

October 3, 2025

The Honorable Michael Rodrigues
Co-Chair, Joint Committee on Ways and Means
State House, Room 212
Boston, MA 02133

The Honorable Aaron Michlewitz
Co-Chair, Joint Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Chairs Rodrigues and Michlewitz:

I hope you and your staff are well. On behalf of the Massachusetts Cannabis Control Commission (Commission), I write to respectfully request a supplemental appropriation for FY2026 of \$2,025,000. This supplemental request funds necessary operational line items as well as mission-critical tasks the agency needs to conduct for the maintenance of public health, safety, and accessibility as part of the Commonwealth's equity mandate.

Account	Account Title	FY 2026 Maintenance	FY 2026 CNB Request	FY 2026 CNB Actual
1070-0840	Cannabis Control Commission	\$19,931,010	\$23,076,709	\$16,260,127
1070-0841	Public Education Campaign	\$1,500,000	\$1,500,000	\$0
1070-0842	Medical Use of Marijuana Program	\$4,684,943	\$5,502,942	\$3,457,320
	Total:	\$26,115,953	\$30,079,652	\$19,717,447

In FY2026, the Commission's final appropriation was approximately \$10 million below the agency's request. In response, the Commission has prioritized only the most necessary expenditures, instituted a hiring freeze, and sought new sources of funding for certain major expenses, including updated IT infrastructure.

Supplemental Budget Appropriation Request

The Commission's supplemental request is further divided as follows:

Payroll Deficiency for Staffed Positions	\$600,000
Payroll Deficiency for Frozen Positions	\$850,000
Payroll Merit/Cost-of-Living Adjustments	\$325,000
Completion of Social Equity Program Technical Assistance and Training Classes	\$150,000
Product Safety Testing and Enforcement Resources	\$50,000
Laboratory Testing Protocols Consulting	\$50,000



The Commission has consistently demonstrated responsible stewardship of public funds and has operated at revenue positive from FY2020 – FY2023 and revenue neutral from FY2024 – FY2025. In FY2025 alone, the agency generated more than \$19 million in non-tax revenue and is projected to exceed \$20 million in FY2026. The Commission’s robust efforts not only protect public health and safety but have continued to allow the Massachusetts market to evolve and generate record breaking revenue year-over-year.

For FY2026, the Commission received a final appropriation \$6.39 million below maintenance level. To meet current agency needs, ensure continuity of operations and fulfill statutory obligations, the Commission’s supplemental funding request includes mandated training for the Social Equity Program (SEP), critical staffing funding, and targeted investments in testing oversight. Without this support, projects will stall, enforcement capacity will diminish, and statutory obligations may go unmet.

This supplemental request is broken down into the following projects:

Payroll Deficiencies

Three of the line items in the Commission’s supplemental request address payroll deficiencies that require immediate attention to maintain the Commission’s operations to date. The foremost concern is a payroll deficiency that endangers current positions. The shortfall in the Legislature’s final appropriation has left the Commission without adequate payroll funding to sustain its workforce, putting existing employees at risk. Without additional funding, the Commission risks lapses in payroll that will disrupt day-to-day operations. Without supplemental funding, the Commission’s ability to consistently license, inspect, and regulate both adult-use and medical licensees will be significantly impaired. The Commission implemented a hiring freeze in FY25 for most unstaffed positions to balance the budget. These vacancies are not optimal but are necessary for the Commission’s functions across multiple departments. Additional work has shifted to existing employees who are already stretched to departmental capacity and will be threatened further by continued payroll deficits.

Additionally, the Commission does not have funding to provide staff with merit increases or cost of living adjustments for FY26 which are needed for the agency to remain competitive in the current labor market. The Commission faces retention challenges due to salaries that do not rival peer state agencies or industry counterparts. Without additional funding, the agency risks losing skilled employees, institutional knowledge, and operational continuity which would create higher long-term costs through turnover, training, and delays in ongoing compliance and regulatory work.

Compounding these three challenges are additional responsibilities to the Commission in FY26, including the launching of three new Social Consumption license classes and the implementation of the Secret Shopper Program. These initiatives add substantial obligations to an already taxed staff yet were not supported by additional funding or staff positions to manage these responsibilities. As a result, the Commission’s existing staff are taking on additional work to improve and expand the industry.

Collectively, these payroll deficiencies represent an immediate threat to the Commission’s stability and capacity. Supplemental funding is urgently needed to meet existing payroll obligations,



restore frozen positions, and provide adjustments that will secure the workforce needed to effectively regulate this growing \$8 billion industry.

SEP Technical Assistance and Training Program

The SEP is a nation-leading, statutorily mandated initiative under Mass. Gen. Laws ch. 94G, § 4(a1/2)(iv). Its importance was further reinforced by Chapter 180 of the Acts of 2022, which emphasized the need for policies that support social equity businesses in the cannabis industry. The Commission's SEP currently has 1,143 participants with access to courses that were initially scheduled for training in FY25; however, they were delayed due to budget shortfalls. Those obstacles are now exacerbated in FY26 as insufficient funding again threatens to disrupt ongoing technical assistance for communities that have been disproportionately harmed by previous marijuana prohibitions and enforcement.

SEP courses are comprehensive, hybrid-style classes designed to cover multiple topics to prepare participants for entry into Massachusetts' regulated cannabis industry. Participants gain regulatory and entrepreneurial foundations such as business plan creation, how to navigate municipal processes, and host community agreement negotiation; as well as business development topics such as how to raise capital in the cannabis industry, create impactful positive impact plans, and accounting and taxes for cannabis businesses. Advanced courses focus on leadership, organizational strategy, and financial projections, and provide hands-on skills to participants. These courses, taught by contracted subject matter experts in the industry, are vital training for new business owners and new agents looking to obtain a job in the regulated marketplace which presents challenges for even seasoned business professionals while cannabis remains a Schedule 1 substance. Without supplemental funding, the Commission does not have the ability to fulfil its financial obligations to the vendors that provide these courses. This would deprive current SEP participants of much needed resources and undermine the Commonwealth's mandate to ensure equity in the cannabis industry.

Product Testing

As the safety, consistency, and reliability of regulated cannabis products in Massachusetts remains a top priority for the Commission, additional resources are needed to continue to strengthen oversight. Over the past year, the Commission has worked on developing proactive tools and enforcement practices to ensure cannabis testing is clear, transparent, and trustworthy. While significant progress has been made to address inconsistencies in laboratory reporting and strengthen testing requirements, further investment is necessary to close critical gaps and continue the Commonwealth's progress.

In FY26, the Commission contracted with specialized laboratory consultants to review existing testing protocols and recommend improvements to align with national best practices. These experts are evaluating current laboratory standards, identifying deficiencies, assessing inter-laboratory variabilities and testing outliers, and advising on enhanced quality control measures. Among such initiatives, the Secret Shopper Program is a regulatory tool that allows staff to purchase products from licensees for secondary testing. This program is designed to identify contamination, confirm labeling accuracy, and detect potential misconduct in the marketplace. However, its reach and scope remain constrained by limited staff capacity and the absence of a dedicated Standards Laboratory, requiring reliance and



payment to existing Independent Testing Laboratories for secondary testing. The lack of funding hinders the Commission from implementing the Secret Shoppers program.

Conclusion

The licensed cannabis industry in Massachusetts is a national model, but its continued success depends on critical funding. An FY26 supplemental appropriation of \$2,025,000 will ensure the Commission can meet its current statutory mandates and regulatory obligations and preserve continued economic growth of the legal cannabis market in our state. Without this supplemental funding, the Commission and the Massachusetts cannabis industry at-large face immediate risks to public health and safety, equity, and stability. License inspections will be delayed, SEP courses will pause, and gaps in product testing oversight may expose consumers and patients to potential harm. At the same time, payroll shortfalls and frozen positions hinder the Commission's ability to continue its ongoing work and compound the strain on an already thinning workforce. These consequences could erode public trust and ultimately threaten the millions of dollars of cannabis tax revenue that licensees generate for the Commonwealth each year. In a [report](#) issued in September 2025, the Massachusetts Budget & Policy Center found that the licensed industry has generated more than \$2 billion in state and local revenue since 2018. The Commission seeks to protect and strengthen this important revenue source for the Commonwealth, cities, and towns.

Thank you for considering the Commission's FY2026 supplemental budget request. We remain committed to effective and efficient use of public funds to further our mission to promote a safe, successful, and equitable industry for Massachusetts. If we can help answer any questions you may have, Matt Giancola, the Commission's Director of Government Affairs and Policy, is available to align calendars for a meeting or respond to information requests. Thank you again.

Sincerely,



Travis Ahern

Executive Director

