

2027-28 Proposed Budget Overview

Select Budget Committee

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September 24, 2026

Outline

- Budget Development and Approach
- Overview
  - All Funds
  - General Fund & JumpStart Payroll Expense Tax Fund
  - Other Funds
  - Citywide FTE Changes
- Highlights: Key investment areas
- Next Steps

City's Budget Development Framework

City is required by State Law to adopt a balanced budget

- Projected expenses cannot exceed available resources (fund balances + projected annual revenues)

City uses a modified biennial budget process

- Mayor proposes a new two-year budget during an even-numbered year
- Council adopts Year 1 and endorses Year 2
- 2027 is year one of a new biennium



Mayor Wilson's Approach

Mayor Wilson's first proposed budget focuses on "righting the ship" and supporting a city where everyone belongs by prioritizing essential community needs. The proposed budget:

- Invests in affordability and safety for Seattle residents.
- Breaks the post-COVID annual deficit cycle.
- Makes progress toward structural balance.

For the first time since 2019, the Proposed Budget does not project an ongoing deficit in the General Fund

Why focus on sustainability:

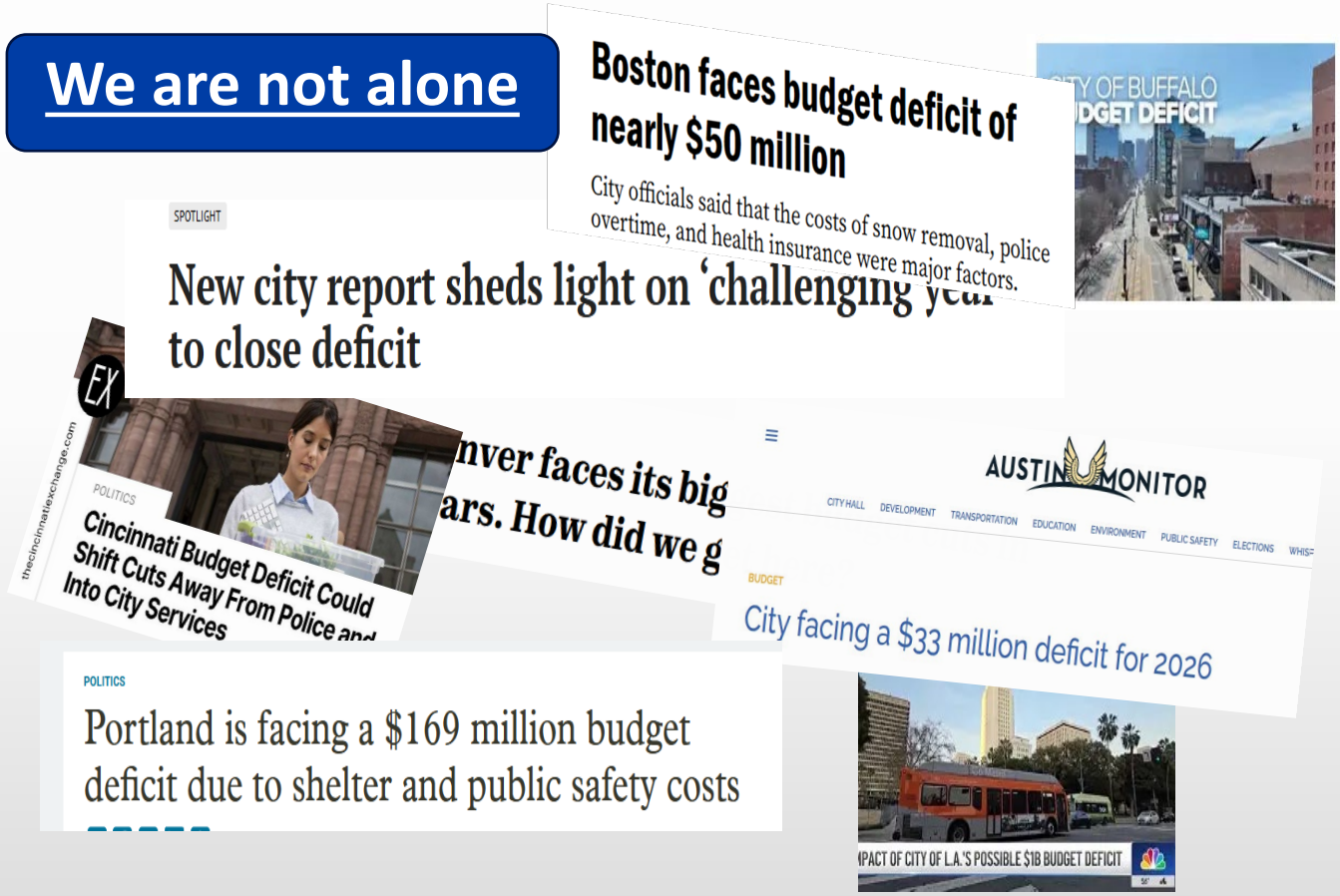
- Stabilize delivery of services, better support long-term planning for departments and partners.
- Supports financial resilience to respond to unanticipated shocks.
- Breaking the cycle of immediate deficits will allow the City to focus on outcomes and equitable investments.

Shared Challenges → → → Projected Deficits

How did we get here:

- Rapid growth
- Increasing inequality increases need for government services
- Revenue constraints and structural challenges
- Economic shifts and uncertain outlook
- National economic forces result in greater volatility

We are not alone



Budget Deficit Building for Many Years

Adopted Budget Year	Projected General Fund Deficit ($ in 000s, rounded)									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2020	(42 M)	(38 M)	(36 M)							
2021*		0.7 M	(12 M)	(14M)						
2022			(144 M)	(146 M)	(120 M)					
2023*				0	(219 M)	(205 M)				
2024					(231 M)	(223 M)	(219 M)			
2025*						0.4 M	(93 M)	(85 M)		
2026							(148 M)	(129 M)	(98 M)	
2027 Proposed*								15.1 M	1.5 M	10.7 M

*The City uses a modified biennial budget process with a new two-year budget during an even-numbered year when the Council adopts Year 1 and endorses Year 2; the asterisk indicates the first year of a new biennium.

Strategies to Balance

Prioritize preserving programs and services that directly serve people and stabilize the budget

Right sizing budgets

Align budgets with actual spending, eliminate long-term vacant positions; ongoing fund swaps

Slowing Down Growth

Scaling back unsustainable program expansions that have not been implemented

Hard Choices

Necessary reductions to stabilize - real program reductions with impacts, continued reliance on JumpStart Payroll Expense Tax

Preserve and Expand Key Investments

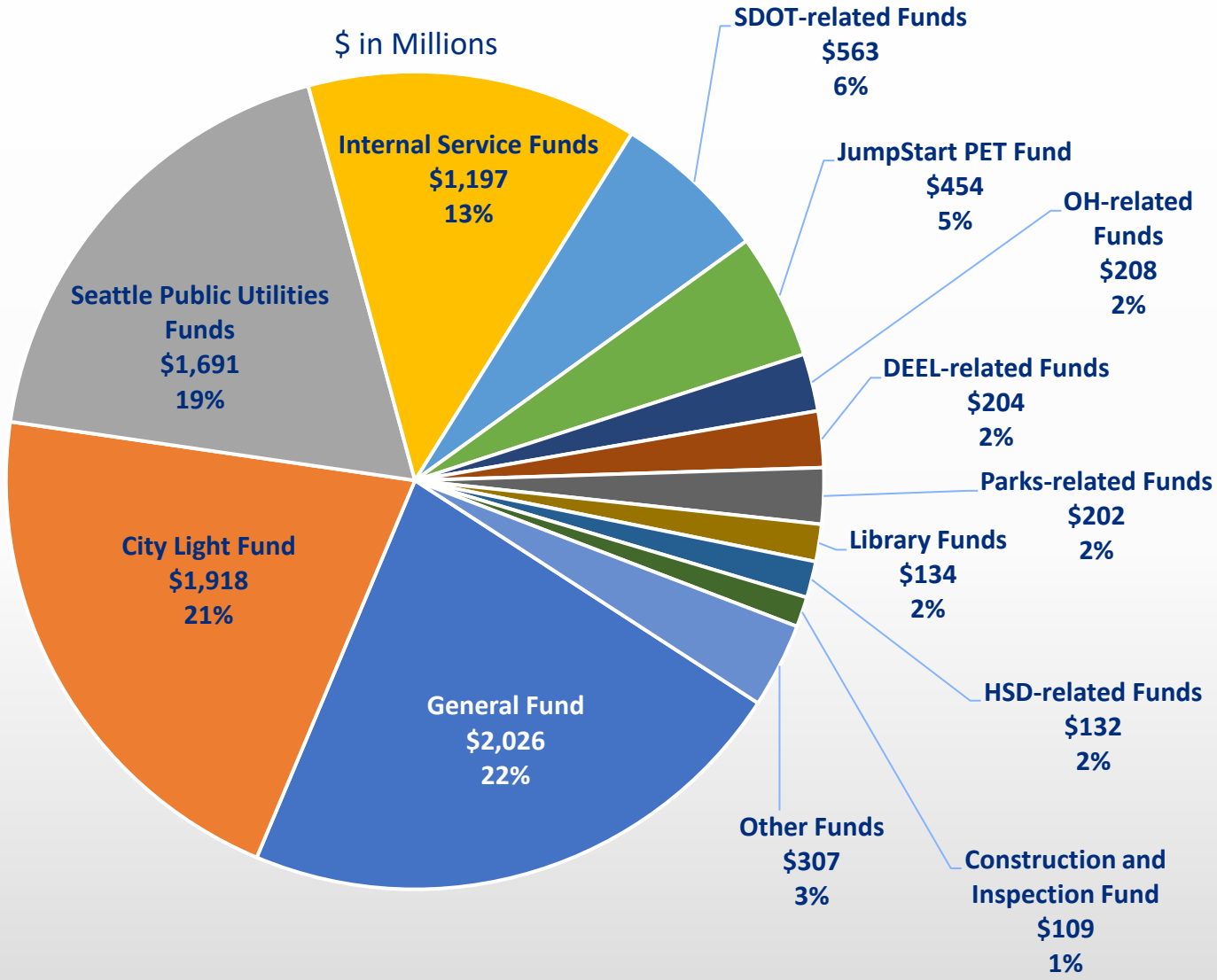
Prioritizing maintaining and, in some cases, expanding investments in essential services and programs that make Seattle safe and affordable for its people

All Funds Overview

2027-2028 Proposed Budget

2027-2028 Proposed Budget Summary – By Fund

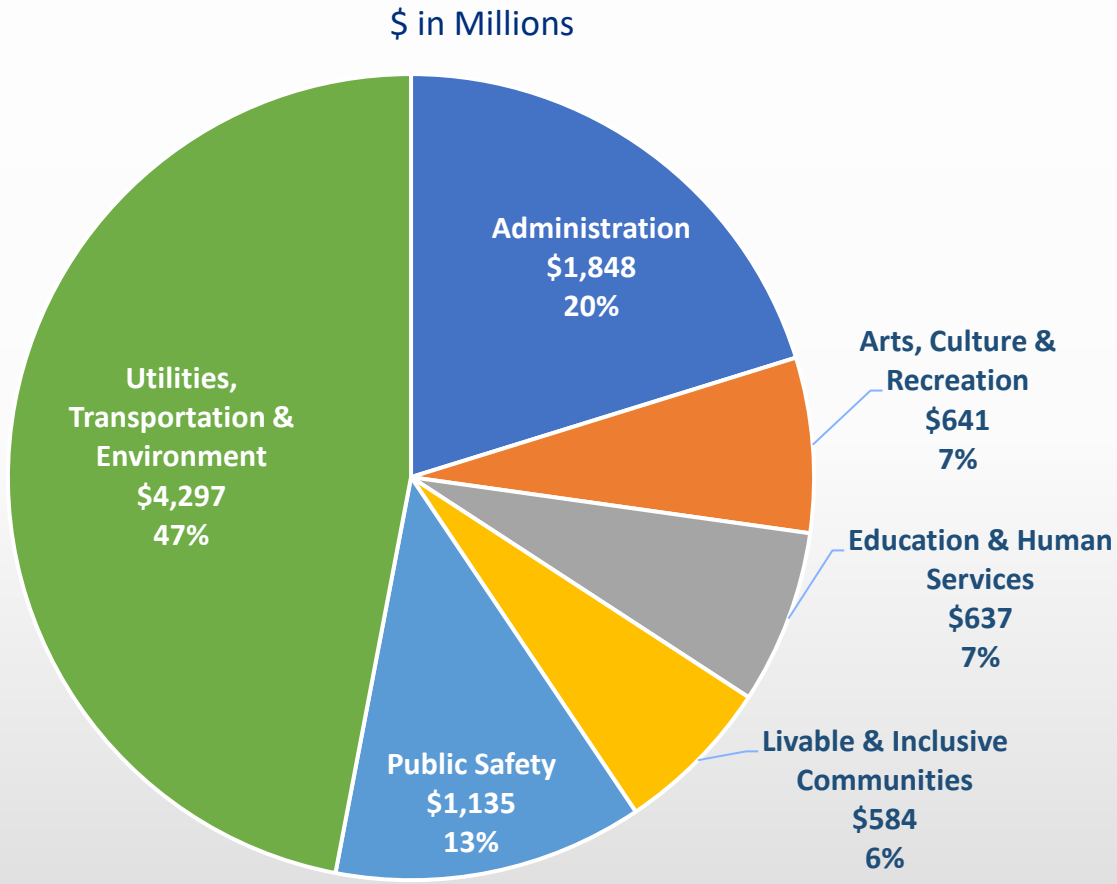
- 2027 Proposed Budget totals $9.1 billion across all funds
- 2.2% increase as compared to 2026



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2027-2028 Proposed Budget Summary – By Service Area

- 2027 Proposed Budget totals $9.1 billion-all funds
- As compared to 2026 Adopted Budget:
  - Largest growth is in Public Safety
  - Arts, Culture, and Recreation grew by a net of $50M reflecting approval of the new Seattle Public Libraries levy



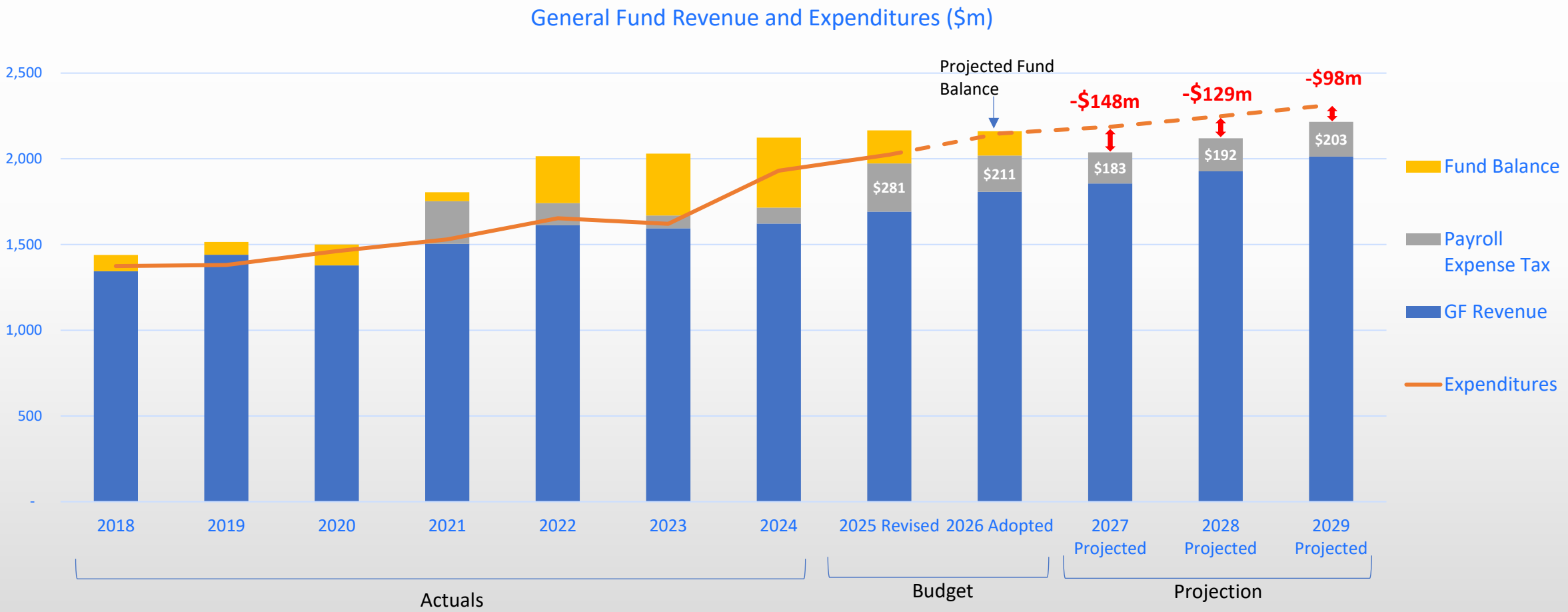
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General Fund and JumpStart Fund Overview

2027-2028 Proposed Budget Overview

General Fund Outlook: 2026 Adopted Budget

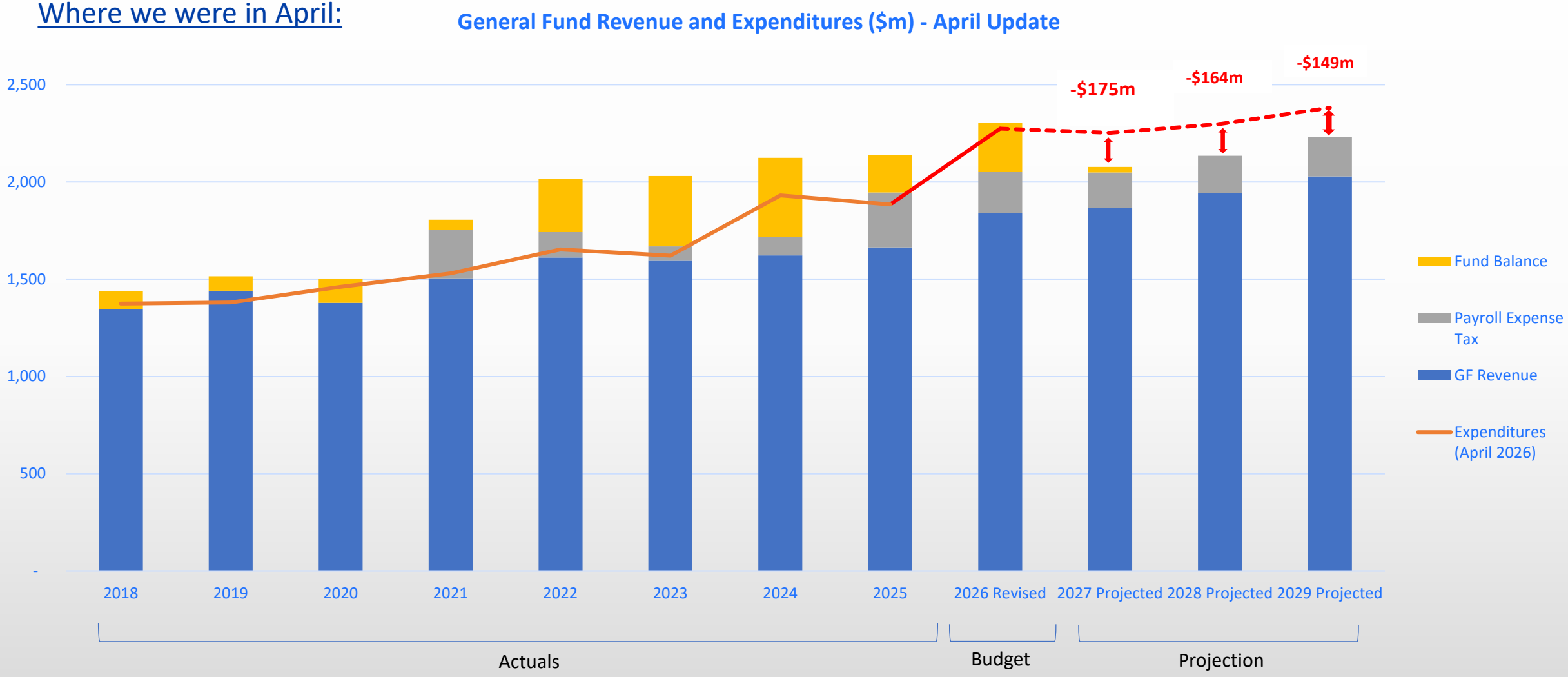
Where we started the year:



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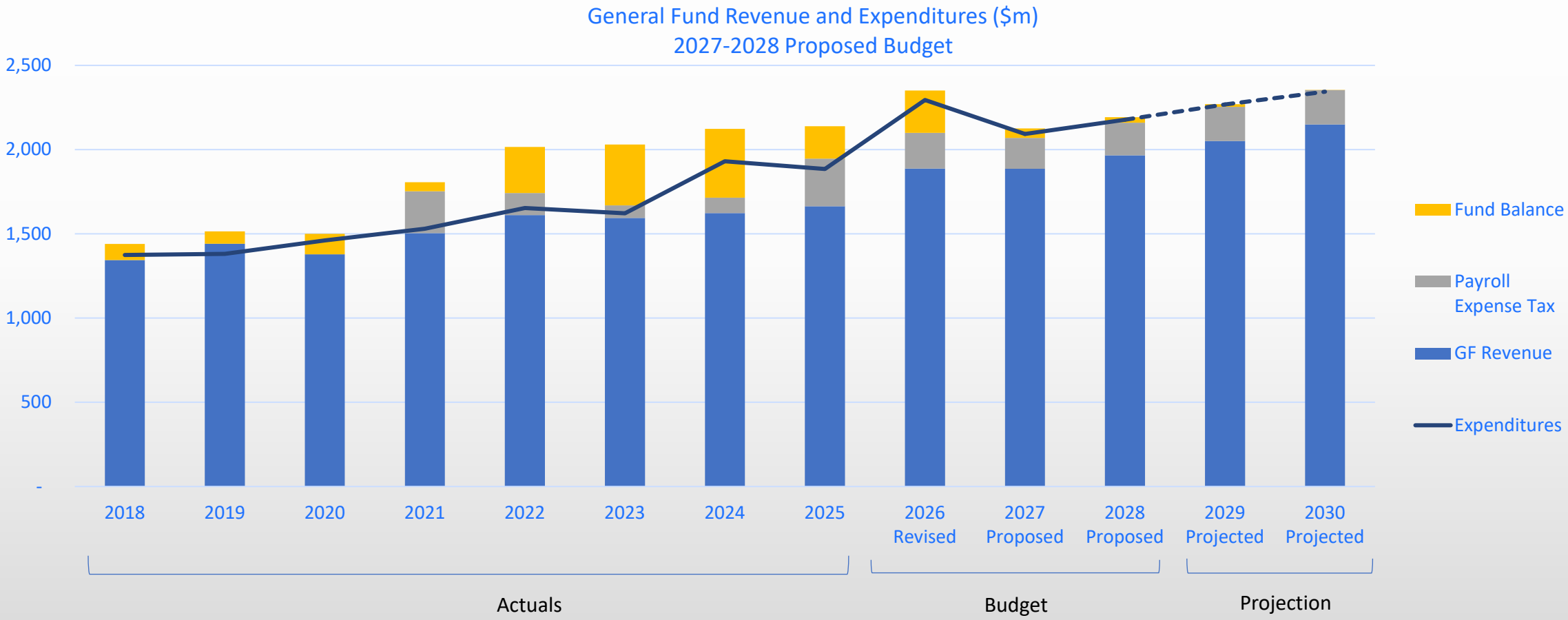
General Fund: Revised Outlook – April Update

Where we were in April:



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General Fund: Revised Outlook – 2027-2028 Proposed



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Baseline Cost Drivers

- Before any policy or service delivery changes are made, certain costs must be taken into consideration when developing the budget.
- Examples include increased costs for:
  - Increasing healthcare costs
  - Judgment and Claims
  - Closed Labor Contract implementations
  - Human Service Contract Inflation
  - Inflation on purchase of goods (e.g., higher cost of fuel)

General Fund (GF) - How did we balance

As of April 2026, projected deficits:

2027: $175M

2028: $150M

- Over $40 million GF spending reductions
- Over $50 million in transfers between funds (“fund swaps”)
- Improved August revenue forecast
  - GF revenues up $60M (2026–2028 vs. April)
  - JumpStart revenues up $58M (2026–2028 vs. April)
- Allocation of the JumpStart Fund
  - Maintains ongoing transfer to GF (~$200M)
  - Funds about half of homeless service investments
  - Makes a change in how the OH will manage its annual JumpStart allocation, enables a one-time $65M JumpStart transfer from 2026 to support JumpStart investments in 2027–2028

Reductions as % of Ongoing GF Budget

Note:

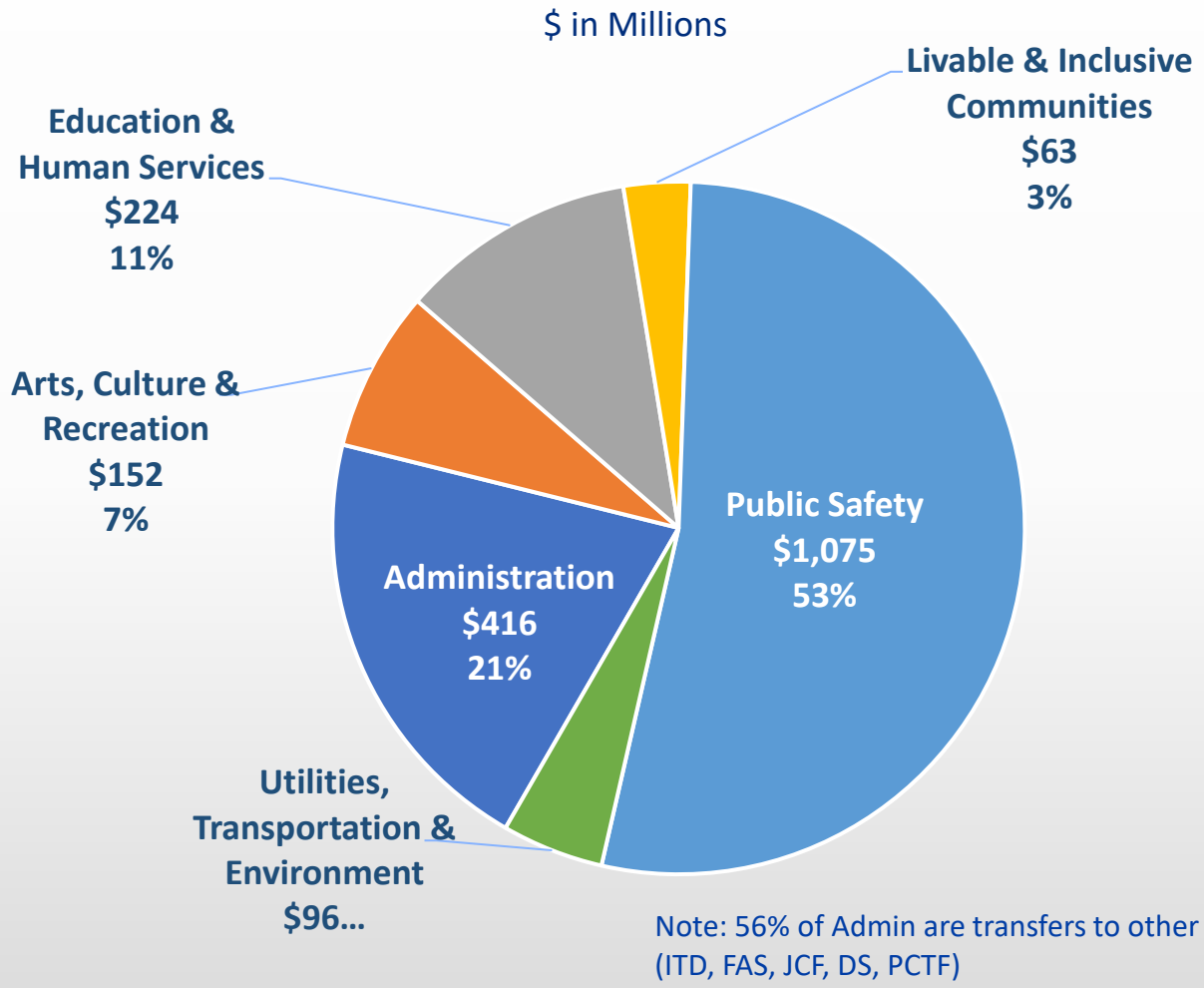
- This shows the % decrease in a departments GF budget after baseline adjustments (e.g., after removal of one-time changes in the 2026 Adopted Budget, after applying increases to reflect implementation of closed labor contracts) and is not the net impact to the departments base budget.
- Departments listed in purple text ultimately show a net increase in their 2027 Proposed GF Budget compared to the 2026 Adopted Budget

**These departments achieved GF reductions in large part by shifting expenses to other funds (e.g., shifting half of HSD's Homeless Service investments to the JumpStart Fund).*

>5% Decrease	Office of Economic and Revenue Forecasts
	Seattle Public Utilities
	Seattle Department of Transportation
	Office of Sustainability and Environment*
	Office of Planning and Community Development*
	Office for Civil Rights
	Community Assisted Response and Engagement
2-5% Decrease	Human Services Department*
	City Budget Office
	Department of Neighborhoods
	Office of Economic Development*
	Office of Emergency Management
	Office of Inspector General for Public Safety
	Seattle Fire Department
	Seattle Parks and Recreation*
<2% Decrease	Seattle Department of Human Resources
	Finance General
	Seattle Police Department
	Seattle Center
	Seattle Municipal Court
	Seattle Department of Construction and Inspections*
	Law Department
	Civil Service Department

2027-2028 Proposed General Fund: $2.0 Billion

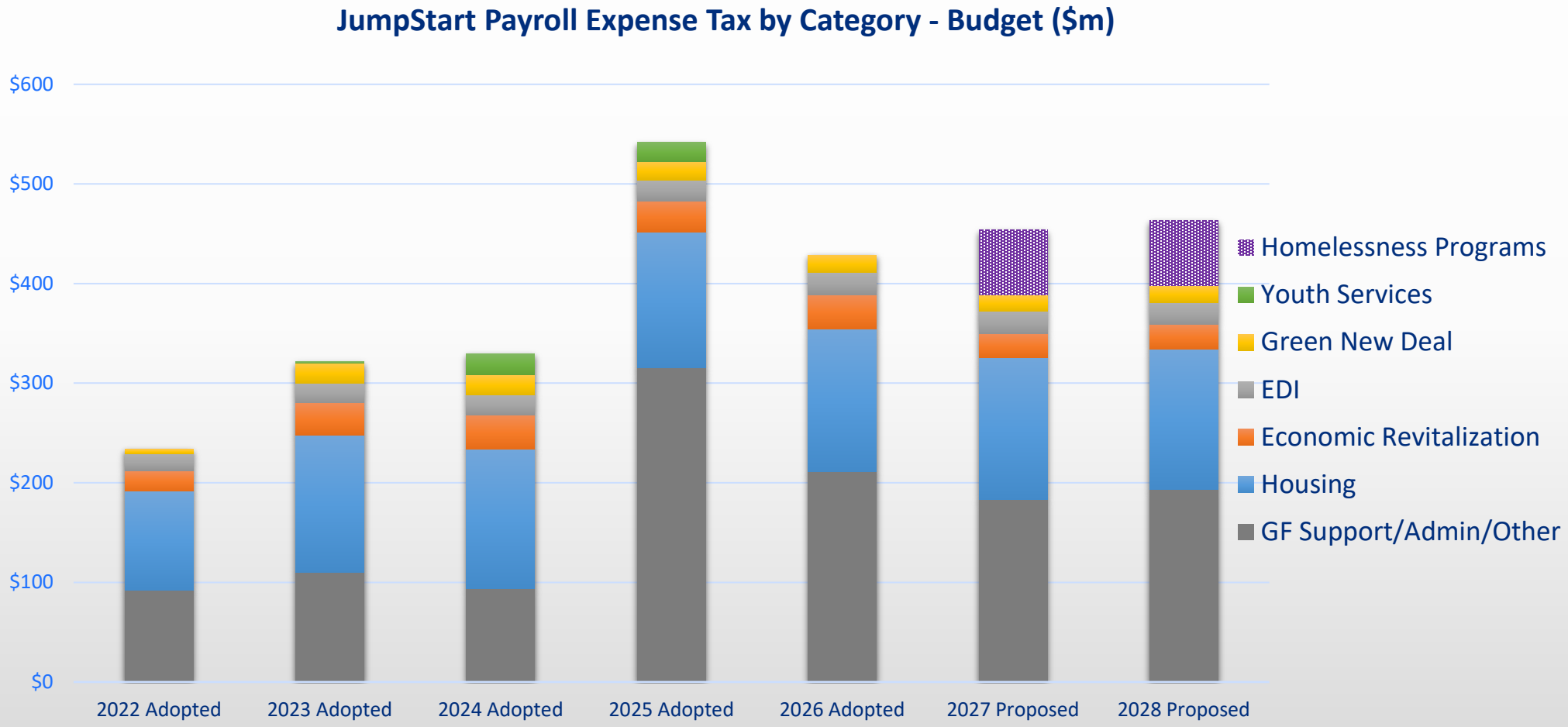
- 2027 Proposed GF Budget totals $2.0B (0.7% growth vs. 2026 Adopted)
- As compared to 2026 Adopted Budget:
  - Largest growth is in Public Safety



Note: 56% of Admin are transfers to other funds (ITD, FAS, JCF, DS, PCTF)

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2027-2028 Proposed Budget: JumpStart Payroll Expense Tax Fund



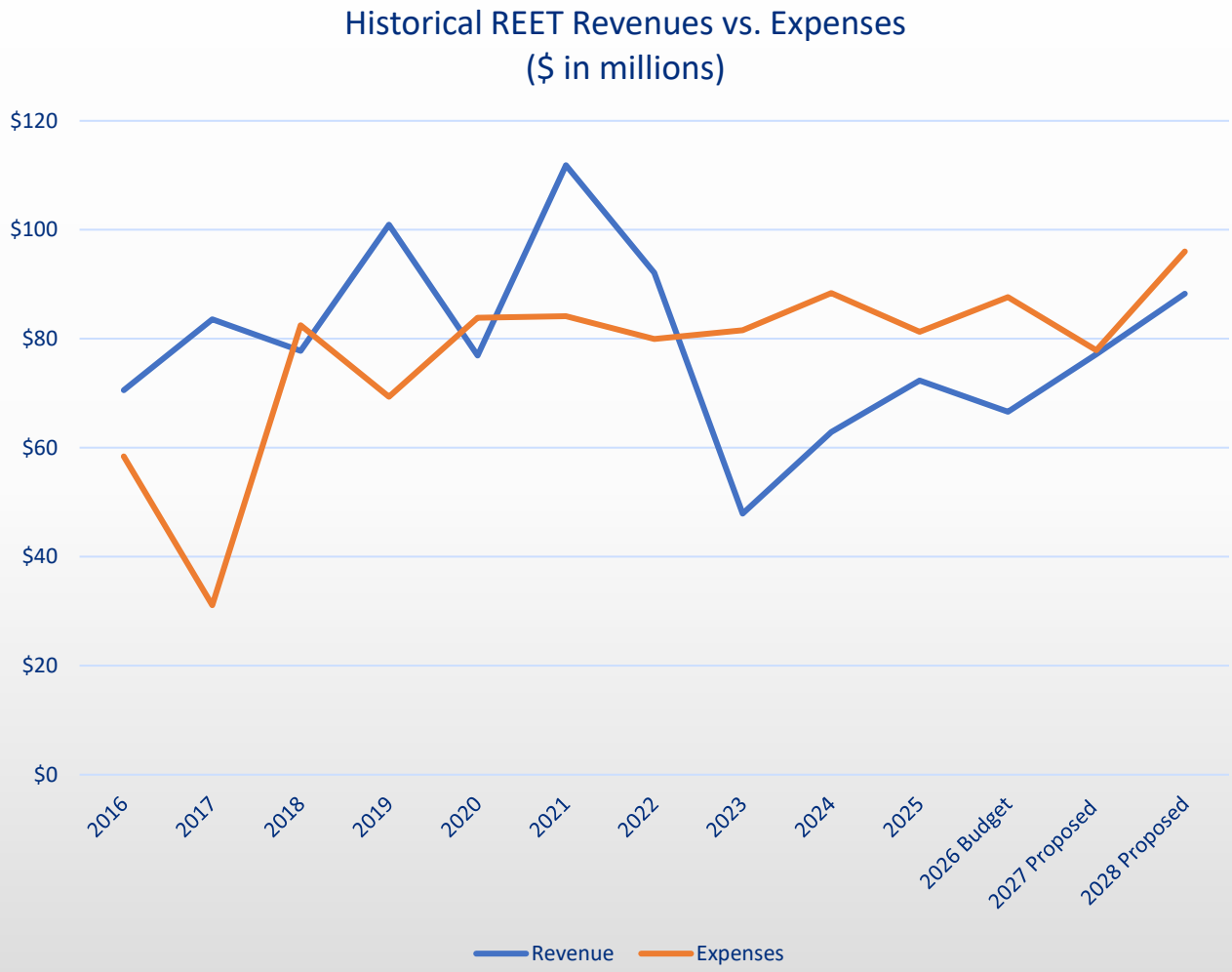
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Other Fund Highlights

2027-2028 Proposed Budget Overview

Other Funds-Real Estate Excise Tax

- Real Estate Excise Tax (REET) is a tax levied on all real estate transactions in the city
- REET revenues support projects in the Capital Budget both through:
- REET revenues are highly volatile and dependent on the local real estate economy
  - REET revenue forecast for the 2026-2031 planning period dropped by $55.1 million (10%).
- 2027-2028 Proposed Budget makes reductions and reallocations to balance the REET Funds
  - Principally impact projects for SPR and SDOT



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Other Funds-Sweetened Beverage Tax Fund

- Projected revenues for 2027-2028 biennium are lower than 2026 Adopted Budget requiring reductions to balance the fund
  - Prioritize funding for Fresh Bucks, food banks, and meal services
  - Proposed reductions for the Food Equity Fund; backfilling with $1.8 million of GF to support the FEF in 2028.
- SBT Fund is not intended to grow like other funds in the budget

2027 Proposed Budget-Citywide FTE Changes

Total FTE Changes Citywide	FTE
Reductions	-128.00
Additions	169.50
Changes to Existing Positions	1.98
Net Change	**43.48**

	Additions	Reductions	Net Change	% of total Net change
Non-represented	55.08	-63.5	-8.42	-19%
Represented	116.4	-64.5	51.9	+19%

	Filled	Vacant
Reductions	-15	-113
% of Total Reductions	12%	88%

Key Investments

2027-2028 Proposed Budget

2027-2028 Proposed Budget Key Investments:
Housing and Homeless Service Investments

Over $500 million in annual investments to support affordable housing, renters, and homeless services, including:

- Preserving $140.2 million of JumpStart Funds to the Office of Housing - over 30% of projected 2027 JumpStart tax revenue
- Adding $294,000 for a new Housing Ombud position
- Investing $183.5 million for homelessness response, including $37 million to stand up nearly 1,000 units of shelter by the end of 2027, serving 1,750 people annually
- Adding $915,000 for three new three new revenue-backed positions to administer and enforce new tenant regulations - Ordinance 127497 (the "Junk Fee" bill)
- Adding $200,000 in 2027 and $360,000 in 2028 to implement legislation sponsored by Councilmember Foster to mitigate unfair housing practices and provide new protections for homeowners from unwanted solicitation of residential property
- Adding $6.5 million to Human Services Fund two-times (2027 and 2028) for rental assistance and other homeless prevention investments, bring the total annual investment in this area in this biennium to over $15 million

2027-2028 Proposed Budget Key Investments: **Food Security and Access**

The 2027-28 Proposed Budget invests $57 million in Food Security and Access. This includes:

- Preserving funding for food banks and meal providers through HSD, Fresh Bucks through OSE, as well as smaller food programs in DON, SPR, and FEPP-funded food assistance in DEEL.
- Adding:
  - $6.3 million to make the one-time 2026 add for Fresh Bucks expansion ongoing (OSE);
  - $4 million to make the one-time 2026 increase for food banks and year-round prepared hot meal access for youth, seniors, people experiencing homelessness, and others in need of a nutritious meal (HSD);
  - $4.14 million one-time for Universal School Meals (DEEL)
  - $655,000 ongoing to implement the City Council proposed investment to provide food assistance to low-income students over weekends and school breaks



2027-2028 Proposed Budget Investment Areas:
Public Safety (1/2)

The proposed budget advances a comprehensive public safety approach that strengthens emergency response, targets resources where violence is most concentrated, and invests in upstream community-based prevention.

This includes:

- **Seattle Police Department – $556M**
  Increases funding by $68M to support 1,250 officers (66 more than 2026). Includes $9.5M in savings from reducing civilian positions and scaling back recruitment and marketing.
- **Seattle Fire Department – $346M**
  Maintains core fire and emergency services; reduces overtime by $7.1M; adds funding for maintenance and 5 FTE firefighters for peak-time aid car. Includes $8.7M for Fire Station 25 renovations (via FAS)
- **Community Assisted Response & Engagement (CARE) – $72.6M**
  Sustains current staffing levels 911 dispatch and crisis responder operations, reducing funding for vacant positions. Supports Mayor's Gun Violence Plan, including a citywide command center, coordinated community services, Violence Reduction Councils, and new UW data partnership. Adds $1.6M for CoLEAD housing operations.
- **Police Accountability – $14.8M**
  Continues funding for Office of Police Accountability, Office of Inspector General for Public Safety, and Community Police Commission.

2027-2028 Proposed Budget Investment Areas:
Public Safety (2/2)

- **Department of Neighborhoods – $1.17M**
  Maintains funding for Community Safety Coordinators in five neighborhoods and Rainier Beach youth violence prevention programs.
- **Office of Economic Development – $530K**
  Maintains funding for neighborhood ambassadors in Ballard and the University District to improve safety and small business engagement.
- **Human Services Department – $45M (Safe & Thriving Communities)**
  Funds domestic violence and sexual assault response, crime survivor services, and community-based violence prevention. Intervention contracts shift to CARE in 2027; HSD retains prevention and youth safety programming.
- **Department of Education & Early Learning – $2.5M**
  Supports upstream youth programs including restorative justice, school conflict resolution, and new Opportunity-Based Mentoring to help students re-engage and reduce justice-system involvement.

2027-2028 Proposed Budget Investment Areas:
Increase Access to Public Restrooms

- $1.8 million for two new prefabricated restrooms (such as Portland Loos) in City Parks--one at Cheryl Chow Park in Rainier Valley and a site in Northeast Seattle that will be determined in 2027.
- $971,000 annually for park restroom renovation, bringing the annual ongoing restroom maintenance budget from all fund sources to about $2.8 million annually through 2031.
- $1.4 million ongoing funding to FAS to contract with a private entity for installation of public restrooms in busy areas across the City (funding for up to 10 installations).



2027-2028 Proposed Budget Investment Areas:
Standing for Our Values

- Sustains $4M in ongoing 2026 funding for the Office of Immigrant and Refugee Affairs to support legal defense, rapid response, and English-language/workforce programs, with $125,000 transferred to OLS for labor standards education.
- Adds a $500,000 ongoing annual investment in queer and trans organizations in HSD, guided by the 2026 Queer and Trans Stabilization IDT with leadership from the Office for Civil Rights and the LGBTQ+ Commission.
- Maintains funding for OLS outreach, education, investigation, and enforcement of labor standards, including for app-based workers, adding $500,000 in Network Company License Fee-backed funding for a total budget of $2.1M to implement, the App-Based Worker Minimum Payment and App-Based Worker Deactivation Rights regulations.
- Adds $175,000 of one-time funding to implement Fair Pricing legislation, creating a new regulatory framework for algorithmic price discrimination for groceries and essential goods.

2027-2028 Proposed Budget Investment Areas:
Building for the Future

- Advances Seattle Center revitalization efforts per Resolution 32205, including preparation for a 2027 Unlimited Tax General Obligation (UTGO) bond measure.
- Establishes the Seattle Center Campus Revitalization Program and an interfund loan to cover pre-bond costs.
- Invests $2.35M (via interfund loan) for pre-bond planning and design for key facilities and the Comprehensive Campus Plan.
- Adds about $780,000 (via interfund loan) to support four positions leading Campus Revitalization Program work.



Next Steps & Considerations

2027-2028 Proposed Budget Overview

Moving Forward-Continued Efforts to Stabilize

- 2027-2028 Proposed Budget puts the budget on more sustainable footing
- Right-sizing budget does not allow for expanding City services or address economic conditions outside of the City's control
- As demand for service continues to grow in the community, Mayor Wilson will continue to pursue other tools to stabilize the GF and to address growing community needs. This includes:
  - Voluntary Separation Program
  - Effective Government & Building a Resilient Seattle Economy Executive Orders
  - New Progressive Revenue

This ongoing work will help:

- Dedicate more JumpStart revenues to original spending categories
- Stabilize and expand public safety investments
- Address needed improvements to essential public facilities
- Expand programs to address affordability, such as:
  - Childcare
  - Housing
  - Food
  - Access to arts and cultural opportunities

Next Steps-Department Presentations

Meeting Date	Departments Presenting
Thursday, September 24	• CBO-Proposed Budget Overview • Seattle Parks and Recreation • Seattle Center • Office of Arts & Culture
Friday, September 25	• Community Assisted Response & Engagement • Seattle Fire Department • Seattle Police Department
Monday, September 28	• Human Services Department • Seattle Department of Transportation • Office of Economic Development
Tuesday, September 29	• Office of Housing • Seattle Dept. of Construction & Inspections • Office of Planning & Community Development