

Sweetened Beverage Tax Community Advisory Board Meeting Notes

MEETING SUMMARY	Date: June 6, 2018
	Time: 10:00AM – 1:00PM
	Location: Seattle Municipal Tower, 16 Floor, Room 1600 700 Fifth Ave, Seattle 98104
MEMBERS PRESENT:	Christina Wong, Dila Perera, Jen Hey, Jim Krieger, Laura Cantrell Flores, Leika Suzumura (left at noon), Yolanda Matthews
MEMBERS ABSENT:	Ahmed Ali, Lisa Chen, Mackenzie Chase, Seat 8 – Vacant (Public Health Representative)
GUESTS:	City Budget Office: Saroja Reddy, Dave Hennes, Chris Godwin Department of Education and Early Learning: Monica Liang-Aguirre Human Services Department: Tara James Mayor’s Office: Evan Philip Office of Sustainability & Environment: Bridget Igoe, Shaunice Wilson Pomegranate Center: Katya Matanovic, Milenko Matanovic

DECISIONS MADE	<ul style="list-style-type: none"> Activities for the 2018 recommendations were prioritized (except for the early learning/birth-to-three focus area). Preliminary budget focus areas and targets for the 2019 recommendations were developed – results from the bar chart activity will be discussed and finalized at the June 20 meeting.
ISSUES IDENTIFIED	

FOLLOW-UP ACTION ITEMS			
#	ITEM	RESPONSIBLE PERSON(S)	TARGET DATE
1	Launch modified early learning community input survey	B. Igoe	ASAP
2	Develop recommendations for 2018 activities to include in the early learning/birth-to-three focus area	D. Perera and M. Chase	June 20
3	Draft an outline for the 2018 recommendation letter	Executive Committee with staff support	June 15

Meeting Notes

Jim Krieger, Co-Chair, opened 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—to work on tools that can be used to develop budget recommendation

Public Comment

Val Thomas-Matson, Healthy King County Coalition: Stated she is here to listen to the conversation in order to understand what the Board is working on. If the goal of this levy is to reduce obesity rates and diabetes rates, the question the Board should be considering is how best to get the money to community-based organizations that are already doing this work.

Q1 Revenue Briefing, City Department of Finance and Administrative Services

Dave Hennes, City Budget Office, provided a briefing on the first quarter revenues from the Sweetened Beverage Tax. Key points from the presentation and discussion:

- The revenue forecast for the 2018 Adopted Budget is \$14.8 million. This forecast was based on a regional model and adjusted to reflect experience of other jurisdictions.
- First quarter revenues were \$4,446,000, with 136 taxpayers. At this point, the City doesn't know the full extent of the tax base, but expects new taxpayers to show up over time. As a starting point, this number of taxpayers seems reasonable. Although some initial checks have been done to ensure that known distributors reported and made payments, the City has not done any extensive effort yet to analyze who else ought to be paying versus who is paying the tax.
- In the first quarter, the total reported ounces of taxable sweetened beverages were the equivalent of 1,284,000 gallons of ready-to-drink beverages and 700,000 gallons of concentrates (diluted volume).
- Of the 136 taxpayers, 46 issued Redistribution Certificates to distributors and 32 businesses have received a manufacturers exemption. Redistribution certificates are intended to allow for proper tax reporting and payment when retailers and wholesalers receive distributions of sweetened beverages in the city of Seattle but then redistribute some of the sweetened beverages to stores and facilities outside the city. The City did not want the distributors to pay on 100% of product distributed to Seattle retailers that were going to redistribute outside Seattle. The best way to handle this scenario was to shift the reporting responsibility, in these limited circumstances, to the retailer who was in a best position to know what was distributed and sold in Seattle. Manufacturers exemptions are for businesses with an annual worldwide gross revenue of \$2 million or less.
- When asked whether there are problems with "avoidance", D. Hennes said it was too soon to tell. Multiple quarters of data are needed. Also, it takes a while for the tax base to mature, so in this first year city tax administrators would evaluate this question for individual taxpayers as the year progresses.

Quick Business

- B. Igoe reminded everyone to take the City's required Board and Commissions training, now offered online. C. Wong reported the training was easy and took less than one hour to complete.

- B. Igoe provided responses to the Board’s request for cost estimates for counter-marketing campaigns, park enhancements (lights, turf), water bottle filling stations, subsidies to schools to provide more fresh and vegetables, and options to expand fruit and vegetable vouchers through the Fresh Bucks program.
- As a result of discussions with the San Francisco Sugary Drinks Distributor Tax Advisory Committee, J. Krieger reached out to several public health researchers from the SBT Study Team to request they pull some information about the evidence supporting the 24 activities under consideration by the Board. A summary document based on their review provided at the meeting.
- As discussed at the last meeting, there wasn’t enough input from stakeholders representing early learning field in the Board’s community input survey. As a result, D. Perera and M. Chase are modifying the original survey and re-circulating a shortened, rapid response online questionnaire to organizations that provide early learning services, early parent support, and birth-to-three services. The revised survey will use the definition from the ordinance to describe birth-to-three services, since this language is more inclusive than what was used in the original survey.

2018 Budget Recommendations

K. Matanovic and M. Matanovic facilitated this portion of the meeting. The goals of this session:

1. Prioritize 2018 recommendations
2. Begin prioritization for 2019 recommendations

B. Igoe provided a short summary of the Board’s timeline and process to-date. June 30 is the deadline to transmit recommendations to the Mayor on the 2018 and 2019 budgets. In July, the Mayor’s Office starts developing the 2019 proposed budget.

K. Matanovic read the Board’s vision, values, and ground rules, which were posted on flip charts. She also reviewed the Board’s criteria for prioritizing activities: Equity, Feasibility, and Impact.

The Board reviewed the list of 24 activities under consideration for the 2018 budget recommendations (see [table](#) below for details). Each activity was briefly summarized for understanding. Clarifying edits were made to the activity names and descriptions, as needed (see [addendum](#) for details).

After reviewing the activity descriptions, the Board discussed 1) how best to group the activities under each of the budget focus areas and 2) whether to prioritize the activities by budget focus area or as a whole. Ultimately, the Board agreed to the following:

- All the activities under “Healthy food and beverage access” and “Community-based programs and activities to support good nutrition and physical activity” would be considered together during the prioritization process. After the prioritization process, the Board would discuss the results and make any adjustments needed.
- Activities under “Early learning and Kindergarten readiness” would be tabled until June 20, when D. Perera and M. Chase would present recommendations to the Board based on their expertise and results of the community input survey
- Two activities were added to the “Support for people with diabetes or obesity” budget area, which otherwise had no activities listed:

*Provision of healthy foods to people with diabetes or obesity
Community-based food and nutrition education (same as activity #16)*

The Board briefly discussed that a few of the activities might be most appropriately funded as a direct allocation to a government entity versus awarded to an NGO through an RFP process. An example of this is supporting subsidies to schools to provide more fresh fruits and vegetables—this activity might be most efficiently funded through a direct allocation to the Seattle Public Schools.

Process used to prioritize 2018 activities:

- 1) Each Board member individually selected the five activities they thought most aligned with the Board’s vision, values, and criteria. Each Board member wrote their selected activities on five 3x5 notecards.
- 2) Each individual was asked to compare the importance of each activity in relation to each other (1=least important, 5=most important). M. Matanovic led the Board through the ranking.
- 3) Notecards were collected and tabulated by facilitators and a volunteer Board member on the activity flip charts.
- 4) The Board reviewed and discussed the activities with the most scores and the highest scores and agreed that these activities should be included in the 2018 recommendations.

Table Legend:

- **Red text** = Clarifying edits made to activity list and descriptions before prioritization activity
- **Priority Score** = Scores from the 3x5 prioritization activity. **Bold** score is the total score the activity received when all individual scores were summed. *Italicized* score(s) are scores from individual Board members, on a scale of 1-5 (1= least important, 5=most important).
- **Highlighted activity** = Top priority activity, based on raw score or discussion

Activities considered, by 2018 budget focus area and targets

Focus area	Budget Targets	
	% of total	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
Activities	Priority Score	
1. Healthy food vouchers for people in the “food security gap”	27 (4, 5, 4, 5, 5)	
2. Community-led promotion of healthy food vouchers	5 (5)	
3. Subsidies to schools to provide more fresh fruits and vegetables	8 (4, 4)	
4. Healthy food pantries in schools	-	
5. Scratch-cooking programs in school food services	8 (5, 3)	
6. Subsidies to childcare to provide more fresh fruits and vegetables	2 (2)	
7. Technical assistance to childcare providers	-	
8. “Pop-up” and small, mobile food retailers and food pantries	6 (1, 1, 4)	
9. Urban agriculture	-	
10. Safe, high-quality water and water bottles	9 (1, 3, 3, 2)	
Community-based programs and activities to support good nutrition and physical activity (other than access to healthy food)	20%	\$555,031
Activities	Priority Score	
11. Healthy backpack/ good food bag programs in schools and childcare	3 (2, 1)	
12. Good food bag/voucher programs in schools and childcare	6 (3, 1, 2)	
13. Community-based meal providers and programs	6 (4, 2)	
14. Encouragement of healthy choices in food banks/pantries	3 (3)	

15. Translation services in food banks/pantries	-	
16. Community-based food and nutrition education	9 (3, 5, 1)	
17. Food and nutrition service coordination Coordination and referrals to food and nutrition programs	5 (5)	
18. Community-based physical activity programs	3 (3)	
19. Physical activity vouchers, incentives, and scholarship programs	5 (2, 2, 1)	
20. Personnel/staff training to promote physical activity	-	
21. Physical activity spaces and facilities	-	
Early learning and kindergarten readiness	20%	\$555,031
<i>Dila and Mackenzie are working to identify activities.</i>		
Public awareness campaign about sugary drinks, includes youth engagement	9%	\$249,764
Activities	Priority Score	
22. Mass media counter-marketing campaign led by CBO (led by PR firm with community input)	N/A	
23. Youth-led counter-marketing campaign led by CBO		
Support for people with obesity and diabetes. Support should maximize prevention and be delivered in culturally appropriate ways. Can include existing or new/innovative activities.	9%	\$249,764
Activities	Priority Score	
24. Provision of healthy foods to people with diabetes or obesity	N/A	
16. Community-based food and nutrition education (same as #16 above)		
Evaluation support for community-based organizations (CBOs) to evaluate activities funded by 2018's \$2.8 million. Focuses on evaluation methods that are pragmatic, low-barrier, and includes community-based participatory research. Expectation that CBOs will share results with CAB and public.	9%	\$249,764
Activity	Priority Score	
25. Evaluate community-based activities funded by SBT	N/A	
TOTAL	100%	\$2,775,156*

*Includes 10% max for capital projects like water filling stations and park infrastructure.

2019 Budget Recommendations

In the last 45 minutes of the meeting, the Board began work to develop a framework for the 2019 budget recommendations. The Board agreed that its 2018 priorities were applicable to the 2019 budget. However, rather than focus on a subset of 2019 funds set aside for the Board's recommendations, the Board decided it would develop recommendations on the entire 2019 budget.

Process used to start developing a 2019 budget framework:

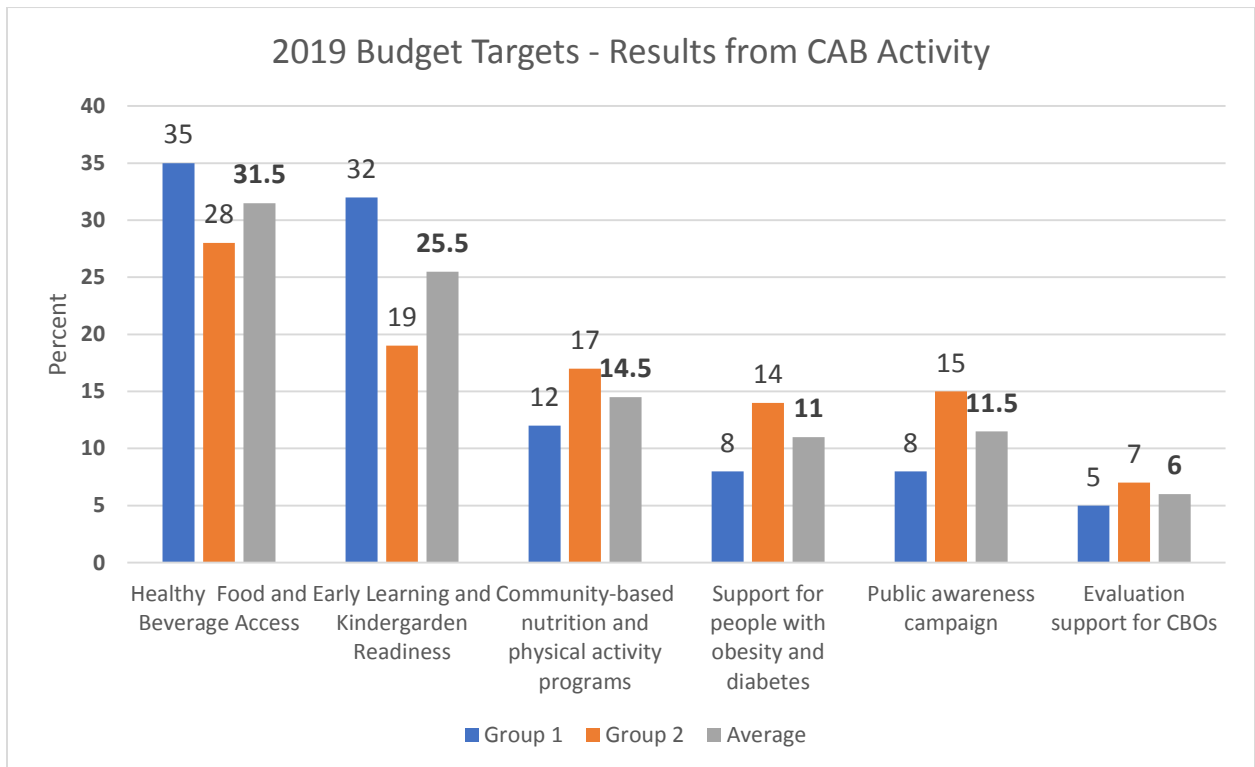
1. Using the same budget focus areas, each Board member individually completed a worksheet for how to distribute the 2019 funds amongst the budget focus areas. Sample worksheet:

Focus Area	% of 2019 Budget
Healthy food and beverage access	
Early learning and kindergarten readiness	
Community-based programs and activities to support good nutrition and physical activity	
Support for people with obesity and diabetes	
Public awareness campaign about sugary drinks, includes youth engagement	
Evaluation support for community-based organizations	

	100%
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- The Board split into two groups. Each group averaged the individual worksheets of Board members and then created a 3-D bar chart using 100 blocks. Each group discussed the results and made adjustments based on the discussion.
- The Board re-grouped and each group presented its 3-D bar chart to the other. The Board discussed which focus areas were in close alignment versus which were not. For example, the early learning and kindergarten readiness focus area had the largest variance (32% versus 19%).

Results from the two 3-D bar charts are shown below.



Group 1: L. Suzumura, C. Wong, Y. Matthews, D. Perera

Group 2: J. Krieger, J. Hey, L. Cantrell

Absent: L. Chen, A. Ali, M. Chase

Adjourn

The meeting ended at 1:00 PM.

ADDENDUM: Activity Descriptions

Red text = Clarifying edits made to activity list and descriptions before prioritization activity

- 1. Healthy food vouchers for people in the “food security gap”:** Expand access to vouchers by low-income people not eligible for SNAP for purchase of healthy foods (e.g. fruits and vegetables).
 - Make vouchers available in a variety of settings, including schools, childcare, senior centers, housing assistance, health care, social services, food banks.
 - Customer should be able to use vouchers in a variety of food retail settings, including supermarkets, grocery stores, ethnic grocers, farmers markets, produce stands, etc.
- 2. Community-led promotion of healthy food vouchers:** Support community-led projects and activities to increase awareness and use of healthy food vouchers.
- 3. Subsidies to schools to provide more fresh fruits and vegetables:** Provide cash incentives/subsidies to schools to increase the variety and/or quantity of fresh fruits and vegetables served at meals, snacks, and in salad bars, reduce processed foods, and increase offerings of culturally appropriate healthy foods.
- 4. Healthy food pantries in schools:** Increase access to healthy food through school-based food pantries (food pantries that are conveniently located on-site at schools for families of students experiencing food insecurity).
- 5. Scratch-cooking programs in school food services:** Partner with chefs to provide training for kitchen employees on how to cook from scratch and reduce use of processed foods in school meals and snacks.
- 6. Subsidies to childcare to provide more fresh fruits and vegetables:** Provide cash incentives/subsidies to childcare sites to increase the variety and/or quantity of fresh fruits and vegetables served at meals and snacks, reduce processed foods, and increase offerings of culturally appropriate healthy foods.
- 7. Technical assistance to childcare providers:** Provide on-site technical assistance to childcare providers on ways to promote healthy eating, active play (increase physical activity, reduce screen time) opportunities for children, including tips on preparing easy and nutritious meals and snacks, practicing “family style meals”, leading easy indoor and outdoor activities that get children moving, and reducing screen time.
- 8. “Pop-up” and small, mobile food retailers and food pantries:** Increase access to healthy food in neighborhoods and communities with poor access to healthy foods by supporting small, mobile and “pop-up” retailers such as pop-up farmers markets, mobile produce trucks, and mobile food pantries stocked with fruit and vegetables and other nutritious foods.
- 9. Urban agriculture:** Support community gardening and urban farming in low-income communities, such as Seattle Community Farm, Rainier Beach Urban Farm, Marra Farm, and Lettuce Link. Projects can include direct-marketing opportunities for people of color, immigrants, refugees, people with low incomes, youth and people with limited-English proficiency.

- 10. Safe, high-quality water and water bottles:** Increase and promote access to safe, high-quality water. This includes installing water filling stations in strategic areas and distributing high-quality water bottles within Seattle Public Schools, community centers, parks, and in public spaces that reach populations that are disproportionately targeted by the sugary drink industry.
- 11. Healthy backpack/~~good food bag~~ programs in schools and childcare:** Increase the number of school-age children (K-12) who receive fresh fruits and vegetables and other easy-to-prepare nutritious foods provided in backpack programs.
- 12. Good food bag/voucher programs in schools and childcare:** Offer good food bags and/or healthy food vouchers to more low-income families enrolled in childcare sites.
- 13. Community-based meal providers and programs:** Expand support for community-based meal providers to serve nutritious, culturally appropriate meals. Includes summer meal programs, meal delivery providers, and congregate meals for older adults, access to community kitchens where community groups can assemble to learn from each other while making and sharing meals. Kitchens in food banks should include access to individually-secured spaces for food storage that are available 24/7.
- 14. Encouragement of healthy choices in food banks/pantries:** Support food banks/pantries to use approaches that increase client selection of nutritious foods like fruits and vegetables, such as using attractive displays, placing produce out in front on shelves, and posting signs that promote fruits and vegetables. Support would include funding for small infrastructure or equipment, training, and technical assistance.
- 15. Translation services in food banks/pantries:** Support development of culturally appropriate communication tools and translation services to ensure culturally appropriate communications available at all Seattle food pantries, not just City-funded food pantries.
- 16. Community-based food and nutrition education:** Support community-based food and nutrition education in a variety of settings, including childcare, schools, gardens, food banks, community kitchens, and community organizations. Programming and topics can include cooking and nutrition classes; healthy eating; **breastfeeding and first foods**; “food literacy”; food budgeting; food production, preparation and preservation classes; food justice; and food sovereignty.
- 17. ~~Food and nutrition service coordination~~ Coordination and referrals to food and nutrition programs:** Support efforts to integrate referrals and client education about food access programs and services to increase and facilitate access by clients. For example, nutrition education providers, healthcare providers, food banks, homeless shelters, community colleges, economic development centers, etc. would provide clients with coordinated and collaborative referrals to food access programs (SNAP, WIC, TANF, Fresh Bucks, summer meals, etc.).
- 18. Community-based physical activity programs:** Support a range of community sports and recreation programs to provide equitable, free or very low-cost physical activities that meet the needs and interests of families and youth, are culturally responsive, and are offered at convenient times (i.e. before and after school, weekends, summer).

- 19. Physical activity vouchers, incentives, and scholarship programs:** Provide incentives (free memberships) to recreational and physical activities. Expand and increase ease of access to [Seattle Parks and Recreation scholarship programs](#).
- 20. Personnel/staff training to promote physical activity:** Provide training to healthcare, school and other community personnel to build their capacity to offer education, coaching, and recreational activities to young people that impart the knowledge and skills needed to effectively engage in enjoyable, lifelong physical activity.
- 21. Physical activity spaces and facilities:** Increase access to sports fields by installing lights and turf in fields that have none and are located in focus areas where communities of color, immigrants, refugees, people with low incomes and individuals with limited-English proficiency tend to live, learn, work, and play.
- 22. Mass media counter-marketing campaign led by CBO:** Support a community-based organization to contract with a public relations/communication firm to develop and test messages and design a counter-marketing campaign. Then, implement the campaign in multiple communication channels (ethnic/community specific radio, TV, newspaper and social media channels) and through coordinated work of community-based organizations and youth.
- 23. Youth-led counter-marketing campaign led by CBO:** Support a community-based organization to develop and design an approach to engage youth in developing and leading a peer-to-peer counter-marketing campaign. Then, implement the campaign in multiple communication channels (ethnic/community specific radio, TV, newspaper and social media channels) and through coordinated work of community-based organizations and youth.
- 24. Provision of healthy foods to people with diabetes or obesity:** Provide low-cost healthy foods to people with diabetes or obesity, through vouchers or other appropriate mechanisms, in clinics and other community-based touchpoints.
- 25. Evaluate community-based activities funded by SBT:** Support for community-based organizations to evaluate their activities funded by the SBT. Evaluation methods should be pragmatic and low-barrier and use community-based participatory research methods.