
Informational Report on
Oakland's Sugar Sweetened Beverage Tax
And
Proposed Policy Change to Designate Revenues

Prepared for
Rules and Legislation Committee
July 2024

By: Equity In Advance & Sugar Freedom Project

Measure HH passed in 2016



Coalition for Healthy Oakland Children
List of Endorsers

Medical/Public Health Organizations

Alameda County Health Consortium
Alameda Health System
Alameda/Contra Costa Med Assoc. (ACCMA)
Alameda County Dental Society
Alameda County Public Health Commission
Alameda County Public Health Department
American Academy of Pediatrics, California
American Diabetes Association
American Heart Association
Asian Health Services
California Center for PH Advocacy
California Dental Hygienists Association
California Diabetes Association – East Bay Component
California Pan-Ethnic Health Network (CPEHN)
California Society of Pediatric Dentistry
California WIC Association
Children Now
Diabetes Coalition of California
Healthy Food America
La Clínica de la Raza
Latino Coalition for a Healthy CA
Lifelong Medical Care
Physicians for Social Responsibility (Bay Area)
Public Health Institute
Prevention Institute

Community Based Organizations

Allen Temple Health and Social Services
Make Oakland Better Now
East Bay Asian Youth Center
East Oakland Boxing Association

Measure HH		
Result	Votes	Percentage
✔ Yes	107,405	61.35%
No	67,655	38.65%

Measure HH was a 1-cent per ounce SSB tax on the distribution of Sugary Drinks. It was projected to bring in \$10M/year.

Funds would go into the General Fund with a Community Advisory Board to make recommendations on spending of funds to decrease consumption of sugary drinks and provide funding to create and expand health and wellness programs.

OFFICIAL BALLOT LANGUAGE

HH

Shall the City collect a tax of one cent per ounce from distribution of sugar-sweetened beverages?

Vote YES on Nov. 8

HH Shall the City of Oakland impose a 1 cent per ounce general tax on the distribution of sugar-sweetened beverages, including products such as sodas, sports drinks, sweetened teas, energy drinks, but excluding milk products, 100% juice, baby formula, diet drinks, or drinks taken for medical reasons; and providing an exemption for small businesses?
¿Deberá la Ciudad de Oakland establecer un impuesto general de 1 centavo por onza sobre la distribución de bebidas endulzadas con azúcar, incluyendo productos tales como sodas, refrescos para deportistas, té endulzados, bebidas energéticas, pero excluyendo productos lácteos, jugo al 100%, fórmula para bebés, bebidas de dieta, o bebidas que se toman por razones médicas, y exceptuando a pequeños negocios?

YES
SI
NO
NO

YES!

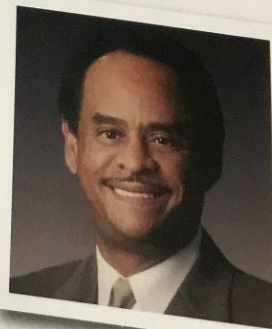


The Democratic Party, California Nurses Association and American Heart Association recommend a **YES** on Measure **HH**

“Measure HH will provide funding for health education and nutrition programs for Oakland children. It's time the large corporations paid their fair share.”

Desley Brooks

Oakland City Council, District 6



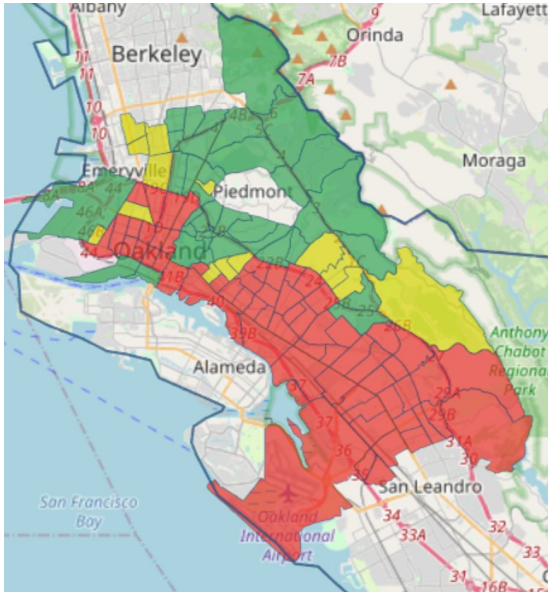
Larry Reid,

Oakland City Council

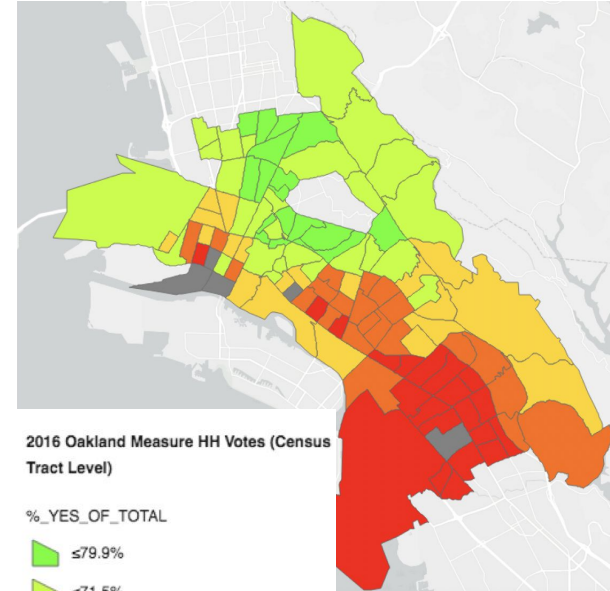
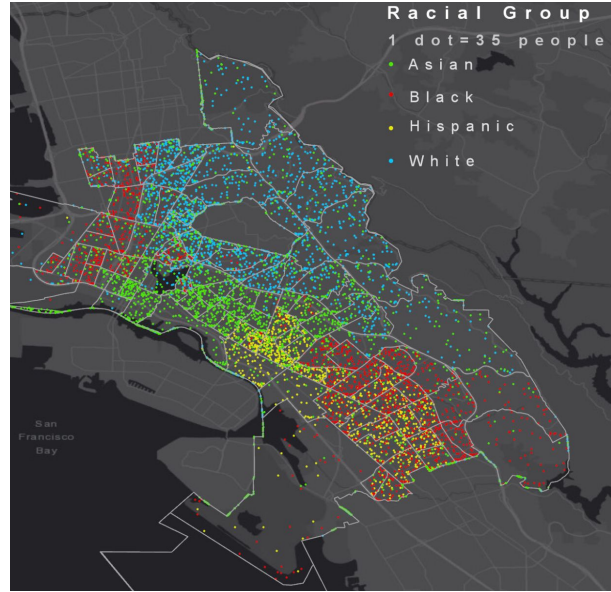
District 7

Yes on HH, Coalition for Healthy Oakland Children with Major Funding by Michael R. Bloomberg and Action Now Initiative

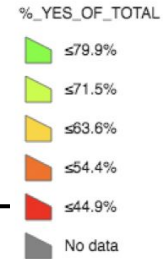
Impacted Communities



Adults with Diabetes



2016 Oakland Measure HH Votes (Census Tract Level)



Implementation

In 2018 Fund 1030 was established to track revenue allocations in the City Budget

In 2018 a Council memo set forth a budget directive for OPRYD to receive 50% of revenues for **new, on-going programs** to address diabetes

Less than 20% has been demonstrated to honor the campaign promise to voters, vast majority has supplanted & backfilled the City budget; OPRYD has supplied no data on adherence to budget directive

The tax has raised over \$40 million to date

NEWS | BAY AREA & STATE
Schaaf accused of 'bait and switch' on Oakland soda tax money
By Kimberly Veklerov, Lead Digital Reporter
Updated April 28, 2017 7:03 p.m.

Three Oakland City Council members who sponsored a voter-approved measure imposing a city soda tax accused Mayor Libby Schaaf on Friday of seeking to funnel its revenue into the general budget to help eliminate a deficit, rather than spending it on health programs as backers promised during the campaign.

News |
Oakland council members blast Mayor Schaaf for soda tax 'bait and switch'

Voters in November passed the penny-per-ounce tax on the promise that while the tax would go to the general fund, it would be spent on an advisory board to use the money on childhood obesity and educate the public on the health risks of drinking soda.

Oakland Councilmembers Accuse Mayor Schaaf of 'Bait and Switch' With Soda Tax Revenue

By Darwin BondGraham | Apr 28, 2017

During last year's campaign for the sugar-sweetened beverage tax, city officials told voters that the money would only be used for health-education programs, allocated under the supervision of an appointed board. (That board hasn't been established yet.)

Impact

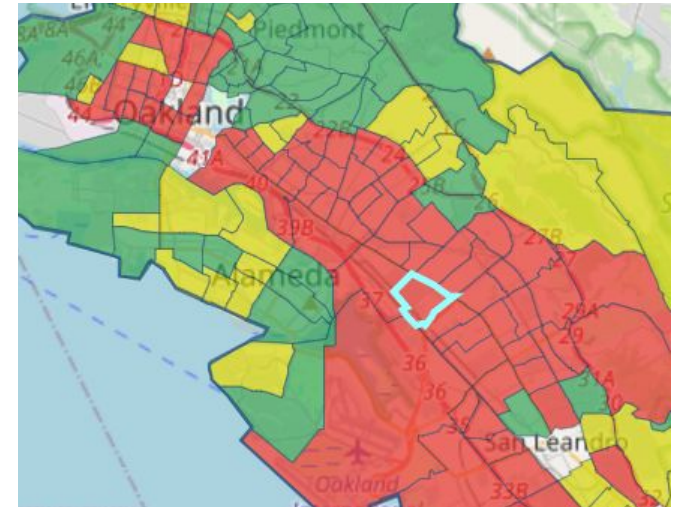
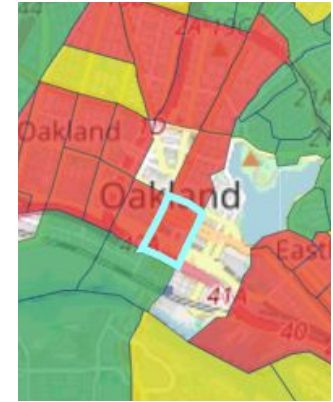
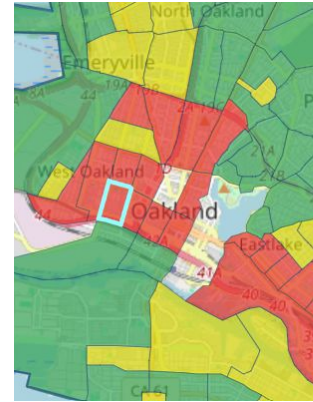
In the first 2.5 years of the tax, sales decreased by 26%

Diabetes rates have increased from 7.9% to 10.7% from 2016 to 2021

- D3: from 14.8% to 16.2%
- D2: from 24.9% to 26.5%
- D6: from 15.2% to 16.9%

Majority of revenue supplants budget in OPRYD, no expansion of aligned programming

No evaluation of the tax itself & revenue allocation on the Measure's goals has been conducted



Grassroots Community Engagement

2017 In-Advance launched Sugar Freedom Project (SFP) with Roots & Oakland Food Policy Council going door-to-door in East Oakland precincts to identify tax investment priorities

2018 Took community priorities to the newly created CAB, which used it as funding recommendations guide

2018 - onwards SFP facilitates community health and civic education, and grassroots policy-making with East Oakland impacted communities & CBOs

2021 SFP w/ 10+ CBOs ran budget campaign to demand 36% for “Food Cards” & 24% for grants program: Won budget directive for \$1 million, City has not yet distributed funds

2022 Began redesigning policy with Community-Based Participatory Action Research

2024 SSB Grantees receive their grant checks very delayed, disrupting programming for residents and even causing closures

Race & Wealth Equity

Low-income households pay a significantly higher percentage of their household income on the soda tax than higher income households and yet the tax revenues balance a budget that systemically under-resources their neighborhoods

Black & Latinx people suffer disproportionately from diabetes compared to white people, and Pacific Islanders, South Asians, and Filipinos have the highest diabetes rates among all racial/ethnic groups

SSB corporations profit in low-income communities of color through “designated market areas” where ads are directed at Black and Latinx children & teens twice as much as to their white counterparts

Large grocers have systematically avoided predominantly Black areas with “supermarket redlining”

Structural Policy Issues → Intervention Areas

1. Revenue Allocations
2. Community Advisory Board
3. Funding Recommendations
4. Evaluation
5. Tax Design

Policy Change Development:

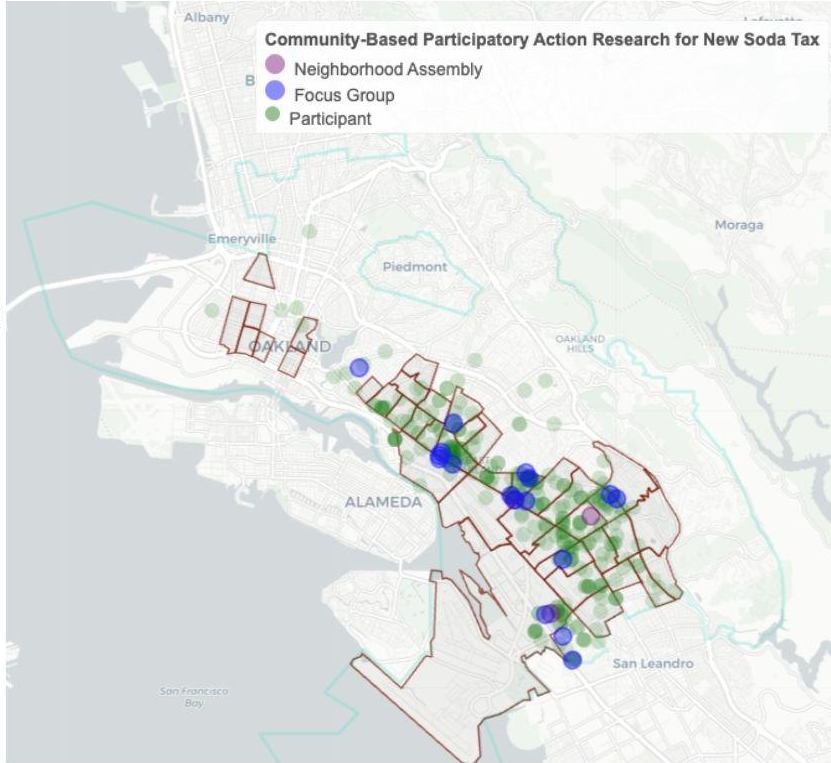
Grassroots policymaking

Community-Based Participatory Action Research

Sites & Participants

We determined our priority research areas by neighborhoods most targeted by soda corporations' predatory marketing & distribution, and neighborhoods with the highest rates of diabetes. Both of which are low-income communities of color. **These 38 census tracts are above the median value for:**

1. Diabetes Rates
2. Poverty
3. BIPOC population

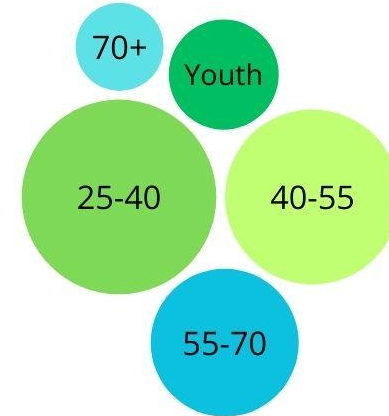
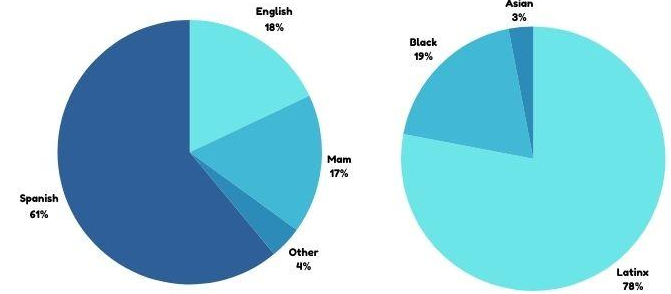


Over 550 people completed the survey

- 338 participated in a focus group
- 125 participated in a Neighborhood Assembly



74% of participants or someone they know has Diabetes



The majority of participants identify as Latinx, speak Spanish, and are between the ages of 25-55

Research Design

Survey



Focus Groups



Neighborhood Assemblies



Data Analysis



Further Policy Refinement

Workshops

- Community-based organizations (CBOs) shared ideas about key policy elements: revenue use, oversight, & evaluating impact

Interviews

- One-on-ones with CBOs, health researchers, public health department leaders, legal advocates and City staff to refine policy
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Key Changes

1. **Special Tax** legally restricts use of revenues to specific purpose
 2. Census tract designation for revenue use
 3. Planning & Oversight Committee has decision-making authority on allocations
 4. Yearly independent evaluation
 5. Strategic Investment Plan model
 6. Allocation categories
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Impact Goals:

1. Decrease Diabetes rates in neighborhoods with highest rates
2. Decrease sugary drink purchases and consumption

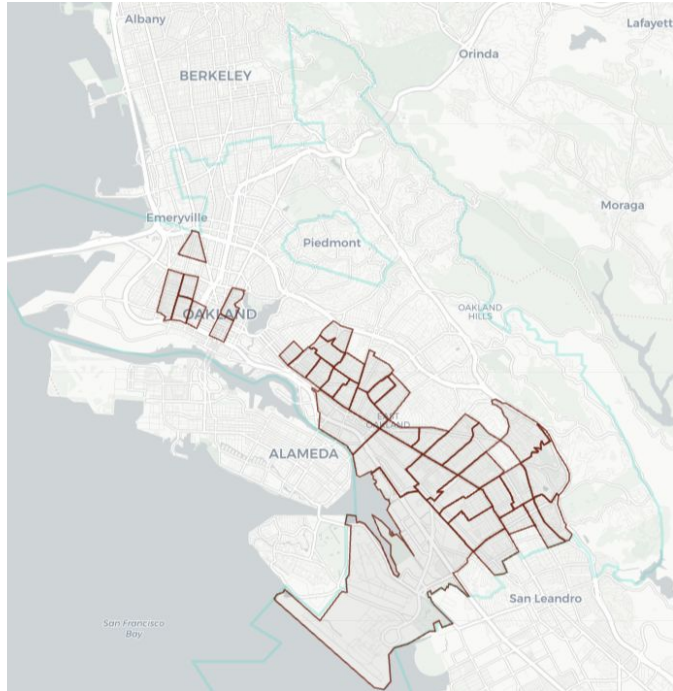
Tracked through ongoing independent evaluation

How?

Planning and Oversight Committee create a **3 Year Strategic Investment Plan** to distribute the revenues across the following funding strategies:

- Healthy retail
 - Health education
 - Income supplements
 - Expanding access to community spaces
 - Meal distribution
 - Community agriculture
 - Water access
 - Policy and advocacy
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Where & Who gets the investment?



Policy defines Impacted Communities using the following guidelines:

Based on an analysis of the health disparities within the context of Food Apartheids, which are shaped by racism and class-based inequalities in food production, distribution, and marketing.

The following indicators together define the Impacted Communities of the SSB Tax, and who and where all revenues generated shall be allocated:

1. Census tracts with highest Diabetes rates
 2. Census tracts with highest poverty levels
 3. Census tracts with majority BIPOC populations
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Next Steps

for an equitable soda tax

We are seeking your commitments to work together in partnership on the following:

1. Budget Directive pledge for balanced budget
 2. CAB restructuring to focus on intent, impact, community engagement, and evaluation
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