Dear XXX:

I’m writing all providers contracted by the Seattle Human Service Department (HSD) funded by the Sweetened Beverage Tax (SBT).  **Your contract is in jeopardy because of a recent Seattle Council legislative action.**

On Wednesday, July 10 the [Finance and Neighborhoods Committee](http://seattle.legistar.com/View.ashx?M=A&ID=710375&GUID=C2D6EF1E-FF4C-436D-8B31-8F7E0239F4E0) passed [Council Bill 119551](http://seattle.legistar.com/LegislationDetail.aspx?ID=3993848&GUID=054ABB13-C86A-4B70-850B-652BA3907B41), “AN ORDINANCE related to creating a fund for Sweetened Beverage Tax revenues; adding a new Section 5.53.055 to the Seattle Municipal Code; and providing additional guidelines for expending proceeds.”

Last November, the adopted and endorsed 2019-2020 Biennium Budget, passed by an 8-1 vote and signed by the Mayor, allocated Sweetened Beverage Tax revenues to support food and education related assistance programs. The law currently permits soda tax revenues to be used for food and nutrition programs, education and child-based programs, job retraining and placement programs for workers adversely impacted by the tax. Unfortunately, the Council has now changed its mind and would rather have this $6.3M in revenue support unspecified new programs next year while providing no funding to back-fill the cuts to currently funded programs.

This legislation is scheduled for the vote of Full Council at its **Monday, July 22** **meeting**, which starts at **2:00 p.m. Councilmembers will take public testimony on the legislation before final action.**

If the Full Council approves [Council Bill 119551](http://seattle.legistar.com/LegislationDetail.aspx?ID=3993848&GUID=054ABB13-C86A-4B70-850B-652BA3907B41) next week, your funding may be cut.

To be prudent, I’m asking all potentially impacted providers to develop a funding contingency plan.  HSD values your agency and the important services you provide the community. I also acknowledge the impact this could have to so many across the community that need this support.   Please contact Audrey Buehring at [Audrey.Buehring@seattle.gov](mailto:Audrey.Buehring@seattle.gov) if you have questions.

Sincerely,

Jason Johnson, Acting Director

Human Services Department

Cc:  Audrey Buehring, Deputy Director, HSD

        Tanya Kim, Division Director, HSD Youth and Family Empowerment Division

        Cathy Knight, Division Director, HSD Aging and Disability Services Division