



Opportunities for Grant Funding for Youth-Serving Agencies via Proposition 64 and State Cannabis Tax Revenues

Since voters legalized cannabis in 2016, the state has been collecting a growing amount of revenue from state cannabis taxes. Proposition 64, and the legislation passed to implement the ballot measure, allocate part of these new revenues to support child and family services. In this article, we will provide youth-serving agencies an overview of opportunities to apply for funding from these growing revenue streams. In 2019, these grant programs allocated about \$50 million to nonprofit organizations, tribal organizations and local health departments. Because the Newsom administration deemed the cannabis industry to be an essential service early in the pandemic, cannabis businesses have remained in operation during the pandemic and have continued to be profitable. As a result, it is likely these

grant programs will continue to grow as the pandemic continues.

For the purpose of this article, we will focus on three new grant programs funded by cannabis revenues:

- **The Community Reinvestment Grants Program**, managed by the Governor's Office of Business and Economic Development (GO-Biz)
- **The Youth Substance Use Disorder Prevention Program/ Elevate Youth California**, managed by the Department of Health Care Services (DHCS)
- **The Youth Community Access Grant Program**, managed by the California Natural Resources Agency (CNRA)

The Community Reinvestment Grants Program

This grant program provides funding to community-based organizations and to local health departments that work with communities impacted by the War on Drugs. GO-Biz made its first set of grants in 2019 in the amount of \$28.9 million. Each year the amount of funding allocated to GO-Biz for the grant program grows by \$10 million until the amount reaches \$50 million. At that point the funding amount remains at \$50 million annually (from 2023 on). GO-Biz is able to use 4% of the total amount for administration.

In order to apply, applicants are required to demonstrate that they work in communities that were disproportionately impacted by the War on Drugs.

Through this grants program, GO-Biz funds agencies providing services in the following areas:

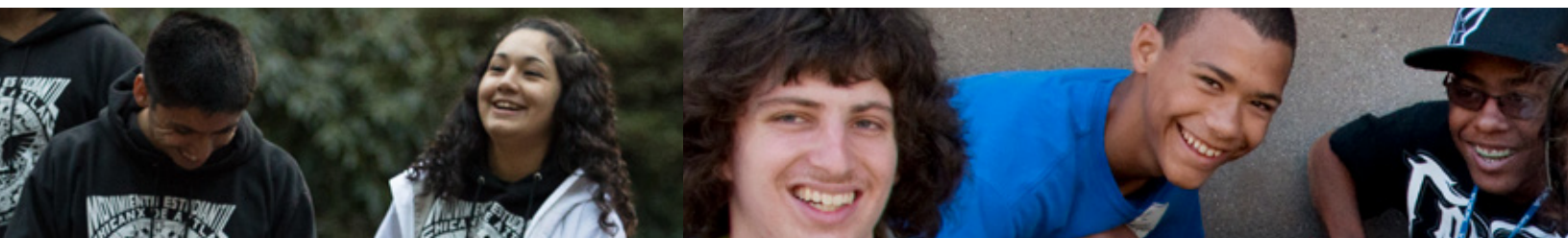
- Job placement
- Mental health treatment
- Substance use disorder treatment
- System navigation services
- Legal services to address barriers to reentry
- Linkages to medical care

These six service areas were written into Prop 64. The language in Prop 64 gave GO-Biz the flexibility to fund youth or adult services, or both. In order to apply, applicants are required to demonstrate that they work in communities that were disproportionately impacted by the War on Drugs. To determine eligibility, applicants have to demonstrate that they are working in communities in counties with above average marijuana arrests or in neighborhoods (determined by census tract data) characterized by at least one of the following: high poverty, high single parent households, low educational achievement or located in an Opportunity Zone. In its first round of grants, single applicants were able to apply for a minimum of \$50,000 and a maximum of \$300,000. Collaborations were able to apply for a minimum of \$100,000 and up to \$650,000.

GO-Biz is currently preparing to release a Request For Application (RFA) for its second round of grant funding in September of this year. For this next round, GO-Biz will allocate \$28.9 million.

In its first round of grantmaking, GO-Biz provided grants to 95 organizations, including RYSE Center, the Covenant House, Phoenix House, and Tarzana Treatment Centers.

To learn more, go to: <https://business.ca.gov/california-community-reinvestment-grants-program/>.



The Youth Substance Use Disorder Prevention Program/ Elevate Youth California

This grant program provides funding to nonprofits and tribal organizations that work to prevent substance use among youth and young adults (ages 12 to 25) in communities of color impacted by the War on Drugs. The program is managed by the Department of Health Care Services (DHCS). For the first two rounds of grantmaking, DHCS has contracted with The Center at Sierra Health Foundation to serve as the grantmaking entity. The program's name is Elevate Youth California.

Youth-serving organizations that wish to apply must have a youth leadership/youth organizing strategy as part of their proposal.

The program places a priority on efforts that support youth leadership and activism in support of policy and environmental change related to substance abuse prevention. In addition, the program funds direct services in the areas of youth mentoring and youth peer-to-peer supports. Youth-serving organizations that wish to apply must have a

youth leadership/youth organizing strategy as part of their proposal, in addition to providing direct services.

In the first round of grantmaking, applicants were able to apply for up to \$1 million for a three-year grant period. Unlike the GO-Biz program, there were not different amounts for single organizations versus collaborative efforts. While The Center at Sierra Health is focused on funding efforts in communities impacted by the War on Drugs, the agency did not use specific criteria to determine what is meant by an impacted community, as did GO-Biz. The Center allowed applicants to define how they would serve an impacted community. The Center is currently preparing to issue a RFA for approximately \$30 million in September of 2020.

In its first round of grants, The Center provided grants to 26 organizations for a total of \$21.5 million. Organizations that received grants included California Youth Connection, Youth Leadership Institute-Merced, Fathers and Families of San Joaquin, Improve Your Tomorrow and the Northern California Indian Development Council, Inc.

To learn more, go to: <https://elevateyouthca.org>.

The Youth Community Access Program

This grant program is part of the overall allocation managed by DHCS as part of the Prop 64 revenue dedicated to youth substance use prevention and treatment. DHCS has subcontracted with the California Natural

Resources Agency (CNRA) to administer the program. CNRA is currently in its first round of grantmaking and will issue \$5.7 million in grants next summer. CNRA has mentioned in its grant presentations that it may increase the grant

amount to \$13 million by adding its second year allocation to the first year allocation. The program will fund projects that support youth access to natural or cultural resources with a focus on low-income and disadvantaged communities. The agency released an RFP for this grant program on July 14th, 2020 with a deadline of September 16th, 2020.

This program will fund public programs, educational programs, job training programs, outreach programs and small capital asset projects to support youth access to natural or cultural resources.

For this first round, the minimum award amount is \$25,000 and the maximum is \$300,000. Eligible applicants are local, state, and federal agencies, nonprofit organizations, and tribal organizations (both federally recognized and non-federally recognized).

Youth is defined as between birth and age 26.

As with the GO-Biz and DHCS/The Center grant programs, this program seeks to invest grant funds in communities disproportionately impacted by the War on Drugs. The agency will prioritize funding for “underserved” and low-income communities. According to the agency, underserved communities are communities of color and vulnerable populations, including foster and transition age youth, LGBTQIA youth, youth with disabilities, youth involved in the juvenile or criminal justice system, and other youth populations disproportionately affected by past drug policies. Low-income communities are defined as those with an annual median household income of less than 80 percent of the statewide average.

This program will fund public programs, educational programs, job training programs, outreach programs and small capital asset projects to support youth access to natural or cultural resources.

To learn more, go to: <https://resources.ca.gov/grants/youth>.

Local Cannabis Taxes as a Resource for Youth-serving Organizations

On a final note, we want to lift up that, in addition to state government, many local governments are collecting significant new revenues from local cannabis taxes. In most cases, local governments are choosing to invest these new dollars in general services and to expand law enforcement. In our view, these governments have a responsibility to invest at least part of these revenues to repair some of the harm from the War on Drugs through funding youth programs,

health services and economic development in communities of color. We encourage youth-serving organizations to advocate at the local level so that more local governments follow the example set by the state agencies and invest these revenues in communities of color and in vulnerable youth. Local governments also have the ability to place stronger regulations in place on advertising and other areas to reduce youth access to cannabis.

Round 1 Prop 64-funded grant programs	Who can apply?	Total amount of funding in first round of grantmaking	Ages served by the grant program	Grant amounts in first round
GO-Biz	Nonprofit organizations and local health departments	\$28.9 million	Not age-specific; applicant must show how population has been affected by past drug policies.	For single applicants, \$50,000 to \$300,000. For collaborative applicants, \$100,000 to \$650,000
DHCS	Nonprofits and tribal organizations	\$21.5 million	Youth ages 12 to 25	Up to \$1 million over 3 years; no distinction made between single applicants and collaborations
CNRA	Local, state and federal agencies, nonprofits and tribal organizations	\$5.7 million	Birth to age 26	Minimum award is \$25,000, maximum is \$300,000

Please note that the information presented in this chart reflects the status of the grant programs as of August 2020. The agencies responsible for implementing the grant programs will likely make changes to the grant programs for future rounds. Youth Forward will publish updates to this paper as changes take place.

About Youth Forward

Youth Forward (www.youth-forward.org) is a Sacramento-based policy advocacy and youth leadership organization focused on expanding opportunities and strengthening supports for youth of color and vulnerable youth. Established in 2017, Youth Forward has been an active leader in shaping the implementation of Proposition 64 with a particular focus on the allocation of cannabis tax revenues and on public health concerns related to legalization. Youth Forward has brought forward recommendations to state

agencies regarding the development of Prop 64 grant programs with the goal of supporting health and prevention in communities of color that were disproportionately impacted by the War on Drugs. Youth Forward’s staff are available to community-based organizations to provide additional information on these grant programs as well as to provide updates on Prop 64 implementation. For support, please contact Sarah-Michael Gaston at sarah@youth-forward.org.