

# Sweetened Beverage Tax Community Advisory Board

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**Date:** June 10, 2026

**To:** Mayor Katie B. Wilson

**From:** The Sweetened Beverage Tax Community Advisory Board

**Subject:** 2027 Budget Recommendations from the Sweetened Beverage Tax Community Advisory Board

**Cc:** Council President Joy Hollingsworth, Councilmember Rob Saka, Councilmember Eddie Lin, Councilmember Maritza Rivera, Councilmember Debora Juarez, Councilmember Dan Strauss, Councilmember Bob Kettle, Councilmember Alexis Mercedes Rinck, Councilmember Dionne Foster, and City Budget Director Aly Pennucci

Dear Mayor Wilson,

The Sweetened Beverage Tax Community Advisory Board (CAB) offers these annual budget recommendations in service of our commitment to advancing racial and social justice, community voice, and equitable investment across Seattle. As established in the Sweetened Beverage Tax (SBT) enabling ordinance ([Ord. 125324](#)), the CAB's purpose is to advise the Mayor and City Council on the use of SBT revenues, ensuring that investments reflect community priorities and uphold the intent of the law.

The CAB appreciates the opportunity to provide guidance on the City's 2027 budget, grounded in the ordinance's original purpose: to expand or develop community-driven strategies that advance food access, health equity, and early childhood development for communities disproportionately impacted by structural inequities. In 2025, the CAB was honored with an *Innovation and Impact Award* for its leadership in community-centered governance. This recognition reflects the strength of our values and the depth of our partnerships with communities most affected by inequitable systems. **At the same time, we remain concerned that recent budget actions before your time as mayor risk undermining both the integrity of the SBT Fund and the long-term effectiveness of its investments.** These recommendations aim to realign City budget decisions with the ordinance's intent, uphold community trust, and sustain critical programs so that SBT revenues continue to strengthen community-driven solutions, address both immediate needs and systemic inequities, and remain a dedicated resource for the populations most impacted by structural injustice.

The recommendations that follow build on this foundation by outlining the specific actions needed to restore the integrity of the SBT Fund and ensure that SBT revenues are used as intended: to expand, not replace, investments that advance food access, health equity, and early childhood wellbeing. Together, these five recommendations focus on reversing recent General Fund–SBT swaps, stabilizing essential food access and early childhood programs, and safeguarding the long-term sustainability of community-driven initiatives. They reflect the CAB’s commitment to protecting dedicated SBT resources, strengthening programs that serve priority populations, and realigning City budget decisions with both the ordinance’s purpose and the community’s expectations.

### **Recommendations Summary:**

1. **Restore the integrity of the SBT Fund by reinstating the no-supplantation clause** and ensuring revenues are used as intended.
2. **Reverse the \$7.4M General Fund–SBT swap** to keep essential food access services stably funded through the General Fund.
3. **Sustain the Fresh Bucks expansion** by converting the historic one-time increase into ongoing funding.
4. **Convert the \$4M food bank and meal program increase into baseline funding** to maintain Seattle’s core food access infrastructure.
5. **Continue the Prenatal-to-Three Community Grant Program** to support community-led, equity-centered early childhood and maternal health outcomes.

### **Recommendations:**

#### **1. Reinstatement of the SBT Fund’s “No Supplantation” Clause**

The CAB unequivocally opposes the removal of the “no supplantation” clause from the SBT Fund. In 2025, the City Council enacted budget legislation transmitted by the City Budget Office that eliminated this clause in order to shift \$7 million in Human Services Department (HSD) food investments from the General Fund to the SBT Fund. This action directly violates the commitments made to the community when the tax was created. Although the stated purpose of the swap was to shield HSD food investments from the General Fund shortfall, using the SBT Fund as budget relief is precisely what the no-supplantation clause was designed to prevent.

Since the tax was adopted in 2017 and reaffirmed in 2019, community members, advocates, and stakeholders have worked to ensure that SBT revenue remains a dedicated, protected, and community-driven funding source for equity-centered investments. **The SBT and the CAB have been effective because they link revenue and tax policy to community leadership and community priorities. Supplantation does not simply weaken that model, it dismantles it.**

The enacted budget swaps contradict the CAB's longstanding principle that SBT funds must be used to expand or create new programs aligned with community priorities, not to replace other funding sources or backfill City budget gaps. As a regressive tax, the SBT's legitimacy depends on ensuring that revenues directly benefit the communities most impacted, not on providing budgetary flexibility during economic downturns.

The CAB strongly affirms that SBT revenues must be used to fully fund CAB-recommended activities, consistent with the intent of the SBT ordinance and with priorities identified through extensive community engagement. Over the past eight years, the CAB has developed revenue recommendations that lead with equity, reflect community expertise, and respond to inequities in food access, health, and early childhood outcomes.

**SBT funds must be used as intended: to expand, supplement, and innovate, not to supplant. These dollars were created to strengthen access to healthy food, improve early childhood outcomes, and support community-led solutions. They were never meant to substitute for baseline City obligations or to stabilize the General Fund.**

Community-based advocates fought hard to ensure that SBT revenue would increase investments in the communities most impacted by chronic disease and other health and early childhood inequities, including communities of color, immigrants, refugees, people with low incomes, individuals with limited English proficiency, and youth. Using SBT funds to supplant General Fund dollars is not only a policy reversal; it is a breach of trust with the communities this tax was created to serve.

Reinstating the no-supplantation clause is a top priority for the CAB and a non-negotiable requirement for maintaining accountability, transparency, and public trust in the SBT Fund.

## **2. Reverse the \$7.4M SBT–General Fund Swap**

Food access services are essential public infrastructure, not discretionary programs, and they must not be subjected to budget volatility. As noted above, the 2026 Adopted Budget shifted approximately \$7.4 million in HSD food investments in food banks and meal programs from the General Fund to the SBT Fund. **While the CAB strongly supports robust funding for food banks and meal programs, these services are core components of Seattle's safety net and must remain stably funded through the General Fund.**

Food banks and meal programs provide immediate, life-sustaining access to food for individuals and families experiencing hunger. Their importance only grows during periods of rising food costs, economic strain, and ongoing affordability challenges. **Treating these services as interchangeable or discretionary by moving them out of the General Fund undermines their stability and signals that they are optional rather than foundational. They are not optional. They are essential.**

The SBT was created to expand and innovate, not to replace baseline City obligations. It was never intended to serve as a backstop for General Fund shortfalls. The \$7.4 million swap

contradicts the core purpose of the SBT and violates the no-supplantation principle that community advocates fought to establish. These funds must be returned to the General Fund. Reversing the swap is not only a matter of fiscal integrity, it is a matter of public trust. Keeping food bank funding in the General Fund signals that the City recognizes food access as a fundamental public responsibility.

We therefore recommend reversing this fund swap and restoring General Fund support for food banks and meal programs. The \$7.4 million in SBT funding made available by shifting certain early learning investments to the Families, Education, Preschool, and Promise (FEPP) Levy should be directed toward longstanding CAB priorities: **maintaining the Fresh Bucks expansion (see #3 below) and continuing the Prenatal-to-Three Community Grant Program (see #5 below).**

This approach honors the intent of the SBT ordinance, protects essential services, and upholds the City's commitments to equity, community leadership, and fiscal transparency.

### **3. Maintain the Fresh Bucks Expansion as an Ongoing Investment**

The 2026 Adopted Budget included a historic, one-time \$6.275 million expansion of the Fresh Bucks program, enabling the City to:

- Enroll more than 4,500 households from the waitlist
- Increase monthly benefits from \$40 to \$60
- Extend benefits for currently enrolled households

This expansion represents the largest growth in Fresh Bucks since the passage of the SBT in 2017 and demonstrates the City's commitment to improving access to healthy food. However, this commitment will not be realized if the expansion remains a one-time investment. **Without ongoing funding, thousands of households will face a sudden loss or reduction in benefits, a "benefits cliff" that destabilizes families and undermines the City's own public health and food security goals.**

This concern is especially urgent given broader economic conditions. Food costs have increased nearly 30% since 2020, and nutritious food, particularly fresh fruits and vegetables, remain among the most expensive household necessities. Programs like Fresh Bucks are essential for enabling families to maintain healthy diets in the face of rising prices.

At the same time, federal policy changes are increasing pressure on low-income households. [Recent analyses of H.R.1](#) indicate that administrative and eligibility changes are significantly reducing SNAP participation, particularly among elders, immigrants, and workers with unstable hours. National anti-hunger organizations warn that these provisions may increase procedural denials and churn, reducing access to the country's largest nutrition assistance program at a moment when need remains high. As SNAP participation declines, more households will turn to

local programs like Fresh Bucks to fill the gap, further underscoring the need for stable, ongoing City funding.

We urge the City to convert this one-time expansion into an ongoing investment by dedicating SBT or other funds to sustain increased enrollment and benefit levels. This will ensure that the City's historic investment translates into long-term impact.

In addition to its direct benefits for households, Fresh Bucks generates significant local economic impacts. According to the City's [2025 Fresh Bucks report](#), the program strengthens Seattle's food economy by directing millions of dollars to local grocers, farmers markets, and small food retailers. Many participating retailers report increased sales, new customer relationships, and greater demand for fresh produce. These co-benefits ripple across the local food system: farmers, small grocers, and market vendors, many of whom are immigrants, people of color, or low-income entrepreneurs, benefit directly from Fresh Bucks purchases. Sustaining Fresh Bucks is therefore not only a public health strategy, it is an economic development strategy that supports local businesses and strengthens the regional food system.

**Given these intersecting pressures and opportunities, the City must convert the one-time Fresh Bucks expansion into an ongoing investment.** We urge the City to dedicate SBT or other funds to sustain increased enrollment and benefit levels, ensuring that the historic 2026 expansion translates into long-term, stable impact for households and for Seattle's local food economy.

#### **4. Maintain the \$4M Food Bank and Meal Program Added in 2026**

The \$4 million added in the 2026 Adopted Budget for food banks and meal programs is not discretionary spending, it is essential, baseline funding required to maintain Seattle's food access infrastructure. This investment was made in direct response to urgent community needs created by overlapping pressures: federal nutrition program cuts, unprecedented food price inflation, and the broader affordability crisis facing Seattle residents. These conditions are not temporary, and the City's response cannot be temporary either.

We are deeply concerned that this \$4 million was funded as a one-time increase. Short-term infusions do not address the persistent, structural need for sustained investments in Seattle's food access network. Food banks and meal programs are serving more people than ever, including elders, immigrants, refugees, workers with unstable hours, and households who have exhausted every other option. Rising food prices affect both clients and the food banks themselves, many of which must now purchase more food at higher cost to meet demand. [The New York Fed survey](#) from February found that nationwide, 10% of families reported missing meals for lack of food and nearly 16% relied on food donations. Among families earning less than \$50,000 a year, rates of food insecurity were about twice as high, with nearly 20% forced to skip meals or go without.

This funding is not expanding services to meet this surge in demand, it is simply maintaining the basic operational capacity required to keep food moving to the communities that need it most.

Food banks face significant ongoing costs for essential equipment such as refrigeration, pallet jacks, industrial shelving, and delivery vehicles. Many agencies used temporary COVID-era funds to build or repair this infrastructure, and those investments are now reaching the end of their useful life. Without renewed and stable funding, natural depreciation will erode the system's ability to safely store and distribute food.

Several food banks serving Seattle residents receive no direct, ongoing City funding, despite playing a critical role in the regional food access network. They have not had an opportunity to be considered for direct HSD funding because HSD has not released a Food Bank RFP in approximately six years. As demand continues to rise, these organizations require stable support to remain operational.

Federal policy changes are also increasing pressure on local systems. Reductions in SNAP participation driven by administrative barriers, eligibility changes, and procedural churn mean more households will turn to food banks and meal programs to fill the gap. Local providers are already reporting increased demand, and this trend is expected to continue.

**Seattle is making historic investments in low-income housing, but housing alone does not resolve the affordability crisis. Residents need access to other essential basic needs, including food. Stable funding for food banks and meal programs is a necessary complement to the City's housing strategy and a critical component of a functioning safety net. For these reasons, the City must convert the \$4 million added in 2026 from a one-time allocation into an ongoing infusion, establishing a new baseline for food banks and meal programs that is \$4 million higher than 2025 funding levels.**

Maintaining this funding is essential to ensuring that Seattle's food access network remains strong, resilient, and capable of meeting the needs of the city's most vulnerable residents.

#### **4. Continue Funding the Prenatal-to-Three Community Grant Program**

The CAB strongly recommends that the City restore and continue funding for the Prenatal-to-Three Community Grant Program, which is scheduled to sunset under the 2026 Adopted Budget. This program was created in direct response to CAB recommendations and was intentionally designed to invest SBT revenues in small, grassroots, community-based organizations that provide culturally relevant, community-informed services during the most critical developmental period of life. **Ending this program would undermine the original intent of the SBT ordinance, weaken the City's early learning investment portfolio, and exacerbate racial and socioeconomic disparities in maternal and infant health.**

The Prenatal-to-Three Community Grant Program funds organizations that support healthy births, strengthen caregiver-child relationships, improve parental health and wellbeing, and provide families with access to essential resources and services. These organizations serve communities disproportionately affected by maternal and infant health inequities, including Black, Indigenous, immigrant, refugee, low-income, and limited-English-proficient families. **Since 2022, the program has funded 18 community-based organizations that collectively**

**provide services in 18 languages and deliver support tailored to the cultural and linguistic needs of the families they serve.**

The need for these services is urgent and well-documented. In Seattle and King County, Black/African American mothers experience significantly higher rates of severe maternal morbidity, and Black infants die at rates 3.8 times higher than white infants, often due to complications such as low birthweight and delayed prenatal care. American Indian and Alaska Native families face even more extreme disparities, with infant mortality rates two to four times higher than those of white infants. Many Prenatal-to-Three grantees are led by women of color who have lived experience navigating these inequities and who bring culturally grounded expertise that traditional systems often lack.

The program's grantees provide a range of critical supports, including midwifery and doula care, mental health screening and postpartum supports, culturally specific parent education, and home-based services that strengthen early childhood development. These services are especially vital as prenatal-to-three providers face reductions in state and federal funding and as hospital systems continue to consolidate or eliminate maternal health services, further destabilizing the safety net for families during the earliest and most formative years of life.

Community-led, culturally grounded approaches are not only effective, they are indispensable for addressing the root causes of disparities in maternal and infant health. The CAB affirms that community-identified and community-led strategies yield greater impact by centering the lived experiences, strengths, and leadership of the communities most affected by inequities.

The Prenatal-to-Three Community Grant Program was created using SBT revenue specifically to advance equity, community leadership, and early childhood outcomes. Continuing it is essential to fulfilling those goals. **DEEL offers only a limited number of community-facing funding opportunities within its birth-to-three portfolio, yet Seattle is home to many qualified community-based organizations with strong track records of delivering high-quality, culturally and linguistically relevant services to the CAB's priority populations. Eliminating this program would remove one of the few City funding pathways that intentionally supports these organizations and the families they serve.**

For these reasons, the CAB urges the City to **restore and sustain funding for the Prenatal-to-Three Community Grant Program** and to ensure that SBT revenues continue to support community-driven, equity-centered strategies that improve maternal health, strengthen early childhood development, and reduce longstanding racial disparities. Continuing this program is not only aligned with the intent of the SBT ordinance, it is a moral and strategic imperative to support the wellbeing of Seattle's families and the future of its children.

Organizations funded by the Prenatal-to-Three Community Grant Program (2021-2025)

Year	Prenatal-to-Three Community Grant Program Awardees
2022 RFP	<p>East African Community Services – \$140,000</p> <p>Voices of Tomorrow – \$140,000</p> <p>Horn of Africa Services – \$140,000</p> <p>Hummingbird Indigenous Family Services* – \$150,000</p> <p>Washington Multicultural Services Link* – \$150,000</p> <p>Families of Color Seattle – \$150,000</p> <p>Korean Community Services Center – \$150,000</p> <p>Rainier Valley Midwives – \$150,000</p> <p>Mother Africa* – \$150,000</p> <p>Empowering Youth and Families Outreach – \$150,000</p> <p>El Centro de la Raza – \$150,000</p> <p><i>*First time DEEL grantee</i></p> <p><a href="#">DEEL Press Release (October 2022)</a></p>
2023 RFP	<p>Families of Color Seattle – \$280,000</p> <p>Global Perinatal Services* – \$280,000</p> <p>Hummingbird Indigenous Family Services – \$280,000</p> <p>Inter-Cultural Children &amp; Family Services* – \$280,000</p> <p>Voices of Tomorrow – \$280,000</p> <p><i>*First time DEEL grantee</i></p>
2024 RFP	<p>Therapy Fund Foundation* – \$298,000</p> <p>Native Family Learning Lodge (<i>fiscal sponsor Na’ah Illahee Fund</i>)* – \$298,000</p> <p>Villa Comunitaria – \$298,000</p> <p>Unified Outreach – Concepts Offering Lives of Respectability Everyone Deserves* – \$298,000</p> <p>Rainier Valley Birth &amp; Health Center – \$298,000</p> <p><i>*First time DEEL grantee</i></p> <p><a href="#">DEEL Press Release (August 2024)</a></p>
2025 RFP	<p><b>Information from DEEL on the 2025 results was not available in time for inclusion in this memo.</b></p>

## Closing

Thank you for your thoughtful consideration of these recommendations and for your partnership in stewarding the SBT Fund. These recommendations reflect the [CAB's core values and budget principles](#) and our commitment to racial equity, community-driven solutions, and transparency in public spending. They prioritize investments that are culturally relevant, responsive to community needs, and designed to address systemic disparities in food access and early childhood outcomes.

We also underscore the importance of stability and sustainability: one-time allocations, funding shifts, and the erosion of dedicated revenue protections weaken long-term program effectiveness and undermine community trust. By restoring the integrity of the SBT Fund and investing in proven, community-centered programs, the City can uphold its commitments and continue making meaningful progress toward a more equitable Seattle.

The CAB appreciates the Mayor's Office, the City Budget Office, Office of Sustainability & Environment, Human Services Department, Department of Neighborhoods, and the Department of Education & Early Learning for their engagement and for the opportunity to provide this guidance.

Sincerely,

Tanika Thompson Bird and Dan Torres, Co-Chairs

 