



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

June 12, 2018

The Honorable Richard Pan, Chair  
Senate Health Committee  
State Capitol, Room 2191  
Sacramento, CA 95814

Dear Senator Pan:

ASSEMBLY BILL 1744 (AS AMENDED APRIL 26, 2018) – OPPOSE

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 1744. This bill would amend The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA) to specify that DHCS, in determining which programs to be funded from the Youth Education, Prevention, Early Intervention and Treatment Account (YEPEITA), may consider selecting, among other programs, programs established pursuant to the 21st Century High School After School Safety and Enrichment for Teens Program (ASSETs), the After School Education and Safety Program (ASES), and the 21st Century Community Learning Centers Program (CCLC).

Unfortunately, DHCS must oppose AB 1744, because it explicitly identifies specific programs in statute for preferential consideration of YEPEITA funding disbursements. Such references imply DHCS should give preferential treatment to these programs for YEPEITA funding, regardless of a verified need, and would circumvent the analysis process that DHCS will undertake to determine entities to be considered for YEPEITA funding.

Under current law (Revenue and Taxation Code Section 34019(f)(1)(K)), DHCS is responsible for allocating YEPEITA funds to state agencies, counties and other organizations based on their needs by establishing specific criteria. AB 1744 would specify that DHCS, in determining which programs to be funded from the YEPEITA, may consider selecting, among other programs, ASSETs, ASES, and CCLC.

DHCS is currently in the planning and infrastructure phase regarding AUMA. The licensing just became effective January 2018 and the Department of Finance will need to conduct a full fiscal year analysis before it can be determined how much funding will be available to fund all of the set-asides. The program is not expected to be running

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until the funding is available. It is estimated to be made available in Fiscal Year 19/20. At that time, DHCS will determine through, statistical data, validated assessments or submitted reports prepared by the applicable entity, which entities should be considered for YEPEITA funding and the disbursement formula for available funding.

While DHCS understands the merits of after school programs, the explicit referencing of specific after school programs into code for YEPEITA funding disbursements is an issue of concern for the Department. In addition, since YEPEITA funds are not yet available and it is unknown how much money will be available through this account, DHCS feels it is premature to reference specific considerations in statute for the distribution of these funds.

If you have any questions, please contact me at 440-7500.

Sincerely,

*o/s/by: CG*

Carol Gallegos  
Deputy Director

cc: The Honorable Assembly Member Kevin McCarty  
State Capitol, Room 2136  
Sacramento, CA 95814

Co-Chair and Members, Senate Health Committee  
Senate Republican Caucus  
Senate Floor Analysis  
Department of Finance  
CHHS Legislative Unit  
GO Deputy Legislative Secretary