



October 29th, 2021

**Analysis of the Prop 64 Public Health and Safety Grant Program  
Administered by the Board of State and Community Corrections**

In 2016, voters legalized cannabis in California through Proposition 64. This ballot measure included specific language requiring the state to allocate revenues from legal cannabis to certain activities. Prop 64 created a Marijuana Tax Fund in which 20% of the fund is set aside for law enforcement (with 60% to youth services and the remaining 20% to environmental repair). Currently, there are four grant programs managed by state agencies that are funded by state cannabis tax revenues. This paper analyzes one of those grant programs, the Prop 64 Public Health and Safety Grant Program managed by the Board of State and Community Corrections (BSCC). Prop 64 included language in the 20% set aside for law enforcement to create this grant program.

To date, BSCC has made two rounds of grants, totaling 33 grants and \$31,256,608, through the Prop 64 grant program. For each round, the BSCC formed an Executive Steering Committee (ESC) made up of individuals with expertise related to the permissible activities through an open application process. The ESC then determined the criteria for the grant awards based on state law and brought forward grant recommendations to the governing board of BSCC.

State law, based on language in Prop 64, indicates that the only entities that are eligible to apply for these grants are local governments that allow for some form of legal cultivation and retail sale (dispensaries).<sup>1</sup> Local governments that ban all forms of cultivation and/or retail sale are ineligible to apply. Local governments that receive grants have the option of subcontracting with local nonprofits to carry out grant activities.

The purpose of the grant program is to mitigate the impacts on local communities that arise from the legalization of cannabis in California. Funding may be used for one or more of the following activities:

- Youth development/ youth prevention and intervention
- Public health
- Public safety
- Environmental impacts

It's important to note that BSCC required every funded project awarded under Cohorts 1 & 2 to allocate at least 10% of its funding to youth development/youth prevention. This is a minimum; it was possible for a local government to allocate all of its grant funding to youth development.

For the first two rounds of funding, local governments were able to apply for up to one million in grant funds to be expended over a 3-year grant period. The population size of the local community was not taken into account. In other words, a large urban city and a small city in a rural area were able to apply for the same amount of funding. In order to apply, a local government had to designate a lead public agency.

This paper seeks to answer the following questions:

- Of the local governments that have been awarded grants, which types of local agencies serve as the lead agencies for the grant?
- What types of activities are being funded by the grant program?
- How may this grant program be strengthened in order to better meet its purpose of mitigating the negative impacts of cannabis legalization in local communities?

### **Grant Recipients**

Of the 33 grants awarded to date:

- 18 or 54% went to city governments
- 14 or 43% went to county governments
- 1 or 3% was awarded to the joint City/County of San Francisco

In regard to the lead public agencies that received the grant:

- 48% (16) were cities or counties general agencies
- 39% (13) were law enforcement agencies (police, sheriff or probation departments)
- 6% (2) were county offices of education
- 6% (2) were county behavioral health / alcohol and drug agencies

The program allowed local governments to apply together to support a collaborative effort. To date, the program has funded one collaborative grant, for the cities of Fresno and Mendota.

### **Activities Funded by the Grant Program**

Because all applicants were required to dedicate at least 10% of their budgets to youth prevention, all of the funded projects include a youth element. 39% (13) of the funded projects are focused entirely on youth services (their project summaries do not indicate that funding is going to any other activity other than youth services). In many funded projects, local governments are contracting with a youth-serving nonprofits to provide youth prevention and youth development services.

Many of the funded projects represent a mix of youth services, drug education, code enforcement, and enforcement activities directed at illegal cannabis businesses. One grant (City of Pomona) will fund a public health coordinator position.

21% of the grants indicate that funding will be used to hire law enforcement officers who will provide youth education and youth development services to underprivileged youth. For example:

- The City of La Mesa will use funds to support a police officer doing outreach and education in middle schools
- The City of Firebaugh will fund a full-time police officer to educate teens on the dangers of cannabis use

### **Grant Size**

As mentioned earlier, local governments were eligible to apply up to \$1 million regardless of the population size of the community overseen by the local government. If local governments applied together in a collaborative proposal (as in the case of Fresno and Mendota), they were able to apply for a larger amount (up to \$2 million). Fresno/Mendota received a grant of \$1,958,057.

If we look at this at a per capita basis, there are some huge disparities. For example, the City of Los Angeles, with a population size of 3.9 million received about the same grant amount as the City of Port Hueneme that has a population of 22,156.

### **Recommendations for the Next Round of Grant Funding**

The BSCC program represents an ongoing funding stream for local communities who seek to address the various and evolving impacts of legalization on local communities. As a result of legalization, local communities are having to grapple with many new dynamics in the realms of public safety, public health and youth substance use. The cannabis industry is quickly becoming corporatized, is using sophisticated marketing and product development methods to attract more users, including young people, and is growing its political influence.

In order to best maximize the impact of this funding stream, we believe that local leaders working in youth development, public health and law enforcement need to invest time and energy in analyzing and implementing the most effective interventions and strategies. We believe that Executive Steering Committee (ESC), in future rounds, could make some adjustments to the grant program to increase its impact. With that goal in mind, we offer the following recommendations to the ESC:

1. Encourage subcontracts with youth development organizations to carry out youth prevention services.

In order to have the greatest impact in the area of youth prevention, we recommend that local governments subcontract with youth development organizations that have a track record of working in the youth prevention field. These organizations have the experience needed to reach young people most at risk, who are often less likely to trust law enforcement or to look to law enforcement staff for mentoring and support. This is particularly true for youth of color whose communities have experienced harassment, discrimination and brutality by local law enforcement. For many years, in the 1980's and 1990's, school districts turned to law enforcement officers to lead drug education programs in the schools through the DARE program. Research, however, showed that the DARE program had little impact on youth substance use.<sup>2</sup> Another consideration is that youth organizations are often able to carry out youth programming at a much lower cost, and, as a result, are able to reach more young people, than if a local law enforcement agency were to manage such programs.

## 2. Vary the grant amount based on the population of the city or county

For the next grant round, we recommend the BSCC vary the size of grants so that communities with larger populations are able to receive larger amounts of funding and serve larger numbers of youth than smaller communities.

## 3. Prioritize grant funds for black and brown communities most impacted by the War on Drugs.

The other three grant programs funded by state cannabis tax revenues all explicitly prioritize high poverty communities and vulnerable youth. We urge the BSCC to follow their lead and to fund applications that include an analysis of how the War on Drugs has impacted certain communities and that prioritize these communities for youth prevention and public health interventions. While cannabis legalization affects the broader community, the negative aspects of legalization are impacting high poverty areas more deeply. These communities typically have higher concentrations of cannabis businesses and cannabis advertising, such as billboards. Young people in these communities deal with higher rates of trauma and are at greater risk for substance use disorder.

## 4. Allow applicants to use grant funding to help people transition from the illegal/underground market to the legal market.

Many of the local governments funded by the BSCC program are using grant dollars to carry out enforcement activities against unlicensed cannabis businesses. We are concerned that this escalating crack down on illegal businesses is creating a War on Drugs 2.0. With that in mind, we recommend that local governments explore how to use these funds to help businesses transition from the illegal to the legal market. To become licensed, cannabis entrepreneurs must navigate numerous, complicated obstacles in order to acquire permits and licenses. Some local governments are actively assisting black and brown entrepreneurs to enter the legal market, such as through the CORE program in the City of Sacramento.<sup>3</sup>

## 5. Support education, peer learning and evaluation among grantees

Given the multi-faceted challenges faced by local communities, BSCC can provide added value to local efforts by creating virtual sessions in which local governments and community leaders share their best practices and their challenges and through which they can learn from experts. An example of this kind of learning is the webinar held by BSCC in September of 2021 in which leading public health and youth development experts shared research on the health impacts of cannabis use and ways in which local governments can regulate the industry to protect public health.

### **Recommendations for Local Leaders**

In addition to these recommendations directed to the BSCC, we urge local leaders working in youth development and public health to engage their local government officials in conversations about how to best use these funds going forward and to shape future applications. Given the significant amount of funding that is available through this program and the limited number of governments that are eligible to apply, it is likely that local governments that have received grants will be able to apply again in the future. We urge leaders in the youth organizing and racial justice fields to engage their local officials and shape future applications that prioritize youth investments and a racial equity approach.

For more information about the BSCC program: <https://www.bscc.ca.gov/proposition-64-public-health-safety-grant-program/>



Youth Forward is a Sacramento-based nonprofit that has been working closely with state agencies and the Governor's Office on the implementation of Prop 64 since 2018. Youth Forward coordinates a statewide network of over 300 community organizations and public health leaders who work together on cannabis policy through the lens of health and racial equity. Youth Forward has been active on legislation in this area and recently co-led a successful campaign with Getting It Right from the Start/Public Health Institute to block legislation that would have expanded cannabis billboards to interstate highways. In addition to its work on cannabis policy, Youth Forward leads campaigns and coalitions in the Sacramento region with the goal of increasing investments in youth development and in reducing the criminalization of young people.

For more information about this report and Youth Forward please contact:

Adwoa Akyianu, Policy Advocate: [adwoa@youth-forward.org](mailto:adwoa@youth-forward.org)

Jim Keddy, Executive Director: [jim@youth-forward.org](mailto:jim@youth-forward.org)

<http://www.youth-forward.org/>

**BSCC Grants Awarded To Date**

The following tables display how funds were distributed to each county/city in both cohorts. The “Funding Use” column is a brief outline of how grant funds were used, see cohort project summaries for more detail.

**COHORT 1**

<b><u>County</u></b>	<b><u>Amount Awarded</u></b>	<b><u>Lead Public Agency</u></b>	<b><u>Funding Use</u></b>
<b>Alameda County</b>	\$1,000,000	Alameda County Probation Department (ACPD)	Probation and Youth Partnership
<b>Contra Costa County*</b>	\$999,346	Department of Alcohol and Other Drugs Services (AODS)	Only Youth/Public Health Services
<b>El Dorado County</b>	\$1,000,000	El Dorado Sheriff’s Office	Sheriff’s Office led youth services
<b>Humboldt County</b>	\$1,000,000	Humboldt County Sheriff’s Office	Sheriff’s office led youth services
<b>Lake County</b>	\$996,173	Lake County	Code enforcement and youth services
<b>City of Marysville</b>	\$990,000	Yuba County Office of Education (YCOE)	Only Youth/Public Health Services
<b>Monterey County</b>	\$996,545	Monterey County Administrative Office (CAO)	Youth services and regulation
<b>Santa Cruz County</b>	\$1,000,000	County of Santa Cruz	Youth Services
<b>Sonoma County</b>	\$1,000,000	County Permits and Resource Management Department (PRMD)	Youth services and code enforcement

<b>Trinity County</b>	\$1,000,000	Trinity County Sheriff's Office (TCSO)	Sheriff's office, youth services, code enforcement and regulation
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**COHORT 2**

<b><u>City/County</u></b>	<b><u>Amount Awarded</u></b>	<b><u>Lead Public Agency</u></b>	<b><u>Funding Use</u></b>
<b>City of Berkeley</b>	\$1,000,000	City of Berkeley	Youth services and city education
<b>City of Chula Vista</b>	\$1,000,000	Chula Vista Police Department	Police department and non-gov org
<b>City of Encinitas</b>	\$275,702	City of Encinitas	Youth services
<b>City of Firebaugh</b>	\$298,881	City of Firebaugh Police Department	Police-led youth services
<b>City of Fresno</b>	\$1,958,057	City of Fresno Police Department	Police department and youth/public health services
<b>City of La Mesa</b>	\$1,000,000	City of La Mesa	Partnership- police, code enforcement, youth org
<b>City of Los Angeles</b>	\$1,000,000	City of Los Angeles Department of Cannabis Regulation	Police enforcement and public education
<b>City of Merced</b>	\$885,546	City of Merced	Only youth services
<b>City of Mt. Shasta</b>	\$836,977	Mt. Shasta Police Department	Police department and youth org partnership
<b>The City of Nevada City</b>	1,000,000	City of Nevada City	School resource officer and regulation
<b>The City of Oakland</b>	\$997,694	City of Oakland	Police, youth services and education

<b>The City of Palm Springs</b>	\$1,000,000	City of Palm Springs	Only youth services
<b>The City of Pomona</b>	\$1,000,000	City of Pomona	Public health, youth services, police and code enforcement
<b>The City of Port Hueneme</b>	\$998,126	Port Hueneme Police Department	Police department and police led youth services
<b>The City of Sacramento</b>	\$999,555	Office of the City Manager	Only youth services
<b>The City of San Diego</b>	\$999,960	City of San Diego Police Department	School police officer and parent education
<b>The City of Woodlake</b>	\$600,368	City of Woodlake	Only youth services
<b>The City/County of San Francisco</b>	\$1,000,000	Office of the City Administrator	Youth services, education and law enforcement
<b>The County of Inyo</b>	\$779,537	Inyo County Probation Department	Only youth services
<b>The County of Mendocino</b>	\$866,484	Mendocino County Probation Department	Probation and youth org partnership
<b>The County of Mono</b>	\$814,798	Mono County Probation Department	Youth services, salaries and equipment
<b>The County of Nevada</b>	\$1,000,000	Nevada County Superintendent of Schools Office	Only youth services
<b>The County of Santa Barbara</b>	\$959,859	Santa Barbara County Department of Behavioral Wellness	Youth services and Sheriff's office

<sup>1</sup> See Rev and Tax Code 34019 subd (f)(3)(c)

<sup>2</sup> Ennett, S, Tobert, N, Ringwalt, C, and Flewlling, R, "How Effective is Drug Abuse Resistance Education? A Meta-Analysis of Project DARE Outcome Evaluations," *American Journal of Public Health*, September 1994, Vol. 84, No.9

<sup>3</sup> <https://www.cityofsacramento.org/City-Manager/Divisions-Programs/Cannabis-Management/Core-Program>