

California Allocates Over \$40 Million in Cannabis Tax Funds to Nonprofits and Health Agencies

California Awards Over \$41 Million in Community Reinvestment Grants from Marijuana Tax Revenue

Sacramento, CA, June 4, 2024 — California officials have announced the latest recipients of community reinvestment grants funded by marijuana tax revenue. The Governor's Office of Business and Economic Development (GO-Biz) revealed on Friday that more than \$41 million has been awarded to nonprofits and local health departments. This marks the sixth round of California Community Reinvestment Grants (CalCRG) under the state program.

Grant Awards to Support Disadvantaged Communities

Organizations receiving grants will use the funds for a range of services, including job placement, legal assistance, treatment for mental health and substance use disorders, medical care referrals, and other services for communities disproportionately affected by the drug war. Awards range from \$600,000 to \$3 million.

Examples of Grant Recipients

Poverello House (Fresno County): \$3 million

The Los Angeles Free Clinic (Los Angeles County): \$900,000

Saint John's Program for Real Change (Sacramento County): \$2,953,007

Bay Area Community Resources, Inc. (San Francisco): \$1,200,000

Community Bridges (Santa Cruz County): \$750,000

Previous and Future Funding

Last year, GO-Biz awarded more than \$50 million in reinvestment grants to organizations such as Goodwill of the San Francisco Bay, Uncommon Law, the Los Angeles Conservation Corps, and health departments in Los Angeles and Monterey counties. Funding for the program has generally increased each year until 2024 when it leveled off.

Eligibility for Future Grants

GO-Biz plans to open applications for the next round of grants in August. Eligible nonprofits must be at least six months old, have a physical address in California, be tax-exempt at both state and federal levels, be registered as active with the secretary of state, and be appropriately certified to provide proposed services.

Grants can reimburse 100 percent of personnel costs and 50 percent of training, equipment, and other direct costs. Indirect costs may not exceed 17 percent of the total award.

Impact of Legalization and Future Plans

California's legalization of marijuana has led to the creation of various grant programs aimed at addressing the consequences of prohibition and supporting a regulated legal industry. In March, officials awarded \$12 million in grants to support equity programs for people disproportionately impacted by the war on drugs.

Governor Newsom's Budget and Future Initiatives

Gov. Gavin Newsom (D) stated in his budget request this year that he aims to "strengthen" the state's marijuana market. However, he also proposed borrowing \$100 million from a cannabis tax fund designated for law enforcement and public safety to help close a government budgetary deficit.

State Department of Cannabis Control Initiatives

The state Department of Cannabis Control (DCC) announced last September that it was doubling the funds available to localities to speed up the opening of cannabis retailers, aiming to reduce the illicit market. In February, DCC launched a marijuana database to help consumers, stakeholders, and lawmakers better understand industry trends, including monthly sales data and information about cannabis licensees.

A poll commissioned by DCC released in February found that 62 percent of adults believe the state's legalization law is having a "positive" impact—an even greater percentage than those who voted to enact the reform seven years ago.

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