

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
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### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to regular property taxes; requesting that a special election be held concurrent with the November 4, 2025 general election for submission to the qualified electors of the City, a proposition to lift the limit on regular property taxes under chapter 84.55 RCW and to authorize the City to levy additional taxes for up to six years for the purpose of providing education support services designed to improve access to early learning, including childcare and preschool; academic, health, and safety supports for K-12 students; and college and career pathways for Seattle students; applying the exemption for low income seniors, disabled veterans, and others authorized by RCW 84.36.381; authorizing a creation of a designated fund; directing the application of levy proceeds; establishing eligibility requirements for partners; establishing accountability and reporting structures; requiring a forthcoming Implementation and Evaluation Plan; proposing a ballot title; authorizing the implementation of agreements for this levy lid lift which will be commonly known as the Families, Education, Preschool, and Promise Levy; and ratifying and confirming certain prior acts.

#### **Summary and Background of the Legislation:**

The proposed ordinance would submit a \$1.2542 billion, six-year Families, Education, Preschool, and Promise (FEPP) Levy to Seattle voters for approval in November 2025. The proposed Levy would be raised under the provisions of RCW 84.55.050, which allows a city to obtain voter approval to exceed the “lid” on regular property taxes for any purposes.

The Mayor’s FEPP Levy proposal is projected to invest \$1.326 billion for six years beginning in 2026. Of that amount, only \$1.2542 billion will be levied as there exists other funding sources which offset costs (Summary Attachment 1). The levy would have an average annual property tax impact of \$0.61 per \$1,000 of assessed value and cost the median assessed valued residence of \$1,079,553 approximately \$654 per year (Summary Attachment 2).

The 2025 FEPP Levy will invest in Seattle’s children, youth, and families to increase affordability of and access to childcare and preschool; academic, health, and safety supports for K-12 students, including expanded learning opportunities; comprehensive support services; and college and career pathways. Signature investments include the Child Care Assistance Program, Seattle Preschool Program, School Based Health Centers, and the Seattle Promise program. Investments in K-12 student academic, out-of-school time, and safety supports are also funded. Together, these investments help ensure every child has the resources to be ready to start, ready to learn, and ready to launch.

This continuum of investments is comprised of four strategies: Early Childhood, K-12 Education Supports, K-12 Health & Safety, and College and Career.

- 1) **Early Childhood.** The proposed FEPP levy invests \$658.2 million to sustain and expand supports for childcare access through the Child Care Assistance Program (CCAP) and kindergarten readiness through the Seattle Preschool Program (SPP). This investment continues the City’s commitment to accelerate early childhood development and readiness to start school strong.
- 2) **K-12 Education Supports:** The proposed FEPP Levy invests \$271.6 million to maintain supports for K-12 students. This investment continues the City’s commitment to accelerate student learning and promote college and career readiness.
- 3) **K-12 Health & Safety:** The City recognizes the importance of accessible healthcare for our students and will invest \$235.1 million to continue and expand services. The K-12 Health & Safety investment area includes funding for School Based Health Centers, strategies to promote positive youth mental health outcomes, and student safety supports.
- 4) **College and Career:** The proposed FEPP Levy invests \$82.4 million to sustain and expand Seattle Promise and career pathway programs. The Seattle Promise investment continues the City’s commitment to postsecondary access and affordability. Career pathways investments include funding for the Path to UW program and programs to increase local qualified educators and skilled trades/technical workers.
- 5) **Leadership & Administration:** The proposed FEPP levy includes \$78.6 million to maintain department administration and operations.

**Background:** Seattle voters have approved six levies dating back to 1990, all with consistent focus on early childhood development and K-12 student academic, out-of-school time, and health supports. The 2014 SPP Levy established the City’s preschool program, whereas the 2018 FEPP Levy established the Seattle Promise program and formally expanded DEEL’s scope into postsecondary and career investments.

Prior City of Seattle child and education levies had the following amounts and duration:

- 1990: \$69.2 million (seven-year)
- 1997: \$69.0 million (seven-year)
- 2004: \$116.8 million (seven-year)
- 2011: \$231.5 million (seven-year)
- 2014: \$58 million (four-year)
- 2018: \$619 million (seven-year)

#### Background on levy lid lifts

Per RCW 84.55.010 the Council may not increase regular property taxes above 1% without a vote of the people. RCW 84.55.050 allows a city to place on the ballot and obtain voter approval to exceed this 1% “lid” on regular property taxes for any purposes and may limit the purpose, amount and duration of any such levy. It further, in accordance with RCW 84.36.381, allows the Council to identify in the authorizing ordinance of a levy lid lift that the levy will be subject to the low-income senior, disabled retiree and disabled veteran property tax exemption.

## 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?

No. If the levy is adopted, the passage of the levy will result in an increase in revenues and expenditures for the next six years; these costs are summarized in the Fiscal Note Attachments section below.

☐ Yes ☒ No

See Summary Attachment 1 – FEPP Levy Projected Expenditures and Revenues.

### 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.

If this legislation and ballot measure do not pass, the City will lose its funding source for a number of critical investments: 1) childcare subsidies for low- and medium-income families with children ages 0-12; 2) Seattle Preschool Program access for three- and four-year-olds; 3) School Based Health Centers which provide critical physical, mental, and oral health services; 4) grants to SPS and community-based organizations to provide youth access to academic and out-of-school time supports; and 5) Seattle Promise and educator career investments.

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

Proposed FEPP Levy proceeds will be administered by DEEL, Seattle Parks and Recreation (SPR), and the Human Services Department (HSD) with labor and non-labor impacts to DEEL, HSD, and SPR.

## 4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

The City Council has established a Select Committee to review the expiring 2018 Families Education Preschool and Promise Levy, investments made and outcomes, and this proposal

for a levy renewal. The committee has scheduled a Public Hearing at 5 p.m. on May 12, 2025.

**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.**

The proposed FEPP Levy intends to help ensure every child has the resources to be ready to start, ready to learn, and ready to launch, so that every child can succeed. Future legislation, including the Implementation and Evaluation Plan, will detail strategies to prioritize resources to children, youth, and families in need of support to meet Levy outcomes. Development of new and expanded investment strategies may utilize the Race and Social Justice Initiative Racial Equity Toolkit.

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

DEEL submits an annual report to the FEPP Levy Oversight Committee that monitors progress toward outcomes for the current 2018 FEPP Levy. This report includes disaggregated participant-level data for headline indicators. The FEPP Levy Year 4 (School Year 2022-2023) report was presented to the Libraries, Education, and Neighborhoods Committee on May 23, 2024. This report indicates that among children and youth participating in FEPP-funded services, opportunity gaps persist across all FEPP headline indicators: kindergarten readiness, K-12 academic achievement, and post-secondary completion. DEEL regularly reviews population-wide performance on the key headline indicators to demonstrate need for continued City investment in education support services.

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

In accordance with Executive Order 2017-10, DEEL partners with the Office of Immigrant and Refugee Affairs to ensure equitable access to information regarding department activities and services. Additional details regarding language access will be included in subsequent annual Language Access Plans submitted to OIRA.

**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.**  
No.
- 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?**  
The proposed FEPP Levy includes programmatic expansions as well as new investments. Future legislation, including an Implementation and Evaluation Plan, will detail long-term and measurable goals for all investments concurrent with request for budget appropriation.

**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:

Summary Attachment 1 – FEPP Levy Projected Expenditures and Revenues  
Summary Attachment 2 – Levy Rate and Annual Cost to Homeowner