The Marijuana Boom:
Cultivating New Revenues for Children Services

April 11, 2018
Presentation Overview

Margot Grant Gould
First 5 Association of CA

Gina Daleiden
First 5 Yolo

Jim Provenza
Yolo County Supervisor

David Brody
First 5 Santa Cruz

Mary Ann Hansen
First 5 Humboldt
First 5’s Prevention Approach
First 5’s Healthy Development Promotion Approach

Healthy Development Promotion is broader than just cannabis funding. BUT cannabis is highly relevant now.

With legalization, cannabis usage is expected to increase across most demographic groups

1. Recognize the early years as critical and unique, and the investment in prenatal to 5-years (0-5) as foundational.

2. Reduce the public health effects on young children and pregnant women.

3. Understand that prevention is part of the Prop 64 mandate.
1) The Importance of 0-5

“Early experiences affect how the brain develops, shaping how children learn, behave, and grow.”

- The Center for the Developing Child at Harvard University

What happens as a kid.... Shapes adults... and the rest of society
The Importance of 0-5

High-quality birth-to-five programs for disadvantaged children can deliver a 13% return on investment.

Source: James Heckman, Nobel Laureate in Economics
The Importance of 0-5

Adverse Childhood Experiences Increase the Risk for:

- Developmental delays
- Behavioral problems
- Low educational attainment
- Child welfare involvement
- Lower wages in adulthood
- Poor health outcomes
- Justice system involvement
- Homelessness
The Need is Great... Revenues are Declining

Those that benefit the most from early childhood supports are not getting what they need

RESILIENT FAMILIES
• 1 in 7 children reported for abuse or neglect before age 5
• 1 in 4 young children in CA experience housing instability

COMPREHENSIVE HEALTH AND DEVELOPMENT
• As many as 10K children are missing out on cost-saving early intervention each year
• CA kids have high rates of untreated dental decay

QUALITY EARLY LEARNING
• Only 45% of 3rd graders read at grade level
• Child care costs are too high for most families
2) Public Health Effects of Cannabis

First, some context...

1. Understanding the CA’s cannabis regulatory approach (post-Prop 64) most reflects alcohol policy making.

2. Focusing our attention to certain populations for which cannabis is generally not intended: pregnant women and children age 0-5.
Health Impacts

- CDC and CDPH guidance: no known safe amount of cannabis for your baby
- Research correlates maternal cannabis use with:
  - Lower birth weight
  - Child’s decreased IQ and cognitive function
- THC is stored in fat cells and releases over several weeks into breast milk – CDPH: “pumping and dumping” doesn’t work
Cannabis Legalization in CA

Kaiser Permanente Northern CA Study

• Overall pregnancy usage: 4% in 2007 → 7% in 2016

• 22% of expecting moms under the age of 18 screen positive

• 19% of expecting moms between the ages 18 - 24 screened positive

"In CA, medical marijuana was legalized in 1996, and prenatal use may further escalate in 2018 when recreational marijuana is made available."

- JAMA, December 26, 2017

Two Main Concerns:
1) Upward trend in cannabis usage
2) Misinformation and lack of information across the field
3) Prop 64 and Prevention

Prop 64 “will legalize marijuana for those over 21 years old, protect children, and establish laws to regulate marijuana cultivation, distribution, sale and use, and will protect Californians and the environment from potential dangers.”

“The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families and caregivers.”

First 5 believes that effective health promotion and primary prevention must include investments in children 0-5
Trailblazers in Cultivating New Revenues for 0-5
1) How did you first engage in cannabis funding conversations? What is the status?

<table>
<thead>
<tr>
<th>Santa Cruz</th>
<th>Humboldt</th>
<th>Yolo</th>
</tr>
</thead>
<tbody>
<tr>
<td>County:</td>
<td>County:</td>
<td>County:</td>
</tr>
<tr>
<td>• First 5’s “Thrive by Three campaign”</td>
<td>• Measure S cultivation tax</td>
<td>• “Thrive by Five” initiative</td>
</tr>
<tr>
<td>• Board of Supervisors approved funding</td>
<td>• Children and family mental health called out in ballot initiative</td>
<td>• Tax on June 2018 Ballot</td>
</tr>
<tr>
<td>• Allocated $350,000 from county in first year</td>
<td>• First 5 receives $400,000 in first year</td>
<td>• Early childhood is named in ballot question.</td>
</tr>
<tr>
<td>• First 5 managing $150,000 directly</td>
<td></td>
<td>Development Agreements (pending):</td>
</tr>
<tr>
<td>City:</td>
<td>County:</td>
<td>• Industry</td>
</tr>
<tr>
<td>• 1% set aside for children and youth 0-8</td>
<td></td>
<td>• Local government agencies</td>
</tr>
<tr>
<td></td>
<td>County:</td>
<td>City of Davis</td>
</tr>
<tr>
<td></td>
<td>• Measure S cultivation tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Children and family mental health called out in ballot initiative</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• First 5 receives $400,000 in first year</td>
<td></td>
</tr>
</tbody>
</table>
2) What alternative revenues are you seeking? What are you funding or proposing to fund?

<table>
<thead>
<tr>
<th>Santa Cruz</th>
<th>Humboldt</th>
<th>Yolo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Source:</strong>&lt;br&gt;• County cannabis business tax (existed prior to Prop 64)</td>
<td><strong>Revenue Source:</strong>&lt;br&gt;• County cultivation tax</td>
<td><strong>Revenue Source:</strong>&lt;br&gt;• County ballot measure: cultivation and business</td>
</tr>
<tr>
<td><strong>Programs Funding:</strong>&lt;br&gt;• Home Visiting&lt;br&gt;• Early learning scholarships for child care&lt;br&gt;• System improvements</td>
<td><strong>Programs Funding:</strong>&lt;br&gt;• Early childhood mental health services to playgroups and child care settings&lt;br&gt;• Grants to community organizations serving children 0 to 8</td>
<td><strong>Programs Funding:</strong>&lt;br&gt;• City cannabis revenue directed to early childhood&lt;br&gt;• Private Industry contributions</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Programs Funding:</strong>&lt;br&gt;• Home Visiting&lt;br&gt;• Coordinated Assessment and Care at-birth or prenatally</td>
</tr>
</tbody>
</table>
3) How did you make the case for 0-5?

<table>
<thead>
<tr>
<th>Santa Cruz</th>
<th>Humboldt</th>
<th>Yolo</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Thrive by Three campaign to highlight need</td>
<td>• Budget advocacy with Board of Supervisors</td>
<td>• Champion on Board of Supervisors</td>
</tr>
<tr>
<td>• Champion on Board of Supervisors</td>
<td>• Community support for children’s services</td>
<td>• Connection to women’s equity</td>
</tr>
<tr>
<td>• Key partners and allies</td>
<td>• Local cannabis industry supported early childhood mental</td>
<td>• Thrive by Five highlighted need for,</td>
</tr>
<tr>
<td></td>
<td>health – knew the unmet need, knew the impact of ACEs</td>
<td>and potential of, early childhood programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Community “Friends of First 5” including</td>
</tr>
<tr>
<td></td>
<td></td>
<td>pediatricians, child psychologists, OB/GYN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>doctors, teachers, child advocates</td>
</tr>
</tbody>
</table>
4) What advice and key takeaways do you have for others?

<table>
<thead>
<tr>
<th>Santa Cruz</th>
<th>Humboldt</th>
<th>Yolo</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Explore all revenue sources, not just cannabis</td>
<td>• Don’t forget industry</td>
<td>• Remember to engage with cities</td>
</tr>
<tr>
<td></td>
<td>• Talk about the importance of prevention</td>
<td>• Explore all revenue mechanisms to leverage funding streams</td>
</tr>
<tr>
<td></td>
<td>• Match to the needs of the community</td>
<td>• Increase understanding of early childhood prevention and intervention as foundational</td>
</tr>
</tbody>
</table>


Key Considerations for Local Discussions

- Cannabis is a revenue source for any municipality that does not ban cannabis.
- Importance of framing “prevention” as early childhood health promotion childhood, not stigmatizing all cannabis use.
- Connect to local context in discussing potential revenue sources and revenue recipients.
- Early childhood funding is increasingly seen as a priority for funding.