



SEATTLE CITY COUNCIL

Select Budget Committee

Agenda

Session I at 9:30 a.m. & Session II at 2 p.m.

Thursday, September 25, 2025

9:30 AM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Dan Strauss, Chair
Maritza Rivera, Vice-Chair
Joy Hollingsworth, Member
Debora Juarez, Member
Robert Kettle, Member
Sara Nelson, Member
Alexis Mercedes Rinck, Member
Rob Saka, Member
Mark Solomon, Member

Chair Info: 206-684-8806; Dan.Strauss@seattle.gov

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SEATTLE CITY COUNCIL

Select Budget Committee

Agenda

September 25, 2025 - 9:30 AM

Session I at 9:30 a.m. & Session II at 2 p.m.

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/2025-select-budget-committee>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Speakers must be registered in order to be recognized by the Chair. Details on how to register for Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <https://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting.

In-Person Public Comment - Register to speak on the public comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting.

Please submit written comments no later than four business hours prior to the start of the meeting to ensure that they are distributed to Councilmembers prior to the meeting. Comments may be submitted at Council@seattle.gov or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m. Comments received after that time will be distributed after the meeting to Councilmembers and included as part of the public record.

Please Note: Times listed are estimated

Department Overview Presentations

The City Budget Office (CBO) and City Department Directors present changes reflected in the Mayor's Proposed 2025 and 2026 Budgets.

Session I - 9:30 a.m.

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. Introduction and Budget Process Overview

Briefing and Discussion

Presenters: Ben Noble, Director, and Calvin Chow, Council Central Staff

2. City Budget Office (CBO) Overview of the 2026 Proposed Budget

Supporting Documents: [Presentation](#)

Briefing and Discussion

Presenter: Dan Eder, Director, City Budget Office

Session II - 2:00 p.m.

3. Federal Backfill

Supporting Documents: [Presentation](#)

Briefing and Discussion

Presenters: Greg Wong, Deputy Mayor, Mayor's Office; Dan Eder, Director, City Budget Office; Michelle Caulfield, Interim Director, Office of Sustainability and Environment; Tanya Kim, Director, Human Services Department; Hamdi Mohamed, Director, Office of Immigrant and Refugee Affairs

- 4. [CB 121083](#) AN ORDINANCE relating to taxation; imposing a local sales and use tax to fund investments in criminal justice; repealing obsolete sales and use tax provisions; adding a new Section 5.60.029 to the Seattle Municipal Code; renumbering Sections 5.60.030 and 5.60.040 of the Seattle Municipal Code as Section 5.60.065 and further amending the section; repealing Section 5.60.050 and 5.60.060 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.**

Supporting Documents: [Summary and Fiscal Note](#)
[Executive Presentation](#)
[Central Staff Presentation](#)

Briefing and Discussion

Presenters: Andrew Myerberg, Natalie Walton-Anderson, and Sarah Smith, Mayor's Office; Dan Eder, Director, City Budget Office; Ben Noble, Director, and Tom Mikesell, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 2732, **Version:** 1

Introduction and Budget Process Overview



Legislation Text

File #: Inf 2733, **Version:** 1

City Budget Office (CBO) Overview of the 2026 Proposed Budget

2026 Proposed Budget Overview

September 23, 2025

Dan Eder, City Budget Director



Agenda

- Background / Context
- Balancing the 2026 Budget
- Overview of Mayor's Proposed Budget
- 2026 Budget Priorities



Background / Context

September 25, 2025

City Budget Office



City of Seattle

Context

- State law requires City to adopt a balanced budget
- City uses a modified biennial budget process:
 - ✓ During even-numbered years, the Mayor proposes a two-year budget. The City Council ***adopts*** year 1 and ***endorses*** year 2
 - ✓ 2026 is year 2 of the current cycle
- Proposed budget takes into consideration significant external uncertainties (economic outlook, Federal policies) while continuing to make strategic investments in the community

Timeline: Developing the 2026 Budget

JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN
CBO Prepares Budget Guidance			Departments Prepare Proposals		CBO/MO Review and Finalize			Council Reviews, Modifies, and Adopts				Goes into effect

- In fall 2024, Council acted on both a 2025 Adopted Budget and a 2026 Endorsed Budget.
- 2026 Proposed Budget shows changes from the 2026 Endorsed Budget.
- Key Steps in developing the 2026 Proposed Budget
 - ✓ Budget prep begins in January
 - ✓ Department proposals from late March to early June
 - ✓ Mayor’s Office and CBO consider options and make decisions from June through August
 - ✓ Council deliberations run from September through November

Economy and Revenue

- The national economy has been characterized by a weakening labor market, expectations of higher inflation, and an anticipation of monetary policy changes.
- The regional labor market is weaker than the national labor market.
- Despite these headwinds, OERF projects that City revenues will grow in 2026:
 - 2.2% for General Fund; and
 - 1.3% for the Payroll Expense Tax.
- OERF's August Forecast noted considerable risk in the economy with implications for the City's revenue which could lead to a downward revision in the future.

Racial Equity Considerations

- **Racial equity impacts are considered as part of budget deliberations**
 - Departments evaluate how each proposed change would impact the City's Race and Social Justice Initiative (RSJI) goals
 - Summary provided in the budget of significant changes advancing the City's Race and Social Justice Initiative
- **CBO's Change Team has led efforts along three main areas:**
 - Implementing a tool to assess growth in racial equity focus in budget development
 - Partnering with departments to improve use of data to measure equity impacts of City programs
 - Reviewing internal workforce equity conditions in the office

Balancing the 2026 Budget

September 25, 2025

City Budget Office



City of Seattle

A Significant Revenue Shortfall

- In fall 2025, the Mayor proposed and then the Council endorsed a balanced budget for 2026
- In April 2026, the Forecast Council adopted a pessimistic forecast due to significant uncertainty in the national economy
- The April forecast resulted in a **\$240 million** revenue decrease across all sources and funds for 2025 and 2026
 - **\$217 million** combined revenue decrease for the General Fund & Payroll Expense Tax Fund)

Early Response

- Mayor Harrell issued a directive implementing several actions to preserve resources while ensuring critical services are funded:
 - ✓ Extended the existing hiring freeze/waiver process for Executive departments
 - ✓ Slowed spending on new contracts, travel and training expenses, and technology projects
 - ✓ Asked City departments to underspend their 2025 budgets
- As part of this year's 2026 Proposed Budget development, Mayor Harrell directed that City departments achieve reductions.



Balancing the 2026 Budget

- **Spending Reductions**

- ✓ The 2024 measures that we undertook yielded \$65 million GF in savings
- ✓ In 2025, counting on \$30 million of underspend (\$23 million GF and \$7 million PET)
- ✓ In 2026, proposed budget reduces spending by \$37 million GF & PET

- **New Revenues:**

- ✓ If approved by voters, the Seattle Shield Initiative generates \$81 million of additional B&O tax revenue
 - \$51 million for General Fund backfill
 - \$30 million for Federal Response (*more info on later slides*)
- ✓ The Public Safety Sales Tax proposal will generate around \$39M GF (*more info on later slides*)

- **Revised Forecast:**

- ✓ \$95 million of GF & PET added in Office of Economic and Revenue Forecasts (OERF)'s August forecast

Overview of Mayor's Proposed Budget

September 25, 2025

City Budget Office



City of Seattle 18

Fiscal Highlights



New historic investments in affordable housing and EDI projects



Revenue Stabilization Fund ("Rainy Day Fund") and Emergency Fund are fully funded



Begin to restore Payroll Expense Tax (PET) Reserve and Reduce PET support for General Fund



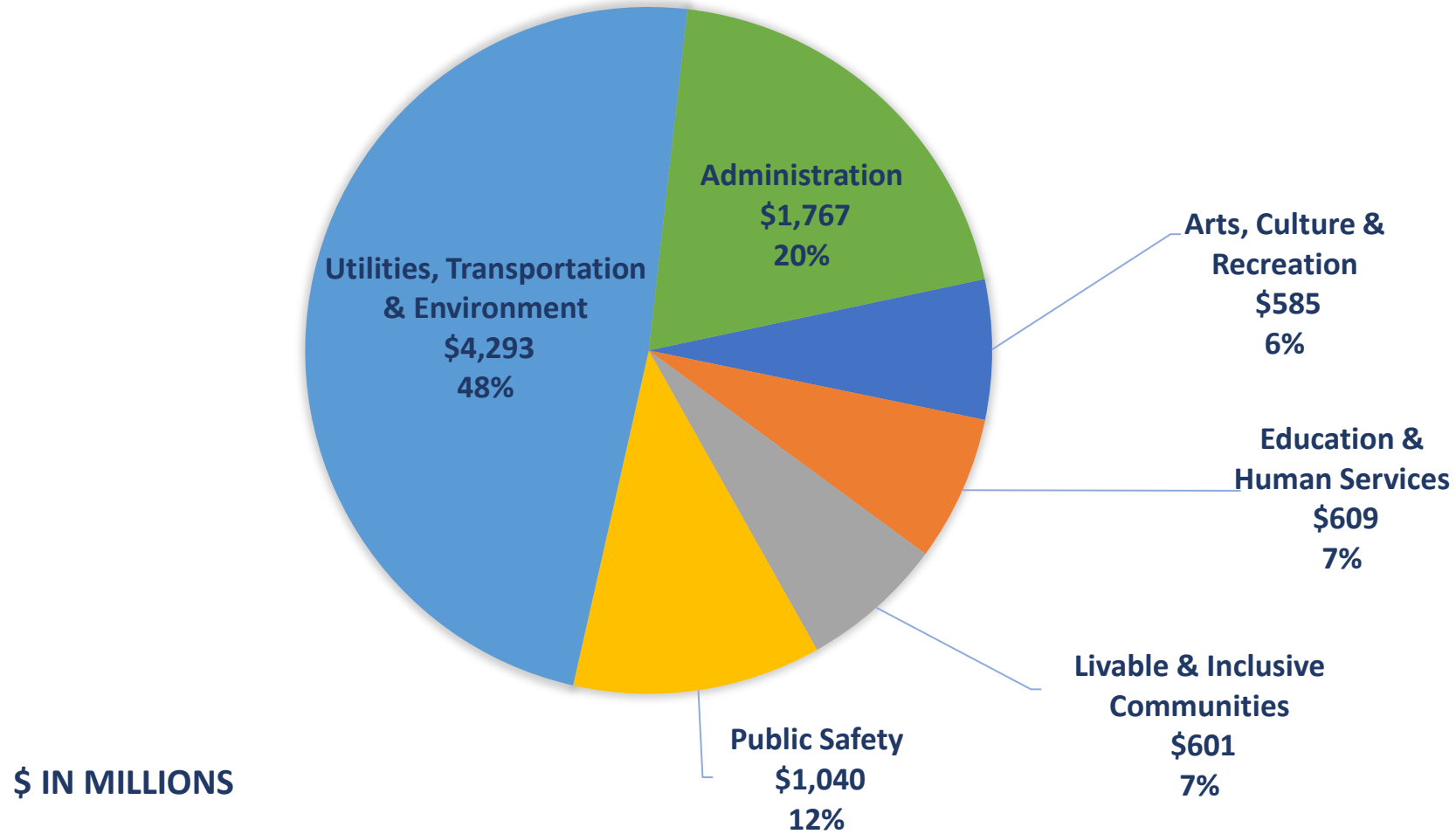
Reductions to vacant positions, aligning budgets with actual needs



No new layoffs in Proposed Budget

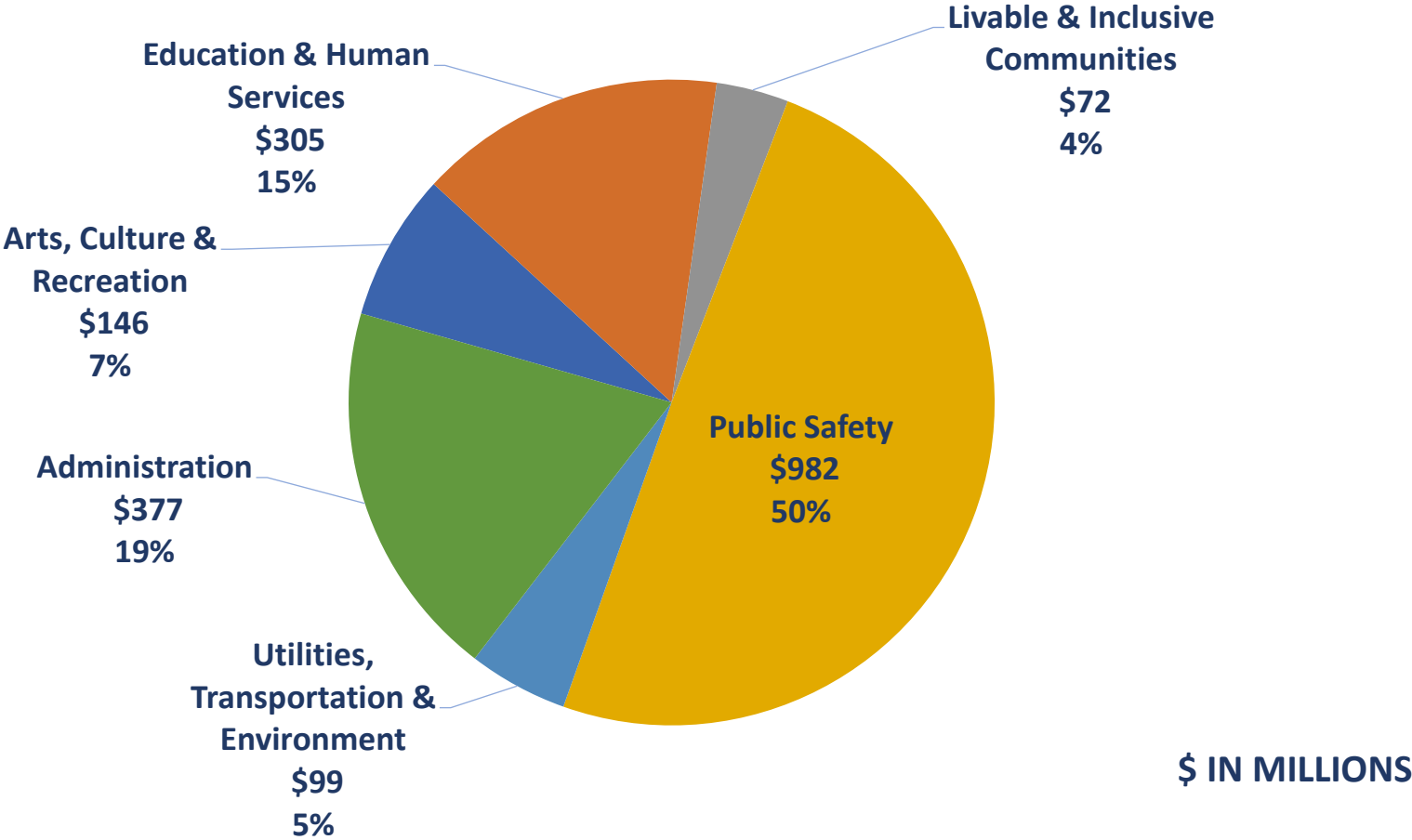
2026 Proposed Budget

All Funds Budget Expenses by Investment Area: \$8.9 Billion



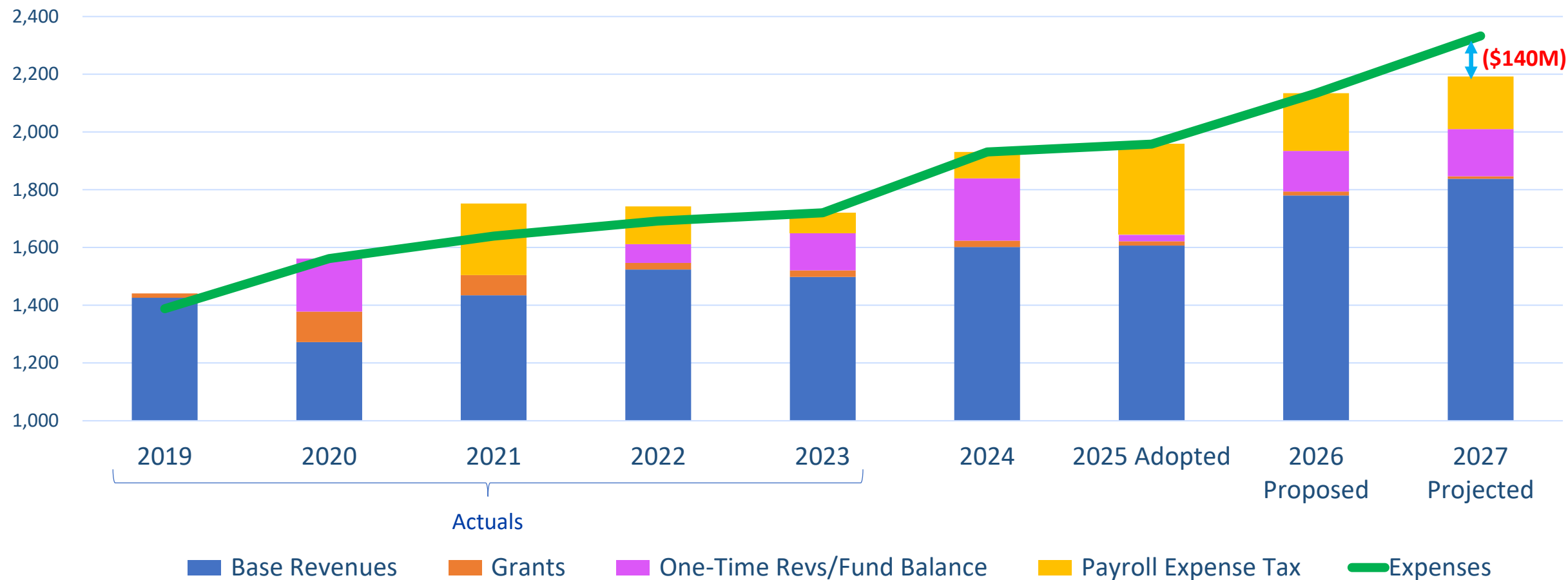
2026 Proposed Budget

General Fund Expense Budget by Investment Area: \$2.0 Billion



General Fund 6-Year Financial Plan

\$ in Millions



**Grants, one-time revenues, and fund balances are not sustainable solutions; and this chart reflects no PET transfers to the general fund after 2024 per current law*

2026 Budget Priorities



Affordability



Public Safety



Reducing Homelessness



Federal Response



Investments to Make Seattle More Affordable

Housing investments continue at record levels (\$350 million in 2026) including:

➤ **\$325 million in:**

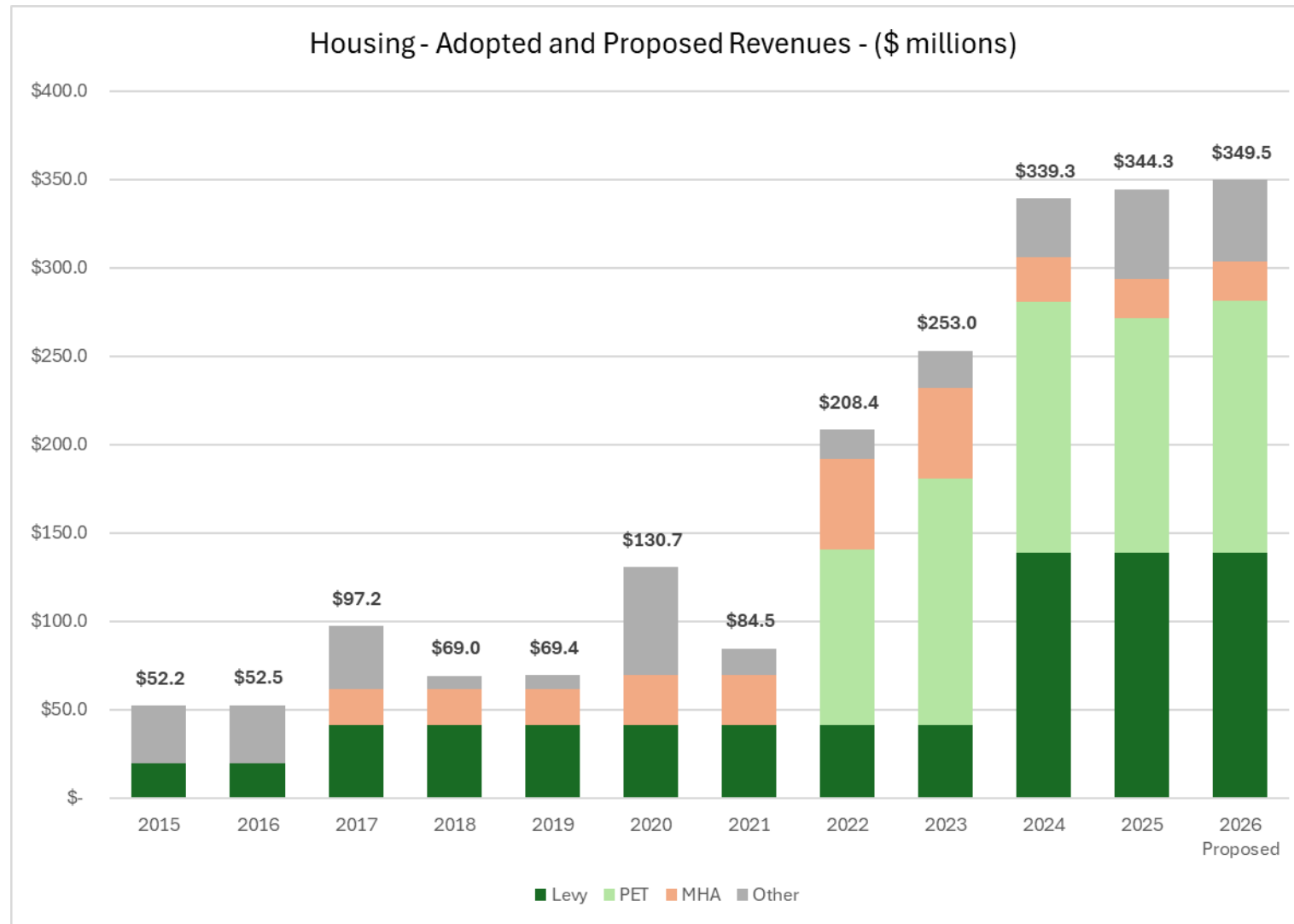
- multifamily capital development
- affordable homeownership
- operations & maintenance
- resident services
- provider agency supports
- OH staffing and administration

➤ **\$5 million** of a planned **\$20 million** City investment in the Seattle Housing Authority's Northgate Commons Housing Project; and

➤ **\$20 million** of a planned four-year total investment of **\$80 million** in anti-displacement and reparations housing fund.



Historical High Investments in Affordable Housing





Investments to Make Seattle More Affordable

OPCD Equitable Development Initiative investments continue at record levels

✓ **\$29.4 million** in 2026

DEEL Childcare investments

✓ **\$18.5 million** in the proposed Families, Education, Pre-School & Promise (FEPP) levy for the 2026-2027 school year to:

- More than doubling access to affordable childcare slots
- Provide retention payments to more than 5,000 childcare workers

OED “Back to Business” fund expansion

✓ **\$5 million** over 2 years (\$2.5 million in 2026)





Investments to Make Seattle More Affordable

HSD Human Service Department Provider Contracts:

- **\$11.7 million** in 2026 for a 4.6% increase

OED Addressing Food Deserts:

- **\$140,000** for expansion of farmers market operation in Lake City;
- **\$700,000** for a pilot to support the opening and expansion of small businesses, corner stores, and bodegas offering healthy, fresh foods, and cultural household essentials in neighborhoods citywide;
- Other measures identified in Federal Response slide





Investments in Public Safety

\$39 million Public Safety Sales Tax:

- **\$24.5 million** for CARE Operations and Expansion;
 - \$6.9 million to expand Crisis Care Responders
 - \$2.6 million to expand 9-1-1 call response staffing
 - \$15.0 million for supporting ongoing operations
- **\$5.9 million** for new drug treatment investments;
- **\$5 million** for maintaining LEAD capacity
- **\$2.1 million** for SFD additional firefighter recruits
- **\$1.5 million** for an additional Post Overdose Treatment unit in Health 99





Investments in Public Safety

Fully funding new police officers hired at record-setting pace in 2025 and 2026

Year	Budget	Hires (est.)	Seps (est.)	Net Change	2026 Proposed Add (\$)¹
2025	2025 Adopted Budget	120	(105)	15	
	2025 Revised Budget (YE Supp)²	172	(81)	91	
	Net New Officers			76	\$13 million
2026	2026 Endorsed Budget	120	(105)	15	
	2026 Proposed Budget	168	(82)	86	
	Net New Officers			71	\$26 million

¹ Includes salary, benefit, equipment, and training costs

² Hiring and Separation counts include actuals through August 2025 and projections for balance of 2025





Investments in Public Safety

- Removable vehicle barriers:
 - ✓ **\$2 million** at Pike Place Market
 - ✓ **\$1.6 million** at Seattle Center
- **\$1 million** to support infrastructure and security improvements for grocery stores
- Neighborhood Place-Based Investments:
 - ✓ **\$4.1 million** for SDOT to continue enhanced street cleaning such as litter abatement, pressure washing, and alleyway cleaning
 - ✓ **\$4.0 million** for improve public safety, promote economic growth, and encourage neighborhood renewal in neighborhoods like Lake City and Little Saigon
 - ✓ **\$1.6 million** for One Seattle Graffiti Plan
 - ✓ **\$500,000** for SPR Park Rangers (3 FTEs)





Investments in Reducing Homelessness

- Continuing record investments in reducing homelessness: **\$225 million** Citywide
 - ✓ **\$169M** in the Human Service Department (HSD)
 - **\$125 million** for the King County Regional Homelessness Authority
 - **\$36 million** in City-managed programs including Homelessness Prevention and Rental Assistance, and Federal Response for Shelter and Housing
 - **\$6 million** for the Unified Care Team Outreach and Administration
 - **\$2 million** for Administration
 - ✓ **\$56 million** outside of HSD
- This **includes** new funding for non-congregate shelters
 - ✓ **\$7.8 million** to create & operate three new shelters (155 new units);
 - Including investments in wraparound services
 - ✓ Maintain operations for nearly 2,900 existing units of shelter





Federal Response

\$28 million of B&O tax proceeds supports the following investments

- **\$4 million** to support Immigrant Communities
- **\$10.3 million** in additional Food investments
- **\$4 million** for Emergency Rental Assistance
- **\$9.4 million** for Backfilling Shelter & Emergency Housing needs



Questions?

For full detail, see the Mayor's Proposed Budget at seattle.gov/budget





Legislation Text

File #: Inf 2734, **Version:** 1

Federal Backfill

Federal Response B&O Investments

September 25, 2025

Greg Wong, Deputy Mayor

Dan Eder, City Budget Director

Michelle Caulfield, Interim Director of the Office of Sustainability and Environment

Tanya Kim, Director of the Human Services Department

Hamdi Mohamed, Director of the Office of Immigrant and Refugee Affairs



Seattle Shield Initiative (passed by Council)

The revenue may be used to:

1. Support the threshold lift and deduction for small businesses
2. Support the City's General Fund investments
- 3. Up to \$30 million in proceeds may be used to mitigate the impact of federal funding decisions**

Food Access

Access to affordable and healthy food is essential to a healthy community.

- Grocery prices have increased 30% over the last five years.
- Demand at food banks and meals programs is increasing.
- The Federal administration has dramatically slashed billions of dollars from the Supplemental Nutrition Assistance Program (SNAP) and other food system programs.

The proposed budget adds critical funding to help feed hungry residents through **Fresh Bucks, Food Banks, & Meal Programs:**

1. Nearly **doubling the City's investments in Fresh Bucks** with an additional **\$6.2 million** to increase the monthly participant stipend by 50% to \$60 a month and **serving the current ~4,000 person waitlist.**



Food Access


2. A **\$3 million** investment to support local food banks, which also includes mobile food pantries, home delivery to homebound residents, and other grocery access for individuals and families.
3. Adding **\$1 million** to support year-round prepared hot meal access for youth, seniors, people experiencing homelessness, and others in need of a nutritious meal, building on existing City investments.



Stabilizing Housing and Shelter

The proposed budget adds critical funding to help individuals remain sheltered or stably housed:

1. Investing an additional **\$4 million** of emergency rental assistance bringing the City's total investment to \$11.5 million.
2. Adding **\$9 million appropriation** in the Human Services Department for backfilling federal investments in shelter and emergency housing.

 Bloomberg.com

[Cuts to Section 8 Housing Assistance Loom Amid HUD Uncertainty](#)

 NPR

Trump budget would slash rental aid by 40% — and let states fill the gap if they want




Supporting Immigrants and Refugees


The proposed budget includes \$4 million in funding and temporary staffing to support immigrant communities.

This includes:

1. **\$1.85 million** to expand and launch critical programs, including workforce development for youth and English learners, legal assistance and safety services, rapid response initiatives, and immigrant access and navigation support;
2. **\$1.35 million** for new initiatives, including naturalization services, immigrant youth career pathways, integration and civic engagement programs, strengthened community navigation services, increased outreach through ethnic media, translation, and community advisory resources.
3. **\$500,000** dedicated to additional staffing, ensuring capacity to effectively manage and deliver expanded programming

 The Seattle Times

[WA sues Trump administration over canceled grant to shelter migrants](#)

 The Seattle Times

[WA programs helping legal immigrants become citizens lose federal funds](#)



Supporting Immigrants and Refugees

4. **\$300,000** to continue to support the expansion of the **rapid response program**.

The Rapid Response program involves partnerships with trusted community organizations to provide urgent services, such as legal consultations, Know Your Rights trainings, family safety planning, and a hotline for reporting immigration enforcement activity. The program centers community needs, offering fast, confidential support to immigrants facing sudden legal threats or detention risks.



Questions?

For full detail, see the Mayor's Proposed Budget at seattle.gov/budget





Legislation Text

File #: CB 121083, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to taxation; imposing a local sales and use tax to fund investments in criminal justice; repealing obsolete sales and use tax provisions; adding a new Section 5.60.029 to the Seattle Municipal Code; renumbering Sections 5.60.030 and 5.60.040 of the Seattle Municipal Code as Section 5.60.065 and further amending the section; repealing Section 5.60.050 and 5.60.060 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

WHEREAS, after the COVID-19 public health emergency and resulting financial downturn, including

generationally high inflation, the City’s operating budget has faced a structural budget deficit, solved year-to-year by employing one-time measures; and

WHEREAS, public safety continues to be a top priority for the people of Seattle; and

WHEREAS, during the 2025 session, the Washington State Legislature enacted ESHB 2015 that authorizes city

and county governments, including The City of Seattle, to impose a local sales and use tax of 0.1 percent by a legislative act prior to June 20, 2028; and

WHEREAS, the local sales and use tax revenue shall be spent on “criminal justice purposes” as authorized by ESHB 2015; and

WHEREAS, the City has implemented the policies and practices required by subsection 101(3) and 101(4) of ESHB 2015 and is therefore authorized by law to impose the local sales and use tax of 0.1 percent; and

WHEREAS, the City Council unanimously passed Resolution 32174 on July 29, which was signed by the Mayor on August 12, 2025, and which calls for utilizing public safety sales tax revenue to create a pathway to recovery for individuals experiencing substance use disorder; and

WHEREAS, The City of Seattle intends to impose the maximum local sales and use tax authorized under

ESHB 2015; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that The City of Seattle is in compliance with and meets all requirements contained in RCW 43.101.540 and RCW 82.14.345(c).

Section 2. A new Section 5.60.029 is added to the Seattle Municipal Code as follows:

5.60.029 Imposition of sales and use tax for criminal justice purposes

A. There is imposed a sales and use tax as authorized by RCW 82.14.345, upon every taxable event, as defined in chapter 82.14 RCW, occurring in Seattle. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to chapter 82.08 and 82.12 RCW.

B. The rate of the tax imposed by this Section 5.60.029 shall be 0.1 percent of the selling price or value of the article used.

C. The City may use the moneys imposed under this Section 5.60.029 for criminal justice purposes as defined by RCW 82.14.345.

Section 3. Sections 5.60.030 and 5.60.040 of the Seattle Municipal Code, last amended by Ordinance 125887, are renumbered and amended as follows:

~~((5.60.030))~~ 5.60.065 Administration ~~((and collection of tax))~~

A. The administration and collection of the taxes imposed by this Chapter 5.60 shall be in accordance with the provisions of RCW 82.14.050 ~~((and Chapter 338, Laws of 2019))~~, RCW 82.14.345, and RCW 82.14.540.

~~((5.60.040 Consent to inspection of records.))~~

B. The City of Seattle ~~((hereby))~~ consents to the inspection of such records as are necessary to qualify the City for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330.

Section 4. Section 5.60.050 of the Seattle Municipal Code, enacted by Ordinance 110877, is repealed:

~~((5.60.050 Authorizing execution of contract for administration.~~

~~The Mayor is hereby authorized to enter into a contract with the Department of Revenue for the administration of this tax.))~~

Section 5. Section 5.60.060 of the Seattle Municipal Code, enacted by Ordinance 110877, is repealed:

~~((5.60.060 Special initiative.~~

~~The ordinance codified in this chapter shall be subject to a special initiative as contemplated by Section 19, Chapter 49, Laws of 1982, First Extraordinary Session, and Article IV, Section 1 of the City Charter.))~~

Section 6. The proceeds of the sales and use tax will continue to be deposited into the City's General Fund. The increases in revenues due to the sales and use tax for criminal justice purposes authorized in Section 2 of this ordinance shall pay for programs or activities with "criminal justice purposes," as defined by Chapter 350, Laws of 2025, in the following program areas:

- A. Investments in the treatment of substance abuse disorders.
- B. Costs related to the staffing and operation of diversified response programs.
- C. Investments in diversion programs and enhanced shelter programs for individuals with criminal legal system involvement.
- D. Costs related to first responder staffing.

Section 7. The Finance Director is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this ordinance and to execute, for and on behalf of The City of Seattle, any necessary agreement with the Department of Revenue for the collection and administration of the tax enacted by this ordinance.

Section 8. Any notice given or agreement executed by the Finance Director as authorized by Section 7 of this ordinance prior to the effective date of this ordinance is ratified and confirmed.

Section 9. Sections 2 through 5 of this ordinance shall take effect on January 1, 2026.

Section 10. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the _____ day of _____, 2025, and signed by
me in open session in authentication of its passage this _____ day of _____, 2025.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

(Seal)

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Mayor's Office	Sarah Smith	Adam Schaefer

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to taxation; imposing a local sales and use tax to fund investments in criminal justice; repealing obsolete sales and use tax provisions; adding a new Section 5.60.029 to the Seattle Municipal Code; renumbering Sections 5.60.030 and 5.60.040 of the Seattle Municipal Code as Section 5.60.065 and further amending the section; repealing Section 5.60.050 and 5.60.060 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation increases the local sales and use tax in Seattle by 0.1%, as authorized by newly adopted state law.

During the 2025 session, the Washington state legislature adopted Engrossed Substitute House Bill 2015 (Chapter 350, Laws of 2025), which authorizes cities and counties in Washington to raise local sales and use tax by 0.1% to fund investments in criminal justice.

This bill allows Seattle to begin charging and collecting this tax on January 1, 2026. The proceeds from this tax increase, currently estimated to be approximately \$38.9 million in 2026, must be spent for criminal justice purposes under the authorizing statute. This legislation specifically allows the proceeds to be spent on:

- A. Investments in the treatment of substance abuse disorders.
- B. Costs related to the staffing and operation of diversified response programs.
- C. Investments in diversion programs and enhanced shelter programs for individuals with criminal legal system involvement; and
- D. Costs related to first responder staffing.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☒ Yes ☐ No

Expenditure Change (\$);	2025	2026 est.	2027 est.	2028 est.	2029 est.
General Fund		\$38,900,000	\$39,600,000	\$41,100,000	\$42,900,000
Expenditure Change (\$);	2025	2026 est.	2027 est.	2028 est.	2029 est.
Other Funds					

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.
Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

Appropriations Notes: The increased sales tax takes effect in 2026; appropriations backed by the increased revenues will be contained in the 2026 Proposed Budget.

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2025 Revenue	2026 Estimated Revenue
General Fund (00100)		0.1% City criminal justice sales and use tax		\$38,900,000
TOTAL				\$38,900,000

Revenue/Reimbursement Notes:

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.

The City would not realize the increased revenue allowed under this Law unless it is adopted prior to June 20, 2028.

Please describe how this legislation may affect any City departments other than the originating department.

The proceeds from the tax increase are eligible be used to fund criminal justice investments in various departments.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No.

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

No.

c. Does this legislation affect a piece of property?

No.

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

N/A

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

N/A

iii. What is the Language Access Plan for any communications to the public?

N/A

e. Climate Change Implications

- i. **Emissions:** How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.
N/A
 - ii. **Resiliency:** Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.
N/A
- f. **If this legislation includes a new initiative or a major programmatic expansion:** What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?
N/A
- g. **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**
No.

5. ATTACHMENTS

Summary Attachments: None.

Public Safety Sales Tax

Andrew Myerberg, Chief of Staff
Natalie Walton-Anderson, Chief Public Safety Officer
Sarah Smith, Deputy Chief Public Safety Officer
Dan Eder, City Budget Director



Background



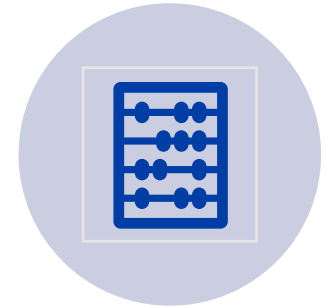
LEGISLATURE AUTHORIZED
JURISDICTIONS TO ADOPT A
0.1% SALES TAX.



REQUIRES COMPLIANCE
WITH NUMBER OF POLICE
REFORM AND
ACCOUNTABILITY
MEASURES



ESTIMATED TO GENERATE
\$39 MILLION OF REVENUE
IN 2026, AND CITY HAS
ACCESS TO \$100M IN STATE
GRANTS IN 2026



PROCEEDS MUST BE USED
FOR “CRIMINAL JUSTICE
PURPOSES” UNDER STATE
LAW

Resolution

In July, Council President Nelson sponsored, and the Full Council unanimously adopted, Resolution 32174, which has two sections:

- 1. The City Council resolved, as part of the 2026 budget process, to consider legislation increasing the sales tax by 0.1% for criminal justice purposes, as recently authorized by the State Legislature.**

➤ *The Mayor formally transmitted legislation to the Council for consideration on September 10, ahead of the rest of the budget.*

Resolution: Section 2

2. That up to 25% of revenues should be used for addiction, recovery, and diversion services, as outlined in Section 2:

“The investments should be aimed at creating a pathway to recovery for individuals experiencing chronic homelessness and individuals diverted from the criminal legal system, including:

- A. Expand access to on-demand residential and intensive outpatient substance use disorder treatment...;
- B. Enhance access to recovery housing, as consistent with the clinically proven Continuum of Care model...;
- C. Ensure capacity for low-barrier shelter, case management, aftercare, and legal coordination for people living unsheltered...;
- D. Coordinate with King County to increase the number of Designated Crisis Responders (DCRs) operating within Seattle ...;
- E. Innovative approaches to addressing Stimulant Use Disorder and expanding the provision of long-lasting buprenorphine...;
- F. Enhance access to job training and job placement services for residents of transitional and permanent supportive housing;
- G. Stabilizing diversion services such as Law Enforcement Assisted Diversion (LEAD) long-term case management capacity...; and
- H. Capital investments to support the facilities where treatment services are provided...”

➤ *The Mayor's Proposed budget deploys **more than 30%** of projected revenues in the investment areas listed in Section 2 of the Resolution.*

Holistic Approach to Safety

This represents our comprehensive approach to investing in both public safety and public health as two sides of the same coin, interconnected and not in conflict.



Mayor's Spending Overview

Utilizing the 0.1% Public Safety Sales Tax, the Mayor's proposed budget funds:

- **Support for an expansion of diversified response programs**
 - \$6.9 million – Double CARE Crisis Responders
 - \$2.6 million – Add Additional 9-1-1 Call-Takers
 - \$15 million – Stabilize Ongoing CARE Operations
- **Increased first responder staffing**
 - \$2.1 million – 20 Additional Seattle Fire Department Recruits
- **Treatment and diversion programs for substance use disorders**
 - \$7.4 million – Expand SFD Post-Overdose Team, DESC POD Program, and Add Community Treatment Beds and Staffing
 - \$5 million – Bolster LEAD Diversion Program Capacity



Investments in CARE & First Responders

September 25, 2025

Seattle Mayor's Office



City of Seattle **57**

CARE Department: Crisis Response

- CARE Community Crisis Responders have responded to **over 6,000 events** since Fall 2023 such as helping people in crisis and referring people to services.
- This investment of **\$6.9 million** will double the size of the CARE team (24 CCR to 48 CCRs, 6 supervisors, 1 manager) and doubling hours of operations, citywide.
- Our objective for CARE in 2026 is for responders to be directly dispatched to help people in need with appropriate and safe low-acuity crisis calls throughout Seattle.



CARE Department: 9-1-1 Call Center

CARE is the primary 9-1-1 call center in Seattle, operates 24/7, 365 days a year. In 2024, they handled **over 890,000** calls.

This proposal adds:

- **\$2.6 million** for 12 additional 9-1-1 call takers, 3 training/quality staff, and 3 business support staff.
- **\$15 million** to provide ongoing, stable funding for CARE.



Fire Recruits

SFD has a strong record of fire prevention resulting in fewer fires than the **national average** and of other cities with similar populations.

This proposal adds **\$2 million** in funding for hiring and training 20 additional recruits in 2026, bringing the total funded recruits to 100.



Investments in Substance Use Programming

September 25, 2025

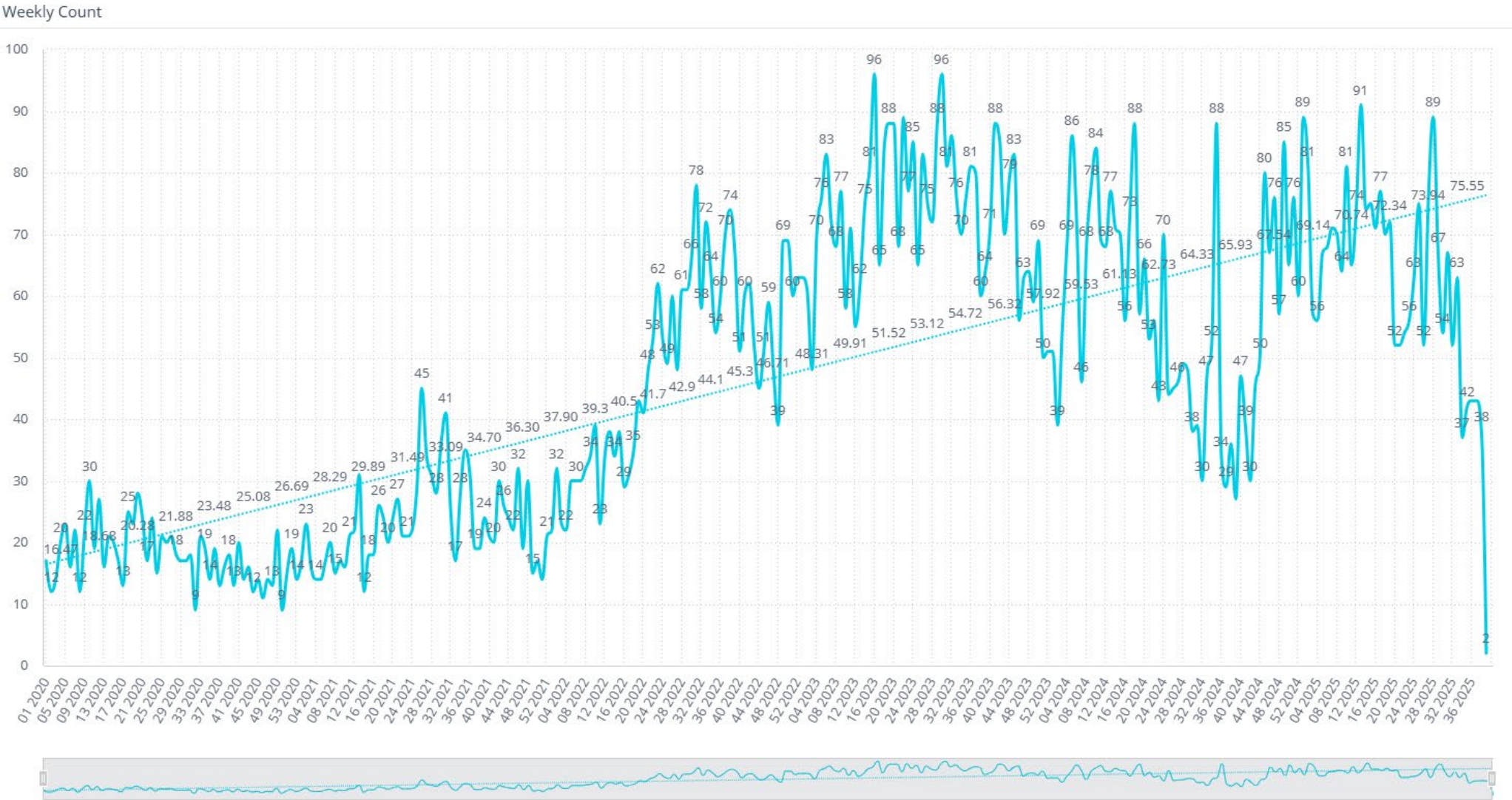
Seattle Mayor's Office



City of Seattle **61**

Opioid Overdose In Seattle:

Weekly probable opioid overdoses, all SFD. Source: ESO Records



SFD Post Overdose Team (H99)

With this proposal we are investing **\$1.5 million** in the Seattle Fire Department's Post Overdose Team to expand service to 7 days a week.

This team originally launched in July 2023 with the goal of rapidly responding to overdoses in the City and connecting individuals with necessary referrals.

This team has responded to:

- 1,400 overdose responses, 738 non-duplicated clients
- 250 follow-up visits
- EMTs began giving Bupe in November 2024 – the 1st in USA





SFD + ORCA - An Overdose Care Ecosystem



DE2C

H99

- Real-time OD response
- Rapport building, warm handoff
- ED diversion
- Field bupe
- ORCA/clinic/crisis center transport
- SFD liaisons

H98/POD

- System navigation
- Short-term case management
- Harm reduction / prevention
- Primary care connections
- Inpatient referrals
- Field-based outreach

DESC Orca

- Post-OD stabilization
Bupe/ methadone initiation
- Long-Acting Induction starts (in ORCA and field)
- 24-hour monitoring/eval
- Resource connections, discharge planning
- Peer services



Treatment

- **\$1.2 million** to expand the Downtown Emergency Service Center (DESC)'s **ORCA Patient Outreach Division (POD)**. This investment will grow the capacity of Registered Nurses providing critical engagement and medication services for people with opioid use disorders in Permanent Supportive Housing and shelters throughout Seattle.
- **\$2.84 million** to be used for a competitive selection for **detox and/or inpatient treatment bed/programs** in 2026.
- **\$1.8 million** supports the reopening of the Seattle Indian Health Board's **Thunderbird Treatment Center**, a 92-bed residential treatment facility offering expanded behavioral health services, including dedicated beds for pregnant and parenting adults.



Treatment / Diversion - LEAD



After losses of state and federal funding, this proposal invests an additional **\$5 million** of on-going funds to the LEAD program budget to maintain critical capacity needed to help divert people from the criminal legal system and help them access services to improve safety; this brings the total LEAD investment to nearly **\$14 million** in 2026.

Long-term case management for LEAD clients

- Addressing criminal legal involvement and other systemic involvement
- Housing navigation
- Overall health

Questions?

For full detail, see the Mayor's Proposed Budget at seattle.gov/budget



SEATTLE CITY COUNCIL
CENTRAL STAFF

Public Safety Sales Tax: Policy Considerations

Ben Noble and Tom Mikesell, Central Staff

SELECT BUDGET COMMITTEE
SEPTEMBER 25, 2026

Background

Chapter 350, Laws of 2025 (effective July 27, 2025)

- Provides for a 0.1% councilmanic sales tax for public safety purposes
- Would generate \$39M in 2026; full amount is allocated in Mayor's Proposed Budget
- Seattle cannot create its own deductions, exemptions or credits against this tax
- Due to Department of Revenue implementation deadlines, tax must be adopted by October 15th to receive a full year's revenue in 2026. A Select Budget Committee meeting has been scheduled for October 8th, for a possible vote, and the Full Council is scheduled to meet on October 15th.

Policy Considerations (1 of 3)

1. Sales taxes are regressive, meaning their impacts are larger on those with lower incomes:
 - Current 2025 tax rate on purchases in Seattle is 10.35%. The 2026 tax rate on most purchases would be 10.55% with the King County increase, and this increase (most food bought from grocery stores for consumption at home is exempt).
 - Would add \$250 to a \$25,000 car purchase, for example.
 - Current economic environment indicates high inflation will continue, with the full impact from tariffs still uncertain.

Policy Considerations (2 of 3)

2. Delaying adoption to coincide with final Council action on the budget would reduce 2026 revenue by \$9M (1st quarter revenue) based on Forecast Office estimates
3. October revenue forecast risk:
 - National jobs data has shown considerable weakness since the August Forecast.
 - The balance of uncertainty weighs towards a revenue forecast reduction in October.

Policy Considerations (2 of 3)

4. Updated General Fund Financial Plan shows a \$140 million deficit beginning in 2027, even after assuming passage of both the Business and Occupations Tax restructure authorized and the new public safety sales tax.
5. So, the projected deficit remains, and at least two of the available revenue options will no longer remain as potential “solutions”.
6. Note that the State authorizing legislation does not include a non-supplanting clause, meaning that revenues from this new tax authority can be used for existing public safety expenditures. In the 2026 Proposed Budget, approximately \$25 million of the revenue is dedicated to new spending, rather than being used to mitigate the deficit.

Questions?