

Sweetened Beverage Tax Community Advisory Board Meeting

October 3, 2025

(This deck does not include slides from the City Budget Office presentation. Slides from that presentation will be packaged separately.)

Introductions

- **CAB**

- Name
- Organizational Affiliation(s)
- Seat you represent on the CAB

Quick CAB check-in question: *How are you feeling about your level of understanding about what's in the proposed budget?*

- *I understand! I could explain it to others.*
- *I'm getting there. I have a few questions.*
- *I don't get it. I have lots of questions*

- **City Staff**

- Name
- Department
- SBT program(s) you support – *if applicable*

Today's Purpose and Agenda

- **Purpose:** Review the Mayor's *2026 Proposed Budget* and decide how the CAB wants to respond
- **Agenda:** [click here](#)
- **Meeting Flow:**
 - ✓ Review City Budget Process
 - ✓ Review 2026 Proposed Budget
 - ✓ Discuss how the Proposed Budget aligns with the CAB's recommendations and priorities
 - ✓ Decide on key messages and recommendations to include in the CAB's response to City Council

Key Resources

- **About the 2026 Proposed Budget**

- [Overview of the Mayor's 2026 Proposed Budget](#) (City Budget Office Director's presentation to City Council on 9/25/2025)
- [SBT Financial Plan \(2026 Proposed Budget\)](#)
- [2026 Proposed Budget](#) (Main webpage to access budget books)
- [Key excerpts from the 2026 Proposed Budget related to CAB work](#) (prepared by CAB staff)

- **About the next phases of the City's budget process**

- [City Council's Budget Basics - Council | seattle.gov](#) (webpage)
- [2025 Council Budget Calendar](#) (online PDF)

Timeline: Developing the 2026 Budget




 CAB sends budget recommendations to the Mayor


 CAB sends budget recommendations to the City Council

You are here



Updated Revenue Forecast

Seattle City Council Fall 2025 Select Budget Committee Calendar

LEGEND  Written Public Comment  Oral Public Comment

	Mon	Tue	Wed	Thu	Fri
Week 1	22 September Rosh Hashanah Begins	23 Mayor Transmits 2026 Proposed Budget Adjustments City Council 2 p.m.	24 Rosh Hashanah Ends	25  	26 
	 CBO Overview & Department Presentations 2026 Proposed Budget Adjustments 9:30 a.m. each day				
Week 2	29 September 	30 	1 October Yom Kippur begins	2 Yom Kippur ends	3
	 Department Presentations 2026 Proposed Budget Adjustments 9:30 a.m. each day				
Week 3	6 October	7  	8  	9	10
		 Public Hearing 1 p.m. Remote 5 p.m. In-person	 Consideration of Budget Legislation as needed 2 p.m.		
Week 4	13 October Indigenous Peoples' Day	14	15	16  	17 
			 Central Staff Presentation: Policy Considerations 9:30 a.m. each day		
Week 5	20 October <i>Revenue Forecast Council Meeting - 9:30 a.m.</i>	21	22	23	24
	 Revenue Forecast Update and Policy Considerations 2 p.m.	 Initial CM Proposals Due @ Noon (2 co-sponsors req'd)			

[2025 Council Budget Calendar](#)

Continues on the next slide

Week 6	27 October	28	29	30	31
		 			
		 Discussion of Councilmember Budget Proposals 9:30 a.m. each day			
Week 7	3 November	4	5	6	7
		Election day		 	
			 Chair's Balancing Package 9:30 a.m.	 Public Hearing 1 p.m. Remote 5 p.m. In-person	CM Self-Balanced Amendments Due @ Noon
Week 8	10 November	11	12	13	14
		Veterans Day			 
					 Committee Vote 9:30 a.m.
Week 9	17 November	18	19	20	21
					 
	 Committee Vote 9:30 a.m.			 Final Committee Vote 9:30 a.m.	 Special City Council Meeting Final Action on Budget Time TBD
Week 10	24 November	25	26	27	28
		General Election Certified		Thanksgiving Holiday	Thanksgiving Holiday

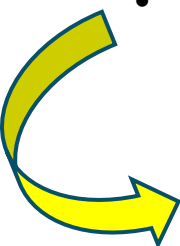
2025 Council Budget Calendar

2026 Proposed Budget - Overview

- Sweetened Beverage Tax Fund
- Other proposed investments in food and childcare programs

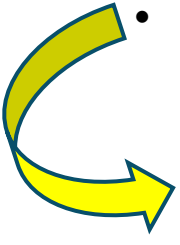
Sweetened Beverage Tax (SBT) - 2026 *Proposed Budget*

- Forecasted SBT revenues for 2026 are up slightly compared to the 2026 Endorsed Budget.
- No reductions are being taken in department budgets.
- SBT funding for Food Bank and Meal Support in the Human Services Department (HSD) is being increased by \$7 million in order to shield HSD food investments from the General Fund (GF) shortfall.



This is what's called a "funding swap". It moves food program expenses from the GF to the SBT Fund.

- Use of SBT fund balance also allows for a small increase in 2025 for labor settlements and contract inflation costs. About \$1 million will be kept in reserve to protect against revenue fluctuations.
- Funding for **most** SBT-funded programs in the Department of Education and Early Learning (DEEL) is transferred to the Proposed 2025 Family, Education, Preschools, and Promise (FEPP) Levy.



The SBT-funded Prenatal-to-Three Community Grant Program is not included in FEPP Levy spending plan or the *2026 Proposed Budget*. In other words, this grant program would be sunset.

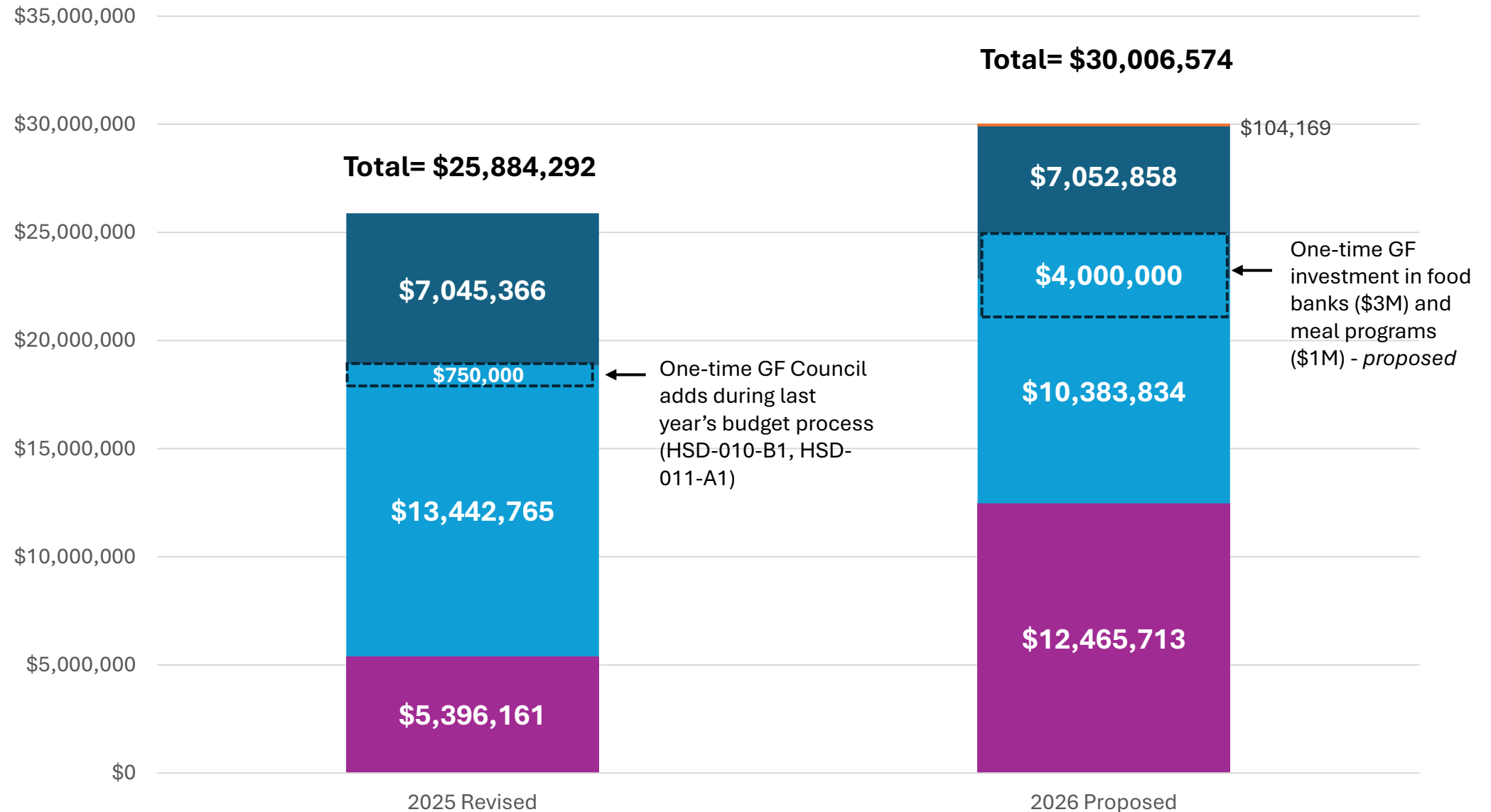
This slide shows the same points from the previous slide but mapped onto the SBT Financial Plan

Sweetened Beverage Tax – 2026 Overview

\$'s in 1000s	2025 Adopted	2026 Endorsed	2026 Proposed	2027 Projected
Beginning Balance	\$3,039	\$1,118	\$1,277	\$1,242
Revenue	\$21,327	\$21,753	\$22,165	\$21,740
Total Resources	\$24,366	\$22,871	\$23,443	\$22,982
Education and Early Learning (DEEL)	\$8,023	\$7,473	--	--
Dept of Neighborhoods (DON)	\$2,984	\$2,796	\$2,785	\$2,868
Human Services Dept (HSD)	\$5,558	\$5,310	\$12,633	\$13,012
Sustainability and Environment (OSE)	\$6,337	\$6,423	\$6,427	\$6,620
Seattle Parks and Recreation (SPR)	\$346	\$360	\$356	\$367
Total Expenditures	\$23,248	\$22,362	\$22,201	\$22,867
Ending Balance	\$1,118	\$508	\$1,242	\$115
Reserve	\$1,000	--	\$1,000	
Ending Unreserved Balance	\$118	\$508	\$242	\$115

- Forecasted revenues up slightly
- No reductions
- Funding for SBT-funded programs in DEEL is transferred to the Proposed 2025 FEPP Levy.
- SBT funding for Food Bank and Meal Support in HSD is being increased by \$7 million in order to shield HSD food investments from the GF shortfall.
- About \$1 million will be kept in reserve to protect against revenue fluctuations.

HSD Food and Nutrition Budget (2025 Revised vs. 2026 Proposed)



 = one-time funding

Investment	Program	Activity	Current Fund Source	2025 Adopted Budget	Year 1 (SY 26-27) Estimates	2025 FEPP 6-Year Total Estimates	Other Notes/Comments
Early Childhood	Childcare	Childcare Assistance Program (CCAP)	GF / SBT / FEL	\$5,040,000	\$15,787,000	\$91,258,000	Estimate based on 1,400 families receiving an average of \$6,560 annually by Year 6
		Childcare Health Consultation	SBT	\$1,044,000	\$1,243,000	\$8,043,000	
		Homeless Childcare Subsidies	FEPP 2018	\$400,000	\$500,000	\$3,234,000	250 families projected to be served annually by Year 6
		Program Labor	GF / SBT	\$3,252,000	\$3,416,000	\$18,468,000	
		SPP Extended Daycare	FEPP 2018	\$1,640,000	\$4,349,000	\$30,491,000	560 families projected to be served annually by Year 6
	Childcare Workers	Childcare Worker Supports	GF	\$0	\$2,750,000	\$18,471,000	\$2.9M PET was allocated in the 2024 Adopted Budget. 5,000 workers projected to be served annually by Year 6
	Prenatal-to-3	Developmental Bridge	SBT	\$523,000	\$615,000	\$3,977,000	175 families projected to be served annually by Year 6
		Nurse Family Partnership	GF	\$2,736,000	\$2,902,000	\$18,772,000	340 families projected to be served annually by Year 6
		ParentChild+	GF / SBT / FEL	\$1,528,000	\$1,475,000	\$9,543,000	275 families projected to be served annually by Year 6
	Seattle Preschool Program (SPP)	Childcare Health Consultation	FEPP 2018	\$2,030,000	\$2,103,000	\$14,763,000	3,100 families projected to be served annually by Year 6
		Program Labor	FEPP 2018	\$7,729,000	\$8,395,000	\$56,389,000	No new positions; higher costs due to AWI
		SPP Classrooms and Supports	FEPP 2018	\$38,322,000	\$47,487,000	\$332,113,000	
		SPP Dual Language	FEPP 2018	\$220,000	\$337,000	\$3,959,000	840 (out of a total 3,100) families estimated to be served annually by year 6
		SPP Quality Teaching	FEPP 2018	\$2,786,000	\$2,321,000	\$15,013,000	
		SPP Summer School	FEPP 2018	\$2,750,000	\$2,765,000	\$19,403,000	1,460 families projected to be served annually by Year 6
	Reserve	Cost and Risk Reserve		\$0	\$2,004,000	\$14,345,000	A 2.5% "cost and risk reserve" to address potential unforeseen cost increases, considered best practice
Early Childhood Total				\$70,000,000	\$98,450,000	\$658,245,000	

SBT-funded Early Childhood Programs moving to the FEPP Levy:

- Child Care Assistance Program
- Childcare Health Consultation
- Program Labor (staffing)
- Developmental Bridge
- ParentChild+

❌ Prenatal-to-Three Community Grant Program. Not currently funded beyond current 2025 cycle. Grantees will finish their work in 2027.

New Investments Proposed in Food and Child Care Programs

Food

The proposed budget includes revenues generated by the City's proposed Business & Occupation (B&O) Tax increase. The tax is anticipated to generate \$81 million in 2026, of which over **\$11 million** is proposed for **one-time** investments that increase food insecurity and access, including funding for:

- Fresh Bucks expansion
- Food banks and meal programs
- Lake City Farmers Market operations
- Expanding neighborhood grocers

Child Care

The 2025 Families, Education, Preschool and Promise (FEPP) Levy, which is on the November 2025 ballot, adds \$1.3 billion over the term of the levy for education support services for Seattle children, youth, and families, including **\$18.5 million** in the 2026-27 school year to more than double access to affordable childcare slots to 1,400 a year and provide direct payments to support the retention of 5,000 childcare workers citywide.

\$11.2 million in New Investments Proposed in Food (Detail)

- **One-time expansion of Fresh Bucks @ \$6,275,000**
 - Funding pays for an increase in monthly benefits from \$40 to \$60 per month and increases enrollment by more than 4,000 new households, helping to address existing waitlists for participation.
- **One-time funding for Food Banks @ \$3,000,000**
 - Funding will support food purchase, staffing, donated food procurement, other program operations, and mobile food pantries and home delivery
- **One-time funding for Meal Programs @ \$1,000,000**
 - Funds will support food purchase, staffing, donated food procurement, and other program operations.
- **One-time funding to expand operations of Lake City Farmers Market @ \$317,000**
 - Funding for the Seattle Neighborhood Farmers Markets to expand the Lake City Farmers Market by 15 weeks through December and shift market hours from Thursday evenings to Saturday mornings. The proposed budget includes \$126,728 in General Fund for 2026, with a total commitment of \$317,000 over three years.
- **One-time funding to provide supports for Neighborhood Grocers @ \$700,000**
 - ✓ Funding to support the opening and expansion of small businesses offering healthy, fresh foods and cultural household essentials throughout Seattle neighborhoods. This support will encourage and incentivize food access, with a specific focus on food deserts, as well as new opportunities for corner stores and bodegas through changes proposed in the One Seattle Comprehensive Plan Update.

Comparing the CAB Recommendations to the *2026 Proposed Budget*

Overview of the CAB's June 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.
3. Maintain spending restrictions on the SBT Fund.
4. Increase investments in food and childcare assistance programs to address worsening food and nutrition insecurity and access to affordable childcare.
5. Pursue new and progressive local revenue options. Dedicate a portion of that revenue to programs that make Seattle livable for everyone and create lasting change for an equitable future.

2025 CAB Recommendations vs. 2026 Proposed Budget

Summary

2025 CAB Recommendations:	2026 Proposed Budget Alignment
1. Prioritize investments in food and childcare programs, regardless of their City funding source.	
2. Use other revenue sources to balance the SBT Fund.	
3. Maintain spending restrictions on the SBT Fund.	
4. Increase investments in food and childcare assistance programs to address worsening food and nutrition insecurity and access to affordable childcare.	
5. Pursue new and progressive local revenue options. Dedicate a portion of that revenue to programs that make Seattle livable for everyone and create lasting change for an equitable future.	

Overall, CAB staff would say there is solid alignment between the CAB's recommendations and the 2026 Proposed Budget. The point of misalignment is that the proposed budget includes funding swaps between the GF and SBT Fund, which goes against the CAB's "no supplantation" recommendations. This swap is to shield HSD's GF-supported food programs from reductions due to the GF shortfall.

2025 CAB Recommendations vs. 2026 Proposed Budget

Detail #1 and #2

2025 CAB Recommendations	Alignment	2026 Proposed Budget
1. Prioritize investments in food and childcare programs, regardless of their City funding source.		• Strong alignment with CAB recommendations • No reductions to food and childcare programs • <i>However, the Prenatal-to-Three Community Grant Program was deprioritized and appears to be ending, but this is not childcare.</i>
2. Use other revenue sources to balance the SBT Fund.		• Neutral alignment • Forecasted SBT revenues for 2026 are up slightly compared to the 2026 Endorsed Budget. No reductions are being taken in department budgets. Use of SBT fund balance also allows for a small increase in 2025 for labor settlements and contract inflation costs. About \$1 million will be kept in reserve to protect against revenue fluctuations.

2025 CAB Recommendations vs. 2026 Proposed Budget

Detail #3

2025 CAB Recommendations	Alignment	2026 Proposed Budget
3. Maintain spending restrictions on the SBT Fund.		• Not aligned • \$7 million in HSD food investments is being shifted from the General Fund (GF) to the SBT. The purpose of this is to shield HSD food investments from the General Fund (GF) shortfall. This funding swap goes against the CAB’s longstanding recommendation for “no supplantation” of SBT funding and the assertion that SBT funds should be used to expand or create new programs, not supplant other funding sources.

Funding supplantation is when one funding source is used to replace (or supplant) existing funding.

2025 CAB Recommendations vs. 2026 Proposed Budget

Detail #4

2025 CAB Recommendations	Alignment	2026 Proposed Budget
4. Increase investments in food and childcare assistance programs to address worsening food and nutrition insecurity and access to affordable childcare.		• Aligned • \$18.5 million in the proposed Families, Education, Pre-School & Promise (FEPP) levy for the 2026-2027 school year to: ➤ More than doubling access to affordable childcare slots ➤ Provide retention payments to more than 5,000 childcare workers • \$10.3 million in additional Food investments to: ➤ Support food banks and meal programs ➤ Increase Fresh Bucks benefits from \$40 to \$60 per month and enroll 4,000 new households from the waitlist ➤ Note: the Food investments are one-time investments.

2025 CAB Recommendations vs. 2026 Proposed Budget

Detail #5

2025 CAB Recommendations	Alignment	2026 Proposed Budget
5. Pursue new and progressive local revenue options. Dedicate a portion of that revenue to programs that make Seattle livable for everyone and create lasting change for an equitable future.		• Aligned • The proposed budget includes revenues associated with the City’s proposed Business & Occupation (B&O) Tax increase. The tax is anticipated to generate \$81 million in 2026, of which of which over \$11 million is proposed for one-time investments that increase food insecurity and access, including funding for: ➤ Fresh Bucks expansion ➤ Food banks and meal programs ➤ Lake City Farmers Market operations ➤ Expanding neighborhood grocers

Activity Overview

Purpose:

- To provide feedback in a structured way
- To generate content from everyone that will help us develop our response to City Council on the proposed budget

What would you change?	What would you keep?	Key Messages and Recommendations for City Council

Activity Flow

1. **Demo and test (2 minutes)** → CAB staff will demonstrate how to use the tool and everyone will test it out
2. **On your own (10 minutes)** → Add your reflections in sticky notes to the virtual whiteboard
3. **As a group (30+ minutes)** → Identify and discuss **key themes** in each of the topics (*Change/Keep/Key Recommendations*)

Note: We will want to spend the most time discussing the *key messages and recommendations* we want to convey to City Council at this time about the proposed budget?.

CAB Values & Budget Principals

[Values_BudgetPrinciples_MeetingAgreements_2023Updates.pdf](#)

CAB Values

- [Racial Justice and Social Equity](#)
- Cultural Humility
- [Voice of the Community](#)
- Balance Between Community-Driven Solutions and Scientific Evidence
- [Transparency](#)
- Accountability
- [Trust](#)

CAB Budget Principals

- Priority Populations
- [Place-based Focus Areas](#)
- Community-driven
- [Culturally Responsive](#)
- Address immediate needs and focus on systems change

Activity & Discussion

Go to Cacao

Next Steps

1. **Confirm we are ready to take a vote** on these key messages and recommendations to include in our letter.
2. If we are ready, **take a vote**.
3. The Executive Committee (Tanika, Jen, Dan) will work with CAB staff (Star and Bridget) to **prepare a first draft** of the letter based on today's discussion.
4. The full CAB will get the first draft and can **review and comment**. *Note: the review period will be short because if we want Council to consider our recommendations in their deliberations, we need to send this letter ASAP.*
5. Executive Committee will **prepare a final draft** to send to City Council that reflects feedback from CAB review. CAB staff will support.
6. **Send final memo to City Council**. CAB staff will support.

CAB Voting



Green: Signals approval for the proposal.

("Yes! I like this plan.")

Yellow: Signals the proposal has potential but might require further consideration.

("Maybe. This plan is okay, but could be improved.")

Red: Signals the proposal is not recommended.

("No. I cannot get behind this plan.")

(In consensus, Red is a block).

Closing Reflections

- *My hope for the organizations that are funded by the SBT is...*
- *My hope my CAB colleagues for the rest of their day is...*