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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2017 - 2018 Regular Session

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### **AB 1744 (McCarty) - After school programs: substance use prevention: funding: cannabis revenue**

**Version:** April 26, 2018

**Urgency:** No

**Hearing Date:** August 6, 2018

**Policy Vote:** ED. 7 - 0, HEALTH 8 - 0

**Mandate:** No

**Consultant:** Lenin Del Castillo

**This bill meets the criteria for referral to the Suspense File.**

**Bill Summary:** This bill encourages After School Education and Safety (ASES) programs, the 21st Century Community Learning Centers Program (21st CCLC), and the 21st Century High School After School Safety and Enrichment for Teens Program (ASSETs) to establish programs that are designed to educate about and prevent substance use disorders or to prevent harm from substance abuse. This bill also authorizes the Department of Health Care Services (DHCS) to consider selecting those programs for funding from the Control, Regulate and Tax Adult Use of Marijuana Act (Proposition 64).

#### **Fiscal Impact:**

- By specifying the after school programs for which DHCS may consider funding from the Youth Education, Prevention, Early Intervention and Treatment Account (YEPEITA), this bill could create unknown but significant cost pressure to increase funding for those programs. Additionally, it could provide preferential access to the funds relative to other youth programs that could be funded from that account. The DHCS indicates that YEPEITA funds are not yet available and it is unknown how much money will be available for allocation.
- The CDE anticipates additional unknown costs to administer any new programs that are established. A precise amount would depend on the interagency agreement with DHCS, what role CDE would have in administering the programs, how the grants would be awarded, and the total amount that would be available for disbursement from the YEPEITA. Proposition 64 allows departments to use up to four percent of the moneys allocated to the YEPEITA for administrative costs related to implementation, evaluation, and oversight of the programs.

**Background:** Existing law establishes the ASES program through the 2002 voter-approved initiative, Proposition 49. The ASES program funds the establishment of local before and after school education and enrichment programs, which are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive alternatives for students in kindergarten through ninth grade.

Existing law establishes the 21st CCLC contained within the federal No Child Left Behind Act of 2001 to complement the ASES program, and specifies that the requirements of the ASES program apply to the 21st CCLC program with specified exceptions.

Existing law establishes the 21st Century ASSETs Program to create incentives for establishing locally driven after school enrichment programs between schools and local community organizations serving pupils from grades nine through twelve.

Existing law establishes, effective January 1, 2018, a cannabis excise tax to be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. Existing law establishes the California Cannabis Tax Fund in the State Treasury consisting of all taxes, interest, penalties, and other amounts collected and paid to the board to carry out the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act (AUWA) and all revenues deposited into the Tax Fund, together with interest or dividends earned by the fund, are to be expended only in accordance with the provisions of the Act. Existing law specifies that the funds in the California Cannabis Tax Fund are to be disbursed as follows:

- 1) Reasonable costs incurred by various state agencies for carrying out specified duties associated with the Act.
- 2) Ten million dollars to a public university or universities annually beginning in 2018-19 to 2028-29 to research the effect of the Control, Regulate and Tax Adult Use of Marijuana Act.
- 3) Three million dollars annually from 2018-19 through 2022-23 to the California Highway Patrol to adopt protocols to determine whether a driver is operating a vehicle while impaired by the use of cannabis or cannabis products.
- 4) Ten million dollars annually in 2018-19, increasing to fifty million dollars in 2022-23 and beyond to the Governor's Office of Business and Economic Development to administer a community reinvestments grants program.
- 5) Two million dollars annually to the University of California San Diego Center for Medicinal Cannabis Research.
- 6) By July 15 of each year, beginning in 2018-19 after disbursing funds for the purposes described above, disburse 60 percent of the remaining funds into the Youth Education, Prevention, Early Intervention and Treatment Account to the DHCS for programs for youth designed to educate about and to prevent substance abuse disorders and to prevent harm from substance use. The law requires DHCS to enter into interagency agreements with the State Department of Public Health and the California Department of Education (CDE) to implement and administer these programs. Specifies that these programs may include, but are not limited to, prevention and early intervention services to recognize and reduce risks associated with substance use and the early signs of problematic use and of substance abuse disorders, grants to schools for student assistance programs designed to prevent and reduce substance abuse, 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, and grants to programs for outreach, education, and treatment for homeless youth and out-of-school youth with substance use disorders.

**Proposed Law:** This bill adds youth development activities that promote healthy choices and behaviors in order to prevent and reduce substance use and improve school retention and performance to list of activities authorized as part of the enrichment element of an ASSETS program, and encourages schools to establish an ASSETS program that is designed to educate about and prevent substance use disorders or to prevent harm from substance abuse through a broad array of academic and enrichment activities, including activities to prevent and reduce substance use, and improve school retention and performance.

This bill requires the DHCS to enter into interagency agreements with CDE to implement and administer such ASSETS programs and to allocate to schools from the Youth Education, Prevention, Early Intervention and Treatment Account (YEPEITA) established pursuant to the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA) in accordance with conditions and requirements as may be established by DHCS.

This bill encourages schools to establish an ASES program that is designed to educate about and prevent substance use disorders or to prevent harm from substance abuse through a broad array of academic and enrichment activities, including activities to prevent and reduce substance use, and improve school retention and performance, and requires the DHCS to enter into interagency agreements with CDE to implement and administer such ASES programs and to allocate to schools from the YEPEITA established pursuant to the AUMA in accordance with conditions and requirements as may be established by DHCS.

This bill encourages schools to establish a 21st CCLC program that is designed to educate about and prevent substance use disorders or to prevent harm from substance abuse through a broad array of academic and enrichment activities, including activities to prevent and reduce substance use, and improve school retention and performance, and requires the DHCS to enter into interagency agreements with CDE to implement and administer such 21<sup>st</sup> CCLC programs and to allocate to schools from the YEPEITA established pursuant to the AUMA in accordance with conditions and requirements as may be established by DHCS.

This bill authorizes the DHCS, in determining which programs to fund for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use, to consider selecting the ASES, ASSETS, and 21st CCLC programs.

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