

Sweetened Beverage Tax Community Advisory Board

<https://www.seattle.gov/sweetened-beverage-tax-community-advisory-board>

Date: June 24, 2019
To: Mayor Jenny A. Durkan
From: The Sweetened Beverage Tax Community Advisory Board
Subject: 2020 Budget Recommendations for Sweetened Beverage Tax Revenue
Cc: Councilmember Bruce A. Harrell, Councilmember Sally Bagshaw, Councilmember M. Lorena González, 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 Sweetened Beverage Tax Community Advisory Board (CAB), we are writing to deliver the CAB's 2020 Budget Recommendations.

These recommendations were unanimously approved by the CAB and are firmly rooted in a belief, held by the CAB and stakeholders in the community, that **SBT revenue should be used solely to *expand* existing programs or develop *new* programs in accordance with the legislative intent of the SBT enabling ordinance.** Additionally, as we have increased our efforts to gather input from stakeholders in the community and align our recommendations with community input, we hope to see your 2020 Proposed Budget aligned with these recommendations.

Enclosed you will find two types of recommendations: recommendations for how to allocate available revenue for ongoing programming and recommendations for how to allocate available one-time revenue for infrastructure and short-term projects. Our recommendations call for:

- ✓ **More investment in community-led activities**, such as through grants to community-based organizations and an RFP process that invites community-identified approaches to support the birth-to-three population and increase access to healthy food.
- ✓ **Further expansion of Fresh Bucks**, one of the City's hallmark food access programs, that makes it easier for residents on a tight budget to afford fruits and vegetables.
- ✓ **Support for evaluation efforts** across the food access and birth-to-three investments. SBT supports a myriad of programs and activities, yet there is little information to assess which investments are most effectively serving Seattle's residents who experience the greatest health and education inequities.
- ✓ **Adequate funding for the public awareness and countermarketing campaign to reduce consumption of sugary drinks.** The City is currently underfunding this initiative at a level that will hinder the overall effectiveness of the effort.
- ✓ **Support for one-time investments in infrastructure** that would increase the capacity of schools and community-based meal programs to offer fresher, minimally processed food and provide water bottle filling stations in schools and community centers.

To develop the enclosed recommendations, in April and May 2019, the CAB hosted [two engagement events](#) with food access stakeholders representing more than 50 community-based organizations in Seattle. We also reviewed the results from our [2018 community input surveys](#). A persistent theme from the community is that SBT investments should be used to produce tangible benefits in communities most impacted by health and education inequities. This theme is reflected in the CAB's [core values and budget principles](#) (also provided in [Appendix A](#)), aligns with the City's Race and Social Justice Initiative, is backed by community leaders who supported adoption of the tax, and is consistent with the legislative intent of the SBT ordinance.

In addition to our community engagement efforts, the CAB also received briefings from the Department of Education and Early Learning (DEEL), the Human Services Department (HSD), and the Office of Sustainability & Environment (OSE) on the progress of existing programs and any unmet need.


This year, the CAB explicitly focused its recommendations on unallocated SBT revenue only. We recognize that many of the existing programs and services funded by SBT are still relatively new or in a developmental phase. We want to provide another year of investment so there is sufficient time for these programs to take root and to evaluate their impacts. Thus, in the coming year, the CAB will be looking for more information from City departments about the progress and performance of the existing SBT investments to understand which programs and services are most effectively serving Seattle's residents who experience the greatest health and education inequities. The need for more publicly available information about program performance was another clear and consistent theme in the feedback we collected during our stakeholder events. This is why our recommendations include additional investments for evaluation support. The CAB intends to revisit its analysis of the entire SBT investment portfolio in 2021, when we hope to have more evaluation information to assess which programs should be continued, discontinued, or expanded.

We appreciate the opportunity to advise you on the SBT budget and are thankful for the many staff across multiple City departments who have provided key information and other support to the CAB over the last year.

Sincerely,



James Krieger, MD, MPH
Co-Chair



Christina Wong,
Co-Chair

Acknowledgments

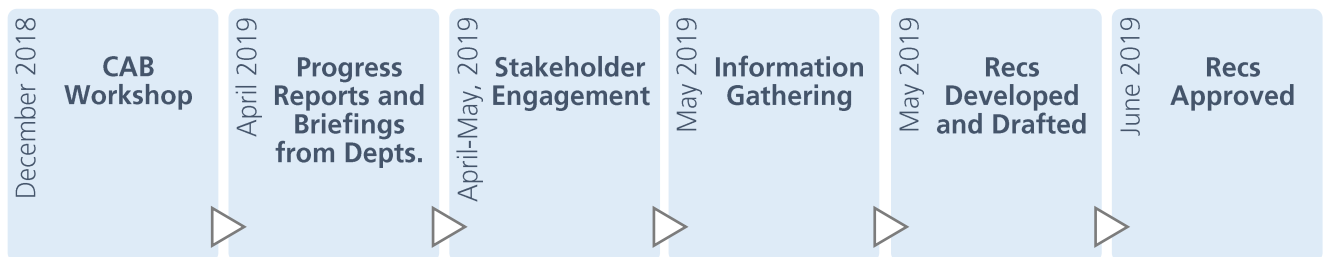
The following budget recommendations were prepared by the Sweetened Beverage Tax Community Advisory Board (CAB). Current CAB members are listed below, with organizational affiliations provided for identification purposes only.

Name	Position Title	Appointing Authority	Organizational Affiliation
Lisa Chen	Food Access Rep.	Council	FEEST
Christina Wong	Food Access Rep.	Mayor	Northwest Harvest
Leika Suzumura	Food Access Rep.	Mayor	Community Nutrition Educator
<i>Vacant since 5/2019</i>	Community Rep.	Mayor	
Yolanda Matthews	Community Rep.	Council	Got Green
Jim Krieger	Public Health Rep.	Council	Healthy Food America
Laura Flores Cantrell	Public Health Rep.	Council	Andy Hill Cancer Research Endowment
Jen Hey	Public Health Rep.	Mayor	WSU Extensions SNAP-Ed
Paul E. Sherman	Public Health Rep.	Mayor	Community Health Plan of WA
<i>Vacant since 12/2018</i>	Early Learning Rep.	Council	
Dila Perera	Early Learning Rep.	Mayor	Open Arms

2020 Budget Recommendations

Introduction

The CAB developed the following budget recommendations over the last six months. Key features of our process are described below.



- In December 2018, the CAB held an all-day workshop with a facilitator who helped us debrief our process from the previous year and identify opportunities for improvement.

- The CAB re-affirmed its [core values and budgeting principles](#) as well as our [Recommendations for Request for Proposals \(RFPs\) funded by SBT revenue](#) (issued August 2018). (Both documents are also included here as appendices.)
- In April and May 2019, staff from the Department of Education and Early Learning (DEEL), the Human Services Department (HSD), and the Office of Sustainability & Environment (OSE) briefed us on the progress of existing programs funded by SBT and any unmet demand for services. The progress reports from these departments will be included in the CAB's first annual report, which we expect to release in early July 2019.
- In April and May 2019, the CAB hosted [two stakeholder engagement events](#), attended by representatives from over 50 community-based organizations that focus on increasing access to healthy food. During a highly interactive workshop led by an expert facilitator, participants reviewed the CAB's [2019 Budget Recommendations](#) from the previous year and provided specific input on how to improve the recommendations. Due to time and resource constraints, the CAB did not hold any engagement events focused on birth-to-three services and early learning; however, we reviewed the findings from our [2018 community input surveys](#) as well as relevant findings from DEEL's recent community engagement events for the Families, Education, Preschool, and Promise (FEPP) levy.
- With support from City staff, the CAB obtained and reviewed information from subject matter experts on several of our budget priorities, including community-driven countermarketing campaigns, scratch cooking in Seattle Public Schools, water bottle filling stations, program evaluation models, and equipment needs in meal program sites.
- Finally, in May and June 2019, the CAB held open and public [deliberative meetings](#) during which we developed and finalized our recommendations, integrating the diverse perspectives of CAB members, learnings from the community engagement events, and information provided by City departments.

Scope of the CAB's Recommendations

This year, the CAB explicitly focused its recommendations on unallocated SBT revenue only. Unallocated revenue is the revenue over and beyond what has already been committed to programs and activities funded by SBT. We recognize that many of the existing programs and services funded by SBT are still relatively new or in a developmental phase, so it is premature to assess if these programs should be maintained, expanded, or discontinued. However, in the coming year, the CAB will be looking for more information from City departments about the progress and performance of the existing SBT investments to understand what programs and services are most effectively serving Seattle's residents who experience the greatest health and education inequities. **The need for more, publicly available information about program performance was a clear and consistent theme in the feedback we collected during our stakeholder events.** This is why our recommendations include additional investments for evaluation support. The CAB intends to revisit its analysis of the entire SBT investment portfolio in 2021, when we hope to have more evaluation information to assess the extent to which these programs should be funded by SBT revenue.

SBT Revenue Overview

In 2019 and 2020, the SBT is projected to raise approximately \$24 million per year. Of this, approximately \$10 million is dedicated to food access programming and \$8.5 million is dedicated to early childhood education and services, per year. The remaining funds support an ongoing, five-year evaluation of the SBT and are dedicated to one-time, eligible expenditures identified in the ordinance.

On June 13, 2019, the City Budget Office (CBO) provided the following “point in time” financial data to the CAB detailing the amount of SBT revenue that is unallocated (i.e. funds not yet committed to an eligible activity). The CAB used these planning projections to determine the SBT revenue available for its 2020 Budget Recommendations.

Table 1: City Budget Office SBT Revenue Projections (as of 6/13/2019)		
	2019 Revised Budget (\$)	2020 Endorsed Budget (\$)
Revenue Reserve and Availability	\$5,583,799	\$8,429,162
Financial Reserve (10% annual revenue reserved) ¹	\$2,397,000	\$2,432,900
Administrative/One-Time, per Ordinance ²	\$638,872	\$1,950,899
Available for Ongoing ³	\$2,547,927	\$2,845,362

Table 1 Budget Descriptions

1. Financial Reserve

CBO set a target 10% financial reserve in case the SBT revenue flattens or declines.

The CAB believes a 10% set-aside is overly conservative and instead recommends a 5% set-aside so that more tax revenue is available to meet important community needs. We believe that a 5% set-aside is reasonable because:

- CBO stated that there are no data or other justifications to suggest that 10% is an appropriate target. Therefore, CBO indicated these set-aside dollars are not off the table for CAB consideration.
- SBT year-over-year revenue collected by other cities with sugary drink taxes has been relatively stable in the first several years of the tax^{i,ii,iii}.
- The SBT enabling ordinance ([Ordinance 125718](#)) already accounts for potential decreases in revenue over time by dedicating 10% of total net proceeds to one-time expenditures and rolling this one-time money into ongoing expenditures after the fifth year of tax collection.

ⁱ City of Philadelphia. *City Revenue Collections Report 2019*. [Available online. https://www.phila.gov/media/20190521162415/City-revenue-collections-report-2019-April.pdf](https://www.phila.gov/media/20190521162415/City-revenue-collections-report-2019-April.pdf)

ⁱⁱ City of Boulder. *Revenue Report December 2018*. [Available online.](#)

ⁱⁱⁱ City of Berkeley. *Soda Tax Revenue (2016-2018)*. [Available online.](#)

Therefore, the CAB took half of the \$2.4 million Financial Reserve, earmarked by CBO in the 2020 Endorsed Budget, and added it to the amount of revenue available for ongoing expenditures (described in the *Available for Ongoing* section below).

2. Administrative/One-Time, per Ordinance

According to the enabling ordinance, a portion of the net proceeds shall be set-aside for one-time or limited duration expenditures for the first five years of tax collection (i.e. 20% in 2018 and 10% in the following years). Eligible expenditures include the following, in order of priority: (1) one-time costs necessary to administer the tax; (2) up to \$5 million to an endowment for the Seattle Colleges 13th Year Promise Scholarship program; (3) Up to \$1.5 million for job retraining and placement programs for workers adversely impacted by the tax; and (4) funding for capital projects to construct or enhance classroom facilities for use by the Seattle Preschool Program. (Source: [Ordinance 125718](#), which amended the original Ordinance [125324](#).)

3. Available for Ongoing

After taking care of one-time expenditures, the ordinance specifies that net proceeds from the tax shall go to (1) expanding access to healthy and affordable food, closing the food security gap and promoting healthy food choices and (2) evidence-based programs that improve the social, emotional, educational, physical and mental health of children. (Source: [Ordinance 125718](#), which amended the original Ordinance [125324](#).)

Given the SBT revenue projections presented by CBO, the CAB used the following estimates of available SBT revenue to develop its 2020 Budget Recommendations:

Table 2: Revenue Available for CAB 2020 Budget Recommendations	
	Amount (\$)
Total Available for Administrative/One-Time Expenditures in 2020	\$2,589,771
Available for One-Time, per 2019 Revised Budget	\$638,872
Available for One-Time, per 2020 Endorsed Budget	\$1,950,899
Total Available for Ongoing Expenditures in 2020	\$4,061,812
Available for Ongoing, per 2020 Endorsed Budget	\$2,845,362
Half of Financial Reserve, per 2020 Endorsed Budget	\$1,216,450

CAB Recommendations for Ongoing SBT Expenditures

The following table outlines the CAB’s recommendations for how to allocate approximately \$4 million in available SBT revenue for ongoing expenditures.

Table 3: CAB Recommendations for Ongoing SBT Expenditures		
	Budget (\$)	% of Total
Nutritious Food and Beverage Access, Physical Activity, and Education/Awareness	\$2,375,000	59.38%
Community-led programming (RFP) ¹	\$1,875,000	46.88%
City-led programming (Fresh Bucks expansion) ²	\$500,000	12.50%
Birth-to-Three Services and Kindergarten Readiness	\$1,375,000	34.38%
Community-led programming (RFP) ³	\$1,375,000	34.38%
Evaluation⁴	\$250,000	6.25%
Total Ongoing	\$4,000,000	100.00%

Table 3 Budget Descriptions and Justification

1. Community-led programming for Nutritious Food and Beverage Access, Physical Activity, and Education/Awareness (\$1,875,000)

The City should contract directly with community-based organizations through an RFP process that prioritizes racial equity and social justice. The CAB recommends that \$1,875,000 be granted to community-based organizations that serve communities most impacted by health and nutrition-related disparities and are led by people from these communities, which include communities of color, immigrants, refugees, low-income communities, and individuals with limited-English proficiency. For specific recommendations from the CAB on how to design an equitable RFP process, please refer to the CAB’s [Recommendations for Request for Proposals \(RFPs\) funded by SBT revenue](#) (issued August 2018), also included in [Appendix B](#).

Eligible programs and projects include, in order of priority, those that:

- a. Increase access and consumption of nutritious food and water and/or decrease exposure to and consumption of unhealthy food and beverages
- b. Use place-based approaches to increase access to healthy food (including “pop-up” and mobile retailers and pantries, congregate meal programs, community kitchens, food co-ops, etc.)
- c. Provide culturally-tailored food and nutrition education
- d. Increase opportunities for physical activity and promote active lifestyles
- e. Provide weekend food to kids (e.g. meal and backpack programs)
- f. Use countermarketing and public awareness campaign strategies to reduce consumption of sugary drinks and junk food, especially projects led by youth

This allocation is intended to invest directly in community-identified and community-led approaches that increase access to healthy food for residents who experience the greatest nutrition and health inequities. Currently, the vast majority of SBT revenue supports City-led food access programming. It is the CAB's view that this City-led programming, while it does involve community-based organizations in the implementation, is complementary to and cannot replace the significant and meaningful ideas and approaches that originate in the community, that are directly responsive to community-identified needs and opportunities, and that are led by people in those communities. The CAB affirms that community-identified and community-led approaches will yield significant benefit and impact by proactively involving and centering people in the community in the selection, planning and implementation of programs. Especially when it comes to reaching communities of color, immigrants, refugees, people with low income, and individuals with limited-English proficiency, the CAB believes SBT investments will be enhanced by supporting efforts led by on-the-ground experts from these focus communities.

2. Fresh Bucks expansion (\$500,000)

According to reports from the Office of Sustainability & Environment (OSE), approximately 3,600 residents are on the waitlist for the Fresh Bucks voucher by mail benefit. This Fresh Bucks strategy provides eligible and enrolled customers with \$40/person/month in voucher benefits that customers can use like cash to buy fruits and vegetables at participating Fresh Bucks locations, including Safeway stores, farmers markets, and neighborhood grocers. With an additional \$500,000 per year, Fresh Bucks can serve an additional 1,000 people per year with vouchers.

The CAB also recommends OSE consider new ways of reaching residents with Fresh Bucks benefits, especially families with young and school-aged children. While 50% of the current Fresh Bucks voucher customer base consists of adults age 60 or over, population surveys show that, at all income levels, food insecurity is highest among families with young children, whereas adults over 65 years have the lowest rate of food insecurity^{iv,v}. Serving families with children with Fresh Bucks vouchers or Fresh Bucks Food Bags was also a recommended strategy that emerged at the CAB's [2019 stakeholder events](#).

3. Community-led programming in Birth-to-Three Services and Kindergarten Readiness (\$1,375,000)

The CAB recommends that \$1,375,000 be granted to community-based organizations that specialize in the birth-to-three services, described below. The City should contract directly with community-based organizations through an RFP process that prioritizes racial equity and social justice. For specific recommendations on how to design an equitable RFP process, please refer to the CAB's [Recommendations for Request for Proposals \(RFPs\) funded by SBT revenue](#) (issued August 2018), also included in [Appendix B](#).

^{iv} Bolt K, Carter L, Casey D, Chan NL, Chen R, Jones-Smith JC, Knox M, Oddo VM, Podrabsky M, Saelens BE, Schachter A, Ta M, Pinero Walkinshaw L, Yang A. [Healthy Food Availability & Food Bank Network Report](#). Report for City of Seattle and Seattle City Council. Feb 2019. Pages 59, 64.

^v USDA, Economic Research Service, using data from the December 2017 Current Population Survey Food Security Supplement. [Available online](#).

Eligible services, programs and projects should include, in order of priority:

- a. **Home visiting programs** – Established, evidence-based, evidence-informed or promising practice home visiting programs that are already recruiting and serving clients. Programs should be recognized by Washington State’s Department of Children, Youth and Families, Seattle’s Department of Education and Early Learning, King County’s Best Starts for Kids or other home visiting portfolios.
- b. **Resource support for families with children from birth-to-three** – Services that provide essential items and resources for pregnant and birthing parents, including but not limited to case management and help with resources such as access to high-quality childcare, maternity items or essential items for children ages zero to kindergarten.
- c. **Support for children with developmental delays** – Access to specialized support for children or families parenting children with developmental delays, including but not limited to access to infant mental health specialists or the Developmental Bridge Program.
- d. **Social support and peer learning for families** – Activities that enhance social support and peer learning for families, including but not limited to parenting support groups or infant health classes.

In 2020, the CAB recommends \$1,375,000 be made available to community-based organizations via an RFP focused on the birth-to-three priorities listed above. In 2019, DEEL offered no funding opportunities/RFPs related to its birth-to-three investment portfolio^{vi}, yet there are many qualified community-based agencies and organizations that serve Seattle families and have a strong track record of providing high-quality and culturally and linguistically relevant services to communities of color, immigrants, refugees, people with low income, and individuals with limited-English proficiency. The CAB affirms that community-identified and community-led approaches will yield significant benefit and impact by proactively involving and centering people in the community in the selection, planning and implementation of programs. The CAB believes that incorporating independent, community-led programming into the array of City- and County-led birth-to-three strategies would be an effective way to round out investments.

Additionally, two of these topics described above—*Resource support for families with children from birth-to-three* (item b) and *Social support and peer learning for families* (item d)—are not addressed in DEEL’s current portfolio of birth-to-three investments yet were found to be recommended strategies and priorities in the [CAB’s 2018 community input surveys](#).

4. Evaluation (\$250,000)

^{vi} Department of Education and Early Learning [2019 Notice of Funding Availability \(NOFA\)](#).

[A note about the evaluation recommendations: The CAB and stakeholders in the community see great value in program evaluation to assess the effectiveness of SBT-funded programs. As a result, the CAB has developed two sets of recommendations to support program evaluation with SBT revenue. This first recommendation is to allocate additional ongoing funds to support regular program evaluation by community-based organizations funded by SBT. The second recommendation, described in the next section, is to use one-time funds to develop the infrastructure needed to support program evaluation.]

The CAB recommends adding \$250,000 to the baseline budget already allocated to evaluation activities to assess the programs supported by SBT. This would bring the ongoing allocation for SBT program evaluation to \$500,000 per year. A theme that emerged from our 2019 [stakeholder engagement events](#) is the desire for more evaluation of the programs and services funded by SBT. The SBT currently funds a myriad of programs and services across multiple City departments, yet there is a dearth of publicly available information on how these programs are functioning, what outcomes or impact they are having, and how programs can be improved to better serve communities.

The CAB recommends program evaluation funds be used to:

- a. Provide evaluation funding to community-based organizations awarded funds through RFP processes funded by SBT. Evaluation funds equivalent to 5-10% of a grantee's award should be added to the award amount. It is important that these evaluation funds be *additive* to the baseline award so they do not otherwise supplant vital funds needed to support an organization's operations and provision of direct services.
- b. Increase grantees' capacity for evaluation design and implementation by providing technical assistance on how to plan evaluations; collect, store and analyze relevant data; report on evaluation findings; and develop the processes and culture that foster routine use of that data. Evaluation methods should include a mix of quantitative and qualitative methods and use community-based participatory research approaches to evaluation design and implementation.

Evaluation of City-led programming funded by SBT is also a necessity. The CAB recommends City departments dedicate 5-10% of their existing allocations to conduct evaluations of their programs and services and make the results of these evaluations publicly available.

CAB Recommendations for One-Time SBT Expenditures

Approximately \$2.6 million is available in one-time funding best suited for expenditures such as short-term projects or capital investments. The following table and budget descriptions outline the CAB's priority issues for one-time funding in 2020, totaling \$1.65 million in recommended investments. The remaining \$950,000 in available one-time funding should be reserved for the CAB to make future recommendations later in 2020 or in subsequent years.

Table 4: CAB Recommendations for One-Time SBT Expenditures	
Total One-Time Available	\$2,589,771
Recommended Expenditures (in order of priority)	
Scratch cooking in Seattle Public Schools ¹	\$75,000
Water filling stations (at schools, community centers) ²	\$275,000
Evaluation infrastructure and capacity building ³	\$300,000
Public Awareness/Countermarketing ⁴	\$250,000
Food and meals micro-grant program to purchase equipment and supplies ⁵	\$500,000
Support for the CAB ⁶	\$250,000
Subtotal	\$1,650,000
Balance Remaining	\$939,772

Table 4 Budget Descriptions and Justification

1. Scratch cooking in Seattle Public Schools (\$75,000)

This allocation would fund a commercial kitchen management consultant to identify the full range of operational and redesign needs to transition Seattle Public Schools (SPS) Nutrition Services to scratch cooking. Consulting services would include, but not be limited to, the following:

- inventory and analysis of kitchen capacity (central kitchen and school kitchens), layout, and equipment (including equipment condition) with recommendations on equipment purchase and/or replacement based on the new model of scratch cooking;
- inventory of serving line equipment and operations needs at school kitchens with recommended reconfigurations that support scratch cooked meals and healthy food consumption;
- analysis of required changes in kitchen staffing and staff training;
- review of current supply chain and production schedules with recommendations to accommodate changes in food orders; and
- analysis of current distribution and packaging systems and recommended modifications to support scratch cooking at the central kitchen and speed scratch cooking at school sites.

This recommendation is supported and endorsed by Aaron Smith, the Nutrition Services Director at SPS, who provided a memo at the CAB’s request. The anticipated deliverable is a consultant redesign report and recommendations that the SPS Nutrition Services can use to develop a final proposal and cost estimate for the Central Kitchen and school kitchen renovations and process changes.

The CAB strongly believes that improving the quality of schools meal is a critical need in SPS Nutrition Services to increase school meals participation and improve the nutritional quality of meals served. SPS Nutrition Services provides over 14,000 student lunches and 6,000 breakfasts each day^{vii}, but student satisfaction and meal participation rates remain low with students citing a lack of culturally

^{vii} Seattle Public Schools Nutrition Services webpage: <https://www.seattleschools.org/departments/nutritionservices>

acceptable options as well as challenges related to freshness, taste, quality, and variety of the food served. The need to improve school food has been noted by experts who work with SPS, listening circles led by Human Services Department in 2017, and the [CAB's stakeholder engagements](#) in 2018 and 2019.

Implementing scratch cooking throughout SPS Nutrition Services remains a priority recommendation of the CAB. Preparing foods from scratch and/or speed scratch would improve the freshness, quality, variety, taste, and cultural acceptability of school food. It would allow for control over ingredients and provide the opportunity to use fresh ingredients and spices, reduce sugar and sodium, and use culturally appropriate recipes. However, recognizing that scratch cooking will be a challenging and complex transition given the current bulk and pre-pack production models used by Nutrition Services^{viii}, the CAB recommends investing first in consultant services to help identify and scope the necessary equipment and system changes.

2. Water filling stations at schools and community centers (\$275,000)

Increasing water consumption by investing in water bottle filling stations at schools and community centers remains a priority recommendation of the CAB that the City has not yet acted on. The purpose of this allocation is to install modern water bottle filling stations (see Photo A below) at schools and community centers. High schools with high rates of students eligible for free and reduced-price meals and community centers located in neighborhoods with a high proportion of people with low income and people of color should be prioritized to receive water filling stations.

Plain water is one of the healthiest drinks people can consume and it is critical for physical and mental health. Research shows increased water consumption helps students stay hydrated, is associated with reduced energy intake from unhealthy beverages, improves cognition, and if fluoridated, prevents cavities^{ix}. Yet new research shows one in five U.S. children and young adults reported not drinking any water at all on a typical day, and those not drinking water consumed almost twice as many calories from sugary drinks, on average, than those who did drink some water^x.

Water is a healthy alternative to sugary beverages and getting kids to drink more water might help reduce their consumption of sugary drinks, and both are important goals for promoting children's health. Schools and community centers—places where kids spend the vast majority of their time during the day—could have a large influence on kids' beverage choices. However, potential barriers to encouraging youth to drink water at school may be the perception that tap water is not safe^{xi} or negative attitudes students have about school water fountains^{xii}.

^{viii} Study of the Nutrition Services Department for Seattle Public Schools (April 2016). A report prepared by Prismatic Services, Inc. for Seattle Public Schools/

^{ix} Centers for Disease Control & Prevention: <https://www.cdc.gov/healthyschools/npao/wateraccess.htm>

^x Rosinger AY, Bethancourt H, Francis LA. Association of Caloric Intake From Sugar-Sweetened Beverages With Water Intake Among US Children and Young Adults in the 2011-2016 National Health and Nutrition Examination Survey. *JAMA Pediatr*. Published online April 22, 2019. doi:10.1001/jamapediatrics.2019.0693

^{xi} Onufrak et al. *J Sch Health*. 2014 Mar; 84(3): 195–204. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4559844/>

^{xii} Patel et al. *Acad Pediatr*. 2014 Sep-Oct; 14(5): 471–477. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4193898/>

Based on information gathered by OSE staff, the CAB is not aware of a comprehensive evaluation of water quality in SPS to assess temperature, color, clarity, smell, and appearance. The closest equivalent was an analysis done by the University of Washington Center for Public Health Nutrition where researchers assessed water quality at 19 public schools in nine school districts, including Seattle Public Schools (SPS). The assessment found only 4% of water fountains met the high-quality criteria.

Installing modern water bottle filling stations could provide an opportunity to increase water quality and improve students' perception of school water. Recently, SPS installed goosenecks (see Photo B) at every school but installed the recommended modern water bottle filling stations (see Photo A) at only a few schools. According to preliminary conversations with facilities and maintenance staff at SPS, some schools have asked for additional water filling stations since one or two stations cannot adequately serve an entire school. Meanwhile, as of June 2018, Seattle Parks and Recreation was installing a modern water filling station at Ballard Community Center, but otherwise the community centers are not equipped with stations.

According to SPS, it costs roughly \$1,250 to install a modern water bottle filling station. At this time, the SPS reportedly has no plans to install additional modern water bottle filling stations.

Photo A: Modern Water Bottle Filling Station



Photo B: Drinking Fountain w/ Gooseneck



3. Evaluation infrastructure and capacity building (\$300,000)

Related to the CAB's recommendation for ongoing support for evaluation, the CAB recognizes there is a need for one-time funds to support the development of a solid evaluation plan and approach and the infrastructure needed to assess the many SBT investments and organizations. The CAB's vision for these one-time evaluation funds are for the City to hire consultant(s) with expertise in program evaluation and/or contract with Public Health – Seattle & King County to:

- a. conduct an assessment of evaluation capacity needs across SBT programs and services
- b. develop a framework and plan for evaluation across SBT programs and services
- c. build a database and develop shared measurement protocols to collect common measures across SBT programs and services

However, we recognize more information is needed to appropriately scope this body of work and determine an accurate cost estimate. Therefore, we recommend starting with items a and b, and then scoping out and developing, as appropriate, item c.

4. Public Awareness and Countermarking (\$250,000)

In our [2019 Budget Recommendations](#), the CAB recommended that 9.5% of total ongoing revenue be dedicated to a public awareness and countermarking campaign to reduce consumption of sugary drinks. In response, the City allocated a mere \$250,000 per year to this activity. We are aware that HSD is in the process of hiring a planner to oversee this work, which has not yet started. This means there is \$500,000 currently set aside to support the development and launch of the campaign (\$250,000 allocated in 2018 and \$250,000 allocated in 2019). However, this amount of money is not enough to develop, launch and implement a high-impact, professionally produced campaign that effectively reaches focus audiences with culturally appropriate and resonant messages through the media channels and formats preferred by these audiences. Based on the CAB's research, we estimate a minimum budget of \$600,000 to \$850,000 is needed to develop and launch a campaign that aligns with our vision of an initiative that is collaboratively designed and led by a professional communications firm and community-based organizations and community leaders who have authentic relationships with the target audiences.

Therefore, the CAB is recommending an additional \$250,000 be allocated to adequately support this work, bringing the total start-up funding to \$750,000.

For more information on the CAB's detailed recommendations for a countermarking campaign, refer to the CAB's [Recommendations on a public awareness and countermarking campaign supported by Sweetened Beverage Tax revenue](#) (April 2019).

5. Food and meals micro-grant program to purchase equipment and supplies (up to \$500,000)

The purpose of this allocation is to support a micro-grant program so that food banks, meal program sites, and Family Child Care settings can purchase equipment and supplies needed to provide fresh, nutritious food and meals.

Food banks, meal program sites (congregate meals, summer meals, afterschool programs), and Family Home Child Care programs often lack the necessary equipment and supplies to provide fresh, nutritious food and meals. For example, food banks and hunger relief agencies often lack adequate refrigerators and freezers^{xiii} and, according to HSD staff, meal program sites often need to replace high-use kitchen equipment and supplies such as commercial grade ovens, tilting skillets, dishwashers, small kitchen appliances, and cooking supplies and utensils. Family Home Child Care Providers often lack adequate kitchen supplies and meal service/dining equipment to support family-style dining, a best practice in feeding young children that supports developmentally appropriate mealtime experiences.

^{xiii} Rotary First Harvest and University of Washington. 2018 Washington State Hunger Relief Capacity Survey.

6. Support for the CAB (\$250,000)

This allocation would support graphic design and production of SBT-related materials (annual report, infographics, fact sheets), CAB meetings (room rentals in community locations, facilitation support, supplies) and the CAB community engagement efforts.

The CAB is committed to gathering feedback from stakeholders in the community on how best to invest the SBT revenue, in alignment with the ordinance. In 2019, we led [two stakeholder engagement events](#) with representatives from over 50 community-based organizations that focus on increasing access to healthy food. Later this summer, we will be partnering with up to eight community-based organizations to lead engagement efforts with residents from communities most impacted by health and education inequities. In 2020, we wish to expand further our engagement efforts so that our budget recommendations can raise up and center the voices of those communities most impacted by health and education inequities.

Appendix A: Core Values and Budget Principles of the Sweetened Beverage Tax Community Advisory Board

Core Values

The core values of the Sweetened Beverage Tax Community Advisory Board represent the beliefs and behaviors by which all CAB members shall conduct themselves and provide a foundation for decision-making and actions:

Racial Justice and Social Equity – We will strive for equitable distribution of resources and power to address the effects of classism and historic racism and its impact on health and education disparity.

Cultural humility – We recognize we will not know all the nuances of the cultural ways for everyone represented in the City of Seattle and therefore approach with humility, an open mind, and respect.

Voice of the community – We will center on the communities most impacted by health and education inequities and make space for them to speak their concerns and solutions.

Balance between community-driven solutions and scientific evidence – We acknowledge that innovative community ideas can provide important solutions to consider in balance with evidence-based programs.

Transparency – We commit to open and honest communication within the Community Advisory Board, community, and government regarding the tax decision making and how funds are used and distributed.

Accountability – We are responsible to hold the City accountable to the actions outlined in the ordinance and advise the City Council and Mayor based on our role of representing the community.

Trust – We commit to cultivating trust by building and repairing relationships

Budget Principles

The budget recommendations of the Sweetened Beverage Tax Community Advisory Board are rooted in the fundamental conviction that investments supported by the beverage tax revenue should prioritize allocation of funds to communities disproportionately affected by health and education inequities, especially those related to the adverse health effects of sugary drinks. To ensure this, the CAB developed the following budget and operational principles. We use these principles to develop our budget recommendations and we strongly recommend the City use them when executing a plan for allocating SBT revenues.

Priority populations – All programs and activities funded by the Sweetened Beverage Tax should focus on reaching communities of color, immigrants, refugees, people with low income, and individuals with limited-English proficiency. Youth from these communities are also a priority. These are also populations that are disproportionately targeted by the sugary drink industry.

Place-based focus areas – Programs and activities funded by the Sweetened Beverage Tax should focus on areas where communities of color, immigrants, refugees, people with low income and individuals with limited-English proficiency live.

Community-driven – Programs and activities funded by the Sweetened Beverage Tax should be led or guided by community-based organizations with authentic connections to the focus community. Authentic connections to the focus community is further defined in our criterion for Equity (see below).

Culturally-responsive – Programs and activities funded by the Sweetened Beverage Tax should be culturally responsive and delivered in ways that are accessible and comfortable for the focus population (or community).

Prevention-oriented – Programs and activities funded by the Sweetened Beverage Tax should focus on prevention of sugary drink consumption and the chronic conditions caused by sugary drinks.

Appendix B:
Recommendations for Request for Proposals funded by Sweetened Beverage Tax revenues
(Issued August 21, 2018)

Sweetened Beverage Tax Community Advisory Board

Date: August 21, 2018

To: Mayor Jenny Durkan

From: Sweetened Beverage Tax Community Advisory Board (CAB)

cc: Councilmember Bagshaw, Councilmember González, Councilmember Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember Mosqueda, Councilmember O’Brien, Councilmember Sawant, Dwane Chappelle, Jessica Finn Coven, Patty Hayes, Jason Johnson, Ben Noble

Subject: Recommendations for Request for Proposals funded by Sweetened Beverage Tax revenues

Dear Mayor Durkan,

Please accept this letter as an integral supplement to our 2018 and 2019 budget recommendations, transmitted on July 5, 2018. The Sweetened Beverage Tax Community Advisory Board (CAB) believes that the people and communities most impacted by health and other disparities should be at the forefront when it comes to designing and implementing activities and services supported by the Sweetened Beverage Tax (SBT) revenues. This is why the CAB has spent considerable time and energy to develop additional recommendations focused not just on *what* should be funded with SBT dollars, but the processes for *how* funds are granted and contracted to community-based organizations.


Institutional practices often reinforce and perpetuate racial inequities. A November 2017 study by Equity Matters and commissioned by the City of Seattle Office of Sustainability & Environment/Equity & Environment Initiative reported the following about the City’s current grantmaking processes and practices: *City processes center the City over communities of color; are burdensome for communities of color; practice racial equity in name only; and while there is high trust in individuals working in City government, there is low trust for the institution.*

We recognize that doing the work of structural change towards racial equity is complex, will take time to achieve, and it is something the City is working on. The CAB affirms the City’s efforts and offers these recommendations as a strategy to advance race and social justice within the City’s funding processes and in the programs and services supported with SBT revenue.

Sincerely,



James Krieger, MD, MPH
Co-Chair



Christina Wong,
Co-Chair

Recommendations for Request for Proposals / Request for Information funded by Sweetened Beverage Tax revenues

The following recommendations focus on the process for granting Sweetened Beverage Tax funds to community-based organizations and the role of the Sweetened Beverage Tax Community Advisory Board (CAB) in this process.

Size and scale of community grants:

- To attract a range of applicants and ensure that organizations of a similar size and capacity are in competition with one another, use two funding tiers. One tier should be designed for smaller, lower-barrier grants (e.g. grants that are \$25,000 to \$50,000 per year, use shorter and easier grant applications, have fewer administrative requirements, etc.). The other tier should be for larger grants (e.g. \$100,000 per year and above) and intended for organizations with higher capacity.
- It should be allowable for SBT grant funds to be used for general operating funds, so long as organizations can demonstrate that their use of the operating funds is related to the activities and projects supported by the SBT grant. This is important from the perspective of equity and implementation. Since these are programmatic grants, organizations may under-fund their operating funds.

Duration of community grants:

- For higher-capacity grantees, grants should be two-year awards.
- For newer grantees, grants should be 2.5-year awards to enable a 6-month planning, training, development or testing phase. Grantees that may not have the available cash flow to support planning and programming (see *Contracting* section below) should be able to receive 6-12 months of funding upfront.
- The City should be equipped to provide—or contract with a consultant to provide—meaningful and responsive technical assistance and support to the grantees during the planning phase (see *Learning and Evaluation* section below).

Foundational principles:

The following principles should guide the RFP design, process, and investments:

Priority populations: All programs and activities should focus on reaching communities of color, immigrants, refugees, people with low income, and individuals with limited English proficiency. Youth from these communities are also a priority and should be supported to participate in programs and activities. These are also populations that are disproportionately targeted by the sugary drink industry.

Place-based focus areas: Programs and activities should focus on areas where communities of color, immigrants, refugees, people with low income and individuals with limited English proficiency live.

Community-driven: Programs and activities should be led or guided by community-based organizations with authentic connections to the focus community. Include explicit requirements

for collecting, using and documenting community input in the design and selection of activities included in proposals. (Authentic connections to the focus community is further defined in our selection criterion for Equity (see *Selection Criteria* section below).

Culturally-responsive: Programs and activities should be culturally responsive and delivered in ways that are accessible and comfortable for the focus population (or community).

Prevention-oriented: Programs and activities should focus on prevention of sugary drink consumption and the chronic conditions caused by sugary drinks.

Application materials and process:

- The RFP should not tell applicants *how* to do the work. That is for the community to determine.
- The application should include questions that can be used to gauge how race and social justice would be explicitly addressed in project design and implementation.
- The process should use a simple application that is short and requires the minimum information needed to allow informed proposal review. Likewise, the process should use a simple budget template (e.g. see new budget template in use by the county's Best Starts for Kids initiative).
- The City should consult or contract with community grant makers with a focus on racial equity and racial justice when designing the RFP processes.
- The City should pay close attention to the language access needs of linguistically diverse potential applicants, especially from immigrant and refugee communities. For example, all information and materials about the RFP should be available in Seattle's top tier languages. This includes using in-language recruitment provided through a separate consultant; in-language/multi-lingual materials to announce and promote the RFP; in-language interview option with interpreter during the review process; and translated guidelines and application. We also recommend taking advantage of ethnic and community media (e.g. newspapers, radio, neighborhood online magazines) to solicit proposals.
- The RFP should include an authentic engagement process, including sufficient notice of the meetings so that those most impacted have sufficient time to review the RFP ahead of time. Meetings and events should be held in community-based, culturally appropriate and comfortable spaces and enable potential applicants to engage with staff– with translators if necessary – to explain the work and answer questions.
- The City should provide free technical assistance during the application process (see *Learning and Evaluation* section below). Technical assistance should include guidance for newer grantees on how to include and document indirect costs in their grant applications.

Role of CAB in the RFP design, application, and selection process

- The CAB should have ample opportunity to review and provide feedback on all the RFP materials and processes (e.g. the announcement, application materials, scoring criteria, selection process, etc.).
- The selection panel should consist of CAB members and other community members who are leaders or experts in the program area, represent priority populations, and who are residents of the City of Seattle or work within the boundaries of the City of Seattle. Racial equity training should be required for all selection and review panelists.
- A selection panel reviewer should not be an application reviewer if:

- The reviewer is named on the application in a major role;
- The reviewer (or close family member) would receive a direct financial benefit if the application is funded;
- People on the application with a major role are from the reviewer's organization;
- Within the past three years, the reviewer has been a collaborator (e.g. board member of applying organization, employee of applying organization) or has had any other professional relationship (e.g. served as a mentor) with any person on the application who has a major role;
- The reviewer wrote a letter of support for the proposal.
- Any CAB members who are applying must recuse and remove themselves when applications in the strategy area in which they applied are being considered.
- Community members should be paid a consultation fee for their time spent participating in the selection panel.

Eligible and Priority Applicants:

- The application should be open to a range of entities including nonprofits, coalitions, neighborhood groups, cultural or language groups, and youth and senior groups.
- Organizations led by people of color and serving communities of color and/or low-income communities should be given higher priority. For example, assign extra points to applicants that demonstrate they are led by people from the focus community.
- To diversify grantees and contractors, the City should consider an organization's funding history and whether or not the applicant has ever received a City grant before or is relatively new to City funds.
- Organizations that include youth in program design, delivery, and leadership, where applicable and appropriate to do so, should be given higher priority.

Selection criteria:

- Grant making should be guided by selection criteria that aligns with the foundational principles described above (see also *Selection Criteria* below). Additionally, the selection panel should think holistically about its funding decisions and strive for a portfolio of investments that strike a balance between projects that can achieve fast outcomes and results and projects that may need time to mature and which are led by organizations that require capacity-building support.

Learning & Evaluation:

- During the planning and implementation phases of the grant, the City should contract with a consultant or be equipped to offer and respond to grantees with meaningful and responsive technical assistance and capacity-building support that reinforces the community-led process. Every funder-grantee relationship has power dynamics and these become especially important when establishing efficient and responsive technical assistance and capacity building services.
- We recommend hosting annual or semi-annual workshops with grantees, to foster peer learning and networking, so long as these workshops are intentionally designed to be meaningful and responsive to the interests of grantees.
- Required progress reporting should be limited to 1-2 times per year.

- The evaluation efforts associated with these activities should be pragmatic, low-barrier, use community-based participatory methods, and be implemented in ways that intentionally increase the capacities of the grantee to evaluate their own performance and outcomes.

RFP Name and Branding:

- The RFP and funds should be named and branded in such a way that maximizes awareness that these grants and projects are supported by Seattle’s Sweetened Beverage Tax revenues.
- Grantees should be required to include the City logo and a funding acknowledgement statement (e.g. *“This project is supported by the Sweetened Beverage Tax”*) in all materials and publications (see also *Contracting* below).

Contracting

- For smaller organizations that may not have the cash flow to support programming upfront, funds should be disbursed upfront.
- **Contracts and the process-related deliverables associated with these grants should be flexible.** For example, while there should be clear outcomes and goals established, the interim milestones and timelines should be flexible to account for changes or challenges that inevitably arise.
- Contracts should include a provision about a funding acknowledgement statement (e.g. include *“This project is supported by the Sweetened Beverage Tax”* in all materials and publications).

DRAFT

Selection criteria

<p>1. Equity</p> <p><i>External Equity</i></p> <p>Does the activity reduce disparities/advance equity? The activity focuses on a population subgroup as defined by race/ethnicity, income, geography or language that is more impacted than the more privileged group and the activity is designed to reduce disparate outcomes or impacts.</p> <p><i>Internal Equity</i></p> <p>The activity is led by organizations with authentic connections to the community that is the focus of the activity. The organization’s leadership and project staff reflect the culture and demographics of the focus community or seek and incorporate feedback from the community they serve.</p>
<p>2. Impact</p> <p>The proposed activities are likely to exert a sustained, powerful positive influence on the outcome of interest because it has a meaningful effect on people it reaches and it reaches a large number of people in the focus population (impact = reach x effect).</p> <p>Information shows that the activity is effective (“it works to produce the desired outcome”). Information can include experience from community with activity, program evaluations or scientific research.</p>
<p>3. Community interest and appropriateness to community</p> <p>The activity is appropriate for or can be adapted to fit the needs, assets, and preferences of the community.</p>
<p>4. Builds capacity</p> <p>The activity builds/strengthens the capacity of community leaders and organizations to lead, develop, implement, and sustain solutions to improve healthy food access and early learning outcomes.</p>
<p>5. Addresses current gap, need and/or builds on community assets</p> <p>The activity complements existing activities, i.e. it fills a gap in existing activities and does not duplicate existing activities, and/or the activity builds on community assets.</p>
<p>6. Feasibility</p> <p>The activity passes the following feasibility factors:</p> <ul style="list-style-type: none"> • a clear path to implementation exists either by replicating a proven model or describing a practical path for implementing an innovative approach; • the organization’s plan for resourcing and implementing the program is realistic • there are sufficient resources and expertise available to successfully implement the activity; • current laws allow the activity to be implemented.
<p>7. Additional criteria/considerations</p> <ul style="list-style-type: none"> • Does the applicant have the capacity (staff, skills, qualifications and track record) to successfully complete proposed activities? (This criterion should be applied differently to small and large grant applicants) • Is the budget realistic and sufficient to successfully complete proposed work? • Is the rationale for proposed work/selection of approach well described and compelling? • Proposed activities are clearly described (in terms of who will do them, what they consist of, whom and how many people they will reach, etc.) • Is community input/engagement clearly described and adequate?

END

DRAFT

Staff Contact Information:

Bridget Igoe, Sweetened Beverage Tax Community Advisory Board Staff
City of Seattle, Office of Sustainability & Environment
Tel: 206-256-5334 | bridget.igoe@seattle.gov

Webpage:

<http://www.seattle.gov/sweetenedbeveragetaxboard>