2027-2028 PROPOSED BUDGET OVERVIEW

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The 2027-2028 Proposed Budget ("Proposed Budget") totals $9.1 billion and $9.5 billion respectively, across all departments and funds. The 2027 Proposed Budget represents an increase of $196 million, or 2.2 percent, compared to the 2026 Adopted Budget. The increase from 2027 to 2028 would be an additional $348 million, or 3.8 percent. Although the Proposed Budget reflects year-over-year growth, that increase is primarily driven by inflationary costs rather than programmatic expansion. While the Proposed Budget includes fee and revenue-related increases, it does not introduce new revenue sources and includes limited-service enhancements Citywide. Instead, it incorporates reductions across departments and funds in response to the structural General Fund deficit identified last year, when the Council adopted a budget that projected a $148 million shortfall in 2027.

The Executive's proposal makes progress toward right-sizing the City's finances and projecting a balanced budget in the coming years, breaking the recent pattern of beginning each budget cycle with a significant deficit and closing gaps through one-time measures. By emphasizing long-term financial stability and reducing reliance on temporary solutions, the Proposed Budget seeks to place the City on a more sustainable fiscal path. However, the budget does not fully resolve the structural deficit and still relies on one-time resources to achieve balance.

This Citywide summary presents high-level changes from the 2026 Adopted Budget to the 2027–2028 Proposed Budget and identifies areas where the Council will make future funding decisions during the biennium. Additional details are provided in department-specific Overview and Policy Considerations papers. The analysis below takes a Citywide perspective to identify and explain key drivers of revenue and expenditure changes, summarizes impacts on City staffing levels, and notes significant updates to the 2027–2032 Proposed Capital Improvement Program.

I. OPERATING ADJUSTMENTS OVERVIEW

Table 1. Citywide Summary – Operating Budget by Fund

Fund *($s in millions)*	**2026 Adopted**	**2027 Proposed**	**% Change**	**2028 Proposed**	**% Change**
General Fund	$2,011 M	$2,026 M	0.8%	$2,052 M	1.3%
JumpStart Fund	$427 M	$454 M	6.2%	$463 M	2.1%
Other Sources	$4,874 M	$5,066 M	3.9%	$5,291 M	4.4%
Total	**$7,312 M**	**$7,546 M**	**3.2%**	**$7,805 M**	**3.4%**

The 2027 Proposed Budget operating appropriations would increase by approximately $234 million (3.2 percent) Citywide, compared to the 2026 Adopted Budget. This net increase is largely attributable to proposed changes within Seattle Police Department, Seattle City Light, and Seattle Public Utilities, as described below.

- $68 million (13.9 percent) increase in the Seattle Police Department due primarily to recently ratified labor contracts (Seattle Police Officer's Guild and Seattle Parking Enforcement Officer's Guild) that add $58 million to fully fund ongoing labor costs. In addition, the Proposed Budget includes $12.6 million to fund 1,250 sworn Officers over the biennium, an increase of 66 Officers over the 2026 Adopted Budget.
- $70 million (5.4 percent) increase in Seattle City Light to reflect major investments aligned with its recently adopted Strategic Plan, including modernizing transmission and distribution infrastructure and expanding public EV charging supported by Clean Fuel Standard revenues. Expanded customer energy resources programs, continued Skagit Project relicensing implementation, and targeted technology, wildfire mitigation, physical security, workforce, and fleet upgrades further support long-term grid reliability and readiness. These expenses are supported by the utility's rates.

- $55 million (4.6 percent) increase in Seattle Public Utilities (SPU), reflecting standard inflationary costs, Strategic Business Plan-endorsed investments in core utility services, environmental programs, implementation of Advanced Metering Infrastructure (AMI), and additional funding for the Tolt Water Treatment Facility operations. These expenses are supported by the utility's rates.

Other significant operating budget increases between the 2026 Adopted and the Proposed budget include:

- Health Care Fund (+$28.8 million): Based on actuarial analysis of the prior two years of actual claims and confirmed by the City's joint labor-management committee, healthcare costs increase by $28.8 million (7.3 percent) in the 2027 Proposed Budget compared to 2026. The cost grows by an additional $30.1 million (7.2 percent) in 2028, reflecting rising medical expenses that mirror national trends, where health benefit inflation continues to outpace general revenue growth and other operating costs.

- Judgment & Claims Fund (+$9.2 million): Based on actuarial projections of anticipated losses that departments incurred over the previous five years, Judgement and Claims rates[1] 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 non-utility[2] annual payments and costs incurred were $21 million. From 2021 to 2026[3], 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[4], 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.

- Backfill for Potential Federal Funding Loss (+$22.5 million): The proposed budget reappropriates $22.5 million in one-time General Fund planned for abandonment in the 2026 Year-End Supplemental to establish a reserve in Finance General for 2027 to offset potential federal funding cuts affecting City-funded housing and homelessness programs. This action builds on the Council's 2026 decision to expand HSD reserves intended to mitigate anticipated reductions in federal grants supporting shelter operations, emergency housing, and SHA voucher programs.

- Seattle Transit Measure (STM) Renewal Operating Budget Increase (+$20.4 million): The proposed STM renewal increases O&M budget programming from $63.9 million to $84.3 million to support additional transit service needed to meet Frequent Transit Network targets, fully fund streetcar operations, expand Transit Access Program commitments—including Housing Choice Voucher ORCA subsidies—and maintain Metro Flex service. The renewal proposal would raise the STM sales tax rate to 0.3 percent beginning April 2027 and is anticipated to generate approximately $102 million in 2027 to sustain expanded service, TAP enhancements, Sound Transit 3 staffing support, and related obligations. The Seattle Transit Measure Renewal is on the November 2026 ballot. If the measure is not renewed, budget amendments would be necessary to remove these spending provisions.

[1] Per Resolution 31847, the budget level for the Judgement & Claims Fund must be set at the 90 percent confidence level of meeting actual expenditures as annually estimated by the City's actuaries.

[2] Although Seattle City Light and Seattle Public Utilities are excluded from the figures presented above, their combined average Judgment and Claims actuals over the past five years total approximately $7.2 million.

[3] The 2026 figures incorporate projected actuals provided by the City Budget Office.

[4] A tort or damage cap is a legislatively imposed ceiling on civil damages—commonly non-economic or punitive awards. In Washington State, statutory caps on non-economic and punitive damages have been struck down as unconstitutional, meaning plaintiffs may receive full awards for pain and suffering or emotional distress, irrespective of amount.

- Shelter Expansion and Operations (+$18.3 million): The Proposed Budget adds $18.3 million in ongoing JumpStart Payroll Expense Tax funding to the Human Services Department to support operations for up to eight new shelter programs providing 515 beds under the Shelter Accelerator Initiative. This funding sustains shelters launched with one-time 2026 resources and supports additional sites expected to open in 2027, covering both approved projects and those still under consideration to ensure adequate capacity to meet urgent citywide shelter needs.

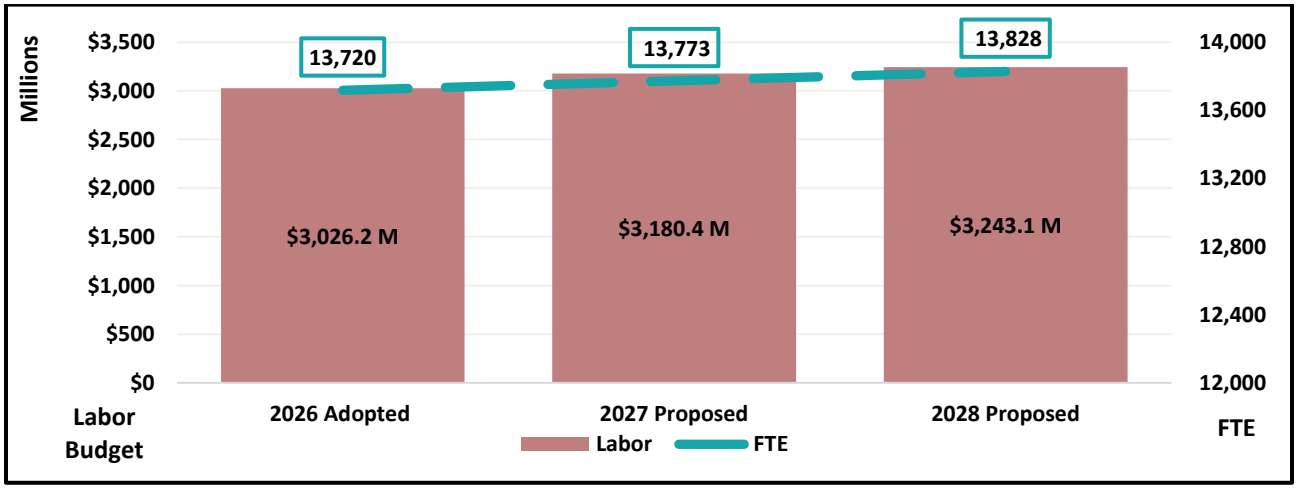
These increases are offset by numerous operating reductions in the Proposed Budget. The 2027–2028 Proposed Budget emphasizes long-term stability, resulting in more than $50 million in General Fund reductions each year and shifting $50 million of funding obligations from General Fund to other operating funds. Examples include aligning Seattle Public Utilities' RV Pump-out budget with actual demand, slowing the expansion of the Community Crisis Responders program, realizing lease savings for the City Attorney's Office, adjusting the Office of Housing's approach to JumpStart-backed capital investments, and increasing rental unit fees at SDCI to support implementation of the City's Residential Rental Fee policy. The budget also maintains ongoing fund swaps with the Seattle Park District Fund to sustain core services and eliminates 128 positions (described in the section below) as part of broader organizational right-sizing. More information about specific increases and reductions in the Proposed Budget is provided in individual department Overview and Policy Considerations papers.

Adjustments to Position and Personnel Budgets

Most of the programs and services provided by the City rely on workers to deliver those services, particularly programs and services that are funded by the General Fund (GF). Personnel costs for City workers across all funds comprise approximately one-third of the overall budget, and over half (58 percent) of the proposed $2 billion GF budget. Additionally, much of the "non-labor" budget across all funds is for contracted services with organizations whose workers deliver key services (e.g., contracts with human service organizations that deliver most services related to the City's homelessness response).

As shown in Figure 1, the Proposed Adjustments increase the Citywide labor budget by $154 million (five percent), including $58 million funded by the GF and JSF. This increase is primarily driven by inflationary adjustments and the net biennial addition of 98.5 Full-Time Equivalent (FTE) positions, primarily within the City's utilities.

Figure 1. Citywide Summary of FTE[5] and Labor by Fund Source



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

This includes a total of 224.5 new FTE[6] (169.5 in 2027 and 55 in 2028), and a reduction of 128 FTE, of which 13 are filled and 115 are vacant. According to data provided by the Executive, 222 of the 224.5 new FTE are permanent positions with ongoing budget impacts, while the remaining 2.5 FTE are term-limited and set to sunset by the end of the biennium. As shown in Table 2, General Fund and JumpStart Payroll Expense Tax collectively decrease by 5.1 FTE overall, while nearly all growth in FTE is funded through other revenue sources.

Table 2. 2027-2028 Proposed FTE Changes by Department and Fund.

Department	GF/JSF	Other Funds	Department Total
Seattle City Light	-	101.0	101.0
Human Services Department	30.0	4.0	34.0
Seattle Public Utilities	-	28.0	28.0
Seattle Fire Department	10.1	1.0	11.1
Seattle Municipal Court	(5.5)	16.0	10.5
Seattle Center	-	5.5	5.5
Law Department	3.0	1.0	4.0
Department of Neighborhoods	(4.0)	-	(4.0)
Seattle Department of Human Resources	(4.5)	-	(4.5)
Information Technology	-	(5.5)	(5.5)
Seattle Department of Transportation	(2.0)	(7.0)	(9.0)
Finance and Administrative Services	1.0	(14.0)	(13.0)
Seattle Police Department	(28.0)	4.0	(24.0)
Department of Construction and Inspections	1.0	(31.0)	(30.0)
All Other Departments	(6.3)	0.6	(5.7)
Total FTE Changes	**(5.1)**	**103.6**	**98.5**

Departments with the largest FTE increases in the 2027-2028 Proposed Budget[7] include[8]:

- 101 FTE in Seattle City Light (City Light), supporting operational, customer service, clean-energy, grid-readiness, and regulatory needs across the utility. 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.
- 31 FTE in the Human Services Department (HSD), 29 of which are ongoing positions to oversee and administer the City's homeless services contracts, including those returning from the King County Regional Homelessness Authority (KCRHA) and those supporting new shelter capacity created under the Shelter Accelerator initiative. These positions convert one-time emergency hires made in 2026 to expand shelter and resume City-funded contract administration into permanent roles, funded within HSD's existing budget and resources transferred back from KCRHA. Additional adjustments include 2 FTE to support youth-violence prevention and school-safety services by providing network coordination and data analysis functions that help standardize practices and improve alignment across related service providers.

[7] Excludes current year (2026) legislation.
[8] Information about the remainder of the FTE additions included in the Proposed Budget is provided in individual department Overview and Policy Considerations papers.

- 32 FTE in the Seattle Public Utilities (SPU), with 21 of the positions to fully resource initiatives endorsed in SPU's 2025–2030 Strategic Business Plan. These positions include support for capital planning and infrastructure project delivery (9 FTE); for Drainage and Wastewater (DWW) programs such as the side sewer assistance program and the Lower Duwamish Waterway program (4 FTE); for Solid Waste site redevelopment, food waste compliance, and contracting (5 FTE); and human resources, training and development, and customer accounts and billing (3 FTE). Other position additions include apprentice positions for DWW collection workers (5 FTE); Customer Care Division positions to reduce billing backlogs and ensure quality assurance (3 FTE); creation of a dedicated cybersecurity team to protect SPU's critical infrastructure (2 FTE); and the transfer of a service design position from the Seattle Information Technology Department (1 FTE). The proposed budget also abrogates 4 FTE vacant positions that have sunset and whose bodies of work are complete, for a net increase of 28 FTE in the Department.
- 13 FTE in the Seattle Municipal Court (SMC), to support the expanded Automated Traffic Safety Camera (ATSC) program by providing staffing needed to process and adjudicate increased traffic-camera citation volumes. These positions reflect updated cost-per-ticket analysis and the resource requirements associated with the planned expansion of camera enforcement.
- 10 FTE in the Seattle Fire Department (SFD), all of which are position only adds in the Mobile Integrated Health (MIH) program. Adding these positions will allow SFD more closely to track and report on the specific costs of the MIH program and formally to establish the MIH role as one in which incumbent firefighters may seek longer-term assignments. The MIH program was established as a pilot and these position adds recognize the program's permanence at SFD. No new funding is requested, as previous budgets included funding for the performance of MIH work on an overtime basis without corresponding position authority.

Of the 128 FTE proposed for elimination Citywide in the Proposed Budget, 115 (90 percent) are vacant, while 13 (10 percent) are filled positions that would be subject to layoff. Of the positions subject to layoff, seven are in the Department of Construction and Inspections (SDCI), two in SPD and the Department of Neighborhoods each, 1 FTE in Seattle IT and 1 FTE in the Office of Economic Development. According to data provided by the Executive, these FTE reductions could result in savings of approximately $16.5 million in the 2027 fiscal year, approximately one half of which is in the General Fund.

Table 3. Proposed FTE Eliminations by Department.

Department	Vacant Positions	Subject to Layoff	Total Eliminations	Savings Estimate[9]
Dept. of Construction and Inspections	(27)	(7)	(34)	$6.1M
Seattle Police Department	(25)	(2)	(27)	$4.2M
Information Technology	(17.5)	(1)	(18.5)	$1.8M
Seattle Department of Transportation	(9)	-	(9)	$0.2M
Seattle Municipal Court	(5.5)	-	(6)	$0.7M
Seattle Department of Human Resources	(5)	-	(5)	$0.6M
Seattle Parks and Recreation	(5)	-	(5)	$0.8M
Department of Neighborhoods	(2)	(2)	(4)	$0.4M
Seattle Public Utilities	(4)	-	(4)	-
All Other Departments	(16)	(1)	(17)	$1.6M
Total	**(115)**	**(13)**	**(128)**	**$16.5M**

[9] The City does not use position-based budgeting; therefore, FTE counts cannot be directly tied to department budgets. Based on data provided by the Executive, approximately 34.5 FTE are position clean-up actions with no associated savings, while the remaining 93.5 proposed eliminated FTE are budgeted positions that may generate fiscal impacts.

Departments with the highest number of eliminations in the 2027-2028 Proposed Budget include:

- 34 FTE (7 filled) in the Department of Construction and Inspections (SDCI), to right-size fee-supported Building and Land Use operations in response to structural revenue shortfalls, declining construction valuations, and reduced workload. SDCI's Building and Land Use staffing reserves have fallen substantially below target, with year-end 2025 balances of $8.4 million (Building) and $1.4 million (Land Use) versus fully funded targets of $21.5 million and $7.2 million. Because these reserves are intended to sustain service continuity through cyclical downturns and Great-Recession-scale shocks, current balances provide significantly less protection against ongoing revenue weakness. The proposal preserves staffing for permit intake, plan review, permit issuance, inspections, and other critical regulatory functions. It is projected to generate approximately $6 million in annualized savings and, together with planned fee adjustments, to extend the solvency of core staffing reserves by about four years. SDCI does not anticipate material impacts to core permit review, issuance, or inspection timelines, though lower-priority administrative, policy-support, analytical, and long-range planning functions may experience reduced capacity.
- 27 FTE (2 filled) in the Seattle Police Department (SPD), to streamline staffing by removing long-term vacant positions and a small number of filled roles whose duties can be absorbed by existing staff. These changes include reductions in Parking Enforcement, Human Resources, Data Analytics, Records, and the Office of Police Accountability. Core functions in analytics, records management, and accountability remain in place, with units retaining enough staffing to continue essential operations. Overall, the proposal right-sizes SPD's administrative and support capacity while minimizing impacts on frontline services.
- 18.5 FTE (1 filled) in the Seattle Information Technology Department (ITD), to make reductions in administrative and support areas and to respond to declining cable revenues. Two programs that receive cable revenues are impacted by proposed reductions: the Digital Equity program that works on the expansion of internet connectivity and digital skills development (2 FTE), and the Digital Engagement program that maintains the City's external website and other digital properties and provides support to departments (3 FTE). ITD is also reducing positions that are more focused on internal operations, including on the Emergency Management team (1 FTE), Business Operations team (1 FTE), and the Accounting team (1 FTE). The proposed budget also transfers 1 FTE to SPU, abrogates 1 FTE that was added during last year's budget process but was never filled, and 9.5 FTE that are vacant and currently unfunded. Lastly, ITD is receiving 14 FTE from Finance and Administrative Services (FAS) Office of City Finance to establish a more effective citywide management model for four enterprise applications.

Each department provides additional detail on its position changes within its respective Department Overview and Policy Considerations papers.

II. CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The City's 2027-2032 Proposed Capital Improvement Program (CIP) totals 1.6 billion in 2027, which represents a decrease of $38 million, or two percent over the 2026 Adopted CIP. In comparing the 2026-2031 Revised CIP[10] budget to the 2027-2032 Proposed Budget, the six-year CIP budget increases from $9.2 billion to $11.1 billion, representing a $1.9 billion, or 20 percent, change. Note that the CIP document covers a rolling six-year window, so the new Proposed CIP excludes 2026 and adds 2032; thus, this funding comparison is not directly "apples to apples". This overall increase is driven primarily by utility projects.

Approximately $7.8 billion (71 percent) of the 11.1 billion in the 2027-2032 Proposed CIP are utility-funded projects, managed by SCL and SPU, and mostly funded by rates charged to utility customers. The SDOT CIP totals $1.7 billion (16 percent), while general government departments (SPR, FAS,CEN, SPL, and ITD) account for the remaining $1.5 billion, or 13 percent over the six-years.

Table 4. Adopted to Proposed CIP Comparison by Department

	2026	2027	2028	2029	2030	2031	2032	Total
Finance and Administrative Services (FAS)								
2026-2031 Adopted	$51M	$52M	$34M	$29M	$30M	$29M	-	**$225M**
2027-2032 Proposed	-	$77M	$50M	$32M	$30M	$29M	$42M	**$259M**
Seattle Center (CEN)								
2026-2031 Adopted	$38M	$17M	$17M	$19M	$17M	$4M	-	**$111M**
2027-2032 Proposed	-	$22M	$18M	$19M	$17M	$16M	$17M	**$107M**
Seattle Department of Transportation (SDOT)								
2026-2031 Adopted	$348M	$265M	$277M	$269M	$309M	$418M	-	**$1,885M**
2027-2032 Proposed	-	$294M	$352M	$270M	$302M	$270M	$259M	**$1,746M**
Seattle IT (ITD)								
2026-2031 Adopted	$20M	$19M	$20M	$14M	$15M	$14M	-	**$102M**
2027-2032 Proposed	-	$55M	$48M	$33M	$35M	$34M	$33M	**$238M**
Parks and Recreation (SPR)								
2026-2031 Adopted	$91M	$255M	$110M	$99M	$101M	$103M	-	**$758M**
2027-2032 Proposed	-	$124M	$166M	$162M	$104M	$99M	$99M	**$754M**
Seattle Public Library (SPL)								
2026-2031 Adopted	$3M	$1M	$1M	$1M	$1M	$1M	-	**$7M**
2027-2032 Proposed	-	$23M	$11M	$27M	$22M	$13M	$13M	**$109M**
Seattle Public Utilities (SPU)								
2026-2031 Adopted	$577M	$533M	$556M	$572M	$499M	$525M	-	**$3,262M**
2027-2032 Proposed	-	$454M	$469M	$663M	$703M	$635M	$606M	**$3,529M**
Seattle City Light (SCL)								
2026-2031 Adopted	$511M	$513M	$502M	$526M	$523M	$521M	-	**$3,097M**
2027-2032 Proposed	-	$552M	$577M	$632M	$763M	$882M	$962M	**$4,368M**

[10] This accounts for the 2026 supplemental budget changes and excludes the 2025 Carry Forward to achieve a more accurate comparison between the six-year CIP cycles.

The 2027–2032 Proposed CIP includes several new, noteworthy, or otherwise significant project and program changes that may be of interest to the Council, including:

- Replacement of the Seattle Licensing Information Management (SLIM) Platform: The Proposed CIP adds $14 million of Limited Tax General Obligation (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[11] and $5.9 million for FAS's Consumer Protection Division to transition 22 regulatory license types to a new Software-as-a-Service (SaaS)[12] system integrated with RSI.

- Fire Station 25 Renovations: The Proposed CIP creates a new project and allocates $8.7 million over the biennium 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 Finance and Administrative Services (FAS) Operating Fund balance and $5.7 million in Limited Tax General Obligation (LTGO) bonds backed by Real Estate Excise Tax (REET) revenue. Estimated debt service payments over the 6-year CIP period total $2.7 million.

- Seattle Center Campus Revitalization Program: The 2027–2032 Proposed CIP establishes the Seattle Center Campus Revitalization Program to support pre-bond planning and design work ahead of a potential 2027 Unlimited Tax General Obligation (UTGO) bond measure for Seattle Center. If approved by voters, the bond would fund major infrastructure upgrades and campus revitalization. In line with Resolution 32205 affirming Seattle Center as a vital civic and cultural asset, the Proposed CIP adds 2027 funding—financed through an interfund loan—to advance critical planning efforts, including the Armory Space Planning study, the Comprehensive Campus Plan, the Fisher Pavilion Revitalization and Decarbonization design work, and the Armory Bridge to Monorail design. These investments support early design, holistic campus coordination, and construction readiness in preparation for a major capital funding measure.

  Seattle Center will begin incurring early project costs in 2026 using its existing resources. Beginning in 2027, an interfund loan of up to $3.2 million from the REET Capital Projects Funds will cover project expenses that have no other funding source. If voters approve the 2027 UTGO bond measure, the City will seek Council authorization to revise the loan's terms and amount, with the first series of bonds anticipated in 2028. If the measure does not proceed or fails, the City expects the REET funds, or other City funds including potential non-voted bonds, to be sufficient to repay the interfund loan. Use of an interfund loan to pay for expenses associated with such projects is consistent with the City's Debt Management Policies adopted by Council in Resolution 31553.

- Expanding Public Restrooms Access: The Proposed CIP includes several investments to improve the availability and condition of public restrooms citywide. It provides $1.8 million from the Seattle Park District and King County Parks Levy to add two new prefabricated restrooms, one at Cheryl Chow Park in Rainier Valley and another at a Northeast Seattle site to be identified in 2027. An additional $971,000 in annual King County Parks Levy funding increases the ongoing park restroom renovation budget to approximately $2.8 million per year through 2031, supporting an estimated four additional restroom renovations. The Proposed Budget also includes an ongoing $1.4 million in General Fund operating support within the Department of Finance and Administrative Services to contract for public restroom

[11]RSI Government Platform is a cloud-based revenue and licensing administration system developed by Revenue Solutions, Inc. (RSI), used by state and local governments to manage tax collection, licensing, payments, compliance, and related workflows.

[12] Software-as-a-Service (SaaS) is software that the City uses online instead of installing or maintaining it on City-owned servers. The vendor hosts and updates the system, and City staff access it through a secure web portal.

installations in high-use areas across the city. This investment uses the deployment of Throne restrooms in Pioneer Square during the 2026 World Cup as a model and provides capacity for up to ten similar installations.

- Seattle Public Utilities (SPU) Water System: The Proposed CIP prioritizes investments in critical infrastructure over the next six years, including rehabilitation of distribution system water mains ($268.6 million); seismic improvements to the transmission system, including the Cedar River Pipeline in Renton, ($95.6 million); and dam safety projects, including relicensing of the Tolt Dam and federally required improvements to its spillway, ($128.3 million).
- SPU Drainage and Wastewater System: The Proposed CIP contains significant investments in the department's Sediments and Duwamish Valley Water Resilience BSL, including costs related to sediment remediation for three cleanup sites: the Lower Duwamish Waterway Superfund Site, the East Waterway Operable Unit of the Harbor Island Superfund Site, and Gas Works Park. Total investment in sediment remediation activities over the next six years is about $525 million, which is approximately $143 million more than was contained in the 2026–2031 Adopted CIP.
- Seattle City Light Capital Improvement Program: Seattle City Light plans to invest a total of $4.4 billion in capital projects between 2027 and 2032, 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.

In 2027, the most notable increases include additional funding for replacing underground equipment, supporting customer energy efficiency and renewable energy programs, and meeting requirements for the Skagit River Hydroelectric Project. The utility is also introducing two new efforts: one will address the licensing requirements for the Skagit River project beginning in 2030, and the other will support the installation of new community solar projects through 2030. Over the six-year period, the utility plans to focus on replacing aging electrical infrastructure, improving the reliability and security of the power system, modernizing technology, supporting transportation projects like Sound Transit expansion, increasing energy efficiency, meeting obligations tied to hydroelectric projects, upgrading power generation facilities, and addressing long-term maintenance needs.

More information on these and other capital projects in the 2027-2032 Proposed CIP is provided in individual department Overview and Policy Considerations papers.

Transportation Fund Stability and Proposed Interfund Loan

SDOT's 2027–2028 Proposed Budget reflects continued difficulty maintaining a positive cash balance in the Transportation Fund. Since 2020, the fund has periodically gone negative, leading to reliance on the City's Consolidated Cash Pool and associated interest costs. SDOT previously received a $25 million Interfund Loan (IFL) in late 2020 to address cash shortfalls driven by pandemic-related revenue declines and fully repaid that loan in December 2025. Despite this repayment, the Transportation Fund has again experienced negative cash positions in 2026, influenced by multiple contributing factors. In response, the Executive convened an Interdepartmental Team (IDT) in July 2026 to examine the root causes of the ongoing cash deficits and recommend strategies to restore long-term stability. The IDT's work is expected to conclude in Fall 2027.

Because this broader review will take time, the Proposed 2027–2028 Budget includes near-term actions to support fund stability, including authorization of a new up to 10 years and up to $63.5 million Interfund Loan. The IFL would provide the Transportation Fund with access to short-term cash, allowing SDOT to draw and repay funds as needed while awaiting reimbursements or internal reallocations, and ensuring compliance with City fund balance policies. Additional background and related policy considerations can be found in the SDOT Overview and Policy Considerations paper.

Real Estate Excise Tax (REET) Forecast Revisions and Corresponding CIP Implications

A significant amount of the City's general government CIP is funded through REET revenue, which is an excise tax imposed on the sale of real property. Because large, unpredictable transactions heavily influence collections, REET is inherently difficult to forecast. The Proposed CIP incorporates significant downward revisions to projected REET revenue due to continued weakness in the real estate market and broader economic uncertainty. At the August 7, 2026, Forecast Council meeting, the Office of Economic and Revenue Forecasts reduced the REET projections built into the 2026 Adopted Budget by a total of $34 million across fiscal years 2026–2028. As a key funding source, REET supports roughly 60 capital projects in the 2027-2032 CIP, such as asset preservation for City-owned buildings, improvements to public safety facilities, and playfield conversions and play area renovations. It also funds ongoing debt service for significant City commitments, including the rehabilitation of Memorial Stadium at Seattle Center and the Waterfront Operations and Tribal Interpretive Center.

More than half of those 60 projects required adjustments in response to the reduced revenue forecast. Project-level impacts resulting from this downward revision vary, as some were deferred, others scaled back, reprioritized, or rightsized, and in certain cases REET was replaced with alternative funding sources to mitigate the shortfall.

Table 5. Change in REET Forecast: Adopted 2026 vs. August Forecast

REET Forecast	2026	2027	2028	3-Year Total
2026 Adopted	$67M	$77M	$88M	$232M
August Revenue Forecast	$76M	$91M	$99M	$266M
Variance:	**($9M)**	**($13M)**	**($11M)**	**($34M)**

Looking ahead, the October revenue forecast could introduce an additional downward revision. This risk is heightened by the recent increase in interest rates, which may further slow real estate activity and depress REET collections. Higher borrowing costs can deter both commercial and residential property transactions, reducing the volume of taxable sales and amplifying the uncertainty already present in the real estate market. Should the October forecast reduce REET projections further, the Council could draw on the City's $10 million REET reserve established under the City's REET policy (Resolution 31952) or consider additional CIP adjustments to right-size expenditures to match the updated forecast. If the Council chooses to draw on the $10 million REET reserve, it would temporarily stabilize funding for priority capital projects by offsetting the immediate shortfall in REET revenue, but it would also reduce the City's financial buffer against future revenue volatility and require replenishment once collections recover.

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