

FEBRUARY 13, 2019

Proposition 64 Youth Account: Issues for Legislative Consideration

PRESENTED TO:

Senate Committee on Health
Hon. Richard Pan, Chair

Senate Committee on Education
Hon. Connie M. Leyva, Chair



LEGISLATIVE ANALYST'S OFFICE

Unresolved Issues in Youth Account Language Open Door to Legislative Action

Proposition 64's Youth Account Language Unclear or Silent on Many Issues

- Silent on specification of outcomes to be achieved from spending from the account.
- Silent on specification of funding priorities among long list of permissive activities and programs.
- Silent on how program spending is to be evaluated and how lessons learned from evaluations could be applied.
- Silent on process to ensure effective oversight of account spending and program implementation.
- Silent on how the three implementing departments shall work together.
- Silent on definition of “youth.”
- Unclear on (1) universe of entities eligible to receive grant funding and (2) amount that can be spent on state-level programmatic (as opposed to administrative) activities.

Unresolved Issues Open Door for Legislature to Provide Direction and State Its Preferences

- While Proposition 64 (2016) is silent on the Legislature's role related to Youth Account spending, we assume it has oversight authority that can be exercised.
- Legislature should consider stating its preferences in statute, while maintaining flexibility to support iterative decision-making.



Unresolved Issues in Youth Account Language Open Door to Legislative Action

(Continued)

- Legislature should consider providing direction with the goal of facilitating good decision-making by the three implementing departments.
- Legislature can be guided by lessons learned from Proposition 63 (2004) implementation.



Five Key Legislative Considerations

Identifying Outcomes to Achieve

- Given the wide variety and number of possible uses of Youth Account funds, and the number of possible implementers (three departments, numerous school districts and schools, and countless programs), the Legislature can help departments focus spending decisions.
- **Recommendation: Statutorily Establish a Select Set of Outcomes for Use of the Youth Account.** We recommend the Legislature identify and codify the high-level outcomes—perhaps three to five—the state should seek to achieve through spending of Youth Account monies. It should first establish what the current baseline situation is and then set meaningful and measurable targets for each desired outcome.

**Proposition 63
Lesson Learned**

Establishing Legislative Preferences and Oversight Process

- The Legislature can use its oversight role to help the departments make good decisions on a year-by-year basis and ensure programs are helping the state achieve the outcomes established by the Legislature.
- **Recommendation: State Legislative Intent That Departments . . .**
 - Use initial funding for programs that are evidence-based.
 - Test promising practices as pilots, with formal evaluation requirement.
 - Refine efforts and funding allocations annually with guidance from a technical advisory committee (see next consideration).
- **Recommendation: Specify Preferences for Accountability, Reporting, and Transparency.** The Legislature could indicate how often and in what format it would like updates about spending, what formal reporting by the departments it would like, and its preferences for what information and data should be made available publicly.



Five Key Legislative Considerations

(Continued)

Facilitating Legislative Oversight With a Technical Advisory Committee

To help the Legislature in its oversight role and to aid departments in making sophisticated decisions based on research, we recommend the following:

- **Recommendation: Establish a Technical Advisory Committee.**
The Committee's role would not be policymaking, but rather providing technical assistance to policy makers (such as which programs would most effectively help the state achieve its outcomes) and program implementers (such as help in conducting a pilot program) to better inform decision-making.

- **Recommendation: Select a Small Group of Experts Sophisticated in Data Analysis for the Committee.** The committee should include experts with relevant technical experience (not primarily advocates). The Committee should report to both the Legislature and Department of Health Care Services (as lead agency).

- **Recommendation: Have the Committee . . .**
 - Design a robust data collection and evaluation framework upfront.
 - Advise on current and future service needs and gaps.
 - Establish standards for evaluating grant proposals.
 - Analyze and provide feedback about information reported by departments.

**Proposition 63
Lesson Learned**



Five Key Legislative Considerations

(Continued)

Resolving Key Allocation Questions While Maintaining Flexibility

Numerous issues still need resolution—some at the outset and some on an ongoing basis.

- **Recommendation: Make the Following Decisions at the Outset**
 - **Defining Youth.** We recommend keeping the term broad considering that “youth” substance use disorder (SUD) prevention and treatment could involve a wide age range. To prevent unfocused spending, however, we stress the importance of the Legislature establishing overall outcomes upfront, so spending decisions can flow from this goal.
 - **Determining Who Is Eligible to Receive Grant Funding.** We recommend a flexible approach, but suggest specifying that any private entity receiving funds must provide a service or fulfill a purpose that helps the state achieve its intended outcomes.
 - **Handling Unspent Funds in Future Years; Establishing Reserve-Related Requirements.** We recommend setting statutory requirements upfront related to reversion of unspent grant funds and establishing clear reserve requirements for recipients of Youth Account monies.

- **Recommendation: Make the Following Decisions on an Ongoing Basis**
 - **Determining the Relative Importance of Prevention/Early Intervention Versus Treatment.** We recommend the Legislature consider its initial priorities for distribution, and then reconsider and state its preferences for the distribution on a regular basis, such as annually, with input from the Technical Advisory Committee.

Proposition 63
Lesson Learned

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Five Key Legislative Considerations

(Continued)

- **Allocating Funds Between Local Assistance and Statewide Programs.** Because Proposition 64 is unclear about how much of the Youth Account can be spent on statewide efforts, such as media campaigns, we suggest seeking advice from Legislative Counsel regarding this provision.
- **Considering the Role of Competitive Grants and Funding Formulas.** We recommend a flexible approach. When evidence is sparse, a competitive grant system would allow testing and evaluation of new programs and practices. When evidence is rich, a formula-based allocation system would facilitate local entities choosing from a menu of evidence-based practices based on their particular needs.

Assess and Plan for Workforce Capacity

- California faces a shortage—albeit unquantified—of youth SUD prevention, early intervention, and treatment professionals. Successful programs will require trained health care providers, other types of professionals—such as school counselors, behaviorists, therapists, teachers, school administrators, school nurses—and peer support specialists.
- **Recommendation: Direct Creation and Coordination of a Workforce Development Plan at the State Level.** A strategic workforce development plan developed at the state level will facilitate an overarching understanding of workforce needs statewide and the creation of new laws if incentive, pilot, or loan forgiveness programs are needed, for example.

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Lesson Learned**

