



Sugary Drinks Distributor Tax Budget Allocation

FY 2026-27 & FY 2027-28 Mayor's Proposed Budget



Budget Overview

- Closes a significant two-year General Fund deficit
- SDDT allocation of \$11.61 million in FY2026-27 and \$11.81 million in FY2027-28, near the current-year level (~\$11.68M)
- Policy uncertainty continues at the State and Federal level - most notably HR1's cuts to Medi-Cal and CalFresh
- Food-access dollars are concentrated in HSA to protect the safety net against those federal cuts



Responding to Federal Cuts (HR1)

- **Federal pressure**

HR1 reduces federal support for Medi-Cal and CalFresh - the core of the City's food and health safety net.

- **\$34M reserve commitment**

The Mayor's budget commits ~\$34M from the City's Federal/State reserve to HSA staffing - to process Medi-Cal renewals now due every 6 months (doubled) and new work-requirement screening (~105,000 residents affected), and to help residents navigate the new rules (~36,000 affected).

- **Protecting food access**

To keep food access strong as residents are at risk of losing benefits, SDDT food-access funding is concentrated in HSA Citywide Food Access Programs (\$7.45M).



Budget Allocation Breakdown

Department / Program	FY 2025-26	FY 2026-27	FY 2027-28
DCYF - Children's Baseline	1,450,000	1,450,000	1,450,000
Healthy School Meals	1,100,000	1,100,000	1,100,000
SFUSD Water Access	150,000	150,000	150,000
Student Led Action	200,000	200,000	200,000
DPH	2,504,167	2,492,295	2,568,543
Healthy Food Purchasing Supplements	1,000,000	1,000,000	1,009,000
Community-Based Grants (Healthy Apple, Healthy School Grants)	555,000	500,000	513,427
Oral Health Sealant (school-based)	391,855	409,031	430,703
Staffing (salaries + fringe)	557,312	583,264	615,413
ECN - Healthy Retail	155,288	0	0
HSA - Citywide Food Access (CFAT)	7,574,620	7,446,192	7,669,578
RPD - Healthy food for transitional-aged youth at Peace Parks	-	100,000	-
Total	11,684,075	11,488,487	11,688,121

Source: SDDT eTurn (Sugar-Sweetened Beverages Tax authority). Indented lines are program detail within each department total. Healthy Retail is not funded in FY2026-27 / FY2027-28.



Thank You

Questions?