

Finance General

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Department Overview

Finance General is controlled by the City Budget Office and provides a mechanism for allocating General Fund and other central resources to reserve and bond redemption funds, City departments, and certain programs where the City Council, Mayor, or City Budget Office need additional oversight.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
General Fund Support	273,060,860	199,963,662	215,343,344	228,289,672
Other Funding - Operating	182,107,356	139,082,953	127,915,504	113,736,233
Total Operations	455,168,216	339,046,615	343,258,848	342,025,905
Total Appropriations	455,168,216	339,046,615	343,258,848	342,025,905

Finance General

Incremental Budget Changes

Finance General

	2024 Budget	FTE
Total 2024 Endorsed Budget	343,258,848	-
Proposed Operating		
Remove Jumpstart Payroll Expense Tax Economic Revitalization Strategy Implementation Reserve	(13,100,000)	-
Reduce Jumpstart Payroll Expense Tax Transfer for General Operating Expenses	(10,000,000)	-
Reduce Jumpstart Payroll Expense Tax Transfer for Administrative Costs	(1,005,475)	-
Increase Jumpstart Payroll Expense Tax Transfer for Human Services Provider Pay	4,528,366	-
Accelerate Replenishment of Emergency Fund	8,500,000	-
Proposed Technical		
Transfer General Fund to the Seattle Information Technology Department	225,000	-
Transfer General Fund to Revenue Stabilization Fund	553,520	-
Move Trial Court Reserve to Finance General	798,696	-
Transfer General Fund to the School Safety, Traffic and Pedestrian Improvement Fund	790,000	-
Adjust Recurring Reserves	1,233,000	-
Create New Reserve for Fleet Vendor Maintenance	1,800,000	-
Transfer General Fund to Judgment and Claims Fund	4,705,951	-
Reduce SPD Reserve for Department of Justice Settlement Agreement/Police Accountability	(191,887)	-
Debt Service Adjustment	(552,189)	-
Citywide Adjustments for Standard Cost Changes	(1,643,571)	-
One-time Use of Office of Labor Standards' Fund Balance	(1,170,607)	-
Ongoing Changes from 2023 Legislation	(2,184,353)	-
Account Level Transfers	-	-
Council		
SCERS Contribution Rate Change	(189,362)	-
Increase Transfer from Jump Start Fund to General Fund and Swap Funding Source of Proposed Expenses	5,471,634	-
Add \$222,000 for a Deputy Director in the Office of Police Accountability	(222,000)	-
Consulting Funding for External, Independent Investigations	(50,000)	-
Funding to Support Community Roots Housing Loan Forgiveness	333,333	-
Reduce Transfer to Emergency Fund to Create a Reserve for Rosie's Village Relocation	-	-
Staffing Cost Adjustment	137,000	-

Finance General

Recognize Revenue Impact from Council Bill 120689	-	-
Total Incremental Changes	\$(1,232,943)	-
Total 2024 Adopted Budget	\$342,025,905	-

Description of Incremental Budget Changes

Proposed Operating

Remove Jumpstart Payroll Expense Tax Economic Revitalization Strategy Implementation Reserve

Expenditures \$(13,100,000)

The 2024 Endorsed Budget reserved \$13,100,000 to implement the Jumpstart Payroll Expense Tax Economic Revitalization and Workforce Development strategic plans currently being developed by the Office of Economic Development. This item reduces the reserve as it is being transferred to the Office of Economic Development, the Seattle Department of Transportation, and the Office of Planning and Community Development in the 2023-2024 Adopted Mid-Biennial Budget Updates.

Reduce Jumpstart Payroll Expense Tax Transfer for General Operating Expenses

Expenditures \$(10,000,000)

Revenues \$(10,000,000)

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

The City's 2023-2024 Proposed Mid-Biennial Budget Update appropriates approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds. The 2024 Endorsed Budget transferred \$84.2 million from payroll tax to general fund to support general operating expenses. This change reduces the payroll tax transfer for general operating expenses to the General Fund by \$10 million, for a total of \$74.2 million.

Reduce Jumpstart Payroll Expense Tax Transfer for Administrative Costs

Expenditures \$(1,005,475)

Revenues \$(1,005,475)

This item reduces appropriation in Finance General that supports administrative costs related to the Jumpstart Payroll Expense Tax (payroll tax). This technical item reflects an update to the total cost for City administrative functions, such as human resources, evaluation, information technology, payroll, accounting and others. This net reduction is for both direct, planned spending, as well as indirect costs not yet captured in the Central Cost Manual. The 2024 Finance General transfer for administrative costs is approximately \$7 million.

Increase Jumpstart Payroll Expense Tax Transfer for Human Services Provider Pay

Expenditures \$4,528,366

Revenues \$4,528,366

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

The City's 2023-2024 Proposed Mid-Biennial Budget Updates appropriates approximately \$301 million in JumpStart

Finance General

Payroll Expense Tax (payroll tax) proceeds, of which \$7.4 million is allocated to Human Services Provider Pay items in the Human Services Department, Department of Education and Early Learning (DEEL), and the Department of Neighborhoods. These items are investments in organizations contracted by the City to provide human services, child health and development services, and support and outreach to people experiencing homelessness. This technical item adds payroll tax appropriation for the portion of the Human Services Provider Pay items that are appropriated in the General Fund. The other Human Services Provider Pay item that is not included in this Finance General change provides \$2.9 million in direct appropriation from payroll tax to DEEL to support child care workers. See the DEEL budget book section for more information.

Accelerate Replenishment of Emergency Fund

Expenditures	\$8,500,000
Revenues	\$8,500,000

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

This budget adjustment will increase appropriations in Finance General by \$8,500,000 to transfer additional General Fund to the Emergency Fund (10102). This transfer accelerates the replenishment of the Emergency Fund after it was drawn down during the COVID emergency. The Emergency Fund policy states that the City should make contributions to meet the target fund balance within five years and sooner if practically possible. An additional \$8.5 million is also included in the 2023 Year-End Supplemental Ordinance. With the changes from 2023 and 2024, the General Fund Financial Plan reflects that the City will reach the target fund balance in the Emergency Fund one year sooner than anticipated in the 2023 Adopted Budget, which helps reduce the projected 2025-2026 general fund deficit.

Proposed Technical

Transfer General Fund to the Seattle Information Technology Department

Expenditures	\$225,000
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This change adds \$225,000 General Fund to Finance General to transfer to the Seattle Information Technology Department (ITD). In the 2024 Endorsed Budget, the Council inadvertently budgeted General Fund for costs related to the Technology Matching Fund directly in ITD; however, ITD receives General Fund through a cash transfer from Finance General. This item corrects that error.

Transfer General Fund to Revenue Stabilization Fund

Expenditures	\$553,520
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This is a technical adjustment to true-up the General Fund transfer to the Revenue Stabilization Fund, according to policies outlined in SMC 5.80.020 which govern the transfer amount. The total transfer in the 2024 Adopted Budget is \$2,252,224.

Move Trial Court Reserve to Finance General

Expenditures	\$798,696
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Washington State elected judicial salaries are set by Washington Citizens' on Salaries for Elected Officials. As directed in Ordinance 122112, Seattle Municipal Court (SMC) judicial salaries are set at 95% of the district court. Setting SMC judicial salaries at this level qualifies the city to receive a contribution from the state for one-time improvements. The state's contribution is generally \$150,000 annually and is applied to the Trial Court Improvement Account in Finance General. Ordinance 122112 permits appropriation by annual budget or by separate ordinance, solely to fund allowable SMC related expenditures.

Finance General

The 6-year Financial Plan for the General Fund has kept a planning reserve for a Trial Court Improvement Account; this reserve is moved to Finance General Reserves as part of the 2023-2024 Proposed Mid-Biennial Budget Updates. Outyear costs are expected to increase beyond inflation and will continue to be held in planning reserves on the General Fund financial plan until they can be appropriated through the annual budget process. The 2024 reserve amount is \$798,696.

Transfer General Fund to the School Safety, Traffic and Pedestrian Improvement Fund

Expenditures \$790,000

This item transfers \$790,000 of General Fund revenue to the School Safety, Traffic and Pedestrian Improvement (SSTPI) Fund to restore some of the school safety projects that were paused or cut in Department of Transportation as result of lower projected revenues in the SSTPI Fund in 2024.

Adjust Recurring Reserves

Expenditures \$1,233,000

The Finance General department pays a variety of recurring costs on behalf of the City each year, related to General Fund payments for election costs, fire hydrant maintenance, street lighting, debt service and other contracts. This item includes baseline budget changes to these recurring reserve amounts to maintain the same level of service. Specifically, this adds \$24,000 GF for an annual payment to the Puget Sound Clean Air Agency for air quality management; \$652,000 GF to increase a recurring reserve for Fire Hydrants; \$83,000 GF for the General Fund's art rental management charges; and \$473,000 GF for invoices related to the State Examiner's Office.

Create New Reserve for Fleet Vendor Maintenance

Expenditures \$1,800,000

This item creates a new reserve in Finance General for \$1,800,000 related to anticipated fleet vendor maintenance costs in the Department of Finance and Administrative Services. Costs were higher than anticipated in 2023. Should the reserve be necessary, this general fund will be transferred to respective department budgets through a 2024 supplemental ordinance.

Transfer General Fund to Judgment and Claims Fund

Expenditures \$4,705,951

Per Resolution 31847, budget appropriation for the Judgment and Claims Fund must be set at the 90% confidence level of meeting actual expenditures as estimated by the City's actuaries every year. This item increases funding to the Judgment and Claims Fund above the 2024 Endorsed by \$4,705,951 to achieve the 90% confidence level for 2024. This confidence level has significantly increased from assumptions made in the 2024 endorsed budget because the latest actuarial study incorporates claims and litigation data from 2022, which show an extraordinary level of outside counsel and settlement expenses primarily associated with lawsuits resulting from the racial justice protests of 2020. The total General Fund transfer in 2024 is \$8,982,255.

Reduce SPD Reserve for Department of Justice Settlement Agreement/Police Accountability

Expenditures \$(191,887)

The Council altered the Department of Justice Settlement Agreement/Police Accountability reserve in the adopted budget changing the total reserve amounts. Refer to the Council Changes section below. The proposed budget description follows:

Finance General

The 2023-2024 Proposed Mid-Biennial Budget Updates reduces the Finance General Reserve for the Department of Justice Settlement Agreement/Police Accountability by \$191,887; these funds are transferring to the Community Police Commission (CPC) for a Deputy Director position. This change, along with other ongoing changes resulting from current year legislation, brings the total reserve to \$885,024 in 2024.

Debt Service Adjustment

Expenditures \$(552,189)

This is a technical change request to true up debt service payments for Finance General in the Cumulative Reserve Subfund, the Real Estate Excise Tax Funds, the General Fund and the Short-Term Rental Tax Fund, as well as reduce budget appropriations associated with prior year bond funds. These are technical adjustments to budget the precise amount of debt service, which is only known after bond issuance.

Citywide Adjustments for Standard Cost Changes

Expenditures \$(1,643,571)

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, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

One-time Use of Office of Labor Standards' Fund Balance

Expenditures \$(1,170,607)

The Council altered the Office of Labor Standards reserves in the adopted budget changing the total reserve amounts. Refer to the Council Changes section below. The proposed budget description follows:

This reduces the General Fund transfer to the Office of Labor Standards (OLS) Fund by \$1,170,607 to reflect OLS' one-time use of fund balance in 2024. The total transfer to OLS in the 2023-2024 Proposed Mid-Biennial Budget Updates is \$ 7,147,592.

Ongoing Changes from 2023 Legislation

Expenditures \$(2,184,353)

The Council altered the Department of Justice Settlement Agreement/Police Accountability and Office of Labor Standards reserves in the adopted budget changing the total reserve amounts. Refer to the Council Changes section below. The proposed budget description follows:

This change includes ongoing budget and/or position changes resulting from current year legislation in 2023, including the Q3 Supplemental Ordinance. Specifically:

- The Alternative 911 Response reserve is reduced by \$1,595,855 in Finance General; there is no reserve remaining. Funds will be budgeted in the newly renamed CARE Department on an ongoing basis.
- The Department of Justice Settlement Agreement/Police Accountability reserve is reduced by \$596,498. These funds will be budgeted in the Office of Inspector General. This change, combined with a separate proposal to transfer \$192,000 of reserve funds to the Community Police Commission, bring the total balance in the Court-appointed Monitor reserve to \$885,024 in 2024.
- The ongoing transfer to the Office of Labor Standards is increased by \$8,000 for a total transfer of \$7,147,592 in 2024, when combined with a separate proposal to use one-time fund balance in 2024.

Finance General

Account Level Transfers

Expenditures -

This item includes technical, net-zero transfers across various accounts within Finance General to align budget with the accounts where costs will be incurred.

Council

SCERS Contribution Rate Change

Expenditures	\$(189,362)
Revenues	\$578,681

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges. This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

Increase Transfer from Jump Start Fund to General Fund and Swap Funding Source of Proposed Expenses

Expenditures	\$5,471,634
Revenues	\$5,471,634

This Council action increased the transfer from the JumpStart Fund to the General Fund (GF) by \$10 million and changed the fund source from the JumpStart Fund to the GF for these 2024 Proposed Budget adds to ensure spending is consistent with the JumpStart Fund policies, including:

- \$4.5 million in the Human Services Department, Department of Education and Early Learning (DEEL), and Department of Neighborhoods for Human Services Provider Pay increases;
- \$2.9 million in DEEL for childcare workers;
- \$142,000 in the Seattle Department of Construction and Inspections to add a code compliance analyst to support the Economic Displacement Relocation Assistance (ERDA) program;
- \$850,000 in the Department of Finance and Administrative Services for start-up costs for the Social Housing Public Development Authority; and,
- \$916,000 in HSD for the relocation of Rosie's Village, a tiny home village in the University District.

Add \$222,000 for a Deputy Director in the Office of Police Accountability

Expenditures	\$(222,000)
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This Council Budget Action (CBA) would add \$222,000 GF in 2024 to the Office of Police Accountability (OPA) for an existing Deputy Director position that was added in the 2023 Mid-Year Supplemental Ordinance. The 2024 Proposed Budget Adjustments assumed that the position would be funded from 2024 OPA salary savings. After the development and transmittal of the 2024 Proposed Budget Adjustments, the OPA Director indicated that the agency will not have sufficient salary savings in 2024 to cover this position. The Deputy Director is a position that is required by the City's Accountability Ordinance (see ORD 125315) and is currently filled.

Finance General

This CBA would also reduce proposed funding for the Seattle Police Monitor Reserve by \$222,000 GF in Finance General (FG) to align FG reserves with expected spending.

Consulting Funding for External, Independent Investigations

Expenditures	\$(50,000)
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This CBA adds \$50,000 for external independent investigative entities to handle conflict-of-interest cases when necessary, such as investigations about conduct by the Chief of Police. Ordinance 126628 provides the OIG with authorization to investigate the Chief of Police when necessary, but does not ensure funding to do so. OIG will report to the Public Safety and Human Services Committee, or a successor committee, before May 1, 2024, on whether the addition of \$50,000 is sufficient to pay for the number of conflict-of-interest cases that are projected to occur before year-end 2024. Funding is transferred from the Finance General Department of Justice (DOJ) Settlement Agreement/Police Accountability reserve.

Funding to Support Community Roots Housing Loan Forgiveness

Expenditures	\$333,333
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The Council added \$333,000 JumpStart Fund to Finance General to support the forgiveness of the General Fund loan provided to Community Roots Housing (CRH). In 2020, the City provided a \$1 million GF supported, three-year loan to CRH to help mitigate the financial impacts of the COVID-19 pandemic. This funding will backfill the revenue loss from forgiving the first year's loan repayment. The use of these funds is contingent upon the Council approving Council Bill 120703 authorizing the Office of Housing Director to forgive the loan.

Reduce Transfer to Emergency Fund to Create a Reserve for Rosie's Village Relocation

Expenditures	-
Revenues	\$(816,000)

This Council action reflects the reduction of \$816,000 from the Proposed Budget line to replenish the Emergency Fund. This funding is being repurposed for the relocation of Rosie's Tiny House Village to fund a one-time 2% provider pay increase and a 7.5% inflationary adjustment for \$5.2 million of 2023 funds expected to be carried forward into 2024 for homelessness services. The reserve has been moved from the Human Services Department (HSD) to Finance General until the proviso for funding is met by HSD. Please see the Human Services Department Adopted Budget section for more details related to this transaction.

Increase General Fund Transfer to Office of Labor Standard Fund for Increased Staffing Costs

Expenditures	\$137,000
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This Council action increases the General Fund transfer to the Office of Labor Standards Fund (00190) for increased staffing costs in 2024 and beyond. Please see the Office of Labor Standards Adopted Budget section for more information.

Recognize Revenue Impact from Council Bill 120689

Revenues	\$(4,171,452)
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This Council action recognizes the revenue impact of proposed budget legislation (Council Bill 120689) that would renew the deduction from the payroll expense tax for compensation between \$150,000 and \$399,999.99 at non-profit healthcare entities. The legislation renews the deduction through 2026. Based on estimates from the Office of Economic and Revenue Forecasts, renewing the deduction would reduce projected revenue to the JumpStart Fund by \$4.2 million beginning in 2024.

Finance General

2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Appropriation to Special Funds	00100 - General Fund	166,846,368	10,801,472	177,647,839
	00164 - Unrestricted Cumulative Reserve Fund	1,076,500	2,030,196	3,106,696
	00166 - Revenue Stabilization Fund	0	0	0
	10102 - Emergency Fund	0	0	0
	12200 - Short-Term Rental Tax Fund	2,008,577	1,593	2,010,170
	14000 - Coronavirus Local Fiscal Recovery Fund	0	0	0
	14500 - Payroll Expense Tax	93,399,801	-672,142	92,727,659
	30010 - REET I Capital Fund	1,721,353	-1,721,353	0
	30020 - REET II Capital Fund	320,450	-320,450	0
	35200 - 2008 Multipurpose LTGO Bond Fund	0	0	0
	35400 - 2010 Multipurpose LTGO Bond Fund	0	0	0
	35500 - 2011 Multipurpose LTGO Bond Fund	0	0	0
	35700 - 2013 Multipurpose LTGO Bond Fund	0	0	0
	35710 - 2013 LTGO Series B Taxable	0	0	0
	36210 - 2015 Taxable LTGO Bond Fund	0	0	0
	36310 - 2016 LTGO Taxable Bond Fund	0	0	0
	36900 - 2022 Multipurpose LTGO Bond Fund	0	0	0
	37000 - Garage Disposition Proceeds	397,115	-397,115	0
	37200 - 2024 Multipurpose LTGO Bond Fund	4,709,708	0	4,709,708
Appropriation to Special Funds Total		270,479,871	9,722,201	280,202,072
General Purpose	00100 - General Fund	48,496,977	2,144,856	50,641,833
	00155 - Sweetened Beverage Tax Fund	0	0	0
	00164 - Unrestricted Cumulative Reserve Fund	0	0	0
	12400 - Arts and Culture Fund	10,379,000	0	10,379,000
	13000 - Transportation Fund	313,000	0	313,000
	14500 - Payroll Expense Tax	13,100,000	-13,100,000	0
	19900 - Transportation Benefit District Fund	0	0	0
	41000 - Light Fund	0	0	0
	43000 - Water Fund	0	0	0
	44010 - Drainage and Wastewater Fund	0	0	0
50300 - Finance and Administrative Services Fund	490,000	0	490,000	
General Purpose Total		72,778,977	-10,955,144	61,823,833
Grand Total		343,258,848	-1,232,943	342,025,905