

**Sweetened Beverage Tax Community Advisory Board (CAB)  
Meeting Notes**

<b>MEETING SUMMARY</b>	<p><b>Date:</b> June 3, 2022</p> <p><b>Time:</b> 9am – 11am</p> <p><b>Location:</b> Webex</p>
<b>MEMBERS PRESENT:</b>	Barbara Baquero (left early), Rebecca Finkle (left early), Jaimée Marsh, Jen Moss, Munira Mohamed, Kristin Sukys, Dan Torres, Tanika Thompson, Christina Wong (joined at 10am)
<b>MEMBERS ABSENT:</b>	Bilan Aden, Barbara Rockey
<b>GUESTS:</b>	Office of Sustainability & Environment: Bridget Igoe, Suzy Knutson, Alyssa Patrick City Budget Office: Greg Shiring Department of Education & Early Learning: Tiffany Lee Human Services Department: Sean Walsh Department of Neighborhoods: Lisa Chen

<b>DECISIONS MADE</b>	<ul style="list-style-type: none"> <li>• The CAB’s 2023 recommendations will include a statement about not being consulted before the City decided to allocate a portion of SBT to a food bank need that was previously supported by other funds.</li> <li>• The CAB will hold another meeting next week to finish discussing recommendations and prioritizing ideas to put forward.</li> </ul>
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**Meeting Notes**

Staff liaison Alyssa Patrick facilitated meeting so the co-chairs could participate in discussion and decisions related to the 2023 budget recommendations.

**Welcome and Introductions**

- CAB members introduced themselves.
- City staff introduced themselves.
- No members of the public joined the meeting

**Financial Report Update**

- The financial report originally presented at the CAB’s May meeting ([see report](#)) has changed due to a new allocation CBO and the Mayor’s Office decided to make this week.
- \$2.3 million of unreserved SBT funding was transferred to HSD to help maintain 2021 funding levels for meal programs in permanent supportive housing, home food delivery, and food banks. In 2021, these programs were supported with one-time COVID-relief funds that were not available in 2022. Increased food costs, sustained increased demand caused by the pandemic and resulting economic strains, mean programs are still needing this additional funding. [Here’s an updated financial report.](#)
- Council passed [CBA HSD-005-C-001](#) at the end of 2021 to continue the higher level of funding using General Fund and Coronavirus Local and Fiscal Recovery Act funds. When the CBA was passed in 2021, GF looked stronger than SBT revenue. Updated forecasts in 2022, however, demonstrated that SBT revenue had some surplus and GF was in the deficit, which is why this

funding change was made. The city anticipates state funding available in 2022 will help sustain service levels through end of 2022.

- **As a result, there is now around \$1.2 million remaining in the unreserved fund.**

#### Discussion:

*CAB Question:* I figured there would be some jump related to inflation, but should we question if we will see jumps like this again? We originally thought we could make recommendations on \$3.5 million but now it's \$1.2 million, which is a significant swing.

- *Response:* Greg does not foresee another reduction there. If there was anything else to happen it would be along a net zero approach and without guaranteeing anything this should be the only reduction.

*CAB comment:* This feels similar to the swap of SBT for general funds that happened in 2019, which we and many other community members worked hard to stop from happening. This continues to be important to us, and we would not want to see these funds transferred to GF.

- *Response:* CBO and the Mayor's Office are aware of the supplementation language and did not think this allocation was in conflict with it.
- *Response:* Staff understanding is that this is not supplantation like in 2019. There is an increased need for food banks and the city has various options to fund this, but looking across all of the options CBO has decided to use the one-time surplus or unreserved balance to meet these needs. In 2019, the issue was swapping SBT in for GF to continue an ongoing program. Per ordinance, SBT allocations should focus on expanding or starting new programs related to priority policy areas.

*CAB question:* Aren't we supposed to have money set aside in a reserve to use in a budget shortfall?

- *Response:* Yes, \$2 million is set aside in a reserved fund. The \$1.2 million "unreserved fund balance" is an addition to that \$2 million.

#### **2023 budget recommendation idea generation**

- At the last meeting – what rose to the top was acknowledgement that current investments are aligned with several community priorities and an interest in deepening those rather than starting new things that don't have guaranteed ongoing funding. Based on that, city depts have put together some ideas that align with community priorities you've lifted up.
- City departments proposed ideas for deepening existing investments based on community priorities and CAB ideas raised during the May meeting.
- CAB members had time to review the ideas ([linked to here](#)) before discussing and voting on them. The initial list of ideas for voting has 12 ideas – primarily one-time funding; 4 ongoing funding (though a couple of those would also be ok w/one-time funding)
- The ideas proposed are based on:
  - The unreserved balance in the SBT fund (developed w/\$3.5 million as understanding, still relevant now that is \$1.2 million). These funds are most appropriate for one-time or small ongoing adds.
  - At the CAB's 5/20 meeting, members expressed the most interested in going deeper with ongoing investments that are strongly aligned with community priorities.

- Community priorities summarized from 2020/2021 reports and recent Food Action Plan engagement.

### Discussion

*CAB question:* What is the total of all the investments together? Could any of the suggested amounts be changed?

- *Response:* \$1.5M for all ongoing and renewed, and one-time (that included estimates) equals \$1.4/5M.
- *Response:* Some of the amounts could be adjusted and still have an impact.

*CAB question:* Some of the one-time investments require setup work - where would that work sit? Particularly I'm wondering about Developmental Bridge Outreach Campaign and CCAP.

- *Response:* DEEL would do the contracting for that. The department would allocate the funding to contractors (such as Children's Clinic for Developmental Bridge).

*CAB question:* Are there feasibility things we should be considering? Beyond just \$?

- *Response:* These ideas are new and would need some scoping, but they are all ideas that depts felt comfortable with possibly adding to their work in 2023.

*CAB question:* Has the CAB ever zeroed out the unreserved fund?

- *Response:* In 2020, there were cuts related to economic impacts of COVID-19, so there were no unreserved funds that year. Everything has now been replenished, though, including the stabilization fund.

*CAB question:* What about the existing SBT investments we've talked about before?

- *Response:* Funding for all of the existing programs will continue. Today we are only voting on what you might like to add in an ongoing or one-time manner.

*CAB comment:* I'm still not certain how the unrestricted budget got cut - perhaps there can be a follow-up email to further explain. As we are sitting here for community it would be great to understand this more. We owe it to the community to understand this.

- *Response* – A basic summary of what happened is - there is increased demand for food bank services (due to food prices) AND food banks are needing to spend more (due to food prices). There was already a Council add of \$2.3m to food banks but City Budget Office (CBO) has been holding it until recently.
- Based on evidence of need (and food bank advocacy), CBO just released the funding. Originally, the Council add was going to be supported by the federal COVID relief funding (CLFR) and General Fund. Instead, CBO is using SBT...it's not a "swap", but it was a choice that CBO made to use SBT surplus as opposed to CLFR/GF.

*CAB comment:* I am concerned that this will become a recurring issue. I'd like to get more clarification on the allocation and whether at least half of it could be directed to the priorities we vote on and put forward together. I'm uncomfortable just letting it go and letting them make those decisions on their own.

*CAB comment:* At the start of the COVID-19 pandemic, CBO and the Mayor's Office wanted to direct \$5 million of SBT to an emergency grocery voucher program. They came to the CAB with that proposal and asked us to weigh in, rather than making it as a top-down decision.

*CAB comment:* The issue here is more about the process through which they are making this allocation rather than about what the funding is going towards. We would have liked them to consult with the CAB first, as that is our role.

- We've never done it like this before and it doesn't feel ok to have it done this way. Our recs are based on what we think and not on what they say, and it is important for us to speak up as this is how this CAB operates. The new Mayor and new CMs need to know how we do things.

*CAB question:* Why is CBO/Mayor's office deciding to make this allocation now?

- *Response:* There are likely a couple reasons this is coming up now:
  - The Mayor's Office is in the process of thinking about their 2023 budget. This funding request came from a Council budget action (CBA) from last year that still needed to be allocated. It was always planned for 2022, but now they are changing the source of funding.
  - When passing that CBA, Council also asked for a statement of legislative intent (SLI) from HSD about the landscape of emergency food system support at the state and regional level. CBO didn't release the funding allocated through the CBA until the SLI was submitted (which happened in May), as they were waiting to see if there were other funding sources that would help meet the demand and need in Seattle. The SLI revealed that there are not many additional resources available in the state, so the city funding was still required to meet this need.

*CAB comment:* Understand the strain food banks are facing now and the additional support they need. Dual issue of increased demand and decrease of resources. Food prices are skyrocketing so more people are coming to the food bank and they are challenged due to donations and government funding of commodities. Donated food has significantly dropped off due to prices and supply chain issues. JIF recall and baby formula. Also challenged by their higher food prices as well as the end of federal benefits and benefit expansions. The SNAP allocation increase is likely to end after July, free school meals will be pulled back in the fall, and waivers for childhood nutrition programs are likely not to be extended. State funding was a hope for the city to help meet these needs, but the state funding is not going directly to Seattle area agencies. It is primarily going to areas where there are bigger gaps in resources, such as rural communities.

- *CAB question:* I'm curious about how many people are aware of the stores that donate food. PCC, for example, and church distribution sites. How many stores are doing this and is that being considered for meeting demand?
- A lot of things are not happening through the city or the state. Feeding America and Food Lifeline operate the largest food rescue programs but due to supply chain disruptions and individual donation decreases and recalls and shortages that affect food banks and their clients.

**\*\*\*Decision point: CAB plan to address the \$2.3 million allocation\*\*\***

- Include a statement in the 2023 budget recommendations that the CAB felt undermined by CBO/Mayor's decision to allocate a significant amount of SBT funds without first consulting the CAB.

- Still list 2023 recommendations as we previously planned to do. We'll put forward all recommendations that are our top priorities, even if it goes over the \$1.2 million now projected in unreserved funds. This will be helpful in the event more funding becomes available.

### **Prioritizing 2023 budget ideas**

CAB members reviewed the list of ideas on their own, and then had a discussion before voting for top 5 priorities.

#### Discussion:

*CAB questions:* Fresh Bucks CBO and retail support are important investments, especially as we've heard there has been a real issue with getting some of the cards out.

- There has been a lot of confusion about activation as well. I'd like to know the program is providing the support for CBOs and customers needed to ensure those who are already enrolled can access the benefit.
- We are supportive of expanding Fresh Bucks enrollment, but would need to see that happening alongside increases to CBO funding so those organizations can support enrolled individuals to ensure they can access the benefit.

#### **\*\*\*CAB Decision Point\*\*\***

Since a large portion of the meeting was focused on discussing the budget change, the CAB decided to host an additional meeting – A. Patrick was to follow up with a date and time.