



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Wednesday, May 17, 2023

9:30 AM

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

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
Alex Pedersen, Member
Sara Nelson, Member
Andrew J. Lewis, Member

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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Meeting Location:

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

Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

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

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

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. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Mosqueda at Teresa.Mosqueda@seattle.gov

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. General Fund Financial Plan Update

Supporting Documents: [Central Staff Memo](#)

Briefing and Discussion

Presenters: Aly Pennucci and Tom Mikesell, Council Central Staff

2. Office of Economic and Revenue Forecasts and City Budget Office - Economic and Revenue Forecast Update

Supporting Documents: [Presentation](#)

Briefing and Discussion

Presenters: Julie Dingley, Director, David Hennes, Alexandria Zhang, and Joseph Russell, City Budget Office; Ben Noble, Director, Jan Duras, and Sean Thompson, Office of Economic and Revenue Forecasts

3. [CB 120572](#) AN ORDINANCE amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Supporting Documents:

[Summary and Fiscal Note](#)
[Summary Att A – 2022 Budget Exceptions Ordinance Summary Detail Table](#)
[Central Staff Memo](#)
[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Aly Pennucci and Edin Sisic, Council Central Staff

4. [CB 120573](#) AN ORDINANCE amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Supporting Documents:

[Summary and Fiscal Note](#)
[Summary Att A – 2022 Carry Forward Ordinance Summary Detail Table](#)
[Central Staff Memo](#)
[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Aly Pennucci and Edin Sisic, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 2268, **Version:** 1

General Fund Financial Plan Update

May 17, 2023

MEMORANDUM

To: Finance & Housing Committee
From: Tom Mikesell, Analyst
Subject: General Fund Financial Planning

On May 17, 2023, the Finance & Housing Committee will receive a briefing on key updates to the General Fund (GF) financial status. Starting from the financial plan published in the 2023 Adopted/2024 Endorsed budget book, this presentation will update the GF financial planning projections with new information, including:

- Revised estimates of the 2023 beginning fund balance, based on actual 2022 revenues and expenditures;
- Updated GF revenue projections for 2023 through 2026 based on the April 10, 2023, revenue forecast presented by the Office of Economic and Revenue Forecasts (OERF) and the City Budget Office (CBO) to the Forecast Council;
- Updated expenditure projections based on approved and pending legislation for 2023;
- Revised growth projections based on inflation estimates provided by OERF and estimates of emerging expenditure needs from CBO.

This review of the GF financial plan is intended to provide information on the GF balancing situation as economic conditions continue to be uncertain, and for context as committee members deliberate on appropriations bills and engage with the Executive on fiscal policy issues. Based on this update, it is estimated that additional GF resources are available, totaling \$31.8 million in 2023. Notwithstanding this short-term availability of GF resources, based on the revised expenditures projections, the long-term sustainability of the GF is worse in this update, with the average operating GF deficit in 2025 and 2026 increasing from \$212 million per year, to \$224 million per year.

Further, this short-term GF amount is net of a planned \$38 million reduction to the transfer from the JumpStart Fund (JSF) to the GF in 2023, as part of the Executive's measures to balance revenue shortfalls in the JSF. This amount is slightly higher than the amount calculated pursuant to [Ordinance \(ORD\) 126719](#), which provides for a \$33 million reduction based on better than expected 2022 year-end GF financial results. In either case, due to projected revenue shortfalls in the JSF based on updated forecasts, this reduction is beneficial to the JSF, though additional balancing measures will be necessary to ensure the integrity of the biennial budget passed last fall. These reductions measures will have implications for the JSF's ability to support equity investments at levels envisioned when the tax was passed in 2020.

Caveats:

It is important to note that the underlying assumptions, baseline data and methodologies used for the figures in this memorandum are consistent with the approach developed by CBO. Put another way, these plans are not engineered by Central Staff using independent methods and research, but rather represent a recasting and transparent discussion of work that is already performed by CBO. Further, all elements of the GF budget are subject to review and revision by the City Council. The portrayal of these plans is not intended to indicate that the underlying budget decisions embedded within cannot be changed during the budget process, but rather that the projections are estimates of the future cost of continuing ongoing 2024 endorsed budget programs into the future.

Background

2023 Adopted/2024 Endorsed Budget - GF Financial Plan

Passed by the City Council in 1992, [Resolution \(RES\) 28885](#), established the current process for deliberating on, and passing, a two-year City budget plan. In accordance with RES 28885, on November 29, 2023, the City Council passed [ORD 126725](#) and [RES 32072](#), which approved a two year financial plan for 2023 and 2024, respectively. This two-year budget plan includes a 2023 Adopted City budget of \$7.4 billion, of which \$1.6 billion was for programs and services funded from the GF, and a 2024 Endorsed City budget totaling \$7.38 billion, of which \$1.65 billion is GF. Table 1 shows the fiscal parameters of the two-year GF budget plan, including the 2022 beginning balance, operating revenues, operating expenditures, reserves, and ending unreserved fund balance. Put another way, this table represents the parameters used to balance the 2023 Adopted and 2024 Endorsed Budgets.

Table 1. 2023 Adopted/2024 Endorsed GF Budget

Amounts in \$1,000s	2022 Revised Budget	2023 Adopted Budget	2024 Endorsed Budget
Beginning Budgetary Fund Balance	\$273,327	\$193,616	\$210,898
Operating Revenues	\$1,765,677	\$1,623,449	\$1,634,509
Operating Expenditures	(\$1,845,389)	(\$1,606,167)	(\$1,651,357)
Ending Budgetary Fund Balance	\$193,616	\$210,898	\$194,049
Planning Reserves ^{1/}	(\$38,008)	(\$103,364)	(\$194,049)
Ending Unreserved Fund Balance	\$155,608	\$107,534	\$0

1/ Includes \$10 million underspend assumption in 2023 and 2024.

As shown in the table, a \$107.5 million unreserved fund balance in 2023 carries into 2024 to arrive at a zero ending unreserved fund balance at the end of 2024, representing a balanced budget. The ‘Planning Reserves’ row includes amounts that are likely 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 the budget, in Table 1 they are shown ‘below the line’ (i.e., not part of expenditures), consistent with the biennial budget.

In February of this year, CBO published the [2023 Adopted / 2024 Endorsed Budget book](#), that memorialized and described the funding decisions in ORD 127625 and RES 32072 , and also included, on page 717, a financial plan for the GF, covering revenues and expenditures from 2021 actuals through 2026. In the budget book, the financial plan is organized with the Planning Reserve assumptions shown ‘below the line’. Like past presentations, which restructured the CBO-developed plan into a format that clearly demonstrates the annual operating gap, Table 2, below, adds growth in non-appropriated planning reserves above the 2022 level to the ‘Expenditures’ row.

With this adjustment it is possible to see, as summarized in the *Surplus (Deficit)* row of Table 2 below, that the financial plan projected an average ongoing deficit in the GF of approximately \$212 million in 2025 and 2026.

Table 2. 2023 Adopted/2024 Endorsed GF Budget Financial Plan¹

Amounts in \$1,000s	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Starting Budgetary Balance	\$273,327	\$193,616	\$145,542	\$38,008	(\$181,178)
Revenues	\$1,765,677	\$1,623,449	\$1,634,509	\$1,596,179	\$1,655,535
Expenditures	\$1,845,389	\$1,671,523	\$1,742,043	\$1,815,364	\$1,861,009
Surplus (Deficit)	(\$79,711)	(\$48,074)	(\$107,534)	(\$219,185)	(\$205,474)
Ending Budgetary Fund Balance	\$193,616	\$145,542	\$38,008	(\$181,178)	(\$386,652)
Planning Reserves	(\$38,008)	(\$38,008)	(\$38,008)	(\$38,008)	(\$38,008)
Ending Unreserved Fund Balance	\$155,608	\$107,534	\$0	(\$219,185)	(\$424,659)

This is largely due to three factors, originally cited in the [May 4, 2022 GF financial planning staff memo](#), including:

- **Pre-pandemic Financial Sustainability:** The 2020 Adopted Budget GF Financial Plan, published in Fall of 2019 indicated, on average, a pre-existing \$39 million annual deficit.
Use of One-time Revenues: The 2022 Adopted budget included the use of one-time revenue sources to balance, including \$85 million of payroll expense tax revenues from the JSF, which pursuant to [ORD 126393](#), passed by the City Council on July 19, 2021, are allowed to be transferred to the GF in any year that other revenues to the GF are projected to be lower than \$1.51 billion, (the amount of GF revenues anticipated in 2021 according to the pre-pandemic GF six year financial plan produced with the 2020 Adopted Budget), and \$66.3 million of Coronavirus Local Fiscal Recovery (CLFR) funds.

While the use of CLFR funds to balance was discontinued due to the winding-down of the federal program, the temporary use of JSF revenues to cover GF operating deficits was continued into the current biennial budget through passage of ORD 126719. As provided in

¹ To facilitate a functional display of the gap between ongoing revenue and expenditure projections, given the City’s practice of leaving potential expenditures in unbudgeted, reserve status, the growth in planning reserves above the 2022 base level of \$38 million is shown in the ‘Expenditure’ row.

Section 1 of ORD 126719, the permissible temporary use of JSF revenues to resolve GF deficits in 2023 and 2024 is as follows:

- ‘Up to \$29,406,172 million of unappropriated 2022 revenues, up to \$71,162,008 of 2023 projected revenues, and up to \$84,053,126 of projected 2024 revenues may be transferred into the General Fund if necessary to support the programs and services funded by the General Fund in the 2023 Adopted and 2024 Endorsed Budget that are in excess of available General Fund revenues.’

For 2023 and 2024, \$100.6 million and \$84.1 million are transferred from the JSF to resolve GF deficits in each year, respectively. ORD 126719 included provisions to reduce the JSF transfer if GF finances improved compared to earlier projections. This and other JSF balancing measures are discussed in greater detail later in the memo.

- Revenues Below Pre-Pandemic Trends: Despite continued recovery from COVID-19’s economic impacts, and the influence of rapid inflation, the GF financial projections included with the 2023 Adopted Budget indicated some City revenues remain below pre-pandemic projections, including court fines and parking fees.

2023 Revised GF Budget Financial Plan

This section reviews updates to financial actuals, revenue forecasts and assumptions and concludes with a 2023 Revised GF financial plan through 2026, including new estimates of operating surplus/deficits, and ending fund balances.

Updates to 2022 Actuals

Since the passage of the 2023 Budget, a final assessment of 2022 revenues and expenditures has been completed by the Department of Finance and Administrative Services (FAS), OERF and CBO. This update materially impacts the one-time resources available in 2023, as discussed below.

- 2022 revenues and expenditures: As shown in Tables 1 and 2, when the 2023 Budget was adopted, it started from an assumed beginning budgetary fund balance (beginning balance) of approximately \$193 million. This beginning balance estimate was based on revised estimates of 2022 revenue and expenditure activity developed by CBO, as updated based on City Council amendments to [ORD 126706](#), the 2022 Year-end Supplemental Budget Ordinance. Based on actual 2022 revenues and expenditures, the 2022 ending budgetary fund balance (which is the same thing as the 2023 beginning fund balance) increases to \$361.1 million, as shown in the blue shaded row in Table 3.

Table 3. 2022 Revenues and Expenditures –Actuals to Revised

Amounts in \$1,000s	2022 Revised	2022 Actuals	Variance
Starting Budgetary Balance	\$273,327	\$273,327	-
Revenues	\$1,765,677	\$1,742,178	(\$23,499)
Expenditures	\$1,845,389	\$1,653,828	\$191,561
Surplus (Deficit)	(\$79,711)	\$88,350	\$168,061
Ending Budgetary Fund Balance	\$193,616	\$361,677	\$168,061
Reserves	(\$38,008)	(\$38,008)	\$0
Reserves for Carryforward ^{1/}	\$0	(\$134,065)	(\$134,065)
Ending Unreserved Fund Balance	\$155,608	\$189,604	\$33,997

^{1/} Net of \$31.3 million of grant and service contract revenues to support carryforward appropriations, have not yet been received and are added to the 2023 revised forecast.

In addition to the sizable increase in budgetary fund balance, there are other amounts in Table 3 that are specifically important from a financial planning perspective, including:

- **2022 Increases to Reserves:** As shown in the ‘Variance’ column of the ‘Reserves for Carryforward’ row of Table 3, the amount being held in reserves increased by \$134.1 million to account for unspent 2022 appropriations that are carried forward into 2023 to support their originally intended purpose. This amount is net of \$31.3 million of grant and service contract revenues that are expected but have not yet been received and were included in the April revenue forecast update (discussed in greater detail below). The carryforward amount includes:
 - **Automatic carryforwards** totaling \$105.8 million that reflect encumbrances and other appropriations that do not require legislative action to continue in the budget until fully spent or abandoned, such as grants, service contracts, capital budgets, and other appropriations adopted with non-lapsing provisions. As mentioned, there is also \$31.3 million of grant revenue associated with these appropriations that has not yet been received and which was included in 2023 in the April revenue forecast.
 - **Proposed legislated carryforwards** totaling \$59.7 million, reflecting unspent amounts from 2022 that require City Council authorization to be added to the 2023 Revised Budget. [CB 120573](#), scheduled for discussion and possible vote at the May 17th Finance & Housing Committee, would formally reappropriate those amounts, of which \$27 million is for Participatory Budgeting, \$22 million is for the Equitable Development Initiative, and \$3.2 million is for the Strategic Investment Fund. For the purposes of the updated financial plan, this full amount is assumed to be legislated in 2023.
 - **2022 Expenditure Variance/Calculation of Underspend:** After accounting for the proposed carryforward amounts discussed above, as well as the portion of carryforwards for grants revenues that have not yet been received, there was a 2022 GF underspend of approximately \$57.5 million, which is 3.4 percent of the 2022 Revised GF budget, adjusted for carryforwards, as shown in the bottom row of Table 4:

Table 4. 2022 GF Budget Underspend

Amounts in \$1,000s	
2022 Revised Budget Expenditures	\$1,845,389
2022 Actual Expenditures	\$1,653,828
Variance (Budget - Actuals)	\$191,561
Less: 2022 Appropriation Carryforwards ^{1/}	(\$134,065)
Adjusted 2022 GF Underspend	\$57,496
2022 Adjusted Revised Budget ^{2/}	\$1,711,324
2022 Underspend Percentage	3.4%
<i>1/ Net of \$31.3 million of grant and service contract revenues to support carryforward appropriations, have not yet been received and are added to the 2023 revised forecast.</i>	
<i>2/Net of carryforwards.</i>	

Several factors bear consideration when considering this underspend result, including:

- The percentage and amount is similar to the 2021 underspend result as discussed in the [May 4, 2022, GF Financial Plan](#) memorandum, which reported a 2021 underspend of approximately \$50 million, or 3.15% of the 2021 revised budget;
 - The result is approximately \$37.5 million higher than the 2022 underspend assumption that was deployed in balancing the 2023-2024 Budget;
 - The result is approximately \$47 million higher than the annual underspend assumptions included for 2023 and 2024 in balancing the budget; and,
 - A portion of the 2022 underspend consists of approximately \$20 million of administrative expenditure holds that the Executive put into place early in 2022, many of which represented Council adds to the 2022 budget.
- **Ending Unreserved Fund Balance:** As shown in Table 3, the 2022 unreserved fund balance increased by \$34 million, after accounting for grant revenues that have been added to the 2023 forecast. ORD 126719, the funds flexibility ordinance cited in the prior section, requires that at the end of 2022, 2023 and 2024, the amount of the JSF transfer to the GF be reduced by 100 percent of the amount of unplanned unreserved GF fund balance at year-end. Implementing this provision from ORD 126719 would reduce the transfer from the JSF to the GF by \$34 million in 2023. This action would require legislative authorization, but for the purposes of the plan is assumed to be approved in 2023.

The information shared by CBO includes an administrative reduction to the 2023 transfer of \$38.7 million. This higher amount is part of a set of administrative measures to balance the JSF, based on the April 2023 revised payroll expenses tax revenue projections. While this amount is higher than the amount calculated pursuant to ORD 126719, not legislating the transfer reduction would provide greater flexibility for the Executive at the potential cost of losing transparency on uses of the JSF for GF revenue backfill. An option for the Council to consider is to legislate the reduction to the transfer, albeit at the higher amount provided by CBO. Alternatively, the Council could not legislate the change and defer to the administrative approach offered by the Executive. This is discussed further in the ‘Equity Analysis’ section, below.

Updates to Assumptions

Since the passage of the 2023 Adopted/2024 Endorsed Budget, new projections of economic growth have been developed. These projections provide the foundation for updates to GF revenue growth projections and potential cost increases.

- 2022 through 2026 Revenue Forecast: At its April 10, 2023, meeting, the Forecast Council received an updated economic and revenue forecast from the [OERF](#) and the [CBO](#). A condensed version of this presentation will be provided at the May 17, 2023, meeting of the Finance & Housing Committee. Relying on the baseline economic scenario, as recommended by the OERF Director, and endorsed by the Forecast Council, this update provided the fourth of six specific revenue projections for 2023-2024², indicating total revised forecasted GF revenues of \$1.697 billion and \$1.66 billion in 2023 and 2024, respectively. Table 5 compares the April 2023 revenue forecast projections with the amounts included in the 2023 Adopted/ 2024 Endorsed Budget, which were based on November 2022 projections.

Table 5. GF Revenue Forecast Comparisons

Amounts in \$1,000s	2022 Actual	2023 Projected*	2024 Projected	2025 Projected**	2026 Projected**
November 2022	\$1,765,677	\$1,623,449	\$1,634,509	\$1,596,179	\$1,655,537
April 2023	\$1,742,178	\$1,697,935	\$1,660,295	\$1,604,281	\$1,648,434
Variance	(\$23,499)	\$74,486	\$25,786	\$8,102	(\$7,103)
*The 2023 Projected number in the April 2023 row includes \$31.3 million expected, but not yet received grant revenues associated with 2022 automatic carryforwards.					
**While the forecast presentation only formally covered 2022 through 2024, projections for 2025 and 2026 were provided to CBO and Central Staff for the purposes of developing the GF financial plan.					

- Inflation Update
The OERF presentation also included an update on consumer inflation, which remains high. As has received much attention in OERF and CBO presentations, inflation increases could lead to higher current and projected City costs that offset some of the revenue increase.

It is important to clarify that while inflation impacts both revenues and expenditures, it is not the only growth factor. Put another way, it is not so easy to say that, solely because of inflation increasing by one percent, both City revenues and expenditures increase by one percent. Other considerations, including but not limited to employment and population trends, wage growth, business sector composition, and consumer preferences, will impact revenue growth, and each will be differentially impacted by inflationary forces.

On the expenditure side, inflation will impact growth projections differently as well. For example, Consumer Price Index (CPI) inflation is only explicitly assumed to impact internal services, including information technology, facilities, fleet, administration costs, and human services provider contract cost growth in future years. Labor contract increases in the planning reserves are not disclosed due to contracts under negotiation. While these

² Economic and revenue updates are generally delivered in April, August, and November of each year.

represent the bulk of the budget, there are some items, such as professional services contracts and transfers, that are policy-focused and not explicitly grown in the model. Table 6 compares the inflation estimates, based on CPI for Urban Consumers (CPI-U) in the Seattle Metropolitan Statistical Area, from August 2022 with the recent April update from the OERF.

Table 6. CPI-U 12 months ending June Inflation Projection Comparisons

	2023	2024	2025	2026
August 2022	6.8%	4.2%	2.9%	2.9%
April 2023	7.9%	4.7%	3.0%	2.5%
Variance	1.1%	0.5%	0.1%	(0.4%)

As shown in the table, 2023 and 2024 are increasing by 1.1 percent and 0.5 percent, respectively, compared to last year’s projections, with smaller variances thereafter. The April 2023 rates for 2025 and 2026 are deployed in the financial plan to capture the variance in those years. However, since the starting point for expenditure growth projections in the financial plan is the ongoing portion of the 2024 Endorsed Budget, which has already been developed using slightly lower inflation growth figures, the expenditure projections would be potentially understated without accounting for it in some way. To attempt to accommodate the near-term increase, expenditure categories are inflated by an additional 1.6 percent in the revised financial plan presented in this memo.

Table 7. Changes to CPI-U in CBO/OERF Regional Economic Model

CBO/OERF Regional Economic Model - April	Percent
2023 Variance from August	1.1%
2024 Variance from August	0.5%
Variance added to 2024	1.6%

This is primarily intended to adjust the projections for uncertainty about the baseline process, and not directive as to what the future cost growth ‘should’ be. CBO’s 2024 central cost process with departments, which will incorporate this type of change through an assessment of current year operations, is underway. This is the stage in the budget process where current-year operational costs and efficiencies, and the impacts of market forces such as inflation, can be analyzed and included as baseline and technical budget requests in the Mayor’s proposed adjustments to the 2024 Endorsed Budget. The purpose of inflating the expenditure assumptions in this exercise is to illustrate how the assumptions used to balance the 2024 Endorsed Budget may change and, at this stage, indicate that additional resources would be needed to support the expenditures included in the 2024 Endorsed.

While it is likely that CPI inflation will impact expenditures, it is also possible that operational efficiencies, such as recalculated facilities costs from employee alternative work arrangements and lower travel costs from enhanced online communication capabilities, can offset some of the impact. Further, analysis of prior year underspend may be instructive.

The nascent fiscal monitoring program recently initiated by CBO and the Office of Finance may be instructive in this effort in future years.

- **Other adjustments:** In addition, a set of technical and other adjustments, informed by CBO, have been incorporated, including:
 - **Ordinance 126791 – CBO First Quarter Grant Acceptance and Appropriations:** The first comprehensive legislation transmitted by the Executive in 2023, authorizing City departments to accept and appropriate the expenditure of \$30.2 million from external funding sources. Of this amount, \$7 million is GF;
 - Six Fund Rebates: A \$606,000 rebate to select City funds for internal service charges allocated to these funds in 2022 that were in excess of the actual costs for services rendered. This is shown as a reduction to 2023 internal charge revenue to the GF;
 - FAS Year End Supplemental coding error: A \$1.6 million expenditure increase to accommodate a capital appropriation added in the 2022 year end supplemental which should have been eligible for automatic carryforward, but was not assigned a capital project identification number; and,
 - To account for contingent factors CBO is analyzing, they have increased the level of planning reserves by approximately \$4 million in 2023. This is a one-time adjustment based on an initial estimate of potential future costs and is included to be consistent with CBO’s planning assumptions.

The 2023 Revised GF Budget Financial Plan, incorporating the 2022 actual budgetary data and revised revenue, cost growth and reserves assumptions described above, is shown in Table 8.

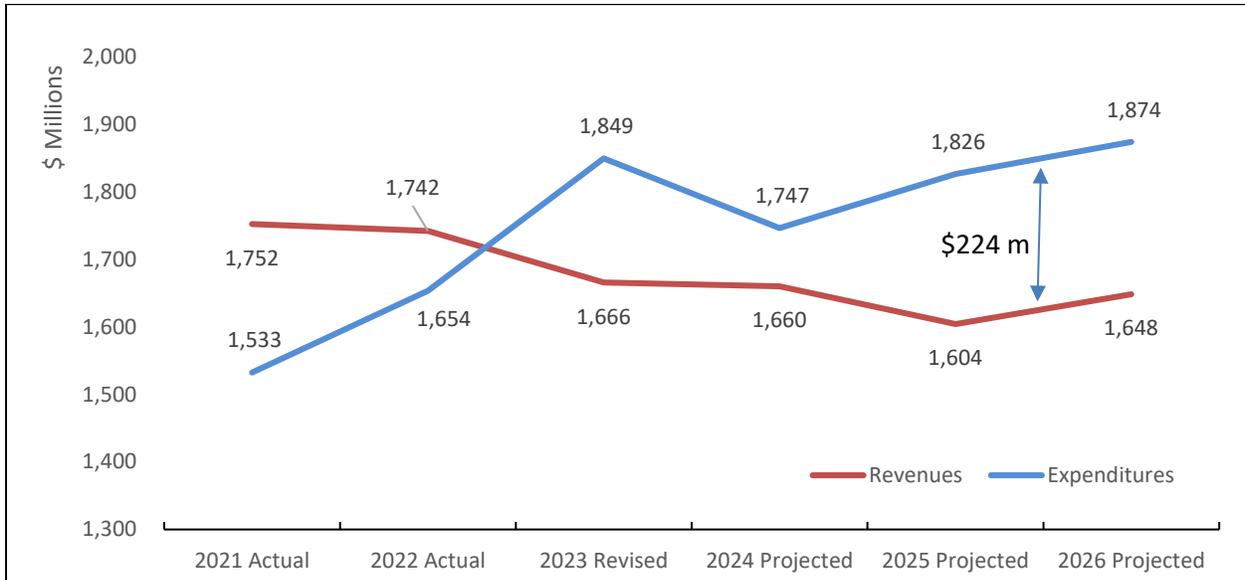
Table 8. 2023 Revised GF Budget Financial Plan

Amounts in \$1,000s	2022 Revised ^{1/}	2023 Revised	2024 Projected	2025 Projected	2026 Projected
Starting Budgetary Balance	\$273,327	\$361,106	\$177,369	\$90,964	(\$131,176)
Revenues	\$1,742,178	\$1,655,748	\$1,660,295	\$1,604,281	\$1,648,434
Expenditures	\$1,653,828	\$1,849,485	\$1,746,699	\$1,826,422	\$1,874,127
Surplus (Deficit)	\$88,350	(\$183,737)	(\$86,404)	(\$222,141)	(\$225,693)
Ending Budgetary Fund Balance	\$361,106	\$177,369	\$90,964	(\$131,176)	(\$356,870)
Planning Reserves	(\$38,008)	(\$38,008)	(\$38,008)	(\$38,008)	(\$38,008)
Reserves for Carryforwards	(\$134,065)	\$0	\$0	\$0	\$0
Ending Unreserved Fund Balance	\$189,034	\$139,361	\$52,957	(\$169,184)	(\$349,877)
1/ 2023 Revised Expenditures include \$165 m of one-time carryforward added through automatic processes and proposed supplementals. These are fully funded through carryforward 2022 fund balance and \$31 m of anticipated grants and service contract revenues.					

As shown in Table 8, these changes result in a higher projected deficit in 2025 and 2026, primarily due to the inflationary increases in expenditures outpacing revenue projections for the future year. As shown graphically in Figure 1, below, the projected deficit in 2025 and 2026

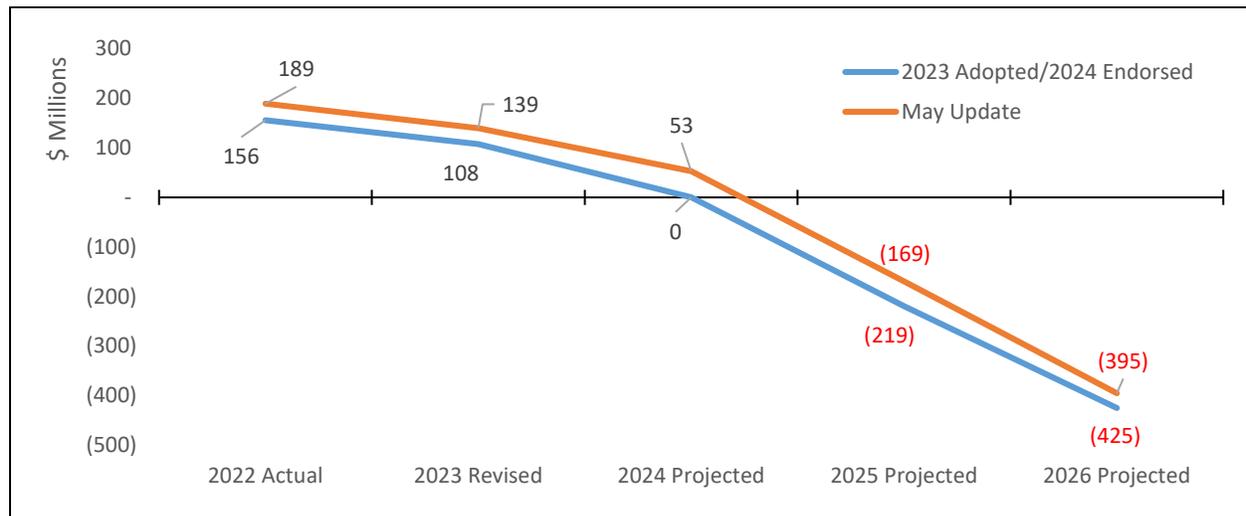
has widened compared to the 2023 Adopted /2024 Endorsed Budget’s financial plan, leading to an average operating gap of approximately \$224 million in 2025 and 2026.

Figure 1. May 17th GF financial plan operating gap



However, given the near-term improvement in the revenue forecast, even after allowing for the reduction to the JSF transfer to the GF in 2023, the ending unreserved fund balance (the figure that ultimately determines whether the budget is balanced) improved from \$107.5 million in the 2023 Adopted Budget, to \$139.4 million in the May financial plan. This improvement is due entirely to a larger 2023 beginning fund balance caused by the 2022 revenue forecast and planning reserves change discussed above. In future years, the projected ending unreserved balances are marginally higher compared with the adopted budget financial plan, due to the overall lower revenue forecast in the outyears and higher expenditure projections, driven largely by inflation, described above. Figure 2 shows the changes in the projected ending unreserved fund balance from 2022 through 2026.

Figure 2. May financial plan: Unreserved ending fund balance improving to **(\$395)** million by 2026.



As shown in the graph, the ending unreserved fund balance improves by about \$31.8 m in 2023, and carries through each year of the plan, raising the unreserved ending fund balance at the end of the 2026 projection to **(\$395)** million. This result, however, requires that this 2023 amount remains unspent, which may be difficult as near-term cost pressures increase.

JumpStart Fund Analysis

As discussed above, the April OERF/CBO revenue forecast update delivered moderately good news with regards to GF revenues. Even after accounting for potential cost increases from inflation and emerging needs, the net financial result is positive. In contrast, the forecast for payroll tax revenues deposited in the JSF was negative. Compared to the 2023 Adopted/ 2024 Endorsed Budget, OERF projects payroll expense tax revenues from 2022 through 2024 to be lower based on the April forecast, as shown in Table 9.

Table 9. Jump Start Fund Payroll Expense Tax Revenue Forecast Comparisons

Amounts in \$1,000s	2022 Actual	2023 Projected	2024 Projected
November 2022	\$279,642	\$294,118	\$311,466
April 2023	\$253,060	\$263,261	\$279,742
Variance	(\$26,582)	(\$30,857)	(\$31,724)

Given this revenue downgrade, and the JSF’s temporary financial support of the GF, which as shown above received a revenue upgrade, this memorandum includes an analysis of the integrity of the two-year budget for the JSF, considering the forecast and year-end 2022 financial activity. Table 10, below, summarizes the JSF 2023 Adopted /2024 Endorsed Budget, including the 2023 beginning budgetary fund balance, operating revenues, operating expenditures, reserves, and unreserved fund balance at the end of the 2024 Endorsed Budget.

Table 10. 2023 Adopted/2024 Endorsed Jump Start Fund Budget

Amounts in \$1,000s	2022 Revised Budget	2023 Adopted Budget	2024 Endorsed Budget
Beginning Budgetary Fund Balance	-	\$44,142	\$16,841
Operating Revenues	\$279,642	\$294,118	\$311,466
Operating Expenditures	\$235,500	\$321,418	\$309,269
Ending Budgetary Fund Balance	\$44,142	\$16,841	\$19,038
Reserves			
<i>Revenue Stabilization Reserve</i>	-	(\$14,706)	(\$31,147)
<i>Planning Reserve</i>	-	(\$36)	(\$102)
<i>Administration Reserve</i>	-	(\$2,000)	(\$4,000)
Total Reserves	-	(\$16,742)	(\$35,249)
Ending Unreserved Fund Balance	\$44,142	\$99,514	(\$16,211)

As shown in the table, largely due to the gradual building of unappropriated reserves, the fund has a negative unreserved balance at the end of 2024. Notably, the JSF financial plan on page 744 of the [2023 Adopted/ 2024 Endorsed Budget book](#), this negative unreserved fund balance resolves to a positive balance beginning in 2025.

A revised biennial budget view can be derived by incorporating 2023 and 2024 revenue forecast variance, discussed above, with 2022-year end results. These 2022 results impact the beginning 2023 fund balance and carryforward appropriations, and include:

- The 2022 negative revenue variance, totaling (\$26.6) million as noted above;
- 2022 expenditure underspend totaling \$107 million; and,
- 2023 carryforward appropriations totaling \$101.3 million, of which \$46.2 million is automatic carryforward, and \$55.1 million is legislated carryforward appropriation requested in CB 120573.

Table 11 updates the JSF 2023-2024 biennial budget view to include these adjustments.

Table 11. 2023 Adopted/2024 Endorsed JSF Budget - Revised

Amounts in \$1,000s	2022 Actual	2023 Adopted Budget	2024 Endorsed Budget
Beginning Budgetary Fund Balance	-	\$124,762	(\$78,589)
Operating Revenues	\$253,060	\$263,261	\$279,742
Operating Expenditures	\$128,298	\$422,751	\$309,269
Ending Budgetary Fund Balance	\$124,762	(\$34,728)	(\$64,255)
Reserves			
<i>Revenue Stabilization Reserve</i>	-	(\$14,706)	(\$31,147)
<i>Planning Reserve</i>	-	(\$36)	(\$102)
<i>Administration Reserve</i>	-	(\$2,000)	(\$4,000)
Total Reserves	-	(\$16,742)	(\$35,249)
Ending Unreserved Fund Balance	\$124,762	(\$51,470)	(\$99,504)

As shown in the table in the row highlighted in blue, after including all known adjustments, the 2023 and 2024 ending budgetary fund balances would be negative, estimated at (\$34.7) million and (\$64.3) million, respectively. Under state law, this would not represent a balanced budget for the fund in either year. Further, after accounting for reserves, the ending unreserved fund balances in 2023 and 2024 would be (\$51.5) million and (\$99.5) million respectively.

As discussed earlier, under provisions of ORD 126719 the 2023 Adopted/ 2024 Endorsed Budgets include temporary revenue backfill transfers from the JSF to the GF, totaling \$100.6 million in 2023 and \$84.1 million in 2024. As also discussed earlier in this memorandum, ORD-126719 provides for a \$34 million reduction to the 2023 transfer, based on favorable 2022 year-end GF results. Also, the GF financial plan information provided by CBO suggests that the Executive intends to administratively reduce the 2023 transfer from the JSF to the GF by (\$38.7) million. Finally, informal discussions with Executive staff indicate additional proposals to administratively underspend some elements of the 2023 Adopted JSF budget, including:

- Office of Economic Development: \$2.2 million, which is 14% of the \$15.6 million appropriation;
- Office of Housing: \$9 million, which is 6% of the \$142.3 million appropriation;
- Office of Planning and Community Development: \$1.3 million, which is 6% of the \$21.2 million appropriation; and,
- Office of Sustainability and Environment: \$1.3 million, which is 8% of the \$17.5 million appropriation.

Finally, to keep the JSF in balance, the Executive is considering reducing the reserve to \$0 in 2024. At this time there are no other formal or informal proposals for adjustments to the 2024 Endorsed budget, though recent budget guidance from CBO to departments with payroll-tax backed spending requests proposals to reduce by 15 percent appropriations that are backed by JSF in the 2024 Endorsed budget. This is a planning exercise to provide options to the Executive

as they prepare proposed adjustments to the 2024 Endorsed Budget and at this time, the Executive is not anticipating that they will not need a full 15 percent reduction to keep the JSF in balance in 2024.

While the 2023 administrative measures and 2024 reserve reduction are not formal legislative proposals, and those plans may change if other assumptions change (e.g., the August Revenue Forecast update) the impact on the biennial JSF budget if they are implemented in full measure is shown in Table 13. It is worth noting that Table 12 includes the \$38.7 million reduction in the JSF transfer to GF in 2023, based on the Executive’s intended administrative reduction.

Table 12. 2023 Revised/2024 Endorsed JSF Budget – Including 2023 Reductions

Amounts in \$1,000s	2022 Actual	2023 Revised Budget	2024 Endorsed Budget
Beginning Budgetary Fund Balance	-	\$124,762	\$17,743
Operating Revenues	\$253,060	\$263,261	\$279,742
Operating Expenditures	\$128,298	\$466,612	\$309,269
Administrative Transfer Reduction	\$0	(\$38,671)	\$0
Administrative Underspends	\$0	(\$13,800)	\$0
Revised Operating Expenditures	\$128,298	\$374,954	\$309,269
Ending Budgetary Fund Balance	\$124,762	\$17,743	(\$11,784)
Reserves Total	-	(\$16,742)	\$0
Ending Unreserved Fund Balance	\$124,762	\$1,001	(\$11,784)

As shown in the table, implementing these measures would still not balance the two-year JSF budget by the end of 2024. Applying the higher transfer reduction intended by the Executive would bring 2023 into balance, though 2024 would still show a negative ending balance. It is estimated that the 15 percent reduction proposals for 2024 solicited by CBO in the department budget instructions would generate \$46.4 million in reductions, which would resolve the projected negative 2024 year-end unreserved fund balance, though as noted above, it is not known which, if any of these proposals would be included in the Mayor’s proposed adjustments to the 2024 Endorsed Budget.

As an option, the Council could formally adopt one or more of the 2023 administrative adjustments in the midyear supplemental budget ordinance. This would have the benefit of formalizing legislative intent and, in the case of the transfer to the GF, making transparent the resource support to the GF from the JSF. A minor tradeoff would be the additional administrative complexity of adjusting the general ledger through budget journal entries in Citywide Accounting, though this impact is likely not significant. In addition, economic conditions likely will continue to change, and the City will receive additional changes to the assumptions that impact the 2023 Adopted and 2024 Endorsed Budgets in August when OERF and CBO present the second of three annual economic and revenue forecasts to the Forecast Council. With that in mind, the Committee could consider only legislating a mid-year change

that reduces the JSF transfer to the GF and consider legislating other changes as part of the Year-end Supplemental Budget ORD later in the year.

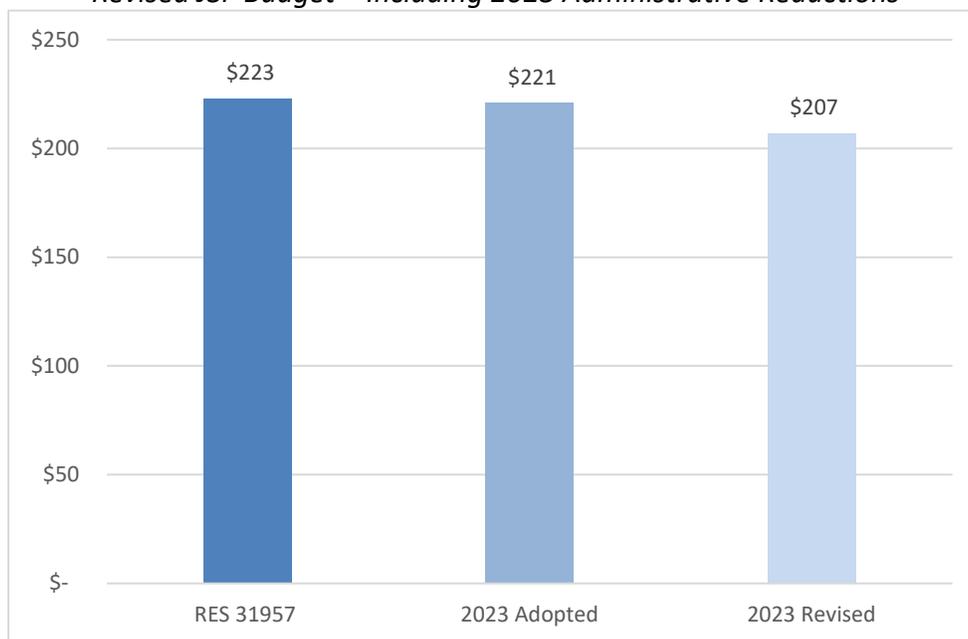
Equity Analysis

The Council and Mayor’s unanimous adoption of [ORD 126799](#), which codifies the City’s commitment to racial justice and social equity, invites, if not requires, an analysis of the equity implications of balancing GF deficits with JSF monies at the detriment of equity investments characterized in a series of spending plan legislation since its original deliberation and adoption in the summer of 2020. The progressive nature of the JSF is by design: as adopted, the payroll expense tax is levied on compensation expense levels above \$174,337, paid by businesses in the city with payrolls above \$8,135,746. Funds received from the tax are in turn focused on affordable housing, environmental, equitable development, and economic revitalization investments. There is likely no other fund in the City treasury with these characteristics.

Passed by the City Council in July 2020 by [ORD 126108](#) the payroll expense tax was estimated to generate \$214 million for 2021, its first year. Building from that original estimate, [RES 31957](#), the spending plan that accompanied the deliberative discussion of the tax, assigned moderate growth projections of two percent per year.

Figure 3 compares the levels of equity investments, based on the original Central Staff revenue projection, with the levels remaining for those purposes in the 2023 revised budget, after accounting for the Executive’s administrative reductions.

Figure 3. Comparison of JSF Equity Investments in RES 31957 with 2023 Adopted and 2023 Revised JSF Budget – Including 2023 Administrative Reductions



The 2023 Adopted and 2024 Endorsed budgets retained spending levels from the JumpStart fund about equal to what was contemplated when the tax was passed in 2020. (The 2023 Adopted / 2024 Endorsed amounts were about \$2 million below the levels assumed in 2020; during the fall 2022 budget deliberations these numbers were discussed in general rounded terms). As shown in the chart, the level of investments after accounting for the Executive's administrative reductions is approximately \$16 million below what was contemplated when the tax was passed. If you assume that the JSF spending plan in the 2024 budget is reduced to account for the negative unreserved ending fund balance of \$11.8 million, the 2024 spending would be below what was assumed when the tax was passed by a similar amount. This is a more significant deviation from the spending plan compared to what was adopted and endorsed by the Council last fall.

This inability to support the original equity investments of the payroll expense tax in the biennial budget may become more pronounced if future revenue forecast updates indicate further diminishment of revenues to the JSF. This is not to diminish the importance of other elements of the biennial budget, but rather to make transparent the implicit trade-offs in funding decisions ahead of the fall budget process.

Next Steps

In August, the Finance & Housing Committee will receive the second economic and revenue forecast update from OERF and CBO, followed by the Mayor's 2024 Proposed Mid-biennial Budget Adjustments in September. A final revenue update will be provided during the Council's budget deliberations, which will establish the final fiscal parameters for the 2024 Budget. Using the GF financial planning framework established in this memorandum, Central Staff will provide updates at each stage in the process.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director



Legislation Text

File #: Inf 2269, **Version:** 1

Office of Economic and Revenue Forecasts and City Budget Office - Economic and Revenue Forecast Update

Economic and Revenue Update

May 17, 2023

**Office of Economic and Revenue Forecasts
&
City Budget Office**

5/17/2023



City of Seattle

Presentation Outline

This presentation is largely an abbreviated version of that provided to the Forecast Council on April 10th. However, it concludes with some observations about how the economy has evolved over the last 30 days.

Part I: Update on economic developments since the November Forecast – recent and current events

Part II: Revised Economic Forecasts – looking forward to what is expected to come

- National Economy – summary of results from IHS Markit’s national economic model
- Regional Economy – summary of results from the Forecast Office’s regional economic model

Part III: April Revenue Forecast – General Fund and other major revenue sources

- General Fund Revenues
- Non-GF “General Government” Revenues – including JumpStart Payroll Tax and REET
- Non-GF Transportation Revenues

Part IV: Observations about Recent Economic Developments

Part 1

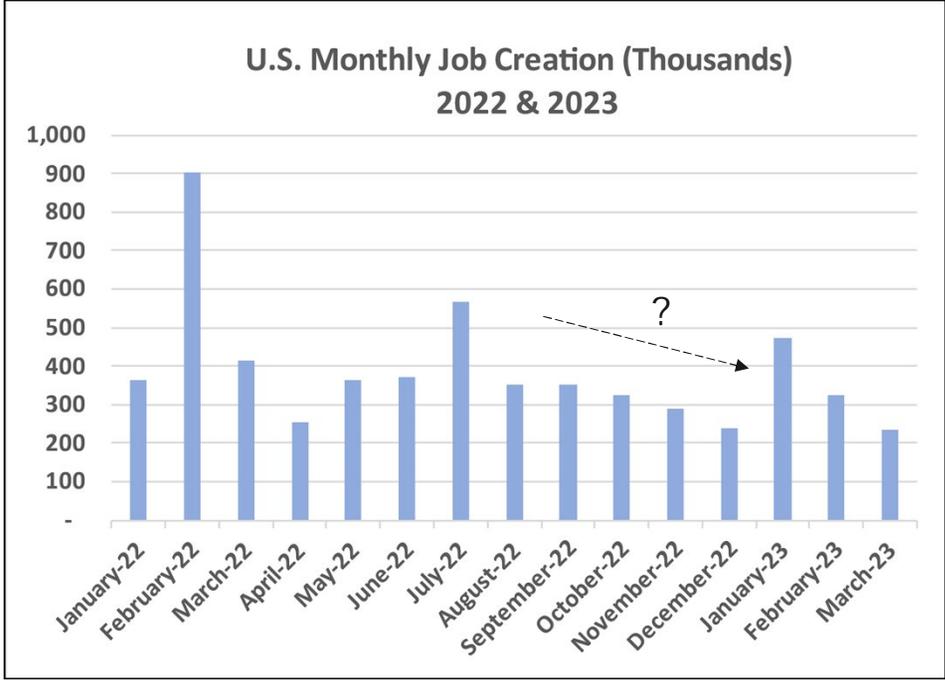
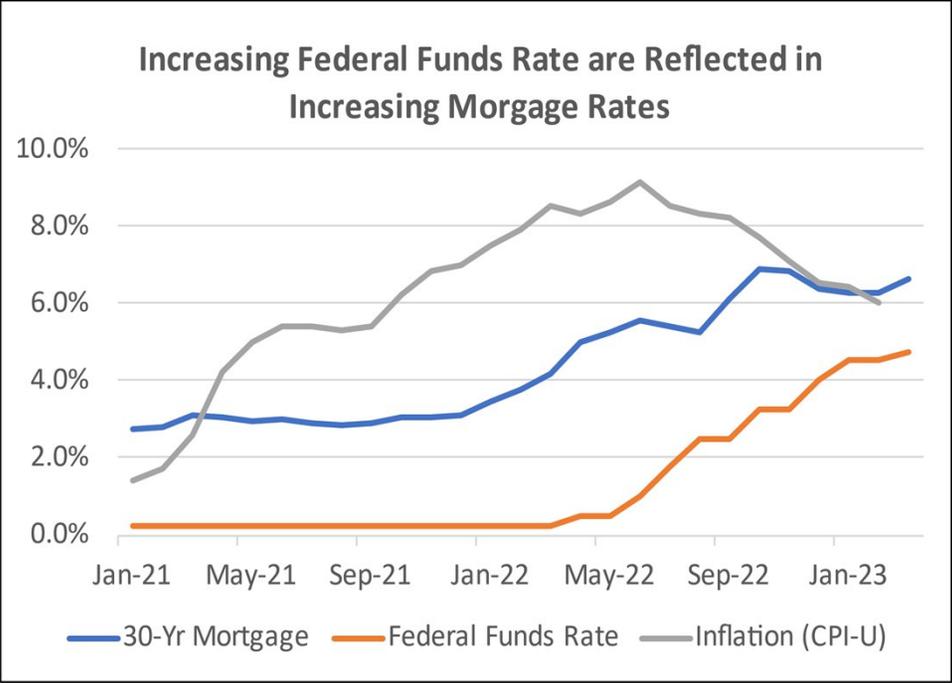
Economic Update – Recent Developments

National Outlook Has Improved Since the Last Forecast, But Risks Remain . . .

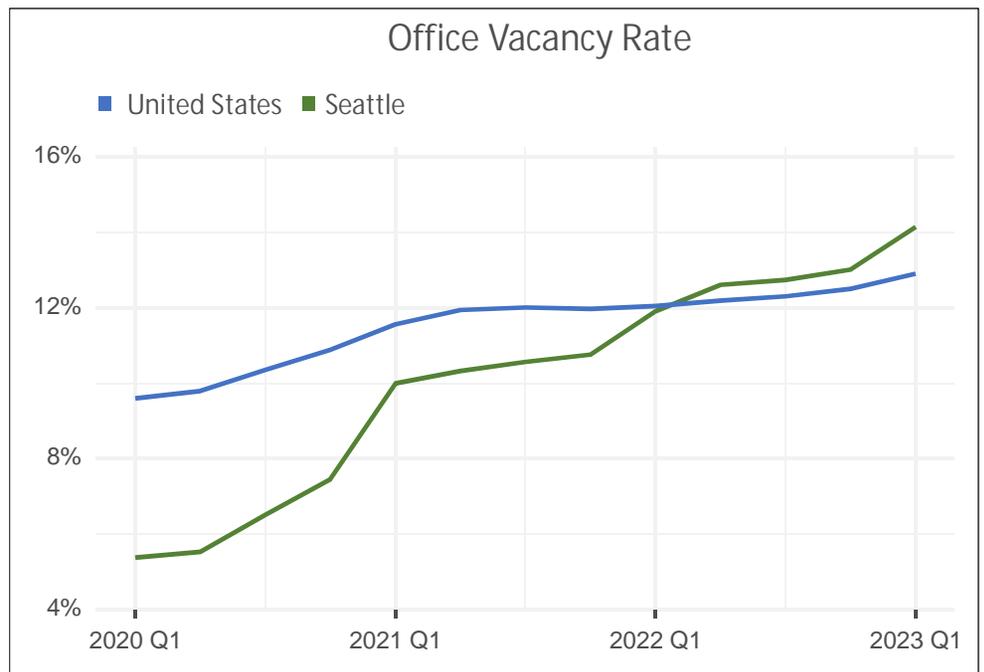
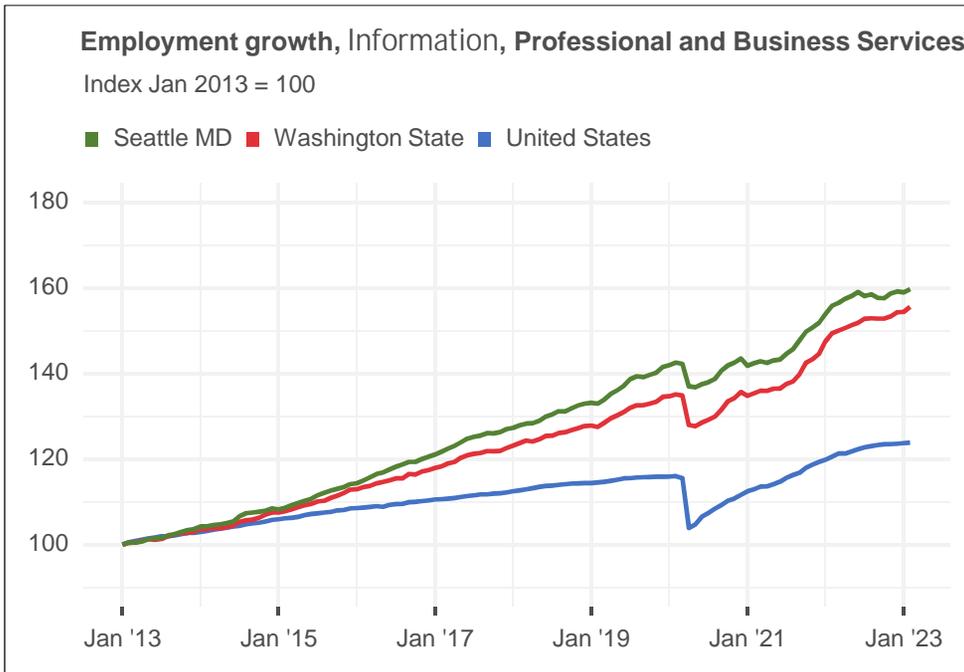
- Recent job growth has been more modest than in first half of 2022, but still strong. From November through March, national job growth averaged just over 300K per month. The general consensus is that the job growth is currently constrained by the available supply of workers.
- In October of last year, annual inflation was still running at 7.7%. It had fallen from its peak of 9.1% in June, but was still quite high. As of February, inflation was down to 6.0%. Perhaps more importantly, this marked the eight consecutive month that inflation declined, and the rate is now at its lowest level since September of 2021.
- This all said, risks remain:
 - The failure of SVB and Signature banks have highlighted significant financial stress in the banking system. This could affect access to capital and also reduce overall consumer confidence in the economy.
 - Higher interest rates have dramatically slowed real estate market activity, and tightening will slow business investment as well.
 - The “tight” labor market will continue to put upward pressure on wages, which in turn could drive a longer-term pattern of inflation.
 - Forecasts assume that congress will raise the debt ceiling. If not . . .



Federal Reserve Actions are Having An Impact on the Economy

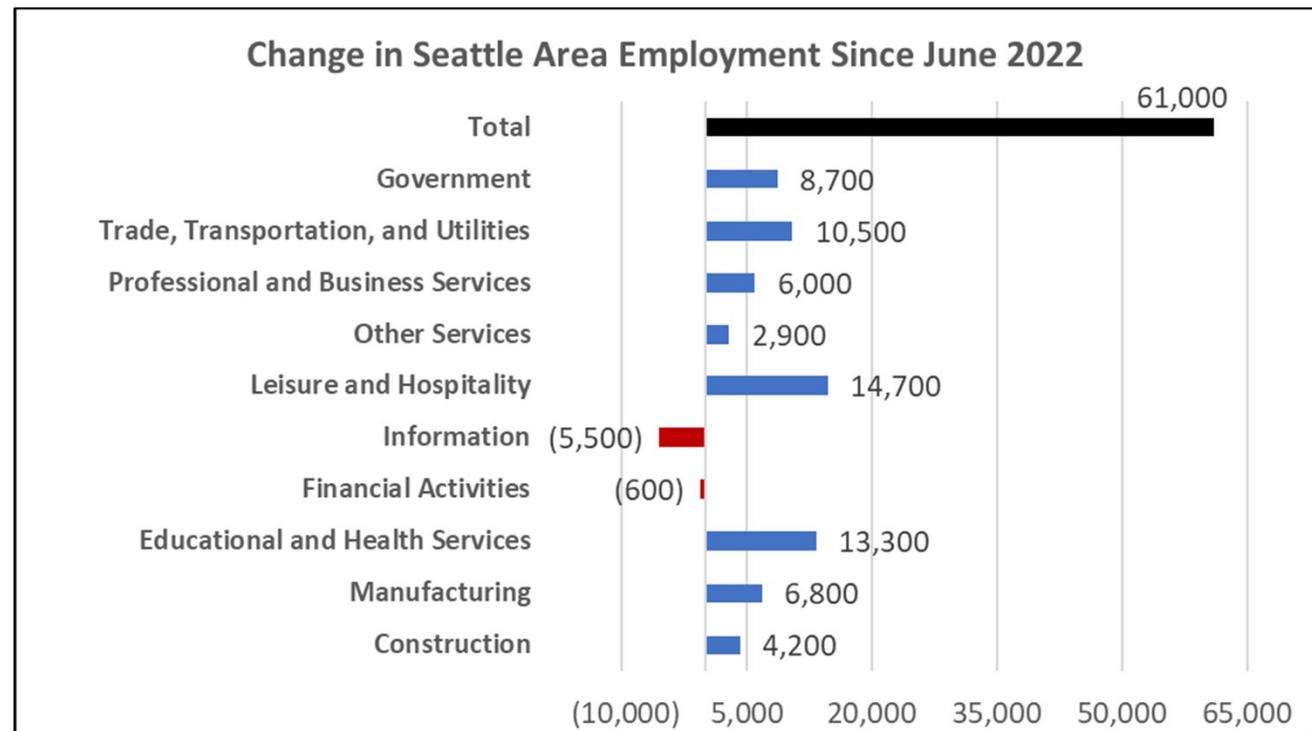


Recent Developments Also Highlight Risks Specific to the Local Economy



Regional Employment Trends Vary Significantly by Sector

- The regional economy has added almost 61,000 jobs (3.5% growth) since June of last year.
- “Leisure & Hospitality” and “Educational and Health Services” have shown particular strength.
- In contrast, layoffs in the tech sector are reflected in job losses within “Information”, and the relatively smaller contribution of “Professional and Business Services”. These two sectors had driven employment gains over the previous 2 years.
- The impacts of increasing interest rates, and the resulting drop of credit-financed investments, is reflected in the loss of jobs in the “Financial Activities” sector.

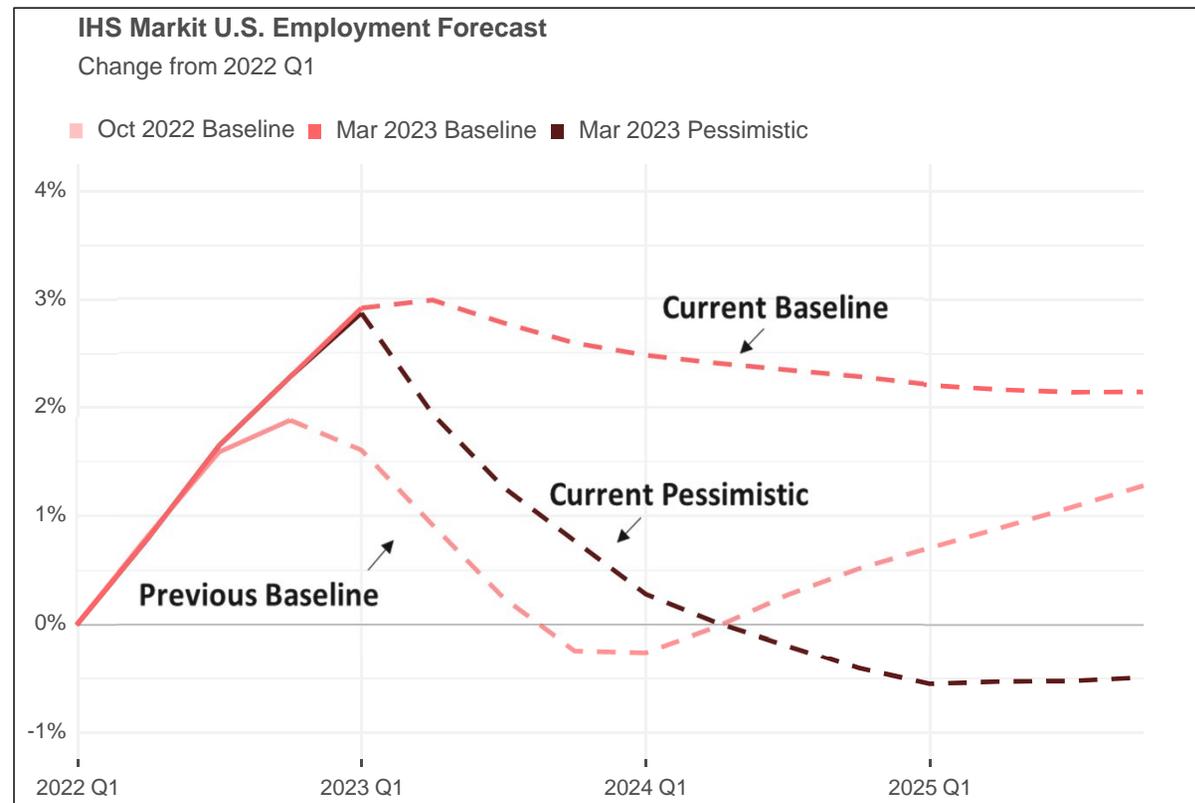


Part 2

National and Regional Economic Forecasts - Looking Forward

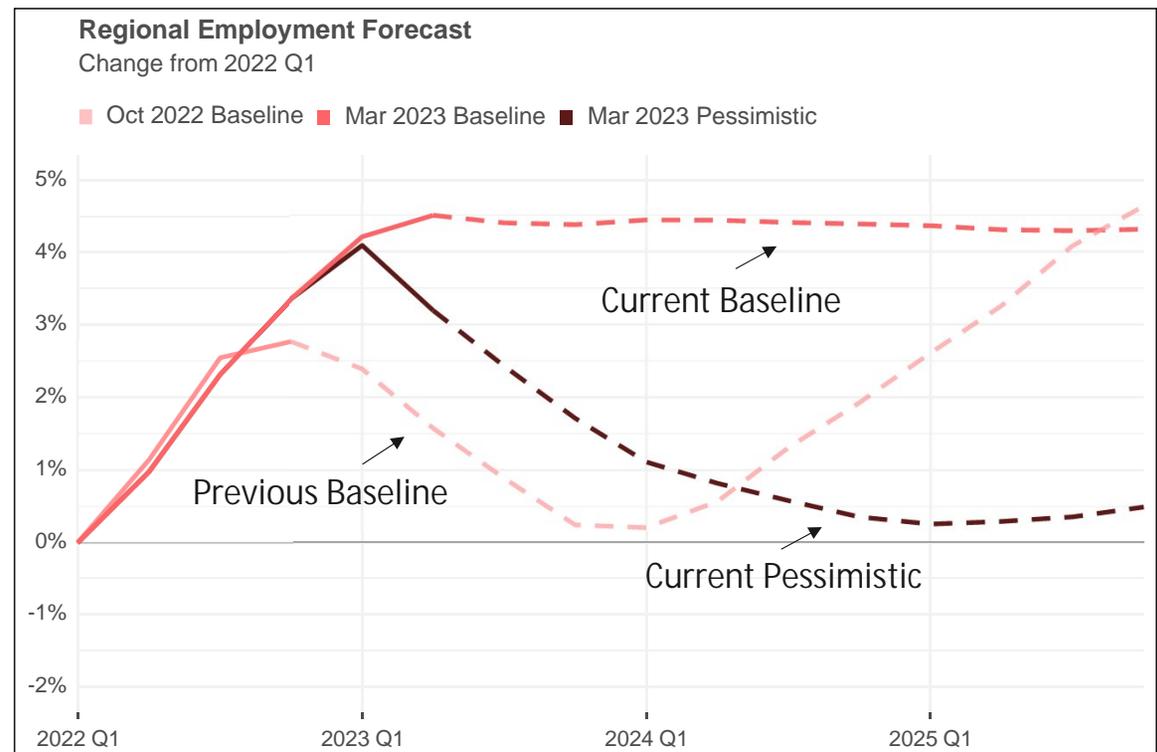
Baseline National Forecast Anticipated a “Soft Landing”

- IHS Markit baseline forecast predicted an extended period of slow growth at the national level, but not a recession. Note that the forecast used for the April update was prepared before the recent banking sector turmoil.
- The phrase “slow-cession” has been used to characterize this forecast. The baseline forecast was consistent with the Fed’s goal of a “soft landing” - cooling the economy w/o causing a recession.
- However, note that the IHS’s pessimistic forecast, to which they assigned a probability of 25%, anticipated a significant employment decline in 2023 employment, and tepid growth in 2024 and beyond. In this scenario, unemployment would peak at 6.1%, compared to 4.5% in the baseline scenario.



Regional Forecast: Stronger Near-Term, Weaker Long-Term

- Consistent with the national forecast, the near-term regional forecast reflects unexpectedly strong job growth in the first quarter of 2023.
- Rather than a short, mild recession as was forecast in November, the current baseline forecast anticipates that employment levels will grow into the 2nd Qtr of this year before reaching a level that will be sustained for the next 2-3 yrs.
- Looking forward, employment is expected to grow in some sectors, but job reductions in areas such as information and construction will offset these anticipated gains. The net impact will be almost no gain in employment until 2026.
- The pessimistic forecast represents a shift into a short and mild recession that would nevertheless wipe out nearly all of last year's job gains.

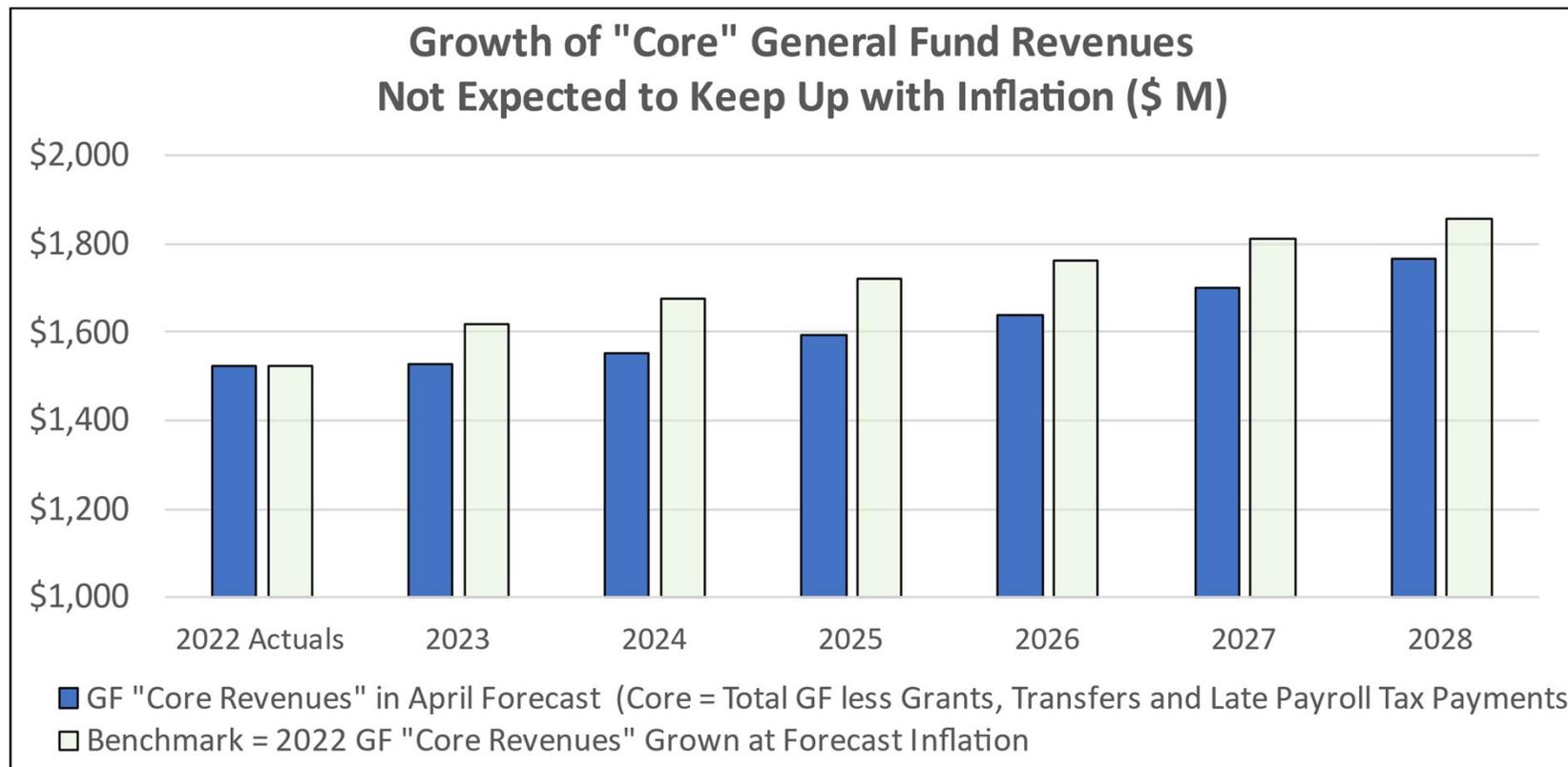


Part 3: Revenue Forecast

General Fund Revenues – 2023 and 2024 (\$ '000)

Revenue Source	2022	2023			2024			Total
	2022 Actuals	2023 - Adopted Budget	2023 - April Forecast	Diff: April vs. Adopted	2024 - Endorsed Budget	2024 - April Forecast	Diff: April vs. Endorsed	2-Year Total Difference
Property Tax (Including Medic One Levy)	\$371,770	\$380,477	\$378,210	(\$2,267)	\$386,627	\$383,428	(\$3,199)	(\$5,466)
Retail Sales Tax	\$331,220	\$332,994	\$343,794	\$10,800	\$339,827	\$344,692	\$4,865	\$15,665
Business & Occupation Tax	\$331,580	\$334,960	\$353,735	\$18,775	\$344,132	\$364,886	\$20,754	\$39,529
Utility Tax - Private	\$41,850	\$40,924	\$42,134	\$1,210	\$38,190	\$39,249	\$1,059	\$2,269
Utility Tax - Public	\$192,850	\$191,149	\$191,910	\$761	\$196,958	\$198,416	\$1,458	\$2,219
Other City Taxes	\$14,540	\$13,959	\$13,662	(\$297)	\$14,838	\$13,529	(\$1,309)	(\$1,606)
Parking Meters	\$23,860	\$37,957	\$36,927	(\$1,030)	\$44,463	\$43,339	(\$1,124)	(\$2,154)
Court Fines	\$13,220	\$19,747	\$14,695	(\$5,052)	\$24,330	\$16,523	(\$7,807)	(\$12,859)
Revenue from Other Public Entities	\$18,640	\$18,494	\$19,494	\$1,000	\$18,761	\$19,151	\$390	\$1,390
Grants	\$23,120	\$23,414	\$51,300	\$27,886	\$10,927	\$12,691	\$1,764	\$29,650
Fund Balance Transfers	\$151,010	\$111,008	\$117,260	\$6,252	\$94,700	\$94,700	\$0	\$6,252
Service Charges & Reimbursements	\$132,530	\$69,778	\$69,810	\$32	\$71,899	\$70,106	(\$1,793)	(\$1,761)
Licenses, Permits, Interest Income and Other	\$50,940	\$48,588	\$62,840	\$14,252	\$48,858	\$59,585	\$10,727	\$24,979
Payroll Tax - Late 2021 Payments	\$44,980	\$0	\$2,164	\$2,164	\$0	\$0	\$0	\$2,164
Total	\$1,742,110	\$1,623,449	\$1,697,935	\$74,486	\$1,634,510	\$1,660,295	\$25,785	\$100,271
Difference w/o Grants				\$46,600			\$24,021	\$70,621

Long-Term Forecast of "Core" General Fund Revenues



Summary of Selected General Government Revenues

Revenue Source	2022	2023			2024			Total
	2022 Actuals	2023 - Adopted Budget	2023 - April Forecast	Diff: April vs. Adopted	2024 - Endorsed Budget	2024 - April Forecast	Diff: April vs. Endorsed	2-Year Total Difference
General Government Revenues:								
Payroll Tax [^]	\$253,060	\$294,120	\$263,260	(\$30,860)	\$311,466	\$279,740	(\$31,726)	(\$62,586)
Admission Tax*	\$21,650	\$21,430	\$22,020	\$590	\$22,153	\$22,820	\$667	\$1,257
Sweetened Beverage Tax	\$20,240	\$20,390	\$20,930	\$540	\$20,700	\$21,247	\$547	\$1,087
Short-Term Rental Tax	\$9,870	\$9,430	\$10,290	\$860	\$10,077	\$11,374	\$1,297	\$2,157
REET	\$91,420	\$68,060	\$55,020	(\$13,040)	\$68,646	\$59,962	(\$8,684)	(\$21,724)
Transportation-Specific Revenues:								
Trans. Ben. Dist. - Sales & Use Tax	\$51,950	\$52,250	\$53,780	\$1,530	\$53,359	\$53,881	\$522	\$2,052
Trans. Ben. Dist. - Vehicle License Fee	\$15,980	\$17,650	\$18,260	\$610	\$19,890	\$20,615	\$725	\$1,335
Commercial Parking Tax	\$37,660	\$45,030	\$48,380	\$3,350	\$47,051	\$47,276	\$225	\$3,575
SSTPI - School Zone Speed Enforcement	\$8,470	\$14,840	\$11,270	(\$3,570)	\$14,061	\$11,050	(\$3,011)	(\$6,581)

[^] This represents the total of 2022 tax obligations. And additional \$45M of late 2021 payments were deposited in the GF in 2022, per City ordinance which directs all 2021 obligations to the GF.

*A change in share or Ad Tax revenue generated at Climate Pledge Arena, increases the revenue available to the City by ~\$900K in 2023 and \$1.5M in 2024.

JumpStart Payroll Expense Tax Forecast

Key Observations

- Actual revenues fell from \$293M in 2021 to \$253M in 2022. The November forecast for 2023 revenues was \$294M.
- The majority of revenues are generated from relatively few firms, concentrated in the technology sector. This sector has been significantly affected by the shift to hybrid work, and is also one where a significant share of compensation is tied to stock values.
- Although the available data are limited, an empirical analysis shows a correlation between tax payments and two key factors: (i) changing stock values; and (ii) evolving “work-from-home” practices.
- The Forecast Office continues to work with ESD and Seattle IT to develop a data-sharing agreement that will significantly enhance the econometric tools we can deploy for the JumpStart Payroll Tax forecasts.

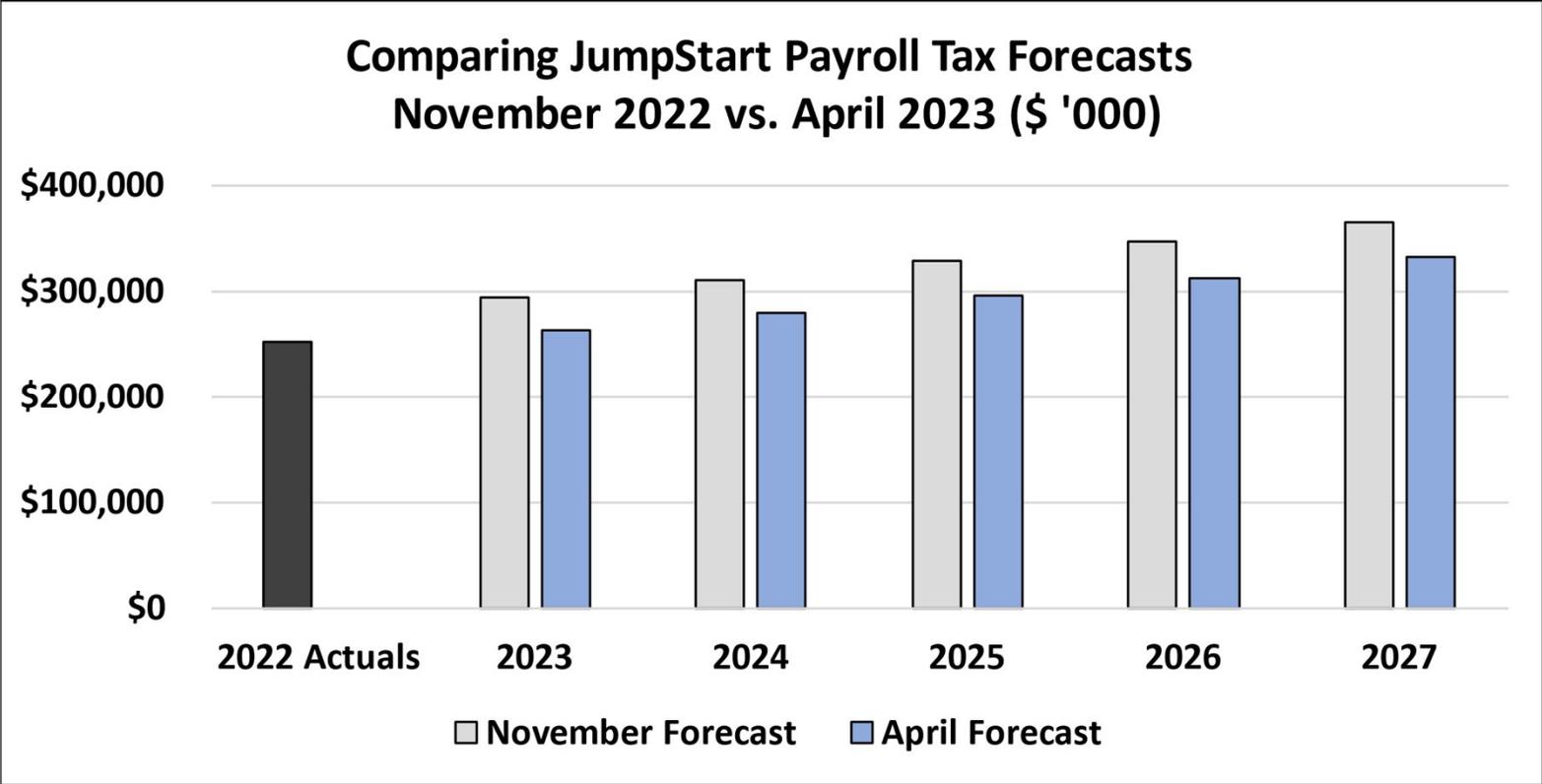
Forecasting Approach

- Estimated a model that formally links revenues to both stock values and in-office head counts.
- Forecasts then require a prediction of both stock value and work-from-home practices. Stock value estimates have been derived from a range of stock analyst forecasts, and office head counts from recently observed behavior.
- These inputs were used to develop the 2023 forecasts. For 2024 and beyond, the 2023 base is predicted to increase at a rate equal to payroll growth in the “Information” and “Business & Professional Services” sectors, as forecast in our regional economic model.

Results

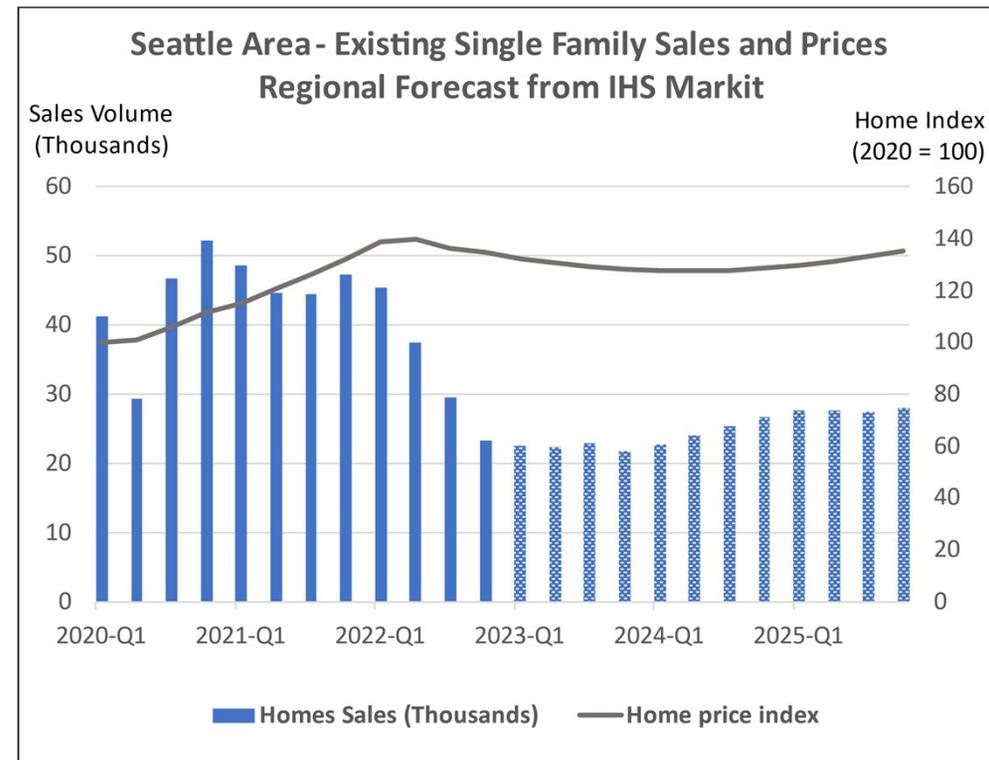
- The revised forecast 2023 forecast is \$263M, which is obviously a significant reduction from the \$294M previously forecast. The 2024 forecast has been reduced from \$311M to \$280M.

Long-Term Forecast of JumpStart Payroll Tax Revenues

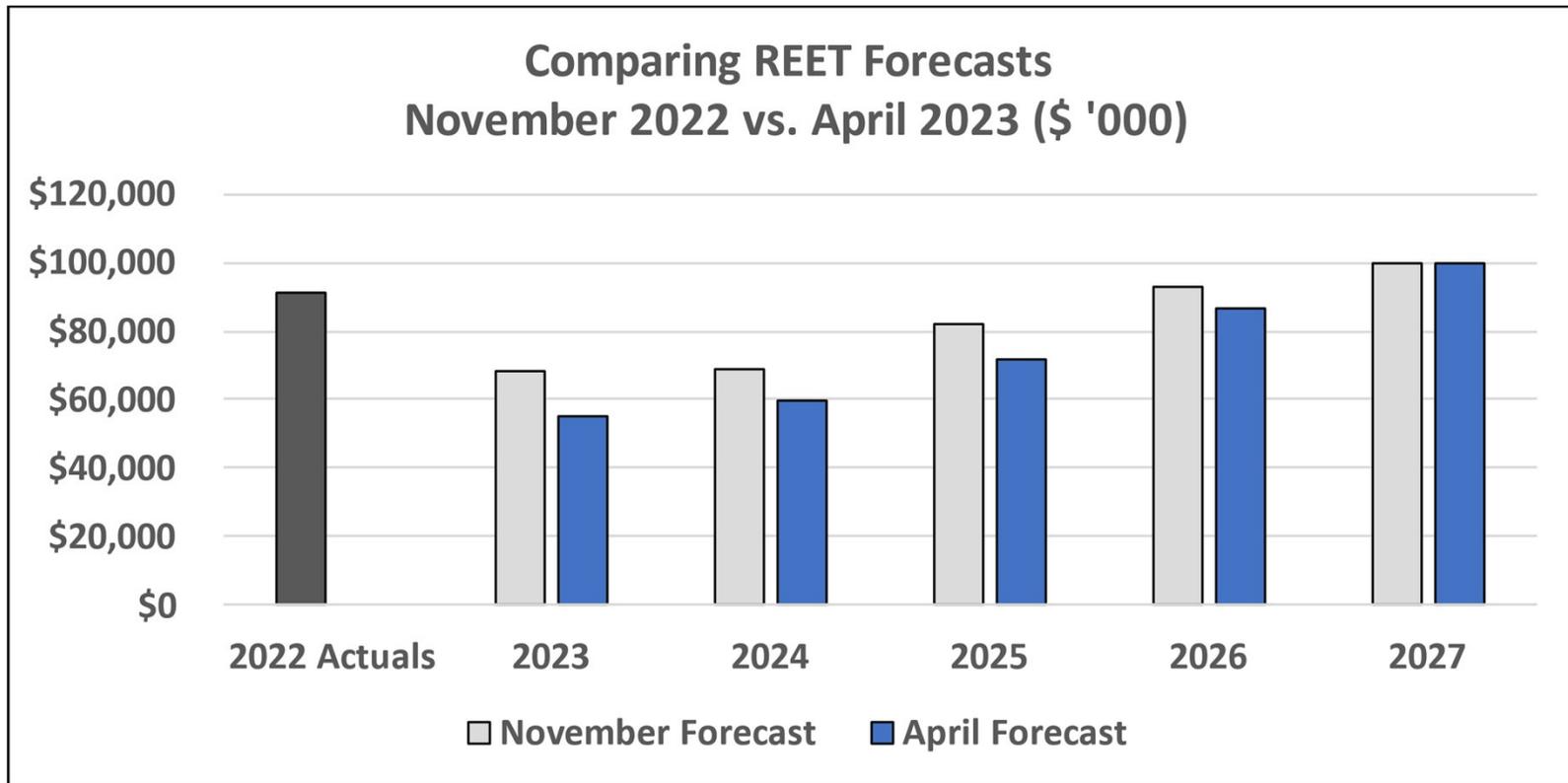


Understanding the Downward Revision in the REET Forecast

- Increased interest rates have reduced the volume and value of both residential and commercial real estate transactions.
- Commercial transactions have also been affected by uncertainty in the market for office space. No building worth more than \$100M has sold since last summer.
- REET revenues fell dramatically in the latter part of last year, leading to a downward revision of the 2023 forecast from \$95M to \$68M, as part of the November revenue update.
- Per the chart to the right, the volume of residential sales is not expected to rebound significantly within the next three years, even as prices hold relatively steady.
- In addition, the initial results for January, February, and March have fallen short of the revised November forecast.
- Both the State and County revenue updates include significant reductions in their REET forecasts.



Long-Term Forecast of REET Revenues



Part IV: Recent Economic Developments

- Turmoil in the banking sector – particularly among “regional” banks – has reignited after being calmed initially. This will likely further limit access to capital (borrowing) and create a further drag on economic growth.
- As anticipated (but not necessarily desired), the Federal Reserve increased in May its benchmark rate by 0.25% to a target range of 5%-5.25%.
- National GDP growth for the first quarter of 2023 was measured at an annualized rate of 1%. This outpaced the forecast decline of 0.4% that underlies the April forecasting models. While not entirely consistent with the forecast, 1% growth does reflect a slowing relative to the 2.1% annual growth seen in 2022.
- The US economy added 253,000 jobs in April, the most since January. This is good news at one level, but further complicates the Fed’s effort to cool inflation while also maintaining stability in the financial markets.

On net, the economy remained strong through the first quarter, but persistent inflation and financial market instability represent significant risks going forward.

Questions?



Legislation Text

File #: CB 120572, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2022, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2022 Budget, appropriations for the following items in the 2022 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Seattle Department of Transportation	General Fund (00100)	Mobility Operations (00100-BO-TR-17003)	\$867,937
1.2	Seattle Department of Transportation	General Fund (00100)	Parking Enforcement (00100-BO-TR-17006)	\$1,548,166
1.3	Seattle Department of Transportation	Move Seattle Levy Fund (10398)	Mobility Operations (10398-BO-TR-17003)	\$354,571
1.4	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Fleet Services (50300-BO-FA-FLEETS)	\$1,730,656
1.5	Ethics and Elections Commission	General Fund (00100)	Ethics and Elections (00100-BO-ET-V1T00)	\$44,840
Total				\$4,546,170

Section 2. In order to pay for necessary capital costs and expenses incurred or to be incurred, but for which

insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2022 Budget was adopted, the appropriations and project allocations for the following items in the 2022 Budget are increased for Seattle Department of Transportation and the Department of Finance and Administrative Services from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	CIP Project Name	CIP Project Appropriation Change
2.1	Seattle Department of Transportation	Unrestricted Cumulative Reserve Fund (00164)	Mobility-Capital (00164-BC-TR-19003)	Next Generation Intelligent Transportation Systems (ITS) (MC-TR-C021)	\$12,292
2.2	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	FAS Project Delivery Services (50300-BC-FA-FASPDS)	Customer Requested Tenant Improvement Program (MC-FA-FASPDS)	\$321,469
Total					\$333,761

Section 3. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office	Caleb Wagenaar	Caleb Wagenaar

* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: AN ORDINANCE amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: This legislation will implement various adjustments to the 2022 Adopted Budget that are needed to complete the City’s accounting process for the year.

The proposed legislation includes discrete actions that amend the 2022 Adopted Budget by adding budget authority to various departments to address unanticipated expenses and correct accounting errors which resulted in spending exceeding a budget control level’s budget authority.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
	\$2,460,943	\$0	\$2,418,988	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023
	0	0	0	0

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No. Please see Summary Attachment A for details on 2022 spending.

Is there financial cost or other impacts of *not* implementing the legislation?

The same objectives could not be achieved without this legislation.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

See Summary Attachment A for details on 2022 spending.

Is this change one-time or ongoing?

All are one-time.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

No.

b. Is a public hearing required for this legislation?

No.

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

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

See Summary Attachment A for any RSJI implications.

f. Climate Change Implications

Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A

Summary Attachments:

Summary Att A – 2022 Budget Exceptions Ordinance Summary Detail Table

2022 Budget Exceptions Ordinance Summary Detail Table

Item #	Title	Description	Amount/FTE
Section 1 – Appropriation Increases			
1.1	2022 Mobility Operations - GF Budget Exception Clearing (Seattle Department of Transportation)	This item provides retroactive appropriation increase of \$867,937 for the Seattle Department of Transportation to pay for transaction costs related to parking meters and the pay-by-phone function for on-street parking in the General Fund - Mobility Operations (00100-BO-TR-17003) Budget Control Level. The overspend is related to the transaction costs paid to process payments. These transaction costs are driven by a combination of the on-street parking rates and the frequency of vehicles parking on-street, which exceeded budgeted expectations in the 2022 Adopted Budget.	\$867,937
1.2	2022 Parking Enforcement Budget Exception Clearing (Seattle Department of Transportation)	This item provides retroactive appropriation increase of \$1,548,166 for the Seattle Department of Transportation in the General Fund Parking Enforcement (00100-BO-TR-17006) Budget Control Level. The overspending is related to the costs of the Parking Enforcement Division at SDOT. This item was driven not only by higher than budgeted labor costs but also by unanticipated costs for PEO support at City events.	\$1,548,166
1.3	2022 Mobility Operations - MSL Budget Exception Clearing (Seattle Department of Transportation)	This item provides retroactive appropriation increase of \$354,571 for the Seattle Department of Transportation to pay for the costs or safety-related work on signs and signal maintenance in the Move Seattle Levy Mobility Operations (10398-BO-TR-17003) Budget Control Level. The overspend is related to necessary work to support damaged signs or signals in order to keep the right-of-way safe and functional. SDOT was able to use administrative solutions to avoid a budget exception on the General Fund for this same work. However, timing and technical issues did not allow for SDOT to avoid this budget exception for the Move Seattle Levy Fund.	\$354,571

Item #	Title	Description	Amount/FTE
1.4	Fleet Services Budget Exception (Department of Finance and Administrative Services)	This item provides a retroactive appropriation increase of \$1,730,656 for the Department of Facilities and Administrative Services to pay unanticipated costs in the FAS Fleet Services BCL (50300-BC-FA-FLEETS) due to fuel price increases and increased vendor costs. Expenditures exceeded budget largely due to a spike in fuel prices after the start of the year resulting in expenditures far exceeding initial projections in the FAS submitted Q3 Supplemental request. Additional costs occurred due to the need to use outside vendors to support increased need for fleet maintenance. The fleet group is working to hire staff and train in the maintenance area which will reduce the need to use external vendors in the future.	\$1,730,656
1.5	2022 Exception (Ethics and Elections Commission)	This item provides a retroactive appropriation increase of \$44,840 for the Seattle Ethics and Elections Commission (SEEC) to pay unanticipated costs in the BO-ET-V1T00 - Ethics and Elections BSL due to central rate charges in benefit, retirement and FICA accounts that were higher than the initial, budgeted amounts. The SEEC budget is nearly 100% labor and central rates costs and with no vacancies in 2022, there was no underspend to absorb these higher-than-budgeted benefit charges. The FTE count for health care charges was adjusted for 2023 and 2024 and the budget and central rate charges are now aligned.	\$44,840
Section 2 – Appropriation Increase – Capital Budgets			
2.1	2022 Mobility-Capital Budget Exception Clearing (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$12,292 for the Seattle Department of Transportation to pay unanticipated costs in the Unrestricted Cumulative Reserve Fund - Mobility Capital (00164-BC-TR-19003) Budget Control Level. This budget exception was caused by a technical issue related to automatic budget carryforward authorized by State law. SDOT will resolve these issues in 2023.	\$12,292

Item #	Title	Description	Amount/FTE
2.2	FAS Project Delivery Services Budget Exception (Department of Finance and Administrative Services)	<p>This item provides a retroactive appropriation increase of \$321,469 amount for the Department of Facilities and Administrative Services to pay unanticipated costs in the FAS Project Delivery Services BCL (50300-BC-FA-FASPDS) due to unexpected late-year tenant improvement work requested by City departments.</p> <ul style="list-style-type: none"> • The over-expenditure occurred because tenant improvement requests made at year-end by client departments and FAS Facility Ops were higher than expected. While these expenses were backed by revenue and reimbursed, most of the requests were made after the Q3 Supplemental deadline. • The balance of the appropriating fund was minimally impacted by the over-expenditure; all but \$13K of the expenses were billed and reimbursed in 2022. • FAS plans to 1. implement a process to monitor fund balance more frequently and 2. engage with our clients during the budget process as well as mid-year to determine whether existing appropriation is sufficient to cover estimated spend plans. 	\$321,469

May 9, 2023

MEMORANDUM

To: Finance & Housing Committee
From: Edin Sisic, Analyst
Subject: Council Bill 120572: 2022 Carryforwards & Council Bill 120573: 2022 Exceptions

On Wednesday, May 17, 2023, the Finance & Housing Committee will discuss and possibly vote on [Council Bill \(CB\) 120572](#) and [CB 120573](#). CB 120573 would appropriate in 2023, a portion of select department's unspent 2022 appropriations, and CB 120572 would retroactively provide additional 2022 expenditure authority for department spending above approved 2022 levels.

This memo provides (1) background on the budget adjustment process and describes all approved adjustments since January 1 of this year; (2) describes the CBs and highlights notable increases proposed in the legislation; (3) describes next steps in the budget adjustment process for 2023.

Background - Budget Adjustment Process

The following describes how spending authority in the adopted budget is modified during the year with a combination of unspent appropriations from prior years, and new 'emergency' funding requests during the current year.

I. Adopted Budget

Pursuant to [RCW 35.32A.050](#), in late November of every year the City Council passes an ordinance that establishes the City's budget for the upcoming year, covering the period from January 1st through December 31st. This ordinance is the 'Adopted Budget' for the fiscal year and sets spending levels for the next year's operations and provides one year's worth of investments in the City's six-year capital improvement program. Passed by the City Council on November 29, 2022, [Ordinance 126725](#) authorized a 2023 Adopted Budget from all sources of \$7.4 billion.

II. Automatic Carryforward

Consistent with the provisions in [RCW 35.32A.080](#), most unspent annual operating budget appropriations expire, or 'lapse', at the end of the year, while capital appropriations continue into future years until they are either spent, or formally abandoned by ordinance. In addition, if explicitly authorized in ordinance, operating budget appropriations can also be 'non-lapsing' and continue until spent or abandoned. This is common in the instance of grants, for which non-lapsing spending authority is necessary until the grant is fully expended or the appropriation is abandoned. Finally, to cover promises to pay for services provided by outside vendors per contract or purchase order, amounts can be encumbered and may carry into the next year.

According to City financial data, at the end of 2022 there was a total of \$1.9 Billion of unspent prior-year budget authority that has been automatically added to the 2023 Budget. As noted, this largely represents prior year capital projects funding, grant-backed spending, other spending authorized by legislation to continue beyond the first year, and carryforwards for encumbrances. Since these appropriations were adopted with non-lapsing provisions in prior years or are otherwise encumbered to satisfy external obligations, no further Council authorization is necessary for this budget authority to continue until completely spent. Table 1 shows, for funds with significant automatic carryforward, by fund and type (capital and operating), the amount of prior years’ budget authority that is added to the 2023 Adopted Budget. This spending authority is largely backed by revenues that have already been deposited in the City treasury, although in some cases, particularly in instances involving grants accepted late in 2022, the cash has not yet been received.

Table 1¹. Funds with Significant Automatic Carryforward

Fund	Carryforward Type (\$ millions)		
	Capital	Operating	Total
Transportation Fund	\$302.6	\$34.3	\$336.9
Light Fund	\$226.3	\$0.2	\$226.5
General Fund	\$7.4	\$99.4	\$106.8
Housing Program Support Fund	-	\$71.6	\$71.6
Drainage and Wastewater Fund	\$66.6	\$1.0	\$67.6
All Others	\$662.8	\$385.6	\$1,048.4
Total	\$1,265.7	\$592.1	\$1,857.8

As shown in the table, approximately two thirds of this automatic carryforward spending authority is in capital project budgets.

III. Supplementals

After the Adopted Budget is passed, as provided by [RCW 35.32A.060](#), it may be modified during the following year by way of ‘supplemental’ spending legislation, which allows the Council, with a three-fourths approval threshold, to appropriate:

“from the emergency fund, or other designated funds, an amount sufficient to meet the actual necessary expenditures of the city for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget”²

¹ Data from Citywide Financial Pivot Report as of 4/13/2023.

² RCW 35.32.A.060.

The approval threshold for supplemental budget legislation is two-thirds of the Council if the new spending is necessary to address a specific emergency, including those:

- Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
- For the immediate preservation of order or public health or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
- In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
- To meet mandatory expenditures required by laws enacted since the last budget was adopted.³

If the new spending accompanies the addition of new grant revenue, or if the new spending is fully offset by an equivalent reduction elsewhere in the budget, and total appropriation authority is not increased, the approval threshold is a simple majority. Supplemental appropriation legislation can either be ‘standalone’ and add funding for a single discrete City program, or more ‘comprehensive’, increasing several City departments and funds in a single bill.

As of April 10, 2023 the City Council has passed four standalone and one comprehensive supplemental bills that revise 2023 appropriations, including:

Standalone Legislation:

- [Ordinance 126758 – Seattle Waterfront Park Public Safety Staffing](#): \$596,250 Seattle Center Fund appropriation increase as a result of a funding agreement between the City and Friends of the Waterfront Seattle to support public safety hiring in the Seattle Waterfront Park.
- [Ordinance 126761 – Police Data Technician pay increase](#): \$882,176 General Fund appropriation increase to the Seattle Police Department (SPD) resulting from a Memorandum of Understanding (MOU) between the City and PROTEC17 bargaining unit. This agreement provides a 23 percent wage increase for approximately 30 regularly appointed Police Data Technician employees at SPD.
- [Ordinance 126782 – City Prosecuting Attorneys pay increase](#): \$933,000 General Fund appropriation increase to the Law Department resulting from an MOU between the City and the Washington State Council of County and City Employees for the Local 21-PA Assistant City Prosecutors bargaining unit. This 20 percent pay increase is intended to address recruiting and retention challenges related to staffing Prosecuting Attorney positions.

³ Ibid.

- [Ordinance 126783 – City Light Electrical meter installations](#): \$472,000 Light Fund appropriation increase resulting from an MOU between the City and the International Brotherhood of Electrical Workers, Local 77 bargaining unit. The MOU provides for training and installation of meters as well as a 5 percent wage increase for members in the Meter Electrician classification series.

Comprehensive Legislation

- [Ordinance 126791 – CBO First Quarter Grant Acceptance and Appropriations](#): The first comprehensive legislation transmitted by the Executive in 2023, authorizing City departments to accept and appropriate the expenditure of \$30.2 million from external funding sources. All of the grants that were accepted and appropriated in this bill are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive.

Comprehensive supplemental budget legislation that revises several City departments budgets takes one of two forms, as follows:

- **Annual Carryforward**: Typically the first comprehensive supplemental legislation introduced in a year, this bill requests that a portion of select department’s unspent prior year budget be reappropriated in the current year to continue or to complete a discrete program or project for which the funding was originally provided, but which could not be fully completed for reasons that vary specific to the request. Distinct from the automatic carryforward, the budget authority for each requested item has lapsed at the end of the prior fiscal year – each carryforward request essentially asks that the budget authority given in the prior year be reapproved for the current year. This bill is produced through a periodic submittal and review process covering all departments that is centrally managed by the City Budget Office (CBO).
- **Supplemental and Grant Appropriations**: Received at regular intervals during the year, these supplemental budget requests form the bulk of City departments’ requests for additional spending authority. Together with requests to spend dollars generated through year-end fund reconciliation and revenue forecast updates, these bills provide spending authority for grant and other non-City revenues. In prior years, the appropriation of grants was authorized via a supplemental appropriations ordinance, while grants were accepted through a separate, grant acceptance ordinance. This year, Council Central Staff, in partnership with the Law Department and City Budget Office, created a standalone grant acceptance and appropriation ordinance to improve grant legislation processes. These bills are produced through a periodic submittal and review process covering all departments that are centrally managed by CBO.

IV. Exceptions

The final type of budget adjustment legislation is the exceptions ordinance. Typically introduced several months after the fiscal year-end, this bill provides retroactive budget authority to the prior-year’s budget for spending that has exceeded the revised budget after all automatic and legislated appropriation increases.

Table 2 summarizes at a high level the City’s 2023 Revised Budget, starting from the Adopted Budget and accounting for all automatic and legislated changes to date.

Table 2. 2023 Revised Budget-to-Date

Fund	(a)	(b)	(c)	(d) = a+b+c	d/a
	2023 Adopted	Auto Carryforward	Standalone Bills	2023 Revised	% Increase
General	\$1,606 M	\$106.8 M	\$8.9 M	\$1,722 M	7%
All Other	\$5,828 M	\$1,751 M	\$24.2 M	\$7,603 M	30%
Total	\$7,434 M	\$1,858 M	\$33.1 M	\$9,325 M	25%

As shown in the table, automatic and legislated increases to date result in a 25 percent increase compared to the 2023 Adopted Budget. The bulk of this is automatic carryforward authority from prior years, and as shown in Table 1, much of this automatic carryforward is for ongoing capital projects. This information is shown at the department level in Attachment 1 to this memo.

CB 120573 – 2022 Carryforward

CB 120573 the 2022 Carryforward bill, requests approval for a total 2023 budget increase of \$154.0 million from several City funds. As described in this memo, these carryforward increases are intended to support activities that were budgeted, but not completed in 2022. Attachment 1 to this memo shows each department’s aggregate carryforward request as a percentage of the Revised Budget.

As shown in Attachment 1 select department’s total carryforward requests represent significant percentages compared to their 2023 Revised budget, as follows:

- Office of Planning and Community Development:** A \$44.3 million (96 percent) overall increase across multiple funds, \$22.9 million of which is GF, and \$17.9 million of which is JumpStart Payroll Expense Tax Fund (JumpStart). \$40.9 million of the total carryforward request is for Equitable Development Initiative (EDI) awards that have not yet been contracted. According to the Executive, the contracting process for these long-term projects often takes multiple years and funds do not always get contracted within the year of the associated EDI Request for Proposals. Another notable item includes \$2.3 million of JumpStart Fund to continue the Duwamish Valley Program work, which includes investments in community assets such as the South Park Community Center, South Park Neighborhood Center, Georgetown gathering spaces, and community-supported development at the Unity Electric site. In addition, a \$600,000 carryforward is requested to continue a multi-year planning effort for regional growth center subarea plans. Of this funding, \$150,000 is GF and \$450,000 is JumpStart Fund. The Request for Proposals (RFP) for engagement, policy, and plan development was released in December 2022 and the RFP for technical analysis will occur in March 2023.

- **Finance General:** A \$36.2 million (10 percent) increase across multiple funds, \$28.5 million of which is for GF supported reserves, including Participatory Budgeting (\$27.3 million) and Alternative 911 Response (\$1.2 million). Other notable items include \$5.4 million in the 2021 Multipurpose LTGO Bond Fund to allow for billing of ITD projects against bond proceeds received to support them in 2022, and \$2.0 million in the Unrestricted Cumulative Reserve Fund to continue funds originally added in the 2020 budget for a partnership between the City and King County to create a 40-60 bed, comprehensive place-based treatment center at the “West Wing” of the King County Correctional Facility.
- **Office of Housing:** A \$36.1 million (8 percent) overall increase, \$34.5 million of which is JumpStart Fund related to Multifamily Housing. According to the executive, these funds have been awarded to specific projects, but have not yet been encumbered in the City’s financial system due to the timing of loan closings for funded projects.
- **Office of Arts and Culture:** A \$4.3 million (14 percent) overall increase, \$3.2 million of which is from the GF to implement Strategic Investment Fund (SIF) allocations that were awarded in 2021. For reference, the SIF was first budgeted in 2020 using \$30 million of Mercer Megablock sales proceeds, and this one-time allocation of funds, which had not been spent in 2020, was reappropriated in the 2021 budget. One of the two selected projects could not be completed due to a property owner deciding not to sell the property that was to be acquired, so OPCD is actively working with the awardee to identify a new site. The Strategic Investment Fund (SIF) is intended to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities for transformational equitable development.

Other notable items include:

- **Childcare Bonus Fund Carryforward:** A \$5.7 million Human Services Fund increase in the Human Services Department for implementing childcare facility development contracts in Seattle. This budget was not encumbered in 2022 and is required to support identified childcare facility projects backed by Childcare Bonus Fund revenue. Budget authority for these projects was added as one-time appropriation in the 2022 mid-year supplemental budget.
- **Seattle Transportation Plan:** A \$1.4 million Transportation Fund increase in the Seattle Department of Transportation for the Seattle Transportation Plan – a multi-year effort to revise and unify all of the existing modal plans (bike, pedestrian, transit, freight) into a single comprehensive document. The remaining unspent funding from 2022 is needed to continue this work and complete the plan. The Seattle Transportation Plan is being developed in coordination with the 2024 Comprehensive Plan update.

These and all other requested items are described in in Attachment A to the summary and fiscal note submitted by the Executive. The bill requires approval by $\frac{3}{4}$ of the City Council to pass.

CB 120572 – 2022 Exceptions Ordinance

CB 120572, the 2022 Exceptions bill, requests approval for a total 2022 budget increase of \$4.9 million. These appropriations increases are intended to resolve instances where departments overspent their revised 2022 Budget allocations. Notable requests include:

- **Department of Finance and Administrative Services (FAS) Budget Exception:** A \$1.7 million FAS Fund increase due to fuel price increases and increased vendor costs related to the increased need for fleet maintenance. According to the Executive, the fleet group is working to hire and train staff in the maintenance area, which will reduce the need to use external vendors in the future.
- **Seattle Department of Transportation (SDOT) Budget Exceptions:** A \$1.5 million GF increase due to unanticipated and higher than budgeted overhead labor costs for the Parking Enforcement Division at SDOT. This is a one-time exception request as Parking Enforcement Officers were transferred back to the Seattle Police Department in the 2023 Adopted Budget.

These and all other requested items are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive. The bill requires approval by three-fourths of the City Council to pass.

For historical context, Table 3 shows a five-year history of past budget exception ordinances by department and includes CB 120572 for comparison.

Table 3. Five-Year History of Budget Exception Ordinances by Department

Amounts in \$1,000s	2018	2019	2020	2021	2022
	O-125893	O-126127	O-126471	O-126587	CB 120572
Office of Housing	-	-	\$6,575	-	
Seattle Department of Transportation	\$1,063	\$8,794	\$9,441	\$6,774	\$2,783
Seattle Parks & Recreation	-	-	\$455	-	
Seattle Public Utilities	-	-	\$13,588	-	
Seattle City Retirement System	-	\$882		-	
Seattle Department of Human Resources	\$95	\$3,433	-	\$6,542	
Human Services Department	-	\$864	-	-	
Seattle Police Department	\$199	-	-	-	
Department of Finance and Administrative Services	\$12,136	-	-	-	\$2,052
Ethics and Elections Commission					\$45
Total	\$13,493	\$13,972	\$30,059	\$13,316	\$4,879

As shown in the table, the total amount of budget exceptions has varied over the years. The departments requesting retroactive budget authority have also varied from year-to-year, apart from SDOT. SDOT is the only Department that submitted budget exceptions every year over the past 5 years. To reduce the number of future SDOT budget exceptions, the Council could request that the City Budget Office focus on addressing this reoccurring issue.

Budget Development - Next Steps

Based on information to date, and recent practice, there will likely be additional proposed standalone and comprehensive supplemental appropriations bills. While proposed standalone bills are not known at this time, additional comprehensive appropriation bills could include:

- Mid-year Supplemental: Typically introduced in July, this bill would represent the second comprehensive supplemental appropriations bill.
- Mid-year and Year-end Grant Acceptance and Appropriation: Introduced along with the supplemental legislation in July and September, respectively, these bills accept and provide spending authority for grants and other non-City revenues.
- Year-end Supplemental: Introduced during the deliberative process for the next year's budget bill, which runs from October through the budget bill's final passage in late November, this bill would represent the second comprehensive, citywide budget increase request from the Executive. Considering this bill during the fall budget process allows the City Council to consider the full picture of the City's finances during the 2024 mid-biennium budget review and adjustment process.

Attachments:

1. 2022 Budget Adjustments through April 11, 2023.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director

Attachment 1. 2023 Budget Adjustments Through April 20, 2023

Department	Adopted Budget	Automatic Carryforward	Approved Supplementals as of 4/20/23	Revised Budget	CB 120573	CB 120573 % Increase to Revised Budget
City Budget Office	\$8,215,845	\$2,901,065	-	\$11,116,910	-	0%
Civil Service Commissions	\$895,019	-	-	\$895,019	\$97,672	11%
Community Police Commission	\$1,887,566	-	-	\$1,887,566	-	0%
Community Safety and Communications Center	\$20,522,661	\$80,829	-	\$20,603,490	\$614,755	3%
Department of Education and Early Learning	\$130,168,307	\$69,762,966	-	\$199,931,273	\$1,026,217	1%
Department of Finance and Administrative Services	\$417,286,575	\$88,047,362	\$500,000	\$505,833,937	\$4,632,601	1%
Department of Neighborhoods	\$19,945,169	\$9,404,716	-	\$29,349,885	\$148,000	1%
Employees' Retirement System	\$10,474,069	\$33,853	-	\$10,507,922	\$1,010,389	10%
Ethics and Elections Commission	\$8,011,393	-	-	\$8,011,393	-	0%
Finance General	\$339,046,614	\$6,234,805	-	\$345,281,419	\$36,155,387	10%
Firefighter's Pension	\$22,972,698	-	-	\$22,972,698	-	0%
Human Services Department	\$319,126,706	\$109,179,884	\$582,000	\$428,888,590	\$8,751,893	2%
Law Department	\$40,023,100	\$1,004,893	\$933,000	\$41,960,993	-	0%
Legislative Department	\$20,817,262	\$537,693	-	\$21,354,955	-	0%
Office for Civil Rights	\$7,910,594	\$4,321,087	-	\$12,231,681	\$30,463	0%
Office of Arts and Culture	\$18,885,122	\$11,836,833	-	\$30,721,955	\$4,296,684	14%
Office of Economic and Revenue Forecasts	\$702,468	-	-	\$702,468	-	0%
Office of Economic Development	\$27,636,887	\$29,213,262	-	\$56,850,149	-	0%
Office of Emergency Management	\$2,786,495	\$1,099,771	\$1,937,247	\$5,823,513	-	0%
Office of Hearing Examiner	\$1,163,296	-	-	\$1,163,296	-	0%
Office of Housing	\$252,994,634	\$189,033,977	\$1,050,000	\$443,078,611	\$36,143,372	8%
Office of Immigrant and Refugee Affairs	\$5,063,161	\$1,354,655	-	\$6,417,816	\$80,878	1%
Office of Inspector General for Public Safety	\$3,933,921	\$313,732	-	\$4,247,653	-	0%
Office of Intergovernmental Relations	\$3,105,777	\$86,800	-	\$3,192,577	-	0%
Office of Labor Standards	\$8,432,555	\$1,165,010	-	\$9,597,565	\$45,198	0%
Office of Planning and Community Development	\$35,267,422	\$10,982,619	-	\$46,250,041	\$44,330,532	96%
Office of Sustainability and Environment	\$29,122,633	\$3,818,187	-	\$32,940,820	\$1,349,288	4%
Office of the City Auditor	\$2,276,049	\$346,754	-	\$2,622,803	\$500,000	19%
Office of the Employee Ombud	\$1,151,996	-	-	\$1,151,996	-	0%
Office of the Mayor	\$10,406,048	\$500,464	-	\$10,906,512	\$38,132	0%
Police Relief and Pension	\$26,741,006	-	-	\$26,741,006	-	0%
Seattle Center	\$57,964,283	\$20,511,180	\$596,250	\$79,071,713	-	0%
Seattle City Light	\$1,508,035,941	\$336,921,973	\$472,000	\$1,845,429,914	\$2,575,509	0%
Seattle Department of Construction and Inspections	\$111,803,499	\$2,218,612	-	\$114,022,111	\$2,594,000	2%
Seattle Department of Human Resources	\$399,898,188	\$26,686	-	\$399,924,874	\$641,771	0%
Seattle Department of Transportation	\$712,896,701	\$496,918,975	\$17,270,465	\$1,227,086,141	\$2,405,645	0%
Seattle Fire Department	\$271,287,290	\$6,704,472	\$3,318,947	\$281,310,709	-	0%
Seattle Information Technology Department	\$312,775,473	\$60,371,044	-	\$373,146,517	\$4,520,140	1%
Seattle Municipal Court	\$40,915,616	\$343,827	-	\$41,259,443	\$394,228	1%
Seattle Parks and Recreation	\$328,941,463	\$217,907,506	-	\$546,848,969	\$700,000	0%
Seattle Police Department	\$374,319,533	\$23,516,157	\$2,713,334	\$400,549,024	-	0%
Seattle Public Library	\$98,941,185	\$27,024,496	-	\$125,965,681	\$868,000	1%
Seattle Public Utilities	\$1,418,930,728	\$124,061,999	\$3,702,088	\$1,546,694,815	-	0%
Total	\$7,433,682,948	\$1,857,788,144	\$33,075,331	\$9,324,546,423	\$153,950,753	2%



CB 120573 – 2022 Carryforward

CB 120572 – 2022 Exceptions

EDIN SISIC, ANALYST

FINANCE & HOUSING COMMITTEE

MAY 17, 2023

Overview

- Background on Budget Adjustment Process
 1. Adopted budget
 2. Automatic carryforwards
 3. Supplementals
 4. Exceptions
- CB120573 – 2022 Carryforward
- CB120572 – 2022 Exceptions
- Next Steps

Background - Budget Adjustment Process

Adopted Budget

- [RCW 35.32A.050](#) - late November of each year City Council passes annual budget
- Passed on November 29, 2022, [Ordinance 126725](#) authorized a 2023 Adopted Budget from all sources of \$7.4 billion
- One-year of capital improvements program investments

Background - Budget Adjustment Process (Cont'd)

Automatic Carryforward

- [RCW 35.32A.080](#) - non-lapsing capital appropriations
- Grants and administrative
- Encumbrances
- Total of \$1.9B of automatic carryforward into 2023 across all funds, two thirds of which is in capital budget lines

Background - Budget Adjustment Process (Cont'd)

Supplementals

- Authority provided by [RCW 35.32A.060](#)
- Standalone:
 - Four bills passed by City Council as of April 11, 2023, appropriating a total of \$2.9 million
- Comprehensive:
 - Carryforward
 - Mid-year/Year-end

Exceptions

- Department spending exceeded appropriation

Background - Budget Adjustment Process (Cont'd)

Fund	(a) 2023 Adopted	(b) Auto Carryforward	(c) Standalone Bills	(d) = a+b+c 2022 Revised	d/a = Percent Increase
General	\$1,606 M	\$106.8 M	\$8.9 M	\$1,722 M	7%
All Other	\$5,827 M	\$1,751 M	\$24.2 M	\$7,603 M	30%
Total:	\$7,433 M	\$1,858 M	\$33.1 M	\$9,325 M	25%

CB 120573 – 2022 Carryforward

Total requested increase of \$154.0 million across all funds, including:

- **Office of Planning and Community Development:** \$44.3 million (96 percent) increase across several funds, \$40.9 million of which is GF, for Equitable Development Initiative awards that have not yet been contracted
- **Office of Arts and Culture:** \$4.3 million (14 percent) overall increase, \$3.2 million of which is GF to implement Strategic Investment Fund allocations that were awarded in 2021
- **Finance General:** \$36.2 million (10 percent) increase across several funds, \$27.3 million of which is a GF appropriation for Participatory Budgeting program
- **Office of Housing:** \$36.1 million (8 percent) overall increase, \$34.5 of which is JumpStart Fund for Multifamily Housing

CB 120572 – 2022 Exceptions

Total requested increase of \$4.9 million. Notable items include:

- **Department of Finance and Administrative Services (FAS):** A \$1.7 million FAS Fund increase due to fuel price increases and increased vendor costs related to the increased need for fleet maintenance.
- **Seattle Department of Transportation (SDOT):** A \$1.5 million GF increase due to unanticipated and higher than budgeted overhead labor costs for the Parking Enforcement Division at SDOT. This is a one-time exception request as Parking Enforcement Officers were transferred back to the Seattle Police Department in the 2023-2024 Adopted Budget.

Next Steps

Additional comprehensive supplementals

- Mid-year supplemental
- Mid-year and year-end grant acceptance and appropriation
- Year-end supplemental

Questions?



Legislation Text

File #: CB 120573, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2023 Budget, appropriations for the following items in the 2023 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Civil Service Commissions	General Fund (00100)	Civil Service Commissions (00100-BO-VC-V1CIV)	\$97,672
1.2	Department of Education and Early Learning	Sweetened Beverage Tax Fund (00155)	Early Learning (00155-BO-EE-IL100)	\$150,000
1.3	Department of Education and Early Learning	Families Education Preschool Promise Levy (17871)	K-12 Programs (17871-BO-EE-IL200)	\$876,217
1.4	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Leadership and Administration (50300-BO-FA-BUDCENTR)	\$329,319

1.5	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$500,000
1.6	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$1,901,342
1.7	Department of Finance and Administrative Services	Fleet Capital Fund (50321)	Fleet Capital Program (50321-BO-FA-FLEETCAP)	\$909,340
1.8	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	City Finance (50300-BO-FA-CITYFINAN)	\$477,600
1.9	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	City Purchasing and Contracting Services (50300-BO-FA-CPCS)	\$157,500
		Payroll Expense Tax (14500)	City Purchasing and Contracting Services (14500-BO-FA-CPCS)	\$157,500
1.10	Department of Finance and Administrative Services	General Fund (00100)	City Services (00100-BO-FA-CITYSVCS)	\$200,000
1.11	Department of Neighborhoods	General Fund (00100)	Community Building (00100-BO-DN-I3300)	\$148,000
1.12	Employees' Retirement System	Employees' Retirement Fund (61030)	Employee Benefit Management (61030-BO-RE-R1E00)	\$1,010,389
1.13	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	\$27,250,000
1.14	Finance General	2021 Multipurpose LTGO Bond Fund (36800)	Appropriation to Special Funds (36800-BO-FG-2QA00)	\$1,813,301
		2022 Multipurpose LTGO Bond Fund (36900)	Appropriation to Special Funds (36900-BO-FG-2QA00)	\$3,567,219

1.15	Finance General	Unrestricted Cumulative Reserve Fund (00164)	General Purpose (00164-BO-FG-2QD00)	\$2,000,000
1.16	Finance General	Payroll Expense Tax (14500)	Appropriation to Special Funds (14500-BO-FG-2QA00)	\$250,000
1.17	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	\$74,867
1.18	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	\$1,200,000
1.19	Human Services Department	General Fund (00100)	Supporting Safe Communities (00100-BO-HS-H4000)	\$474,000
1.20	Human Services Department	Human Services Fund (16200)	Supporting Affordability and Livability (16200-BO-HS-H1000)	\$5,665,893
1.21	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$100,000
		Unrestricted Cumulative Reserve Fund (00164)	Supporting Affordability and Livability (00164-BO-HS-H1000)	\$500,000
1.22	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$1,500,000
1.23	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$250,000
1.24	Human Services Department	General Fund (00100)	Leadership and Administration (00100-BO-HS-H5000)	\$262,000
1.25	Executive (Office for Civil Rights)	General Fund (00100)	Civil Rights (00100-BO-CR-X1R00)	\$30,463
1.26	Executive (Office of Housing)	Payroll Expense Tax (14500)	Multifamily Housing (14500-BO-HU-3000)	\$34,461,003

1.27	Executive (Office of Housing)	Payroll Expense Tax (14500)	Homeownership & Sustainability (14500-BO-HU-2000)	\$153,948
1.28	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership and Administration (16600-BO-HU-1000)	\$192,303
			Homeownership & Sustainability (16600-BO-HU-2000)	\$1,257,134
			Multifamily Housing (16600-BO-HU-3000)	\$78,984
1.29	Executive (Office of Planning and Community Development)	General Fund (00100)	Equitable Development Initiative (00100-BO-PC-X2P40)	\$22,242,279
		Short-Term Rental Tax Fund (12200)	Equitable Development Initiative (12200-BO-PC-X2P40)	\$3,234,954
		Unrestricted Cumulative Reserve Fund (00164)	Equitable Development Initiative (00164-BO-PC-X2P40)	\$263,000
		Payroll Expense Tax (14500)	Equitable Development Initiative (14500-BO-PC-X2P40)	\$15,169,242
1.30	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$18,200
1.31	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$30,000
		Payroll Expense Tax (14500)	Planning and Community Development (14500-BO-PC-X2P00)	\$2,300,000
1.32	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$150,000
		Payroll Expense Tax (14500)	Planning and Community Development (14500-BO-PC-X2P00)	\$450,000

1.33	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$142,192
1.34	Executive (Office of the Mayor)	General Fund (00100)	Office of the Mayor (00100-BO-MA-X1A00)	\$38,132
1.35	Seattle City Light	Light Fund (41000)	Leadership and Administration (41000-BO-CL-ADMIN)	\$250,000
1.36	Seattle City Light	Light Fund (41000)	Customer Care (41000-BO-CL-CUSTCARE)	\$2,325,509
1.37	Seattle Department of Construction and Inspections	General Fund (00100)	Compliance (00100-BO-CI-U2400)	\$90,000
1.38	Seattle Department of Construction and Inspections	General Fund (00100)	Government Policy, Safety & Support (00100-BO-CI-U2600)	\$54,000
1.39	Seattle Department of Construction and Inspections	Construction and Inspections (48100)	Process Improvements & Technology (48100-BO-CI-U2800)	\$2,450,000
1.40	Seattle Department of Human Resources	General Fund (00100)	Leadership and Administration (00100-BO-HR-N5000)	\$641,771
1.41	Seattle Department of Transportation	Transportation Fund (13000)	Bridges & Structures (13000-BO-TR-17001)	\$200,000
1.42	Seattle Department of Transportation	Transportation Fund (13000)	Mobility Operations (13000-BO-TR-17003)	\$1,361,415
		Transportation Benefit District Fund (19900)	Mobility Operations (19900-BO-TR-17003)	\$35,629
1.43	Seattle Department of Transportation	Payroll Expense Tax (14500)	Mobility Operations (14500-BO-TR-17003)	\$78,251
1.44	Seattle Department of Transportation	Payroll Expense Tax (14500)	Mobility Operations (14500-BO-TR-17003)	\$120,000
1.45	Seattle Department of Transportation	Seattle Streetcar Operations (10800)	First Hill Streetcar Operations (10800-BO-TR-12002)	\$366,210

1.46	Seattle Department of Transportation	Seattle Streetcar Operations (10800)	South Lake Union Streetcar Operations (10800-BO-TR-12001)	\$244,140
1.47	Seattle Parks and Recreation	Seattle Park District Fund (19710)	Leadership and Administration (19710-BO-PR-20000)	\$700,000
1.48	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$166,000
1.49	Seattle Public Library	Library Fund (10410)	The Seattle Public Library (10410-BO-SPL)	\$127,000
1.50	Seattle Public Library	2012 Library Levy Fund (18100)	The Seattle Public Library (18100-BO-SPL)	\$258,000
1.51	Seattle Public Library	2012 Library Levy Fund (18100)	The Seattle Public Library (18100-BO-SPL)	\$9,250
		2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$107,750
1.52	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$200,000
1.53	Executive (Office of Arts and Culture)	Municipal Arts Fund (12010)	Public Art (12010-BO-AR-2VMA0)	\$77,000
1.54	Executive (Office of Arts and Culture)	Arts and Culture Fund (12400)	Arts and Cultural Programs (12400-BO-AR-VA160)	\$334,000
1.55	Executive (Office of Arts and Culture)	Payroll Expense Tax (14500)	Arts and Cultural Programs (14500-BO-AR-VA160)	\$529,358
1.56	Executive (Office of Arts and Culture)	General Fund (00100)	Cultural Space (00100-BO-AR-VA170)	\$3,200,000
1.57	Executive (Office of Arts and Culture)	Payroll Expense Tax (14500)	Arts and Cultural Programs (14500-BO-AR-VA160)	\$156,326
1.58	Executive (Office of Immigrant and Refugee Affairs)	General Fund (00100)	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	\$64,677
1.59	Executive (Office of Immigrant and Refugee Affairs)	General Fund (00100)	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	\$16,201

1.60	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$109,269
1.61	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$930,019
1.62	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$275,000
1.63	Executive (Office of Sustainability and Environment)	General Fund (00100)	Office of Sustainability and Environment (00100-BO-SE-X1000)	\$35,000
1.64	Office of the City Auditor	Sweetened Beverage Tax Fund (00155)	Office of the City Auditor (00155-BO-AD-VG000)	\$500,000
1.65	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$146,803
1.66	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$581,000
1.67	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$109,498
1.68	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$404,089
1.69	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$237,682
1.70	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$1,764,611
1.71	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$25,215
1.72	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$43,974

1.73	Seattle Information Technology Department	Information Technology Fund (50410)	Frontline Services and Workplace (50410-BO-IT-D0400)	\$19,026
1.74	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$488,595
1.75	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$210,276
1.76	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$127,616
1.77	Seattle Information Technology Department	Information Technology Fund (50410)	Frontline Services and Workplace (50410-BO-IT-D0400)	\$99,754
1.78	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$262,000
1.79	Executive (Office of Labor Standards)	Office of Labor Standards Fund (00190)	Office of Labor Standards (00190-BO-LS-1000)	\$35,921
1.80	Executive (Office of Labor Standards)	Office of Labor Standards Fund (00190)	Office of Labor Standards (00190-BO-LS-1000)	\$9,277
1.81	Seattle Municipal Court	General Fund (00100)	Administration (00100-BO-MC-3000)	\$171,455
1.82	Seattle Municipal Court	General Fund (00100)	Administration (00100-BO-MC-3000)	\$140,173
1.83	Seattle Municipal Court	General Fund (00100)	Court Operations (00100-BO-MC-2000)	\$82,600
1.84	Community Safety and Communications Center	General Fund (00100)	Community Safety and Communications Center (00100-BO-CS-10000)	\$271,120
1.85	Community Safety and Communications Center	General Fund (00100)	Community Safety and Communications Center (00100-BO-CS-10000)	\$343,635
1.86	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$330,664

Total	\$153,950,753
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Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office	Caleb Wagenaar	Caleb Wagenaar

* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: AN ORDINANCE amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: This legislation appropriates unexpended non-capital appropriations from the 2022 Budget to the 2023 Budget.

RCW 35.32A.080 states: “The whole or any part of any appropriation provided in the budget for operating and maintenance expenses remaining unexpended or unencumbered at the close of the fiscal year shall automatically lapse, except any such appropriation as the city council shall continue by ordinance.” This legislation requests continuances for unexpended 2022 appropriations for non-capital purposes in the amount of \$154 million. Appropriations were made in the 2022 Budget for these expenditures but for various reasons, spending was not initiated or completed during the 2022 fiscal year. This ordinance re-appropriates these funds, which lapsed at the end of 2022, in most cases for the same purposes that the funds were dedicated to in 2022.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
	\$59,649,101	\$0	\$94,301,652	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024
	0	0	0	0

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No. Please see Summary Attachment A for details on 2022 carry forward spending.

Is there financial cost or other impacts of *not* implementing the legislation?

The objectives supported by these resources could not be achieved without this legislation.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

See Summary Attachment A for details on 2022 carry forward appropriation.

3.b. Revenues/Reimbursements

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

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes, this legislation impacts most departments' 2023 budgets. The budget appropriation contained in this legislation provides appropriation authority to cover unanticipated spending above previously authorized during 2022.

b. Is a public hearing required for this legislation?

No.

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

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

See Summary Attachment A for any associated implications.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

See Summary Attachment A for any associated implications.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

See Summary Attachment A for any associated implications.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).

See Summary Attachment A for any associated implications.

Summary Attachments:

Summary Att A – 2022 Carry Forward Ordinance Summary Detail Table

2022 Carry Forward Ordinance Summary Detail Table

Item #	Title	Description	Amount/FTE
Section 1 – Appropriation Increases			
1.1	2022 Carryforward Civil Service Vaccine Mandate Appeals (Civil Service Commissions)	This item increases one-time appropriation authority by \$97,671.92 to the BO-VC-V1CIV Civil Service Commissions BSL. These resources will be used to increase the department's capacity for appeals and hearing related to vaccine mandate separations and impacts of the vaccine mandate being lifted, both for the Civil Service Commission (CSC) and Public Safety Civil Service Commission (PSCSC).	\$97,672
1.2	Prenatal-3 Grant Carryforward (Department of Education and Early Learning)	This item increases appropriation authority by \$150,000 in the Sweetened Beverage Tax DEEL Budget Control Level (00155-BO-EE-IL100) and provides resources for DEEL to fund a contract for Prenatal-3 services. DEEL completed an RFP process in 2022 for Prenatal-3 grant services and awarded grants to several organizations. DEEL was unable to complete a contract prior to the year-end deadline with one of the awardees. This contract was executed in January 2023 and the work is underway.	\$150,000
1.3	K-12 Families, Education, Preschool, and Promise (FEPP) Levy Carryforward (Department of Education and Early Learning)	This item increases appropriation authority by \$876,217 in the FEPP Levy DEEL Budget Control Level (17871-BO-EE-IL200) and provides resources for DEEL to support the second half of a 2022-23 school year Memorandum of Agreement (MOA) with Seattle Parks and Recreation for Sports and Transportation. MOA funding is not encumbered in PeopleSoft and requires legislated carryforward. This funding also supports the 2023 Opportunities and Access Request for Investment per the FEPP Levy Implementation and Evaluation Plan.	\$876,217

Item #	Title	Description	Amount/FTE
1.4	Support for Workplace Safety Positions (Department of Finance and Administrative Services)	This item increases appropriation authority by \$329,319 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund Leadership and Administration Budget Control Level (50300-BO-FA-BUDCENTR) for funding for two Safety & Health Specialist temporary positions that were approved via 2022 Ordinance 126706 (item 2.3). The 2022 funding was not used because the ordinance was signed at the end of the year and recruitment began in December of 2022.	\$329,319
1.5	Carryforward for Police Evidence Warehouse (Department of Finance and Administrative Services)	This item increases appropriation authority by \$500,000 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund Facilities Services Budget Control Level (50300-BO-FA-FACILITY) to provide the appropriation needed to pay the lease for a police evidence warehouse approved via Ordinance 126429 (item 2.47). The Seattle Police Department identified a need for a new evidence warehouse with more storage but identifying the location and making appropriate adjustments to the facility resulted in the lease start being delayed until January 2023.	\$500,000
1.6	Facilities Repairs and Improvements (Department of Finance and Administrative Services)	This item increases appropriation authority by \$1,901,342 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund Facilities Services Budget Control Level (50300-BO-FA-FACILITY) to support work started in 2022 by FAS's Capital Development Division, but will be billed to the Facilities Division operating budget upon completion. This work is composed of requests from various City departments for maintenance or improvement projects. The specific list of projects includes eight repair projects for Fire Stations/precincts, eight projects for Seattle Municipal Tower/City Hall repairs/improvements, and a Harbor Patrol building repair.	\$1,901,342

Item #	Title	Description	Amount/FTE
1.7	Fleet Capital Program Carryforward (Department of Finance and Administrative Services)	This item increases appropriation authority by \$909,340 to the Finance and Administrative Services Department in the Fleet Capital Fund Fleet Capital Program Budget Control Level (50321-BO-FA-FLEETCAP) to provide appropriation for projects planned in 2022 that were not able to begin in 2022. Several vehicles planned for replacement in 2022 were not available on the market due to supply chain issues.	\$909,340
1.8	City Finance Carryforward Request (Department of Finance and Administrative Services)	This item increases appropriation authority by \$477,600 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund City Finance Budget Control Level (50300-BO-FA-CITYFINAN) for consulting and contracting costs. City Finance has some unanticipated expenditures in 2023 in Business systems and Risk Management. City Finance also had several contracts with inflation built in for which we do not have sufficient budget. Carry forward funds from 2022 underspend will allow us to meet these unanticipated and inflationary contractual responsibilities.	\$477,600
1.9	Priority Hire Carryforward (Department of Finance and Administrative Services)	This item increases appropriation authority by \$157,500 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund City Purchasing & Contracting Budget Control Level (50300-BO-FA-CPCS) and this item also increases appropriation authority by \$157,500 in the Finance and Administrative Services Fund City Purchasing & Contracting Budget control Level (14500-BO-FA-CPCS). This request is the balance remaining of an additional one-time investment in the Priority Hire Program. The scalable program provides technical assistance to WMBE firms to do business with the City, and wrap-around services intended to support construction apprenticeship training and retention of apprentices and workers who are members of Black, Indigenous, and People of Color (BIPOC) communities. The item is funded by a transfer of Jumpstart Payroll Expense Tax Fund.	\$315,000

Item #	Title	Description	Amount/FTE
1.10	Public Safety Waterways Study Carryforward (Department of Finance and Administrative Services)	This item increases appropriation authority by \$200,000 to the Finance and Administrative Services Department in the Finance and Administrative Services Fund City Services Budget Control Level (50300-BO-FA-CITYSVCS). This request carries forward one-time funding for the Public Safety Waterways study. The study will be completed in 2023.	\$200,000
1.11	Guaranteed Basic Income Pilot Development (Department of Neighborhoods)	This item increases appropriation authority by \$148,000 to General Fund Community Building BCL (00100-BO-DN-I3300) and provides resources to Department of Neighborhoods for continuation of Guaranteed Basic Income pilot development. These funds were a one-time add for DON to develop a Guaranteed Income pilot appropriate for Seattle communities. DON initiated the work in 2022 and has been in steady development with four community-based partners. Community partnerships have set the pace for this work and the steady spending of these funds reflects that pace. DON anticipates the work will be completed in 2023 resulting in 3-4 pilot plans City leadership can consider. Carryover of these funds would support completion of this Council request.	\$148,000
1.12	Carryforward Unexpended 2022 (Employees' Retirement System)	This item increases appropriation authority by \$1,010,389 in the Employees' Retirement Fund Employee Benefit Management Budget Control Level (61030-BO-RE-R1E00) and provides resources for SCERS to expense in 2023 service hours purchased in 2022 as it undertakes maintenance and improvements to its Pension Administration System (PAS).	\$1,010,389
1.13	Participatory Budgeting (Finance General)	This item increases appropriation authority by \$27,250,000 in Finance General's General Fund (00100) Reserves Budget Summary Level (BO-FG-2QD00) to carry forward funding for Participatory Budgeting.	\$27,250,000

Item #	Title	Description	Amount/FTE
1.14	2022 LTGO Bond Carryforward for ITD Projects (Finance General)	This item increases appropriation authority by \$1,813,301 in the 2021 Multipurpose LTGO Bond Fund's Appropriation to Special Funds BCL (36800-BO-FG-2QA00) and by \$3,567,219 in the 2022 Multipurpose LGTO Bond Fund's Appropriation to Special Funds BCL (36900-BO-FG-2QA00) in Finance General to carry forward funds for the Seattle Information Technology Department (ITD). Finance General occasionally holds bond proceeds on behalf of ITD and the department bills the bond fund as costs are incurred.	\$5,380,520
1.15	West Wing Capital Improvements (Finance General)	This item increases appropriation authority by \$2,000,000 in the Cumulative Reserve Subfund - Unrestricted (CRS-U) Fund General Purpose Budget Control Level (00164-BO-FG-2QD00) in Finance General. The CRS-U funds were added to the 2020 Adopted Budget as part of the High Barrier Workgroup recommendations. The funds are to be used for a partnership between the City and King County to create a 40-60 bed, comprehensive place-based treatment center at the “West Wing” of the King County Correctional Facility. The treatment center will provide enhanced shelter case management, including intensive on-site treatment for mental health and substance use disorder issues. An additional \$400,000 of General Fund is included in the 2023 Adopted Budget to support this work.	\$2,000,000
1.16	Transfers to FAS (Finance General)	This item increases appropriation authority by \$250,000 in the Payroll Expense Tax Fund's Appropriation to Special Funds BCL (14500-BO-FG-2QA00) in Finance General to carryforward for a transfer to the Department of Finance and Administrative Services (FAS). These funds back FAS spending on ECI Workforce Equity and was intended to transfer in 2022 but the transfer was not completed before yearend.	\$250,000
1.17	Parking Enforcement Reserve (Finance General)	This item increases appropriation authority by \$74,867 in the General Fund General Purpose Budget Control Level (00100-BO-FG-2QD00) in Finance General to carryforward the remaining funding reserved for parking enforcement related 2021-2022 refunds.	\$74,867

Item #	Title	Description	Amount/FTE
1.18	Alternative 911 Response (Finance General)	This item increases appropriation authority by \$1,200,000 in the General Fund's General Purpose BCL (00100-BO-FG-2QD00) in Finance General to carryforward funding for the Alternative 911 Reserve. The Mayor’s Office is currently working closely with City Council Central Staff on solutions to stand-up programs that perform a variety of public safety-related community service and outreach work that does not require the enforcement authority of a sworn officer. This work includes investments in programs at multiple departments for diversifying 911 responses and responding to behavioral health crisis calls and adds to \$708,950 included in Finance General in the 2023 Adopted Budget.	\$1,200,000
1.19	Gender Based Violence Critical Services Gaps (Human Services Department)	This item increases appropriation authority by \$474,000 in the General Fund Supporting Safe Communities Budget Control level (00100-BO-HS-H4000) and provides resources for the Human Services Department to address gaps the Gender Based Violence Services network resulting from the outcome of the 2022 GBV RFP. Three organizations who also provide critical resources for marginalized populations were not funded in 2023 creating a critical service gap. This funding will allow time for the programs to locate additional funding sources to sustain services, or ramp down their program if ongoing funding is not identified.	\$474,000
1.20	Childcare Bonus Funds Carryforward (Human Services Department)	This item increases appropriation authority by \$5,665,893 in the Human Services Fund Supporting Affordability & Livability Budget Control level (16200-BO-HS-H1000) and provides resources for the Human Services Department to implement childcare facility development contracts in Seattle. This budget was not encumbered in 2022 and is required to support identified childcare facility projects backed by Childcare Bonus Fund revenue. The budget authority for these projects was added as one-time appropriation in the 2022 mid-year supplemental budget.	\$5,665,893

Item #	Title	Description	Amount/FTE
1.21	Lambert House Carryforward (Human Services Department)	This item increases appropriation authority by \$500,000 in the Cumulative Reserve Fund Supporting Affordability & Livability Budget Control level (00164-BO-HS-H1000) and \$100,000 in the General Fund Supporting Affordability & Livability Budget Control level (00100-BO-HS-H1000) and provides resources for the Human Services Department to support facility improvements. The budget authority for this project was added as one-time appropriation in the 2021 carryforward budget process. This budget for facility improvements for a LGBTQ youth program was not encumbered in 2022 due to unforeseen delays.	\$600,000
1.22	AiPACE Carryforward (Human Services Department)	This item increases appropriation authority by \$1,500,000 in the General Fund Supporting Affordability & Livability Budget Control level (00100-BO-HS-H1000) and provides resources for the Human Services Department to support facility improvements. This budget for facility improvements for an older adult health program was not encumbered in 2022 due to unforeseen delays. The budget authority for this project was added as one-time appropriation in the 2022 adopted budget and 2022 mid-year supplemental.	\$1,500,000
1.23	Lake City Facility Carryforward (Human Services Department)	This item increases appropriation authority by \$250,000 in the General Fund Supporting Affordability & Livability Budget Control level (00100-BO-HS-H1000) and provides resources for the Human Services Department to support facility improvements. The budget authority for this project was added as one-time appropriation in the 2022 adopted budget. This budget for facility improvements for a site in Lake City was not encumbered in 2022 due to unforeseen delays.	\$250,000

Item #	Title	Description	Amount/FTE
1.24	CCMS Implementation Technical Support (Human Services Department)	This item increases appropriation authority by \$262,000 in the General Fund Leadership & Administration Budget Control level (00100-BO-HS-H5000) and provides resources for the Human Services Department to finalize implementation of the new Citywide Contract Management System (CCMS). The purpose of this project is to implement specific customization that's required to meet HSD's business needs for work started in 2022 under a Memorandum of Agreement between HSD and Seattle IT. The anticipated project completion is 2023. The budget authority for this project was a set-aside in HSD's appropriation in the 2022 Adopted Budget.	\$262,000
1.25	DV Community Expert and Stakeholder Workgroup (Office for Civil Rights)	This item increases appropriation authority by \$30,463 to the Office for Civil Rights' General Fund Budget Control Level (00100-BO-CR-X1R00) and provides resources for the Domestic Violence (DV) Community Expert and Stakeholder Workgroup. The funding completes the work initiated by a 2022 Council Budget Action OCR-002-A-001, will support stipends and meeting costs for 15 community members for the remaining monthly stakeholder meetings through mid-2023.	\$30,463
1.26	PET Multifamily Capital Carryforward (Office of Housing)	This item increases appropriation authority by \$34,461,003 in the Payroll Expense Tax Fund Multifamily Housing Budget Control Level (14500-BO-HU-3000) and provides resources to the Office of Housing. These funds have been awarded to specific projects, but they are unencumbered in the City's financial system as the loans have not yet closed.	\$34,461,003
1.27	PET Weatherization Carryforward (Office of Housing)	This item increases appropriation authority by \$153,948 in the Payroll Expense Tax Fund Homeownership & Sustainability Budget Control Level (14500-BO-HU-2000) and provides resources to the Office of Housing to support ongoing implementation of weatherization work related to the Green New Deal program.	\$153,948

Item #	Title	Description	Amount/FTE
1.28	Technical Adjustment Carryforward (Office of Housing)	This item increases appropriation authority by \$1,257,134 in the Office of Housing Fund Homeownership & Sustainability Budget Control Level (16600-BO-HU-2000), increases appropriation authority by \$192,303 in the Office of Housing Fund Leadership and Administration Budget Control Level (16600-BO-HU-1000), increases appropriation authority by \$78,984 in the Office of Housing Fund Multifamily Housing Budget Control Level (16600-BO-HU-3000), and provides resources to the Office of Housing to grant adequate appropriation authority in each 16600 BSL to clear the negative authority in funding sources and subfunds in that BSL. Clearing the negatives will be done via a budget journal after the carryforward process, but this step is necessary to make the intra-BSL transfers possible.	\$1,528,421
1.29	EDI Awards (Office of Planning and Community Development)	This item increases appropriation authority by \$40,909,475 in the Equitable Development Initiative BCL (BO-PC-X2P40) and provides resources to the Office of Planning and Community Development for Equitable Development Initiative (EDI) projects that have not yet been contracted. Of the total amount, \$22.2 million is from the General Fund (00100) including \$19.3 million from the Mercer Megablock and \$2 million from the Civic Square Block. \$263,000 is from CRS-U (Fund 00164), \$3.2 million is from Short-Term Rental Tax (Fund 12200), and \$15.2 million is from Payroll Expense Tax (Fund 14500). While these funds have all been awarded, the contracting process for these long-term projects often takes multiple years and funds do not always get contracted within the year of the associated EDI RFP.	\$40,909,475

Item #	Title	Description	Amount/FTE
1.30	Equitable Development Zoning (Office of Planning and Community Development)	This item increases appropriation authority by \$18,200 in the General Fund Planning and Community Development Budget Control Level (00100-BO-PC-X2P00) and provides resources for the Office of Planning and Community Development to continue ongoing work on the Equitable Development Zoning Initiative to address barriers in the City's land use and zoning regulations that make it difficult for Equitable Development Initiative (EDI) and other affordable housing and development projects to succeed. This project was initially funded in the 2022 Adopted Budget. OPCD advanced work on this initiative in 2022 by meeting with focus groups and plans to continue with engagement work in 2023.	\$18,200
1.31	Duwamish Valley Program (Office of Planning and Community Development)	This item increases appropriation authority by \$2,330,000 in the Planning and Community Development BCL (BO-PC-X2P00) and provides resources for the Office of Planning and Community Development to continue the Duwamish Valley Program work, which includes investments in community assets such as the South Park Community Center, South Park Neighborhood Center, Georgetown gathering spaces, and community-supported development at the Unity Electric site. Of this amount, \$30,000 is General Fund (Fund 00100) and \$2.3 million is from the Payroll Expense Tax (Fund 14500).	\$2,330,000
1.32	Regional Subarea Growth Planning (Office of Planning and Community Development)	This item increases appropriation authority by \$600,000 in the Planning and Community Development Budget Control Level (BO-PC-X2P00) and provides resources for the Office of Planning and Community Development to continue a multi-year planning effort for regional growth center subarea plans. Of this funding, \$150,000 is from General Fund (Fund 00100) that was appropriated in the 2022 Adopted Budget; \$252,000 is Payroll Expense Tax (Fund 14500) that was allocated in the 2022 year-end supplemental budget (Ordinance 126706); and \$198,000 was transferred from 2022 mid-year salary savings in Payroll Expense Tax Fund. The RFP for engagement, policy, and plan development was released in December 2022 and the RFP for technical analysis will occur in March 2023.	\$600,000

Item #	Title	Description	Amount/FTE
1.33	Comprehensive Plan Major Update (Office of Planning and Community Development)	This item increases appropriation authority by \$142,192 in the General Fund Planning and Community Development Budget Control Level (00100-BO-PC-X2P00) and provides resources for the Office of Planning and Community Development to continue a multi-year update to the City's One Seattle Comprehensive Plan Major Update. The total General Fund budget for this work from 2021 and 2022 combined was \$1,025,000. The carry-forward funding will continue to partially support the term-limited (through 2024) outreach position Council added in the 2022 budget as well as supporting other outreach and engagement expenses such as designing materials and conducting public meetings.	\$142,192
1.34	Carryforward for WA AGO invoice (Office of the Mayor)	This item increases appropriation authority by \$38,132 in the General Fund Office of the Mayor Budget Control Level (00100-BO-MA-X1A000) and provides resources to the Office of the Mayor to pay an invoice for work incurred in 2022 by the Washington State Office of the Attorney General to provide research and consulting services on public safety alternatives to traditional law enforcement, but that was not paid in 2022.	\$38,132
1.35	Business Process Management Consulting Contract (Seattle City Light)	This item increases appropriation authority by \$250,000 in the Light Fund General Leadership and Administration BSL and provides resources for the Utility to support the Enterprise Business Process Management initiative which would define building business process capabilities across all SCL business units. Work on this contract was unable to be completed due to staffing issues and other delays in 2022 but completing this work is critical to the success of the Utility Strategic Plan. The funding would come from a one-time special carryforward of unspent 2022 funds.	\$250,000

Item #	Title	Description	Amount/FTE
1.36	Technology Electrification (Seattle City Light)	This item increases appropriation authority by \$2,325,509 in the City Light Fund Customer Care BSL (CUSTCARE) and provides resources for the Utility to fund the Transportation Electrification incentive program's initiatives ensuring that the commitments laid out in City Light's Strategic Plan and the Transportation Electrification Strategic Investment Plan are met. Budget for this program went unspent in 2022 due to delay in SCL's staffing capacity to review customer applications and delays in customer delays in construction completion. The funding of this request would come from a one-time use of 2022 unspent O&M dollars.	\$2,325,509
1.37	Economic Displacement Relocation Assistance Implementation (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$90,000 in the General Fund Compliance Budget Control Level (00100-BO-CI-U2400) and provides resources to the Seattle Department of Construction and Inspections for implementation costs associated with the Economic Displacement Relocation Assistance (EDRA) program. The 2022 Adopted Budget included \$1.27 million of one-time GF funding for EDRA implementation, including IT work and development of outreach materials. Initial IT project work was completed in December 2022; however, critical document upload work remains to be done. This funding will also be used for translation, printing, and outreach infographics that incorporate new EDRA content into the Renter's Handbook.	\$90,000
1.38	Unreinforced Masonry (URM) Program Support (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$54,000 in the General Fund Government, Policy, Safety & Support Budget Control Level (00100-BO-CI-U2600) and provides resources to the Seattle Department of Construction and Inspections to continue the work of setting up the Unreinforced Masonry (URM) Program. Of the \$200,000 GF included for URM in the 2022 Adopted Budget, \$54,000 is to procure a part-time contractor to develop a guidebook that provides general information and helps URM owners navigate the retrofit process. Because the URM program manager was not hired until November 2022, the contract for the guidebook was not executed in 2022.	\$54,000

Item #	Title	Description	Amount/FTE
1.39	Process Improvement & Technology Projects (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$2,450,000 in the Construction and Inspections Fund Process Improvement & Technology Budget Control Level (48100-BO-CI-U2800) and provides resources to the Seattle Department of Construction and Inspections to complete projects that were budgeted in 2022 but did not get completed due to other priorities. Projects that had to be paused include Permit History Research, Accela PeopleSoft Integration, and Accela Enhancements work.	\$2,450,000
1.40	IT projects one-time funding carryforward (Seattle Department of Human Resources)	This item increases appropriation authority by \$641,771 in the General Fund Leadership and Administration Budget Control Level (00100-BO-HR-N5000) and provides resources for the Seattle Department of Human Resources to pay for two information technology projects. Project IT060423TCARAT is under way to replace the legacy Compensation and Classification tracking system, with a projected Q2 2023 completion. Project IT060423THRCST to implement a customer tracking system for benefits administration is in the planning stage. These critical projects cannot be implemented without carryforward of the one-time budget authority added in the 2020 Adopted budget.	\$641,771
1.41	West Seattle Bridge Monitoring Carryforward (Seattle Department of Transportation)	This item increases appropriation authority by \$200,000 to 13000-BO-TR-17001 (Transportation Fund, Bridges and Structures) Budget Control Level and provides resources to the Seattle Department of Transportation for the 24/7 structural health monitoring system for the West Seattle Bridge. The funds were received by MO-TR-G004 in the 2022 year-end supplemental, but were not spent in 2022 because the O&M work shifted to 2023. No other budget is provided for this monitoring work in 2023 as the costs were not known when the 2023 budget was being developed; hence, carryforward is essential (see attached document 'MO-TR-G004 Spend Plan'). The monitoring will be an ongoing body of work throughout the remaining life of the bridge and ongoing appropriations will be required beginning in 2024. No proviso was associated with these funds.	\$200,000

Item #	Title	Description	Amount/FTE
1.42	Seattle Transportation Plan Carryforward (Seattle Department of Transportation)	This item increases the appropriation authority by \$1,361,415 to the 13000-BO-TR-17003 (Transportation Fund, Mobility Operations) Budget Control Level, by \$35,629 to the 19900 BO-TR-17003 (Transportation Benefit District, Mobility Operations) Budget Control Level; and provides carry forward funding for the Seattle Transportation Plan. The Seattle Transportation Plan is a multi-year effort to revise and unify all the existing modal plans (bike, pedestrian, transit, freight) into a single comprehensive document. While there were expenditures in 2022, the unspent funds remain necessary for the plan in 2023. There was a proviso related to this work in the 2022 budget that was lifted.	\$1,397,044
1.43	Climate Emergency Response Framework Carryforward (Seattle Department of Transportation)	This item increases the appropriation authority by \$78,251 to the 14500-BO-TR-17003 (Payroll Expense, Mobility Operations) Budget Control Level and provides carry forward funding for the Climate Emergency Response Framework that was part of the Green New Deal plan in the 2022 budget. This work examines SDOT's roles, responsibilities and opportunities to reduce the impact on the climate. Work was delayed in early 2022 due the the time needed to select a consultant for this work. The work is anticipated to be completed by April 2023. There was no proviso for this work.	\$78,251
1.44	Columbia City Patio Carryforward (Seattle Department of Transportation)	This item increases the appropriation authority by \$120,000 to the 14500-BO-TR-17003 (Payroll Expense, Mobility Operations) Budget Control Level and provides carryforward funding for the Columbia City Patio project. The project was originally funded with a funding source that under-generated revenue in 2022. The project was put on hold until new funding was found to support this work. Once funding became available, staff capacity to deliver the project was not available. There were no provisos related to this work in the 2022 budget.	\$120,000

Item #	Title	Description	Amount/FTE
1.45	First Hill Streetcar Operations Carryforward (Seattle Department of Transportation)	This item increases appropriation authority by \$366,210 in the Seattle Streetcar Operations Fund First Hill Streetcar Operations BCL (10800-BO-TR-12002) and provides resources to the Seattle Department of Transportation for payment of King County Metro’s reconciliation bill for 2022 service. The reconciliation bill is anticipated to be received by SDOT in mid-2023.	\$366,210
1.46	South Lake Union Streetcar Operations Carryforward (Seattle Department of Transportation)	This item increases appropriation authority by \$244,140 in the Seattle Streetcar Operations Fund South Lake Union Streetcar Operations BCL (10800-BO-TR-12001) and provides resources to the Seattle Department of Transportation for payment of King County Metro's reconciliation bill for 2022 service. The reconciliation bill is anticipated to be received by SDOT in mid-2023.	\$244,140
1.47	Waterfront Park Carryforward (Seattle Parks and Recreation)	This item increases appropriation by \$700,000 to Seattle Parks and Recreation (SPR) in the Park District Fund to the Leadership and Administration Budget Control Level (19710-BO-PR-20000) and provides resources to cover anticipated expenses for maintenance and of Waterfront Park including Pier 63 and additional park and open space elements of the development project currently underway during the transition of ongoing maintenance to Seattle Center by July 1, 2023. The underspending of operation and maintenance funds is the result of the overall delay in the Waterfront construction schedule. Funds will be used in 2023 to cover maintenance costs beyond the resources included in the Adopted Budget, in line with an agreement between SRP, Seattle Center, and Office of the Waterfront and Civic Projects.	\$700,000

Item #	Title	Description	Amount/FTE
1.48	AMH System Maintenance and Support (Seattle Public Library)	This item increases appropriation authority by \$166,000 to Seattle Public Library in the 2019 Library Levy Budget Control Level (18200-BO-SPL) for the Library Programs and Services Division and provides resources related to support and maintenance of the Library's central Automated Materials Handling System (AMHS), a critical piece of infrastructure that is funded via the Library's Capital Improvement Program (CIP). The AMHS project has been delayed due to the COVID-19 pandemic but is expected to be complete in early 2023. This item will support necessary equipment use (e.g., book trucks and ergonomic lifts) needed to operate the AMHS once the project is complete in early 2023.	\$166,000
1.49	Union Training Fund (Seattle Public Library)	This item increases appropriation authority by \$127,000 to Seattle Public Library in the Library Fund Budget Control Level (10410-BO-SPL) for the Human Resources Division. These funds are related to unspent resources designated for use by the Librarian's union (Local 2083). Carry-forward of these funds is stipulated in the Library & AFSCME labor contract – Article 25, Section 4.	\$127,000
1.50	Multi-Year Meeting Room Audio Visual Project (Seattle Public Library)	This item increases appropriation authority by \$258,000 to Seattle Public Library in the 2012 Library Levy Budget Control Level (18100-BO-SPL) for the Library Programs and Services Division and provides resources for Information Technology to continue an ongoing, multi-year meeting room Audio/Visual upgrade project. This long-term project represents several significant upgrades to our meeting rooms and was designated as a priority connected to the 2012 Library Levy. Due to the COVID-19 pandemic and the reprioritization of staff capacity, this project was deferred in 2020 and 2021. The project was underway in 2022 and is expected to be completed in 2023.	\$258,000

Item #	Title	Description	Amount/FTE
1.51	Furniture Purchases at the Central Library and Branches (Seattle Public Library)	This item increases appropriation authority by \$107,750 to Seattle Public Library in the 2019 Library Levy Budget Control Level (18200-BO-SPL) and \$9,250 to Seattle Public Library in the 2012 Library Levy Budget Control Level (18100-BO-SPL) for the Administrative Services Division and provides resources for the building and facilities team to cover the cost of furniture replacement in branches and at the Central Library. The furniture budget is programmed on a multi-year basis and draws in funding from multiple sources. Some furniture purchases were deferred due capacity constraints owing to the COVID-19 pandemic. There still exists a need to replace these worn out and damaged pieces of furniture system-wide. The resources associated with the 2012 Library Levy are expected to be fully spent by the end of 2023.	\$117,000
1.52	Future of the Library Study (Seattle Public Library)	This item increases appropriation authority by \$200,000 to Seattle Public Library in the 2019 Library Levy Budget Control Level (18200-BO-SPL) for the Chief Librarian’s Office Division and provides resources for the Future of the Library study. The 2019 Library Levy provided \$200,000 in resources to undertake a Future of the Library study. Due to the COVID-19 pandemic and related budget reductions, this work was deferred from 2020. Due to the resignation and subsequent search for a new Chief Librarian, this project was placed on hold until 2022 and will continue into 2023. Contract negotiations with a consultant in 2022 were prolonged and a contract was signed January 2023. Work is underway.	\$200,000
1.53	Vehicle for Public Art Restoration (Office of Arts and Culture)	This item increases appropriation authority by \$77,000 in the Office of Arts & Culture, in Municipal Art Fund Budget Control Level (12010-BO-AR-2VMA0). The 2022 Mid-Year Supplemental Budget included a one-time appropriation increase to acquire an art pressure washer truck and related cleaning tools to facilitate the ongoing maintenance and conservation of outdoor art installations displayed around the city. The truck was not available to purchase in 2022 and this carryforward is needed to complete the purchase in 2023.	\$77,000

Item #	Title	Description	Amount/FTE
1.54	Seattle Public Schools Creative Advantage Program (Office of Arts and Culture)	This item increases appropriation authority by \$334,000 in the Office of Arts & Culture, in Arts & Culture Fund Budget Control Level (12400-BO-AR-VA160). Funding from the carryforward request will go towards two annual Creative Advantage contracts with SPS, which have been going through a realignment process which resulted in extended legal review from both SPS and City legal departments. Due to this extended review, contracts were not executed prior to the end of 2022. This funding supports direct multi-year partnership funding to Seattle Public Schools, who contract directly with individual artists and arts organizations to provide student arts residencies and teacher professional development.	\$334,000
1.55	Hope Corps Program (Office of Arts and Culture)	This item increases appropriation authority by \$529,358 in the Office of Arts & Culture, in Payroll Tax Budget Control Level (14500-BO-AR-VA160) for the Hope Corps program. Hope Corps connects under-employed and unemployed workers in the creative industries with career opportunities. ARTS completed two RFP process in 2022 to award funding to artists and arts organizations. This carryforward budget will support seven Spatial Justice through Street Art (SJSA) awards (\$400,000), program expenses for Community of Practice convenings (\$35,000) and staffing costs for program operations (\$94,000).	\$529,358

Item #	Title	Description	Amount/FTE
1.56	Strategic Investment Fund (Office of Arts and Culture)	This item increases appropriation authority by \$3,200,000 in the Office of Arts & Culture, in General Fund Budget Control Level (00100-BO-AR-VA170). In 2021 ARTS completed an RFP process to award \$5.7 million of the Strategic Investment Fund (SIF). Two projects were selected but one project could not be completed to do a property owner deciding not to sell the property that was to be acquired. The Strategic Investment Fund (SIF) is intended to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities for transformational equitable development. The intention is to transfer the \$3.2 million budget to OPCD in the Mid-Year Supplemental Budget. OPCD is actively working with the awardee to identify a new site.	\$3,200,000
1.57	Neighborhood Recovery Program (Office of Arts and Culture)	This item increases appropriation authority by \$156,326 in the Office of Arts & Culture, in Payroll Tax Budget Control Level (14500-BO-AR-VA160). The 2022 Adopted Budget included \$1.5 million of Payroll Expense Tax (PET) to support arts and cultural programming negatively impacted during the pandemic. Of this amount \$375,000 was allocated for ARTS to hire three temporary positions to administer the program and provide technical assistance for the projects. This carryforward request will support the three temporary positions in 2023.	\$156,326
1.58	Immigrant Safety And Access Network Underspend (Office of Immigrant and Refugee Affairs)	This item requests to carryforward \$64,677 for the Immigrant Family Institute (IFI), which has been renamed to Immigrant Safety and Access Network (ISAN). The total request includes: "This item requests to carryforward \$64,677 for the Immigrant Family Institute (IFI), which has been renamed to Immigrant Safety and Access Network (ISAN). The total request includes: - \$64,677 in 2022 General Fund underspend for IFI OIRA published an RFP on February 9 to contract with community-based organizations for the program. All underspend in this request that is carried forward will directly go into contracts with those organizations.	\$64,677

Item #	Title	Description	Amount/FTE
1.59	Carryforward Request for an NCP Contract (Office of Immigrant and Refugee Affairs)	This is a request to carryforward \$16,201 of OIRA's 2022 GF underspend for a contract that was accidentally missed in the amendment process. This amount would have otherwise been encumbered.	\$16,201
1.60	Energy Apprenticeship Funding CF (Office of Sustainability and Environment)	This item increases appropriation authority by \$109,269 with Fund 14500 - Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to Office of Sustainability & Environment to carryforward funding provided in the 2022 Adopted budget to invest in Clean Energy Pre-Apprenticeship Scholarships for clean energy workforce job training program. The Office of Sustainability & Environment (OSE) partnered with the Department of Finance and Administrative Services (FAS) in letting a Request for Proposals to support the goals of the Green New Deal and advance green and just workforce development and priority hire goals. Due to the timeline determined by FAS, a minor portion of the \$1M allocated for this work did not get encumbered in 2022. These funds should be carried forward to continue the City's investment in this program which targets inclusive outreach (in-language and through trusted networks) to fund program training costs and post-training support services for new apprentices with the goal of increasing retention in the clean energy workforce.	\$109,269

Item #	Title	Description	Amount/FTE
1.61	Heavy Duty Vehicle Rebate Funding CF (Office of Sustainability and Environment)	This item increases appropriation authority by \$930,019 with Fund 14500 - Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to Office of Sustainability & Environment to carryforward funding provided in the 2022 Adopted budget to invest in a Green New Deal item that provided funding for electric heavy duty vehicle rebates for operators in the Duwamish Valley. Examples include drayage trucks, school buses, and other industrial and commercial fleets. This item was part of a package of investments that expand the Duwamish Valley Program in 2022 and is also part of a package of Green New Deal items funded in 2022 by payroll expense tax (Jumpstart) funds. This work was underway in 2022 and began with community engagement. In 2023, OSE intends to use this funding and 2023 funding to launch a rebate program.	\$930,019
1.62	Duwamish Valley Green Workforce Development (Office of Sustainability and Environment)	This item increases appropriation authority by \$275,000 with Fund 14500 - Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and allows the Office of Sustainability & Environment to carryforward funding provided in the 2022 Adopted Budget to invest in a Green New Deal item that provided funding that addresses priorities from the Industrial and Maritime Strategy as well as the Duwamish Valley Action Plan, and focuses on green economy careers, aiming to facilitate pathways to jobs in manufacturing, logistics, and the maritime sector, as well as work supporting sea level rise adaptation, the electric vehicle industry, and climate change resilience. This was one item that was part of a package of investments that expand the Duwamish Valley Program in 2022, and also form parts of a package of Green New Deal items funded by payroll expense tax (Jumpstart) funds. Due to a lack of staff capacity in 2022 these funds were not put under contract, however there is capacity to tackle this work in 2023.	\$275,000

Item #	Title	Description	Amount/FTE
1.63	South Park Flooding Emergency Relief & Response Support (Office of Sustainability and Environment)	This item increases appropriation authority by \$35,000 with Fund 00100 - Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to Office of Sustainability & Environment to carryforward funding provided in the 2022 Adopted budget to support South Park flooding emergency relief and follow-up response efforts. OSE staff were engaged with South Park families and community through an intensive response to the 12/27/2022 flooding of the Duwamish River. A number of households experienced income loss or financial hardship associated with the flooding event. While OSE sought to complete this contract before yearend, it was not encumbered due to an administrative error. This allocation will make whole the department and allow continuation of this work.	\$35,000
1.64	Sweetened Beverage Tax Evaluation Carryforward (Office of the City Auditor)	This item increases appropriation authority by \$500,000 to the Office of the City Auditor in Sweetened Beverage Tax Fund and the Office of City Auditor Budget Control Level (00155-PO-AD-VG000), in order to carry-forward a residual balance of the Sweetened Beverage Tax fund. This carryforward will allow the Office of City Auditor to conclude work on the Sweetened Beverage Tax evaluation in 2023.	\$500,000
1.65	FAS IT Initiatives: WorkDay Adaptive - Budget System Part 2 (Seattle Information Technology Department)	This item increases the appropriation authority by \$146,803 in the Applications BSL (50410-BO-IT-D0600). The budget carry forward is necessary for ITD to continue to support the FAS WorkDay Adaptive implementation. The approved project implementation was delayed due to council action on the project structure changes and delays on the HCM Integration. The costs associated with this work will be direct billed to FAS.	\$146,803
1.66	FAS IT Initiatives: Replace Online Business Directory (OBD) (Seattle Information Technology Department)	This item increases appropriation authority by \$581,000 in the Applications BSL (50410-BO-IT-D0600). The budget carry forward is necessary for ITD to support the FAS Online Business Directory (OBD) project. The project was delayed due to resource constraints, and it is currently scheduled to begin in Q2 or Q3 of 2023. The cost associated with this work will be direct billed to FAS.	\$581,000

Item #	Title	Description	Amount/FTE
1.67	SPD IT Initiative: CSCC 911 Logging Recorder CAD (Seattle Information Technology Department)	This item increases the appropriation authority by \$109,498 in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to support the SPD - CSCC 911 Logging Record CAD project. This project will be conducted in 2023. Revenues to support this work were already collected via 1/12 allocation.	\$109,498
1.68	SDHR IT Initiative: Customer Service Tracking System (Seattle Information Technology Department)	This item increases appropriation authority by \$404,089 in the Applications BSL (50410-BO-IT-D0600). This project was delayed due to resource constraints and is now scheduled to begin in 2023. The cost will be billed directly to SDHR.	\$404,089
1.69	SDHR IT Initiative: CARATS System Replacement (Seattle Information Technology Department)	This item increases appropriation authority by \$237,682 in the Applications BSL (50410-BO-IT-D0600). This budget carryforward is necessary for ITD to continue to support the SDHR's CARATS's system replacement, which is scheduled to be completed in Q2 2023. This cost will be direct billed to SDHR.	\$237,682
1.70	OH IT Initiatives: Housing Data Management System (Seattle Information Technology Department)	This item increases appropriation authority by \$1,764,610 in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to continue to support the Office of Housing Data Management system project. The costs associated with this work will be direct billed to Office of Housing.	\$1,764,611
1.71	CSCC IT Initiatives: CSCC Employee Repository (Seattle Information Technology Department)	This item increases appropriation authority by \$25,215 in the Applications BSL (50410-BO-IT-D0600). This budget carryforward is necessary for ITD to continue work on the CSCC Employee Repository project. The revenues to support this work have already been collected via 1/12 allocation.	\$25,215
1.72	CSCC IT Initiatives: Criteria Based Dispatch System (Seattle Information Technology Department)	This item increases appropriation authority by \$43,974 in the Applications BSL (50410-BO-IT-D0600). This budget carryforward is necessary for ITD to continue work on the Criteria Based Dispatch System project. The costs associated with this work will be direct billed to CSCC.	\$43,974

Item #	Title	Description	Amount/FTE
1.73	RecordPoint Implementation (Seattle Information Technology Department)	This item increases appropriation by \$19,026 in the Frontline Services and Workplace BSL (50410-BO-IT-D0400) to continue work on the RecordPoint system implementation. The revenues to support this work have already been collected via 1/12th allocation.	\$19,026
1.74	SFD IT Initiatives: RMS NFIRS Modernization (Seattle Information Technology Department)	This item increases appropriation authority by \$488,595 in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary to continue to support the RMS NFIRS Modernization project. The revenues to support this work have already been collected via 1/12 allocation.	\$488,595
1.75	SFD IT Initiatives: Fire Safety & Training System (Seattle Information Technology Department)	This item increases appropriation authority by \$210,276 in the Applications BSL (50410-BO-IT-D0600). This carryforward is necessary for ITD to continue to support the Fire Safety & Training System project, which is currently moving into the execution phase. The revenues to support this work have already been collected via 1/12 allocation.	\$210,276
1.76	SFD IT Initiatives: Emergency MED Dispatch Prot (Seattle Information Technology Department)	This item increases appropriation authority by \$127,616 in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to support the SFD's Emergency Medical Dispatch Project. This work has been delayed due to limited resource availability. The costs associated with this project will be direct billed to SFD.	\$127,616
1.77	Digital Equity Administrative Specialist (Seattle Information Technology Department)	This item increases appropriation authority by \$99,754 in the Frontline Services and Workplace BCL (50410-BO-IT-D0400). The budget carryforward is needed to support a part-time staffer assisting our Digital Equity/Tech Matching Fund team with Digital Navigator work. The agreement began in 2022, and unspent funds need to be carried into 2023.	\$99,754
1.78	HSD IT Initiatives: CCMS Technical Support Implementation (Seattle Information Technology Department)	This item increases appropriation authority by \$262,000 in the Applications BCL (50410-BO-IT-D0600). The budget carryforward is needed to support HSD's final implementation of the Citywide Contract Management System. Revenues will be direct billed to HSD.	\$262,000

Item #	Title	Description	Amount/FTE
1.79	Domestic Worker Standards Board Recommendation Costs (Office of Labor Standards)	<p>This item increases appropriation authority by \$35,921 to 00190-OLS-BO-LS-1000 Budget Control Level and provides resources to the Office of Labor Standards for work associated with three costs related to Domestic Workers Standards Board’s recommendations, but not encumbered due an FAS accounting error and delayed invoicing, respectively.</p> <p>In FY 2022, OLS executed a \$5,000 contract with El Rey 1360 AM to air Spanish radio ads/interviews on the Domestic Workers Ordinance. The advertisements would be aired between December, 2022, and September, 2023. Unfortunately, due to an accidental error at the Facilities and Administrative Services Department, the encumbrance was accidentally overlooked. This contract was to be funded through the remaining FY 2022 one-time allocation to advance the Domestic Workers Standards Board’s recommendations.</p> <p>In FY 2022, OLS completed work to update and provide additional translation of the Domestic Worker’s Ordinance Booklet and the Domestic Workers Ordinance Model Notice of Rights. OLS updated the booklet to be an evergreen document and translated it into 11 languages spoken by the domestic worker community. We also completed annual updates to the Domestic Workers Model Notice of Rights with FY 2023 minimum wage information and translated it into 13 additional languages. Due to delayed invoicing, the printing costs (\$25,208.97) for the booklets and the translation costs (\$5,711.94) for the model notice were not invoiced until after the deadline for FY 2022 expenses. These expenses should have come out of the one-time FY 2022 allocation to advance the Domestic Workers Standards Board Recommendations.</p> <p>The FY 2023 budget is insufficient to cover these expenses. The Department anticipates that additional appropriate to facilitate additional advancement of Domestic Workers Standards Board recommendations will be necessary; however, this would be the subject of deliberation and planning.</p>	\$35,921

Item #	Title	Description	Amount/FTE
1.80	FY 2022 Language Access Expenses (Office of Labor Standards)	<p>This item increases appropriation authority by \$9,277 to 00190-OLS-BO-LS-1000 Budget Control Level and provides resources to the Office of Labor Standards for work associated with provision of necessary translations of notices required by four ordinances that provide worker protections to hotel employees (Seattle Municipal Code Chapters 14.26 – 14.29).</p> <p>Each year, OLS must update two Notice of Rights posters and waivers required by the Hotel Employee Safety Protections Ordinance, Protecting Hotel Employees from Injury Ordinance, Improving Hotel Employee’s Access to Medical Care Ordinance, and Hotel Employees Job Retention Ordinance and must also provide the posters in multiple languages to aid in employer compliance with the laws. OLS updated these documents and provided translations in 10 new languages in FY 2022. Unfortunately, due to delayed end of year invoicing, the translation costs for the booklets were not invoiced until after the deadline for FY 2022 expenses. This cost was accounted for and would have been paid out of our FY 2022 language access budget, but for the delay in invoicing.</p> <p>The FY 2023 budget is insufficient to cover these expenses. Our total FY 2023 allocation for language access expenses is \$35,000. The entirety of this allocation will be used for FY 2023 language access work. If carryforward is not provided, we would be unable to cover our language access needs for FY 2023, which are a key component to our outreach strategy, racial equity work and our commitment to immigrant and refugee workers and workers.</p>	\$9,277

Item #	Title	Description	Amount/FTE
1.81	Grant Funding for Therapeutic Court Coordinator (Seattle Municipal Court)	This item increases appropriation authority by \$171,455 to the General Fund Seattle Municipal Court Administration Budget Control Level (00100-BO-MC-3000) to carryforward two grants approved in 2022 through Ordinance 126692. This one-time grant funding was provided by the Washington State Legislature to the Washington State Administrative Office of the Court for disbursement to Courts throughout the state for the sole purpose of use in Therapeutic Courts and enhancement of services. This grant, originally in the amount of \$191,384, funds a Therapeutic Court Coordinator supporting the existing therapeutic court teams through collaboration, evidence-based practice, daily operations, data analysis, and program innovation. This item is required as the carryforward provision was omitted from the authorizing ordinance.	\$171,455
1.82	Grant Funding for Community Justice Counselor (Seattle Municipal Court)	This item increases appropriation authority by \$140,173 to the General Fund Seattle Municipal Court Administration Budget Control Level (00100-BO-MC-3000) to carryforward two grants approved in 2022 through Ordinance 126692. This one-time grant funding was provided by the Washington State Legislature to the Washington State Administrative Office of the Court for disbursement to Courts throughout the state for the sole purpose of use in Therapeutic Courts and enhancement of services. This grant, originally in the amount of \$175,173, funds a Community Justice Counselor to help connect participants in Community Court to vital community-based treatment and services. This item is required as the carryforward provision was omitted from the authorizing ordinance.	\$140,173

Item #	Title	Description	Amount/FTE
1.83	Trial Court Improvement Account Carryforward (Seattle Municipal Court)	This item increases appropriation authority by \$82,600 to the General Fund Seattle Municipal Court-Court Operations Budget Control Level (00100-BO-MC-2000) to carryforward unspent Trial Court Improvement Account funding. The Administrative Office of the Court provides TCIA funds for SMC to use for special project funding for program and technology improvements in the court, trainings and other related one-time expenditures. The 2022 Adopted Budget originally appropriated \$168,000 to expand court-wide Race and Social Justice Initiative (RSJI) training, and leadership development.	\$82,600
1.84	Protocol Dispatch System Carryforward (Community Safety and Communications Center)	The purpose of this project is to procure and implement a Criteria Based Dispatch system (i.e., dispatch protocol system) with QA module and CAD/Logging Recorder integrations. This is a carryforward for the unspent funding from 2022 that will be used in 2023 as the project completes. The project was started in 2022, but only 17% of the funds were spent and the project is underway and expected to complete in 2023.	\$271,120
1.85	Low Acuity Carryforward (Community Safety and Communications Center)	This carryforward is for the unspent funding for the Low Acuity 911 project from the CLFR funding added to General Fund. This funding covers two Strategic Advisor 2 positions which were hired in October 2022. Only 14% of the funding was spent in 2022 and the work is ongoing in 2023. This program is a priority policy area for the Mayor's Office and City Council with a pilot project for alternative response.	\$343,635
1.86	Restore EDI Funding Lapsed in 2021 (Office of Planning and Community Development)	This item increases appropriation authority by \$330,664 in the General Fund Planning and Community Development Budget Control Level (00100-BO-PC-X2P00) to restore funding that was mistakenly lapsed from the 2021 budget. In 2021, Ordinance 126449 allocated \$24,325,680 of funds from the Mercer Megablock funding source for Strategic Investment projects. This funding was budgeted in two detail projects, but at the end of the year only the remaining Mercer Megablock budget from one of the detail projects was requested for carry forward.	\$330,664

May 9, 2023

MEMORANDUM

To: Finance & Housing Committee
From: Edin Sisic, Analyst
Subject: Council Bill 120572: 2022 Carryforwards & Council Bill 120573: 2022 Exceptions

On Wednesday, May 17, 2023, the Finance & Housing Committee will discuss and possibly vote on [Council Bill \(CB\) 120572](#) and [CB 120573](#). CB 120573 would appropriate in 2023, a portion of select department's unspent 2022 appropriations, and CB 120572 would retroactively provide additional 2022 expenditure authority for department spending above approved 2022 levels.

This memo provides (1) background on the budget adjustment process and describes all approved adjustments since January 1 of this year; (2) describes the CBs and highlights notable increases proposed in the legislation; (3) describes next steps in the budget adjustment process for 2023.

Background - Budget Adjustment Process

The following describes how spending authority in the adopted budget is modified during the year with a combination of unspent appropriations from prior years, and new 'emergency' funding requests during the current year.

I. Adopted Budget

Pursuant to [RCW 35.32A.050](#), in late November of every year the City Council passes an ordinance that establishes the City's budget for the upcoming year, covering the period from January 1st through December 31st. This ordinance is the 'Adopted Budget' for the fiscal year and sets spending levels for the next year's operations and provides one year's worth of investments in the City's six-year capital improvement program. Passed by the City Council on November 29, 2022, [Ordinance 126725](#) authorized a 2023 Adopted Budget from all sources of \$7.4 billion.

II. Automatic Carryforward

Consistent with the provisions in [RCW 35.32A.080](#), most unspent annual operating budget appropriations expire, or 'lapse', at the end of the year, while capital appropriations continue into future years until they are either spent, or formally abandoned by ordinance. In addition, if explicitly authorized in ordinance, operating budget appropriations can also be 'non-lapsing' and continue until spent or abandoned. This is common in the instance of grants, for which non-lapsing spending authority is necessary until the grant is fully expended or the appropriation is abandoned. Finally, to cover promises to pay for services provided by outside vendors per contract or purchase order, amounts can be encumbered and may carry into the next year.

According to City financial data, at the end of 2022 there was a total of \$1.9 Billion of unspent prior-year budget authority that has been automatically added to the 2023 Budget. As noted, this largely represents prior year capital projects funding, grant-backed spending, other spending authorized by legislation to continue beyond the first year, and carryforwards for encumbrances. Since these appropriations were adopted with non-lapsing provisions in prior years or are otherwise encumbered to satisfy external obligations, no further Council authorization is necessary for this budget authority to continue until completely spent. Table 1 shows, for funds with significant automatic carryforward, by fund and type (capital and operating), the amount of prior years’ budget authority that is added to the 2023 Adopted Budget. This spending authority is largely backed by revenues that have already been deposited in the City treasury, although in some cases, particularly in instances involving grants accepted late in 2022, the cash has not yet been received.

Table 1¹. Funds with Significant Automatic Carryforward

Fund	Carryforward Type (\$ millions)		
	Capital	Operating	Total
Transportation Fund	\$302.6	\$34.3	\$336.9
Light Fund	\$226.3	\$0.2	\$226.5
General Fund	\$7.4	\$99.4	\$106.8
Housing Program Support Fund	-	\$71.6	\$71.6
Drainage and Wastewater Fund	\$66.6	\$1.0	\$67.6
All Others	\$662.8	\$385.6	\$1,048.4
Total	\$1,265.7	\$592.1	\$1,857.8

As shown in the table, approximately two thirds of this automatic carryforward spending authority is in capital project budgets.

III. Supplementals

After the Adopted Budget is passed, as provided by [RCW 35.32A.060](#), it may be modified during the following year by way of ‘supplemental’ spending legislation, which allows the Council, with a three-fourths approval threshold, to appropriate:

“from the emergency fund, or other designated funds, an amount sufficient to meet the actual necessary expenditures of the city for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget”²

¹ Data from Citywide Financial Pivot Report as of 4/13/2023.

² RCW 35.32.A.060.

The approval threshold for supplemental budget legislation is two-thirds of the Council if the new spending is necessary to address a specific emergency, including those:

- Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
- For the immediate preservation of order or public health or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
- In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
- To meet mandatory expenditures required by laws enacted since the last budget was adopted.³

If the new spending accompanies the addition of new grant revenue, or if the new spending is fully offset by an equivalent reduction elsewhere in the budget, and total appropriation authority is not increased, the approval threshold is a simple majority. Supplemental appropriation legislation can either be ‘standalone’ and add funding for a single discrete City program, or more ‘comprehensive’, increasing several City departments and funds in a single bill.

As of April 10, 2023 the City Council has passed four standalone and one comprehensive supplemental bills that revise 2023 appropriations, including:

Standalone Legislation:

- [Ordinance 126758 – Seattle Waterfront Park Public Safety Staffing](#): \$596,250 Seattle Center Fund appropriation increase as a result of a funding agreement between the City and Friends of the Waterfront Seattle to support public safety hiring in the Seattle Waterfront Park.
- [Ordinance 126761 – Police Data Technician pay increase](#): \$882,176 General Fund appropriation increase to the Seattle Police Department (SPD) resulting from a Memorandum of Understanding (MOU) between the City and PROTEC17 bargaining unit. This agreement provides a 23 percent wage increase for approximately 30 regularly appointed Police Data Technician employees at SPD.
- [Ordinance 126782 – City Prosecuting Attorneys pay increase](#): \$933,000 General Fund appropriation increase to the Law Department resulting from an MOU between the City and the Washington State Council of County and City Employees for the Local 21-PA Assistant City Prosecutors bargaining unit. This 20 percent pay increase is intended to address recruiting and retention challenges related to staffing Prosecuting Attorney positions.

³ Ibid.

- [Ordinance 126783 – City Light Electrical meter installations](#): \$472,000 Light Fund appropriation increase resulting from an MOU between the City and the International Brotherhood of Electrical Workers, Local 77 bargaining unit. The MOU provides for training and installation of meters as well as a 5 percent wage increase for members in the Meter Electrician classification series.

Comprehensive Legislation

- [Ordinance 126791 – CBO First Quarter Grant Acceptance and Appropriations](#): The first comprehensive legislation transmitted by the Executive in 2023, authorizing City departments to accept and appropriate the expenditure of \$30.2 million from external funding sources. All of the grants that were accepted and appropriated in this bill are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive.

Comprehensive supplemental budget legislation that revises several City departments budgets takes one of two forms, as follows:

- **Annual Carryforward**: Typically the first comprehensive supplemental legislation introduced in a year, this bill requests that a portion of select department’s unspent prior year budget be reappropriated in the current year to continue or to complete a discrete program or project for which the funding was originally provided, but which could not be fully completed for reasons that vary specific to the request. Distinct from the automatic carryforward, the budget authority for each requested item has lapsed at the end of the prior fiscal year – each carryforward request essentially asks that the budget authority given in the prior year be reapproved for the current year. This bill is produced through a periodic submittal and review process covering all departments that is centrally managed by the City Budget Office (CBO).
- **Supplemental and Grant Appropriations**: Received at regular intervals during the year, these supplemental budget requests form the bulk of City departments’ requests for additional spending authority. Together with requests to spend dollars generated through year-end fund reconciliation and revenue forecast updates, these bills provide spending authority for grant and other non-City revenues. In prior years, the appropriation of grants was authorized via a supplemental appropriations ordinance, while grants were accepted through a separate, grant acceptance ordinance. This year, Council Central Staff, in partnership with the Law Department and City Budget Office, created a standalone grant acceptance and appropriation ordinance to improve grant legislation processes. These bills are produced through a periodic submittal and review process covering all departments that are centrally managed by CBO.

IV. Exceptions

The final type of budget adjustment legislation is the exceptions ordinance. Typically introduced several months after the fiscal year-end, this bill provides retroactive budget authority to the prior-year’s budget for spending that has exceeded the revised budget after all automatic and legislated appropriation increases.

Table 2 summarizes at a high level the City’s 2023 Revised Budget, starting from the Adopted Budget and accounting for all automatic and legislated changes to date.

Table 2. 2023 Revised Budget-to-Date

Fund	(a)	(b)	(c)	(d) = a+b+c	d/a
	2023 Adopted	Auto Carryforward	Standalone Bills	2023 Revised	% Increase
General	\$1,606 M	\$106.8 M	\$8.9 M	\$1,722 M	7%
All Other	\$5,828 M	\$1,751 M	\$24.2 M	\$7,603 M	30%
Total	\$7,434 M	\$1,858 M	\$33.1 M	\$9,325 M	25%

As shown in the table, automatic and legislated increases to date result in a 25 percent increase compared to the 2023 Adopted Budget. The bulk of this is automatic carryforward authority from prior years, and as shown in Table 1, much of this automatic carryforward is for ongoing capital projects. This information is shown at the department level in Attachment 1 to this memo.

CB 120573 – 2022 Carryforward

CB 120573 the 2022 Carryforward bill, requests approval for a total 2023 budget increase of \$154.0 million from several City funds. As described in this memo, these carryforward increases are intended to support activities that were budgeted, but not completed in 2022. Attachment 1 to this memo shows each department’s aggregate carryforward request as a percentage of the Revised Budget.

As shown in Attachment 1 select department’s total carryforward requests represent significant percentages compared to their 2023 Revised budget, as follows:

- **Office of Planning and Community Development:** A \$44.3 million (96 percent) overall increase across multiple funds, \$22.9 million of which is GF, and \$17.9 million of which is JumpStart Payroll Expense Tax Fund (JumpStart). \$40.9 million of the total carryforward request is for Equitable Development Initiative (EDI) awards that have not yet been contracted. According to the Executive, the contracting process for these long-term projects often takes multiple years and funds do not always get contracted within the year of the associated EDI Request for Proposals. Another notable item includes \$2.3 million of JumpStart Fund to continue the Duwamish Valley Program work, which includes investments in community assets such as the South Park Community Center, South Park Neighborhood Center, Georgetown gathering spaces, and community-supported development at the Unity Electric site. In addition, a \$600,000 carryforward is requested to continue a multi-year planning effort for regional growth center subarea plans. Of this funding, \$150,000 is GF and \$450,000 is JumpStart Fund. The Request for Proposals (RFP) for engagement, policy, and plan development was released in December 2022 and the RFP for technical analysis will occur in March 2023.

- **Finance General:** A \$36.2 million (10 percent) increase across multiple funds, \$28.5 million of which is for GF supported reserves, including Participatory Budgeting (\$27.3 million) and Alternative 911 Response (\$1.2 million). Other notable items include \$5.4 million in the 2021 Multipurpose LTGO Bond Fund to allow for billing of ITD projects against bond proceeds received to support them in 2022, and \$2.0 million in the Unrestricted Cumulative Reserve Fund to continue funds originally added in the 2020 budget for a partnership between the City and King County to create a 40-60 bed, comprehensive place-based treatment center at the “West Wing” of the King County Correctional Facility.
- **Office of Housing:** A \$36.1 million (8 percent) overall increase, \$34.5 million of which is JumpStart Fund related to Multifamily Housing. According to the executive, these funds have been awarded to specific projects, but have not yet been encumbered in the City’s financial system due to the timing of loan closings for funded projects.
- **Office of Arts and Culture:** A \$4.3 million (14 percent) overall increase, \$3.2 million of which is from the GF to implement Strategic Investment Fund (SIF) allocations that were awarded in 2021. For reference, the SIF was first budgeted in 2020 using \$30 million of Mercer Megablock sales proceeds, and this one-time allocation of funds, which had not been spent in 2020, was reappropriated in the 2021 budget. One of the two selected projects could not be completed due to a property owner deciding not to sell the property that was to be acquired, so OPCD is actively working with the awardee to identify a new site. The Strategic Investment Fund (SIF) is intended to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities for transformational equitable development.

Other notable items include:

- **Childcare Bonus Fund Carryforward:** A \$5.7 million Human Services Fund increase in the Human Services Department for implementing childcare facility development contracts in Seattle. This budget was not encumbered in 2022 and is required to support identified childcare facility projects backed by Childcare Bonus Fund revenue. Budget authority for these projects was added as one-time appropriation in the 2022 mid-year supplemental budget.
- **Seattle Transportation Plan:** A \$1.4 million Transportation Fund increase in the Seattle Department of Transportation for the Seattle Transportation Plan – a multi-year effort to revise and unify all of the existing modal plans (bike, pedestrian, transit, freight) into a single comprehensive document. The remaining unspent funding from 2022 is needed to continue this work and complete the plan. The Seattle Transportation Plan is being developed in coordination with the 2024 Comprehensive Plan update.

These and all other requested items are described in in Attachment A to the summary and fiscal note submitted by the Executive. The bill requires approval by $\frac{3}{4}$ of the City Council to pass.

CB 120572 – 2022 Exceptions Ordinance

CB 120572, the 2022 Exceptions bill, requests approval for a total 2022 budget increase of \$4.9 million. These appropriations increases are intended to resolve instances where departments overspent their revised 2022 Budget allocations. Notable requests include:

- Department of Finance and Administrative Services (FAS) Budget Exception:** A \$1.7 million FAS Fund increase due to fuel price increases and increased vendor costs related to the increased need for fleet maintenance. According to the Executive, the fleet group is working to hire and train staff in the maintenance area, which will reduce the need to use external vendors in the future.
- Seattle Department of Transportation (SDOT) Budget Exceptions:** A \$1.5 million GF increase due to unanticipated and higher than budgeted overhead labor costs for the Parking Enforcement Division at SDOT. This is a one-time exception request as Parking Enforcement Officers were transferred back to the Seattle Police Department in the 2023 Adopted Budget.

These and all other requested items are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive. The bill requires approval by three-fourths of the City Council to pass.

For historical context, Table 3 shows a five-year history of past budget exception ordinances by department and includes CB 120572 for comparison.

Table 3. Five-Year History of Budget Exception Ordinances by Department

Amounts in \$1,000s	2018	2019	2020	2021	2022
	O-125893	O-126127	O-126471	O-126587	CB 120572
Office of Housing	-	-	\$6,575	-	
Seattle Department of Transportation	\$1,063	\$8,794	\$9,441	\$6,774	\$2,783
Seattle Parks & Recreation	-	-	\$455	-	
Seattle Public Utilities	-	-	\$13,588	-	
Seattle City Retirement System	-	\$882		-	
Seattle Department of Human Resources	\$95	\$3,433	-	\$6,542	
Human Services Department	-	\$864	-	-	
Seattle Police Department	\$199	-	-	-	
Department of Finance and Administrative Services	\$12,136	-	-	-	\$2,052
Ethics and Elections Commission					\$45
Total	\$13,493	\$13,972	\$30,059	\$13,316	\$4,879

As shown in the table, the total amount of budget exceptions has varied over the years. The departments requesting retroactive budget authority have also varied from year-to-year, apart from SDOT. SDOT is the only Department that submitted budget exceptions every year over the past 5 years. To reduce the number of future SDOT budget exceptions, the Council could request that the City Budget Office focus on addressing this reoccurring issue.

Budget Development - Next Steps

Based on information to date, and recent practice, there will likely be additional proposed standalone and comprehensive supplemental appropriations bills. While proposed standalone bills are not known at this time, additional comprehensive appropriation bills could include:

- Mid-year Supplemental: Typically introduced in July, this bill would represent the second comprehensive supplemental appropriations bill.
- Mid-year and Year-end Grant Acceptance and Appropriation: Introduced along with the supplemental legislation in July and September, respectively, these bills accept and provide spending authority for grants and other non-City revenues.
- Year-end Supplemental: Introduced during the deliberative process for the next year's budget bill, which runs from October through the budget bill's final passage in late November, this bill would represent the second comprehensive, citywide budget increase request from the Executive. Considering this bill during the fall budget process allows the City Council to consider the full picture of the City's finances during the 2024 mid-biennium budget review and adjustment process.

Attachments:

1. 2022 Budget Adjustments through April 11, 2023.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director

Attachment 1. 2023 Budget Adjustments Through April 20, 2023

Department	Adopted Budget	Automatic Carryforward	Approved Supplementals as of 4/20/23	Revised Budget	CB 120573	CB 120573 % Increase to Revised Budget
City Budget Office	\$8,215,845	\$2,901,065	-	\$11,116,910	-	0%
Civil Service Commissions	\$895,019	-	-	\$895,019	\$97,672	11%
Community Police Commission	\$1,887,566	-	-	\$1,887,566	-	0%
Community Safety and Communications Center	\$20,522,661	\$80,829	-	\$20,603,490	\$614,755	3%
Department of Education and Early Learning	\$130,168,307	\$69,762,966	-	\$199,931,273	\$1,026,217	1%
Department of Finance and Administrative Services	\$417,286,575	\$88,047,362	\$500,000	\$505,833,937	\$4,632,601	1%
Department of Neighborhoods	\$19,945,169	\$9,404,716	-	\$29,349,885	\$148,000	1%
Employees' Retirement System	\$10,474,069	\$33,853	-	\$10,507,922	\$1,010,389	10%
Ethics and Elections Commission	\$8,011,393	-	-	\$8,011,393	-	0%
Finance General	\$339,046,614	\$6,234,805	-	\$345,281,419	\$36,155,387	10%
Firefighter's Pension	\$22,972,698	-	-	\$22,972,698	-	0%
Human Services Department	\$319,126,706	\$109,179,884	\$582,000	\$428,888,590	\$8,751,893	2%
Law Department	\$40,023,100	\$1,004,893	\$933,000	\$41,960,993	-	0%
Legislative Department	\$20,817,262	\$537,693	-	\$21,354,955	-	0%
Office for Civil Rights	\$7,910,594	\$4,321,087	-	\$12,231,681	\$30,463	0%
Office of Arts and Culture	\$18,885,122	\$11,836,833	-	\$30,721,955	\$4,296,684	14%
Office of Economic and Revenue Forecasts	\$702,468	-	-	\$702,468	-	0%
Office of Economic Development	\$27,636,887	\$29,213,262	-	\$56,850,149	-	0%
Office of Emergency Management	\$2,786,495	\$1,099,771	\$1,937,247	\$5,823,513	-	0%
Office of Hearing Examiner	\$1,163,296	-	-	\$1,163,296	-	0%
Office of Housing	\$252,994,634	\$189,033,977	\$1,050,000	\$443,078,611	\$36,143,372	8%
Office of Immigrant and Refugee Affairs	\$5,063,161	\$1,354,655	-	\$6,417,816	\$80,878	1%
Office of Inspector General for Public Safety	\$3,933,921	\$313,732	-	\$4,247,653	-	0%
Office of Intergovernmental Relations	\$3,105,777	\$86,800	-	\$3,192,577	-	0%
Office of Labor Standards	\$8,432,555	\$1,165,010	-	\$9,597,565	\$45,198	0%
Office of Planning and Community Development	\$35,267,422	\$10,982,619	-	\$46,250,041	\$44,330,532	96%
Office of Sustainability and Environment	\$29,122,633	\$3,818,187	-	\$32,940,820	\$1,349,288	4%
Office of the City Auditor	\$2,276,049	\$346,754	-	\$2,622,803	\$500,000	19%
Office of the Employee Ombud	\$1,151,996	-	-	\$1,151,996	-	0%
Office of the Mayor	\$10,406,048	\$500,464	-	\$10,906,512	\$38,132	0%
Police Relief and Pension	\$26,741,006	-	-	\$26,741,006	-	0%
Seattle Center	\$57,964,283	\$20,511,180	\$596,250	\$79,071,713	-	0%
Seattle City Light	\$1,508,035,941	\$336,921,973	\$472,000	\$1,845,429,914	\$2,575,509	0%
Seattle Department of Construction and Inspections	\$111,803,499	\$2,218,612	-	\$114,022,111	\$2,594,000	2%
Seattle Department of Human Resources	\$399,898,188	\$26,686	-	\$399,924,874	\$641,771	0%
Seattle Department of Transportation	\$712,896,701	\$496,918,975	\$17,270,465	\$1,227,086,141	\$2,405,645	0%
Seattle Fire Department	\$271,287,290	\$6,704,472	\$3,318,947	\$281,310,709	-	0%
Seattle Information Technology Department	\$312,775,473	\$60,371,044	-	\$373,146,517	\$4,520,140	1%
Seattle Municipal Court	\$40,915,616	\$343,827	-	\$41,259,443	\$394,228	1%
Seattle Parks and Recreation	\$328,941,463	\$217,907,506	-	\$546,848,969	\$700,000	0%
Seattle Police Department	\$374,319,533	\$23,516,157	\$2,713,334	\$400,549,024	-	0%
Seattle Public Library	\$98,941,185	\$27,024,496	-	\$125,965,681	\$868,000	1%
Seattle Public Utilities	\$1,418,930,728	\$124,061,999	\$3,702,088	\$1,546,694,815	-	0%
Total	\$7,433,682,948	\$1,857,788,144	\$33,075,331	\$9,324,546,423	\$153,950,753	2%



CB 120573 – 2022 Carryforward

CB 120572 – 2022 Exceptions

EDIN SISIC, ANALYST

FINANCE & HOUSING COMMITTEE

MAY 17, 2023

Overview

- Background on Budget Adjustment Process
 1. Adopted budget
 2. Automatic carryforwards
 3. Supplementals
 4. Exceptions
- CB120573 – 2022 Carryforward
- CB120572 – 2022 Exceptions
- Next Steps

Background - Budget Adjustment Process

Adopted Budget

- [RCW 35.32A.050](#) - late November of each year City Council passes annual budget
- Passed on November 29, 2022, [Ordinance 126725](#) authorized a 2023 Adopted Budget from all sources of \$7.4 billion
- One-year of capital improvements program investments

Background - Budget Adjustment Process (Cont'd)

Automatic Carryforward

- [RCW 35.32A.080](#) - non-lapsing capital appropriations
- Grants and administrative
- Encumbrances
- Total of \$1.9B of automatic carryforward into 2023 across all funds, two thirds of which is in capital budget lines

Background - Budget Adjustment Process (Cont'd)

Supplementals

- Authority provided by [RCW 35.32A.060](#)
- Standalone:
 - Four bills passed by City Council as of April 11, 2023, appropriating a total of \$2.9 million
- Comprehensive:
 - Carryforward
 - Mid-year/Year-end

Exceptions

- Department spending exceeded appropriation

Background - Budget Adjustment Process (Cont'd)

Fund	(a) 2023 Adopted	(b) Auto Carryforward	(c) Standalone Bills	(d) = a+b+c 2022 Revised	d/a = Percent Increase
General	\$1,606 M	\$106.8 M	\$8.9 M	\$1,722 M	7%
All Other	\$5,827 M	\$1,751 M	\$24.2 M	\$7,603 M	30%
Total:	\$7,433 M	\$1,858 M	\$33.1 M	\$9,325 M	25%

CB 120573 – 2022 Carryforward

Total requested increase of \$154.0 million across all funds, including:

- **Office of Planning and Community Development:** \$44.3 million (96 percent) increase across several funds, \$40.9 million of which is GF, for Equitable Development Initiative awards that have not yet been contracted
- **Office of Arts and Culture:** \$4.3 million (14 percent) overall increase, \$3.2 million of which is GF to implement Strategic Investment Fund allocations that were awarded in 2021
- **Finance General:** \$36.2 million (10 percent) increase across several funds, \$27.3 million of which is a GF appropriation for Participatory Budgeting program
- **Office of Housing:** \$36.1 million (8 percent) overall increase, \$34.5 of which is JumpStart Fund for Multifamily Housing

CB 120572 – 2022 Exceptions

Total requested increase of \$4.9 million. Notable items include:

- **Department of Finance and Administrative Services (FAS):** A \$1.7 million FAS Fund increase due to fuel price increases and increased vendor costs related to the increased need for fleet maintenance.
- **Seattle Department of Transportation (SDOT):** A \$1.5 million GF increase due to unanticipated and higher than budgeted overhead labor costs for the Parking Enforcement Division at SDOT. This is a one-time exception request as Parking Enforcement Officers were transferred back to the Seattle Police Department in the 2023-2024 Adopted Budget.

Next Steps

Additional comprehensive supplementals

- Mid-year supplemental
- Mid-year and year-end grant acceptance and appropriation
- Year-end supplemental

Questions?