Office of Economic and Revenue Forecasts

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https://www.seattle.gov/economic-and-revenue-forecasts

Department Overview

In July 2021 via Council Bill 120124, the City Council created the Office of Economic and Revenue Forecasts. The office's responsibilities, as stated in the legislation, are to staff the Economic and Revenue Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program. Such analyses are to be nonpartisan and confidential to the extent allowed by law.

The legislation also established the Economic and Revenue Forecast Council which shall receive and review the general forecasts of local economic activity and the specific forecasts of the revenues that support the City's general government programs and services. The forecasts approved by the Forecast Council by the Director of the Office of Economic and Revenue Forecasts are the official city economic and revenue forecasts and shall serve as the basis for the estimates of revenues used for the Proposed and Adopted budgets as described in RCW 35.32A.030 and 35.32A.040, provided that the Mayor or Council shall have the authority to deviate from the official forecasts as provided in Section 3.44.010. The Forecast Council shall be composed of the Mayor or designee, the Director of Finance, the Council President or designee, and the Chair of the City Council Finance Committee or designee. If the Council President and the Chair of the Council Finance Committee are the same individual, the position held by the Chair of the Council Finance Committee shall be determined by the Council President. The Forecast Council shall select one member to serve as Chair of the Forecast Council annually.

Budget Snapshot

	2025 Actuals	2026 Adopted	2027 Proposed	2028 Proposed
Department Support				
General Fund Support	741,597	875,301	861,795	870,297
Total Operations	**741,597**	**875,301**	**861,795**	**870,297**
Total Appropriations	**741,597**	**875,301**	**861,795**	**870,297**
Full-Time Equivalents Total*	3.00	3.00	3.00	3.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

Budget Overview

The budget for the Office of Economic and Revenue Forecasts (OERF) always fluctuates year-to-year due to the renewal cycle of subscriptions for data services used in forecasting, as well as inflation of various labor costs. Accordingly, the 2027 Proposed Budget includes an additional $141,541 for baseline adjustments to subscriptions and labor costs, an increase of 16.2% above the 2026 Adopted Budget. However, the General Fund revenue forecast for the City's budget is insufficient to cover all anticipated citywide costs and General Fund reductions were identified to mitigate this shortfall. To preserve critical City services due to the General Fund deficit, a budget adjustment was made in OERF that reduced the department's overall labor budget. The resulting budget maintains core services and aligns budget to current staffing levels while reducing budget for a vacant position. Additional revenues were also identified in the form of payment for forecasting services provided by the department and cost sharing for subscriptions used by other departments, allowing the department to avoid the need for additional budget reductions.

Incremental Budget Changes

Office of Economic and Revenue Forecasts

	Dollars	FTE
2026 Adopted Budget	**875,301**	**3.00**
Baseline		
Adjustments for increased costs of existing subscriptions	146,715	-
Citywide Adjustments for Standard Cost Changes	3,008	-
Reduce SCERS Retirement Contribution Rate	(8,181)	-
Proposed Operating		
Eliminate Position Funding	(155,047)	-
Increase Revenue from Social Housing Developer as Fee for Forecasting Services	-	-
Increase Revenue from the Health Care Fund to Support S&P Global Subscription Costs	-	-
Total Incremental Changes	**$(13,506)**	**-**
Total 2027 Proposed Budget	**$861,795**	**3.00**

Description of Incremental Budget Changes

Baseline

Adjustments for increased costs of existing subscriptions

Expenditures $146,715

This item includes baseline adjustments for increased costs for subscriptions to essential data services, including Placer.ai and S&P Global. Costs for the latter subscription will increase by $40,000 per year due to the cancelation of cost subscription sharing agreements by other City departments who no longer need these subscriptions.

Citywide Adjustments for Standard Cost Changes

Expenditures $3,008

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare and other central cost factors. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

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Reduce SCERS Retirement Contribution Rate

Expenditures $(8,181)

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS) is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings. Based on the updated actuarial valuation for 2026, this item reduces the employer contribution rate from the endorsed rate of 15.06% to the SCERS minimum actuarial required rate of 13.48% for 2027 and 13.52% for 2028.

Proposed Operating

Eliminate Position Funding

Expenditures $(155,047)

This item eliminates funding for one of the three positions currently funded in the Office of Economics and Revenue Forecasting. The department has had a vacancy for two years. This will not impact current staffing levels.

Increase Revenue from Social Housing Developer as Fee for Forecasting Services

Revenues $12,500

This item adds revenue to the OERF budget from an annual and ongoing contribution of $12,500 from Social Housing Developer for work done by OERF to forecast revenues from the Social Housing Tax.

Increase Revenue from the Health Care Fund to Support S&P Global Subscription Costs

Revenues $10,000

This item transfers $10,000 annually from the City's Health Care Fund to the Office of Economics and Revenue Forecasting for the cost of one subscription to S&P Global, a data service paid for by OERF and utilized by the City's Health Care Economist for cost forecasting.

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Expenditure Overview

Appropriations	2025 Actuals	2026 Adopted	2027 Proposed	2028 Proposed
ERF - BO-ER-10000 - Economic and Revenue Forecasts				
00100 - General Fund	741,597	875,301	861,795	870,297
Total for BSL: BO-ER-10000	**741,597**	**875,301**	**861,795**	**870,297**
Department Total	**741,597**	**875,301**	**861,795**	**870,297**
Department Full-Time Equivalents Total*	**3.00**	**3.00**	**3.00**	**3.00**

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Budget Summary by Fund Office of Economic and Revenue Forecasts

	2025 Actuals	2026 Adopted	2027 Proposed	2028 Proposed
00100 - General Fund	741,597	875,301	861,795	870,297
Budget Totals for ERF	**741,597**	**875,301**	**861,795**	**870,297**

Revenue Overview

2027 Estimated Revenues

Account Code	Account Name	2025 Actuals	2026 Adopted	2027 Proposed	2028 Proposed
330020	Intergov-Revenues	-	-	12,500	12,500
341300	Administrative Fees & Charges	-	-	10,000	10,000
Total Revenues for: 00100 - General Fund		**-**	**-**	**22,500**	**22,500**
Total ERF Resources		**-**	**-**	**22,500**	**22,500**

Office of Economic and Revenue Forecasts

Appropriations by Budget Summary Level and Program

ERF - BO-ER-10000 - Economic and Revenue Forecasts

The purpose of the Economic and Revenue Forecasts Budget Summary Level is to provide support to the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program.

Program Expenditures	2025 Actuals	2026 Adopted	2027 Proposed	2028 Proposed
Economic and Revenue Forecasts	741,597	875,301	861,795	870,297
Total	**741,597**	**875,301**	**861,795**	**870,297**
Full-time Equivalents Total*	3.00	3.00	3.00	3.00

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