

# Sweetened Beverage Tax Community Advisory Board Meeting

Friday, August 15, 2025

# Agenda

- Welcome & Activity
- Overview of the SBT Budget
- City Updates
- CAB Foundations
  - CAB Discussion of Values and Bylaws
- Wrap-Up (by 11:00 AM)

What are you looking forward to doing  
outside while the sun is still out?

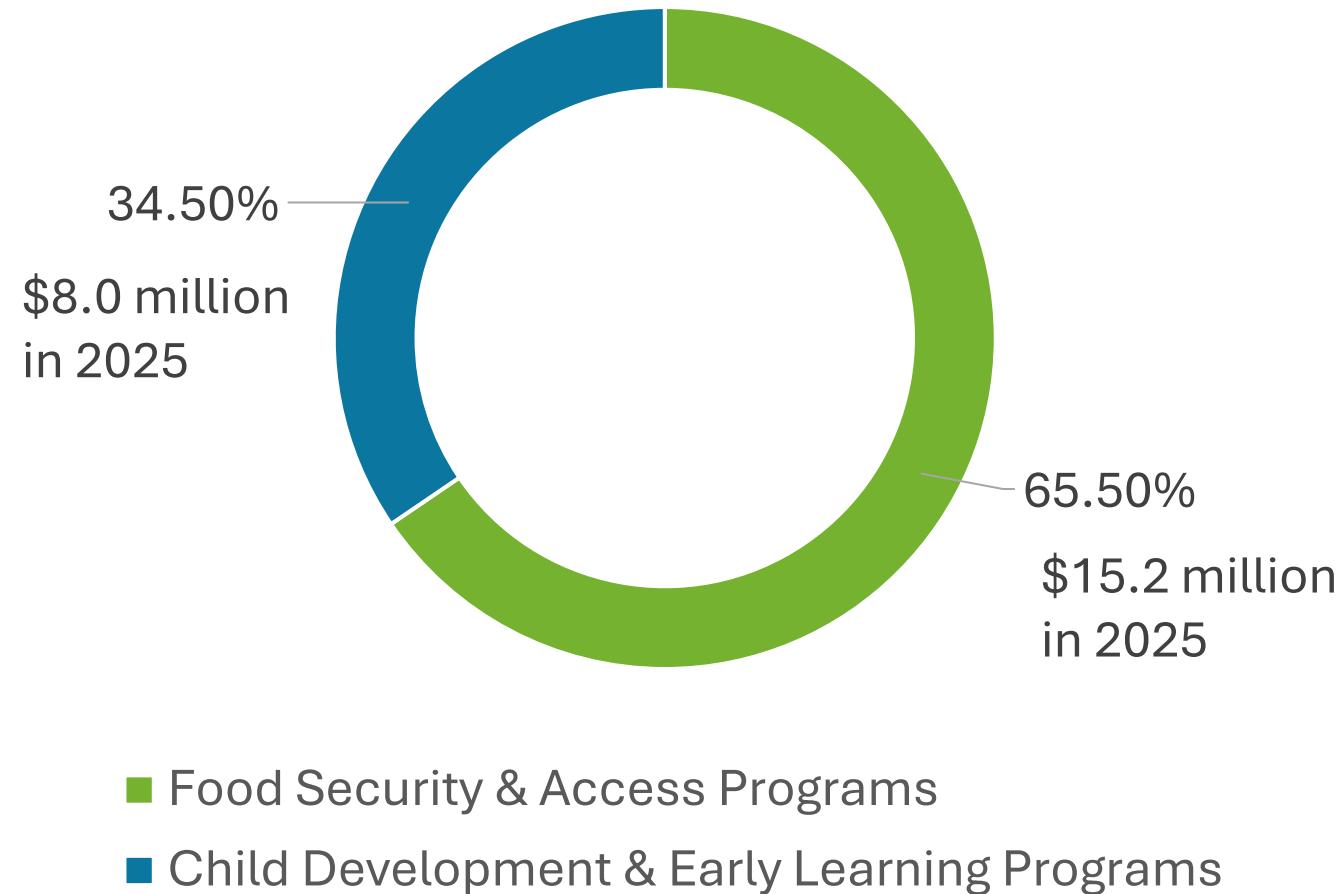
# Understanding the SBT Budget

- SBT Fund 00155
- SBT Budget by Spending Category and Program
- SBT Financial Plan
- Current CAB Budget Recommendations

# SBT is a Restricted Revenue Source

- In 2019, City Council passed legislation that established the **SBT Fund 00155**, clarified and strengthened SBT spending guidance, and codified SBT allocation of proceeds in the **Seattle Municipal Code** ([SMC 5.53.055 –Sweetened beverage tax—Allocation of proceeds](#))
- All proceeds of the tax “**shall support**” either the expansion or creation of new programs that address:
  - Access to healthy, affordable food and close the food security gap
  - Prenatal-to-age-three and kindergarten readiness for populations facing disparities based on race, gender, or other socioeconomic factors.
- Since 2019, CAB recommendations have continued to reference the importance of maintaining restrictions on SBT spending and prohibiting SBT revenue to be supplanted or swapped out for other purposes other than *expanding programs, maintaining program expansions, or creating new programs that align with the spending restrictions.*

# SBT Budget by Spending Category



# SBT Budget by Program (Food, \$15.2m)

Program/Service	Department	2025 SBT Budget
Fresh Bucks^	Sustainability & Environment	5,423,723
Food Equity Fund*	Neighborhoods	2,984,000
Food Banks^	Human Services	1,586,939
Farm to Preschool^	Human Services	1,298,847
Meal programs (older adults & general community)^	Human Services	1,186,047
Food Sourcing & Distribution^	Human Services	582,916
Food and Nutrition Admin^	Human Services	536,690
Healthy Food in Schools*	Sustainability & Environment	511,638
Food Policy & Programs Admin^	Sustainability & Environment	401,612
Food and Recreation	Parks & Recreation	324,000
Network support for SFC, MPC^	Human Services	204,723

*\*Created in direct response to CAB recommendations*

*^Expanded with CAB endorsement*

See the [CAB's 2025 Briefing Book](#) for a high-level timeline

# SBT Budget by Program (Child Development, \$8.0m)

Program/Service	Department	2024 SBT Budget
Child Care Assistance Program	Education & Early Learning	\$2,993,658
Prenatal-to-Three Grant Program*	Education & Early Learning	\$1,500,000
Health and Developmental Supports^	Education & Early Learning	\$1,566,836
Coaching and Training^	Education & Early Learning	\$473,615
Home Visiting^	Education & Early Learning	\$674,607
SBT Central Administration^	Education & Early Learning	\$589,659
Family Child Care Support^	Education & Early Learning	-

*\*Created in direct response to CAB recommendations*

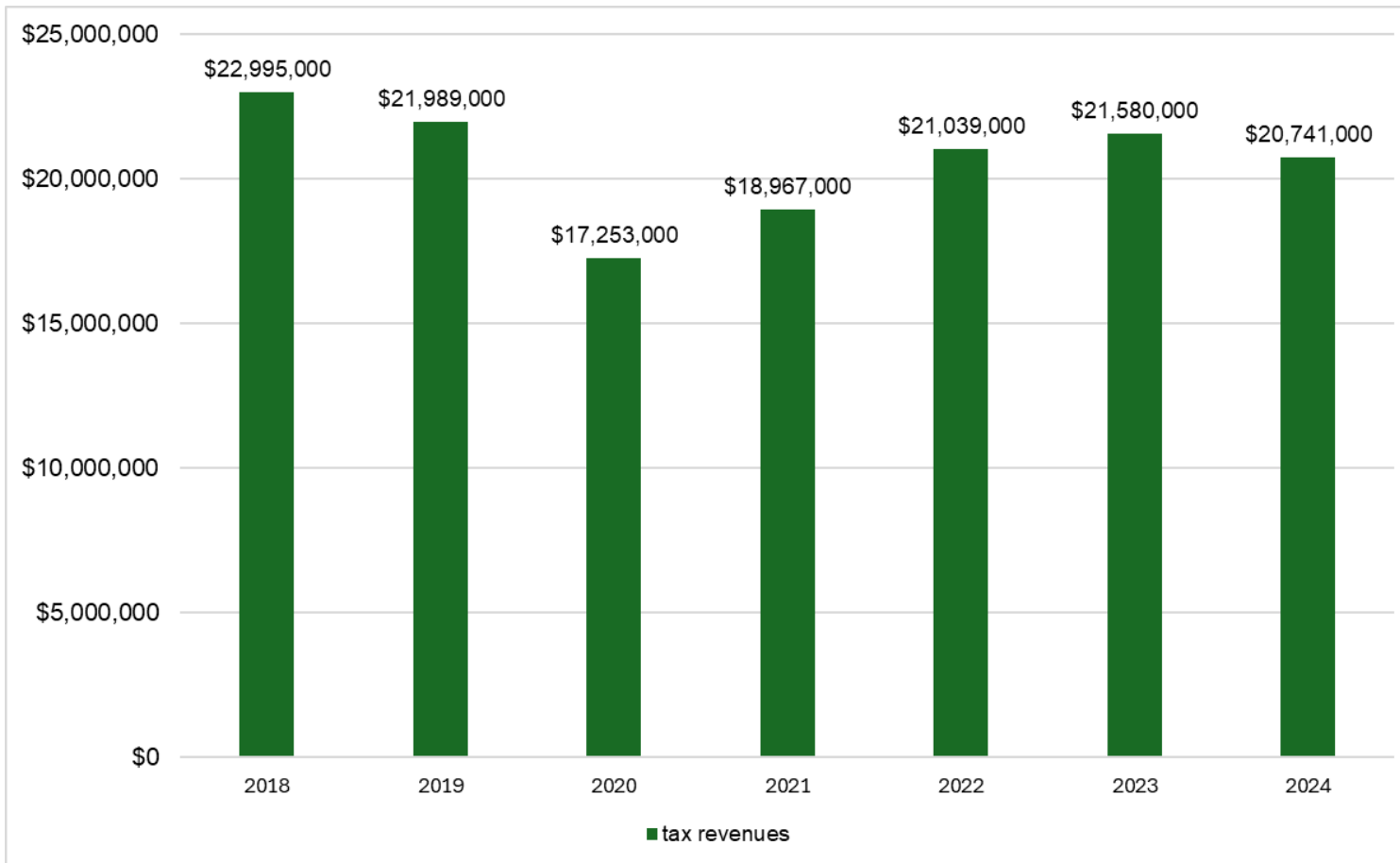
*^Expanded with CAB endorsement*

*See the [CAB's 2025 Briefing Book](#) for a high-level timeline*



# SBT's new policy challenge – structural issues with the revenue

## SBT Collections (2018-2024)



- SBT revenue forecasts and actual revenue collections have been volatile.
- The tax is not adjusted for inflation, so even when revenue is flat, program expenses outpace revenue collections.
- **2024 revenue was 9.8% lower than 2018**
- **The SBT Fund has faced budget deficits since 2022—planned program spending outpaces revenues collected.**
- **2025 collections will be an important data point in monitoring revenue trends.**

Note: the 2020-21 dip in tax revenue is related to COVID lockdowns and decreased consumption of fountain drinks.

# SBT Financial Plan (2025 Adopted, 2026 Endorsed Budget)

## Sweetened Beverage Tax (00155)

Amounts in \$1,000s	2023 Actuals	2024 Adopted	2024 Revised	2025 Adopted	2026 Endorsed	2027 Projected	2028 Projected
<b>Beginning Budgetary Fund Balance</b>							
Beginning Balance Sheet Fund Balance	7,439	1,843	8,480	3,039	1,118	508	335
Budgetary Fund Balance Adjustment	203		228				
<i>Beginning Budgetary Fund Balance</i>	7,642	1,843	8,708	3,039	1,118	508	335
<b>Sources of Funds</b>							
Sweetened Beverage Tax	21,650	21,247	20,909	21,327	21,753	22,189	22,632
Transfer from JumpStart Fund <sup>1</sup>	1,200	1,200	1,200				
<i>Total Budgetary Revenues</i>	22,850	22,447	22,109	21,327	21,753	22,189	22,632
<b>Expenditures <sup>2</sup></b>							
Office of City Auditor	471						
Office of Sustainability and Environment	6,014	6,151	6,341	6,337	6,423	6,423	6,423
Department of Education and Early Learning	8,005	7,798	10,477	8,023	7,473	7,473	7,473
Human Services Department	4,693	5,244	5,339	5,558	5,310	5,310	5,310
Department of Parks and Recreation	303	309	309	346	360	360	360
Department of Neighborhoods	2,299	2,887	5,312	2,984	2,796	2,796	2,796
<i>Total Budgetary Expenditures</i>	21,784	22,389	27,778	23,248	22,362	22,362	22,362
<i>Ending Balance Sheet Adjustment</i>	0	0	0	0	0	0	0
<i>Ending Budgetary Fund Balance</i>	8,708	1,901	3,039	1,118	508	335	605
<b>Planning Reserves</b>							
Revenue Stabilization Reserve	2,000	1,300	2,000	800	0	0	0
Planning Reserve		530	530	0	0	0	0
<i>Total Reserves</i>	2,000	1,830	2,530	800	0	0	0
<i>Ending Unreserved Budgetary Fund Balance</i>	6,708	71	509	318	508	335	605

### Notes:

<sup>1</sup> Through CBA FG-903-A-001-2023, Council transferred \$1.2 million in JumpStart revenue into the Sweetened Beverage Tax Fund in both 2023 and 2024 to temporarily buffer a shortfall in Sweetened Beverage Tax (SBT) revenue. This action is in response to the November 2022 revenue forecast.

<sup>2</sup> 2024 Legislated and Revised expenditures include carryforwards.

- SBT revenues and expenses are tracked in a separate account (SBT Fund, 00155)
- This table ([SBT Financial Plan](#)) shows where the money comes from, how it's spent (by department), and what's left over each year.
- Notice the SBT Fund is very tightly balance.
  - In 2023 and 2024, City Council had to use money from another account (JumpStart Fund) to keep the SBT Fund from going into a deficit.
  - The 2025 Adopted Budget tapped into the Planning Reserves to keep the SBT Fund from going into a deficit.
  - The SBT Fund balance has less than \$500,000 remaining.

# CAB 2025 Budget Recommendations

1. Prioritize investments in food and childcare programs, regardless of their City funding source.
2. Use other revenue sources to balance the SBT Fund and bolster SBT investments in food assistance, prenatal-to-three services, and childcare assistance. On this point, the CAB supports amendments to the FEPP Levy package that would include food assistance and Fresh Bucks for families with children.
3. Maintain spending restrictions on the SBT Fund, established by [SMC 5.53.055 - Sweetened beverage tax—Allocation of proceeds](#). Do not use SBT for swaps or supplantation.
4. Increase investments in food and childcare assistance to address worsening food and nutrition insecurity and access to affordable childcare.
5. Pursue new and progressive local revenue options.

## Sweetened Beverage Tax Community Advisory Board

[Webpage](#) | [Briefing Book](#) | [Latest SBT Annual Report](#)

**Date:** May 30, 2025

**To:** Mayor Bruce Harrell

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

**Subject:** 2025 and 2026 Budget Recommendations from the Sweetened Beverage Tax Community Advisory Board

**Cc:** Council President Sara Nelson, Councilmember Alexis Mercedes Rinck, Councilmember Rob Saka, Councilmember Mark Solomon, Councilmember Joy Hollingsworth, Councilmember Maritza Rivera, Councilmember Cathy Moore, Councilmember Dan Strauss, Councilmember Robert Kettle, and Acting City Budget Director Dan Eder

Dear Mayor Harrell,

Enclosed are our recommendations regarding the Sweetened Beverage Tax (SBT) Fund and the City of Seattle's 2025 and 2026 budget. As legislated in [Ord. 125324](#), we have been advising Seattle's elected officials on the SBT budget since 2017, when the Sweetened Beverage Tax Community Advisory Board was first established. However, this year is different and especially urgent.

**Seattle's working families and individuals are facing a crisis of COVID-level proportions; however, the situation today is worse from an economic perspective because there is no stimulus or aid coming.** Instead, the social safety net is under attack by the Trump administration, which is actively working to gut programs that address basic needs for low-income families and remove protections for older adults, children, immigrants, and people with disabilities. Working Seattleites already cannot afford healthy food, rent, childcare, and healthcare. Food prices are [up 30% since 2019](#). Hunger relief agencies were already reporting that [food bank visits are up 25%](#) when the United States Department of Agriculture (USDA), under the Trump administration, cut food assistance funding in March. Fresh Bucks has received over 3,500 waitlist applications, for just \$40/month in benefits. The Food Equity Fund received funding requests that were *five times* the funds available for community grants. Childcare is already out of reach for too many in Seattle and Trump's dismantling of Head Start and cuts to the Child Care Development Fund will make it worse.

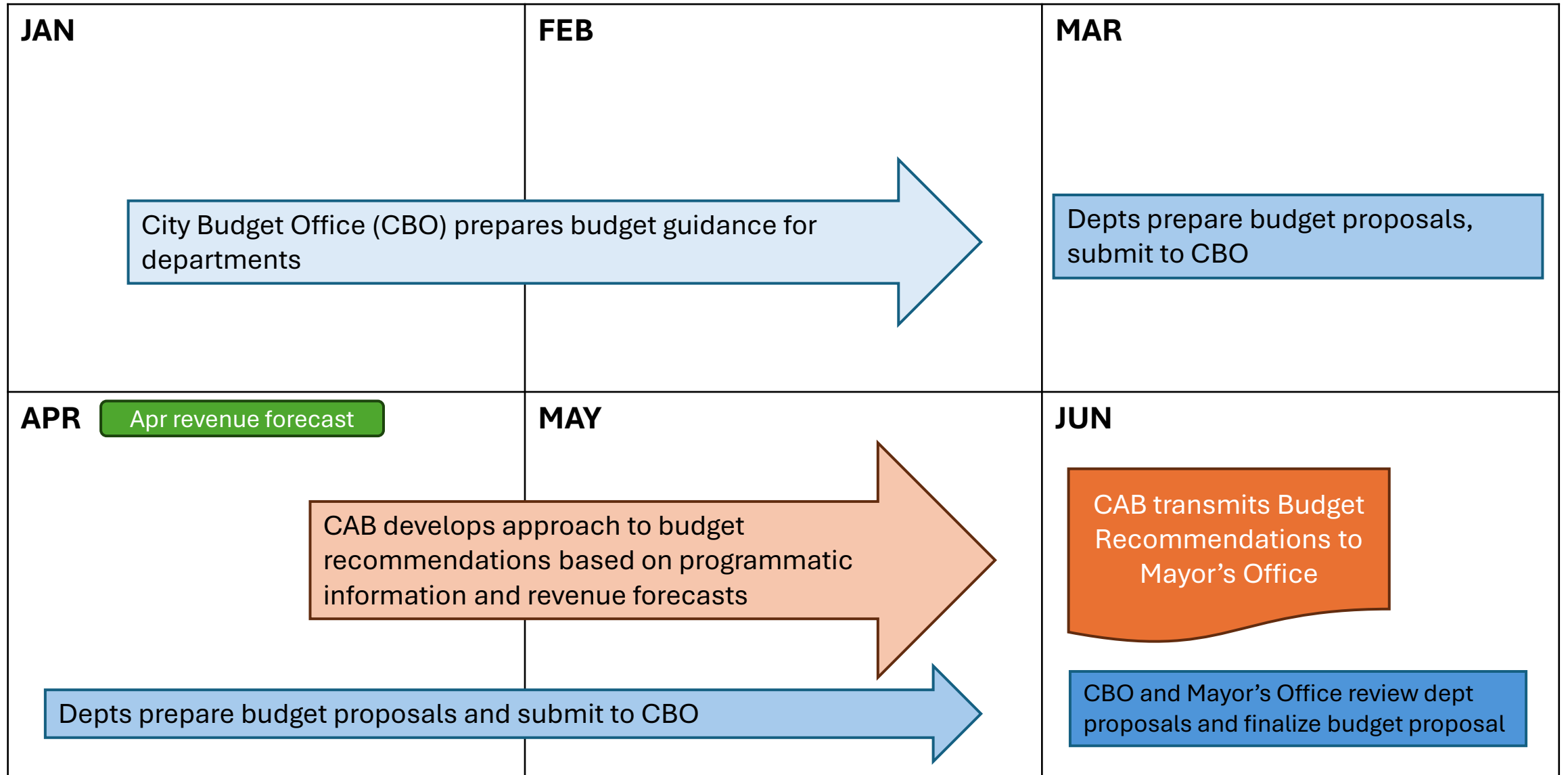
[Read the recommendations](#)



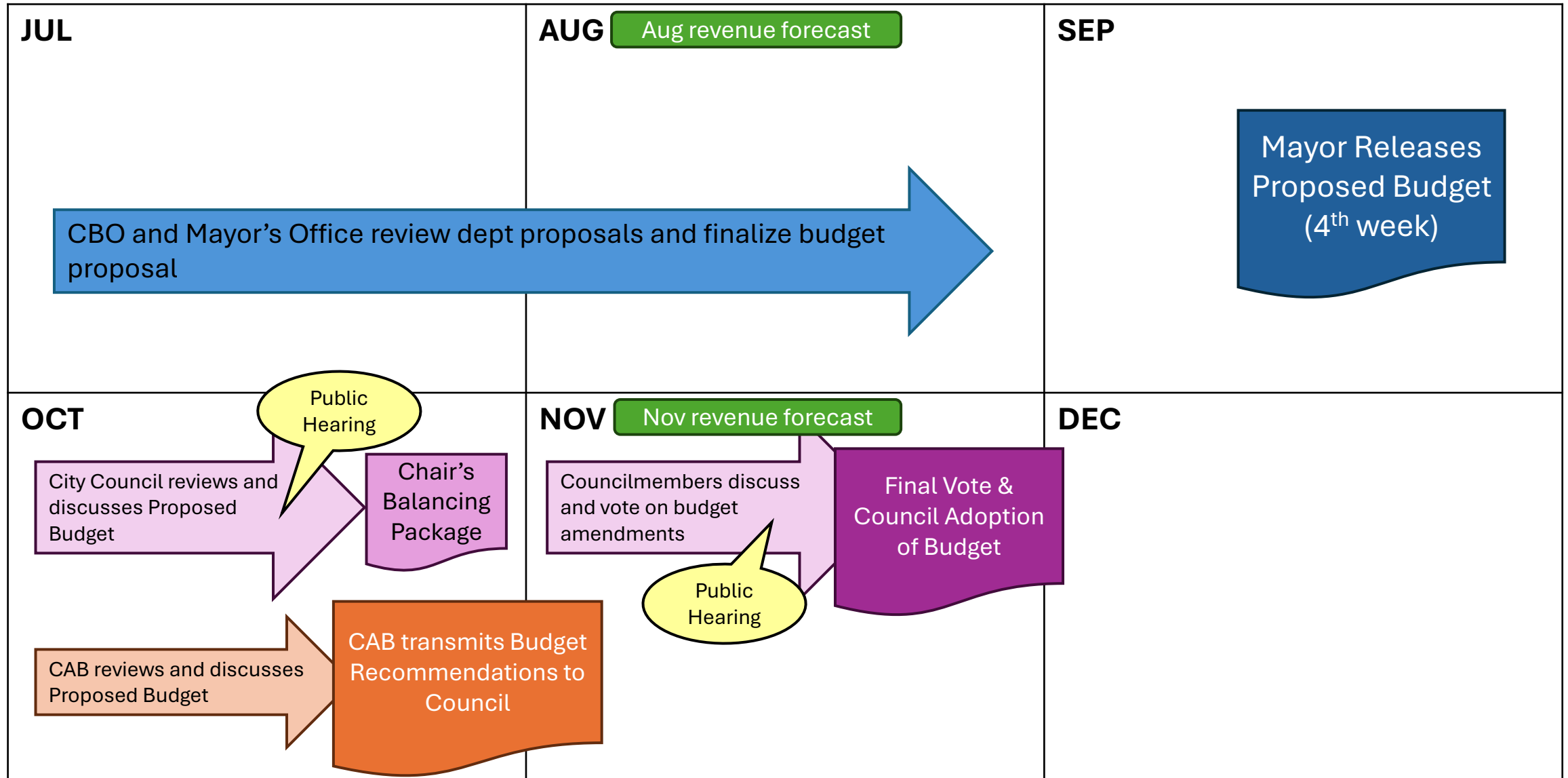
# Understanding the City Budget Process

- A review

# City Budget Process & Timeline (January – June)



# City Budget Process & Timeline (July- December)



# Key points on budget process

- **Two major opportunities for CAB to influence the City's budget:**

- **June** → as Mayor finalizes the Proposed Budget
- **October** → as Council discuss and amends the Proposed Budget

- **Three revenue updates (Apr, Aug, Nov)**

- SBT has proven to be volatile, which can shake up budget planning

- **In years past, October is the CAB's busiest month**

- Short turnaround from reviewing the Mayor's Proposed Budget to developing a response for Council

# Additional Resources

- [City Budget Process](#) – written summary of the City's budget process and when the CAB engages



# City Updates

- FEPP Levy
- B&O Tax
- August Revenue Forecast

# FEPP Levy Updates

- **FEPP Levy** = **F**amilies, **E**ducation, **P**reschool, and **P**romise Levy. City of Seattle property tax levy for investments in 3 key areas: preschool, K-12 learning supports, and tuition-free college at Seattle Colleges. [Click here](#) for an overview of investment categories.
- In June, City Council voted to place the FEPP Levy on the November 4, 2025, ballot. [Click here](#) to access the legislation.
- **Two notable details related to SBT:**
  - **“Food assistance” is included as an eligible expense under the K-12 spending category.** This was Council amendment #4 to the Levy package. [Click here](#) for summary of the Council vote.
  - **It appears that most SBT-funded birth-to-three (DEEL) investments (~\$6.4m) are moving to the FEPP Levy.** [This memo on FEPP Levy investments](#) includes the details. The only DEEL SBT investment that is not on the list is the Prenatal-to-Three Community Grant Program.

# New B&O Tax Proposal

- **B&O Tax** = **B**usiness and **O**ccupation Tax
- Mayor and CM Rinck announced a proposal to reduce taxes for small businesses, raise taxes for larger businesses, and bring in \$90 million in new revenue for human services, including food and nutrition access. [Click here](#) for the press release.
  - Food bank leaders from FamilyWorks and Ballard Food Bank are quoted in the presser.
- **How this relates to SBT/CAB:**
  - Since 2022, the CAB has been calling for new, progressive revenue to meet unmet need and demand for SBT-funded services.

# August Revenue Forecast

- Overall, economic forecast improved from a “pessimistic” view in April, but the City still has a \$150 million budget deficit.
- SBT forecast has improved considerably. However, remember that these are blunt forecasts.
- [Click here](#) for the August revenue forecast – the “baseline” scenario for SBT is on page 19 (or see screenshot on next slide)

# August Revenue Forecast (see page 19)

## Selected Other Revenues – August **Baseline** Scenario (\$ millions)

Revenue Source	Actuals	August Forecast		Difference from April Forecast		2 Year Total Difference	% Change from April Forecast	
	2024	2025	2026	2025	2026		2025	2026
Payroll Expense Tax	\$360.0	\$382.9	\$388.0	\$23.7	\$8.0	\$31.7	6.6%	2.1%
REET	\$62.7	\$68.2	\$77.2	\$3.0	-\$2.9	\$0.1	4.6%	-3.6%
Admission Tax	\$24.6	\$23.9	\$25.4	-\$1.5	-\$0.6	-\$2.1	-5.9%	-2.2%
Sweetened Beverage Tax	\$20.1	\$20.0	\$22.2	\$0.3	\$2.6	\$2.8	1.3%	13.0%
Short Term Rental Tax	\$12.1	\$11.9	\$12.9	\$0.0	\$0.7	\$0.7	0.3%	5.7%
STBD Sales Tax	\$53.0	\$53.8	\$56.4	\$0.3	\$3.0	\$3.3	0.5%	5.6%
STBD Vehicle License Fee	\$19.6	\$21.0	\$22.3	\$0.9	\$2.2	\$3.1	4.7%	10.8%
Commercial Parking Tax	\$50.0	\$50.2	\$50.5	-\$0.9	-\$1.4	-\$2.4	-1.8%	-2.8%
SSTPI School Zone Speed Enforcement	\$8.5	\$8.2	\$17.7	-\$2.9	-\$3.1	-\$6.1	-26.5%	-15.0%

# **CAB Foundations – Group Work**

# Small Group Discussions



## Topic

- CAB Values, Meeting Agreements, etc.
- CAB Bylaws (ways of doing business)



## Purpose

- Develop common understanding of these tools
- Discuss and identify any areas for improvement

# Vision Statement



How the Sweetened Beverage Tax can positively impact the long-term future of Seattle's communities

***Nutritious food and clean water are accessible to all, children and families are supported with resources that support healthy development, the burdens of disease and stress are lifted, and there is collective wellbeing, community connection, and joy***



# Core Values

The core values of the Sweetened Beverage Tax Community Advisory Board represent the beliefs and behaviors by which all CAB members shall conduct themselves and provide a foundation for decision making and action

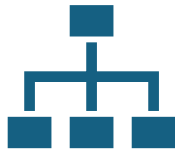
- **Racial Justice and Social**
- **Cultural humility**
- **Voice of the community**
- **Balance between community-driven solutions and scientific evidence**
- **Transparency**
- **Accountability**
- **Trust**



# Bylaws



**Review the current language and offer feedback to follow-up from the SBT CAB Retreat**



## **Section 3.3 Duties of the Co-Chairs**

Role(s) for the third position



## **3.4 Terms of Office**

Dates are listed at Jan 1 – Dec 31  
(example sheet)



## **3.6 Committees**

Adhoc/Standing

# Small and Full Group Discussion



## Flow

1. Take 10 minutes on your own to review materials. Mark up the documents.

*What questions do you have? What ideas do you have to strengthen these documents based on your experiences with other effective groups/teams?*

2. Share your reflections, questions, and ideas in small groups.
3. List **3 most important things you noticed/discussed** to share with full group.
4. Each group will share its list of findings. Then we'll start to discuss ways to strengthen the materials.