

Office of Economic and Revenue Forecasts

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<http://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

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
General Fund Support	559,381	702,468	706,419	835,711
Total Operations	559,381	702,468	706,419	835,711
Total Appropriations	559,381	702,468	706,419	835,711
Full-Time Equivalent 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

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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	706,419	3.00
Baseline		
Citywide Adjustments for Standard Cost Changes	8,950	-
Proposed Operating		
Data Subscription Renewal	125,100	-
Council		
SCERS Contribution Rate Change	(4,757)	-
Total Incremental Changes	\$129,293	-
Total 2024 Adopted Budget	\$835,711	3.00

Description of Incremental Budget Changes

Baseline

Citywide Adjustments for Standard Cost Changes

Expenditures \$8,950

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.

Proposed Operating

Data Subscription Renewal

Expenditures \$125,100

The City's 2024 Adopted Mid-Biennial Budget appropriates approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$7 million is allocated to the evaluation and administration of the Payroll Expense Tax. This appropriation increase is to renew a data subscription administered by the Office of Economic and Revenue Forecasts and used directly in forecasting the Payroll Expense Tax and to support the modeling and forecasting of other significant revenue streams. The initial subscription was entered into to test the value of these data, and they have proven very useful in the forecasting process. This payroll tax increase provides resources to secure a lower 2-year total renewal cost relative to consecutive single-year renewals.

Council

SCERS Contribution Rate Change

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Expenditures

\$(4,757)

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.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Economic and Revenue Forecasts	00100 - General Fund	706,419	129,293	835,711
Economic and Revenue Forecasts Total		706,419	129,293	835,711
Grand Total		706,419	129,293	835,711