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OFFICE OF THE CITY CLERK  
OAKLAND

2017 NOV 21 PM 3: 57 **AGENDA REPORT**

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Sara Bedford  
Director, Human Services

**SUBJECT:** Sugar Sweetened Beverage Tax  
Allocation to HSD for Administration

**DATE:** November 9, 2017

City Administrator Approval

Date:

11/21/17

### **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Allocate Funds To The Human Services Department For Purposes Of Administering The Sugar Sweetened Beverage Tax Community Advisory Board Program Through FY2017-2018 And FY2018-2019.**

### **EXECUTIVE SUMMARY**

The Sugar Sweetened Beverage Tax Community Advisory Board was established by resolution in June 2017 and began holding regular meetings in October 2017. The Advisory Board requires planning, technical, and administrative support to achieve the Board's goals to reduce sugar consumption, raise awareness of the health impacts of sugar consumption, and expand food and nutrition programs to improve health outcomes. An appropriation of \$278,758 for FY2017-2018 and \$399,649 for FY2018-2019 will cover personnel and operating expenses to support the administration, planning and capacity to meet the objectives of the Board.

### **BACKGROUND / LEGISLATIVE HISTORY**

Measure HH was approved by a majority of Oakland voters in the November 8, 2016 General Election establishing a general excise tax of 1 cent per ounce on the distribution of sugar sweetened beverages in Oakland. The tax took effect on July 1, 2017 and created the Sugar Sweetened Beverages (SSB) Community Advisory Board. The Board is intended to make recommendations to the City Council on the discretionary expenditure of SSB general tax revenues. The appointments to the Board were approved by resolution in June 2017, and it began holding regular meetings in October 2017.

The Board was established "to 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. This includes programs and projects to improve community nutrition, reduce childhood obesity and tooth decay, increase physical activity and prevent diabetes in children and families, especially residents affected by health disparities."

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## **ANALYSIS AND POLICY ALTERNATIVES**

A budget allocation is needed to provide for the administrative support for the Board and to support program activities approved by the City Council. The FY2017-2019 Oakland Adopted Budget includes \$5.9 million of Measure HH tax revenue each year in FY2017-2018 and FY2018-2019. Of this, \$180,000 has been allocated each year to the Revenue Bureau to administer the collection of Sugar Sweetened Beverage taxes, and \$400,000 has been allocated to the Employment and Workforce Development (EWD) Youth Summer Jobs Programs in FY2018-2019. Therefore, discretionary funding in the amount of \$5,720,000 in FY2017-2018 and \$5,320,000 in FY2018-2019 is available for programming at the Council's discretion.

The City of Berkeley has a similar program to Oakland's and their program allows 15 percent for administration. The Oakland Kids First! legislation allows 10 percent of revenues for administration of the Oakland Fund for Children and Youth to support the citizen's oversight committee, planning, grant management and monitoring, and evaluation. The Human Services Department recommends a similar budget allocation to provide capacity for administrative functions including planning, evaluation, contract administration and professional administrative support for the Board.

## **FISCAL IMPACT AND COST**

Human Services Department projects that within this budget cycle, minimally, the ongoing personnel required will include a Health and Human Services Planner (1.0 FTE) for planning and program development activities, a Program Analyst I (1.0 FTE) to support contract administration and monitoring, and a shared Administrative Assistant II (0.5 FTE) to provide Board meeting support, noticing, and communications. The anticipated hire date of these positions is January 1, 2018 and would require a half year of funding in FY2017-2018. An exempt limited duration employee will be hired to provide support in the interim months until the Planner is hired.

The Board operating support is estimated at \$12,000 in FY2017-2018 and \$10,000 in FY2018-2019 which includes start-up costs for computer equipment and ongoing funding for staff food, subscription services, duplicating, office supplies, miscellaneous expenses.

The additional request of \$60,000 for professional services in both years enables the Human Services Department to 1) develop the database management system and collection protocols during FY 2017-2018 in anticipation of evaluation needs for collection of participant and outcome data effective July 1, 2018 and 2) initiate basic activities to meet the Board's needs including website development, marketing, and communications related to the legislative and planned goals and objectives to support the Board's objective to raise awareness of the program initiatives and 3) conduct evaluation planning, survey and mapping of food programs and community efforts that are currently operating in Oakland. Ongoing costs for these services are anticipated.

Table I. The table below summarizes the estimated administrative costs of supporting the Sugar Sweetened Beverage (SSB) program in FY2017-2018 and FY2018-2019.

<b>FY17- 19 Sugar Sweetened Beverage (SSB) Administration Allocation</b>		
	<b>FY2017-18</b>	<b>FY2018-19</b>
<b>Personnel</b>		
HHS Planner (1.0 FTE)	\$76,451	\$158,623
Program Analyst I (1.0 FTE)	\$57,046	\$118,359
Administrative Assistant II (0.5 FTE)	\$25,383	\$52,667
Exempt Limited Duration Employee <sup>(a)</sup>	\$47,878	\$0
<b>Total Personnel<sup>(b)</sup></b>	<b>\$206,758</b>	<b>\$329,649</b>
<b>Operations &amp; Maintenance</b>		
Operations	\$12,000	\$10,000
Misc. Contract	\$60,000	\$60,000
<b>Total Operations &amp; Maintenance</b>	<b>\$72,000</b>	<b>\$70,000</b>
<b>HSD Allocation Request</b>	<b>\$278,758</b>	<b>\$399,649</b>
Revenue Administration <sup>(c)</sup>	\$180,000	\$180,000
<b>Total SSB Administration Costs</b>	<b>\$458,758</b>	<b>\$579,649</b>
(a) ELDE in FY17-18 to provide interim support during recruitment of HHS Planner (b) On-going personnel costs reflect half year of funding in FY17-18 and full year of funding in FY18-19 (c) Allocation for administration of SSB tax collection included as part of the FY2017-19 Adopted Budget		

The additional Human Services Department allocation request will result in total expenditures, including the amount of \$180,000 allocated for revenue collection, and the amounts of \$458,758 in FY2017-2018 and \$579,649 in FY2018-2019 for administration. The administrative costs are approximately 10 percent of the budgeted revenues for the sugar sweetened beverage tax of \$5.9 million in FY 2018-2019. An additional budget request for professional services expenditures for evaluation services may be requested in the FY2018-2019 Midcycle Budget once program activities are determined.

Approval of the resolution will authorize the allocation in the amount of \$278,758 in FY2017-2018 and \$399,649 in FY2018-2019 to support administrative costs related to the sugar sweetened beverage tax, including establishment of three new positions, Health and Human Services Planner (1.0 FTE), Program Analyst I (1.0 FTE) and a shared Administrative Asst. II (0.5 FTE).

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

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The total cost for personnel and operating support is \$278,758 for 2017-2018. The total cost of personnel and operating support is \$399,649 in 2018-2019.

## 2. SOURCE OF FUNDING:

Discretionary funding is available in the amount of \$5,720,000 in FY2017-2018 and \$5,320,000 in FY2018-2019 and included in the FY2017-2019 Adopted Budget in the General Purpose Fund (1010), City-Wide Activities Org (90591), MSR HH-HEALTHY KIDS PRGM Project (1003817). Approval of this resolution will reallocate funds in the amount of \$278,758 in FY2017-2018 and \$399,649 in FY2018-2019 from the existing budget to the Youth Services Organization (78251) in the Human Services Department.

## **PUBLIC OUTREACH / INTEREST**

The Sugar Sweetened Beverage Community Advisory Board met on October 18 and November 13, 2017 in public meetings and has received the information contained in this report.

## **COORDINATION**

This report was prepared in consultation with the Budget Bureau and the Office of the City Attorney.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** Increased resources to address food access and the creation of healthy food options have a positive impact on employment and productivity and economic benefits in neighborhoods and communities, as well as long term benefits for Oakland through positive health outcomes.

***Environmental:*** Urban gardening and improvements in the physical environment related to food access contribute to community development, public safety, and neighborhood beautification.

***Social Equity:*** Increased investments in community health and collaborations to support food access and remove barriers to access healthy food impacting families affected by poverty will have long term benefits that address health disparities and social inequity.

**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of Council is to approve the resolution authorizing the allocation of the budget appropriation to provide additional resources for administration of the Sugar Sweetened Beverage Community Advisory Board.

For questions regarding this report, please contact Sara Bedford, Human Services Director, at 238-6794.

Respectfully submitted,



SARA BEDFORD  
Director, Human Services Department

Prepared by: Sandra Taylor, Manager  
Children & Youth Services

# OAKLAND CITY COUNCIL

2017 NOV 21 PM 3:57

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ALLOCATE FUNDS TO THE HUMAN SERVICES DEPARTMENT FOR PURPOSES OF ADMINISTERING THE SUGAR SWEETENED BEVERAGE TAX COMMUNITY ADVISORY BOARD PROGRAM THROUGH FY2017-2018 AND FY2018-2019**

**WHEREAS**, the City of Oakland voters passed Measure HH, the Sugar-Sweetened Beverage Tax in November 2016, approving a 1 cent per ounce tax general excise tax on the distribution of sugar-sweetened beverages in Oakland; and

**WHEREAS**, all Sugar-Sweetened Beverage Tax revenue collected and remitted to the City is deposited in the City of Oakland unrestricted general fund to be used for any lawful government purpose; and

**WHEREAS**, the City Council, in its discretion, has designated certain Measure HH funds to support programs to reduce sugar consumption and improve the health of Oakland residents, particularly those facing barriers to health; and

**WHEREAS**, the City of Oakland's Fiscal Year (FY) 2017-2019 Adopted Budget includes Measure HH discretionary funding of \$5,720,000 in FY2017-2018 and \$5,320,000 in FY201718-2019 appropriated in the General Purpose Fund (1010), City-Wide Activities Organization (90591), Contract Contingencies Account (54011), and Measure HH – Healthy Kids Program Project (1003817); and

**WHEREAS**, Measure HH established The Community Advisory Board to 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; and

**WHEREAS**, the Sugar Sweetened Beverage Tax Community Advisory Board was established by resolution in June 2017 and began holding regular meetings in October 2017; and

**WHEREAS**, the City Administrator is seeking authorization to reallocate Measure HH funds in the amount of \$278,758 in FY2017-2018 and \$399,649 in FY2018-2019 to the City of Oakland Human Services Department to administer the sugar sweetened beverage tax community advisory board program; and

**WHEREAS**, the total estimated amount of \$206,758 in FY2017-2018 and \$329,649 in FY2018-2019 will be allocated to the City of Oakland Human Services Department to cover the following positions beginning January 2018: 1.0 FTE Program Planner to coordinate planning and RFP development activities and assist with data collection, analysis, and evaluation, 0.5 FTE shared Administrative Assistant II to provide administrative and communications support for the Board, 1.0 FTE Program Analyst, and an ELDE in FY2017-2018 to provide interim support; and

**WHEREAS**, the City of Oakland Human Services Department will allocate annually up to \$12,000 in FY2017-2018 and \$10,000 in FY2018-2019 for program operating expenses and \$60,000 in both years to outside consultants to-be-determined through the City's three-bid process to develop database management and evaluation, establish communications methods to raise awareness of health impacts of sugar sweetened beverages and otherwise facilitate the planning and program recommended of the Sugar Sweetened Beverage Community Advisory Board; now therefore be it

**RESOLVED:** That the City Administrator is hereby authorized to reallocate Measure HH Sugar Sweetened Beverage Distribution Tax Funds in the General Purpose Fund (1010) to the City of Oakland Human Services Department's Youth Services Organization (78251) in the amounts of \$278,758 in FY2017-2018 and \$399,649 in FY2018-2019; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to establish three new positions of 1.0 FTE Program Planner to provide planning for the allocation and assist with data collection, analysis, and evaluation, 1.0 FTE Program Analyst I to support contracting, training, grants management including to establish and monitor grant agreements, and 0.5 FTE Administrative Assistant II to provide administrative support for the Sugar Sweetened Beverage Community Advisory Board.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California