

Date of Hearing: April 24, 2018

ASSEMBLY COMMITTEE ON HEALTH  
Jim Wood, Chair  
AB 1744 (McCarty) – As Introduced January 3, 2018

**SUBJECT:** After school programs: substance use prevention: funding: cannabis revenue.

**SUMMARY:** Authorizes the inclusion of pupil assistance to prevent and reduce substance use and improve school retention and performance within the “educational enrichment element” of the 21st Century High School After School Safety and Enrichment for Teens Program (21<sup>st</sup> CSETP), the After School Education and Safety Program (ASESP), and the 21<sup>st</sup> Century Community Learning Centers Program (CCLCP). Specifically, **this bill:**

- 1) Authorizes the inclusion of pupil assistance to prevent and reduce substance use and improve school retention and performance within the educational enrichment element of the CSETP, the ASESP, and the CCLCP.
- 2) Encourages schools that have established a program with an educational element designed to educate about and prevent substance use disorders, or to prevent harm from substance use, to apply to receive funding from the Youth Education Prevention Early Intervention and Treatment Account (YEPEITA) established under the Adult Use Marijuana Act (AUMA) in accordance with conditions and requirements established by the State Department of Health Care Services (DHCS).
- 3) Authorizes DHCS, in determining which programs to be funded, to consider selecting, among other programs, programs established within the CSETP, the ASESP, and the CCLCP that meet the requirements specified and as otherwise determined by DHCS.
- 4) Makes Legislative findings and declarations related to afterschool education, safety and enrichment programs.

**EXISTING LAW:**

- 1) Establishes the ASESP under which participating public schools receive grants to operate before and after school programs serving pupils in kindergarten or any of grades first to ninth inclusive. Requires each program component to consist of an education and literacy element and an educational environment enrichment element, as specified.
- 2) Establishes the CCLCP and the CSETP which provides for the allocation of grant funds by the State Department of Education (DOE) for before or after school programs operating in accordance with program requirements, one of which is that these programs include an enrichment element.
- 3) Establishes, through the AUMA, the California Marijuana Tax Fund (Fund), for purposes of depositing taxes collected from the sale and cultivation of marijuana.
- 4) Allocates, after other specified disbursements, 60% of the remaining Fund for YEPEITA, for programs for youth that are designed to educate about, and to prevent harm from, substance use disorders.

- 5) Requires DHCS to enter into interagency agreements with the Department of Public Health (DPH) and the DOE to implement and administer these programs. Requires the programs to emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families, and caregivers. Allows the programs to include among many other types of programs, grants to schools to develop and support student assistance programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Requires that schools with higher than average dropout rates be prioritized for grants. Specified additional requirements of AUMA related to the YEPEITA as follows:
- a) Requires that funds be allocated to counties based on demonstrated need, including the number of youth in the county, the prevalence of substance use disorders among adults, and confirmed through statistical data, validated assessments, or submitted reports prepared by the applicable county to demonstrate and validate need;
  - b) Requires DPH, DOE, and DHCS to periodically evaluate the programs they are funding to determine the effectiveness of the programs.
  - c) Permits DPH, DOE, and DHCS to use up to 4% of the moneys allocated to the YEPEITA for administrative costs related to implementation, evaluation, and oversight of the programs;
  - d) Requires, if the Department of Finance (DOF) ever determines that funding pursuant to AUMA exceeds demand for youth prevention and treatment services in the state, DPH, DOE, and DHCS to provide a plan to the DOF to provide treatment services to adults using these funds; and,
  - e) Requires DPH, DOE, and DHCS to solicit input from volunteer health organizations, physicians who treat addiction, treatment researchers, family therapy and counseling providers, and professional education associations with relevant expertise as to the administration of any grants.

**FISCAL EFFECT:** This bill has not yet been analyzed by a fiscal committee.

**COMMENTS:**

- 1) **PURPOSE OF THIS BILL.** The author states that in November of 2016, the voters passed Proposition 64 which legalizes, regulates, and taxes the adult use of cannabis. The initiative is expected to generate up to \$1 billion annually in tax revenue, with significant revenue dedicated to youth education, prevention, and treatment related to substance use disorders. The Yes on Prop 64 ballot argument stated that Prop 64 “pays for itself and raises billions for afterschool programs that help kids stay in school.” The Prop 64 campaign clearly articulated its intent for after-school programs to be a prime beneficiary of these new revenues and it is critical that laws and regulations honor this intent. Even though voters were sold and promised that after school programs would receive Prop 64 funds, there are no current statutory requirements, which is why this bill is needed. The author concludes,

keeping kids supervised and providing youth with positive opportunities and mentoring relationships will reduce drug use and ensure better academic success in the classroom.

## 2) BACKGROUND.

a) **High-Quality Afterschool Programs.** Afterschool programs, or out-of-school time programs, became prominent in the late 1990's. The CCLCP is an example of one such program. Created by the federal 1994 Improving America's Schools Act, the program received limited funding until Congress appropriated \$40 million for it in 1998. When the program pivoted to support afterschool programs, spending exploded and by 2002, the program's appropriation was \$1 billion. The 2016 federal budget request for CCLCP was \$1.16 billion. An evaluation of after-school programs similar to those provided through CCLCP was conducted by the University of California - Irvine, the University of Wisconsin - Madison and Policy Studies Associates. Entitled "Outcomes Linked to High-Quality Afterschool Programs: Longitudinal Findings from the Study of Promising Afterschool Programs." The study found that regular participation in high-quality afterschool programs is linked to significant gains in standardized test scores and student work habits as well as reductions in behavior problems among disadvantaged students. These gains help offset the negative impact of a lack of supervision after school. The two-year study followed almost 3,000 low-income, ethnically diverse elementary and middle school students from eight states in six major metropolitan centers and six smaller urban and rural locations. California was included in the study with five separate sites.

b) **Proposition 64 (AUMA).** AUMA was passed by the voters in November 2016. As a result of the passage of Prop 64, adults, aged 21 years or older, are allowed to possess and use marijuana for recreational purposes. AUMA created two new taxes; a cultivation tax on marijuana plants and flowers and a 15% excise tax on the sale of all marijuana and marijuana products. AUMA also exempted from the California state sales tax, sales of medical marijuana or marijuana products. Revenues collected from the new state excise tax and the cultivation tax on growing marijuana will be deposited in a new state account, the Fund. Certain fines on businesses or individuals who violate regulations created by AUMA would also be deposited into the Fund. Monies in the Fund will first be used to pay back certain state agencies for any marijuana regulatory costs not covered by license fees. A portion of the monies will then be allocated as follows:

- i) Sixty percent for youth programs including substance use disorder education, prevention, and treatment;
- ii) Twenty percent to clean up and prevent environmental damage resulting from the illegal growing of marijuana; and,
- iii) Twenty percent for programs designed to reduce driving under the influence of alcohol, marijuana, and other drugs and a grant program designed to reduce any potential negative impacts on public health or safety resulting from the measure.

2) **SUPPORT.** The Los Angeles Unified School District (LAUSD) states that California has a strong after school infrastructure with publicly funded programs that serve 485,000 K-12 students daily in 4500 schools. These programs target the highest poverty communities (80% of students in state-funded after school programs qualify for Free or Reduced Price Meals). Research shows that youth drug use increased in the after school hours and that quality after

school programs prevent and reduce drug use, juvenile crime and school dropout by providing supervised alternatives activities, safe spaces and positive adult relations. According to LAUSD, this bill seeks to uphold Prop 64's promise to California voters to increase funding for after school programs and prevent substance use among our children. The California Police Chiefs Association states that a study conducted by the Afterschool Alliance found that "vandalism and stealing dropped by two-thirds, violent acts and carrying a concealed weapon fell by more than half, and arrests and being picked up by the police were cut in half" after 12 afterschool programs were established through the California Juvenile Crime Prevention Demonstration. This research, and others, shows that afterschool programs can help keep students off the streets and away from criminal activity.

### 3) RELATED LEGISLATION.

- a) AB 2328 (Nazarian) enacts the Youth Substance Use Disorder Treatment and Recovery Program Act of 2018 with funding to be provided by YEPEITA. AB 2328 is pending in the Assembly Appropriations Committee on suspense file.
- b) AB 2471 (Thurmond) requires the transfer of funds from the YEPEITA established through the passage of the AUMA to the DOE to establish a grant program which would allow schools to provide in-school support services to pupils. AB 2471 is pending in the Assembly Health Committee and scheduled to be heard on April 24, 2018.
- c) SB 918 (Wiener) establishes the Office of Homeless Youth in the Department of Housing and Community Development with primary funding to come from YEPEITA. SB 918 is pending in the Senate Transportation and Housing Committee and is scheduled to be heard April 24, 2018.

### 4) PREVIOUS LEGISLATION.

- a) AB 844 (Burke) of 2017, would have amended AUMA by requiring Go-Biz to give preference to applicants for grants to provide support system navigation services as described in AUMA. AB 844 was held on Senate Appropriations Committee's suspense file.
- b) AB 1135 (Wood), of 2017, would have required DPH and DOE to establish an inclusive public stakeholder process to seek input from stakeholders to determine a disbursement formula for the funds provided to DHCS from the AUMA Fund. AB 1135 was held in the Assembly Appropriations Committee's suspense file.

5) **TECHNICAL AMENDMENTS.** The author intends to make conforming changes to align this bill with existing language in the Education Code and AUMA, including changing references to "pupil assistance" and replacing these terms with "*youth development activities that promote healthy choices and behaviors in order*" to prevent and reduce substance use and improve school retention and performance.

6) **DOUBLE REFERRAL.** This bill has been double referred. It passed the Assembly Committee on Education with a vote of 7-0 on April 11, 2018.

**REGISTERED SUPPORT / OPPOSITION:****Support**

State Superintendent of Public Instruction- Tom Torlakson  
A World Fit For Kids  
After-School All-Stars, Los Angeles  
Arc-After School & Experiential Education  
Boys & Girls Clubs of Greater Redlands-Riverside  
California AfterSchool Network  
California Alliance of Boys & Girls Clubs  
California District Attorneys Association  
California Federation of Teachers  
California Police Chiefs Association  
California Schools Boards Association  
California State Alliance of YMCAs  
California Teaching Fellows Foundation  
Central Valley Afterschool Foundation  
City of Moreno Valley  
Covina-Valley Unified School District  
EduCare Foundation  
Fight Crime: Invest in Kids  
Heart of Los Angeles  
ICES Education, LLC  
Jewish Community Center of San Francisco  
Joli Ann Leichtag Elementary School  
LA's BEST After School Enrichment Program  
Los Angeles Unified School District  
Mendocino County Office of Education  
Mission: Readiness  
Moreno Valley Unified School District  
Mountain View School District  
Partnership for Children & Youth  
Partnership for Los Angeles Schools  
Sacramento Chinese Community Service Center  
San Francisco Unified School District  
The Children's Initiative  
Think Together  
Youth Policy Institute

**Opposition**

None on file.

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