



Sugar-Sweetened Beverage  
Product Panel of Experts (SSBPPE)

ACTION CALENDAR  
January 22, 2019

To: Honorable Mayor and Members of the City Council

From: Sugar-Sweetened Beverage Product Panel of Experts Commission

Submitted by: Poki Namkung, Chairperson, SSBPPE Commission

Subject: Allocation of \$4.75 Million Over Two Years, FY20 and FY21, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs).

RECOMMENDATIONS

1. Adopt a Resolution allocating \$4.75 million from the General Fund in FY20 (July 1, 2019 through June 30, 2020) and FY21 (July 1, 2020 through June 30, 2021) 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 \$4.75 million will be distributed in two installments of \$2.375 million per year for FY20 and FY21. In each of these years, the funds will be distributed as follows:
  - a. Direct the City Manager to award up to 40% 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 40% 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 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).
2. Direct the City Manager to utilize 20% 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 comprehensive and sustainable media campaign that coordinates with all regional soda tax efforts will be managed by the BPHD with 10% of this portion of the allocation.

#### 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 \$4.75 million for FY20 and FY21 is independent of the amount of tax collected from the distribution of SSB in Berkeley. This request will create a liability of \$4.75 million for the City's General Fund in FY20 and FY21.

#### CURRENT SITUATION AND ITS EFFECTS (Ordinance: SUGAR-SWEETENED, 2014)

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, 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 Latino 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 Latino and African American children born in the year 2000 will develop type 2 diabetes in their lifetimes.

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.

There are also economic costs. In 2006, for instance, overweight and obesity-related costs in California were estimated at almost \$21 billion.

#### BACKGROUND

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.

Fiscal revenue reports from the Department of Finance detail that the total Soda Tax revenues collected from May, 2015 through May, 2018 was \$5,096,596. Over the three fiscal years of collection, a conservative estimate of revenues collected for the month of June is \$150,000 per month. Adding the missing revenue from June, 2018 to the previous total for a full three years of fiscal data makes the total funds from Soda Tax revenues \$5,246,596. Approximately \$1,700,000 of this total has thus far, not been allocated for the purposes of reducing sugary drink consumption. Projecting into the future, a conservative estimate of Soda Tax revenues would be \$1,600,000 per year.

On May 17, 2018, the SSBPPE Commission moved to approve the SSBPPE Media Subcommittee's recommendation that 10% of the tax revenues of the distribution of sugar-sweetened beverages that go into the City of Berkeley General Fund be

recommended for allocation toward a sustained annual media campaign to promote water consumption and reduce sugary beverage consumption.

Per the SSBPPE’s charge, the SSBPPE Commission, on July 19, 2018, approved the recommendation to the Berkeley City Council for allocation of \$4.75 million for the period FY20 and FY21, 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:

**The Commission approves that the Chair will write a Council Report requesting allocation for the Healthy Berkeley Funding Program for FY 2020 and FY2021 consisting of a base allocation of 1.5 million per year for two years for a total of 3 million dollars. The Commission requests an additional amount of collected soda tax revenues heretofore unallocated from 2015 through fiscal year 2018 of approximately 1.75 million dollars.**

**M/S/C:** Ishii/Browne

**Ayes:** Commissioners Browne, Crawford, Moore, Namkung, Rose, Ishii, and Scheider

**Noes:** None

**Abstain:** None

**Recused:** None

**Absent from vote:** Commissioner Kouromenos

**Excused:**

**Motion passed. 9:14 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

The SSBPPE Commission, noting the previous two-year’s allocations of \$1.5 million for FY18 and FY19, believes that it is more effective for grant recipients to continue receiving grant funding in two-year cycles. This longer grant period resulted in more comprehensive strategies to: a) reduce access to SSB, b) improve access to water, c) limit marketing of SSB to children, and d) implement education and awareness campaigns with specific populations. The longer grant period will also indicate the City of Berkeley’s commitment to reducing the consumption of SSB and improving the health of Berkeley residents, particularly those most impacted by obesity, diabetes, tooth

decay, and heart diseases. The Commission further estimates that the previous \$3 million investment over FY18 and FY19 helped increase the capacity of community-based organizations and schools. The longer grant funding will allow grantees to develop multi-level interventions that include education, policy, and institutional, systems and environmental changes with measureable outcome data and evaluation to show the rise in public awareness about the harmful impacts of SSB, reduce consumption of SSB 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, and tooth decay rates.
- d) Groups that are disproportionately targeted by the beverage industry marketing.

#### ALTERNATIVE ACTIONS CONSIDERED

- a) The Commission deliberated on who should manage and implement the long-term sustained media campaign for which they recommend 10% of funds from the SSB revenues that flow into the General Fund be allocated. The Commission determined that the Public Health Division can be allocated an additional 10% to implement the media campaign since the Let's Drink Water! Campaign was successfully implemented by the Healthy Berkeley Program in 2017.

#### CITY MANAGER

See City Manager companion report.

#### CONTACT PERSON

Dechen Tsering, MPH, Commission Secretary, HHCS, (510) 981-5394

#### 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: \$4.75 MILLION TOTAL FOR SUGAR-SWEETENED BEVERAGE CONSUMPTION AND REDUCTION GRANT PROGRAM IN FY20 AND FY21

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

WHEREAS, in FY18 and FY19, 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, 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 \$4.75 million from the General Fund to be disbursed in two (2) installments of \$2.375 million in FY20 and \$2.375 million in FY21 and invested as follows:

1. Allocate up to 40% 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, 2019 to June 30, 2021; and
2. Allocate at least 40% 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, 2019 to June 30, 2021; and
3. Allocate 20% 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 comprehensive and sustainable media campaign that coordinates with all regional soda tax efforts will be managed by BPHD with 10% of this portion of the allocation.

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



Sugar-Sweetened Beverage  
Product Panel of Experts - (SSBPPE)

## 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 40% 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 FY20 and FY21.

#### a. Priority Areas and Activities:

- i. Reducing access to SSBs,
- ii. Improving access to water,
- iii. Implementing education and awareness programs to reduce SSB consumption at BUSD.
- iv. Developing multi-level interventions to reduce SSB consumption that include a combination of institutional policy, systems, and environmental change as well as nutrition education and awareness.

#### 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, and tooth decay; and
- iv. Groups that are disproportionately targeted by the beverage industry marketing.

*A Vibrant and Healthy Berkeley for All*



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

- i. Increases in 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.
- ii. Decreased consumption of sugary drinks among BUSD students and staff.
- iii. Increased family engagement to raise awareness about the health impacts of sugary drink consumption. Changes in family attitudes reflecting a preference for water.

**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 FY20 and FY21 General Fund allocations.
- iv. Funded projects will publicly reflect support from City of Berkeley Program.
- v. Funded projects and programs will include methods for evaluating their process and outcomes based on SMART Objectives.
- vi. The proposal timelines and budgets are feasible.

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

- i. Proposal aims to decrease consumption of sugary drinks and/or address the health effects of the consumption of sugary drinks. (15%)
- ii. Proposal includes policy, system, or environment (PSE) strategies. (30%)
- iii. Proposal reaches people and communities in the priority populations. (15%)
- iv. Proposal includes partnerships and collaboration. (10%)
- v. Proposal has elements that will last beyond the grant period. (10%)
- vi. Proposal budget matches the work plan and is feasible. (10%)
- vii. Describe related experience. (10%)



## SSBPPE Commission's Criteria for Community Agency Grants

Sugar-Sweetened Beverage  
Product Panel of Experts - (SSBPPE)

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

- 1. Minimum of 40% 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 FY20 and FY21. 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. Limit marketing of SSBs to children;
    - iv. Implement education and awareness campaigns with specific populations, including measurable outcome data; and
    - v. Developing multi-level interventions to reduce SSB consumption that include a combination of institutional policy, systems, and environmental change as well as nutrition education and awareness.
  - 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, and tooth decay rates;
    - IV. Groups that are disproportionately targeted by the 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; changes in attitudes reflecting a preference for water or other non-sugary drinks; and
    - ii. Decreased consumption of sugary drinks.
  - d. Organizations that are prioritized to apply for funding include:**
    - i. Berkeley-based organizations and service providers serving the population of Berkeley.

- ii. Non-profit (501(c)(3) or groups with a fiscal agent.
- 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. Requirement for receiving a grant:**

- i. Funded organizations must have in place or agree to adopt prior to being funded an organizational policy prohibiting serving SSBs at organization-sponsored events or meetings.
- ii. Awarded funding will not supplant any existing funding.
- iii. Funded projects will publicly reflect support from City of Berkeley Program.
- iv. The project includes methods for evaluating both its process and outcomes based on SMART Objectives.

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

- I. Proposal aims to decrease consumption of sugary drinks and/or address the health effects of the consumption of sugary drinks. (15%)
- II. Proposal includes policy, system, or environment (PSE) strategies. (30%)
- III. Proposal reaches people and communities in the priority populations. (15%)
- IV. Proposal includes partnerships and collaboration. (10%)
- V. Proposal has elements that will last beyond the grant period. (10%)
- VI. Proposal budget matches the work plan and is feasible. (10%)
- VII. Describe related experience. (10%)

