

Sweetened Beverage Tax Community Advisory Board (CAB) Meeting Notes

MEETING SUMMARY	<p>Date: May 21, 2021</p> <p>Time: 9am – 12:30pm</p> <p>Location: Virtual meeting</p>
MEMBERS PRESENT:	Barbara Baquero, Christina Wong, Dan Torres, Jaimée Marsh, Jen Hey (Moss), Rebecca Finkle, Paul Sherman, Tanika Thompson
MEMBERS ABSENT:	Laura Flores Cantrell, Munira Mohamed
GUESTS:	<p>Office of Sustainability & Environment: Hannah Hill, Bridget Igoe, and Suzy Knutson</p> <p>City Budget Office: Akshay Iyengar and Miguel Jimenez</p> <p>Department of Education and Early Learning: Tiffany Lee</p> <p>Department of Neighborhoods: Sarah Morningstar and Daniel Sims</p> <p>Human Services Department: Sean Walsh</p>

DECISIONS MADE	<p>The CAB approved by consensus a few key features of its 2022 budget recommendations:</p> <ol style="list-style-type: none"> 1. Approved budget principles and criteria to use to evaluate recommendations to ensure alignment with the CAB’s purpose and core values. 2. How to fund the Prenatal-to-Three Grant Program and the Healthy Food Fund in 2022 and beyond.
-----------------------	---

Meeting Notes

The meeting was facilitated by CAB Co-Chairs T. Thompson and J. Moss, with staff facilitation from H. Hill.

Welcome and Introductions

- CAB members introduced themselves.
- City staff introduced themselves.
- No guests from the public.

Co-Chair Updates

- J. Moss and T. Thompson, CAB co-chairs, met with the Seattle Environmental Justice Committee (EJC) to share the CAB’s approach to developing 2022 budget recommendations. Co-chairs will meet with EJC members again in early June to share their high-level budget priorities and to hear the EJC’s feedback. This year, due to budgetary constraints, the CAB is unable to conduct its own robust community engagement. The meeting with EJC members presents an opportunity to collect some community input.
- CAB Co-Chairs shared that applications for the CAB are live and available on the City’s website. They encouraged CAB members to help spread the word.

SBT Budget Update

Presented by Akshay Iyengar, City Budget Office.

A. Iyengar provided an update on the projected SBT revenues (see table below) highlighting a surplus in 2022 and solid balance in 2023-2024. A. Iyengar emphasized the surplus assumed the \$1.5 million cut to the Healthy Food Fund made in 2020 and that it did not include funding for the Prenatal-to-Three Grant Program.

Due to the economic uncertainty surrounding the speed of the recovery and the fact that there will be a new Mayor in 2022, the City Budget Office is advocating for a *continuation budget* – a budget without cuts, but with limited new programs and expenditures.

A. Iyengar also shared the City has significant federal funds, roughly \$222 million through the American Rescue Plan. Food and general economic security will be key focus areas for the City as it determines how to allocate these funds.

Amounts in \$1,000s	2020 Adopted	2020 Revised	2020 Actuals	2021 Adopted	2021 Revised	2022 Projected	2023 Projected	2024 Projected
Sweetened Beverage Tax Revenue	24,329	15,367	15,674	20,772	20,772	22,292	23,970	24,329
Beginning Fund Balance	4,018	17,194	17,272	103	6,093	2,428	5,618	10,133
Source of Funds Total	28,347	32,561	32,946	20,875	26,865	24,720	29,587	34,462
Expenditures	26,168	32,458	26,853	20,757	24,436	19,102	19,455	19,814
Office of City Auditor	500	950	450	500	1,000	0	0	0
Office of Sustainability & Environment	6,719	11,868	10,382	5,930	7,406	6,048	6,169	6,293
Dept of Education and Early Learning	9,240	14,355	10,897	7,808	9,390	6,434	6,563	6,694
Human Services Department	5,885	5,098	5,058	4,743	4,743	4,838	4,935	5,033
Department of Parks and Recreation	600	187	65	303	425	309	315	321
Department of Neighborhoods	3,225	0	0	1,473	1,473	1,473	1,473	1,473
Ending Fund Balance	2,179	103	6,093	118	2,428	5,618	10,133	14,647
Planning Reserves	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Worker Retraining Requirement	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Revenue Stabilization Reserve	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Ending Unreserved Fund Balance	(1,321)	(3,397)	2,593	(3,382)	(1,072)	2,118	6,633	11,147

Budget Recommendations

Facilitated by CAB staff liaison, Hannah Hill

H. Hill facilitated this portion of the meeting so CAB co-chairs could fully participate in the discussion and decision-making. She briefly reviewed a process developed by co-chairs to identify the key components of the CAB's 2022 budget recommendations:

1. Review, digest, and coalesce around key takeaways and learnings from the community engagement findings and how they will inform your budget recommendations.
2. Review and approve the CAB's budget principles / budget criteria. Identify whether any adjustments need to be made in light of community engagement findings, revenue updates etc.
3. Revisit the CAB's 2021 budget recommendations and discuss and determine whether the CAB wants to recommend:

- adding \$1.5m back to the Department of Neighborhood’s Healthy Food Fund
 - funding for the Department of Education and Early Learning’s Prenatal-to-Three Grant Program be ongoing.
4. Identify and prioritize SBT programs/services, based on CAB’s established budget principles/criteria. The list of program/services includes those that exist and are currently funded by SBT and a few that were cut in 2020 due to the COVID.
 5. Utilize the list of programs ranked in order of priority to:
 - develop recommendations in the case of surplus SBT revenue
 - develop recommendations in the case of SBT revenue shortfall
 - develop recommendations in the case of surplus SBT revenue, beyond what is currently projected

Step 1: Community Engagement Findings

The Strategic Communications & Stakeholder Engagement subgroup presented key takeaways from their review of the stakeholder engagement reports circulated to the full CAB in advance of the May meeting. Following the presentation, CAB members discussed how the takeaways would inform their budget recommendations.

Cross-Cutting Themes:

- COVID has exacerbated existing health, economic, and social disparities and has had a profound impact on people’s ability to access and afford healthy food and access affordable childcare.
- The high cost of living in Seattle is impacting people’s ability to afford nutritious, culturally relevant food and access affordable infant/toddler care.
- Varying eligibility requirements (geographic, income) prevent people from accessing services and perpetuate systemic marginalization
- Programs and services must be culturally relevant and more accessible.
- Relatedly, expand programs to reach more community members and to include non-white entities that provide culturally relevant services.
- There is a lack of awareness of available programs and services and a need to develop and implement culturally relevant and linguistically appropriate outreach efforts to increase participation. Information should be distributed in a manner relevant to how communities access information.
- There is a need for ongoing community engagement opportunities that build reciprocity and create accountability and transparency – do not bring in community just to identify problems.

Additional Takeaways Related to Early Education:

- Accessibility Challenges
 - Cost of infant care is extremely high, on par or exceeding rent and mortgage.
 - Typical childcare hours do not align with shifting needs of families who work non-traditional hours (early morning, late night, or overnight).
- Recommendations:
 - Create an “equity driven subsidy voucher” that addresses a family’s unique care needs (children with special needs, infant care, culturally responsive services) as well as their financial needs (income eligibility).

- Prioritize subsidies for infant care specifically because it is so expensive and there are so few providers
- Create better city-county alignment and partnership to address geographic and income eligibility issues
- Increase support to providers AND families.

Based the subgroup’s presentation and CAB discussion, members shared the ideas and concepts they would hold for the meeting to guide budget recommendations.

Step 2: Budget Principles

The CAB reviewed and discussed a consolidated draft of the CAB’s budget principles and budget criteria. The former was developed in 2018 at a time when there was a significant amount of unprogrammed revenue. The later was developed in 2020 to determine where the City should focus cuts, if there was a significant revenue shortfall.

CAB Decision Point

The CAB approved the following budget principles to ground the CAB’s budget recommendations using fist to five.

- **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. In addition to experiencing the effects of classism and historic racism that lead to health, child development, and education inequities, these communities are disproportionately targeted by the sugary drink industry.
- **Consider COVID-19.** Could the program/service be otherwise funded with Federal funding? Would COVID-19 social distancing measures impact the delivery of the program/service?
- **Maximize Direct Support, Minimize Overhead.** Does the program/service provide direct, low barrier services or resources to help people meet basic needs? Does the program/service invest in community-based organizations? What is the ratio of community benefits to administrative costs? Does the program/service leverage existing infrastructure and systems?
- **Economic Recovery.** Would the program/service help to strengthen economic recovery?
- **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, guided or implemented by community-based organizations that have authentic relationships with the focus community. As stated in the CAB’s core values, we acknowledge that innovative community ideas can provide important solutions to consider in balance with evidence-based programs.
- **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).

- **Balance prevention and intervention:** Programs and activities funded by the SBT should strike a balance between prevention and intervention. Where possible, activities focused on food access should include prevention of sugary drink consumption and related health conditions. Investments should also address existing health and child development/early learning inequities by including intervention activities.

Step 3: Revisit the CAB's 2021 budget recommendations related to the Healthy Food Fund and Prenatal to Three Grant Program.

The CAB reviewed and discussed their [2021 memo transmitted to the Mayor and Council in August 2020](#) clarifying their budget recommendations regarding the Healthy Food Fund and the Prenatal to Three grant program.

****CAB Decision Point****

Based on their discussion the CAB approved the following recommendations using fist to five:

1. Direct \$1.5 million of surplus revenue to the Department of Neighborhoods (DON) Healthy Food Fund in 2022.
2. Continue the Department of Education & Early Learning's Prenatal-to-Three Grant Program in 2022.

Potential funding sources include (listed in order of priority):

- Surplus revenue (\$500K)
 - Worker retraining reserve (\$1M)
 - If CBO is unable to access this funding in 2022, redirect \$1M from the revenue stabilization fund.
3. Make the Healthy Food Fund and the Prenatal-to-Three Grant Program ongoing programs with an annual allocation of \$3 million and \$1.5 million respectively in 2023 and beyond.

Step 4: Prioritize SBT programs/services

Using the CAB's budget principles outlined in step 2, the CAB started to prioritize program and services currently funded with SBT revenue and those that were cut in 2020 due to COVID or were time limited. CAB members ran out of time for this exercise and decided to revisit the prioritization exercise at the June 18 meeting. The prioritized list of programs and services will be used to develop recommendations in the case there is more surplus than originally projected and in the event of a revenue shortfall (e.g. the economic recovery is slower than forecasted and SBT revenues come in lower than projected).

Wrap-Up

T. Thompson concluded the meeting with the following reminders and next steps:

- CAB co-chairs will update the full CAB on the outcomes and takeaways from their second meeting with the EJC.
- All CAB members should spread the word and help recruit for CAB vacancies.
- CAB co-chairs will work with H. Hill, CAB staff liaison, to draft and circulate preliminary recommendations for CAB feedback.