

Sweetened Beverage Tax Community Advisory Board

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Date: October 16, 2026

To: Councilmember Rob Saka, Councilmember Eddie Lin, Councilmember Joy Hollingsworth, Councilmember Maritza Rivera, Councilmember Deborah Juarez, Councilmember Dan Strauss, Councilmember Robert Kettle, Councilmember Alexis Mercedes Rinck, and Councilmember Dionne Foster

From: The Sweetened Beverage Tax Community Advisory Board

Subject: CAB Response to the 2027-2028 Proposed Budget

Cc: Mayor Katie Wilson, City Budget Director Aly Pennucci, Executive Operations Manager Sunaree Marshall

Dear City Councilmembers:

On behalf of the Sweetened Beverage Tax Community Advisory Board (CAB), we are writing to respond to the Mayor's *2027-2028 Proposed Budget* as it relates to the Sweetened Beverage Tax Fund (00155). The CAB takes seriously its responsibility, established in the SBT ordinance ([Ord. 125324](#), Section 4), to advise the Mayor and City Council on the use of SBT revenues that reflect community priorities and uphold the tax's intended purpose.

We urge the City Council to adopt a 2027–2028 budget that sustains essential food assistance, restores SBT-funded community grant programs, and protects the purpose of the SBT Fund.

We support the Mayor's proposal to use the General Fund to continue the added investments in Fresh Bucks, food banks, and meal programs that would otherwise have ended as one-time expansions. This directly aligns with two of our [top recommendations we conveyed to the Mayor](#) in June 2026. We appreciate the Mayor's leadership in supporting funding for essential food access services and for making this funding ongoing. Persistently high food costs and the broader affordability crisis continue to put healthy food out of reach for many Seattle residents. Federal policies that have weakened the safety net put further pressure on households and the community organizations they turn to for help. Continuing these investments recognizes that the need for food assistance does not end when a one-time appropriation expires.

At the same time, we remain deeply concerned that recent budget decisions have weakened the SBT Fund's original purpose. Removing the no-supplantation clause in 2025 and shifting \$7.4 million in Human Services Department (HSD) food investments from the General Fund to the SBT Fund in 2026 placed existing City obligations on a limited revenue source. With SBT revenue declining, the proposed budget now reduces the [Food Equity Fund](#) and fails to reinstate the [Prenatal-to-Three Community Grant Program](#), two SBT-funded community grant programs developed in direct response to community priorities. Communities should not lose these investments because the City shifted its funding responsibilities. Beyond funding projects, these grant programs have built trust and strong working relationships between the City and historically marginalized communities. The CAB has heard positive feedback about these grant programs and urges the City to protect this hard-earned success. Cutting funding puts both community-led work and these trusted relationships at risk.

We urge Council to take the following actions:

1. Reinstate the SBT Fund's no-supplantation clause.

The CAB unequivocally opposes the recent 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 removed this clause in order to shift \$7.4 million in HSD food investments from the General Fund to the SBT Fund.

Community stakeholders were promised that SBT revenue would support additional community investments and would not be used as General Fund or budget relief. Yet that is exactly what has happened. By removing the no-supplantation safeguard and shifting existing General Fund obligations onto SBT, the City has taken a regressive tax and used it to pay for essential food access services previously supported by the General Fund.

At the same time, proposed reductions to the Food Equity Fund and Prenatal-to-Three Community Grant Program (addressed below) undermine the community autonomy and decision-making these programs were created to support. **We are concerned by a worrisome trend of cutting community grant programs when the City needs to address budget deficits.** These cuts take resources and decision-making power away from communities that already face substantial inequities. Communities are being asked to bear the tax while losing resources that allow them to identify their own priorities and lead their own solutions.

We want a safeguard that prevents SBT revenue from supplanting other fund sources. As a regressive tax, the SBT's legitimacy depends on ensuring that revenues are not used to provide budgetary flexibility during economic downturns but rather *add* investments in healthy food access and early childhood development for communities experiencing the greatest health and education inequities.

Council should reinstate the no-supplantation clause and ensure that SBT revenue delivers additional, community-directed benefits to the people most affected by the tax.

2. Restore the Food Equity Fund and Prenatal-to-Three Community Grant Program to their previous funding levels and maintain that funding on an ongoing basis.

The Mayor's proposed budget reduces funding for the Food Equity Fund by \$1 million in 2027 and 2028, and there is no identified funding after 2028. Meanwhile, the Prenatal-to-Three Community Grant Program is sunseting this year after ongoing funding for this program was removed in 2026.

The Food Equity Fund should be maintained at \$2.8 million SBT ongoing and the Prenatal-to-Three Community Grant Program should be restored to \$1.5 million SBT ongoing. These programs exist because the CAB recommended them in direct response to community priorities. These programs put resources directly into community-led solutions and build strong working relationships between the City and historically marginalized communities. Many of the organizations these programs fund are uniquely positioned to provide culturally and linguistically relevant services that are not available through the traditional services the City prioritizes. Their trusted relationships, language access, and understanding of community needs allow them to reach residents who face barriers to other services.

In addition to providing food access, the Food Equity Fund helps create the conditions for *holistic nourishment* by investing in community-driven solutions that strengthen relationships, cultural connection, and overall well-being. Similarly, the Prenatal-to-Three Community Grant Program supports families through services for healthy and equitable births, parental health and emotional wellbeing, and nurturing and responsive care provided by organizations with expertise in culturally relevant services.

Now, the Executive is cutting community grant programs after using a declining SBT Fund to backfill General Fund obligations. This reverses the purpose of the tax and breaks the commitment made to communities: revenue intended to expand community-led solutions is instead replacing existing funding, while the programs communities helped create bear the cuts. The City's disinvestment in community-led programming is very worrisome.

Cutting these grants does more than reduce funding, it will leave residents without services that meet their needs, provide *holistic nourishment*, and take decision-making power away from their communities. These programs are essential to making the City's investments equitable and accessible. Council should restore and sustain these investments so communities have the resources to lead solutions that work for them.

3. Reverse the 2026 \$7.4 million funding shift from the General Fund to the SBT Fund, maintain the \$2.8 million Food Equity Fund on the SBT Fund, and restore the \$1.5 million Prenatal-to-Three Community Grant Program on the SBT Fund .

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. Although the stated purpose of the swap was to shield HSD food investments from the General Fund shortfall, this move went against the CAB's longstanding principle that SBT revenue must be used to expand or

create new programs aligned with community priorities, not to replace other funding sources or backfill City budget gaps. That decision also made existing SBT-funded programs vulnerable as SBT revenue declines.

We advise the City Council to restore \$7.4 million in *General Fund* support for food banks and meal programs and use this money freed up on the SBT Fund to preserve the Food Equity Fund at \$2.8 million SBT ongoing, the restore the Prenatal-to-Three Community Grant Program at \$1.5 million SBT ongoing, and other community directed priorities.

Community-identified investments have already been lost as SBT revenues declined, including the innovative, youth-led [Be Ready, Be Hydrated](#) campaign to promote drinking water and evaluation support that helped community organizations assess and strengthen their projects. SBT revenue volatility and the City's decision to use the fund to backfill General Fund obligations leave community priorities increasingly vulnerable. Council should reverse this funding shift before more of the investments communities helped create disappear.

4. Keep the proposed, ongoing investments in Fresh Bucks, food banks, and meal programs.

The 2027-2028 Proposed Budget includes \$4 million General Fund *ongoing* for food banks and meal programs and \$6.3 million General Fund *ongoing* for Fresh Bucks. This directly aligns with two of our [top recommendations we conveyed to the Mayor](#) in June 2026. We appreciate the Mayor's leadership in supporting funding for essential food access services and for making this funding ongoing. We recommend the City Council adopt the proposed ongoing funding for these expansions. Fresh Bucks helps households afford fruits and vegetables, while food banks and meal programs provide vital food assistance across the city. High food costs, competing household expenses, and the impacts of federal policies make this support essential. Participation in the Supplemental Nutrition Assistance Program (SNAP) is declining due to federal policies even while food insecurity remains high.

Allowing the expansions to expire would reduce assistance when residents and providers are already under pressure. Stable funding helps households count on support and enables providers to maintain the capacity needed to serve them.

5. Pair any new progressive revenue proposal with a clear spending plan for sustaining SBT-funded programs.

If the City pursues new progressive revenue sources, the CAB urges a transparent spending plan that identifies funded programs, committed resources, and long-term funding strategies to backfill SBT-funded programs. Essential services should not rely on declining SBT revenues or temporary budget fixes. Clear commitments and public reporting will help ensure accountability and build community trust.

We have repeatedly called for stable, progressive revenue because essential services cannot depend on a declining SBT revenue stream or temporary budget fixes. For example, for years, the CAB advocated for using the new Families, Education, Preschool & Promise (FEPP) Levy to

sustain early learning programs that previously relied on unstable SBT revenue. This year, the City acted on the CAB's recommendation, providing a more stable funding source for these essential programs. We urge the City to develop a similar plan for the programs that remain heavily dependent on SBT, pairing any new progressive revenue with clear, ongoing funding commitments so these essential services can endure as SBT revenue declines.

Council has an opportunity to correct past funding decisions while preserving the proposed investments in food assistance. We urge you to do both. Seattle residents need dependable access to food, and community organizations need dependable support to meet that need. Adopt a budget that restores the SBT Fund's protections, sustains community-led programs, and keeps these essential services strong. The City's budget challenges should not be passed on to the people these investments were created to serve.

Sincerely,

Tanika Thompson Bird and Dan Torres, Co-Chairs

 