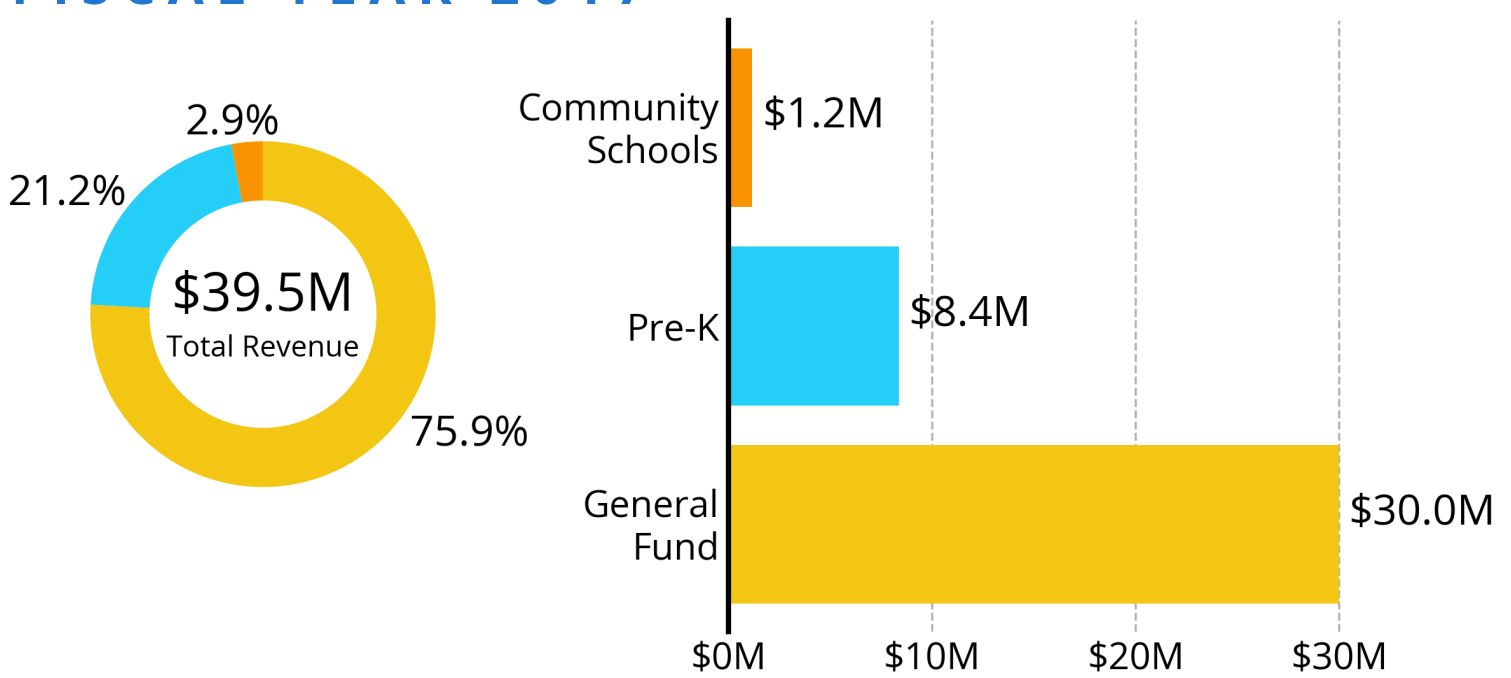




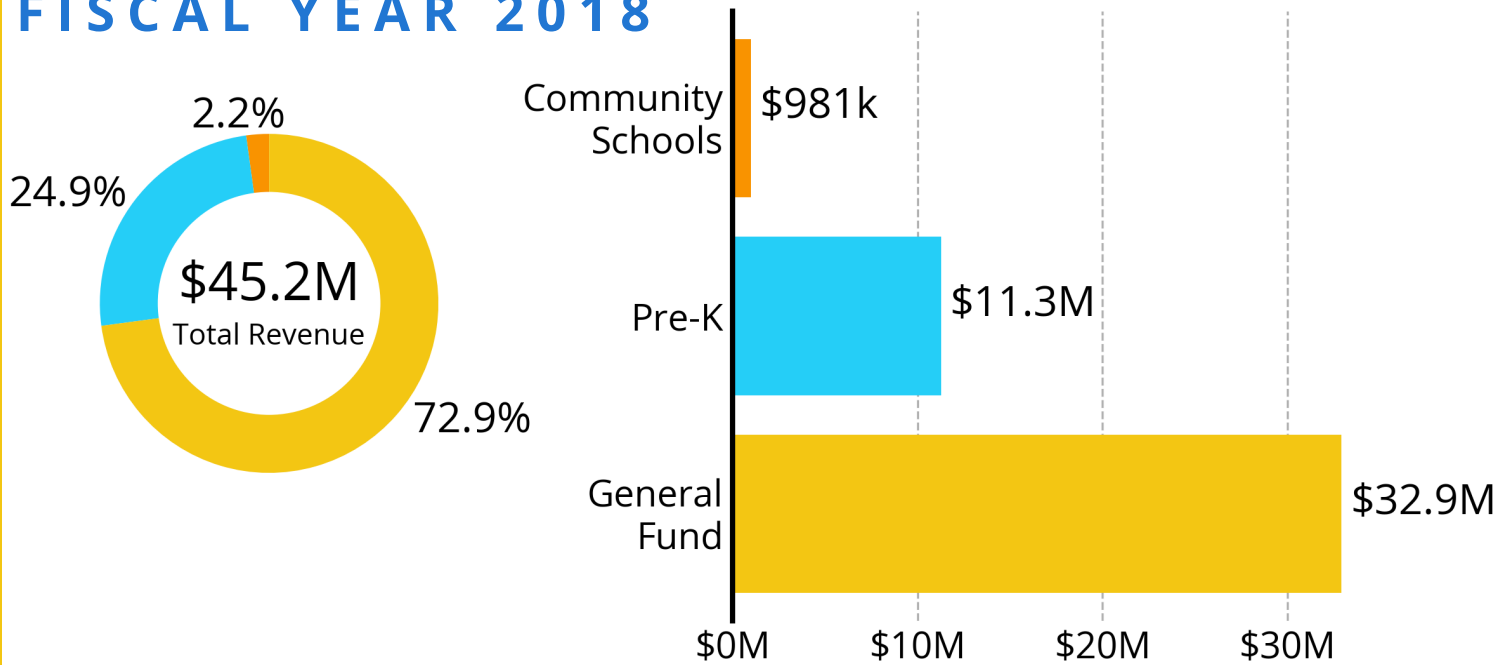
PHILADELPHIA BEVERAGE TAX REVENUE

The City of Philadelphia implemented its 1.5-cents per ounce tax on beverages, commonly known as the soda tax, in January 2017. Since its inception, the City has collected almost \$85 million. The majority of revenue collected, about 74%, has gone to the City's General Fund, including almost \$30 million in Fiscal Year 2017 and \$33 million to-date for Fiscal Year 2018. Only about 26% of revenue generated by the tax was used to fund the programs it was implemented to fund.

FISCAL YEAR 2017



FISCAL YEAR 2018



As of March 2, 2018

The Kenney Administration told *The Philadelphia Inquirer* that it is holding this revenue in the General Fund for future program use. If this is the case, it should be in a segregated reserve account. Otherwise, it is available to be spent on other things.

Recently, the City has lowered the beverage tax revenue projections. As a result of the change, the City has reduced the projected number of Community Schools from 25 to 20 and the number of Pre-K seats from 6,500 to 5,500. To date, there are approximately 2,000 Pre-K seats and 9 Community Schools.