



Sugar-Sweetened Beverage  
Product Panel of Experts (SSBPPE)

CONSENT CALENDAR  
December 15, 2020

To: Honorable Mayor and Members of the City Council

From: Sugar-Sweetened Beverage Product Panel of Experts Commission

Submitted by: Holly Scheider, Chairperson, SSBPPE Commission

Subject: Allocation of \$3 Million Over Two Years, FY22 and FY23, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs).

RECOMMENDATIONS

Adopt a Resolution allocating \$3 million from the General Fund in FY22 (July 1, 2021 through June 30, 2022) and FY23 (July 1, 2022 through June 30, 2023) that shall be invested in a grant program administered and coordinated by the Berkeley Public Health Division consistent with the SSBPPE's goals to reduce the consumption of sugar sweetened beverages (SSB) in Berkeley and to address the effects of SSB consumption. The total of \$3 million will be distributed in two installments of \$1.5 million per year for FY22 and FY23. In each of these years, the funds will be distributed as follows:

- a. Direct the City Manager to award up to 42.5% of the allocated funds to Berkeley Unified School District (BUSD) through a grant proposal to reduce the consumption of sugar-sweetened beverages (SSBs) through the implementation and enhancement of the BUSD cooking and gardening programs. The BUSD funding process is separate from the RFP process for the general community-based organization funding process and shall be guided by the SSBPPE Commission's Criteria for BUSD Funding (Attachment 2).
- b. Direct the City Manager to award at least 42.5% of the allocated funds through an RFP process managed by the Public Health Division for grants to community-based organizations consistent with the SSBPPE's goals to reduce the consumption of SSBs and to address the effects of SSB consumption. The community-based organization funding RFP process is separate from the BUSD funding process and shall be guided by the SSBPPE Commission's Criteria for Community Agency Grants (Attachment 3).
- c. Direct the City Manager to utilize 15% of the allocated funds to support the Berkeley Public Health Division (BPHD) to coordinate and monitor the grant process, coordinate the overall program evaluation, and produce an annual report that disseminates process and outcome data from the epidemiologist resulting from the SSBPPE funding program.

Allocation of \$3 Million Over Two Years, FY22 and FY23, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs)

### FISCAL IMPACTS OF RECOMMENDATION

Measure D, passed in November of 2014, created two provisions, namely: a) a 1 cent per ounce tax on sugary drinks distributed in Berkeley and b) creation of a Panel of Experts Commission. The collection of this tax commenced in May of 2015 and is being deposited into the City's General Fund. The SSBPPE Commission's recommendation to Council for allocation of \$3 million for FY22 and FY23 is independent of the amount of tax collected from the distribution of SSB in Berkeley. This request will create a liability of \$3 million for the City's General Fund in FY22 and FY23.

### BACKGROUND (Ordinance: SUGAR-SWEETENED, 2014)

In addition to a global pandemic, our nation, our state, and our community face a major public health crisis. Diabetes, obesity, and tooth decay have been on the rise for decades. Although no group has escaped these epidemics, children, as well as low income communities and communities of color have been and continue to be disproportionately affected. While there is no single cause for the rise in diabetes, obesity, and tooth decay, there is overwhelming evidence of the link between the consumption of sugary drinks and the incidence of diabetes, obesity, heart disease, and tooth decay.

Sugary drinks such as soft drinks, energy drinks, sweetened teas, and sport drinks offer little or no nutritional value, but massive quantities of added sugar. A single 20-ounce bottle of soda, for instance, typically contains the equivalent of approximately 16 teaspoons of sugar. Before the 1950s, the standard soft-drink bottle was 6.5 ounces. In the 1950s, larger size containers were introduced, including the 12-ounce can, which became widely available in 1960. By the early 1990s, 20-ounce plastic bottles had become the norm. At the same time, hundreds of millions of dollars have been spent in an ongoing massive marketing campaign, which particularly targets children and people of color. In 2006 alone, nearly \$600 million was spent in advertising to children under 18. African American and Latinx children are also aggressively targeted with advertisements to promote sugar-laden drinks.

The resulting impact on consumption should not be surprising. The average American now drinks nearly 50 gallons of sugary drinks a year. Childhood obesity has more than doubled in children and tripled in adolescents in the past 30 years; in 2010, more than one-third of children and adolescents were overweight or obese. The problem is especially acute with children in California. From 1989 to 2008, the percentage of children consuming sugary drinks increased from 79% to 91% and the percentage of total calories obtained from sugary drinks increased by 60% in children ages 6 to 11. This level of consumption has had tragic impacts on community health. Type 2 Diabetes –previously only seen among adults –is now increasing among children. If the current obesity trends are not reversed, it is predicted that one in three children and nearly one-half of Latinx and African American children born in the year 2000 will develop type 2 diabetes in their lifetimes.

Allocation of \$3 Million Over Two Years, FY22 and FY23, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs)

Our community has not been immune to the challenge of unhealthy weight gain and obesity. According to the 2018 City of Berkeley Health Status Report, over a quarter of Berkeley's 5th and 7th grade students (all race/ethnicities) are overweight or obese. Berkeley has a lower proportion of 5th and 7th grade children who are overweight or obese (29.4%) compared to children in Alameda County (35.3%) but has a higher proportion compared to California (26.8%). However, a higher proportion of African-American children are overweight or obese in Berkeley compared to Alameda County or California.

Tooth decay, while not as life threatening as diabetes or obesity, still has a meaningful impact, especially on children. In fact, tooth decay is the most common childhood disease, experienced by over 70% of California's 3rd graders. Children who frequently or excessively consume beverages high in sugar are at increased risk for dental cavities. Dental problems are a major cause of missed school days and poor school performance as well as pain, infection, and tooth loss in California.

#### COVID-19: CURRENT SITUATION AND ITS EFFECTS

Of relevance today are the jarring statistics on the higher risk and severity of COVID-19 related to the social determinates of health for persons of color. Latinx and Black communities are disproportionately affected by COVID-19. Health disparities, as documented in the Annual Health Reports from the Berkeley Health Department, were an important impetus in the rationale for Measure D as well as the proposed use of revenues from Measure D. SSB consumption is directly related to the health conditions observed with higher rates of COVID-19. The causal link between SSB consumption and diabetes, obesity and heart disease and the relationship of these conditions to increased risk of COVID-19 makes heightens the critical nature of the SSB tax and its revenues to the reduction of health disparities in Berkeley.

#### A BREIF HISTORY OF MEASURE D

In November of 2014, the Berkeley voters passed Measure D, which requires both the collection of a 1 cent per ounce tax on the distribution of sugary drinks in the City of Berkeley AND the convening of a Panel of Experts (the Sugar Sweetened Beverage Products Panel of Experts--SSBPPE) to recommend investments to both reduce the consumption of sugary drinks as well as to address the health consequences of the consumption of sugary drinks.

Per the SSBPPE's charge, the SSBPPE Commission, on October 22, 2020 approved the recommendation to the Berkeley City Council for allocation of \$3 million for the period FY22 and FY23, to be made available to invest in grants programs to reduce the consumption of sugary drinks as well as a sustainable annual media campaign to address the health consequences of the consumption of sugary drinks and moved to adopt their recommendation to Council as follows:

Allocation of \$3 Million Over Two Years, FY22 and FY23, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs)

**The Commission accepts and approves the Council Report and attachments as amended by the SSBPPE Commission on 10/22/2020 requesting a total allocation of \$3 million for the Healthy Berkeley Funding Program for FY 2022 and FY2023 with an annual distribution of \$1.5 million per fiscal year.**

**M/S/C:** Commissioners Namkung / Commissioner Rose

**Ayes:** Commissioners Crawford, Gallegos-Castillo, Morales, Namkung, Rose, and Scheider

**Noes:** None

**Abstain:** None

**Recused:** None

**Absent from vote:** Commissioners Browne and Moore

**Excused:** None

**Motion passed. 8:40 P.M.**

#### ENVIRONMENTAL SUSTAINABILITY

When sugary drink consumption decreases due to the direct investments in programs and activities, the SSBPPE expects that there will be a reduction to the City's waste stream.

#### RATIONALE FOR RECOMMENDATION

This two year grant period supports comprehensive strategies to: a) reduce access to SSBs, b) improve access to water, c) limit marketing of SSBs to children, and d) implement education and awareness campaigns with specific populations. The two year grant period will also indicate the City of Berkeley's commitment to reducing the consumption of SSBs and improving the health of Berkeley residents, particularly those most impacted by obesity, diabetes, tooth decay, and heart disease. The funding will allow grantees to develop interventions that include education, policy, systems and environmental changes with measurable outcome data and evaluation to show the rise in public awareness about the harmful impacts of SSBs, reduce consumption of SSBs over time, and decrease the health risks among residents of Berkeley.

To have the greatest impact, the SSBPPE Commission recommends that the following populations be prioritized:

- a) Children and their families with a particular emphasis on young children who are in the process of forming lifelong habits.
- b) Children and young adults living in households with limited resources.
- c) Groups exhibiting higher than average population levels of type 2 diabetes, obesity, heart disease, and tooth decay rates.
- d) Groups that are disproportionately targeted by the beverage industry marketing.

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CITY MANAGER

The City supports the work of the SSBPPE and the work made possible by its allocation of general funds. The Sugar Sweetened Beverage Tax revenue totaled a net sum of \$2,840,686.22 over the course of FY19 and FY20, \$1,532,053.69 and \$1,308,632.53 respectively. The net sum for these 2 fiscal years excludes the 2% administrative fee from the third party administrator and \$42,000 to fund costs the Finance Department incurs to manage the tax revenue fund. These expenses should have been withheld in prior years but was only implemented in FY19.

Projected revenues for the sugar sweetened beverage tax is expected to decrease in FY21 and FY22 due to the impacts of the COVID-19 pandemic. In the months of FY20 prior to COVID-19 (July through February), the City collected approximately 96% of the amount that was collected in the same time period in FY19. However, in the months where COVID-19 shelter in place began (March through June), the City collected only 64% of the revenue collected in the same period from FY19, a decrease of \$79,445.42. For the first quarter in FY21, the City has collected 70% of the revenue collected in the first quarter of FY20 (pre-pandemic), a decline of \$146,451.56. The latest estimate from the Budget Office indicate that the gross revenue for FY21 is expected to be \$970,794 and \$1,401,278 for FY22. If these estimates are accurate at the end of FY21, the City will have allocated over \$750,000 in general fund in excess of the general fund generated through Measure D.

This is meant to help inform Council's discussion on these important programs; because the commission's request exceeds projected revenue, the issue would benefit from further discussion at the City's Budget and Finance Policy Committee which is recommended.

Measure D was passed as a general tax and the funds collected through this tax was not designed to be completely allocated to any specific program. Given the nature of the general tax, it is important to consider the financial impact COVID-19 has and will continue to have on City-wide operations as well as the programs supported by the allocations to help reduce the consumption of sugar sweetened beverages.

CONTACT PERSON

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ATTACHMENTS

1. Resolution
2. SSBPPE Commission's Criteria for BUSD Funding
3. SSBPPE Commission's Criteria for Community Agencies Funding

RESOLUTION NO. ##,###-N.S.

ALLOCATION: \$3 MILLION TOTAL FOR SUGAR-SWEETENED BEVERAGE CONSUMPTION AND REDUCTION GRANT PROGRAM IN FY22 AND FY23

WHEREAS, the consumption of sugar-sweetened beverages (“SSB”) in Berkeley is impacting the health of the people in Berkeley; and

WHEREAS, in FY22 and FY23, the City Council awarded a total of \$3 million upon the recommendation of the SSBPPE Commission to demonstrate the City’s long-term commitment to decreasing the consumption of SSB and mitigate the harmful impacts of SSB on the population of Berkeley; and

WHEREAS, many studies demonstrate that high intake of SSB is associated with risk of Type 2 Diabetes, obesity, tooth decay, and coronary heart disease; and

WHEREAS, the above conditions are all demonstrated to increase both the severity of COVID19 related illness and risk of death; and

WHEREAS Latinx and Black communities are disproportionately affected by COVID-19; and

WHEREAS, hundreds of millions of dollars have been spent in an ongoing massive marketing campaign, which particularly targets children and people of color; and

WHEREAS, an African American resident of Berkeley is 14 times more likely than a White resident to be hospitalized for diabetes; and

WHEREAS, 40% of 9<sup>th</sup> graders in Berkeley High School are either overweight or obese; and

WHEREAS, tooth decay is the most common childhood disease, experienced by over 70% of California’s 3<sup>rd</sup> graders; and

WHEREAS, in 2012, a U.S. national research team estimated levying a penny-per-ounce tax on sweetened beverages would prevent nearly 100,000 cases of heart disease, 8,000 strokes, and 26,000 deaths over the next decade and 240,000 cases of diabetes per year nationwide.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to allocate \$3 million from the General Fund to be disbursed in two (2) installments of \$1.5 million in FY22 and \$1.5 million in FY23 and invested as follows:

1. Allocate up to 42.5% of the allocated funds to Berkeley Unified School District (BUSD) through a grant proposal to reduce the consumption of sugar-sweetened

beverages (SSBs) through the implementation and enhancement of the BUSD cooking and gardening programs for the period, July 1, 2021 to June 30, 2023; and

2. Allocate at least 42.5% of the allocated funds through a RFP process managed by the Public Health Division for grants to community-based organizations consistent with the SSBPPE's goals to reduce the consumption of SSB and to address the effects of SSB consumption for the period, July 1, 2021 to June 30, 2023; and
3. Allocate 15% of the allocated funds to support the Berkeley Public Health Division (BPHD) to coordinate and monitor the grant process, coordinate the overall program evaluation, and produce an annual report that disseminates process and outcome data resulting from the SSBPPE funding program.

A records signature copy of the said agreement and any amendments to be on file in the Office of the City Clerk.



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## The SSBPPE Commission's Criteria for Berkeley Unified School District (BUSD) Funding

The SSBPPE Commission adopts the following recommendations to City Council for a grant proposal process for BUSD. This recommendation is separate from the SSBPPE Community Grants Request for Proposal (RFP) process. Only BUSD is eligible for this funding. A district proposal must conform to the criteria below and must be adopted by the school board.

### Definition:

BUSD Schools are defined as any BUSD school or program from early childhood education through high school including out-of-school care programs and family engagement.

### The SSBPPE Commission recommends:

1. **Up to 42.5% of the total allocation of the City Council's funding to reduce the consumption of Sugar-Sweetened Beverages (SSBs) through the implementation and enhancement of the BUSD cooking and gardening programs. The SSBPPE will consider and recommend full or partial funding depending on the proposed outcomes. The SSBPPE recommends two year grants for FY22 and FY23.**
  - a. **Priority Areas and Activities:**
    - i. Reducing access to SSBs;
    - ii. Improving access to drinking water;
    - iii. Implementing widespread education and awareness programs at all grade levels to reduce SSB consumption at BUSD. Education may include skills and practical experiences in developing and implementing policy as appropriate for grade level;
    - iv. Assessing current policies that impact student SSB consumption in school and outside of school. Make recommendations for changes to strengthen current policies and implement new policies to reduce SSB consumption inside and outside of school.
  - b. **Priority Populations:**
    - i. Children and their families; pre-school through high school;
    - ii. Children and young adults living in households with limited resources;
    - iii. Groups exhibiting higher than average population levels of type 2 diabetes, obesity, heart disease, COVID19, and tooth decay;
    - iv. Groups that are disproportionately targeted by the beverage industry marketing.

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**c. The highest priority outcomes that should be tracked and measured for beneficiaries of funded programs include:**

- i. Reduced access to SSBs;
- ii. Increased access to drinking water;
- iii. Increased knowledge and awareness of the health risks (oral health, diabetes, and obesity) of consuming sugary drinks. Changes in attitudes reflecting a preference for water or other non-sugary drinks among BUSD students and staff;
- iv. Decreased consumption of sugary drinks among BUSD students and staff;
- v. Development and adoption of new policies to decrease SSB consumption, inside and outside of school, as well as changes to strengthen current policies.

**2. The Grant Process:** City staff will provide opportunities for technical assistance during the grant application process.

**a. Proposal Requirements:**

- i. Proposals must reflect approval from the BUSD School Board.
- ii. BUSD will not sell or serve sugar-sweetened beverages (as defined by the SSB tax) at any BUSD schools or campuses.
- iii. Awarded funding will not supplant BUSD FY22 and FY23 General Fund allocations.
- iv. Funded projects will publicly reflect support from Healthy Berkeley Program.
- v. Funded projects and programs will include evaluation of their process and outcomes.
- vi. The proposal timelines and budgets will be specific, measurable, achievable, realistic, and timebound (SMART)

**b. Criteria for proposal:** The following criteria will be considered, although not exclusively, in determining which proposals are funded. Proposal aims:

- i. Implementing widespread education and awareness programs at all grade levels to reduce SSB consumption at BUSD, including discussion of school policies around SSBs as appropriate for grade level; (20%)
- ii. To decrease access to SSBs and/or improve access to drinking water. (15%)
- iii. To increase or strengthen SSB policies in school and outside of school. (20%)
- iv. To support the annual administration of the Berkeley adapted Youth Behavior Survey to evaluate student's SSB knowledge, consumption, access, and policy perceptions. (20%)
- v. To document how students at all grade levels and in priority populations are included. (15%)
- vi. Proposal budget matches the work plan and is feasible. (10%)



## SSBPPE Commission's Funding Criteria for Community Agency Grants

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**Recommended actions to reduce Sugar-Sweetened Beverage (SSB) consumption and decrease health disparities.**

**1. Minimum of 42.5% of the total allocation by the City Council's funding to reduce the consumption of sugar sweetened beverages (SSB's) be invested in grants for community-based programs for FY22 and FY23. A two year commitment will help to stabilize program design and implementation and will result in better outcomes to reduce SSB consumption.**

**a. The types of interventions that should be prioritized for support include actions to:**

- i. Reduce access to SSBs;
- ii. Improve access to water;
- iii. Implement education and awareness campaigns with specific populations, including measurable outcome data;
- iv. Develop and support policies to reduce SSB consumption; and
- v. Address the health effects of the consumption of sugary drinks.

**b. Priority populations:**

- i. Children and their families with an emphasis on young children who are in the process of forming lifelong habits;
- ii. Children and young adults living in households with limited resources;
- iii. Groups exhibiting higher than average population levels of type 2 diabetes, obesity, heart disease, COVID19, or tooth decay rates;
- iv. Groups that are disproportionately targeted by beverage industry marketing.

**c. The highest priority outcomes that should be tracked and measured for beneficiaries of funded programs include:**

- i. Increases in knowledge of the health risks of consuming sugary drinks;
- ii. Changes in attitudes reflecting a preference for water or other non-sugary drinks;
- iii. Decreased consumption of sugary drinks; and
- iv. Adoption of new policies, or strengthening of current policies, to reduce consumption of SSBs.

**d. Organizations that are prioritized to apply for funding include:**

- i. Berkeley-based organizations and service providers serving the population of Berkeley.

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- ii. Non-profit (501(c)(3) or groups with a fiscal sponsor.
- iii. Berkeley Unified School District (BUSD) programs will only be able to access BUSD specified funding.

**2. The Grant Process:**

- i. Every effort should be made to simplify the SSB grant process.
- ii. City staff should make available opportunities for technical assistance for first time applicants.

**a. Requirements for receiving a grant:**

- i. Funded organizations must have, or agree to adopt, an organizational policy prohibiting the purchase, selling, or serving of SSBs.
- ii. Awarded funding will not supplant any existing funding.
- iii. Funded projects will publicly reflect support from City of Berkeley Healthy Berkeley Program.
- iv. The project will include methods to evaluate its process and outcomes based on SMART objectives (specific, measurable, achievable, realistic and timebound).

**b. Criteria for ranking proposals:** The following criteria will be considered, although not exclusively, in determining which proposals are funded:

- i. Proposal aims to reduce access to SSBs, improve access to water and/or address the health effects of the consumption of sugary drinks. (20%)
- ii. Proposal includes education and awareness about the health effects of SSBs. (20%)
- iii. Proposal must include developing and implementing policies to decrease consumption of SSBs and/or strengthening current SSB policies. (30%)
- iv. Proposal reaches people and communities in the priority populations. (20%)
- v. Proposal budget matches the work plan and is feasible. (10%)

