

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

MEETING SUMMARY	<p>Date: June 18, 2021</p> <p>Time: 9am – 11am</p> <p>Location: WebEx</p>
MEMBERS PRESENT:	<p>Barbara Baquero Christina Wong Dan Torres Jaimée Marsh Jen Hey (Moss) Laura Flores Cantrell Rebecca Finkle Paul Sherman</p>
MEMBERS ABSENT:	<p>Dila Perera Munira Mohamed</p>
GUESTS:	<p>Office of Sustainability & Environment: Alyssa Patrick, Hannah Hill, Bridget Igoe, and Suzy Knutson City Budget Office: Akshay Iyengar Department of Education and Early Learning: Cameron Clark, Monica Liang-Aguirre, and Tiffany Lee 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. Priority ranking of food access and early learning activities. 2. Priority ranking of additional activities to fund if surplus funds are available. 3. Investments to prioritize in the event budgets come in lower than projected, and preferred sources of funds to backfill any budget gaps.
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Meeting Notes

Tanika Thompson and Jen Moss, Co-Chairs, facilitated the meeting

Welcome and Introductions

- CAB members introduced themselves.
- City staff introduced themselves.
- No members of the public were present.

Co-Chair Updates:

- J. Moss shared that City staff liaison, H. Hill is leaving her position at the City, and Alyssa Patrick will serve as the liaison moving forward.

- Co-Chairs thanked Strategic Comms & Stakeholder Engagement subgroup for reviewing and editing the draft 2020 annual report. City staff will now do final review and report is to be published before the end of the year.
- Co-Chairs shared that applications for new CAB members are open through June 20.
- H. Hill shared that Co-Chairs met with the EJC in May to share the CAB's approach to developing budget recommendations. This was a good first step in developing a relationship with the EJC and there are future opportunities to seek input from each other, such as the 2023 SBT budget recommendations and the EJC's food justice principles currently in development.

2022 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. The remaining steps in the process the CAB worked through were (see [May notes](#) for the first part of the process):

- Step 4: Identify and prioritize SBT programs/services, based on CAB's established budget principles/criteria. The list of programs/services includes those that are currently funded by SBT and a few that were either cut in 2020 due to the COVID or were time-limited.
- Step 5: Utilize list of programs ranked in order of priority to: develop recommendations in event of a revenue surplus that exceeds current projections.
- Step 6: Review and discuss CAB co-chairs proposed recommendations for how the City should allocate resources in the (unlikely) event SBT revenues come in lower than projected.
- Step 7: Determine how the CAB will review and finalize draft recommendations.

Step 4: Identify and Prioritize SBT Programs/Services

The City Budget Office anticipates a surplus of \$2.1m, with the following assumptions: 1.5M worker retraining and 2M revenue stabilization are set aside. 1.5M cut to HFF from 2020 maintained and does not include funding for Prenatal-3 grant program in 2022. Economic uncertainty remains as we don't know how quickly the economy will recover but CBO is optimistic about SBT revenues.

Starting on Step 4 on the Decision Point as you worked through 1-3 in the May meeting.

Step 4: Identify and prioritize SBT programs/services, based on CAB's established budget principles/criteria. The list of programs/services includes those that are currently funded by SBT and a few that were either cut in 2020 due to the COVID or were time-limited.

CAB members reviewed and discussed the priority ranking of food access and early learning activities that resulted from their May prioritization exercise.

****CAB Decision Point****

After discussing the priority order of the **food access and early learning investment areas**, the CAB approved the following list using Fist-to-Five voting.

- Restore the Food Equity Fund to \$3 million and make it ongoing by adding \$1.5 million to DON's baseline budget.
- Allocate \$1.5 million to DEEL to continue the Prenatal-to-Three Grant Program in 2022.

Step 5: Utilize list of programs ranked in order of priority to: develop recommendations in event of a revenue surplus that exceeds current projections.

****CAB Decision Point****

The CAB discusses and decides to recommend that 2022 be the last year of funding for evaluation of the tax's impact on prices, consumption patterns, sales, etc. The ordinance dictates that the evaluation be funded for the first five years of tax implementation, and 2022 is the 5th year. The CAB would like to see a follow up evaluation perhaps 10 years after the tax is passed, but would like to see an academic/research organization fund that effort.

The CAB also decides to include a recommendation that SBT revenue NOT be used for P-Patches. While program has some good benefits, p-patches are still not very accessible and/or do not feel very welcoming for BIPOC community members. For that reason, this investment is not aligned with the CAB's core values and the priority populations for SBT investments.

The CAB also approved the following prioritized list for spending in the event of a **budget surplus**:

- Expand Child Care Assistance Program
- Expand supports for Family Child Care Providers
- Restore funding for water bottle filling stations in community centers
- Restore funding for CAB administrative support
- Restore funding for evaluation of SBT-funded programs and services (these evaluations would assess how SBT-funded programs/services are functioning and their outcomes, NOT evaluating the impact of the tax itself on consumer behavior, etc.)

Step 6: Review and discuss CAB co-chairs proposed recommendations for how the City should allocate resources in the (unlikely) event SBT revenues come in lower than projected.

****CAB Decision Point****

Co-Chairs share the likelihood of this is low. If it does happen, propose the City adheres to the CAB's existing 2022 budget recommendations and if there are gaps, the City fill them using federal American Rescue Plan funds, reserves from the unused worker retraining allocation, and/or the revenue de-stabilization fund. The CAB also request that CBO consult with them early and often if necessary revenues are coming in lower than projected.

The CAB approved this proposal using Fist-to-Five voting.

Step 7: Determine how the CAB will review and finalize draft recommendations.

CAB decides to work on drafting, reviewing, and editing the draft recommendations over email.