

Sweetened Beverage Tax Community Advisory Board

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Date: October 14, 2021

To: Councilmember Lorena González, Councilmember Lisa Herbold, Councilmember Debora Juarez, Councilmember Andrew J. Lewis, Councilmember Tammy J. Morales, Councilmember Teresa Mosqueda, Councilmember Alex Pedersen, Councilmember Kshama Sawant, Councilmember Dan Strauss

From: The Sweetened Beverage Tax Community Advisory Board (CAB)

Subject: 2022 Sweetened Beverage Tax Proposed Budget

CC: Mayor Jenny Durkan, City Budget Director Ben Noble, Saroja Reddy (CBO), Akshay Iyengar (CBO), Interim Director Michelle Caulfield (OSE), Acting Director Tanya Kim (HSD), Director Andrés Mantilla (DON), Director Dwane Chappelle (DEEL)

Dear City Council,

On behalf of the Sweetened Beverage Tax (SBT) Community Advisory Board, we are writing to express full support of the Mayor's 2022 Proposed Budget as it relates to the Sweetened Beverage Tax Fund (00155). The Proposed Budget closely aligns with the CAB's [recommendations](#) (July 2021) and community priorities, and we urge Council to adopt the SBT budget proposal with no changes. Below is an overview of what is included in the Proposed Budget, along with more information on why these are priorities for the CAB:

Allocates \$1.5 million to DEEL to continue the Prenatal-to-Three Grant Program in 2022.

One-time funding for the Prenatal-to-Three Grant program was included in the 2021 Adopted Budget. Given the economic challenges that impacted SBT revenue in 2020 and 2021, the CAB recommended that the Prenatal-to-Three Grant program be funded in 2021 with a one-time redirection from the Food Equity Fund (formerly the Healthy Food Fund). The CAB expected the Prenatal-to-Three Grant program to become ongoing in 2022 and the Food Equity Fund to be restored to its original levels. Both recommendations are included in the 2022 Proposed Budget, and they are among our top priorities. It is critical to have funding available for community organizations to provide culturally-relevant, affordable programs and resources that reduce the disparities in outcomes for young children and families based on race, gender, and other socioeconomic factors. Care and programming for children 0–3 years old is often limited and expensive, which is a gap this fund can help fill. We want to see it continued permanently.

Restores the Food Equity Fund to \$3 million and makes the program ongoing.

As mentioned above, the 2021 Adopted Budget reduced SBT funding for the Food Equity Fund (FEF) to pilot a new Prenatal-to-Three Grant program. The 2022 Proposed Budget follows the CAB's recommendations by restoring the FEF to a full \$3 million and making it ongoing. The CAB is also grateful to see that the Equitable Communities Initiative Taskforce directed investments to the fund, bringing the 2022 total to \$3.7 million.

The importance of this fund has only become clearer during the pandemic. We've seen global supply chain issues impact food prices and availability, and hunger rates [grow disproportionately](#), impacting Black and Latinx households more than white households and households with children more than those without. A grant program dedicated to investing in access to culturally-relevant food and supporting local agriculture and food businesses is critical to addressing those impacts and working toward a just and equitable food system. The CAB also would like to see this fund continued permanently.

Sunsets funding for the five-year evaluation of the impact of the SBT.

Per ordinance requirements ([Ord. 125324](#), section 5B), for the past five years SBT revenues have been set aside and invested in an academic evaluation of the impacts of the SBT on economic outcomes, health behaviors, intermediate health outcomes, identification and assessment of food deserts, and effectiveness and efficiency of the food bank network in Seattle. Since the five-year minimum requirement will be fulfilled in 2021, the CAB recommended sunsetting the funding. The 2022 proposed budget follows that recommendation.

The [reports](#) provided by Public Health – Seattle, King County, have provided helpful insights into the impacts of the tax, public perceptions, and food availability throughout the region. Accountability is still a core value for the CAB, which is why we remain interested in resources and efforts to evaluate the outcomes of programs funded by SBT. In our [2022 budget recommendations](#), we also asked the City consider a follow-up evaluation of the tax in the future, perhaps 10 years after the SBT was adopted (i.e. in 2027) to examine the impact of the tax policy. We recommend any future evaluations of the tax also require matching funds from academia.

Releases the worker retraining set aside.

One of the limited-term set-aside funds established when the SBT began was \$1.5 million for worker retraining funds to be used if the new tax impacted employment in the beverage or retail industries. While the CAB appreciates the intention of those funds to mitigate any potential job losses, the regional industry did not see this kind of impact. [Past studies](#) on the impacts of sugar-sweetened beverage (SSB) taxes have also indicated that industry claims of regional job losses are overstated.

For those reasons, the CAB is supportive and appreciative of the Mayor and CBO's decision to release those funds in 2021 to maintain critical services and grant program development during revenue shortfalls caused by the COVID-19 pandemic (as indicated in our [2021 budget letter](#) to Council). We are also supportive of any remaining funds from that reserve going to expanded programming in 2022.

Does not use SBT revenues to fund P-Patch Community Gardens.

In 2020, the \$725,000 in one-time funding for P-Patch was cut and redirected to COVID-19 emergency food efforts. The CAB is not interested in seeing this investment restored with SBT dollars, so we are grateful to see this has been followed in the 2022 proposed budget. P-Patch Community Gardens have never been a priority for the CAB and the CAB does **not** endorse the use of SBT revenue for this program.

While the CAB appreciates the role community gardens may have on hands-on learning opportunities, social interaction, food bank donations, and the preservation and stewardship of open green spaces, we are skeptical of the real impact that P-Patches—which focus on garden plots for individual gardeners—have on food security and increasing access to healthy, affordable, and culturally relevant food for BIPOC, immigrant, and refugee communities.

The CAB is aware that BIPOC urban farmers are having a renaissance in the Seattle area and that support and investments in communal gardening and farming are needed. Therefore we recommended expanding investments in community-defined and community-led projects, including those focused on food production, through the Food Equity Fund. Directly funding BIPOC farmers and gardeners through grants would derive a deeper and more meaningful value to community members and would align more closely with the stated intent of the SBT ordinance.

Continues the revenue stabilization fund.

The revenue stabilization fund allowed critical SBT-funded programs to continue even amid revenue impacts caused by the COVID-19 pandemic. The CAB is supportive of replenishing and continuing this \$2 million set aside to help mitigate any future economic impacts.

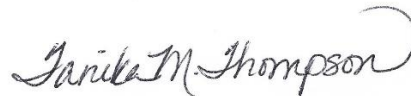
The role of the CAB is to advise the Mayor and City Council on the use of SBT revenue. Historically, Council has worked closely with the us to ensure SBT spending aligns with the intent of the ordinance, the CAB’s recommendations, and community stakeholders. This year, it is clear the Mayor closely considered the CAB’s recommendations, which are informed by [community engagement efforts](#) led by the CAB and a review of reports conducted by relevant stakeholders during the COVID-19 pandemic ([see notes](#) from the CAB’s May meeting for a summary of themes). Now, we ask that Council adopt the SBT budget proposal, and we will be tracking your deliberations of the proposed budget.

Finally, we understand that economic uncertainties continue along with the COVID-19 pandemic. As we wrote in our letter of appreciation to the Mayor and her staff, our expectation is that the Mayor and Council will consult the CAB early and often if major rebalancing is required, and that you will base budget decisions that impact SBT-funded programs and services on the equity-driven values, criteria and principles provide in the CAB’s [budget recommendations](#).

Sincerely,



Jen Moss, Co-Chair



Tanika Thompson, Co-Chair

Sweetened Beverage Tax Community Advisory Board

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| Jaimée Marsh | Position 1, Food Access Representative |
| Barbara Baquero | Position 2, Food Access Representative |
| Rebecca Finkel | Position 3, Food Access Representative |
| Tanika Thompson | Position 5, Community Representative |
| Christina Wong | Position 6, Public Health Representative |
| Laura Flores Cantrell | Position 7, Public Health Representative |
| Jen Moss | Position 8, Public Health Representative |
| Paul Sherman | Position 9, Public Health Representative |
| Munira Mohamed | Position 10, Early Learning Representative |
| Dan Torres | Position 11, Early Learning Representative |