

Sweetened Beverage Tax Community Advisory Board

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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.

Meanwhile, [income inequality in Seattle](#) is astounding: the wealthiest fifth of Seattle households earn about 21 times more than the poorest fifth. Twenty percent of city households at the top of the income ladder earned \$439,000 in 2023. But for 20% of households with the lowest incomes—the people who rely on City-funded food and childcare assistance—incomes averaged just \$21,000. It is time for Seattle to find a better way.

We know the City is facing a budget shortfall and a pessimistic revenue forecast but **we reject any cuts to food and childcare assistance or other essential services**. Do not rob essential services to balance the overall budget. In a city as wealthy as Seattle, the communities most impacted by economic, racial, and health inequities should not bear the burden of an austerity budget—rather, they must be prioritized.

We unanimously recommend the following for the City’s 2025 and 2026 budget:

1. **Prioritize investments in food and childcare programs, regardless of their City funding source.** Do not cut spending on food and childcare assistance to balance the budget. Decimating food and childcare assistance is exactly what the Trump administration is doing, does not align with our city’s progressive values, and would harm our communities today and for years to come. Cuts to essential services will worsen economic hardship, increase food insecurity and homelessness, and undermine Seattle’s youth and public health initiatives. Food banks and hunger relief organizations in Seattle and across the region are facing unprecedented challenges as they grapple with rising food costs, higher demand from residents trying to get by, and impending federal funding cuts to USDA food programs and Supplemental Nutrition Assistance Program (SNAP) benefits.
2. **Use other revenue sources to balance the SBT Fund.** For example, [use current underspend from the Families, Education, Preschools, and Promise \(FEPP\) Levy](#) to help balance the budget in 2025. Use the future FEPP Levy to help fund SBT-funded prenatal-to-three services and food access programs in preschools and K-12 schools. We see already that prenatal-to-three investments are included in the [scope of your proposed FEPP Levy renewal package](#); the new FEPP Levy should also be used to backfill and bolster current SBT investments in food security and food access to take pressure off the declining SBT Fund and address urgent needs.

Regarding the new FEPP Levy, **we support [Amendment 4 Version 1 and Amendment 5 Version 1 to CB 120981](#) which would include food assistance as an eligible service supported by the FEPP Levy “K-12 student supports” category and add \$2,000,000 annually to support the Fresh Bucks program for families.** Hunger significantly impacts a child’s ability to learn in school and low-income families need increased access to wholesome fruits and vegetables for their children.

3. **Maintain spending restrictions on the SBT Fund, established by [SMC 5.53.055 - Sweetened beverage tax—Allocation of proceeds](#).** It is a priority for this Board and

hundreds of community stakeholders that SBT is used as intended and invested into *expanded or new programs* that promote equitable food access and positive health and developmental outcomes for children. As a Seattle City Councilmember, you, Mayor Harrell, voted in 2019 for budget legislation that created the SBT Fund, protects SBT revenues, and prohibits any supplantation. We urge you to maintain these restrictions and the promise you made to the community. Please do not forget what happened when [former Mayor Durkan tried a \\$6M SBT budget swap](#)—the backlash from community stakeholders, City Council, and this Board was harsh and swift.

We will continue to reject any tactics that use the SBT Fund to supplant baseline allocations in other fund sources and will strongly oppose any swaps. Using restricted funds in a budget shell game erodes community and public trust. Community advocates, including this Board, fought hard in 2017 and 2019 to ensure SBT revenue—collected by a regressive tax—would *increase* equitable investments in the communities most impacted by food and educational inequities, not provide general budget relief during downturns. SBT funds should only be used as intended—to *expand, not supplant*, programs and services that address inequities in food access and educational outcomes.

4. **Increase investments in food and childcare assistance programs to address worsening food and nutrition insecurity and access to affordable childcare.** People need to eat to thrive and need childcare to work. The declining SBT Fund is obviously insufficient to cover these needs. Investments in healthy food access, food security, and high-quality childcare address immediate needs in our communities and create lasting change. There is both demand and opportunity to scale up the innovative and impactful programming made possible through SBT funding.

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.** Seattle strives to support a strong social safety net and to uplift our diverse communities, but those services are too often financed by putting a disproportionate burden on those least able to afford it. You and other City officials have been talking about new, progressive revenue options since 2018, but here we are in 2025 facing a massive budget shortfall (for the second year in a row) and a Trump administration that is dismantling federally funded social services. It is time to get serious about new revenue solutions.

Based on the current [April 2025 revenue forecast](#), we have been told that it would take 10% cuts in 2025 and another 10% in 2026 to balance the SBT Fund. To remind you what is at stake, the table below our signatures lists the critically important programs and services currently supported by the SBT Fund. These are nationally recognized and lauded investments that increase access to healthy food, alleviate hunger, improve food and nutrition insecurity, make childcare more affordable for working families, and contribute to child health and

development. Furthermore, SBT *expanded or created* all these programs in the first place. Cutting them now would be shortsighted and harmful.

That the SBT Fund has seen declining revenues demonstrates that we are achieving the original intended outcome of reduced consumption of sugary beverages. Seven years later, it is time for the City to take seriously the growing and ongoing shortfall in the SBT Fund. Basic needs like food and childcare should not have to rely on investments and revenue sources that are known to be volatile and unstable.

[SBT Financial Plan in the 2025 Adopted and 2025 Endorsed Budget](#)

As a former City Councilmember who helped to enact the SBT and the current Mayor of Seattle, you have the power and responsibility to maintain and protect these programs and services. Food and childcare assistance should not be penalized because the soda tax is working as intended.

Sincerely,



Tanika Thompson-Bird
Co-Chair, SBT Community Advisory Board



Jen Moss
Co-Chair, SBT Community Advisory Board

Attachment: Table of SBT Fund Investments

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The table below lists the critically important programs and services currently supported by the SBT Fund and at risk of cuts in 2025 and 2026 unless other funds are used to backfill the SBT.

For more information:

- [SBT Financial Plan in the 2025 Adopted and 2025 Endorsed Budget](#)
- [SBT Annual Report](#) (pages 10-53 summarizes program outcomes)

SBT-Funded Food and Nutrition Security Programs - \$14.9 million SBT in 2024
Fresh Bucks (OSE)
Healthy Food in Schools (OSE)
Food Equity Fund (DON)
Food & Nutrition Programs for Older Adults (HSD)
Community Meal Programs (HSD)
Food Banks (onsite, mobile, home delivery) (HSD)
Food Sourcing, Distribution, and Coordination for food banks and meal programs (HSD)
Food & Nutrition Programs for Children (includes weekend hunger relief, supplemental support for summer meals, afterschool meals, childcare meals) (HSD)
SBT-Fund Child Programs (all DEEL) - \$8 million SBT in 2024
Child Care Assistance Program
Prenatal-to-Three Grant Program
Health & Developmental Supports
Coaching & Training
Home Visiting