

2018 Adopted Budget Executive Summary

On November 20, 2017, following nearly two months of intensive review and discussion, the Seattle City Council's Select Budget Committee approved the 2018 Adopted Budget, [Ordinance 125475](#). The Full City Council voted 8-1 to approve the budget later the same day. As a result of its review and deliberations, the Council made a number of modifications to the Mayor's 2018 Proposed Budget. The purpose of this executive summary is to highlight the most significant elements of these changes. This summary of the changes in the adopted budget must be read in conjunction with the summary of the 2018 Proposed Budget, which describes the major elements of the budget as it was proposed to the Council by the Mayor (and follows this section).

The City of Seattle completed a reimplementation of its accounting system on January 2, 2018, which included significant changes to how the City budgets. An overview of those changes are captured in the 2018 Budget Conversion section, which immediately follows this executive summary.

Revenue

The local and regional economy again experienced substantial growth in 2017. The 2018 Proposed Budget was balanced against a revenue forecast relying on data available through August 2017. This forecast was revised in November, as it is each year, and the new forecast projected some changes in resources. For the General Fund, 2017 on net was revised downward approximately \$500,000 and 2018 was revised upward by \$2.5 million. The forecast for school zone camera enforcement revenues was increased \$542,000 in 2017 and \$389,000 in 2018, and commercial parking tax was also increased by approximately \$1.3 million in each of 2017 and 2018.

Changes in Total Appropriations

The 2018 Proposed Budget included a total of \$5.6 billion in annual appropriations, of which \$1.3 billion was for the General Fund. The Council actions increased 2018 General Fund appropriations by \$15 million. The increased appropriations by the Council were made possible by additional General Fund revenue, the use of fund balances made available for general government use, and interfund loans supported by future revenues from the Short-Term Rental Tax and the proceeds from future property sales. These Council modifications to the budget, which targeted several different policy priorities, are described below for significant changes. Additional details may be found in each department section of the budget under "Council Changes."

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Services for People Living Unsheltered, \$5,900,000

Increasing funding to provide services to people living unsheltered continued to be a priority for the Council. Almost \$5 million was added to the Human Services Department (HSD) to increase funds for the Pathways Home RFP, funding to support homeless youth prepare for employment and education opportunities, and two additional sanctioned encampments. The team created to respond to the City's emergency order on homelessness, proposed to move from the Office of the Mayor to Department of Finance and Administrative Service, was instead moved to HSD. A \$400,000 increase was made in the Department of Education and Early Learning (DEEL) for a homeless child care program. The Council has held \$500,000 in a Finance General (FG) reserve for a future opportunity and housing center on Capitol Hill for homeless youth and young adults. Additional information can be found in the HSD, DEEL and FG sections of the budget.

New City Tax on Short-Term Housing Rentals, \$8,100,000

The Council also created a new tax on short-term housing rentals, scheduled to begin in 2019. In order to prepare for collecting and administering the tax, \$4.7 million was added to the Department of Finance and Administrative Services and \$3.4 million was added to the Seattle Information Technology Department.

General Fund Reductions Made to Fund Other Council Priorities

- **Reductions to the Department of Parks and Recreation, -\$315,000.** Two General Fund reductions were made to the department's budget. The \$315,000 was an ongoing cut eliminating two positions and funding. An additional one-time \$961,000 reduction was made using other funds, freeing up General Fund resources, but not reducing the total appropriation.
- **Reductions to the Office of the Mayor and Legislative Department, -\$775,000.** The Council reduced the Office of the Mayor's budget by \$400,000, and the Legislative Department's budget by \$375,000.
- **Reduction in Funding for the Surveillance Ordinance, -\$250,000.** The proposed budget included \$350,000 to assist the City Auditor in completing work to support the surveillance ordinance, and this cut reduces that to \$100,000 in one-time 2018 funds.

Other Significant Council Changes

- **Enhancements to Domestic Violence and Sexual Assault Services, \$1,150,000.** The proposed budget included a \$500,000 reserve for domestic violence and sexual assault services. The Council moved that reserve to HSD and then added an additional \$1.15 million.

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- **Community Health Engagement Location, \$1,300,000.** The Council held this one-time funding in a reserve in Finance General for the creation of a center in the city for basic medical treatment, wraparound services and case management. The location would be funded and operated in conjunction with Public Health – Seattle & King County.
- **Additional Investments in Police Accountability, \$690,000.** In order to better support two departments with new police accountability work, \$365,000 was added to the Community Police Commission for three additional staff, and \$325,000 was added to the Office of Police Accountability for two additional staff and training resources.
- **Reallocation of REET to Participatory Budgeting, \$1,000,000.** The Council reallocated \$1 million of real estate excise tax (REET) resources from projects to a Youth Voice, Youth Choice program.
- **Eliminating the Bridge System Enhancement Project, -\$3,000,000.** This pilot project, using Commercial Parking Tax revenues, would have created a pilot project for remote bring operations. The Council eliminated the project and used the resources for other transportation priorities.