



Sugar-Sweetened Beverage
Product Panel of Experts Commission

ACTION CALENDAR

March 25, 2025

To: Honorable Mayor and Members of the City Council

From: Sugar-Sweetened Beverage Product Panel of Experts Commission

Submitted by: Kenneth Hecht, Chairperson, SSBPPE Commission

Subject: Allocation of \$2,294,774 Million Over 2 Years, FY 2026 and FY 2027, to Reduce Consumption and Health Impacts of Sugar-Sweetened Beverages (SSBs).

RECOMMENDATION

Adopt a Resolution allocating \$2,294,774 from the General Fund in Fiscal Year 2026 (July 1, 2025 through June 30, 2026) and Fiscal Year 2027 (July 1, 2026 through June 30, 2027) that shall be invested in a grant program administered and coordinated by the Department of Health, Housing, and Community Services' (HHCS) Public Health Division (HHCS/PHD) consistent with the Sugar-Sweetened Beverage Product Panel of Experts (SSBPPE) Commission's goals to reduce the consumption of sugar sweetened beverages (SSB) in Berkeley and to address the health effects of SSB consumption. The total of \$2,294,774 million will be distributed in two installments of \$1,147,387 for FY2026 and \$1,147,387 for FY2027. 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 to implement and enhance the BUSD cooking and gardening programs which aid in reducing the consumption of sugar-sweetened beverages (SSBs) amongst students. The BUSD funding process is separate from the RFP process for community-based organizations and shall be guided by the SSBPPE Commission's Criteria for the BUSD Funding Proposal (Attachment 2).
- b. Direct the City Manager to award at least 42.5% of the allocated funds through an RFP process managed by HHCS/PHD for grants to community-based organizations consistent with the SSBPPE Commission's goals to reduce the consumption of SSBs and to address the effects of SSB consumption. The RFP process for community-based organizations is separate from the BUSD funding process and shall be guided by the SSBPPE Commission's Selection Criteria for Community Agency Grants (Attachment 3).
- c. Direct the City Manager to utilize up to 15% of the allocated funds to support HHCS/PHD 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 Commission funding program as well as pay certain City of Berkeley Finance Department costs related to the sugary drink tax.

SUMMARY

In November 2014, Berkeley voters passed a measure to require 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 reduce the consumption and health consequences of sugary drinks. Voters renewed this measure in November 2024.

The SSBPPE recommends that Berkeley City Council adopt a resolution allocating a total of \$2,294,774 million from the General Fund (\$1,147,387 for FY2026 and \$1,147,387 for FY2027), to invest in grant programs that serve Berkeley residents most impacted by sugary drink consequences. The resolution should direct the City Manager to:

1. Award up to 42.5% of the allocated funds to BUSD through a grant proposal
2. Award at least 42.5% of the allocated funds through an RFP process managed by the HHCS/PHD for grants to community-based organizations
3. Utilize up to 15% of the allocated funds to support HHCS/PHD.

These two-year grants support 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> These grant awards 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.

FISCAL IMPACTS OF RECOMMENDATION

Measure D, passed in November of 2014, and renewed through the passage of Measure Z in November of 2024, 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 \$2.3 million for FY2026 and FY2027 is independent of the amount of tax collected from the distribution of SSB in Berkeley. his request will create a liability of \$2.3 million for the City's General Fund in FY2026 and FY2027.

CURRENT SITUATION AND ITS EFFECTS

On November 21, 2024, the SSBPPE Commission approved the recommendation to the Berkeley City Council for allocation of \$2,294,774 million for the period FY2026

and FY2027, to be made available to invest in grants programs to reduce the consumption of sugary drinks and address the health consequences of the consumption of sugary drinks and moved to adopt their recommendation to Council as follows:

Key elements of the resolution include:

- 1) Direct the City Manager to award up to 42.5% of the allocated funds to BUSD through a grant proposal to reduce the consumption of SSBs.
- 2) Direct the City Manager to award at least 42.5% of the allocated funds through an RFP process managed by the HHCS/PHD for grants to community-based organizations consistent with the SSBPPE Commission's goals.
- 3) Direct the City Manager to utilize up to 15% of the allocated funds to support HHCS/PHD to:
 - a. Coordinate and monitor the grant process,
 - b. coordinate the overall program evaluation, and
 - c. produce an annual report that disseminates process and outcome data from the epidemiologist resulting from the SSBPPE Commission funding program as well as,
 - d. pay certain City of Berkeley Finance Department costs related to the sugary drink tax.

Action: M/S/C (Morales/ Mashama) to update the SSBPPE Commission City Council recommendation from October 20th, 2022: 1) dates, 2) background as needed, 3) recommendations, and 4) recommending the City Manager utilize up to 15% of the allocated funds to support the COB Public Health Division and Finance Department fees related to the Sugar- Sweetened Beverage Soda Tax.

Votes: Ayes – Morales, Rodriguez, Mashama, Lopez, Crawford, Esonwune, Hecht; Noes – None; Abstain – None; Absent – Kao, Chan.

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. Voters have since renewed this measure, through the passage of Measure Z in November of 2024.

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 contribute 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 40 gallons of sugary drinks a year. In the past 20 years, the prevalence of obesity in adults increased from 30.5% to 42.4%, and the prevalence of severe obesity increased from 4.7% to 9.2%. During this time, the prevalence of obesity among youth (aged 2–19 years) increased from 13.9% to 19.3%, and the prevalence of severe obesity increased from 3.6% to 6.1%. 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.

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 has meaningful impact on health, especially for 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.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

When sugary drink consumption decreases due to the direct investments in programs and activities, the SSBPPE Commission 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,
- e. Pregnant women,
- f. Berkeley-based organizations that serve any or all of the above populations.

ALTERNATIVE ACTIONS CONSIDERED

The Commission did not identify an alternative action which is consistent with the City's

CITY MANAGER

See City Manager's companion report.

CONTACT PERSON

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Attachments:

- 1: Resolution
- 2: SSBPPE Commission's Criteria for BUSD Funding Proposal
- 3: SSBPPE Commission's Selection Criteria for Community Agency Funding

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

ALLOCATION: \$2,294,774 MILLION TOTAL FOR SUGAR-SWEETENED BEVERAGE CONSUMPTION AND REDUCTION GRANT PROGRAM IN FY2026 AND FY2027

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

WHEREAS, in FY2024 and FY2025, the City Council awarded a total of \$2 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 9th 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 3rd 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 \$2,294,774 million from the General Fund to be disbursed in two (2) installments of \$1,147,387 for FY26 and \$1,147,387 for FY27 and invested as follows:

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, 2025 to June 30, 2027; and

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 Commission's goals to reduce the consumption of SSB and to address the effects of SSB consumption for the period, July 1, 2025 to June 30, 2027; and

Allocate up to 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 Commission funding program as well as City of Berkeley Finance Department fees related to the sugary drink tax.

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

SSBPPE Commission's Criteria for the BUSD Funding Proposal

Required components for BUSD proposal:

List specific activities for how the BUSD proposed project will meet the following:

- 1) Decrease access to SSBs and/or improve access to drinking water.
- 2) Increase or strengthen SSB policies in school and outside of school.
- 3) Support the annual administration of the Berkeley adapted Youth Risk Behavior Survey (YRBS) or California Healthy Kids Survey (CHKS) to evaluate student's SSB knowledge, consumption, access, and policy perceptions.
- 4) Increase and strengthen the garden program through nutrition education curriculum, the ways the curriculum addresses SSB consumption, and communication of SSB education and policy efforts to parents
- 5) If there is a plan to work with partners, who are they and how do you anticipate they will collaborate with BUSD staff? Identify which grade levels will be associated with each partnership.

Anticipated obstacles: What obstacles do you anticipate how will you try to address them?

Project Measures: Describe the ways in which you will measure outcomes, including the way you will administer the YRBS or CHKS survey and for which students, measures for the garden and cooking program, and other measures to understand if your program is working.

Sustainability Plan: Please describe how your organization will sustain the proposed project/ program activities beyond the funding period.

Communications Plan: Describe how you will meet communication requirements. Include what type of communication product(s) will be produced and what information will be shared.

Agreement to participate in the three meetings per year (1-2 sentence statement of agreement): Grantees are expected to do a presentation at one commission meeting, host one site visit for commissioners, and will attend one resource sharing meeting with other grantees.

Additional Requirements for BUSD:

Please confirm with a yes to each of the following requirements:

- 1) Proposal reflects approval from the BUSD School Board: Yes/No
- 2) BUSD will not sell or serve sugar-sweetened beverages (as defined by the SSB tax) at any BUSD schools or campuses: Yes/No
- 3) Awarded funding will not supplant BUSD FY26 and FY27 General Fund allocations: Yes/No
- 4) Funded projects will publicly reflect support from Healthy Berkeley Program: Yes/No
- 5) Funded projects and programs will include evaluation of their process and outcomes: Yes/No

SSBPPE Commission's Selection Criteria for Community Agency Funding

Required components of project proposals from community-based organizations:

Proposed Project and Activities:

- 1) Briefly describe the goal of the program or project you would like to see funded.
- 2) Identify which strategies you intend to use in your program.
- 3) Identify the kinds of activities you will use in your program.
- 4) How many people do you expect to reach with your project?
- 5) Do you plan to work with partners? If so, who are they?

Applicants who have previously received funding should describe how they will build on past accomplishments, reach new participants, and whether there is deeper engagement with the same community members in new ways that reinforce and build upon previous funding.

Anticipated obstacles: What obstacles do you anticipate and how will you try to address them?

Project Measures: Describe all the things that you will measure to know if your program is working.

Sustainability Plan: Please describe how your organization will sustain the proposed project/program activities beyond the funding period.

Communications Plan: Include what type of communication product(s) will be produced and what information will be shared.

Agreement to participate in the three meetings per year (1-2 sentence statement of agreement): Grantees are expected to do a presentation at one commission meeting, host one site visit for commissioners, and will attend one resource sharing meeting with other grantees. (See Section II.D. above.)

Scoring criteria:

1. The proposed project aims to decrease consumption of sugary drinks, increase access to drinking water, and/or address health effects from consumption of sugary drinks. (25%)
2. The proposed project indicates how people and communities in the priority populations will be reached. (20%)
3. Describes both strategies and activities that will be used to reach their goals (30%)
4. The proposal includes a plan for sustaining their efforts and communicating activities, and successes to the larger Berkeley community. (15%)
5. Proposal budget matches the work plan and is appropriate. (10%)

