

Sweetened Beverage Tax Community Advisory Board

<http://www.seattle.gov/sweetenedbeveragetaxboard>

Date: October 17, 2019

To: Councilmember Bagshaw, Councilmember González, Councilmember Harrell, Councilmember Herbold, Councilmember Juarez, Councilmember Mosqueda, Councilmember O'Brien, Councilmember Pacheco, Councilmember Sawant

From: Sweetened Beverage Tax Community Advisory Board

cc: Mayor Jenny Durkan, Ben Noble

Subject: The Mayor's 2020 Proposed Budget

Dear City Councilmembers,

On behalf of the Sweetened Beverage Tax Community Advisory (CAB), this memo responds to the Mayor's 2020 Proposed Budget. First, the CAB is pleased to see the Mayor followed the Council's direction and reversed the \$6 million of ongoing Sweetened Beverage Tax (SBT) funding that was used in 2019 to support spending that had previously relied on General Fund resources. The CAB endorsed the passage of the budget legislation ([CB 119551](#)) that changed the financial policies regarding the use of SBT funding to ensure SBT would be solely used to expand or create new programs and services consistent with the ordinance that address inequities in food access and health and education outcomes, not supplant resources for other essential needs or services.

There are several proposals in the Mayor's 2020 budget we endorse, namely the Healthy Food Fund and Fresh Bucks expansion. However, there are several proposals we reject or approve with modifications on the basis that they do not align with the intended purpose of SBT funding. According to [CB 119551](#) Section 3, SBT funding is for:

- 1) *"Expanding access to healthy and affordable food, closing the food security gap, and promoting healthy food choices";* and
- 2) *Expanding evidence-based programs that improve the social, emotional, educational, physical, and mental health of children, especially those prenatal-to-age-three and kindergarten readiness services that seek to reduce the disparities in outcomes for children and families based on race, gender, or other socioeconomic factors and to prepare children for a strong and fair start in kindergarten, such as home visiting programs and child care assistance."*

What follows is a summary of the CAB's response to select proposed investments funded by SBT and a list of nine (9) recommended actions for Council to consider, including alternative funding proposals recommended by the CAB which are not included in the Mayor's 2020 Proposed Budget.

Thank you for your consideration of the CAB's recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christina Wong', with a stylized flourish at the end.

Christina Wong, Chair

Sweetened Beverage Tax Community Advisory Board

Lisa Chen, Food Access Representative

Tanika Thompson, Community Representative

Christina Wong, Public Health Representative

Laura Flores Cantrell, Public Health Representative

Jen Moss, Public Health Representative

Paul E. Sherman, Public Health Representative

Dila Perera, Early Learning Representative

Summary of the CAB’s response to select proposed investments funded by SBT

Mayor’s Proposal		CAB Response	
Program/Proposal	Amount	Approves/Rejects	Comments
Healthy Food Fund	\$2,500,000 Ongoing	Approves	Aligns with CAB’s 2020 budget recommendations. <i>See recommend action #1.</i>
Fresh Bucks Expansion	\$2,000,000 Ongoing	Approves	Aligns with CAB’s 2020 budget recommendations <i>See recommended action #2.</i>
Child Care Assistance Program Expansion	\$3,000,000 Ongoing	Approves an expansion of up to \$1.5 million, prioritizing children ages birth-to-three, and recommends alternative funding proposals	Not aligned with CAB’s 2020 budget recommendations or the intended use of SBT funds to focus on the prenatal-to-age-three population. <i>See recommended actions #3 and #4.</i>
P-Patch Community Gardens	\$3,000,000 One-time	Rejects and recommends alternative funding proposals	Not aligned with CAB’s 2020 budget recommendations and has limited impact on increasing food security and food access. <i>See recommended actions #5 and #6.</i>
Cash Balance Reserve in the SBT Fund	\$2,000,000	Approves with modifications	Limit the reserve to five percent of ongoing SBT investments and ensure reserve is protected for intended purposes. <i>See recommended action #9.</i>

Summary of Recommended Actions for City Council (in order of priority):

- 1. Adopt the proposed Healthy Food Fund and direct Department of Neighborhoods (DON) to consult with the CAB on the design and implementation of this program.** This proposed investment would provide \$2.5 million to DON to create a new community grant program to increase access to healthy food and improve public health. Establishing this Fund is consistent with the CAB’s original [2020 Budget Recommendations](#) (page 7) to invest more in community-led activities.

Eligible activities and projects for the community grant program should include those that:

- a. Increase access and consumption of nutritious food and water and/or decrease exposure to and consumption of unhealthy food and beverages
- b. Use place-based approaches to increase access to healthy food (including “pop-up” and mobile retailers and pantries, congregate meal programs, community kitchens, food co-ops, etc.)
- c. Provide culturally-tailored food and nutrition education
- d. Increase opportunities for physical activity and promote active lifestyles
- e. Provide weekend food to kids (e.g. meal and backpack programs)

- f. Use counter-marketing and public awareness campaign strategies to reduce consumption of sugary drinks and junk food, especially projects led by youth

The design and implementation of this Fund will be as important as its creation. In addition to adopting this investment, Council should direct DON to consult with the CAB on the design and implementation of this community grant program to ensure it centers on the priorities of communities of color and low-income communities most impacted by the tax and so the grantmaking process does not perpetuate inequities.

2. **Adopt the proposed expansion for Fresh Bucks.** This proposed investment would increase the funding for the Fresh Bucks program by \$2.0 million, tripling the number of eligible residents for the voucher component of the program to 6,000 recipients. Vouchers are a key strategy the Fresh Bucks program uses to reach residents in the “food security gap” who experience food insecurity but do not qualify for the Supplemental Nutrition Assistance Program (SNAP). Expanding Fresh Bucks to reach residents in the “food security gap” has consistently been a top priority for the CAB and for stakeholders in the community who participated the [CAB’s outreach and engagement activities](#).
3. **Expand the Child Care Assistance Program (CCAP) by up to \$1.5 million, and prioritize recipients with children ages birth-to-three.** The Mayor’s proposal would add \$3.0 million in SBT funds to CCAP’s \$3.1 million base budget, almost doubling the program. While the CAB recognizes the importance of supporting income-eligible working families to afford high-quality childcare, the issue is the use of SBT funds to pay for this program.

According to CB 119551, SBT funds should be used to expand programs that “*improve the social, emotional, educational, physical, and mental health of children, **especially those prenatal-to-age-three and kindergarten readiness services** that seek to reduce the disparities in outcomes for children and families based on race, gender, or other socioeconomic factors and to prepare children for a strong and fair start in kindergarten, such as home visiting programs and child care assistance.*” SBT investments should focus on programs and services focused on the prenatal through preschool years. While child care assistance is named as an eligible SBT investment, a [2018 comprehensive study of the CCAP program](#) found that 41 percent of CCAP recipients are older than the 0-4 age group.

4. **In lieu of funding CCAP expansion at the \$3.0 million level, provide at least \$1.5 million to the Department of Education and Early Learning (DEEL) to create a new grant program for community-based organizations (CBOs) that specialize in prenatal-to-age-three and kindergarten readiness services.** Establishing this grantmaking program would be consistent with the CAB’s original [2020 Budget Recommendations](#)¹ (page 8) to invest more in community-led activities. Currently, DEEL offers no funding opportunities for community-led activities related to its birth-to-three investment portfolio, yet there are many qualified community-based agencies and organizations that serve Seattle families and have a strong track record of providing high-quality and culturally and linguistically relevant services to communities of color, immigrants, refugees, people with low income, and individuals with limited-English proficiency. Incorporating programming and services led by CBOs into the array of City- and County-led birth-to-three strategies would be an effective way to round out the City’s early learning investments. Establishing a grant program would also address community stakeholder feedback

calling for more transparency as to what programs funded with SBT are City-led versus community-led.

Eligible services, programs and projects for the grantmaking program should include, in order of priority:

- a. **Home visiting programs** – Established, evidence-based, evidence-informed or promising practice home visiting programs that are already recruiting and serving clients. Programs should be recognized by Washington State’s Department of Children, Youth and Families, Seattle’s Department of Education and Early Learning, King County’s Best Starts for Kids or other home visiting portfolios.
- b. **Resource support for families with children from birth-to-three** – Services that provide essential items and resources for pregnant and birthing parents, including but not limited to case management and help with resources such as access to high-quality childcare, maternity items or essential items for children ages zero to kindergarten.
- c. **Support for children with developmental delays** – Access to specialized support for children or families parenting children with developmental delays, including but not limited to access to infant mental health specialists or the Developmental Bridge Program.
- d. **Social support and peer learning for families** – Activities that enhance social support and peer learning for families, including but not limited to parenting support groups or infant health classes.

Additionally, community-based organizations should be allowed to use SBT grant funds for general operating funds, so long as organizations can demonstrate that their use of the operating funds is related to the activities and projects supported by the SBT grant.

5. **Reject the proposed \$3.0 million in one-time funding to support the P-Patch Community Gardening program and instead fund the one-time investments described in #6.** This proposal provides one-time funding from the SBT to provide additional support for the P-Patch Community Gardening program and would enable DON to acquire land, relocate gardens and invest in capital infrastructure. While the CAB appreciates the role community gardens may have on hands-on learning opportunities, social interaction, food bank donations, and the preservation and stewardship of open green spaces, we are skeptical of the real impact that the proposed uses of funding for community gardens will have on food security and increasing access to healthy food. Furthermore, neither of the CAB’s two community stakeholder engagement events with food access organizations have raised P-Patch Community Gardening as a priority activity to address food access.

According to the enabling ordinance, SBT funds should be used to expand access to healthy and affordable food, close the food security gap, and promote healthy food choices for Seattle residents most impacted by health disparities. At the time of writing this memo, the CAB did not have access to information that would help justify the use of SBT funds to support the P-Patch Community Gardening Program—information such as the demographics of P-Patch gardeners, how much food is produced on the current P-Patch acreage (versus other crops like flowers),

seasonal variations in food production on P-Patch plots, and what share of P-Patch food is donated to food banks and meal sites. We urge Council to carefully analyze such information to justify if P-Patch community gardens are an impactful and equitable food access strategy and a justifiable investment with SBT funds.

Looking at the [P-Patch map](#) available on DON’s webpage, we do note a lack of P-Patch sites in the “healthy food priority areas” identified in the [2018 SBT-funded food access study led by Public Health – Seattle & King County](#). Healthy food priority areas—locations to prioritize for improving access to healthy, affordable food—include the southern boundary around the Duwamish waterway (including Georgetown, South Park, Delridge, and High Point) and are areas where poverty is concentrated, travel times to the nearest healthy food retailer are longer, and unhealthy food retailers are concentrated.

6. In lieu of one-time funding for the P-Patch program, fund the following one-time investments advised in the CAB’s original [2020 budget recommendations](#) (page 11).

In its original 2020 budget recommendations, the CAB recommended the following one-time investments, none of which are included in the Mayor’s Proposed Budget. These recommendations are based on the priorities of community stakeholders who participated in our [community engagement activities](#) as well as the expert opinion of CAB members who have deep expertise in food access issues and community priorities in Seattle.

Recommended One-Time Investments (in order of priority):	
Scratch cooking infrastructure assessment at Seattle Public Schools	\$75,000
Water filling stations (at schools, community centers)	\$400,000
Evaluation infrastructure and capacity building	\$425,000
Food and meals micro-grant program to purchase equipment and supplies	\$500,000
CAB support	\$250,000
Total	\$1,650,000

Scratch cooking infrastructure assessment at Seattle Public Schools (\$75,000)

Implementing scratch cooking throughout SPS Nutrition Services remains a priority recommendation of the CAB. Preparing foods from scratch and/or speed scratch would improve the freshness, quality, variety, taste, and cultural acceptability of school food. It would allow for control over ingredients and provide the opportunity to use fresh ingredients and spices, reduce sugar and sodium, and use culturally appropriate recipes. However, recognizing that scratch cooking will be a challenging and complex transition given the current bulk and pre-pack production models used by Nutrition Services¹, the CAB recommends investing first in consultant services to help identify and scope the necessary equipment and system changes.

This allocation would fund a commercial kitchen management consultant to identify the full range of operational and redesign needs to transition Seattle Public Schools (SPS) Nutrition Services to scratch cooking. Consulting services would include, but not be limited to, the following:

¹ Study of the Nutrition Services Department for Seattle Public Schools (April 2016). A report prepared by Prismatic Services, Inc. for Seattle Public Schools/

- inventory and analysis of kitchen capacity (central kitchen and school kitchens), layout, and equipment (including equipment condition) with recommendations on equipment purchase and/or replacement based on the new model of scratch cooking;
- inventory of serving line equipment and operations needs at school kitchens with recommended reconfigurations that support scratch cooked meals and healthy food consumption;
- analysis of required changes in kitchen staffing and staff training;
- review of current supply chain and production schedules with recommendations to accommodate changes in food orders; and
- analysis of current distribution and packaging systems and recommended modifications to support scratch cooking at the central kitchen and speed scratch cooking at school sites.

This recommendation is supported and endorsed by Aaron Smith, the Nutrition Services Director at SPS, who provided a memo in May 2019 at the CAB's request. The anticipated deliverable is a consultant redesign report and recommendations that the SPS Nutrition Services can use to develop a final proposal and cost estimate for the Central Kitchen and school kitchen renovations and process changes.

The CAB strongly believes that improving the quality of school meals is a critical need in SPS Nutrition Services to increase school meals participation and improve the nutritional quality of meals served. SPS Nutrition Services provides over 14,000 student lunches and 6,000 breakfasts each day², but student satisfaction and meal participation rates remain low, with students citing a lack of culturally acceptable options as well as challenges related to freshness, taste, quality, and variety of the food served. The need to improve school food has been noted by experts who work with SPS, listening circles led by Human Services Department in 2017, and the [CAB's stakeholder engagements](#) in 2018 and 2019.

Water filling stations at schools and community centers (\$400,000)

Increasing water consumption by investing in water bottle (re)-filling stations at schools and community centers remains a priority recommendation of the CAB that the City has not yet acted on. The purpose of this allocation is to install modern water bottle filling stations (see Photo A below) at schools and community centers. High schools with high rates of students eligible for free and reduced-price meals and community centers located in neighborhoods with a high proportion of people with low income and people of color should be prioritized to receive water filling stations.

Plain water is one of the healthiest drinks people can consume and it is critical for physical and mental health. Research shows increased water consumption helps students stay hydrated, is associated with reduced energy intake from unhealthy beverages, improves cognition, and if fluoridated, prevents cavities³. Yet new research shows one in five U.S. children and young adults reported not drinking any water at all on a typical day, and those not drinking water

² Seattle Public Schools Nutrition Services webpage: <https://www.seattleschools.org/departments/nutritionservices>

³ Centers for Disease Control & Prevention: <https://www.cdc.gov/healthyschools/npao/wateraccess.htm>

consumed almost twice as many calories from sugary drinks, on average, than those who did drink some water⁴.

Water is a healthy alternative to sugary beverages and getting kids to drink more water might help reduce their consumption of sugary drinks—and both are important goals for promoting children’s health. Schools and community centers—places where kids spend the vast majority of their time during the day—could have a large influence on kids’ beverage choices. However, potential barriers to encouraging youth to drink water at school may be the perception that tap water is not safe⁵ or negative attitudes students have about school water fountains⁶. Installing modern water bottle filling stations could provide an opportunity to increase water quality and improve students’ perception of school water.

Recently, SPS installed goosenecks (see Photo B) at every school but installed the recommended modern water bottle filling stations (see Photo A) at only a few schools. According to preliminary conversations with facilities and maintenance staff at SPS, some schools have asked for additional water filling stations since one or two stations cannot adequately serve an entire school. Meanwhile, as of June 2018, Seattle Parks and Recreation was installing a modern water filling station at Ballard Community Center, but otherwise Seattle community centers are not equipped with water stations.

Photo A: Modern Water Bottle Filling Station



Photo B: Drinking Fountain w/ Gooseneck



Evaluation infrastructure and capacity building (\$425,000)

A theme that emerged from our 2019 [stakeholder engagement events](#) is the desire for more evaluation of the programs and services funded by SBT. The SBT currently funds a myriad of programs and services across multiple City departments, yet there is a dearth of publicly available information on how these programs are functioning, what outcomes or impact they are having, and how programs can be improved to better serve communities.

To fill this gap, the CAB recommends using one-time funds to support the development of a robust evaluation plan and associated infrastructure needed to assess the many SBT investments. An evaluation plan would help ensure the \$250,000 in ongoing evaluation support

⁴ Rosinger AY, Bethancourt H, Francis LA. Association of Caloric Intake From Sugar-Sweetened Beverages With Water Intake Among US Children and Young Adults in the 2011-2016 National Health and Nutrition Examination Survey. *JAMA Pediatr*. Published online April 22, 2019. doi:10.1001/jamapediatrics.2019.0693

⁵ Onufrak et al. *J Sch Health*. 2014 Mar; 84(3): 195–204.
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4559844/>

⁶ Patel et al. *Acad Pediatr*. 2014 Sep-Oct; 14(5): 471–477.
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4193898/>

already allocated is strategically put to use. The CAB recommends these one-time evaluation funds be used to hire consultant(s) with expertise in program evaluation and/or contract with Public Health – Seattle & King County to:

- a. conduct an assessment of evaluation capacity needs across SBT programs and services
- b. develop a framework and plan for evaluation across SBT programs and services
- c. build a database and develop shared measurement protocols to collect common measures across SBT programs and services

We recognize more information is needed to appropriately scope this body of work and determine an accurate cost estimate. Therefore, we recommend starting with items a and b, and then scoping out and developing, as appropriate, item c.

Food and meals micro-grant program to purchase equipment and supplies (\$500,000)

The purpose of this allocation is to support a micro-grant program so that food banks, meal program sites, and Family Child Care settings can purchase equipment and supplies needed to provide fresh, nutritious food and meals.

Food banks, meal program sites (congregate meals, summer meals, afterschool programs), and Family Home Child Care programs often lack the necessary equipment and supplies to provide fresh, nutritious food and meals. For example, food banks and hunger relief agencies often lack adequate refrigerators and freezers⁷ and, according to HSD staff, meal program sites often need to replace high-use kitchen equipment and supplies such as commercial grade ovens, tilting skillets, dishwashers, small kitchen appliances, and cooking supplies and utensils. Family Home Child Care Providers often lack adequate kitchen supplies and meal service/dining equipment to support family-style dining, a best practice in feeding young children that supports developmentally appropriate mealtime experiences and encourages trying new foods.

Support for the CAB (\$250,000)

In 2019, the CAB was allocated \$140,000 in one-time funds to support SBT communications, CAB meetings, and community engagement. In 2020, we recommend an expanded and preferably ongoing allocation to support the following CAB activities:

- ***Production and translation of updated SBT reports and other materials***, including the SBT annual report, infographics, and fact sheets. If not for the CAB's work on SBT communications, there would be no plain language or translated materials explaining the SBT or how the revenue is being used. To see the materials we produced in 2019, visit <https://www.seattle.gov/sweetened-beverage-tax-community-advisory-board/about-the-tax-investments>
- ***Consultant reports on key issue areas***, such as opportunities and gaps in prenatal-to-age-three programs and services in Seattle. By ordinance, there are only two positions on the CAB reserved for experts in early learning, even while SBT provides significant investment in this area. One of the CAB's early learning seats has been vacant for nearly a year. This recommendation would enable the CAB to hire consultant services to help inform future recommendations related to the prenatal-to-age-three and kindergarten readiness programs and services.

⁷ Rotary First Harvest and University of Washington. 2018 Washington State Hunger Relief Capacity Survey.

- **CAB community engagement efforts**, so that our budget recommendations reflect the voices of those communities most impacted by health and education inequities. In 2019, we led [two stakeholder engagement events](#) with representatives from over 50 community-based organizations that focus on increasing access to healthy food. Currently, we are partnering with 16 community-based organizations and community liaisons to lead engagement efforts with residents from communities most impacted by health and education inequities.
- **CAB meetings**, including room rentals in community locations and facilitation support for high-stakes meetings.

7. Expand senior meals and home delivery programs.

Council should look to expand support for senior congregate meals and home delivery services managed by Aging and Disability Services Division within the Human Services Department (for details, see the [2018 SBT Annual Report](#) page 71). Older adults often live on a fixed income and, due to their age, have higher health care costs. In a city experiencing economic and population booms, increased costs of health care and housing increases the risk of food insecurity for Seattle’s older adults. As reported in the [SBT-funded food access study led by Public Health – Seattle & King County](#), using annual data on SNAP participation as a proxy for food insecurity, food insecurity among Seattle’s older adults may be continuing a rise that began more than 15 years ago and is not occurring in any other age group. Food banks have also reported seeing an increase in older adults. Studies also show that consistent access to nutritious meals improve health outcomes, activity, and independence for seniors.

8. Expand the fruit and vegetable snack program beyond elementary schools.

The Office of Sustainability & Environment (OSE) currently oversees the SBT-funded [Fresh Fruit and Vegetable Program](#) in 19 elementary schools. Council should look to expand this snack program beyond elementary schools and into middle schools and high schools that serve high proportions of students receiving free and reduced-priced meals. The CAB is aware that OSE is partnering with Chief Sealth High School in Delridge to pilot a snack program model that is suitable for the high school setting. This recommendation aligns with feedback collected through our [community engagement events](#) and aligns with the CAB’s ongoing recommendation to increase access to healthy foods in schools.

9. Adopt the cash balance reserve in the SBT Fund but limit the reserve to five percent of ongoing SBT investments and protect the reserve for the sole purpose of supporting existing program expenditures when revenues decline below base program allocations.

This proposal would create a cash balance reserve in the SBT Fund to offset future revenue shortfalls and maintain program expenditures. The CAB generally endorses the creation of this reserve. The City should prepare as if SBT will be a declining revenue source given the intended purpose of the tax is to curb consumption of sugary drinks. However, the CAB recommends the following restrictions on the cash balance reserve:

- (1) **Limit the reserve to five percent of ongoing SBT investments.** The SBT enabling ordinance already accounts for potential decreases in revenue overtime by dedicating up to 10 percent of proceeds in the first five years of tax collection for one-time expenditures. Beginning in the sixth year of collections, these limited duration one-time expenditures shall be used for ongoing programming.
- (2) **Protect the reserve for the sole purpose of supporting existing program expenditures when revenues decline below base program allocations.** The SBT

reserve should be segregated and protected so that it is not used for purposes other than to maintain ongoing SBT-funded programs in the event of future SBT revenue shortfalls.

-END-