

Special Report: A Baseline Review and Assessment of the Massachusetts Cannabis Industry's Required Positive Impact Plans

October 2019

Massachusetts Cannabis Control Commission:

Steven J. Hoffman, Chairman
Kay Doyle, Commissioner
Jennifer Flanagan, Commissioner
Britte McBride, Commissioner
Shaleen Title, Commissioner
Shawn Collins, Executive Director

Prepared by the Massachusetts Cannabis
Control Commission Research Department:

Jessica R. Hamilton, BA, Research Intern
Samantha M. Doonan, BA, Research Analyst
Julie K. Johnson, PhD, Director of Research

Author Spotlight

Jessica R. Hamilton

Jessica R. Hamilton is a second year Master of Divinity Student on the Global and Community Engagement track at Boston University School of Theology. Her studies are focused on the intersection of public policy and social ethics. She is interested in understanding what bearing this intersection has on emerging conversations of equity in the public policy landscape, particularly where equity seeks reconcile communities that have experienced harm. Prior to entering seminary, Ms. Hamilton held a number of roles in health care policy and advocacy.

She is a graduate of Northeastern University where she received a Bachelor of Arts in political science. In March 2019, Ms. Hamilton was awarded the Rappaport Public Policy Fellowship, which promotes public service and provides funding for graduate students to work in state or local government.

About the Rappaport Public Policy Fellowship

The Rappaport Institute for Greater Boston encourages graduate students to spend part of their careers in public service through a paid, 10-week summer internship in key state and local agencies in the Greater Boston area. Fellows, who represent all graduate schools in Greater Boston, participate in a weekly seminar series with leading practitioners and scholars. The fellowship program is a key component of The Rappaport Institute, which aims to improve the governance of Greater Boston by promoting emerging leaders, stimulating informed discussion, and producing new ideas.

About the Project

This special report is the result of student-led research project and its production represents a collaborative effort between the author and the Massachusetts Cannabis Control Commission's Research Department (Julie K. Johnson, Ph.D. and Samantha Doonan, BA). This report takes the unique approach to engaging both quantitative and qualitative methods to assist the student in meeting her learning goals and objectives. While outside the scope of the research agenda in *Chapter 55 of the Acts of 2017*, Positive Impact Plans represent the primary means for industry participants to support social equity efforts and establish a meaningful attempt at addressing historical harm. The topic is thus of great interest to the Commission and a graduate theology student and was selected for research because it is mutually beneficial.

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Cannabis Control Commission

Social Equity

Shekia Scott, Director of Community Outreach

Licensing

Kyle Potvin, Director of Licensing

Communications Department

Cedric Sinclair, Director of Communications

Maryalice Gill, Press Secretary

Kirsten Swenson, Communications Specialist

Chief of Staff

Erika Scibelli

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Purpose

The purpose of this special report is to inventory the first full year of Positive Impact Plans (PIPs) submitted to the Massachusetts Cannabis Control Commission (“Commission”) by all licensed Marijuana Establishments (MEs) through a comprehensive assessment of scope surrounding these processes.

This study aims to understand the quality and potential impact of the plans and identify opportunities for improvement. Specifically, the goals for this research are to:

- Understand how MEs view their role in creating an equitable market;
- Determine the types of activities those MEs currently licensed to operate in the market believe will most positively impact disproportionately harmed communities and promote meaning participation in the market;
- Explore the varying interpretations of “Social Equity” as it pertains to the assessment of Positive Impact Plan goals and activities;
- Investigate the need for, and potentially connect the narrative associated with the lived experience to publicly available data quantifying the harm done to disproportionately impacted communities; and
- Provide considerations for Positive Impact Plan improvement that aligns with the Commission’s legislative mandate and restorative justice aims.

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Executive Summary

The Massachusetts Cannabis Control Commission (“Commission”) is required to establish “procedures and policies that promote and encourage full participation in the regulated cannabis (“marijuana”) industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.”^a To this end, the Commission requires Marijuana Establishments (MEs) to submit Positive Impact Plans (PIPs), or a plan to positively impact Areas of Disproportionate Impact, in their application for licensure.^b Guidance has clarified that the PIP may target members of identified Areas of Disproportionate Impact, members of the Commission’s equity programs, and state residents who have, or are the child or spouse of someone who has, a past drug conviction.

Research shows that marijuana prohibition and enforcement disproportionately affects Black and Hispanic/Latino people.¹⁻⁷ Drug convictions are also known to limit employment opportunities.^{1,8} In the newly legal industry, PIP implementation could result in reparative pathways for people and communities disproportionately harmed. However, any impact will depend on the quality (*i.e. goals, activities, actions, impact*) of these plans. As this report is limited to the first year of plans, the actions and subsequent impact of plans could not be assessed.

To comprehensively assess the goals and activities of PIPs, data was obtained from three key stakeholders: (1) the Commission, (2) the Industry, and (3) People disproportionately affected by marijuana prohibition and enforcement [*See Main Findings below*].

To this end, first, we examine public documentation related to the PIP to understand formal and informal guidance provided from the Commission to the industry. Next, we present findings from Key Stakeholder Interviews with Commissioners. We then present a qualitative assessment of the first full year of PIPs submitted by MEs. Lastly, we discuss the perspective of people disproportionately affected through an assessment of survey and open-ended responses provided by Social Equity Program Applications. Limitations and suggestions for future research are discussed. The report ends with policy considerations.

^a MGL c. 94G § 4(a½)(iv).

^b 935 CMR 500.101(1)(a)11.

Main Findings

Positive Impact Plan– Purpose and Social Equity

- Key Stakeholders identified a range of purposes for the Positive Impact Plan (PIP);
- There was consensus across Key Stakeholder Interviews about the historic narrative of marijuana prohibition and enforcement. However, there are differences in defining social equity;
- Thirty-eight percent of PIPs define social equity and approximately half (51%) include language that demonstrates understanding of the historical narrative associated with marijuana prohibition and enforcement; and
- Social Equity Applicants free responses about the definition of social equity often include: “industry,” “opportunity,” “community,” “people,” “business,” and “chance.” Free responses included a range of themes, such as: “concerted effort to correct past wrongs,” “balancing injustices from the war on drugs,” “investment,” and “chance to heal.”

Positive Impact Plan– Activities and Economic Activities

- All PIPs include proposed activities. Activities ranged in clarity, substance, and commitment. Multiple plans included conditional language indicating their ability to implement activities depended on the success of their business;
- There is consensus across stakeholders that PIPs should include economic activities, but there is a need for clarity around the desired economic activities;
- Many PIPs include economic activities ranging from grant funding and accelerators to opportunities to apply for jobs and donations to local community organizations. However, some donations were made to organizations that do not directly target the cohorts identified by the Commission; and
- Economic factors were the most frequently identified barrier to entry by Social Equity Applicants (73%). When applicants were asked which activities PIPs should initiate or fund, the top three answers were economic: (1) Grant funding (73%); (2) Low interest loans (57%); and (3) Accelerator or incubator programs (43%).

Positive Impact Plan –Adherence to Guidance

- The Commission clearly defines a difference between the PIP and the Diversity Plan, over half of submitted PIPs (63%) demonstrate knowledge of this difference;
- The Commission states PIPs should include a goal(s) and metrics for accountability, 83% of plans included metrics; and
- The Commission identified five cohorts that should be targeted in the PIP, most PIPs target at least one of these cohorts (93%).

I. Brief History of Marijuana Laws

Cannabis (“marijuana”) has been used for religious, recreational, and therapeutic purposes for thousands of years, it is no surprise that it is currently the most frequently cultivated, trafficked, and abused illicit drug worldwide.⁹⁻¹³ In the United States (U.S.), marijuana cultivation and use were legal under federal and state laws throughout most of American history. An increase in marijuana use from 1910-1920, coupled with political hysteria, led twenty-nine states including Massachusetts to pass laws prohibiting the possession or sale of marijuana.^{10,14,15}

In 1970, The Federal Controlled Substance Act (CSA) replaced the Marihuana Tax Act of 1937 and placed marijuana as a Schedule 1 drug, the most restrictive ranking. Despite increasing stringency of federal marijuana policies over time, the recreational use of marijuana increased. In 1971, President Richard Nixon declared a war on drugs aiming to combat drug abuse on the supply and demand sides. However, a disproportionate number of War on Drug policies focused on criminal justice enforcement and punishment for drug offenses—creating systematic changes in the criminal justice system.

Currently in the CSA and under the U.S. Drug Enforcement Agency (DEA) jurisdiction, marijuana remains classified as a Schedule 1 drug, contending that it has: (1) a high potential for abuse, (2) no current accepted medical use in the U.S., and (3) a lack of accepted safety for use under medical supervision.^{16,17}

Moving Toward Legalization

Movement toward marijuana legalization has occurred on a state-by-state basis. The first wave of marijuana legalization was decriminalization, which replaced criminal sanctions for possession and small-scale distribution of marijuana with civil fines.¹⁸ Since 1972, 26 states and the District of Columbia (D.C.) have enacted policies decriminalizing small amounts of marijuana.

Medicinal marijuana policies followed, allowing access and use of marijuana for certain medical purposes. Since 1996, 33 states, D.C., Guam, and Puerto Rico have enacted varying policies permitting comprehensive medicinal marijuana programs.

Adult-use legalization policies allow marijuana use by adults in certain settings and may allow retail stores. Since 2012, eleven states and D.C. have enacted varying policies permitting small amounts of marijuana for non-medical adult-use for those 21 years-old or older (“21₊”).¹⁹

Massachusetts

Massachusetts has enacted and implemented all three types of marijuana legalization in disparate waves. All three waves of Massachusetts marijuana legalization were enacted via ballot initiatives: marijuana decriminalization in 2008 with Question 2, “*The Sensible Marijuana Policy Initiative*,” medicinal marijuana in 2012 with Question 3, “*An Initiative Petition for a Law for*

the Humanitarian Medical Use of Marijuana,” and non-medical adult-use marijuana legalization in 2016 with Question 4, “*Massachusetts Legalization, Regulation and Taxation of Marijuana Initiative.*”

II. Introduction

The history of marijuana prohibition in the U.S. emerged in a socio-political context of temperance, government reform, and racism.²⁰ More recent policies have stemmed from the War on Drugs, operating in a context where historic drug policy choices and political tactics have had unequal impacts, particularly harming Black and Hispanic/Latino cohorts.²¹ Careful research informed by historic context is imperative to assess the effectiveness of any equity provisions in the legal marijuana industry.

Research finds persisting inequity where Black and Hispanic/Latino cohorts are arrested for drug offenses, including for marijuana, at higher rates than White cohorts despite similar rates of drug use and sale.¹⁻⁷ A recent report from the Commission, “A Baseline Review and Assessment of Cannabis Use and Public Safety Part 2: 94C Violations and Social Equity: Literature Review and Preliminary Data in Massachusetts” also found Black and Hispanic/Latino people made up a disproportionate share of marijuana-violations compared to their share of the population in Massachusetts.²² It is also well known that people with drug-arrest records face challenges in employment and housing prospects.^{1,8}

Advocates have suggested a legal marijuana market could positively impact groups most affected by marijuana prohibition and enforcement, including through ownership pathways. In working toward these goals, Massachusetts codified a commitment to addressing the harms of marijuana prohibition through avenues that promote participation of people from disproportionately affected communities [See [section IV. Background](#)]. This effort includes state-run equity programs and industry requirements, such as the Positive Impact Plan and Diversity Plan.

The peer-review literature has not evaluated the impact of adult-use marijuana legalization and equity provisions on communities disproportionately harmed, including ownership and participation in the legal marijuana market. This report assesses one provision required of all Marijuana Establishments (MEs) licensed in Massachusetts: Positive Impact Plans (PIPs). PIPs are written plans that document how a ME will positively impact previously disproportionately harmed communities.^c This report assesses the first year of PIPs submitted to the Massachusetts Cannabis Control Commission (“Commission”) by all licensed MEs, to better understand: (1) How MEs view their role in creating an equitable market; (2) Types of activities MEs believe will most positively impact disproportionately harmed communities and promote meaningful participation; (3) Varying interpretations of “Social Equity” as it pertains to the assessment of PIP goals and activities; (4) Whether ME understanding is aligned with the lived experience of disproportionately impacted communities; (5) The need for connecting lived experience to publicly available data quantifying the harm done to disproportionately impacted communities; and (6) Considerations for PIP improvement that aligns with the Commission’s legislative mandate and restorative justice aims.

^c See 935 CMR 500.101(1)(a)11.

III. Background

Chapter 55 of the Acts of 2017, *An Act to Ensure Safe Access to Marijuana*, legalized adult use cannabis (“marijuana”) in the Commonwealth of Massachusetts. With deep understanding of the harm done to many communities disproportionately impacted by marijuana prohibition and law enforcement, Massachusetts advocates sought to prevent the newly regulated industry from being dominated by white male ownership, a trend seen in other states that legalized adult-use marijuana.²³ Specifically, these advocates wanted to ensure a diverse market inclusive of those most impacted by prohibition and enforcement.²⁴ As such, Chapter 55 includes several provisions to encourage full market participation of women, minorities, veterans, members of the LGBTQ community, along with individuals from communities disproportionately harmed by the War on Drugs (herein referred to as “marijuana prohibition and law enforcement”).²⁵

The goal of restorative justice is supported by the inclusion of several initiatives including: a state-sponsored and led Economic Empowerment Priority Certification Program; a state-sponsored and led Social Equity Program; and requirements for industry to be a responsible party in supporting full market participation for disproportionately harmed communities, Disadvantaged Business Enterprises, and/or historically marginalized communities.²⁶

1. Policy Guidance

To meet the state’s legislative requirement, the Commission further promulgated regulations requiring all industry applicants to provide a plan to positively impact previously disproportionately harmed communities known as Positive Impact Plans (“PIPs”).^d Applicants may choose to target one or more of the following communities, (1) Past or present residents of the geographic “areas of disproportionate impact;”^e (2) Economic Empowerment priority applicants; (3) Social Equity Program participants; (4) Massachusetts residents who have past drug convictions; (5) Massachusetts residents with parents or spouses who have drug convictions [See X. Appendix 5 subsection (1) Original Guidance]. Like the Commission’s equity programs, PIPs represent a corollary requirement for industry to be a responsible party in furthering the Commonwealth’s goals of ensuring social equity and meaningful participation in the market.

In July 2018, the Commission presented its first sub-regulatory *Guidance on Required Positive Impact Plans and Diversity Plans* with an aim of providing additional information on the regulatory requirements for PIP and Diversity Plans, which must be submitted separately [See X. Appendix 5 subsection (1) Original Guidance]. In addition to its stated purpose, the guidance provided background information from Chapter 55 and the accompanying regulations outlining: (1) the Commission’s interpretation of the law and regulations (including target populations); (2) elements industry is expected to include in its plans; (3) a list of potential PIP elements; and (4) guidance on the type and level of measurements that should be included for accountability (including an example list of the qualitative and quantitative data to track).

The Commission released a revised version of its guidance February 2019 to provide “additional clarity and information” on PIPs [See X. Appendix 5 subsection (2) Revised Guidance]. The

^d See 935 CMR 500.101(1)(a)11.

^e The Commission has identified 29 areas of disproportionate impact, see Appendix 1 for full list.

revised guidance emphasized the Commission’s authority to require PIPs, and clearly noted the requirement to submit two distinct plans – a PIP and a Diversity Plan. To support this framing, the revised guidance demarcated guidance (*e.g. goals, activities, and measurements*) for *each* plan type along with additional requirements and general information for *both* plan types. Within this guidance, an expanded list of possible goals and activities were provided to encourage innovation and creativity in proposed industry approaches. In addition, the Commission stated that that applicants could not submit as part of their PIP any conditions or requirements of their Host Community Agreements (HCAs). With regards to compliance, the Commission noted applicants’ responsibilities for two important issues: (1) compliance with marketing and advertising regulations, and (2) compliance with documenting the success of activities upon license renewal.

In both guidance documents, the Commission outlined its expectations of the required PIP. Updates to the revised guidance directly resulted from observations of submitted plans and from questions received from applicants. For example, the revised guidance states, “*the plan should include both qualitative and quantitative measures that demonstrate the progress or success of the plan. Metrics should have an identified data source and method for tracking that data*” [See *X. Appendix 5 subsection (2) Revised Guidance*]. The guidance also states that each ME must annually report on their progress in meeting the goals set in PIPs which can be used by the Commission to track and continuously evaluate their efforts.

In addition to the formal written and posted guidance, the Commissioners have engaged in frequent and robust discussion of PIPs at public meetings. Over the course of the timeframe established for evaluation, Commissioners have asked clarifying questions about plans, requested updated plans, requested letters on intent or support from community organizations, and added conditions to licensure concerning the plans and proposed activities. Many of these instances have been noted in various media outlets. Additionally, the Commission maintains on its website all public documents, including meeting agendas and minutes, the latter of which provides a window into the types of updates and information Commissioners requested regarding submitted PIPs. See Appendix 4 for an overview of the verbal feedback provided by Commissioners or visit <https://mass-cannabis-control.com/documents/> for all meeting minutes.

In short, the Commission has engaged in transparent monitoring and oversight of the required PIP, as well as demonstrated the agency’s commitment to ensuring plans offer meaningful contributions to communities and populations disproportionately impacted by marijuana prohibition and enforcement.

2. Social Equity

Positive Impact Plans are one element designed to help address the harms of previous marijuana prohibition through avenues that promote participation of people from disproportionately affected communities. Social equity underlies these goals. The Commission defines “Equity” in its Equity Programs as, “the recognition and accommodation of differences through fairness in process and result to prevent the continuation of an inequitable status quo.”²⁷ Social equity is not defined in the Commission’s regulations. As PIPs aim to increase participation in harmed communities, an understanding of social equity is critical. Therefore, this study includes assessment of stakeholders’ definitions of social equity to examine whether there is common frame of reference for this overarching theme.

3. Research Problem

Although formal and informal guidance had been provided to industry, a cursory review of submitted PIPs for ME applicants highlight a lack of consistency in clear, detailed metrics that can be measured for impact. Some plans offer broad information on the activities to be implemented, while others include no quantitative metrics, or no measures at all. In some cases, there seems to be a lack of understanding of the Commission’s goal of restorative justice in this newly regulated industry. While the Commission encourages creativity in its sub-regulatory guidance documents, the recognizably disparate approaches to developing PIPs could have an adverse impact on the Commission’s stated mission and goals. Larger questions concerning the efficacy and meaningfulness of submitted PIP activities loom as well. Finally, one prime question must be addressed: “*To what end are positive impact plan activities oriented?*” This question is an important one because it addresses the communal understanding as to why PIPs are needed and why the requirement is set forth in statute by the Commonwealth.

4. Research Goals

While the Commission is not explicitly required to conduct an evaluation of PIPs by law, this project aligns with other portions of the Commission’s research agenda.²⁸ First, the Commission is required to study market participation in this newly regulated industry. This research provides an initial understanding of the types of activities proposed and undertaken by industry participants including those that aim to reduce barriers to enter the industry, promote economic reparative practices in the industry, and improve communities such that the aggregate impact of activities can be assessed and evaluated over time. Second, the Commission is required to study costs and benefits of implementation to state and local government. When reviewed in conjunction with baseline reporting on economic impacts to state and local government completed by the Massachusetts Department of Public Health in 2019, this evaluation sheds light on ways the cannabis industry is working with and supporting local governments, particularly in Areas of Disproportionate Impact (ADIs). Third, the Commission is required to identify barriers to entry segmented by racial, economic, and socioeconomic subgroups.²⁸ To the extent any industry participants have proposed employment, business training, or incubator and accelerator programs as part of their PIPs, this evaluation will help in understanding the impact of those activities on disenfranchised cohorts. Lastly, the timing of this study permits a comprehensive evaluation of the first full year of submitted PIPs. This allows for a timely update on one portion

of the Commonwealth’s overarching goal of achieving social equity in the marijuana market. The implementation of PIP activities represent another part of the Commission’s social equity framework that has been in-progress for over one year, thus, warranting an assessment of the plans’ effectiveness and how, if at all, the Commission and industry could work together to improve the plans and the process.

The primary purpose of this study is to inventory the first full year of PIPs to understand the quality and potential impact of the plans and identify opportunities for improvement.

Specifically, the goals for this research are to:

- Understand how MEs view their role in creating an equitable market;
- Determine the types of activities those MEs currently licensed to operate in the market believe will most positively impact disproportionately harmed communities and promote meaning participation in the market;
- Explore the varying interpretations of “Social Equity” as it pertains to the assessment of Positive Impact Plan goals and activities;
- Investigate the need for, and potentially connect the narrative associated with the lived experience to publicly available data quantifying the harm done to disproportionately impacted communities; and
- Suggest considerations for equitable plans that align with Commission’s statutory mandate and restorative justice aims.

5. Scope

This report focuses on Commission-approved provisional licenses for 175 MEs from June 21, 2018 through June 21, 2019. This total includes licenses for retail stores, cultivators, product manufacturers, and independent testing laboratories. In many instances, one entity applied for and was provisionally granted more than one type of license. In the interest of time, the Research Department identified and eliminated duplicate PIPs for the same entity. Where multiple PIPs were filed for one establishment, the final filed PIP, and thus the plan ultimately considered by the Commission, was extracted for evaluation. This process narrowed the number of PIPs for review from 175 to 72.

This approach provided researchers the benefit of assessing accurate information and the MEs with the advantage of evaluations based on activities implemented, rather than plans initially proposed and subject to feedback or conditions for improvement from the Commission. This project does not include an evaluation of applications licensed to operate after the cutoff date or a firm evaluation of any renewal applications required to include updates of the metrics provided in their initial plans.

IV. Methods

This mixed methods exploratory study first uses stakeholder and textual data review processes to obtain a sense of the purpose and state of PIPs. Quantitative methods are used in conjunction with these qualitative methods to examine the frequency of themes and trends. To accomplish these goals, multiple modalities of data were assessed, including:

- (1) Commission’s public documentation (*e.g. public meeting minutes, Guidance, etc.*);
- (2) Key Stakeholder Interviews;
- (3) Positive Impact Plans; and
- (4) Social Equity Program participant data, including data from the:
 - (A) Application; and
 - (B) Survey disseminated at one of the first Social Equity Program seminars.

1. Public Documentation: Gaining a Working Foundation

The first step of the research was to develop a comprehensive scope of the events and decisions made by the Commission from its founding until the Summer 2019. To accomplish this task, a review of the Commission’s website for social equity program information and industry data available on the Open Data Platform was conducted. In addition, all public meeting minutes were reviewed for mention of PIPs in order to construct a timeline of the development of sub-regulatory guidance and formal verbal feedback provided in public meetings [see *X. Appendix 4 Timeline of Commission Activities Related to Positive Impact Plans*]. All guidance materials were assessed and put into a timeline for process to compare with guidance available to MEs to develop their PIP. Last, informational interviews were conducted with staff around licensing and data vendor management to understand internal processes and protocols for managing and accessing licensing applications and around social equity to understand the development and design of the Commission’s Social Equity Program.

2. Key Stakeholder Interviews

After reviewing publicly available meeting documentation, all five Commissioners were interviewed. These Key Stakeholder Interviews were conducted to gather qualitative data on individual understandings of both: (1) the purpose of PIPs, (2) what metrics each consider important for assessing the merit of plans, and (3) what activities are encouraged and discouraged.

To maintain consistency across interviews and in alignment with stated research goals, an interview guide was developed [See *X. Appendix 2 Stakeholder Interview Questions*]. Categories of questions included: (1) Areas of Disproportionate Harm; (2) PIPs and proposed activities; (3) Massachusetts’ cannabis industry; and (4) Social equity. All interviews were conducted from July 23, 2019 – July 30, 2019. Interviews were then coded for themes, similarities and differences in perceptions of the PIPs and role of industry, and commonalities as to what factors merit their approval or rejection of a PIP. Several themes emerged from this process and were used in conjunction with the research goals as a guide for assessing submitted PIPs.

3. Positive Impact Plans

This exploratory analysis provides a baseline assessment of the PIPs submitted by all provisionally-licensed ME applicants for the specified timeframe. This assessment necessitates the use of both qualitative and quantitative research methodologies. With knowledge that Commission guidance was provided to applicants over time and that some applicants were required to submit updated or revised plans, the final PIP that was ultimately considered by the Commission for each applicant with more than one submitted plan was selected for review. Next, qualitative assessments were conducted to organize PIPs into categories for analyses, which were quantitatively assessed. These findings were juxtaposed with and prioritized based on thematic responses gathered from the Key Stakeholder Interviews [See section IV. *Methods*, 2. *Key Stakeholder Interviews* and section V. *Findings*, 2. *Key Stakeholder Interviews*], staff interviews regarding the licensing process, Social Equity Applicant responses to questions about their personal understanding of social equity, and Social Equity survey participant responses.

3.1 Review of Positive Impact Plan Qualitative Data

The Commission's data management vendor queried all 175 PIPs associated with the entities granted provisional licensure from June 21, 2018 – June 21, 2019. This timeframe represents one full year from the first approved provisional license. As previously mentioned, [See section III. *Background subsection Scope*] duplicate plans were eliminated which decreased the sample size from 175 to 72 plans.

This study deployed a manual qualitative review of all PIPs in the final sample [n=72]. Using the goals of the research plan, combined with themes from the Key Stakeholder Interviews, the PIPs were hand-coded to identify textual evidence of: (1) Industry's understanding of its role in creating an equitable market; (2) Industry's understanding of the historical narrative and lived experiences that predate the emergence of a regulated industry; (3) Categories and types of activities proposed in the plans; (4) Knowledge of the distinction between the Positive Impact and Diversity Plans; and a (5) Definition of social equity. To support this approach, a list of example key words was developed to guide research evaluation [See X. *Appendix 6. Positive Impact Plan Coding Guide*].

Positive impact plans were also hand-coded for compliance with the Commission's guidance, specifically: (1) Identification of a focus cohort to target population for PIP activities and (2) Inclusion of metrics that can be assessed year-over-year. Coding permitted the assessment of fidelity on the use and implementation of guidance.

4. Social Equity Program Data

4.1 Review of Social Equity Application Responses

Data from the Social Equity Program application were used to examine “barriers to (industry) entry,” and to understand the collective meaning of the term “social equity” to social equity applicants. In June 2019, deidentified, aggregate-level responses to the application questions, (1) “*Please describe any barriers or discrimination you feel you have faced upon trying to entry the industry*” and (2) “*What Does Social Equity Mean to You?*” were queried. Approximately 700 responses were initially extracted, further narrowed to only include submitted application responses for analysis [n=399].

In July 2019, researchers examined deidentified responses to “*Please describe any barriers or discrimination...faced upon trying to enter the industry*” [n=532]. This question includes multiple choice answers and an option to select “Other” with a free text box for explanation. Respondents were instructed to select all that apply of the following answer choices: (1) Government Regulations (State and Federal policies, War on Drugs...); (2) City and Town Regulations (zoning navigating the municipal process e.g. host agreements...); (3) Economic Factors (access to capital, credit score...); (4) Geographical Barriers (transit deserts...); (5) Market Conditions (saturated market, audience marketed to, illicit market competition); (6) Racial discrimination and prejudice; (7) Training and Skills (business acuity); and (8) Other – please explain. Two hundred and seventy-seven applicants selected “Other” and provided an answer in the open text field.

“*What Does Social Equity Mean to You?*” responses were imported into a qualitative software application on July 30, 2019 for further analysis [n=399]. Using the “Word Frequency” function of the application, the 100 most used words in respondents’ answers were queried. The software application automatically excludes articles such as “a,” “an,” and “the” as well as conjunctions such as “but.” Researchers also programmed the query to include only those words with at least 4 letters. To minimize confusion and emphasize meaningfulness, the additional filler words were excluded such as “want” as were: “social,” “equity,” “equity,” “program,” and “marijuana.”

4.2 Survey of Social Equity Program Participants

For purposes of this study, data were collected at one of the three Commission-led Social Equity Program seminar sessions for analysis. For this purpose, a survey was developed and distributed to Social Equity Program Participants to obtain an understanding of what types of activities participants perceived would be beneficial for inclusion in PIPs [See X. Appendix 3. *Social Equity Program Participant Survey for full battery*]. Participation was voluntary and confidential, and more than half of the attendees responded to the survey. As Social Equity Program Participants are identified as a potential group to impact through PIPs, participant feedback adds critical perspective to understanding to what end plans should be oriented.

V. Findings

1. Public Documentation: Informal Guidance

A review of the Commission's public meeting minutes finds that Positive Impact Plans (PIPs) were a regular topic of public discussion. From June 21, 2018 through June 21, 2019, there were over fifteen instances in which the Commission publicly discussed and assessed submitted PIPs.

A number of themes were identified in public discussion, including: (1) A need for clarification of an element(s) of the PIP; (2) Need for more information regarding the content of educational activities; (3) Clarification on the ability of identified community organizations to accept donations from the industry, and (4) Questions about measurements for accountability. When questions or concerns about a PIP emerged, Commissioners frequently added conditions to plan as a condition of licensure. These conditional requirements included: updating a plan to align with the framework provided in the guidance (*e.g. goals, programs, and measurements*), providing more substantive program details or changing programs altogether, and demonstrating compliance with the marketing/promotion provisions.

The frequency of discussion demonstrates that PIPs are a priority at the Commission. The frequency of adding conditions to licensure suggests Commissioners see serious potential for PIPs to make a difference in affected communities and populations and demonstrate a commitment to making plans accountable.

Similarly, and inherently interwoven into the PIP mechanism, social equity was also identified as a frequent topic of discussion. Social equity was primarily discussed as it relates to the Commission's efforts and programming, but there was also consistent mention of social equity as it related to all aspects of regulatory, administrative, and industry oversight within the Commission's authority. With this backdrop, it is observed that the Commissioners made a public connection between their commitment to social equity and their expectation for the industry to meet its responsibility in creating an equitable market with the same seriousness and commitment, such as the PIP mechanism.

2. Key Stakeholder Interviews

All Commissioners were interviewed for this study as key stakeholders [N=5], and were asked about communities identified as areas of disproportionate harm, the role and purpose of PIPs, the nature and types of PIP activities that merit licensure approval, their perspective on the state's cannabis industry, and their definition of social equity [See section IV. *Methods* and see Appendix 2. *Stakeholder Interview Questions*].

The key stakeholders provided thoughtful responses to the questions posed and shared their perspectives, concerns, and hopes concerning PIPs and the role of industry in supporting the creation of an equitable market through the implementation of PIPs. Thematic observations were made to guide the qualitative assessment of PIPs to ensure findings and considerations were of value to key stakeholders.

Marijuana Prohibition and Enforcement

All key stakeholders discussed the harm previously caused by marijuana prohibition and enforcement that still actively impacts the lives of targeted communities and populations. While discussing this impact, key stakeholders cited the history and experiences of those who were targeted by the War on Drugs. Stakeholders drew on narrative experiences and empirical data and reports when discussing the topic.

Positive Impact Plan Activities

There was also consensus among key stakeholders that PIP activities which aim to provide economic benefits to the cohorts(s) identified for impact are positive activities. Within this support for economic activities, there was clear discouragement of strictly donation-based activities or activities that provide industry with marketing/self-promotion kickbacks. This was perceived as self-serving and unfocused.

Diversity Plans versus Positive Impact Plans

All key stakeholders identified a clear distinction between Diversity Plans and PIPs. Key stakeholders noted that Diversity Plans submitted by MEs are internally focused on how the business can address meaningful participation in the market, while PIPs are externally focused and aimed at previously harmed populations.

Definition of Social Equity

Key stakeholders defined social equity in varying ways, indicating a potential lack of consensus. However, similarities also emerged across definitions. For example, if placed on a continuum, key stakeholders defined social equity as ranging from acknowledgement of past harm with a commitment to addressing harm, to equality of opportunity (without attachment to equality of outcome). Different definitions may indicate a difference in approach to achieving the stated ends.

Despite these differences, there were common themes identified in all definitions. All key stakeholders identified that social equity was related to access and opportunity. Several stakeholders connected access and opportunity to PIP activities and indicated that PIP activities should aim to expand access and opportunity within the cannabis market to communities previously harmed by marijuana prohibition and enforcement.

While discussing social equity, all stakeholders stated that they have a role in ensuring the creation of an equitable cannabis market and shared the intention of setting up an equitable market in a sustainable manner.

Purpose of Positive Impact Plans

Key stakeholders identified a range of purposes for the PIP, indicating both a lack of consensus and area of improvement. Broadly, two ideologies were identified. The first ideology is that of good will. Several stakeholders understand the purpose of PIPs to encourage businesses to enact and sponsor community service activities (*e.g. corporate citizenship*). Activities that work toward this purpose include: (1) quietly sponsoring community events (*e.g. sponsorship that is in line with the anti-marketing/self-promotion guidelines*); and (2) workshops/seminars to educate the community about the industry and promote responsible and safe use of marijuana. A second

identified ideology is that of restorative justice. Several stakeholders understand the purpose of PIPs to work to address the harm caused by marijuana prohibition and enforcement. Activities that work toward this purpose include: (1) Providing cannabis entrepreneurs from communities disproportionately harmed with business training/mentoring; (2) Funding and other types of financial support; (3) Business networking; and (4) Opportunities for training and employment within the industry.

3. Positive Impact Plans (PIPs)

Positive Impact Plans submitted for provisional licensure were assessed to examine the marijuana industry's perspective concerning the PIP. This analysis offers perspective into MEs view of their own role in the Massachusetts market as well as their planned activities to positively impact groups disproportionately affected.

All plans were read and reviewed to identify inclusion of the priorities established in the research plan as well as key themes that emerged from Key Stakeholder Interviews. These measures were grouped into the following five categories: (1) How MEs view their role in creating an equitable market; (2) Understanding of the narrative concerning the War on Drugs and lived experiences of those disproportionately harmed; (3) Types of activities those MEs currently approved to operate in the market believe will most positively impact disproportionately harmed communities and promote meaningful participation of the market; (4) Understanding of the difference between PIPs and required Diversity Plans; and (5) Definition of social equity.

After the assessment of thematic categorical review of priorities, the state of the PIPs came into view. Only 21% of all PIPs included evidence of all five categories. Most notably, only 38% of plans define social equity in some way and 51% include language that demonstrates their understanding of the historical narrative associated with marijuana prohibition and enforcement. Sixty-three percent of plans include information that demonstrates their understanding of the distinction between PIPs and Diversity Plans [See *Table V.3.1*].

All submitted plans proposed activities in their submitted PIPs, but those activities ranged in clarity, substance, and commitment. First, many plans offered lists of activities with no firm details or specific explanations about the inclusion of those activities. Second, plans ranged widely in their approach to positively impacting communities. For example, while many plans included activities that were economic in nature, those activities ranged from grant funding and accelerators to opportunities to apply for jobs and donations to local community organizations. In some cases of the latter, donations were being made to social service agencies and disease-focused nonprofits that do not directly target the priority cohorts identified by the Commission for impact or those cohorts identified in submitted plans. Lastly, a number of plans included conditional language in their plans to indicate their ability to implement the proposed activities depended upon the success of their business.

Notably, the number of entities that filed multiple and updated plans demonstrates that the market responds not only to oversight, but also to ongoing monitoring in the form of guidance and feedback from the Commission.

Table V.3.1. Themes in Positive Impact Plans

Themes	Plan Included Element	Plan <u>Did Not</u> Include Element
All themes below	15 (21%)	57 (79%)
Understand how MEs view their role in creating an equitable market	64 (89%)	8 (11%)
Understanding of the narrative / lived experiences that led to this moment	37 (51%)	35 (49%)
Determine the types of activities those MEs currently approved to operate in the market believe will most positively impact disproportionately harmed communities and promote meaning participation of the market as well as activities that do not	72 (100%)	0 (0%)
Gauging the distinction between positive impact plans and diversity plans	45 (63%)	27 (38%)
Definition of social equity	27 (38%)	45 (63%)

Last, PIPs were coded to assess adherence to guidance provided by the Commission. The results of this research are illustrated below.

Table V.3.2. Additional Positive Impact Plans Requirements

REQUIREMENT	YES
Metrics for accountability ⁺	65%
Target Cohort* 1 only	17%
Targeted 1:5 identified cohorts*	40%
Targeted all five identified cohorts*	1%
Did not target Cohort* 1 (targets 2,3, and 6)	24%
Targeted no identified cohorts*	7%
Included a goal(s)	85%
Included metrics	83%

***Notes:** ⁺Metrics for accountability" is a measure of whether or not the PIP included measurements for accountability to measure for year-over-year success as required by the sub-regulatory guidance.

*Cohorts refer to the specified cohorts identified for positive impact, including: (1) Past or present residents of the geographic "areas of disproportionate impact;"^f (2) Economic Empowerment priority applicants; (3) Social Equity Program participants; (4) Massachusetts residents who have past drug convictions; and (5) Massachusetts residents with parents or spouses who have drug convictions.

^f The Commission has identified 29 areas of disproportionate impact, see Appendix 1 for full list.

Social Equity Program Data

4.1 Review of Social Equity Application Responses

Barriers to Entry

Two questions were extracted from the Social Equity Program applications as they relate to *barriers to entry*. The first measure provided applicants with the option of selecting any and all applicable barriers and the second measure, an open text field, provided space for respondents to provide details about their personal experiences.

Seventy-three percent of respondents identified economic factors as a barrier to entering the marijuana market. Regulations were also cited as a major barrier: 58% of respondents cited government regulations as a barrier while 52% of respondents cited city/town regulations as a barrier. In addition, 40% of respondents cited racial discrimination and prejudice as a barrier they have experienced in trying to enter the market. Next, there was an open text field labeled, “Explain here,” providing applicants with an opportunity to offer more details about the *barriers to entry* that they have personally experienced.

Many of the 277 responses were very specific and offered a glimpse into the lived experience of the social equity applicants. Key themes that emerged included: (1) Lack of access to funding, (2) Past drug-related convictions; (3) Stigma; (4) Training needs; and having a (5) Background from impoverished neighborhoods targeted by the War on Drugs.

Notably, one response stated that although their neighborhood is not now listed as an ADI, the neighborhood was, in their perspective, an area heavily impacted by drugs and the War on Drugs. This may imply that varying and changing geographic policies may not be fully accounted for in the current of ADI specification, and this may need to be reassessed for future applicants. This sentiment concerning changing landscapes was echoed in other responses as well.

Table V.4.1. Barriers to Entry Faced by Social Equity Program Applicants

Identified Barriers to Entry	Number (Percentage)*
Economic Factors	386 (73%)
Government Regulations	307 (58%)
City/Town Regulations	277 (52%)
Racial Discrimination and Prejudice	212 (40%)
Market Conditions	147 (28%)
Other	120 (13%)
Geographic Barriers	68 (13%)

*Note: Date of extraction: 7/25/2019; All social equity applications; Includes only those applications categorized as Approved, Pending, Reopened applications (**not** Withdrawn or Incomplete applications).

4.2 Survey of Social Equity Program Participants

The Research Department developed and administered a three-question survey of invited Social Equity Program participants to understand their views of PIPs. A total of 56 Social Equity Program participants completed the survey in summer 2019. Eighty-two percent of respondents were from or planned to open a business in an ADI. Participants were asked about their perspectives of the obstacles faced by communities disproportionately harmed by the War on Drugs and identified many obstacles including: (1) Lack of resources (*e.g. capital*); (2) Law enforcement related, including criminal records and bias; (3) Political navigation challenges; (4) Generational poverty; (5) Education and job training needs; and (6) Stigma.

The top activities advised by social equity survey participants that cannabis businesses should initiate or fund were: (1) Grant funding (73%); (2) Low interest loans (57%); (3) Accelerator or incubator programs (43%); (4) Public information/education sessions about marijuana and the industry in a disproportionately harmed community (34%); and (5) Job creation (27%).

Fewer participants indicated: Internship or training programs for cannabis industry (27%), Cannabis industry job fairs (25%), Scholarships to social equity businesses for employee trainings (16%), Donation to community organizations (*e.g. Boys and Girls Club, local shelters*) (16%). All other options were selected by less than 10% of participants.

Participants who selected “Other” (11%) advised the following: (1) Funds to public education; (2) Low income housing or down payment program; (3) Record sealing/expungement; (4) Responsible consumption; (5) Application process priority, (6) Mental health counseling; and (6) Trade school investment.

VI. Story Banks

A selection of responses that highlight themes from the question: “*What Does Social Equity Mean to You?*” provided by Social Equity Applicants are presented. This section aims to center the voices of people disproportionately impacted by marijuana prohibition and enforcement.

“Social Equity to me means a sincere, concerted effort to correct wrongs in areas of past societal and systemic inequities in all areas of our lives, especially in regard to economic opportunities and the criminal justice system, by affording support for those who have been impacted by past inequities so that they receive the opportunities that those with more “privilege” take for granted.”

– Social Equity Applicant

“To me, Social Equity is an acknowledgement that certain people have been disadvantaged over the years due to unfair biases and this is an attempt to help level their chances through assistance and support in order to participate and profit from this new industry.”

– Social Equity Applicant

“Social Equity means to me the government and private industry working together to provide comprehensive support to disenfranchised individuals and groups. Inclusivity in leadership, representation, finance and policy development.”

– Social Equity Applicant

“In order for economic opportunity to reach more marginalized areas, equity and investment needs to be put in the hands of those who have lived in and serviced the community for many years. A minority owned business is more likely to employ other at-risk classes and engage in initiatives that directly benefit the community and ensures that money invested in the neighborhood stays in the neighborhood and has the opportunity to lift the financial possibilities of many instead of just a select few.”

– Social Equity Applicant

“Social equity to me is a balancing out of injustices from the war on drugs. I have seen many lives hurt and completely ruined by this senseless war including my own and those closest to me. My hope is that it is a chance to heal...I believe there are many others who want the same and just want to do the right thing. This is one of those few chances we get.”

– Social Equity Applicant

VII. Limitations

This study is not without limitations. The following section discusses limitations and gaps of this study, which warrant further consideration, as discussed, for future research.

1. Positive Impact Plan (PIP) Data

Positive Impact Plans reviewed for this evaluation were extracted from the Commission’s application portal by the vendor that manages the system. Extracted PIPs did not include a timestamp, therefore each plan could not be directly linked to the guidance available at the time of application development and submission. Rather, contextual evidence within plans were used to link plans to the probable guidance available at that time. Any replication efforts should request timestamped data that includes the date of PIP submission. Due to time constraints, only one plan per ME was included in analysis. While some establishments submitted multiple plans for different licenses, only one plan was included in the formal analyses. However, all plans were reviewed, and in cases of multiple plans, the most comprehensive plan, determined by page length, substantive detail, and responsiveness to regulatory guidance, was selected for that establishment.

Qualitative coding methods used to analyze PIPs are subject to unique limitations inherent to qualitative work. Subjectivity is required throughout the coding process; Therefore, qualitative work is impacted by researchers’ background and bias. To minimize bias, two coders independently coded all plans with the lead researcher completing a final review for consistency. To enable replicability, methodological documentation was recorded through the coding process [See section IV. *Methods*]. Additionally, findings are only applicable to the plans included in analyses and may not be generalizable to plans that were not examined. However, a mixed methods approach leaning heavily on qualitative methods was chosen because it is superior to determine the ‘*how*’ and ‘*why*’ phenomenon occurring within and across plans. Additionally, analyses were supplemented with quantitative methods in order to capture frequencies of commonalities included in plans.

2. Social Equity Participant Data

Social Equity Program Applicants and Participants understanding of the PIP and positive impact on disproportionately harmed communities were obtained via two data sources: (1) Answers to Social Equity Program application; and (2) Survey of Social Equity Participants about PIPs [n=86] [See X. *Appendix 3 Social Equity Program Participant Survey for full battery*]. Due to time restraints, only word frequency analysis rather than a full qualitative analysis of social equity application answers could be conducted.

In the survey of Social Equity Participants, respondents were instructed to only choose the top three activities; However, several participants marked multiple answers which were all included in analyses. Although multiple choice options were derived from the examined PIPs, participants may have been impacted by the options available, the order of responses, or their top answer may not have been provided as an option. To reduce the probability of these limitations, an “Other,

please explain” box was included in the survey. The majority of participants did not select “other,” suggesting that most participants found answers satisfactory. All comments provided from “other” responses are reported in section *IV. Findings*.

3. Stakeholder Interviews

Due to time constraints, stakeholder interviews could only be conducted with Commissioners [N=5]. Future research could interview current and prospective ME owners to better understand how they understand the PIP, plans for compliance, and any barriers to compliance.

4. Other

Lastly, this research provides a baseline assessment of PIPs, a mechanism implemented to facilitate industry’s role in achieving restorative justice in Massachusetts. It does not examine the extent to which businesses complied with stated aims and activities as a regulatory condition of license renewal. Future research should examine compliance more broadly and in particular, the effectiveness and impact of stated activities for each ME and MEs in aggregate across the Commonwealth.

VIII. Policy Considerations

The following policy considerations are offered to assist the Commission in determining a path forward to ensure Positive Impact Plans meet their stated goal and play an important role in achieving social equity in the market. The considerations fit within two categories: (1) Technical, and (2) Substantive (e.g. process updates). As it currently stands, PIP activities are broad and wide-ranging. The policy considerations below seek to streamline information available about the requirements and to encourage all Stakeholders to focus on addressing the specific problems created by the harm of marijuana prohibition and enforcement.

A. Technical Policy Considerations

Consideration 1: Consider renaming the “*Positive Impact Plan*” to offer clarity on the purpose and aim of this requirement.

- The activities listed in submitted plans, for the most part, are positive in the ultimate sense but the activities are not all aimed at the particular problems the Commission are trying to address. Renaming the requirement could offer a fresh opportunity to refocus plans to better address stated goals and specific cohorts of impact, including: (1) Past or present residents of the geographic “areas of disproportionate impact;[§]” (2) Economic Empowerment priority applicants; (3) Social Equity Program participants; (4) Massachusetts residents who have past drug convictions; and (5) Massachusetts residents with parents or spouses who have drug convictions.
- Consider including a list of activities that should not be part of PIP activities because they may perpetuate distrust in the communicates and cohorts the Commission aims to serve in this process (e.g. *funding law enforcement / public safety details*).

Consideration 2: If renamed, this requirement should be more clearly defined. The definition should include the plans’ purpose, the three required sections of the plan, and the targeted cohorts.

Consideration 3: Consider separating the Guidance for PIPs and Diversity Plans

- There was confusion identified in reviewed PIPs regarding the terminology – “Diversity” versus “Equity” [See section V. *Findings* subsection *Positive Impact Plans*]. Separating the guidance for PIPs and Diversity Plans will facilitate a shift in the understanding of the distinct activities that should be included for both.

[§] The Commission has identified 29 areas of disproportionate impact, see Appendix 1 for full list.

B. Substantive Policy Considerations

Consideration 1: Consider defining a common meaning of social equity to provide clarity among stakeholders and the public (*e.g. activities to address harm in this context*) [See section V. Findings subsection 2. *Key Stakeholder Interviews* subsection *Definition of Social Equity*].

Consideration 2: Consider prioritizing the sentiments, reflections, and perspectives of those most affected by marijuana prohibition and enforcement, including the top three activities identified by recent social equity program participants [See section V. Findings subsection 4.2. *Survey of Social Equity Program Participants*]

- Create an example list of activities to include in sub-regulatory guidance from which MEs seeking provisional licensure may select to implement driven by suggestions from affected stakeholders.
- Require the development of future PIPs to be community-driven (*i.e. a public meeting with the proposed ADI or the proposed cohort to be impacted*).
- Emphasize focus on addressing harm(s) to specified cohorts, not just geographic locations, which may shift in fundamental ways over time, cohorts include:
 - (1) Past or present residents of the geographic “areas of disproportionate impact;^h”
 - (2) Economic Empowerment priority applicants;
 - (3) Social Equity Program participants;
 - (4) Massachusetts residents who have past drug convictions; and
 - (5) Massachusetts residents with parents or spouses who have drug convictions.
- Address the difference between activities aimed at “equity” versus “community service” or industry community benefit activities, since the latter do not necessarily recognize harm(s). Society is oriented towards community service, which is different from the foci of activities proposed in PIPs, which are specifically aimed at addressing harm(s) to specified cohorts and geographic locations.

Consideration 3: To address harm, it would be helpful to collectively understand how marijuana prohibition and enforcement played out in Massachusetts (*i.e. “tell the Massachusetts story”*). Social Equity Program applicants are an effective primary data source on lived experiences and perspectives; However, more research and data are needed to quantify the harm done in identified cohorts and communities and provide information on the policies enacted sanctioning prohibition and enforcement [See section VI. *Story Banks*].

Consideration 4: Consider updating the “Guidance on Equitable Cannabis Policies for Municipalities” to include information on the history and impact of marijuana prohibition and enforcement on disproportionately impacted communities, and the types of activities that the Commission encourages to address these harms.

- <https://mass-cannabis-control.com/wp-content/uploads/2018/11/Municipal-Equity-Guidance-August-22-1.pdf>

^h The Commission has identified 29 areas of disproportionate impact, see Appendix 1 for full list.

Consideration 5: Consider future analysis to update the identified Areas of Disproportionate Impact. These analyses could take into consideration the demographic changes and forced migration patterns of populations (e.g. *gentrification, movement based on the availability of work in a community, movement based on public policy, etc.*) to more accurately identify affected cohorts. [See section V. Findings, 4. Social Equity Program Data, 4.1 Review of Social Equity Application Responses subsection *Barriers to Entry*]

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X. Appendices

Appendix 1. Areas of Disproportionate Impact

Areas of Disproportionate Impact		
Abington	Holyoke	Revere
Amherst	Lowell*	Southbridge
Boston*	Lynn	Spencer
Braintree	Mansfield	Springfield*
Brockton	Monson	Taunton
Chelsea	New Bedford	Walpole
Fall River	North Adams	Wareham
Fitchburg	Pittsfield	West Springfield
Greenfield	Quincy	Worcester*
Haverhill	Randolph	

*Certain census tracts qualify. See <https://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-for-Identifying-Areas-findof-Disproportionate-Impact.pdf>

Appendix 2. Stakeholder Interview Questions

We will discuss the following questions at our meeting. While no advance preparation is needed, please feel free to make note of anything you would like to mention in our conversation.

Introductory Questions

1. Can you share with me how your previous work led to your appointment as a Commissioner with the CCC?
2. What has most surprised you about your role or the Commission in your time here so far?

Areas / Communities of Disproportionate Harm

3. What are some obstacles facing disproportionately harmed communities?
4. What activity or types of activities do you believe will positively impact disproportionately harmed communities?

Positive Impact Plans

5. How would you describe the purpose of positive impact plans?
6. What elements would you like to see covered in every positive impact plan submitted to the Commission?
7. Has your view of the substance of submitted positive impact plans evolved over time? If so, how?
8. What activity or types of activities would you discourage applicants from including in positive impact plans?
9. What concerns, if any, do you have about business compliance with submitted positive impact plans?
10. How would you distinguish the purpose of positive impact plans from the required diversity plans each ME must also submit?

Massachusetts' Marijuana Industry

11. What do you see as industry's role in achieving social equity in the market?
12. How would you like to hear the public and media describe the industry in the next one to two years?

Concluding Questions

13. In five years, what do you hope will have been accomplished through implementation of positive impact plans and diversity plans?
14. What does social equity mean to you?



Appendix 3. Social Equity Program Participant Survey



Overview

The Massachusetts Cannabis Control Commission's ("Commission") Research Department is studying what are known as Positive Impact Plans (PIPs). Any business applying to be a licensed Marijuana Establishment in Massachusetts is required to submit a PIP that includes specific goals and activities to positively impact communities previously disproportionately harmed by marijuana prohibition and enforcement (e.g. the War on Drugs). These persons and communities are not just geographic areas, but they are also Economic Empowerment applicants, you and other Social Equity applicants, individuals with past drug convictions, or the spouses or children of individuals with past drug convictions.

We are interested in understanding how social equity applicants view PIPs. Your participation in this research study is voluntary. If you have any questions about this study, please contact the Commission's Director of Research, Dr. Julie K. Johnson at julie.johnson@mass.gov. Thank you.

Survey Questions

1. Are you from or planning to open a business in an area disproportionately harmed by the War on Drugs? Please see reverse side for a list of all Areas of Disproportionate Impact.
 - a. Yes
 - b. No

2. In your opinion, what are some of the obstacles faced by communities disproportionately harmed by the War on Drugs?

3. If you could advise cannabis businesses on activities they could **initiate or fund in areas disproportionately impacted by the War on Drugs**, what activities would you advise that they do? **Please select three (3) activities.**
 - a. Accelerator or incubator programs
 - b. Grant funding
 - c. Low interest loans
 - d. Public information/education sessions about cannabis and the industry in a disproportionately harmed community

(continued on back)



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- e. Scholarships to social equity businesses for employee trainings
- f. Donation to community organizations (e.g. Boys and Girls Club, local shelters)
- g. Town or city sponsored events or festivals
- h. Community-led events (e.g. neighborhood block party, ice cream social)
- i. Community clean up
- j. Paid law enforcement details at public events
- k. Cannabis industry job fairs
- l. Internship or training programs for cannabis industry
- m. Job creation
- n. Other, please describe: _____

List of Commission-identified Areas of Disproportionate Impact (ADIs)

Abington	Lowell	Southbridge
Amherst	Lynn	Spencer
Boston	Mansfield	Springfield
Braintree	Monson	Taunton
Brockton	New Bedford	Walpole
Chelsea	North Adams	Wareham
Fall River	Pittsfield	West Springfield
Fitchburg	Quincy	Worcester
Greenfield	Randolph	
Haverhill	Revere	
Holyoke		



Appendix 4. Timeline of Commission Activities Related to Positive Impact Plans (PIPs)

Public Meeting Date	Discussion Related to PIPs and DPs	Meeting Minutes
6.21.18	<p><i>Sira Naturals</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the positive impact plan (PIP) before final licensure. • Chairman suggested that it would be helpful to provide guidance to applicants for what type of detail the Commission are seeking. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2018/07/06-21-18-Meeting-Minutes.pdf</p>
7.2.18	<p><i>Sira Naturals</i></p> <ul style="list-style-type: none"> • Commissioner reiterated adding the condition of having the applicant update the PIP’s impact as discussed last week. • Commission agreed to provide Guidance. <p><i>Cultivate Holdings</i></p> <ul style="list-style-type: none"> • Commissioner requested additional information on PIP. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2018/07/07-02-18-Meeting-Minutes.pdf</p>
7.12.18	<ul style="list-style-type: none"> • No discussion of Positive Impact Plans or Diversity Plans identified in meeting minutes. 	
7.26.18	<p><i>Guidance Update</i></p> <ul style="list-style-type: none"> • <i>Guidance on Required Positive Impact Plans (PIPs) and Diversity Plans</i> unanimously approved (subject to staff ministerial edits). • Chairman introduced the PIP Guidance and one Commissioner spoke on the PIP Guidance, the purpose of which is to clarify the elements of the positive impact plan, details plans and accountability, along with examples. It was also noted that PIPs are not 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2018/08/07-26-18-Meeting-Minutes.pdf</p>



	<p>limited to what is contained in the Guidance.</p> <p>NETA</p> <ul style="list-style-type: none"> One Commissioner asked Executive Director if the Commission would review licensee’s actions taken relative to submitted PIPs during renewal. Executive Director responded “Yes.” 	
10.18.18	<p>Curaleaf Massachusetts</p> <ul style="list-style-type: none"> Commissioner asked about the PIP. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2018/11/10-18-18-Meeting-Minutes.pdf</p>
11.1.18	<p>Green Biz</p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p>Temescal Wellness</p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p>Ashli’s Extract, Inc.</p> <ul style="list-style-type: none"> One Commissioner asked about ongoing compliance with PIPs. Commission Staff stated it would be monitored for ongoing compliance. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2018/11/11-01-18-Meeting-Minutes.pdf</p>
11.20.18	<p>Atlantic Medicinal Partners (MCN281476)</p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/01/11-20-18-Meeting-Minutes.pdf</p>
12.13.18	<p>Baked Bean, LLC (# MPN281406)</p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure <p>BCWC, LLC</p> <ul style="list-style-type: none"> Commission put a condition to update the PIP for clarity and 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/01/12-13-18-Meeting-Minutes.pdf</p>



	<p>feasibility before final licensure.</p> <p><i>Garden Remedies, Inc.</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p><i>Silver Therapeutics, Inc.</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p><i>Updated Guidance for Positive Impact Plans and Diversity Plans</i></p> <ul style="list-style-type: none"> • Chairman discussed the Updated Guidance on Disproportionate Impact and Diversity Plans and one Commissioner discussed the Guidance. One Commissioner suggested an edit to receive in writing confirmation from the nonprofit. One Commissioner suggested removing the phrase “due diligence.” • The Commission unanimously approved the motion to approve the Guidance. 	
<p>1.10.19</p>	<p><i>Mass Alternative Care, Inc.</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p><i>Holyoke Gardens, LLC</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p><i>LDE Holdings, Inc.</i></p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p><i>Pioneer Valley Extracts, Inc.</i></p>	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/02/01-10-19-Meeting-Minutes.pdf</p>



	<ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	
1.24.19	<p><i>CommCan, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Herbology Group, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Hothouse Holyoke, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Urban Grown, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/02/01-24-19-Meeting-Minutes_v1.pdf</p>
2.7.19	<p><i>Apothca, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/02/02-07-19-Meeting-Minutes_v1.pdf</p>
2.21.19	<p>Note: There was robust discussion of achieving social equity in the Commonwealth during this meeting.</p> <p><i>Beacon Compassion, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Canna Provisions, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>In Good Health, Inc.</i></p>	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/03/02-21-19-Meeting-Minutes.pdf</p>



	<ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	
4.4.19	<p><i>BCWC, LLC.</i></p> <ul style="list-style-type: none"> Commission put a condition to have the PIP language reviewed by legal before final licensure Re: charitable donations. <p><i>Greener Leaf, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Native Sun Wellness, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Hope Heal Health, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure Re: hiring from ADI. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/06/04-04-19-Meeting-Minutes.pdf</p>
4.25.19 -4.26.19	<p><i>Health Circle, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure Re: education seminars and goals. <p><i>Nature’s Remedy of Massachusetts</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure Re: education seminars and goals. <p><i>Discussion of Guidance Document for Renewals</i></p> <ul style="list-style-type: none"> Chairman discussed the Guidance Document: Renewals. Executive Director discussed the Guidance document and renewal of licenses process. One Commissioner said people need to understand the expectations of 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/06/04-25-26-19-Meeting-Minutes.pdf</p>



	<p>what they will be required to achieve under the PIPs.</p> <ul style="list-style-type: none"> • One Commissioner wanted to know what programs did not work and what course correction was taken. • One Commissioner asked to build in the process a way to give feedback to applicants on their PIPs and its success. <p>Day 1 Discussion of Policy Matters and Regulations</p> <ul style="list-style-type: none"> • One Commissioner discussed the rigor of applicant review of PIPs for adult-use applicants. <p>Day 2 Discussion of Policy Matters and Regulations</p> <ul style="list-style-type: none"> • Executive Director discussed data collection of plans for positive impact. 	
5.16.19	<p>Caregiver-Patient Connection</p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure Re: education seminars and goals. <p>Eagle Eyes Transport, Inc.</p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure. <p>In Good Health, Inc.</p> <ul style="list-style-type: none"> • Commission put a condition to update the PIP before final licensure Re: hosting job fairs. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/06/05-16-19-Meeting-Minutes.pdf</p>
5.23.19	<ul style="list-style-type: none"> • No discussion of PIPs. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/06/05-23-19-Meeting-Minutes.pdf</p>
5.30.19	<p>Boston Bud Factory, Inc.</p>	<p>Link: https://mass-cannabis-control.com/wp-</p>



	<ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Theory Wellness, Inc.</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. 	content/uploads/2019/06/05-30-19-Meeting-Minutes.pdf
6.13.19	<p><i>I.N.S.A., Incorporated</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>LC Square, LLC</i></p> <ul style="list-style-type: none"> Commission put a condition to update the PIP before final licensure. <p><i>Sira Natural, Inc.</i></p> <ul style="list-style-type: none"> One Commissioner noted that the applicant’s PIP was improved from a previous license application. 	<p>Link: https://mass-cannabis-control.com/wp-content/uploads/2019/07/Meeting-Minutes-06-13-19-Cannabis-control-Commission.pdf</p>

***Note:** Positive Impact Plan (PIP)

Created July 2019; Updated August 2019 to Accommodate Research Scope.

Key Words Searched: “Positive,” “Impact,” “Plan,” “Title,” “Flanagan,” “Social,” and “Equity,”



Appendix 5. Positive Impact Plan and Diversity Plan Guidance's Released by the Commission

(1) Original Guidance Released 7/26/18



GUIDANCE ON REQUIRED POSITIVE IMPACT PLAN AND DIVERSITY PLAN

Purpose

The purpose of this guidance is to assist applicants by providing further information on the Cannabis Control Commission (Commission) requirement to provide a plan to positively impact areas of disproportionate impact and, separately, a diversity plan. This guidance is not legal advice. If you have questions regarding the legal requirements for licensure in the Commonwealth, you are encouraged to consult an attorney.

Background

The Commission is charged by state law (M.G.L. Ch. 94G §4) to adopt procedures and policies to promote and encourage full participation in the regulated cannabis industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.

As part of this mandate, the Commission requires every applicant applying for any Marijuana Establishment license to provide in its Application of Intent "a plan by the marijuana establishment to positively impact areas of disproportionate impact, as defined by the Commission," under 935 CMR 500.101(1)(a).

In accordance with the Commission's interpretation of the above mandate, applicants' plans to positively impact one or more of the following communities are acceptable to meet this requirement:

- 1) Past or present residents of the geographic "areas of disproportionate impact," which have been defined by the Commission and identified in its [Guidance for Identifying Areas of Disproportionate Impact](#). The designation of these areas will be re-evaluated periodically.
- 2) State-designated Economic Empowerment priority applicants
- 3) State-designated Social Equity Program participants
- 4) Massachusetts residents who have past drug convictions
- 5) Massachusetts residents with parents or spouses who have drug convictions

Additionally, state law (St. 2017, c. 55, §77) requires the Commission to "provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including Minority Business Enterprises, Women Business Enterprises, and Veteran Business Enterprises."

Under 935 CMR 500.101(e), every applicant applying for a marijuana establishment is required to have a diversity plan to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientation. A detailed summary must be included along with the personnel, record-keeping, inventory, and other operating policies and procedures summarized in the Management and Operations Profile submitted to the Commission.



The requirement to have a plan to promote diversity at all levels of the marijuana establishment itself, particularly in hiring, is a separate and distinct requirement from the plan to positively impact areas of disproportionate impact.

Elements of a Plan

In accordance with the definition of a “plan,” each plan should include:

- (1) Goals: one or more desired outcomes of the plan
- (2) Programs: a detailed process for how to achieve those goals, and
- (3) Measurement and Accountability: metrics to assess whether the goals were achieved

Goals

Each applicant should choose its own specific goals to make a positive impact on areas of disproportionate impact, as required by M.G.L. Ch. 94G §4. In creating its Social Equity Program to make a positive impact on those areas, the Commission adopted the following goals:

- Reducing barriers to entry in the commercial adult-use cannabis industry;
- Providing professional and technical services and mentoring for individuals and businesses facing systemic barriers; and
- Promoting sustainable, socially and economically reparative practices in the commercial cannabis industry in Massachusetts.

As a best practice, diversity goals should be specific, measurable, and subject to deadlines. Currently operating businesses may find it useful to include both short-term and long-term goals, such as 2-year and 5-year goals. The goals may span a variety of areas including but not limited to: the culture of the company; the opportunities, trainings, and events available to people in the company; and the levels and types of diversity within the company.

Positive Impact Plan Programs

Applicants are encouraged to be innovative in their plans to positively impact areas of disproportionate impact. Programs to positively impact identified communities may include, but are not limited to:

- Hiring plans identifying certain levels and percentages of positions for people from specific identified communities, including but not limited to:
 - Methods for targeting the recruitment of the identified group(s)
 - Skills-based training programs, or a plan to include individuals previously trained by the Commission’s Social Equity Program
- Incubator or accelerator programs that seek to provide assistance to start-up companies, including but not limited to:
 - Grants
 - Access and introductions to potential sources of capital
 - Cultivation, manufacturing, or retail space
 - Management training or other forms of industry-specific technical training
 - Mentorship from experts
 - Formation of peer support groups

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- Other benefits that do not violate the Commission's regulations with respect to limitations on ownership and control
- Providing debt and/or equity funding to help businesses founded by individuals with limited net worth and access to traditional sources of capital to meet start-up and working capital needs. This funding may take the form of investment vehicles including, but not limited to: standard debt instruments; convertible debt instruments; or equity investment pools with other enterprises; which:
 - Provide access to capital to those applicants from communities that have previously been disproportionately harmed by marijuana prohibition who wish to enter the adult-use cannabis industry;
 - Allow the applicant providing the funding assistance to earn a reasonable return on investment;
 - Allow the individuals receiving the funding assistance to earn a reasonable rate of return on the sum of both their "sweat equity" plus the real equity the individuals are able to contribute; and
 - Do not violate the Commission's regulations with respect to limitations on ownership and control

Diversity Plan Programs

Strategic planning for diversity is an organization-specific process. Resources are readily available on the topic, as are a variety of consulting services.

Measurement and Accountability

Each plan should include both qualitative and quantitative measures that relate to whether the goals were achieved. Metrics should have an identified data source and method for tracking that data. For example, surveys and focus groups can measure the culture of a company; opportunities, trainings, and events can be counted; and the diversity within a company can be measured through self-identified demographic data.

In its own programs, some of the measures that the Commission currently tracks and will report include:

- Number and percentage of licenses issued to state-designated Economic Empowerment applicants and Social Equity Program participants
- Number and percentage of licenses issued to farmers, Minority Business Enterprises, Women Business Enterprises, and Veteran Business Enterprises
- Number and percentage of jobs in the adult-use cannabis industry held by people of color, specifically people of African-American/Black and/or Hispanic or Latino descent, women, veterans, farmers, and people with drug convictions
- Jobs created in the adult-use cannabis industry in geographic areas of disproportionate impact
- Number of people enrolled and trained through the Social Equity Program
- Number of businesses and individuals participating in and successfully paired with employers through the Commission.

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(2) Revised Guidance Released 2/25/19



GUIDANCE ON REQUIRED POSITIVE IMPACT PLANS AND DIVERSITY PLANS

(REVISED 2/25/19)

OVERVIEW

PURPOSE

The purpose of this amended guidance is to assist applicants with additional clarity and information on the Cannabis Control Commission (“**Commission**”) requirements to submit a plan to positively impact areas of disproportionate impact and, separately, a diversity plan. This guidance is not legal advice. If you have questions regarding the legal requirements for licensure and renewal in the Commonwealth, you are encouraged to consult an attorney.

BACKGROUND

The Commission is charged by state law to adopt procedures and policies to promote and encourage full participation in the regulated cannabis industry by individuals from communities disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities. M.G.L. c. 94G, § 4. State law specifically requires the Commission to “provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including minority business enterprises, women business enterprises, and veteran business enterprises.” St. 2017, c. 55, § 77.

As part of its mandate, *the Commission requires every applicant applying for any Marijuana Establishment license to provide in its Application of Intent packet “a plan by the marijuana establishment to positively impact areas of disproportionate impact, as defined by the Commission.”*¹

Pursuant to its mandate to promote equity in the adult-use marijuana industry, *the Commission also requires the applicant to provide in its Management and Operations Profile packet a diversity plan “to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientation.”*²

¹ 935 CMR 500.101(1)(a)(11); 935 CMR 500.101(2)(b)(10)

² 935 CMR 500.101(1)(c)(7)(k); 935 CMR 500.101(2)(e)(8)(k)



ELEMENTS OF EACH PLAN

Every applicant seeking licensure or must submit the two plans:

1. plan to positively impact areas of disproportionate impact as defined by the Commission; and
2. a diversity plan.

As part of an extensive review of application materials, the Commission will scrutinize each plan separately to make sure it includes the following:

1. Goals: one or more desired outcomes of the plan;
2. Programs: detailed actions, activities, or processes that will be utilized or implemented to achieve the outlined goals; and
3. Measurements: specific metrics that will be implemented to assess the progress and success of the programs.

Each plan should follow this format to be considered compliant with the Commission's regulations. Miscellaneous, extraneous, or additional information unrelated to the goals, programs, and measurements of each plan is not necessary and should not be included in the submission.

The following sections will provide guidance on the Commission's expectations, examples, and additional state requirements that should be included in each plan. The examples provided below are not an exhaustive list and applicants are encouraged to be innovative while remaining compliant with the Commission's regulations and requirements and any other applicable laws.

PLAN TO POSITIVELY IMPACT AREAS OF DISPROPORTIONATE IMPACT

Prior to drafting this plan, the applicant must understand who the plan is intended to affect and tailor the goals, programs, and measurements to a specific group. The Commission has identified populations falling within areas of disproportionate impact (the groups a plan is intended to impact) as the following:

1. Past or present residents of the geographic "areas of disproportionate impact," which have been defined by the Commission and identified in its [Guidance for Identifying Areas of Disproportionate Impact](#). The designation of these areas will be re-evaluated periodically;
2. Commission-designated Economic Empowerment Priority applicants;
3. Commission-designated Social Equity Program participants;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have drug convictions.

This plan should only be tailored to positively impact one or more of the groups identified above.



GOALS (POSITIVE IMPACT PLAN)

Each applicant should establish specific goals to make a positive impact on areas of disproportionate impact, and clearly list and describe these goals in its plan. Some possible goals that could be utilized include the following:

1. Reducing barriers to entry in the commercial adult-use cannabis industry;
2. Providing mentoring, professional, and technical services for individuals and businesses facing systemic barriers;
3. Promoting sustainable, socially and economically reparative practices in the cannabis industry in Massachusetts; and
4. Providing business assets (time, organization skills, finances) towards endeavors in a geographical location designated as a disproportionately impacted area that will have a positive impact on the members of that community or the community as a whole.

PROGRAMS (POSITIVE IMPACT PLAN)

Each applicant should develop specific programs to effectuate its stated goals to positively affect areas of disproportionate impact, and clearly describe the proposed programs in its plan. Some possible programs that could be implemented include the following:

1. Giving hiring preference to individuals that fall under the Commission's definition of disproportionately impacted areas. If choosing to implement this type of program, the program must affirmatively identify the specific disproportionately impacted area and the intended ways to reach that community for hiring or other purposes;
2. Incubator or accelerator programs that seek to aid start-up companies owned by disproportionately harmed communities, including but not limited to:
 - a. Grants;
 - b. Access and introductions to potential sources of capital;
 - c. Cultivation, manufacturing, or retail space;
 - d. Management training or other forms of industry-specific technical training;
 - e. Mentorship from experts;
 - f. Formation of peer support groups; and
 - g. Other benefits that do not violate the Commission's regulations with respect to limitations on ownership and control.
3. Providing debt and/or equity funding to help businesses founded by individuals previously or currently residing in disproportionately impacted areas with limited net worth and access to traditional sources of capital to meet start-up and working capital needs. This funding may take the form of investment vehicles including, but not limited to: standard debt instruments; convertible debt instruments; or equity investment pools with other enterprises; which:
 - a. Provide access to capital to those applicants previously or currently residing in communities that have previously been disproportionately harmed by marijuana prohibition who wish to enter the adult-use cannabis industry; and



- b. Allow the individuals receiving the funding assistance to be charged a reasonable interest rate on the equity the individuals contribute.
4. Providing assistance to named non-profits and charities whose missions are improving one of the disproportionately impacted areas. The name and mission of a listed non-profit or charity should be included in the plan. NOTE: Applicants that intend to make a monetary donation to non-profits/charities are advised to obtain written correspondence certifying that the non-profit/charity will accept the donation prior to including it as a component of a Positive Impact Plan;
5. Community “clean-up” initiatives in an area of disproportionate impact;
6. Providing or creating assistance programs for the elderly in disproportionately impacted areas; and
7. Raising and/or donating money to initiatives with goals to improve disproportionately impacted areas.

MEASUREMENTS (POSITIVE IMPACT PLAN)

Each applicant must disclose the specific measurement metrics that will be used in measuring the success of its programs. This is important as every licensee, upon renewal, will need to demonstrate that the identified programs in the plan led to measurable success of the licensee’s goals.³

This section of the plan should include both qualitative and quantitative measures that demonstrate the progress or success of the plan. Metrics should have an identified data source and method for tracking that data.

The applicant is responsible for disclosing and tracking the intended measurement metrics. Depending on the stated goals and programs, measurement metrics will vary. Some examples of metrics that could be utilized include the following:

1. Number of employees hired, retained, or promoted that come from disproportionate impacted areas;
2. Number and subject matter of trainings offered and performed, and to whom;
3. Specific financial data and/or employee hours showing donations to or investments in to specific causes;
4. Number of businesses that obtained training or assistance from the programs;
5. Number of businesses or individuals participating in and successfully paired with the employer through the Commission’s Social Equity Program; and
6. Number and types of jobs created in the adult-use cannabis industry in geographic areas of disproportionate impact.

³ 935 CMR 500.103(4)(a)



DIVERSITY PLAN

Prior to drafting this plan, the applicant must understand who the plan is intended to affect and tailor its goals, programs, and measurements to that demographic. The Commission has specifically stated in its regulations that this plan should promote equity among the following demographics:

1. Minorities;
2. Women;
3. Veterans;
4. People with disabilities; and
5. People of all gender identities and sexual orientations.⁴

GOALS (DIVERSITY PLAN)

Each applicant should establish specific goals to promote equity for the above-listed groups in the operations of the Marijuana Establishment. "Operations of the Marijuana Establishment" means to attract, contract, hire, promote, and retain board members, contractors, executives, employees, managers, and service providers. Please note that this plan should not be tailored to address equality (which may be required under law and is laudable) but to, in fact, promote equity. *Equity is providing everyone with the tools or opportunities they need to be successful and leveling the playing field. Equality is simply treating everyone the same.*

Some possible goals that could be included in this plan include the following:

1. Increasing the number of individuals falling into the above-listed demographics working in the establishment and providing tools to ensure their success;
2. Increasing the number of individuals falling into the above-listed demographics in management and executive positions in the establishment and providing tools to ensure their success;
3. Providing access for and assisting individuals falling into the above-listed demographics to achieve their goal of entering the adult-use marijuana industry; and
4. Increasing the number of businesses owned by individuals falling into the above-listed demographics that can contract or otherwise do business with Marijuana Establishments.

PROGRAMS (DIVERSITY PLAN)

Every applicant should tailor its programs to promoting equity for the identified groups and include them in the operations of its Marijuana Establishment. Strategic planning for diversity is an organization-specific process. Resources are readily available on the topic, as are a variety of consulting services. Examples of some programs that could effectuate the goal of an applicant's diversity plan include the following:

⁴ 935 CMR 500.101(1)(c)(7)(k); 935 CMR 500.101(2)(e)(8)(k)



1. Advertising employment opportunities in diverse publications or other mediums;
2. Advertising employment opportunities tailored to individuals falling into the above-listed demographics with career centers;
3. Distributing internal workplace newsletters that encourage current employees to recommend individuals falling into the above-listed demographics for employment;
4. Creating a promotion process that employs equity principles for current employees;
5. Providing trainings or mentorship programs for individuals falling into the above-listed demographics to promote their entry into the marijuana industry;
6. Providing recruitment meetings or participating in job fairs with a focus on attracting individuals falling into the above-listed demographics; and
7. Establishing relationships with specific organizations that are diversity-focused for the purposes of:
 - a. Networking with their constituencies for employment purposes;
 - b. Providing information on employment opportunities;
 - c. Providing trainings or informational sessions for individuals falling into the above-listed demographics on the marijuana industry.

MEASUREMENTS (DIVERSITY PLAN)

Each applicant must disclose the specific measurement metrics to be used in measuring the success of its programs. This is important as every licensee, upon renewal, must demonstrate that the identified programs in the plan led to measurable success of the licensee's goals.⁵

This section of the plan should include both qualitative and quantitative measures that demonstrate the progress or success of the plan. Metrics should have an identified data source and method for tracking that data.

The applicant is responsible for disclosing the intended measurement metrics. Depending on the stated goals and programs, measurement metrics will vary. Some examples of metrics that could be utilized include the following:

1. Number of individuals from the above-referenced demographic groups who were hired and retained after the issuance of a license;
2. Number of promotions for people falling into the above-listed demographics since initial licensure;
3. Number of positions created since initial licensure;
4. Number of and type of information sessions held or participated in with supporting documentation;
5. Number of postings in diverse publications or general publications with supporting documentation; and
6. Number and subject matter of trainings held and the number of individuals falling into the above-listed demographics in attendance.

⁵ 935 CMR 500.103(4)(a)



ADDITIONAL REQUIREMENTS PERTAINING TO BOTH PLANS

Both plans have unique requirements and standards that have been discussed above. In addition to those requirements, both plans require the applicant to affirmatively state the following:

1. The applicant acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and
2. Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

GENERAL INFORMATION PERTAINING TO BOTH PLANS

When drafting each of these plans, every applicant should be mindful of the following information:

1. The plan to positively impact areas of disproportionate impact and the diversity plan are separate and distinct application requirements. One plan deals with improving areas of disproportionate impact (as defined above) and the other plan deals with promoting equity with respect to diversity (of the groups listed above). *These two plans should **not** be blended or submitted as one document or plan.*
2. Applicants may have consented to certain requirements in an executed Host Community Agreement ("HCA") with the municipality where they will be located. Programs or actions taken under each of these plans should be in addition to any HCA agreement conditions or requirements. *In other words, please do not include elements of your plans that also are conditions or requirements of your executed HCA.*
3. Applicants should endeavor to disclose only the information necessary to comply with the requirements of the plans. *These two plans should be no longer than three pages each. Applicants may have appendices; however, this is discouraged.*
4. Progress on these plans will be evaluated upon license renewal. Please ensure that the plans submitted as part of the application are practical and ones that the applicant plans to implement and achieve success. It is recommended that the applicant institute a process to evaluate its plans' progress quarterly in preparation for demonstrating success upon renewal. *Upon license renewal, the Commission shall evaluate any information deemed necessary to assess the bona fide progress of each plan.*
5. This revised guidance should be utilized immediately. For compliance purposes, Commission staff will begin reviewing all applications not previously reviewed in accordance with this document upon approval by the Commission.

