

Sweetened Beverage Tax Community Advisory Board

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

Date: October 14, 2020

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

Subject: 2021 Sweetened Beverage Tax Proposed Budget

CC: Mayor Jenny Durkan and City Budget Director Ben Noble

Dear City Council

On behalf of the Sweetened Beverage Tax Community Advisory Board, we are writing to express full support of the Mayor's 2021 Proposed Budget as it relates to the Sweetened Beverage Tax Fund (00155). The Proposed Budget closely aligns with the CAB's [recommendations](#) (July 2020) and community priorities, and we urge Council to adopt the SBT budget proposal with no changes.

Specifically, the Proposed Budget:

Maintains SBT-funded programming at existing levels. In 2021, SBT revenues are expected to come in at \$20.8 million, \$3 million lower than 2019 collections. To keep programs and services intact, the Mayor proposes using the worker retraining set-aside and revenue stabilization reserve to “backfill” resources—we agree with this approach. The public health crisis and economic impacts of COVID-19 have reduced available revenue while also increased demand for critical programs and services. It makes sense to use all available resources to avoid cuts to important SBT-backed programs and services that increase access to healthy food, provide emergency food assistance, and support childcare providers and the families they serve. The \$2 million SBT revenue stabilization reserve can be replenished in the future when the economy stabilizes.

Includes a one-time \$1.5 million increase to the Department of Education and Early Learning's budget for a new grants program for community-based organizations (CBOs) providing prenatal-to-three services. This program is a direct response to the CAB's recommendations for increased investments in community-driven programming focused on prenatal-to-three services that seek to reduce the disparities in outcomes for children and families based on race, gender, or other socioeconomic factors.

While this will be a new grants program, the CAB is confident that stakeholder commitment and collaboration will ensure its success. DEEL intends to work closely with King County's Best Starts for Kids and the CAB to develop the program. Additionally, the CAB expects to work closely with DEEL to design a program that:

- Focuses on CBOs that offer culturally and linguistically relevant services and outreach;
- Focuses on CBOs led by and serving communities of color, immigrants, refugees, and Native people;
- Allows activities that are flexible to respond to emerging and changing needs and provide COVID-19 relief; and
- Allows grantees to support operational costs associated with existing programs.

Given available resources and the revenue forecast, this grants program is proposed as a one-time investment. However, the CAB may consider identifying ongoing SBT funding in the 2022 budget process.

Funds the Healthy Food Fund. In 2020, the Mayor created the Healthy Food Fund (HFF) in the Department of Neighborhoods (DON) in response to our recommendations for more investment in community-led approaches to increasing access to healthy food. This new grants program was cut in 2020 and its funding was redirected to emergency food assistance as part of the City's COVID relief efforts. The 2021 Proposed Budget reduces SBT funding from the HFF program by \$1.5 million, a tradeoff we recommended so that a new prenatal-to-three grants program could also be created. The CAB intends to see the Healthy Food Fund restored to its \$2.5 million level in 2022.

Consolidates food access community grants into one department. In addition to the HFF, there is a proposed transfer of \$500,000 in Food Access Opportunity Funds from the Human Services Department (HSD) to DON. We think consolidating community grants into one department makes sense if it reduces administrative costs. It is the CAB's expectation that we will work closely with DON on the design of the community grants program to ensure the grantmaking processes advance equity. Additionally, we recommend DON consult with HSD and the Office of Sustainability & Environment (OSE) in the planning of the HFF since these departments have experience working with community on food access programming.

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 were informed by feedback we collected during [community engagement activities with almost 500 multilingual and multicultural residents](#). 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 the SBT Fund is now tightly balanced and that there are no other reserves to backfill resources if the economy worsens. 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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| 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 |
| Adrián Lopez-Romero | Position 10, Early Learning Representative |
| Dila Perera | Position 11, Early Learning Representative |