



SEATTLE CITY COUNCIL

Select Budget Committee

Agenda

Wednesday, October 15, 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

October 15, 2025 - 9:30 AM

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. Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will be broadcast via Seattle Channel.

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

Policy Considerations

Central Staff will present analyses related to aspects of the 2026 Proposed Budget, including how the proposed budget is balanced, and identify initial department-specific policy options for the Select Budget Committee's consideration.

Session I

If time permits during Session I, the Select Budget Committee may discuss Session II agenda items.

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. Introduction and Process Overview

Supporting
Documents: [Presentation](#)

Briefing and Discussion

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

2. Overview of 2026 Proposed Budget Adjustments

Supporting
Documents:

[Presentation](#)

[Central Staff Memo](#)

Briefing and Discussion

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

3. General Fund (GF) Balancing and Sustainability Analysis

Supporting
Documents:

[Presentation](#)

[Central Staff Memo](#)

Briefing and Discussion

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

Session II

If time permits during Session I, the Select Budget Committee may discuss Session II agenda items.

E. Items of Business**4. Seattle Department of Transportation (SDOT)**

Supporting
Documents:

[Presentation](#)

[Central Staff Memo](#)

Briefing and Discussion

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

5. Seattle Parks and Recreation (SPR)

Supporting
Documents:

[Presentation](#)

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Karina Bull, Traci Ratzliff, and Ben Noble, Director,
Council Central Staff

F. Adjournment



Legislation Text

File #: Inf 2752, **Version:** 1

Introduction and Process Overview

Seattle City Council 2025 Budget Process

Policy Considerations

Select Budget Committee | October 15, 2025

Ben Noble, Director

Calvin Chow, Lead Analyst

Fall 2025 Budget Calendar

Week 1 - 5

	Mon	Tue	Wed	Thu	Fri
Week 1	22 September Rosh Hashanah Begins	23 Mayor Transmits 2026 Proposed Budget Adjustments City Council 2 p.m.	24 Rosh Hashanah Ends	25  	26 
				CBO Overview & Department Presentations 2026 Proposed Budget Adjustments 9:30 a.m. each day	
Week 2	29 September 	30 	1 October Yom Kippur begins	2 Yom Kippur ends	3
	Department Presentations 2026 Proposed Budget Adjustments 9:30 a.m. each day				
Week 3	6 October	7  	8	9	10
		Public Hearing 1 p.m. Remote 5 p.m. In-person			
Week 4	13 October Indigenous Peoples' Day	14	15  	16 	17 
			Central Staff Presentation: Policy Considerations 9:30 a.m. each day		
Week 5	20 October 	21	22	23	24
	Revenue Forecast Update and Policy Considerations 2 p.m.	Initial CM Proposals Due @ Noon (2 co-sponsors req'd)			

Week 6 - 9

	Mon	Tue	Wed	Thu	Fri
Week 6	27 October	28  	29 	30 	31
		Discussion of Councilmember Budget Proposals 9:30 a.m. each day			
Week 7	3 November	4 Election day	5 	6  	7
			Chair's Balancing Package 9:30 a.m.	Public Hearing 1 p.m. Remote 5 p.m. In-person	CM Self-Balanced Amendments Due @ Noon
Week 8	10 November	11 Veterans Day	12	13	14  
					Committee Vote 9:30 a.m.
Week 9	17 November 	18	19	20 	21  
	Committee Vote 9:30 a.m.			Final Committee Vote 9:30 a.m.	Special City Council Meeting Final Action on Budget Time TBD
Week 10	24 November	25 General Election Certified	26	27 Thanksgiving Holiday	28 Thanksgiving Holiday

Step 2

Week 3-4

Central Staff Policy Considerations & Revenue Forecast Update

Central Staff Overview and Policy Considerations (Day 1 – Day 3)

- General overview of 2026 Proposed Budget and GF/PET balancing strategy
- Presentation of Central Staff analysis for select departments
- Papers for departments not presented will be attached to Day 3 agenda
- Opportunity for committee discussion, and to provide direction to staff on issues and amendments they are considering

Economic Revenue Forecast Update (Day 4)

- Presentation of updated Economic and Revenue Forecast (approved by the Forecast Council)
- Discussion of revenue update on budget balancing parameters

Step 2

Week 3-4

Policy Considerations & Revenue Forecast Update Schedule

	Wednesday, October 15	Thursday, October 16	Friday, October 17	Monday, October 20
Session I	Introduction & Overview	Office of Housing	Seattle Police Department	Revenue Forecast Council Meets <i>(Select Budget Committee will convene at 2 p.m.)</i>
	CS Proposed Budget Overview	Department of Education & Early Learning	Community Assisted Response & Engagement	
	GF Balancing Analysis / PET		Seattle Fire Department	
Session II	Seattle Dept. of Transportation	Office of Planning & Community Development	Human Services Department	Revenue Forecast Update Discussion
	Seattle Parks & Recreation	Seattle Department of Construction & Inspections		

Step 3

Week 5-6

Presentation of Councilmember Budget Proposals

Deadline for Initial CM Proposals: Tuesday, October 21 at Noon
Requires two co-sponsors for submittal.

Central Staff will prepare Council Budget Actions (CBAs) and Statement of Legislative Intent (SLIs) for committee discussion.

- Each submitted CM proposal will be discussed in committee
- CS will provide a summary description of the proposal
- CMs will provide the rationale for their proposals
- Additional CMs may wish to signal co-sponsorship (in open session) during committee

*Budget Chair will consider the discussed CM proposals
for inclusion in his **Chair's Balancing Package***

Context of the Proposed Budget

Economic Conditions

- Economic uncertainty abounds. Since the August forecast, the labor market has shown significant signs of cooling, both nationally and locally.
- Shutdown of the Federal government has compounded this uncertainty for the near-term because key economic data are not currently being published.
- Revenue Forecast Update to be provided next Monday (October 20th)

Budget Situation

- ~\$140M General Fund deficit projected for 2027.
- In the face of this projected deficit, Mayor has proposed a budget that would significantly expand General Fund spending and expand the City workforce in 2026.
- Unclear whether the initiatives proposed for 2026 can be sustained beyond next year. One-time funding is being used to initiate what are intended to be ongoing programs and commitments.
- While new revenue sources are proposed, including both the B&O ballot measure and the 0.1% sales tax for public safety, the projected General Fund deficit for 2027 and beyond has increased, not decreased.

On-going Policy Challenges (Unchanged from Last Year)

- ***Budget Sustainability***
- Homelessness
- Downtown Recovery
- Housing Affordability
- Public Safety



Legislation Text

File #: Inf 2756, **Version:** 1

Overview of 2026 Proposed Budget Adjustments

2026 Proposed Budget Overview

Citywide Summary

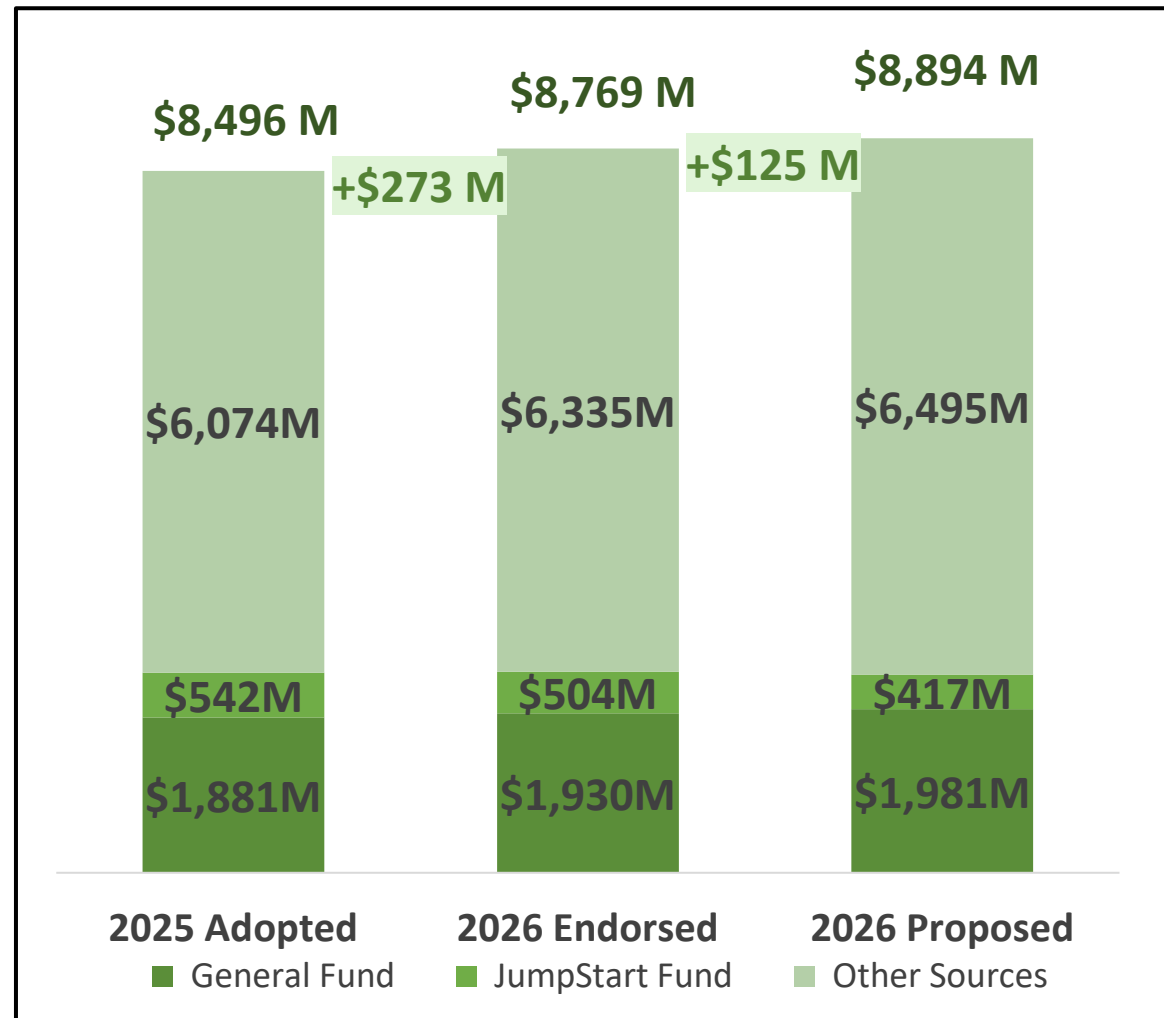
Select Budget Committee | October 15, 2025

Edin Sisic, Central Staff

Agenda

- Budget Snapshot
- Operating Adjustments
 - New Revenue Sources
 - FIFA Activities in the Proposed Budget
 - Graffiti Abatement Expansion
- Positions and Personnel Changes
- Proposed Capital Improvement Program (CIP) Adjustments

Budget Snapshot



Departments with significant Budget Increases:

- Department of Education & Early Learning (+\$76 million)
- Human Services Department (+\$45 million)
- Seattle Police Department (+\$21 million)

Revenue Changes:

- Education Levy Renewal (\$120 million)
- B&O Tax (\$81 million GF)
- Public Safety Sales Tax (\$39 million GF)

Significant New Revenue Sources

1. Proposed Education Levy Renewal (+\$120 million)
 - Frees up \$44.4 million of GF, JumpStart, and Sweetened Beverage Tax to support other priorities
2. Proposed Business & Occupation Tax Restructure (+\$81 million GF)
 - Provides a net \$51 million of GF backfill, and \$28 million to mitigate Federal funding reductions
3. Public Safety Tax Proceeds (+\$39 million GF)
 - Spending proposal includes \$24 million in new expenditures, and \$15 million of GF backfill that ultimately supports spending on other policy priorities

Significant New Cross-Departmental Spending Proposals

1. FIFA World Cup Host City Costs
2. Expansion of Graffiti Abatement Activities

FIFA World Cup Activities in the Proposed Budget

- The 2025-2026 Adopted budget included \$12.2 million of funding to support World Cup hosting activities in 2026.
- In August, City Council adopted [ORD 127265](#) to appropriate \$6.2 million for operating and capital expenditures.
- Proposed budget appropriates the remaining funds held in reserves, plus an additional \$1.6 million of REET funding. The 2026 appropriations total \$7.4 million.
- Other FIFA related appropriations will be included in a 2026 supplemental appropriations bill – informed by ongoing negotiations with the Local Organizing Committee.

FIFA World Cup Activities in the Proposed Budget (cont.)

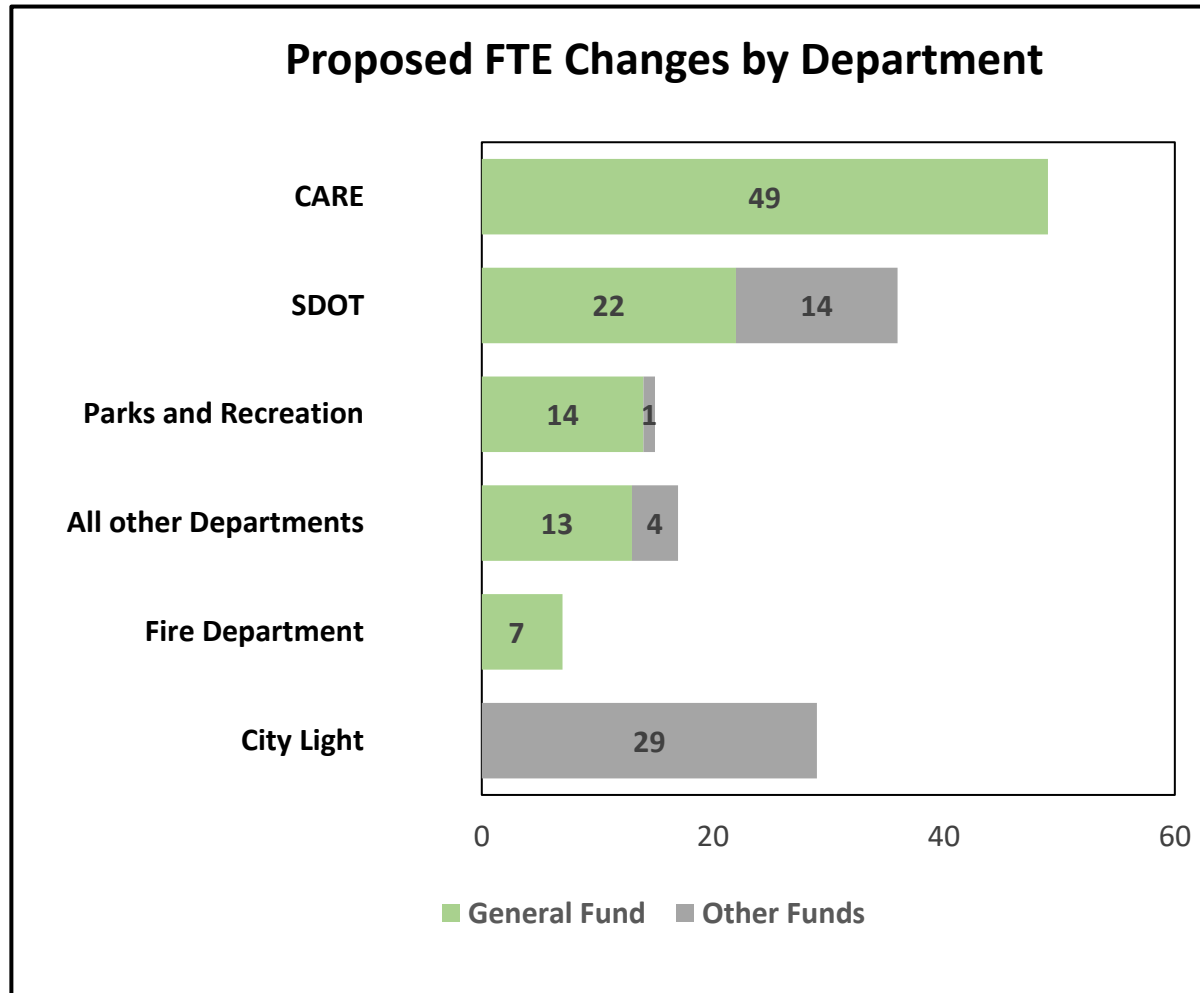
Department	Fund	Description	Amount
SDOT	JSF	Planning, cleaning, Street Use Division support, and emergency response functions.	\$1.8 M
SDOT	CRSU	ADA improvements and roadway paving improvements.	\$1.8 M
CEN	REET	Pedestrian Safety Barriers for campus locations.	\$1.6 M
SFD	JSF	Equipment and supplies (e.g., EMS tablets, firefighting foam and extinguishers); exercises and training (e.g., hazmat, incident command, communications, tabletop exercise).	\$1.5 M
SPD	JSF	Archer barriers, CCTV equipment at Lumen Field.	\$0.8 M
Total			\$7.4M

Graffiti Abatement Expansion

- “One Seattle Graffiti Plan” - Citywide initiative for graffiti removal, including targeted enforcement and assistance for impacted businesses, support for public art and volunteer clean-up efforts.
- The 2026 Proposed Budget adds \$2.1 million and 6 FTE, bringing the total Citywide expenditures for graffiti abatement to \$6.1 million and 22 FTE.
- Proposed budget also includes transfer of existing staff and funding from SPU to SPR. Details will be further discussed in the upcoming Seattle Parks and Recreation presentation.

Department	2026 Baseline	2026 Proposed Adjustments	Total Proposed Budget	FTE
Seattle Parks and Recreation	\$3.5M	\$1.3M	\$4.8M	16
Seattle Department of Transportation	-	\$1.2M	\$1.2M	5
Arts and Culture	-	\$0.2M	\$0.2M	1
Total	\$4.0M	\$2.1M	\$6.1M	22

Overview of Proposed Position Changes



**Excludes 2025 supplemental and stand-alone legislation.*

- 152 new FTE in the Proposed Adjustments
 - 105 GF and 48 Other Funds
- This does not include position changes authorized by supplemental budget legislation approved over the course of this year.

Overview of Changes in the Proposed Capital Improvement Program

- City adopts a 6-year CIP (2026-2031) and appropriates funding for the first year
- 2026 CIP totals \$1.6 billion Citywide (\$9.4 billion across the 6 years)
 - 70% is for utility projects (SPU and City Light)
 - 20% in the transportation portfolio (SDOT)
 - 10% spread across general government departments (Parks, FAS, Seattle Center, Public Library, and Seattle IT)
- 2026 Proposed CIP increases by 1 percent compared to Endorsed Budget
 - Primarily due to shifting \$27.2 million of LTGO bond funding for the redevelopment of Memorial Stadium from 2027 to 2026

Overview of Changes in the Proposed Capital Improvement Program (cont.)

Seattle Public Utilities

- Pipe Renewal Program and Sediment Remediation (Duwamish River).

Seattle City Light

- Georgetown Steam Plant Rehabilitation, Underground System Capacity Additions, emergent repairs at Skagit Facilities, Gorge Dam transformer upgrades at Boundary Dam.

Seattle Parks and Recreation

- Gas Works Park safety improvements, public restroom winterization related renovations, Leschi Moorage Improvements, the Green Lake Community Center and Evans Pool renovation projects.

Seattle Department of Transportation

- Right-of-way improvements in support of the FIFA World Cup, vehicle barriers at Pike Place Market, and additional Sound Transit 3 light rail extension project support.

Questions?

OVERVIEW OF 2026 PROPOSED BUDGET ADJUSTMENTS

2026 PROPOSED MIDBIENNIAL BUDGET ADJUSTMENTS

CENTRAL STAFF ANALYST: EDIN SISIC

The 2026 Proposed Budget Adjustments (“Proposed Adjustments”) is \$8.9 billion across all departments and funds. This represents an increase of \$125 million, or 1.4 percent, compared to the 2026 Endorsed Budget.

This Citywide summary describes high-level changes between the 2026 Endorsed and Proposed Budget Adjustments (“Proposed Adjustments”) and notes generally where there will be future decisions for the Council to consider about funding for programs and services during the year. More information about changes included in the 2026 Proposed Budget is provided in individual department Overview and Policy Considerations papers.

Operating Adjustments Overview

Chart 1: Citywide Summary – 2025-2026 Operating Budget Comparison by Fund

Fund	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
General Fund	\$1,880 M	\$1,930 M	2.6%	\$1,981 M	2.6%
JumpStart Fund	\$540 M	\$504 M	(6.5%)	\$416 M	(17.6%)
Other Sources	\$4,659 M	\$4,721 M	1.3%	\$4,864 M	3.0%
Total	\$7,079 M	\$7,155 M	1.1%	\$7,260 M	1.5%

New Revenue Sources

The 2026 Proposed Budget operating appropriations would increase by approximately \$106 million (1.5 percent) Citywide, compared to the 2026 Endorsed Budget. This increase is primarily driven by the addition of new revenue sources, including:

- **Proposed Families, Education, Preschool, and Promise (FEPP) Levy renewal** – Next month (November 2025), Seattle voters will have the opportunity to vote in support of a significantly expanded education levy. If approved, the new levy would increase the 2026 Proposed Budget appropriations by \$120 million because the Endorsed Budget does not reflect the proposed renewal of the Families, Education, Preschool and Promise (FEPP) Levy, and instead reflects only 6 months of levy funding from the 2018 FEPP Levy. The 2026 Proposed Budget assumes passage of the 2025 FEPP Levy ballot measure and reflects an increase of \$70.6 million compared to the 2025 Adopted Budget, a 63 percent increase.

The FEPP Levy is funded through a Citywide property tax which would increase the median annual cost for taxpayers by \$406 (approximately \$0.61 per \$1,000 assessed property value, a total of \$656 for a median-valued home).

The 2025 Adopted Budget included funding from the General Fund (GF), JumpStart Fund (JSF), and Sweetened Beverage Tax (SBT) Fund in 2025 for a variety of programs that were potentially eligible for FEPP Levy funding, if upon renewal the scope of the Levy was expanded to include these items. The Proposed FEPP Levy does now include \$44.4 million of funding for such activities, thus freeing up that amount of money in GF, JSF, and SBT for other purposes.

- **Business and Occupation (B&O) tax proceeds** – On August 4, 2025, the City Council passed a B&O tax restructure proposal ([Ordinance 127259](#)) to be placed on the November general election ballot. If passed, the tax restructure would provide an estimated \$81 million of new GF revenue for small business tax relief, housing, human services, and workforce support, beginning in 2026.

These proposed tax proceeds have been fully appropriated in the Proposed Adjustments and include the following:

- \$27.6 million to mitigate the impacts of federal funding reductions and policy changes. This includes a total of \$23.6 million in one-time funding in the areas of immigrant legal services, food insecurity, financial stability for the affordable housing sector, and emergency shelter and homelessness. The remaining \$4 million is an ongoing appropriation for homelessness prevention through rental assistance payments. According to the Executive, this, along with additional proposed changes would increase HSD's homelessness prevention budget from \$3.3 million in the 2025 Adopted Budget, to \$11.5 million in the 2026 Proposed.
- \$51 million to backfill the GF in an effort to address the projected GF deficit.
- \$2.4 million and five FTE for administrative costs to implement and operationalize the tax, and to improve the City's tax collection system. Of this total, \$890,000 would include ongoing appropriations, and the remaining \$1.5 million is one-time administrative/implementation funding.
- Proposed Public Safety Sales tax proceeds – Pending Council approval, the Executive transmitted legislation that would increase the local Sales and Use Tax in Seattle by 0.1 percent, as authorized by newly adopted state law. During the 2025 session, the Washington State legislature adopted Engrossed Substitute House Bill 2015 (EHSB 2015), which authorizes cities and counties in Washington to raise local sales and use tax by 0.1 percent to fund public safety investments. The proceeds from this tax increase, currently estimated to be approximately \$39 million in 2026, must be spent for criminal justice purposes under the authorizing statute.

The Proposed Adjustments assume passage of this legislation, and all \$39 million has been appropriated. Chart 2, below, itemizes the Mayor's proposed appropriations from this revenue. The chart excludes \$15 million, as that remaining amount in the Proposed Adjustments is used to backfill existing appropriations in the GF. It is worth noting that EHSB 2015 does not include a non-supplanting clause, so the Council could choose alternative ways to appropriate these tax proceeds.

Chart 2: Proposed Public Safety 0.1 Percent Tax Appropriations

Department/Item Title	One-Time	Ongoing	FTE Increase
Community Assisted Response and Engagement (CARE)			
Increased Staffing in the 9-1-1 Call Center		\$2.6 M	18
Increased Staffing in the Community Crisis Responder Team	\$2.0 M	\$4.9 M	24
CARE Subtotal	\$2.0 M	\$7.6 M	42
Human Services Department (HSD)			
Thunderbird Treatment Center	\$1.8 M		
Law Enforcement Assisted Diversion (LEAD) Program		\$5.0 M	
Two Case Manager FTEs for Health 99 Response/Follow-up		\$0.4 M	2
Opioid Recovery & Care Access (ORCA) Center (Part of Downtown Emergency Service Center (DESC))		\$1.2 M	
Detox and Inpatient Treatment Program		\$2.9 M	
HSD Subtotal	\$1.8 M	\$9.5 M	2
Seattle Fire Department (SFD)			
Funding for 20 additional firefighter recruits		\$2.1 M	
SFD Post Overdose Treatment		\$1.2 M	3
SFD Subtotal		\$3.2 M	3
Total	\$3.8 M	\$20.3 M	47

Additional information on the proposed B&O tax, public safety sales tax, and the FEPP levy is provided in the GF Balancing and Sustainability Analysis paper and in individual department Overview and Policy Considerations papers.

Overview of Citywide Spending

The Overview papers that Central Staff have developed for each individual department provide detail regarding the proposed appropriations and document policy-level changes in these appropriations. The analysis presented below takes a Citywide view to highlight the financial spending initiatives that cross departments, summarizes the impact of the 2026 Proposed Budget on City staffing levels, and highlights any significant changes in the City's 2026-2031 Proposed Capital Improvement Program.

FIFA World Cup Activities in the Proposed Budget

The City of Seattle was chosen as one of the 16 cities in North America to host six soccer matches for the Fédération Internationale de Football Association (FIFA) World Cup games in 2026. The 2025-2026 Adopted budget included a total of \$12.2 million (\$8.2 million in 2025 and \$4 million in 2026) of funding dedicated towards supporting the hosting of the World Cup in 2026. These funds were set aside in reserves to be appropriated once specific needs were identified.

In August 2025, City Council adopted [Ordinance 127265](#), which appropriated a total of \$6.2 million for operating (\$1.8 million JSF) and capital expenses (\$4.4 million Unrestricted Cumulative Reserve Fund). Seattle Center (CEN), Seattle Department of Transportation (SDOT), Seattle Fire Department (SFD), and Seattle Parks and Recreation (SPR) identified capital and operational expenditures for event management and public safety-related needs in 2025. These include various maintenance and repairs for transportation and park features, communication and emergency management-related equipment, and temporary staffing. After the adoption of this ordinance, a total of \$5.8 million in reserve funding remains to be appropriated - \$4.2 million in JSF funding and \$1.8 million in Unrestricted Cumulative Reserve Funds).

The 2026 Proposed Budget appropriates this remaining \$5.8 million in addition to \$1.6 million (REET Fund) in Seattle Center for pedestrian safety barriers. The proposed budget also includes a baseline budget of \$818,000¹ to continue the funding of five temporary positions through December 31, 2026. These proposed FIFA related expenditures are shown in Chart 3 below.

¹ Includes \$280,000 in the 2026 Endorsed budget for the City's FIFA Coordinator position, as well as an anticipated \$538,000 carryforward of existing appropriations for four term limited staff positions in Seattle Center.

Chart 3. FIFA Related Appropriations in the 2026 Proposed Adjustments

Department	Fund	Description	Amount
SDOT	JSF	Planning, cleaning, Street Use Division support, and emergency response functions.	\$1.8 M
SDOT	CRSU ²	ADA improvements and roadway paving improvements.	\$1.8 M
CEN	REET	Pedestrian Safety Barriers for campus locations.	\$1.6 M
SFD	JSF	Equipment and supplies (e.g., EMS tablets, firefighting foam and extinguishers); exercises and training (e.g., hazmat, incident command, communications, tabletop exercise).	\$1.5 M
SPD	JSF	Archer barriers, CCTV equipment at Lumen Field.	\$0.8 M
Total			\$7.4M

The Executive is currently identifying additional FIFA related costs and negotiating a Memorandum of Understanding (MOU) with the Local Organizing Committee for the World Cup that will address the provision of services by the City (e.g., police, fire, etc.) and reimbursable cost expectations for the provision of such services. This MOU will be submitted to the City Council for approval (Executive's current estimate is January 2026) and additional appropriations for FIFA related functions will be included in a 2026 supplemental appropriations bill, informed by ongoing negotiations with the Local Organizing Committee.

Citywide Graffiti Abatement Expansion Program

The City's graffiti abatement program, or the "One Seattle Graffiti Plan" is a citywide initiative focused on combining all available resources for graffiti removal teams, targeted enforcement and assistance for impacted businesses, and new support for public art and volunteer clean-up efforts. According to the executive, The One Seattle Graffiti Interdepartmental Team (IDT) primarily leads beautification and prevention efforts that address City-owned right of way assets, parks or facilities.

The 2026 Proposed Budget adds \$2.1 million and 6 FTE, bringing the total Citywide expenditures for graffiti abatement to \$6.1 million and 22 FTE. The proposed adjustments include funding for graffiti code enforcement, abatement, and prevention efforts in Seattle Parks and Recreation (SPR), Seattle Department of Transportation (SDOT), and the Office of Arts and Culture (ARTS).

Five of the proposed FTEs are ongoing Maintenance Laborer positions in SDOT, primarily tasked with graffiti removal and abatement efforts. The remaining FTE is an Administrative Staff Analyst in SPR, and serves as the primary contact for graffiti intake (e.g., Find It Fix It, Graffiti Hotline, email) and dispatch to abatement teams, supports the enforcement position with private property duties, and provides administrative support for graffiti executive and abatement staff. In addition, the proposed budget includes an extension for a one-year Graffiti Specialist in Arts and Culture (funded by Arts and Culture Fund), to assist the Mayor's Office in graffiti prevention strategies, such as working with schools and youth to educate teens and parents on the harms and consequences of vandalism, developing artist-led youth programs, encouraging youth toward sanctioned, safe, creative pursuits, communicating with local graffiti society and known taggers, and developing general and targeted community outreach. *Chart 4* below summarizes the graffiti abatement program baseline and proposed funding in the 2026 Proposed Budget and includes the net-neutral transfer from SPU to SPR for all graffiti related GF expenses previously managed in SPU.

² Cumulative Reserve Subfund

Chart 4. Graffiti Abatement Appropriations Summary by Department³

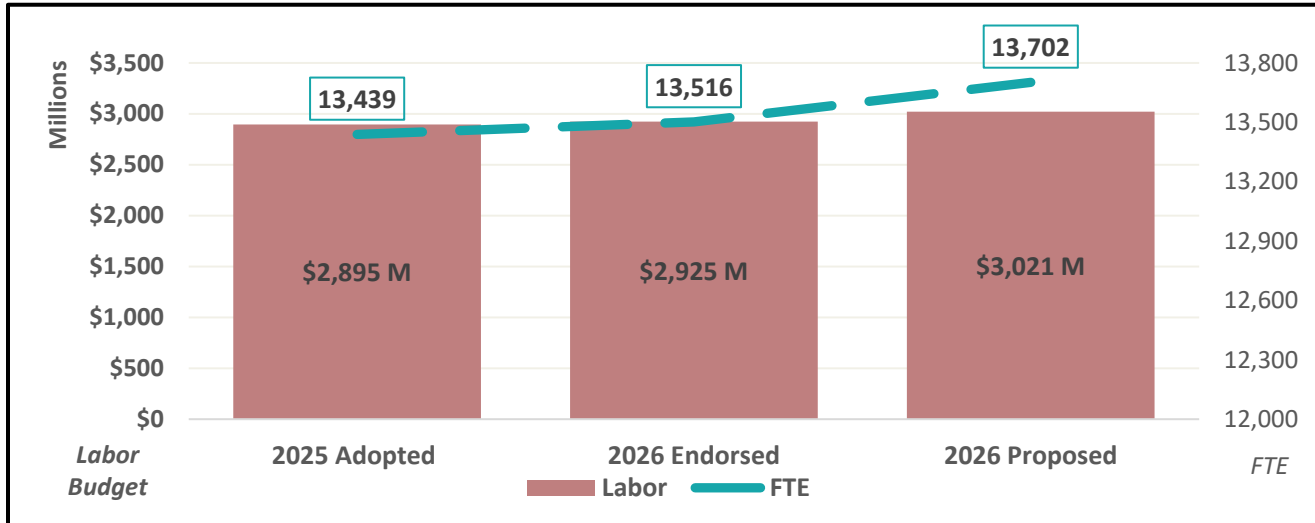
Department	2026 Baseline ⁴	2026 Proposed Adjustments	Total Proposed Budget	FTE
Seattle Parks and Recreation	\$3.5M	\$1.3M	\$4.8M	16
Seattle Department of Transportation	-	\$1.2M	\$1.2M	5
Arts and Culture	-	\$0.2M	\$0.2M	1
Total	\$4.0M	\$2.1M	\$6.1M	22

Adjustments to Position and Personnel Budgets

Most of the programs and services provided by the City rely on workers to deliver those services, particularly programs and services that are funded by the General Fund (GF). Personnel costs for City workers across all funds comprise approximately one-third of the overall budget, and over half (56 percent) of the proposed \$2 billion GF budget. This excludes indirect costs that may be associated with a position, such as the cost of purchasing and maintaining vehicles for positions that require use of the City fleet. Additionally, much of the “non-labor” budget across all funds is for contracted services with organizations whose workers deliver key services (e.g., contracts with human service organizations that deliver most services related to the City’s homelessness response).

As shown in *Chart 2* below, the Proposed Adjustments increase the overall Citywide labor budget by \$97 million (3 percent), \$32 million of which is funded by the GF and JSF. This increase is primarily driven by technical budget adjustments and the addition of 263 Full Time Equivalent (FTE) positions across all departments and funds.⁵

Chart 4: Citywide Summary of FTE⁶ and Labor by Fund Source



³ There is other graffiti-abatement work conducted on city facilities that is funded via department-specific budgets and is not captured in this chart. For example, Seattle Center, FAS, and City Light allocate staff time and budget to maintain their facilities, which can include graffiti abatement.

⁴ Includes all 2026 proposed transfers from SPU to SPR.

⁵ The total FTE count includes the position changes that were approved by Council through 2025 supplemental or standalone legislation. The total FTE count also includes Firefighters' Pension Fund, Police Relief and Pension Fund, and Seattle Public Library positions even though the Library's position list is established by the Library Board of Trustees, and positions for the Police and Firefighter Pension funds are set by their respective board members.

⁶ The City does not use a position-based budgeting system; therefore, it is not possible to connect FTE directly to department budgets, and the total FTE count does not reflect the actual number of City employees in permanent positions.

According to data provided by the Executive, 258 FTE of the new FTE are in permanent positions with ongoing budget impacts, and 5 FTE are sunseting positions. Of the total 263 additional FTE authorized in the 2026 Budget, 152 FTE represent entirely new requests. The remaining FTEs were either endorsed during the 2025-2026 budget process or were authorized over the course of 2025 through supplemental budget actions. As the chart below shows, 105 of the net new 152 FTE are supported by General Fund resources.

Chart 5: 2026 Proposed FTE Changes by Department and Fund.

Department	General Fund	Other Funds	Department Total
Community Assisted Response and Engagement	49	0	49
Seattle Department of Transportation	22	14	36
Seattle City Light	0	29	29
Seattle Parks and Recreation	14	1	15
Seattle Fire Department	7	0	7
All other Departments	13	4	17
Total FTE Changes	105	48	152

Departments with the largest FTE increases in the 2026 Proposed Adjustments⁷ include:

- **36 FTE in the Seattle Department of Transportation (SDOT)**, 22 of which are supported by the GF and proposed for the Downtown Activation Team (16 FTE), Increased Unpermitted Vending Enforcement (2), and Joint Enforcement Team expansion (1 FTE). SDOT also proposes adding a total of 12.5 Transportation Fund supported FTEs to expand the Sound Transit 3 City team (3.5 FTE), Street Use Inspection team (3 FTE), and for the citywide graffiti abatement program (5 FTE). Lastly, SDOT's Proposed Adjustments include 1 Senior Civil Engineer FTE to support the expansion of the automated camera enforcement.
- **49 GF supported FTE in Community Assisted Response and Engagement (CARE)**, 31 of which would support the expansion of the Community Crisis Responder team. This includes 24 Community Crisis Responders, six Community Crisis Responder Supervisors, and a training manager conversion from temporary to permanent, to provide ongoing training and support for the department. In addition, Proposed Adjustments includes 18 FTE to increase staffing in the 9-1-1 call center. This includes 12 additional call takers, which would increase the total number of call takers to 129. Also included are three 911 Emergency Communication Analysts to support the new hire training and a conversion of 3 administrative staff from temporary to permanent to support CAREs growing administrative needs.
- **29 FTE in Seattle City Light (SCL)**, 22 of which would support SCL's CIP portfolio, including distribution system equipment replacement, network system engineering, underground cable and pole replacement programs, pole joint use, and technology projects. The remaining 7 FTE in the operating budget would support customer permit review, clean fuel standards, and special claims to investigate and recover costs associated with City Light's damage to property.
- **15 FTE in Seattle Parks and Recreation (SPR)**, to support capital project delivery (5 FTE), enhanced public restroom cleaning and maintenance (3.7 FTE), park ranger expansion (3 FTE), graffiti code enforcement (2 FTE), organizational capacity (2 FTE), and administrative technical adjustments (1 FTE). These increases are offset by abrogation of vacant park safety positions (2 FTE) that are no longer necessary due to expansion of the park ranger program.

⁷ Excludes 2025 supplemental and stand-alone legislation.

- **7 GF supported FTE in the Seattle Fire Department (SFD)**, including three FTE to increase the Health 99 program and provide post-overdose treatment. The Proposed Adjustments also include a Mobile Integrated Health Coordinator for data analysis support for SFD operations, a human resources specialist to support the conversion to the annual firefighter testing process which will increase the workload, one FTE to manage SFD’s information technology portfolio, and lastly, an administrative specialist that would support SFD’s Fire Prevention Division – specifically enforcement work related to nuisance alarm reductions and abatement of dangerous buildings.

Attachment C provides a comprehensive list of FTE position changes in the 2026 Proposed Budget by Department and Fund. Attachment D provides a comparison summary of labor budget between the 2025 Adopted and the 2026 Proposed budgets for each City department.

Capital Improvement Program Overview

The City’s 2026-2031 Proposed Capital Improvement Program (CIP) totals 1.6 billion in 2026, which represents an increase of \$19 million, or 1 percent over the 2026 Adopted CIP. This increase is primarily driven by debt adjustments, most notably the shifting of \$27.2 million of LTGO bond funding for the redevelopment of Memorial Stadium from 2027 to 2026. In comparing the 2025-2030 Revised CIP⁸ budget to the 2026-2031 Proposed Budget, the six-year CIP budget increases from \$8.7 billion to \$9.4 billion, representing a \$774 million, or 9 percent change. Note that the CIP document covers a rolling six-year window, so the new Proposed CIP excludes 2025 and adds 2031; thus, this funding comparison is not directly “apples to apples”. As detailed in Attachment D, this overall increase is driven primarily by utility and transportation projects.

Approximately \$6.4 billion (67 percent) of the 9.4 billion in the 2026-2031 Proposed CIP are utility-funded projects, managed by SCL and SPU, and mostly funded by rates charged to utility customers. The SDOT CIP totals \$1.9 billion (20 percent), while general government departments (SPR, FAS, Seattle Center, Seattle Public Library, and ITD) account for the remaining \$1.2 billion, or 13 percent over the six-years (2026-2031).

Accounting for the 2025 CIP budget revisions, noteworthy changes included in the 2026-2031 Proposed CIP for the four largest CIP departments include:

- **SDOT’s** 2026-2031 Proposed CIP is consistent with 2024 Transportation Levy spending plan and includes some 2026 adjustments. These include project increases for right-of-way improvements in support of the FIFA World Cup (\$1.8 million), vehicle barriers at Pike Place Market (\$2 million), and additional Sound Transit 3 light rail extension project support (\$8.9 million and 3.5 FTE). SDOT’s Proposed CIP Adjustments also include a reduction of \$3.4 million in Seattle Transit Measure transit infrastructure improvements, in order to support on-going streetcar operations. These items and associated policy considerations are described in more detail in SDOT’s Budget Overview and Policy Considerations paper.
- **SPR’s** CIP portfolio changes primarily focus on the realignment of Park District funded debt service for community center renovations and other planned bond funded projects from 2026 to 2027, to align with adjusted project construction schedules. Significant proposed capital project increases within SPR include Gas Works Park safety improvements (\$1.8 million Park and Recreation Fund), public restroom winterization related renovations (\$2 million REET Fund), Leschi Moorage

⁸ This accounts for the 2025 supplemental budget changes and excludes the 2024 Carry Forward to achieve a more accurate comparison between the six-year CIP cycles.

Improvements (\$1 million KC Parks Levy Fund), and \$2.7 million Park District funding for enhanced planning and design to renovate the Green Lake Community Center and Evans Pool projects in one phase instead of two.

- **SPU's** proposed CIP portfolio incorporates changes for all three of SPU's utilities: Drainage and Wastewater, Solid Waste, and Water. Overall, SPU's 2026–2031 Proposed CIP, relative to the 2025–2030 Adopted CIP, increases by approximately \$575 million, with significant increases in the Drainage and Wastewater Fund being offset somewhat by decreases in the Solid Waste Fund and the Water Fund. The proposed capital program for Drainage and Wastewater includes increases over the next four years in the Pipe Renewal Program, reflecting a greater number of projects to address failing infrastructure and rising costs associated with construction delays and inflation, and Sediment Remediation, due to updated cost projections for work on the Duwamish River. The proposed changes to the Water Fund's capital program include increases for projects related to dam safety and treatment facilities, but those increases are offset by larger decreases to projects related to transmission system rehabilitation and seismic improvements, primarily driven by schedule changes and a decrease in recent early planning work.
- **SCL's** 2026-2031 Proposed CIP is consistent with the utility's 2025-2030 Strategic Plan Update and rate path. City Light proposes reductions, non-rate revenue reimbursements, and project deferral opportunities to balance proposed spending increases, such as appropriations for new FTE. SCL includes one new CIP Project, Georgetown Steam Plant Rehabilitation. This \$12 million project would provide funding for exterior repairs to the Georgetown Steam Plant, which is a Historic and a Seattle Landmark. Other noteworthy increases within SCL CIP portfolio include underground system capacity additions (\$7.6 million), emergent repairs at Skagit Facilities (\$3.1 million), Gorge Dam Spillway seismic rehabilitation (\$1.6 million), transformer upgrades at Boundary Dam (\$2.5 million), and various enterprise software upgrades and replacement (\$3.5 million).

More information on these and other capital projects in the 2026-2031 Proposed CIP is provided in individual department Overview and Policy Considerations papers.

Attachments:

- A. Citywide Budget Summary by Department
- B. Citywide Budget Summary by Fund
- C. Summary of Full-Time Equivalent (FTE) Changes by Department
- D. Capital Improvement Program (CIP) Summary by Department and Budget Summary Level (BSL)

cc: Ben Noble, Director

Attachment A - Citywide Budget Summary by Department

Department (\$ in Millions)	2026 Endorsed	2026 Proposed	Change Amount	Percent Change
Department of Education and Early Learning	\$100.8M	\$176.9M	\$76.0 M	75%
Human Services Department	\$387.5M	\$432.4M	\$44.9 M	12%
Seattle Police Department	\$465.6M	\$486.1M	\$20.5 M	4%
Seattle Information Technology Department	\$271.4M	\$286.2M	\$14.8 M	5%
Seattle Department of Human Resources	\$473.9M	\$485.7M	\$11.8 M	2%
Seattle Department of Transportation	\$316.3M	\$325.9M	\$9.6 M	3%
Office of Economic Development	\$31.3M	\$40.7M	\$9.3 M	30%
Community Assisted Response and Engagement	\$36.5M	\$45.4M	\$8.9 M	25%
Seattle Fire Department	\$340.7M	\$348.7M	\$7.9 M	2%
Office of Sustainability and Environment	\$27.7M	\$33.4M	\$5.7 M	20%
Office of Immigrant and Refugee Affairs	\$6.7M	\$10.8M	\$4.1 M	61%
Seattle Parks and Recreation	\$269.2M	\$271.5M	\$2.4 M	1%
Dept of Finance and Administrative Services	\$396.3M	\$398.2M	\$1.9 M	0%
Office of Labor Standards	\$8.8M	\$9.9M	\$1.0 M	12%
Office of Emergency Management	\$3.2M	\$4.2M	\$1.0 M	31%
Seattle Center	\$58.2M	\$59.1M	\$0.8 M	1%
Office of Arts and Culture	\$23.1M	\$23.6M	\$0.5 M	2%
Community Police Commission	\$2.2M	\$2.5M	\$0.3 M	12%
Seattle Municipal Court	\$48.5M	\$48.7M	\$0.3 M	1%
Office of Planning and Community Development	\$39.3M	\$39.5M	\$0.2 M	1%
Civil Service Commissions	\$2.9M	\$3.0M	\$0.2 M	5%
Office for Civil Rights	\$8.2M	\$8.3M	\$0.1 M	1%
Department of Neighborhoods	\$19.5M	\$19.6M	\$0.1 M	0%
Office of the Employee Ombud	\$1.3M	\$1.3M	\$0.0 M	1%
Firefighters' Pension	\$27.5M	\$27.5M	\$0.0 M	0%
Office of Hearing Examiner	\$1.4M	\$1.4M	(\$0.0 M)	-1%
Police Relief and Pension	\$22.5M	\$22.5M	(\$0.0 M)	0%
Ethics and Elections Commission	\$4.6M	\$4.6M	(\$0.0 M)	0%
Law Department	\$48.6M	\$48.5M	(\$0.0 M)	0%
Office of Economic and Revenue Forecasts	\$0.9M	\$0.9M	(\$0.0 M)	-4%
City Budget Office	\$10.2M	\$10.2M	(\$0.1 M)	-1%
Office of the City Auditor	\$2.7M	\$2.6M	(\$0.1 M)	-2%
Office of the Mayor	\$16.0M	\$15.9M	(\$0.1 M)	0%
Office of Inspector General for Public Safety	\$5.5M	\$5.4M	(\$0.1 M)	-2%
Office of Intergovernmental Relations	\$3.6M	\$3.5M	(\$0.1 M)	-3%
Seattle Retirement	\$16.5M	\$16.4M	(\$0.2 M)	-1%
Legislative Department	\$23.9M	\$23.6M	(\$0.3 M)	-1%
Seattle Dept of Construction and Inspections	\$126.8M	\$126.0M	(\$0.8 M)	-1%
Seattle Public Library	\$103.4M	\$102.5M	(\$0.8 M)	-1%
Seattle City Light	\$1,297.6M	\$1,295.4M	(\$2.2 M)	0%
Office of Housing	\$348.2M	\$344.5M	(\$3.7 M)	-1%
Seattle Public Utilities	\$1,218.5M	\$1,204.7M	(\$13.8 M)	-1%
Finance General	\$537.1M	\$442.6M	(\$94.5 M)	-18%
Operating Subtotal	\$7,154.9 M	\$7,260.4 M	\$105.5 M	1%

Capital Improvement Program (CIP)				
Dept of Finance and Administrative Services	\$41.9 M	\$51.1 M	\$9.2 M	22%
Seattle Center	\$10.0 M	\$38.3 M	\$28.3 M	282%
Seattle City Light	\$516.9 M	\$511.5 M	(\$5.4 M)	-1%
Seattle Department of Transportation	\$319.4 M	\$345.2 M	\$25.8 M	8%
Seattle Information Technology Department	\$17.7 M	\$19.8 M	\$2.1 M	12%
Seattle Parks and Recreation	\$238.4 M	\$87.7 M	(\$150.7 M)	-63%
Seattle Public Library	\$7.6 M	\$2.6 M	(\$5.0 M)	-66%
Seattle Public Utilities	\$462.0 M	\$576.9 M	\$115.0 M	25%
Capital Improvement Program (CIP) Subtotal	\$1,614.0 M	\$1,633.2 M	\$ 19,240,117.6	1%
Grand Total	\$8,768.9 M	\$8,893.6 M	\$124.8 M	1%

Attachment B - Citywide Budget Summary by Fund

Fund (\$ in millions)	2026 Endorsed	2026 Proposed	Change Amount	Percent Change
General Fund	\$1,930.0 M	\$1,981.4 M	\$51.4 M	3%
Light Fund	\$1,814.5 M	\$1,806.9 M	(\$7.6 M)	0%
Drainage and Wastewater Fund	\$862.3 M	\$979.1 M	\$116.9 M	14%
Water Fund	\$492.3 M	\$491.3 M	(\$1.0 M)	0%
Payroll Expense Tax	\$504.3 M	\$417.2 M	(\$87.2 M)	-17%
Health Care Fund	\$381.3 M	\$392.3 M	\$11.0 M	3%
Information Technology Fund	\$282.2 M	\$298.8 M	\$16.6 M	6%
Solid Waste Fund	\$298.2 M	\$286.3 M	(\$11.9 M)	-4%
Transportation Fund	\$246.7 M	\$265.3 M	\$18.6 M	8%
Finance and Administrative Services Fund	\$236.1 M	\$239.4 M	\$3.3 M	1%
Low Income Housing Fund	\$193.6 M	\$193.8 M	\$0.2 M	0%
Transportation Levy Fund	\$192.4 M	\$190.6 M	(\$1.8 M)	-1%
Seattle Park District Fund	\$131.3 M	\$136.5 M	\$5.2 M	4%
FEPP Levy 2025	-	\$120.6 M	\$120.6 M	0%
Construction and Inspections	\$115.9 M	\$114.8 M	(\$1.1 M)	-1%
Human Services Fund	\$100.2 M	\$99.9 M	(\$0.3 M)	0%
Transportation Benefit District Fund	\$96.8 M	\$99.6 M	\$2.8 M	3%
Library Fund	\$72.6 M	\$66.8 M	(\$5.8 M)	-8%
Families Education Preschool Promise Levy	\$63.0 M	\$62.8 M	(\$0.2 M)	0%
Industrial Insurance Fund	\$56.1 M	\$57.3 M	\$1.2 M	2%
Park And Recreation Fund	\$53.3 M	\$55.1 M	\$1.8 M	3%
REET I Capital Fund	\$44.0 M	\$51.6 M	\$7.6 M	17%
Judgment/Claims Fund	\$46.1 M	\$46.6 M	\$0.5 M	1%
REET II Capital Fund	\$43.6 M	\$43.4 M	(\$0.2 M)	-1%
2019 Library Levy Fund	\$37.7 M	\$37.7 M	\$0.0 M	0%
Arts and Culture Fund	\$29.0 M	\$28.8 M	(\$0.2 M)	-1%
Seattle Center Fund	\$28.5 M	\$28.4 M	(\$0.1 M)	0%
Fireman's Pension Fund	\$27.5 M	\$27.5 M	\$0.0 M	0%
2027 LTGO Bond Fund B	-	\$27.3 M	\$27.3 M	0%
Police Relief & Pension Fund	\$22.5 M	\$22.5 M	(\$0.0 M)	0%
Sweetened Beverage Tax Fund	\$22.4 M	\$22.2 M	(\$0.2 M)	-1%
2026 Multipurpose LTGO Bond Fund	\$164.3 M	\$20.3 M	(\$144.0 M)	-88%
Fleet Capital Fund	\$18.1 M	\$19.5 M	\$1.4 M	8%
UTGO Bond Interest Redemption Fund	\$16.2 M	\$17.7 M	\$1.6 M	10%
Automated Traffic Safety Camera Fund	\$15.0 M	\$16.3 M	\$1.3 M	9%
Employees' Retirement Fund	\$15.8 M	\$15.7 M	(\$0.1 M)	-1%
Seattle Streetcar Operations	\$14.3 M	\$14.3 M	(\$0.0 M)	0%
Office of Housing Fund	\$12.2 M	\$13.2 M	\$1.0 M	9%
Short-Term Rental Tax Fund	\$13.0 M	\$12.8 M	(\$0.2 M)	-2%
Office of Labor Standards Fund	\$8.8 M	\$9.9 M	\$1.0 M	12%
Group Term Life Fund	\$7.2 M	\$7.2 M	-	0%
Cable TV Franchise Fund	\$5.8 M	\$6.0 M	\$0.2 M	4%

Fund (\$ in millions)	2026 Endorsed	2026 Proposed	Change Amount	Percent Change
Municipal Arts Fund	\$5.8 M	\$5.9 M	\$0.1 M	2%
Seattle Center McCaw Hall Fund	\$5.9 M	\$5.8 M	(\$0.1 M)	-1%
Move Seattle Levy Fund	\$5.6 M	\$5.6 M	(\$0.0 M)	0%
Transit Benefit Fund	\$5.6 M	\$4.3 M	(\$1.3 M)	-24%
Facility Asset Preservation Fund	\$4.0 M	\$4.0 M	-	0%
King County Parks Levy Fund	\$2.9 M	\$3.8 M	\$1.0 M	35%
Unrestricted Cumulative Reserve Fund	\$2.4 M	\$3.7 M	\$1.3 M	57%
Unemployment Insurance Fund	\$3.6 M	\$3.6 M	-	0%
Election Vouchers Fund	\$3.1 M	\$3.1 M	(\$0.0 M)	0%
2017 Multipurpose LTGO Bond Fund	-	\$2.1 M	\$2.1 M	0%
Fire Fighters Healthcare Fund	\$2.0 M	\$2.0 M	-	0%
Opioid Settlement Proceed Fund	\$1.9 M	\$1.9 M	(\$0.0 M)	0%
Wheelchair Accessible Fund	\$1.2 M	\$1.2 M	\$0.0 M	0%
LTGO Bond Interest and Redemption Fund	\$0.9 M	\$0.9 M	-	0%
McCaw Hall Capital Reserve	\$0.7 M	\$0.7 M	-	0%
FileLocal Agency Fund	\$0.3 M	\$0.3 M	(\$0.0 M)	-1%
2014 Multipurpose LTGO Bond Fund	-	\$0.1 M	\$0.1 M	0%
2024 Multipurpose LTGO Bond Fund	\$4.7 M	-	(\$4.7 M)	-100%
2026 LTGO Bond Fund B	\$2.9 M	-	(\$2.9 M)	-100%
Total	\$8,765.9 M	\$8,893.6 M	\$124.8 M	1%

Attachment C - Summary of Full-Time Equivalent (FTE) Changes by Department			
Department	2025 Adopted Total	Proposed Changes	2026 Proposed Budget
Seattle Department of Transportation	1,188.50	101.50	1,290.00
Seattle City Light	1,818.80	51.00	1,869.80
Community Assisted Response and Engagement	190.00	49.00	239.00
Seattle Public Utilities	1,567.80	31.00	1,598.80
Seattle Police Department	1,855.40	20.00	1,875.40
Department of Parks and Recreation	1,139.70	15.68	1,155.38
Human Services Department	469.50	11.00	480.50
Seattle Fire Department	1,205.85	8.00	1,213.85
Law Department	209.80	4.00	213.80
Office of Immigrant and Refugee Affairs	12.50	2.50	15.00
Office of Emergency Management	14.00	2.00	16.00
Seattle Center	257.93	2.00	259.93
Office of Arts and Culture	43.75	1.00	44.75
Office of Sustainability and Environment	54.50	1.00	55.50
Civil Service Commissions	10.00	0.00	10.00
Community Police Commission	10.00	0.00	10.00
Department of Education and Early Learning	124.50	0.00	124.50
Economic and Revenue Forecasts	3.00	0.00	3.00
Employees' Retirement System	33.50	0.00	33.50
Ethics and Elections Commission	9.40	0.00	9.40
Legislative Department	102.50	0.00	102.50
Office for Civil Rights	35.00	0.00	35.00
Office of Economic Development	63.00	0.00	63.00
Office of Hearing Examiner	5.00	0.00	5.00
Office of Housing	69.00	0.00	69.00
Office of Intergovernmental Relations	10.00	0.00	10.00
Office of Labor Standards	43.00	0.00	43.00
Office of Planning and Community Development	50.50	0.00	50.50
Office of the City Auditor	10.00	0.00	10.00
Office of the Employee Ombud	6.00	0.00	6.00
Office of the Inspector General	22.50	0.00	22.50
Office of the Mayor	40.50	0.00	40.50
Seattle Municipal Court	200.85	(1.00)	199.85
Department of Neighborhoods	69.00	(2.00)	67.00
Finance and Administrative Services	631.50	(4.50)	627.00
City Budget Office	44.00	(5.00)	39.00
Seattle Department of Human Resources	102.50	(5.00)	97.50
Seattle Information Technology	636.00	(9.00)	627.00
Department of Construction and Inspections	462.00	(10.00)	452.00
Total Budgeted FTE	12,821.28	263.18	13,084.46
Seattle Firefighters' Pension Fund	4.00	0.00	4.00
Seattle Police Relief and Pension Fund	3.00	0.00	3.00
Seattle Public Library	611.00	0.00	611.00
Total Citywide FTEs	13,439.28	263.18	13,702.46

Firefighters' Pension Fund, Police Relief and Pension Fund, and Seattle Public Library positions: *Personnel figures are for informational purposes only. The Library's position list is established by the Library Board of Trustees, and positions for the Police and Firefighter Pension funds are set by their respective board members.*

2026 Proposed Changes: *Includes the position changes in the 2026 Proposed Budget, removal of positions temporarily extended in the 2025 Adopted Budget, plus positions that were approved by Council in 2025 supplemental budgets or stand-alone legislation.*

Attachment D - Capital Improvement Program Summary by Department and Budget Summary Level

Updated – 10.14.25

Budget Summary Level	2025 Revised-2030 Endorsed CIP*	2026-2031 Proposed CIP
Seattle Department of Transportation (SDOT)		
Capital General Expense	\$ 38,264,311	\$ 36,754,492
Central Waterfront	\$ 14,813,000	\$ 4,373,001
Major Maintenance/Replacement	\$ 618,433,898	\$ 769,910,853
Major Projects	\$ 2,341,985	\$ 1,178,000
Mobility-Capital	\$ 1,089,720,221	\$ 1,070,741,110
SDOT Total	\$ 1,763,573,415	\$ 1,882,957,456

Information Technology		
Capital Improvement Projects	\$ 104,234,670	\$ 102,086,625

Seattle Public Library		
Capital Improvements	\$ 20,669,423	\$ 6,999,000

Seattle Center (SC)		
Building and Campus Improvements	\$ 83,781,712	\$ 110,999,797
McCaw Hall Capital Reserve	\$ 3,125,083	\$ 4,438,000
Monorail Rehabilitation	\$ 3,765,000	\$ 2,735,754
SC Total	\$ 90,671,795	\$ 118,173,550

Seattle City Light		
Conservation & Environmental - CIP	\$ 291,169,968	\$ 278,668,254
Customer Focused - CIP	\$ 843,399,064	\$ 881,411,247
Power Supply - CIP	\$ 659,887,224	\$ 642,215,183
Transmission and Distribution - CIP	\$ 1,242,997,108	\$ 1,294,471,046
SCL Total	\$ 3,037,453,364	\$ 3,096,765,730

Finance & Administrative Services (FAS)		
ADA Improvements	\$ 2,636,267	\$ 4,562,733
Asset Preservation - Schedule 1 Facilities	\$ 30,976,560	\$ 28,541,120
Asset Preservation - Schedule 2 Facilities	\$ 33,440,440	\$ 34,862,880
FAS Oversight-External Projects	\$ 3,377,331	\$ 1,597,946
FAS Project Delivery Services	\$ 31,400,000	\$ 28,200,000
Garden of Remembrance	\$ 151,957	\$ 68,957
General Government Facilities - General	\$ 43,207,971	\$ 63,613,826
Information Technology	\$ 17,243,169	\$ -
Neighborhood Fire Stations	\$ 39,305,573	\$ 38,590,509
Publ Safety Facilities Police	\$ (975,948)	\$ 14,975,948
Public Safety Facilities Fire	\$ 8,945,150	\$ 9,815,680
FAS Total	\$ 209,708,470	\$ 224,829,599

Seattle Parks and Recreation (SPR)		
Building For The Future	\$ 48,445,617	\$ 50,928,683
Debt and Special Funding	\$ 97,003,319	\$ 103,810,974
Fix It First	\$ 563,915,408	\$ 575,911,973
Maintaining Parks and Facilities	\$ 5,711,314	\$ 4,595,366
SR520 Mitigation	\$ 19,248,000	\$ 20,089,784
SPR Total	\$ 734,323,658	\$ 755,336,780

Seattle Public Utilities (SPU)		
Combined Sewer Overflows	\$ 407,025,051	\$ 178,011,081
Distribution	\$ 448,052,301	\$ 416,086,702
Drainage and Wastewater Infrastructure	\$ -	\$ 796,427,387
Flooding, Sewer Backup & Landslide	\$ 142,254,520	\$ (0)
Habitat Conservation Program	\$ 15,452,032	\$ 11,219,353
New Facilities	\$ 81,863,649	\$ 81,882,472
Protection of Beneficial Uses	\$ 290,415,076	\$ 0
Rehabilitation	\$ 300,210,091	\$ 415,493,377
Rehabilitation & Heavy Equipment	\$ 3,385,000	\$ 3,452,803
Sediments and Duwamish Valley Water Resilience	\$ 121,593,405	\$ 468,383,619
Shared Cost Projects	\$ 421,868,017	\$ 486,358,410
Technology	\$ 54,475,412	\$ 63,876,588
Transmission	\$ 170,923,947	\$ 102,719,669
Water Quality & Treatment	\$ 78,163,350	\$ 114,542,218
Water Resources	\$ 62,036,333	\$ 108,193,119
Watershed Stewardship	\$ 14,642,457	\$ 15,037,081
SPU Total	\$ 2,612,360,641	\$ 3,261,683,879

Grand Total	\$ 8,572,995,436	\$ 9,448,832,620
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**Accounts for the 2025 supplemental budget changes and excludes the 2024 Carry Forward to achieve a more accurate comparison between the six-year CIP cycles.*



Legislation Text

File #: Inf 2753, **Version:** 1

General Fund (GF) Balancing and Sustainability Analysis

GENERAL FUND BALANCING ANALYSIS

2026 Proposed Budget Policy Considerations

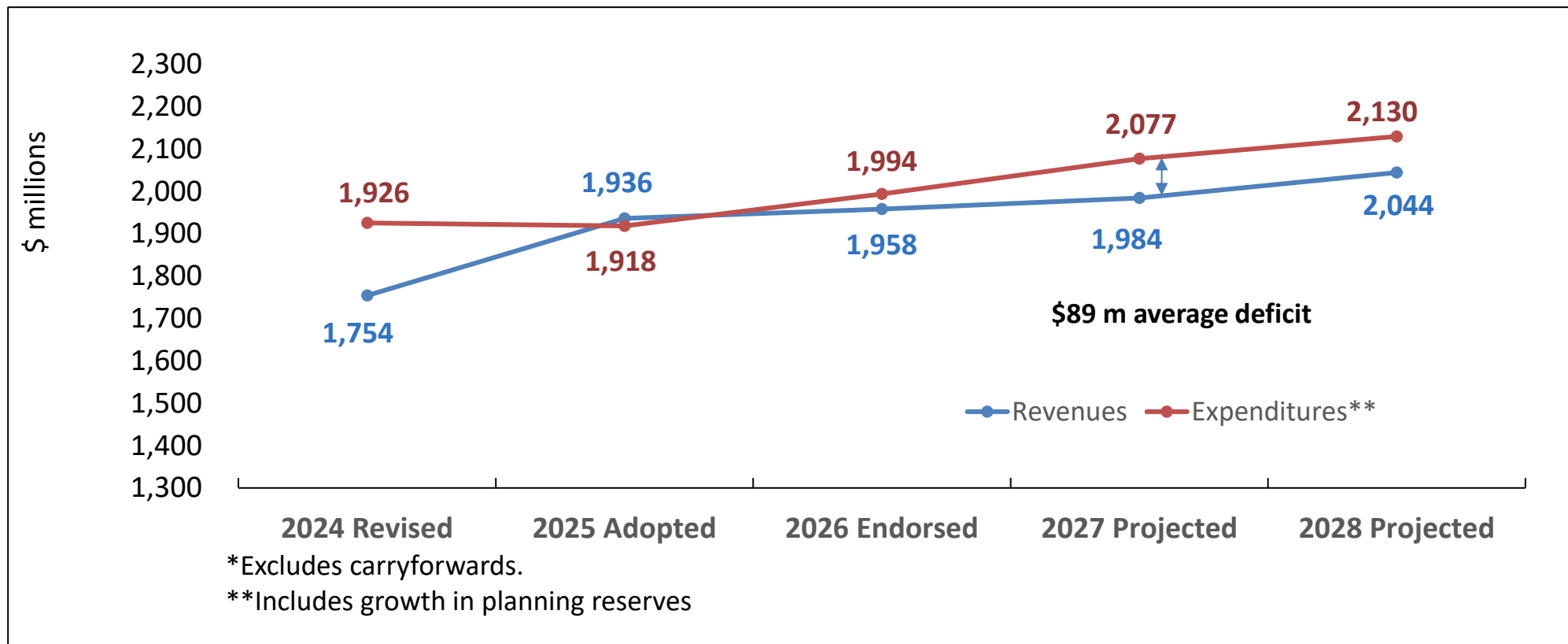
Select Budget Committee | October 15, 2025

Tom Mikesell, Central Staff

Objectives:

1. Revisit 2025 Adopted/ 2026 Endorsed Budget and the long-term \$89 million average deficit projected at that time
2. Review 2025 revised GF revenue and appropriation changes, actual and proposed
3. Review 2026 Proposed GF revenue and appropriation changes, relative to the 2026 Endorsed, and their impact on GF balancing status
4. Review the 2026 Proposed Budget's \$125 million average projected GF deficit
5. Review the funding status of the City's primary fiscal reserves
6. Review the JumpStart Fund considering the August payroll expense tax forecast decrease

November 2024: Projected 2027-2028 GF Deficit



Key takeaway: The GF financial plan published with the 2025 Adopted/2026 Revised Budget projected a \$89 million average deficit in 2027 and beyond.

Summary of Changes to 2025 Budget

Amounts in \$000,000s	2025 Impact
2025 Adopted Ending Fund Balance	\$123
1. 2024 Year End Reconciliation	\$135
2. Approved & Automatic Carryforwards/Supplementals	
Revenues	\$16
Expenditures	(\$140)
<i>Subtotal - Approved Supplementals/Carryforwards</i>	(\$124)
3. August Revenue Forecast (excluding double-counts)	\$11
4. Proposed Budget Legislation	
Revenues	\$5
Expenditures	(\$22)
<i>Subtotal - Proposed Budget Legislation</i>	(\$17)
5. Higher Underspend Assumption	\$13
2025 Revised Ending Fund Balance	\$141
Increase in 2025 ending balance compared to 2025 Adopted Budget	<u>\$18</u>

Key takeaway: Approved and proposed GF changes, and higher underspend, would increase 2025 ending/2026 beginning fund balance by \$18 million, which represents one-time resources used in the Mayor's 2026 Proposed Budget.

2026 Proposed GF Budget Balancing Analysis Framework

- 2026 Endorsed Budget is the starting point.

Amounts in \$000,000s	Fund Balance	Revenues	Total Resources	Expenditures ^{1/}	Planning Reserves	Total Uses	Balance
2026 Endorsed	\$123	\$1,958	\$2,081	\$1,920	\$161	\$2,081	\$0
1/Reduced by \$10 million to account for Executive underspend.							

- Step 1:** From this starting point, add the increase to 2025 ending balance (see previous slide), the August revenue forecast impact, and baseline, technical, and planning reserve changes to see baseline balancing status
- Step 2:** Next, review the impact of the new revenue proposals and related spending on GF balance.
- Step 3:** Then factor in the Mayor's net new spending proposals (new spending above reductions and revenue-backed adds).

Step 1: August Forecast, Baseline, and Technical Changes

- Baseline and technical changes, such as adjustments for revised inflation and central costs changes, decrease 2026 spending by \$5 million
- 2026 planning reserves increase by \$2 million
- August forecast decreased 2026 GF revenues by \$6.8 million, relative to the Endorsed Budget. Worth noting that baseline revenue growth (2.2 percent) is lower than inflation (2.8 percent)
- Total baseline, technical planning reserves and forecast changes reduce balance by \$4 million
- When added to higher starting balance due to 2025 Revised Budget changes described previously, the baseline GF balance, prior to proposed changes, is a positive \$13.7 million

Key takeaway: Adding in higher starting balance, and revenue , baseline and technical changes increased the baseline 2026 GF balance increased from \$0.0 to a positive \$13.7 million before Mayor's proposed changes. However, this does not include the impact of payroll expense tax shortfall, which is covered as part of revenue proposals.

Step 2: Revenue Proposals: Summary of Balancing Impact

Amounts in \$1,000,000s	Revenues	Expenditures ^{1/}	Balancing Impact	Cumulative Balance Impact
2026 Proposed Starting Balance				\$140.9
2026 Proposed Baseline	\$1,950.6	\$2,077.8	(\$127.2)	\$13.7
Miscellaneous Operating Revenues	(\$1.6)	\$0	(\$1.6)	\$12.1
Reduce Payroll Expense Tax Transfer To GF	(\$75.5)	\$0	(\$75.5)	(\$63.4)
GF Expenditure Shifts to FEPP Levy	\$0	(\$27.6)	\$27.6	(\$35.8)
Business and Occupation Tax Restructure	\$81	\$28.8	\$52.2	\$16.4
Public Safety Sales Tax	\$38.9	\$23.7	\$15.2	\$32
2026 Proposed Revised Balance Including New Revenues				\$32
1/Reduced by \$10 million to account for Executive underspend, which is not part of the appropriation. Includes \$163.2 million for planning reserves.				

Key takeaway: Net balance of \$32 million after all baseline and technical changes and revenue proposals, which is used to fund net new GF adds.

Business & Occupations Tax Restructure

Amounts in \$1,000,000s		Expenditures		
Department/Office	Description	One-time	Ongoing	Total
FAS	Resource Needs for Implementing B&O Tax Changes	\$0	\$1.2	\$1.2
HSD	Rental Assistance Funding	\$0	\$4	\$4
HSD	B&O Backed Reserve for Federal Impact Shelter Supports and Emergency Housing	\$9.4	\$0	\$9.4
HSD	Funding for Food Banks	\$3	\$0	\$3
HSD	Funding for Meal Programs	\$1	\$0	\$1
OIRA	Immigration Emerging Need Response	\$0.3	\$0	\$0.3
OIRA	Immigration Legal Services, Workforce Opportunities, and Safety Programs	\$3.7	\$0	\$3.7
OSE	Expand Fresh Bucks Eligibility and Benefit Amount	\$6.3	\$0	\$0
Total New GF Spending Supported B&O Tax Increase		\$23.6	\$5.2	\$28.8
1/Does not include \$1 million of one-time 2025 funding in FAS and Seattle IT for initial implementation costs, nor \$200,000 in the Information Technology Fund for ongoing support costs.				

Key takeaway: \$28.8 million of GF federal response adds funded by B&O tax restructure, mostly on a one-time basis. Remainder backfills GF spending.

Policy Consideration

1. Business & Occupation Tax Federal Backfill Funding One-time Status

New appropriations for federal backfill/federal response supported by the business and occupations tax restructure are funded on a one-time basis in the 2026 Proposed Budget, and are included as a ‘federal funding backfill reserve’ in unappropriated planning reserves beginning in 2027.

Options:

- A. Submit a cost-neutral budget amendment to shift one or all the one-time spending allocations to ‘ongoing’ status in the 2026 Proposed Budget, and provide guidance to adjust/remove the ‘federal funding backfill reserve’ from future financial projections accordingly.
- B. No Change

Step 3: Net New Spending Proposals

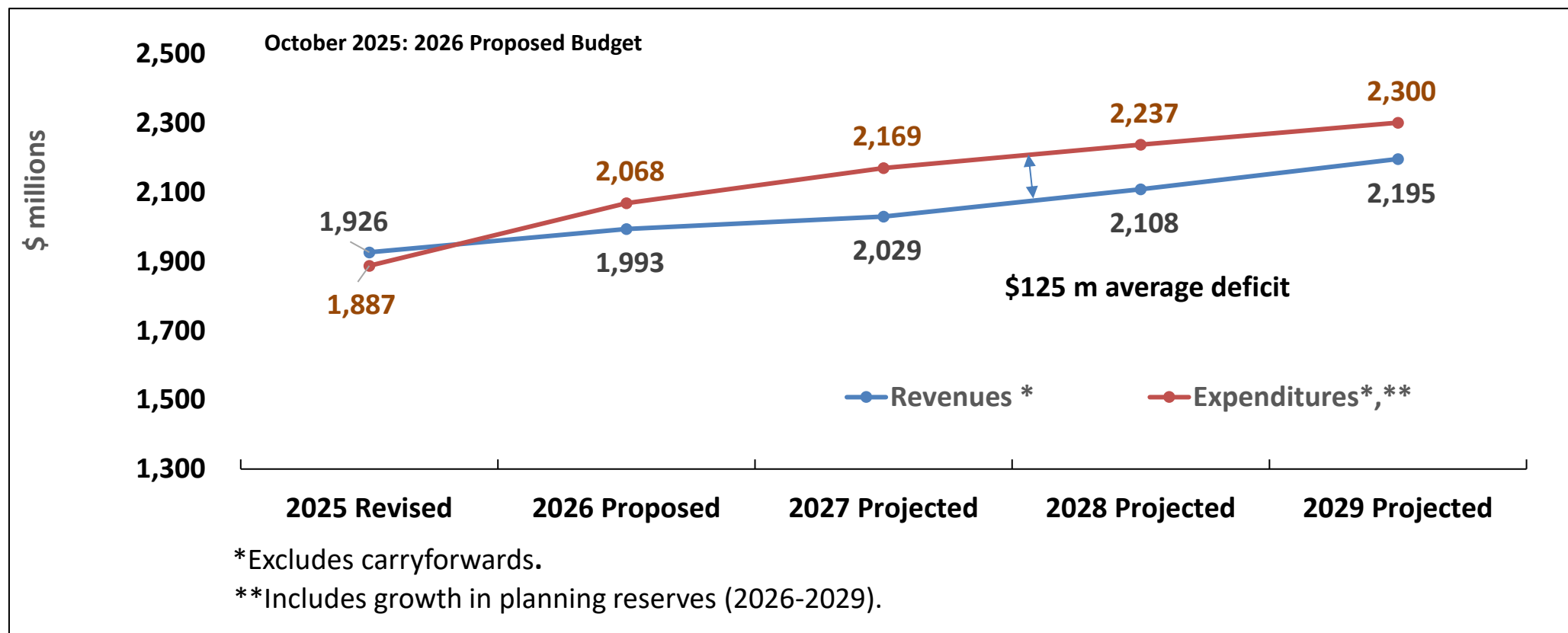
- The \$32 million of net GF balance after all previously described changes to the 2026 Endorsed Budget were available to be allocated to additional, new policy-related expenditure changes in 2026 Proposed GF Budget.
- The Mayor has then also proposed \$41 million of reductions. When added to the \$32 million, this provides \$73 million in resources that are directed towards new spending.

Amounts in \$1,000,000s	2026 Proposed		
	One-time	Ongoing	Total
Expenditure Decreases	(\$9)	(\$32)	(\$41)
Expenditure Increases	\$14	\$59	\$73
Net Appropriation Change	\$4	\$28	\$32

- Important to note that the net ongoing change from these adds, meaning the increase in spending that continues in future years, is \$28 million.
- These items are listed in Attachment A to GF Balancing memo, with noteworthy changes described in the Central Staff Policy Considerations memos.

Key takeaway: A total appropriation increase of \$73 million is only partially offset by \$41 million. The net impact is \$32 million of new spending, of, \$28 million is ongoing.

October 2025: Projected 2027-2029 GF Deficit



Key takeaway: Due to increase in ongoing spending above ongoing revenues, projected deficit increases to \$140 million in 2027, and \$125 million on average through 2029.

GF Financial Plan Considerations

1. For first time, outyear projection beginning in 2027 include a \$10 million underspend assumption, which reduces the projected deficit in each year, building on recent change in budget practice
2. Beginning in 2027 and continuing in future years, a portion of growth in planning reserves is for enhanced future services rather than purely funding 2026 Proposed Budget decisions. Specifically, the planning reserves include amounts needed to build an additional 150 shelter beds as part of a multi-year proposal.

Pattern of Use of Underspend in the Budget

Amounts in \$1,000,000	Assumption	Actual ^{1/}	Variance
2021 Revised GF	-	\$49	\$49
2022 Revised	\$20	\$46	\$26
2023 Revised	\$10	\$35	\$25
2024 Revised ^{2/}	\$24	\$65	\$41
2025 Revised	\$23	-	
2026 Proposed	\$10	-	
1/Net of carryforwards.			
2/Includes the impact of an Executive hiring freeze, which would serve to increase underspend above 'normal' expectations.			

- Practice of using assumed underspends in budget began in 2021, during COVID -19 pandemic.
- Though underspend is in some ways 'natural', from vacancy savings and good financial stewardship, in the event of a downturn actual cuts will need to be identified.
- An underspend assumption is relied on in the budget and now future projections, and yet a higher deficit is still being projected, perhaps a warning sign.
- Ultimately, Mayor controls spending, and appropriations for Council priorities could be underspent to meet assumption.

Key takeaway: Underspend assumptions started in 2022, and now are in every budget, Mayor controls spending, meaning Council priorities could be part of underspend in a downturn.

Policy Consideration

2. Use of underspend assumptions in the budget and longer-term financial planning.

Use of underspend assumption in budget could lead to Executive not spending on Council priorities. Further, change in practice regarding the use of underspend in future projections may weaken the usefulness of long-term financial planning.

Options:

- A. Statement of Legislative Intent to convene a Central Staff, CBO, and City Finance workgroup to develop recommendations for formal policies on the use of underspend assumptions in the budget and financial plan, based on best practice research and risk analysis.
- B. No change.

Projected 2027 Deficit Considerations

Large projected deficits remain in the GF financial plan despite:

- An expanded transfer of payroll expense tax revenues from the JumpStart Fund,
- Budget shifts of \$28 million of programs out of the GF to the expanded FEPP levy;
- Business and occupations tax restructure, which provides a projected \$81 million of new revenue in 2026;
- New public safety tax, which generates approximately \$39 million of new sales tax revenue in 2026; and,
- Use of underspends in both current budgets and now future year projections.

Having employed these tools without reducing the deficit, few options remain to respond to future fiscal challenges, both in terms of a future shortfalls and responding to the impact of the revenue forecast to be presented on October 20.

Key takeaway: Significant revenue and expenditure measures have been used to maintain GF balance since 2019, yet deficit projections persist. This leaves few clear options other than budget cuts to restore balance. And these cuts will need to be deeper should the economy or forecast turn downward.

Fiscal Reserves

- Emergency Fund: For unanticipated expenses; fully funded to \$87.7 million in 2026 Proposed Budget.
- Revenue Stabilizations Fund (RSF): can be used to support city operations and activities to unanticipated shortfalls in GF revenues. Maximum balance is 5% of GF taxes
- SMC 5.80.020 requires the budget to include a deposit from the GF to the RSF equal to 0.5 percent of forecasted General Fund tax revenues until the maximum balance is achieved. For 2026, that 0.5 percent amounts to \$7.7 million.
- However, as shown in the table below, the 2026 Proposed GF budget does not include the full amount of the required transfer.

Amounts in \$1,000,000s	2025 Revised Ending Balance	2026 GF Transfer	2026 Ending Balance	% of Policy Maximum
SMC 5.080.200 Required	\$68.2	\$7.7	\$75.9	98%
2026 Proposed Budget	\$68.2	\$3.1	\$71.3	92%
Difference	\$0	(\$4.7)	(\$4.7)	(6%)

Policy Consideration

3. Adjust revenue stabilization fund transfer to policy levels

The 2026 Proposed GF Budget underfunds the transfer from the GF to the RSF by \$4.7 million, which leaves the proposed RSF ending balance below statutory requirements.

Options:

- A. Cut \$4.7 million of proposed GF spending and increase the transfer from the GF to the RSF by a like amount, to meet statutory requirements.
- B. Increase the 2026 Proposed Budget underspend by \$4.7 million
- C. Propose budget legislation to amend SMC 5.080.020 to lower the RSF funding requirement in the Revenue Stabilization Fund policy.
- D. No change

JumpStart Fund

JSF Spending in the Endorse 2026 Budget

- 2026 Endorsed Budget appropriated \$504 million from the JSF, using \$41 million of fund balance, and \$463 million of forecast payroll expense tax revenues.
- \$265 million (52 percent) was a transfer to the GF for revenue backfill, and the remainder was for programs and services funded in the JSF as guided by ORD 127155.

Changes in JSF Spending in Proposed 2026 Budget

- The August forecast reduced the 2026 payroll expense tax forecast by \$78 million, forcing a reduction JSF appropriations.
- The 2026 Proposed budget decreases the transfer to GF by \$76 million, preserving 2026 Endorsed JSF spending levels. This is possible because of the combination of one-time and on-going resources that have been added to the GF.
- The JSF financial plan includes \$9.7 million as an initial contribution to restore the Payroll Expense Tax Revenue Stabilization Account (PETRSA). This is to be followed by three subsequent annual contributions to bring the total to 10% of PET revenues within four years, consistent with adopted policy. However, this contribution is only shown in the Funds' financial plan, it is not a formal appropriation. SMC 5.38.105.C indicates the reserve should be part of proposed budget

Policy Consideration

4. Appropriate JumpStart Fund PETRSA 2026 contribution

The 2026 Proposed GF Budget does not include an appropriation to the PETRSA pursuant to ORD 127155 but includes \$9.7 million in unappropriated amounts for this purpose in the JSF Financial Plan submitted with the 2026 Proposed Budget.

Options:

- A. Add a \$9.7 million Finance General appropriation from the JSF labeled “JumpStart Fund Revenue Stabilization Account” to the 2026 Proposed Budget, offset by instruction to remove a like amount from the 2026 Proposed JSF Financial Plan.
- B. Submit budget legislation to amend SMC 5.38.105 to indicate that the JSFRSA balance may be maintained as an unappropriated amount in the JSF financial plan submitted with the budget.
- C. No change

Questions?

GENERAL FUND BALANCING & SUSTAINABILITY ANALYSIS

2026 PROPOSED MIDBIENNIAL BUDGET ADJUSTMENTS

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

Executive Summary:

The Mayor's 2026 Proposed Budget increases appropriations from the General Fund (GF) by \$52 million (2.6%) in 2026 compared to the 2026 Endorsed Budget. This memo:

- Reviews changes made by the Council and the Mayor since the Council endorsed a 2026 budget in November 2024 (this includes legislative changes, revenue forecasts and year-end carryforwards) and describes the impact of policy choices embedded in the Mayor's Proposed Budget on the 2025 GF ending balance; and.
- Reviews high level changes in the General Fund (GF) budget for 2026 in light of a significant addition of new tax revenues and illustrates the impact on GF sustainability into the future.

At the highest level, the key takeaways from this analysis include:

- In November 2024, the Council endorsed a budget for 2026. At that time, those decisions resulted in a projected average ongoing annual deficit in the GF of approximately \$89 million in 2027 and beyond.
- Based on actual and proposed changes to the 2025 Revised Budget, baseline and technical changes to the 2026 Endorsed Budget, and the latest projection of GF revenues in the August 2025 forecast, prior to any policy proposals the GF had a \$14 million baseline surplus in 2026.
- Given a substantial forecast downgrade in the JumpStart Fund, the use of JumpStart Fund transfers to balance the GF is decreased by \$76 million in the 2026 Proposed GF Budget, reducing GF revenues by a like amount
- Substantial new tax proposals in 2026, including a restructuring of the business and occupations tax, and a public safety sales tax increase, provide a total of \$120 million of new revenues. In addition, a higher Families, Education and Pre-school Promise property tax levy renewal package enables \$28 million of expenditure shifts from the GF to the levy. In total, this represents an additional \$148 million of new resources to both backfill the JumpStart transfer reduction and support new spending proposals in the 2026 Proposed Budget.
- In total, revenue, expenditure and planning reserve proposals in the 2026 Proposed Budget increase appropriations and planning reserves by \$54 million above the 2026 Endorsed Budget.
- Despite the influx of new resources, beginning in 2027, the projected GF deficit grows to \$125 million on average, due to the use of one-time funds to balance 2026, and a projected growth in ongoing expenditures and planning reserves that outpaces projected revenues.

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I. Background

[RCW 35.32A.030](#) requires that Seattle adopts a balanced budget, where the estimated revenues of each fund meet or exceeds budgeted expenditures. Time of adoption is the only time State law requires that the budget be balanced. The law does not require the annual budget to be updated to reflect changes in the City's revenue projections throughout the year. If authorized spending exceeds available revenues, the Executive is constrained by the level of resources available to support authorized spending. If this occurs, the Executive must make administrative spending reductions (that is, the Executive must choose areas to stop spending).

State law does not require that a balanced budget be demonstrated in the years beyond the year being adopted, however, making projections of how current expenditure decisions may result in projected surpluses or deficits in the future is a common fiscal practice to foster sustainable and stable provision of government services in the future, and to serve as a foundation for identifying risk inherent in the current budgeting approach

Adopted as budget legislation with the 2024 Adopted Budget, [RES 32116](#), which modified the biennial budget process framework established in RES 28885, passed in 1994, stipulates that in the second year of a biennial budget the Mayor uses the Council- endorsed budget, which was the second year of a two-year plan, as the starting point for 'minimal changes' that address a set of circumstance outlined in the resolution. As 2026 is the second year of the 2025-2026 biennium, the budget, and the analysis in this memorandum, focuses on the changes to the existing 2026 Endorsed Budget to arrive at the 2026 Proposed GF Budget.

It is worth noting that this review focuses primarily on the General Fund (GF), but also necessarily includes the JumpStart Fund (JSF). Since its inception after the adoption of the City's new Payroll Expense Tax in 2020, the JSF has provided a regular annual revenue transfer to the GF to backfill the latter's ongoing sustainability challenges (budget imbalance) coming out of the COVID-19 pandemic. This arrangement was formalized in [ORD 127155](#), which in essence also made the JumpStart Fund fiscally equivalent to the GF in terms of flexibility of uses. In addition, whereas in prior years the flow of resources had been one way, with ever-larger JSF transfers supporting GF spending, ORD 127155 added the provision that, in the event of revenue challenges in the JSF, the fiscal relief could flow in the opposite direction (that is, GF supporting JSF spending). The two-way relief mechanism and GF-level flexibility of use of JSF resources provided for in ORD 127155 essentially make the JSF on par with the GF in fiscal terms, and as such this memorandum considers its fiscal status, as one the City's two largest general-purpose funds, in light of the policy.

As the starting point for the focus on the City's GF balances and projected financial status, Section II of this memorandum briefly describes the financial plan provided the 2025 Adopted Budget Book, which demonstrated, beginning in 2027, an \$89 million ongoing funding gap and negative unreserved fund balance in the GF. This will serve as the foundation for subsequent sections that will track how proposed revenue and expenditure changes in 2025 through 2026 impact the projected funding gap and sustainability of the fund.

Section III describes the budget measures taken by the Council and Mayor to adjust the 2025 budget because of unforeseen events, and revenue changes in the August forecast update by the Office of Economic and Revenue Forecasts (Forecast Office) and the City Budget Office (CBO). Finally, this section describes new proposals from the Mayor for the 2025 Budget, including proposed year-end supplemental appropriations and grants ordinances, and ultimately updates the estimated 2026 beginning fund balance (one-time resources) that would be available if these proposals are passed, and which is assumed in the Mayor's 2026 Proposed Budget.

Section IV of this paper continues with a review of the Mayor's 2026 Proposed Budget for the GF, in preparation for more detailed departmental Policy Consideration discussions, scheduled for October 15-20. This review covers the major categories of the GF proposed budget, with a specific focus on how significant new revenue proposals are deployed.

Section V of this paper concludes the analysis of the GF with a review of the Financial Plan through 2029, after accounting for the proposed changes discussed in previous sections and provides an updated view of the sustainability of the GF budgets in 2027 and beyond.

Given risks identified with the way the budget is balanced, Section VI reviews the status of the balances held in the Emergency Fund and the Revenue Stabilization Fund, the City’s primary fiscal reserves.

II. 2025 Adopted GF Financial Plan

1. 2025 Adopted/2026 Endorsed GF Budget

On November 21, 2024, the City Council passed [ORD 120905](#) which approved a 2025 Adopted City budget of \$8.5 billion, of which \$1.88 billion was for programs and services funded from the GF. At the same meeting, the Council adopted [RES 32153](#), which endorsed a 2026 City budget of \$8.8 billion, of which \$1.92 billion was for programs and services funded by the GF.

Table 1 shows the fiscal parameters of the GF budget plan, including the 2024 beginning balance, operating revenues, operating expenditures, reserves, and ending unreserved fund balance. Put another way, this table represents the parameters of the balanced 2025 Adopted /2026 Endorsed Budget.

Table 1. 2025 Adopted/2026 Endorsed GF Budget

Amounts in \$1,000s	2024 Revised Budget	2025 Adopted Budget	2026 Endorsed Budget
Beginning Budgetary Fund Balance	\$408,425	\$57,958	\$123,333
Revenues	\$1,753,958	\$1,936,286	\$1,958,189
Expenditures ^{1/}	\$2,128,725	\$1,880,911	\$1,929,979
Underspend Assumption	(\$24,300)	(\$10,000)	(\$10,000)
Ending Budgetary Fund Balance	\$57,958	\$123,333	\$161,543
Planning Reserves		(\$87,511)	(\$161,123)
Ending Unreserved Fund Balance		\$35,822	\$420

As shown in the table, starting from a \$408 million beginning budgetary fund balance in 2024, budgeted and endorsed revenues and expenditures combined to arrive at a \$420,000 ending unreserved fund balance at the end of 2026, representing a balanced budget. The ‘Planning Reserves’ row includes amounts that are intended to be budgeted in future years but are not yet part of the budget due to legal or other planning considerations as determined by the Executive. Since these amounts are not appropriated in ORD 120905, in Table 1 they are shown ‘below the line’ (i.e., not part of expenditures). Similarly, the budget relies on underspend assumptions in each year, which are not technically part of the appropriation that Council approved, but are integral to balancing the plan.

2. 2025 Adopted/2026 Endorsed GF Financial Plan

Earlier this year, CBO published the [2025 Adopted-2026 Endorsed Budget book](#), that describes the funding decisions in ORD 120905, and includes, on page 757, a financial plan for the GF, covering revenues and expenditures from 2023 actuals through 2028 projected.

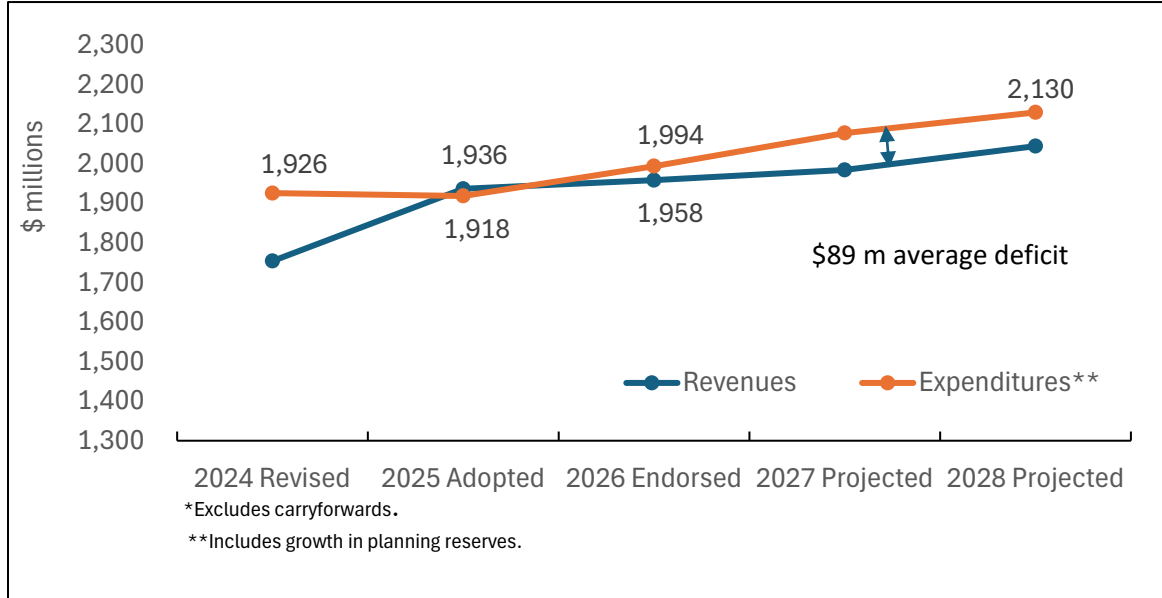
Table 2. 2025 Adopted/2026 Endorsed GF Budget Financial Plan

Amounts in \$1,000s	2024 Revised	2025 Adopted	2026 Endorsed	2027 Projected	2028 Projected
Starting Budgetary Fund Balance	\$408,425	\$57,958	\$123,333	\$161,123	\$182,875
Revenues	\$1,753,958	\$1,936,286	\$1,958,189	\$1,984,007	\$2,044,293
Expenditures ^{1/}	\$2,104,425	\$1,870,911	\$1,919,979	\$1,962,675	\$1,990,136
Ending Budgetary Fund Balance	\$57,958	\$123,333	\$161,543	\$182,875	\$237,031
Planning Reserves		(\$87,511)	(\$161,123)	(\$275,687)	(\$415,067)
Ending Unreserved Fund Balance		\$17,850	\$420	(\$92,813)	(\$178,036)

1/Adjusted for underspend assumptions in 2024 through 2026.

In the budget book, the financial plan is organized with the Planning Reserve amounts shown ‘below the line’. Like past graphical presentations, which restructured the CBO-developed plan into a format that clearly demonstrates the annual operating gap without double-counting the planning reserves, Figure 1 combines the annual growth in planning reserves with expenditures to show these revenue and expenditures trends graphically and visualize the projected average operating gap between GF revenues and expenditures in the financial plan.

Figure 1. 2025 Adopted/2026 Endorsed Budget GF financial plan operating gap



As shown in Figure 1, the \$35 million gap between ongoing revenues and expenditures in the 2026 Endorsed Budget, which was balanced by use of one-time fund balance, was projected to grow to about \$89 million per year on average in both 2027 and 2028. This is an important point of reference that will be revisited in Section V on sustainability of the 2026 Proposed GF Budget. It is also important to note that these figures are CBO’s calculations, and do not represent an independent assessment of sustainability by Central Staff.

III. 2025 GF Budget Adjustments

1. 2024 Year-end Reconciliation

As described in the [May 7th Financial Update: General Fund Balancing Analysis](#) presented to the Finance, Native Communities and Tribal Governments Committee, a combination of higher-than-anticipated revenues and lower-than-budgeted expenditures in 2024 resulted in an actual year-end GF fund balance that was \$135 million higher than what was expected when the 2025 Budget was adopted. These, and other unspent appropriations, were carried forward into the 2025 budget to perform unfinished work.

2. Approved 2025 Adjustments and Carryforwards

Since November 2024, the 2025 Adopted Budget has been revised by a series of Council-approved and automatic updates, as shown in Table 3, which reduce the 2025 GF balance by \$124 million after accounting for \$16 million of revenues associated with these changes.

Table 3. Adopted Current Year Budget Legislation and Automatic Carryforwards¹

Amounts in \$1,000,000s	Revenues	Expenditures	GF Balance Impact
Automatic Carryforwards	\$43	\$112	(\$70)
ORD 127216 - CBO Q1 Grants	\$5	\$5	\$0
ORD 127270 - CBO 2024 Carryforward	\$0	\$20	(\$20)
ORD 127068 - CBO 2024 Mid-Year Supplemental	(\$3)	(\$3)	\$0
ORD 127263 - CBO 2025 Midyear Acceptance	\$5	\$5	\$0
ORD 127269 - CBO PET Transfer Reduction ORD	(\$34)	\$0	(\$34)
Total - Revised Budget Changes	\$16	\$140	(\$124)

3. August Revenue Forecast Update

On August 6th, staff from the Forecast Office and CBO [presented](#) to the Finance, Native Communities and Tribal Governments Committee the second of three planned forecast updates for 2025. Relying on a baseline economic scenario, this forecast projected 2025 GF revenue levels of \$1.962 billion, which is \$26 million higher than the amount originally projected in the 2025 Adopted Budget. However, the August forecast included some of the revenue from carryforwards and legislated changes detailed in Table 3, above. After removing any double counted revenue, the August GF revenue forecast is \$11 million higher than the 2025 Adopted Budget level.

4. 2025 GF Balancing Status After Approved Changes

After adjusting for the impact of the revenue forecast, and automatic and legislated changes described above, the 2025 ending fund balance increases from \$123 million to \$145 million as detailed in Table 4. This represents a \$22 million increase in one-time resources before applying the proposed year-end changes assumed in the Mayor's 2025-2026 Proposed budget.

¹ As of September 13, 2024.

Table 4. 2025 GF Ending Fund Balance after Approved Adjustments

Amounts in \$1,000s	Balance
2025 Adopted Ending Balance	\$123
Approved/Automatic Adjustments:	
2024 Year-End Reconciliation	\$135
2024 Adjustments and Carryforwards	(\$124)
August Revenue Forecast Update	\$11
2025 Ending Balance After Approved Adjustments	\$145
Total Increase (One-time Resources)	\$22

The next subsection discusses new legislative budget proposals for the remainder of 2025 that the Mayor has included with the 2025 Revised/2026 Proposed Budget.

5. 2025 GF Budget Legislation Submitted with the Proposed Budget

Consistent with past practice, the 2026 Proposed Budget includes two pieces of year-end budget legislation, including proposed year-end grant acceptance and appropriations and the final comprehensive year-end supplemental budget adjustments, as follows:

- *CBO 2025 Year-End Acceptance*: Represents the third and final grant acceptance and appropriation ordinance and would accept \$3.1 million of GF grants and increase both GF appropriations and revenues a like amount, resulting in a net-zero GF balance impact.
- *CBO 2025 Year-End Supplemental Legislation*: The second and final comprehensive supplemental budget legislation for 2025, this bill would increase 2025 GF revenues by \$2.2 million and increase 2025 GF expenditures by \$19.5 million, with a net GF balance impact of (\$17) million.

Department-level details for these bills are provided in the *Budget Legislation* sections of the respective Overview & Policy Considerations papers.

6. Revised Underspend

Though not part of the 2025 Revised Budget appropriation, the budget proposal relies on an assumed underspend of \$23 million in 2025 to generate additional resources that are deployed in the 2026 Proposed Budget. In essence, the Executive relies on final spending coming in \$23 million below budget for 2026 to balance. This represents a \$13 million increase over the underspend assumption that was included in the 2025 Adopted Budget, and the second year where an underspend of this size has been necessary to balance the revised budget (the 2024 assumed underspend was \$24.3 million, adjusted upward from an original proposal of \$10 million to account for savings from a hiring freeze in that year).

While not an explicit cut that can be evaluated and adopted on a department-by-department basis, and moreover, a practice that may impact one or more of Council's budgeted spending priorities, this represents a general declaration that current year spending will be sufficiently below budget to generate these savings by year end.

As will be discussed later in this memorandum, the 2026 Proposed GF Budget parameters include a \$10 million underspend assumption (a continuation from the 2026 Endorsed level), and for the first time, an annual underspend is included in the "out year" projections as well. A policy consideration of the evolving practice of budget underspends is offered in Section V on GF Sustainability.

7. 2025 Revised Ending Balance/2026 Revised Beginning Balance

Bringing together the totals from each of the prior subsections, the 2025 ending budgetary fund balance, which represents the beginning balance of one-time resources for the Mayor's 2026 Proposed Budget, is \$141 million, as shown in Table 5 below. This is \$18 million higher than the amount anticipated when the 2025 Budget was adopted. As detailed below, the Mayor's reliance on this \$141 million one-time resource to balance his proposed spending for 2026 reflects the inherent unsustainability of the 2026 Proposed Budget, and demonstrates the basic magnitude of the mismatch between the City's expenditures and its reliable, on-going revenues.

Table 5. Impact on 2025 Ending Balance from Approved and Proposed 2025 Adjustments.

Amounts in \$000,000s	2025 Impact
2025 Adopted Ending Unreserved Fund Balance	\$123
1. 2024 Year End Reconciliation	\$135
2. Approved & Automatic Carryforwards/Supplementals	
<i>Revenues</i>	\$16
<i>Expenditures</i>	(\$140)
<i>Subtotal - Approved Supplementals/Carryforwards</i>	(\$124)
3. August Revenue Forecast (excluding double-counts)	\$11
4. Proposed Budget Legislation	
<i>Revenues</i>	\$5
<i>Expenditures</i>	(\$22)
<i>Subtotal - Proposed Budget Legislation</i>	(\$17)
5. Higher Underspend Assumption	\$13
2025 Revised Unreserved Ending Fund Balance	\$141
Increase in 2025 ending balance compared to Adopted Budget	\$18

IV. 2026 Proposed GF Budget

This section includes an overview of the 2026 Proposed GF Budget, which totals \$1.97 billion in 2026². When \$163 million of planning reserves are included, the total budget increases to \$2.13 billion. This represents a \$53 million (three percent) increase over the 2026 Endorsed Budget (plus planning reserves), and a \$175 million increase (nine percent) from the 2025 Adopted Budget, respectively.

From a resource perspective, the 2026 Proposed Budget is funded by a combination of \$1.99 billion of revenues and \$141 million of one-time fund balance, for a total of \$2.13 billion, representing a balanced budget. Total 2026 proposed revenues are two percent higher than the endorsed levels, and 3 percent higher than the 2025 Adopted Budget. Use of fund balance increases by 14 percent over the level of fund balance used to balance the 2026 Endorsed Budget.

Building from the 2026 Endorsed Budget, the remainder of Section IV will add the proposed baseline and technical expenditures, planning reserves, and the August forecast information, to provide an assessment of the projected baseline deficit. Next, proposed new revenue sources and fund shifts and the expenditures they specifically support in the budget are added sequentially in line with their formal review by City Council during the year. Finally, net-new expenditures, representing the expenditure increase over and above proposed reductions are detailed to arrive at the balanced budget proposed for 2026.

² Total includes a \$10 million underspend assumption used in the GF Financial Plan to balance the budget.

The framework in Table 6 details the parameters of the 2026 Endorsed Budget and serves as the starting point for the analysis. From left to right it starts from the beginning ‘Fund Balance’ and adds in ‘Revenues’ to sum to the ‘Total Resources’ available. Next, ‘Expenditures’ and ‘Planning Reserves’ are shown, summing to ‘Total Uses’. Finally, the ‘Balance’ column shows the difference between Total Resources and Total Uses. A positive or zero balance is required for a balanced budget.

Table 6. Fiscal Parameters of the balanced 2026 Endorsed GF Budget.

Amounts in Millions	Fund Balance	Revenues	Total Resources	Expenditures ^{1/}	Planning Reserves	Total Uses	Balance
2026 Endorsed	\$123	\$1,958	\$2,081	\$1,920	\$161	\$2,081	\$0
1/Reduced by \$10 million to account for Executive underspend.							

Each adjustment discussed in the following sections will fit into one or more of these categories, allowing for a tracking of the balancing status at each stage.

1. 2026 Baseline Changes: Forecast Office/CBO Revenue Forecast Update

In August the Forecast Office and CBO [updated the GF revenue forecast](#), decreasing total GF revenues to \$1.51 billion in 2026, a \$6.8 million decrease from the October 2024 forecast that informed the 2026 Endorsed Budget level. It is worth noting that this figure includes the impacts of grants and fund transfers, which can be irregular. To provide an insight into base revenue growth driven by the economy rather than these policy-driven changes, the Forecast Office also includes forecasts that exclude the impacts of fund transfers and grants. Using this approach, compared to the 2025 Revised Budget forecast, the 2026 forecast represents 2.2 percent growth, which is lower than the level of inflation (2.8 percent), indicating a shrinking of the GF revenue base.

It is worth noting that the third and final forecast for 2025, which establishes the revenues used for the balanced budget and in the Budget Chair’s balancing package, will be presented by the Forecast Office to the Forecast Council on October 20, 2025.

2. 2026 Baseline Changes: Technical and Planning Reserve

As mentioned above, the 2026 Endorsed GF Budget, plus planning reserves, totaled \$2.08 billion. Consistent with the City’s incremental budgeting approach, the 2026 Endorsed Budget is the starting point for 2026 Proposed Budget. Starting from the prior endorsed budget, the Executive adjusts department budgets by removing one-time appropriations, adding inflation, retirement contribution and wage increases, and accommodating existing policy or legal requirements. This process essentially determines the cost to continue the 2026 Endorsed service levels without adding new programs. These changes include the following:

- **Baseline and Technical Adjustments:** An expenditure decrease of \$5 million to reflect adjustment for removal of one-time items, inflation impacts, and other contracts, partially offset by a \$727,000 decrease in grant revenues related to these adjustments.
- **Planning Reserve Changes:** A Planning Reserve increase of \$2 million. In addition to formal appropriation amounts included in the Proposed Budget, the GF financial plan submitted with the budget includes amounts that are not part of the formal appropriation proposal but are nonetheless anticipated expenditures. Unlike the fiscal reserves, which are held for emergencies and unanticipated revenue shortfalls, these are unappropriated balances reflected in the financial plan by the Executive reflect the estimated cost of labor agreements that are under negotiation, but to also include potential legal and other potential risks that are anticipated to be expenditures in the future. There is not an established City policy governing this practice. The Executive does provide full transparency to Central Staff such that they can evaluate the proposed purposes and magnitude of the reserves.

Though not considered part of the budget appropriation under the State Budget Act, and in that sense not specifically considered part of the legal balanced budget, and not specifically discussed in public budget deliberations, they are considered part of the budget for balancing purposes. Through membership on the Labor Relations Policy Committee (LRPC), the Council has a role in determining the portion of the reserves related to unresolved labor negotiations.

3. 2026 Baseline: GF Balance

Incorporating the increase to the Revised 2025 Ending Balance and the revenue and expenditures changes previously described in this section allows for an assessment of the baseline GF balancing status for 2026, before incorporating any Executive spending and revenue policy proposals included in the 2026 Proposed Budget. As shown in Table 7 below, the baseline GF surplus, comparing the cost of providing 2026 Endorsed service levels with forecasted revenues, would be a positive \$14 million, as a result of base resources exceeding base expenditures. This is due to the increase in one-time resources prior years, that increased starting fund balance, and the analysis specifically excludes the impact of newly proposed revenues.

Table 7. Summary of 2026 Baseline GF Balancing Status

Amounts in \$1,000,000s	Fund Balance	Revenues	Total Resources	Expenditures ^{1/}	Planning Reserves	Total Uses	Balance
2026 Endorsed	\$123	\$1,958	\$2,081	\$1,920	\$161	\$2,081	\$0
2025 Ending Balance	\$18		\$18			\$0	\$18
Baseline and Technical		\$0	\$0	(\$5)	\$2	(\$3)	\$3
August Revenue Forecast		(\$7)	(\$7)			\$0	(\$7)
2026 Proposed Baseline	\$141	\$1,951	\$2,091	\$1,915	\$163	\$2,077	\$14
1/Reduced by \$10 million to account for Executive underspend, which is not part of the appropriation.							

4. 2026 Policy: Proposed Changes Due to Revenue Proposals

The 2026 Proposed Budget includes several policy related adjustments related to revenue proposals, including:

- Miscellaneous operating revenue adjustments;
- Reduction in the planned transfer from the JumpStart Fund (JSF) to the GF because of a significant downgrade to the payroll expense tax revenue forecast;
- Shift of GF spending to the Families, Education, Preschool, and Promise (FEPP) Levy 2025 Fund made possible by a property tax levy increase submitted for a November public vote;
- Business and Occupation tax restructure that generates revenue to backfill the GF and offset federal funding cuts, also submitted for vote in November; and,
- State-authorized sales tax increase to support public safety spending.

This subsection describes the revenues and expenditure implications of each item and concludes with an updated table to show GF balancing status.

Miscellaneous Operating Revenue Adjustments

In addition to a set of significant revenue proposals included in the 2026 Proposed budget, which are discussed below, there are a number of small-scale operating revenue proposals that on net reduce operating revenues by \$1.6 million in the 2026 Proposed Budget, as shown in Table 8, below.

Table 8. Miscellaneous Operating Revenue Items in the 2026 Proposed Budget

Amounts in \$1,000,000s		Revenues		
Department	Description	One-time	Ongoing	Total
Law Department	Judgment Claims Fund Revenue Adjustment	\$0	(\$1.8)	(\$1.8)
Finance and Administrative Services	On-going Resource Needs for Implementing Social Housing Tax (the City will receive a small amount of the voter-approved revenue)	\$0.5	\$0	\$0.5
Office of Planning and Community Development	Sound Transit 3 Staffing for Design Commission	\$0	\$0.2	\$0.2
Office of Economic Development	CDBG Abandonment for Wealth Building Tenant Improvement Program	(\$0.5)	\$0	(\$0.5)
Total Miscellaneous Operating Revenue Proposals		\$0	(\$1.6)	(\$1.6)

The largest item in Table 8, the Judgment and Claims Fund Revenue Adjustment, changes the underlying revenue source for staff in the Law Department Civil Division, including 5.0 FTE attorney positions and 2.0 FTE e-Discovery staff positions from the Judgment and Claims Fund to the General Fund. These positions were previously funded solely by the Judgment and Claims Fund.

Reduced Payroll Expense Tax Transfer To GF

As described earlier in this memorandum, the August forecast resulted in a small reduction to 2026 GF revenues. The reduction to payroll expense tax revenue to the JSF, however, was much more significant, representing a \$78 million reduction in 2026. Since payroll expense taxes are the primary revenue source to the JSF (besides interest earned on cash balances), this put the 2026 Endorsed Budget for the JSF fund out of balance. In prior years, given weakness in GF revenue growth compared to emerging spending pressures, the focus had been on increasingly higher transfers from the JSF to GF, to provide revenue backfill. These revenue transfers have increased from \$86 million in 2022 to \$265 million in the 2026 Endorsed Budget, representing 52 percent of the total JumpStart appropriation in the 2026 Endorsed Budget.

Adopted as part of the suite of 2025 budget legislation, [ORD 127155](#) revised the spending policies for the JumpStart Fund, providing greater flexibility for JSF backfill to the GF, but also recognizing the future potential for GF allocations to offset weakness in payroll expense tax proceeds in the future. Considering this policy revision, the 2026 Proposed Budget reduces the transfer from the JSF to the GF by \$75.5 million, bringing the total 2026 proposed revenue backfill transfer from the JSF to the GF to \$189 million. While this provides financial relief to the JSF, from the GF perspective this represents an ongoing reduction of revenue for the purposes of balancing.

GF Expenditure Shifts to FEPP Levy

Passed by the City Council on June 17, 2025, [ORD 127238](#) submits a Families, Education and Preschool Promise (FEPP) property tax levy renewal to the November 2025 General Election. The expenditure package included with the levy renewal included several fund shifts that moved programs and services funded by the GF in the 2026 Endorsed Budget to the FEPP levy. These shifts, totaling an ongoing GF expenditure decrease of \$27.6 million (offset by an increase in the FEPP Levy), are detailed in Table 9.

Table 9. 2026 Proposed GF Program and Service Shifts to the FEPP Levy

Amounts in \$1,000,000s		Expenditures
Department	Description	Ongoing
Education and Early Learning	GF central costs transferred to FEPP Levy	(\$0.8)
Education and Early Learning	GF funding for Child Care Assistance Program, Child Care Referral, the Nurse Family Partnership, ParentChild+, labor, central rates, and professional services FEPP levy	(\$8.4)
Human Services	GF backed Human Services Department youth programs to FEPP Levy	(\$10.6)
Human Services	Transfer Food Program Budget to Sweetened Beverage Tax ^{1/}	(\$7.1)
Parks and Recreation	GF Investments in Seattle Parks and Recreation to FEPP Levy	(\$0.7)
Total Ongoing Expenditure Shifts from GF to FEPP25 Levy		(\$27.6)
1/ Though nominally a spending shift from the GF to the Sweetened Beverage Tax (SBT), this shift is made possible by an offsetting \$7.1 million shift of SBT spending to the FEPP25 levy in the DEEL budget.		

Business and Occupation Tax Restructure

Passed by the City Council on August 4, 2025, [ORD 127259](#) submits a business and occupations (B&O) tax restructure proposal to the November 2025 General Election. Based on a combination of changes, including a new standard deduction, a higher small business threshold, rate increases, and tax credits, the Forecast Office estimates the restructure will generate \$81 million in 2026, the full amount of which is included as ongoing revenue in the 2026 Proposed Budget. In addition to the tax changes, ORD 127259 guides the use of the new funds, with up to \$30 million from the restructure proposal dedicated to backfilling the loss of federal revenues and administering the tax, and the remainder, estimated at \$51 million based on the forecast, to GF backfill geared towards a set of spending priorities specified in the ordinance. Table 10 details the new spending amounts the Executive included in the 2026 Proposed Budget based on ORD 127259, including the ongoing and one-time nature of each.

Table 10. 2026 Proposed Federal Response and Tax Administrative Costs Backed by B&O Tax increase ^{1/}

Amounts in \$1,000,000s		Expenditures		
Department/Office	Description	One-time	Ongoing	Total
Finance and Administrative Services	Resource Needs for Implementing B&O Tax Changes	\$0	\$1.2	\$1.2
Human Services	Rental Assistance Funding	\$0	\$4	\$4
Human Services	B&O Backed Reserve for Federal Impact Shelter Supports and Emergency Housing	\$9.4	\$0	\$9.4
Human Services	Funding for Food Banks	\$3	\$0	\$3
Human Services	Funding for Meal Programs	\$1	\$0	\$1
Immigrant and Refugee Affairs	Immigration Emerging Need Response	\$0.3	\$0	\$0.3
Immigrant and Refugee Affairs	Immigration Legal Services, Workforce Opportunities, and Safety Programs	\$3.7	\$0	\$3.7
Sustainability and Environment	Expand Fresh Bucks Eligibility and Benefit Amount	\$6.3	\$0	\$6.3
Total New GF Spending Supported B&O Tax Increase		\$23.6	\$5.2	\$28.8
1/Does not include \$1 million of one-time 2025 funding in FAS and Seattle IT for initial implementation costs, nor \$200,000 in the Information Technology Fund for ongoing support costs.				

As shown in Table 10, of the \$81 million in new ongoing GF revenue from the B&O tax increase, the 2026 Proposed Budget adds \$28.8 million of funding geared towards response to federal funding reductions. However, only \$5.2 million of that amount represents ongoing additions to the base budget (and, of that amount, \$1.2 million is for tax administration costs).

In 2027, the Executive includes \$24.7 million in unbudgeted planning reserves for a ‘federal funding backfill reserve’, ostensibly for these items intended to be funded from the new B&O tax revenues. It is important to note two things about this approach: (1) the planning reserves are not part of the appropriated budget, and any decisions to include these amounts in future years will require a discrete new request for appropriation, and (2) the GF Financial Plan shows a \$140 million deficit in 2027, so if the financial plan is correct, there would not be funding to support these adds to the budget in 2027 absent a cut elsewhere in the budget. An alternative approach that the Council could consider, to strengthen the positions of these adds backed by the new tax and in the context of resource constraints, would be to make these one-time adds ongoing in nature, and provide guidance to the Executive to reduce future planning reserves by a like amount.

Policy Consideration 1: New appropriations for federal backfill/federal response supported by the business and occupations tax restructure pursuant to ORD 127259 are only appropriated on a one-time basis in the 2026 Proposed Budget, and are included as a ‘federal funding backfill reserve in unappropriated planning reserves beginning in 2027, weakening their position in the face of budget cuts in light of a future deficit projections and economic uncertainty.

Options:

- A. Submit a cost neutral budget amendment to shift one or all the one-time items listed in Table 10 to ‘ongoing’ status in the 2026 Proposed Budget and provide guidance to adjust/remove the ‘federal funding backfill reserve’ from future financial projections accordingly.
- B. No change.

To conclude the analysis of the impact of the use of net new revenue from the business and occupation tax restructuring, given that the discrete new additions in the 2026 Proposed Budget shown in Table 10 total \$28.8 million, this leaves a total of \$52.3 million of new B&O tax revenue to backfill other revenue shortfalls in the GF budget due to the reduction in the JSF transfer, or to support new spending. Further, it bears mentioning that this new revenue is subject to a November public vote. If it fails, \$81 million budget cuts to the 2026 Proposed GF Budget would be required to balance the budget.

Public Safety Sales Tax

Effective July, 2025, [Chapter 350, Laws of 2025](#) authorizes the City to enact a 0.1 percent sales tax for public safety purposes. Adopted by the City Council on July 29, 2025, [RES 32174](#) resolves that if the City implements the optional sales tax, “..up to 25 percent of the revenue raised should be invested in addiction treatment and recovery services and the facilities needed to provide such services. The investments should be aimed at creating a pathway to recovery for individuals experiencing chronic homelessness and individuals diverted from the criminal legal system”. Legislation submitted with the 2026 Proposed Budget would enact the tax based on the Chapter 350 authority, thereby providing an estimated \$39 million of new ongoing GF revenue for public safety purposes based on CBO estimates confirmed by the Forecast Office. The Select Budget Committee voted 8-1 on October 8th to authorize implementation of this tax.

It is worth noting that Chapter 350 does not prevent supplanting; in other words, under state law any portion of the tax, up to the full amount, can support existing budget appropriations for public safety. For reference, \$946 million of the \$1.9 billion 2026 Endorsed GF Budget was for public safety programs, and any portion of this could be supported by these revenues in compliance with Chapter 350.

Table 11. 2026 Proposed GF programs and services backed by Public Safety Sales Tax increase

Amounts in \$1,000,000s		Expenditures		
Department	Description	One-time	Ongoing	Total
Community Assisted Response and Engagement (CARE)	Increased Staffing in the 9-1-1 Call Center	\$0	\$2.6	\$2.6
CARE	Increased Staffing in the Community Crisis Responder Team	\$1.8	\$5.1	\$6.9
Human Services	Law Enforcement Assisted Diversion	\$0	\$5	\$5
Human Services	Detox and Inpatient Treatment Program	\$0	\$2.9	\$2.9
Human Services	Downtown Emergency Services Center ORCA Patient Outreach Division	\$0	\$1.2	\$1.2
Human Services	Thunderbird Treatment Center	\$1.8	\$0	\$1.8
Seattle Fire	SFD Post Overdose Treatment	\$0	\$1.2	\$1.2
Seattle Fire	Funding for 20 additional FF recruits	\$2.1	\$0	\$2.1
Total New GF Spending Supported by Public Safety Sales Tax Increase		\$5.7	\$18	\$23.7

As shown in Table 11, the Executive assigns \$23.7 million of new GF funding to the tax. In addition, consistent with Chapter 350, Laws of 2026, the Executive assigns \$15 million of the new tax revenue to existing appropriations in the CARE Department. Due to the fungibility of GF resources, this approach provides a net \$15 million that is allocated to new spending elsewhere in the GF budget.

5. 2026 Policy: GF Balancing Status After Operating Revenue Proposals

Starting from the 2026 Proposed GF baseline balancing status detailed in subsection 3 above, the proposed changes due to the operating revenue proposals described in subsection 4 can be added to demonstrate the 2026 GF balancing status with these new resources, and before adding in expenditure proposals not specifically associated with revenue increases. As shown in Table 12 below, adding these proposals to the 2026 GF Baseline shows a net balance of \$28.3 million, which is used to support net new additions to the GF budget, as described in the next section.

Table 12. Summary of 2026 GF Balancing Status After Incorporating Major Revenue Proposals

Amounts in \$1,000,000s	Revenues	Expenditures ^{1/}	Balancing Impact	Running Balance
2026 Proposed Starting Balance				\$140.9
2026 Proposed Baseline	\$1,950.6	\$2,077.8	(\$127.2)	\$13.7
Miscellaneous Operating Revenues	(\$1.6)	\$0	(\$1.6)	\$12.1
Reduce Payroll Expense Tax Transfer To GF	(\$75.5)	\$0	(\$75.5)	(\$63.4)
GF Expenditure Shifts to FEPP Levy	\$0	(\$27.6)	\$27.6	(\$35.8)
Business and Occupation Tax Restructure	\$81	\$28.8	\$52.2	\$16.4
Optional Public Safety Sales Tax	\$38.9	\$23.7	\$15.2	\$32
2026 Proposed Revised Balance Incl. New Revenues				\$32
1/Reduced by \$10 million to account for Executive underspend, which is not part of the appropriation. Includes \$163.2 million for planning reserves.				

It bears mentioning that, as shown in Table 12, given that the running balance after the business and occupation tax restructuring proposal is \$16 million the budget would have been balanced even without the new public safety sales tax, and in fact there would have been about \$16 million for new net spending. However, \$39 million of the new spending proposals included in the Mayor's budget, including those directly supported by the tax, would not be possible without the tax increase.

2026 Policy: Additional Proposed GF Expenditure Changes In addition to the items described in prior sections, including baseline and technical changes, and revenue backed proposals, the 2026 Proposed Budget includes additional net operating appropriations totaling \$32 million, reflecting \$73 million of new spending partially offset by \$41 million of reductions. As shown in Table 13 below, of that net amount, \$28 million is ongoing in nature, meaning it carries into future budgets.

Table 13. Net policy-related expenditure changes in 2026 Proposed GF Budget

Amounts in \$1,000,000s	2026 Proposed		
	One-time	Ongoing	Total
Expenditure Decreases	(\$9)	(\$32)	(\$41)
Expenditure Increases	\$14	\$59	\$73
Net Appropriation Change	\$4	\$28	\$32

A detailed list of all changes, grouped by these categories and labeled by department, is included as Attachment A to this memorandum. This \$32 million of net new spending is funded by the extra balance made available by the new revenue proposals (the "bottom line" in Table 12). The net result after including this new spending is a zero ending unreserved balance for the 2026 Proposed Budget.

6. 2026 Proposed Budget Combined Summary

Table 14 combines the information from prior sections to show the parameters of the 2025 Revised/2026 Proposed GF Budget.

Table 14. 2025 Revised/2026 Proposed Budget.

Amounts in \$1,000,000s	2025 Revised	2026 Proposed
Starting Fund Balance	\$193	\$141
Revenues	\$1,968	\$1,993
Subtotal – Resources	\$2,162	\$2,135
Expenditures	\$2,043	\$1,981
Underspend Assumption	(\$23)	(\$10)
Subtotal - Expenditures	\$2,020	\$1,971
Ending Budgetary Fund Balance	\$141	\$163
Planning Reserves		(\$163)
Ending Unreserved Balance		\$0

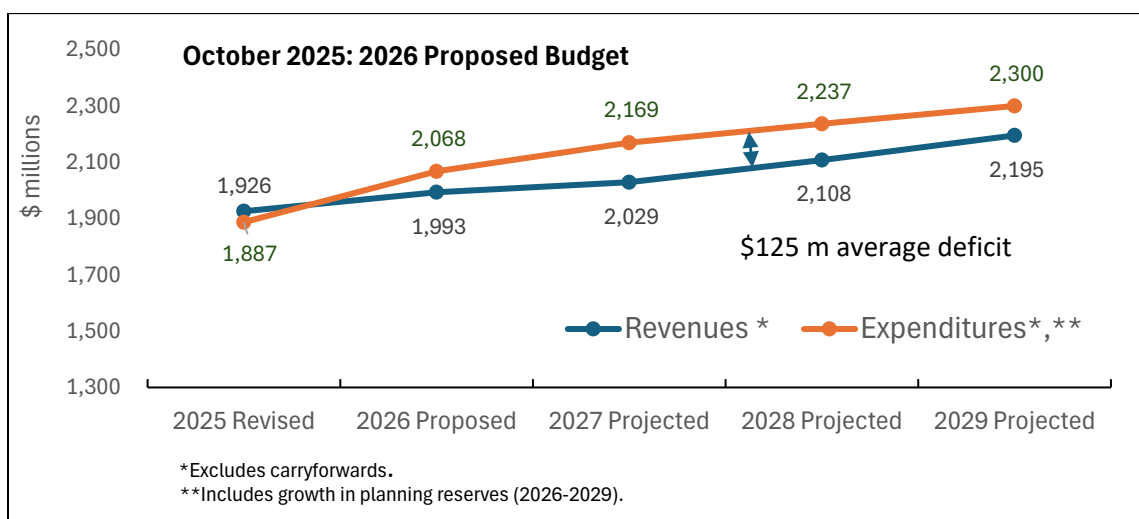
As shown in the row at the bottom of the table, the combined changes result in a net balance of zero at the end of 2026, representing a balanced budget. These parameters will serve as the starting point for updating the revenue forecast on October 20th and Council budget amendments. the City Council’s budget deliberations.

Finally, while this represents a balanced budget over the biennium, use of one-time strategies, including the use of one-time fund balance, and projected spending outpacing revenues, results in an increase in projected ongoing deficit above the level in the 2025 Adopted/ 2026 Endorsed Budget, as discussed in Section V below.

V. 2027-2029 Projected GF Sustainability

The final step in the GF analysis is analyzing the projected GF revenues and expenditures into the future, to assess sustainability of the 2026 Proposed Budget. Figure 2 shows the GF financial plan provided by CBO with the 2026 Proposed Budget.

Figure 2. 2026 Proposed Budget GF financial plan future funding gap



As shown in Figure 2, the GF financial plan included with the 2025-2026 Proposed Budget shows a \$140 million deficit in 2027. On average, through 2029 the deficit is \$125 million, or \$35 million higher than the average projected deficit last fall. This is despite significant new, ongoing revenue streams and expenditure shift to the FEPP25 levy renewal that are included in the 2026 Budget, which more than offset losses from the JumpStart Fund transfer reduction.

However, these deficit projections require additional context, as the GF Financial Plan included with the 2026 Endorsed Budget includes some significant departures from past practice, including:

Underspend Assumptions In the Budget and Projections:

While recent budgets have included an underspend assumption as part of balancing, for the first time the GF financial plan includes a \$10 million underspend in 2027 and future years. In other words, the Executive is making a projection of future spending based on inflation and other assumptions and then immediately discounting each year by \$10 million. This is a notable departure from past practice, and effectively reduces the financial margins available in the future to address unanticipated expenditures, at least on a planning basis. The out-year balance projections are developed by comparing the long-term revenue forecasts prepared by the Forecast Office with estimates of the cost to deliver existing services in future years, adjusted for inflation and other projected cost pressures. Building in an underspend assumption may accurately reflect past experience showing that the City never fully expends annual appropriations, but past experience also suggests that the City will face unanticipated and unavoidable expenses, and the plan includes no allowance for those. At a minimum, it is simply a spreadsheet adjustment rather than a deliberate interrogation and revision to forecasting methods and assumptions.

As discussed in Section III.6, the 2025 Revised Budget relies on a \$23 million underspend to balance, a \$13 million increase from the Adopted Budget. As mentioned, this does not represent a discrete cut to the budget but rather represents an assumption that actual spending in 2025 will be \$23 million below budget in 2025. This represents the fourth year of underspend assumptions in the GF budget, and the second year where the figure is subsequently revised upwards.

Table 15. Historical and Proposed GF Underspends: Budget versus actual.

Amounts in \$1,000,000	Assumption	Actual ^{1/}	Variance
2021 Revised GF	-	\$49	\$49
2022 Revised	\$20	\$46	\$26
2023 Revised	\$10	\$35	\$25
2024 Revised ^{2/}	\$24	\$65	\$41
2025 Revised	\$23	-	
2026 Proposed	\$10	-	
1/Net of carryforwards.			
2/Includes the impact of an Executive hiring freeze, which would serve to increase underspend above 'normal' expectations.			

As shown in Table 15, recent underspend assumptions have been conservative compared to actual experience. In general, this approach seeks to account for the opportunity cost of natural underspend, whereby resources would be idled until year-end books are complete. In other words, without the underspend, unspent resources from the prior year would not be fully built into the budget until the following year's mid-year supplemental budget process. There are four things to consider with this approach:

- In the event of an economic recession, assumptions of natural savings would need to be replaced with actual cuts, and making those cost-cutting decisions during a time of economic distress may lead to less-than-optimal results, such as across-the-board cuts versus a more deliberative, thoughtful process.
- It is important to note from a financial sustainability perspective that, as shown in table 12, this practice did not begin until 2022.
- Underspend is by its very nature one-time cash. While this cash can then be used in the next year's budget to support ongoing spending, doing so only contributes to financial unsustainability.
- The fact that an underspend assumption is relied on in the revised budget, the current budget and now future projections, and yet a higher deficit is still being projected, is perhaps a warning sign.

Further, and perhaps timelier from a budget implementation sense, the use of a promise to underspend the full appropriation could be a tool for future Executives not to spend monies on items added by the City Council for specific priorities. This is something that has recently played out at the Federal level, where the Executive branch has not spent monies legally allocated by Congress. The City budgets at the BCL level, which makes it difficult to track at a granular level whether this may be occurring, without consistent reporting.

Policy consideration 2: Use of underspend assumption in budget could lead to Executive not spending on Council priorities. Further, change in practice regarding the use of underspend in future projections may weaken the usefulness of long-term financial planning.

Options:

- A. Statement of Legislative Intent to convene a Central Staff, CBO, and City Finance workgroup to develop recommendations for formal policies on the use of underspend assumptions in the budget and financial plan, based on best practice research and risk analysis
- B. No change.

Planning Reserves Include Growth in Programs

Beginning in 2027 and continuing in future years, the planning reserves include amounts to build an additional 150 shelter beds as part of a multi-year proposal. While it is laudable the Executive would include the future impacts of promise being made, even though the proposed GF financial plan indicates they cannot be funded with projected resources, this skews the financial projection away from showing the costs of budget decisions being made in the 2026 Proposed Budget. Further, in a resource constrained environment, it can confuse whether additional revenues are needed to maintain those current decisions or to meet promises.

GF Budget Deficit Remains, and potentially Grows, Despite Substantial Fiscal Relief Measures:

Notwithstanding the noted policy considerations and the potential impact they have on the assessment of the precision of the Executive's deficit projections for 2027 and beyond, it clear that a significant projected GF budget deficit is likely in the future. It is a 'signal', if you will, despite ever present 'noise' that is always inherent in these estimates. This is despite a succession of measures that could provide sustainable relief, including:

- An expanded transfer-in of payroll expense tax revenues from the JumpStart Fund, supported by a new tax passed in 2020, which even after adjustments based on a lower forecast remains at approximately \$189 million in the 2026 Proposed GF Budget;
- Budget shifts of \$28 million of programs out of the GF to the expanded FEPP25 levy;
- A Business and occupations tax restructure which provides a projected \$81 million of new revenue in 2026;
- A new public safety tax, which generates approximately \$39 million of new sales tax revenue in 2026; and,
- Use of underspends in both current budgets and now future year projections.

While the use of these new resources is a well-intended effort to support priorities that enhance the community, it must be made clear that few clear options, other than potentially drastic and immediate cuts, remain to respond to future fiscal challenges, both in terms of a future projections as well as responding to the impact of the third and final revenue forecast to be presented on October 20. With that in mind, the next section briefly covers the financial status of the City's two general purpose fiscal reserves.

VI. Fiscal Reserves

This section provides an update on the Emergency Fund (EMF) and the Revenue Stabilization Fund (RSF) and their funding status after applying the GF transfers included in the 2026 Proposed Budget.

Revenue Stabilization Fund

Subject to a 2/3 vote of the City Council³, resources in the Revenue Stabilization Fund (RSF) can be used to support city operations and activities that would otherwise be reduced in scope, suspended or eliminated due to unanticipated shortfalls in GF revenues. As required by [SMC 5.80.020](#), the budget shall include a deposit from the GF to the RSF equal to 0.5 percent of forecast General Fund tax revenues, up to a total maximum fund balance of 5 percent of total tax revenues. Based on total 2026 Proposed GF tax revenues of \$1.546 billion, which includes \$120 million of new tax revenues described earlier in this memorandum, the maximum balance of the RSF according to SMC 5.80.020 is \$77.2 million.

Building from a 2025 ending balance of \$68 million, the 2026 Proposed Budget transfers \$3 million from the GF into the RSF, for a 2026 ending balance of \$71 million. However, it appears that this transfer amount is based on applying the '0.5 percent of revenue standard' to the August 2025 revenue forecast for GF tax revenues without also accounting for the \$120 million of new proposed GF tax revenues included in the 2026 Proposed Budget.

Prior to the addition of the two new taxes in the 2026 Proposed Budget, the '5 percent of total tax revenue' cap had been attained in 2022, and each successive year's budget was merely including maintenance level of transfers based on the '0.5 percent of tax revenue' standard. However, the infusion of \$120 million of new taxes in the 2026 Proposed Budget, representing an 8 percent increase in the GF tax revenue basis to which the calculation is applied, means that the 5 percent cap was lifted in a commensurate fashion, from \$71 million, to \$77 million, as shown in Table 16.

³ [RCW 35.21.070](#)

Table 16. Increase in 2026 Revenue Stabilization Fund Policy Maximum

Amounts in \$1,000,000s	GF Tax revenues	5% of GF Tax Revenues
August Forecast	\$1,426	\$71
2026 Proposed ^{1/}	\$1,546	\$77
Increase	\$120	\$6
1/ Includes \$81 million from B&O tax restructure, and \$39 million from new public safety sales tax.		

In other words, the 2026 Proposed GF Budget funds the GF transfer to the RSF to reach a final balance of \$71.3 million, the maximum fund balance based on the August forecast, but to comply with SMC 5.80.020 and keep the RSF at policy levels, the budgeted transfer should \$4.7 million higher, to reach a 2026 RSF ending balance of \$76 million based on the August forecast plus the 2025 Revised ending balance of \$68 million, as shown in Table 17.

Table 17. Revenue Stabilization Fund Status in 2026 Proposed Budget.

Amounts in \$1,000,000s	2025 Revised Ending Balance	2026 GF Transfer	2026 Ending Balance	% of Policy Maximum
SMC 5.080.200 Required	\$68.2	\$7.7	\$75.9	98%
2026 Proposed Budget	\$68.2	\$3.1	\$71.3	92%
Difference	\$0	(\$4.7)	(\$4.7)	(6%)

Notwithstanding the legal requirement in SMC 5.080.020, maintaining an RSF at the highest levels possible is prudent given economic uncertainty and the projection of a GF deficit beginning in 2027, as previously described in this memorandum.

As a final note, any changes to the October forecast will require us to revisit these calculations.

Policy Consideration 3: The 2026 Proposed GF Budget underfunds the transfer from the Gf to the RSF by \$4.7 million, which leaves the proposed RSF ending balance below statutory requirements.

Options:

- A. Cut \$4.75 million of proposed GF spending and increase the transfer from the GF to the RSF by a like amount, to meet statutory requirements.
- B. Increase the 2026 Proposed Budget underspend by \$4.7 million.
- C. Propose budget legislation to amend SMC 5.080.020 to lower the RSF funding requirement in the Revenue Stabilization Fund policy.
- D. No change

Emergency Fund:

As provided in Emergency Fund (EMF) resources are intended to address unforeseen circumstances. After significant use of funds during the COVID-19, pandemic, the EMF balance is at its Seattle policy maximum of \$87.7 million in the 2026 Proposed Budget, representing \$60 million plus inflation since 2016 as provided in [RES 31717](#), passed by the City Council on November 28,201, subsequently revised by [RES 32024](#), passed by the City Council on November 8, 2021.

It is worth noting that [RCW 35.32A.060](#) permits a higher total EMF balance, equal to \$0.375 per \$1,000 of assessed value of property in the City, which was the City standard prior to RES 31717. If the City funded the EMF at the maximum level allowed by state law, the balance would be \$115 million, however, to be achieved this would require substantially larger GF transfers.

VII. JumpStart Fund

Passed by the City Council on July 30, 2021, [ORD 126393](#) created the JumpStart Payroll Expense Tax Fund (JSF) to control the allocation of payroll expense taxes. Passed by City Council on November 21, 2024, [ORD 127155](#) modified the allocation methodology in ORD 126393 in some key ways, as follows:

- Replaced strict spending percentages for specified service categories with guidance metrics;
- Added GF programs and services as an allowable use of JSF monies to the extent they were needed to sustain critical services (previously, though backfill support to the GF had been a consistent part of the budget since passage of the payroll expense tax, the support was codified as temporary); and,
- Provided for consideration GF funding of JSF-supported programs and services in the event of unanticipated payroll expense tax revenues. Created a Payroll Expense Tax Revenue Stabilization Account, to serve as a cushion against unanticipated payroll expense tax revenue shortfalls, to be funded in a four year timeline to 10 percent of payroll expense tax revenues.

The 2026 Endorsed Budget appropriated \$504 million from the JSF, funded by a combination of \$41 million of prior year fund balance, and \$463 million of payroll expense tax revenues. As noted earlier in this memorandum, of the \$504 million total appropriation, \$265 million (52 percent) was a transfer to the GF for revenue backfill, and the remainder was for programs and services funded in the JSF as guided by ORD 127155.

As described in Section IV.4 of this memorandum, the August revenue forecast reduced the 2026 payroll expense tax forecast by \$78 million. As fiscal relief to the JSF, this revenue impact was largely offset by a \$76 million reduction in the backfill transfer to the GF, to \$189 million in the 2026 Proposed Budget. Given that the forecast reduction was similar in 2026 and future years, the JSF financial plan generally continues this reduction in future year of the JSF Financial Plan.

From positive perspective, CBO has begun to recognize accrued interest to the JSF based on significant cash balances, resulting in a \$7.4 million ongoing increase in interest revenues in the 2026 Proposed Budget, bring total projected 2026 revenue to \$395 million in 2026.

Besides the revenue changes and the offsetting decrease in the JSF transfer to the GF described above, notable adjustments in the 2026 Proposed JSF Budget include:

- Northgate Commons Project Reserve: \$4 million one-time reserve in Finance General to support the first \$5 million of the Seattle Housing Authority Northgate Commons Project, and
- Back to Business Fund: \$2.5 million one-time to the Office of Economic Development to increase funding for the Storefront Repair Fund, the Storefront Security Fund, and Neighborhood Business District Investments.

Payroll Expense Tax Revenue Stabilization Account Status:

Finally, as noted above, ORD 127155 created a Payroll Expense Tax Revenue Stabilization Account (PETRSA) in the JSF, to be funded at a level of 10 percent of payroll expense tax revenues in four years. While the JSF financial plan⁴ submitted with the 2026 Proposed Budget shows a reserved amount totaling \$9.7 million in the 2026 Proposed column labeled “Revenue Stabilization Reserve”, the requirement in ORD 127155 states⁵:

“5.38.105.C If the balance within the PET RSA is below the target level the Mayor’s proposed budget shall include actual and planned appropriations to achieve that level within four years;”

⁴ [2026 Proposed Budget, page 645](#)

⁵ [ORD 127155, page 9, line 14](#)

Staff interpretation of ORD 127155 indicates that the amount shown as a reserve should be built into the JSF appropriation to FG reserves rather than be shown as an unappropriated value in the financial plan, which would foster fiscal control.

Policy Consideration 4: The 2026 Proposed JSF Budget does not include an appropriation to the PETRSA pursuant to ORD 127155, but includes \$9.7 million in unappropriated amounts for this purpose in the JSF Financial Plan submitted with the 2026 Proposed Budget.

Options:

- A. Add a \$9.7 million Finance General appropriation from the JSF labeled “JumpStart Fund Revenue Stabilization Account” to the 2026 Proposed Budget, offset by instruction to remove a like amount from the 2026 Proposed JSF Financial Plan.
- B. Submit budget legislation to amend SMC 5.38.105 to indicate that the JSFRSA balance may be maintained as an unappropriated amount in the JSF financial plan submitted with the budget.
- C. No change.

Attachments:

- A. 2026 Proposed Operating Increases

Attachment A – Proposed Operating Increases

Table 1. 2026 Propose GF Expenditure Decreases (excludes decreases made possible by FEPP levy increase)

Dept.	Change Request	Ongoing	One-time	Grand Total
CEN	CEN-2026-105 - Deferment of Interfund Loan for 2026		(\$500,000)	(\$500,000)
DON	DON-109 - Transfer Major Institutions & Schools Program from DON to OPCD	(\$184,246)		(\$184,246)
DON	DON-113 - Align Labor Budget with Anticipated Actuals and Eliminate Vacant Positions	(\$50,904)		(\$50,904)
FAS	FAS-2026-111 - Transfer Parking Meter Collections Unit to SDOT	(\$273,144)		(\$273,144)
FAS	FAS-2026-120 - Reduction in Jail Services Funds	(\$2,913,132)		(\$2,913,132)
FAS	FAS-2026-506 - Transfer One Seattle Day of Service	(\$250,000)		(\$250,000)
FAS	FAS-2026-CBO-503 - General Reductions GF	(\$39,516)		(\$39,516)
FG	FG-102 - Align Family Leave Reserve with Anticipated Use	(\$1,500,000)		(\$1,500,000)
FG	FG-103 - General Fund Transfer Reduction Packages	(\$5,640,735)		(\$5,640,735)
FG	FG-105 - Release Fleet Maintenance Reserve	(\$500,000)		(\$500,000)
FG	FG-106 - Shift Funding for Seattle Chinese Garden to 2027	(\$2,500,000)		(\$2,500,000)
FG	FG-108 - Align Reserve for Department of Justice Consent Decree Costs for Expected Costs	(\$500,000)		(\$500,000)
FG	FG-112 - Defer Reserve for Waterfront Building Operations and Maintenance to 2027		(\$500,000)	(\$500,000)
HSD	HSD-121 - Reduce Budget for Strategic Advisor	(\$195,000)		(\$195,000)
HSD	HSD-122 - Victims Compensation Fund Consultant Contract Reduction	(\$158,158)		(\$158,158)
HSD	HSD-127 - Central Building Lease Cost Reduction	(\$504,000)		(\$504,000)
HSD	HSD-128 - Reduce Budget & FTE for LEA Admin Support Position	(\$125,955)		(\$125,955)
HSD	HSD-129 - Reduce Budget for Accounting Tech II Position	(\$120,781)		(\$120,781)
HSD	HSD-130 - Reduce Budget for Human Resources Team	(\$15,000)		(\$15,000)
HSD	HSD-151 - Reduce Family Support Evaluation	(\$144,436)		(\$144,436)
OCR	OCR-105 - Operational Expenses	(\$57,500)		(\$57,500)
OED	OED-26-150 - CDBG Abandonment for Wealth Building Tenant Improvement Program		(\$500,000)	(\$500,000)
OIRA	OIR-120 - Eliminate Seattle Sister City Support for Cebu	(\$2,000)		(\$2,000)
OIRA	OIR-121 - Reduction in Dues & Memberships	(\$12,342)		(\$12,342)
OIRA	OIR-128 - Eliminate Pyramid Communications Contract		(\$55,000)	(\$55,000)
OPCD	OPCD-106 - Transfer SA1 Duwamish Valley Advisor Position to OSE	(\$194,375)		(\$194,375)
OPCD	OPCD-107 - Unfund Long Range Planning position	(\$194,375)		(\$194,375)
OSE	OSE-108 - Shift BEPS Staff from GF to PET	(\$636,000)		(\$636,000)
SDCI	SDCI-108 - GF Reduction - Shift Funding for Land Use Position in Code Development	(\$169,963)		(\$169,963)
SDCI	SDCI-110 - GF Reduction – Transfer Planning & Development Spec II to Finance	(\$138,086)		(\$138,086)
SDOT	SDOT-132 - General Fund Reductions	(\$4,419,000)		(\$4,419,000)
SFD	SFD-100 - Departmentwide Overtime Savings	(\$500,000)		(\$500,000)
SFD	SFD-102-B - Salary Savings from Projected Operational Staffing Levels	(\$500,000)		(\$500,000)
SPD	SPD-106 - SPD General Fund Reduction: Vehicles	(\$257,000)		(\$257,000)

Dept.	Change Request	Ongoing	One-time	Grand Total
SPD	SPD-107 - SPD General Fund Reduction: Separation Pay	(\$750,000)		(\$750,000)
SPD	SPD-108 - SPD General Fund Reduction: Recruitment Marketing	(\$550,000)		(\$550,000)
SPD	SPD-109 - SPD General Fund Reduction: Professional Development Training	(\$450,000)		(\$450,000)
SPD	SPD-110 - SPD General Fund Reduction: Temporary/Term-Limited Employees	(\$395,384)		(\$395,384)
SPD	SPD-111 - SPD General Fund Reduction: Vacancy Rate (4%) - Civilian Positions	(\$2,791,290)		(\$2,791,290)
SPD	SPD-112 - SPD General Fund Reduction: Overtime/Standby	(\$942,529)		(\$942,529)
SPD	SPD-120 - SPD General Fund Reduction: Reduce Civilian Take-Home Vehicles	(\$48,000)		(\$48,000)
SPR	SPR-107 - General Fund Reduction & Use of Park District Fund Balance		(\$3,500,000)	(\$3,500,000)
SPR	SPR-110B - Park Maintenance "Buy Back" - Version B	(\$0)		(\$0)
SPR	SPR-201B - General Fund Reduction & Use of Park District Fund Balance from Moving Debt Service		(\$4,034,871)	(\$4,034,871)
SPU	SPU-103 - Graffiti Enforcement Transfer to Parks	(\$1,022,163)		(\$1,022,163)
SPU	SPU-104b - Realign Public Hygiene Budget to Expected Costs	(\$2,014,415)		(\$2,014,415)
		(\$31,659,429)	(\$9,089,871)	(\$40,749,300)

Table 2. 2026 Proposed GF Expenditure Increases (excludes increases supported by new taxes)

Dept.	Change Request	Ongoing	One-time	Grand Total
CEN	CEN-2026-CBO-4 - Mayor's Office Request: Fiberoptics for Fire Alarm System	\$310,000		\$310,000
CPC	CPC-100 - Restore 10% Vacancy Reduction	\$146,426		\$146,426
CPC	CPC-200 - Fully Fund Commissioner Stipends	\$87,000		\$87,000
DON	DON-110 - Redirect Savings from P-Patch Fleets Reduction to Other Transportation Expenses	\$0		\$0
DON	DON-111 - Transfer 1.0 FTE SA1, GG Position and Funding from OPCD to DON	\$194,378		\$194,378
DON	DON-112 - Transfer One Seattle Day of Service	\$250,000		\$250,000
FAS	FAS-2026-015 - Joint Enforcement Team Expansion	\$208,185		\$208,185
FAS	FAS-2026-122 - Inflation Increase to Public Defense ILA	\$550,000		\$550,000
FAS	FAS-2026-123 - On-Going Resource Needs for Implementing Social Housing Tax	\$484,593		\$484,593
FAS	FAS-2026-CBO-505 - Pay Compression & Inversion Corrections - Animal Control Officer, Supervisor & Shop Operations Supervisor	\$36,394		\$36,394
FG	FG-101 - Increase Voter Registration Reserve	\$555,000		\$555,000
FG	FG-104 - Adjustments to Reoccurring FG Bills and Revenue Based Transfers	\$534,880		\$534,880
FG	FG-107 - Transfer Fee Revenue to Office of Labor Standards	\$2,450,844		\$2,450,844
FG	FG-109 - General Fund Transfer Increase Packages for OLS	\$122,242	\$155,139	\$277,381
FG	FG-114 - Create Reserve to Support Pearl Warren Building Demolition		\$500,000	\$500,000
FG	FG-ITD-5XX - Increase Cash Transfer to ITD for B&O and PACT Increases	\$1,000,000		\$1,000,000
HSD	HSD-156 - Ongoing funding for We Deliver Care	\$1,070,000		\$1,070,000
HSD	HSD-165 - mitigation efforts to prepare for KC crisis center coming to capitol hill		\$500,000	\$500,000
HSD	HSD-166 - Add 2.0 Case Manager – for H99 Response/Follow-up	\$400,000		\$400,000
HSD	HSD-174 - \$4.05 M for Community Solutions Initiative		\$4,050,000	\$4,050,000
HSD	HSD-180 - Provider Wage Increase	\$4,477,787		\$4,477,787
HSD	HSD-182 - Funding to Open and Operate High Acuity Non-Congregate, Service-Enhanced Shelter Beds	\$7,827,500		\$7,827,500
OCR	OCR-108 - Housing Reparatons Study		\$50,000	\$50,000
OED	OED-26-111 - Business Climate Assessment		\$500,000	\$500,000
OED	OED-26-112 - Community Workforce Training Center		\$250,000	\$250,000
OED	OED-26-114 - Bodega Incubation		\$700,000	\$700,000
OED	OED-26-116 - Stabilize, Activate, and Invest Locally (SAIL) Fund		\$4,000,000	\$4,000,000
OED	OED-26-117 - Grocery Store Security Fund		\$1,000,000	\$1,000,000
OEM	OEM-002 - Increase OEM Gen'l Fund budget by \$380,000 to fund two critical OEM Positions integral to the Citywide Emergency Management program, previously funded by federal grants no longer available.	\$380,000		\$380,000
OEM	OEM-005 - PLACEHOLDER - OEM Executive Investment	\$665,740		\$665,740
OEO	OEO-001 - Rent Costs for New Space	\$34,800		\$34,800
OIRA	OIRA-106 - Request for 0.5 FTE add	\$46,792		\$46,792

Dept.	Change Request	Ongoing	One-time	Grand Total
OPCD	OPCD-105 - Transfer Major Institutions Program from DON to OPCD	\$184,246		\$184,246
OPCD	OPCD-109 - Northern Lights Planning Events and Activation		\$250,000	\$250,000
OPCD	OPCD-112 - Sound Transit 3 Staffing for Design Commission	\$167,495		\$167,495
OSE	OSE-120 - Support for Lake City Farmers Market Expansion		\$126,728	\$126,728
SDCI	SDCI-115 - PACT IT Costs—Mayor's Office Request	\$250,000	\$500,000	\$750,000
SDCI	SDCI-116 - Develop Incentive Program for Private Property Owners to Preserve Singular or Exceptional Trees	\$100,000		\$100,000
SDCI	SDCI-117 - Green Hotels		\$283,787	\$283,787
SDOT	SDOT-103 - Downtown Activation Team	\$4,127,633		\$4,127,633
SDOT	SDOT-104 - Increased Unpermitted Vending Enforcement	\$1,081,592		\$1,081,592
SDOT	SDOT-107 - Graffiti Expansion	\$1,237,367		\$1,237,367
SDOT	SDOT-114 - Transfer Parking Collection Positions from FAS	\$273,147		\$273,147
SDOT	SDOT-134 - JET Team Expansion	\$501,000		\$501,000
SFD	SFD-103 - HR Required Staffing	\$117,000		\$117,000
SFD	SFD-104 - IT Required Staffing	\$216,648		\$216,648
SFD	SFD-105 - FPD Revenue Supported Staffing	\$140,000		\$140,000
SFD	SFD-106 - JET Enhancement	\$26,000		\$26,000
SFD	SFD-110 - SFD Data Analyst	\$210,357		\$210,357
SPD	SPD-101 - Funds for Officer Hiring	\$26,000,000		\$26,000,000
SPD	SPD-104 - Public Disclosure Investments	\$569,396	\$10,000	\$579,396
SPD	SPD-105 - Implement CCTV in Capitol Hill	\$35,000	\$400,000	\$435,000
SPD	SPD-119 - Diversity, Equity and Inclusion (DEI) Officer	\$207,055	\$5,000	\$212,055
SPR	SPR-102 - Graffiti Abatement and Enforcement Transfers and Enhancements (combination of CRs)	\$1,277,684	\$0	\$1,277,684
SPR	SPR-104B - Park Ranger Expansion to support DAT	\$500,000		\$500,000
SPR	SPR-106 - Make Parks Safer Adjustment	\$0		\$0
SPR	SPR-114 - Pay Compression	\$105,842		\$105,842
SPU	SPU-110 - Additional Resources for Chinatown-International District Cleaning		\$250,000	\$250,000
		\$59,160,023	\$13,530,654	\$72,690,677



Legislation Text

File #: Inf 2754, **Version:** 1

Seattle Department of Transportation (SDOT)

Seattle Department of Transportation

2026 Proposed Budget Policy Considerations

Select Budget Committee | October 15, 2025

Calvin Chow, Analyst

Budget Summary

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Appropriations by BSL					
a. Bridges & Structures	\$14.0M	\$14.4M	2.8%	\$17.0M	17.9%
b. Maintenance Operations	\$58.8M	\$60.3M	2.4%	\$63.4M	5.2%
c. Mobility Operations	\$116.7M	\$130.7M	12.0%	\$124.2M	(5.0%)
d. ROW Management	\$53.9M	\$55.7M	3.4%	\$52.3M	(6.2%)
e. First Hill Streetcar Operations	\$9.4M	\$9.8M	3.5%	\$9.8M	(0.1%)
f. South Lake Union Streetcar Operations	\$4.4M	\$4.5M	2.7%	\$4.5M	(0.1%)
g. Waterfront and Civic Projects	\$36.3M	\$0.0M	(100.0%)	\$9.6M	n/a
h. General Expense	\$51.7M	\$40.8M	(21.0%)	\$45.1M	10.3%
i. Leadership and Administration	\$0.0M	\$0.0M	-	\$0.0M	-
Operating Subtotal	\$345.4M	\$316.3M	(8.4%)	\$325.9M	3.0%

Budget Summary

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Capital Appropriations by BSL					
j. Major Maintenance/ Replacement	\$101.0M	\$100.9M	(0.1%)	\$104.2M	3.3%
k. Mobility-Capital	\$208.7M	\$211.3M	1.2%	\$233.3M	10.4%
l. Major Projects	\$1.6M	\$0.1M	(92.4%)	\$0.5M	339.2%
m. Capital General Expense	\$7.0M	\$6.5M	(6.3%)	\$6.5M	0.0%
n. Central Waterfront	\$11.2M	\$0.6M	(94.6%)	\$0.6M	0.0%
Capital Subtotal	\$329.5M	\$319.4M	(3.0%)	\$345.2M	8.1%

Operating Subtotal	\$345.4M	\$316.3M	(8.4%)	\$325.9M	3.0%
Capital Subtotal	\$329.5M	\$319.4M	(3.0%)	\$345.2M	8.1%
Total Appropriations	\$674.9M	\$635.7M	(5.8%)	\$671.1M	5.6%

Total FTE	1,188.5	1,231.5	3.6%	1,290.0	4.8%
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Budget Summary

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Appropriations by Revenue Fund					
a. General Fund	\$56.2M	\$57.2M	1.8%	\$59.5M	4.0%
b. Jumpstart Fund (Payroll Expense Tax)	\$0.3M	\$0.0M	(100.0%)	\$3.3M	n/a
c. Transportation Fund	\$282.2M	\$246.1M	(12.8%)	\$264.7M	7.6%
d. 2024 Transportation Levy Fund	\$176.8M	\$192.4M	8.8%	\$190.6M	(0.9%)
e. Move Seattle Levy Fund (<i>expired</i>)	\$20.5M	\$5.6M	(72.7%)	\$5.6M	0.0%
f. Transportation Benefit District Fund	\$87.4M	\$91.6M	4.8%	\$99.6M	8.7%
g. Seattle Streetcar Operations Fund	\$13.9M	\$14.3M	3.2%	\$14.3M	(0.1%)
h. Automated Traffic Safety Camera Fund	\$10.3M	\$10.1M	(2.6%)	\$11.4M	13.0%
i. REET I/II Capital Fund	\$16.6M	\$18.4M	10.8%	\$20.3M	10.7%
j. LTGO Bonds	\$10.7M	\$0.0M	(100.0%)	\$0.0M	--
k. Unrestricted Cumulative Reserve Fund	\$0.0M	\$0.0M	--	\$1.8M	n/a
Total by Revenue Fund	\$674.9M	\$635.7M	(5.8%)	\$671.1M	5.6%

Policy Consideration

1. Transportation Revenue Task Force and Budget Sustainability

- SDOT's 2026 Proposed Budget is **balanced**, however:
 - SDOT faces on-going inflationary cost pressure.
 - Slow recovery of transportation revenues to pre-pandemic levels.
 - The Transportation Fund projects a \$49 million deficit in 2027.
- **Transportation Funding Task Force** was established with the 2024 Transportation Levy.
 - Recruitment of task force members in early 2026.
 - Final recommendations anticipated by the end of 2027.

Contextual budget issue.

Policy Consideration

2. Streetcar Operations Subsidy

- **\$13.6 million** to support streetcar operations (Seattle Transit Measure) in 2026.
- First Hill ridership approaching 2019 pre-pandemic levels.
- South Lake Union ridership remains depressed.

Year	First Hill Ridership	First Hill Operating Subsidy	South Lake Union Ridership	South Lake Union Operating Subsidy
2019 actual	1,360,035	\$7.0M	503,374	\$2.2M
2020 actual	660,029	\$3.9M	89,414	\$1.7M
2021 actual	698,975	\$3.6M	107,145	\$1.7M
2022 actual	937,394	\$3.5M	180,211	\$1.7M
2023 actual	1,175,767	\$3.6M	236,121	\$1.9M
2024 actual	1,269,768	\$8.4M	222,592	\$1.8M
2025 projected	1,307,861	\$10.7M	229,270	\$2.9M
2026 projected	1,347,097	\$11.8M	236,148	\$3.5M

Contextual budget issue.

Policy Consideration

3. Seattle Transit Measure Renewal

- Voter-approved **0.15% sales tax** will expire in April 2027.
 - Supports transit service, transit infrastructure, and low-income access.
 - Generates \$56.4 million in 2026.
- Renewal requires authorizing legislation by August 2026 to be on November 2026 ballot.
- City may ask voters for up to 0.3% sales tax and/or up to \$50 vehicle license fee for transportation purposes (including transit).

Contextual budget issue. Council may wish to provide early direction on renewal proposal.

Policy Consideration

4. Automated Camera Enforcement

- **School Zone camera** expansion included in 2025 Adopted and 2026 Proposed Budget.
 - 37 new cameras at 18 locations.
 - Full deployment anticipated in 2026.
- **General Speed Zone camera** expansion proposed in 2026 Proposed Budget.
 - 20 new cameras at up to 10 locations.
 - Full deployment anticipated in 2026.
- 1.0 FTE proposed to manage all SDOT camera programs.

Contextual budget issue.

Policy Consideration

5. Transit Ambassadors and Transit Security

- 2025 Adopted Budget included a proviso on \$1 million for [Transit Ambassadors and King County Behavioral Health Team](#).
 - Ambassadors deployed in University District and on Rainier Ave in 2025.
 - No funding used for Behavioral Health Team in 2025.
 - 2026 Proposed Budget does not include dedicated funding for these purposes.
- 2025 Adopted Budget included a proviso on \$1 million for [Transit Security](#).
 - Transit security deployed on 3rd Ave and Jackson Street routes in 2025.
 - 2026 Proposed Budget includes \$1 million (Transportation Levy)

Contextual budget issue.

Policy Consideration

6. District Project Fund

- Funds neighborhood traffic safety and district priorities at direction of Council.
- Established in 2025 Adopted Budget
 - \$7 million in 2025.
 - \$7 million in 2026.
 - **Unsecured funding for 2027+.**
- Council approved process and procedures for program in September 2025.

Contextual budget issue.

Policy Consideration

7. Citywide engagement on Sound Transit 3

- Expanded Office of the Waterfront, Civic Projects, and Sound Transit.
 - Sound Transit 3 includes light rail expansion to [West Seattle and Ballard](#).
 - OWCP&ST coordinates work of SDOT, SCL, SPU, DPR, SDCI, FAS, and DON.
- Sound Transit is facing [financial constraints](#) and is evaluating:
 - Capital cost savings (including scope reduction and project phasing).
 - Operational cost savings.
 - Financial capacity.

Contextual budget issue.

Questions?

SEATTLE DEPARTMENT OF TRANSPORTATION (SDOT)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: CALVIN CHOW

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
a. Bridges & Structures	\$14.0M	\$14.4M	2.8%	\$17.0M	17.9%
b. Maintenance Operations	\$58.8M	\$60.3M	2.4%	\$63.4M	5.2%
c. Mobility Operations	\$116.7M	\$130.7M	12.0%	\$124.2M	(5.0%)
d. ROW Management	\$53.9M	\$55.7M	3.4%	\$52.3M	(6.2%)
e. First Hill Streetcar Operations	\$9.4M	\$9.8M	3.5%	\$9.8M	(0.1%)
f. SLU Streetcar Operations	\$4.4M	\$4.5M	2.7%	\$4.5M	(0.1%)
g. Waterfront and Civic Projects	\$36.3M	\$0.0M	(100.0%)	\$9.6M	n/a
h. General Expense	\$51.7M	\$40.8M	(21.0%)	\$45.1M	10.3%
i. Leadership and Administration ¹	\$0.0M	\$0.0M	-	\$0.0M	-
Operating Subtotal:	\$345.4M	\$316.3M	(8.4%)	\$325.9M	3.0%
Capital Budget					
j. Major Maintenance/ Replacement	\$101.0M	\$100.9M	(0.1%)	\$104.2M	3.3%
k. Mobility-Capital	\$208.7M	\$211.3M	1.2%	\$233.3M	10.4%
l. Major Projects	\$1.6M	\$0.1M	(92.4%)	\$0.5M	339.2%
m. Capital General Expense	\$7.0M	\$6.5M	(6.3%)	\$6.5M	0.0%
n. Central Waterfront	\$11.2M	\$0.6M	(94.6%)	\$0.6M	0.0%
CIP Subtotal:	\$329.5M	\$319.4M	(3.0%)	\$345.2M	8.1%
Total:	\$674.9M	\$635.7M	(5.8%)	\$671.1M	5.6%

I. OVERVIEW AND SUMMARY

SDOT's 2026 Proposed Budget represents a 5.6 percent increase in spending over the 2026 Endorsed Budget, which includes a 3.0 percent increase in SDOT's operating budget and an 8.1 percent increase in SDOT's capital budget. This proposed spending remains largely consistent with the 2026 Endorsed Budget, with additional spending proposed for several Mayoral priorities including Downtown Activation (right-of-way cleaning), graffiti abatement, permit enforcement, and support for the FIFA World Cup.

¹ The Leadership and Administration BSL includes an indirect cost recovery offset to avoid showing double appropriations. This offset was \$90.9 million in the 2025 Adopted Budget, \$94.8 million in the 2026 Endorsed Budget, and \$99.4 million in the 2026 Proposed Budget; the 2026 Proposed Budget represents a 4.9 percent increase over the 2026 Endorsed amount.

A. Operating Budget

Significant increases in SDOT's operating budget include:

- \$4.1 million (General Fund) and 16.0 FTE for the Downtown Activation Team. These resources represent cleaning 30 blocks twice daily and a continuation of cleaning operations initiated in 2025. The CBO 2025 Year End Supplemental legislation also includes \$2.9 million for this purpose in 2025.
- \$1.2 million (General Fund) and 5.0 FTE for SDOT participation in the Graffiti Interdepartmental Team. This interdepartmental program addresses graffiti removal, targeted enforcement, assistance to impacted businesses, and support for public art. The effort is coordinated and managed by SPR with participation from SDOT and ARTS. For more details on this Citywide initiative, please see the 2026 Proposed Mid-biennial Adjustments policy paper.
- Funding for enhanced permit enforcement including:
 - \$1 million (General Fund) and 2.0 FTE for increased unpermitted vending enforcement in SDOT's Public Space Management team.
 - \$500,000 (General Fund) and 1.0 FTE for SDOT's participation in the interdepartmental Joint Enforcement Team (JET). The JET program is managed by FAS.
 - \$1.1 million (Transportation Fund) and 3.0 FTE for increased responsiveness to right-of-way construction inspections. These services are funded by revenue from permit fees tied to the inspections.
- \$3.4 million (Seattle Transit Measure) for operations of the Seattle Streetcar system. This item is discussed in Section II.2 below. This funding is offset by corresponding reductions in the capital budget for Seattle Transit Measure transit infrastructure projects.
- \$1.4 million (Automated Traffic Safety Camera Fund) and 1.0 FTE for expansion of the automated camera enforcement program. This issue is discussed in Section II.4 below.
- \$1.8 million (Jumpstart Fund) for SDOT operations in support of the 2026 FIFA World Cup. The capital budget also includes FIFA-related capital investments.

B. Capital Budget

SDOT's capital budget includes funding for discrete projects and on-going capital programs detailed in the CIP. As a result, year-to-year spending will vary depending on individual project spending plans and the changing mix of projects funded in the CIP. The capital budget also includes appropriations for external grants and reimbursable funding (such as utility contributions) associated with CIP projects.

Significant changes in SDOT's capital budget include:

- \$1.8 million (Unrestricted Cumulative Reserve Fund) for right-of-way improvements in support of the FIFA World Cup.
- \$2 million (REET I Capital Fund) for removable vehicle barriers at Pike Place Market. This proposal would prevent unauthorized entry of vehicles while maintaining emergency vehicle and delivery access to increase pedestrian safety.
- \$8.9 million (Seattle Transportation Benefit District Fund, Transportation Fund, and Jumpstart Fund) and 3.5 FTE for SDOT's work on the Sound Transit 3 light rail extension projects. This includes a \$6.8 million transfer of funds from Finance General previously identified in the 2026 Endorsed Budget. This issue is discussed in Section II.7 below.

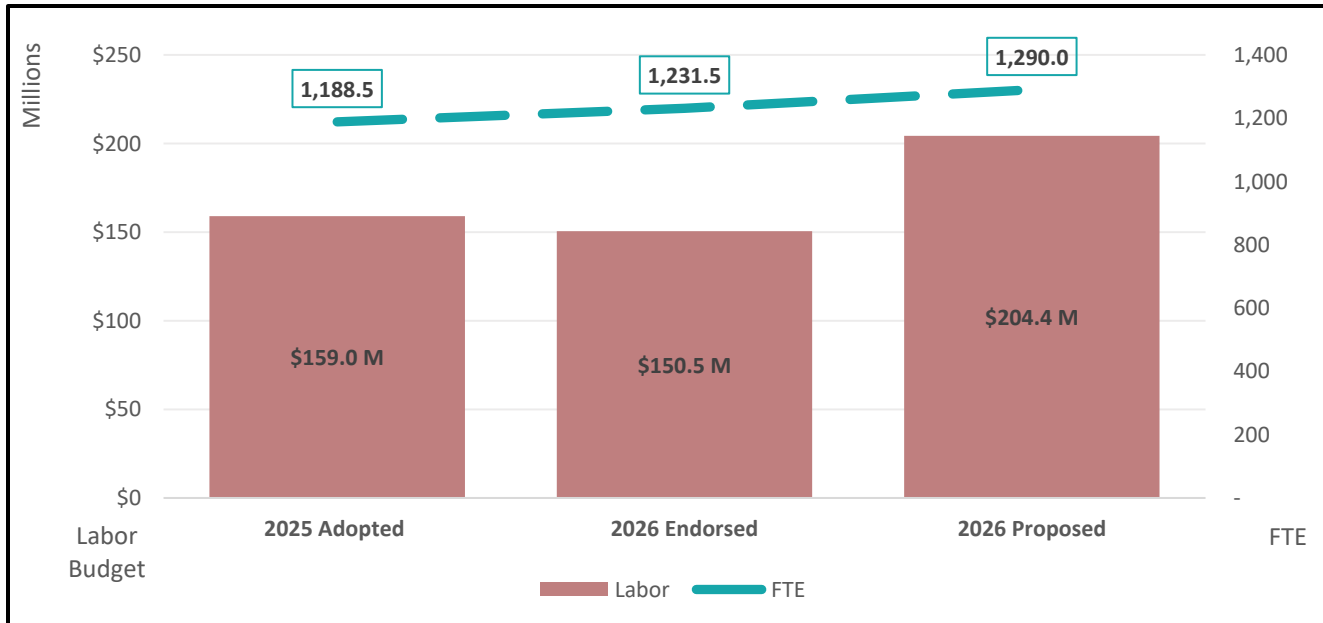
- Reallocation of \$1.7 million in 2026 and \$1.2 million in 2027 (Transportation Fund and REET I/II Capital Funds) to construct a retaining wall and mitigate landslide risk on 12th Ave S. A landslide was first reported at this site in 2015, and SDOT installed temporary slope protection measures in 2022. The 2026 funding for this project is redirected from roads (\$1.1 million), sidewalks (\$393,000), bridges (\$147,000) and freight (\$28,000) programs.
- Reduction of \$3.4 million in Seattle Transit Measure transit infrastructure improvements to support on-going streetcar operations. This issue is discussed in Section II.2 below.

SDOT's Proposed Budget also includes adjustments between operating and capital budgets to realign base spending associated with the 2024 Transportation Levy. In presenting the 2025-2026 Proposed Budget, the Executive did not assume voter-approval of the levy renewal and delivered an SDOT budget which prioritized some capital projects and programs previously supported by the expiring Move Seattle Levy. With the passage of the 2024 Transportation Levy, the Council added appropriations in the 2025 Adopted Budget to account for the new levy funding but did not reverse all of the Executive's prior adjustments to base spending in the 2026 Endorsed Budget. To realign spending, the 2026 Proposed Budget reduces \$6.3 million of Transportation Fund in the capital budget and increases \$2.5 million of Transportation Fund in the operating budget. This change has no impact on levy deliverables.

The Proposed Budget includes a one-time reduction of \$3.5 million (operating and capital) representing vacancy savings in 2026 as SDOT's continues to fill positions related to new levy programs. These savings primarily accrue to the Transportation Levy Fund and the Transportation Fund.

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary

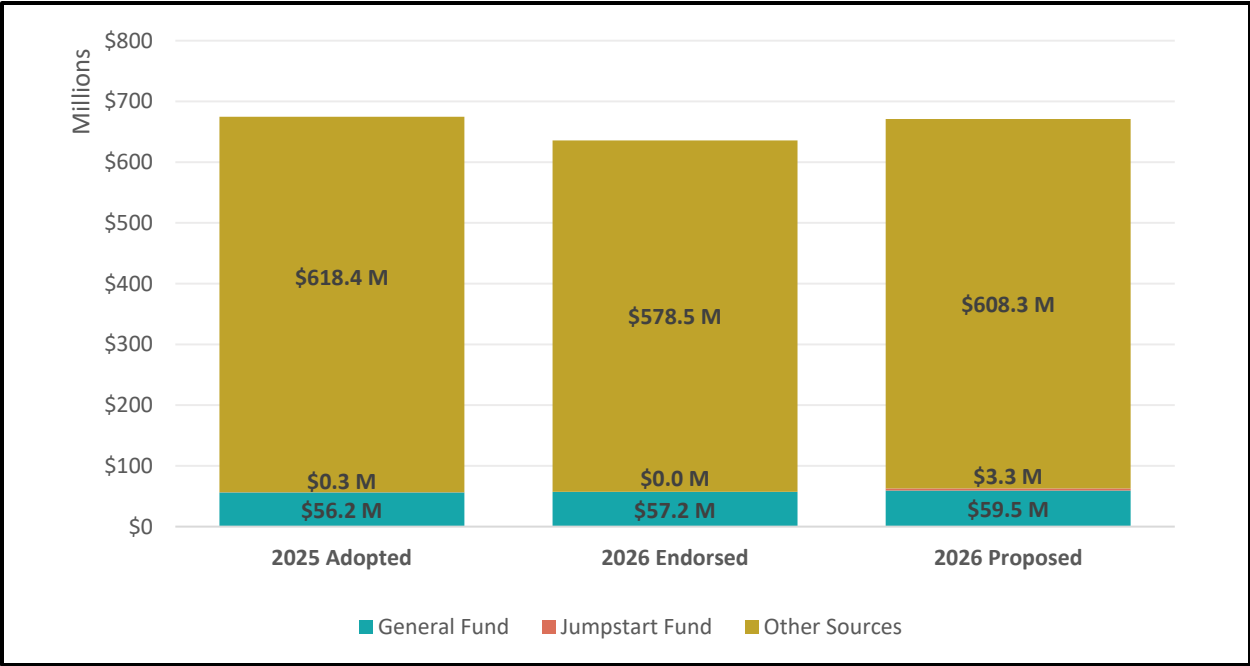


The 2026 Proposed Budget reflects 58.5 FTE more than the 2026 Endorsed Budget. Of this increase, 22 FTE were authorized in 2025 to support the City’s work on Sound Transit 3 ([ORD 127304](#)). The remaining 35.5 FTE are proposed as follows:

- An additional 3.5 FTE to support Sound Transit 3. These positions were identified as anticipated 2026 Proposed Budget requests in the Staffing and Resource Plan submitted with ORD 127304.
- 16.0 FTE for the Downtown Activation Team (right-of-way cleaning). These positions are funded by the General Fund.
- 5.0 FTE for the Graffiti Interdepartmental Team (graffiti abatement). These positions are funded by the General Fund.
- 6.0 FTE for additional permit enforcement (2.0 FTE for unpermitted vending enforcement, 1.0 FTE for the Joint Enforcement Team, and 3.0 FTE additional Street Use Inspectors). Three of these positions are funded by the General Fund; the three Street Use Inspectors are funded through Street Use Fees.
- 1.0 FTE for dedicated staffing of the Automated Traffic Safety Camera program.
- 1.0 FTE net change to convert 14 temporary and sunset positions to permanent positions supporting delivery of the 2024 Transportation Levy (four transportation planners, seven civil engineers, two management system analysts, and one warehouse position).
- Transfer of 3.0 FTE from FAS to consolidate parking collection services in SDOT.

D. Fund Appropriations Summary

Figure 2. General Fund and Jumpstart (Payroll Expense Tax) Fund Summary



The General Fund (\$59.5 million) and the Jumpstart Fund (\$3.3 million) represent a small portion of SDOT’s overall funding (\$671.1 million) in the 2026 Proposed Budget. As part of the 2026 Proposed Budget, SDOT reduces General Fund appropriations by \$4.4 million (8 percent) from the baseline 2026 Endorsed Budget. These reductions are partially offset by \$3.4 million of increased Transportation Fund expenditures. The net reduction of \$1 million is absorbed across multiple SDOT divisions, with the greatest impact to sign maintenance (resulting in a net \$500,000 reduction to this program).

To support the Mayor’s priorities, the 2026 Proposed Budget adds General Fund to SDOT for Downtown Activation (right-of-way cleaning), graffiti abatement, and permit enforcement. With these additional appropriations, SDOT’s net General Fund spending increases by 4 percent over the 2026 Endorsed Budget. For General Fund budget considerations, please see the General Fund Balancing and Sustainability Analysis paper.

SDOT’s Jumpstart Fund spending increases by \$3.3 million, which includes \$1.8 million to support FIFA World Cup operations and a \$1.5 million transfer from Finance General (previously included in the 2026 Endorsed Budget to support Sound Transit 3 staffing). The Proposed Budget also includes \$1.8 million of Unrestricted Cumulative Reserve Fund for SDOT to make capital improvements to right-of-way in support of the FIFA World Cup.

Table 2. Fund Appropriations Summary

Fund	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
a. General Fund	\$56.2M	\$57.2M	1.8%	\$59.5M	4.0%
b. Jumpstart Fund (Payroll Expense Tax)	\$0.3M	\$0.0M	(100.0%)	\$3.3M	n/a
c. Transportation Fund	\$282.2M	\$246.1M	(12.8%)	\$264.7M	7.6%
d. 2024 Transportation Levy Fund	\$176.8M	\$192.4M	8.8%	\$190.6M	(0.9%)
e. Move Seattle Levy Fund (<i>expired</i>)	\$20.5M	\$5.6M	(72.7%)	\$5.6M	0.0%
f. Transportation Benefit District Fund	\$87.4M	\$91.6M	4.8%	\$99.6M	8.7%
g. Seattle Streetcar Operations Fund	\$13.9M	\$14.3M	3.2%	\$14.3M	(0.1%)
h. Automated Traffic Safety Camera Fund	\$10.3M	\$10.1M	(2.6%)	\$11.4M	13.0%
i. REET I/II Capital Fund	\$16.6M	\$18.4M	10.8%	\$20.3M	10.7%
j. LTGO Bonds	\$10.7M	\$0.0M	(100.0%)	\$0.0M	--
k. Unrestricted Cumulative Reserve Fund	\$0.0M	\$0.0M	--	\$1.8M	n/a
Grand Total	\$674.9M	\$635.7M	(5.8%)	\$671.1M	5.6%

SDOT relies on multiple funds to support appropriations. The Transportation Fund is the largest source of funding, followed by the 2024 Transportation Levy. As a requirement to collect the levy in 2026, SDOT’s budget must include General Fund appropriations of at least \$52 million. The next highest appropriation is from the Seattle Transportation Benefit Fund, which includes the Seattle Transit Measure (discussed in Section II.3 below). Please note that table 2 shows appropriations by fund, and that it does not show total revenues raised. The Transportation Fund includes many sources of revenue including Commercial Parking Tax receipts, permit fees, service charges, and grant funding. Many of the revenues supporting SDOT’s budget are legally restricted to fund transportation purposes only.

II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

1. Transportation Revenue Task Force and Budget Sustainability

While SDOT's 2026 Proposed Budget is balanced, SDOT faces on-going challenges with inflationary cost pressure and the slow recovery of transportation revenues to pre-pandemic levels. As an example, the financial plan for the Transportation Fund projects a \$49 million deficit in 2027. As part of the 2024 Transportation Levy proposal, the Mayor and Council called for a Transportation Funding Task Force charged with recommending a broad range of funding, program management, and policy solutions to address transportation infrastructure needs. The Council provided additional direction regarding the Transportation Funding Task Force in [RES 32145](#).

SDOT procured a consultant for this work in 2025 and anticipates the recruitment and appointment of task force members in early 2026. The task force would make final recommendations by the end of 2027. The 2026 Proposed Budget includes \$1.35 million for this purpose; this is part of the total \$5 million (over eight years) identified in the 2024 Transportation Levy for Durable Infrastructure Solutions.

Options:

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

2. Streetcar Operations Subsidy

The 2026 Proposed Budget includes \$13.6 million from the Seattle Transit Measure to support the on-going operations of the Seattle Streetcar. This represents an increase of \$3.4 million over the 2026 Endorsed Budget to reflect the increasing cost to operate the system and the end of federal pandemic recovery grants that had previously supported streetcar service.

The Seattle Transit Measure expires in April 2027, and the Executive does not currently have a financial plan that fully funds operations of the streetcar beyond 2026. On-going funding for the streetcar could be considered as part of a Seattle Transit Measure renewal proposal (or other transportation funding proposals), or service levels may have to be reduced in the future to match available resources. The financial plan for the Streetcar Operations Fund identifies a \$5.2 million deficit in 2027.

A summary of recent ridership and the required operating subsidy for the streetcar lines is shown below. Ridership on the First Hill Streetcar is approaching 2019 pre-pandemic levels, while South Lake Union ridership remains depressed. SDOT contracts with King County Metro to operate the streetcar system on the City's behalf.

Table 3. Streetcar Ridership and Operating Subsidy

Year	First Hill Ridership	First Hill Operating Subsidy	South Lake Union Ridership	South Lake Union Operating Subsidy
2019 actual	1,360,035	\$7.0M	503,374	\$2.2M
2020 actual	660,029	\$3.9M	89,414	\$1.7M
2021 actual	698,975	\$3.6M	107,145	\$1.7M
2022 actual	937,394	\$3.5M	180,211	\$1.7M
2023 actual	1,175,767	\$3.6M	236,121	\$1.9M
2024 actual	1,269,768	\$8.4M	222,592	\$1.8M
2025 projected	1,307,861	\$10.7M	229,270	\$2.9M
2026 projected	1,347,097	\$11.8M	236,148	\$3.5M

The 2024 increase in First Hill Operating Subsidy is primarily related to the expiration of Sound Transit contributions for the First Hill Streetcar operations (previously \$5 million per year); Sound Transit provided construction funding and 10 years of operational support for the First Hill Streetcar as part of the Sound Transit 2 voter-approved funding measure. The required operating subsidy is projected to increase in 2025 and 2026.

Options:

- A. Contextual budget issue. No staff options identified at this time. This issue will need resolution in the 2027 Budget.

3. Seattle Transit Measure Renewal

The Seattle Transit Measure is a voter-approved 0.15 percent sales tax that funds additional King County transit service, streetcar operations, transit infrastructure improvements, and transit-passes for low-income individuals. The Seattle Transit Measure will raise approximately \$56.4 million in 2026. The 2026 Proposed Budget utilizes available fund balance (\$19.7 million) in addition to the 2026 revenues as follows:

- \$53.0 million for transit service purchases and transit access programs.
- \$13.6 million to support streetcar operations.
- \$5.2 million to support the City's engagement on Sound Transit 3.
- \$3.3 million for transit capital improvements.
- \$1.0 million for Vision Zero related transit programs.

The tax expires in April 2027, which would allow for a potential renewal proposal to be placed on the November 2026 ballot. To be placed on the November 2026 ballot, the Council would need to pass authorizing legislation by August 2026.

The City (as a transportation benefit district)² has the authority to ask voters for up to 0.3 percent sales tax for transportation purposes (raising up to \$113 million per year). Of this 0.3 percent sales tax authority, up to 0.1 percent sales tax could be imposed through councilmanic action, without a public vote. While the current Seattle Transit Measure is directed solely to transit service, transit capital improvements, and transit access, a future renewal could include spending on other transportation purposes. In addition, or as an alternative to a sales tax proposal, the City could ask voters for up to a \$50 vehicle license fee (raising up to \$23 million per year).

The CBO 2025 Year End Supplemental legislation includes \$500,000 to begin work in 2025 to develop a renewal proposal, and the 2026 Proposed Budget includes an additional \$1.5 million to cover administrative costs to put the measure on the ballot.

Options:

- A. Contextual budget issue. No staff options identified at this time. Council may wish to provide early direction on the development of a renewal proposal.

4. Automated Camera Enforcement

The 2025 Adopted Budget and 2026 Endorsed Budget included funding to double the deployment of automated cameras in school zones by installing an additional 37 cameras at 18 locations. Speed enforcement typically involves two cameras per location to address both directions of traffic. Enforcement cameras are supplied, installed, and operated by a third-party vendor. SDOT is involved in evaluating and selecting locations. SPD manages the vendor contract and provides review and citation of infractions. Seattle Municipal Court processes tickets. SDOT reports that the pace of school zone camera implementation has been limited by vendor capacity, but that the expansion of school zone cameras will be fully implemented in 2026.

The 2026 Proposed Budget includes \$1.4 million and 1.0 FTE to install 20 speed enforcement cameras at up to 10 locations outside of school zones. As part of this deployment, SDOT will be evaluating the traffic corridors previously identified by Council in Section 7 of [ORD 127213](#). SDOT anticipates that these cameras will be fully deployed in 2027. The proposed 1.0 FTE would provide dedicated SDOT staffing for all automated camera programs including speed zone, school zone, red-light, block-the-box, and transit-lane enforcement. This position would be funded by camera infraction revenue.

Options:

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

² As a transportation benefit district, the City also collects an annual \$50 vehicle license fee (VLF) for general transportation purposes. The City may ask the voters for up to an additional \$50 VLF. The total VLF charge is capped at \$100, which would include any VLF imposed by King County. King County does not currently impose a VLF.

5. Transit Ambassadors and Transit Security

While the City does not directly operate transit service, the City purchases additional transit service (through the Seattle Transit Measure) and contracts with King County Metro to operate the streetcar system on the City's behalf.

In the 2025 Adopted Budget, Council imposed two provisos on SDOT's budget related to transit spending:

- Restrict \$1 million solely for King County Metro's Transit Center Ambassador Program and King County's Behavioral Health Team deployed on transit. SDOT reports that these funds were used to deploy Metro Transit Ambassadors in the University District and on Rainier Ave S. No funds were used to support the Behavioral Health Team. The 2026 Proposed Budget does not include dedicated funding for these purposes in 2026.
- Restrict \$1 million solely for transit security and transit police. SDOT reports that these funds were used to deploy Transit Security Officers on the 3rd Avenue and Jackson Street transit corridors. The 2026 Proposed Budget includes \$1 million for transit security purposes, as directed by the 2024 Transportation Levy spending plan (\$9 million over eight years).

In October 2025, the King County Regional Transit Safety Task Force presented an [implementation plan](#) to improve transit safety and the rider experience across the King County Metro service area. Media reports indicate that King County Metro is proposing additional transit rider experience and safety spending for their 2026-2027 budget biennium.³

Options:

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

6. District Project Fund

The Council established the District Project Fund to implement neighborhood-scale traffic safety improvements and respond to other district priorities at the direction of Council, directing \$7 million for this program in 2025 and an additional \$7 million in 2026. Last year's budget action included a proviso prohibiting spending until authorized by Council. In September 2025, the Council adopted operating principles and procedures ([RES 32179](#)) and lifted the spending proviso ([ORD 127315](#)), allowing SDOT to work directly with District Councilmembers to program these resources.

The 2026-2031 Proposed CIP maintains the previously identified 2026 funding. As a capital program, any unspent 2025 appropriation will automatically carry forward and be available to the program in 2026. The Proposed CIP does not identify funding to continue this program in 2027 or beyond.

Options:

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

³ Lindblom, M. (2025, October 7). [How King County Metro aims to boost rider safety](#).

7. Citywide engagement on Sound Transit 3

With [Executive Order 2025-02](#), the Mayor assigned responsibility for coordinating the City's involvement on the Sound Transit 3 light rail expansion projects to an expanded Office of the Waterfront, Civic Projects, and Sound Transit (OWCP&ST) that reports directly to the Mayor and is budgeted within SDOT. This direction comes as construction of the waterfront is complete and the operational jurisdiction of the waterfront is assigned to Seattle Center ([ORD 126755](#)). The Sound Transit 3 program includes the expansion of light rail service to West Seattle and Ballard.

SDOT's 2026 Proposed Budget adds \$8.9 million (for a total of \$17.3 million in 2026) to support OWCP&ST's work on Sound Transit 3. Some of these appropriations are backed by anticipated partnership agreements with Sound Transit, permit fees, utility reimbursement, or other external revenue. Significant funding also comes from the Seattle Transit Measure and the Jumpstart Payroll Expense Tax. Other City departments (including SCL, SPU, DPR, SDCl, FAS, and DON) have separate budget authority for their participation in this work. Previously, the Council authorized City staffing and budget in support of these activities for 2025 ([ORD 127304](#)).

Sound Transit is facing financial constraints in delivering the regional Sound Transit 3 program and it is exploring capital cost savings, operational cost savings, and financial capacity opportunities as part of its Enterprise Initiative ([ST Motion 2025-36](#)). For the West Seattle extension, Sound Transit has identified a financial gap between the current \$7.0 billion to \$7.9 billion project cost estimate and the \$4.2 billion identified for this project in Sound Transit's financial plan. For the Ballard extension, the current project cost estimate is \$20.1 billion to \$20.6 billion, and the financial plan identified \$11.9 billion for this project.⁴

OWCP&ST's funding in the 2026 Proposed Budget allows the City to review and assess Sound Transit's cost saving efforts, as well as to proceed with project delivery work in the event Sound Transit initiates permit review, early utility relocation, or other activities related to the West Seattle and Ballard extensions. Sound Transit's potential cost savings strategies include value engineering, scope reduction (removed or consolidated stations), and project phasing. A timeline for Sound Transit Board decisions on Sound Transit 3 projects has not yet been announced.

Options:

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

III. BUDGET LEGISLATION

1. SDOT 2026 Street Use Fee Schedule Update

This legislation increases SDOT's street use permit fees by 2.6 percent to reflect inflation (as calculated by CPI-W). The new fee schedule also reflects the sunset of the fee waiver for sidewalk activity and vending (previously authorized by [ORD 126915](#)) and updates the fee structure for developer and non-developer tree-related permits. These changes are anticipated to raise an additional \$1.8 million of permit fees in 2026. SDOT typically submits an updated street use fee schedule annually with the Proposed Budget.

2. CBO Red Light Camera Funding

This legislation makes a technical correction to reflect Council's decision to direct 30 percent of red-light camera revenues to the Automated Traffic Safety Camera (ATSC) Fund as enacted by [ORD 127213](#). ORD 127213 directed 15 percent of red-light camera revenues to support transportation safety projects and programs and 15 percent to fund the construction of new sidewalks and repair of existing sidewalks, but it did not update the total percentage (a combined 30 percent, currently cited as 20 percent) to be deposited into the ATSC Fund for these purposes. The remaining 70 percent of red-light camera revenues are deposited into the General Fund. This technical correction does not change City policy.

⁴ Costs reported in Sound Transit staff memo to System Expansion Committee, "Updated ST3 Capital Project Cost Estimates," September 11, 2025. Costs are reported in 2025 dollars.

3. CBO 2025 Year End Supplemental

This legislation includes 2025 Budget adjustments that reflect shifts in SDOT spending priorities. The legislation also includes transfers and adjustments between SDOT programs to address emerging needs and external funding. The most significant adjustments include:

- Reallocation of \$2.9 million (Jumpstart Fund) to support Downtown Activation (right-of-way cleaning). This funding was previously included in Finance General as part of a \$5.2 million reserve for Sound Transit 3 staffing needs. The Council approved a staffing plan ([ORD 127304](#)) in September 2025 which utilized \$2.3 million of the Finance General reserve. This proposal would utilize the remaining balance of that funding to support right-of-way cleaning services provided in 2025.
- Reallocation of \$3 million (Seattle Transit Measure) to pay for increased Metro Transit service costs (\$2.5 million) and to prepare for a potential Seattle Transit Measure renewal (\$500,000). This is offset by a corresponding reduction in transit infrastructure improvements funded by the Seattle Transit Measure.
- Various adjustments to CIP allocations to account for reimbursable and grant funding. The legislation also establishes several discrete CIP projects to track costs separate from programmatic capital spending.

4. CBO 2025 Year End Grant Acceptance

This legislation includes grant acceptance authorization in 2025 for eight SDOT-related projects. These include:

- \$788,000 from the Washington State Convention Center for signal improvements.
- \$250,000 from King County Metro for upgraded Business Access and Transit (BAT) lane signage on Aurora Ave N.
- \$2.1 million from King County Metro to support transit infrastructure and operations in response to the Washington State Department of Transportation's (WSDOT's) Revive I-5 project.
- \$799,000 from the WSDOT to partner on regional improvements including improvements to Fautleroy ferry terminal and fish passage under State Route 522.
- \$8.2 million from WSDOT for the Harrison St Transit Corridor project.
- \$1.5 million from WSDOT to support the City's Commute Trip Reduction program.
- \$5.5 million from the Federal Highway Administration to support Safe Routes to Schools.
- \$5.2 million from WSDOT to support neighborhood greenway improvements.

5. CBO 2026 Annual Grant Acceptance

This legislation includes grant acceptance authorization in 2026 for two SDOT-related projects. These include:

- \$5.5 million from WSDOT for transit and safety improvements on Aurora Ave N.
- \$410,000 from the Federal Transit Administration for First Hill Streetcar maintenance.

For reference, the legislation also documents multiple SDOT grants and agreements (previously authorized by the Council) that have appropriations included in the 2026 Proposed Budget.



Legislation Text

File #: Inf 2755, **Version:** 1

Seattle Parks and Recreation (SPR)

Seattle Parks and Recreation

2026 Proposed Budget Overview

Select Budget Committee | October 15, 2025

Karina Bull and Traci Ratzliff, Analysts

Budget Summary - Expenditures

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Appropriations by BSL					
Departmentwide Programs	\$22.4M	\$23.2M	3.7%	\$22.6M	(2.9%)
Golf Programs	\$18.3M	\$18.5M	0.7%	\$18.4M	(0.3%)
Leadership and Administration	\$52.4M	\$54.6M	4.2%	\$56.2M	2.9%
Parks and Facilities Maintenance and Repairs	\$102.1M	\$107.6M	5.4%	\$108.7M	1.0%
Recreation Facility Programs	\$54.2M	\$55.8M	3.0%	\$56.3M	0.8%
Zoo and Aquarium Programs	\$9.2M	\$9.4M	2.3%	\$9.4M	0.0%
Operating Subtotal	\$258.6M	\$269.2M	4.1%	\$271.5M	0.9%
Capital Appropriations by BSL					
Building For the Future	\$6.9M	\$7.0M	1.3%	\$7.0M	(0.0%)
Debt and Special Funding	\$5.0M	\$10.1M	100.9%	\$3.4M	(66.6%)
Fix It First	\$71.5M	\$219.4M	206.8%	\$75.5M	(65.6%)
Maintaining Parks and Facilities	\$1.8M	\$1.8M	0.9%	\$1.8M	0.0%
SR520 Mitigation					
Capital Subtotal	\$85.3M	\$238.4M	179.4%	\$87.7M	(63.2%)
Total	\$344.0M	\$507.6M	47.6%	\$359.2M	(29.2%)

Budget Summary – Expenditures and Revenue Funds

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Appropriation Totals (Operating + Capital)					
Total Appropriations	\$344.0M	\$507.6M	47.6%	\$359.2M	(29.2%)
Total FTE	1,140	1,132	(1%)	1,155	2%
Revenues					
General Fund	128.3M	135.3M	5.5%	128.3M	(5.2%)
Jumpstart Fund	1.3M	0.8M	(40.8%)	0.2M	(76.3%)
Other Sources	214.3M	371.5M	73.3%	230.7M	(37.9%)
Total Revenues	344M	507.6M	47.6%	359.2M	(29.2%)

Budget Summary – Revenue Funds (Detailed)

	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Appropriations by Revenue Fund					
Seattle Park District Fund	\$124.9M	\$125.4M	0.4%	\$128.9M	2.8%
General Fund	\$128.3M	\$135.3M	5.5%	\$128.3M	(5.2%)
Park and Recreation Fund	\$50.4M	\$53.3M	5.7%	\$55.1M	3.4%
REET I Capital Fund	\$15.5M	\$11.9M	(23.2%)	\$13.9M	16.8%
REET II Capital Fund	\$16.9M	\$26.2M	55.3%	\$26.2M	0.0%
King County Parks Levy Fund	\$2.9M	\$2.9M	(2.0%)	\$3.8M	35.0%
FEPP Levy 2025	\$0.0M	\$0.0M	0.0%	\$2.4M	100%
Sweetened Beverage Tax Fund	\$0.3M	\$0.4M	4.0%	\$0.4M	(1.0%)
Payroll Expense Tax	\$1.3M	\$0.8M	(40.8%)	\$0.2M	(76.3%)
2026 Multipurpose LTGO Bond Fund	\$0.0M	\$151.5M	100%	\$0.0M	(100.0%)
General Bond Interest and Redemption Fund	\$3.2M	\$0.0M	(100.0%)	\$0.0M	0.0%
Unrestricted Cumulative Reserve Fund	\$0.2M	\$0.0M	(81.1%)	\$0.0M	0.0%
Total by Revenue Fund	\$344.0M	\$507.6M	47.6%	\$359.2M	(29.2%)

Operating Budget

SPR's 2026 Proposed Operating Budget (\$271.5 million) increases about 1.0 percent (\$2.3 million) relative to SPR 2026 Endorsed Operating Budget (\$269.2 million). Many of the proposed changes are achieved through use of fund balances, shifting funds within SPR's budget, and department transfers.

- **One-time adjustment of Park District funding to address General Fund deficit** (\$7.5 million Park District Fund)
- **Youth programming** (\$2.4 million FEPP Levy 2025)
- **Graffiti abatement** (\$1.28 million General Fund and 2.0 FTE)
- **Public restroom maintenance** (\$515,000 General Fund and 3.7 FTE)
- **Park Rangers expansion** (\$500,000 General Fund and 3.0 FTE)
- **Organizational Capacity** (\$311,000 Park District Fund and 2.0 FTE)
- **Pay compression corrections** (\$222,000 from General Fund, Park District Fund, and Park and Recreation Fund)

Capital Budget

SPR's 2026 Proposed Capital Budget (\$87.7 million) decreases 63.2 percent (\$151 million) relative to the 2026 Endorsed Capital Budget (\$238.4 million).

The vast majority of this decrease results from shifting planned bond funding from 2026 to 2027 to align with updated project delivery schedules for five community center projects: 8th & Mercer, Green Lake Community Center and Evans Pool, Lake City Community Center, Loyal Heights Community Center, and Queen Anne Community Center.

- **Public restroom projects** (\$2 million REET I)
- **Gas Works Park safety** (\$1.8 million Park and Recreation Fund)
- **Leschi Moorage improvements** (\$1 million King County Levy Fund)

Capital Budget cont'd

- **Green Lake Community Center and Evans Pool renovation**
 - \$2.7 million Park District Fund in 2026
 - Increase from \$56 million to \$73 million of LTGO bond funding to reflect cost of one phase project; funding shifts from 2026 to 2027 to align planned bond issuance with updated project schedule
- **Alignment of bond issuance for community center renovation projects with schedules**
 - \$90.9 million of LTGO bond funding shifts from 2026 to 2027 to align planned bond issuance with updated project schedules for the other four community center projects
- **Adjustment of Park District-Funded debt service.**
 - \$6.7 million of Park District Fund for planned debt service for community center projects shifts from 2026 to 2027 to align with updated capital project scope and schedules
 - Reallocation of one-time savings: \$4 million to the grounds maintenance line of business to address the General Fund deficit and \$2.7 million for the planning/design of the Green Lake Community Center and Evans Pool in one phase

Labor

The 2026 Proposed Budget includes 15.7 FTE more than the 2026 Endorsed Budget, reflecting the addition of 17.7 FTE and abrogation of 2.0 FTE. Most of the additional positions (14.7 FTE) are budget neutral.

- 5.0 FTE for support of capital project delivery projects
- 3.7 FTE for park maintenance focused on public restroom cleaning
- 3.0 FTE for expansion of Park Rangers program
- 2.0 FTE for graffiti code enforcement with funding transferred from Seattle Public Utilities
- 2.0 FTE for support of internal HR and accounting functions
- 1.0 FTE for technical corrections
- 1.0 FTE to reflect a position added through separate legislation ([ORD 127304](#)) for Sound Transit 3 program
- (2.0 FTE) to remove two vacant positions for park safety that are no longer needed due to Park Rangers expansion

Questions?

SEATTLE PARKS AND RECREATION (SPR)

2026 PROPOSED BUDGET

OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

Table 1. Department Budget Summary

Budget Summary Level	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Operating Budget					
Departmentwide Programs	\$22.4M	\$23.2M	3.7%	\$22.6M	(2.9%)
Golf Programs	\$18.3M	\$18.5M	0.7%	\$18.4M	(0.3%)
Leadership and Administration	\$52.4M	\$54.6M	4.2%	\$56.2M	2.9%
Parks and Facilities Maintenance and Repairs	\$102.1M	\$107.6M	5.4%	\$108.7M	1.0%
Recreation Facility Programs	\$54.2M	\$55.8M	3.0%	\$56.3M	0.8%
Zoo and Aquarium Programs	\$9.2M	\$9.4M	2.3%	\$9.4M	0.0%
Operating Subtotal:	\$258.6M	\$269.2M	4.1%	\$271.5M	0.9%
Capital Budget					
Building For the Future	\$6.9M	\$7.0M	1.3%	\$7.0M	(0.0%)
Debt and Special Funding	\$5.0M	\$10.1M	100.9%	\$3.4M	(66.6%)
Fix It First	\$71.5M	\$219.4M	206.8%	\$75.5M	(65.6%)
Maintaining Parks and Facilities	\$1.8M	\$1.8M	0.9%	\$1.8M	0.0%
CIP Subtotal:	\$85.3M	\$238.4M	179.4%	\$87.7M	(63.2%)
Total:	\$344.0M	\$507.6M	47.6%	\$359.2M	(29.2%)

I. OVERVIEW AND SUMMARY

The 2026 Proposed Budget for Seattle Parks and Recreation (SPR) decreases 29.2 percent relative to the 2026 Endorsed Budget, reflecting about a one percent increase in SPR's operating budget and 63.2 percent decrease in SPR's capital budget.

The proposed increase in SPR's operating budget reflects higher labor costs in 2026 based on the annual wage and market wage adjustments; increased funding for Seattle Park District (Park District) investments per the Cycle 2 Financial Plan; and new investments (e.g., graffiti abatement, Park Rangers, youth programming, public restroom access, and Park District Cycle 2 commitments). Many of these changes are achieved through use of fund balances, shifting funds within SPR's budget, and department transfers.

The proposed decrease in SPR's capital budget is primarily due to shifting \$151 million of planned bond funding from 2026 to 2027 to align with updated project delivery schedules for five community center projects; this is the second consecutive year that the budget shifts the timing of planned bond issuances for these projects. Other changes include increases for public restroom capital needs; a Gas Works Park safety project; contractually required improvements at Leschi Moorage; and a decrease in the Park District Fund to align debt service costs with updated project timelines.

A. Operating Budget

SPR's 2026 Proposed Operating Budget (\$271.5 million) increases about 1.0 percent (\$2.3 million) relative to SPR 2026 Endorsed Operating Budget (\$269.2 million).

Notable changes in SPR's operating budget include:

- **One-time adjustment of Park District funding to address General Fund deficit** (\$7.5 million Park District Fund). Two changes in Park District funding achieve one-time General Fund savings: \$3.5 million Park District Fund underspend resulting from the citywide hiring freeze and lower than forecasted Annual Wage Increase (AWI) retroactive payments in the prior years; and \$4.0 million Park District Fund that is no longer needed in 2026 for debt payment obligations due to changes in the project delivery schedules for five community center development projects. This Park District funding is a one-time “swap” for General Fund support of the grounds maintenance line of business in 2026 only. See related item “Adjustment of Park District funded debt service” in the Capital Budget section.
- **Youth programming** (\$2.4 million FEPP Levy 2025). The proposed Families, Education, Preschool, and Promise (FEPP) levy proposal includes ongoing funding for citywide youth programs, including out of school programs at Seattle Public School sites, Red Barn Ranch programs, and restoration of the 2026 Endorsed Budget reduction for citywide environmental youth programming and the Discovery Park Environmental Learning and Visitor Center operations and 7.35 FTE. Of the \$2.4 million investment of FEPP Levy funds in SPR, \$1.3 million is used for fund swaps (i.e., \$720,000 to replace General Fund, \$600,000 to replace Payroll Expense Tax) and the balance of \$1.1 million reflects a budget increase in SPR.
- **Graffiti abatement** (\$1.28 million General Fund and 2.0 FTE). The proposed budget moves graffiti abatement resources from Seattle Public Utilities (SPU) to SPR, transferring \$602,000 General Fund and 1.0 FTE for graffiti nuisance code enforcement and about \$175,000 for graffiti abatement on Seattle Department of Transportation's (SDOT's) parking pay stations. The transfer also includes the budget for an additional 1.0 FTE to complete the two-person graffiti enforcement team. The ongoing General Fund savings (due to removal of SPU overhead rates) from the SPU transfer is about \$244,000 annually. An additional ongoing General Fund investment of \$500,000 further supports graffiti abatement and prevention programs, including cross-agency partnerships. This investment is part of the “One Seattle Graffiti Plan” in the proposed budget that adds \$1.6 million and 6.0 FTE across SPR, the Office of Arts and Culture, and SDOT, resulting in a total 2026 investment of \$6.1 million.
- **Public restroom maintenance** (\$515,000 General Fund and 3.7 FTE). The proposed budget restores funding (removed in the 2025 Adopted Budget) and adds 3.7 FTE on an ongoing basis for parks maintenance with an emphasis on cleaning restrooms during peak season and implementing recommendations in the City Auditor's 2025 Restroom Audit. This item is funded from a realignment of baseline resources no longer needed to support debt service for a Magnuson Park capital project, as the debt has been fully paid.
- **Park Rangers expansion** (\$500,000 General Fund and 3.0 FTE). SPR's Park Rangers program expands from 28 to 31 to enhance support for the Downtown Activation Team and add capacity for parks citywide. The proposal includes the addition of a supervisor and two park ranger positions as well as funding for increased maintenance at downtown parks. This item is funded by ongoing General Fund resources.
- **Organizational Capacity** (\$311,000 Park District Fund and 2.0 FTE). SPR's internal human resources and accounting teams grow by two positions to support hiring, vendor payment processing, and other “back of house” functions that help the department meet Park District Cycle 2 commitments. This item is funded by ongoing Park District Funds available after adjusting costs for 2026 AWIs and retirement contributions that were forecasted at a higher rate than realized.

- **Pay compression corrections** (\$222,000 from General Fund, Park District Fund, and Park and Recreation Fund). Pay rate adjustments within the Coalition of City Unions Bargaining created compression or inversion issues for several non-represented job classifications across the City. This proposal increases appropriations ongoing (\$106,000 General Fund, \$99,000 Park District Fund, \$18,000 Park and Recreation Fund) to correct compression for three job classifications at SPR and impacts pay for 11 positions. This item is funded by available resources in each of these funds.

B. Capital Budget

SPR's 2026 Proposed Capital Budget (\$87.7 million) decreases 63.2 percent (\$151 million) relative to the 2026 Endorsed Capital Budget (\$238.4 million). The vast majority of this decrease results from shifting planned bond funding from 2026 to 2027 to align with updated project delivery schedules for five community center projects.

Other notable changes in SPR's capital budget include:

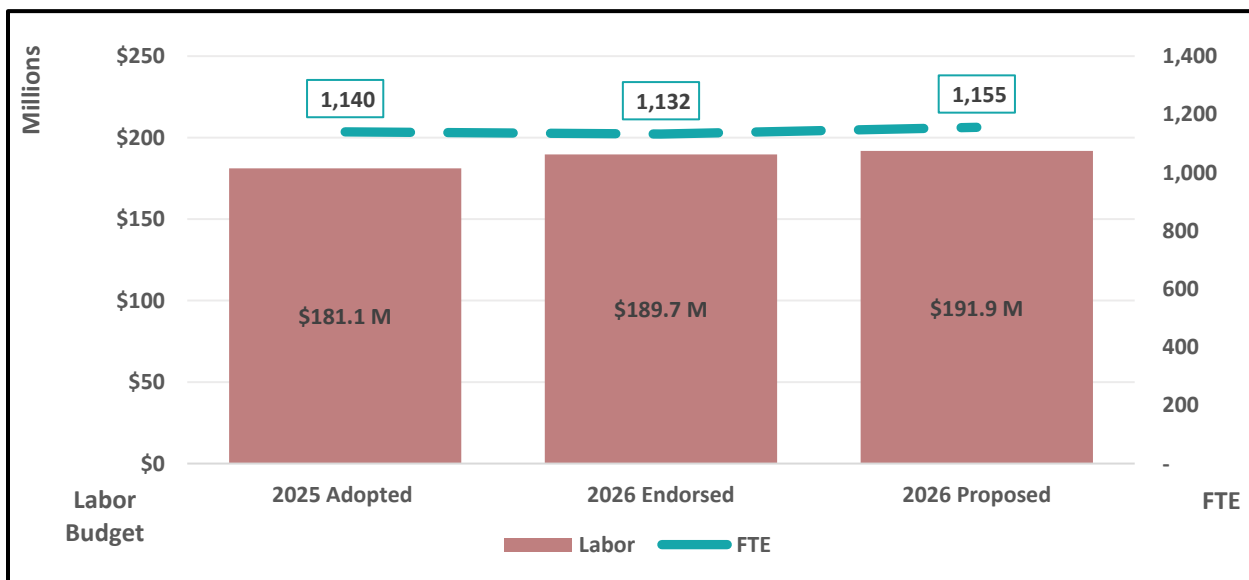
- **Public restroom projects** (\$2 million REET I). This item adds one-time funding to support public restroom access, including funds to mitigate insurance deductible obligations related to restroom vandalism and to fulfill the Park District Cycle 2 goal of weatherizing 60 restrooms to prevent winter closures. Costs for restroom weatherization renovations at nine sites are higher than initially estimated by about 15 percent. This item is funded through one-time REET I resources.
- **Gas Works Park safety** (\$1.8 million Park and Recreation Fund). This item adds one-time funding to increase safety at Gas Works Parks, including the removal of certain permanent fixtures known as "appurtenances" (e.g., catwalks, ladders, select piping and valving) and installation of security lighting. This item is funded by a one-time fund balance.
- **Leschi Moorage improvements** (\$1 million King County Levy Fund). This item adds one-time funding to support contractually required improvements at the Leschi Moorage that include adding a large floating breakwater with a boat sewage pump-out facility. Costs for this project (currently funded by REET and state/federal grants) have increased due to permitting delays and additional environmental requirements which have expanded the scope of the original design. This item is funded by a one-time fund balance.
- **Green Lake Community Center renovation** (\$2.7 million Park District Fund in 2026 and \$17 million in additional bond financing anticipated in 2027). This item makes several changes to support renovation of the Green Lake Community Center and Evans Pool in one phase rather than two phases:
 - One-time \$2.7 million to support the planning and design of a one-phase Green Lake project. Funding is available from Park District Funds originally allocated to debt service obligations that are not needed for this purpose in 2026. See related item "Adjust Park District-Funded debt service."
 - The Limited Tax General Obligation (LTGO) bond funding increases from \$56 million to \$73 million and the bond issuance shifts from 2026 to 2027 to align with updated project cost estimates and schedules. Funding for the debt service associated with the higher bond issuance is partially supported by Park District Fund originally planned to pay debt service for bond issuance of unreinforced masonry efforts (URM); the funding for seismic retrofits of URM is not yet needed and is pending a citywide ordinance. This item also then removes planned LTGO bond funding (\$4.5 million in 2026 and \$4.5 million in 2027 from the Proposed CIP). See related item "Alignment of bond issuance for community center renovation projects with schedules" for changes to bond issuance for four other community centers.
- **Alignment of bond issuance for community center renovation projects with schedules.** This technical item shifts \$90.9 million of LTGO bond funding from 2026 to 2027 to align planned bond issuance with updated project schedules for the other four community center projects: 8th & Mercer, Lake City Community Center, Loyal Heights Community Center, and Queen Anne Community Center major

renovation projects. See related item “Adjustment of Park District-Funded debt service” for associated debt service payments and “Green Lake Community Center Renovation” for changes to the Green Lake Community Center and Evans Pool Renovation and URM bond funding and issuance.

- **Adjustment of Park District-Funded debt service.** This item reduces \$6.7 million of Park District Fund for planned debt service for community center projects and shifts the debt service to 2027 to align with updated capital project scope and schedules for these projects. In addition, it increases the debt service payments for all community center projects beginning in 2027 due to updated project debt service rates as well as the \$17 million increase in bond issuance for the Green Lake Community Center and Evans Pool project and removes planned debt service for URM projects as the Proposed CIP removes bond issuance for this purpose. The one-time savings from this reduction in 2026 are reallocated to other priority needs: \$4 million to fund grounds maintenance line of business (previously funded by the General Fund) to address the General Fund deficit and \$2.7 million to support the planning and design of the Green Lake Community Center and Evans Pool in one phase.

C. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary



The 2026 Proposed Budget includes 15.7 FTE more than the 2026 Endorsed Budget, reflecting the addition of 17.7 FTE and abrogation of 2.0 FTE (i.e., vacant park safety positions that are no longer needed due to the Park Ranger expansion). Most of the additional positions (14.7 FTE) are budget neutral or offset by other budget adjustments as follows:

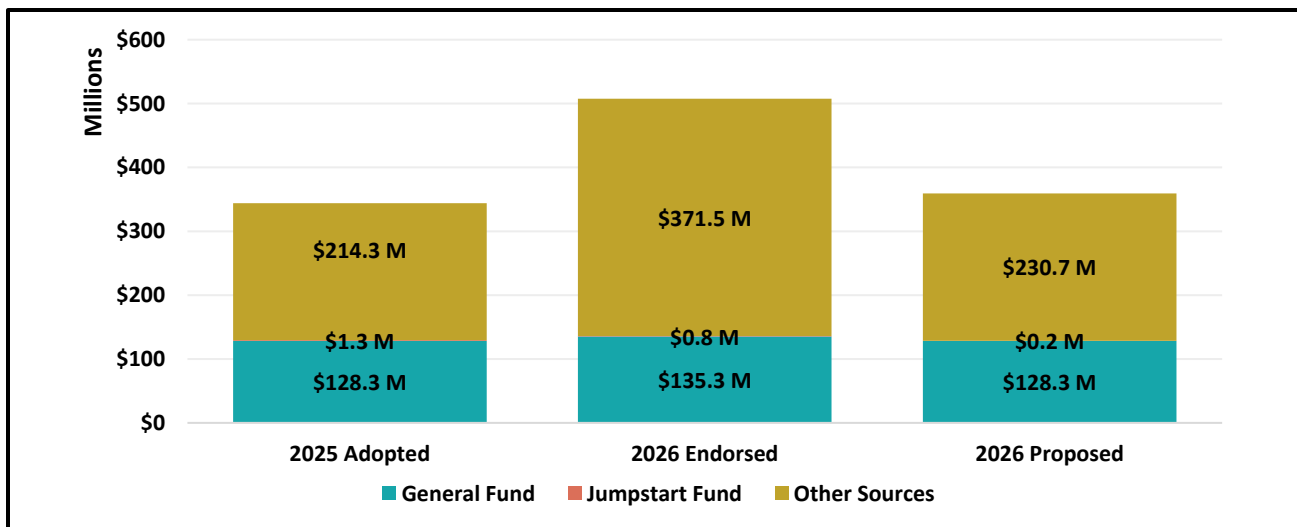
- 5.0 FTE for support of capital project delivery anticipated in the second half of the Park District Cycle 2. These positions are funded through existing appropriations in capital projects.
- 3.7 FTE for park maintenance, including four part-time positions to provide additional restroom cleaning during peak season and one position to implement recommendations in the City Auditor’s 2025 Restroom Audit. This item reinstates parks maintenance funding that was removed in the 2025 Adopted Budget. The positions are funded through a realignment of baseline General Fund resources no longer needed to support debt service for a Magnuson Park capital project, as the debt has been fully paid.
- 3.0 FTE for expansion of SPR’s Park Ranger program to include a supervisor and two additional park rangers. This item is intended to enhance support for the Downtown Activation Team and add capacity for parks citywide. The positions are funded by an ongoing General Fund increase.

- 2.0 FTE for graffiti code enforcement. The positions are funded by transferring General Fund resources for the graffiti nuisance code enforcement team from SPU to SPR.
- 2.0 FTE for support of internal HR and accounting functions to help meet Park District Cycle 2 commitments. The positions are funded by ongoing Park District Funds available after adjusting costs for 2026 AWIs and retirement contributions that were forecasted at a higher rate than realized.
- 1.0 FTE to correctly align budgets and accounts with position changes that occurred outside the previous budget process (e.g., position reclassifications, changes to position hours). This is a technical change that is budget neutral.
- 1.0 FTE to reflect a position added through separate legislation ([ORD 127304](#)) related to supporting the Sound Transit 3 program, managed city-wide though the Office of the Waterfront, Civic Projects, and Sound Transit. This position is funded by the transportation revenues.

The 2026 Proposed Budget also abrogates 2.0 FTE for park safety. These vacant positions were intended to support compliance with off-leash area compliance and are no longer needed due to the proposed expansion of the park ranger program. Removing the positions allows SPR to realign resources to right size funding for three animal control officers for a park safety program supported by Park District Funds.

D. Fund Appropriations Summary

Figure 2. Fund Appropriations Summary



SPR relies on multiple funds to support appropriations. The General Fund and Park District Fund are the largest sources of funding, almost equally matched in the 2026 Proposed Budget.

As a requirement of the interlocal agreement (ILA) between the City of Seattle and the Park District, SPR's budget must include a minimum General Fund contribution of at least \$126,879,649 (reflecting adjustment of the 2025 General Fund floor of \$123,469,4444 for inflation using the Consumer Price Index (CPI) for Seattle, which was 2.6 percent for 2025). The proposed allocation of \$128.3 million General Fund meets and exceeds this requirement.

The proposed allocation of \$128.9 million Park District Fund includes investments in 2026 for the second six-year cycle (Cycle 2) of Seattle Park District Financial Plan running from 2023 through 2028. Please note that table 2 shows appropriations by fund, and not the total revenues available. For example, the revenues available for the

Park District fund in 2026 total \$136.5 million and of this amount, \$128.9 million is allocated to SPR and \$7.6 million is allocated to Seattle Center for Waterfront operations and maintenance.

Fund changes in the 2026 Proposed Budget relative to the 2026 Endorsed Budget include the following:

Operating

- \$7.7 million increase in Park District Fund to replace General Fund support for grounds maintenance and reflect technical changes;
- \$2.4 million increase in the FEPP Levy Fund per FEPP Levy renewal plan to support youth programming previously supported by other funds;
- \$7 million decrease in General Fund to address the General Fund deficit;
- \$600,000 decrease in Payroll Expense Tax (replaced by FEPP Levy funding); and
- \$178,000 decrease in Park and Recreation Fund to reflect technical changes (e.g., adjustments to address pay compression, AWI and retirement costs, standard costs, and budget neutral changes).

Capital

- \$2 million increase in Real Estate Excise Tax (REET) funds to address restroom capital needs;
- \$1.8 million increase in Park and Recreation Fund to support a Gas Works Park Safety capital project;
- \$1 million increase in King County Parks Levy Fund to support contractually required capital investments at Leschi Moorage; and
- \$4 million decrease in the Park District Fund to align debt service costs with capital project timelines and shift these funds to the Park District operating budget for grounds maintenance.

Table 2. Fund Appropriations Summary

Revenue Fund	2025 Adopted	2026 Endorsed	% Change	2026 Proposed	% Change
Seattle Park District Fund	\$124.9M	\$125.4M	0.4%	\$128.9M	2.8%
General Fund	\$128.3M	\$135.3M	5.5%	\$128.3M	(5.2%)
Park and Recreation Fund	\$50.4M	\$53.3M	5.7%	\$55.1M	3.4%
REET I Capital Fund	\$15.5M	\$11.9M	(23.2%)	\$13.9M	16.8%
REET II Capital Fund	\$16.9M	\$26.2M	55.3%	\$26.2M	0.0%
King County Parks Levy Fund	\$2.9M	\$2.9M	(2.0%)	\$3.8M	35.0%
FEPP Levy 2025	\$0.0M	\$0.0M	0.0%	\$2.4M	100%
Sweetened Beverage Tax Fund	\$0.3M	\$0.4M	4.0%	\$0.4M	(1.0%)
Payroll Expense Tax	\$1.3M	\$0.8M	(40.8%)	\$0.2M	(76.3%)
2026 Multipurpose LTGO Bond Fund	\$0.0M	\$151.5M	100%	\$0.0M	(100.0%)
General Bond Interest and Redemption Fund	\$3.2M	\$0.0M	(100.0%)	\$0.0M	0.0%
Unrestricted Cumulative Reserve Fund	\$0.2M	\$0.0M	(81.1%)	\$0.0M	0.0%
Total by Revenue Fund	\$344.0M	\$507.6M	47.6%	\$359.2M	(29.2%)

II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

Central Staff did not identify any specific issues in their review to date on SPR's proposed budget.

III. BUDGET LEGISLATION

1. SPR 2026 Fees and Charges ORD

SPR charges programming and usage fees to provide financial support for department programs, facilities, and park grounds. The proposed legislation would include the following changes:

- Administrative and technical adjustments to the fee and charges schedule (e.g., remove reference to 2025 fees in all sections);
- Updates to the Revocable Use Permits to reflect fee adjustments approved in the 2025 Adopted and 2026 Endorsed Budget that were not included in the 2025 Fees and Charges Ordinance ([ORD 127143](#)); and
- Creation of a tiered fee structure for Use Permits for ticketed events to reflect variable seating capacity at different venues (e.g., higher fee for an outdoor park that accommodates 10,000 people and lower fee for an outdoor stadium that accommodates 1,000 to 3,000 people).

None of the proposed changes would impact SPR's 2026 baseline revenues from fees and charges that were approved in the 2025 Adopted and 2026 Endorsed Budget. The change to the Use Permit fees for ticketed events is not expected to have material impacts on revenues given the small number of these events annually.

2. MO Graffiti Nuisance Code Updates ORD

The proposed legislation would establish the authority necessary for SPR to enforce the City's graffiti nuisance code and remove such authority from SPU. Along with the 2026 Proposed Budget proposal to transfer all labor and non-labor budget associated with graffiti nuisance enforcement from SPU to SPR, this legislation would effectively complete the transfer of graffiti abatement efforts and enforcement programming from SPU to SPR. The legislation would have no direct financial costs; it is intended to improve the cost efficiency of the City's graffiti abatement response and is necessary for SPR to conduct enforcement activities.

3. CBO 2025 Year-End Acceptance ORD

The proposed legislation would accept over \$1.36 million awarded to SPR from non-City sources as follows:

- Washington State Department of Ecology (\$720,000 Park and Recreation Fund) for support of the Lake City Floodplain Park Development project to improve water quality in Thornton Creek and water quality improvements through green stormwater infrastructure at Washington Park Arboretum.
- United States Consumer Product Safety Commission (\$399,358 Park and Recreation Fund) for pool safety efforts (e.g. audit to ensure compliance with federal safety laws) and drowning prevention programs (e.g., free swim lessons within Swim Seattle program); and
- King County Cooperative Watershed Program (\$245,000 Park and Recreation Fund) for preliminary design at Herring's House Park Shoreline Restoration to make habitat improvements for juvenile salmon.

4. CBO 2025 Year-End Supplemental ORD

The proposed legislation would adjust the 2025 Adopted Budget to reflect increased appropriations of \$3.3 million related to capital projects, contract payments, insurance claims, and grant awards; and reductions of about \$1.6 million mostly related to grant-abandonment (i.e., funds are no longer necessary because the project is complete or the grant has expired).

Notable increases include:

- Increase appropriation authority (\$1.0 million Park and Recreation Fund) for renovations, supported by one-time fund balance, at SPR's 100 Dexter Avenue North Building to create a single, central location for Park Ranger and Graffiti Abatement staff;
- Increase appropriations (\$350,000 General Fund) for Graffiti Abatement to fulfill remaining six months of a one-year 2025 contract with Uplift Northwest for graffiti abatement services; and
- Increase grant-backed appropriation authority (\$780,000 Park and Recreation Fund) for the Stan Sayres Boat Ramp Renovation project to address cost escalation related to Army Corp of Engineers permits;
- Increase appropriations (\$500,000 General Fund) for one-time improvements for Parks Summer Safety Strategy projects, including installation of gates and fences at high priority parks, locking and cleaning restrooms to prevent vandalism, adding barriers to deter reckless driving in parking lots, and increasing Park Ranger presence at popular park locations;
- Increase revenue-backed appropriation authority (\$434,136 Park and Recreation Fund) to accept insurance proceeds (related to fire damage) from a settlement for the Lake City Community Center Redevelopment project to support construction for the new Lake City Community Center;
- Increase appropriations (\$200,000 2008 Parks Levy Fund) to close out the Victor Steinbrueck Park construction project.

Notable reductions include:

- Abandon appropriation authority for Pathways Park (\$724,544 Park and Recreation Fund), Be'er Sheva Park Improvements (\$373,981 Park and Recreation Fund), because the projects are complete and appropriations are no longer needed;
- Abandon appropriations authority for Smith Cove Development (\$150,000 Park and Recreation Fund) because the grant has expired the appropriations are no longer needed; and
- Abandon revenue-backed appropriation authority (\$271,700 Park and Recreation Fund) for Northwest Native Canoe Center to reflect an amended agreement with United Indians of All Tribes to reduce reimbursement for construction of the Canoe Carving House.

5. CBO 2026 Annual Grant Acceptance ORD

The proposed legislation would accept over \$1.0 million awarded to SPR from non-City sources for projects in the 2026 fiscal year as follows:

- Federal Department of Housing and Urban Development (\$808,000 General Fund) for the Seattle Conservation Corps (SCC), a jobs training program for homeless adults operated by SPR, or capital projects in low-income neighborhoods that are performed by the SCC; and
- Washington State Department of Commerce (\$276,922 Park and Recreation Fund) for Community Services Block Grants (federal and state) for the SCC.