown and Capitol Hill.
- Transfer of appropriation authority from one BSL to another, to align appropriation authority with anticipated expenditures and correct errors in the 2025 Adopted Budget.

2. CBO 2025 Year-End Acceptance Ordinance

The 2025 Year-End Grant Acceptance bill would authorize OED to accept a grant of \$291,000 from the Washington State Department of Commerce to lease space for the “AI House” – where nonprofit and academic institutions incubate artificial intelligence startups and develop and teach AI curricula to workers – as well as the “Seattle Climate Innovation Hub” – a business and technology incubator designed to cultivate the next generation of clean energy technology companies in Seattle. The period of performance for this grant runs through June 30, 2026. This grant does not require a local match, though OED will be matching with \$250,000 in baseline funding to support program design at both, and will not result in additional ongoing costs. OED is currently partnering with [Ada Developers Academy](#) and [AI2 Incubator](#) to create the AI House, [UW CoMotion](#), [VertueLab](#), and [9Zero to create the Seattle Climate Innovation Hub](#).

OFFICE OF EMERGENCY MANAGEMENT (OEM)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Emergency Management	\$3.1M	\$3.2M	5.0%	\$4.2M	31.3%
Total:	\$3.1M	\$3.2M	5.0%	\$4.2M	31.3%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for the Office of Emergency Management (OEM) increases by \$1 million (31.3 percent) and 2 FTE relative to the 2026 Endorsed Budget. The changes reflect increased investments in community outreach and emergency preparedness initiatives; a new approach to funding two existing positions that have been previously supported by federal grants; and technical adjustments due to internal service costs, annual wage increases, and City retirement contributions.

A. Operating Budget

OEM's 2026 Proposed Budget includes an increase of \$1 million to enhance community outreach and emergency preparedness initiatives and directly fund 2.0 FTE emergency management positions that are currently filled and have been previously supported by federal grants that are not expected to be available.

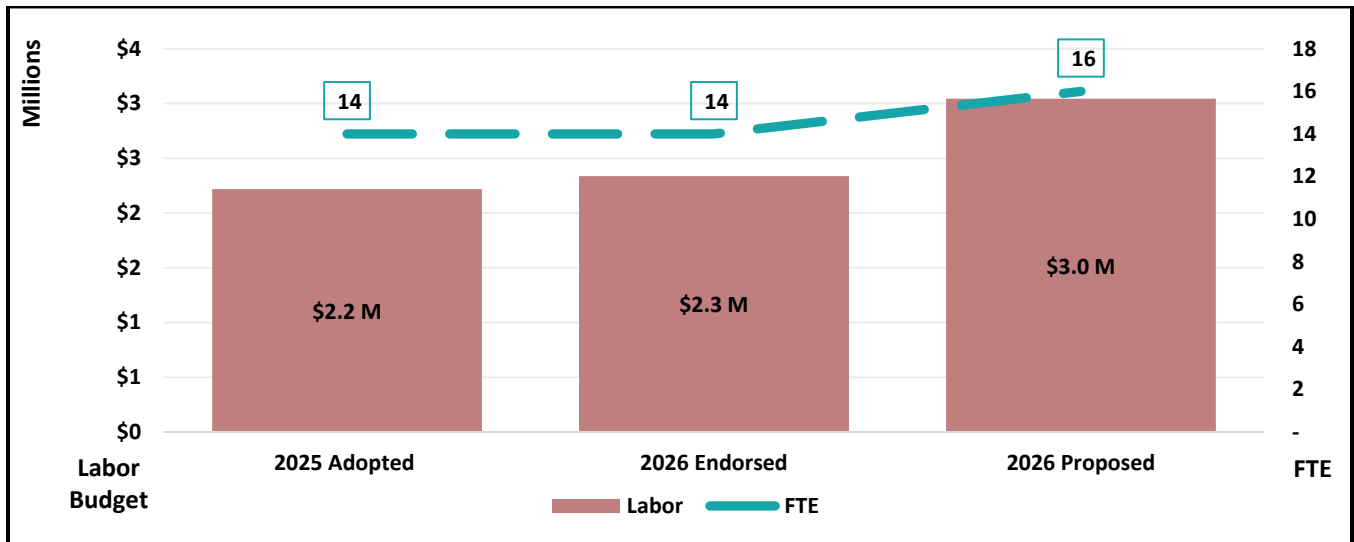
The investment (\$665,000) in community outreach and emergency preparedness would address capacity concerns identified in an independent organizational assessment of the office as follows:

- Add 2.0 FTE (1.0 FTE Communications Manager and 1.0 FTE Community Outreach and Training Specialist) to oversee and implement new programs;
- Expand community engagement and outreach to increase emergency preparedness across communities; and
- Promote the Alert Seattle program, estimating that every dollar spent on outreach results in at least one more registrant.

The investment (\$380,000) in direct funding for 2.0 FTE Emergency Management Positions would allow the office to sustain core positions for emergency management programming that have been previously funded by FEMA Emergency Management Performance Grants that are not expected to be available.

B. FTE & Labor Changes

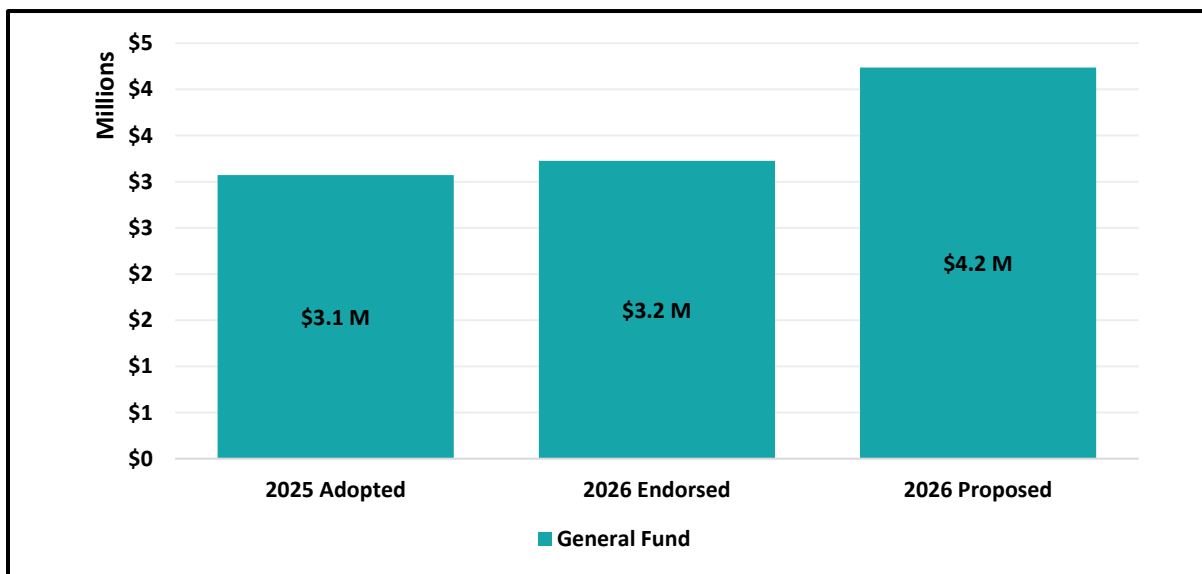
Figure 1. FTE & Labor Budget Summary



OEM’s 2026 Proposed Budget would add 2.0 FTE (1.0 FTE Communications Manager and 1.0 FTE Community Outreach and Training specialist) to support community outreach and emergency preparedness initiatives.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OEM is entirely funded through the General Fund.

OFFICE OF EMPLOYEE OMBUD (OEO)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: AMANDA ALLEN

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Employee Ombud	\$1.2M	\$1.3M	5.0%	\$1.3M	1.4%
Total:	\$1.2M	\$1.3M	5.0%	\$1.3M	1.4%

I. OVERVIEW AND SUMMARY

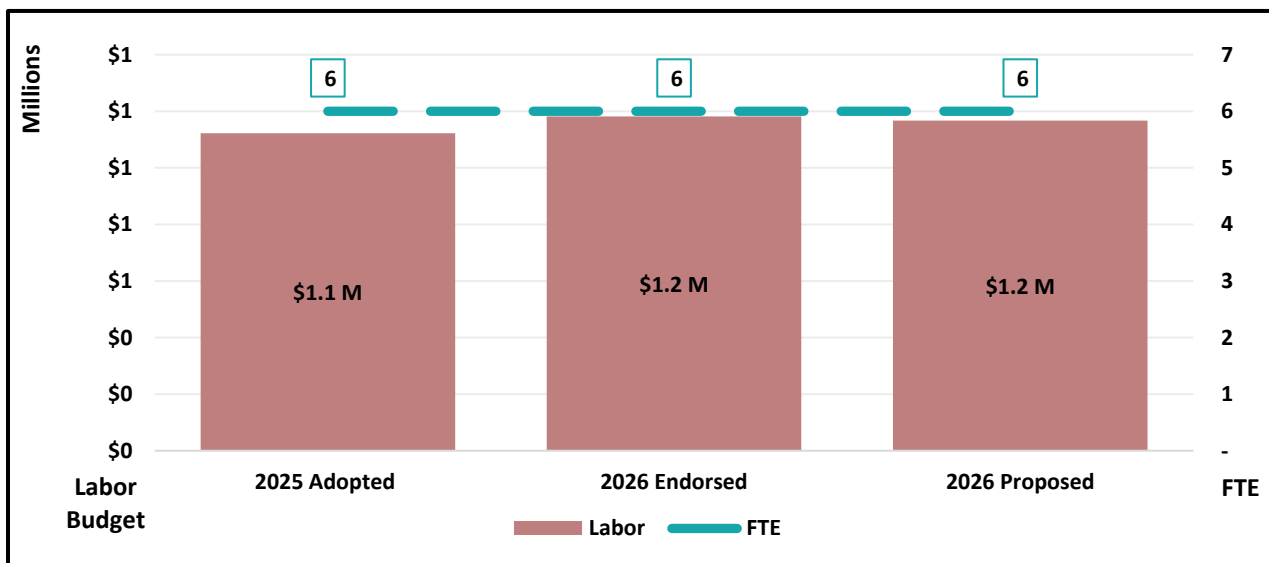
The Office of the Employee Ombud (OEO) provides City employees with a confidential and independent resource for addressing concerns about workplace conduct that may constitute harassment, discrimination, or retaliation; or that may conflict with City Personnel Rules or workplace expectations. In 2026, OEO will continue this work through intakes, referrals, trainings, conflict resolution, and submission of an annual report to the Mayor and Council with an overview of case outcomes, analysis of Citywide workplace issues, and recommendations for policy and rule changes needed to address departmental or system-wide inefficiencies. There are no significant changes between the 2026 Endorsed Budget and the 2026 Proposed Budget.

A. Operating Budget

OEO’s 2026 Proposed Budget would increase over 1 percent between the 2026 Endorsed and the 2026 Proposed for a total budget of \$1.3 million. The increase is approximately \$18,000 and due to minor adjustments, including changes to internal service costs like space rent and bargained annual wages.

B. FTE & Labor Changes

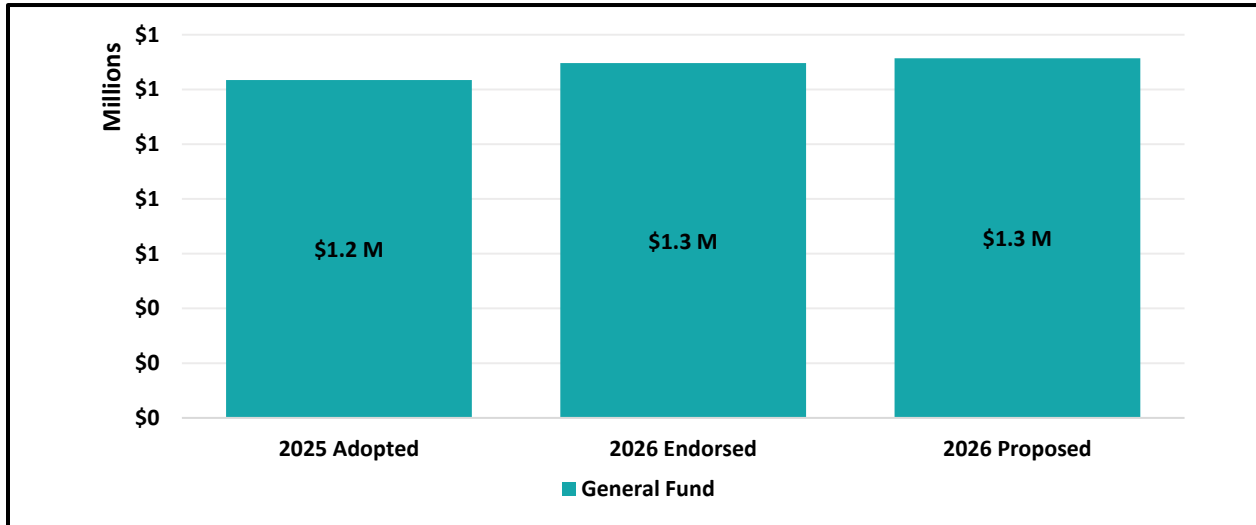
Figure 1. FTE & Labor Budget Summary



OEO’s 2026 Proposed Budget would retain current staffing levels with no change in the number of FTEs. Labor appropriations slightly decrease by \$15,000 due to annual wage and benefits adjustments.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OEO’s budget is entirely funded through the General Fund. The 2026 Proposed Budget does not include any notable changes. The proposed changes are entirely related to a new lease for a larger space and technical adjustments, neither of which impact the office’s overall operations or direction.

II. BUDGET LEGISLATION

1. 2025 Year End Supplemental

The 2025 Year End Supplemental Ordinance includes \$43,130 to backfill labor costs associated with Paid Parental Leave use in 2025.

OFFICE OF ECONOMIC AND REVENUE FORECASTS (OERF)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Economic and Revenue Forecasts	\$0.7M	\$0.9M	21.7%	\$0.9M	(4.0%)
Total:	\$0.7M	\$0.9M	21.7%	\$0.9M	(4.0%)

I. OVERVIEW AND SUMMARY

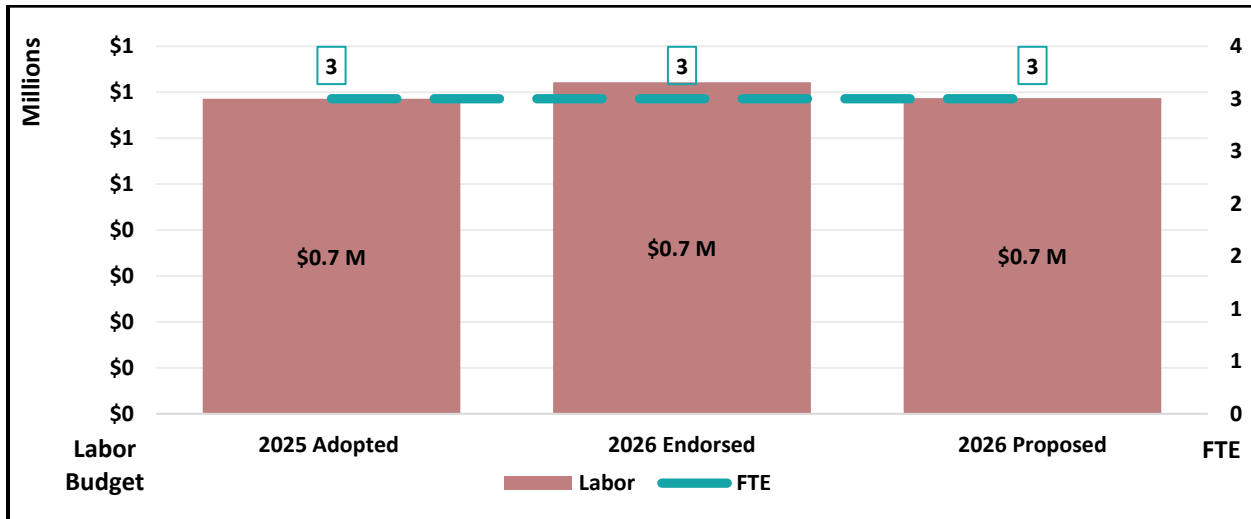
The 2026 Proposed Budget for the Forecast Office decreases four percent relative to the 2026 Endorsed Budget, due entirely to downward technical adjustment to wage inflation, retirement contributions and internal services cost allocations that reduce the Proposed Budget by approximately \$36,000. These are common adjustments affecting most departments.

A. Operating Budget

As discussed in the Overview and Summary, changes to the Forecast Office budget are purely technical in nature and result in a small overall reduction compared to the 2026 Endorsed Budget.

B. FTE & Labor Changes

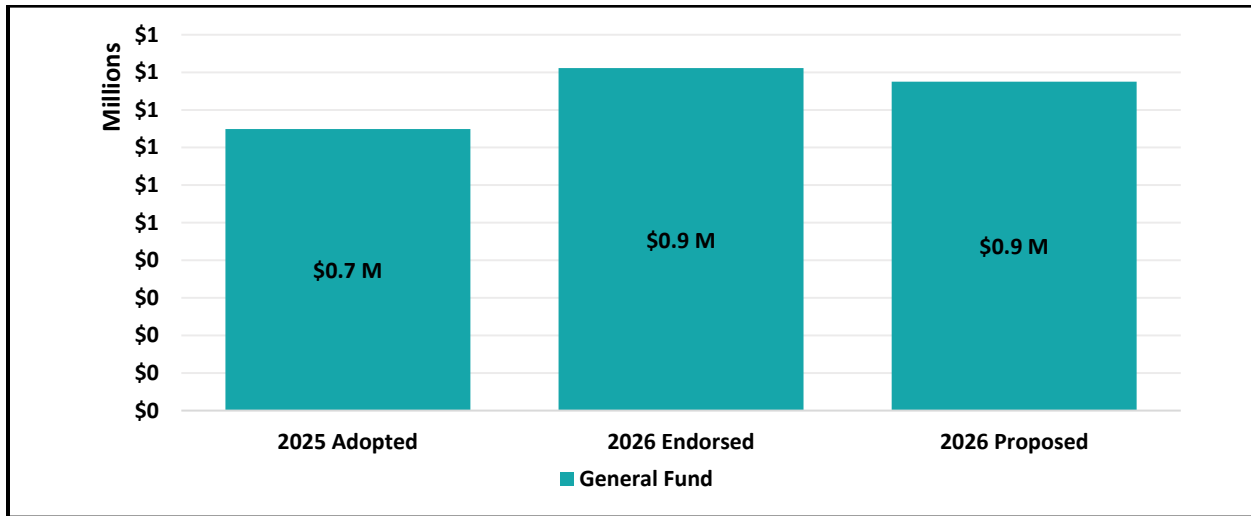
Figure 1. FTE & Labor Budget Summary



As shown in Figure 1, the 2026 Proposed Budget includes no changes to the Forecast Office’s staffing level of three FTE. Labor Costs decreased by \$9,000, representing five percent of labor costs, due to downward technical adjustments to wage inflation and retirement contributions that affect most departments’ proposed budgets.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The Forecast Office is funded entirely by the General Fund, and as discussed in the Overview and Summary and shown in Figure 2. The 2026 Proposed Budget decreases the appropriation from the General Fund by approximately four percent.

OFFICE OF INSPECTOR GENERAL (OIG)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: GREG DOSS

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Inspector General for Public Safety	\$5.2M	\$5.5M	4.7%	\$5.4M	(1.5%)
Total:	\$5.2M	\$5.5M	4.7%	\$5.4M	(1.5%)

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for the Office of the Inspector General for Public Safety (OIG) decreases 1.5 percent relative to the 2026 Endorsed Budget, reflecting only technical changes made to citywide personnel and internal service costs. The City’s 2026 Proposed Budget maintains all core services for the OIG.

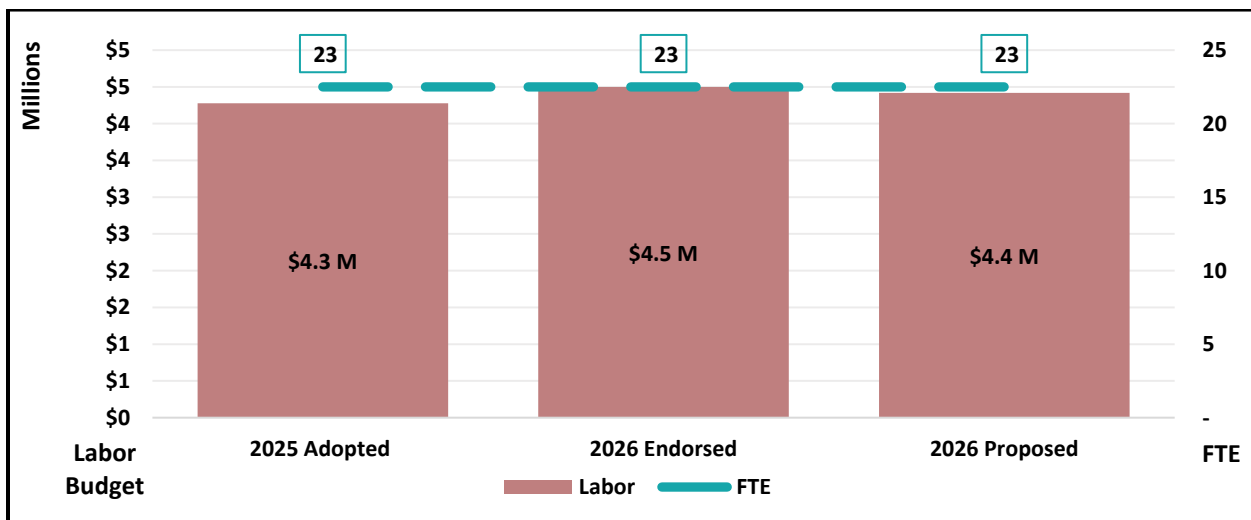
A. Operating Budget

The budget is decreased by \$82,000, reflecting minor technical changes for: (1) citywide internal rates including Seattle IT, Seattle Department of Human Resources and Finance & Administrative Services; and (2) various personnel-related costs such as bargained wage increases and SCERS retirement rate changes.

OIG will continue to invest in programs to oversee the management, practices, training, supervision, and policies of the Seattle Police Department (SPD) and Office of Police Accountability (OPA) and promote fairness, legitimacy, and integrity in the delivery of law enforcement services and in the investigation of police misconduct.

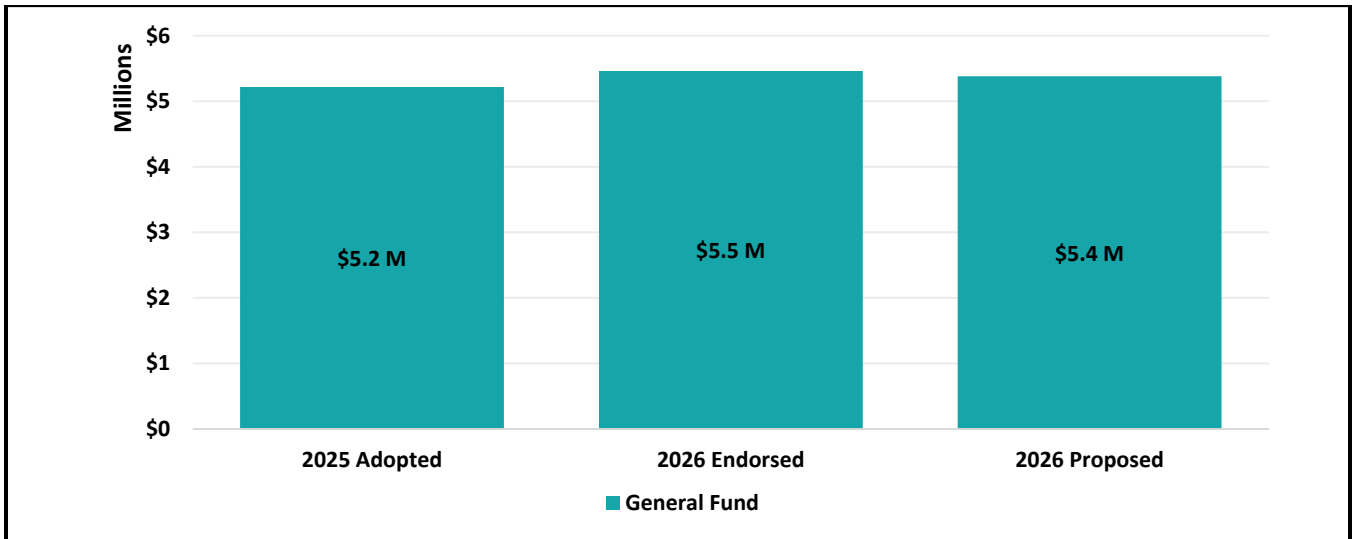
B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OFFICE OF INTERGOVERNMENTAL RELATIONS (OIR)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Intergovernmental Relations	\$3.5M	\$3.6M	4.5%	\$3.5M	(2.7%)
Total:	\$3.5M	\$3.6M	4.5%	\$3.5M	(2.7%)

I. OVERVIEW AND SUMMARY

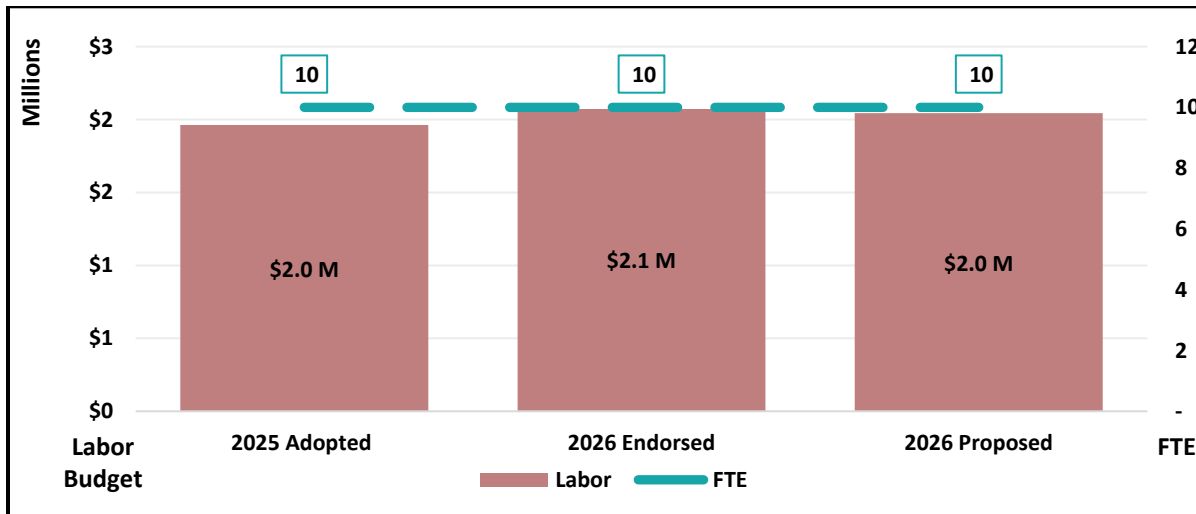
The 2026 Proposed Budget for the Office of Intergovernmental Relations (OIR) remains largely unchanged relative to the 2026 Endorsed Budget. The difference between the 2026 Endorsed Budget and the 2026 Proposed Budget reflects technical adjustments to align the budget with expected costs for membership dues, contracts, Sister City support, internal service cost changes, annual wage increases, and City retirement contributions.

A. Operating Budget

OIR's 2026 Proposed Budget does not include notable changes. The proposed decrease is related to technical adjustments that do not impact the office's operations.

B. FTE & Labor Changes

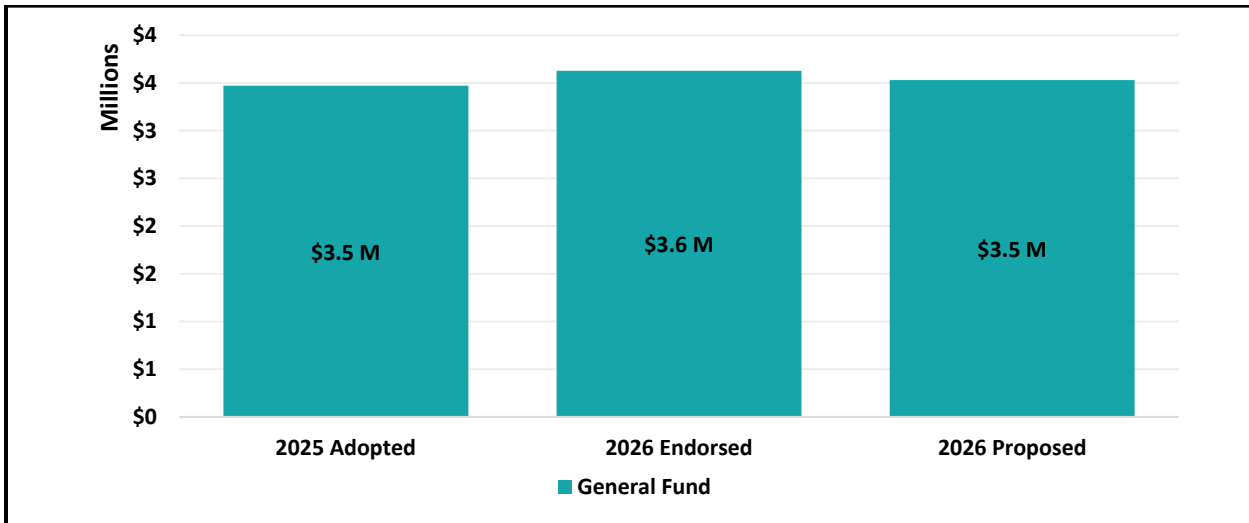
Figure 1. FTE & Labor Budget Summary



As detailed above, OIR's 2026 Proposed Budget retains the same staffing levels as the 2026 Endorsed Budget and does not include notable changes.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OIR receives 100 percent of its financial support from the General Fund. However, the General Fund receives partial reimbursement (about \$60,000) from both Seattle City Light and Seattle Public Utilities for the costs of dues for membership organizations which are paid out of the OIR budget.

OFFICE OF IMMIGRANT AND REFUGEE AFFAIRS (OIRA)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: AMANDA ALLEN

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Immigrant and Refugee Affairs	\$6.4M	\$6.7M	5.6%	\$10.8M	61.0%
Total:	\$6.4M	\$6.7M	5.6%	\$10.8M	61.0%

I. OVERVIEW AND SUMMARY

The Office of Immigrant and Refugee Affairs (OIRA) supports immigrant and refugee Seattle residents and leads coordination of City efforts to support equity and access for immigrants and refugees. OIRA's work supports residents in the areas of language access, immigration legal services, and workforce development. The 2026 Proposed Budget includes a 61% increase over the 2026 Endorsed Budget to provide support for workforce opportunities, immigration legal services and safety programs in reaction to anticipated federal program and policy changes.

A. Operating Budget

The 2026 Proposed Budget would add \$4.1 million to OIRA's budget, of which \$4.0 million is proposed as one-time funding backed by the proposed Seattle Shield Initiative changes to the Business and Occupation Tax¹ to support 2.0 FTE and expand existing and new OIRA programming for immigrant and refugee community as outlined below. Other changes would increase funding and position authority for an existing 0.5 FTE to bring it to 1.0 FTE, address bargained annual wage adjustments, retirement contribution rates, and citywide standard cost changes. cdbg

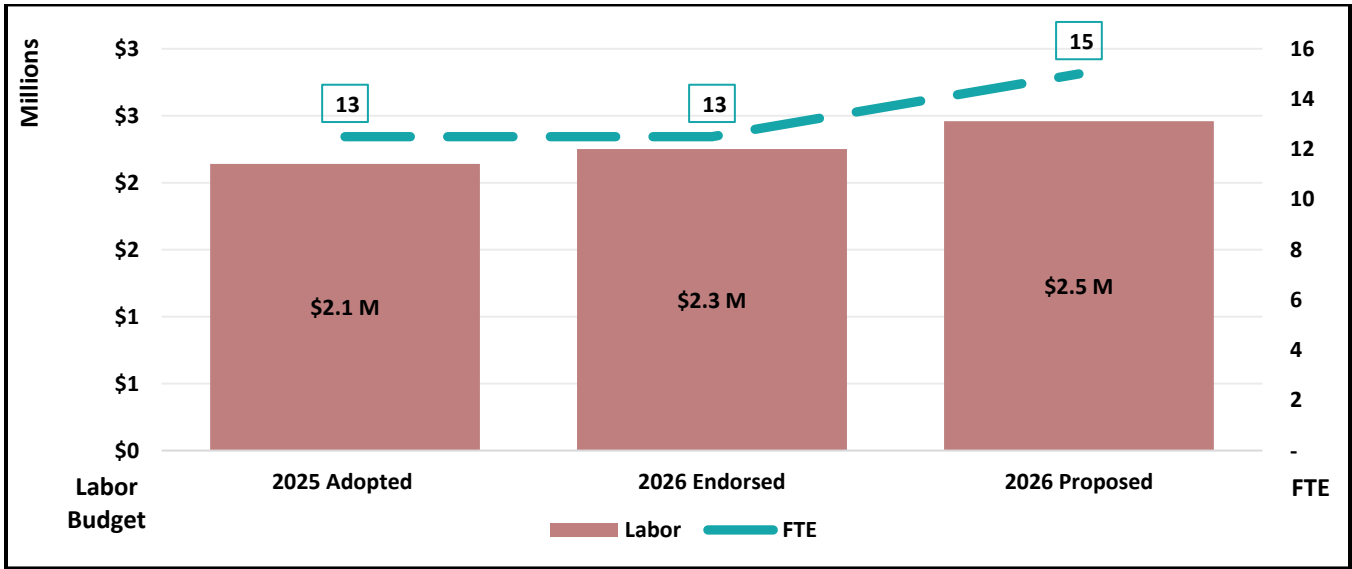
The new, one-time funding is proposed for the following investments:

- **\$1 million, Immigrant Legal Defense.** Expands legal support for both adults and unaccompanied children.
- **\$650,000, Immigrant Integration & Citizenship Support.** Expands application support and legal screenings, provide civics and English Speakers of Other Languages prep tailored to the naturalization test.
- **\$650,000, Adult Immigrant Workforce Development & Ready to Work (RTW).** Supplements existing RTW program and expands adult workforce development programming.
- **\$500,000, Immigrant Youth Career Pathways Program.** New investment in youth internship and career development programs that could backfill for cuts to federally funded youth programs.
- **\$300,000, Rapid Response Program.** Expands existing partnerships with trusted community-based organizations to provide legal consultations, Know Your Rights trainings, family safety planning, and immigration enforcement activity hotline; the same menu funded in 2025 with supplemental budget.
- **\$500,000, Staffing.** Adds 2.0 FTE Strategic Advisor 1 (sunsetting 12/2026) and 1.0 FTE temporary Grants & Contracts (G&C) Specialist to support the administration, management, and oversight of the new investments.

¹ The "Seattle Shield Initiative" changes to the B&O Tax are partially intended to mitigate impacts of changes in federal funding. If Proposition Number 2 is not passed in November changes may be necessary to these allocations to reduce the appropriation or identify an alternative funding source.

B. FTE & Labor Changes

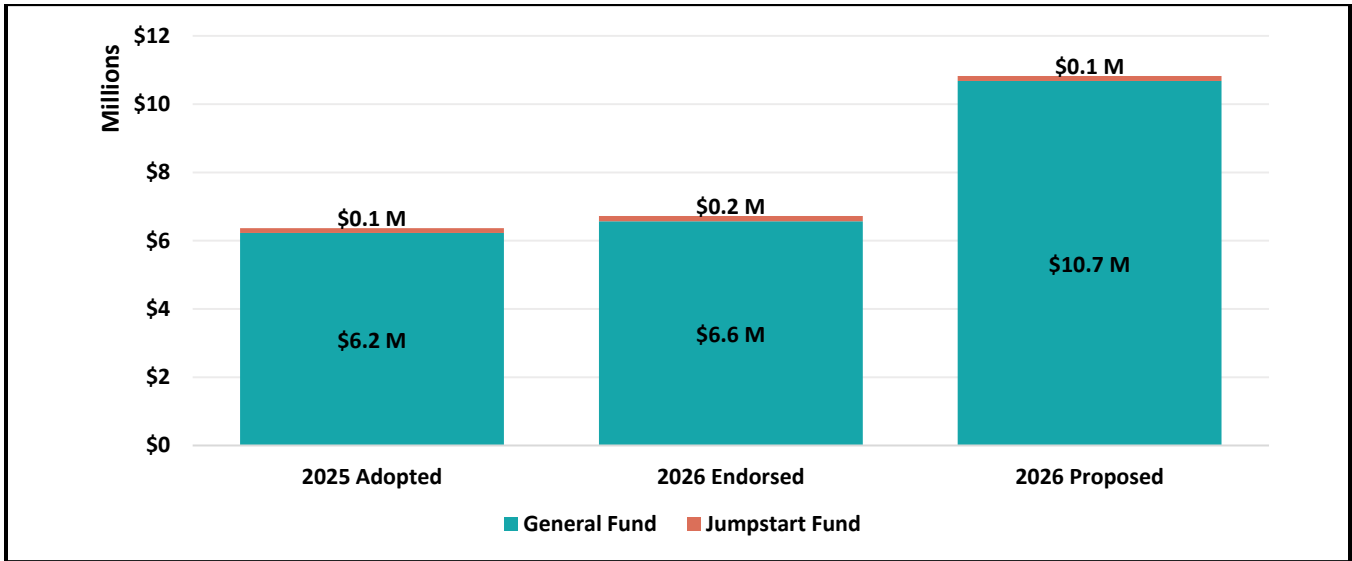
Figure 1. FTE & Labor Budget Summary



The table reflects an increase of 2.5 FTE and \$200,000 in the labor budget. This includes the proposed addition of 2.0 FTE sunset staff and an increase in position authority to full-time for an existing 0.5 FTE Grants & Contracts Specialist, Sr. who supports the contracting and invoicing for all OIRA’s programs.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OIRA’s 2026 Proposed Budget is backed by \$10.7 million in General Funds which includes \$4 million in new B&O Tax, \$700,000 in Community Development Block Grant (CDBG) and \$924,000 in other grants. As well, OIRA has about \$150,000 in Payroll Expense Tax/Jumpstart funding.

II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

1. Allocation of \$4M in New B&O Tax Funding

The \$4 million in one-time funding proposed in OIRA's budget is planned for full expenditure by the end of 2026. It both assumes community input on the development of competitive RFPs and contracting for services to be completely performed and spent down in 2026. The budget assumes the creation of new programming and new staff roles to manage those programs while at the same time assuming that new staff will be hired by the first of the year. The Proposed Budget does not set aside money in reserve for possible federal cuts to CDBG or other possible federal cuts impacting immigrants and refugees. If these funds Proposition No. 2 passes, Council may wish to repurpose, scale, or provide direction for these proposed changes that are consistent with current priorities. If Proposition No. 2 fails, Council may need to revisit these increases to identify alternative sources of funding or make reductions.

Options:

- A. Repurpose proposed appropriations in favor of other Council priorities.
- B. Adopt a SLI to request status updates on the rollout of some or all the investments.
- C. Impose a proviso on proposed appropriations to ensure they align with Council priorities and, expected community engagement.
- D. No change.

III. BUDGET LEGISLATION

1. 2025 Year-End Grant Acceptance Ordinance

The 2025 Grant Acceptance ORD includes \$750,000 for a grant awarded by the Washington Department of Social and Health Services (DSHS) for the [Washington Migrant and Asylum-Seeker Support](#) (WA MASS) project. DSHS has contracted with OIRA to assist in the provision of emergency short term temporary housing.

2. Year-End Supplemental ORD

The Year-End Supplemental ORD would decrease appropriation authority by \$8,435 to correct an appropriation increase of the same amount in the Mid-Year Supplemental.

3. 2026 Grant Acceptance ORD

This ORD includes the following items for OIRA:

- \$700,000 in anticipation of federal CDBG funding for OIRA's Ready to Work program.
- \$870,000 from Washington's DSHS to support the participation of State benefits recipients in OIRA's New Citizen Program, which aids income-qualified individuals applying for naturalization using a case management model. Matching funding is not required.
- \$53,649 from the Seattle Housing Authority (SHA) to support the participation of SHA residents in the OIRA's New Citizen Program.

OFFICE OF LABOR STANDARDS (OLS)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: AMANDA ALLEN

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Labor Standards	\$8.5M	\$8.8M	3.8%	\$9.9M	11.6%
Total:	\$8.5M	\$8.8M	3.8%	\$9.9M	11.6%

I. OVERVIEW AND SUMMARY

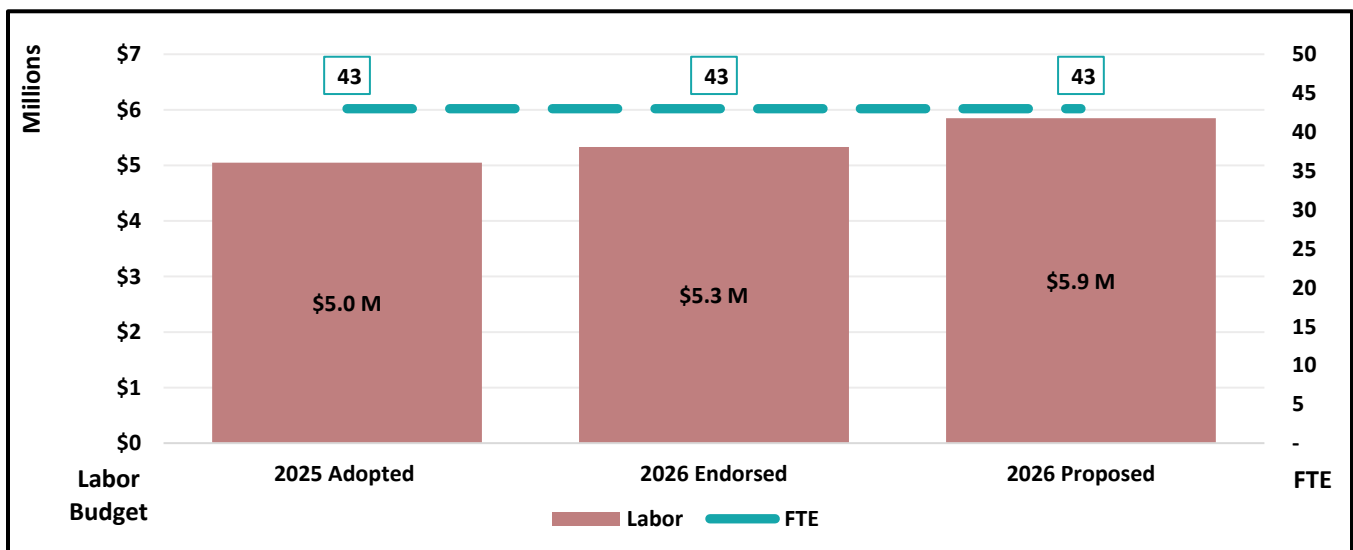
The Office of Labor Standards (OLS) sets out to advance labor standards through thoughtful community and business engagement, strategic enforcement, and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards focuses on the implementation of labor standards for workers that perform work within Seattle city limits. As of January 1, 2026, there are 16 such standards, established through City ordinances.

A. Operating Budget

The 2026 Proposed Budget for OLS would increase appropriations by just over \$1 million compared to the 2025 Adopted Budget. A total of \$1.6 million in new and existing expenses are proposed to be backed by the new revenue from the Network Company License (NCL) fee to administer two labor standards: The App-Based Worker Minimum Payment ORD (SMC 8.37, passed in 2022 to take effect as of January 13, 2024) and the App-Based Worker Deactivation Rights ORD (SMC 8.40, passed in 2023 with procedural enforcement starting January 1, 2025, and full enforcement starting June 1, 2027). Of the total appropriations backed by NCL, \$641,000 is proposed to be shifted from the General Fund to the NCL fee. Additional appropriations would support OLS’s lease renewal, tenant improvements, and space planning costs. Other changes proposed are technical and address wage compression issues, annual wage adjustments, retirement and other citywide standard cost changes.

B. FTE & Labor Changes

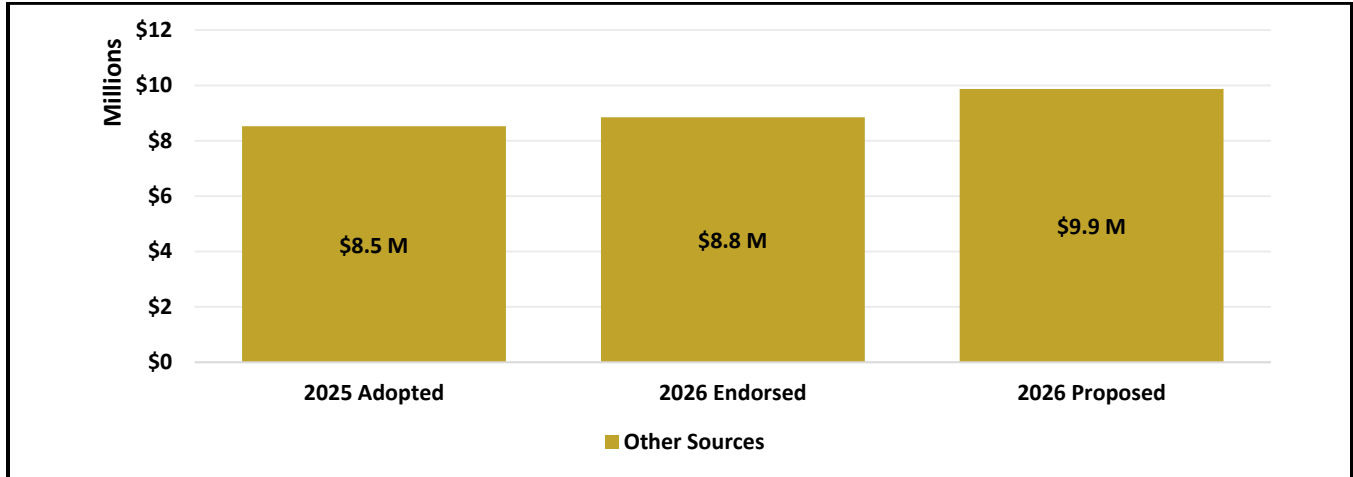
Figure 1. FTE & Labor Budget Summary



There is no change in the FTE count. The increase in the labor budget is due to the recognition of funding being allocated to back three unfunded positions with the new NCL fee revenue. Two existing FTE are proposed to be funded by the NCL fee that had previously been funded by General Funds.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



- The 2026 Proposed Budget revenues account for \$2.7 million in NCL fee revenue: \$600K from 2025 late payments and \$2.1 million from 2026 fee payments (as presented in the budget appendix of Financial Plans).
- Of this amount, \$2.45 million is reserved for OLS’s use. However, \$844,000 has been set aside within a planning reserve until the City has more confidence in the actual revenue collections. The remaining \$1.6 million is proposed to support both new and existing programming in OLS to administer the ordinances previously noted.
- A funding swap of \$641,000 is proposed for OLS using NCL fee funding to back existing positions and community contracts.
- The Department of Finance & Administrative Services (FAS) would receive \$249,000 in NCL fees to support their work to collect and administer these fees.
- The Council can anticipate that OLS may propose future supplemental legislation to allocate from the planning reserve, should the revenue materialize.
- The remaining OLS budget of \$8.3 million is backed by the General Fund and is allocated directly into the OLS Fund 00190.

II. BUDGET LEGISLATION

1. 2025 Year-End Supplemental

The 2025 Year-End Supplemental includes \$398,000 to correct an oversight in setting the General Fund support for the OLS fund in the 2025 Adopted Budget and was necessary to ensure adequate resources for expected 2025 expenses.

OFFICE OF SUSTAINABILITY AND ENVIRONMENT (OSE)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: JASMINE MARWAHA

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Office of Sustainability and Environment	\$27.1M	\$27.7M	2.2%	\$33.4M	20.4%
Total:	\$27.1M	\$27.7M	2.2%	\$33.4M	20.4%

I. OVERVIEW AND SUMMARY

OSE's 2026 Proposed Budget is \$33.4 million, which represents a \$5.7 million (20.4 percent) increase over the 2026 Endorsed Budget. This increase is almost entirely attributable to a proposed increase in food access and food security programs, contingent on voter approval of the proposed Business and Occupation Tax restructure ([ORD 127259](#)) in November.

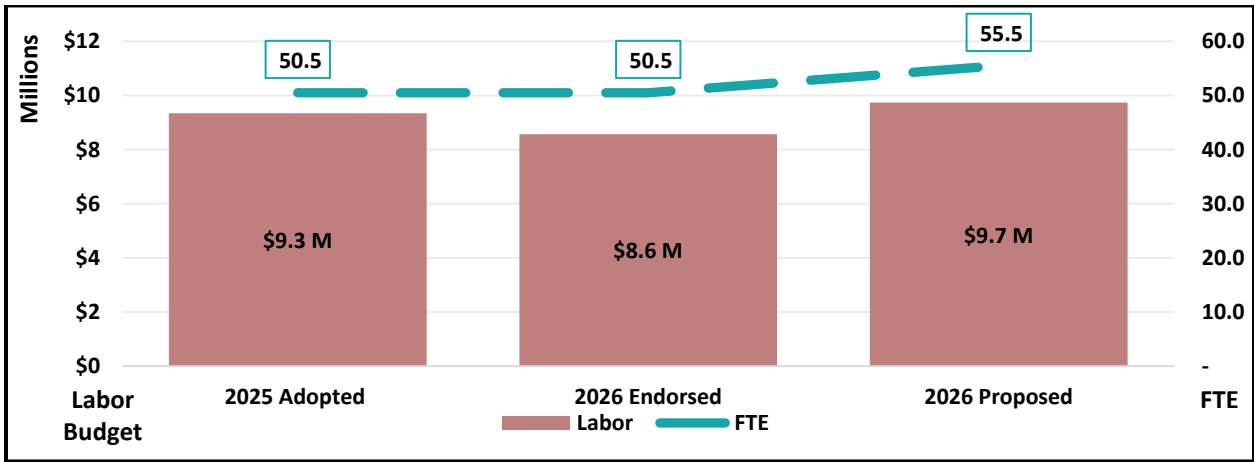
A. Operating Budget

OSE's Proposed Budget includes the following adjustments:

- \$6.3 million (General Fund) to expand the Fresh Bucks program. The proposed spending would support expanding participation by roughly 4,000 households (currently 12,000 households enrolled) and increase the benefit level from \$40 to \$60 per month. This funding would come from the proposed Business and Occupation Tax restructure, if approved by voters, as a mitigation to federal spending cuts to the Supplemental Nutrition Assistance Program and other federal support programs.
- \$130,000 (General Fund) to support the Lake City Farmers Market.
- Transfer \$200,000 (Jumpstart Fund) and 1.0 FTE to consolidate staffing for the Duwamish Valley Program. The position was previously housed in OPCD and supported this work on loan to OSE.
- A net-zero transfer of \$200,000 (Jumpstart Fund) within OSE's Climate Justice program for the Environmental Justice Fund to support additional grant awards. This funding was previously reserved for green workforce development programs in the 2026 Endorsed Budget.
- Baseline and technical adjustments in accordance with citywide standard costs, bargained wage adjustments, and revenue adjustments.

B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



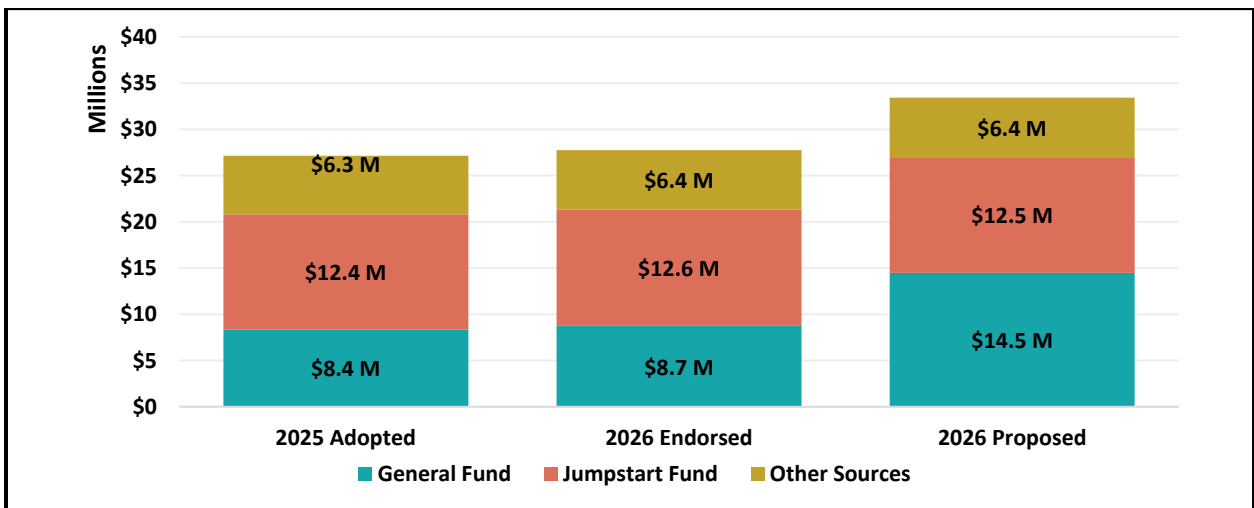
The 2026 Proposed Budget reflects an increase of 5.0 FTE over the 2026 Endorsed Budget. Of this increase, 4.0 FTE were previously authorized in the 2024 Year End Supplemental ([ORD 127150](#)). The remaining 1.0 FTE is a transfer from OPCD to OSE to consolidate staffing on the Duwamish Valley Program.

The Proposed Budget also removes sunset dates for two positions, converting these positions to permanent positions:

- A Planning & Development II position supporting the Clean Heat program. The program is supplemented by grant funding.
- An Admin Staff Analyst position supporting the Municipal Energy and Emissions program. The program is supported in part through external grants and utility rebates and supports other City departments’ capital projects.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



OSE is funded through a combination of the General Fund, Jumpstart Fund, and Sweetened Beverage Tax (shown as Other Sources in figure 2). These funds face long-term balancing challenges stemming from increased costs for current levels of services and decreasing revenues. For discussion on the General Fund's sustainability, please see the General Fund Balancing and Sustainability Analysis paper.

POLICE RELIEF AND PENSION (PPEN)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Police Relief and Pension	\$22.5M	\$22.5M	0.2%	\$22.5M	(0.0%)
Total:	\$22.5M	\$22.5M	0.2%	\$22.5M	(0.0%)

I. OVERVIEW AND SUMMARY

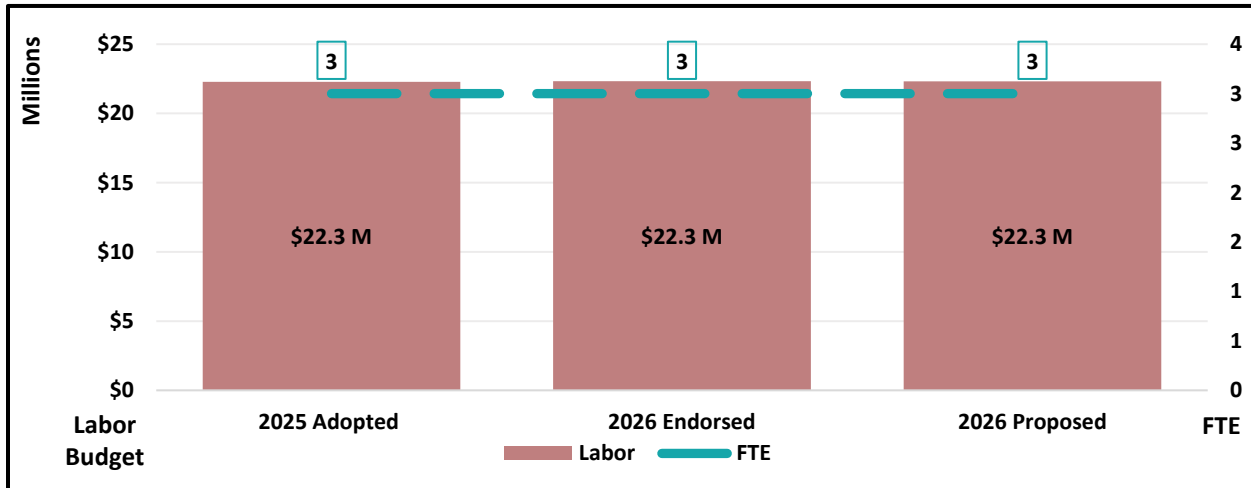
The 2026 Proposed Budget for the Police Relief and Pension (PPEN) is essentially unchanged relative to the 2026 Endorsed Budget, reflecting only minor technical adjustments to standard costs, wages and employer retirement contributions.

A. Operating Budget

As discussed in the Overview and Summary, the 2026 Proposed Budget for PPEN includes only minor changes above endorsed budget levels.

B. FTE & Labor Changes

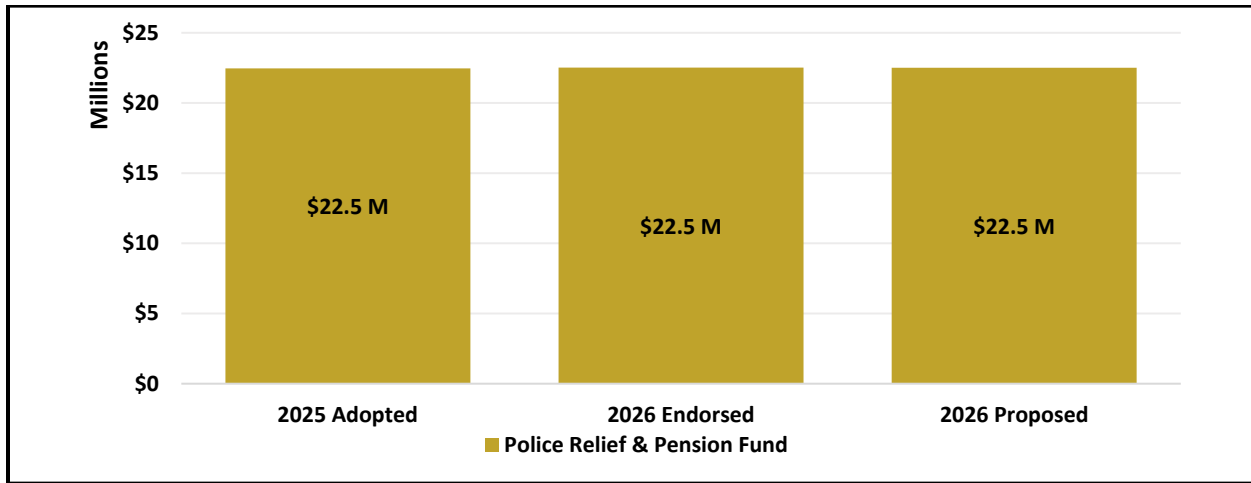
Figure 1. FTE & Labor Budget Summary



Staffing levels are unchanged in the 2026 Proposed Budget compared to the endorsed amount, reflecting three FTE positions.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The PPEN budget is funded entirely by the Police Relief and Pension Fund, which is supported by a transfer in from the General Fund and a small amount of police auction proceeds. As discussed above, the 2026 Proposed appropriations from the Police Relief and Pension Fund reflects only a minor increase over the 2026 Endorsed Budget, necessary to fund technical adjustments.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Deferred Comp Management	\$0.7M	\$0.7M	4.5%	\$0.7M	(1.8%)
Employee Benefit Management	\$15.3M	\$15.8M	3.5%	\$15.7M	(0.9%)
Total:	\$16.0M	\$16.5M	3.5%	\$16.4M	(1.0%)

I. OVERVIEW AND SUMMARY

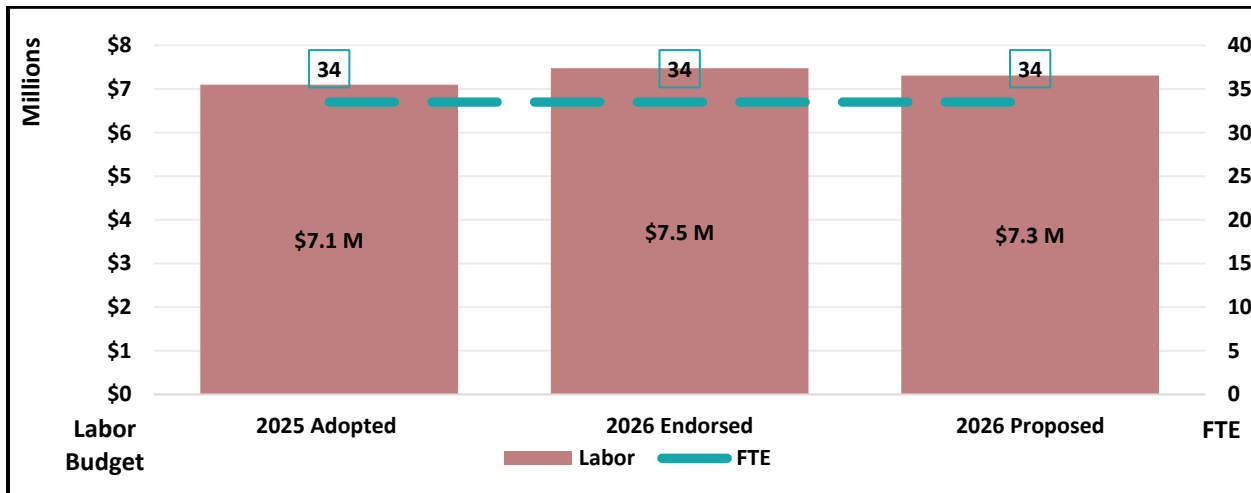
The 2026 Proposed Budget for SCERS is one percent less than the 2026 Endorsed Budget, due entirely to downward technical adjustments to wage inflation, retirement contributions, and internal services cost allocations. The net effect of these changes is to reduce the 2026 Proposed Budget by approximately \$159,000. These are common adjustments affecting most departments' proposed budgets.

A. Operating Budget

As discussed in the Overview and Summary, changes to the Forecast Office budget are purely technical in nature and result in a small reduction compared to the 2026 Endorsed Budget.

B. FTE & Labor Changes

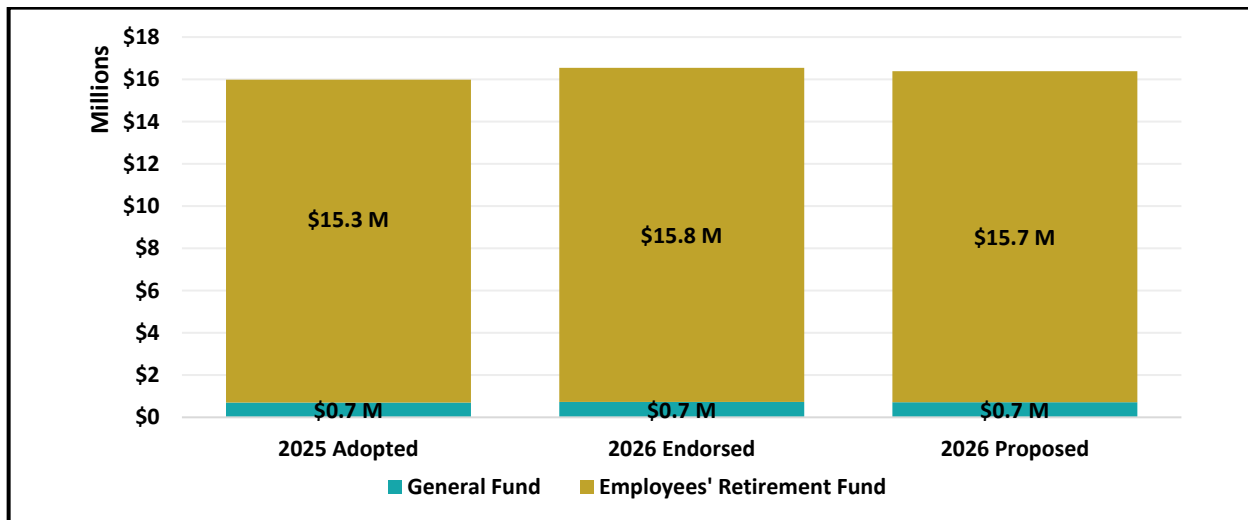
Figure 1. FTE & Labor Budget Summary



SCERS staffing levels are unchanged at 34 FTE in the 2026 Proposed Budget. The labor budget declines approximately two percent due to the downward technical adjustments to wage inflation and retirement contributions discussed above.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



As shown in Figure 2, the SCERS budget is funded nearly entirely by the Employee’s Retirement Fund, which is funded by city employer and employee pension contributions, and investment earnings. The remaining funding from the General Fund supports the Deferred Compensation Management program in SCERS. Though minor in total, the bulk of the decrease in the 2026 Proposed Budget is in the Employee’s Retirement Fund, given the relative size of the funding sources.

II. BUDGET LEGISLATION

1. RET 2026 ARC RES

This legislation would adopt a resolution that the City will fund the contribution to the Employee’s Retirement Fund at amount equal to 15.06 percent of the payroll for participating employees in 2026, based on the recommendation by the Seattle City Employee Retirement System’s Board of Administration. An independent actuary, using a set of assumptions about member demographics and investment earnings, provided an Actuarially Required Contribution (ARC) of 15.06 percent of covered payroll. The ARC is the annual contribution to the Retirement Fund that the City must make to meet the objective of a 100 percent funded retirement plan (sufficient funds to pay current and future benefits) by 2042. The contribution proposed in the resolution would fund the contribution at the ARC. The 2026 Proposed Budget assumes this rate in personnel services budget calculations across all departments.

2. RET 2026 Credit Interest Rate RES

This legislation would adopt a resolution that the City Council approves the 2026 interest rates on member contributions set by the SCERS Board of Administration. The resolution would approve, for 2026, an annually compounding interest rate of 4.53 percent on all contributions received after December 31, 2011. This rate is based on the average yield on 30-year U.S. Treasury Bonds.

SEATTLE CITY LIGHT (SCL)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Customer Care	\$69.2M	\$72.2M	4.3%	\$71.7M	(0.7%)
Debt Service	\$248.1M	\$259.0M	4.4%	\$261.6M	1.0%
Leadership and Administration	\$184.9M	\$198.4M	7.3%	\$193.6M	(2.4%)
Power Supply O&M	\$417.8M	\$456.0M	9.1%	\$457.2M	0.2%
Taxes	\$131.1M	\$134.4M	2.5%	\$134.4M	0.0%
Operating Subtotal:	\$1,222.5M	\$1,297.6M	6.1%	\$1,295.4M	(0.2%)
Capital Budget					
Conservation & Environmental - CIP	\$49.6M	\$49.8M	0.5%	\$44.5M	(10.7%)
Customer Focused - CIP	\$121.6M	\$140.3M	15.4%	\$137.9M	(1.8%)
Power Supply - CIP	\$109.1M	\$116.3M	6.6%	\$118.9M	2.2%
Transmission and Distribution - CIP	\$202.4M	\$210.4M	3.9%	\$210.2M	(0.1%)
CIP Subtotal:	\$482.7M	\$516.9M	7.1%	\$511.5M	(1.0%)
Total:	\$1,705.2M	\$1,814.5M	6.4%	\$1,806.9M	(0.4%)

I. OVERVIEW AND SUMMARY

SCL's 2026 Proposed Budget appropriations would total \$1.8 billion in 2026. The 2026 Proposed Budget for SCL essentially holds steady (a 0.4 percent decrease) relative to the 2026 Endorsed Budget.

Across the biennium, the main cost drivers for SCL include employee compensation, purchased power, material prices, increased demand due to electrification, regulation (clean energy and decarbonization), and a changing physical environment.

The 2025-2026 Proposed Budget is consistent with and relies upon SCL's 2025-2030 Strategic Plan and associated rate path. Council adopted SCL's 2025-2030 Strategic Plan and endorsed the rate path via on September 3, 2024. Refer to the [Central Staff memorandum](#) on RES 32139 for more information.

A. Operating Budget

SCL's operating budget in the 2026 Proposed Budget would decrease very slightly from the 2026 Endorsed Budget. The reduction of 0.2 percent would result from changes including reductions in consulting costs, adjustments to annual wage increase and retirement contribution calculations, and technical changes balanced against increases to pay for added FTE, see Section 1.C. below.

B. Capital Budget

SCL's 2026-2031 Proposed CIP is consistent with the utility's 2025-2030 Strategic Plan Update and associated rate path. SCL's capital spending totaled across the six years of the 2026 – 2031 Proposed CIP would be \$3.1 billion. Planned spending in each year would range from about \$502 million to \$526 million; with \$511 million in 2026.

SCL proposes reductions, non-rate revenue reimbursements, and project deferral opportunities to balance proposed spending increases, such as appropriations for new FTE. These changes would result in a 1 percent decrease in capital spending in the amount of \$5 million compared to the 2026 Endorsed Budget. Capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts.

SCL CIP projects with proposed increases of \$1 million or more in 2026 include:

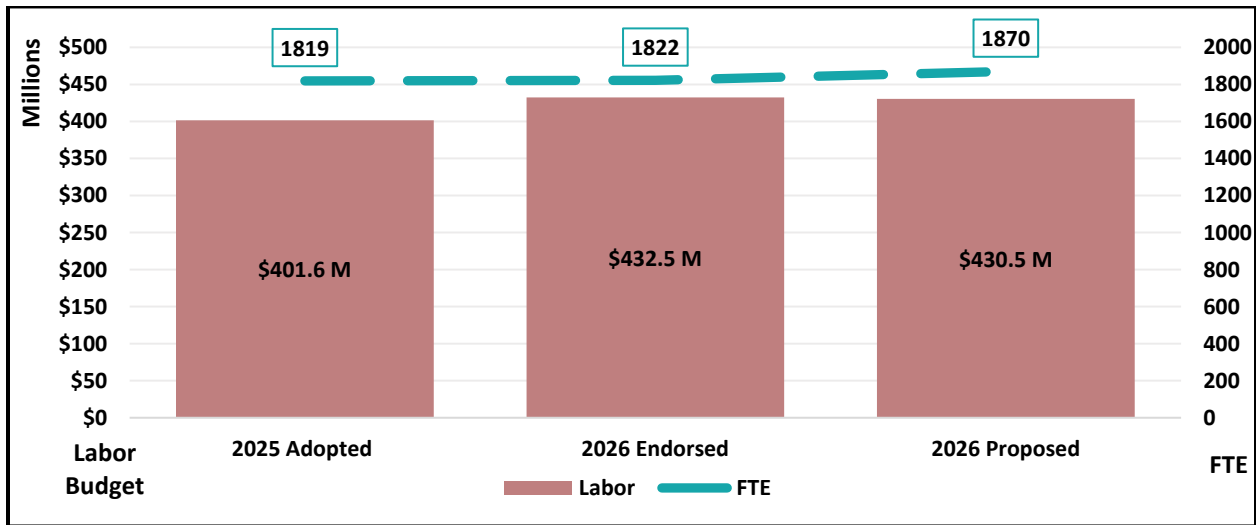
- \$7.6 million for underground system capacity additions (MC-CL-YR8360 and MC-CL-YR8361);
- \$3.5 million for enterprise software upgrades and replacement (MC-CL-YD9969);
- \$3.1 million for emergent repairs on SCL's Skagit Facilities (MC-CL-YD9969);
- \$2.8 million for new or replacement meters for both residential and commercial services (MC-CL-ZS8054);
- \$2.5 million for step-up transformer upgrades at Boundary Dam (MC-CL-XB6493);
- \$1.6 million for Gorge Dam Spillway seismic rehabilitation (MC-CL-XB6626); and
- \$1.1 million for overhead system capacity additions (MC-CL-YR8356)

SCL's Proposed CIP would include a single new CIP project: Georgetown Steam Plant Rehabilitation (MC-CL-XF9163) with \$9 million in 2026 and \$ 3 million transferred from SCL's Facilities Regulatory Compliance CIP project (MC-CL-XF9151) where the appropriations had been previously shown for the same purpose. The funding would provide for exterior repairs to the Georgetown Steam Plant, a National Historic Landmark and Seattle Landmark.

To support the capital program and other eligible City Light costs, the 2026 Proposed Budget would be supported by a bond sale in 2025, see the Budget Legislation section below.

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



The 2026 Proposed Budget would add 48 FTE with funding in Seattle City Light (SCL) compared to 2026 Endorsed.

10 FTE in operations:

- 3 FTE for power marketing ;
- 2 FTE for customer permit review;
- 1 FTE for clean fuel standards (revenue generating);
- 1 FTE for special claims (conversion from temporary); and
- 3 net, new FTE across multiple positions in operations (converts 8 part-time to full time).

22 in capital improvement:

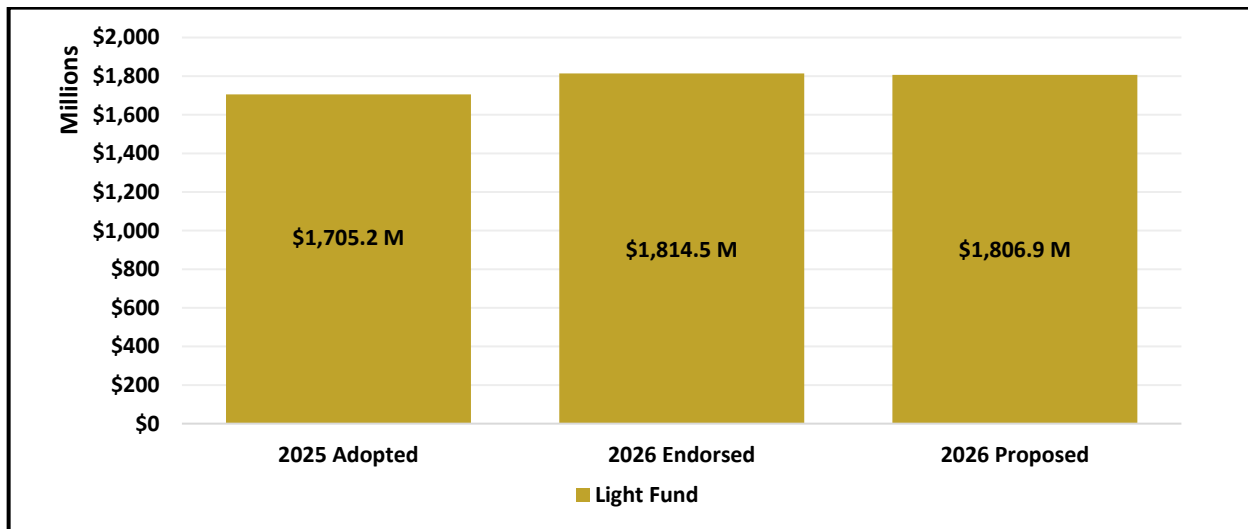
- 4 FTE for distribution system equipment replacement;
- 2 FTE for network engineering;
- 2 FTE for underground cable replacement;
- 10 FTE for pole replacement and pole joint use;
- 2 FTE for technology projects; and
- 2 FTE converted from contract-in positions assigned to the South Fork Tolt Project.

SCL’s labor costs would hold steady from 2026 Endorsed to 2026 Proposed as the number of 48 added FTE is relatively small relative to the total of 1,870 FTE. Also, the 2026 Proposed would revise down labor costs for retirement contributions and annual wage increases based on updated calculations of these costs.

The 2026 Proposed Budget would include the Council-approved 16 new FTE from current year legislation: 2 FTE transferred from Seattle Information Technology Department (ITD) via [Ordinance 127264](#) (the 2025 Mid-Year Supplemental Budget ordinance) and 14 FTE in support of Sound Transit 3 (ST3) via [Ordinance 127304](#). Note: Previously, the 2026 Endorsed added 3 FTE for power marketing; 3 more FTE would be added in the 2026 Proposed.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The City of Seattle has a legal obligation to ensure revenues from utility use charges (rates) are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. The dollars in the Light Fund must be spent for purposes directly benefiting SCL’s rate payers (proprietary functions). SCL receives its revenues and funds its activities via its enterprise fund, the Light Fund. SCL’s revenue is primarily from retail sales. These retail revenues along with revenues from wholesale sales, direct customer billings for service connections and other customer requested work, and assorted fees, federal and state grant funding, and bond sales are deposited in and spent from the Light Fund.

II. BUDGET LEGISLATION

1. OCF Municipal Light and Power Bonds 2026 Ordinance

This legislation would authorize the City to issue up to \$500 million of bonds in 2026 to fund a portion of capital expenditures for SCL’s system outlined in the Proposed 2026-2031 Capital Improvement Plan (CIP). The bond proceeds combined with internally generated funds would support City Light’s capital program for about one year. The bonds would have a maximum maturity of 40 years.

If market conditions are favorable, the City would use approximately \$200 million of the borrowing for potential debt optimization. Debt optimization involves refinancing high interest debt with low interest debt to reduce overall interest costs. As standard practice, the bond proceeds will contribute to SCL’s bond reserve fund and to pay for issuance costs.

2. CBO 2025 Year End Supplemental Ordinance

This legislation includes amendments to SCL's 2025 Adopted Budget responding to shifts in costs across the utility's activities. Generally, the amendments would be budget neutral because they would either shift appropriation within/among BSLs or increase appropriation with commensurate revenue increases from customer reimbursements. There are two exceptions of interest. One amendment would reduce \$150,000 GF support to SCL to for street lighting and increase GF in the same amount to OED to pay for catenary lighting not affixed to City Light poles with work performed by third parties. Another amendment would increase appropriations in the Light Fund by \$3.9 million to pay the increase in taxes resulting from actual retail revenues exceeding the forecast.

3. CBO 2025 Year End Grants ORD

This legislation would accept grants to multiple City departments including a Washington State Department of Ecology grant to SCL to support conducting polychlorinated biphenyls (PCB) testing and replacement of older City Light overhead and submersible transformers that intersect the Lower Green River and Duwamish watersheds. The grant does not require a local match.

SEATTLE DEPARTMENT OF HUMAN RESOURCES (SDHR)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: AMANDA ALLEN

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
GTL/LTD/AD&D Insurance Service	\$7.1M	\$7.2M	2.5%	\$7.2M	0.0%
Health Care Services	\$362.4M	\$383.3M	5.8%	\$394.3M	2.9%
HR Services	\$11.1M	\$11.0M	(0.4%)	\$11.4M	3.3%
Industrial Insurance Services	\$53.4M	\$56.1M	5.2%	\$57.3M	2.1%
Leadership and Administration	\$12.0M	\$12.6M	4.6%	\$11.9M	(5.7%)
Unemployment Services	\$4.0M	\$3.6M	(8.3%)	\$3.6M	0.0%
Total:	\$449.9M	\$473.9M	5.3%	\$485.7M	2.5%

I. OVERVIEW AND SUMMARY

The Seattle Department of Human Resources (SDHR) establishes the strategic direction for the City's human resources (HR) services; develops and administers a compensation and benefits program; and provides core HR services to all departments and City employees, as well as end-to-end HR services for small departments. The 2026 Proposed Budget would increase appropriations to SDHR by over 2 percent (\$11.8 million) from the 2026 Endorsed Budget, primarily due to technical changes that would increase the Personnel Compensation Trust Funds (i.e., Health Care, and Industrial Insurance). The 2026 Proposed Budget does not include any operational reductions, as the department continues to adjust to the elimination of three divisions/programs in the 2025 Adopted Budget.

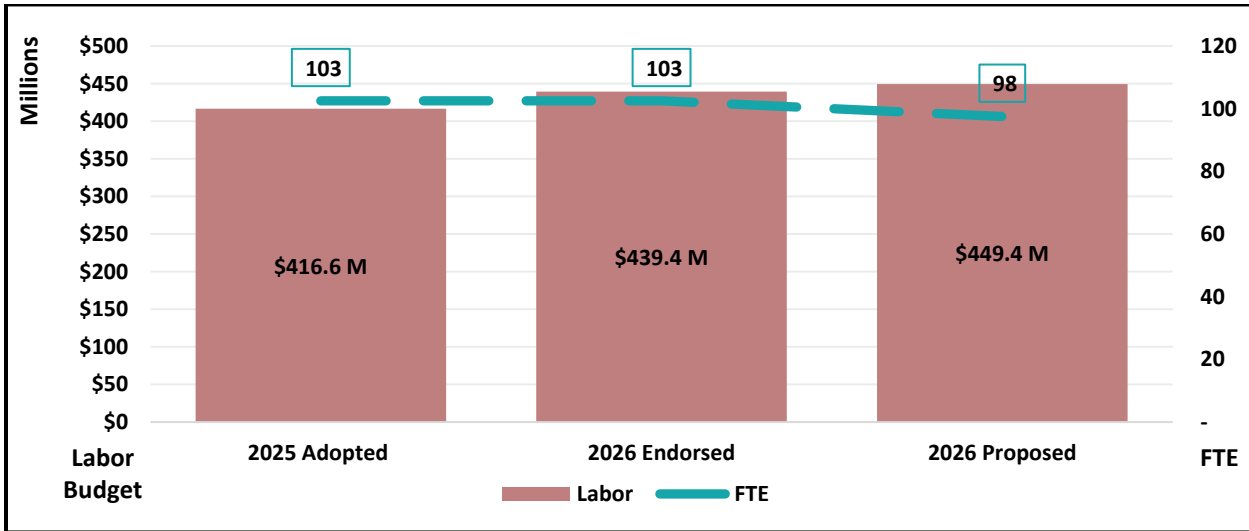
A. Operating Budget

Proposed changes to the SDHR Budget include the following:

- The Health Care Fund contains the revenues and expenses related to the City's medical, dental and vision insurance programs; Flexible Spending Account program; Employee Assistance Program; COBRA continuation coverage; and other healthcare related items. Costs for this fund are estimated to increase to \$392.3 million in 2026, an increase of \$11 million (2.9%) from the 2026 Endorsed Budget. The expenditure change is due to typical trends in medical costs plus current inflationary pressures and inpatient services and specialty drugs. New revenues of \$3 million plus the use of \$9.9 million in fund balance would be used to offset this increase.
- An addition of \$1.2 million is proposed to the Industrial Insurance (workers' compensation) Fund and is related to the SDHR rate allocation (the amount paid to SDHR to staff this fund). This adjustment fixes an error in the 2026 Endorsed Budget.
- Technical adjustments include technical revenue reductions of over \$4 million to account for the SDHR service reductions that occurred in the 2025 Adopted Budget and rate reductions due to bargained annual wage adjustments and SCERS retirement contributions.

B. FTE & Labor Changes

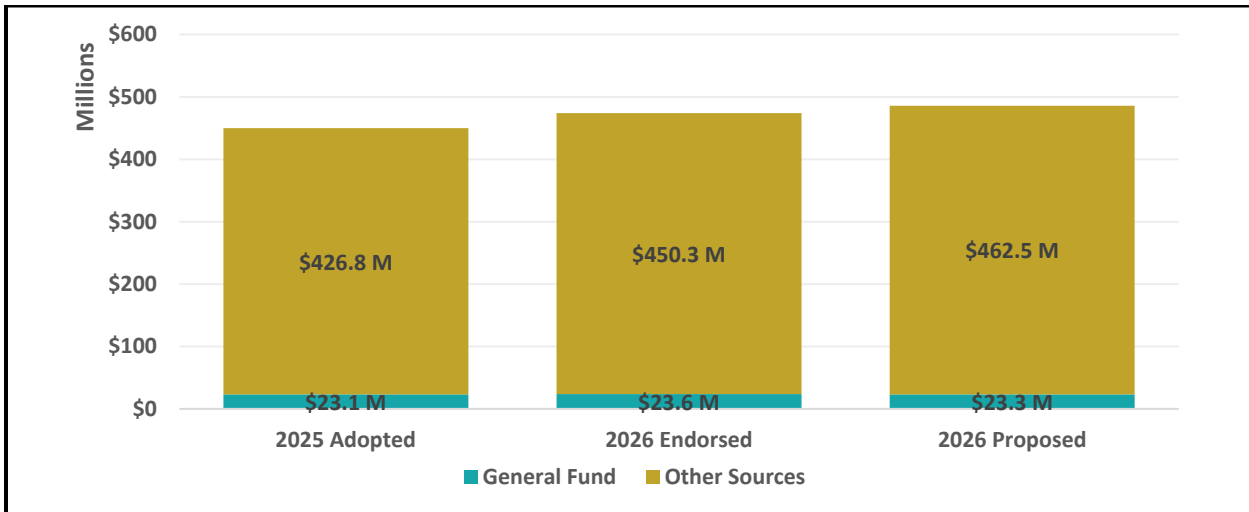
Figure 1. FTE & Labor Budget Summary



Five positions that Council partially restored for 6 months in the 2025 Adopted Budget are formally removed in a position-only technical adjustment.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



- SDHR’s Other Sources of funding come from the Industrial Insurance Fund, Unemployment Insurance Fund, Group Term Life Fund, and the Health Care Fund.
- The City is a self-insured employer authorized under state law. City departments make payments to the Industrial Insurance Services Fund to cover program costs, including fees levied by the Washington State Department of Labor and Industries (L&I), reinsurance premiums, and administrative expenses.
- General Fund makes up about 5% or \$23.3 million of the overall SDHR budget, which funds its ongoing operations and staffing.

SEATTLE ETHICS AND ELECTIONS COMMISSION (SEEC)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

Table 1. Department Budget Summary (\$s in 000s)

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Election Vouchers	\$10.3M	\$3.1M	(69.8%)	\$3.1M	(0.2%)
Ethics and Elections	\$1.5M	\$1.5M	5.1%	\$1.5M	(0.8%)
Total:	\$11.7M	\$4.6M	(60.4%)	\$4.6M	(0.4%)

I. OVERVIEW AND SUMMARY

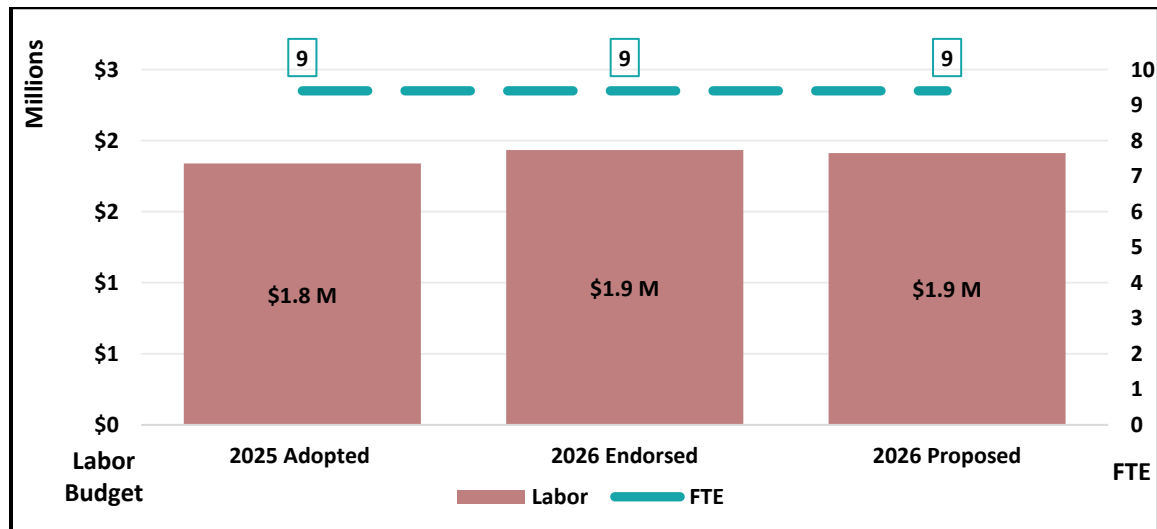
The Seattle Ethics and Elections Commission (SEEC) oversees Seattle’s Ethics, Elections, Whistleblower Protection, and Lobbying ordinances, and manages the levy-funded Democracy Voucher Program, which was renewed for ten years in the August 2025 election. The Democracy Voucher budget has large swings between years with local elections and years without local elections. Due to a Council vacancy, the program will issue vouchers to voters in Council District 5 in 2026. The small change between the 2026 Endorsed and Proposed Budgets is entirely due to standard cost changes.

A. Operating Budget

SEEC’s 2026 Proposed Budget does not include any notable changes. The minor decrease is entirely related to technical adjustments that do not impact the department’s operations.

B. FTE & Labor Changes

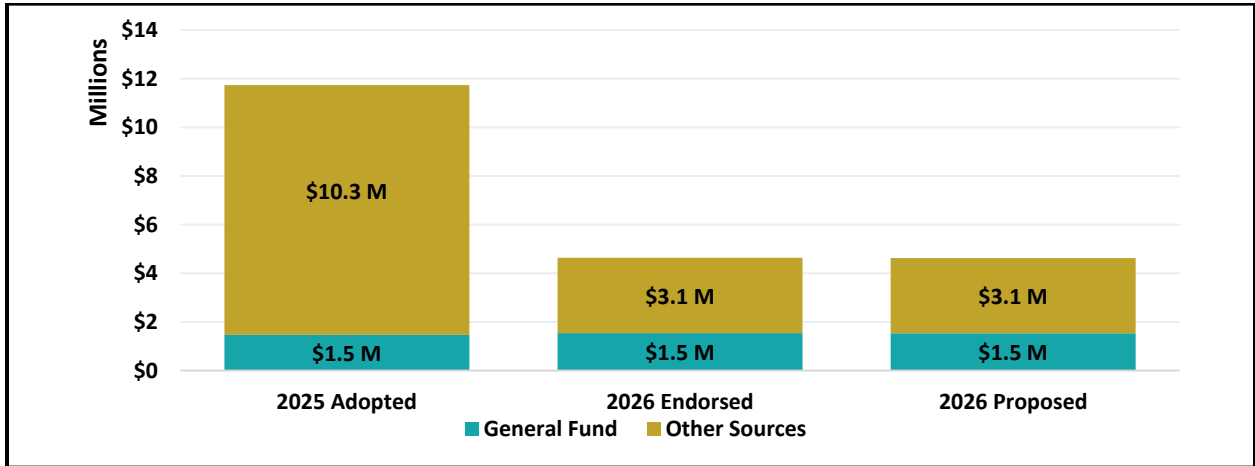
Figure 1. FTE & Labor Budget Summary



The Seattle Ethics and Elections Commission’s staffing remains unchanged.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The 2026 Proposed Budget is consistent with the 2026 Endorsed Budget.

SEATTLE INFORMATION TECHNOLOGY (SEATTLE IT)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Applications	\$100.0M	\$99.0M	(1.0%)	\$115.0M	16.2%
Cable Franchise	\$5.6M	\$5.8M	3.5%	\$6.0M	3.6%
Client Solutions	\$7.3M	\$7.6M	3.8%	\$7.6M	(0.2%)
Digital Security & Risk	\$8.5M	\$8.5M	0.1%	\$8.7M	2.7%
Frontline Services & Workplace	\$51.1M	\$51.3M	0.5%	\$51.3M	(0.0%)
Leadership & Administration	\$27.4M	\$28.8M	4.9%	\$29.5M	2.5%
Technology Infrastructure	\$65.1M	\$70.3M	8.0%	\$68.0M	(3.3%)
Operating Subtotal:	\$265.1M	\$271.4M	2.4%	\$286.2M	5.5%
Capital Budget					
Capital Improvement Projects	\$21.1M	\$17.7M	(15.8%)	\$19.8M	11.6%
CIP Subtotal:	\$21.1M	\$17.7M	(15.8%)	\$19.8M	11.6%
Total:	\$286.2M	\$289.1M	1.0%	\$306.0M	5.8%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for Seattle Information Technology (Seattle IT) increases by approximately \$17 million relative to the 2026 Endorsed Budget, or about 5.8 percent. A large portion of the increase, approximately \$16 million, is contained within the Applications Budget Summary Level (BSL) and is driven by specific technology needs and requests from other City departments. The department's proposed budget also recognizes cost-saving measures that have been taken or will be pursued in the coming year.

Similar to Finance and Administrative Services (FAS) and the Seattle Department of Human Resources (SDHR), Seattle IT is one of the City's three primary internal service providers and its budget is largely tied to central cost allocations. Through a cost allocation plan, Seattle IT distributes central service costs across all departments and funds to ensure that IT services are fairly and accurately paid for by the departments receiving the services. In addition, Seattle IT bills departments directly, outside of the cost allocation process, for certain projects or services that are unique to a specific department's needs.

A. Operating Budget

Many of the largest operating increases in Seattle IT's 2026 Proposed Budget relative to the 2026 Endorsed Budget are due to department-specific needs. A few of the larger increases include:

- \$5.5 million and \$3.6 million to align the appropriation authority in Seattle IT to match the forecasted technology project spending plans of Seattle City Light (SCL) and Seattle Public Utilities (SPU), respectively.
- \$2.1 million for increased ongoing maintenance of utility-specific technologies, including approximately \$1 million for SCL's Time of Use software and \$1 million for supporting two SPU applications and meter reader and device support upgrades.
- \$1.9 million for the replacement of the Seattle Department of Transportation's (SDOT's) budget system.

- \$900,000 in ongoing costs for public safety-related applications, including increased renewal costs for the Community Assisted Response and Engagement (CARE) department’s computer-aided dispatch application and funding for the Seattle Police Department’s (SPD’s) Web Incident Reporting application and the Real Time Crime Center.

The proposed budget also includes increases that are intended to enhance services to City departments, the public, or that support Mayoral priorities, including:

- \$800,000 GF and 1 FTE for the Mayor’s Permitting Accountability and Customer Trust (PACT) program designed to improve permitting processes and customer service. The effort will focus on integrating artificial intelligence, enhancing data connections between departments, and modernizing customer-facing tools.
- \$600,000 to support the City’s efforts to comply with Americans with Disabilities Act (ADA) accessibility requirements on all public-facing websites and applications.
- \$334,000 for after-hours technical support for dedicated public safety departments (CARE, SPD, Seattle Fire Department (SFD), and the Office of Emergency Management (OEM)). The public safety departments are currently supported by 18 positions within Seattle IT, and this increase would support overtime and standby pay for those positions, as well as some audio/visual vendor costs as needed.
- \$200,000 and 1 FTE related to the City’s Business and Occupation (B&O) Tax proposal. This funding would support one new position to make system enhancements to accommodate the B&O Tax proposal policy changes and to assist with the potential implementation of a new business licensing system to meet the City’s long-term needs.

In addition to the proposed increases, Seattle IT’s proposed budget also recognizes savings from prior efforts and assumes additional cost-savings measures, including:

- \$1.7 million reduction as a result of the successful completion of the multiyear Unified Communications project to modernize the City’s communications systems, reflecting the consolidation of telecom and data center infrastructure.
- \$1.3 million reduction to reflect ongoing cost savings achieved by renegotiating contracts with a Geographic Information System provider and cellphone service providers.
- \$1.2 million in assumed savings through auditing work that Seattle IT will perform with departments to eliminate dormant equipment (cellphones and laptops that go unused), eliminate duplicative software, or transition away from systems where existing alternatives may be available.

Lastly, during last fall’s budget deliberations, the Council approved two budget actions and an ordinance related to the Seattle Channel. The actions were in response to the proposed elimination of all non-governmental programming and approximately half of the Seattle Channel staff. Council approved Council Budget Action [ITD-001-A](#) restoring funding and staffing for the Seattle Channel for 2025 and 2026, and it approved a companion Statement of Legislative Intent, [ITD-002S-A](#), requesting the establishment of an advisory workgroup to explore options for the long-term sustainability of the Seattle Channel. The Council also passed [ORD 127157](#) stating the Council’s intent to establish a dedicated and ongoing funding plan sufficient to meet the needs of the Seattle Channel and requesting that the Executive present a funding plan that utilizes the recommendations of the advisory workgroup.

The 2026 Proposed Budget maintains the funding and positions added by the Council to the 2025 Adopted and 2026 Endorsed budgets, which represents the continuation of full funding for the Seattle Channel. With regard to the long-term sustainability of the Seattle Channel, the advisory workgroup has met throughout the year and is expected to release its recommendations shortly.

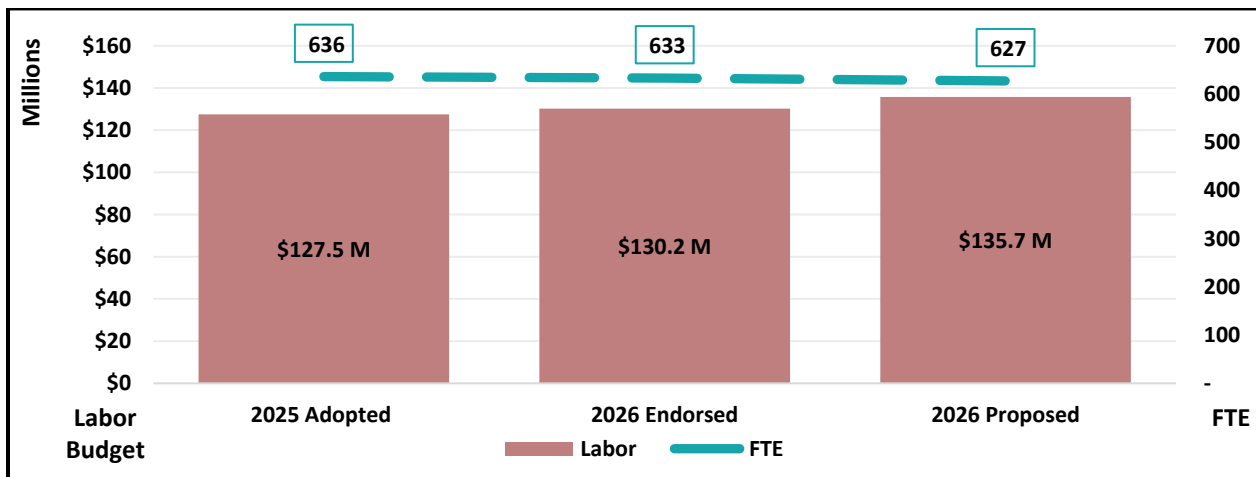
B. Capital Budget

The proposed capital budget for Seattle IT increases by approximately \$2.1 million relative to the 2026 Endorsed Budget, or about 11.6 percent. A few of the notable changes include:

- \$2.2 million for the first year of a three-year project to replace public safety vehicle computers for the SPD, SFD, and CARE departments. Many of the devices are reaching the end of their lifecycle and are not able to be upgraded to current software standards.
- \$767,000 for the second phase of the City Attorney’s Office’s (CAO’s) Criminal Case Management System project that will increase data integration and communication with the Seattle Municipal Court’s Municipal Court Information System.
- \$870,000 reduction resulting from the shift of software being hosted on-premises to being hosted in the cloud. Less on-premises hosting reduces the need for servers and data center space. The proposed budget also includes a similar-sized increase in the operating budget to accommodate the increased costs of cloud hosting.

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



Last fall, the 2025 Proposed Budget proposed to abrogate 64 FTE from Seattle IT which, along with 1 FTE transferring into the department, would have resulted in a total FTE count of 615. As described in the operating section above, the Council restored 6 FTE to the Seattle Channel program, which would have raised the FTE count to 621. Additionally, the Council approved Council Budget Action [CBO-002-A](#) that restored 12 FTE that were subject to layoff and funded those positions for six months. In combination, these Council changes resulted in a total of 633 FTE for the 2025 Adopted Budget and the 2026 Endorsed Budget.

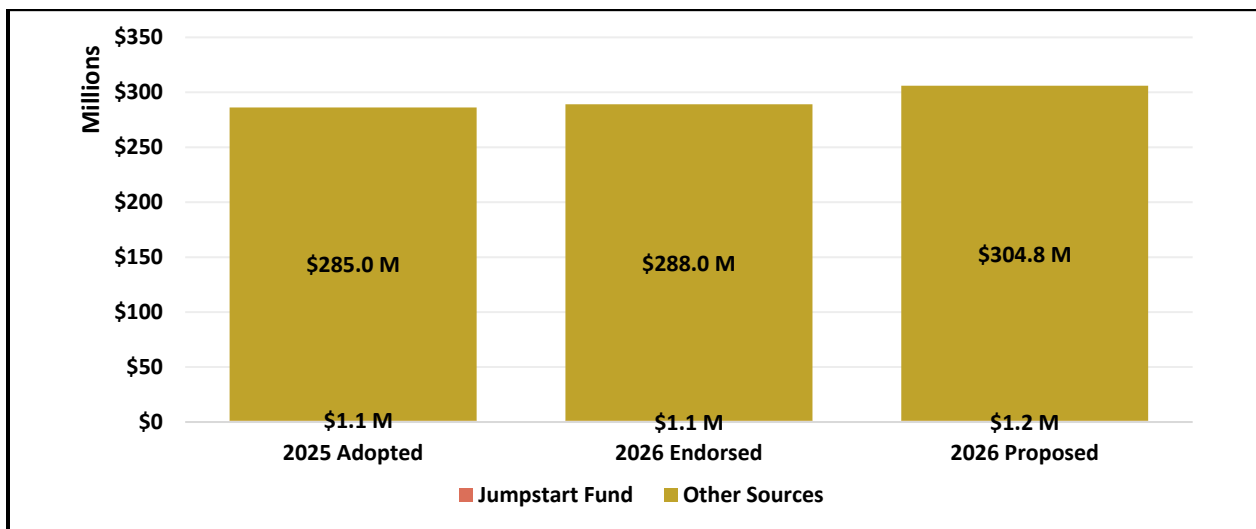
During the development of the 2026 Proposed Budget, the City Budget Office (CBO) identified an error in Seattle IT’s FTE count that occurred in mid-2022 and, as a result of the correction, the total for 2025 Adopted and 2026 Endorsed was changed to 636 FTE. (In Figure 1 above and in the proposed budget book, the 2026 Endorsed amount does not reflect the mid-2022 correction made by CBO.)

The 2026 Proposed Budget would make a few changes to Seattle IT’s staffing:

- 9 FTE abrogations – Recognizes the elimination of nine of the 12 positions that were funded by Council for six months. At this time, all nine of these positions are vacant. (Six employees were laid off after funding for the positions expired at the end of June.)
- The remaining 3 FTE that had been funded by the Council for six months were addressed in the 2025 Mid-Year Supplemental ([ORD 127264](#)). 2 FTE were transferred to Seattle City Light, and 1 FTE stayed in Seattle IT with funding provided (and work dedicated to) Seattle Public Utilities.
- 2 FTE increase – The positions are tied to proposed increases described in the operating section above: the Mayor’s Permitting Accountability and Customer Trust (PACT) program and the City’s B&O Tax proposal.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



As described above, Seattle IT generates the majority of its funding through central cost allocations to other departments and by billing certain departments for projects specific to those departments’ needs. Those revenues are deposited into the Information Technology Fund, which makes up about 98 percent of the Other Sources category shown in Figure 2, and includes a mixture of funds from across City departments, including the General Fund.

The Other Sources category also includes spending from the Cable TV Franchise Fund. The Cable TV Franchise Fund, with proposed appropriations of approximately \$6 million in the 2026 Proposed Budget, generates revenue through fees assessed on cable providers. Expenditures from the Cable TV Franchise Fund are guided by policies adopted by the Council in 2001 and may generally be used to support administration of the Cable Customer Bill of Rights, technology literacy and access programs, and operating and capital support for the Seattle Channel. The Cable TV Franchise Fund fees are transferred to the Information Technology Fund for expenditure and, therefore, are double counted in the Other Sources category.

II. BUDGET LEGISLATION

1. 2025 Year-End Supplemental ORD

The 2025 Year-End Supplemental bill contains 12 items related to Seattle IT:

- Three appropriation increases in the operating budget totaling approximately \$1.9 million: funding pilot projects as part of the Mayor's Artificial Intelligence Initiative (\$400,000), beginning upgrades to the City's business licensing system to accommodate the B&O Tax proposal policy changes (\$350,000), and recognizing Seattle IT's abnormally low turnover rate and the inability of the department to meet its vacancy rate for 2025 (\$1.2 million).
- There are seven other appropriation increases that are backed by revenues from City departments, either through direct billing or monthly billing as costs are incurred. The increases include new computer purchases outside of the regular replacement cycle (\$2.8 million), cellular telephone costs (\$2.2 million), cabling projects in the Seattle Municipal Tower (\$350,000), system upgrade projects requested by SDOT (\$150,000), SPD cloud services (\$250,000), SPD Tech Assisted Pilot Program (\$1.2 million), and implementation of the Office of Housing's Housing Data Management System (\$1.6 million).
- One capital appropriation increase to support replacement of the CAO's Criminal Case Management System (\$1.4 million).
- One appropriation decrease to abandon authority from an expired grant from the Federal Communications Commission that has no remaining funds available (\$328,000).

SEATTLE MUNICIPAL COURT (SMC)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TAMASO JOHNSON

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Administration	\$22.6M	\$23.6M	4.2%	\$24.4M	3.6%
Court Operations	\$23.6M	\$24.9M	5.6%	\$24.3M	(2.3%)
Total:	\$46.2M	\$48.5M	4.9%	\$48.7M	0.5%

I. OVERVIEW AND SUMMARY

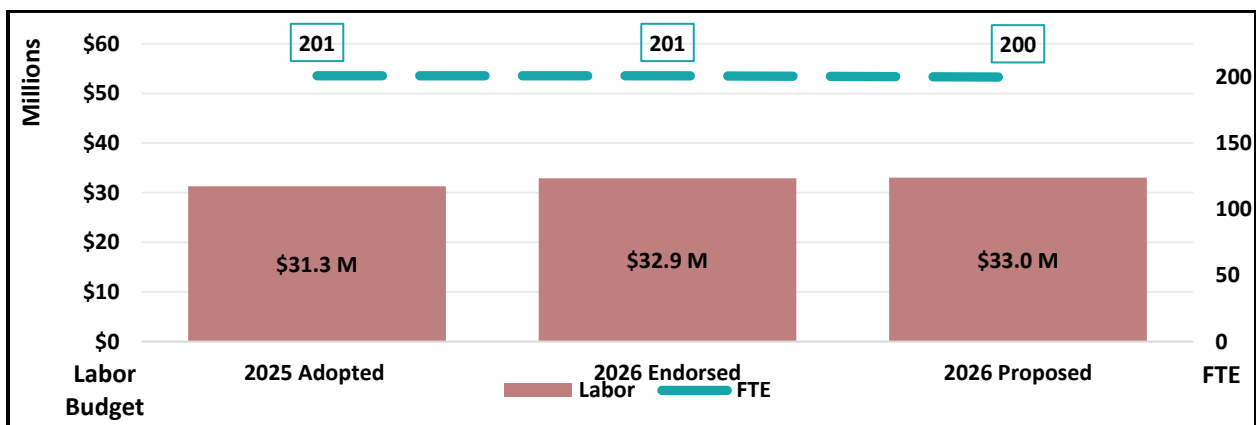
A. Operating Budget

In total dollar terms, the 2026 Proposed Budget for the Seattle Municipal Court (SMC) remains essentially unchanged from the 2026 Endorsed Budget, with a funding increase of less than one percent. That said, SMC’s proposed budget does reflect the addition of four new positions, which were approved in supplemental budget legislation earlier this year. The \$720,000 of additional cost associated with these positions is partially offset by lower-than-anticipated increases in base labor costs. These labor savings are most directly attributable to the fact that local inflation has been lower than projected last year, and as a result, negotiated wage increases will be lower. These savings total approximately \$460,000, resulting in a net increase of about \$260,000 overall to SMC’s funding, relative to the 2026 Endorsed Budget.

The total “headcount” shows a net decrease of one position, because the 2026 budget also abrogates five term-limited positions that supported deployment of the Court’s new Municipal Court Information System (MCIS). That system is now fully operational.

B. FTE & Labor Changes

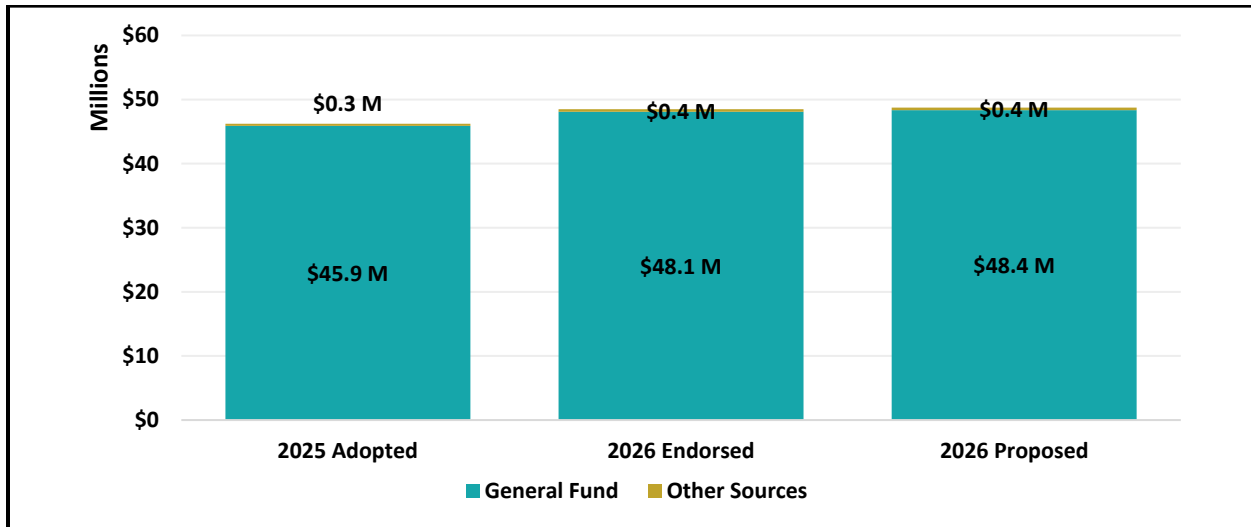
Figure 1. FTE & Labor Budget Summary



As described above, the reduction of one position in SMC’s 2026 Proposed Budget reflects the addition of four new positions and the abrogation of five term-limited positions. The new positions, which include a Community Resource Coordinator, a Substance Use Disorder (SUD) Assessor, and two Court Marshals, support the new Drug Prosecution Alternative program that was established in 2025 in coordination with the City Attorney’s Office. Funding and funding authority for this program were initially approved as part of supplemental budget actions during 2025.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



The chart above highlights that SMC relies almost exclusively on the General Fund for its financial support. SMC receives some grant dollars from the State, but this funding accounts for less than one percent of the Court’s total budget.

II. Budget Legislation

1. 2025 Year-End Supplemental

SMC will abandon \$32,000 in unexpended State grant funding as part of the Year-end Supplemental Ordinance.

2. 2026 Annual Grant Acceptance

SMC is seeking authority to accept two State grants in the 2026 Annual Grant Acceptance Ordinance. The grants would each provide SMC \$165,000 to support SMC’s therapeutic court. The separate grants cover the 2025-2026 and the 2026-2027 State fiscal year, respectively.

SEATTLE OFFICE FOR CIVIL RIGHTS (SOCR)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TAMASO JOHNSON

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Civil Rights	\$7.9M	\$8.2M	0.4%	\$8.3M	0.1%
Total:	\$7.9M	\$8.2M	0.4%	\$8.3M	0.1%

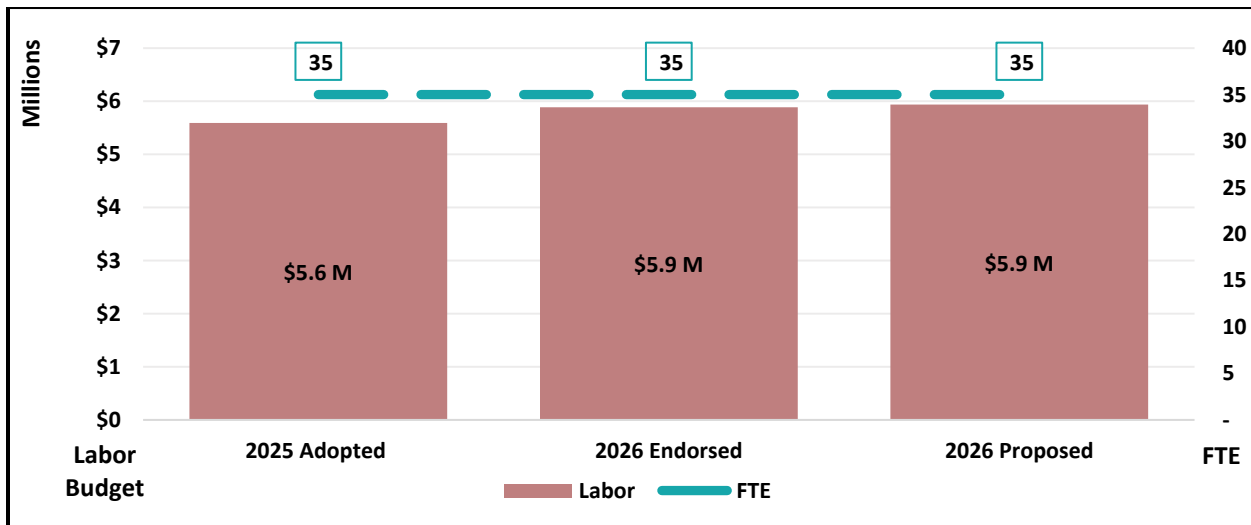
I. OVERVIEW AND SUMMARY

A. Operating Budget

The 2026 Proposed Budget for the Office for Civil Rights (OCR) would essentially remain level (0.1 percent increase) relative to the 2026 Endorsed Budget. Several changes are proposed to attain the proposed 2026 funding level: a standard cost adjustment increase, technical decreases to personnel costs, a reduction across department operational budget lines, and redirection of most of these operational savings to support new housing reparations study work.

B. FTE & Labor Changes

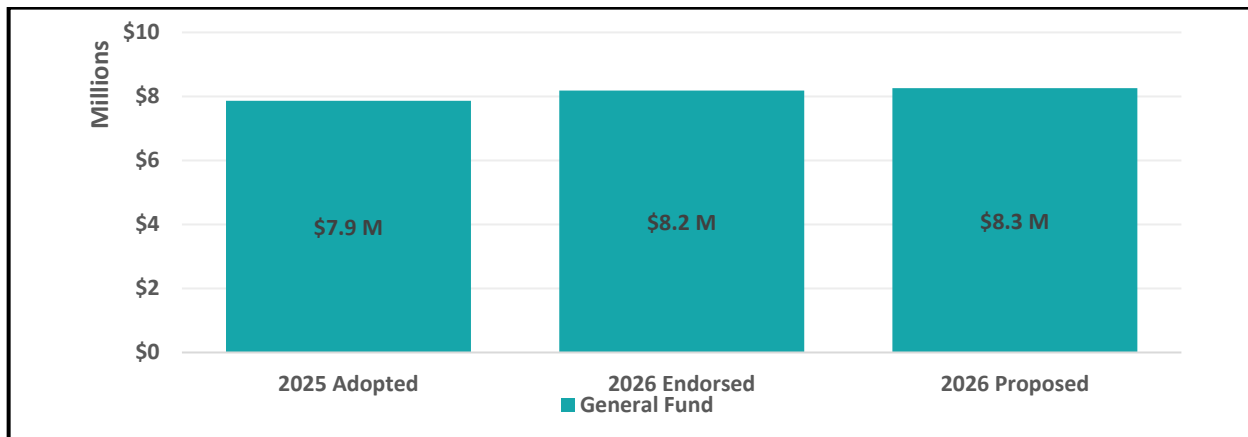
Figure 1. FTE & Labor Budget Summary



As shown above, OCR staffing remains constant in the 2026 Proposed Budget.

C. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



As shown above, OCR is funded entirely by General Fund appropriations.

II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

1. Housing Reparations Study

The 2026 Proposed Budget would allocate \$50,000 in one-time funding to conduct and/or compile research in support of a new Mayor's Office initiative to address racially-discriminator housing policies. Rather than adding net new funding, the Proposed Budget would cut \$57,000 from OCR's current operational budget (31 percent reduction) to pay for this new reparations study work.

As described in the Budget Overview and Considerations papers for the Office of Housing and Office of Community Planning and Development, respectively, there is limited information available at this point concerning the scope and implementation details of this initiative, which totals over \$20M within the 2026 Proposed Budget (a total of \$80M planned of OH funding over four year) and spans these three departments. The Mayor's Office has indicated that program design and implementation in OH and OPCD is intended be predicated on the OCR study work, however there is limited information on the specifics of the OCR work included in budget materials. Furthermore, it is not clear if cutting OCR's limited existing operational budget to redirect funds for this work is prudent or necessary.

If the intent, as the Mayor's Office has stated, is for OCR policy staff to lead the reparations study work, it is not clear why this goal could not be accomplished within the structure of the 2026 Endorsed Budget, since OCR operational funds would already seem to have the flexibility to be deployed for this kind of use. Finally, while the proposed reduction of \$57,000 to OCR the operational budget is relatively small, Council may consider whether it is prudent to approve this reduction to fund this new project in light of challenges OCR acknowledges in meeting current need for existing bodies of work, such as the Race and Social Justice Initiative (RSJI).

Options:

- A. Reject this proposed change and potentially restore at least \$50,000 of OCR's general operational budget.
- B. Proviso \$50,000 of OCR's budget contingent upon receiving more details on the housing reparations initiative from the Mayor's Office, OCR, and other involved departments.
- C. No change.

SEATTLE PUBLIC LIBRARY (SPL)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Administrative/Support Service	\$15.7M	\$16.4M	4.7%	\$16.3M	(1.1%)
Chief Librarian's Office	\$0.7M	\$0.8M	4.4%	\$0.8M	(1.2%)
Human Resources	\$2.8M	\$2.9M	5.0%	\$2.9M	(2.5%)
Institutional & Strategic Advancement	\$2.1M	\$2.2M	4.7%	\$2.2M	(1.3%)
Library Program and Services	\$77.6M	\$81.0M	4.4%	\$80.4M	(0.7%)
Operating Subtotal:	\$98.9M	\$103.4M	4.5%	\$102.5M	(0.8%)
Capital Budget					
Capital Improvements	\$8.4M	\$7.6M	(9.4%)	\$2.6M	(65.9%)
CIP Subtotal:	\$8.4M	\$7.6M	(9.4%)	\$2.6M	(65.9%)
Total:	\$107.3M	\$110.9M	3.4%	\$105.1M	(5.3%)

I. OVERVIEW AND SUMMARY

The 2026 total appropriations in the Seattle Public Library's (SPL's) Proposed Budget would decrease by \$5.8 million (-5.3 percent) from the 2026 Endorsed Budget. Total operating appropriations would be \$102.5 million and total capital appropriations would be \$2.6 million. The sections below provide more detail explaining the changes in the proposal.

A note regarding SPL budgeting and governance

The five-member Library Board of Trustees (Board), who are appointed by the Mayor and confirmed by the City Council, govern SPL. The Revised Code of Washington ([RCW 27.12.240](#)) and the City Charter ([Article XII, Section 5](#)) grant the Board "exclusive control of Library expenditures for Library purposes." In terms of oversight of SPL's budget, that means that the Council only has authority to allocate resources annually at the fund level. The Council does not approve SPL's budget by BCL, unlike the budget approval for other City departments. Also, unlike for other City departments, Council does not approve staffing (number of FTE) changes for SPL. The power to make these decisions is held by the Board. The Library Board adopts an annual Operations Plan in December to allocate funds to specific programs after the Council adopts the annual budget.

A. Operating Budget

Compared to the 2026 Endorsed Budget, the operating appropriations in the 2026 Proposed Budget would be 0.8 percent less. This decrease in anticipated spending for 2026 is largely due to revisions to appropriations for City internal service costs, annual wage adjustments, and retirement contributions. SPL's proposed operating appropriations in 2026 would be supported by a one-time transfer of \$5 million from SPL capital appropriations. See below.

B. Capital Budget

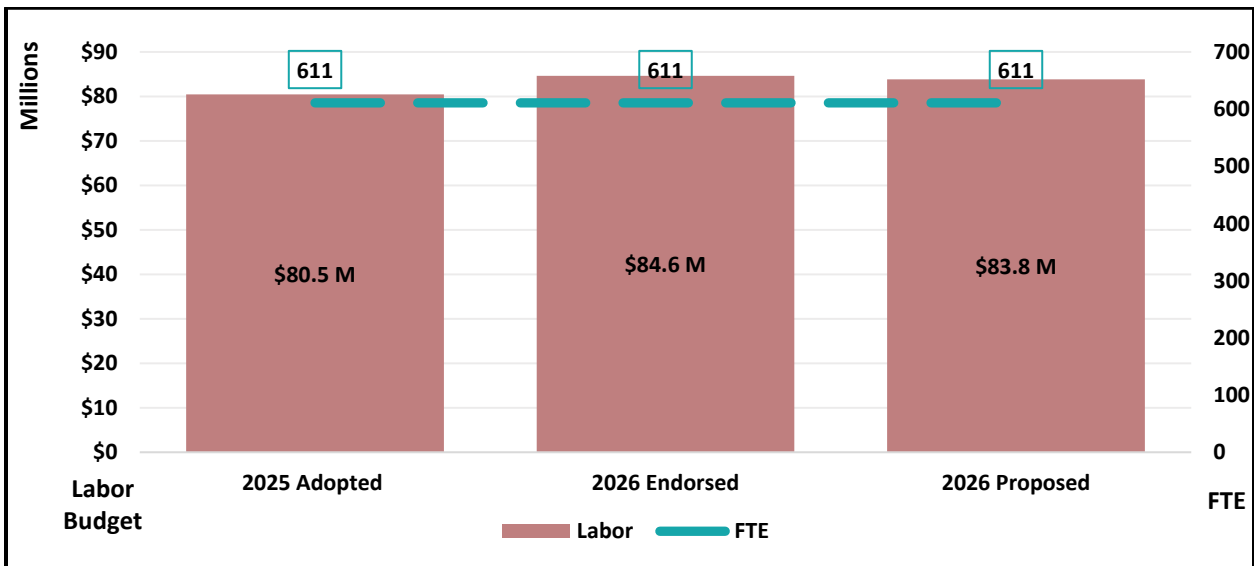
The SPL capital budget would decrease by 65.9 percent from 2025 Endorsed to 2026 Proposed. The decrease would result from the shift of \$5 million in SPL capital appropriations to SPL operating appropriations in response to the Mayor’s direction to SPL to identify a budgetary reduction \$5 million GF for 2026.

These capital funds would have been spent on the project to seismically retrofit the Columbia Library branch building. The project timeline is delayed due to COVID pandemic impacts and inflationary pressures. SPL would postpone completion of the Columbia Library retrofit and include the costs for the project in the Library Levy renewal proposal in 2026.

The remaining difference in capital appropriations results from the variation in SPL capital spending based on the status and schedule of the projects being pursued, not in policy shifts. SPL’s 2026 capital spending would support major maintenance at all SPL branches (\$2.1 million) and information technology (\$500,000).

C. FTE & Labor Changes

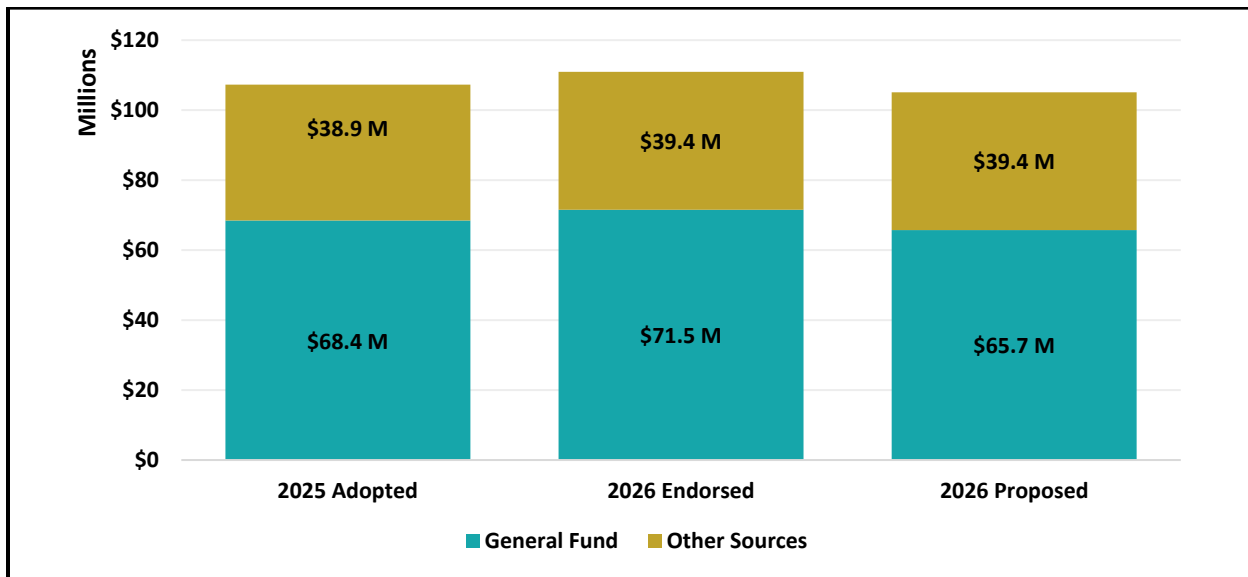
Figure 1. FTE & Labor Budget Summary



SPL’s 2026 Proposed Budget would not change the number of FTE. The 2026 Proposed Budget book does not show SPL FTEs because the SPL Board of Trustees has sole control over SPL staffing. The “Summary of Position and Full-Time Equivalent (FTE) Changes by Department” (Appendices A and B of the budget book, pages 614 and 615) shows position and FTE data for SPL for information purposes only. The reduction in labor cost from Endorsed to Proposed is mostly due to revisions in appropriations for annual wage increases and retirement contributions.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



SPL’s appropriations in the 2026 Proposed Budget would be primarily supported by the \$65.7 million GF (62.5 percent) and secondarily by \$37.7 million of 2019 Library Levy Fund dollars (34 percent). In Figure 2, Other Sources is the combination of 2019 Library Levy Fund, REET I, and all other non-GF funding to SPL including the Library Foundation, gifts, grants, fund balance, and Library revenues (such as parking and space rental).

All GF support to SPL (\$65.7 million) would be appropriated for operating costs in the Proposed 2026. The remaining operating spending in SPL (\$36.8 million) would be mostly supported by 2019 Library Levy revenues (\$35.7 million). Proposed 2026 capital spending in SPL would be supported with \$2 million from the 2019 Library Levy and \$605,000 Real Estate Excise Tax (REET) I

The Council has the power to propose Library levies through the City’s taxing authority as approved by voters. In August 2019, Seattle voters approved a seven-year, \$219.1 million property tax levy lift to maintain and enhance Library services from 2020 through 2026, renewing the seven-year, 2012 Library Levy.

The Council approves the annual levy amount as authorized by the 2019 Library Levy as part of the annual tax ordinance each year alongside the annual budget approval ordinance. SPL reports annually to the Council regarding performance on achieving the goals of the 2019 Library Levy. Next year, the Mayor and SPL are expected to propose a levy package for Council’s consideration and potential submission to voters on the ballot in fall 2026.

II. BUDGET LEGISLATION

1. CBO 2025 Year-End Supplemental Ordinance

This legislation would increase \$170,000 in the 2012 Library Levy Fund and \$850,000 in the 2019 Library Levy Fund for operational expenses with a corresponding decrease in SPL capital appropriations.

2. CBO 2025 Year-End Grants Ordinance

This legislation would accept a \$1.95 million grant from Washington State Department of Commerce for seismic structural upgrades at the SPL University Branch. SPL would meet the 50 percent local match requirement with existing SPL resources.

SEATTLE PUBLIC UTILITIES

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
General Expense	\$758.4M	\$784.2M	3.4%	\$758.9M	(3.2%)
Leadership & Administration	\$168.3M	\$178.2M	5.9%	\$185.2M	3.9%
Utility Service & Operations	\$246.8M	\$256.1M	3.7%	\$260.6M	1.8%
Operating Subtotal:	\$1,173.6M	\$1,218.5M	3.8%	\$1,204.7M	(1.1%)
Capital Budget					
Combined Sewer Overflows	\$92.1M	\$92.2M	0.1%	\$86.5M	(6.1%)
Distribution	\$53.5M	\$65.7M	22.9%	\$63.6M	(3.2%)
Drainage and Wastewater Infrastructure	\$0.0M	\$0.0M	n/a	\$128.9M	n/a
Flooding, Sewer Backup & Landslide	\$11.0M	\$20.8M	89.4%	\$0.0M	(100.0%)
Habitat Conservation Program	\$1.6M	\$5.7M	265.3%	\$1.1M	(81.4%)
New Facilities	\$21.0M	\$16.1M	(23.2%)	\$11.4M	(29.1%)
Protection of Beneficial Uses	\$30.4M	\$58.9M	93.9%	\$0.0M	(100.0%)
Rehabilitation	\$43.9M	\$43.1M	(1.7%)	\$58.6M	35.7%
Rehabilitation & Heavy Equipment	\$0.4M	\$0.8M	103.3%	\$0.8M	(5.7%)
Sediments and Duwamish Valley Water Resilience	\$13.4M	\$13.2M	(1.8%)	\$31.2M	136.6%
Shared Cost Projects	\$96.2M	\$79.7M	(17.2%)	\$132.5M	66.3%
Technology	\$12.9M	\$10.1M	(21.9%)	\$13.6M	35.6%
Transmission	\$11.9M	\$25.3M	112.0%	\$9.8M	(61.4%)
Water Quality & Treatment	\$1.4M	\$10.2M	617.8%	\$17.8M	73.4%
Water Resources	\$19.5M	\$15.3M	(21.7%)	\$19.7M	29.1%
Watershed Stewardship	\$2.9M	\$5.0M	72.2%	\$1.5M	(70.3%)
CIP Subtotal:	\$412.0M	\$462.0M	12.1%	\$576.9M	24.9%
Total:	\$1,585.6M	\$1,680.5M	6.0%	\$1,781.7M	6.0%

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for Seattle Public Utilities (SPU) increases by approximately \$101 million, or 6 percent, relative to the 2026 Endorsed Budget. As shown in Table 1, the entirety of this increase is accounted for in the capital budget. SPU's operating budget, which accounts for about 68 percent of its overall budget, is proposed to decrease by about \$13.8 million, or 1 percent, largely due to lower debt service payments. The proposed budget would also transfer the remaining aspects of the City's graffiti program from SPU to Seattle Parks and Recreation (SPR), including one staff position, and it recognizes efficiencies in the Public Hygiene Program. SPU's proposed capital budget increases by almost \$115 million, or 25 percent, relative to the 2026 Endorsed Budget. The majority of the increases are attributable to the Drainage and Wastewater line of business, including increases for land acquisition, sediment remediation, and heavy equipment purchases.

SPU's budgets are guided by a six-year Strategic Business Plan (SBP) and by utility rates that are established by the Council via ordinance. The SBP describes priorities and guides service delivery and business strategy for the department's three utilities: drainage and wastewater, solid waste, and water. The current 2025–2030 SBP was adopted by the Council in September 2024 ([RES 32136](#)), and the 2026 Proposed Budget is consistent with that plan. The Council typically considers rate-setting legislation for one of SPU's three utilities each year, with rates being set for a three-year period. The most recent updates occurred in 2023 for water ([ORD 126909](#)), 2024 for drainage and wastewater ([ORD 127072](#), [ORD 127073](#)), and 2025 for solid waste ([CB 121051](#)).

A. Operating Budget

SPU's proposed operating budget decreases by approximately \$13.8 million relative to the 2026 Endorsed Budget. There are a few notable increases, however, including:

- \$1.6 million (Drainage and Wastewater Fund) and the internal reallocation of 3.0 FTE for flood control work in the South Park neighborhood. The positions currently support SPU's Public Hygiene Program which is intending to shift work to third-party contractors in 2026. As that shift occurs, these staff will be transitioned to supporting the South Park flooding work. Additionally, approximately \$1.4 million of the increased appropriations will be eligible for 75 percent reimbursement from the King County Flood Control District.
- \$852,000 (Solid Waste Fund) and three temporary positions to support technology upgrades at Solid Waste transfer stations and capital planning activities. Two of the temporary positions, Information Technology Professionals, will assist with the evaluation and updating of SPU's unique operational technology for the North and South transfer stations. The other temporary position, a Senior Capital Projects Coordinator, will assist with capital planning work, including a potential partnership with the City of Kent to open up a portion of the Kent Highlands Landfill for potential reuse.
- \$250,000 (General Fund) in one-time funding to continue the provision of sanitation services in the Chinatown-International District (CID), in coordination with the CID Business Improvement Area. Funding for this body of work was originally provided in the 2024 Downtown Activation Plan, and the Council continued the work in 2025 via a proviso on SPU funding ([CBA SPU-008-B](#)).
- \$150,000 (Solid Waste Fund) to double funding to a total of \$300,000 one-time funds for community grants targeting textile waste prevention. Last fall, the Council added (via [CBA SPU-005-A](#)) \$150,000 to the 2025 Adopted Budget and \$150,000 to the 2026 Endorsed Budget for organizations supporting refugee and immigrant women in overcoming barriers to employment and diverting waste from the disposal system.

Notable decreases in SPU’s operating budget include:

- \$2 million (General Fund) reduction to the Public Hygiene Program to align with expected expenditure levels in 2026, and consistent with 2025 program spending. Since the program was established, SPU has reduced the costs of the program through efficiencies such as using owned assets, reducing the need for engineering support, and utilizing sewer connections rather than mobile pump-out services. The program will continue to operate three stationary shower trailers and is not proposing any service reductions for 2026.
- \$1 million (General Fund) reduction resulting from the transfer of additional graffiti-related responsibilities and 1.0 FTE (Planning and Development Specialist II) to SPR. The budget proposes to transfer enforcement of the graffiti code and the existing parking pay station graffiti control agreement with the Seattle Department of Transportation (SDOT) and its associated funding. The transfer of graffiti code enforcement is contingent upon Council approval of a proposed bill, Graffiti Nuisance Code Update, which is described in the SPR policy considerations paper.
- \$14.5 million in technical adjustments, which includes items such as citywide indirect costs, labor-related changes, debt service, and major service contracts. The most impactful technical change is reduced debt service payments due to the retirement of outstanding debt.

B. Capital Budget

SPU’s capital budget, like the capital budgets for other departments, describes anticipated investments over a six-year timeframe, with authorized spending for the first year of the Capital Improvement Program (CIP) appropriated in the annual budget. Capital spending varies from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by the strategic plan or activities driven by regulatory requirements and compliance.

SPU’s capital program is separated into four parts: (1) Drainage and Wastewater, (2) Solid Waste, (3) Water, and (4) Shared Projects. The first three categories include capital projects pursued for the benefit of only one of the utilities, whereas the fourth category contains capital projects that provide benefits for, and are jointly funded by, all three of the utilities.

Table 2 shows a comparison of the 2026–2031 Proposed CIP relative to the 2025–2030 Adopted CIP for each part of SPU’s capital budget.

Table 2. Comparison of 2025–2030 Adopted CIP to 2026–2031 Proposed CIP

	2025	2026	2027	2028	2029	2030	2031
Drainage & Wastewater							
2025–2030 Adopted	\$190.7M	\$228.1M	\$260.2M	\$213.7M	\$199.5M	\$208.6M	--
2026–2031 Proposed	--	\$305.2M	\$267.2M	\$324.0M	\$340.1M	\$288.0M	\$333.8M
Solid Waste							
2025–2030 Adopted	\$21.4M	\$16.9M	\$17.3M	\$11.6M	\$16.0M	\$2.0M	--
2026–2031 Proposed	--	\$12.2M	\$31.3M	\$19.8M	\$12.2M	\$7.8M	\$2.0M
Water							
2025–2030 Adopted	\$90.8M	\$127.2M	\$150.8M	\$150.6M	\$149.8M	\$136.7M	--
2026–2031 Proposed	--	\$113.4M	\$147.0M	\$127.8M	\$136.0M	\$121.8M	\$121.9M
Shared Projects							
2025–2030 Adopted	\$109.1M	\$89.7M	\$70.4M	\$71.4M	\$86.3M	\$68.1M	--
2026–2031 Proposed	--	\$146.1M	\$87.1M	\$84.1M	\$83.9M	\$81.4M	\$67.6M

For 2026, the proposed capital budget for SPU is approximately \$115 million larger than the 2026 Endorsed capital budget. As shown in Table 2, the proposed increases come from Drainage and Wastewater (\$77.1 million) and Shared Projects (\$56.4 million), with relatively small decreases in Solid Waste and Water.

Some of the notable changes in the Drainage and Wastewater capital program include:

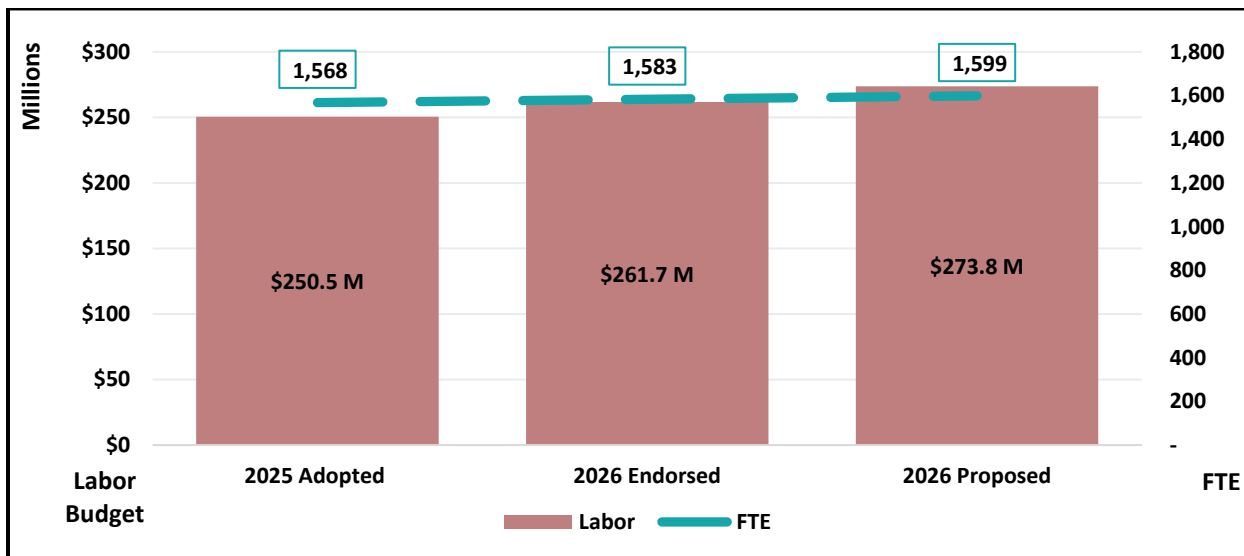
- \$42 million increase related to land acquisition costs that are necessary for stream culvert asset protection.
- \$15 million increase in the Rehabilitation BSL due to a rise in the number of projects addressing failing infrastructure and to recognize the impacts of project delays and inflation.
- \$11 million increase to reflect updated projections for the Duwamish Sediment Remediation projects.
- \$5 million increase in a newly created project, Drainage and Wastewater Main Extensions, for SPU to partially fund developer-initiated infrastructure improvements. This new project stems from a suite of legislation the Council passed in June 2025 related to System Development Charges: [ORD 127223](#), [ORD 127224](#), and [ORD 127225](#).
- The reorganization of the capital BSLs and projects to more closely align asset management with the department’s SBP and its environmental, public health, and public safety goals. The reorganization includes the creation of a new Drainage and Wastewater Infrastructure BSL, the renaming of the Sediments BSL to the Sediments and Duwamish Valley Resilience BSL, and the elimination of two BSLs: Protection of Beneficial Uses, and Flooding, Sewer Backup, and Landslides.

Some of the significant changes in the Shared Projects capital program include:

- \$33 million increase in the Workforce Facilities capital project, primarily due to anticipated land acquisition costs for the North One Water facility.
- \$23 million increase for the ongoing CIP program used to purchase heavy equipment required by SPU staff to perform their work.
- A reorganization of the projects within the Technology BSL resulting from an internal study looking at the current and future suite of SPU’s technology projects.

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary

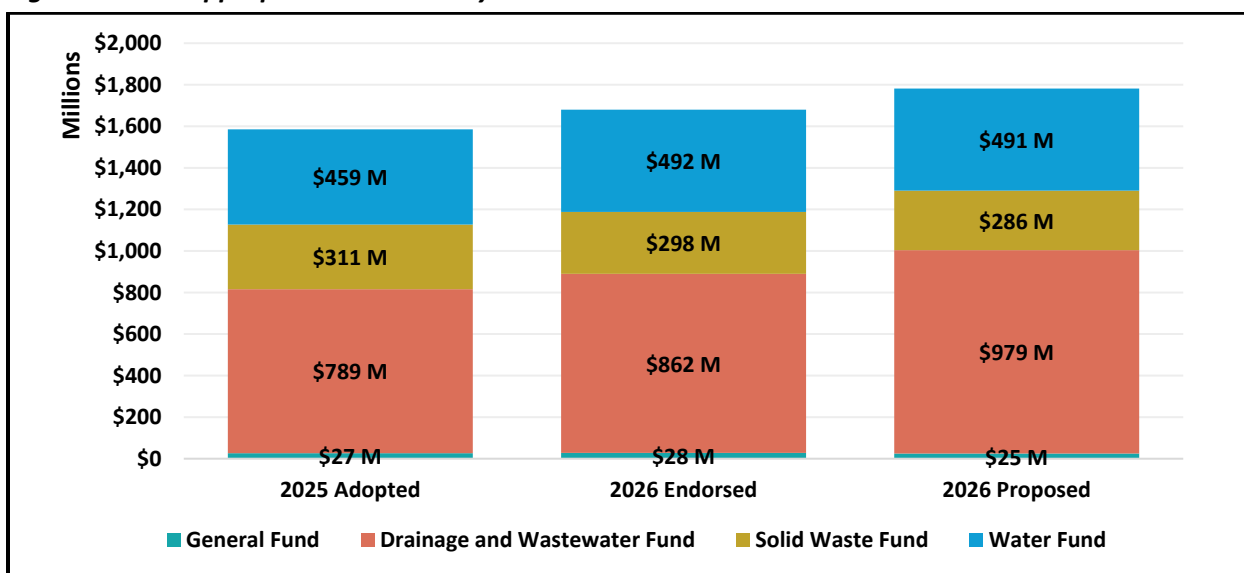


The 2026 Proposed Budget shows an increase of 16.0 FTE relative to the 2026 Endorsed Budget, but this change is primarily the result of positions that have been added via standalone legislation during 2025. Council approved the addition of 6.0 FTE, via [ORD 127225](#), as part of the System Development Charges legislative package to manage the City’s involvement in mainline extensions constructed by private developers. Additionally, the Council approved 11.0 FTE, via [ORD 127304](#), as part of the package of 50 new positions to support Sound Transit 3 light rail expansion.

The only new position change included in SPU’s 2026 Proposed Budget is a 1.0 FTE decrease from the proposed transfer to SPR of a Planning and Development Specialist II that works on graffiti enforcement. The transfer of graffiti enforcement is described in the operating budget section above.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



Each of the three SPU utilities receives its revenues, and funds its activities, via enterprise funds: the Drainage and Wastewater Fund, the Solid Waste Fund, and the Water Fund. SPU bills customers for the services they receive, and the revenues from those customers may only be used for utility-related work. Activities that are for the benefit of the general public (e.g., public litter and recycling cans, public hygiene, etc.) must be paid for with other funds – typically the General Fund.

II. BUDGET LEGISLATION

1. SPU Drainage and Wastewater 2026 Bonds ([CB 121089](#))

This legislation would authorize up to \$128 million of 30-year fixed-rate bonds to support the City’s drainage and wastewater system. SPU anticipates selling the bonds in mid-2026 and expects that this level of debt, along with other sources of funding, would support the drainage and wastewater capital program for approximately one year. If the Council chooses not to pass the legislation, SPU will have insufficient resources to fund its planned capital spending for the drainage and wastewater system for the next couple of years. SPU estimates the annual debt service on this bond issuance to be about \$8.3 million per year beginning in 2027, with an interest-only payment in 2026.

The legislation would also amend the drainage and wastewater revenue bond Omnibus Refunding ordinance passed by the Council via [ORD 125455](#) in November 2017 and last amended by [ORD 126482](#) in November 2021. The purpose of refunding legislation, generally, is to authorize the issuance of new bonds for the purpose of refunding (or refinancing) existing bonds when interest rate savings or other financial benefits can be captured. In this instance, amendments are being proposed to the existing refunding legislation to update certain provisions, such as reserve account requirements, that may now be modified due to the refunding of the last set of bonds that existed under the previous terms.

The City’s Debt Management Policy Advisory Committee voted on October 8, 2025, recommending that the City approve the bonds that would be authorized by this legislation.

2. SPU Water 2026 Bonds ([CB 121090](#))

This legislation would authorize up to \$108 million of 30-year fixed-rate bonds to support the City’s water system. SPU anticipates selling the bonds in mid-2026 and expects that this level of debt, along with other sources of funding, would support the water capital program for approximately one year. If the Council chooses not to pass the legislation, SPU will have insufficient resources to fund its planned capital spending for the water system for the next couple of years. SPU estimates the annual debt service on this bond issuance to be about \$7.2 million per year beginning in 2027, with an interest-only payment in 2026.

The City’s Debt Management Policy Advisory Committee voted on October 8, 2025, recommending that the City approve the bonds that would be authorized by this legislation.

3. SPU Water Bonds Omnibus Refunding ([CB 121091](#))

This legislation would amend the water system revenue bond Omnibus Refunding ordinance passed by the Council via [ORD 125714](#) in November 2018 and amended by [ORD 126483](#) in November 2021. Similar to the refunding provisions for the Drainage and Wastewater bond legislation, amendments are being proposed to the existing water system revenue bond refunding legislation to update certain provisions, such as reserve account requirements, that may now be modified due to the refunding of the last set of bonds that existed under the previous terms.

The City’s Debt Management Policy Advisory Committee voted on October 8, 2025, recommending that the City approve the bonds that would be authorized by this legislation.

4. 2025 Year-End Supplemental

The 2025 Year-End Supplemental includes a \$27 million proposed increase to SPU's operating budget on a one-time basis to cover prior year debt. The additional appropriation authority is required due to debt optimization activities included in a Water bond issuance that will ultimately yield savings to ratepayers.

The supplemental also includes six capital budget appropriation increases totaling \$38.4 million. The largest increase is \$16 million in the Water Fund to cover construction costs for a transmission pipeline improvement project that is ahead of schedule.

Lastly, the bill includes 15 appropriation transfers between capital projects which do not have an impact on the department's overall budget. For example, the supplemental bill would transfer \$1.3 million of appropriation authority from the Dam Safety project, which has excess appropriation authority due to project delays, to the Tolt Bridges project to cover additional construction activities.

5. 2025 Year-End Grant Acceptance

The 2025 Year-End Grant Acceptance bill would authorize SPU to accept nine grants, totaling \$69 million, and it would provide the appropriation authority necessary to spend the grant funding beginning in 2025. The largest grant awards include:

- \$35.2 million from the Washington State Department of Ecology for the construction of the Tunnel Effluent Pump Station, which is part of the broader Ship Canal Water Quality Project.
- \$28.5 million in two grant awards from the Washington State Department of Health to replace approximately three miles of outdated piping in the drinking water distribution system.
- \$3.1 million grant from the King County Flood Control District for the Landsburg Dam Debris Passage project.