

## Sweetened Beverage Tax Community Advisory Board

<https://www.seattle.gov/sweetened-beverage-tax-community-advisory-board>

**Date:** September 15, 2023  
**To:** Mayor Bruce Harrell and Councilmember Teresa Mosqueda  
**From:** The Sweetened Beverage Tax Community Advisory Board  
**Subject:** Need new and stable revenue for programs supported by the Sweetened Beverage Tax  
**Cc:** Julie Dingley, Dan Eder, Dave Hennes, Tom Mikesell, Aly Pennucci, Alexandra Zhang

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Dear Mayor Harrell and Councilmember Mosqueda,

On behalf of the Sweetened Beverage Tax Community Advisory Board (CAB), we are writing to express support for the work you and the Revenue Stabilization Workgroup are leading to identify equitable and progressive financial solutions to address future revenue gaps. Like the General Fund, the Sweetened Beverage Tax is facing a projected revenue gap in 2025. What is more, demand for SBT-funded programs/services exceeds available revenue. As you continue to evaluate potential new revenue sources, we ask that you prioritize food and early learning programs/services in any future spending plans associated with new city revenues.

The SBT Fund supports critically important programs that increase food security, increase access to healthy food, and support child health and early learning. SBT investments include nationally recognized and locally beloved programs and services like Fresh Bucks (OSE), Farm to Preschool (HSD), Healthy Food in Schools (OSE), the Food Equity Fund (DON), the Prenatal-to-Three Community Grant Program (DEEL), the Child Care Assistance Program (CCAP) (DEEL), and the Developmental Bridge Program (DEEL). Additionally, critical hunger relief resources like food banks and meal programs (HSD) are supported by SBT.

If the City continues to operate and maintain SBT-funded programs/services at its current level (no expansions or consolidations), the SBT Fund expenses would outpace revenues by approximately \$2.3M in 2025 (source: [SBT Financial Plan](#)). Already, the SBT Fund has faced revenue gaps and cut expenditures. In 2022, the CAB worked with the City Budget Office and SBT-funded departments to identify and prioritize cuts and spending. While we were able to avoid reductions to direct services for low-income families, professional development for child care providers and an award-winning, youth-led [Be Ready Be Hydrated](#) campaign were among the cuts. (For the full list of cuts, see page 5 of our [2024 Budget Recommendations](#), transmitted June 20, 2023).

Meanwhile, concurrent with this revenue shortfall, demand for SBT-funded programs/services has increased and outpaces available funding. For example:

- Hunger relief programs (food banks and meal programs) continue to face increased demand from food insecure residents. This need is magnified by historically high inflation and the recent sunset of expanded, COVID-era food assistance funding from the City, County and federal governments.
- The Food Equity Fund receives funding requests that are four-to-five times more than the ongoing annual allocation.
- In the most recent Fresh Bucks open enrollment campaign, the program received applications from 3,200 households *above and beyond available enrollment spots*.
- The updated Food Action Plan coming out in 2024 has identified new actions to foster an equitable and resilient local food system.

City food and early learning programs/services that focus on addressing economic, racial, educational, and health inequities should not have to rely on investments and revenue sources that are known to be unstable. As noted in our [February 2023 presentation to the Finance and Housing Committee](#), there are several structural issues with the SBT Fund that makes this a precarious revenue source for such important food and family services. These issues include:

1. SBT does not adjust for inflation. In 2022, grocery costs were 11.4 percent higher than the year before, making it difficult for low-income households and the food programs trying to serve them.
2. SBT—by design—could one day be a declining revenue source. This is not a negative thing when we consider the public health goal of the SBT is to curb consumption of sugary drinks. However, it is a problem when the City’s essential services focused on addressing economic, racial, and health injustices are reliant on this unstable revenue source.
3. Finally, the SBT tax rate cannot be changed, and this is due to an industry-backed initiative that passed in 2018. This new Washington law prohibits local governments from enacting sugary beverage taxes and prohibits changes in our local SBT.

Cutting food and child development services for low-income individuals and families does not align with our city’s values and would harm our communities. Please prioritize food and child development programs/services in any future spending plans associated with new city revenues.

Sincerely,



Tanika Thompson-Bird, Co-Chair



Jen Moss, Co-Chair

## Attachment 1: Programs and Services Supported by the SBT Fund

In 2022, the SBT Fund supported almost \$22.5 million in programs and services focused on food security and early child development.

Food Access and Health Promotion	Managing Dept	2022 Baseline Budget
Fresh Bucks	OSE	\$5,169,865
Food Equity Fund Community Grant Program	DON	\$3,093,239
Food banks and home delivery	HSD	\$2,788,912
Farm to Preschool and Child Care	HSD	\$1,003,272
Community and older adult meal programs	HSD	\$978,967
Healthy Food in Schools	OSE	\$475,716
Recreational programming	SPR	\$302,531
CAB Administration	OSE	\$173,678
Food Access Administration	HSD	\$163,849
Food Policy	OSE	\$128,716
<b>Subtotal</b>		<b>\$14,278,745</b>

Early Learning, Education, Child Development	Managing Dept	2022 Baseline Budget
Child Care Assistance Program	DEEL	\$3,084,345
Prenatal-to-Three Grant Program	DEEL	\$1,500,000
Health and Developmental Supports	DEEL	\$1,414,109
Coaching and Training	DEEL	\$744,021
Home Visiting	DEEL	\$607,925
SBT Central Administration	DEEL	\$548,274
Family Child Care Support	DEEL	\$298,410
<b>Subtotal</b>		<b>\$8,197,084</b>

## Attachment 2: Community-Based Organizations supported by SBT in 2022

The following is a list of 2022 community-based organizations that were supported by the SBT Fund to implement food security and early child development programs and services.

African Community Housing & Development	City Fruit
American Polynesian Organization	Community Roots Housing
Asian Counseling and Referral Services (ACRS)	Cultivate South Park
Atlantic Street Center	Denise Louie Education Center
Casa Latina	East African Community Services
Children's Home Society of Washington	El Centro de la Raza
Chinese Information and Service Center	Empowering Youth and Families Outreach
Got Green	Eritrean Association of Greater Seattle
Harborview Medical Center	Families of Color Seattle
Horn of Africa Services	Family Works
Interim Community Development Association	FareStart
Kaiser Permanente	FEEST (Food Empowerment Education & Sustainability Team)
Backpack Brigade	Filipino Community of Seattle
Ballard Food Bank	Food For All Youth Leadership Program
Beacon Food Forest	Food Lifeline
Black Dollar Days Task Force	Freeway Park Association
Black Farmers Collective	Friends of FEED
Black Star Farmers	Geneses Early Learning
Build Lake City Together	Hip Hop is Green
Byrd Barr Place	Horn of Africa Services
Casa Latina	Hummingbird Indigenous Family Services
Central Area Senior Center	Hunger Intervention Program
Central Co-op	International Community Health Services
Cham Refugees Community	Jewish Family Service of Seattle
Chief Seattle Club	Kandelina
Children's Therapy Center (CTC)	

Khmer Community of Seattle King County	Puget Sound Labor Agency
Korean Community Services Center	Queer The Land
Kyo ABA Therapy	Rainier Beach Action Coalition
Lake City Collective	Rainier Valley Food Bank
Latino Community Fund	Rainier Valley Midwives
Neighborcare Health Systems	Rainier Valley Steering Committee
Neighborhood House	Salvation Army Food Bank
Odessa Brown Children's Clinic	Seattle Indian Center
Seattle Indian Health Board	Seattle Public Schools
Somali Health Board	Society of St. Vincent de Paul
United Indians of All Tribes	Solid Ground
Villa Comunitaria	Sound Generations
Legacy of Equality Leadership and Organizing (LELO)	South Park Senior Citizens
Lifelong	Ta'alem Community Center
Mary's Place	The Food Bank at St. Mary's
Mercy Housing Northwest	The Vida Agency
Mother Africa	Tilth Alliance
Neighborhood Farmers Market Alliance	Tongan Food Pantry
North Helpline	United Indians of All Tribes Foundation
Nourishian for Life	United Way of King County
OSL	University District Service League
Pacific Coast Harvest	Villa Comunitaria
Percussion Farms and Preserves	Voices of Tomorrow
Pike Market Senior Center	Wa Na Wari
Pike Place Market Foundation & PDA	Washington Multicultural Services Link
Safeway Corporation	West Seattle Food Bank
Seattle Farmers Market Association	White Center Food Bank
Tilth Alliance	Within Reach
	Young Women Empowered (Y-WE)