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**OFFICE OF ARTS AND CULTURE (ARTS)**  
**2027–2028 PROPOSED BUDGET**  
**OVERVIEW & POLICY CONSIDERATIONS PAPER**  
 CENTRAL STAFF ANALYST: HB HARPER

**Table 1. Department Budget Summary**

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change   |
|-------------------------------|-----------------|------------------|---------------|------------------|---------------|
| <b>Operating Budget</b>       |                 |                  |               |                  |               |
| Arts and Cultural Programs    | \$12.2M         | \$9.6M           | (21.7%)       | \$9.4M           | (2.1%)        |
| Creative Placemaking          | \$1.8M          | \$2.6M           | 44.4%         | \$2.5M           | (4.0%)        |
| Leadership and Administration | \$5.5M          | \$5.7M           | 4.1%          | \$5.8M           | 1.9%          |
| Public Art                    | \$5.6M          | \$5.1M           | (8.7%)        | \$5.1M           | 0.9%          |
| <b>Total</b>                  | <b>\$25.0M</b>  | <b>\$22.9M</b>   | <b>(8.5%)</b> | <b>\$22.8M</b>   | <b>(0.6%)</b> |
| <b>FTE</b>                    | <b>45</b>       | <b>45</b>        | <b>0%</b>     | <b>45</b>        | <b>0%</b>     |

## I. OVERVIEW AND SUMMARY

The Office of Arts & Culture (ARTS) invests through five program areas to support artists and cultural institutions in Seattle: Cultural Investments, Creative Youth, Cultural Space, Art and Cultural Facilities, and Public Art. The office is supported by the Seattle Arts Commission. The 2027-2028 Proposed Budget includes several technical/baseline changes, as well as removal of one-time items, and some modest increases to programs. Staff have identified an issue for the Council's consideration that is discussed in more detail below.

### A. Operating Budget

Notable additions to the ARTS 2027-2028 Proposed operating budget include:

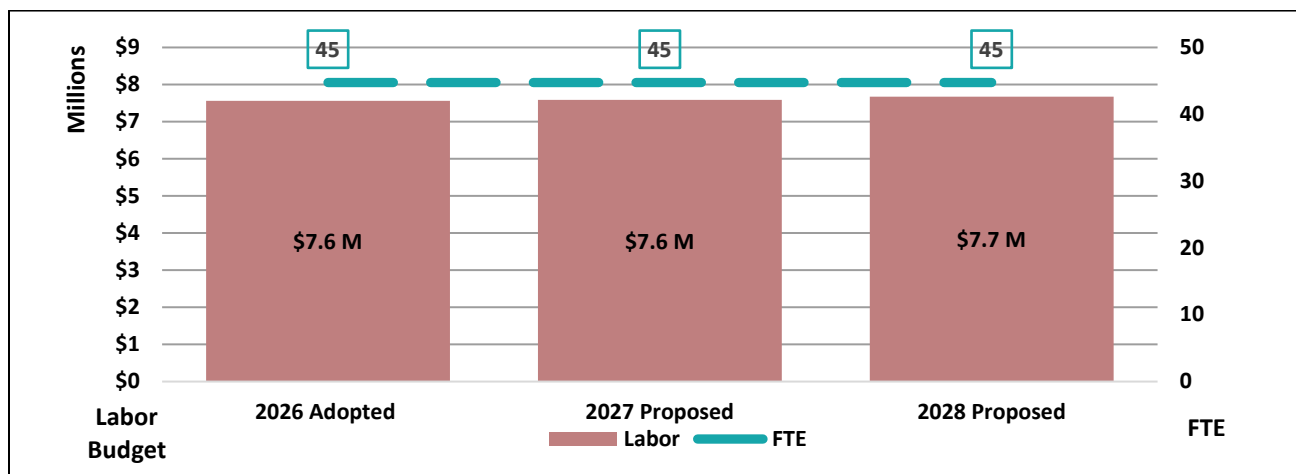
- \$1.5 million ongoing Admissions Tax revenue from the Arts and Culture Fund to Seattle Center (CEN) and Seattle Parks and Recreation (SPR), for CEN's Folklife and Winterfest festivals, and SPR's downtown music buskers, Teen Summer Musical, and the Arts in Parks programs. See section II.1 for additional information.
- \$557,000 ongoing (Arts and Culture Fund) for arts education through The Creative Advantage program in Seattle Public Schools.
- \$500,000 one-time (Arts and Culture Fund) to extend King Street Station activation through 2027; this work was intended to support the World Cup, and additional short-term investment is desired to capitalize on the momentum to continue to support the creative economy.
- \$210,000 (Arts and Culture Fund) and 1.0 FTE for a Creative Placemaking Division Director position with a sunset of 2028; the position is intended to support the transition from World Cup activations work to a smaller portfolio.
- \$205,000 ongoing (Arts and Culture Fund) to provide an inflation-related adjustment to all grant programs, such as Centering Arts and Racial Equity (CARE) awards.
- \$99,000 ongoing (Arts and Culture Fund) for civic collection maintenance.
- \$65,000 ongoing (Arts and Culture Fund) for cultural districts, to support Seattle's newest cultural district and increase awards to all existing cultural districts.

Notable reductions to the ARTS 2027-2028 Proposed operating budget include:

- \$2.5 million Arts and Culture funded items added one-time by the Executive in the 2026 Adopted Budget including:
  - \$2 million for cultural stabilization/organizational transformation pilot program (PIVOT)
  - \$132,000 for World Cup-related activations
  - \$160,000 for temporary graffiti initiative, directed by the prior Mayoral administration
  - \$200,000 for strategic planning
- \$1.5 million GF funded items added one-time by the Council in the 2026 Adopted Budget intended for projects such as: cultural film venues, Black choreographers, low-income artists, District-specific murals, theater upgrades, etc.

## B. FTE & Labor Changes

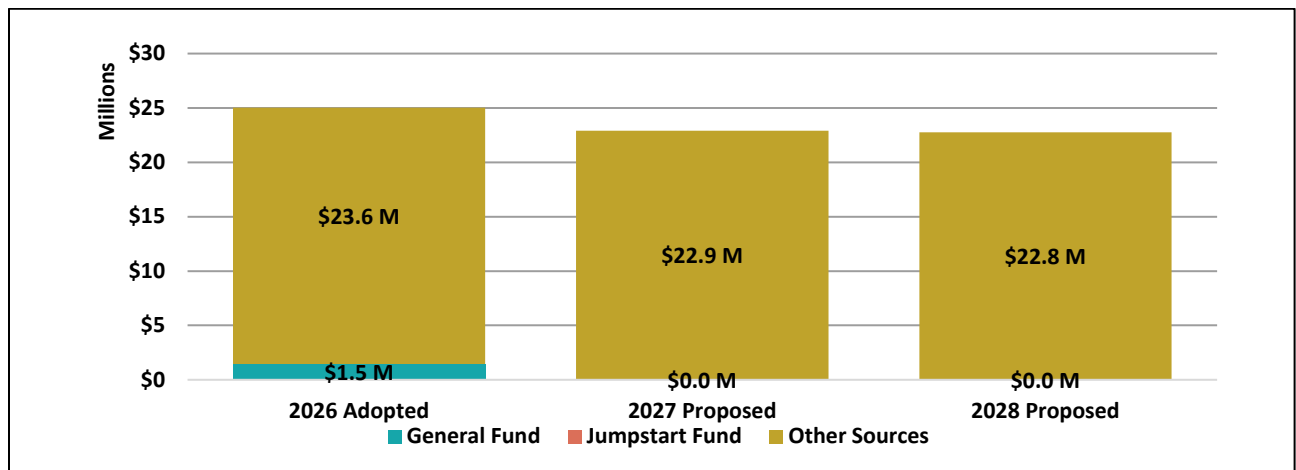
**Figure 1. FTE & Labor Budget Summary**



The 2027-2028 Proposed Budget includes a stable labor budget for ARTS with no net change in FTEs.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The 2027-2028 Proposed Budget for ARTS is comprised of \$5.9 million of Municipal Arts Fund (also known as the 1% for Arts Fund) and \$17 million of Arts and Culture Fund, which is supported by the Admissions Tax.

## II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

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### 1. Allocation of funds to other departments

In the 2025 Adopted and 2026 Endorsed budget, Council approved ongoing use of Admissions Tax revenues to support arts and culture related programming in CEN and SPR, an approach the Executive took to move arts and culture related programming away from the General Fund. However, Council decided not to pass the admissions tax legislation transmitted as part of the 2025-2026 Proposed Budget that would have allowed direct appropriations of Admissions Tax in the Arts and Culture Fund to departments other than ARTS. Instead, Council affirmed that Admissions Tax revenue should flow through ARTS.

Last year, Council amended the 2026 Proposed Budget to change the allocation of Admissions Tax revenue for SPR and CEN from ongoing to one-time. The Council Budget Action from last year specified that an ongoing appropriation would be “constraining the Arts and Culture Fund financial plan in future years and could be considered inconsistent with Council’s previous actions to allow ARTS to retain more control over Admissions Tax revenues.”

The 2027-2028 Proposed Budget reverses that decision, once again proposing that the \$1.5 million going to SPR and CEN be ongoing, rather than one-time. Note that reverting the Arts and Culture fund appropriation to one-time for the biennium would impact GF balancing in the outyears.

#### Options:

- A. Make the \$1.5 million to SPR and CEN one-time, rather than ongoing, to align with last year’s Council decision.
- B. Create a Statement of Legislative Intent requesting long-term options for retaining Admissions Tax dollars within ARTS, including metrics of success for arts programs within and outside the ARTS department, options for reductions in arts-related programming outside the ARTS department, potential other sources of funding for programs outside the ARTS department, and any other policy considerations related to programmability of Admissions Tax dollars.
- C. No change.

# OFFICE OF CITY AUDITOR (AUD)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TRACI RATZLIFF

**Table 1. Department Budget Summary**

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |               |                  |             |
| Office of City Auditor  | \$2.6M          | \$2.6M           | (1.0%)        | \$2.6M           | 0.9%        |
| <b>Total</b>            | <b>\$2.6M</b>   | <b>\$2.6M</b>    | <b>(1.0%)</b> | <b>\$2.6M</b>    | <b>0.9%</b> |
| <b>FTE</b>              | <b>10</b>       | <b>10</b>        | <b>0%</b>     | <b>10</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

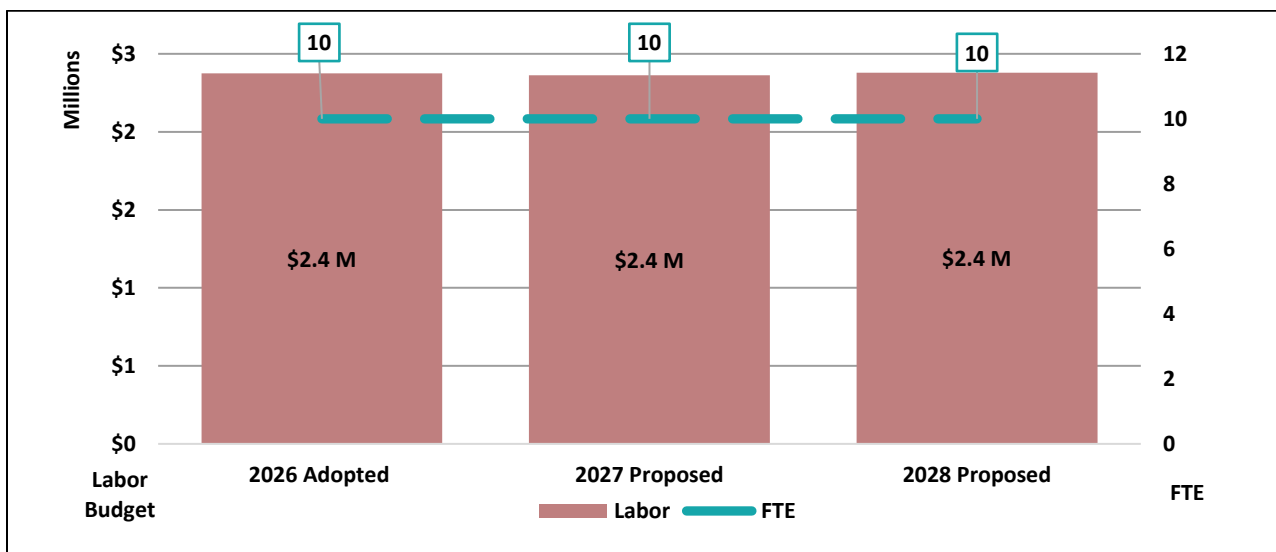
The 2027 Proposed Budget for the Office of the City Auditor (AUD) would decrease by ~\$27,000 (1%) relative to the 2026 Adopted Budget. The 2028 Proposed Budget would increase by \$24,000 (0.9%) relative to the 2027 Proposed Budget. The decrease in 2027 represents reductions to internal services costs and to the employer contribution to the Seattle City Employees Retirement System (SCERS). The increase in 2028 represents an increase in internal services costs and a slight increase in the employer contribution to SCERS.

#### A. Operating Budget

The decrease in the AUD 2027 Proposed Budget represents a reduction to internal services costs, including rates from the Department of Finance and Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare and other central cost factors. In addition, there is a reduction in the employer contribution to SCERS based on the updated actuarial valuation. The increase in the AUD 2028 Proposed Budget represents an increase to internal services costs and a reduction in the employer contribution to SCERS.

#### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

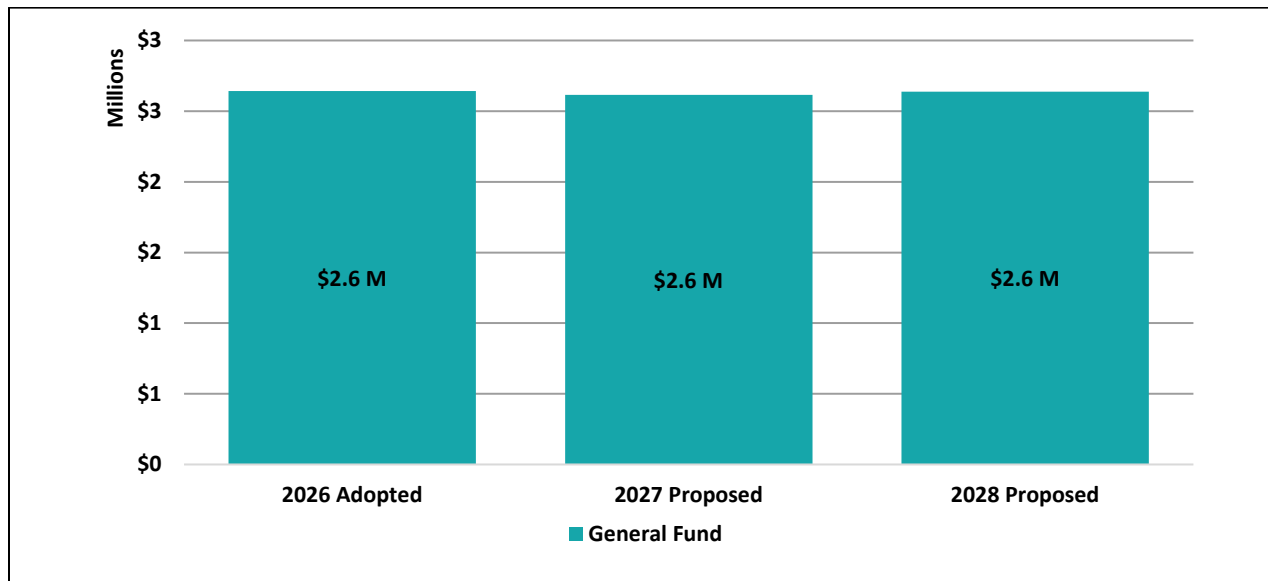


There are no changes to FTE proposed for the AUD.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



The AUD is solely funded through the General Fund.

# CITY BUDGET OFFICE (CBO)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

**Table 1. Department Budget Summary**

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |               |                  |             |
| City Budget Office      | \$10.2M         | \$9.5M           | (6.3%)        | \$9.7M           | 1.2%        |
| <b>Total</b>            | <b>\$10.2M</b>  | <b>\$9.5M</b>    | <b>(6.3%)</b> | <b>\$9.7M</b>    | <b>1.2%</b> |
| <b>FTE</b>              | <b>39</b>       | <b>37</b>        | <b>(5%)</b>   | <b>37</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

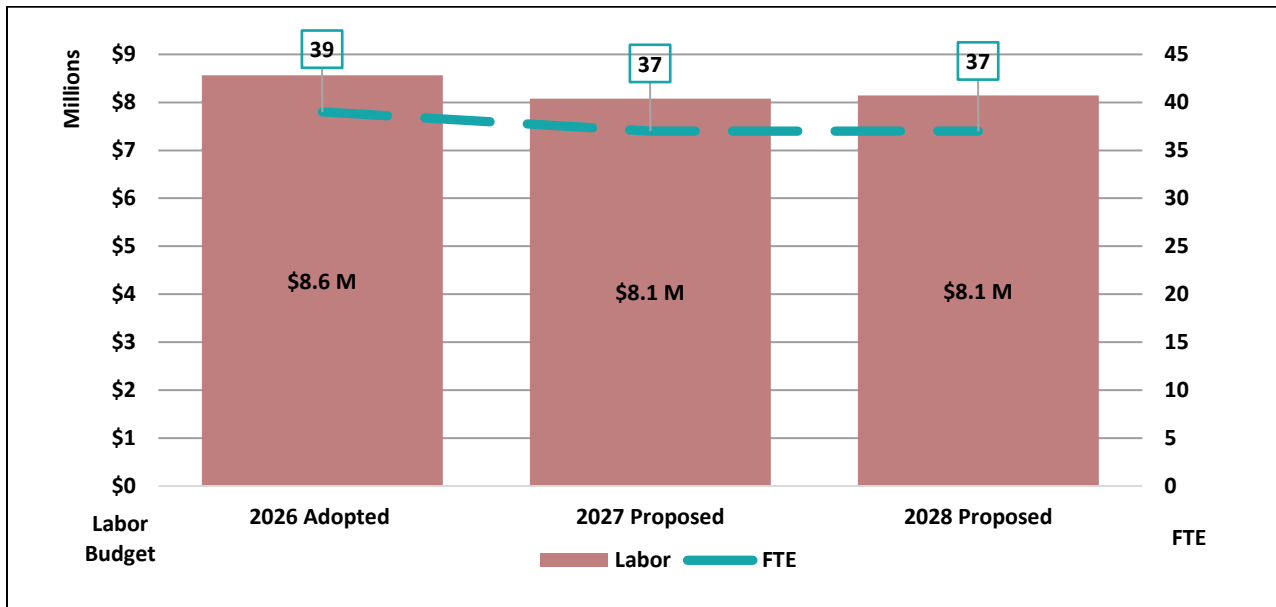
The 2027-2028 Proposed Budget for the City Budget Office (CBO) generally remains stable, decreasing by 6.3 percent in 2027 and increasing by 1.2 percent in 2028. The 2027 budget reflects technical cost adjustments, the removal of one vacant position, and the transfer of one position to the Human Services Department (HSD).

##### A. Operating Budget

As described in the overview, there are no notable changes to the proposed budget for CBO in 2027-2028. The minor changes to the budget are entirely related to technical adjustments that do not impact the department's core functions.

##### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

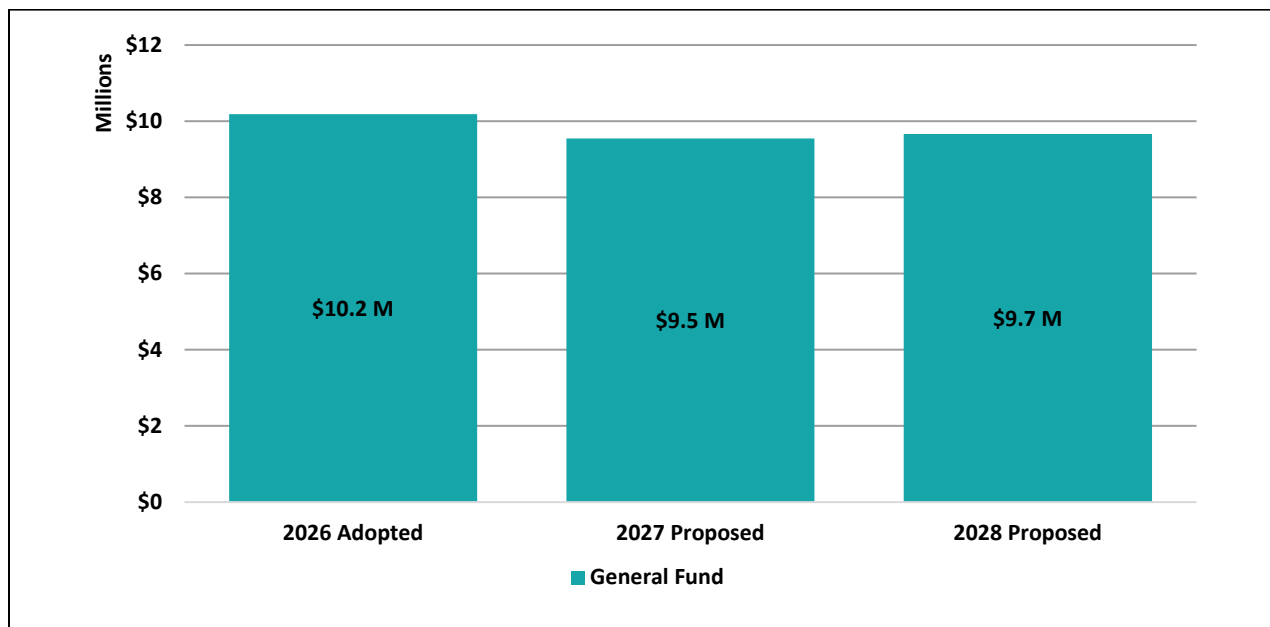


The number of employees in CBO is reduced by two. The 2026 Year-End Supplemental Budget Ordinance would transfer a Strategic Advisor position to HSD to support homelessness response work. A vacant Executive 2 position, which previously supported work in the Office of the Mayor, is eliminated and functions performed by that position are being otherwise addressed with existing Mayor's Office staff.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



CBO is funded through the General Fund. All changes to appropriations are technical adjustments or the elimination of two positions as described above.

## II. BUDGET LEGISLATION

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### 1. CBO 2026 Year-End Supplemental ORD

The year-end supplemental ordinance transfers position authority for one position from the CBO to HSD. This position is now supporting HSD's enhanced role responding to homelessness and is funded through the HSD's homelessness budget.

# CIVIL SERVICE DEPARTMENT (CIV)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

**Table 1. Department Budget Summary**

| Budget Summary Level      | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|---------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>   |                 |                  |               |                  |             |
| Civil Service Commissions | \$3.0M          | \$2.9M           | (3.1%)        | \$3.0M           | 1.0%        |
| <b>Total</b>              | <b>\$3.0M</b>   | <b>\$2.9M</b>    | <b>(3.1%)</b> | <b>\$3.0M</b>    | <b>1.0%</b> |
| <b>FTE</b>                | <b>10</b>       | <b>10</b>        | <b>0%</b>     | <b>10</b>        | <b>0%</b>   |

#### **I. OVERVIEW AND SUMMARY**

The Civil Service Department (CIV) houses and carries out the work of two City Charter-mandated policy-making and quasi-judicial commissions: the Seattle Civil Service Commission (CSC) and the Seattle Public Safety Civil Service Commission (PSCSC). The CSC conducts appeal hearings of alleged violations of the City’s personnel rules, disciplinary actions, and alleged violations of the Personnel Ordinance. The PSCSC directs the civil service system for sworn personnel of the Seattle Police Department (SPD) and uniformed positions of the Seattle Fire Department (SFD), and conducts appeals related to serious disciplinary decisions, examination and testing, and other civil service issues.

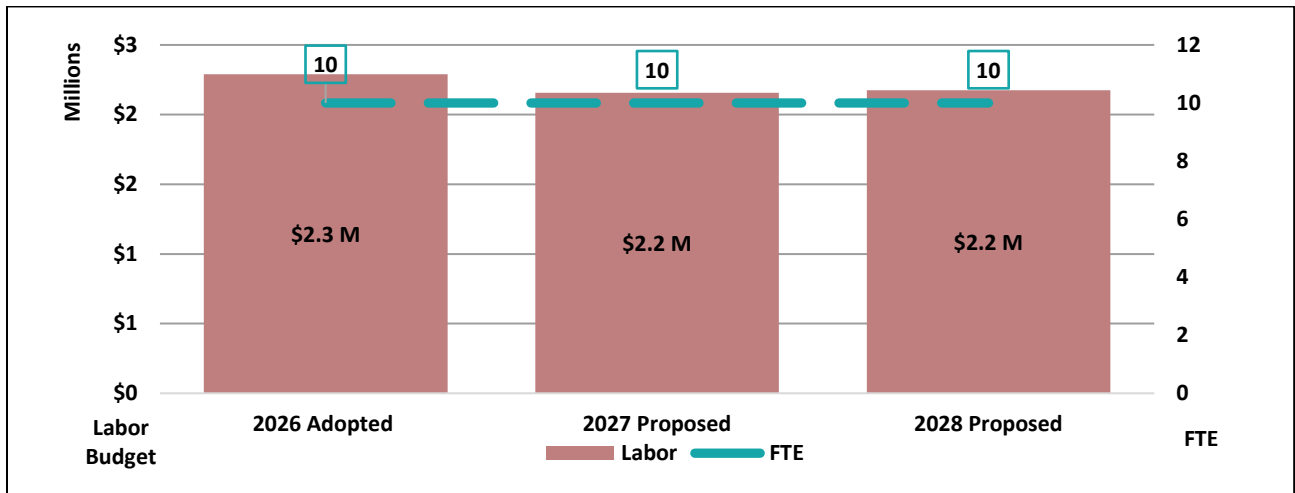
There are no significant changes between CIV’s 2026 Adopted Budget and the 2027-2028 Proposed Budget.

#### **A. Operating Budget**

The 2027-2028 Proposed Budget for CIV would decrease by about 3.1 percent (\$93,000) in 2027 relative to the 2026 Adopted Budget and increase by 1.0 percent (\$30,000) in 2028 relative to the 2027 Proposed Budget. The proposed decrease in 2027 is due to baseline adjustments that include changes to standard City costs for retirement, internal services, and healthcare; and technical adjustments to align the budget with actual spending for staffing the public safety exam and rental costs for the Fire and Police Testing Unit. CIV does not expect the reductions to result in service impacts. The proposed increase in 2028 is due to additional baseline adjustments.

## B. FTE & Labor Changes

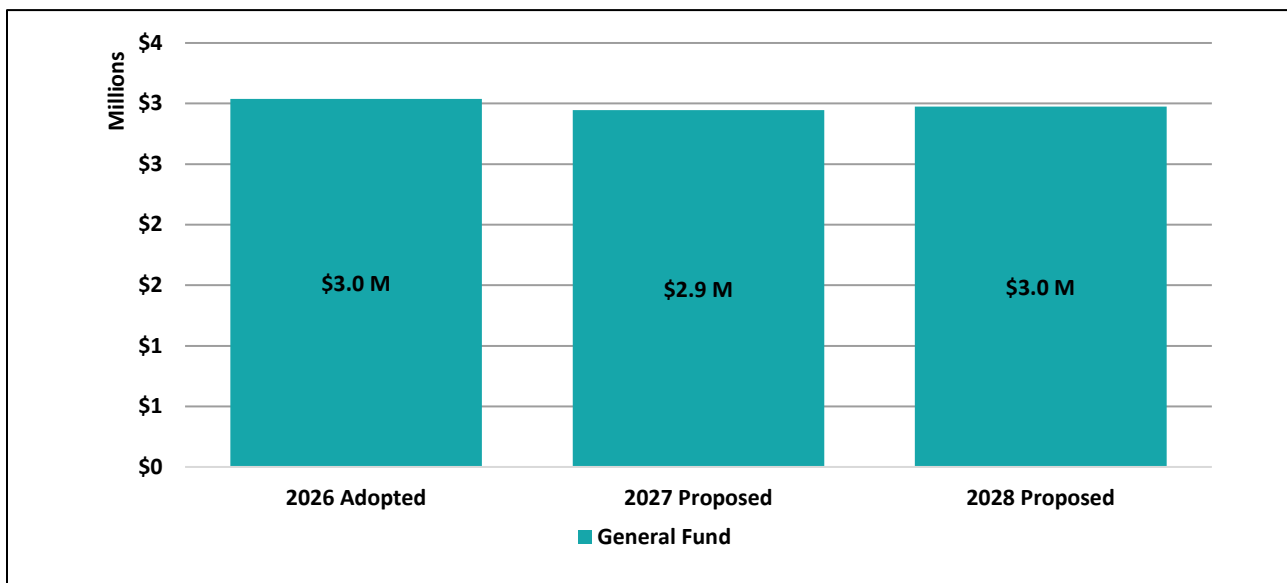
**Figure 1. FTE & Labor Budget Summary**



There would be no changes to CIV's FTE count in the 2027-2028 Proposed Budget. CIV's labor appropriations would decrease by about 6.0 percent (\$134,000) in 2027 relative to the 2026 Adopted Budget and generally remain at the same level in 2028 as compared to the 2027 Proposed Budget. These changes would reflect anticipated baseline adjustments.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



There would be no changes to CIV's funding source in the 2027-2028 Proposed Budget. CIV would be funded by the General Fund and reimbursements (about \$300,000 each year) for services provided to Seattle City Light, Seattle Public Utilities, Seattle Department of Transportation, Seattle Department of Construction and Inspections, and Seattle Retirement Department through Central Service Cost Allocations.

## II. BUDGET LEGISLATION

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### 1. Civil Service Code Revisions ORD

This legislation would add a new Chapter 3.48 to the Seattle Municipal Code to formally name the “Civil Service Department” as the department responsible for administering the Civil Service Commission (CSC) and the Public Safety Civil Service Commission (PSCS); update eligibility criteria for employees seeking candidacy as elected commissioners; and make technical edits, including align the work of the commissions with the City Charter and making language gender-neutral.

The legislation would formally name the department to create a consistent reference point in the City’s budget. In 2012, [Ordinance 123744](#) merged administration of the commissions into a single department but did not establish a name for the department. In recent years, the department has been referred to as “Civil Service Commissions” during the City’s budget process which has created confusion about the administrative work of the department and the Charter-required work of the commissions.

The legislation would also update eligibility criteria for employees seeking candidacy as elected commissioners by requiring them to first complete their probationary period of employment. This requirement is intended to prevent the need for a new election if an employee elected as commissioner is discharged during their probationary period. Holding a new election process could incur additional expenses and result in a long-term vacancy for the commissioner positions, potentially risking the ability of the commission to meet quorum and fulfill its functions.

This legislation would not create financial impacts for the department or City. If Council does not pass this legislation, the lack of a formal name for the department could continue to be a source of confusion. Additionally, the City would need to administer and pay for an election to fill any commissioner vacancies resulting from probationary discharge.

# COMMUNITY POLICY COMMISSION (CPC)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: GREG DOSS

**Table 1. Department Budget Summary**

| Budget Summary Level                      | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|-------------------------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>                   |                 |                  |             |                  |             |
| Office of the Community Police Commission | \$2.5M          | \$2.6M           | 2.1%        | \$2.6M           | 1.2%        |
| <b>Total</b>                              | <b>\$2.5M</b>   | <b>\$2.6M</b>    | <b>2.1%</b> | <b>\$2.6M</b>    | <b>1.2%</b> |
| <b>FTE</b>                                | <b>10</b>       | <b>10</b>        | <b>0%</b>   | <b>10</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Office of the Community Police Commission (CPC) is the administrative and policy support entity of the Community Police Commission. The CPC is charged with providing community oversight and input regarding police practices and public safety. The CPC's 15-member board is appointed by the Mayor, the City Council, and the Community Police Commission?

The 2027-2028 Proposed Budget for the CPC increases by \$100,000 (2.1 percent) relative to the 2026 Adopted Budget, largely reflecting technical changes made to citywide personnel and internal service costs. The 2027-2028 Proposed Budget maintains all core services for the CPC.

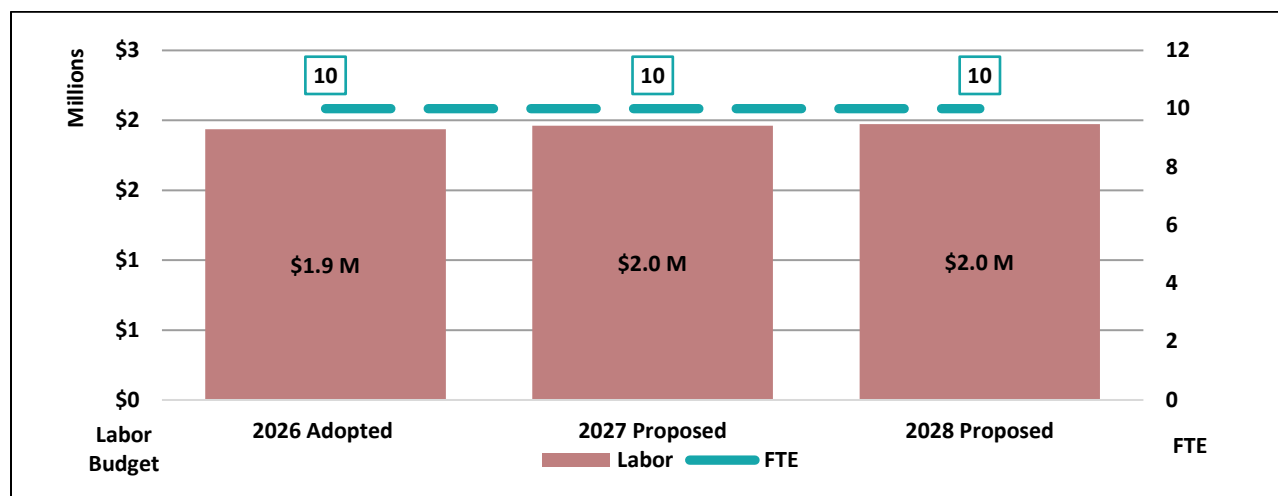
#### A. Operating Budget

The 2027-2028 Proposed Budget makes two minor, technical changes that net to \$53,000:

- \$73,000 is added to pay for citywide internal rates including Seattle IT, Seattle Department of Human Resources and Finance & Administrative Services; and
- \$20,000 is reduced to adjust for various personnel-related costs such as bargained wage increases and SCERS retirement rate changes.

#### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

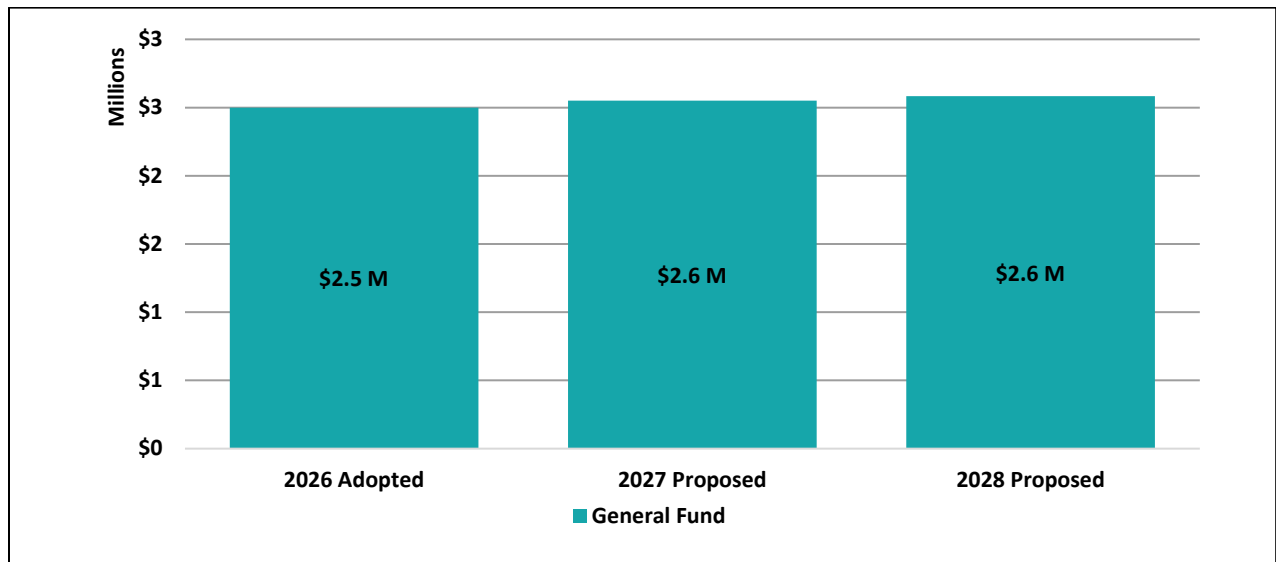


There are no FTE changes in the 2027-2028 Proposed Budget.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



The CPC is funded entirely by the General Fund.

# DEPARTMENT OF EDUCATION AND EARLY LEARNING (DEEL)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: JASMINE MARWAHA

Table 1. Department Budget Summary

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|-------------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>       |                 |                  |             |                  |             |
| Early Learning                | \$93.8M         | \$103.4M         | 10.2%       | \$110.0M         | 6.4%        |
| K-12 Programs                 | \$59.7M         | \$62.9M          | 5.4%        | \$67.0M          | 6.6%        |
| Leadership and Administration | \$11.4M         | \$13.1M          | 15.1%       | \$13.9M          | 5.7%        |
| Post-Secondary Programs       | \$11.9M         | \$12.6M          | 5.2%        | \$13.3M          | 6.3%        |
| <b>Total</b>                  | <b>\$176.9M</b> | <b>\$192.0M</b>  | <b>8.6%</b> | <b>\$204.3M</b>  | <b>6.4%</b> |
| <b>FTE</b>                    | <b>125</b>      | <b>126</b>       | <b>1%</b>   | <b>126</b>       | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Department of Education and Early Learning's (DEEL's) 2027 Proposed Budget is \$15.1 million more than the 2026 Adopted Budget, reflecting an 8.6 percent increase. The increase is driven almost entirely by the anticipated expanded investments in the 2025 Families Education Preschool and Promise (FEPP) Levy.<sup>1</sup> FEPP Levy proceeds must be spent in accordance with an Implementation and Evaluation (I&E) Plan approved by ordinance, and this increase is consistent with the projected expenditures contained in the FEPP Levy [I&E Plan](#) adopted by Council earlier this year.

#### A. Operating Budget

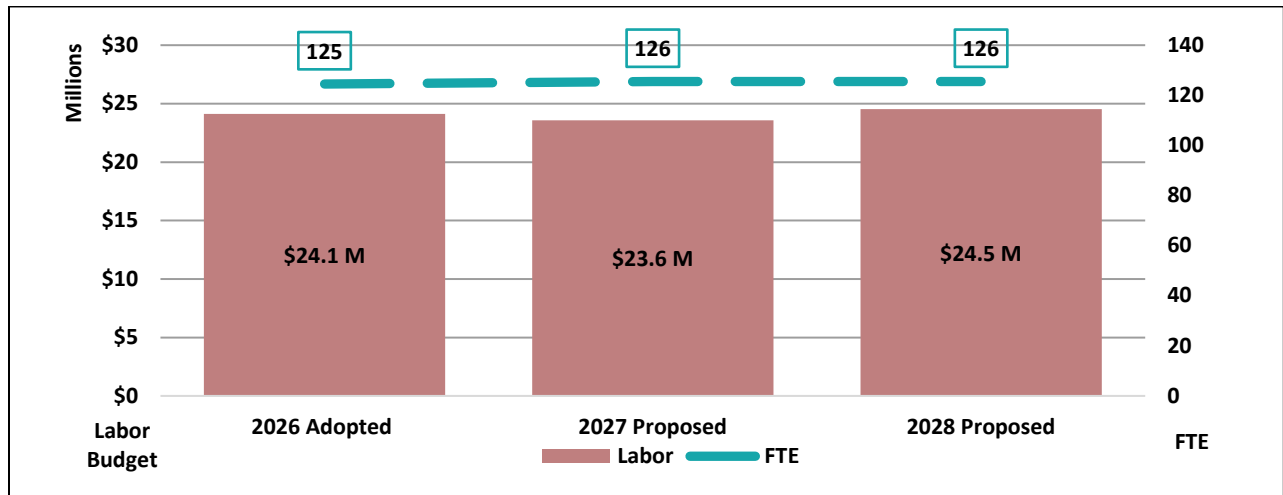
DEEL's 2027-2028 Proposed budget includes technical changes to reflect the expiration of the 2018 FEPP Levy, as well as ongoing expenditures now backed by the 2025 FEPP Levy fund in alignment with the FEPP Levy I&E Plan. The proposed budget also includes:

- Approximately \$2 million in 2027 and 2028 for increased revenues and corresponding expenditures to reflect the Seattle Preschool Program (SPP) extended day and full-year coverage. The 2025 FEPP [Ordinance 127238](#) did not account for additional tuition revenue for SPP Extended Day Full Year programming. This increased revenue will be used to support increased contract costs with SPP providers.
- \$300,000 for the Post Secondary Success Initiative, which aims to increase student success at colleges and universities in Seattle by better understanding enrollment and completion gaps for underrepresented students. This one-time add is supported by the 2011 Families and Education Levy (FEL) fund. The FEL fund financial plan commits its remaining fund balance to the 2025 FEPP Levy spend plan.

<sup>1</sup> DEEL investments from the FEPP Levy are allocated based on the school year, such that the 2026 Adopted Budget reflected expenditures from the 2018 FEPP Levy for the second half of the 2025-2026 school year, as well as expanded investments from the 2025 FEPP Levy for the first half of the 2026-2027 school year.

## B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

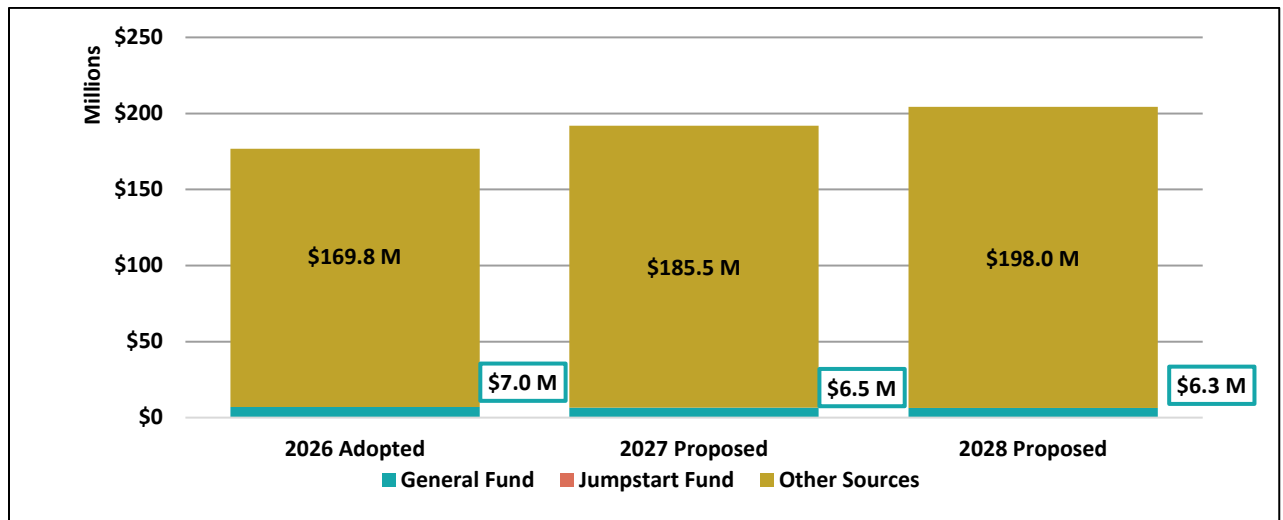


DEEL's 2027-2028 Proposed Budget includes the addition of 1.0 FTE Strategic Advisor 1 that will serve as primary data coordinator and analyst for the Child Care Assistance Program (CCAP) and SPP.

The Proposed Budget reflects a \$500,000 decrease in labor costs for 2027 due to technical adjustments.<sup>2</sup> The 2027-2028 Proposed Budget is aligned with the FEPP Levy I&E Plan, and includes annual inflationary increases.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



DEEL's 2027-2028 Proposed Budget is almost entirely funded by levy funds, with the 2025 FEPP Levy Fund representing the vast majority of appropriations. There remains some fund balance in the 2011 FEL fund, the 2014 SPP Levy Fund, and the 2018 FEPP Levy Fund, all of which has been reserved in future years to support activities outlined in the 2025 FEPP Levy spending plan contained in the I&E Plan.

The General Fund appropriations represent grant-backed programs.

<sup>2</sup> DEEL's 2026 Adopted Budget estimated labor costs before passage of the FEPP Levy I&E Plan, using both 2018 and 2025 FEPP Levy funds. Actual 2026 labor spending is anticipated to be less than the 2026 Adopted Budget.

## II. BUDGET LEGISLATION

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### 1. CBO Year-End Supplemental

The 2026 Year-End Supplemental bill includes the following proposed technical changes to the 2026 Adopted Budget:

- A decrease of \$2 million in appropriation authority of 2025 FEPP Levy Fund to align with the FEPP I&E Plan.
- A decrease of \$28,000 in grant-back appropriation authority to reflect changes to the [State Early Childhood Education and Assistance Program \(ECEAP\)](#) grant award.
- A decrease of \$1 million in appropriation authority of SPP Levy Fund. The appropriation was a technical error, as there is not \$1 million of cash available in the fund, and this amount is not needed to support programs in DEEL.

### 2. CBO 2026 Annual Grants Acceptance Ordinance

The 2027 Annual Grant Acceptance bill would authorize DEEL to accept two grants:

- One grant from the Washington State Department of Children, Youth, and Families for the ECEAP Program: \$3.2 million for the 2027 portion of the 2026-2027 school year, and \$3.1 million for the first half of the 2027-2028 school year.
- One grant from the federal Department of Education's [Upward Bound](#) program to support college readiness for low-income and/or first-generation students: \$259,000 for 2027.

# DEPARTMENT OF NEIGHBORHOODS (DON)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

**Table 1. Department Budget Summary**

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>       |                 |                  |               |                  |             |
| Community Building            | \$7.2M          | \$7.0M           | (3.4%)        | \$7.0M           | 0.0%        |
| Community Grants              | \$6.0M          | \$4.8M           | (19.3%)       | \$4.9M           | 1.0%        |
| Leadership and Administration | \$6.8M          | \$6.5M           | (4.6%)        | \$6.7M           | 2.8%        |
| <b>Total</b>                  | <b>\$20.0M</b>  | <b>\$18.3M</b>   | <b>(8.5%)</b> | <b>\$18.5M</b>   | <b>1.3%</b> |
| <b>FTE</b>                    | <b>68</b>       | <b>64</b>        | <b>(6%)</b>   | <b>64</b>        | <b>0%</b>   |

## I. OVERVIEW AND SUMMARY

The Department of Neighborhoods (DON) engages communities in Seattle and provides resources and opportunities to help Seattle residents build strong communities, receive equitable access to government, and improve quality of life. The 2027-2028 Proposed Budget appropriations for DON would decrease from 2026 Adopted to 2027 Proposed by 8.5 percent and hold steady from 2027 to 2028 with a small increase of 1.3 percent. DON's budget has no capital appropriations.

### A. Operating Budget

The 2027-2028 Proposed Budget includes the following notable changes to DON's operating budget:

- Remove 2.0 FTE Equity and Engagement Advisor vacant positions (no appropriation change);
- Remove 1.0 FTE Public Relations Specialist position and cut \$167,000 GF;
- Remove 1.0 FTE Community Capacity Advisor position and cut \$200,000 (one-time Port of Seattle funding);
- Reduce Sweetened Beverage Tax (SBT) by \$1 million one-time in 2027 and \$2.8 million ongoing in 2028 to the Food Equity Fund; and
- Increase GF by \$1.8 million one-time in 2028 to the Food Equity Fund.

The 2027 – 2028 Proposed Budget would also adjust funding that the Council provided in the 2026 Adopted Budget. The proposed budget would remove \$55,000 GF in one-time adds:

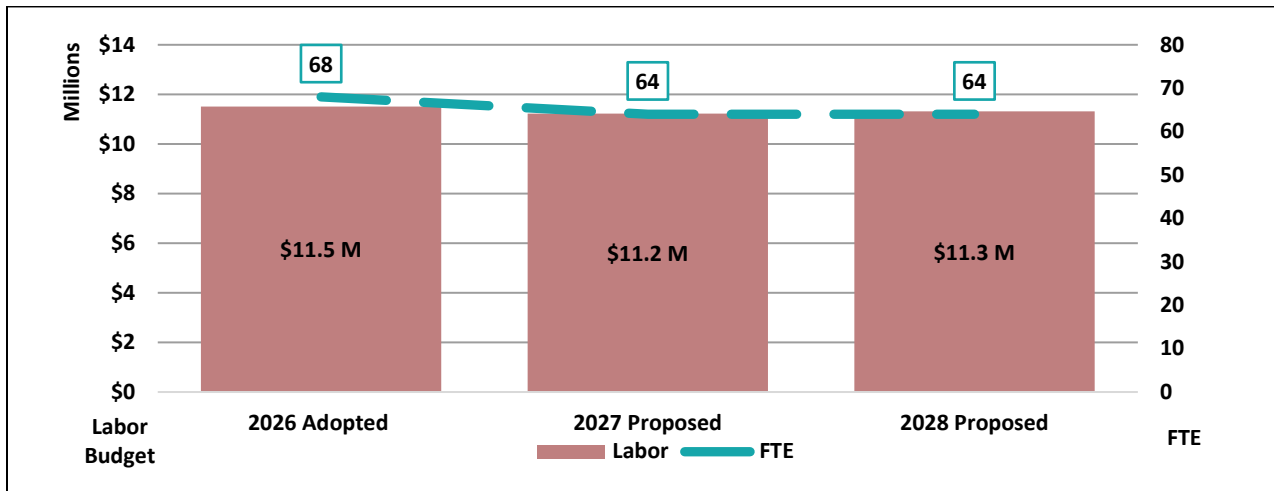
- \$5,000 in the Neighborhood Matching Fund (NMF) to support annual Halloween events for children (DON-003-A-2), and
- \$50,000 to support Seattle Renters' Commission (DON-005-A-2)

Additionally, the proposed budget would cut \$200,000 GF from Council ongoing adds:

- Reduce appropriations for Citywide Day of Service from \$350,000 GF to \$100,000 GF; Council added \$100,000 GF ongoing for this purpose (added DON-010-A-2), and
- Cut \$100,000 GF to "Local Government 101" to NMF (DON-011-A-2).

## B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**



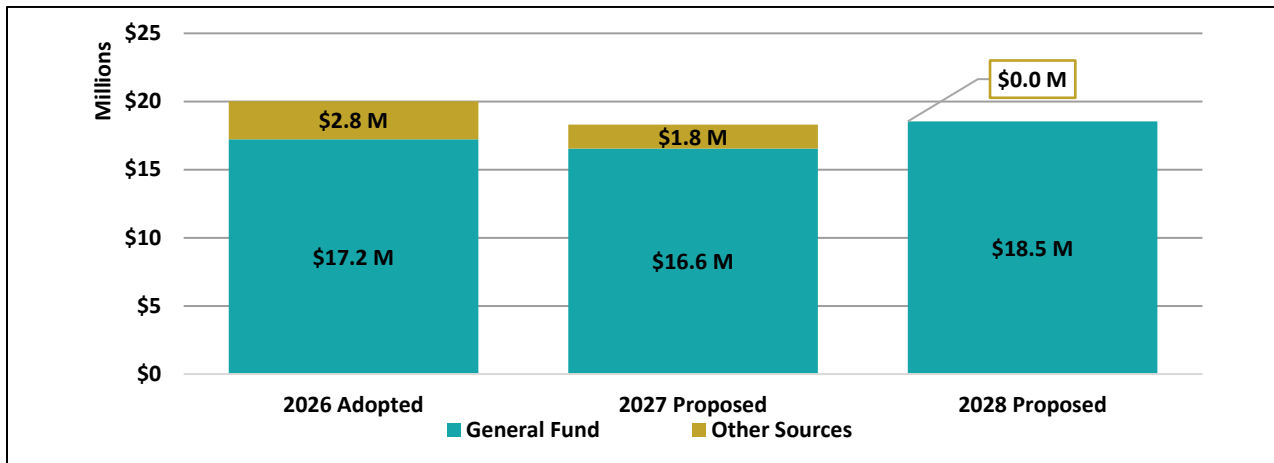
As listed in the Operating Budget section above, the 2027-2028 Proposed Budget would include the reduction of 4.0 FTE in DON's budget starting in 2027. In total, one Strategic Advisor I position and one Public Relations Specialist, Senior I position would be subject to layoff.

The proposed budget would remove 3.0 FTE Strategic Advisor I in total: two vacant Equity and Engagement Advisors and one filled Community Capacity Advisor position funded in 2025 by the Port of Seattle that currently supports one-time 2026 programming. The proposed budget would also remove 1.0 FTE Public Relations Specialist, Senior I position. The position is currently filled and supports DON's communications team. The proposed budget would retain two positions supporting communications.

The 2027-2028 Proposed Budget would include standard technical changes to DON's appropriations for labor for annual wages and retirement contributions.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



GF and SBT would support DON's budget in 2027 and GF alone in 2028. In Figure 2, Other Sources is composed entirely of SBT. All the \$1.8 million SBT in 2027 would support the Healthy Food Fund in the Community Grants BSL. In 2028, there would be no SBT support to DON's budget. Instead, \$1.8 million GF would be increased to DON support the Healthy Food Fund.

## **II. BUDGET LEGISLATION**

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### **1. CBO 2026 Year-End Supplemental ORD**

This ordinance would amend various aspects of the 2026 Budget, including the 2026-2031 CIP. For DON, this legislation would:

- Transfer \$150,000 GF one-time from the Office of Economic Development (OED) to support a Community Safety Coordinator in Little Saigon/Chinatown International District neighborhood as part of the Stabilize, Activate, and Invest Locally (SAIL) Fund Initiative, and
- Add \$106,000 GF for backfill paid parental leave and/or paid family care leave

# DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES (FAS)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: EDIN SISIC

Table 1. Department Budget Summary

| Budget Summary Level                   | 2026<br>Adopted | 2027<br>Proposed | %<br>Change  | 2028<br>Proposed | %<br>Change    |
|----------------------------------------|-----------------|------------------|--------------|------------------|----------------|
| <b>Operating Budget</b>                |                 |                  |              |                  |                |
| Bond Interest and Redemption           | \$0.9M          | \$0.4M           | (57.6%)      | \$0.4M           | (2.3%)         |
| Citywide Admin Services                | \$17.1M         | \$19.3M          | 13.0%        | \$19.4M          | 0.6%           |
| Citywide Operational Services          | \$106.2M        | \$108.5M         | 2.2%         | \$110.1M         | 1.4%           |
| Debt Issuance Cost - LTGO              | \$1.1M          | \$3.3M           | 199.7%       | \$0.0M           | (100.0%)       |
| Debt Issuance Cost - UTGO              | \$1.6M          | \$1.5M           | (3.6%)       | \$0.0M           | (100.0%)       |
| Fleet Capital Program                  | \$20.2M         | \$22.8M          | 12.9%        | \$23.6M          | 3.8%           |
| Indigent Defense Services              | \$14.7M         | \$14.7M          | 0.0%         | \$14.7M          | 0.0%           |
| Jail Services                          | \$25.2M         | \$26.4M          | 4.8%         | \$27.4M          | 3.8%           |
| Judgment & Claims Claims               | \$5.5M          | \$6.5M           | 18.1%        | \$6.5M           | 0.0%           |
| Judgment & Claims Litigation           | \$34.7M         | \$42.9M          | 23.8%        | \$48.0M          | 11.9%          |
| Judgment & Claims Police Action        | \$6.4M          | \$6.4M           | 0.0%         | \$6.4M           | 0.0%           |
| Leadership & Administration            | \$77.4M         | \$70.6M          | (8.8%)       | \$75.2M          | 6.6%           |
| Office of City Finance                 | \$40.3M         | \$29.4M          | (27.1%)      | \$27.4M          | (6.6%)         |
| Other FAS Services                     | \$2.3M          | \$2.3M           | (0.1%)       | \$2.3M           | 1.6%           |
| Public Services                        | \$25.4M         | \$26.1M          | 2.8%         | \$26.8M          | 2.8%           |
| Transit Benefit                        | \$4.3M          | \$4.5M           | 6.3%         | \$5.0M           | 9.8%           |
| UTGO Debt Service                      | \$16.2M         | \$16.1M          | (0.6%)       | \$16.2M          | 0.6%           |
| <b>Operating Subtotal</b>              | <b>\$399.3M</b> | <b>\$401.7M</b>  | <b>0.6%</b>  | <b>\$409.4M</b>  | <b>1.9%</b>    |
| <b>Capital Budget</b>                  |                 |                  |              |                  |                |
| ADA Improvements                       | \$1.5M          | \$3.1M           | 104.2%       | \$0.0M           | (100.0%)       |
| Asset Preservation – Sch. 1 Facilities | \$6.7M          | \$6.4M           | (4.5%)       | \$7.3M           | 14.2%          |
| Asset Preservation – Sch. 2 Facilities | \$7.3M          | \$10.0M          | 37.9%        | \$9.7M           | (3.7%)         |
| FAS Oversight-External Projects        | \$1.5M          | \$0.0M           | (100.0%)     | \$0.0M           | 0%             |
| FAS Project Delivery Services          | \$4.7M          | \$19.1M          | 306.4%       | \$4.7M           | (75.4%)        |
| Garden of Remembrance                  | \$0.0M          | \$0.0M           | 3.1%         | \$0.0M           | 3.0%           |
| General Government Facilities          | \$12.9M         | \$25.6M          | 98.2%        | \$15.4M          | (39.9%)        |
| Information Technology                 | \$0.0M          | \$6.8M           | n/a          | \$7.2M           | 5.6%           |
| Neighborhood Fire Stations             | \$6.2M          | \$5.8M           | (7.2%)       | \$6.0M           | 4.1%           |
| Public Safety Facilities Police        | \$0.6M          | \$0.0M           | (100.0%)     | \$0.0M           | 0%             |
| Public Safety Facilities Fire          | \$9.8M          | \$0.0M           | (100.0%)     | \$0.0M           | 0%             |
| <b>CIP Subtotal</b>                    | <b>\$51.1M</b>  | <b>\$76.8M</b>   | <b>50.2%</b> | <b>\$50.2M</b>   | <b>(34.6%)</b> |
| <b>Total</b>                           | <b>\$450.4M</b> | <b>\$478.5M</b>  | <b>6.2%</b>  | <b>\$459.7M</b>  | <b>(3.9%)</b>  |
| <b>FTE</b>                             | <b>627</b>      | <b>614</b>       | <b>(2%)</b>  | <b>614</b>       | <b>0%</b>      |

## I. OVERVIEW AND SUMMARY

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The Department of Finance and Administration Services (FAS) provides:

- Internal services to other City departments, such as purchasing and contracting, facilities management, fleet management, real estate services, and capital development services;
- External customer services, through the Customer Service Bureau and the Seattle Animal Shelter; and
- Regulatory services, such as administration and enforcement of regulatory licenses and consumer protection.

For budgetary purposes, FAS also serves as the repository for appropriations for judgment and claims, jail services contracts, indigent defense contracts, and transit benefits paid to City employees.

The Office of City Finance (OCF) is an independent office housed within FAS. Among other things, OCF manages and collects City taxes, licenses businesses to operate within the city, manages City payroll, processes remittances to the City, and provides risk management services.

The 2027 Proposed Budget for FAS increases by approximately \$28.1 million, or 6.2 percent, relative to the 2026 Adopted Budget, and the 2028 Proposed Budget decreases by \$18.8 million, or 3.9 percent, relative to the 2027 Proposed Budget. While the overall operating appropriations remain relatively unchanged in the 2027 Proposed (0.6 percent), proposed adjustments within FAS's capital budget spike up by \$25.7 million (50.2 percent) in 2027, primarily due to the Replacement of the Seattle Licensing Information Management (SLIM) Platform and Fire Station 25 Renovations, as described in more detail in section B, below. The net reduction of 13.0 FTE reflects a transfer of 14.0 FTE to Seattle IT, position cleanup of an unfunded and unfilled sunset position, and a proposed addition of 2.0 FTE, as described in the FTE & Labor Changes section below.

### A. Operating Budget

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FAS's proposed operating budget increases by approximately \$2.4 million in 2027 relative to the 2026 Adopted Budget and by an additional \$7.7 million in 2028 relative to the 2027 Proposed Budget. This reflects a net change composed primarily of technical adjustments, transfers, reductions, and select targeted investments across the department. While the majority of FAS's proposed changes are routine technical or inflationary updates, some notable increases include:

- Expanding Public Restroom Access (\$1.4 million): The Proposed Budget includes an ongoing \$1.4 million in the General Fund and 1 FTE to support the contract for portable public restrooms in high-use areas across the city. This investment builds on the successful deployment of Throne restrooms in Pioneer Square for a year beginning in summer 2026 ahead of the World Cup and provides capacity for up to 10 similar restrooms.
- Jail Services Contract (\$1.2 million): The City has a long-term interlocal agreement with King County (KC) to provide jail services for the City's misdemeanants through 2030. Final rates from KC require increases of \$1.2 million in 2027 and \$2.2 million in 2028, reflecting annual surcharge adjustments of 1.5 and 3.0 percent, along with additional inflationary increases needed to meet the City's contractual obligations. These changes would bring the total proposed budget for Jail Services to \$26.4 million in 2027 (a 4.8 percent increase over the 2026 Adopted Budget) and \$27.4 million in 2028 (a 3.8 percent increase over the 2027 Proposed Budget).
- Seattle Chinese Garden Improvements (\$2.5 million, one-time): The 2027 Proposed Budget includes previously adopted one-time General Fund appropriations of \$2.5 million to support capital improvements at the Seattle Chinese Garden, a public garden located on the South Seattle College campus and established in 1999 through a partnership between the City and its sister city, Chongqing, China. During the 2025–2026 budget process, Council placed this \$2.5 million in Finance General

reserves, and it was subsequently shifted to 2027 during the 2026 budget adoption process to align the appropriation with anticipated expenditure timelines. Accordingly, the Proposed Budget reflects the inclusion of this \$2.5 million appropriation.

- Judgment and Claims Fund (\$9.2 million): Based on actuarial projections of anticipated losses that departments incurred over the previous five years, Judgement and Claims rates have increased by \$9.2 million in 2027, which represents a 20 percent increase compared to the 2026 Adopted Budget of \$46.6 million. Recent actuarial estimates have been driven to a new high by the growing expenses the fund has incurred since 2021. As background, between 2018 and 2021, the fund's average annual non-utility payments and costs incurred were \$21 million. From 2021 to 2026<sup>1</sup>, that average rose to \$52 million, a 150 percent increase. The 2027–2028 forecast anticipates an additional average increase of \$20 million over the biennium (38 percent). Costs continue to rise in part because Washington State does not impose a tort cap, exposing the City to highly variable and sometimes extreme verdicts and settlements. In addition, inflation in labor, materials, and health care contributes to higher property damage and personal injury claim costs. These dynamics have increased both the frequency and the severity of claims, putting sustained upward pressure on the City's liability expenditures.
- Fleet Capital Program (\$3.3 million): The 2027–2028 Proposed Budget includes increases of \$3.3 million and \$4.2 million, respectively, in the Capital Fleet Fund to align the fund with anticipated biennial expenditure needs. The Fleet Capital Fund operates as a sinking fund, collecting a relatively steady stream of annual revenue to ensure sufficient cash is available when fleet purchases come due. Because expenditure levels fluctuate significantly from year to year, periodic adjustments are necessary. To support this increase, internal central cost rates paid by City departments to FAS would be raised to recover the additional appropriation. The increase also reflects rate adjustments to recoup revenues for Electric Vehicle (EV) premiums that were suspended for two years due to financial constraints, as well as costs associated with new fleet additions and vehicle replacement expenses, which have grown by approximately 19 percent over the past two years.
- Seattle Licensing Information Management (SLIM) Debt Service (\$297,000): The Proposed Budget includes annual funding to support debt service for the SLIM Replacement projects, which is described in the Capital Budget section, below.
- University Customer Service Center Relocation and Tenant Improvements (\$792,000): The Proposed Budget includes \$740,000 (one-time) FAS Fund appropriations to support move-out activities and tenant improvements associated with relocating the University Customer Service Center (CSC) to a facility that better meets operational and accessibility standards. The effort will improve ADA accessibility, the work environment, and customer interface. An additional \$52,000 in ongoing funding is included to cover the incremental rent increase for the new space.
- Workday Surge Support for Labor Contract Negotiations (\$400,000): This proposed increase would provide surge capacity to support the timely implementation of labor union contract changes within the Workday system as negotiations are finalized. This additional capacity will allow the Workday team to maintain its focus on core stabilization priorities and essential cyclical activities, including open enrollment, annual wage adjustments, and year-end compliance requirements.

Notable decreases in the proposed budget include:

- Transfer Enterprise Applications to Seattle IT: \$15.1 million decrease and the transfer of 14.0 FTE from OCF to Seattle IT to establish a more effective citywide management model for four enterprise applications: Workday, PeopleSoft, Revenue Solutions Inc./Government Premier, and Seattle Treasury Operations and Revenue Management (STORM). Seattle IT will assume all contract management,

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<sup>1</sup> The 2026 figures incorporate projected actuals provided by the City Budget Office.

infrastructure needs, and technical support for the four applications. Office of City Finance will retain business functional support and governance responsibilities for PeopleSoft.

In addition, FAS makes a variety of appropriations adjustments to align with operational needs and realize savings and efficiencies. These adjustments include reducing temporary employment services, unassigned labor, and contracted services that are no longer required. It also decreases expenditures across several areas such as ADA programs, copying and printing, and other miscellaneous accounts to bring the 2027–2028 Proposed Budget in line with historical spending.

## **B. Capital Budget**

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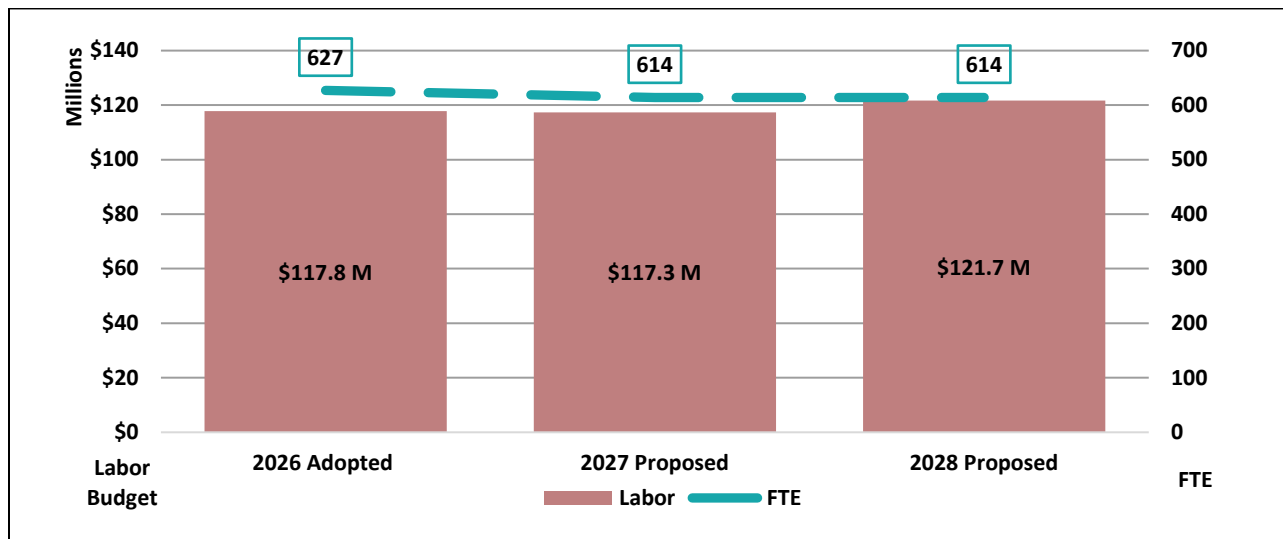
FAS's 2027-2032 Proposed Capital Improvement Program (CIP) includes appropriations for ongoing capital programs and discrete, one-time capital projects that typically require multi-year funding. The six-year proposed CIP includes approximately \$259 million in funding for new and existing projects and programs, which are primarily funded through Limited Tax General Obligation (LTGO) bonds, Real Estate Excise Tax (REET), Asset Preservation Fund, and space rent charges paid by City departments. LTGO bond funding is used to fund projects, such as the City Hall Plaza, Electrical Infrastructure Upgrades, the Waterfront Operations and Tribal Interpretative Center, Fire Station 25 renovations, and SLIM replacement. The related debt service is funded by the rates charged by FAS to City departments, General Fund and REET. Additionally, REET funds are focused on specific facility improvement needs, such as ADA, earthquake retrofit, Seattle Animal Shelter, and Fire Station debt service.

Some of the notable project changes within FAS's portfolio include:

- Replacement of the SLIM Platform (\$14 million): The Proposed CIP adds \$14 million of LTGO bond appropriations in FAS to fully replace the 30-year-old SLIM system, which currently supports the City's collection of approximately \$1 billion in annual tax revenue and millions in regulatory fees. Debt service payments on the LTGO bonds total \$1.7 million in the 2027–2028 biennium and are funded by the General Fund. According to the Executive, SLIM is past end-of-life, poses significant operational and cybersecurity risks, and cannot integrate with modern systems or support new licensing or tax programs. The CIP includes \$8 million for the Office of City Finance to migrate its License Tax Administration, Treasury Services, and Audit functions to the RSI Government Platform, and \$5.9 million to transition 22 regulatory license types to a new Software-as-a-Service (SaaS) system integrated with RSI.
- Fire Station 25 Renovations (\$8.7 million): The Proposed CIP creates a new project and allocates \$8.7 million over the biennium in the Asset Preservation Schedule 2 Facilities BSL, to address building system needs at Fire Station 25. The project will replace the station's HVAC system, roof, and range hood, all of which have reached the end of their service life and require full replacement. Feasibility and scoping work are complete, and design is expected to begin in late 2026. The \$8.7 million project will be funded with \$3 million from the FAS Operating Fund balance and \$5.7 million in LTGO bonds backed by REET revenue. Estimated debt service payments over the 6-year CIP period total \$2.7 million.
- Asset Preservation – Schedule 1 Facilities: This Asset Preservation program supports existing and future structures at City-owned property in the downtown core. The Proposed CIP provides \$14.4 million over 6 years to address major deferred maintenance needs at the Seattle Justice Center, including upgrades to elevators, courtroom lifts, and key mechanical, electrical, plumbing, and fire protection systems. An additional \$20.7 million in REET funding in 2032 supports broader asset preservation needs in critical downtown civic facilities, enabling FAS to begin addressing a growing backlog of system replacements and building-envelope improvements. This level of funding is sufficient to complete one major systems replacement—or potentially two partial replacements—across the three buildings included in Schedule 1.

## C. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

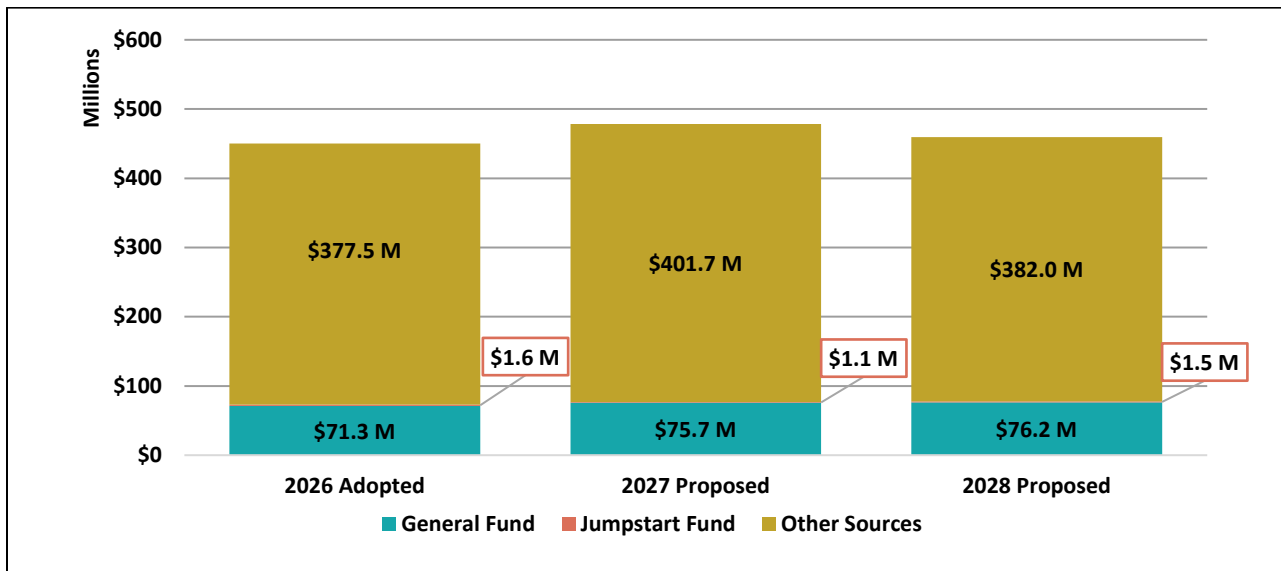


The 2027 Proposed Budget shows a net reduction of 13.0 FTE relative to the 2026 Adopted Budget, and there are no additional staffing changes proposed for 2028. The proposed changes include:

- 14.0 FTE decrease for a transfer of staff from OCF to Seattle IT for management of four enterprise applications. This increase is described in the operating section above.
- 1.0 FTE elimination for an unfunded and unfilled position which sunset at the end of 2024.
- 1.0 FTE increase to manage the public restroom expansion program, which is described in the operating section above.
- 1.0 FTE increase to implement the Local Improvement District (LID) delinquency collections. This Strategic Advisor 2 would develop and implement an online payment option and develop a property foreclosure process to collect Central Waterfront (CWF) and South Lake Union (SLU) LID delinquent assessments. The position and funding would be supported by each of the LID funds accordingly.

## D. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



FAS's proposed GF appropriations increase by \$4.4 million (6.2 percent) compared to the 2026 Adopted Budget. Most notable changes include proposed appropriations for Jail Services contract, public restroom expansion program, Seattle Chinese Garden improvements, and other inflation-related increases. These are offset by downward retirement contribution rate adjustments, removal of prior year one-time appropriations, and moving application systems to Seattle IT. These changes are discussed in the operating budget section above. The JumpStart Fund appropriations decrease of \$536,000 reflects an updated debt service schedule and removal of prior year one-time appropriations. Changes in other FAS funds include proposed changes discussed in the operating and capital budget sections above.

## II. BUDGET LEGISLATION

### 1. 2026 Year-End Supplemental

This legislation includes 2026 Budget adjustments that reflect FAS's increased appropriation needs, resulting in an overall \$42.8 million appropriations increase in the 2026 Revised Budget. The increase is driven primarily by:

- \$21.8 million to appropriate Judgment and Claims Fund reserves to cover projected year-end expenditures.
- \$13 million to add reimbursable appropriations in the FAS Fund for tenant improvement CIP projects on behalf of City utilities.
- \$3 million to provide additional facilities maintenance appropriation for FAS-owned properties, funded by one-time FAS Fund balance, to address maintenance needs that exceed the base budget.
- \$2 million in the Fleet Capital Fund to cover new vehicle additions and deferred replacements from prior years.

The bill also includes revenue-backed appropriation increases and appropriation transfers between capital projects, which do not have an impact on the department's overall budget.

**2. 2026 Year-End Grant Acceptance & Appropriations Ordinance**

This legislation includes an acceptance and appropriation of \$438,000 in FAS to support energy efficiency and benchmarking work for City-owned buildings, funded by a state grant.

**3. OCF B&O 2027 Model Code**

This legislation updates Seattle's business and occupation tax code to align with recent changes in state law and the Model Business License Tax Ordinance. The updates refine several tax definitions, clarify the treatment of certain services, and incorporate new exclusions adopted by the Legislature. Cities are required to adopt these changes to maintain statewide consistency, and this legislation ensures Seattle's tax code remains aligned with the model standards used across Washington.

**4. OCF 2026 Fund Closure ORD**

OCF Fund Closure legislation is periodic technical legislation to identify and close obsolete funds and outdated interfund loans.

**5. OCF Drainage and Wastewater System Bonds**

This legislation authorizes Seattle Public Utilities to issue up to \$160 million in Drainage and Wastewater bonds to help fund capital projects planned in the 2027–2032 Capital Improvement Plan. The bond proceeds, combined with existing loans and internal funds, will support the utility's capital program for roughly one year and cover costs such as major infrastructure rehabilitation, combined sewer overflow projects, and flooding and sewer backup mitigation. Debt service is expected to begin in 2028, following an interest-only payment in 2027. If the legislation does not pass, projects that would be financed by these bonds may not move forward.

**6. OCF HCMS Interfund Loan Amendment 2026 ORD**

This legislation extends the term of an existing interfund loan that supports the City's Human Capital Management System (Workday) project. The loan was originally expected to be repaid with proceeds from a 2026 bond issuance, but because the City will not issue LTGO bonds in 2026, repayment will now occur with 2027 bond proceeds. As a result, the loan's expiration date is being moved from December 31, 2026, to December 31, 2027. The extension ensures the project remains funded without interruption while the City adjusts its financing timeline.

**7. OCF Multipurpose LTGO Bonds 2027 ORD**

This proposed bill would provide legal authority to issue bonds in fiscal year 2027, to provide a total of \$114.6 million in 2027 for projects the 2027-2028 Proposed Budget and the 2027-2032 CIP, as follows (with the approximate bond-financed project cost only for 2027):

- Waterfront Operations and Tribal Interpretive Center: \$7 million
- Human Capital Management System: \$13.6 million
- SLIM Replacement FAS: \$2.9 million
- SLIM Replacement: \$4.1 million
- Computing Services Architecture: \$5.9 million
- Data and Telephone Infrastructure: \$2.1 million
- Lake City Community Center Redevelopment: \$16 million
- Green Lake Community Center and Evans Pool Substantial Alteration: \$3.6 million
- Queen Anne Community Center Renovation: \$8.1 million
- Loyal Heights Community Center Renovation: \$10.3 million
- Memorial Stadium Redevelopment: \$41 million

If the legislation does not pass, projects that would be financed by these bonds may not move forward.

**8. OCF Municipal Light and Power Bonds 2027 ORD**

This proposed bill would provide legal authority to issue up to \$500 million of bonds in fiscal year 2027, to fund a portion of capital expenditures for Seattle City Light's system outlined in the proposed 2027-2032 CIP. If the legislation does not pass, projects that would be financed by these bonds may not move forward.

**9. OCF Water System Bonds 2027 ORD**

This proposed bill would provide legal authority for the Water System to issue up to \$106 million of bonds in fiscal year 2027, to fund a portion of capital expenditures system outlined in the proposed 2027-2032 CIP. If the legislation does not pass, projects that would be financed by these bonds may not move forward.

# SEATTLE FIREFIGHTERS' PENSION FUND (FPEN)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

**Table 1. Department Budget Summary**

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change    | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|----------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |                |                  |             |
| Firefighters' Pension   | \$27.5M         | \$24.5M          | (10.8%)        | \$25.5M          | 4.0%        |
| <b>Total</b>            | <b>\$27.5M</b>  | <b>\$24.5M</b>   | <b>(10.8%)</b> | <b>\$25.5M</b>   | <b>4.0%</b> |
| <b>FTE</b>              | <b>4</b>        | <b>4</b>         | <b>0%</b>      | <b>4</b>         | <b>0%</b>   |

#### **I. OVERVIEW AND SUMMARY**

The Firefighters' Pension Fund (FPEN) provides pension and medical benefit services to eligible firefighters, active and retired, and their beneficiaries. Managed through the Firefighter's Pension Fund, this pension program is a closed plan that only covers firefighters who were hired before October 1, 1977. Retiree benefits for firefighters hired more recently are primarily covered through a separate Washington State-managed plan. Over time, the outstanding liabilities for this pension will decline as the fund fulfills its obligations to its remaining beneficiaries.

FPEN's 2027 Proposed Budget decreases by \$3 million (10.8 percent) relative to the 2026 Adopted Budget and increases by \$1.1 million (4 percent) in 2028 relative to the 2027 Proposed amount. This is primarily due to the termination of the annual \$2.6 million Firefighter's Pension Fund transfer to the Actuarial Account for FPEN's future obligations.

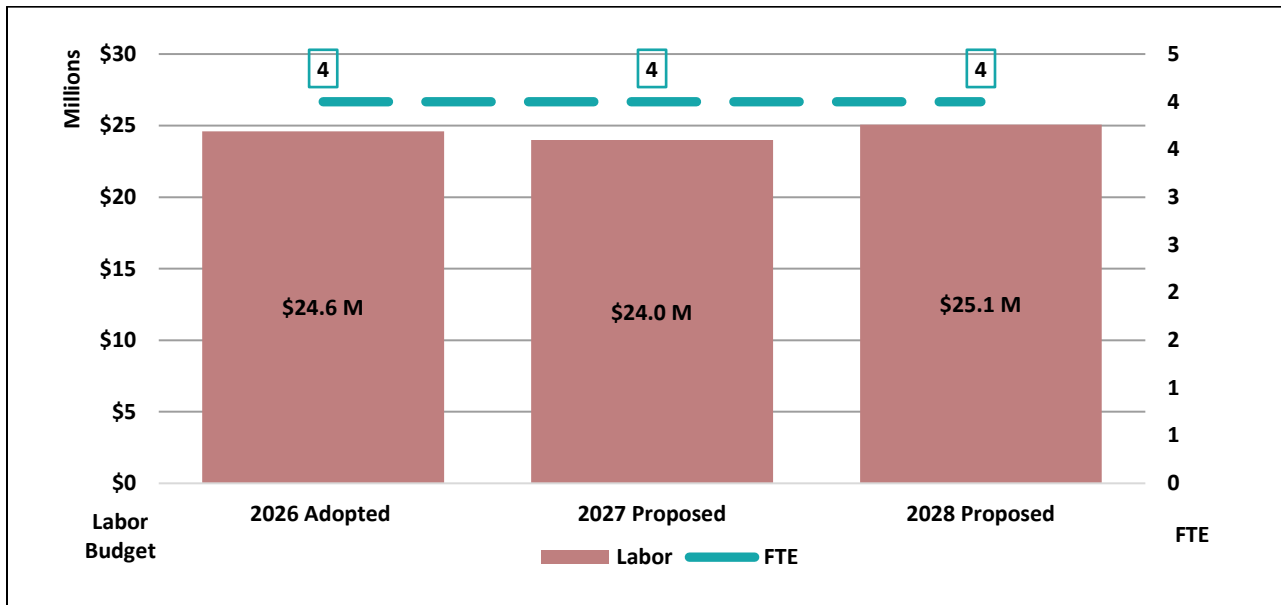
#### **A. Operating Budget**

In 1994, the Council adopted Ordinance 117216, which established an actuarially determined level annual payment from the City to the FPEN Fund to amortize pension benefit liabilities. Any difference between the level of payment and the actual benefit costs for the year has been deposited into the interest-earning FPEN Actuarial Account to support future pension obligations. This process is structured to fully fund both current and future pension liabilities for beneficiaries. The Account is invested in a portfolio managed by the Department of Finance and Administrative Services, assuming a 5.5 percent annual rate of return with continuous reinvestment.

The 2027–2028 Proposed Budget discontinues the annual transfer from the Firefighter's Pension Fund to the Actuarial Account and, by way of proposed legislation discussed below, closes the Account, transferring its remaining balance of \$25.8 million to the Firefighter's Pension Fund to continue supporting long-term pension liabilities as a Rate Stabilization Reserve. The discontinuation of the transfer to the Actuarial Account reduces FPEN expenditure by \$2.6 million in both 2027 and 2028 and represents the bulk of the change in the FPEN budget in the biennium. See the Policy Considerations below for additional information about the General Fund and longer-term implications of this action.

## B. FTE & Labor Changes

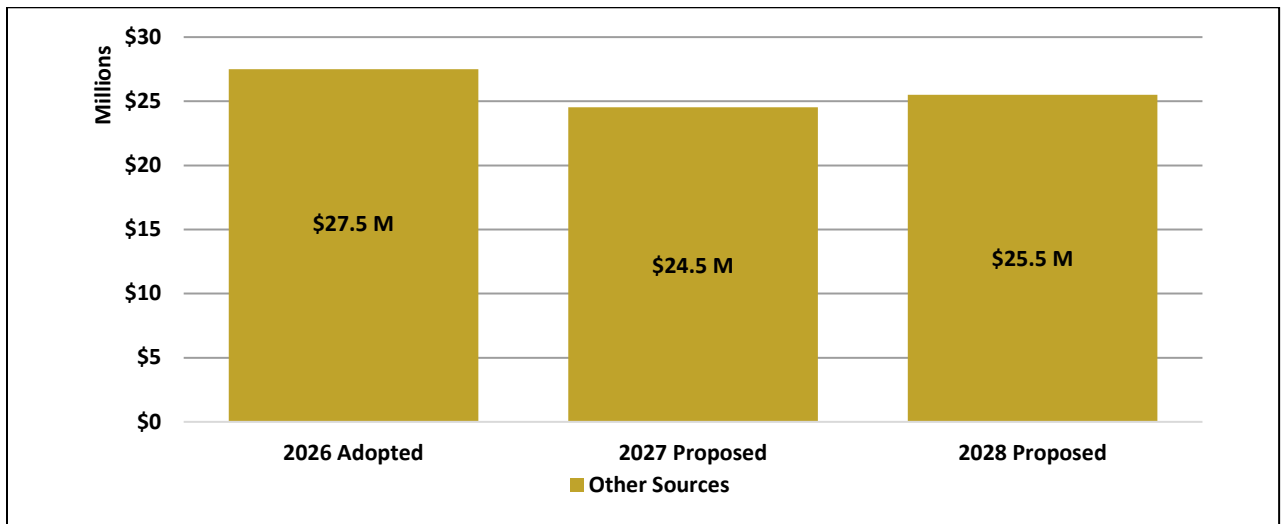
**Figure 1. FTE & Labor Budget Summary**



FPEN staffing levels remain unchanged at 4 FTE in the 2027-2028 Proposed Budget. As a pension benefit fund, the bulk of FPEN's appropriations are classified as labor. FPEN's labor budget is reduced by \$610,000 in 2027 due to the above-mentioned discontinuation of the GF transfer to the Actuarial Account, specifically for the pension payments and medical claims accounts.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The Firefighter's Pension budget is funded entirely by the Firefighter's Pension Fund, which is supported by an annual transfer in of property tax revenues from the General Fund and fire insurance premium taxes. As noted above, the 2027 Proposed Budget reflects the termination of the annual transfer from Firefighter's Pension Fund to the Actuarial Account and the planned use of fund balance supported by the remaining Actuarial Account resources.

## **II. BUDGET LEGISLATION**

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### **1. CBO 2026 FPEN Account Cleanup ORD**

This ordinance updates and streamlines the policies governing the Firefighters' Pension Fund by repealing outdated provisions that required annual transfers to a separate Actuarial Account. It closes the Actuarial Account, moves its remaining balance into the Firefighter's Pension Fund to support ongoing pension payments, and adopts updated Fund Policies to replace rules last revised in 2001. These changes reflect the City's continued commitment to fully paying all firefighter pension benefits using the pay-as-you-go funding approach. This also abandons the past practice of annually transferring General Fund to pay both current amounts to beneficiaries as well as an amortized amount of future actuarially determined liabilities.

## **III. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS**

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### **1. Conversion of FPEN to fully pay-as-you-go pension system**

The proposed closure of the Actuarial Account and transfer of those funds to the Firefighters' Pension Fund has important implications for the General Fund, since the obligation to fully fund the FPEN falls on the GF. Historically the annual GF transfer has provided most of the funding for FPEN, with additional revenues coming from the Fire Insurance Premium Tax and from Medicare prescription subsidies. The GF transfer has been traditionally sized to pay both the current costs for beneficiaries as well as the deposit to the Actuarial Account, where the funds are invested to amortize future liabilities.

By way of closing the Actuarial Account, the annual GF transfer to offset future liabilities is removed; this reduces the size of the GF transfer by approximately \$2.6 million per year. Further, by way of closing the Actuarial Account balance to the Firefighter's Pension Fund, additional one-time resources are available in the fund. The 2027-2028 Proposed Budget uses a portion of these one-time resources to reduce the GF transfer by \$4.9 million in 2027 and 2028. The combined GF savings from these actions is \$7.5 million in both 2027 and 2028.

The latest Actuarial Valuation of the Firefighter's Pension Fund, dated January 1, 2026, assumed the annual transfer to the Actuarial Account would continue through 2028, and that current fund assets would be sufficient to pay liabilities of approximately \$47 million. The proposal to close the Actuarial Account before 2028 and use a portion of its balance to reduce GF pay as you go transfers will reduce investable assets thus requiring higher GF transfers in the future to pay full pension benefits.

This issue is contextual-only and included for full awareness of an issue that touches different parts of the City budget and trades short term current savings for higher future costs.

# OFFICE OF HEARING EXAMINER (HXM)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KETIL FREEMAN

**Table 1. Department Budget Summary**

| Budget Summary Level           | 2026<br>Adopted | 2027<br>Proposed | % Change      | 2028<br>Proposed | %<br>Change |
|--------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>        |                 |                  |               |                  |             |
| Office of the Hearing Examiner | \$1.9M          | \$1.9M           | (0.5%)        | \$1.9M           | 1.2%        |
| <b>Total</b>                   | <b>\$1.9M</b>   | <b>\$1.9M</b>    | <b>(0.5%)</b> | <b>\$1.9M</b>    | <b>1.2%</b> |
| <b>FTE</b>                     | <b>5</b>        | <b>5</b>         | <b>0%</b>     | <b>5</b>         | <b>0%</b>   |

#### **I. OVERVIEW AND SUMMARY**

The Office of the Hearing Examiner (HXM) acts as the City’s administrative law judge and adjudicates disputes related to the application and administration, by various departments, of the Seattle Municipal Code, including the Land Use Code, Office of Labor Standards Ordinances, Office for Civil Rights Ordinances, and the Seattle Fire Code. The HXM also conducts open record hearings and makes recommendations for quasi-judicial decisions made by the Council. The HXM consists of 5 FTE: the Hearing Examiner, a deputy hearing examiner, an executive assistant, a legal assistant, and an administrative specialist.

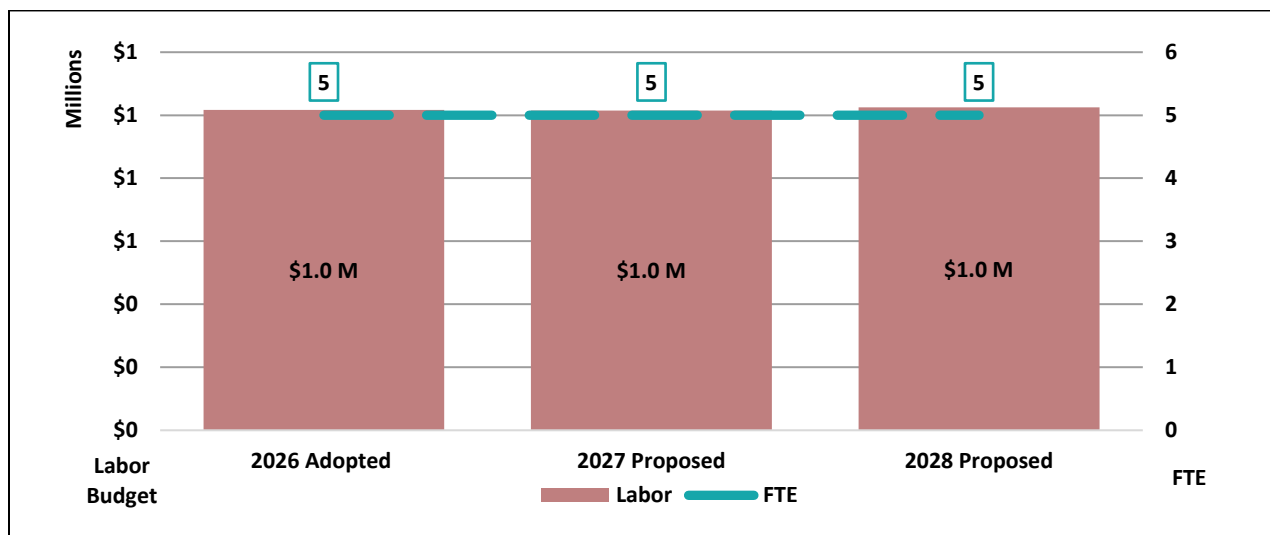
#### **A. Operating Budget**

The 2027-2028 Proposed Budget for the HXM would decrease by 0.5 percent in 2027, relative to the 2026 Adopted Budget, and increase by 1.2 percent in 2028, relative to the 2027 Proposed Budget. These changes are associated with changes to internal service costs, adjusted annual wage increases, and reimbursements from hearing examiner services offered to other jurisdictions. The net effect of these changes in proposed revenues and expenditures is a proposed reduction in appropriations in 2027 of \$10,133 and an increase in 2028 over the 2027 Proposed Budget of \$22,426.

The 2027-2028 Proposed Budget reflects an ongoing increase made by the Council in the 2026 Adopted Budget to fund replacement of the HXM’s electronic case management system. That replacement would continue over the biennium.

## B. FTE & Labor Changes

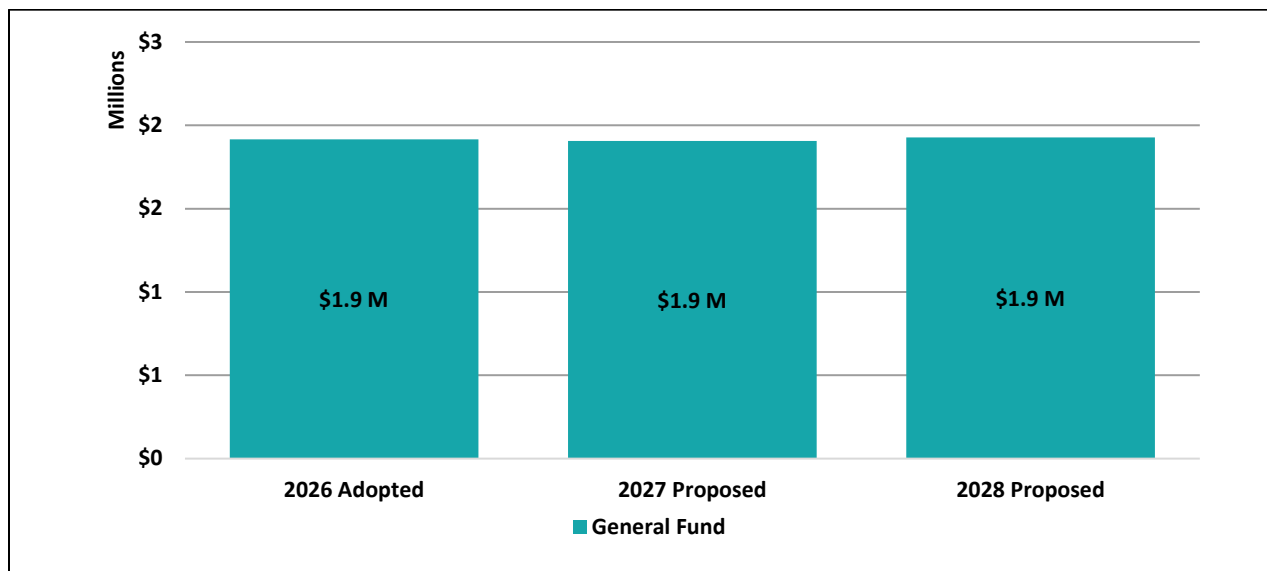
**Figure 1. FTE & Labor Budget Summary**



There are no changes to the FTE count in the 2027-2028 Proposed Budget.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The HXM is entirely funded through the General Fund.

# SEATTLE INFORMATION TECHNOLOGY DEPARTMENT (ITD)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

**Table 1. Department Budget Summary**

| Budget Summary Level             | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change    |
|----------------------------------|-----------------|------------------|---------------|------------------|----------------|
| <b>Operating Budget</b>          |                 |                  |               |                  |                |
| Applications                     | \$114.9M        | \$87.3M          | (24.1%)       | \$88.9M          | 1.9%           |
| Cable Franchise                  | \$6.0M          | \$5.4M           | (11.1%)       | \$5.4M           | 1.5%           |
| Client Solutions                 | \$7.6M          | \$7.1M           | (6.2%)        | \$7.4M           | 3.8%           |
| Digital Security & Risk          | \$8.7M          | \$7.2M           | (17.2%)       | \$7.4M           | 2.9%           |
| Frontline Services and Workplace | \$51.3M         | \$47.4M          | (7.6%)        | \$48.5M          | 2.4%           |
| Leadership and Administration    | \$29.5M         | \$49.1M          | 66.4%         | \$50.2M          | 2.2%           |
| Technology Infrastructure        | \$68.0M         | \$61.6M          | (9.3%)        | \$65.2M          | 5.7%           |
| <b>Operating Subtotal</b>        | <b>\$286.1M</b> | <b>\$265.1M</b>  | <b>(7.3%)</b> | <b>\$273.1M</b>  | <b>3.0%</b>    |
| <b>Capital Budget</b>            |                 |                  |               |                  |                |
| Capital Improvement Projects     | \$19.8M         | \$19.1M          | (3.3%)        | \$20.2M          | 5.5%           |
| City Department Projects         | \$0.0M          | \$35.4M          | n/a           | \$27.6M          | (22.2%)        |
| <b>CIP Subtotal</b>              | <b>\$19.8M</b>  | <b>\$54.6M</b>   | <b>175.7%</b> | <b>\$47.8M</b>   | <b>(12.4%)</b> |
| <b>Total</b>                     | <b>\$305.9M</b> | <b>\$319.7M</b>  | <b>4.5%</b>   | <b>\$320.9M</b>  | <b>0.4%</b>    |
| <b>FTE</b>                       | <b>627.0</b>    | <b>621.5</b>     | <b>(0.9%)</b> | <b>621.5</b>     | <b>0.0%</b>    |

#### I. OVERVIEW AND SUMMARY

The 2027 Proposed Budget for the Seattle Information Technology Department (ITD) increases by almost \$14 million relative to the 2026 Adopted Budget, or about 4.5 percent, and the 2028 Proposed Budget increases by \$1.2 million relative to the 2027 Proposed Budget, or 0.4 percent. The department's budget shows major shifts in 2027 between BSLs and between the operating and capital budgets because of administrative changes that do not impact service delivery. Overall, however, ITD is making a series of reductions in its administrative and support areas and in response to declining cable revenues, including the abrogation of 19.5 FTE (one of which is a filled position), and the department is receiving a transfer of 14.0 FTE and \$15.1 million in appropriation authority from Finance and Administrative Services (FAS).

Similar to FAS and the Seattle Department of Human Resources (SDHR), ITD is one of the City's three primary internal service providers, and its budget is largely tied to central cost allocations. Through a cost allocation plan, ITD distributes central service costs across all departments and funds to ensure that IT services are fairly and accurately paid for by the departments receiving the services. In addition, ITD bills departments directly, outside of the cost allocation process, for certain projects or services that are unique to a specific department's needs.

## A. Operating Budget

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In developing the proposed operating budget, ITD focused on making reductions to administrative and support functions of the department, continuing to find efficiencies in contracting and technology solutions where available, and responding to the continuing declines in Cable Television (TV) Franchise Fund revenues. A few of the significant reductions include:

- \$2.5 million decrease in 2027, with an additional \$1.1 million reduction in 2028, by renegotiating service contracts with technology vendors as they come up for renewal, exploring opportunities to switch providers, modifying service levels, eliminating unnecessary add-ons, and evaluating other contracts for potential cancellation. Achieving many of these savings is dependent upon successful negotiations with vendors, but ITD has confirmed that the service changes are acceptable to the City departments using the services.
- \$1.3 million decrease in 2027 and the abrogation of 3.0 vacant FTE from administrative portions of the department. Approximately two-thirds of the decrease derives from staffing reductions in the Emergency Management team, the Business Operations team, and the Accounting team. The remaining one-third of the reduction comes from a non-labor budget utilized by the budget team for emergent needs throughout the year.
- \$1.1 million decrease and the abrogation of 5.0 FTE in 2027 in the Digital Equity and Digital Engagement programs. This reduction is in response to the revenue decline in the Cable TV Franchise Fund that has been occurring for many years, due to customers switching away from traditional cable television service. There are three parts to this reduction:
  - Abrogation of 2.0 FTE in the Digital Equity program, one vacant and one filled. The Digital Equity program is largely public-facing and works on the expansion of internet connectivity, digital skills development, and availability of devices. The program also manages the Technology Matching Fund, negotiates cable franchise-related agreements, and regulates cable operators. This program would have 2.0 FTE remaining after the abrogations, and although community engagement may be impacted, the department expects to be able to manage the grant program with the remaining staff.
  - Abrogation of 3.0 FTE in the Digital Engagement program, all of which are currently vacant. The Digital Engagement program maintains the City's external website and other digital properties and provides tools and support for web and software development to City departments. This program would have 11.0 FTE remaining after the abrogations.
  - \$45,000 decrease to the Technology Matching Fund grant program. This would reduce the total grant funding available from \$455,000 to \$410,000, which is expected to result in one fewer project being funded in 2027 than in 2026. In 2026, the program awarded funding to 11 projects.
- \$2.3 million decrease in 2027 to remove the following one-time items added to the 2026 Adopted Budget: \$1.9 million for the replacement of the Seattle Department of Transportation's (SDOT) budget system, \$400,000 for an Office of Economic Development (OED) case management system, and \$50,000 provided to OED to support workforce development.

These reductions are offset in the 2027 Proposed Budget by a large transfer of staff and responsibilities from the FAS Office of City Finance (OCF), as well as more routine increases associated with inflation and planning for department requested work. The increases include:

- \$15.1 million increase and the transfer of 14.0 FTE from OCF for ITD to establish a more effective citywide management model for four enterprise applications: Workday, PeopleSoft, Revenue Solutions Inc./Government Premier, and Seattle Treasury Operations and Revenue Management (STORM). ITD will assume all contract management, infrastructure needs, and technical support for the four applications. OCF will retain business functional support and governance responsibilities for PeopleSoft.
- \$6.1 million increase in 2027 to account for labor inflation assumptions, such as wage adjustments, health care, and retirement.
- \$3.3 million increase in 2027 to align ITD's appropriation authority with the technology project spending plans of Seattle City Light (SCL) and Seattle Public Utilities (SPU).
- \$1.1 million increase in 2027 for increasing costs associated with the City's existing telecommunication infrastructure leases.

The 2027 Proposed Budget, and the amounts reported in Table 1, are also significantly impacted by three administrative changes that affect budgeted amounts but do not represent ITD service changes. The administrative changes impacting the 2027 Proposed operating budget are:

- \$27.9 million decrease in the Applications BSL to transfer the budget authority for department-requested projects into the newly created City Department Projects capital BSL. The intent of this shift is to consolidate projects and enhance oversight of multiyear projects.
- \$20.2 million shift into the Leadership and Administration BSL from five other BSLs resulting from a change to the department's indirect cost methodology. Prior to 2027, indirect costs were distributed to individual projects across BSLs based on each project's staffing allocation. For 2027 and 2028, ITD is proposing to centralize indirect costs within the Leadership and Administration BSL.
- \$8.4 million decrease due to the removal of duplicative appropriation authority caused by ITD project staff being double budgeted in both the operating and capital portions of ITD's budget. This practice artificially inflated ITD's budget, and the cessation of this practice will not impact the actual services provided by ITD.

Lastly, the 2027–2028 Proposed Budget does not propose any significant changes with regard to the Seattle Channel or artificial intelligence (AI). Per Council direction in [ORD 127157](#), the proposed budget allocates \$1.7 million of Cable TV Franchise Fund revenue per year towards the Seattle Channel and maintains its overall spending level. The budget also restores capital maintenance funding of \$100,000 per year to the Seattle Channel, funded by cable fees related to public, educational, and governmental (PEG) channels, which may only be used for capital costs. ITD has also been responsive to last fall's Statement of Legislative Intent ITD-010S-A by submitting timely quarterly reports on the City's investments in AI. The reports can be found in [Clerk File 323759](#).

## B. Capital Budget

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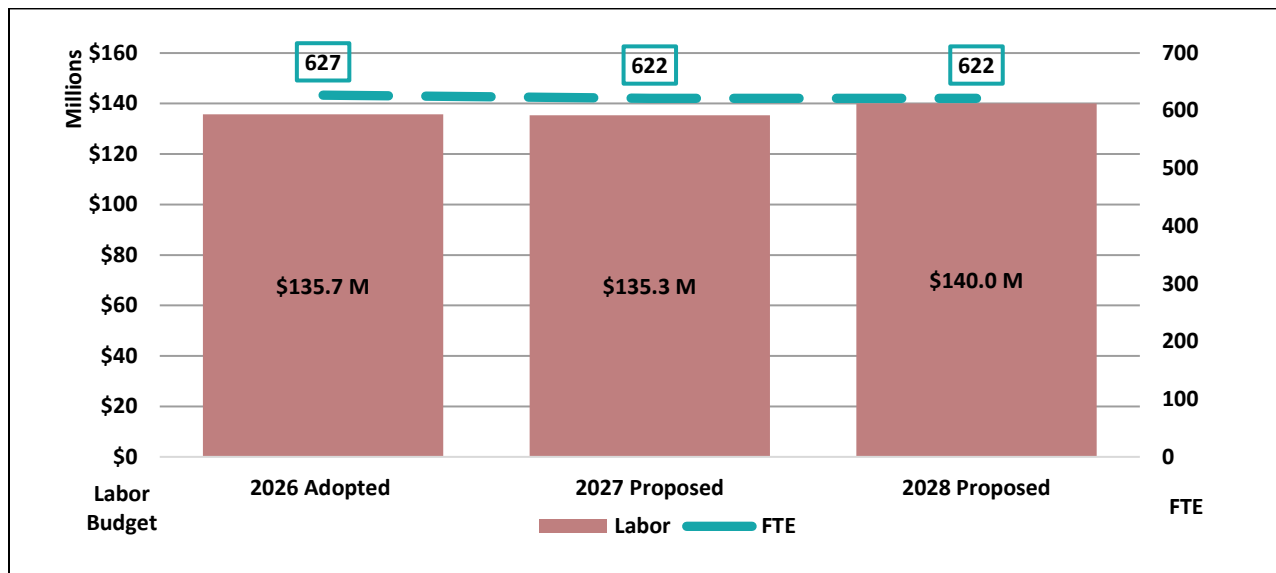
The proposed capital budget for ITD increases by approximately \$34.8 million relative to the 2026 Adopted Budget, however, it is impacted by the same administrative changes as the operating budget. The 2027 Proposed Budget transfers \$27.9 million in budget authority for department-requested projects from the operating budget into the capital budget. The 2028 Proposed capital budget decreases by approximately \$7.8 million relative to 2027, but the difference is also largely explained by the expected amount for department-requested projects.

A few of the other notable capital changes include:

- \$6.3 million increase in 2027 and \$6.7 million increase in 2028 for the replacement of the Seattle Licensing Information Management (SLIM) Platform in FAS. The system supports the City's collection of approximately \$1 billion in annual tax revenue and millions in regulatory fees. In combination with capital appropriations in FAS, the 2027–2028 Proposed Budget contains approximately \$27 million to fully replace the 30-year-old SLIM system, which is past its end-of-life and poses significant operational and security risks.
- \$706,000 increase in 2027 and \$251,000 increase in 2028 to fund Preservica, an enterprise digital preservation platform for the Legislative Department's Office of the City Clerk. This platform will replace legacy systems that pose security, operational, and compliance risks.
- \$528,000 increase in 2027 and \$45,000 increase in 2028 for a data collection platform in the Department of Education and Early Learning (DEEL). This project is intended to replace the current fragmented submission process with a secure, web-based data collection and analytics platform.

## C. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

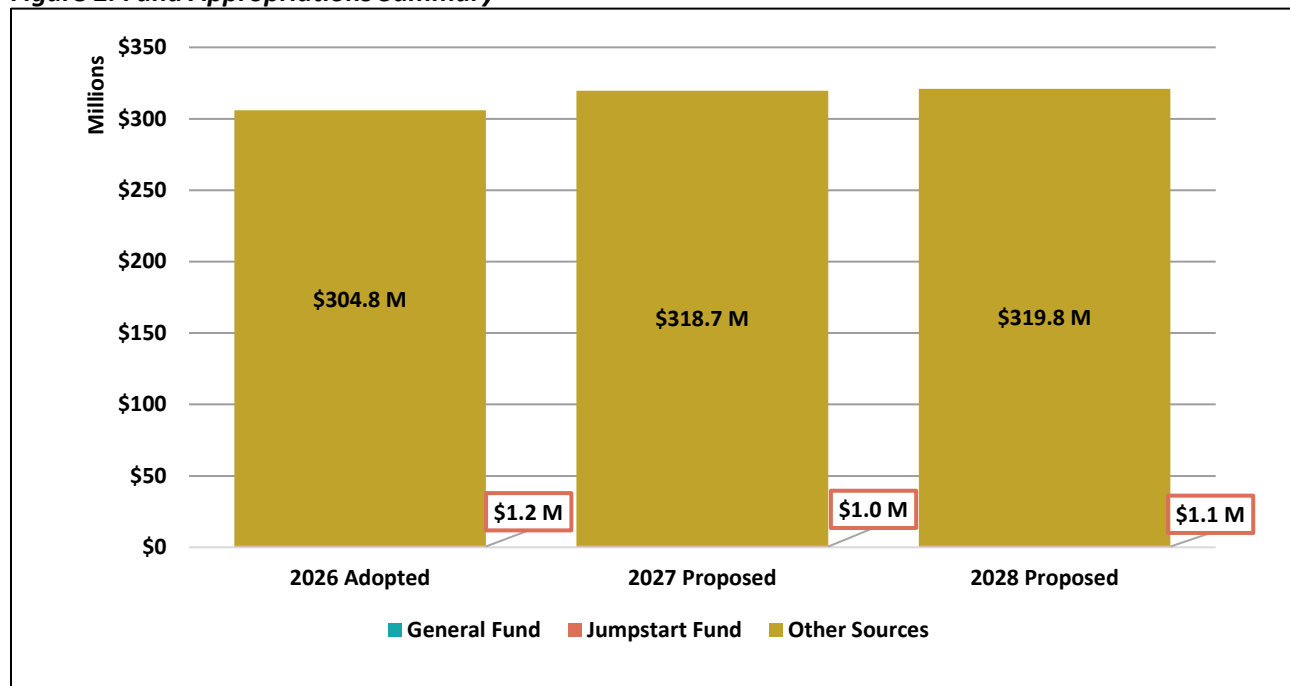


The 2027 Proposed Budget shows a net reduction of 5.5 FTE relative to the 2026 Adopted Budget, and there are no additional staffing changes proposed for 2028. The proposed changes include:

- 5.0 FTE abrogations in the Digital Equity and Digital Engagement programs. One of these positions is currently filled and would result in a layoff; the other four positions are currently vacant. These abrogations are described in the operating section above.
- 3.0 FTE abrogations of vacant positions in the Emergency Management team, the Business Operations team, and the Accounting team. According to ITD, although these abrogations will reduce staffing capacity, the department will be able to sustain core functions with existing positions.
- 9.5 FTE abrogations in the Year-End Supplemental that are vacant and currently unfunded. These abrogations are following through on actions taken in the 2025 Adopted Budget. At that time, ITD took budget reductions but opted to keep position authority until retirements occurred that would allow for vacant positions to be abrogated.
- 1.0 FTE abrogation of a vacant position that was added as part of last year's Permitting Accountability and Customer Trust (PACT) program but was never filled.
- 1.0 FTE transfer of a service design position to SPU, which has been funding the position through an interdepartmental agreement.
- 14.0 FTE increase from a transfer of staff from OCF for management of four enterprise applications. This increase is described in the operating section above.

## D. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As described above, ITD generates the majority of its funding through central cost allocations to other departments and by billing certain departments for projects specific to those departments' needs. Those revenues are deposited into the Information Technology Fund, which makes up about 98 percent of the Other Sources category shown in Figure 2, and includes a mixture of funds from across City departments, including the General Fund.

The Other Sources category also includes spending from the Cable TV Franchise Fund. The Cable TV Franchise Fund, with proposed appropriations of approximately \$5.4 million in each year of the 2027–2028 Proposed Budget, generates revenue through fees assessed on cable providers. Expenditures from the Cable TV Franchise Fund are guided by policies adopted by the Council in 2001 and may generally be used to support administration of the Cable Customer Bill of Rights, technology literacy and access programs, and operating and capital support for the Seattle Channel. The Cable TV Franchise Fund fees are transferred to the Information Technology Fund for expenditure and, therefore, are double counted in the Other Sources category.

## **II. BUDGET LEGISLATION**

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### **1. 2026 Year-End Supplemental**

The 2026 Year-End Supplemental bill contains 13 items related to ITD:

- One appropriation increase in the operating budget to complete planned device replacements in accordance with ITD's five-year device replacement schedule (\$3 million). The appropriation is funded by remaining department revenues from 2025.
- There are eight other appropriation increases that are backed by revenues from City departments, either through direct billing or monthly billings as costs are incurred. The increases include cellular telephone costs (\$2.8 million), new computer purchases outside of the regular replacement cycle (\$2.3 million), cabling projects in the Seattle Municipal Tower and other office expansions and relocations (\$900,000), Seattle Police Department (SPD) cloud services (\$400,000), telecommunication services for devices such as fire and security alarms (\$350,000), continuation of the Human Services Department's (HSD) data warehouse project (\$224,000), implementation of a windshield damage survey product for the Office of Emergency Management (\$150,000), and planning work to replace HSD's contract management system (\$134,000).
- One capital appropriation increase to support SPD's time tracking program, including system integration and training (\$400,000).
- One capital appropriation decrease in the Fiber Maintenance program (\$12 million). Activity in this program varies with construction levels across the city and excess appropriation authority has accumulated and is not needed.
- A transfer of 1.0 FTE in a service design position to SPU, which has been funding the position through an interdepartmental agreement.
- The abrogation of 9.5 FTE that are vacant and currently unfunded.

## LAW DEPARTMENT (LAW)

### 2027–2028 PROPOSED BUDGET

## OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TAMASO JOHNSON

Table 1. Department Budget Summary

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|-------------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>       |                 |                  |             |                  |             |
| Civil                         | \$19.5M         | \$19.3M          | (0.9%)      | \$19.4M          | 0.1%        |
| Criminal                      | \$12.5M         | \$13.1M          | 4.7%        | \$13.1M          | 0.2%        |
| Leadership and Administration | \$15.7M         | \$15.9M          | 1.5%        | \$16.6M          | 4.5%        |
| Precinct Liaison              | \$0.8M          | \$0.8M           | (1.2%)      | \$0.8M           | 0.0%        |
| Civil                         | \$19.5M         | \$19.3M          | (0.9%)      | \$19.4M          | 0.1%        |
| <b>Total</b>                  | <b>\$48.5M</b>  | <b>\$49.2M</b>   | <b>1.3%</b> | <b>\$49.9M</b>   | <b>1.6%</b> |
| <b>FTE</b>                    | <b>214</b>      | <b>218</b>       | <b>2%</b>   | <b>218</b>       | <b>0%</b>   |

### I. OVERVIEW AND SUMMARY

The 2027-2028 Proposed Budget for the Law Department (LAW), also known as the City Attorney's Office, maintains current functions and service levels for the department relative to the 2026 Adopted Budget while making technical adjustments and adding one prosecutor to assist with traffic safety camera citations.

#### A. Operating Budget

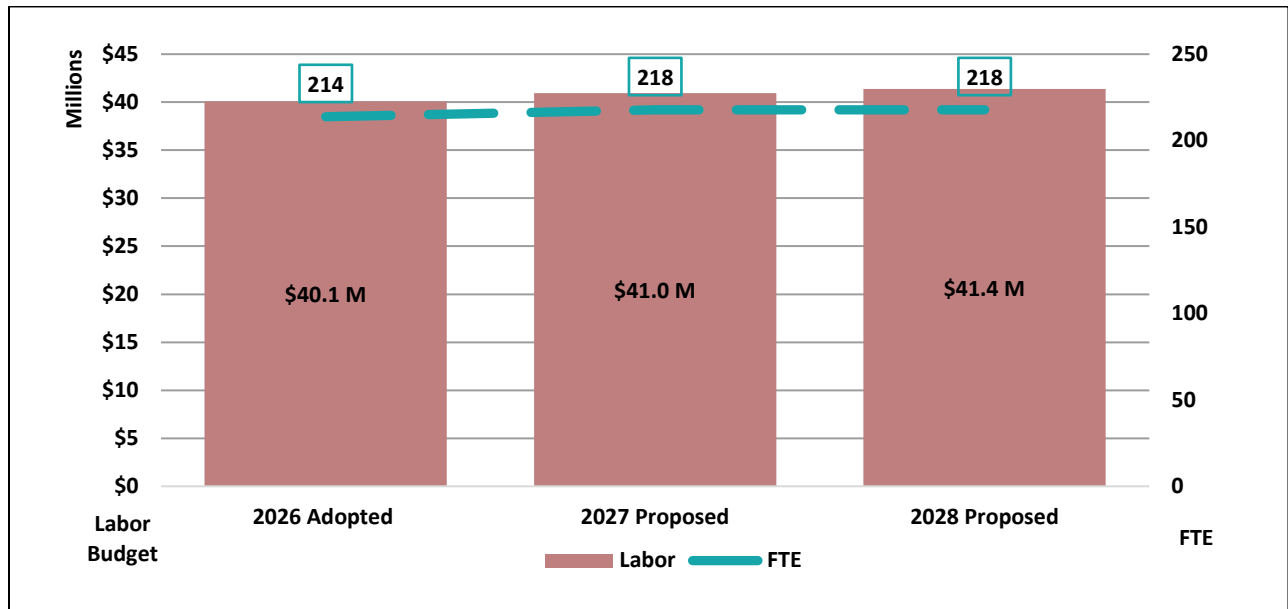
LAW's 2027-2028 Proposed Budget includes the following technical adjustments: standard cost adjustments and mandatory inflationary increases, a reduction to City retirement contributions, and a reduction to an office space rental agreement. One additional staff position is proposed for 1.0 FTE Assistance City Prosecutor in the Criminal Division Infractions Unit to handle contested hearings on traffic camera tickets, which are expected to double in 2027 as new cameras come online. This position is proposed to be paid for with \$176,000 from the Automated Traffic Safety Camera (ATSC) Fund.

The 2027-2028 Proposed Budget would also make ongoing the following positions funded through the 2026 Mid-Year Supplemental Budget:

- 1.0 FTE Paralegal (\$143,000 from ATSC Fund): administrative support for traffic camera infractions.
- 1.0 FTE Assistant City Attorney (\$225,000 from General Fund): pursuing Extreme Risk Protection Orders to increase surrender of firearms.
- 1.0 FTE Assistant City Prosecutor (\$177,000 from General Fund): Human Trafficking Prosecutor cross-deputized with the King County Prosecuting Attorney's Office to address felony human trafficking cases.

## B. FTE & Labor Changes

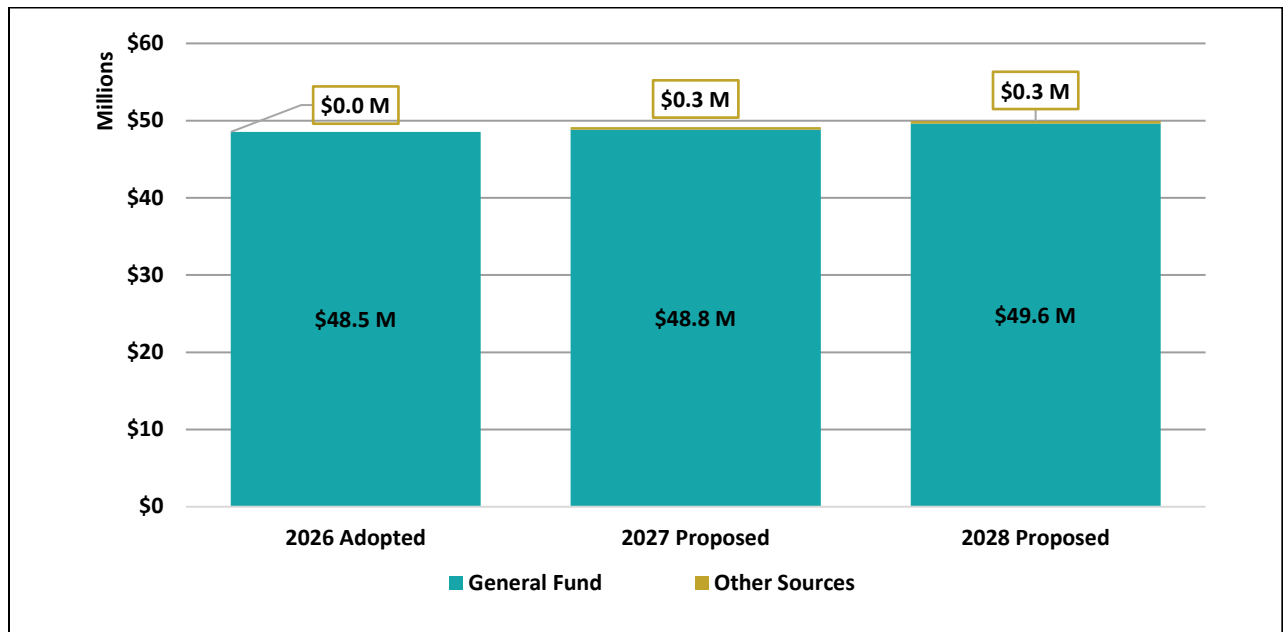
**Figure 1. FTE & Labor Budget Summary**



As shown above, the 2027-2028 Proposed budget would add 4.0 FTE. 3.0 FTE of this increase was approved in the 2026 Mid-Year Supplemental and would be incorporated as ongoing in 2027-2028.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As shown above, LAW's budget appropriation is almost entirely from the General Fund, with \$319,000 of Automated Traffic Camera (ATSC) Fund proposed in 2027-2028.

# LEGISLATIVE DEPARTMENT (LEG)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

**Table 1. Department Budget Summary**

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>       |                 |                  |               |                  |             |
| Leadership and Administration | \$5.3M          | \$5.2M           | (0.7%)        | \$5.4M           | 3.6%        |
| Legislative Department        | \$18.4M         | \$18.4M          | (0.4%)        | \$18.5M          | 0.9%        |
| <b>Total</b>                  | <b>\$23.7M</b>  | <b>\$23.6M</b>   | <b>(0.4%)</b> | <b>\$24.0M</b>   | <b>1.5%</b> |
| <b>FTE</b>                    | <b>103</b>      | <b>103</b>       | <b>0%</b>     | <b>103</b>       | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

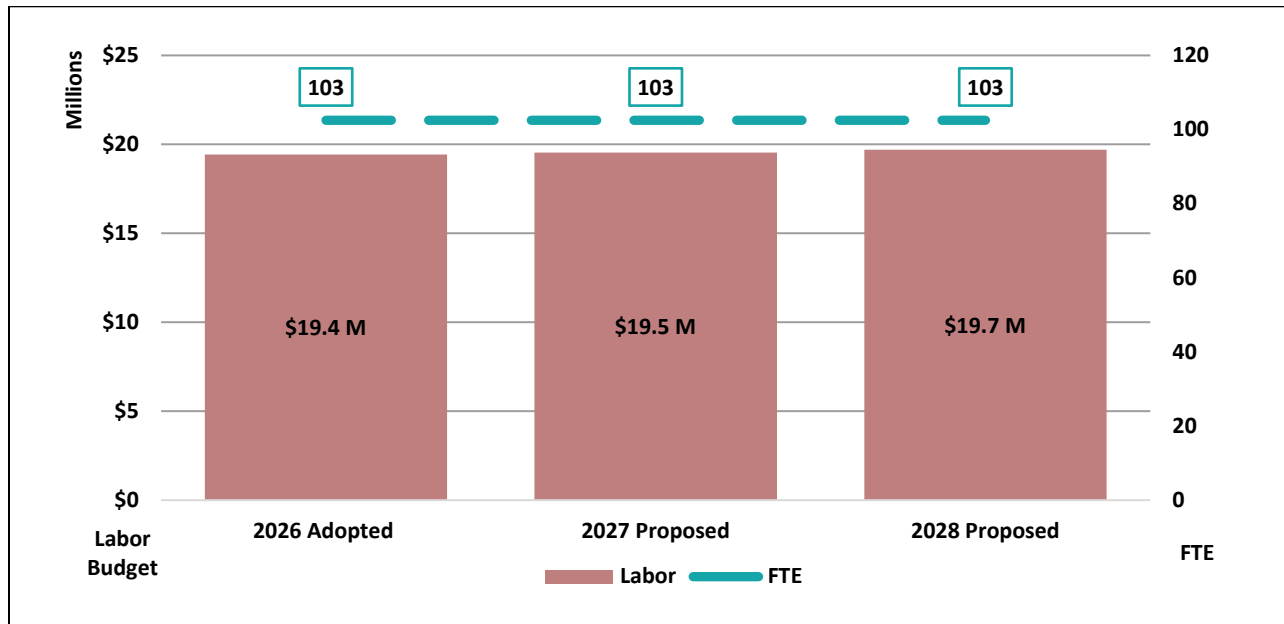
The 2027-2028 Proposed Budget for the Legislative Department generally remains stable, decreasing by 0.4 percent in 2027 and increasing by 1.5 percent in 2028. All increases and decreases are due to standard cost changes and grant funding cycles.

##### A. Operating Budget

As described in the overview, there are no notable changes in the proposed budget for the Legislative Department in 2027-2028. The minor changes to the budget are entirely related to technical adjustments that do not impact the department's operations.

##### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

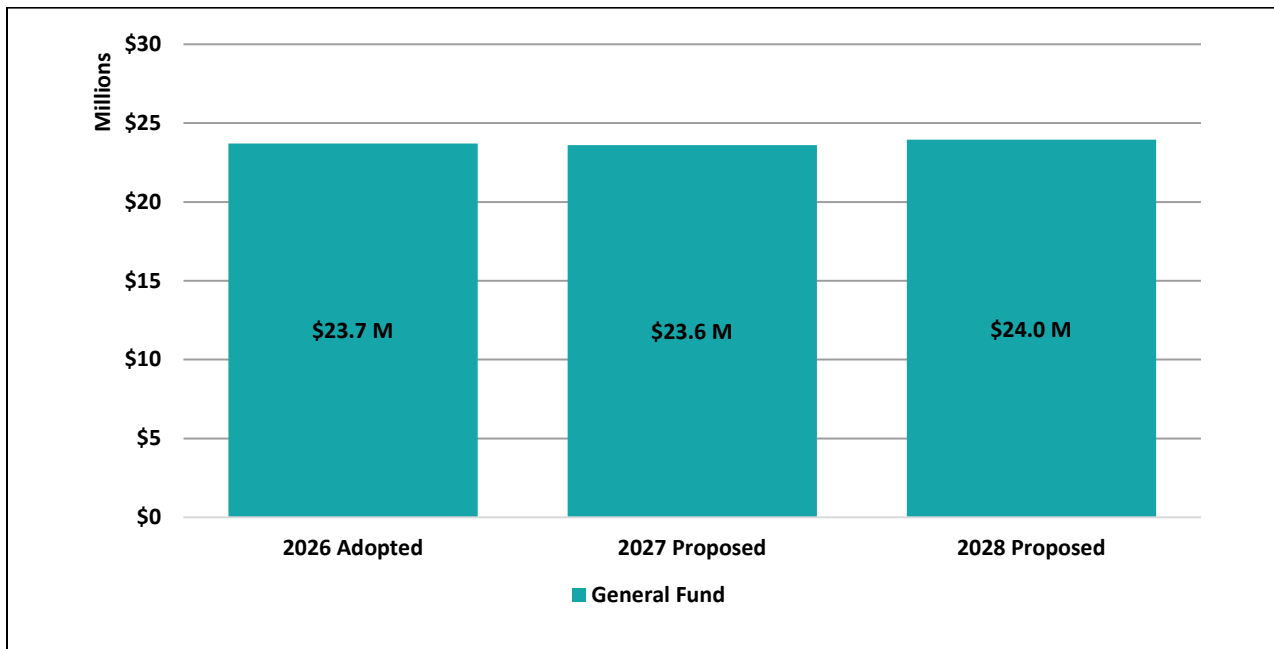


The number of employees in the Legislative Department is not proposed to change in the 2027-2028 Proposed Budget. All changes to the labor budget are technical adjustments.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



The Legislative Department is funded through the General Fund. All changes to appropriations are technical adjustments.

# OFFICE OF THE MAYOR (MO)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

Table 1. Department Budget Summary

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change    | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|----------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |                |                  |             |
| Office of the Mayor     | \$15.9M         | \$14.2M          | (10.5%)        | \$14.8M          | 4.0%        |
| <b>Total</b>            | <b>\$15.9M</b>  | <b>\$14.2M</b>   | <b>(10.5%)</b> | <b>\$14.8M</b>   | <b>4.0%</b> |
| <b>FTE</b>              | <b>41</b>       | <b>41</b>        | <b>0%</b>      | <b>41</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

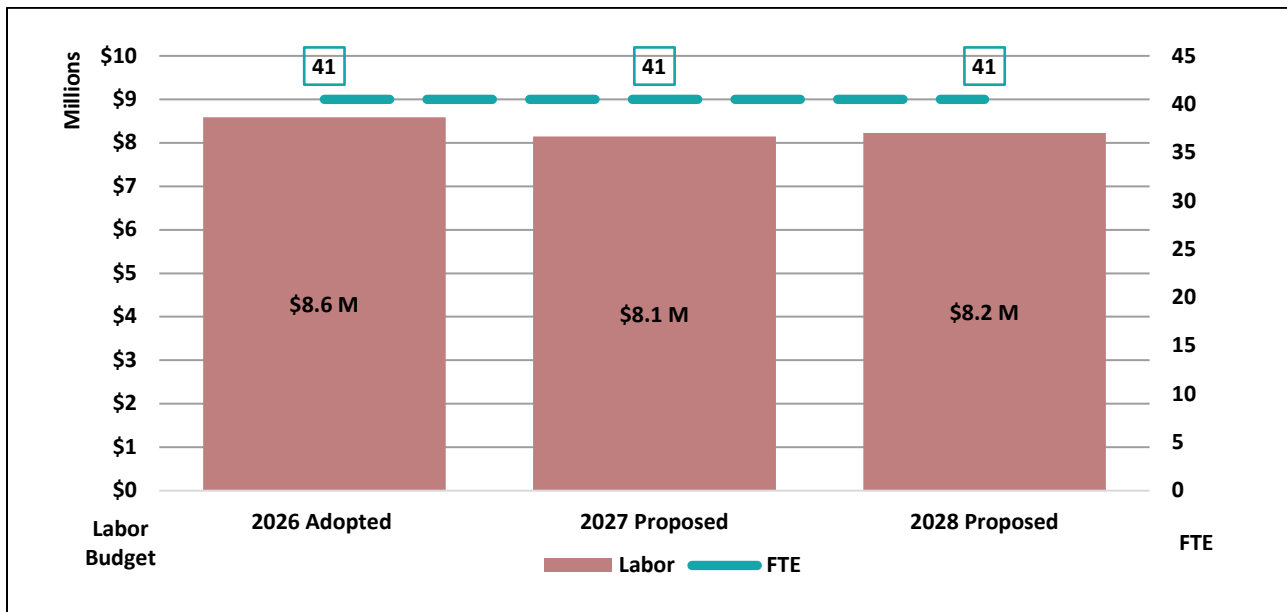
The 2027-2028 Proposed Budget for the Office of the Mayor generally remains stable, decreasing by 10.5 percent in 2027 and increasing by 4.0 percent in 2028. All increases and decreases are due to standard cost changes and changes in the allocation of City overhead costs, particularly judgement and claims costs, and grant funding cycles.

##### A. Operating Budget

As described in the overview, there are no notable changes in the proposed budget for the Office of the Mayor in 2027-2028. The changes to the budget are entirely related to technical adjustments that do not impact the department's operations.

##### B. FTE & Labor Changes

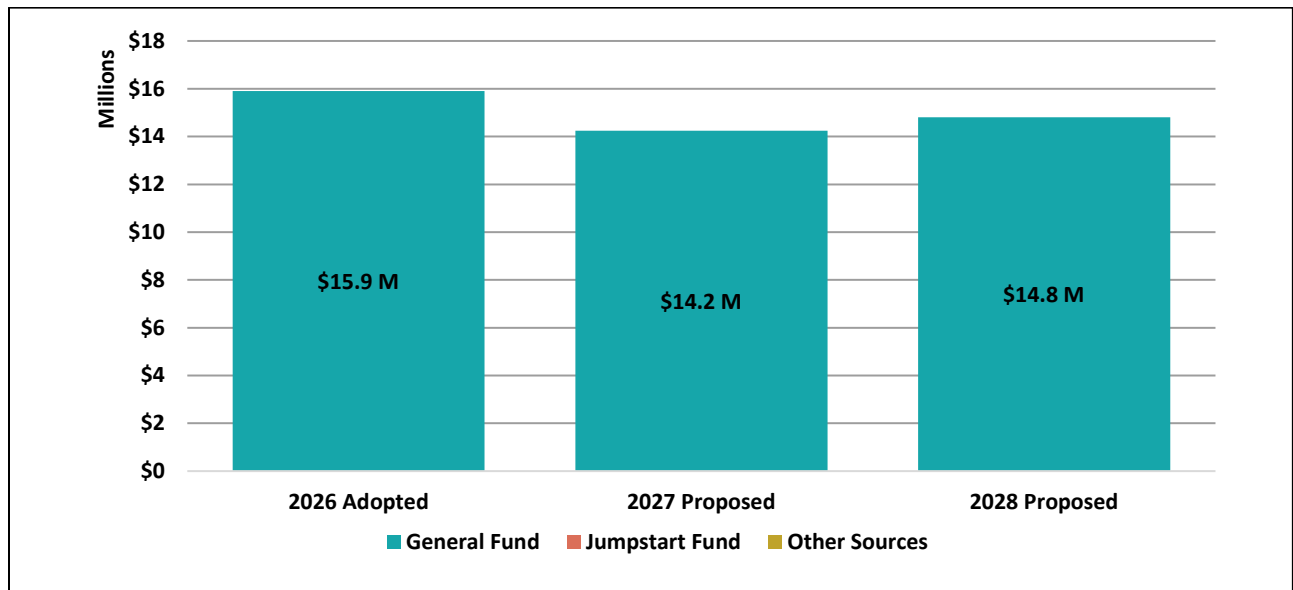
Figure 1. FTE & Labor Budget Summary



The number of employees in the Office of the Mayor is not proposed to change in the 2027-2028 Proposed Budget. All changes to the labor budget are technical adjustments.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The Office of the Mayor is funded through the General Fund. All changes to appropriations are technical adjustments.

## II. BUDGET LEGISLATION

### 1. CBO 2026 Year-End Supplemental ORD

The year-end supplemental ordinance includes three technical changes to the 2026 budget for the Office of the Mayor, which in total would reduce the 2026 budget for the Office of the Mayor by \$699,000. Those changes remove anticipated grant funding that was never received and cover costs for employees on Paid Parental Leave and Paid Family Care Leave in 2026.

### 2. MO Voluntary Early Separations Program ORD

Please see the separate memorandum on this bill, which may have implications for all City Departments.

# OFFICE FOR CIVIL RIGHTS (OCR)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TAMASO JOHNSON

Table 1. Department Budget Summary

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |               |                  |             |
| Civil Rights            | \$8.3M          | \$8.0M           | (3.1%)        | \$8.3M           | 4.0%        |
| <b>Total</b>            | <b>\$8.3M</b>   | <b>\$8.0M</b>    | <b>(3.1%)</b> | <b>\$8.3M</b>    | <b>4.0%</b> |
| <b>FTE</b>              | <b>35</b>       | <b>35</b>        | <b>0%</b>     | <b>36</b>        | <b>3%</b>   |

#### I. OVERVIEW AND SUMMARY

The 2027-2028 Proposed Budget for the Office for Civil Rights (OCR) maintains core functions and appropriation levels for the department relative to the 2026 Adopted Budget while making minor technical, programmatic, and personnel adjustments.

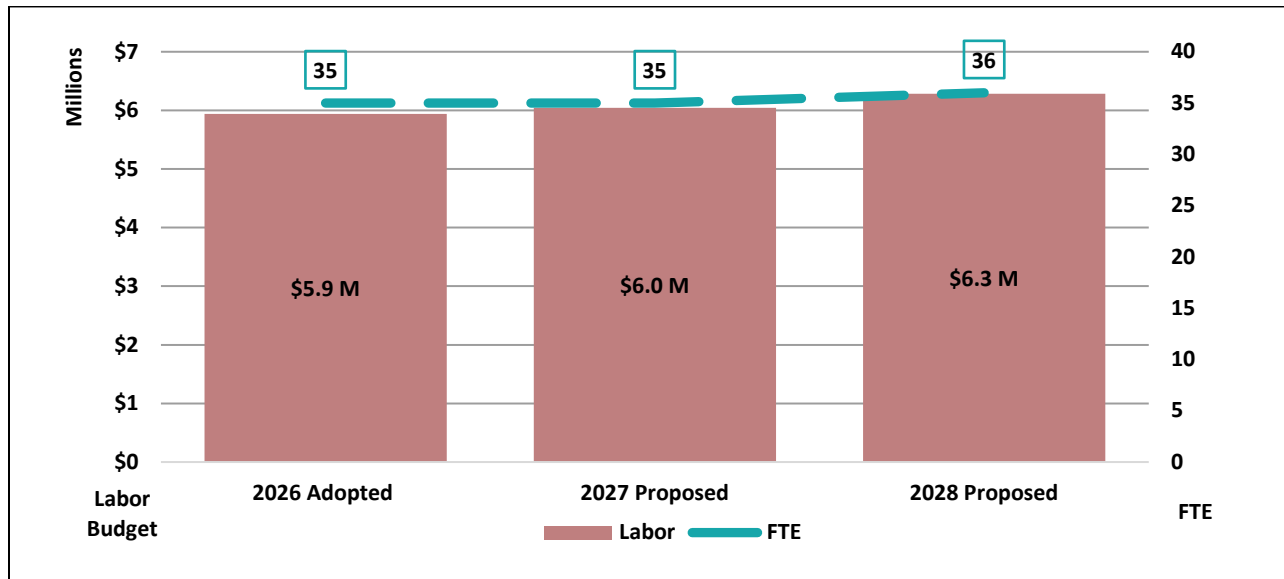
##### A. Operating Budget

Several changes are proposed to attain the proposed 2027-2028 OCR funding levels: a standard cost adjustment increase, a reduction to City retirement contributions, a reduction to a grant program contracting budget, a reduction to a commissions consultant contract, abrogation of a vacant position, and addition of dollars to fund new positions in 2027 and 2028. The following programmatic changes are proposed:

- The Collective Network Grant Program administered by OCR would be decreased by \$285,000 annually in 2027-2028. The department has indicated that this decrease will not impact contracts with current awardee community organizations funded through mid-2028, but would reduce the funding available to potential grantees in the next procurement cycle.
- One vacant communications position (1.0 FTE Strategic Advisor 1) and all associated costs would be reduced saving \$192,000.
- A consultant contract to provide support for the Seattle Disability Commission would be reduced by \$27,000.
- Two additional staff positions are proposed (1.0 FTE in 2027, 1.0 FTE in 2028) for work necessary to implement legislation passed by Council in 2026. A Planning and Development Specialist would be added in 2027 (\$200,000) and a Complaints Investigator in 2028 (\$360,000) for this purpose. Relevant new legislation to be implemented by the department includes [CB 121259](#) (*Do Not Solicit ORD*) and [CB 121278](#) (*Relationship Structure Non-Discrimination ORD*), both of which will become effective law in 2027.

## B. FTE & Labor Changes

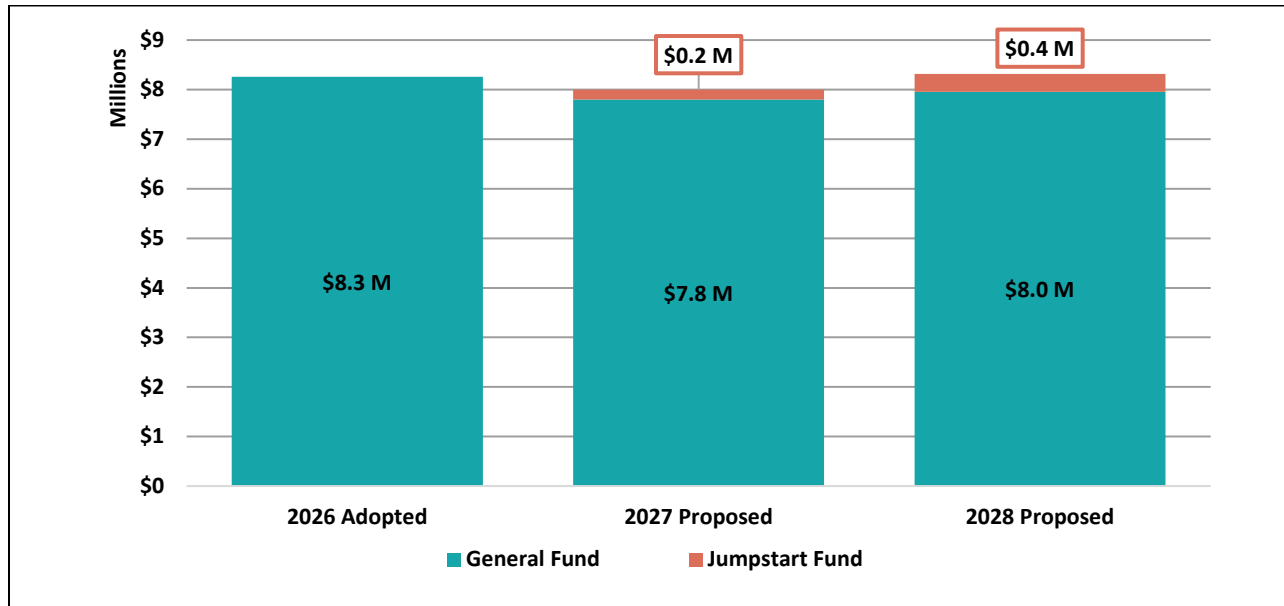
**Figure 1. FTE & Labor Budget Summary**



As discussed above, the 2027 Proposed Budget would maintain net staffing levels from the 2026 Adopted Budget and the 2028 Proposed Budget would add 1.0 FTE over 2026 and 2027 proposed levels.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As shown above, OCR has historically been funded entirely by General Fund appropriations. However, the 2027-2028 Proposed Budget would incorporate small amounts of JumpStart Fund (\$200,000 in 2027 and \$400,000 in 2028) appropriations as well.

## **II. BUDGET LEGISLATION**

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### **1. CBO 2026 Year-End Supplemental ORD**

The Year-End Supplemental contains two proposed adjustments to the 2026 Adopted Budget related to OCR. First, the ordinance would transfer an appropriation of \$200,000 of Jumpstart Fund from the Office of Planning and Community Development to OCR to undertake a housing reparation study. These dollars would supplement the \$50,000 that OCR was already allocated for this purpose in the 2026 Adopted Budget, bringing the total amount of funding for the housing reparation study to \$250,000. Second, the ordinance would also increase the 2026 appropriation for the Seattle Department of Human Resources by \$71,000 of General Fund to pay for an external consultant contract related to a workplace misconduct investigation carried out relating to OCR staff. Both proposed expenditures are one-time increases.

**OFFICE OF ECONOMIC DEVELOPMENT (OED)**  
**2027–2028 PROPOSED BUDGET**  
**OVERVIEW & POLICY CONSIDERATIONS PAPER**  
 CENTRAL STAFF ANALYST: JASMINE MARWAHA

**Table 1. Department Budget Summary**

| Budget Summary Level          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change    | 2028<br>Proposed | %<br>Change |
|-------------------------------|-----------------|------------------|----------------|------------------|-------------|
| <b>Operating Budget</b>       |                 |                  |                |                  |             |
| Business Services             | \$29.4M         | \$21.4M          | (27.1%)        | \$21.4M          | 0%          |
| Leadership and Administration | \$11.0M         | \$7.3M           | (34.0%)        | \$7.4M           | 1.6%        |
| <b>Total</b>                  | <b>\$40.4M</b>  | <b>\$28.7M</b>   | <b>(29.0%)</b> | <b>\$28.8M</b>   | <b>0.4%</b> |
| <b>FTE</b>                    | <b>63</b>       | <b>61</b>        | <b>(3%)</b>    | <b>61</b>        | <b>0%</b>   |

## I. OVERVIEW AND SUMMARY

The 2027-2028 Proposed Budget for the Office of Economic Development (OED) reflects a decrease of \$11.7 million relative to the 2026 Adopted Budget, a 29 percent decrease. The reduced budget is predominantly due to expiration of one-time additions in the 2026 Adopted Budget, as well as the abrogation of two positions. Baseline funding remains intact to advance the [Future of Seattle Economy \(FSE\) strategic framework](#) and to implement the recent Executive Order for [Building a Resilient Seattle Economy](#).

### A. Operating Budget

OED's 2027-2028 Proposed Budget removes approximately \$12 million of one-time funding, from 17 items, contained in the 2026 Adopted Budget. These items include but are not limited to:

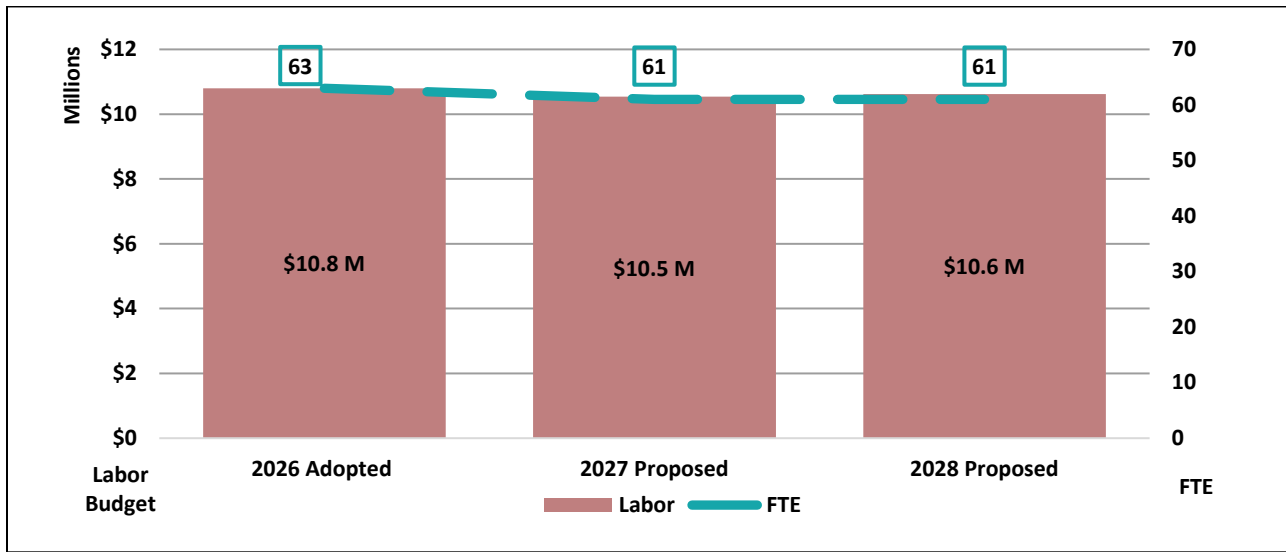
- \$3 million for the Stabilize, Activate, and Invest Locally Fund
- \$2.6 million to implement Downtown Activation Plan investments
- \$1.7 million for initiatives related to grocery stores and food access
- \$500,000 for the Waterfront Shuttle
- \$300,000 for enhanced cleaning in neighborhood business districts
- \$200,000 for the Pho Dep Initiative

A full list of the 17 removals, as well as any expected 2027 expenditures from the 2026 one-time funding (encumbrances or anticipated carry forward), is detailed in Attachment 1 to this paper.

In addition to the one-time removals, OED's 2027-2028 Proposed Budget includes technical adjustments for standard cost changes and retirement contributions, a small reduction in funding for professional development, a transfer of funding from the Office of Sustainability and Environment (OSE) for small business supports in the Duwamish Valley, and the removal of two positions discussed further in the next section.

## B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

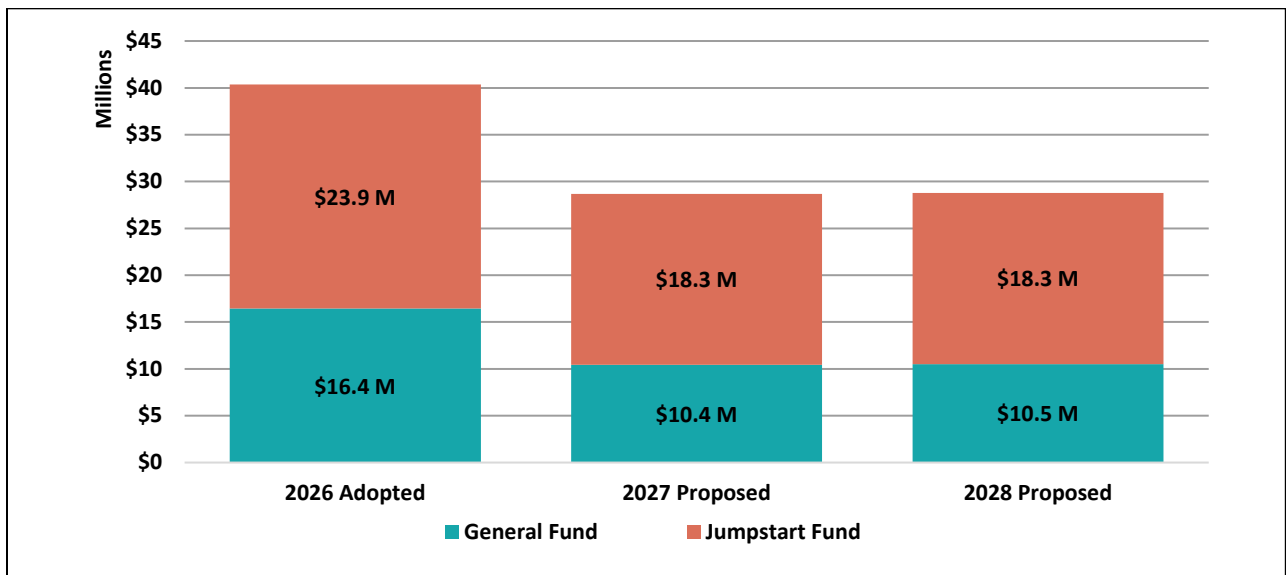


OED's 2027-2028 Proposed Budget removes two FTEs:

1. A Community Development Specialist, funded at \$157,000. This vacant position supported OED's business district supports that were not aligned with the department's strategic focus on business improvement areas (BIAs). OED does not anticipate significant service reduction from the removal.
2. A Strategic Advisor 2 position, funded at \$207,000. This position focused on connecting major events and venue operators with City departments. The department anticipates that the soon-to-be hired Citywide Director of Special Events will hold this body of work moving forward.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



OED's proposed budget is funded entirely by the General Fund and the JumpStart Fund.

## **II. BUDGET LEGISLATION**

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### **1. CBO 2026 Year-End Supplemental Ordinance**

This proposed legislation would make the following adjustments to the 2026 Adopted Budget:

- Transfer of \$535,000 General Fund appropriation authority to the Human Services Department (HSD) to support expanded REACH programming in Little Saigon and Chinatown-International District (C-ID), as part of the Stabilize, Activate, and Invest Locally (SAIL) Fund initiative. This funding is expected to provide services through March 2028.
- Transfer of \$81,800 General Fund appropriation authority to Seattle Public Utilities (SPU) to support the purchase and installation of trash cans and trash collection, in Little Saigon/C-ID, as part of the SAIL Fund initiative. This funding is expected to provide services until October 2027.
- Transfer \$150,000 General Fund appropriation authority to the Department of Neighborhoods (DON) to support a Community Safety Coordinator in Little Saigon/C-ID, as part of the SAIL Fund initiative. These services are anticipated to end in 2026.

## **III. ATTACHMENTS**

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1. OED One-Time Removals Detail

## Attachment 1: OED One-Time Removals Detail

### 2027-2028 Proposed Budget OED Overview and Policy Considerations Paper

| Change Request                                                  | 2026 One-Time | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Expected 2027 expenditures (encumbered or carryforward), or other related 2027 activity <sup>1</sup>                                                                         |
|-----------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OED-26-116 - SAIL Fund - Little Saigon/CID                      | \$1,500,000   | <b>Amount and Description:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Encumbered:</b>                                                                                                                                                           |
|                                                                 |               | 1. \$300,000: Chinatown-International District (C-ID) Safety Ambassador program; additional service through 2026                                                                                                                                                                                                                                                                                                                                                                                                                              | -                                                                                                                                                                            |
|                                                                 |               | 2. \$100,000: Storefront Lighting projects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -                                                                                                                                                                            |
|                                                                 |               | 3. \$293,000: contract for a C-ID Care Navigator Position with <a href="#">Evergreen Treatment Services (ETS) REACH</a>                                                                                                                                                                                                                                                                                                                                                                                                                       | \$196,000, contract through 3/2028                                                                                                                                           |
|                                                                 |               | 4. \$241,500: C-ID Neighborhood Outreach Coordinator via ETS REACH                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$161,000, contract through 3/2028                                                                                                                                           |
|                                                                 |               | 5. \$150,000: Crime Prevention Through Environmental Design (CPTED) improvements at the plaza on the southwest corner of 12th and Jackson, based on a design developed in partnership with Friends of Little Saigon                                                                                                                                                                                                                                                                                                                           | \$150,000: CPTED improvements complete by Q3 2027                                                                                                                            |
|                                                                 |               | 6. \$100,000: Community activations led by the C-ID BIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$100,000: (one event Q1 and Q3 each)                                                                                                                                        |
|                                                                 |               | 7. \$81,800: Additional trash pickup for 12 months as well as 4 new trash cans via SPU                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$61,000: services through 10/01/2027                                                                                                                                        |
| OED-26-116 - SAIL Fund - Lake City                              | \$1,500,000   | 1. \$150,000: Community Safety Coordinator position hosted by Lake City Business Alliance<br>2. \$100,000: Private security or ambassador<br>3. Up to \$350,000: Additional community safety investments as recommended by the Community Safety Coordinator and vetted by OED and DON<br>4. OED and DON are currently in active conversations with community partners about the remaining \$900,000, and have requested proposals addressing three interrelated elements: business support, activating public spaces, and community building. | Encumbered:<br>\$1.35 million to be contracted before year-end 2026 for services in 2027.                                                                                    |
| OED-26-113 - Small Business Supports for the Pho Dep Initiative | \$200,000     | 1. Formation of a district retail tenancing strategy which includes: 1) high-level market analysis of Little Saigon, 2) property-based strategy development and implementation on a high-impact commercial property, and 3) creation of a Little Saigon retail vacancy map; and<br>2. Public realm and small business storefront improvements informed by CPTED including 6 murals and 4-5 storefront awnings installations.                                                                                                                  | SAIL Fund CPTED improvements on 12 <sup>th</sup> and Jackson to be completed in 2027                                                                                         |
| OED-26-110 - Back to Business Fund                              | \$2,500,000   | Grants to businesses or neighborhood business districts to continue the <a href="#">Storefront Repair Program</a> as well as institute preventive security measures, such as Crime Prevention Through Environmental Design (CPTED).                                                                                                                                                                                                                                                                                                           | Program will revert to baseline funding of \$800,000, for business applicants. Neighborhood business districts will be supported by baseline funding for business districts. |

<sup>1</sup> Carryforward allocations are subject to legislative approval as part of the carryforward process in early 2027. Empty cells in this column indicate that 2026 funding was fully expended in 2026.

# Attachment 1: OED One-Time Removals Detail

## 2027-2028 Proposed Budget OED Overview and Policy Considerations Paper

| Change Request                                                   | 2026 One-Time | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Expected 2027 expenditures (encumbered or carryforward), or other related 2027 activity <sup>1</sup>                     |
|------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| OED-26-117 - Grocery Store Security Fund                         | \$1,000,000   | <ol style="list-style-type: none"> <li>Grocery Store Security Projects – Supporting grocery retailers with funding for CPTED-informed security improvements. After completion of two pilot projects, full program design and launch anticipated by end of 2026.</li> <li>Market Analysis – Investigating the economic opportunity to expand grocery stores in underserved neighborhoods and create grocery attraction strategies.</li> </ol>                                                                                                                                                                                                                                                                                                                         | \$800,000 in anticipated carryforward to select and implement security projects.                                         |
| OED-26-114 - Neighborhood Grocers                                | \$700,000     | <p>Conducted research and stakeholder engagement in collaboration with OSE and OPCD to understand needs of independent neighborhood grocers. Created the Independent Grocer Technical Assistance Cohort with the aim to:</p> <ul style="list-style-type: none"> <li>Support 10 independent grocers with advisory business services and funding for improvements to enhance their service/product offerings, pricing, and merchandising.</li> <li>Increase grocery metrics of participating grocers: sales, sales per cart/transaction, employee count, profitability, etc.</li> <li>Help participating grocers access additional resources to multiply impact</li> </ul>                                                                                             | \$685,000 to be spent in 2027.                                                                                           |
| OED-25-112 - DAP - Maintaining Metropolitan Improvement District | \$1,500,000   | <p>Added as one-time funding through the 25-26 biennium as part of the Downtown Activation Plan. In 2026, this funding was allocated as follows:</p> <ol style="list-style-type: none"> <li>\$100,000: contract with a retail recruitment firm</li> <li>\$100,000: vinyl treatments on vacant storefronts</li> <li>\$190,000: Support for Downtown Seattle Unsheltered Initiative</li> <li>\$150,000: World Cup 2026 Programming</li> <li>\$100,000: Holiday Activations</li> <li>\$50,000: “Winter by the Water” Seafair event</li> <li>\$124,000: Transit art and activation</li> <li>\$450,000: Various public space enhancements and activation</li> <li>\$100,000: Pike &amp; Pine public realm improvements plan</li> <li>\$136,000: Administration</li> </ol> | The Resilient Seattle Economy Task Force is expected to generate an updated set of recommendations for Downtown in 2027. |
| OED-25-108 - DAP - Add Back                                      | \$574,606     | Continued Downtown Activation Plan investments from previous years, including but not limited to public space activations, small business navigation, and public realm improvements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | The Resilient Seattle Economy Task Force is expected to generate an updated set of recommendations for Downtown in 2027. |
| OED-25-112A - DAP - South Downtown                               | \$250,000     | Consultant contracts for South Downtown intergovernmental facilitation, to align/accelerate public redevelopments by local, regional, and state agencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | OED or OPCD will prioritize baseline funding for the facilitation work related to the South Downtown interagency table.  |

**Attachment 1: OED One-Time Removals Detail**

## 2027-2028 Proposed Budget OED Overview and Policy Considerations Paper

| Change Request                                                           | 2026 One-Time | Description                                                                                                                                                                             | Expected 2027 expenditures (encumbered or carryforward), or other related 2027 activity <sup>1</sup>                                  |
|--------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| OED-25-116 - Westlake Park                                               | \$250,000     | Funded planning and activations in Westlake Park. The refresh of Westlake Park concluded earlier this year.                                                                             |                                                                                                                                       |
| OED-26-115 - Waterfront Shuttle                                          | \$500,000     | Seasonal transit service, primarily at stops west of the Third Avenue bus corridor.                                                                                                     | Seattle Transit Measure includes a requirement that SDOT and KC Metro provide a report on opportunities for improvement or expansion. |
| OED-010-A-1 - Maritime Innovation Center                                 | \$400,000     | One-time contribution to the capital development of the Maritime Innovation Center.                                                                                                     |                                                                                                                                       |
| OED-26-300 - OED CRM                                                     | \$400,000     | Supported OED's purchase of software for a Customer Relationship Management (CRM) system.                                                                                               | Ongoing maintenance agreements will be funded in baseline.                                                                            |
| OED-004-B-1 - cleaning in Ballard, University District, and Capitol Hill | \$300,000     | Supported one-time cleaning services for the downtown Ballard business core, the University District, and in Capitol Hill along the Pike/Pine Corridor, at \$100,000 each neighborhood. |                                                                                                                                       |
| OED-26-112 - Community Workforce Training Center                         | \$250,000     | One-time capital costs for the development of a community workforce training center, developed and operated by Uplift Northwest.                                                        |                                                                                                                                       |
| OED-008-A-2 - \$50,000 for Capitol Hill BIA support                      | \$50,000      | Funding for additional outreach efforts to help with outreach in establishing a Capitol Hill BIA.                                                                                       | \$150,000 ongoing remains in baseline for Capitol Hill business district support                                                      |
| OED-016-A-1 - workforce development program                              | \$50,000      | One-time pilot to increase ESOL instruction with digital literacy for childcare providers.                                                                                              |                                                                                                                                       |

# OFFICE OF EMERGENCY MANAGEMENT (OEM)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ANN GORMAN

**Table 1. Department Budget Summary**

| Budget Summary Level           | 2026 Adopted  | 2027 Proposed | % Change      | 2028 Proposed | % Change    |
|--------------------------------|---------------|---------------|---------------|---------------|-------------|
| <b>Operating Budget</b>        |               |               |               |               |             |
| Office of Emergency Management | \$4.4M        | \$4.3M        | (3.6%)        | \$4.3M        | 1.2%        |
| <b>Total</b>                   | <b>\$4.4M</b> | <b>\$4.3M</b> | <b>(3.6%)</b> | <b>\$4.3M</b> | <b>1.2%</b> |
| <b>FTE</b>                     | <b>16</b>     | <b>16</b>     | <b>0%</b>     | <b>16</b>     | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

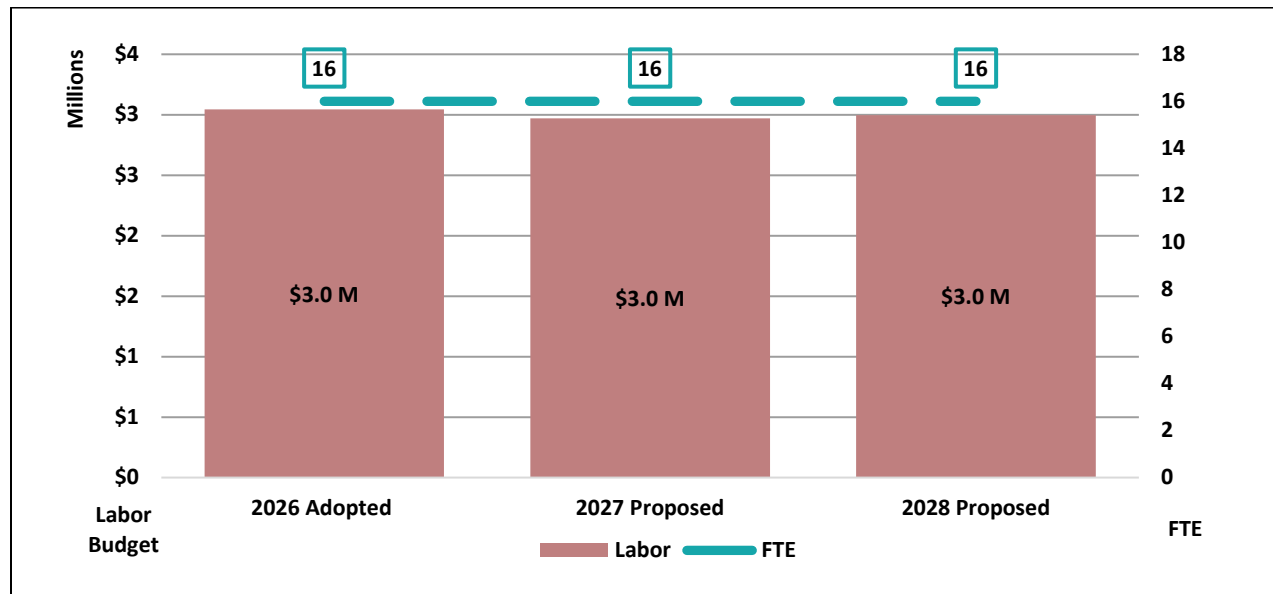
The 2027-2028 Proposed Budget for the Office of Emergency Management (OEM) decreases by \$161,000 (3.6 percent) relative to the 2026 Adopted Budget. This funding decrement reflects a reduction to funding allocated for staff development and training. Non-programmatic budget changes reflect technical adjustments due to internal service costs, annual wage increases, and City retirement contributions.

#### A. Operating Budget

OEM's operating budget reduces from \$200,000 to \$50,000 an ongoing Council allocation included in the 2026 budget for staff development and training, including professional certification programs and the provision of mutual aid. If the reduction is accepted, OEM will retain \$62,000 for staff development.

#### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

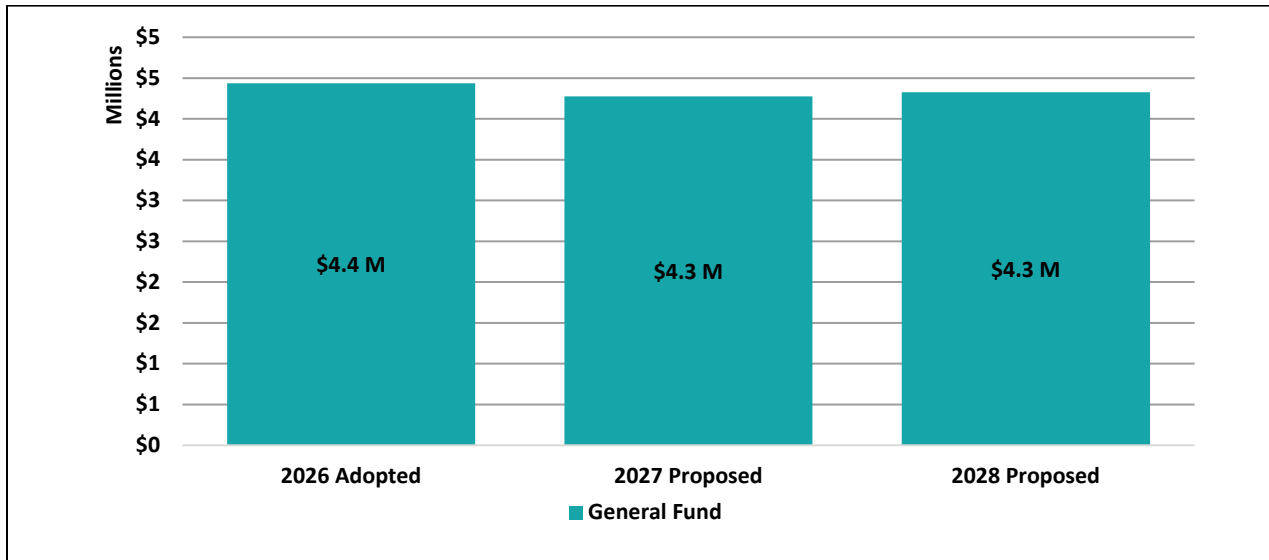


The 2027-2028 Proposed Budget maintains OEM's current level of 16.0 FTE.

### C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



OEM is entirely funded by the General Fund. As Figure 2 shows, the department's budget decreases by \$161,000 in the 2027-2028 Proposed Budget.

# OFFICE OF THE EMPLOYEE OMBUD (OEO)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

**Table 1. Department Budget Summary**

| Budget Summary Level     | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|--------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>  |                 |                  |             |                  |             |
| Office of Employee Ombud | \$1.3M          | \$1.4M           | 3.5%        | \$1.4M           | 1.3%        |
| <b>Total</b>             | <b>\$1.3M</b>   | <b>\$1.4M</b>    | <b>3.5%</b> | <b>\$1.4M</b>    | <b>1.3%</b> |
| <b>FTE</b>               | <b>6</b>        | <b>6</b>         | <b>0%</b>   | <b>6</b>         | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Office of Employee Ombud (OEO) provides City employees with a confidential and independent resource for addressing concerns about the workplace that may constitute inappropriate conduct, harassment, discrimination, or retaliation; or violate City Personnel Rules, Citywide workplace expectations, or other City policies. OEO's services include intakes, referrals, trainings, and conflict resolution. OEO also provides annual reports to the Mayor and City Council with recommendations for policy improvements and insights on patterns of workplace conduct.

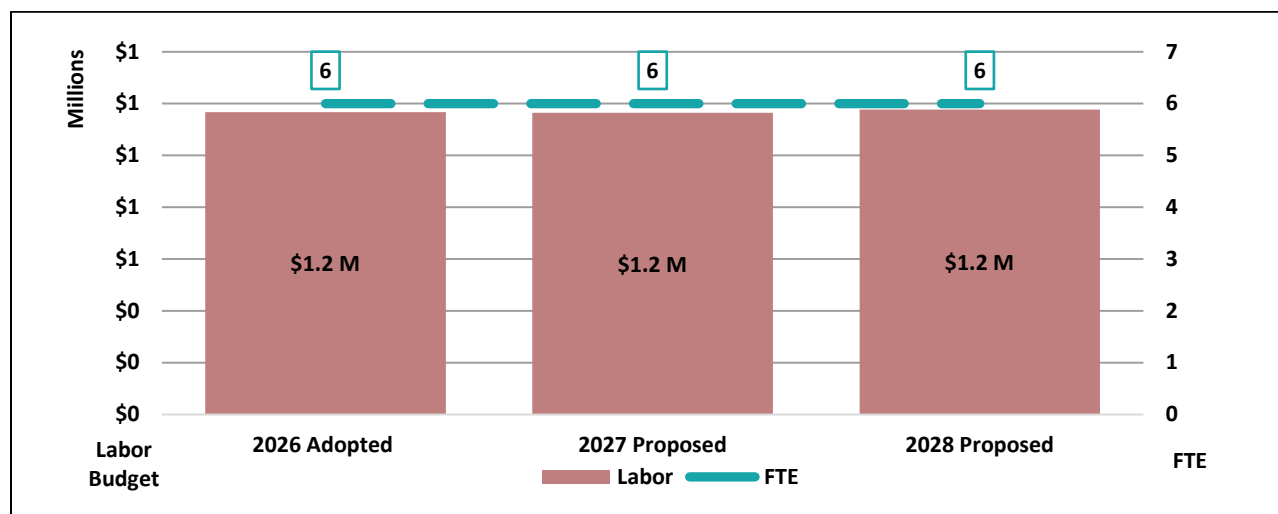
There are no significant changes between the OEO's 2026 Adopted Budget and the 2027-2028 Proposed Budget.

#### A. Operating Budget

The 2027-2028 Proposed Budget for OEO would increase by 3.5 percent (\$47,000) in 2027 compared to the 2026 Adopted Budget and increase by 1.3 percent (\$18,000) in 2028 compared to the 2027 Proposed Budget. All changes would reflect technical or baseline adjustments.

#### B. FTE & Labor Changes

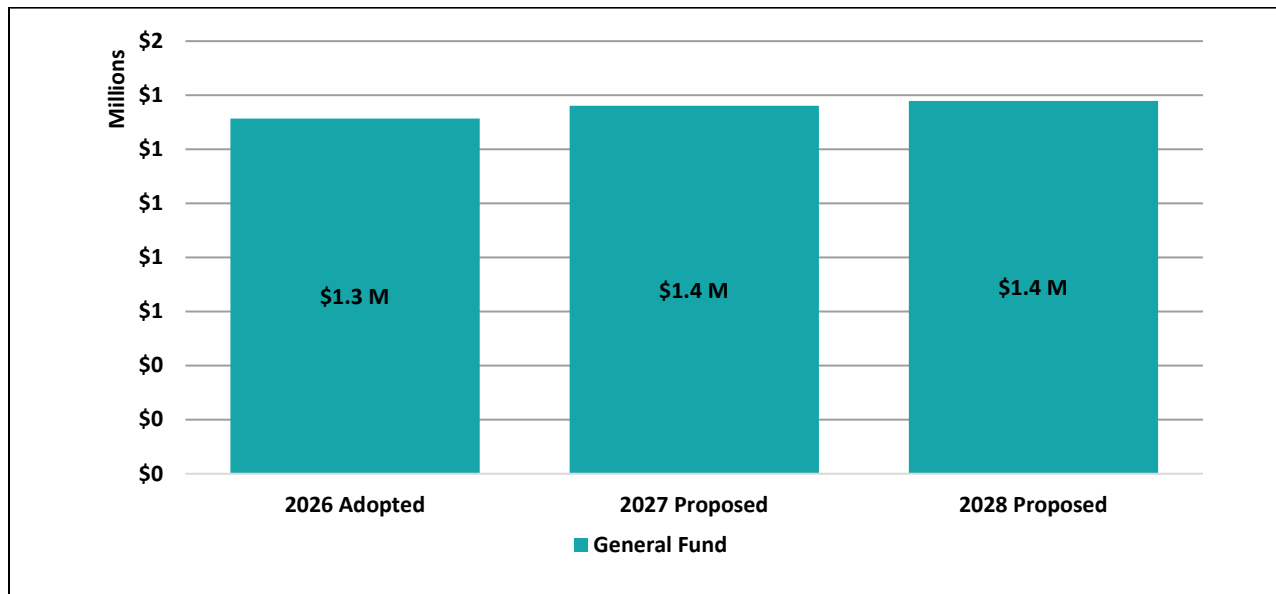
**Figure 1. FTE & Labor Budget Summary**



There would be no changes to OEO's FTE count in the 2027-2028 Proposed Budget.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



There would be no changes to OEO's funding source in the 2027-2028 Proposed Budget. OEO would be funded through the General Fund and reimbursements (about \$600,000 each year) for services provided to Seattle City Light, Seattle Public Utilities, Seattle Department of Transportation, Seattle Department of Construction and Inspections, and Seattle Retirement Department through Central Service Cost Allocations.

## II. BUDGET LEGISLATION

### 1. 2026 Year End Supplemental

The 2026 Year End Supplemental Ordinance would appropriate \$20,000 General Fund to OEO to reinstate funding for the department's case management software system that had been inadvertently removed in the 2025-2026 biennium; and \$59,000 General Fund to support backfill costs required for coverage of employees who were on Paid Parental Leave and/or Paid Family Care Leave in 2026.

**OFFICE OF ECONOMIC AND REVENUE FORECASTS**  
**2027–2028 PROPOSED BUDGET**  
**OVERVIEW & POLICY CONSIDERATIONS PAPER**  
 CENTRAL STAFF ANALYST: TOM MIKESELL

**Table 1. Department Budget Summary**

| Budget Summary Level           | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|--------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>        |                 |                  |               |                  |             |
| Economic and Revenue Forecasts | \$0.9M          | \$0.9M           | (1.5%)        | \$0.9M           | 1.0%        |
| <b>Total</b>                   | <b>\$0.9M</b>   | <b>\$0.9M</b>    | <b>(1.5%)</b> | <b>\$0.9M</b>    | <b>1.0%</b> |
| <b>FTE</b>                     | <b>3</b>        | <b>3</b>         | <b>0%</b>     | <b>3</b>         | <b>0%</b>   |

## I. OVERVIEW AND SUMMARY

Created in 2021 through a Council-sponsored Ordinance (ORD 126395), the Forecast Office serves as an independent source for the economic and revenue forecasts that underlie the City's annual budget process. Prior to its creation, the work purview had been housed within the City Budget Office and the Council did not receive forecast updates on the same timeframe as the Executive. The Forecast Office reports to the Economic and Revenue Forecast Council, which includes equal representation from the Legislative and Executive branches of City government.

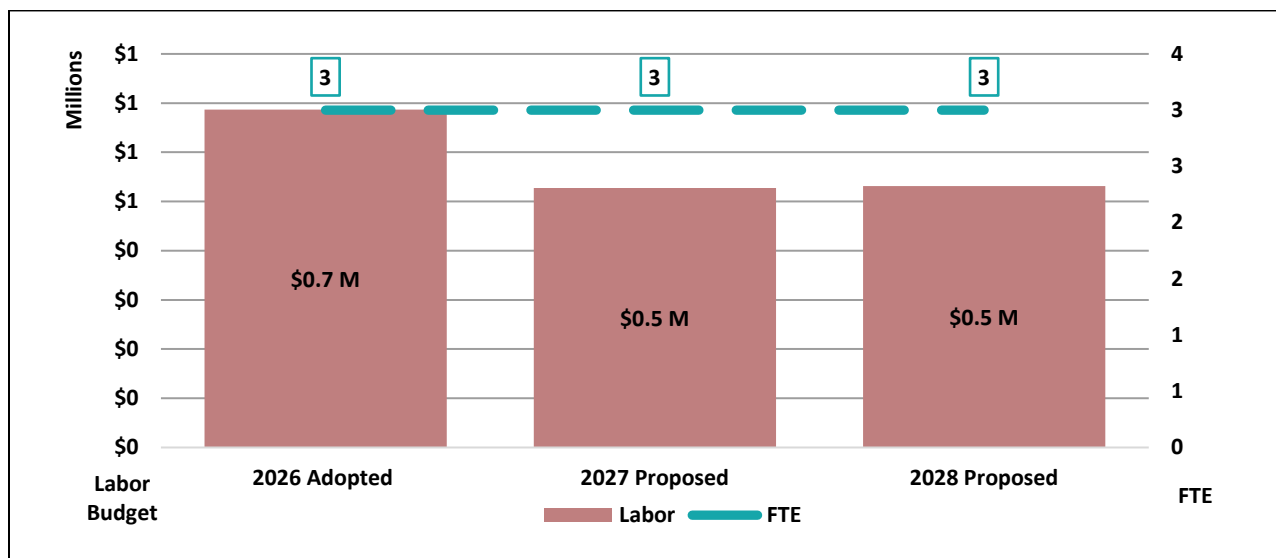
The 2027-2028 Proposed Budget for the Forecast Office is relatively unchanged when compared to the 2026 Adopted budget. The Proposed Budget removes funding for a position (\$155,000) while retaining the underlying position authority. This reduction is largely offset by increased data services subscription costs, which increase by \$147,000 in 2027.

### A. Operating Budget

As discussed in the Overview and Summary, the primary change to the Forecast Office budget includes a reduction of salary and benefits (excluding health care) appropriations of \$155,000. The position authority for this Strategic Advisor 1 (SA1) remains in place because the pocket is currently occupied and the incumbent remains central to supporting departmental operations. The department will instead fund the SA1 role in 2027 and 2028 using salary savings from the vacant SA3 position. Funding for the Executive 2 and SA3 positions remains in place, and filling those roles in the future would provide a stronger mix of skills as the department continues to mature. The department's long-term goal is to retain all three positions and their associated funding.

## B. FTE & Labor Changes

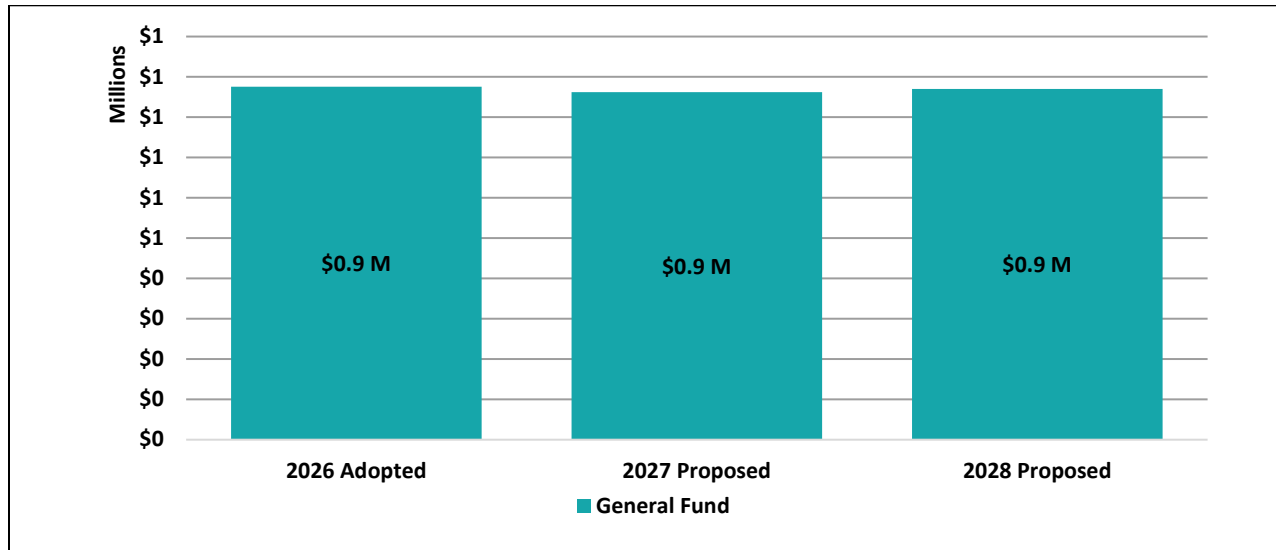
**Figure 1. FTE & Labor Budget Summary**



As shown in Figure 1, the 2026 Proposed Budget includes no changes to the Forecast Office's staffing level of three FTE. However, the labor budget decreases by \$159,000 (23 percent) as a result of the aforementioned position reduction. This proposed change would leave sufficient funding to support two FTE.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The Forecast Office is funded entirely by the General Fund, as shown in Figure 2.

# OFFICE OF INSPECTOR GENERAL FOR PUBLIC SAFETY (OIG)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: GREG DOSS

Table 1. Department Budget Summary

| Budget Summary Level                          | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-----------------------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>                       |                 |                  |               |                  |             |
| Office of Inspector General for Public Safety | \$5.4M          | \$5.3M           | (1.9%)        | \$5.4M           | 1.2%        |
| <b>Total</b>                                  | <b>\$5.4M</b>   | <b>\$5.3M</b>    | <b>(1.9%)</b> | <b>\$5.4M</b>    | <b>1.2%</b> |
| <b>FTE</b>                                    | <b>23</b>       | <b>23</b>        | <b>0%</b>     | <b>23</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Office of Inspector General for Public Safety (OIG) was established in 2017 as part of the City of Seattle's police accountability system to oversee the management, practices, training, supervision, and policies of the Seattle Police Department (SPD) and Office of Police Accountability (OPA) in order to promote fairness, legitimacy, and integrity in the delivery of law enforcement services and in the investigation of police misconduct.

The 2027-2028 Proposed Budget for OIG decreases by \$100,000 (1.9 percent) relative to the 2026 Adopted Budget, largely reflecting technical changes made to citywide personnel and internal service costs. The City's 2027 Proposed Budget maintains all core services for the OIG.

#### A. Operating Budget

The proposed operating budget includes two technical changes that would increase the proposed budget by a net of \$26,000:

- \$76,000 is added to pay for citywide internal rates including Seattle IT, Seattle Department of Human Resources and Finance & Administrative Services;
- \$50,000 is reduced to adjust for various personnel-related costs such as bargained wage increases and SCERS retirement rate changes.

The budget also makes one operating reduction:

- \$130,000 is reduced to align the OIG's non-labor budget with actual costs. This ongoing item reduces budget authority to better align budget with historical spending levels. This reduction is across supplies, equipment, consultants, travel and training.

OIG staff have indicated that the Office has the ability to absorb a portion of this cut through administrative efficiencies, a reduction in non-critical supply use and other non-labor spending. However, the Office has said that it cannot absorb the entire \$130,000 without impacting its ability to hold two long-planned organizational development initiatives.

These initiatives would be available to the OIG if the Council reduced the \$130,000 non-labor cut to \$80,000. This change would require the Council to make \$50,000 in cuts elsewhere in the 2026-2027 Proposed Budget.

1. Strategic Planning (\$25,000)

OIG staff plan to revisit the Office’s strategic plan to ensure the mission and vision are aligned to its original purpose. OIG has not engaged in strategic planning since 2019 and has since grown from a staff of 10 FTE to 23 FTE. OIG staff have indicated that the strategic planning will allow the Office to incorporate the work that was assumed from the federal monitor.

As part of this process, the Office plans to hire a consultant that can work with OIG’s executive leadership and management team in interactive sessions which will result in a renewed strategic plan with delineated managerial and divisional roles.

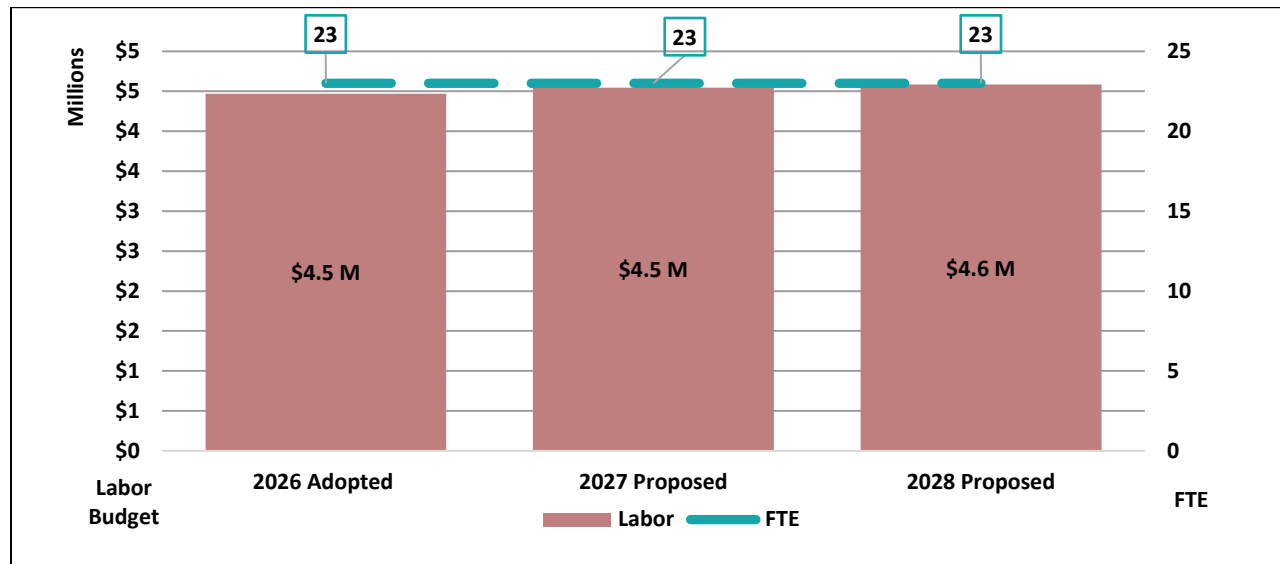
2. Leadership Training (\$25,000)

This leadership training would consist of ongoing leadership development, conflict resolution, mentoring, and succession planning. Similar training was initiated a few years ago with WAVE Training & Consulting, but OIG did not have the opportunity to continue the training to build on the imparted skills.

OIG would like to continue developing its leadership so that mid and upper-level managers are able to mentor subordinates, establish feedback loops, build morale, reduce turnover, and resolve conflict in a healthy way. Additional topics will include professional development and succession planning.

B. FTE & Labor Changes

Figure 1. FTE & Labor Budget Summary

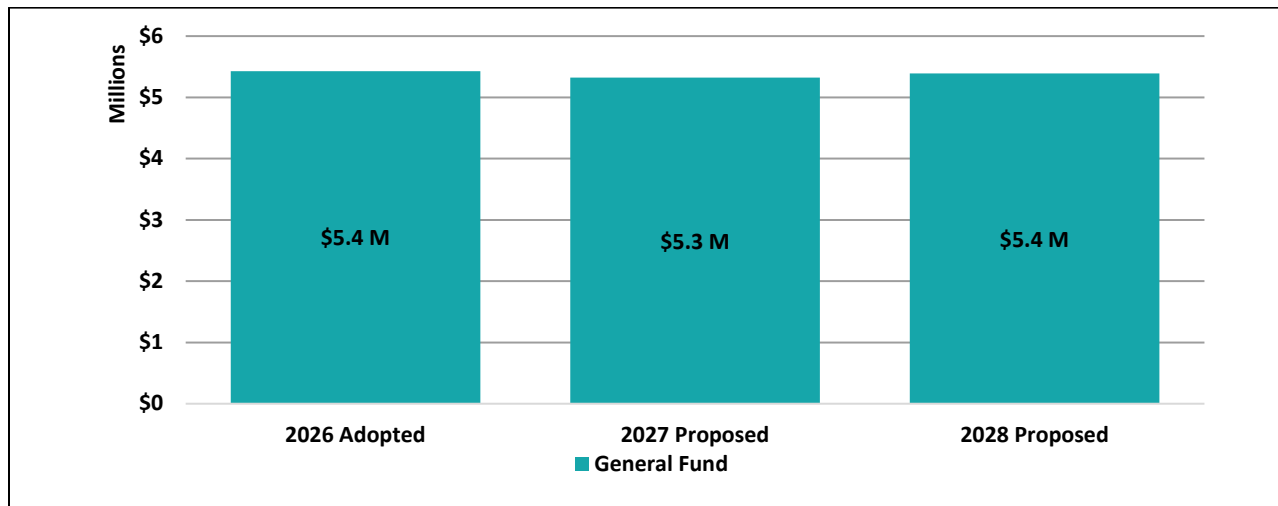


There are no FTE changes made in the 2027-2028 Proposed Budget.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



The OIG is funded entirely by the General Fund.

# OFFICE OF INTERGOVERNMENTAL RELATIONS (OIR)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

**Table 1. Department Budget Summary**

| Budget Summary Level                  | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change   |
|---------------------------------------|-----------------|------------------|-------------|------------------|---------------|
| <b>Operating Budget</b>               |                 |                  |             |                  |               |
| Office of Intergovernmental Relations | \$3.5M          | \$3.6M           | 0.7%        | \$3.5M           | (0.7%)        |
| <b>Total</b>                          | <b>\$3.5M</b>   | <b>\$3.6M</b>    | <b>0.7%</b> | <b>\$3.5M</b>    | <b>(0.7%)</b> |
| <b>FTE</b>                            | <b>10</b>       | <b>10</b>        | <b>0%</b>   | <b>10</b>        | <b>0%</b>     |

#### I. OVERVIEW AND SUMMARY

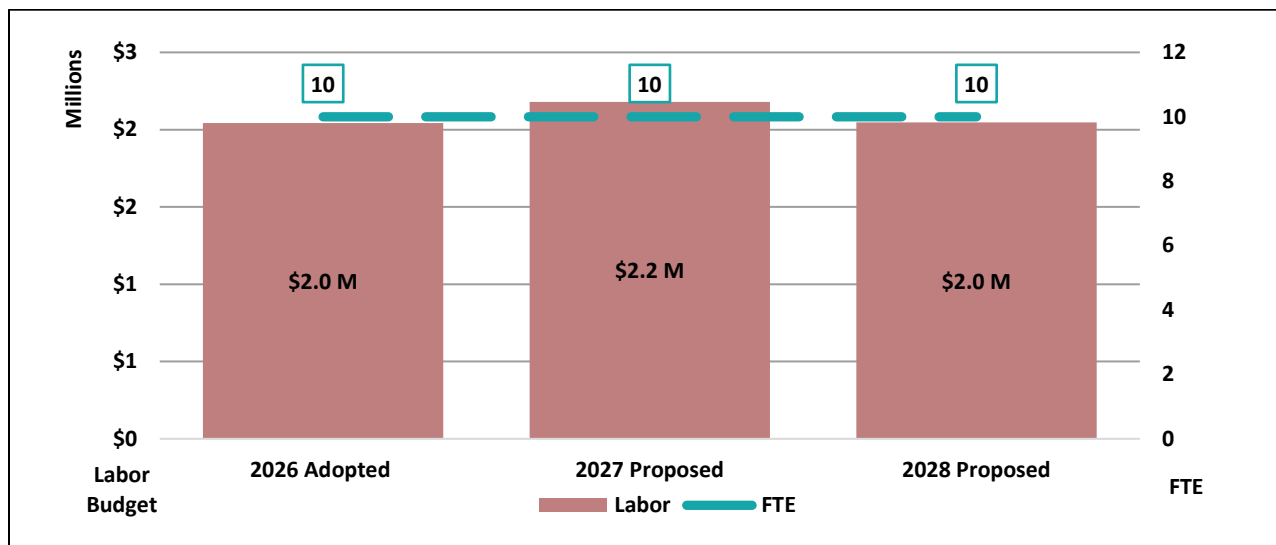
The 2027-2028 Proposed Budget for the Office of Intergovernmental Relations (OIR) remains stable. In the 2027 Proposed Budget, \$55,000 (one-time) is added to hold a Tribal Nations Summit that year. The Tribal Nations Summit last took place in 2025 and is planned to take place every other year. Otherwise, differences in funding are a result of technical or baseline adjustments.

#### A. Operating Budget

As described above, other than funding for a Tribal Nations Summit in 2027 there are no notable changes to the Proposed 2027-2028 Operating Budgets.

#### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

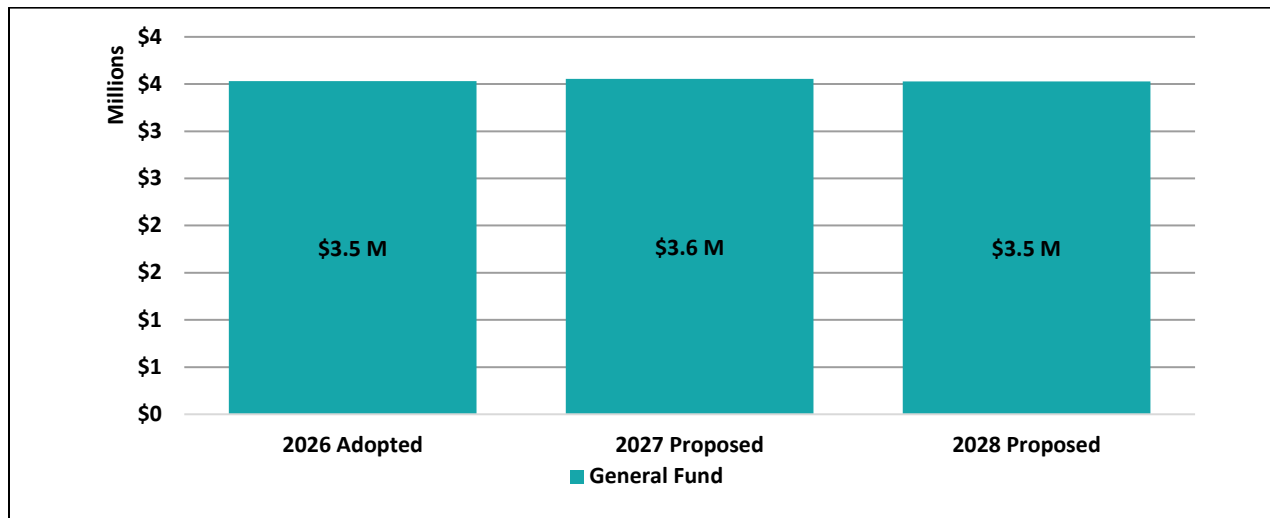


There are no changes to the FTE count in the 2027-2028 Proposed Budget. The 2027 budget moves \$150,000 for the Tribal Relations Director from the consulting budget to the labor budget, resulting in an increase in labor costs, but no change to FTE or increases to the Office's budget. An errata will be proposed to continue that transfer into the 2028 budget year. All other changes to the labor budget are due to technical adjustments and standard cost changes.

## C. Fund Appropriations Summary

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**Figure 2. Fund Appropriations Summary**



The Office of Intergovernmental Relations is entirely funded through the General Fund.

# OFFICE OF IMMIGRANT AND REFUGEE AFFAIRS (OIRA)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: JASMINE MARWAHA

Table 1. Department Budget Summary

| Budget Summary Level                    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change |
|-----------------------------------------|-----------------|------------------|---------------|------------------|-------------|
| <b>Operating Budget</b>                 |                 |                  |               |                  |             |
| Office of Immigrant and Refugee Affairs | \$10.8M         | \$10.7M          | (1.4%)        | \$10.7M          | 0.5%        |
| <b>Total</b>                            | <b>\$10.8M</b>  | <b>\$10.7M</b>   | <b>(1.4%)</b> | <b>\$10.7M</b>   | <b>0.5%</b> |
| <b>FTE</b>                              | <b>16</b>       | <b>14</b>        | <b>(13%)</b>  | <b>14</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Office of Immigrant and Refugee Affairs' (OIRA's) 2027-2028 Proposed Budget would decrease by \$125,000 (1.4 percent) compared to the 2026 Adopted Budget and remain unchanged for the remainder of the biennium. In November 2025, voters approved changes to the Business and Occupation Tax, which provided \$4 million in additional funding for OIRA's 2026 Adopted Budget. The Proposed Budget reflects a continuation of this additional \$4 million in investments, save for \$125,000 proposed to be allocated to the Office of Labor Standards for labor standards education for immigrant and refugee communities.

#### A. Operating Budget

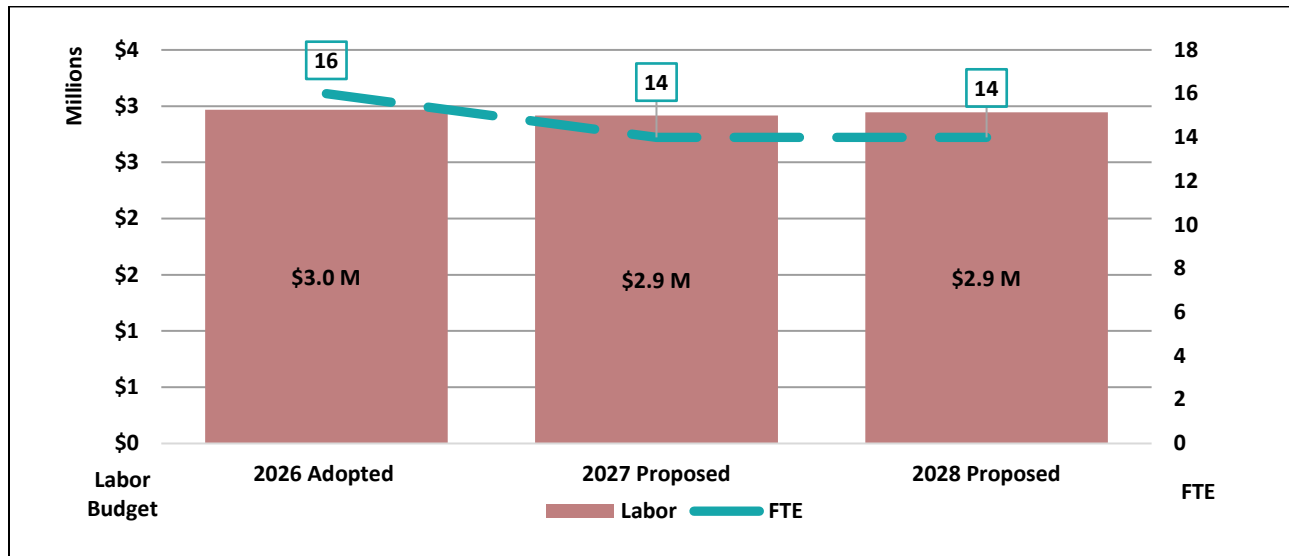
The 2027-2028 Proposed Budget continues \$3,875,000 General Fund in additional ongoing investments from the 2026 Adopted Budget, with continued funding anticipated for the following:

- \$1.3 million for legal support for both adults and unaccompanied children.
- \$900,000 for a Rapid Response Program, including but not limited to resource navigation, know your rights trainings, family safety planning, and other support for schools, workers, and businesses impacted by federal immigration enforcement.
- \$1 million for Federal funding backfill, including but not limited to citizenship and naturalization programs, English for Speakers of Other Languages (ESOL), and adult basic education courses for immigrants and refugees.
- \$300,000 for emergency assistance/basic needs.
- \$75,000 for language access and ethnic media.
- \$300,000 for staffing, extending the sunset date of a temporary 1.0 FTE Strategic Advisor 1 position to the end of 2027, and other flexible funding for temporary staffing.

As noted in the previous section, the Proposed Budget transfers \$125,000 to the Office of Labor Standards for labor standards education and know your rights trainings for immigrant and refugee communities.

## B. FTE & Labor Changes

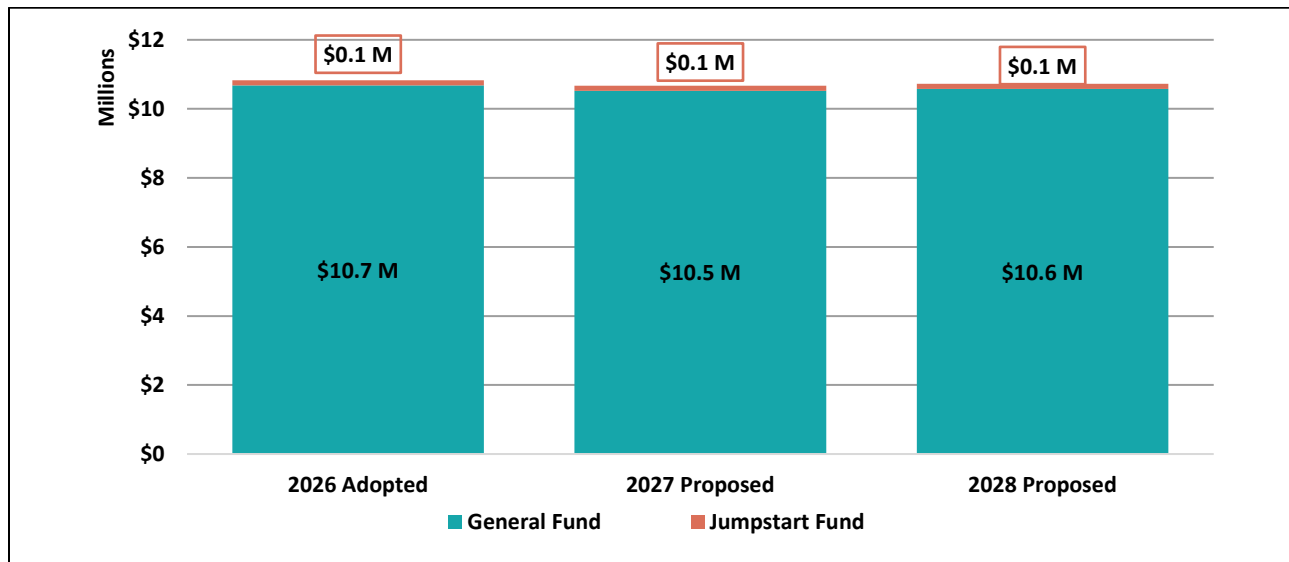
**Figure 1. FTE & Labor Budget Summary**



The 2027-2028 Proposed Budget decreases OIRA's staff by 2.0 FTE, reflecting the sunsetting of two temporary positions added in the 2026 Adopted Budget as part of the \$4 million additional investment. The Proposed Budget extends the sunset date of 1.0 FTE (Strategic Advisor 1) to the end of 2027 to continue to help implement the \$4 million funding strategy. Despite the reduction in position authority, OIRA's proposed labor budget remains relatively stable, with some technical adjustments, to retain flexibility to hire additional temporary staff as needed.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



OIRA's 2027-2028 Proposed Budget is almost entirely funded by the General Fund, with \$1.6 million backed by grant funding. Approximately \$150,000 of OIRA's budget is funded by the JumpStart/Payroll Expense Tax Fund.

## II. BUDGET LEGISLATION

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### 1. 2026 Year-End Grant Acceptance Ordinance

The 2026 Grant Acceptance ORD includes \$600,000 for a grant awarded by the Washington Department of Social and Health Services (DSHS) for the [Washington Migrant and Asylum-Seeker Support](#) (WA MASS) project. DSHS has contracted with OIRA to assist in the provision of emergency short-term temporary housing.

### 2. 2026 Year-End Supplemental ORD

The Year-End Supplemental ORD would increase appropriation authority by \$8,435, to align an existing Seattle Housing Authority (SHA) grant budget of \$51,652 to the \$60,087 award amount.

### 3. 2027 Grant Acceptance ORD

This legislation includes the following items for OIRA:

- \$700,000 in anticipation of federal Community Development Block Grant funding for OIRA's Ready to Work program.
- \$870,000 from Washington's DSHS to support the participation of State benefits recipients in OIRA's New Citizen Program, which aids income-qualified individuals applying for naturalization using a case management model. Matching funding is not required.
- \$53,649 from SHA to support the participation of SHA residents in the OIRA's New Citizen Program.

# OFFICE OF LABOR STANDARDS (OLS)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

**Table 1. Department Budget Summary**

| Budget Summary Level      | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|---------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>   |                 |                  |             |                  |             |
| Office of Labor Standards | \$10.1M         | \$10.2M          | 1.7%        | \$10.3M          | 1.1%        |
| <b>Total</b>              | <b>\$10.1M</b>  | <b>\$10.2M</b>   | <b>1.7%</b> | <b>\$10.3M</b>   | <b>1.1%</b> |
| <b>FTE</b>                | <b>43</b>       | <b>42</b>        | <b>(2%)</b> | <b>42</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Office of Labor Standards (OLS) implements 16 labor standards that establish minimum pay and working conditions for employees and independent contractors performing work in Seattle. OLS’s implementation includes policy development (e.g., rulemaking, legislative drafting), community and business engagement, and strategic enforcement with an intentional commitment to eliminating racial disparities and achieving racial equity in the city.

The 2027-2028 Proposed Budget for OLS would increase by 1.7 percent (\$170,000) in 2027 relative to the 2026 Adopted Budget and increase by 1.1 percent (\$112,000) in 2028 relative to the 2027 Proposed Budget.

#### A. Operating Budget

The proposed budget would largely maintain 2026 funding levels through 2027 and 2028, with a larger share of the budget allocated for implementation of the App-Based Worker Minimum Payment Ordinance ([SMC 8.37](#)) and App-Based Worker Deactivation Rights Ordinance ([SMC 8.40](#)) supported by Network Company License (NCL) fee revenue;<sup>1</sup> additional funding for outreach to immigrant workers; and removal of a vacant 1.0 FTE Policy Analyst position (Strategic Advisor 1) as a targeted reduction to address the shortfall in the General Fund (GF) revenue forecast.

The proposed budget would appropriate \$2.1 million of NCL fee revenue and fund balance to implement the App-Based Worker Minimum Payment Ordinance and App-Based Worker Deactivation Rights Ordinance, including one-time funding (\$20,000) in 2027 and 2028 to build capacity for data analysis required by the ordinances and ongoing funding (\$728,000) for 5.0 FTE of previously legislated but unfunded positions for this work that were established in the 2024 Adopted Budget. Three of these positions were funded in the 2026 Mid-Year Supplemental Ordinance (\$392,000) and two of these positions would be funded in the proposed budget (\$336,000).

The proposed budget would also include additional funding (\$125,000) transferred from the Office of Immigrant and Refugee Affairs (OIRA) to contract with community partners for outreach to immigrant and refugee workers through the Community Outreach and Education Fund (COEF). The fund transfer would increase the COEF to \$1.63 million per year and reflect the first ongoing expansion of this worker outreach

<sup>1</sup> Under [Seattle Municipal Code \(SMC\) 6.700](#), network companies (e.g., DoorDash, Uber Eats) must pay a network company license fee of \$0.10 per online order that results in an app-based worker’s delivery of goods or other provision of services in Seattle. Use of the NCL fee is restricted to use by the Department of Finance and Administrative Services (FAS) for administrative costs and to OLS for implementation of the App-Based Worker Minimum Payment Ordinance and App-Based Worker Deactivation Rights Ordinance.

fund since 2017. The additional funds would enable community partners to conduct know your rights trainings and other labor standards education activities.

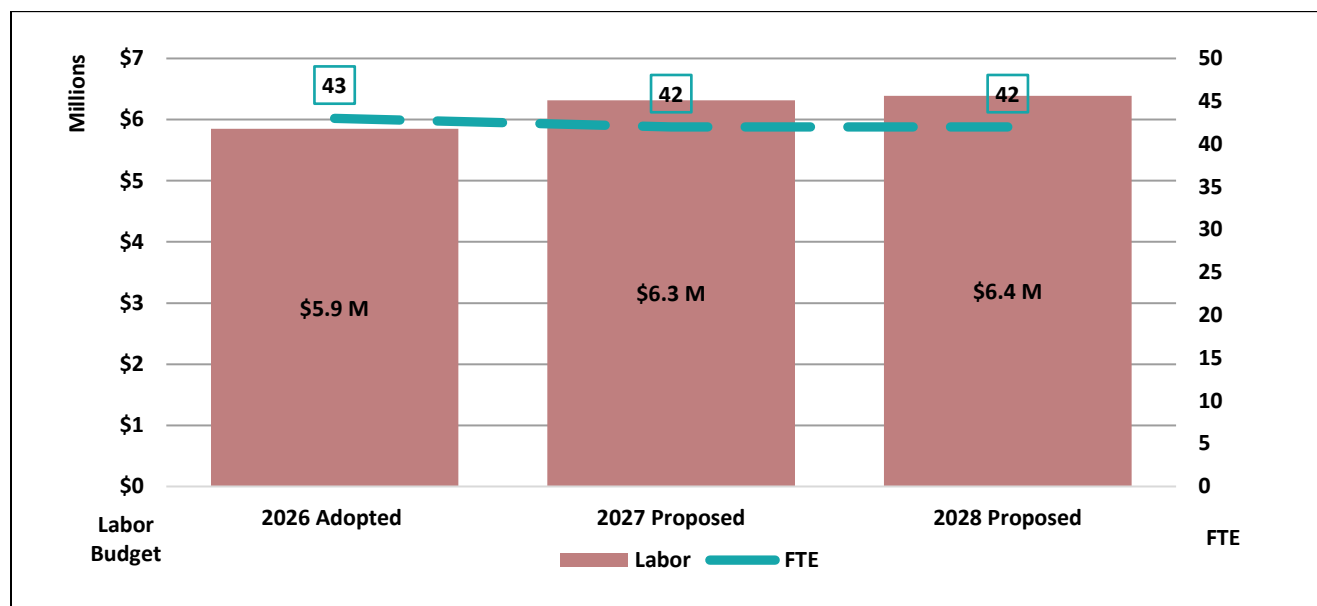
The proposed budget would also remove one-time funds (\$190,000) added by Council in the 2026 Adopted Budget to contract with community partners for outreach to small, immigrant-run businesses through the Business Outreach and Education Fund (BOEF). The removal of this one-time funding would return the BOEF to previous levels of \$600,000 per year and limit opportunities for OLS’s community partners to provide immigrant-run businesses with labor standards trainings, door-to-door outreach, 1:1 technical assistance; and engage in ongoing work to sharpen outreach strategies and develop creative initiatives.

Existing, annual appropriations for domestic workers outreach (\$17,500) would be allocated for implementation of recent amendments to the Domestic Workers Ordinance ([SMC 14.23](#)) that will go into effect in July 2027. This funding would cover translation of updated materials, targeted communication activities, social media campaigns and outreach events with community partners.

Other changes in OLS’s proposed budget would reflect technical or baseline adjustments.

## B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**



The 2027-28 Proposed Budget for OLS would continue budget authority for 42 FTE, provide appropriations for 39 FTE, and remove 1.0 FTE vacant policy analyst position. OLS reports that the office may request additional appropriations in the 2027 Mid-Year supplemental Ordinance or 2028 budget to fill one or more of the remaining 3.0 FTE unfunded positions depending on staffing needs for full enforcement of the App-Based Worker Deactivations Rights Ordinance which will begin in July 2027. The remaining unfunded positions would include 2.0 FTE Investigators (Civil Rights Analysts) and 1.0 FTE Paralegal.

Of the 39 FTE funded in the proposed budget, 10 FTE would be supported by NCL fee revenue. Table 2 shows all positions funded by NCL fee revenue in 2027 and notes the timing of appropriations.

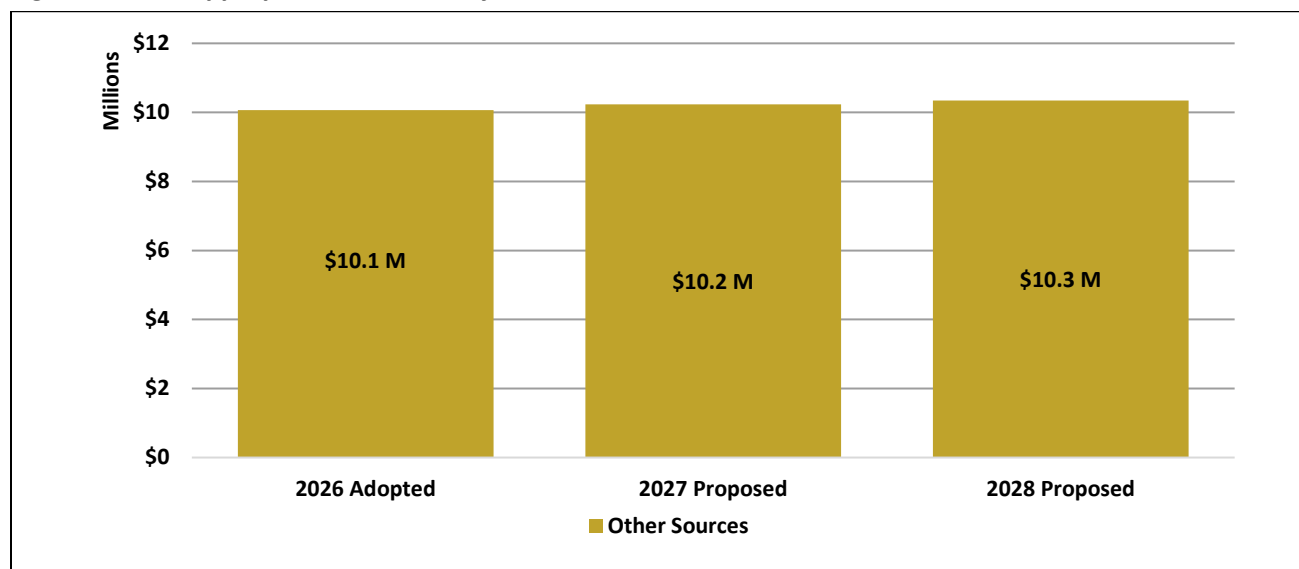
**Table 2. Description of positions funded by NCL fee revenue in 2027**

| Budget Appropriations      | Job Title                             | Classification                      | FTE         |
|----------------------------|---------------------------------------|-------------------------------------|-------------|
| 2027-2028 Proposed Budget  | Investigator                          | Civil Rights Analyst                | 2.0         |
| 2026 Mid-Year Supplemental | Investigator                          | Civil Rights Analyst                | 1.0         |
|                            | Labor Standards Engagement Specialist | Planning & Development Specialist 2 | 1.0         |
|                            | Multimedia Specialist                 | Public Relations Specialist         | 1.0         |
| 2026 Adopted Budget        | Senior Investigator                   | Civil Rights Analyst, Senior        | 2.0         |
|                            | Policy Analyst                        | Strategic Advisor 1                 | 1.0         |
|                            | Data Strategist                       | Strategic Advisor 1                 | 1.0         |
|                            | Enforcement Supervisor                | Supervising Civil Rights Analyst    | 1.0         |
| <b>Total FTE</b>           |                                       |                                     | <b>10.0</b> |

The removal of 1.0 FTE vacant policy analyst position would leave a Policy Director and three policy analysts on OLS’s policy team, including one position funded by NCL fee revenue and two positions funded by the General Fund. OLS expects that removal of this policy analyst position would reduce the office’s capacity to develop strategic policy initiatives; provide input to internal staff and other departments on emerging policy areas impacting workers and businesses; and issue timely administrative rules and policy guidance. However, OLS expects to maintain capacity to respond to business technical assistance questions and complete statutory updates.

### C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



Pursuant to [SMC 3.15.007](#), OLS’s budget is appropriated from the GF to the OLS Fund, a separate fund that is supported by revenue from the business license tax and NCL fees. The 2027-2028 Proposed Budget allocates \$2.1 million of NCL-fee-backed appropriations to OLS in each year. As previously noted, the proposed budget also transfers \$125,000 from OIRA to OLS for outreach to immigrant and refugee workers.

## **II. BUDGET LEGISLATION**

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### **1. 2026 Year End Supplemental ORD**

This legislation would transfer revenue (\$1.3 million) from the NCL fee to an NCL-fee planning reserve within the OLS Fund. The full amount of revenue would be appropriated to OLS, but this legislation would not add additional expenditure appropriation (i.e., none of the appropriated funds would be spent in 2026). The Executive intends to keep this funding separate to emphasize the restricted use of the NCL fee.

# OFFICE OF SUSTAINABILITY AND ENVIRONMENT (OSE)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: REBECCA MASKIN

Table 1. Department Budget Summary

| Budget Summary Level                     | 2026<br>Adopted | 2027<br>Proposed | %<br>Change  | 2028<br>Proposed | %<br>Change    |
|------------------------------------------|-----------------|------------------|--------------|------------------|----------------|
| <b>Operating Budget</b>                  |                 |                  |              |                  |                |
| Office of Sustainability and Environment | \$33.8M         | \$38.2M          | 13.1%        | \$34.0M          | (11.0%)        |
| <b>Total</b>                             | <b>\$33.8M</b>  | <b>\$38.2M</b>   | <b>13.1%</b> | <b>\$34.0M</b>   | <b>(11.0%)</b> |
| <b>FTE</b>                               | <b>56</b>       | <b>56</b>        | <b>0%</b>    | <b>56</b>        | <b>0%</b>      |

#### I. OVERVIEW AND SUMMARY

OSE's 2027 Proposed Budget is \$38.2 million, which reflects a \$4.4 million (13.1 percent) increase from the 2026 Adopted Budget. This increase is largely attributable to the proposed one-time addition of \$4.1 million in Families, Education, Preschool, and Promise (FEPP) Levy funding to provide universal school meals in Seattle Public Schools for the 2027-28 school year. This funding would expand OSE's current school meals program that was funded by a \$3.6 million JumpStart Payroll Expense Tax Fund (JumpStart Fund) allocation in the 2026 Midyear Supplemental Budget ([ORD 127496](#)). State funding for universal school meals is anticipated to begin during the 2028-29 school year.

The 2028 Proposed Budget has a reduction of approximately \$4.2 million from the 2027 Proposed Budget, reflecting the anticipated shift to state funding for universal school meals. Funding for other OSE programs is proposed to remain constant between the 2027 and 2028 Proposed Budgets. The amount of FTE proposed for 2027 and 2028 remains constant from 2026 at 55.5 FTE.

#### A. Operating Budget

OSE's Proposed 2027-2028 Budget includes the following increases:

- \$6.3 million (General Fund) ongoing for [Fresh Bucks](#). This funding is a continuation of previous one-time funding in the 2026 Adopted Budget that expanded the program to include approximately 20,000 households with an increased benefit of \$60 a month (previously \$40). This funding also allows OSE to replace temporary staffing with a new customer service representative to support Fresh Bucks participants, utilizing an existing vacant position.
- \$4.1 million (Families Education Preschool and Promise (FEPP) 2025 Levy Fund) one-time for universal school meals. This funding implements the FEPP Implementation and Evaluation Plan adopted in 2026 ([ORD 127481](#)). OSE will contract with Seattle Public Schools to administer this program.
- \$400,000 (JumpStart Fund) ongoing for Municipal Energy Efficiency Program (MEEP) staffing. MEEP was previously funded by \$1.5 million annually from 2022 to 2026, budgeted to the Department of Finance and Administrative Services. The program was primarily supported by Real Estate Excise Tax (REET) revenue, which covered program staffing within OSE and implementation. With the loss of REET funding for implementing projects, MEEP staff in OSE will identify and pursue grants for capital departments and work cross-departmentally to identify projects and resources within capital improvement plans that advance energy efficiency and decarbonization goals to meet City and state building performance standards.

OSE's Proposed 2027-2028 Budget includes the following decreases:

- A \$300,000 (JumpStart Fund) reduction for [Building Decarbonization Grants](#), leaving \$4.2 million JumpStart Fund to support early compliance with the City's Building Emissions Performance Standard Greenhouse Gas Intensity (GHGI) targets for affordable housing or buildings owned by small nonprofits.
- Shifts \$200,000 (JumpStart Fund) supporting Duwamish Valley small businesses to the Office of Economic Development.

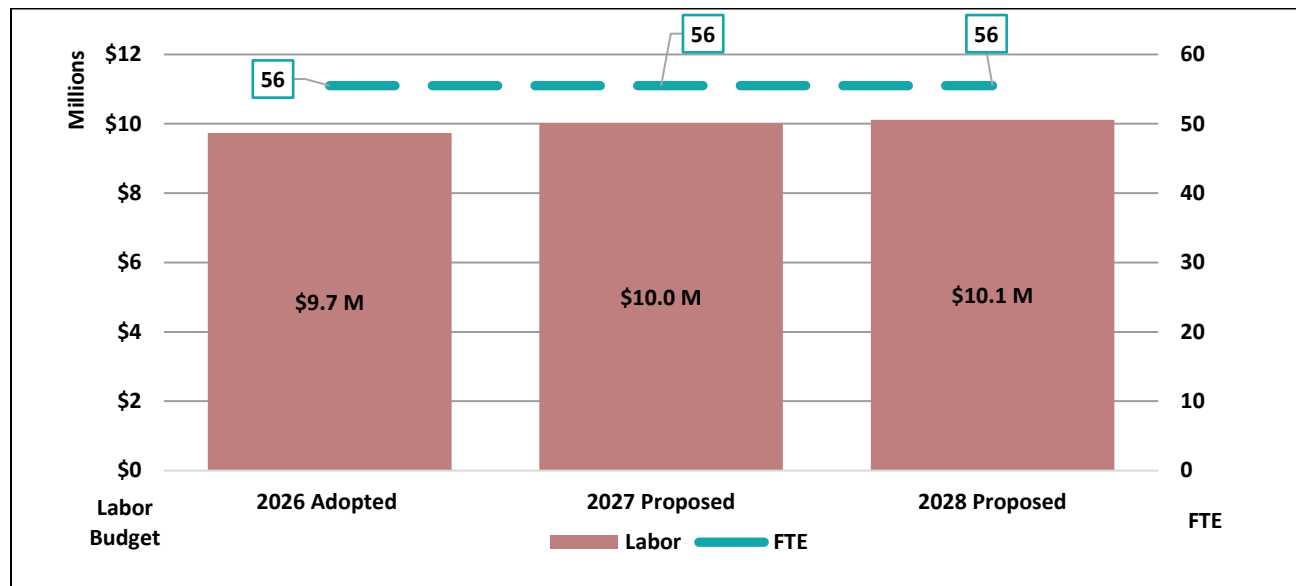
The Proposed Budget includes a net-zero transfer of \$640,000 from General Fund to JumpStart funding for OSE's Building and Energy Policy staffing and administration and makes standard technical adjustments in accordance with citywide standard costs, retirement benefits, and revenue adjustments.

Additional one-time appropriations from the 2026 Adopted Budget that are not continued in the 2027-2028 Proposed Budget include:

- \$200,000 (General Fund) to support farmers markets in neighborhoods with limited food access. While the Proposed Budget does not continue this one-time funding for 2027 or 2028, OSE's baseline budget includes separate funding for the Lake City Farmers Market (\$111,000 for 2027 and \$79,000 for 2028).
- \$100,000 (General Fund) to support reporting by the Mayor's Office and OSE on the City's urban forestry policy, regulatory, and organizational approach to achieving tree canopy goals. This funding was related to a 2026 Statement of Legislative Intent (SLI, MO-001S-A-2). A response to this SLI is anticipated in December 2026.
- \$75,000 (General Fund) to support climate resiliency planning for the Georgetown Neighborhood Center. OSE has a contract with Georgetown Community Council to advance short and long-term planning efforts for a Georgetown Neighborhood Center and implement 12 events and activities to pilot community resilience programs. A final report and summary of pilot programming is expected in Q3 of 2027.

## B. FTE & Labor Changes

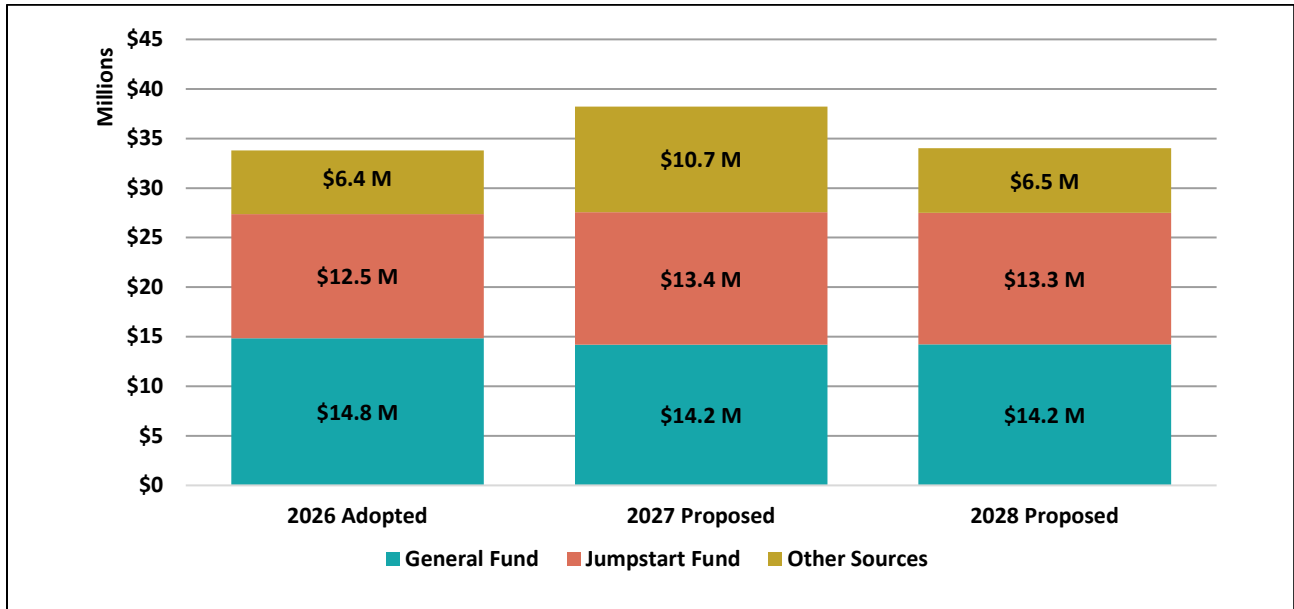
**Figure 1. FTE & Labor Budget Summary**



The 2027 Proposed Budget maintains OSE's 55.5 FTE from the 2026 Adopted Budget. Increased labor costs reflect standard salary and benefit increases.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



OSE is funded by a combination of General Fund, JumpStart Fund, and Sweetened Beverage Tax revenue (shown as Other Sources in figure 2). The 2027 Proposed Budget also includes \$4.1 million of one-time funding from the FEPP Levy (also shown as Other Sources in figure 2) for universal school meals for the 2027-28 school year.

## II. BUDGET LEGISLATION

### 1. 2026 Year-End Acceptance ORD

Two grants in the Year-End Acceptance Ordinance support OSE's ongoing revenue and workplan:

- \$756,000 from the Washington Department of Commerce to expand OSE's Clean Heat program, funding heat pump conversions for homes using heating oil.
- \$438,000 from the Washington Department of Commerce to the Department of Finance and Administrative Services to be managed by OSE's MEEP staff. Funding will support City buildings subject to Washington State's Clean Building Performance Standard law.

# SEATTLE POLICE RELIEF AND PENSION FUND (PRPEN)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

**Table 1. Department Budget Summary**

| Budget Summary Level      | 2026 Adopted   | 2027 Proposed  | % Change    | 2028 Proposed  | % Change    |
|---------------------------|----------------|----------------|-------------|----------------|-------------|
| <b>Operating Budget</b>   |                |                |             |                |             |
| Police Relief and Pension | \$22.5M        | \$23.9M        | 6.2%        | \$24.0M        | 0.3%        |
| <b>Total</b>              | <b>\$22.5M</b> | <b>\$23.9M</b> | <b>6.2%</b> | <b>\$24.0M</b> | <b>0.3%</b> |
| <b>FTE</b>                | <b>3</b>       | <b>3</b>       | <b>0%</b>   | <b>3</b>       | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The Police Relief and Pension Fund (PRPEN) provides pension and medical benefit services to eligible police officers, active and retired, and their beneficiaries. Managed through the Police Relief and Pension Fund, this program is a closed plan that only covers police officers who were hired before October 1, 1977. Retiree benefits for police officers hired more recently are primarily covered through a separate Washington State-managed plan. Over time, the outstanding liabilities for this pension will decline as the fund fulfills its obligations to its remaining beneficiaries.

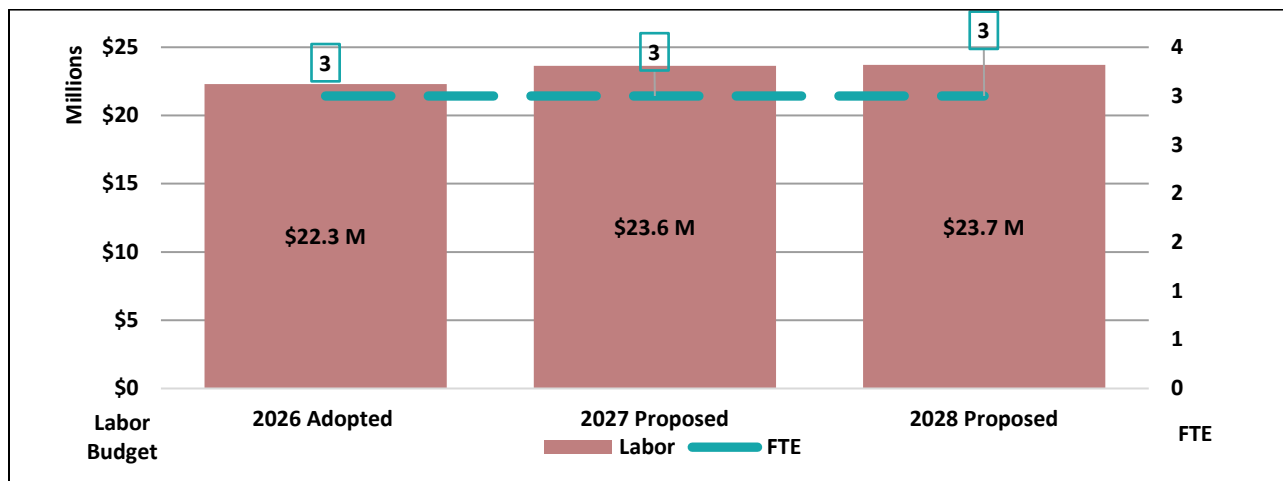
The Police Relief and Pension Fund Budget increases by \$1.4 million, or 6.2 percent, above the 2026 Adopted Budget, due to higher medical and pension benefit payments. The 2028 Proposed Budget is essentially flat compared to the 2027 Proposed funding level.

#### A. Operating Budget

As described in the Overview and Summary, the 2027 Proposed budget increases by \$1.4 million over the 2026 Adopted budget due to higher pension and medical benefits. The 2028 Budget essentially maintains the 2027 Proposed funding level.

#### B. FTE & Labor Changes

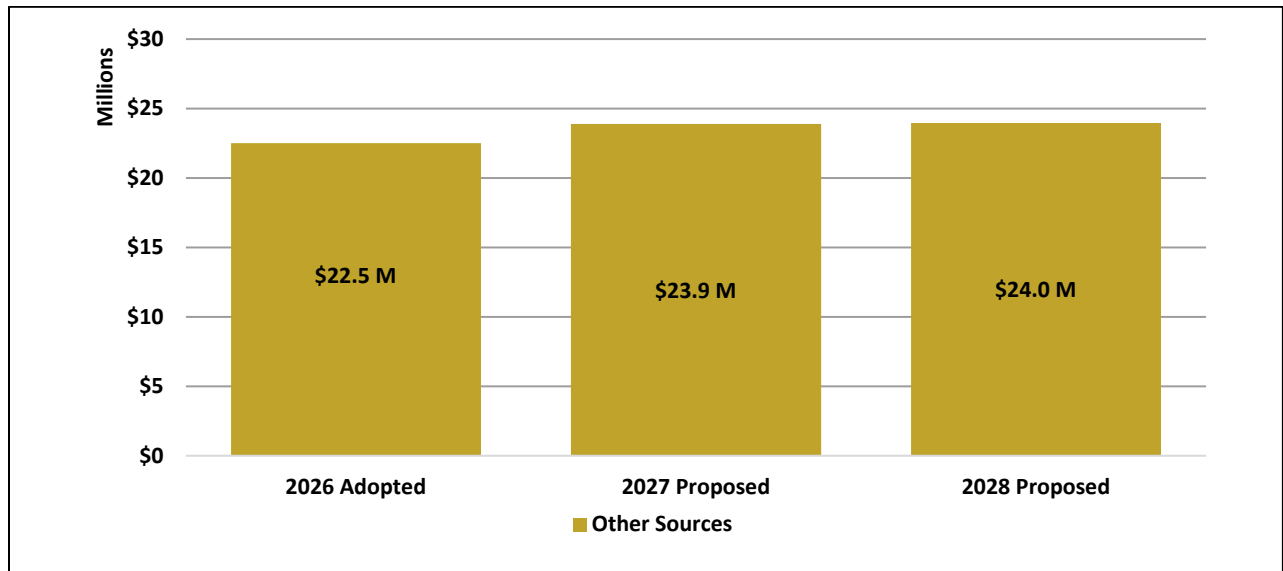
**Figure 1. FTE & Labor Budget Summary**



The 2027-2028 Proposed PRPEN budget maintains funding levels at 3 FTE across the biennium. As a fund established to provide pension benefits, nearly the entire budget is for labor costs.

#### C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As the PRPEN is fully funded by the Police Relief and Pension Fund, fund appropriation changes are consistent overall PRPEN changes described in the Overview and Summary.

# SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TOM MIKESELL

**Table 1. Department Budget Summary**

| Budget Summary Level        | 2026<br>Adopted | 2027<br>Proposed | %<br>Change    | 2028<br>Proposed | %<br>Change |
|-----------------------------|-----------------|------------------|----------------|------------------|-------------|
| <b>Operating Budget</b>     |                 |                  |                |                  |             |
| Deferred Comp Management    | \$0.7M          | \$0.8M           | 14.2%          | \$0.8M           | 3.8%        |
| Employee Benefit Management | \$15.7M         | \$13.5M          | (13.8%)        | \$14.2M          | 5.3%        |
| <b>Total</b>                | <b>\$16.4M</b>  | <b>\$14.3M</b>   | <b>(12.6%)</b> | <b>\$15.1M</b>   | <b>5.2%</b> |
| <b>FTE</b>                  | <b>34</b>       | <b>34</b>        | <b>0%</b>      | <b>34</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

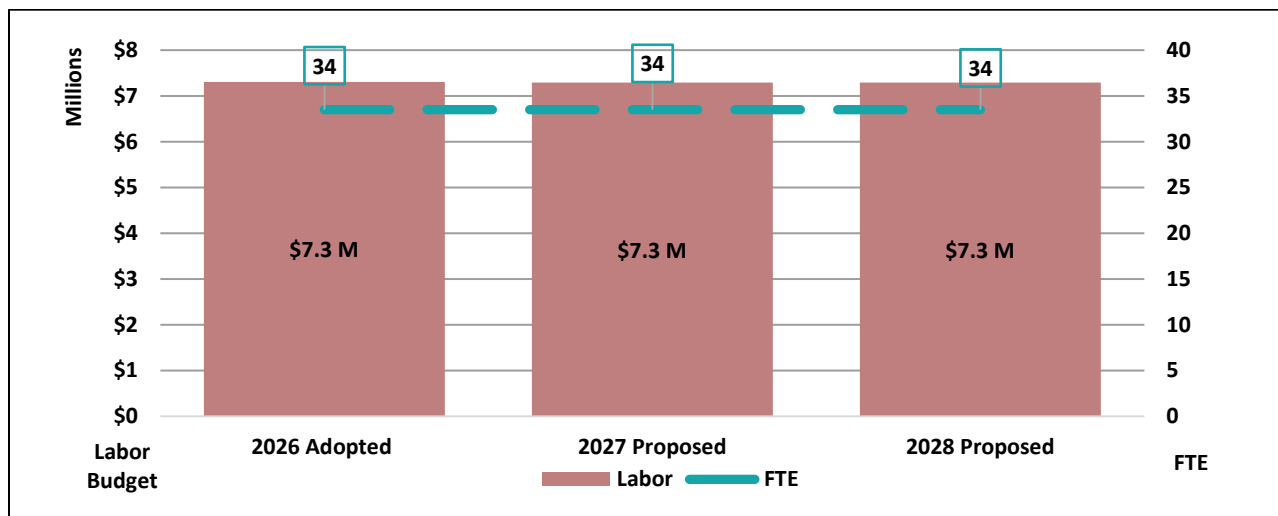
The 2027 Proposed Budget for SCERS is \$2.1 million (12.6 percent) lower than the 2026 Adopted Budget, primarily due to the completion of the Pension Administration System migration project and residual implementation costs. The 2028 Proposed Budget increases \$0.8 million (5.2 percent) over 2027 due to technical adjustments to wage inflation, retirement contributions, and internal services cost allocations.

##### A. Operating Budget

As discussed in the Overview and Summary, the changes to the SCERS budget are largely technical, reflecting the \$2.3 million base adjustment to the budget after the completion of the Pension Benefit System migration project, as well as standard and technical costs like wage inflation, retirement contributions, and internal service costs. These changes result in a \$2.1 million decrease in 2027 compared to the 2026 Adopted Budget, and a \$0.8 million increase in 2028 compared to the 2027 Proposed Budget.

##### B. FTE & Labor Changes

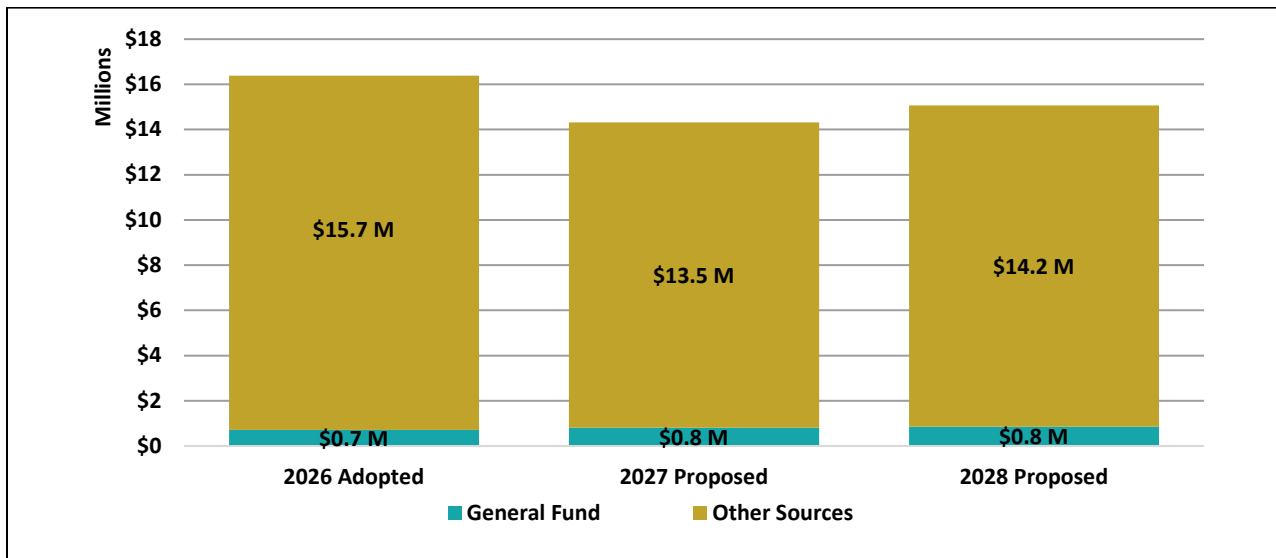
**Figure 1. FTE & Labor Budget Summary**



SCERS staffing levels remain unchanged at 34 FTE in the 2027-2028 Proposed Budget, and the labor budget also remains unchanged.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As shown in Figure 2, the SCERS budget is funded nearly entirely by the Employee's Retirement Fund, which is funded by city employer and employee pension contributions, and investment earnings. The remaining funding from the General Fund supports the Deferred Compensation Management program in SCERS. The bulk of the decrease in the 2027 Proposed Budget is in the Employee's Retirement Fund, due to the base adjustment for Pension Benefit System project completion.

## II. BUDGET LEGISLATION

### 1. RET 2027 ARC RES

This legislation would adopt a resolution that the City will fund the contribution to the Employee's Retirement Fund at an equal amount to 13.48 percent of the payroll for participating employees in 2027, based on the recommendation by the Seattle City Employee Retirement System's Board of Administration. An independent actuary, using a set of assumptions about member demographics and investment earnings, provided an Actuarially Required Contribution (ARC) of 13.48 percent of covered payroll.

The ARC is the annual contribution to the Retirement Fund that the City must make to meet the objective of a 100 percent funded retirement plan (sufficient funds to pay current and future benefits) by 2042. The contribution proposed in the resolution would fund the contribution equivalent to the ARC. The 2027-2028 Proposed Budget assumes this rate in personnel services budget calculations across all departments. In addition, this resolution provides that, beginning January 1, 2027, actuarial valuations will use separate 20-year amortizations layers for unexpected changes in the unfunded pension liability, to prevent volatility in the ARC that can occur in the second half of a closed period valuation, with the exception that the current unfunded liability will continue to be amortized over the closed period through 2042.

### 2. RET 2027 Credit Interest Rate RES

This legislation would adopt a resolution that the City Council approves the 2027 interest rates on member contributions set by the SCERS Board of Administration. The resolution would approve, for 2026, an annually compounding interest rate of 4.83 percent on all contributions received after December 31, 2011. This rate is based on the average yield on 30-year U.S. Treasury Bonds.

# SEATTLE CITY LIGHT (SCL)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

**Table 1. Department Budget Summary**

| Budget Summary Level           | 2026<br>Adopted   | 2027<br>Proposed  | %<br>Change | 2028<br>Proposed  | %<br>Change |
|--------------------------------|-------------------|-------------------|-------------|-------------------|-------------|
| <b>Operating Budget</b>        |                   |                   |             |                   |             |
| Customer Care                  | \$71.7M           | \$72.6M           | 1.2%        | \$77.0M           | 6.1%        |
| Debt Service                   | \$261.6M          | \$232.1M          | (11.3%)     | \$256.8M          | 10.6%       |
| Leadership and Administration  | \$193.6M          | \$226.7M          | 17.1%       | \$246.4M          | 8.7%        |
| Power Supply O&M               | \$457.2M          | \$472.3M          | 3.3%        | \$488.2M          | 3.4%        |
| Taxes                          | \$134.4M          | \$153.4M          | 14.2%       | \$166.9M          | 8.8%        |
| Utility Operations O&M         | \$177.0M          | \$196.4M          | 11.0%       | \$206.2M          | 5.0%        |
| Transportation Electrification | \$0.0M            | \$12.0M           | n/a         | \$12.0M           | 0.0%        |
| <b>Operating Subtotal</b>      | <b>\$1,295.4M</b> | <b>\$1,365.5M</b> | <b>5.4%</b> | <b>\$1,453.5M</b> | <b>6.4%</b> |
| <b>Capital Budget</b>          |                   |                   |             |                   |             |
| Conservation & Environmental   | \$44.5M           | \$51.0M           | 14.6%       | \$48.3M           | (5.2%)      |
| Customer Focused               | \$137.9M          | \$128.4M          | (6.9%)      | \$144.6M          | 12.6%       |
| Power Supply                   | \$118.9M          | \$126.5M          | 6.4%        | \$121.0M          | (4.4%)      |
| Transmission and Distribution  | \$210.2M          | \$246.2M          | 17.1%       | \$263.0M          | 6.8%        |
| <b>CIP Subtotal</b>            | <b>\$511.5M</b>   | <b>\$552.1M</b>   | <b>7.9%</b> | <b>\$576.9M</b>   | <b>4.5%</b> |
| <b>Total</b>                   | <b>\$1,806.9M</b> | <b>\$1,917.6M</b> | <b>6.1%</b> | <b>\$2,030.5M</b> | <b>5.9%</b> |
| <b>FTE</b>                     | <b>1870</b>       | <b>1931</b>       | <b>3%</b>   | <b>1971</b>       | <b>2%</b>   |

#### I. OVERVIEW AND SUMMARY

SCL's 2027-2028 Proposed Budget appropriations would total \$1.9 billion in 2027 and 2.0 billion in 2028. The increases in total appropriation from 2026 to 2027 and from 2027 to 2028 would hold steady at 6.1 percent and 5.9 percent, respectively.

The SCL 2027-2028 Proposed Budget is consistent with SCL's 2027-2032 Strategic Plan (Plan) and associated rate path adopted via [Resolution 32210](#) and increases in tandem with the 2027 and 2028 rates approved via [Ordinance 121231](#) in 2026. For 2027 and 2028, SCL's rates will increase 9.5 percent per year. Significant cost drivers incorporated into the Plan and the approved rates include:

- Capital costs – replacement of aging grid and underground infrastructure and projects related to the Skagit hydroelectric projects relicensing with the Federal Energy Regulatory Commission;
- Operations and Maintenance inflation for ongoing with new and expanded programs; and
- Power costs – Increases to purchase power and transmission from Bonneville Power Administration, new power resources in the form of solar, wind, battery storage, and transmission

SCL's 2027-2028 Proposed Budget would be supported by retail electricity sales, sales of power and related products in the wholesale market, customer connection fees, and the sale of revenue bonds. SCL also expects support from Federal and state grant funding. And, SCL has recently begun selling [Clean Fuel Standard \(CFS\)](#) credits to generate revenue to support the appropriations via new Transportation Electrification BSL.

About 60 percent of SCL's CIP would be funded through the sale of revenue bonds, consistent with financial policies adopted by [Resolution 31187](#). Legislation authorizing a bond sale in 2027 is described in the Budget Legislation section below.

## A. Operating Budget

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SCL's 2027 operating budget would increase \$70.1 million from 2026 to 2027 (5.4 percent) and increase to \$88 million in 2028 (6.4 percent). The increased operating investments in SCL advance multiple objectives for the utility. Highlights for 2027 include:

- \$12 million for vehicle electrification;
- \$8.3 million for utility technology improvements;
- \$4.8 million for customer energy resources like efficiency, solar, and demand response;
- \$4.7 million for wildfire risk and vegetation management; and
- \$3 million for acquiring generation and transmission resources.

The 2027-2028 Proposed Budget would add a new BSL to SCL: Transportation Electrification with \$12 million in appropriations and 2 FTE in 2027 and 2028 backed by revenue from selling CFS credits.

The purpose of the Transportation Electrification BSL would be: "...to support the planning, implementation, and management of Seattle City Light's investments in the transition to zero emission transportation across the utility's service territory." And to provide "...for the development, delivery, and oversight of Operations & Maintenance programs that enable electric vehicle charging infrastructure and support Clean Fuel Standard-eligible investments."

### A note about Clean Fuel Standard Credits:

SCL is able to sell CFS credits as provided by Washington State law. [Chapter 70A.535 Revised Code of Washington \(RCW\)](#) establishes a Clean Fuels Program (Program) and [RCW 70A.535.080](#) authorizes electric utilities to generate and sell credits based on electricity supplied for transportation. [Washington Administrative Code 173-424-220](#) provides a mechanism for a utility to generate revenue from sale of these credits.

The Transportation Electrification Strategic Investment Plan, adopted by the City Council in [Resolution 32160](#), embeds equity as a guiding principle for spending revenue from Clean Fuel Standard credits. [RCW 35.92.450](#) and [Seattle Municipal Code 21.53.015](#) authorize SCL as a municipal utility to adopt and implement transportation electrification plans and associated incentives, programs, policies, and other mechanisms that accelerate installation of transportation electrification infrastructure to reduce greenhouse gas emissions from the transportation sector.

Via [Resolution 32146](#), the City Council acknowledged and approved the City's participation in the Program and acknowledged the Interdepartmental Memorandum of Agreement across the City regarding the administration of the Program. See the discussion of the proposed SCL Clean Fuel Use Contingent Budget Authority RES in Budget Legislation below.

## B. Capital Budget

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SCL's capital spending totaled across the six years of the 2027-2032 Proposed CIP (Proposed CIP) would be \$4.4 billion, an increase of \$1.3 billion compared to the 2026–2031 Adopted CIP. This investment level aligns with SCL's recently adopted Strategic Plan, which assumes annual rate increases of 9.5 percent in 2027 and 2028, followed by variable increases of 7–11 percent in the subsequent years.

Table 2 shows a comparison of the 2027–2032 Proposed CIP relative to the 2026–2031 Adopted CIP for SCL.

**Table 2. Adopted to Proposed CIP Comparison by BSL**

|                                               | 2026   | 2027   | 2028   | 2029   | 2030   | 2031   | 2032   | Total           |
|-----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| <b>Conservation &amp; Environmental - CIP</b> |        |        |        |        |        |        |        |                 |
| 2026-2031 Adopted                             | \$44M  | \$44M  | \$43M  | \$48M  | \$53M  | \$46M  | -      | <b>\$279M</b>   |
| 2027-2032 Proposed                            | -      | \$51M  | \$48M  | \$52M  | \$68M  | \$74M  | \$79M  | <b>\$372M</b>   |
| <b>Customer Focused - CIP</b>                 |        |        |        |        |        |        |        |                 |
| 2026-2031 Adopted                             | \$138M | \$139M | \$145M | \$150M | \$154M | \$156M | -      | <b>\$881M</b>   |
| 2027-2032 Proposed                            | -      | \$128M | \$145M | \$151M | \$154M | \$150M | \$164M | <b>\$892M</b>   |
| <b>Power Supply - CIP</b>                     |        |        |        |        |        |        |        |                 |
| 2026-2031 Adopted                             | \$119M | \$117M | \$98M  | \$112M | \$98M  | \$99M  | -      | <b>\$642M</b>   |
| 2027-2032 Proposed                            | -      | \$127M | \$121M | \$121M | \$222M | \$210M | \$243M | <b>\$1,042M</b> |
| <b>Transmission and Distribution - CIP</b>    |        |        |        |        |        |        |        |                 |
| 2026-2031 Adopted                             | \$210M | \$213M | \$216M | \$216M | \$219M | \$221M | -      | <b>\$1,294M</b> |
| 2027-2032 Proposed                            | -      | \$246M | \$263M | \$308M | \$319M | \$448M | \$477M | <b>\$2,062M</b> |

Planned spending in each year would range from \$552 million in 2027 to \$962 million in 2032. SCL’s proposed capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts.

Highlights of the 2027 Proposed CIP increases in excess of \$5 million include: underground equipment replacements (\$16 million), customer energy efficiency and renewable energy (\$14 million), and Skagit River Hydroelectric Project relicensing and mitigation (\$7 million).

City Light’s Proposed CIP includes two new projects: the Skagit Licensing project (MC-CL-XS6970) and the Community Solar project (MC-CL-YD9600).

The Skagit Licensing project would fund activities and work required by the 2026 Comprehensive Settlement Agreement for the new Skagit River Hydroelectric Project License beginning in 2030. The Proposed CIP includes no spending for the Skagit Licensing project until in 2030, with \$329 million in total.

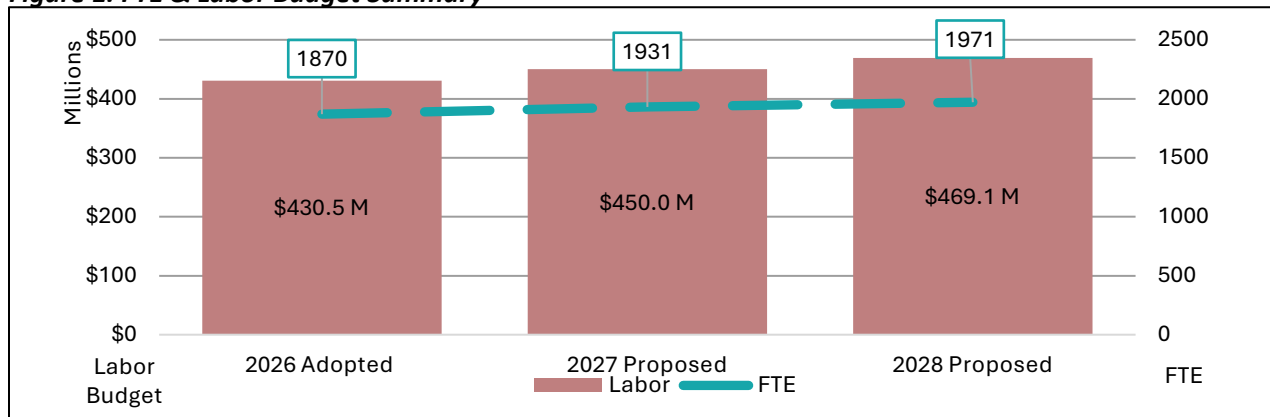
Community Solar would fund the installation of up to 4 megawatts of new solar and solar-plus-battery projects. Proposed CIP spending for the Community Solar project would span 2027 through 2030 for a total of \$14.2 million.

Across the 6-year span of SCL’s Proposed CIP, a selection of the utility’s investment priorities exemplifying the scope include:

- Replacing aging underground cables;
- Updating overhead equipment and distribution system equipment;
- Installing new transformers and other distribution equipment;
- Modernizing grid technology;
- Improving security and automated outage detection;
- Replacing fleet vehicles;
- Engineering and construction related to Sound Transit 3 (light rail);
- Increasing energy efficiency;
- Fulfilling Skagit River and Boundary Hydroelectric Projects relicensing and mitigation agreements;
- Upgrading and maintaining power generation facilities; and
- Addressing deferred maintenance at work facilities.

## C. FTE & Labor Changes

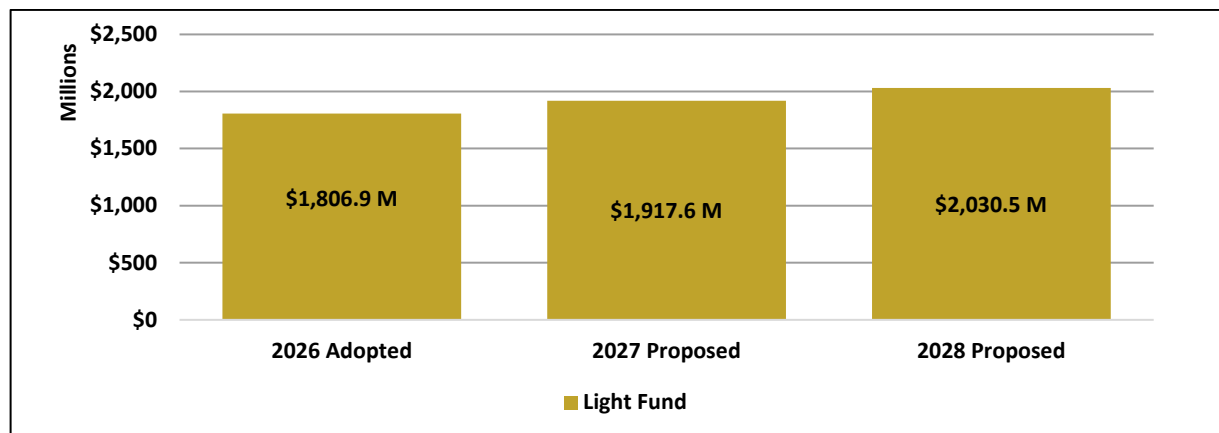
**Figure 1. FTE & Labor Budget Summary**



The 2027-2028 Proposed Budget would add 61 FTE in 2027 and 40 FTE in 2028 to SCL, supporting operational, customer service, clean-energy, grid-readiness, and regulatory needs across the utility. For the biennium, these include expanding energy-efficiency, rooftop-solar, and demand-response programs (18 FTE); modernizing technology systems and infrastructure such as software licensing, digital platforms, smart-grid tools, and cybersecurity (29 FTE); increasing wildfire mitigation and vegetation management (6 FTE); supporting Skagit Project relicensing (4 FTE); enhancing capacity to acquire new generation and transmission resources (11 FTE); advancing vehicle and building electrification efforts (7 FTE); and other staffing aligned with major investments in SCL's recently adopted Strategic Plan.

## D. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



The City of Seattle has a legal obligation to ensure revenues from utility use charges (rates) are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. The dollars in the Light Fund must be spent for purposes directly benefiting SCL's rate payers (proprietary functions). SCL receives its revenues and funds its activities via its enterprise fund, the Light Fund. SCL's revenue is primarily from retail sales. These retail revenues along with revenues from wholesale sales, direct customer billings for service connections and other customer requested work, and assorted fees, federal and state grant funding, and bond sales are deposited in and spent from the Light Fund.

## II. ISSUES FOR COUNCIL CONSIDERATION DURING BUDGET DELIBERATIONS

None identified.

### III. BUDGET LEGISLATION

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#### 1. CBO 2026 Year-End Acceptance ORD

For SCL, this legislation would accept the following grants and increase appropriations accordingly:

- \$75,000 from American Public Power Association for professional education to advance the design, installation, and commissioning of commercial central heat pump water heater systems for multifamily buildings in Utility Operations O&M BSL with \$60,000 local match;
- \$2.4 million from Washington State Department of Ecology to offset costs related to the Lower Duwamish Waterway Superfund Site in Conversation and Environmental CIP BSL with 50 percent local match; and
- \$47,000 from Washington State Department of Commerce to conduct an energy audit at the North Service Center in Leadership and Administration BSL with no local match.

#### 2. CBO 2026 Year End Supplemental ORD

This legislation includes amendments to SCL's 2026 Adopted Budget responding to shifts in costs across the utility's activities. Some amendments would be budget neutral because they would shift appropriation within or among BSLs or because they backed by revenues. Some would increase appropriation. There are a few amendments of interest.

- Transfer \$9.5 million among SCL capital projects to pay costs related to work in preparation for Fédération Internationale de Football Association (FIFA) 2026 World Cup activity in Seattle;
- Increase appropriation by \$5 million to pay city and state taxes exceeding the budgeted forecast due to increased retail revenues and the imposition of the Rate Stabilization Account (RSA) surcharge in the first quarter of 2026;
- Increase appropriation by \$1.5 million to pay SDOT for back-billed charges for rubble hauling; and
- Increase appropriation by \$850,000 to pay FAS for increased fuel and maintenance costs.

#### 3. SCL Clean Fuel Use Contingent Budget Authority RES

This resolution is a companion to the new Transportation Electrification BSL and \$12 million Light Fund budget appropriations that the 2027-2028 Proposed Budget would establish. Specifically, it would direct SCL to:

- Include in its budget a schedule of contingent expenditure authority that may be activated upon receipt of Clean Fuel Standard (CFS) revenues;
- Monitor and report on CFS credit generation, market activity, and revenue receipts;
- Use contingent budget authority only for transportation electrification activities eligible under RCW 70A.535.080;
- Estimate annual, unutilized contingent budget authority and submit a request to CBO it that be accessible for the subsequent fiscal year (carry-over); and
- Report annually to the Council and the CBO on (1) CFS credits generated and revenues received in the prior year; (2) expenditures made that are funded with CFS credits; and (3) progress toward transportation electrification outcomes supported by these revenues.

This legislation would direct CBO to:

- Activate the contingent budget authority for SCL with approval upon verified receipt of net CFS revenues and
- Review SCL's request to carry-over unutilized contingent budget authority and approve the request if revenues are substantiated.

**4. OCF Municipal Light and Power Bonds 2027 ORD**

This legislation would authorize the City to issue up to \$500 million of bonds in 2027 to fund a portion of capital expenditures for SCL's system outlined in the Proposed 2027-2032 Capital Improvement Plan (CIP). The bond proceeds combined with internally generated funds would support City Light's capital program for about one year. The bonds would have a maximum maturity of 40 years.

If market conditions are favorable, the City would use approximately \$200 million of the borrowing for potential debt optimization. Debt optimization involves refinancing high interest debt with low interest debt to reduce overall interest costs. As standard practice, a portion of the bond proceeds will contribute to SCL's bond reserve fund and be used to pay for issuance costs.

# SEATTLE DEPARTMENT OF HUMAN RESOURCES (SDHR)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: KARINA BULL

Table 1. Department Budget Summary

| Budget Summary Level           | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|--------------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b>        |                 |                  |             |                  |             |
| GTL/LTD/AD&D Insurance Service | \$7.2M          | \$9.2M           | 27.8%       | \$9.3M           | 1.0%        |
| Health Care Services           | \$394.3M        | \$423.3M         | 7.4%        | \$453.5M         | 7.1%        |
| HR Services                    | \$11.4M         | \$12.5M          | 9.5%        | \$12.5M          | 0.0%        |
| Industrial Insurance Services  | \$57.3M         | \$56.7M          | (1.0%)      | \$61.5M          | 8.4%        |
| Leadership and Administration  | \$11.9M         | \$9.9M           | (16.8%)     | \$10.1M          | 2.7%        |
| Unemployment Services          | \$3.6M          | \$5.0M           | 37.1%       | \$3.3M           | (33.1%)     |
| <b>Total</b>                   | <b>\$485.7M</b> | <b>\$516.6M</b>  | <b>6.4%</b> | <b>\$550.3M</b>  | <b>6.5%</b> |
| <b>FTE</b>                     | <b>98</b>       | <b>93</b>        | <b>(5%)</b> | <b>93</b>        | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

The 2027-2028 Proposed Budget for the Seattle Department of Human Resources (SDHR) would increase by 6.4 percent (\$31 million) in 2027 relative to the 2026 Adopted Budget and increase by 6.5 percent (\$33 million) in 2028 relative to the 2027 Proposed Budget.

This proposed budget would reflect increases for SDHR's administration of the City's five Personnel Compensation Trust Funds alongside reductions to SDHR Operations to address the shortfall in the General Fund (GF) revenue forecast.

#### A. Operating Budget

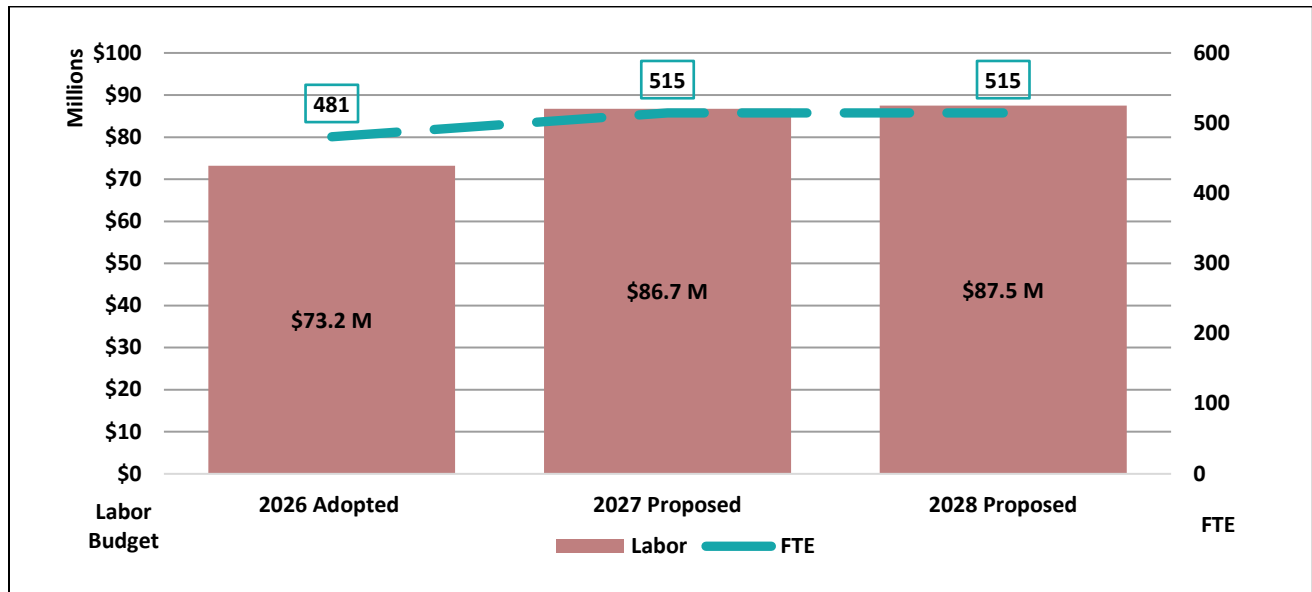
The proposed changes to the Personnel Compensation Trust Funds would reflect the following:

- Healthcare Fund would increase by \$28 million in 2027 and \$30.1 million in 2028 due to changes in medical, dental and vision care, and administration costs for 12,600 regular and 200 benefits-eligible temporary employees enrolled in healthcare, along with enrolled family members;
- Fire Fighters Health Care Fund would increase by \$1.3 million in 2027 and remain the same in 2028;
- Industrial Insurance Fund (i.e., Workers' Compensation) would decrease by \$129,285 in 2027 due to decreased administrative costs and increase by \$4.8 million in 2028 due to anticipated higher claim growth;
- Unemployment Insurance Fund would increase by \$1.3 million in 2027 due to anticipated workforce reductions and decline by \$1.6 million in 2028 due to an anticipated return to normalized costs; and
- Group Term Life Insurance Fund would increase by \$2.0 million in 2027 due to a 53 percent escalation of insurance rates charged by the insurer, Securian, and would generally remain the same in 2028.

The proposed changes to SDHR operations would reduce support for Leadership and Administration (e.g., Citywide programs and initiatives, financial and accounting services) and HR services (e.g., administration of benefits, recruitment and staffing, labor negotiations) by 3.9 percent (\$920,000 GF), reflecting technical or baseline adjustments and targeted reductions to address the shortfall in the GF revenue forecast. Reductions would include the removal of position authority for five vacant positions (4.5 FTE), of which SDHR would retain and reallocate associated funding for two positions (1.5 FTE); and removal of \$65,000 from the temporary labor budget for development of online learning content for departments.

## B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

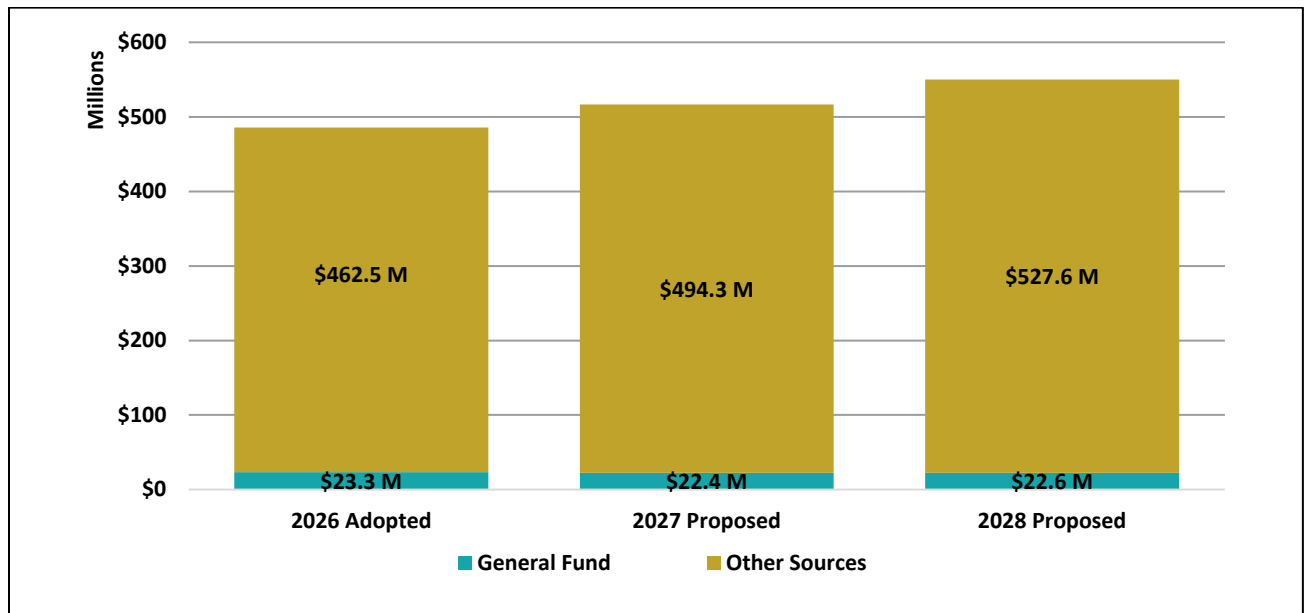


The proposed budget would reduce staff by 4.5 FTE to resolve technical issues and address the shortfall in the GF revenue forecast:

- (1.0 FTE) Remove position authority for a Senior Training and Education Coordinator position that was unfunded in the 2025 Adopted Budget but retained as an open pocket to allow the incumbent employee to remain in an out-of-class assignment in another department.
- (2.0 FTE) Remove position authority and funding for two vacant positions: an Administrative Staff analyst in the Shared Administrative Services Division and a Policy and Legislation Lead in the Business Operations Division. SDHR reports that the work of these positions would be absorbed by existing staff and management to better align with anticipated costs. However, SDHR notes that eliminating the Policy and Legislation Lead would impact the department's ability to implement equitable, consistent, and compliant HR policy across the City as the position was envisioned as an anchor of a newly formed Equity, Compliance, Policy & Legislation Team.
- (1.0 FTE) Remove position authority for a vacant Executive 2 position and reallocate associated funding for cyclical staffing needs in the Labor Relations Division. SDHR reports that removing this position would not have a service impact because it was previously on loan to the Mayor's Office.
- (0.5 FTE) Remove position authority for a vacant Administrative Specialist II position in the Benefits Administration Unit and reallocate associated funding to support reclassification of a part-time Administrative Specialist II position to a full-time Senior Management Systems Analyst role.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



SDHR is primarily supported by funding from the Personnel Compensation Trust Funds. As one of the City's three primary internal service providers, SDHR's budget is also substantively tied to centrally managed costs for healthcare, retirement, industrial insurance, and other Citywide human resource functions performed by the Department. In addition, SDHR receives about five percent of its budget from the GF for Leadership and Administration and HR services.

## II. BUDGET LEGISLATION

### 1. 2026 Year End Supplemental

This legislation would include increased appropriations of \$27.6 million for administration of the Personnel Compensation Trust Funds for costs related to the Health Care Fund, Group Term Life Insurance Fund, and Unemployment Insurance Fund; and \$229,000 GF for the following operational costs:

- \$125,000 for a contract with a recruitment firm to support the Police Chief search;
- \$71,000 for a contract with Buehler Trapani LLP to conduct an independent external investigation into allegations of workplace misconduct involving the Office for Civil Rights; and
- \$33,000 for backfill costs required for coverage of employees on Paid Parental Leave and/or Paid Family Care Leave in 2026.

# SEATTLE ETHICS AND ELECTIONS COMMISSION

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: LISH WHITSON

**Table 1. Department Budget Summary**

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |             |                  |             |
| Election Vouchers       | \$3.1M          | \$3.1M           | 0.4%        | \$3.1M           | 0.4%        |
| Ethics and Elections    | \$1.5M          | \$1.5M           | 1.0%        | \$1.6M           | 1.7%        |
| <b>Total</b>            | <b>\$4.6M</b>   | <b>\$4.7M</b>    | <b>0.6%</b> | <b>\$4.7M</b>    | <b>0.8%</b> |
| <b>FTE</b>              | <b>9.4</b>      | <b>9.8</b>       | <b>4%</b>   | <b>9.8</b>       | <b>0%</b>   |

#### I. OVERVIEW AND SUMMARY

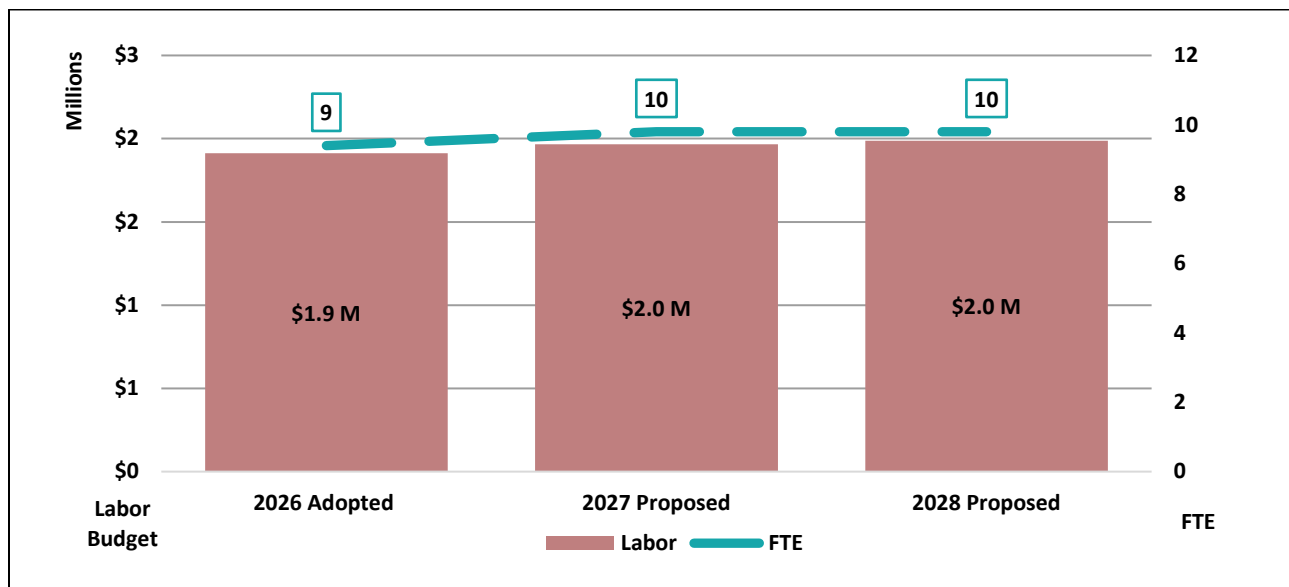
The 2027-2028 Proposed Budget for the Seattle Ethics and Elections Commission (SEEC) is stable. Changes to the proposed budget are due to standard cost changes and technical adjustments that do not impact the Commission’s functions. The increase in FTE shown above was approved in the mid-year supplemental budget.

##### A. Operating Budget

As described in Section I, there are no notable changes in the proposed budget for the SEEC in 2027-2028. The minor changes to the budget are entirely related to technical adjustments that do not impact the department’s operations.

##### B. FTE & Labor Changes

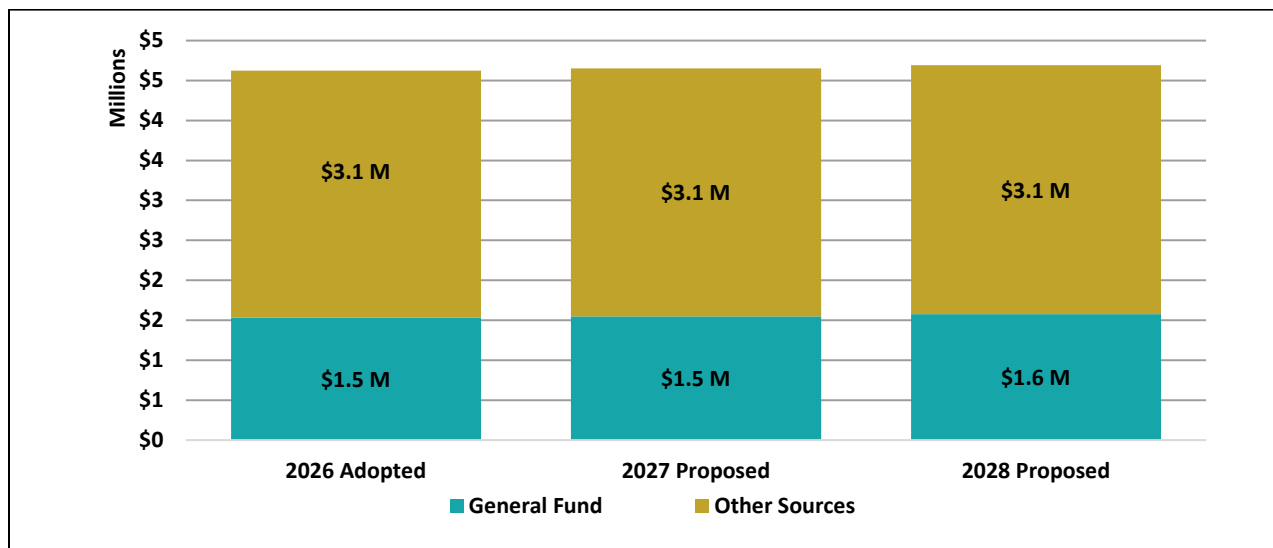
**Figure 1. FTE & Labor Budget Summary**



The 2027-2028 Proposed Budget maintains current staffing levels. Ordinance 127496, the 2026 mid-year supplemental budget ordinance, increased position authority for one position from 0.6 to 1.0 FTE, which is reflected in the total FTE count.

## C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



SEEC's funding comes from the General Fund and the Election Vouchers Fund. Election Vouchers Fund revenues come from a dedicated property tax levy and can only be spent on Democracy Voucher campaign contributions and administrative costs related to that program.

Due to an administrative error, the 2027 Proposed Budget for the Election Vouchers program does not reflect higher anticipated program costs in the 2027 election year. Similarly, the 2028 Proposed Budget does not show a decrease in funding in a non-election year. A budget errata will be proposed to better reflect election year costs for that program, increasing funding for the program to \$7.1 million in 2027, and reducing funding in 2028 to \$893,000, consistent with previous election cycles.

# SEATTLE MUNICIPAL COURT (SMC)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: TAMASO JOHNSON

**Table 1. Department Budget Summary**

| Budget Summary Level    | 2026<br>Adopted | 2027<br>Proposed | %<br>Change | 2028<br>Proposed | %<br>Change |
|-------------------------|-----------------|------------------|-------------|------------------|-------------|
| <b>Operating Budget</b> |                 |                  |             |                  |             |
| Administration          | \$24.4M         | \$24.5M          | 0.2%        | \$25.1M          | 2.5%        |
| Court Operations        | \$24.3M         | \$25.7M          | 5.4%        | \$26.7M          | 4.0%        |
| <b>Total</b>            | <b>\$48.7M</b>  | <b>\$50.1M</b>   | <b>2.8%</b> | <b>\$51.8M</b>   | <b>3.3%</b> |
| <b>FTE</b>              | <b>200</b>      | <b>205</b>       | <b>3%</b>   | <b>210</b>       | <b>2%</b>   |

#### I. OVERVIEW AND SUMMARY

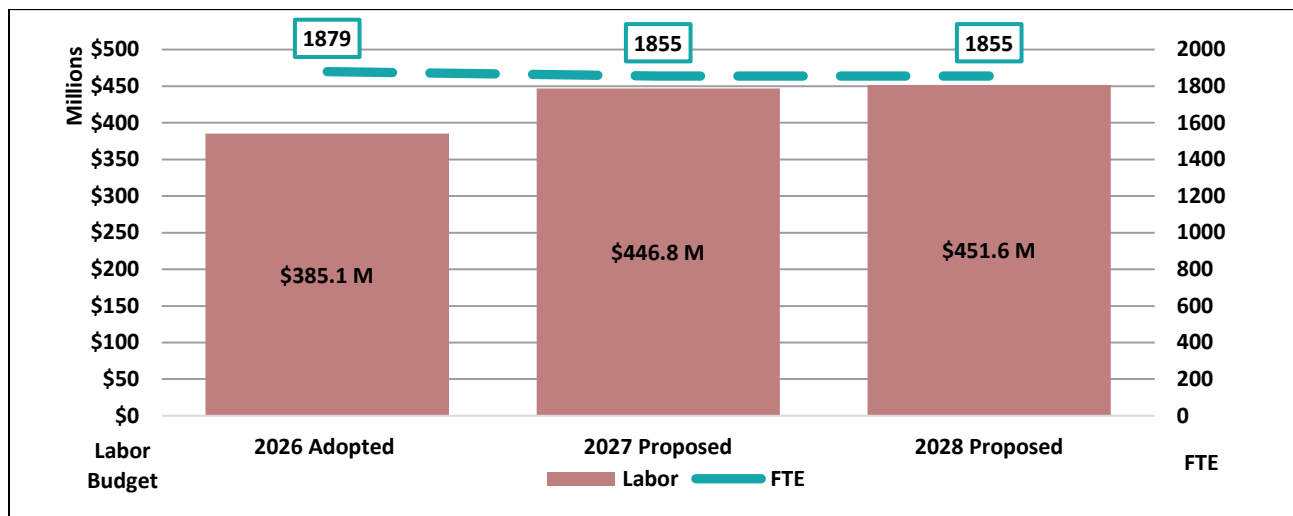
The 2027-2028 Proposed Budget for the Seattle Municipal Court (SMC) maintains current services and programming while modestly increasing net staffing to add capacity to respond to additional traffic camera citation workload. The Court's share of appropriations from the Automated Traffic Safety Camera (ATSC) Fund is proposed to increase in 2027-2028 to both pay for additional camera citation processing staff and as part of a proposed fund swap that substitutes ATSC Fund for some costs currently being supported by General Fund appropriations. Cost savings in SMC's 2027-2028 Proposed Budget come primarily from this fund swap, as well as a planned reduction of vacant positions.

#### A. Operating Budget

Several changes are proposed to attain the proposed 2027-2028 SMC funding levels: increased appropriation from revenue-backed state grant funds, standard cost adjustment and mandatory inflationary increases, a reduction to City retirement contributions, removal of vacant positions, and the addition of new positions supported by ATSC Fund to respond to observed and projected increases to traffic camera citations associated with additional traffic cameras in the City.

#### B. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**

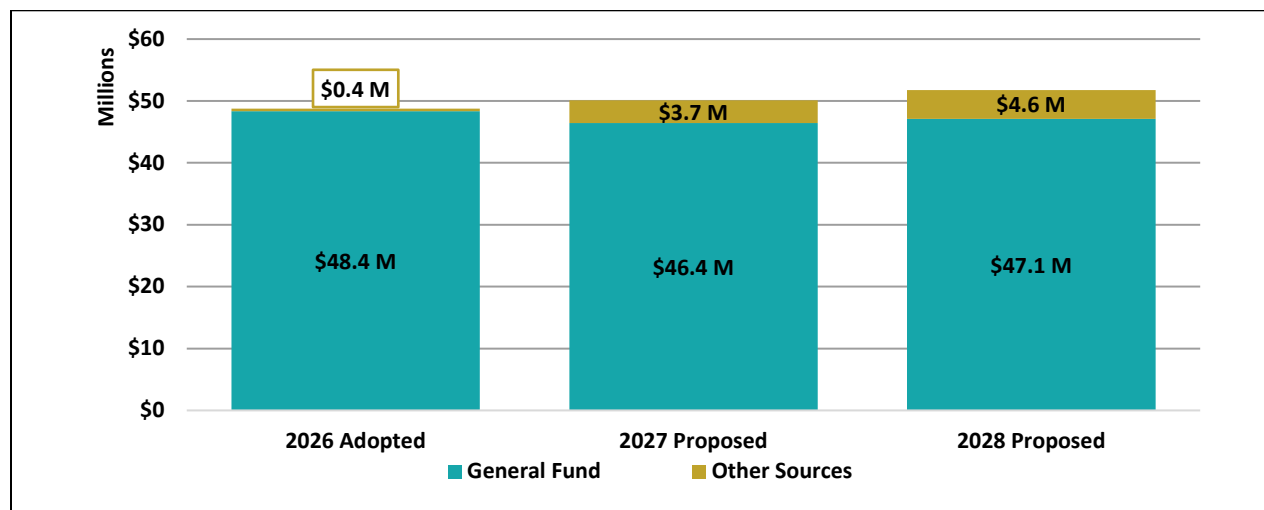


As shown above, the 2027-2028 Proposed Budget for the Court would add approximately 5.0 net FTE per year in both 2027 and 2028. These proposed staffing levels would be accomplished by the following proposed changes:

- Reduction of vacant positions: 5.5 FTE
  - Four vacant positions (comprising 3.5 FTE) would be cut: Manager 1 and Court Cashier Supervisor in Court Operations; IT Professional A in Court Technology; and Assistant Personnel Specialist (part-time) in Human Resources. The City Budget Office has indicated that this reduction would not eliminate programs or services. The Court believes, however, that this reduction would have the potential to negatively impact efficiency in case processing, courtroom operations, and customer service experience and wait times. The overall impact of the combination of these proposed vacancy reductions and new staff additions for traffic camera citation work, however, would represent a net staffing increase for the Court in 2027-2028. It is possible that the addition of new staff could mitigate the potential impacts of holding other positions vacant.
  - Two additional positions would be eliminated in a technical adjustment resulting from an organizational restructuring that consolidated some part-time roles into full-time positions.
- Addition of traffic camera citation staff: 13.0 FTE
  - 8.0 FTE proposed added in 2027 for a cost of \$1.6 million ATSC Fund
  - 5.0 FTE proposed added in 2028 for a cost of \$2.4 million ATSC Fund
  - Additionally, the 2027-2028 Proposed Budget makes ongoing staffing changes approved in the 2026 Mid-Year Supplemental Budget that added 3.0 FTE for a cost of \$506,000 of ATSC Fund. These positions would represent a total increase of 16.0 FTE related to traffic safety camera administration over the amount in SMC at the start of calendar year 2026.

### C. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



As shown above, appropriations for SMC are predominantly derived from the General Fund, with a small but increasing share of funding (\$3.7 million in 2027 and \$4.6 million in 2028) coming from the ATSC Fund proposed in 2027-2028.

# SEATTLE PUBLIC LIBRARY (SPL)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

**Table 1. Department Budget Summary**

| Budget Summary Level*         | 2026<br>Adopted | 2027<br>Proposed | %<br>Change   | 2028<br>Proposed | %<br>Change    |
|-------------------------------|-----------------|------------------|---------------|------------------|----------------|
| <b>Operating Budget</b>       |                 |                  |               |                  |                |
| Administrative Services       | \$16.3M         | \$19.4 M         | 19.2%         | \$19.6 M         | 1.4%           |
| Chief Librarian's Office      | \$0.8M          | \$1.3M           | 66.1%         | \$1.3M           | 1.4%           |
| Human Resources               | \$2.9M          | \$3.4M           | 16.6%         | \$3.4M           | 2.8%           |
| Inst. & Strategic Advancement | \$2.2M          | \$2.6M           | 17.2%         | \$2.6M           | 2.2%           |
| Library Exp. & Engagement     | \$80.4M         | \$85.6M          | 6.5%          | \$88.7M          | 3.6%           |
| <b>Operating Subtotal</b>     | <b>\$102.5M</b> | <b>\$112.2M</b>  | <b>9.4%</b>   | <b>\$115.7M</b>  | <b>3.1%</b>    |
| <b>Capital Budget</b>         |                 |                  |               |                  |                |
| Capital Improvements          | \$2.6M          | \$23.0M          | 791.0%        | \$11.2M          | (51.5%)        |
| <b>CIP Subtotal</b>           | <b>\$2.6M</b>   | <b>\$23.0M</b>   | <b>791.0%</b> | <b>\$11.2M</b>   | <b>(51.5%)</b> |
| <b>Total</b>                  | <b>\$105.1M</b> | <b>\$135.2M</b>  | <b>28.7%</b>  | <b>\$126.9M</b>  | <b>(6.2%)</b>  |
| <b>FTE</b>                    | <b>611</b>      | <b>621</b>       | <b>2%</b>     | <b>621</b>       | <b>0%</b>      |

\*BSLs not subject to Council approval, see below

#### I. OVERVIEW AND SUMMARY

The 2027 total appropriations in the Seattle Public Library's (SPL's) Proposed Budget would increase by \$30.1 million (28.7 percent) from the 2026 Adopted Budget. From the 2027 Proposed to the 2028 Proposed, the total appropriations would decrease by \$8.3 million (-6.2 percent). The decrease from 2027 to 2028 would result mostly from decreased capital spending. The sections below provide more detail.

The Council has the power to propose Library levies through the City's taxing authority as approved by voters. Earlier this year, Council passed [Ordinance 127419](#) thereby sending the 2026 Library Levy proposal to the August 2026 ballot. Council's amendments to Ordinance 127419 to the 2026 Library Levy proposal increased the Mayor's proposal of \$410 million to \$479.7 million over the seven years of the levy.

Seattle voters passed the seven-year, 2026 Library Levy with 75 percent approval, replacing the expiring 2019 Library Levy. Annually, the 2026 Library Levy will provide about \$68.5 million to support SPL. The significant, planned increases in the SPL 2027-2028 Budget result from its passage.

The Council approves the annual levy amount as authorized by the 2026 Library Levy as part of the annual tax ordinance each year alongside the annual budget approval ordinance. SPL will report annually to the Council regarding performance on achieving the goals of the 2026 Library Levy.

#### A note regarding SPL budgeting and governance

The five-member Library Board of Trustees (Board), who are appointed by the Mayor and confirmed by the City Council, govern SPL. The Revised Code of Washington ([RCW 27.12.240](#)) and the City Charter ([Article XII, Section 5](#)) grant the Board "exclusive control of Library expenditures for Library purposes." In terms of oversight of SPL's budget, that means that the Council only has authority to allocate resources annually at the fund level. For the 2027-2028 Proposed Budget these funds are the Library Fund which includes General Fund (GF), the 2026 Library Levy Fund, and Real Estate Excise Tax (REET) I Capital Fund.

The Council does not approve SPL’s budget by BSL, unlike the budget approval for other City departments. Also, unlike for other City departments, Council does not approve staffing (number of FTE) changes for SPL. The power to make these decisions is held by the Board. The Board adopts an annual Operations Plan in December to allocate funds to specific programs after the Council adopts the annual budget.

**A. Operating Budget**

Over the biennium, appropriations in the Administrative Services BSL and Library Experience and Engagement BSL would constitute most of SPL’s operating budget, about 17 percent and 76 percent respectively. Administrative Services include administration, event services, maintenance, security, finance, purchasing, and budget, and materials distribution. Library Experience and Engagement includes making library books, materials, databases, downloadable materials and the library catalog available; other services and programs at branch libraries; and information technology for the public and staff.

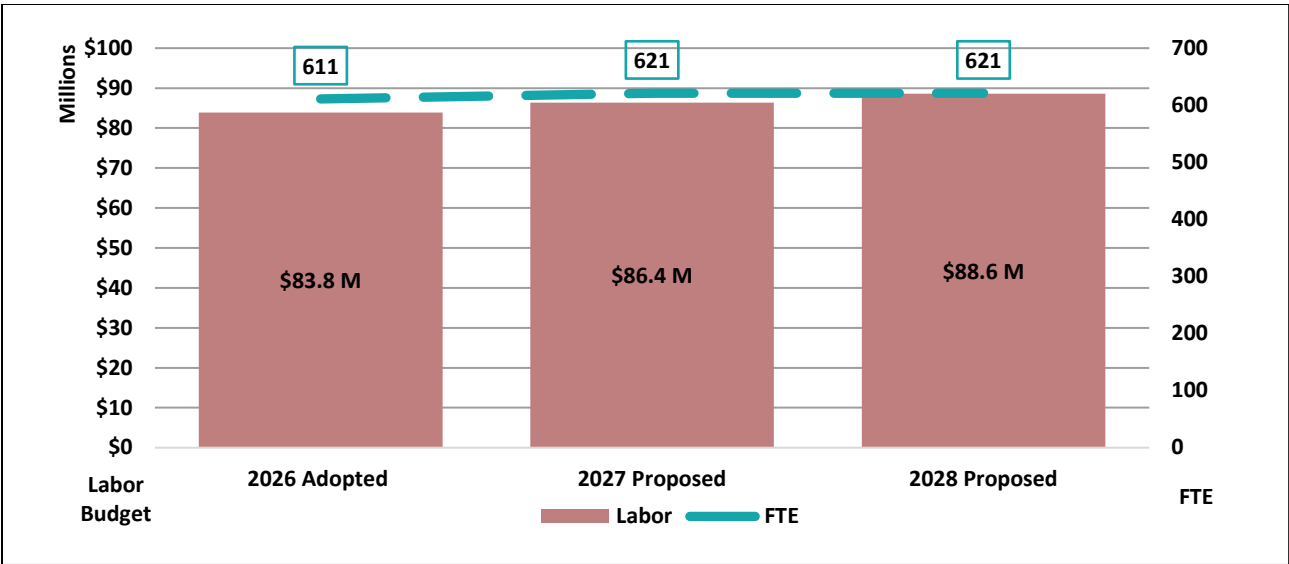
**B. Capital Budget**

For the biennium, the SPL CIP will prioritize support for deferred maintenance focusing on cooling and heating system upgrades and improved ADA accessibility, especially elevators and escalators. SPL will also begin the renovation of the Columbia branch to address seismic safety and sustainability and improve public space and accessibility.

SPL’s total capital appropriations would decrease from \$23 million in 2027 to \$11.2 million in 2028 (-51.5 percent). Most of the difference is due to the planned timing of expenditures from the SPL Library Major Maintenance BSL: \$21.8 million in 2027 and \$9.3 million in 2028. Other changes in capital appropriations result from the variation in SPL capital spending based on the status and schedule of the projects being pursued, not in policy shifts.

**C. FTE & Labor Changes**

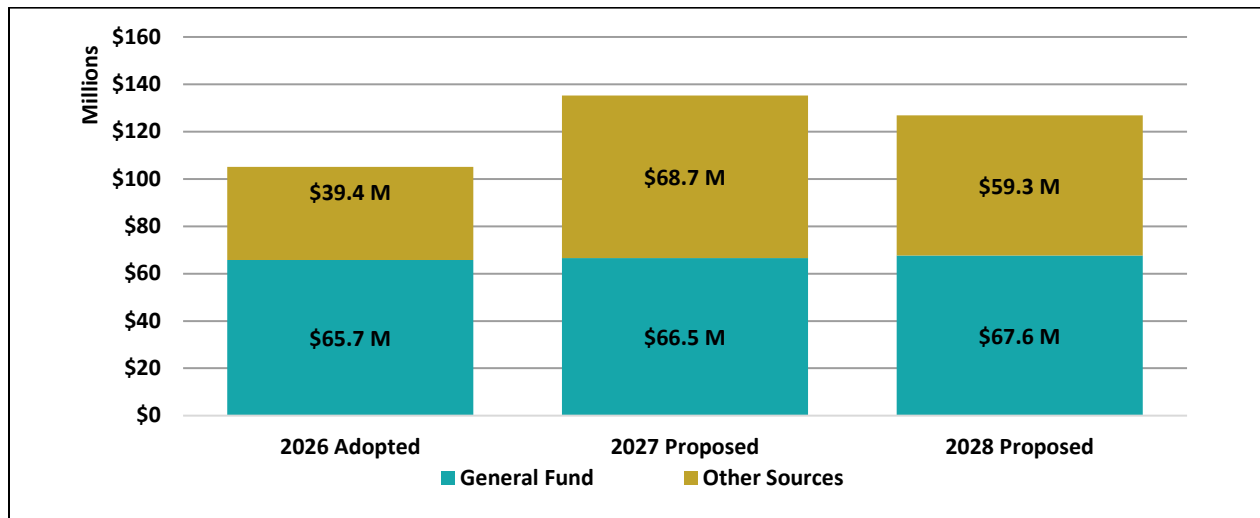
**Figure 1. FTE & Labor Budget Summary**



SPL’s 2027 Proposed Budget would increase the number of FTE from 611 to 621 with no change in FTE proposed between 2027 and 2028 p. The SPL chapter of the 2027-2028 Proposed Budget book does not show SPL FTEs because the SPL Board of Trustees has sole control over SPL staffing. The “Summary of Position and Full-Time Equivalent (FTE) Changes by Department” (Appendices A and B of the budget book, pages 638 and 639) shows position and FTE data for SPL for information purposes only.

## D. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



SPL's appropriations in the 2027 Proposed Budget would be primarily supported by \$66.5 million GF (49 percent) and secondarily by \$70 million of 2026 Library Levy Fund (50 percent). SPL's 2028 Proposed Budget would be supported by \$67.6 million GF (53 percent) and \$57 million 2026 Library Levy Fund (45 percent).

In Figure 2, Other Sources is the combination of 2026 Library Levy, REET I, and all other funding to SPL including revenue from the Library Foundation, gifts, grants, fund balance, and other library revenues (such as parking and space rental). GF support to SPL is appropriated to and spent from the Library Fund.

All GF support to SPL would be appropriated for operating costs in the 2027-2028 Proposed Budget. The remaining operating spending in SPL would be mostly supported by 2026 Library Levy revenues.

Proposed 2027 capital spending in SPL would be supported with \$22.3 million 2026 Library Levy Fund and \$785,000 REET I. For 2028 Proposed, SPL's CIP would be supported by \$10.2 million 2026 Library Levy Fund and \$992,000 REET I.

# SEATTLE PUBLIC UTILITIES (SPU)

## 2027–2028 PROPOSED BUDGET

### OVERVIEW & POLICY CONSIDERATIONS PAPER

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

Table 1. Department Budget Summary

| Budget Summary Level                         | 2026<br>Adopted   | 2027<br>Proposed  | %<br>Change    | 2028<br>Proposed  | %<br>Change |
|----------------------------------------------|-------------------|-------------------|----------------|-------------------|-------------|
| <b>Operating Budget</b>                      |                   |                   |                |                   |             |
| General Expense                              | \$758.9M          | \$794.3M          | 4.7%           | \$819.3M          | 3.2%        |
| Leadership and Administration                | \$185.2M          | \$192.6M          | 4.0%           | \$200.5M          | 4.1%        |
| Utility Service and Operations               | \$260.9M          | \$273.3M          | 4.8%           | \$284.6M          | 4.1%        |
| <b>Operating Subtotal</b>                    | <b>\$1,205.0M</b> | <b>\$1,260.2M</b> | <b>4.6%</b>    | <b>\$1,304.4M</b> | <b>3.5%</b> |
| <b>Capital Budget</b>                        |                   |                   |                |                   |             |
| Combined Sewer Overflows                     | \$86.5M           | \$70.4M           | (18.6%)        | \$15.1M           | (78.5%)     |
| Distribution                                 | \$63.6M           | \$64.1M           | 0.7%           | \$69.0M           | 7.7%        |
| Drainage & Wastewater Infrastructure         | \$128.9M          | \$72.7M           | (43.6%)        | \$91.9M           | 26.5%       |
| Habitat Conservation Program                 | \$1.1M            | \$1.1M            | 5.8%           | \$4.5M            | 299.3%      |
| New Facilities                               | \$11.4M           | \$19.2M           | 67.6%          | \$23.1M           | 20.6%       |
| Rehabilitation                               | \$58.6M           | \$55.4M           | (5.4%)         | \$73.0M           | 31.7%       |
| Rehabilitation & Heavy Equipment             | \$0.8M            | \$1.7M            | 120.4%         | \$1.3M            | (24.4%)     |
| Sediments & Duwamish Valley Water Resilience | \$31.2M           | \$29.3M           | (6.1%)         | \$48.1M           | 64.5%       |
| Shared Cost Projects                         | \$132.5M          | \$78.2M           | (41.0%)        | \$73.9M           | (5.5%)      |
| Technology                                   | \$13.6M           | \$13.5M           | (1.1%)         | \$10.1M           | (25.4%)     |
| Transmission                                 | \$9.8M            | \$7.8M            | (20.4%)        | \$17.1M           | 119.7%      |
| Water Quality & Treatment                    | \$17.8M           | \$24.4M           | 37.3%          | \$21.6M           | (11.5%)     |
| Water Resources                              | \$19.7M           | \$12.8M           | (35.0%)        | \$16.6M           | 29.9%       |
| Watershed Stewardship                        | \$1.5M            | \$3.8M            | 160.9%         | \$3.2M            | (16.0%)     |
| <b>CIP Subtotal:</b>                         | <b>\$576.9M</b>   | <b>\$454.3M</b>   | <b>(21.3%)</b> | <b>\$468.5M</b>   | <b>3.1%</b> |
| <b>Grand Total:</b>                          | <b>\$1,781.9M</b> | <b>\$1,714.5M</b> | <b>(3.8%)</b>  | <b>\$1,772.9M</b> | <b>3.4%</b> |
| <b>FTE</b>                                   | <b>1,598.8</b>    | <b>1,617.8</b>    | <b>1.2%</b>    | <b>1,626.8</b>    | <b>0.6%</b> |

## I. OVERVIEW AND SUMMARY

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The 2027 Proposed Budget for Seattle Public Utilities (SPU) decreases by \$67.4 million, or 3.8 percent, relative to the 2026 Adopted Budget, and the 2028 Proposed Budget increases by approximately \$58.4 million, or 3.4 percent, relative to the 2027 Proposed Budget. Its operating budget, which accounts for a little more than 70 percent of the overall budget, is proposed to increase by about \$55 million in 2027 and about \$44 million in 2028, primarily due to debt service obligations and inflation-related adjustments to labor, indirect costs, and major contracts. These increases are offset by larger decreases in the capital budget, such that the overall 2028 Proposed Budget for SPU is smaller than the 2026 Adopted Budget.

SPU's budgets are guided by a six-year Strategic Business Plan (SBP) and by utility rates that are established by the Council via ordinance. Strategic business plans describe priorities and guide service delivery and business strategy for the department's three utilities: drainage and wastewater, solid waste, and water. The current 2025–2030 SBP was adopted by Council in September 2024 ([RES 32136](#)). The Council typically considers rate-setting legislation for one of SPU's three utilities each year, with rates being set for a three-year period. The most recent updates occurred in 2024 for drainage and wastewater ([ORD 127072](#), [ORD 127073](#)), 2025 for solid waste ([ORD 127322](#)), and 2026 for water ([ORD 127486](#)).

### A. Operating Budget

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SPU's 2027 Proposed operating budget increases by approximately \$55.2 million, or 4.6 percent, relative to the 2026 Adopted Budget, and the 2028 Proposed operating budget increases by about \$44.2 million, or 3.5 percent, relative to the 2027 Proposed.

The largest increase in each year is attributable to a group of technical adjustments to the budget, which includes items such as citywide indirect costs, labor-related changes, debt service, and major service contracts. For 2027 Proposed, these technical changes increase SPU's operating budget by approximately \$53.6 million, with the largest increase being attributable to major contracts for services such as solid waste collection and wastewater treatment (\$17.6 million).

Some of the other notable increases include:

- \$2.9 million (Water Fund) for non-labor operating and maintenance costs for the Tolt Water Treatment Facility, including laboratory supplies, chemicals, propane, and utility infrastructure. The City took over the operation of the treatment facility in January 2026 after the conclusion of a 25-year contract with an outside operator.
- \$1.3 million (Water Fund, Drainage and Wastewater Fund) for a temporary project team to finalize a recommended approach for implementing Advanced Metering Infrastructure (AMI) across SPU's water distribution system and the preparation of a Request for Proposals (RFP) for system procurement.
- \$1.1 million (all three SPU funds) and 13.0 FTE to fully resource initiatives endorsed by the 2025–2030 SBP. These positions are described in the FTE & Labor Changes section below.

Notable decreases in SPU's operating budget include:

- \$1.6 million (General Fund) decrease to eliminate funding that has historically been used to contract for the clearing of steep slopes and hazardous sites around encampments. In the 2021 Adopted Budget, funding for this contract was transferred from Finance and Administrative Services (FAS) to SPU. Seattle Parks and Recreation (SPR) was typically the department that would invoice the contract, but no charges have been made to this contract since 2023. According to the Executive, SPR maintains separate funding for biohazards and steep slopes, and therefore this funding in SPU is redundant and unnecessary.
- \$608,000 (General Fund) decrease for SPU's Recreation Vehicle (RV) Wastewater Pump-Out program. This program, which provides for the mobile collection of RV blackwater and greywater, was originally funded entirely by the Drainage and Wastewater Fund. In 2022, the City began supplementing the program with the General Fund. This proposal would remove the General Fund funding altogether, leaving approximately \$721,000 of Drainage and Wastewater Fund funding. According to SPU, the program has typically underspent its budget and it will be able to continue averaging about 100 pump-outs per month.
- \$360,000 (General Fund) decrease to align the budget of the Public Hygiene Program to projected actuals. As part of the 2026 Adopted Budget, Council provided \$100,000 for SPU to purchase a third shower trailer for the program (CBA SPU-004-A) to replace a trailer that SPU rented. The third shower trailer was purchased and has been put into service, therefore the program no longer needs budget authority for rental costs (estimated to be \$85,000). Additionally, the department performed a full review of the program's costs and was able to identify budget savings of approximately \$275,000. SPU does not plan any service reductions for the program relative to 2026, and the 2027 Proposed Budget includes approximately \$3.5 million for the program.
- \$725,000 reduction to account for the removal of one-time items that were included in the 2026 Adopted Budget. This includes: \$300,000 (Solid Waste Fund) for textile waste prevention efforts, \$250,000 (General Fund) for additional cleaning efforts in the Chinatown-International District, \$100,000 (General Fund) for the purchase of a shower trailer for the Public Hygiene Program, and \$75,000 (Drainage and Wastewater Fund) for a hydrological study for Schmitz Preserve Park.

## **B. Capital Budget**

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SPU's capital budget, like the capital budgets for other departments, describes anticipated investments over a six-year timeframe, with authorized spending for the first year of the Capital Improvement Program (CIP) appropriated in the annual budget. Capital spending varies from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by the strategic plan or activities driven by regulatory requirements and compliance.

SPU's capital program is separated into four parts: (1) Drainage and Wastewater, (2) Solid Waste, (3) Water, and (4) Shared Projects. The first three categories include capital projects pursued for the benefit of only one of the utilities, whereas the fourth category contains capital projects that provide benefits for, and are jointly funded by, all three of the utilities.

Table 2 shows a comparison of the 2027–2032 Proposed CIP relative to the 2026–2031 Adopted CIP for each part of SPU's capital budget.

**Table 2. Comparison of 2026–2031 Adopted CIP to 2027–2032 Proposed CIP**

|                                  | 2026     | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Drainage &amp; Wastewater</b> |          |          |          |          |          |          |          |
| 2026–2031 Adopted                | \$305.2M | \$267.2M | \$324.0M | \$340.1M | \$288.0M | \$333.8M | --       |
| 2027–2032 Proposed               | --       | \$227.8M | \$228.2M | \$381.9M | \$409.4M | \$383.1M | \$391.2M |
| <b>Solid Waste</b>               |          |          |          |          |          |          |          |
| 2026–2031 Adopted                | \$12.2M  | \$31.3M  | \$19.8M  | \$12.2M  | \$7.8M   | \$2.0M   | --       |
| 2027–2032 Proposed               | --       | \$20.9M  | \$24.4M  | \$23.5M  | \$23.0M  | \$5.0M   | \$0.8M   |
| <b>Water</b>                     |          |          |          |          |          |          |          |
| 2026–2031 Adopted                | \$113.4M | \$147.0M | \$127.8M | \$136.0M | \$121.8M | \$121.9M | --       |
| 2027–2032 Proposed               | --       | \$114.0M | \$132.0M | \$172.8M | \$160.3M | \$158.8M | \$148.8M |
| <b>Shared Projects</b>           |          |          |          |          |          |          |          |
| 2026–2031 Adopted                | \$146.1M | \$87.1M  | \$84.1M  | \$83.9M  | \$81.4M  | \$67.6M  | --       |
| 2027–2032 Proposed               | --       | \$91.7M  | \$83.9M  | \$84.8M  | \$109.9M | \$88.0M  | \$64.9M  |

For 2027, the proposed capital budget for SPU is approximately \$122.7 million smaller than the 2026 Adopted capital budget, and it is approximately \$78.3 million smaller than the estimate for 2027 that was contained in the 2026–2031 Adopted CIP. When comparing against the 2027 estimate, as shown in Table 2, the largest proposed decreases come from Drainage and Wastewater (\$39.4 million) and Water (\$33 million), with a smaller decrease in Solid Waste and a small increase in Shared Projects.

Some of the notable changes in the Drainage and Wastewater capital program include:

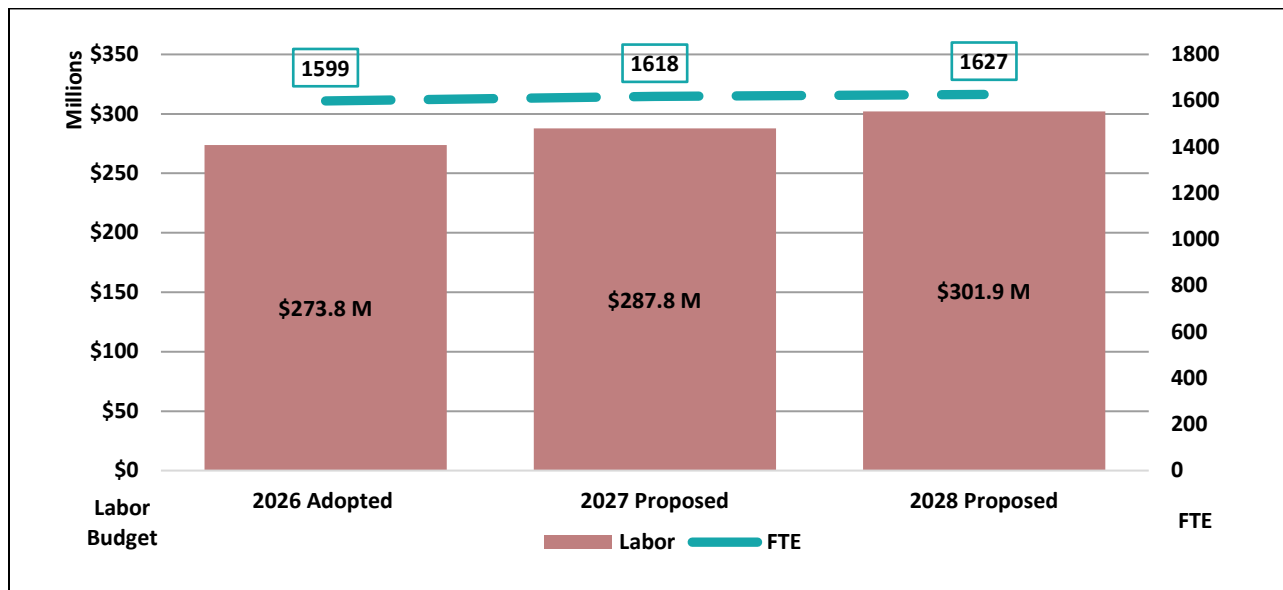
- \$20.6 million decrease in the Drainage and Wastewater Infrastructure BSL resulting from schedule delays and more accurate projects estimates. Over the six-year planning horizon of the CIP, this BSL is larger than it was in the 2026–2031 Adopted CIP, but planned spending sees significant shifting into the final three years of the plan.
- \$12 million decrease in the Rehabilitation BSL, primarily in the Pipe Renewal Program, to reflect project schedule impacts caused by limited project delivery staff.
- \$7.5 million decrease to the Ship Canal Water Quality Project to reflect updated cash flow for construction.

Some of the significant changes in the Water capital program include:

- \$11.1 million decrease in the Distribution BSL, primarily due to reductions in watermain rehabilitation and tank improvements in 2027, with increased spending in out-years of the CIP.
- \$8.6 million decrease as a result of schedule changes in seismic upgrade projects in the Cedar River transmission mains.
- \$6.6 million decrease in the Bitter Lake Reservoir improvement project to reflect updated cost estimates for the replacement facility.
- \$5.8 million decrease in the Water Resources BSL to reflect scope and schedule changes in the Hatchery Works program.

## C. FTE & Labor Changes

**Figure 1. FTE & Labor Budget Summary**



The 2027 Proposed Budget shows an increase of 19.0 FTE relative to the 2026 Adopted Budget, and the 2028 Proposed Budget would increase by an additional 9.0 FTE. Most of this staffing increase, 13.0 FTE in 2027 and 8.0 FTE in 2028, is attributable to position authority needed to fully resource initiatives endorsed by the 2025–2030 SBP. The positions proposed to support the SBP are:

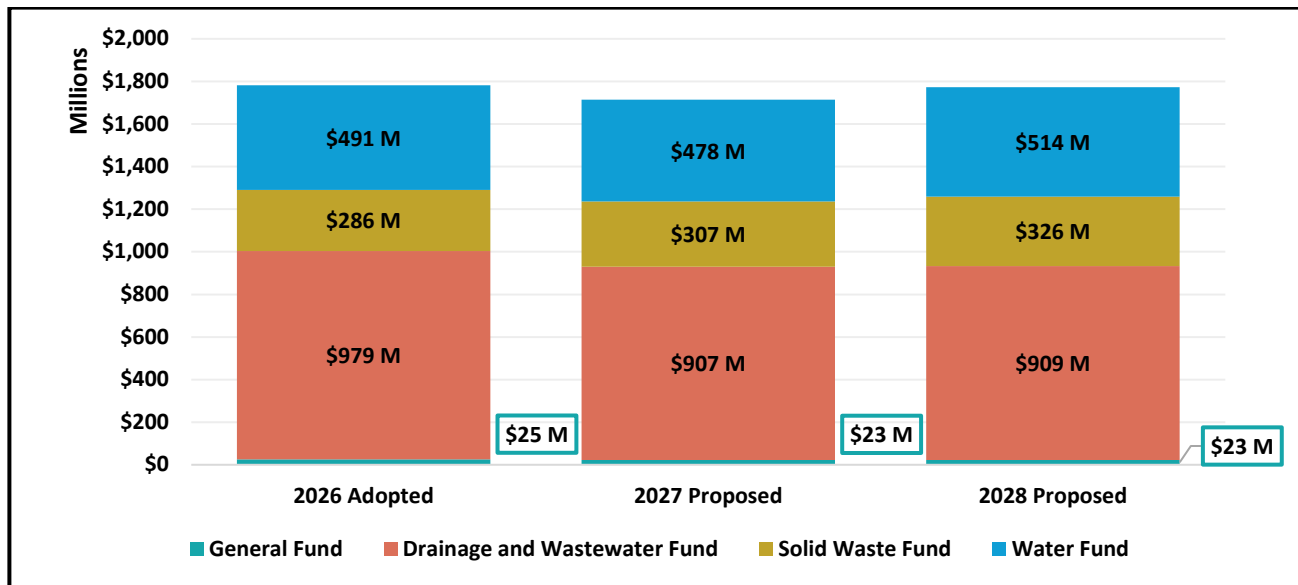
- Project Delivery and Engineering Branch – 5.0 FTE in 2027 and 4.0 FTE in 2028 to support capital planning and infrastructure project delivery
- Drainage and Wastewater – 4.0 FTE in 2027 to support the Shape Our Water Plan, phase three of the side sewer assistance program, the new decant facility to be constructed at the South Operations Center, and the Lower Duwamish Waterway program
- Solid Waste – 3.0 FTE in 2027 and 2.0 FTE in 2028 for the South Recycling and Disposal Station redevelopment, the Reuse Seattle Initiative, food waste disposal compliance, and contract support
- People, Culture, and Communities Branch – 1.0 FTE in 2027 and 2.0 FTE in 2028 to support human resources, training and development, and customer accounts and billing

Other proposed position changes include:

- 5.0 FTE Drainage and Wastewater Collection Workers in 2027, position authority only, to house graduating apprentices, as an alternative to holding other positions vacant which risks impacting service delivery
- 3.0 FTE in 2027 in the Customer Care Division to reduce billing backlogs and the risk of errors, and to ensure quality assurance efforts in customer interactions
- 1.0 FTE in 2027 and 1.0 FTE in 2028, both position authority only, to establish a dedicated cybersecurity team to protect SPU’s critical infrastructure from increasingly frequent and sophisticated cyber threats
- 1.0 FTE transfer in 2027 of a service design position from the Seattle Information Technology Department (ITD); SPU has already been funding the position through an interdepartmental agreement
- 4.0 FTE reduction in 2027 of vacant positions that have sunset and whose bodies of work are complete

## D. Fund Appropriations Summary

**Figure 2. Fund Appropriations Summary**



Each of the three SPU utilities receives its revenues, and funds its activities, via enterprise funds: the Drainage and Wastewater Fund, the Solid Waste Fund, and the Water Fund. SPU bills customers for the services they receive, and the revenues from those customers may only be used for utility-related work. Activities that are for the benefit of the general public (e.g., public litter and recycling cans, public hygiene, etc.) must be paid for with other funds – typically the General Fund.

## II. BUDGET LEGISLATION

### 1. SPU Water 2027 Bonds

This legislation would authorize up to \$106 million of 30-year fixed-rate bonds to support the City's water system. SPU anticipates selling the bonds in mid-2027 and expects that this level of debt, along with other sources of funding, would support the water capital program for approximately one year. If the Council chooses not to pass the legislation, SPU will have insufficient resources to fund its planned capital spending for the water system for the next couple of years. SPU estimates the annual debt service on this bond issuance to be about \$6.8 million per year beginning in 2028, with an interest-only payment in 2027.

The City's Debt Management Policy Advisory Committee is scheduled to vote on a recommendation regarding the bonds that would be approved by this legislation on October 14, 2026.

### 2. SPU Drainage and Wastewater 2027 Bonds

This legislation would authorize up to \$160 million of 30-year fixed-rate bonds to support the City's drainage and wastewater system. SPU anticipates selling the bonds in mid-2027 and expects that this level of debt, along with other sources of funding, would support the drainage and wastewater capital program for approximately one year. Before issuing the bonds, the City will also evaluate the possibility of refunding outstanding bonds which could increase the size of the 2027 issuance. If the Council chooses not to pass the legislation, SPU will have insufficient resources to fund its planned capital spending for the drainage and wastewater system for the next couple of years. SPU estimates the annual debt service on this bond issuance to be about \$10.5 million per year beginning in 2028, with an interest-only payment in 2027.

The City's Debt Management Policy Advisory Committee is scheduled to vote on a recommendation regarding the bonds that would be approved by this legislation on October 14, 2026.

### **3. 2026 Year-End Supplemental**

The 2026 Year-End Supplemental includes two significant operating budget increases to cover debt-related expenses: a \$30.6 million increase in the Solid Waste Fund for one-time bond defeasance that will yield savings to rate payers, and a \$6.9 million increase (\$2.6 million in the Water Fund, \$4.3 million in the Drainage and Wastewater Fund) to cover updated bond debt service amounts.

The supplemental contains five other operating budget increases:

- \$4 million (Water Fund) for rubble hauling charges from the Seattle Department of Transportation, covering 2018–2026.
- \$3.9 million (Water Fund) to pay retroactive wage increases and market adjustments associated with collection bargaining agreements.
- \$535,000 (all three SPU funds) for updated payments to the Human Services Department for administration of the Utility Discount Program.
- \$300,000 (General Fund) transferred from Finance General for cleaning services provided during the World Cup.
- \$82,000 (General Fund) transferred from the Office of Economic Development for litter abatement activities in the Little Saigon/Chinatown-International District.

Additionally, the bill includes a transfer of \$3.5 million of Drainage and Wastewater Fund appropriation authority from the Utility Service and Operations BSL to the Leadership and Administration BSL to cover a shift in labor costs, and it receives 1.0 FTE from ITD that SPU has already been funding.

Lastly, the bill includes 14 appropriation transfers between capital projects which do not have an impact on the department's overall budget. For example, the bill would transfer \$700,000 of appropriation authority from the Tank Improvements project, which has excess appropriation authority due to project delays, to the Transmission System Seismic Improvements project that needs additional construction funding in 2026.

### **4. 2026 Year-End Acceptance**

The 2026 Year-End Acceptance bill would authorize SPU to accept two loans and one grant, totaling \$22.2 million. The bill would also provide appropriation authority for one of the loans beginning in 2026; SPU does not need additional appropriation authority for the other two items. The awards are:

- \$15 million loan from the Washington State Department of Health to seismically upgrade three water transmission pipelines in areas at risk of liquefaction. The loan has a duration of 24 years and an interest rate of 1.75 percent.
- \$7 million loan from the Washington State Department of Ecology to install lining and make other improvements to drainage and wastewater pipes to reduce infiltration. The loan has a duration of 20 years and an interest rate of 2.5 percent.
- \$250,000 grant from the King County Department of Natural Resources and Parks to support the acquisition of the former Silver Bay Logging property in South Park that will house a water quality treatment facility in the future. The grant funding will be used for site stabilization and demolition.