2027-2028 Proposed Budget Overview

Introduction

The City of Seattle's 2027-2028 Proposed Budget is Mayor Katie B. Wilson's first and makes significant progress in long-term budget sustainability and financial resilience while preserving and investing in programs that make Seattle more affordable for its people.

The proposed budget supports a city where everyone belongs by prioritizing essential community needs, including: serving 2,000 people annually in nearly 1,000 new units of shelter; sustaining essential meal programs and rental assistance; expanding public restrooms; and allocating over $300 million to affordable housing. The budget advances a safer Seattle by expanding afterschool and late-night programs for teens, funding a new gun violence plan, supporting 1,250 police officers in both 2027 and 2028, and sustaining $100 million in alternative response programs. It is grounded in our values by sustaining new 2026 investments in immigrant and refugees and makes a new ongoing $500,000 commitment to queer and trans-led organizations. Finally, this budget expands affordability for working people in Seattle through expanded transit service and library hours, more scholarships for programming at parks and community centers and universal school meals in all Seattle Public Schools.

The City's annual budget has been stuck in a repeating cycle since the COVID-19 pandemic began in early 2020: Each budget process begins with a projected General Fund deficit for the following year and then spends months bridging the gap by using one-time funding, new or restricted revenues that were not always prioritized to address the deficit, and reducing spending through temporary measures like hiring freezes.

Sustainable, stable budgeting is crucial to providing essential programs for the people of Seattle, and for the City employees and partner agencies who make them possible.

Mayor Wilson's 2027-2028 Proposed Budget is the first after the pandemic to break this cycle and project a balanced budget several years out.

Long-term Fiscal Challenges

Seattle experienced record and sustained growth during the 2010s, making it the fastest growing large city in the United States for several years. At its peak, an average of more than 50 newcomers arrived in Seattle every day. Similarly, the City's budget grew at an unprecedented rate, driven by new residents, new residential and commercial construction, and regional economic growth.

To meet the needs of the growing city, the City's catalog of services also grew. In 2010 the City had 11,400 FTE in 32 departments. In 2026, 13,700 FTE are spread across 42 departments (including Seattle Public Libraries). The Department of Education and Early Learning, the Community Assisted Response Department (CARE), Office of Employee Ombud, and Office of Immigrant and Refugee Affairs, among several others, are all new City departments created during that time to address new challenges and fill acute needs.

As Seattle's population grew quickly, so did its wealth and income gaps. The number of people living unsheltered on Seattle streets rose from approximately 3,100 in 2014 to nearly 10,000 in 2024. As service needs grew, City investments in homelessness and affordable housing more than quadrupled, from approximately $75 million in 2010 to more than $530 million in 2026.

Paying for these new costs, at the scale of community need, has been a challenge. Revenues into the City's most flexible fund, the General Fund, are limited by State law, including a cap on property tax revenue growth. To compensate for this, new revenue sources were created but have often been designated for new or expanded uses, and not to sustain existing services that depend on the General Fund. Now, the booming economy that attracted so many new people to Seattle has stalled as macroeconomic forces in trade, technology and global conflict combined with lingering impacts of a pandemic that caused prices to rise to new levels and reshaped our urban spaces. This has meant uncertainty in the outlook for future revenues. New or expanded revenue sources have helped to relieve budget pressures but often rely on a narrow tax base, adding to the potential for future revenue volatility.

This combination of record growth in population and City services, many revenue increases being tagged to new spending, pandemic impacts, statutory/growth limitations on certain General Fund revenues, and a high inflationary environment for several years, led to this cycle of annual projected budget deficits.

Until now those annual deficits have primarily been solved for in one- or two-year increments by:

- Self-imposed spending restrictions. Previous administrations have used temporary hiring freezes, paused large new contracts, or temporarily slowed other spending to squeeze funds from current year budgets to balance the following year. If not combined with other permanent or long-term strategies, these temporary measures are unsustainable and impact service delivery.

- Until 2025-2026, annually adjusting the City's spending plan for JumpStart Payroll Expense Tax (JumpStart) revenues to allow for an increased transfer to the General Fund rather than showing an ongoing projected transfer amount necessary to maintain levels of service.

- Using one-time funds (including federal COVID relief dollars, one-time program reductions or fund swaps, and fund balance) to pay for ongoing expenses, including new and expanded programs.

Mayor Wilson's Approach

When Mayor Wilson took office in January, she told City departments – including budget staff – that all reasonable options had to be considered in approaching this structural budget deficit, including:

- Aligning annual program budgets to historical costs;
- Rolling back some new or expanded programs that had not yet been implemented, and were added without a way to sustain the ongoing costs;
- Restoring fiscal footing by using recurring revenues for recurring expenses and limiting one-time revenues to one-time uses; and
- Making difficult reductions to staffing and program funding to stabilize the City's financial position – preserving direct services whenever possible.

The 2027-2028 Proposed Budget implements all of these approaches in strategic ways to move towards long-term stability. This resulted in over $50 million in reductions to General Fund spending each year and over $50 million in fund swaps each year. This includes, for example:

- Aligning Seattle Public Utilities' (SPU) budget for RV Pump-out services to match actual spending ($600,000 annual ongoing savings). Before this alignment, the ongoing budget exceeded demand for pump out services.
- Slowing the expansion of the City's Community Assisted Response & Engagement Department's (CARE) Community Crisis Responders (CCRs). This budget eliminates funding for 14 of 24 positions added in the 2026 budget. All 14 positions are currently vacant. The CARE Department expanded service without filling these positions by adjusting its staffing model, including: a) expanding geographically; b) increasing hours of operation; and c) creating a three-shift system with an early and late shift that overlaps critical middle-shifts.
- Renegotiating lease terms for the City Attorney's Office that results in $595,000 of savings in 2027 and $827,000 in 2028.
- Changing the Office of Housing's approach for JumpStart-backed capital investments.
- Increasing the rental unit fees at SDCI to generate $791,000 in revenue that will provide an ongoing funding source to support the implementation and enforcement of the City's new Residential Rental Fee policy (Ordinance 127479).

- Acknowledging that the one-time fund swaps with the General Fund must be sustained to stabilize City services - such as the $7.1 million in fund swaps between the General Fund and the Seattle Park District Fund that are made ongoing to maintain core parks programming and services like grounds maintenance and community center staffing.
- Eliminating 128 positions, 15 of which are filled and represent expected layoffs. While it is never an easy decision to lay off City employees, these positions represent a small portion of the 13,500+ FTEs the City currently employees.

The proposed budget continues to depend heavily on JumpStart revenues to support key City programs beyond the original spending plan, including maintaining the ongoing transfer to the General Fund in 2027 and later years, as assumed in the 2026 Adopted Budget. It also revises the Office of Housing's approach for JumpStart-backed capital investments, freeing up $65 million in one-time fund balance through an abandonment of 2026 appropriations in the Year-End Supplemental budget ordinance. Under this approach, OH will pursue multiple strategies for managing multifamily rental funds dedicated to new capital projects, including forward commitments of future year JumpStart Payroll Expense Tax. Finally,. Finally, the Proposed Budget shifts roughly half the cost of the City's homelessness response from the General Fund to the JumpStart Fund. Financial plans for both funds anticipate beginning to reverse this shift in 2029 and includes a one-time reduction to JumpStart investments in 2029 that is restored in 2030. Even with this one-time reduction in 2029, the plan sustains Mayor Wilson's commitment in all years that at least 30% of annual JumpStart tax revenues are allocated to the Office of Housing.

Mayor Wilson remains committed to pursuing new progressive revenue sources – to address the rising cost of maintaining basic services and the community's growing needs – and to eventually dedicate more of JumpStart spending to its original purpose. However, the reality is that without the JumpStart revenue support to the General Fund the City would be unable to preserve essential services that people rely on daily.

The proposed budget does not dip into reserves for balancing. This budget preserves the City's General Fund fiscal reserves and makes required contributions to the City's Revenue Stabilization Account (Rainy Day Fund), Emergency Fund, and JumpStart Payroll Expense Tax Reserve.

Future Progressive Revenue

The above measures create a more sustainable budget, but does not allow for an expansion of services at the scale of community needs. Achieving a city where all families can afford childcare, housing, and access to the education, cultural, and arts experiences the region has to offer requires pursuing ongoing progressive revenue. Because most progressive revenues will require action from the state legislature, or would face challenges in implementation, it was not feasible to propose one in 2026. However, the Mayor and some Councilmembers have prioritized working towards new, progressive revenue options, including a local Capital Gains tax, in future year budgets.

Key 2027-2028 Investments in the Proposed Budget

Mayor Wilson's 2027-2028 Proposed Budget includes investments designed to make Seattle more affordable and safer for its people, including:

Housing and Homeless Services

A key investment area for Mayor Wilson's first budget is housing and homeless services. The 2027 Proposed Budget includes $347.7 million in 2027 for the Office of Housing (OH), covering rental/homeownership capital, operating costs, and OH administration. The 2027 Proposed Budget includes $445.3 million for the Human Services Department to continue and expand programs serving Seattle's most vulnerable residents. The proposed budgets for the Office of Housing and the Human Services Department:

- Maintain $183.5 million for ongoing investments to address homelessness, including the preservation of over $10 million dollars of ongoing funding and $6.5 million Human Services Fund two-times (2027 and 2028) for rental assistance and other homeless prevention investments, and $37 million to stand up nearly 1,000 units of shelter by the end of 2027, serving 2,000 people annually through Mayor Wilson's shelter accelerator initiative.
- Provide $10.2 million in contract inflation to support increased provider wages at Human Services Department-contracted provider organizations.
- Preserve the Office of Housing's $140.2 million allocation of JumpStart Payroll Expense Tax Fund – this reflects over 30% of projected 2027 annual JumpStart tax revenue.
- Add $294,000 and 1.0 FTE for a new Housing Ombud position that will help low-income housing permit applicants navigate cross-departmental permitting processes.

Food Access

Addressing food insecurity is a major City priority. The proposed budget allocates $57 million in 2027 funding to support community food security, which covers Seattle's direct food assistance programs. This includes:

- $4 million of ongoing funding for food banks and other meal delivery programs that was added one-time in 2026, bringing total HSD funding for food and nutrition programs in 2027 to $35.8 million.
- $6.3 million of ongoing funding to make permanent the Fresh Bucks expansion that was added one-time in 2026. This increases the total Fresh Bucks program funding to more than $11 million annually, serving 20,000 households.
- $4 million of one-time funding for Universal School Meals at all Seattle Public Schools.
- $655,000 ongoing to implement the program added by the City Council in 2026 to provide food vouchers for low-income families on weekends and school breaks.

Public Safety

The 2027-2028 Proposed Budget advances a comprehensive approach to public safety that recognizes there is no single intervention capable of keeping Seattle communities safe. The City must be able to respond quickly when harm occurs, focus law enforcement resources on the people and places experiencing the greatest threats of violence, and invest upstream in the services and community partnerships that can prevent crises before they happen.

Despite significant cost pressures, the proposed budget maintains core emergency services while strengthening Seattle's broader public safety system. It supports 1,250 Seattle Police Department officers and continues more than $100 million in annual investments across community safety, violence prevention and intervention, alternative emergency response, victim and survivor services, and other programs in 2027. Together, these investments are intended to make Seattle's public safety response more effective, more targeted, and more accountable for results. Highlights in the 2027-28 Proposed Budget include:

- The Seattle Police Department's (SPD) 2027 Proposed Budget includes $556 million to support public safety. Compared to the 2026 Adopted Budget, this increases SPD's budget by $68 million (13.9%) annually to fund 1,250 officers in both 2027 and 2028, 66 more than were funded in the 2026 Adopted Budget. This net growth includes a reduction of $9.5 million, including eliminating funding for 28 civilian positions (four of which are filled), and reducing funding in SPD's marketing and recruitment budget to help address the structural budget deficit.

- The Seattle Fire Department's (SFD) 2027 Proposed Budget includes $346 million to maintain core fire and emergency response services, reflecting the City's budget constraints, with a $7.1 million reduction to its overtime budget. The budget also increases ongoing funding for maintenance and utilities to better reflect actual expenditure trends and adds 5.0 FTE Firefighter to staff peak-time aid car. In addition, the proposed budget adds $8.7 million over the biennium in the Department of Finance and Administrative Services' (FAS) budget to increase funds for renovations to Fire Station 25.

- The Community Assisted Response &Engagement (CARE) Department's proposed budget of $72.6 million sustains operations of the 9-1-1 Dispatch Center and Community Crisis Responders working 6:30am-1:00am in most areas of the city. The proposed budget also supports the Mayor's Gun Violence Plan (MGVP) with funding transferred from HSD to CARE. These investments will support immediate actions to address gun violence including designating CARE as the city's command center for gun violence reduction strategies, aligning community-based violence services with 911 emergency response, network coordination for Seattle's Community-led Safety Network, launching Violence Reduction Councils to review homicides, and a new partnership with the University of Washington for data-driven assessment and evaluation.

  In addition, the CARE's 2027 proposed budget includes an increase of $1.6 million of ongoing funding for the CoLEAD program, the ongoing lease and operations of a housing site, which provides dedicated housing capacity for CoLEAD participants and specialized populations with behavioral health and substance abuse issues. The investment preserves continuity of services and is a key component of the City's alternative response and public safety strategy.

- The proposed budget maintains over $14.8 million to support the city's three-part police accountability system. This funds the work of the Office of Police Accountability, Office of Inspector General for Public Safety, and the Community Police Commission.

- The Department of Neighborhoods' proposed budget maintains $525,000 ongoing funding for the Community Safety Coordinator program. Community Safety Coordinators connect residents, businesses, and City departments to address crime and perceptions of safety in their neighborhoods. The program supports Ballard, Chinatown-International District, Capitol Hill, South Park, and University District neighborhoods. Additionally, the Department of Neighborhoods budget maintains $640,000 ongoing funding for the Rainier Beach: A Beautiful Safe Place for Youth program, an innovative, community-led approach to reduce the violence that affects youth in the Rainier Beach neighborhood.

- The Office of Economic Development proposed budget maintains $530,000 ongoing funding for neighborhood ambassadors and outreach activities in Ballard and the University District. Neighborhood ambassadors assist small businesses, welcome visitors, and foster safe and vibrant neighborhoods. Ambassadors facilitate communication between businesses, residents, City staff, unhoused individuals, and service providers.

- The Human Services Department proposed budget continues to support $45 million in ongoing investments in the Safe and Thriving Communities (STC) Division. The STC Division manages three areas of work:
    - The Mayor's Office on Domestic Violence and Sexual Assault serves as a regional funder and convener for efforts to end gender-based violence.
    - Crime Survivors Services directly offers survivor-centered and trauma-informed advocacy to the survivors of violent crime and/or their families, as well as 24/7 weekend response to Domestic Violence and Sexual Assault incidents.
    - Community Safety Investments fund community-based providers working to address harm, promote community safety and increase well-being. In the 2027 Proposed Budget, intervention contracts that are part of these investments will be transferred to the CARE department, and HSD will maintain contracts for violence prevention including supportive services and school-based safety services, including for safe passage to and from school.
- The Department of Education and Early Learning's proposed budget continues funding about $2.5 million in ongoing upstream efforts that equip youth with tools to navigate and avert violence and to reconnect to educational opportunities for those who are involved in, or at elevated risk of, criminal justice system involvement. Investments include restorative justice practices where students are taught conflict resolution skills with a focus on taking personal responsibility when harm occurs, and Opportunity-Based Mentoring, a new program launching in 2027 where professionally-trained adults will partner with school staff to support re-entry to school following discipline or justice system involvement, reduce chronic absenteeism, and connect students to post-secondary pathways.

Public Restrooms

Providing access to clean and safe public restrooms can help improve public health, support local businesses, and promote human dignity. The Proposed Budget preserves ongoing funding to maintain, renovate, and operate existing public restrooms and includes funding to expand access to public restrooms, including:

- $1.8 million of Seattle Park District and King County Parks Levy funds to add two new prefabricated restrooms (such as Portland Loos) in City Parks – one each at Cheryl Chow Park in Rainier Valley and a site in Northeast Seattle that will be determined in 2027.
- $971,000 annually of King County Parks Levy funding dedicated for park restroom renovation, bringing the annual ongoing restroom maintenance budget to about $2.8

million annually through 2031. This added funding is anticipated to support four new restroom renovations in the coming years, helping ensure existing park restrooms are accessible.

- $1.4 million of ongoing funding to the Department of Finance and Administrative Services to contract with a provider to install public restrooms in busy areas across the City. The use of Throne restrooms in Pioneer Square was a huge success during the 2026 World Cup. This will provide funding for up to 10 installations of this type of public restroom.

Youth Programs

The 2027-2028 Proposed Budget continues support for youth of all ages across many City departments, including childcare subsidies and preschool opportunities; education and library investments; arts, athletics, aquatics and recreational programming; school-day, summer, and weekend meal programs; physical and mental health support; youth violence prevention and school safety efforts; college and job readiness; and post-secondary pathway opportunities.

The proposed budget aligns the Families, Education, Preschool and Promise (FEPP) Levy spending to the FEPP Levy Implementation and Evaluation Plan, which was adopted in 2026 and contains significant investment for Seattle's youth, including about $185 million in 2027. The budget also reflects the passage of the 2026 Seattle Public Library Levy, which contains funding to continue and expand early literacy efforts and programming for at-risk youth. This budget also adds additional funding beyond that contained in the recent FEPP and Library levies for targeted youth support, including:

- $600,000 to create a new afterschool program pilot at Rainier Beach High School for students with two staff to support it, expand peer mentorships for teens at Rainier Beach Community Center, increase funding for contracts with community-based organizations that offer services to teens, and provide staffing and training to Seattle Parks and Recreation staff who work with our teens.
- $300,000 to sustain a Teen Late Night pilot at High Point Community Center, the ninth community center or Teen Life Center with Teen Late Night programming citywide. This free program, run by Seattle Parks and Recreation in partnership with Seattle Police Department, creates a supportive environment most Friday and Saturday nights for youth ages 13-19 by having trained adults provide educational services, intercultural activities, athletics, free pool time for certain locations, and career readiness opportunities.

- $400,000 to bring Seattle Parks and Recreation's recreational scholarship budget to $850,000 annually. This increase is expected to serve an additional 1,400 people every year. These funds allow low-income youth and residents, seniors, and youth with disabilities to access SPR's recreational programming, such as community center classes like pottery, dance and martial arts, environmental learning programs, and youth athletics.
- $300,000 one-time to continue support for the Department of Education and Early Learning's Post-Secondary Success Initiative which aims to increase student success at colleges and universities in Seattle by better understanding enrollment and completion gaps for underrepresented students.
- $570,000 one-time to add additional inclusive play elements at the West Magnolia play area renovation project, helping ensure every child, regardless of ability, can participate in play meaningfully.
- $557,000 to the Creative Advantage arts education program to further invest in providing equitable access to arts programming for all youth in Seattle Public Schools. This increase brings the total annual investment to $1.2 million.
- Adding two staff to enhance youth violence prevention supportive services and school safety services.

Standing for our Values

The proposed budget invests in communities and programs that are aligned with Seattle's values. This includes proposed funding to:

- Sustain $4 million in ongoing funding added in 2026 at the Office of Immigrant and Refugee Affairs for legal defense services, rapid response programs and English-language and workforce development programs. The proposed budget transfers ongoing $125,000 of the $4 million to the Office of Labor Standards for related work.
- Make a $500,000 ongoing commitment to queer and trans organizations, following initial recommendations from the 2026 Queer and Trans Stabilization Interdepartmental Team with leadership from the Office for Civil Rights and the LGBTQ Commission.
- Sustain funding at the Office of Labor Standards (OLS) to educate businesses and workers about the city's labor standards including for app and gig-based workers and to investigate and enforce those laws. In addition, the proposed budget includes $2.1 million of Network Company License (NCL) Fee-backed budget for OLS to implement and

enforce two app-based worker labor standards, the App-Based Worker Minimum Payment and App-Based Worker Deactivation Rights Ordinances.

- Add $175,000 of one-time funding to implement Fair Pricing legislation, creating a new regulatory framework for algorithmic price discrimination for groceries and essential goods.

Transportation

The 2027-2028 Proposed Budget reflects the convergence of multiple challenges and opportunities facing the Seattle Department of Transportation (SDOT). SDOT's financial outlook changed significantly since the 2026 Adopted Budget. Fiscal challenges include higher costs in labor, materials, and contracting, alongside stagnant and declining revenues and over-programming of resources. The 2026 Year-End Supplemental Budget Ordinance and the proposed budget include changes to SDOT's budget to address these challenges head on.

Balancing the transportation budget moving forward requires refining project budgets to match actual spending projections, increased revenues, funding swaps, deferrals, and reductions. This budget maintains continuity of staff resources to support core services, delivery, and ramp-up activities related to full implementation of the 2024 Transportation Levy, Vision Zero investments, and expanded programs funded by the Seattle Transit Measure, which is before voters in November. This includes proposed funding to:

- Expand Metro Service Hours;
- Expand the Transportation Access Program (TAP) free ORCA card program for Seattle Housing Authority residents;
- Sustain operations of both South Lake Union and First Hill Streetcars;
- Implement Sound Transit 3 and reimbursable staffing needs;
- Implement transit-focused capital improvements; and
- Implement safety improvements through Vision Zero.

Total City Budget

The net change in the City's total budget for 2027 is an increase of 2.2% to $9.1 billion across all funds. The General Fund, the City's most flexible revenue source, is $2.0 billion in 2027, or 22% of the total budget. More than half of the General Fund revenues support public safety services, a core charter responsibility. Utilities comprise 40% of the total proposed budget. With nearly 80% of the City's resources dedicated or restricted by law to specific uses, the City's proposed budget maintains and strengthens commitments in priority areas while also responsibly managing changes in revenues. This budget provides a sustainable plan for responding to community priorities and commitments with the resources available.