



CALIFORNIA MINORITY ALLIANCE

April 26, 2018

BOARD OF DIRECTORS

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Honorable Members of the City Council

Budget and Finance Committee

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c/o Office of the City Clerk

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City Hall, Room 395

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Los Angeles, California 90012

Ken Jones

Attention: Richard Williams, Legislative Assistant II

Donnie Anderson

SUBJECT: PROPOSED BUDGET FOR THE DEPARTMENT OF CANNABIS

REGULATIONS: Council File No. 18-0600 and Council File No. 14-0366-S5.

Virgil Grant

Hon. Gwen Moore

Honorable Members of the City Council Budget & Finance Committee:

Meiko Perez

On behalf of the communities, businesses, entrepreneurs, and advocates whom are members of the California Minority Alliance (CMA), our several thousand members both as pioneers in the passage of Measure M, and advocates of their communities, hereby formally request your support and "YES" VOTE for the approval of the proposed 2018-19 budget of the Department of Cannabis Regulations.

Richard Polanco

Alice Huffman

According to Galperin (2018), the City of Los Angeles is estimated to realize General Fund revenues at 6% lower than the 2017-18 adopted budget. However, the 2018-19 General Fund revenues are estimated to increase by 2.9% or \$169 million over the 2017-18 adopted budget (Galperin, 2018). That is, the City's projected growth of \$169 million in 2018-19 estimated budget is dependent upon the City's projected revenue growth "from Cannabis-related licensing fees and business taxes of at least \$20 million" (Galperin, 2018, p. 2).

CALIFORNIA MINORITY ALLIANCE

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In other words, 11.83% of the City's estimated fund growth is attributable to one industry: Cannabis.

Accordingly, Packer (2018) stated "the Department has granted temporary approval to over 140 businesses eligible for 'Proposition M Priority Processing' and has collected \$3.5 million" (p.1). Equally important, said revenue was collected with only four (4) employees. Inasmuch, the rate of return comparative to taxpayer investment yields high earnings for the City's general fund.


In spite of staffing limitations, the Department of Cannabis Regulations (DCR) has illustrated frugality in both its operations and management of taxpayer dollars.

To date, DCR's management and operations reflect both efficiency and revenue generating success. With this in mind, a VOTE of "YES" not only illustrates your support for government efficiency but also illustrates foresight in addressing the estimated 4.9% growth in 2018-19 budget estimated expenditures (Galperin, 2018).

Granted, portions of these estimated expenditures shall be attributable to one's "YES" vote for the DCR 2018-19 proposed budget, the ratio of expenditure to- revenue favors both good stewardship of City tax dollars and intelligent strategic planning for addressing the estimated budgetary shortfall. Such that DCR expenditures are related to the implementation of the Social Equity Program (SEP), Public Education and Outreach Program, Enforcement Collaborations, and Licensing (Packer, 2018).

That is, a VOTE "YES" for the DCR proposed budget is a vote for City revenue increases.


Sincerely,



Donnie Anderson
President



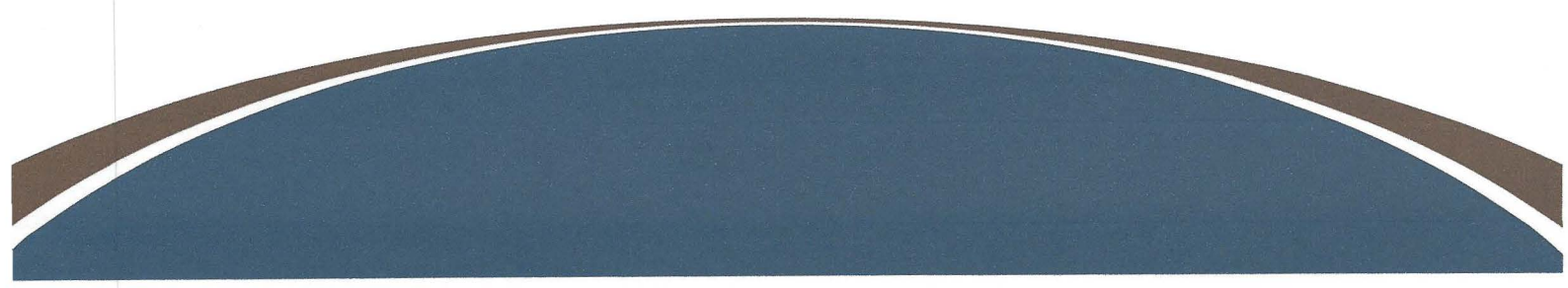
Virgil Grant
Vice President



Ken Jones
Treasurer



Tyrone Freeman
Executive Director



References

- Galperin, R. (2018, March 1). *LA Controller Revenue Forecast Report*. Retrieved from <http://www.lacontroller.org/revenue>:
https://lacitycontroller.github.io/revenue_forecast_report/report.pdf
- Packer, C. (2018, April 21). Department of Cannabis Regulations 2018-19 Proposed Budget. *Letter to Members of the City Council Budget and Finance Committee*. Los Angeles, CA, USA.

