



SEATTLE CITY COUNCIL
CENTRAL STAFF

CB 121029 - 2024 Carryforward & CB 121042 - PET Transfer

TOM MIKESELL, ANALYST/BEN NOBLE, DIRECTOR
SELECT BUDGET COMMITTEE
JULY 30, 2025

Overview

- Background - Budget Carryforwards
- CB 121029 -2024 Carryforwards
- Policy Consideration
- CB 121042 - PET Transfer
- Next Steps

Background - Budget Carryforwards (1 of 2)

What are carryforward appropriations?

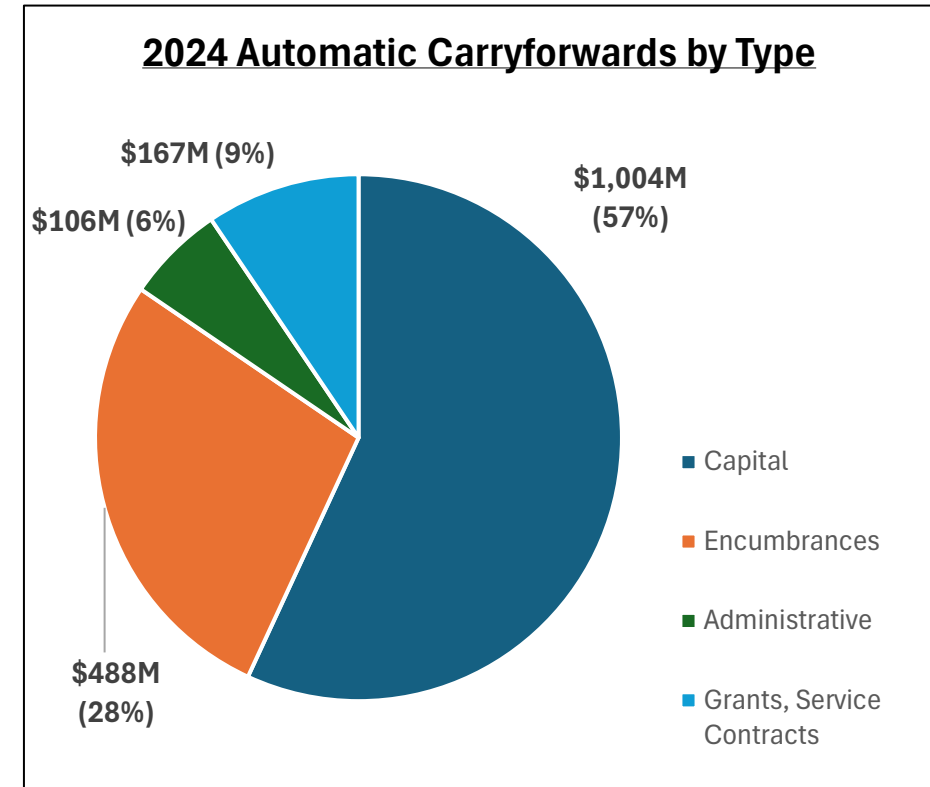
- To complete prior year commitments, increase the current year's budget to provide budget authority
- Typically represent one of the first budget adjustments in a year
- Funded by revenue received and/or anticipated (e.g., grants) in the prior year
- Can be either automatic or legislated

Background - Budget Carryforwards (2 of 2)

Automatic Carryforwards

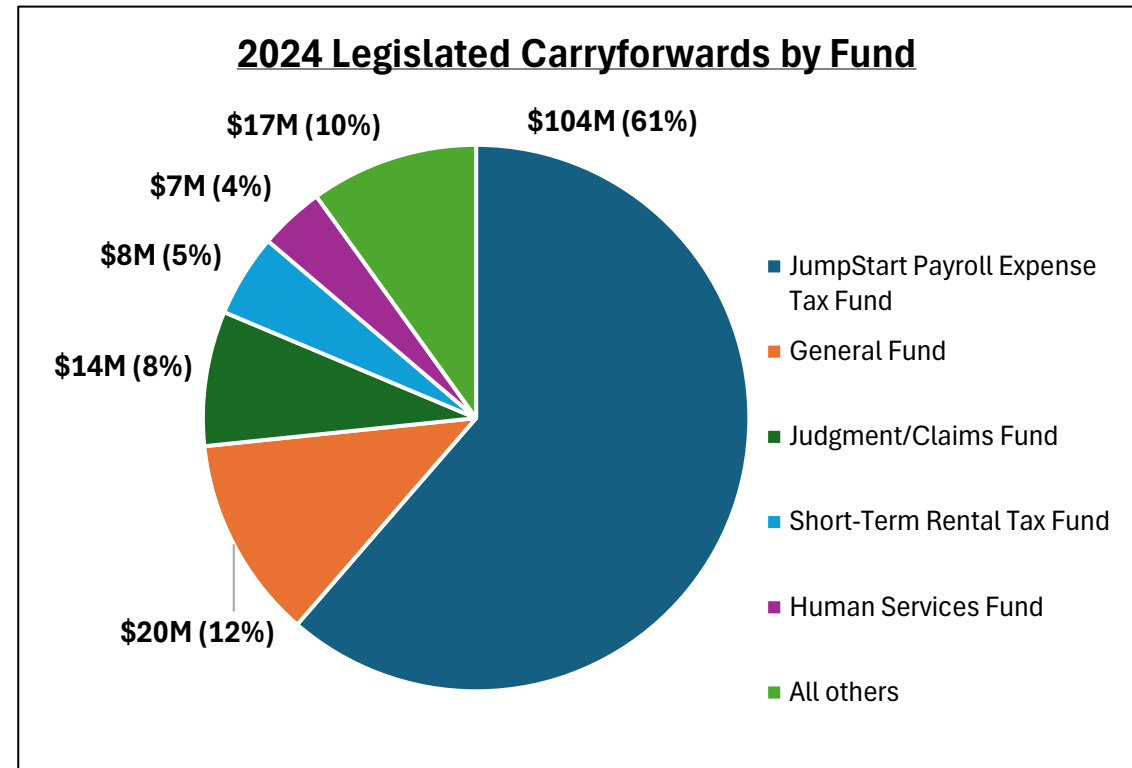
- Capital – Non-lapsing per RCW 35.32A.080
- Grants and Service Contracts - Restricted by agreements with third parties
- Administrative – Non-lapsing appropriations granted in legislation
- Encumbrances – Budget authority to pay invoices

Legislated Carryforwards - Requests to reappropriate funds to continue unfinished prior year programs



CB 121029 – 2024 Carryforward (1 of 5)

- Would increase 2025 appropriations by \$169M across all City funds
- Much of the request is for items with a significant public process and/or capital component (e.g., housing) which can delay expenditure of funds
- All requests are backed by monies received in prior years. However, in some cases appropriations are being added to funds that were adversely impacted in the April revenue forecast
- 90% of the increase is in five funds



CB 121029 – 2024 Carryforward (2 of 5)

Short Term Rental Tax Fund (\$8M request)

- **Office of Planning and Community Development:** \$8M for Equitable Development Initiative (EDI) project funding that has been awarded to organizations but have not been contracted. Part of a larger EDI carryforward across that totals \$52M across all funds

Judgement and Claims Fund (\$14M request)

- **Department of Finance and Administrative Services:** \$14M increase for potential claims from cases that could be resolved in 2025

CB 121029 – 2024 Carryforward (3 of 5)

General Fund (\$20M request)

- **Office of Planning and Community Development:** \$11M for EDI project funding that has been awarded to organizations but has not been contracted. Part of a larger EDI carryforward across that totals \$52M across all City funds
- **Community Assisted Response and Engagement:** \$1.3M for 911 call data cross-system search project which began in 2024
- **Seattle Police Department:** \$1.2M for project to establish closed circuit television (CCTV) Crime Prevention pilot program. The project was initiated in 2024, however, surveillance ordinance process delayed the purchase of the CCTV equipment and related software

CB 121029 – 2024 Carryforward (4 of 5)

JumpStart Payroll Expense Tax Fund (\$104M request)

- **Office of Housing:** \$61M for multifamily housing capital funding that has been awarded to providers, but has not yet been encumbered
- **Office of Planning and Community Development:** \$33M for EDI project funding that has been awarded to organizations but have not been contracted. Part of a larger EDI carryforward across that totals \$52M across all funds
- **Human Services Department:** \$5M for the Rainier Valley Early Learning Center, which was added in 2023 and not yet implemented due to project delays.

CB 121029 – 2024 Carryforward (5 of 5)

Other notable increases:

- **Human Services Fund:** \$6.5M increase in the Human Services Department for childcare facility development projects backed by Childcare Bonus revenue
- **Arts & Culture Fund:** \$1.5M increase to the Office of Arts and Culture for various works in progress

Policy Consideration

While all requests are ostensibly backed by prior year balances, in some cases appropriation increases are being requested for funds that lost 2025 revenue in the April forecast, including:

- Arts and Culture Fund: \$1M Admissions Tax decrease
 - Sweetened Beverage Tax Fund: \$1.5M SBT decrease
 - JumpStart Payroll Expense Tax (JSF): \$81M decrease
- For these funds, adding carryforward requests to existing 2025 appropriations results in appropriation authority that exceeds available resources in 2025 (e.g., JSF) and/or will require using cash balances that had been used to balance the 2026 Endorsed Budget (Arts Fund, SBT, JSF).
 - Put another way, the appropriation increase would put the budget out of balance in 2025, and would require the Executive to underspend appropriations
 - CB121042 –PET Transfer ORD would resolve the 2025 balancing issue in JSF

CB 121042 - PET Transfer ORD

- Would reduce the transfer from the JumpStart Fund to the GF by \$32M in 2025, from \$314M to \$282M, resolving the 2025 unbalanced status of the JumpStart Fund after applying carryforwards
- Would require additional \$32M of underspend in the GF to maintain balance between revenues and expenditures in the biennium
- Given April forecast downgrade, JSF would still require underspend in 2025 to avoid drawing on resources intended for 2026
- August forecast will revise the resources needs for all funds, and will establish the resource parameters for the final 2025 adjustments in the context of the Mayor's Proposed 2026 Budget

Next Steps

- **August 5:** Full Council -Final votes on CB 121029 and CB121042
- **Late September: Mayor submits Proposed 2026 Budget**

Will include year end supplemental and grants acceptances as final measure to align appropriations with available resources.

Questions?