

Sweetened Beverage Tax Community Advisory Board Meeting Notes

MEETING SUMMARY	<p>Date: Wednesday, May 2, 2018</p> <p>Time: 11:00 AM – 1:00 PM</p> <p>Location: Seattle Municipal Tower, 40 Floor, Room 4070 700 Fifth Ave, Seattle 98104</p>
MEMBERS PRESENT:	Christina Wong, Jen Hey, Jim Krieger, Laura Cantrell Flores, Leika Suzumura (left at noon), Mackenzie Chase, Yolanda Matthews (arrived at 11:20)
MEMBERS ABSENT:	Ahmed Ali, Jessica Marcinkevage, Lisa Chen, Seat 11 – Appointment Pending (Early Learning/Education Representative)
GUESTS:	<p>City Budget Office: Aaron Blumenthal</p> <p>Department of Education and Early Learning: Monica Liang-Aguirre</p> <p>Human Services Department: Tara James</p> <p>Office of Sustainability & Environment: Sharon Lerman, Shaunice Wilson, Bridget Igoe</p> <p>Public Health – Seattle & King County: Elizabeth Kimball</p>

DECISIONS MADE	<ul style="list-style-type: none"> • Meeting notes from April 6 and April 18 were approved • In the budget framework for the Board’s recommendations on the 2018’s \$2.8M, the early learning category increased from 18% to 20% to \$555,031. • In the budget framework for the Board’s recommendations on the 2018’s \$2.8M, the category for community-based programs and activities to support good nutrition and physical activity decreased from 22% to 20% to \$555,031. • The Board finalized the criteria it will use to rank and select activities for the 2018 unallocated funds. The criteria are as follows: <ul style="list-style-type: none"> Equity Community interest and appropriateness to community Impact Addresses current gap or need and/or builds on community assets Builds capacity Feasibility *Co-benefits (to use as a tie breaker among similar activities)
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FOLLOW-UP ACTION ITEMS			
#	ITEM	RESPONSIBLE PERSON(S)	TARGET DATE
1	Provide the City’s 2019 SBT revenue projections	City staff	5/16/2018
2	Obtain cost estimates for capital projects and counter-marketing campaign	City staff	By end of May
3	Develop draft recommendations on how to structure a community grants program	RFP work group (L. Cantrell, J. Hey, J. Krieger)	5/16/2018
4	Complete internal survey (TBD) to gather ideas on activities and strategies for 2018 focus areas	Board	5/11/2018

Meeting Notes

Jim Krieger, Co-Chair, facilitated the meeting

Welcome and Introductions

- Board members introduced themselves by sharing their names and organizations. City staff introduced themselves by sharing their names and departments.
- Board reviewed agenda and major goals of the meeting.

Public Comment

None

Updates:

- Jen Hey is a new, Mayoral appointment to the Board. Her appointment is waiting review and confirmation by Council. Jen is the WSU King County Extension SNAP-Ed Program Manager. She also leads the Healthy Eating Workgroup of the Healthy King County Coalition as well as serves on the Governance Team. Jen is filling one of the Board seats reserved for an expert in public health and nutrition programs.
- Jessica Marcinkevage is resigning from the Board. She is a Mayoral appointment serving in one of the Board seats reserved for an expert in public health and nutrition programs.
- The Board's online survey to collect community input on the budget recommendations was launched. The deadline to complete the survey is May 11 (this may be extended). Board members are encouraged to do outreach to stakeholders in the community to maximize participation. The survey is in the process of being translated. The deadline for completing the translated versions will be extended.
- L. Suzumura is coordinating an informational phone call with Roberto Vargas from the San Francisco—Sugary Drinks Distributor Tax Advisory Committee to talk about evidence-based data that's community led. Information about how to participate in the call will be sent out soon.
- There was a question about when an annual report for the Sweetened Beverage Tax will be produced. B. Igoe (staff) anticipated this report would be compiled and released during Q1 of 2019 so as to include all of 2018.

Quick business:

The Board approved the meeting notes from April 6 and April 18 meetings, conditional on a correction in the April 6 notes (i.e. under Updates, notes should say Pepsi Co is hiring, not Pepsi and Coke).

2019 Proposed Budget (announcements and updates from the City Budget Office)

Aaron Blumenthal, City Budget Office, provided the following announcements and updates:

- *Regarding the scan of City programs that align with the SBT* – this list represents the existing programs currently operating at the City and Seattle-King County Public Health that align with the goals of the Sweetened Beverage Tax. It may be a useful tool in Board discussions to identify where gaps exist in programming, as well as present possible opportunities to expand efficiently where program infrastructure and outcomes have already been established. All financial data is

informational, only. If there are specific questions, let City staff know and we'll bring in program experts to answer them.

- *Regarding the 2019 SBT budget* – The Mayor's proposed budget for 2019 will most likely reflect the 2018 budget, in order to continue support for ongoing programs. Unless there is a clear policy interest from the Mayor's Office or Council, the City tends to maintain successful programs into subsequent years. Given this—and the expectation that there will be no new revenue—the Board's recommendations would be most efficiently focused on what the City is doing well and where we need to improve. That said, the Mayor's Office welcomes your recommendations on the entire \$15 million budget.
 - *Board question:* Given the role of the Board, it is concerning that the Mayor will propose a 2019 budget that is the same as the 2018 budget, which was developed without any Board input. Why didn't the City consult with the Board when designing the budget allocations?
 - *Response:* The City uses baseline budgeting to develop a budget for future years. In this process, we use the current budget as baseline for the next year, barring no major changes. This is just the City's usual process, not an intentional way to exclude the Board.
 - *Board question:* Can the Board get information on what the Departments submit to the City Budget Office during the budget development process?
 - *Response:* Possibly. The Departments' submissions are usually draft budget proposals and for internal use only.
 - *Board question:* What about the budget items that were only supposed to be funded one-time?
 - *Response:* The SBT revenue stream is expected to decline over time, as consumption of sugary drinks declines. To account for this, the baseline budget was developed with 20% of the funds dedicated to programs that will receive one-time funding for the first five years. After five years, the programs identified for one-time funding won't receive additional SBT funds.
 - *Board question:* What is the revenue forecast for 2019? If there are greater than expected revenues, does the City have a process to allocated those funds?
 - *Response:* It would be worth the Board's time to consider where it would allocate funds first if there are higher than expected revenues. The City can provide the original revenue projections for 2019, but these will be updated in June when the Q1 revenue actuals are available.
 - *Board question:* There was \$500,000 in the 2018 budget dedicated to job retraining for workers adversely impacted by the tax. It would be helpful to hear a report in June on what the job losses were (if any), and how that money is being used.
 - *Response:* Results from the jobs data will not be available until early 2019 at the earliest. The funding has not been moved yet, but that jobs data could play a role in how that money is programmed.

Board's 2018 Budget Recommendations

J. Krieger reviewed the goals of this next the session:

- Review the Board's proposed budget targets for 2018 \$2.8 million, developed at the last meeting
- Discuss a decision-making process and timeline to select activities and finalize recommendations
- Assign an RFP work group

- Finalize criteria that will be used to select activities
- Scope out activities/strategies within each of the main topic areas

Proposed budget targets for 2018 \$2.8 million

- The Board spent some time reviewing the three tables of budget targets developed at the last meeting. The Board’s budget survey results were also reviewed since these informed the discussions that led to the budget targets.

Table 1: Proposed budget targets by broad funding category for 2018

Funding Category	Proposed Budget Targets		Discussion notes
	% of total	Dollar Amount	
Community	90%	\$2,497,640	<ul style="list-style-type: none"> • Working definition of “community” = non-profit entities that are community-led (in terms of decision making) and connected to the community. Non-profits have the option to subcontract with for-profits. • Recognition that this budget target may shift in the Board’s 2019 recommendations.
Capital projects	10%	\$277,516	<ul style="list-style-type: none"> • 10% of total amount is the <u>maximum</u> cap for this category • Capital project may include water bottle filling stations, upgrades to parks (lights, turf for soccer fields) – cost estimates needed • Would like more information from Parks et al about access issues to park spaces and playing fields
TOTAL	100%	\$2,775,156	

- After discussion and deliberation, the following changes (**highlighted**) were made to the budget targets by focus area. The Board used fist to five to test for consensus with changing the budget targets for early learning and community-based programs and activities to support nutrition and physical activity.

Table 2: Proposed budget targets by focus area for 2018

Funding Category	Proposed Budget Targets		Discussion notes
	% of total	Dollar Amount	
Healthy food and beverage access (includes subsidies and vouchers to help low-income people buy healthy food, healthy food and beverages in school and childcare settings)	33%	\$915,801	
Community-based programs and activities to support good nutrition and physical activity (other than access to healthy food)	20%	\$555,031	Board unanimously agreed to decrease this category from 22% to 20%. There were no blocking concerns.

Early learning and kindergarten readiness	20%	\$555,031	Board unanimously agreed to increase this category from 18% to 20%. There were no blocking concerns.
Public awareness campaign about sugary drinks, includes youth engagement	9%	\$249,764	Cost estimates needed
Evaluation of activities funded by tax support for community-based organizations (CBOs) to evaluate activities funded by 2018's \$2.8 million. Focuses on evaluation methods that are pragmatic and low-barrier and that use community-based participatory research methods. Expectation that CBOs will share results with CAB and public.	9%	\$249,764	Description edited for clarity
Support for people with obesity and diabetes. Support should maximize prevention and be delivered in culturally appropriate ways.	9%	\$249,764	
TOTAL	100%	\$2,775,156	

Table 3: Proposed budget targets by target population for 2018

Funding Category	Proposed Budget Targets		Discussion notes
	% of total	Dollar Amount	
Priority populations (e.g. specific subgroup populations or geographic areas, TBD)	100%	\$2,775,156	Rationale: studies show there are certain population groups that are disproportionately targeted by beverage industry marketing; certain population groups that are more likely to purchase sugary drinks; certain population groups are disproportionately impacted by the negative effects of sugary drink consumption.
All Seattle residents	0%	\$0	
TOTAL	100%	\$2,775,156	

Decision-making process and timeline to finalize recommendations

- The Board reviewed a process and timeline to finalize the 2018 and 2019 recommendation by June. No major concerns expressed.
- The next two Board meetings will be 3 hours long in order to stay on track with the timeline.
- L. Cantrell, J. Hey, and J. Krieger formed an RFP work group that will develop draft recommendations on how to structure a community grants program. The work group will

present its draft recommendation to the Board for feedback. B. Igoe will follow-up with Board members who are absent to see if they want to participate in this group.

- B. Igoe will staff the group and provide an example topic outline to kick-start the work.

Criteria

- The Board reviewed the purpose of the criteria and the working definitions.
- The impact criterion was revised to include the concepts of reach and effect.
- It was noted that the cost effectiveness criterion is still under construction but would likely rely on the simplest measure possible, such as cost per person reached by an activity.
- There was brief discussion about how cost effectiveness is often in tension with equity since addressing disparities is often more expensive.
- Based on the Board's internal budget survey, three criteria were previously chosen: Equity; Community interest, priority, support; and Impact/Reach.
- The Board used a prioritization process to score and select three additional criteria to add to the final list. The following criteria were under consideration:
 1. Addresses current gap or need
 2. Build capacity
 3. ~~Effectiveness of activity~~ (eliminated since this is included in the impact definition)
 4. Feasibility
 5. Cost effectiveness
 6. Co-benefits

Working individually, Board members were asked to pick their 3 most important criteria from the list above and then score them 1-3 (where 3 was the most important and 1 was the least important). Results from the activity were as follows:

Criteria	# of people	Score
Addresses current gap or need	4	10
Build capacity	5	11
Feasibility	4	9
Cost effectiveness	1	2
Co-benefits	4	4

The final set of ranking criteria will be:

Equity

Community interest and appropriateness to community

Impact

Addresses current gap or need **and/or builds on community assets** (added during discussion)

Builds capacity

Feasibility

Co-benefits (to use as a tie breaker among similar activities)

Scoping out activities/strategies within each of the main topic areas

The Board did not have time for this discussion. B. Igoe will work with the Executive Committee to create a survey to collect these ideas from individual Board members. The survey results will be used for discussion purposes at the next Board meeting.