

Summary of Alternative Version Elements

1. Maintains the tax rate at \$0.0175 per ounce.
2. Imposes the tax on non-diet beverages only, consistent with the science of sugary drinks and to lessen adverse job losses.
3. Shifts focus of the legislation to public health, nutrition, food access, and closing the food security gap; reduces but does not eliminate focus on education interventions; maintains birth-to-five and 13th Year Scholarship funding through Seattle Colleges.
4. Maintains the first five-year 20% set aside for one-time, non-recurring expenditures, a factor that recognizes that tax proceeds will decline as consumption declines, but now restricts these funds to (a) paying for FAS start-up costs, (b) providing up to \$5,000,000 for the Seattle Colleges 13th Year Promise Scholarship endowment, (b) providing up to \$1,500,000 for job retraining and placement for workers adversely impacted by the tax, and (c) funding for capital projects to construct or enhance classroom facilities for use by the Seattle Preschool Program. These allowable expenditures of the 20% set aside are one-time, non-recurring investments only.
5. Beginning in the 6th year of collections, the 20% set aside stops and all tax proceeds shall be spent on—
 - a. Public health, nutrition education, and access to healthy and affordable food through programs including Fresh Bucks, Fresh Bucks to Go and other activities to address the food security gap, public health and nutrition programs targeted to assist persons experiencing diabetes and obesity, capital improvements to promote healthy choices, such as water bottle filling stations in schools and community centers, and other programs intended to improve health and nutrition outcomes.
 - b. Evidence-based programs that improve the social, emotional, educational, physical and mental health for children, especially those designed to reduce the disparities in outcomes for children and families based on race, gender, or other socioeconomic factors and to prepare children for a strong and fair start in kindergarten.
 - c. Administration of assessing and collecting the tax.
 - d. Program evaluations to be conducted through the Office of the City Auditor.
6. Establishes an 11-member Sweetened Beverage Tax Community Advisory Board (not the Families & Education Levy Oversight Committee) to make recommendations related to expenditures and policy; members are community members working for greater access to healthy, affordable food, those working to close the food security gap, health/nutrition professionals, and educators.
7. Creates an evaluation framework and allocates up to \$500,000 per year for research and evaluation work, including an assessment of food deserts in the city and the effectiveness of the food bank network.

8. Adopts more precise definitions of key words and products and leaves less to FAS Director rule making authority.
9. Adds a distributor exemption for manufacturers with worldwide gross income of \$2,000,000 or less and for manufacturers who make their product and sell directly to consumers without the use of any third-party distributor.
10. Adds a public awareness education campaigns to the list of approved expenditures.

Graphic 1: Health Outcomes of Sweetened Beverage Tax in Seattle

(Includes only sugar sweetened beverages; revenue projections based on Rudd Center data.)

