

## Sweetened Beverage Tax Community Advisory Board (CAB)

<b>MEETING SUMMARY</b>	<b>Date:</b> April 18, 2025 <b>Time:</b> 9am – 11am <b>Location:</b> Virtual
<b>MEMBERS PRESENT:</b>	Tanika Thompson Bird, Jen Moss, Barbara Baquero, Bilan Aden
<b>MEMBERS ABSENT:</b>	Dan Torres, Barbara Rockey
<b>VACANT SEATS:</b>	Position 1 (Food Access Representative), Position 3 (Food Access Representative), Position 6 (Public Health Representative), Position 7 (Public Health Representative), Position 10 (Early Learning Representative)
<b>GUESTS:</b>	Bridget Igoe, Office of Sustainability & Environment Greg Shiring, City Budget Office (left at 9:30) Lisa Chen, Department of Neighborhoods (left at 9:30) Seán Walsh, Human Services Department

### Meeting Slides

T. Thompson Bird, CAB Co-Chair, opened the meeting and reviewed the agenda. She reminded the CAB that it aims to develop and transmit budget recommendations to the Mayor in June. The CAB has two, regularly scheduled CAB meetings between now mid-June—this April 18<sup>th</sup> meeting and the May 16<sup>th</sup> meeting. today’s meeting and our May meeting.

G. Shiring, Budget Analyst from the City Budget Office (CBO), briefed the CAB on the [April 2025 Revenue Forecast](#). The 2024 actual revenues collected by the SBT came in lower than expected and the April 2025 forecast predicts a shortfall in the SBT Fund. The next forecast is in August.

### Baseline Scenario for SBT:

Actuals	April Forecast		Difference from 2025-2026 Adopted		2 Year Total Difference
2024	2025	2026	2025	2026	
\$20.1M	\$19.9	\$19.8	-\$1.4M	-\$2.0M	-\$3.4M

### Pessimistic Scenario for SBT (most likely):

Actuals	April Forecast		Difference from 2025-2026 Adopted		2 Year Total Difference
2024	2025	2026	2025	2026	
\$20.1M	\$19.8	\$19.6	-\$1.5M	-\$2.1M	-\$3.7M

Other key points about the SBT Fund from the CBO briefing and discussion:

- We are in a “down” cycle – across all City fund sources. The next revenue forecasts are in August and November. For now, the economists are using the “pessimistic scenario”.
- 2024 SBT revenues dropped by 4%. The forecast predicts a drop by 6% in 2025 and a drop by 10% in 2026. For a combined three years (2024, 2025, 2026) look at almost \$4M reduction.
- To align spending with revenue projections – 10% reductions are needed in 2025 and 2026.
- CBO has not communicated any guidance to departments yet. Until now, depts were told to keep things the same, but this is the first forecast update. We’ll be asking departments to propose some reductions. For 2026, at least 10% reductions. Not sure yet about 2025. If it’s too late to take 10% reductions in 2025, may have to go deeper in 2026 (15%).

After the briefing and discussion on the budget situation, the CAB discussed approaches for its annual budget recommendations. Some key takeaways from the discussion are noted below.

#### Good news:

- Reduced consumption - actuals are down 4% in 2025.
- Food access is a priority for the current City officials (based on last year’s budget process which resulted in some funding adds to food banks and meal providers)

#### Bad news:

- Critical services are tied to a revenue source intended to decline/IS declining
- There is shortfall EVERYWHERE - state, city (and the federal government is cutting grants and services)

#### CAB Questions:

- Are there projects in 2025 that might have underspend?
- Are there projects/services that historically have underspend?
- What other groups in Seattle are working on these issues of revenue and how can we join their coalition?

#### SBT – time to think about longer term strategies.

- There are two sides of this SBT policy. People are changing their consumption habits and revenues are being used to change the lives of low incomes communities through community-led programming that has enormous benefits.
- **It’s time to think about SBT 2.0.** How do we sustain all these incredible benefits and results? There are opportunities to do more (examples of Fresh Bucks, FEF, etc.)
- Healthy living should not have to go down because soda is going down.
- Need new, PROGRESSIVE, sustainable, and equitable revenue sources.

#### Review of previous CAB recommendations:

- Use other fund sources to balance the SBT Fund, rather than implement cuts
- Move SBT-funded early learning investments to DEEL’s families and education levy (to take pressure off the SBT Fund)
- Pursue new, progressive, equitable revenue sources and invest in food and early learning to address SBT shortfalls and high demand for services

- Protect SBT - do not rob this fund to make up for other shortfalls

Other strategies CAB is interested in to raise awareness:

- Meetings with Councilmembers, esp. Saka, Rinck, Strauss, Hollingsworth
- Site visits - to FMs; with any elected that is running again.
  - August - Food Action Plan summit?
- Social media about SBT programs - to facilitate more recognition
  - Create an opportunity for UW students on this

**Next Steps:** The CAB will start drafting a budget recommendations memo for further review and discussion at the May meeting.

The meeting adjourned at 11am.

**-END-**