

# **Into the Weeds on Proposition 64**

## **Where Does the Money Go?**

**Victor Kogler, California Institute for Behavioral Health Solutions**

**Tom Renfree, County Behavioral Health Directors Association**

# Marijuana Legalization – Prop. 64

**The Adult Use of Marijuana Act of 2016 (Proposition 64) that passed on the November ballot is lengthy, multi-faceted and complex. Here is a summary of the fiscal provisions relating to the disbursement of tax revenues (which the LAO estimates could be as much as \$1 billion per year after a few years):**

After allocations to cover the “reasonable costs” incurred by specific state departments and entities tasked with implementing various provisions of the Act:

- \$10 million annually for 10 years to a public university or universities in California to research and evaluate the implementation of AUMA, and make recommendations to the Legislature and Governor.
- \$3 million annually for 5 years to the California Highway Patrol to establish protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of marijuana, and to adopt protocols setting forth best practices to assist law enforcement agencies.

# Marijuana Legalization – Prop. 64 (cont.)

- \$10 million beginning in FY 2018-19, and increasing \$10 million each fiscal year thereafter until FY 2022-23, at which time \$50 million will be disbursed each year thereafter, to the Governor’s Office of Business & Economic Development, to administer a Community Reinvestments grants program to local health departments, and at least 50% to qualified community-based nonprofit organizations, to support job placement, mental health and substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies.
  - *Question: What will be the allocation methodology for this grant funding, and how will the determination be made as to which communities have been “disproportionately affected” by past drug policies?*
- \$2 million annually to the UC San Diego Center for Medicinal Cannabis Research.
- After the above disbursements have been made, the remainder of the funds shall be allocated as follows:

# Marijuana Legalization – Prop. 64 (cont.)

60% to the Youth Education, Prevention, Early Intervention and Treatment Account, disbursed to the Dept. of Health Care Services, for programs designed to educate youth about and to prevent substance use disorders, and to prevent harm from substance use.

**DHCS shall enter into agreements with the Dept. of Public Health and the Dept. of Education to implement and administer these programs.** The programs may include the following components:

- Prevention and early intervention services including outreach, risk survey and education to youth, families, schools, primary care health providers, behavioral health and SUD service providers, community and faith-based organizations, foster care providers, juvenile & family courts, to recognize the reduce risks related to substance use, and the early signs of problematic use.
- Grants to schools to develop and support Student Assistance Programs, designed to prevent and reduce substance use, and improve school retention and performance. Schools with higher than average drop-out rates will be prioritized for grants.

# Marijuana Legalization – Prop. 64 (cont.)

- *Questions: How and by whom is this allocation determined? Is there any role for county SUD programs at the local level?*
- Grants to programs for outreach, education and treatment for homeless youth and out-of-school youth with substance use disorders.
  - *Questions: How is this allocation determined? Who administers these programs at the local level?*
- Access and linkage to care provided by County Behavioral Health programs for youth, their families and caregivers, who have or are at risk for developing a substance use disorder.
  - *Question/Comment: What kind of approach will DHCS take in their guidelines for defining “at risk” status relative to medical necessity for EPSDT services? In developing a youth continuum of care, this funding may be important to fill the gap between SAPT funding for primary prevention and DMC-funded EPSDT services. It could also serve as the CPE for the EPSDT match.*

# Marijuana Legalization – Prop. 64 (cont.)

- Youth-focused SUD treatment programs that are culturally and gender competent, trauma-informed, evidence-based, and provide a continuum of care that includes screening and assessment, family involvement, case management, overdose prevention, prevention of communicable diseases related to substance use, relapse management, vocational services, literacy services, parenting classes, family therapy and counseling services, medication-assisted treatment, psychiatric medication and psychotherapy. When indicated, referrals must be made to other providers.
- Family-based interventions that address SUD and related problems within the context of families, including parents, foster parents, caregivers and all their children.
  - *Comments: This provision could potentially allow for the use of Prop. 64 funding to provide SUD treatment services for adults as well as youth.*
- Programs to assist individuals, as well as families and friends of drug using young people, to reduce the stigma associated with SUD. This includes peer-run outreach and education to reduce stigma and community recovery networks.



# Marijuana Legalization – Prop. 64 (cont.)

- *Comments: The peer-run programs and recovery networks for youth are good ideas. Media presentations like anti-stigma campaigns or DARE-type programs can be a fiscal black hole given the amount of money typically allocated for these purposes. There might be some short-term local level impact, but unless we can match and sustain funding comparable to the alcohol industry’s advertising budget, media campaigns will probably not produce good outcomes. Every effort should be made to provide scientifically-sound information.*
- Workforce training and wage structures that increase the hiring pool of behavioral health staff with SUD prevention and treatment expertise. Provide ongoing education that increases SUD treatment providers’ core competencies and trains providers on promising and evidenced-based practices.
  - *Question: What is meant by “wage structures?”*
- Construction of community-based youth treatment facilities.
  - *Question: What is allowable in terms of construction? And who authorizes?*

# Marijuana Legalization – Prop. 64 (cont.)

- The state departments may contract with each County Behavioral Health program for the provision of services. Funds shall be allocated to counties based on demonstrated need, including the number of youth in the county, and the prevalence of SUD among adults.
  - *Question: This appears to be a need-based subvention. How often are the needs data updated?*
- The state departments shall periodically evaluate the programs they are funding to determine the effectiveness of the programs.
  - *Comment: Prop. 64 allocates \$10 million annually for 10 years to a public university or universities in California to do this evaluation.*
- The departments may use up to four percent (4%) of the moneys allocated to the Youth Education, Prevention, Early Intervention and Treatment Account for administrative costs related to implementation, evaluation and oversight of the programs.
  - *Comment: Three departments at 4% each = 12%*



# Marijuana Legalization – Prop. 64 (cont.)

- **If the Dept. of Finance ever determines that funding pursuant to marijuana taxation exceeds demand for youth prevention and treatment services, the departments shall provide a plan to DOF to provide services to adults as well as youth using these funds.**
- The departments shall 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 made pursuant to this initiative.
  - *Questions: Does this mean that a statewide Advisory Board is in the works? And what is a “volunteer health organization?”*

# A little holiday humor...



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# Contact Information

**Victor Kogler, Vice-President, CIBHS**

**[vkogler@cibhs.org](mailto:vkogler@cibhs.org)**

**Tom Renfree, Deputy Director, Substance Use Disorder Services, CBHDA**

**[trenfree@cbhda.org](mailto:trenfree@cbhda.org)**