

Date: July 19, 2019

To: Mayor Durkan

From: Fran Yeatts & Jeremy Kay, Co-chairs Seattle Food Committee

Subject: Sweetened Beverage Tax Funding (CB 119551)

Cc: Jason Johnson, Acting Director Human Services Department;
Audrey Buehring, Deputy Director;
Tanya Kim, Division Director; HSD Youth and Family Empowerment Division;
Cathy Knight, Division Director HSD Aging and Disability Services Division;
Councilmember Bruce A. Harrell,
Councilmember Sally Bagshaw,
Councilmember M. Lorena Gonzalez,
Councilmember Lisa Herbold,
Councilmember Deborah Juarez,
Councilmember Teresa Mosqueda,
Councilmember Mike O'Brien,
Councilmember Abel Pacheco,
Councilmember Kshama Sawant

Dear Mayor Durkan,

On behalf of the 27-member food banks of the Seattle Food Committee, including the 15 City of Seattle funded programs, we appreciate the City's longstanding support and partnership in providing food to individuals and families throughout Seattle. For the 2019 budget, we also understand and are thankful for the increase in funding to food banks made possible by the Sweetened Beverage Tax (SBT) revenue.

As a result of the 2019 City budget process, food banks that held HSD contracts began to receive their program funding from SBT rather than the general fund. While we understood this as a step to fund other deserving, critical programs, it was also a point of concern raised by many in our community. By switching food bank funding from the general fund to SBT, these essential services were moved to a more unreliable source of funding.

The original intent of the ordinance was to decrease consumption of sugary beverages, thereby decreasing revenues collected over time. The Sweetened Beverage Tax is regressive because it disproportionately affects communities of color. In a letter to you dated June 24, 2019, the CAB recommended:

"Adequate funding for the public awareness and counter-marketing campaign to reduce consumption of sugary drinks. The City is currently underfunding this initiative at a level that will hinder the overall effectiveness of this effort."

To supplant general funds with SBT in this context puts ongoing funding for critical programs like food banks at risk because it is a revenue resource that is intended to decrease. Critical programs that support basic needs should be funded with a more sustainable revenue source.

According to ordinance language, SBT revenues were to be used to expand access and innovate new programming in the areas of food access, birth to three services, and kindergarten readiness, not to provide ongoing support for existing programs. By supplanting dollars from the general fund with SBT funds, these initiatives did not receive adequate funding.

As service providers, we completely understand the need for revenue and the importance of investing in programs that address food, youth, seniors, homelessness, etc. We recognize that the challenges in front of us are enormous, but that also means the city must identify adequate and appropriate sources of funding to invest in all programs. SBT should not have been used to replace general fund support.

Therefore, the Seattle Food Committee is in support of Councilmember O'Brien proposed legislation to ensure that the Sweetened Beverage Tax is implemented as it was originally intended. We also support Councilmember Herbold's expected amendment to CB 119551 (SBT). This amendment would add a recital to clarify that the legislation is not intended to reduce funding for any impacted programs, and that the Executive is expected to identify other sources to maintain full funding.

This legislation does not impact 2019 funding; it instead requires that SBT be used for its intended purpose, and another source, i.e. general fund, be used to continue to fund these programs.

We support the proposed legislation: it ensures that SBT meets the stated intentions of the ordinance, ensures transparency and accountability to the communities that are paying these taxes for new and expanded access to the programs that will help close disparities in health, kindergarten readiness, food access, and education to decrease consumption of sugary beverages.

Our support for the legislation will necessitate that the Mayor and City Council adjust the 2020 budget so that SBT funds cannot be used to continue supplanting the general funds that paid for funding for food banks, child care vouchers, and Fresh Bucks in 2019. Budgets reflect the values and priorities of constituents and communities: there is strong community prioritization of food access and early childhood interventions. Passage of this ordinance need not necessitate cuts to these programs. We ask that the Mayor work with the Council to identify other revenue or the adjustments that must be made to the budget to continue 2019 spending levels for these programs that our communities rely on, because our communities deserve budget investments that innovate new programs and expand access to existing programs, without risking rolling back the progress we can make towards healthier communities.

Sincerely,



Jeremy Kay
Co-Chair Seattle Food Committee



Fran Yeatts
Co-Chair Seattle Food Committee