

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 Proposed
Department Support				
General Fund Support	273,060,860	199,963,662	215,343,344	228,614,034
Other Funding - Operating	182,107,356	139,082,953	127,915,504	107,931,266
Total Operations	455,168,216	339,046,615	343,258,848	336,545,299
Total Appropriations	455,168,216	339,046,615	343,258,848	336,545,299

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Incremental Budget Changes

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	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	-	-
Total Incremental Changes	\$(6,713,549)	-
Total 2024 Proposed Budget	\$336,545,299	-

Description of Incremental Budget Changes

Proposed Operating

Remove Jumpstart Payroll Expense Tax Economic Revitalization Strategy Implementation Reserve

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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 Proposed Mid-Biennial Budget Adjustments.

Reduce Jumpstart Payroll Expense Tax Transfer for General Operating Expenses

Expenditures \$(10,000,000)

Revenues \$(10,000,000)

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments 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 City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriates approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$11 million is allocated to special exceptions to the spending categories for 2023 and 2024. This technical item adds payroll tax appropriation for the portion of the special exceptions items that are appropriated in the General Fund for Human Services Provider Pay. 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

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

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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

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

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 Mid-Biennial Budget Update is \$2,252,224.

Move Trial Court Reserve to Finance General

Expenditures \$798,696

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.

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 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 \$1.5 million of General Fund revenue to the School Safety, Traffic and Pedestrian Improvement (SSTPI) Fund. Ordinance 125379 establishes that 20% of revenues collected from red light camera infractions, among other revenues, should be spent for school traffic and pedestrian safety and directly related infrastructure projects; pedestrian, bicyclist, and driver education campaigns; and installation, administrative, enforcement,

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operations and maintenance costs associated with the school zone fixed automated cameras. These funds have historically been collected in the SSTPI Fund. In November 2018, the City Council temporarily diverted this portion of red light camera infraction revenue to the General Fund in Ordinance 125719 for the years of 2018, 2019, and 2020, given higher than anticipated SSTPI revenues. The restoration of 20% of red light camera infraction revenue was not re-instated in 2021 and 2022 due to error. This transfer corrects the error by contributing the amount of revenue associated with 20% of red light camera infraction revenue in 2021 and 2022 to the SSTPI Fund.

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 2023-2024 Proposed Mid-Biennial Budget Adjustments 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)

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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 actual amount of debt service.

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)

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 Adjustments is \$ 7,147,592.

Ongoing Changes from 2023 Legislation

Expenditures \$(2,184,353)

This change includes ongoing budget and/or position changes resulting from current year legislation in 2023, including the Year End 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.

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.

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2023-24 Proposed Mid-Biennial Budget Adjustments - Expenses

Budget Summary Level		Budget Process Phase Endorsed	Proposed Changes	Grand Total
Appropriation to Special Funds	00100 - General Fund	166,846,368	11,823,233	178,669,601
	00164 - Unrestricted Cumulative Reserve Fund	1,076,500	2,030,196	3,106,696
	12200 - Short-Term Rental Tax Fund	2,008,577	1,593	2,010,170
	14500 - Payroll Expense Tax	93,399,801	-6,477,109	86,922,692
	30010 - REET I Capital Fund	1,721,353	-1,721,353	0
	30020 - REET II Capital Fund	320,450	-320,450	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	4,938,995	275,418,867
General Purpose	00100 - General Fund	48,496,977	1,447,456	49,944,433
	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
	50300 - Finance and Administrative Services Fund	490,000	0	490,000
General Purpose Total		72,778,977	-11,652,544	61,126,433
Grand Total		343,258,848	-6,713,549	336,545,299