

May 11, 2026

MEMORANDUM

To: Finance, Native Communities & Tribal Governments Committee
From: Edin Sisic, Analyst
Subject: Council Bill 121209: 2025 Carryforwards

On Friday, May 15, 2026, the Finance, Native Communities & Tribal Governments Committee will discuss Council Bill (CB) 121209, the 2025 Budget Carryforward Ordinance. CB 121209 would amend the 2026 Adopted Budget Ordinance ([ORD 127362](#)), appropriating a portion of select department's unspent 2025 appropriations.

This memo provides:

1. background on the City's budget carryforwards;
2. highlights from the proposed carryforward items in the context of the City's ongoing fiscal challenges; and
3. next steps in the 2026 budget adjustment process.

Background - Budget Carryforwards

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.

Automatic Carryforward

Consistent with [RCW 35.32A.080](#), most unspent annual operating budget appropriations lapse at the end of the fiscal year, while capital appropriations remain available until they are spent or formally abandoned by ordinance. Operating appropriations may also be designated as non-lapsing when explicitly authorized in ordinance. This is most-commonly used for grant-funded activities, where ongoing spending authority is necessary until the grant is fully expended or the appropriation is abandoned. In addition, amounts encumbered to fulfill contractual obligations or purchase orders may be carried into the next fiscal year.

City financial data show that at the end of 2025, approximately \$2.2 billion in unspent prior-year budget authority was automatically added to the 2026 budget. This amount reflects prior-year capital project balances, grant-backed appropriations, other non-lapsing spending previously authorized by legislation, and encumbrances for external obligations. Because these appropriations were either adopted with non-lapsing authority or are encumbered for payment, no additional Council action is required for this budget authority to continue until fully expended.

Table 1 summarizes, by fund and by type (capital and operating), the amount of prior-year budget authority incorporated into the 2026 Adopted Budget. In most cases, this spending authority is supported by revenues already deposited in the City treasury; however, for some items—particularly grants accepted late in 2025—the corresponding cash may not yet have been received.

Table 1. Capital & Operating Funds with Significant Automatic Carryforward (\$ in millions)

Fund	Capital	Operating	Total
Light Fund	\$252	\$31	\$283
<u>Payroll Expense Tax</u>	<u>\$3</u>	<u>\$220</u>	<u>\$223</u>
Transportation Fund	\$184	\$16	\$199
Low Income Housing Fund	\$00	\$197	\$197
Drainage and Wastewater Fund	\$106	\$1	\$108
Water Fund	\$75	\$30	\$106
<u>General Fund</u>	<u>\$5</u>	<u>\$99</u>	<u>\$104</u>
Seattle Park District Fund	\$93	-	\$93
Transportation Levy Fund	\$90	-	\$91
Human Services Fund	-	\$86	\$86
Park And Recreation Fund	\$58	-	\$58
All Other Funds	\$403	\$262	\$664
Total	\$1,270	\$943	\$2,213

As shown in *Table 1*, over half (57 percent) of this automatic carryforward spending authority is in capital project budgets.

Legislated Carryforward

This bill is typically one of the first comprehensive supplemental budget ordinances introduced each year. It requests the reappropriation of select departments' unspent budget authority so they may continue or complete programs and projects that were not finished for reasons specific to each request. Unlike items eligible for automatic carryforward, the budget authority for these appropriations has already lapsed at the end of the previous fiscal year. Each request therefore seeks renewed approval of the original appropriation.

The legislation is developed through a routine Citywide submittal and review process involving all departments and is centrally managed by the City Budget Office (CBO).

Table 2. 2026 Revised Budget-to-Date, as of April 15, 2026 (\$ in millions)

Fund	2026 Adopted	Auto Carryforward	Standalone Bills	2026 Revised	% Increase
General Fund	\$2,012	\$104	\$4	\$2,119	5%
JumpStart Fund	\$429	\$223	-	\$652	53%
All Other Funds	\$6,510	\$1,886	\$32	\$8,428	29%
Total	\$8,950	\$2,213	\$37	\$11,199	25%

As shown in *Table 2*, automatic and legislated increases to date result in a 25 percent increase over the 2026 Adopted Budget. Most of this growth reflects automatic carryforward authority from prior years, much of which supports ongoing capital projects. Department-level details are provided in Attachment 1 to this memo.

CB 121209 – 2025 Budget Carryforward

CB 121209, the 2025 Budget Carryforward, requests approval for a total 2026 budget increase of \$138 million across several City funds. As described in this memo, these carryforward increases support activities that were budgeted but not completed in 2025. Attachment 1 to this memo shows each department’s aggregate carryforward request as a percentage of the Revised Budget.

As shown in Attachment 1, departments with the most significant total carryforward requests – either in total dollar amount or as a percentage share of their revised budget – include:

- **Office of Planning and Community Development (OPCD):** A \$53.8 million (108 percent) overall increase across multiple funds, \$5.7 million of which is GF, and \$37.2 million of which is from the JumpStart Payroll Expense Tax Fund (JumpStart Fund). Most of this carryforward request is for Equitable Development Initiative (EDI) awards that have not yet been contracted. 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.
- **Office of Housing (OH):** A \$35.8 million (6 percent) overall increase, \$34.3 million of which is JumpStart Fund related to Multifamily Housing. 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.
- **Human Services Department (HSD):** A \$12.9 million (3 percent) increase across multiple funds to continue previously approved community safety, early learning, childcare, treatment, homelessness response, and youth services projects whose timelines extended into 2026. These adjustments include bridge funding for agencies impacted by the Community Safety Request for Proposals (RFP); facility and development costs for the Rainier Valley Early Learning Campus, Seed of Life childcare center, Thunderbird Treatment Center, and YouthCare South Annex Redevelopment; and the purchase of Unified Care Team vehicles delayed from 2025.

- **Office of Arts and Culture (ARTS):** A \$3 million (8 percent) overall increase across multiple funds in support of several arts, cultural, and community serving initiatives. This includes funding for leadership transition staffing costs; continued implementation of ARTS' pilot organizational transformation program for arts and cultural institutions; remaining temporary labor and programming needs for the Hope Corps Ballard and Capitol Hill extensions and the Interbay Activation project; temporary staffing for World Cup festival activations in 2026; and support for the African Cultural Center project within the Rainier Valley Creative District. These carryforward requests reflect extended project timelines, intentional underspending in 2025 to ensure adequate staffing and program capacity in 2026, and cross departmental coordination with the Office of Planning & Community Development for cultural space work where ARTS has limited internal capacity.

Other notable items include:

- **Judgement & Claims:** A \$17.5 million Judgement & Claims Fund increase in the Department of Finance and Administrative Services (FAS) for the payment of legal claims and suits brought against the City. The related settlements were not concluded in 2023 and are anticipated to settle this year.
- **Public Restroom Access Pilot:** A \$2.1 million General Fund increase in Seattle Parks and Recreation (SPR) to continue a multi-year Participatory Budgeting investment expanding access to public restrooms. This funding supports a five-year pilot to staff two restrooms— at Cal Anderson Park and a second location anticipated to be Hing Hay Park. In future years, this funding includes automatic carryforward authority, consistent with other Participatory Budgeting investments. Expenditures in 2025 began later than anticipated, as SPR needed time to revise the original \$7.2 million project plan (reallocated by Council in the 2025 Adopted Budget) and develop a revised project scope aligned with the reduced funding levels.
- **AI Pilot Projects:** A \$400,000 General Fund increase in the Seattle Information Technology Department to support Artificial Intelligence pilot projects aligned with Mayoral priorities. The funding aims to advance AI innovations that provide measurable benefits to staff and the community while adhering to the City's AI policy and responsible-use standards. This initiative builds foundational capacity for integrating AI into City operations in a way that balances potential benefits and risks.

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 quarter ($\frac{3}{4}$) of the City Council to pass.

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 2027-2028 biennial budget review process.

Attachments:

1. 2026 Budget Adjustments through April 15, 2026.

cc: Lish Whitson, Director
Calvin Chow, Deputy Director

Attachment 1 - 2026 Budget Adjustments through April 15, 2026

Department	Adopted Budget	Automatic Carryforward	Approved Supplementals (as of 4/15)	Revised Budget	CB 121209	CB 121209 % Increase to Revised Budget
Office of Arts and Culture	\$25,018,407	\$10,578,592	-	\$35,596,999	\$3,017,507	8%
City Auditor Dept	\$2,642,064	\$78,414	-	\$2,720,478	-	0%
City Budget Office Dept	\$10,187,847	\$70,831	-	\$10,258,678	-	0%
Civil Service Commissions	\$3,038,328	\$24,225	-	\$3,062,553	\$67,211	2%
Community Assisted Response and Engagement	\$68,622,178	\$947,233	\$100,000	\$69,669,411	\$992,950	1%
Community Police Commission	\$2,498,514	\$47,021	-	\$2,545,535	\$65,000	3%
Dept Of Construction & Inspect	\$126,892,526	\$371,729	-	\$127,264,255	-	0%
Dept of Education and Early Learning	\$176,855,920	\$66,532,214	-	\$243,388,134	\$791,343	0%
Dept of Neighborhoods	\$20,008,150	\$9,112,538	-	\$29,120,688	\$18,426	0%
Seattle Department of Transportation	\$673,643,703	\$444,582,728	\$7,331,043	\$1,125,557,474	-	0%
Econ & Revenue Forecasts Dept	\$875,301	-	-	\$875,301	-	0%
Seattle Retirement	\$16,386,058	\$1,648,454	-	\$18,034,512	\$1,140,000	6%
Ethics And Elections Dept	\$4,624,651	-	-	\$4,624,651	-	0%
Dept of Finance and Admin Svcs	\$450,413,000	\$93,944,750	\$176,000	\$544,533,750	\$20,029,757	4%
Finance General	\$459,869,505	\$1,000,000	-	\$460,869,505	\$821,231	0%
Seattle Fire Department	\$350,692,432	\$3,801,060	\$3,086,572	\$357,580,064	-	0%
Firefighter's Pension Dept	\$27,487,393	-	-	\$27,487,393	-	0%
Hearing Examiner Dept	\$1,915,629	-	-	\$1,915,629	-	0%
Human Services Department	\$421,053,427	\$113,629,871	\$6,439,939	\$541,123,238	\$12,889,778	2%
Immigrant & Refugee Affairs Office	\$10,826,049	\$1,944,866	-	\$12,770,915	-	0%
Intergovernmental Relations Office	\$3,529,826	\$39,594	-	\$3,569,420	-	0%
Law Department	\$48,537,547	\$808,165	-	\$49,345,712	-	0%
Legislative Dept	\$23,710,190	\$448,592	-	\$24,158,782	-	0%
Seattle Public Library	\$105,092,226	\$28,924,839	-	\$134,017,065	\$68,500	0%

Attachment 1 - 2026 Budget Adjustments through April 15, 2026

Department	Adopted Budget	Automatic Carryforward	Approved Supplementals (as of 4/15)	Revised Budget	CB 121209	CB 121209 % Increase to Revised Budget
Office of the Mayor	\$15,910,386	\$541,502	-	\$16,451,888	\$163,085	1%
Municipal Courts	\$48,744,210	\$520,426	-	\$49,264,636	-	0%
Office of Inspector General	\$5,429,157	\$406,081	-	\$5,835,238	-	0%
Office of Emergency Mgmt	\$4,436,121	\$519,739	-	\$4,955,860	-	0%
Office of Labor Standards	\$10,062,412	\$162,287	-	\$10,224,698	-	0%
Office for Civil Rights	\$8,256,536	\$615,584	-	\$8,872,120	-	0%
Office of Economic Development	\$40,367,829	\$19,014,111	-	\$59,381,940	\$1,125,471	2%
Office of Employee Ombud	\$1,314,006	-	-	\$1,314,006	-	0%
Office Of Housing	\$352,391,788	\$491,313,451	10,562,203	\$854,267,442	\$35,838,520	4%
Office of Planning and Community Dev.	\$43,162,056	\$36,624,271	-	\$79,786,327	\$53,790,469	67%
Seattle Parks and Recreation	\$363,297,617	\$217,882,313	-	\$581,179,930	\$2,100,000	0%
Seattle Police Department	\$488,586,235	\$13,695,232	1,128,621	\$503,410,088	\$200,000	0%
Police Relief And Pension Dept	\$22,508,204	-	-	\$22,508,204	-	0%
Seattle Center	\$97,085,485	\$53,027,957	-	\$150,113,442	-	0%
Seattle City Light	\$1,806,864,118	\$282,796,576	-	\$2,089,660,694	\$952,715	0%
Seattle Dept Of HR	\$485,734,375	-	-	\$485,734,375	-	0%
Seattle IT Dept	\$305,908,906	\$37,984,902	-	\$343,893,808	\$3,532,910	1%
Seattle Public Utilities	\$1,781,943,318	\$252,513,877	8,123,866	\$2,042,581,061	-	0%
Office of Sustainability and Environment	\$33,787,884	\$26,421,869	-	\$60,209,753	\$454,346	1%
Grand Total	\$8,950,211,513	\$2,212,575,893	\$36,948,244	\$11,199,735,651	\$138,059,219	1%