



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Development of the 2025-2026 Biennial Budget

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FEBRUARY 6, 2024

# Outline

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- Developing the City Budget: Seattle's process, typical timelines and decision points
- Role of both the Finance and Select Budget Committees
- Work underway to support Council's budget review

# Seattle's Biennial Budget Process

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Guided by state statute, and adopted policy, the City follows a modified biennial process:

## **In the fall of even-numbered years, the Council:**

- Adopts a budget for the first year of the biennium (Year 1) by ordinance; and
- Endorses a budget for the second year (Year 2) by resolution

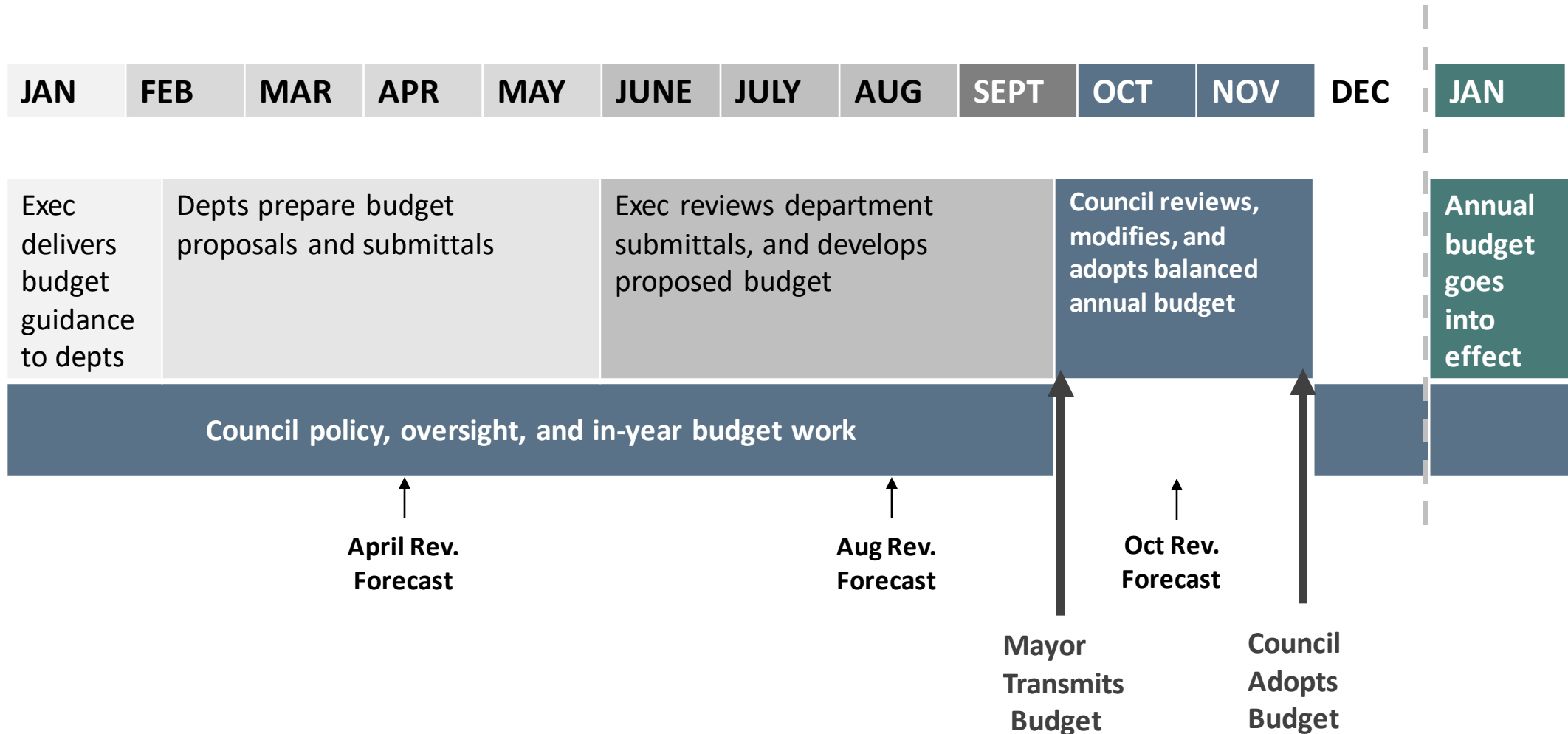
In 2024, the Mayor will propose a biennial budget for 2025-2026 biennium, and the Council will adopt a budget for 2025 and endorse a budget for 2026.

## **In the fall of the odd-numbered year (e.g., Fall 2025):**

- Mayor and Council start with the endorsed budget as the assumed base; and
- Make any changes necessary to address changed conditions that were not foreseen in Year 1

This approach is designed to provide two-years of predictable funding for departments and provide a balance between time the Mayor and Council spend on budget review versus other oversight and policy development roles.

# Typical Annual Development of City Budget



# Council's Budget Process: Sept – Nov

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<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>
Week 0	Weeks 1-4	Weeks 4-5	Weeks 5-6	Week 7	Week 8

Budget transmitted CBO Overview	Budget Hearings: <ul style="list-style-type: none"> <li>• Dept. Presentations</li> <li>• CS Issue Identification</li> <li>• CMs discuss priorities and possible changes</li> </ul>	Preparation and presentation of Chair's balancing package* <i>Includes initial Council budget amendments and addresses any changes to the revenue forecast</i>	Councilmembers develop and discuss potential amendments	Committee Discussion and vote on budget amendments	Final Council Action
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**October Revenue Forecast**

# After Adoption, Budget Does Not Remain Static

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Council's oversight of the adopted budget continues throughout the year. Legislative action is needed to close-out the previous year budget, accept grants, modify appropriations to fund emerging needs, and address other unforeseen circumstances.

## Key Legislative Actions to Modify Current-year Budget:

- Q1: 1<sup>st</sup> Comprehensive Grant Acceptance and Appropriations Bill
- Q2: Annual Budget carryforward ORD
- Q3: Mid-year Supplemental Budget and Grant Ordinances (ORD)
- Q4: Year-end Supplemental Budget and Grant ORDs – considered during the annual budget adoption process

# Committees and the Budget

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## Finance Committee

- Only standing committee established by the City Charter ([Article IV, Section 5](#))
- Must include at least three members of the City Council
- Receives reports from departments on City finances and provides oversight of budget implementation and City's fiscal policy work
- Reviews legislation that modifies current year budget, unless these bills are referred to the Select Budget Committee

## Select Budget Committee

- Purpose established in Council rules to review, revise, and adopt the budget
- Established annually by the Council President
- Includes all councilmembers, chaired by Finance Committee chair
- Meetings not limited to budget deliberations in the fall, so all councilmembers can participate in budget review, discussion, and policy making throughout the year.

# Committees and the Budget (cont.)

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## Council's Standing Committees

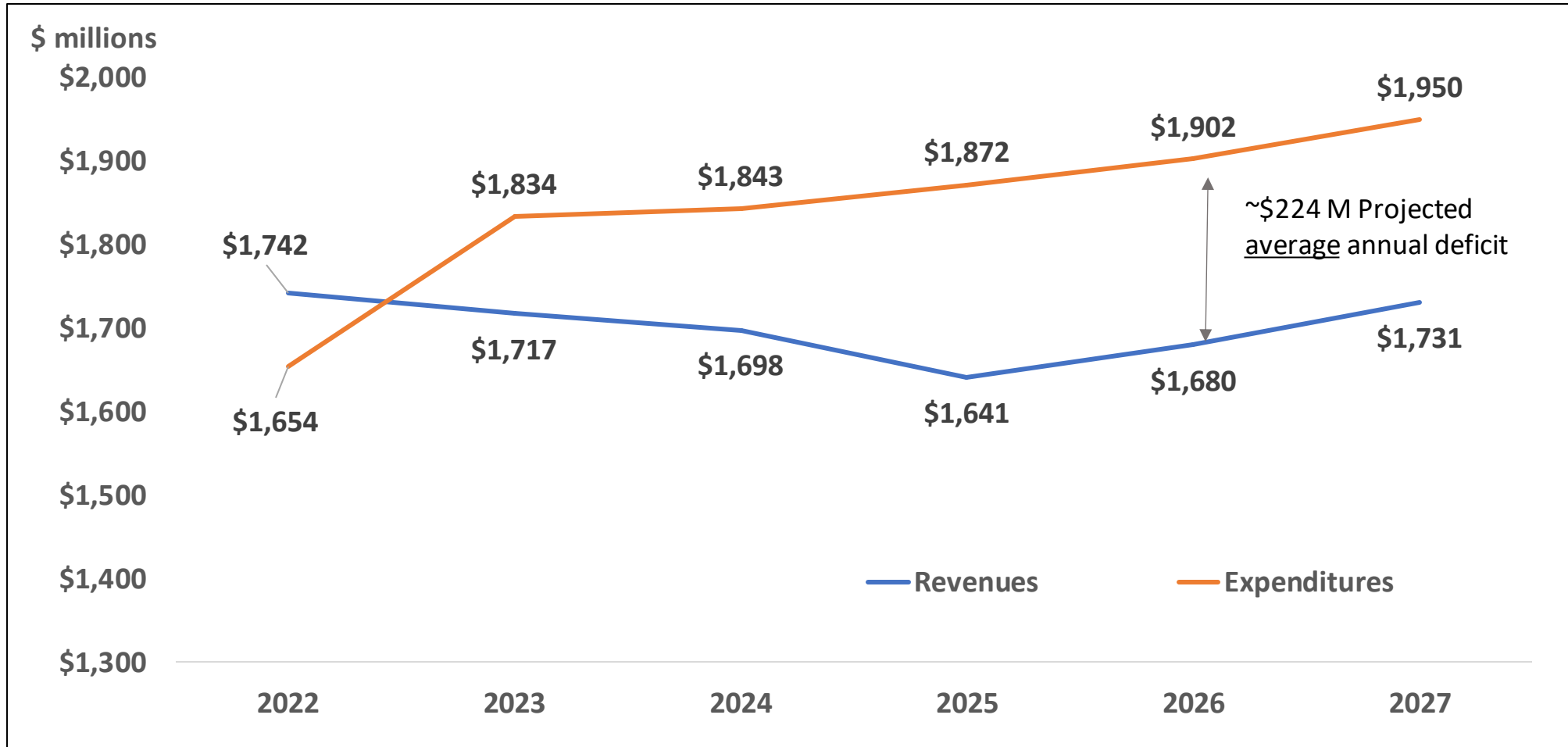
- Each standing committee has oversight of one or more departments
- Throughout the year, meetings of these committees can include briefings that focus on the budget of each of these departments.

## Economic and Revenue Forecast Council

- Oversees the City's Office of Economic and Revenue Forecasting and formally adopts each revenue forecast
- NOT a council committee; but rather includes two representatives each from Mayor and Council
- Office was created as an independent function to protect forecasts from any potential political influence and to ensure both branches would have equal access to forecast results



# This is not a typical year . . .



# Preparing for Budget Review: Work Underway

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1. ***Building an accessible summary of the Base Budget*** – with a focus on expenditures from General Fund and other general government revenues, because this is where the deficit exists.
2. ***Developing an assessment of how spending has increased in recent years*** - in which departments and for what purposes? Planning 2019 or 2020 as the base. Again, focus will be on General Fund and other general government revenues.
3. ***Documenting “how we got here”*** - in particular, how did the mismatch between ongoing revenues and ongoing expenditures develop in recent years? This will build on #1 and #2, but also focus on the revenue side of the equation and the use of one-time revenues to fund ongoing activities.
4. ***Exploring an opportunity to “benchmark” departmental spending*** – how does Seattle’s spending compare to other similar(?) cities. Not clear how much value this would actually provide.

In addition, Central Staff is in discussion with Chair Strauss, the Mayor’s Office, and the City Budget Office about the potential for Council and the Mayor’s Office to collaborate throughout 2024 on identifying specific strategies for closing the projected deficit.

# Questions

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