

Sweetened Beverage Tax Community Advisory Board Meeting

December 12, 2025 Meeting

Agenda





Welcome



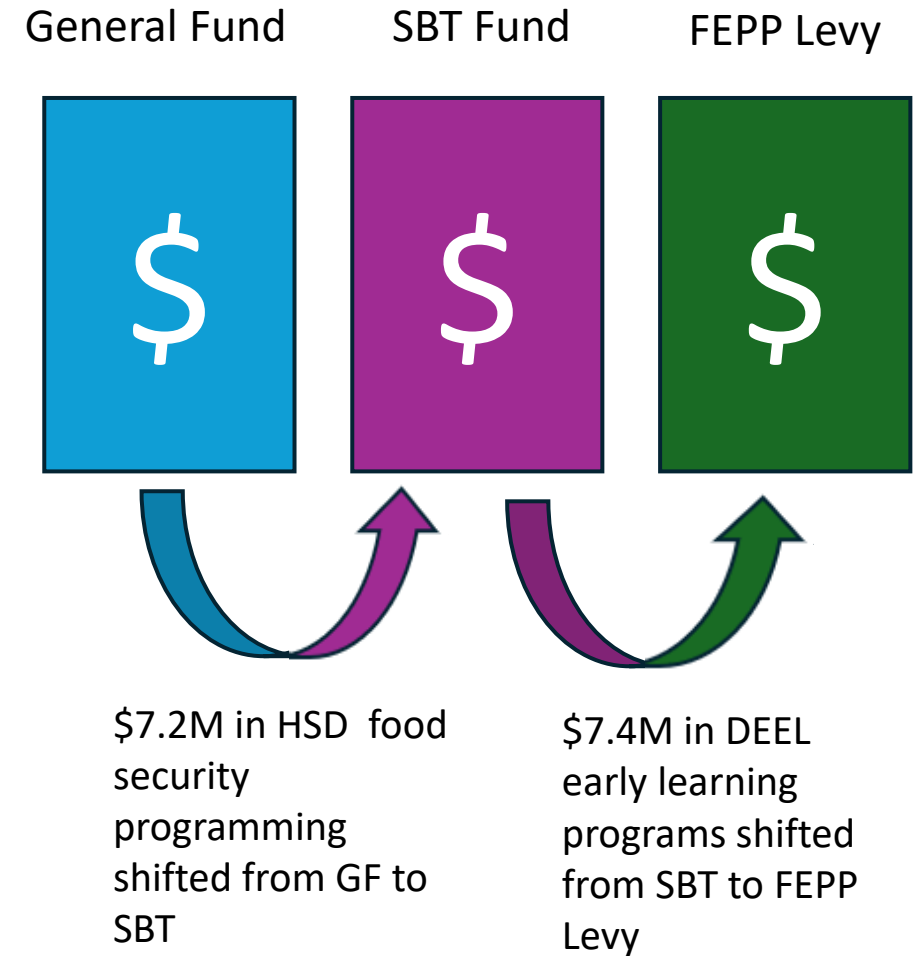
Dujie Tahat, Seattle's Civic Poet (2025-2026)

2026 Adopted Budget - Overview

2026 Adopted Budget

Changes to the SBT Fund

1. \$7.4 million in SBT-funded Department of Education & Early Learning (DEEL) programs previously funded by the SBT were shifted to the new Families, Education, Preschool, and Promise (FEPP) Levy.
 - In 2026, there are no early learning programs funded by the SBT.
 - There is no funding for the Prenatal-to-Three Community Grant Program in 2026.
2. \$7.2 million in Human Services Department food programs previously funded by the General Fund (GF) were shifted to the SBT Fund. **This change required the City to remove the non-supplantation funding provisions in the Seattle Municipal Code with a new ordinance ([Ord 127348](#)) that was passed by City Council 8-0 in favor.**



2026 Adopted Budget (continued)

New, **One-Time** Investments in Food Access (not SBT funded)

- **Fresh Bucks:** \$6.2 million in additional investment to increase the monthly benefit from \$40 to \$60 and enable the program to serve everyone on its more than 4,000-person waitlist. (*Office of Sustainability & Environment, OSE*)
- **Food Banks:** \$4 million in additional investment to support food banks and meal programs, plus
 - \$125,000 for a social worker to help connect people with affordable housing resources, assistance programs, and other services at the Ballard Food Bank.
 - \$275,000 for food bank delivery services to low-income and affordable housing at Magnuson Park.
 - (*Human Services Department, HSD*)
- **More investment in meal programs:** \$1 million in additional funding for hot meal programs, plus \$250,000 investment in meals specifically for seniors. (*HSD*)
- **Investing in more small grocery stores:** \$700,000 to support new and expanding small grocery businesses in Seattle with a focus on food deserts. (*Office of Economic Development*)
- **Expanding farmers markets:** \$327,000 for expanding farmers markets to combat food deserts. That includes:
 - \$200,000 to support farmers markets in neighborhoods with food deserts in West and South Seattle.
 - \$127,000 for the Seattle Neighborhood Farmers Markets to expand the Lake City Farmers Market by 15 weeks through December as the neighborhood deals with a grocery store closure.
 - (*OSE*)
- **Explore programs to increase food access:** The budget includes a request for the City to design a pilot project to explore new models for increasing access to healthy food retail in underserved areas. (*Office of Planning & Community Development, OPCD*)

2026 Adopted Budget (continued)

FEPP Levy – approved by voters in November

- The Families, Education, Preschool and Promise (FEPP) Levy adds \$1.3 billion over the term of the levy for education support services for Seattle children, youth, and families. This includes **\$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.
- “Food assistance” is now an eligible expense in the K-12 category of the FEPP Levy. However, there is no funding earmarked for this.

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

Old Slides (for reference if needed)

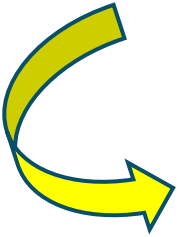
Sweetened Beverage Tax (SBT) - *2026 Proposed Budget*

- 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.

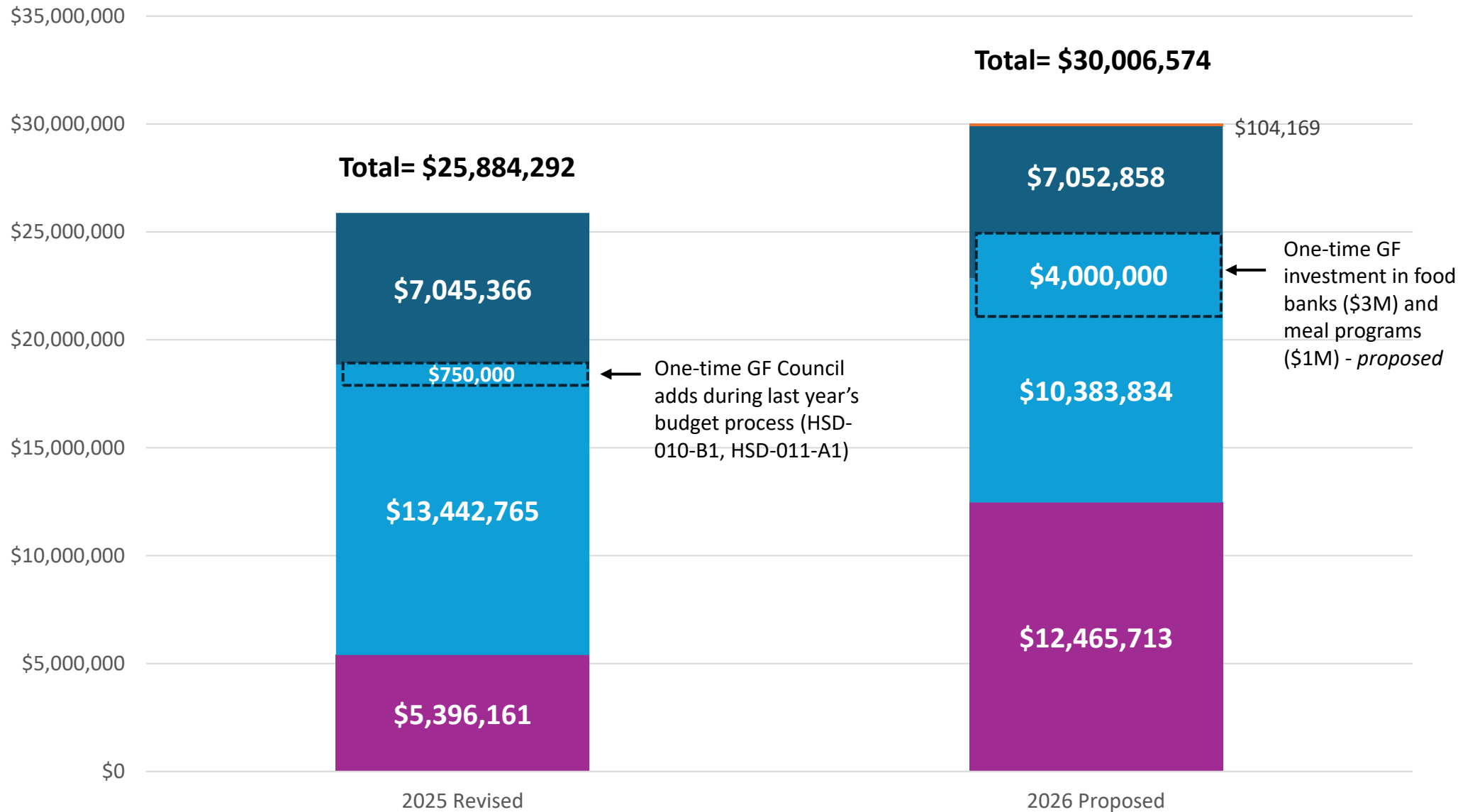
This slide shows the same points from the previous slide but mapped onto the SBT Financial Plan

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)



[Dashed Box] = one-time funding

■ SBT ■ GF ■ HSD Fund (external grants) ■ FEPP Levy

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
<p>1. Prioritize investments in food and childcare programs, regardless of their City funding source.</p>		<ul style="list-style-type: none"> • 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>
<p>2. Use other revenue sources to balance the SBT Fund.</p>		<ul style="list-style-type: none"> • 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
<p>3. Maintain spending restrictions on the SBT Fund.</p>		<ul style="list-style-type: none"> • 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 <i>expand</i> or <i>create new programs</i>, 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
<p>4. Increase investments in food and childcare assistance programs to address worsening food and nutrition insecurity and access to affordable childcare.</p>		<ul style="list-style-type: none"> • Aligned • \$18.5 million in the proposed Families, Education, Pre-School & Promise (FEPP) levy for the 2026-2027 school year to: <ul style="list-style-type: none"> ➤ 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: <ul style="list-style-type: none"> ➤ 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
<p>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.</p>		<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ➤ Fresh Bucks expansion ➤ Food banks and meal programs ➤ Lake City Farmers Market operations ➤ Expanding neighborhood grocers

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).