

## MEMORANDUM

To: Oakland City Council and Mayor  
From: Sugar-Sweetened Beverage Tax Community Advisory Board  
Date: April 25, 2023  
RE: Recommendation for Spending SSB Tax Revenues



**Recommendation:** The Sugar Sweetened Beverage (SSB) Community Advisory Board (CAB) recommends funding 16% for city agencies (HSD and OPRYD), 16% for OUSD, 60% for community investments, and 8% for administration, evaluation, and communication.

We request that the City Council and Mayor adopt this recommendation in its entirety, without supplanting funds that should be in the general budget.

*SSB revenues should not be used to backfill the general budget. They should be used to support programming targeted at improving nutrition, physical activity, and access to health services in populations most affected by health disparities as specified by Measure HH. City departments have not demonstrated that SSB funding is specifically used for wellness programs in neighborhoods with health disparities.*

The following paragraphs summarize the history of the tax and provide evidence for the effectiveness of the tax for reducing consumption of SSB and for the importance of community-based organizations (CBOs) in implementing the tax.

1. In 2016, Oakland Voters passed [Measure HH](#) as a general tax and established a Community Advisory Board (CAB) to advise and make recommendations on how the Sugar-Sweetened Beverage (SSB) tax revenue should be spent.
2. Consistently, the CAB budget recommendations [have not been followed](#) by the Mayor and City Council. Most recently, for Fiscal Year 2022–23, the CAB recommended that the City Council and Mayor allocate 60% of the revenue to grants to CBOs, while the approved budget allocated merely 25% for that purpose.
3. The SSB tax is evidence-based, in communities across the country and in Oakland specifically, to be effective in reducing sugar consumption and improving health outcomes.
4. Partnerships with CBOs are key in successfully implementing and measuring the impact of SSB programs. CBOs expand reach in delivering supplies and services, innovating, fueling learning across agencies, recruiting and conducting outreach for educational programming, and gaining expertise for implementation.

**The following paragraphs provide supporting background and evidence.**

## SUPPORTING BACKGROUND AND EVIDENCE

### 1. Key Language from Measure HH

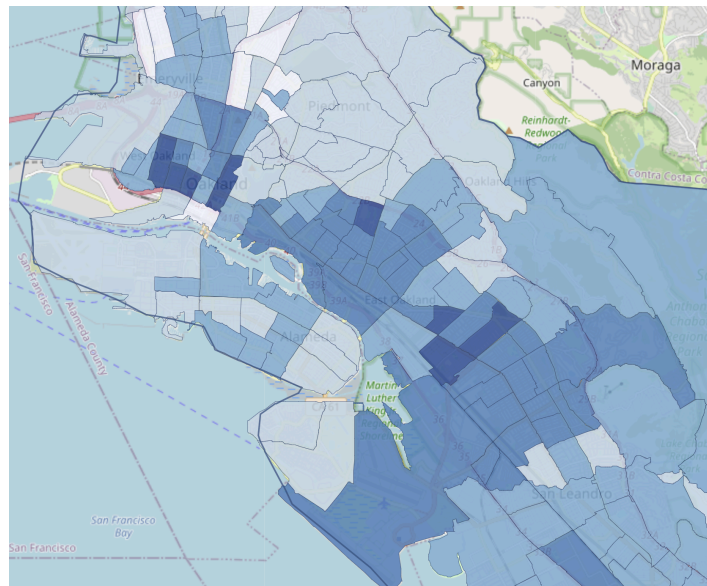
“The Community Advisory Board shall advise and make recommendations on how and to what extent the City Council should establish and/or fund programs to prevent or reduce the health consequences of the consumption of sugar sweetened beverages in Oakland communities, including but not limited to programs and projects to improve community nutrition, reduce childhood obesity and tooth decay, increase physical activity and prevent diabetes in children and families, especially those most affected by health disparities.

...The Community Advisory Board shall publish an annual report that includes the following:

- 1) Recommendations on how to allocate the City's general funds to reduce the consumption of sugar sweetened beverages in Oakland and to address the results of such consumption;
- 2) How and to what extent the City Council and Mayor have implemented the recommendations presented by the Board;
- 3) Information, if available, concerning the impact of this Chapter on the public health of the residents of the City; and
- 4) Any additional information that the Panel deems appropriate.

...Within 15 days of receipt of the publication of the Advisory Board's annual report, the City Administrator shall cause the report to be published on the City's Internet website and to be transmitted to the City Council.”

### 2. Percentage of Residents with Diabetes, by Zip Code



1.1% - 6.1%



6.1% - 8.7%



8.7% - 11.3%



11.3% - 14.0%



14.0% - 24.1%

<https://www.healthyalamedacounty.org/indicators/index/view?indicatorId=81&localeTypeId=4>

### 3. CAB budget recommendations have not been followed by the Mayor and City Council

As shown in the following [Table](#) and Figure, the CAB’s recommendation was not followed in FY 22-23, with a disproportionately high level of funding directed to City programs and not community grants. (Sisneros-Lobato, 2022)

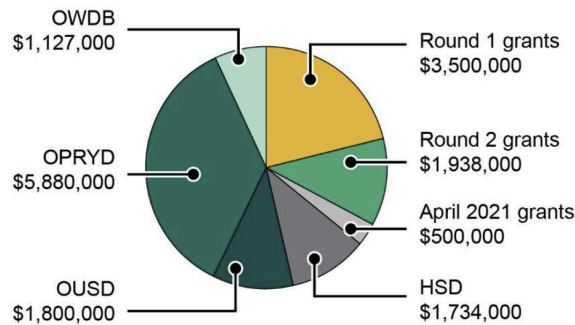
#### Comparison of Oakland Advisory Board Spending Recommendations and Final Budget FY22–23

Funding Categories	Advisory Board Recommendations	Approved Budget	Variance
<b>City Programs</b>			
Human Services Department administration costs	\$786,749	\$1,311,154	\$524,405
Oakland Parks, Recreation and Youth Department (OPRYD) administration costs	\$786,749	\$3,130,251	\$2,343,502
Oakland Unified School District funding costs	\$944,099	\$500,000	-\$444,099
City Administrator	\$0	\$205,109	\$205,109
Finance Department	\$0	\$320,974	\$320,974
Economic Workforce Development Department	\$0	\$400,000	\$400,000
Administration, Evaluation and Communications cost	\$629,399	\$0	-\$629,399
City Programs total	\$3,146,996	\$5,867,488	\$2,720,492
<b>Grants</b>			
Community Investments (Direct assistance and Community based grants)	\$4,720,493	\$0	-\$4,720,493
Community Grants	\$0	\$2,000,000	\$2,000,000
Grants total	\$4,720,493	\$2,000,000	-\$2,720,493
<b>TOTAL</b>	<b>\$7,867,489</b>	<b>\$7,867,488</b>	<b>\$1</b>

Source: SPUR Analysis

<https://www.spur.org/news/2022-12-09/how-are-oakland-and-san-francisco-spending-their-so-da-tax-revenues>

**Figure I.3. SSB tax funding allocated for programs and services provided through SSB Community Grants and by City agencies, FY 2019–2021**



Source: City Council resolutions, grant contracts, and supplemental data from City agencies

Note: Figure does not include SSB tax funding for public works and maintenance projects. April 2021 grants will be completed in 2022 and were ongoing at the time of data collection for this report.

OWDB = Oakland Workforce Development Board; HSD = City of Oakland Human Services Department; OPRYD = Oakland Parks, Recreation & Youth Development; OUSD = Oakland Unified School District.

Source: Mathematica evaluation, 2022.

#### **4. The SSB Tax is Evidence-Based for Reducing Sugar Consumption and Improving Health Outcomes.**

a) In a highly influential 2022 review published in the journal [Nature](#), the relationship of SSB with negative health outcomes is well accepted from “a robust body of evidence [that] has linked habitual intake of SSBs with weight gain and a higher risk ... of type 2 diabetes mellitus, cardiovascular diseases and some cancers, which makes these beverages a clear target for policy and regulatory actions.” (Malik and Hu, 2022)

b) A UCSF study published in [PLOS One](#) and reported by the [SF Chronicle](#) concluded that Oakland’s SSB tax was associated with a sustained 27% decline in volume of SSBs purchased, with no evidence of cross-border shopping or caloric substitution resulting from implementation of the tax.

c) Research has been translated to policy. In 2019, the American Academy of Pediatrics, [recommended](#) that “Price increases [of sugar-sweetened beverages] are associated with a decrease in consumption.” (Muth, 2019)

**4. Partnerships with CBOs have been identified as a key resource in implementing SSB programs.**

a. The City of Oakland SSB staffers and CAB have established relationships with 40 community-based organizations:

18 Reasons	Eden I&R, Inc.	Public Health Institute
Acta Non Verba: Youth	Fresh Approach	Center for Wellness and Nutrition
Urban Farm Project	Friends of Peralta	Roots Community Health Center
Alameda County	Hacienda Historical Park	SABA Grocers
Community Food Bank, Inc.	Health Initiatives for Youth	Safe Passages
Alameda Health Consortium	Hope Collaborative	Service Opportunity for Seniors
Asian Health Services	InAdvance (Sugar Freedom Project)	Soccer Without Borders
Bay Area Community Resources, Inc.	Kids Cooking for Life	SOS: Meals on Wheels
Black Cultural Zone	La Clínica de La Raza, Inc.	Spectrum Community Services, Inc.
Community Development Corp	Lifelong Medical Care	TIDES Center
City Slicker Farms	Living the Dream	The Youth Employment Partnership, Inc.
Community Kitchens	Mandela Partners	Urban Strategies Council
East Bay United Soccer Club	Mercy Retirement and Care Center	YMCA
East Oakland Youth Development Center	Native American Health Center, Inc.	
	Oakland Lacrosse Club	
	Oakland Soccer Club	
	Planting Justice	

b. A 2021 [report](#) in the journal Health Equity identified partnerships with CBOs as a key resource in implementing SSB programs. (Asada and colleagues, 2021)

*“A critical strategy for ensuring equitable funding recommendations is in the appointing of an independent CAB, which, in Oakland, represented the diverse community both in composition and policy implementation, through leadership and partnerships. Engaging local advocacy organizations with existing ties to communities marginalized by structural inequities afforded the CAB, and thus the City, an intimate knowledge of the cultural and historical injustices leading to disparities (e.g., OUSD elevated lead levels). The literature on equitable implementation of SSB taxes is limited, but broader literature emphasizes inclusivity, building trust, and engaging community members, particularly those marginalized communities, to partake in implementation decisions.”*

c. In stakeholder interviews, partnerships with community partners were identified as key resources in implementing SSB programs. Partnerships helped expand reach in delivering supplies and services, fuel learning across agencies, recruit and conduct outreach for educational programming, and gain expertise for implementation. (Mathematica evaluation,

2022). In addition, SSB grants to CBOs often provide seed fundings that amplifies the organization's ability to obtain grants from other funding sources.

d. Revenues diverted to City programs often do not target those most affected by health disparities. Several City departments that have been funded by SSB taxes have not demonstrated that funding is specifically used for wellness programs in neighborhoods with health disparities.

## References

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3. Malik VS, Hu FB. The role of sugar-sweetened beverages in the global epidemics of obesity and chronic diseases. *Nat Rev Endocrinol*. 2022 Apr;18(4):205-218. doi: 10.1038/s41574-021-00627-6. Epub 2022 Jan 21. PMID: 35064240; PMCID: PMC8778490.
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8. White JS, Basu S, Kaplan S, Madsen KA, Villas-Boas SB, Schillinger D (2023) Evaluation of the sugar-sweetened beverage tax in Oakland, United States, 2015–2019: A quasi-experimental and cost-effectiveness study. *PLoS Med* 20(4): e1004212. <https://doi.org/10.1371/journal.pmed.1004212>