

## **Public Commission Meeting**

June 26, 2018  
10:30 AM

Health Policy Commission Conference Room  
50 Milk Street, 8th Floor  
Boston, MA

## Agenda

- 1) Call to Order
- 2) Chairman's Comments & Updates
- 3) Minutes from Previous Meetings
- 4) Executive Director's Report
- 5) Social Equity Program
  - Overview of the Program
  - Approval of RFP
- 6) New Business that the Chairman Did Not Anticipate at Time of Posting
- 7) Next Meeting Date

## Minutes from Previous Meetings

- June 14, 2018
- June 21, 2018

## Licensing Applications | June 26, 2018

- 1615 Total Applications
  - 144 Pending (At least 1 Part of Application)
  - 86 Withdrawn
  - 1384 Incomplete

The totals below are distinct license numbers that have submitted at least one of the packets related to getting a license (App of Intent, Background, Management/Ops, Payment)

Type	#
Independent Testing Laboratory	1
Craft Marijuana Cooperative	2
Marijuana Cultivator	35
Marijuana Establishment Agent	31
Marijuana Microbusiness	9
Marijuana Product Manufacturer	21
Marijuana Research Facility	3
Marijuana Retailer	38
Marijuana Transporter with Other Existing ME License	1
Third Party Transporter	3
<b>Total</b>	<b>144</b>

### 61 Applications Under Review

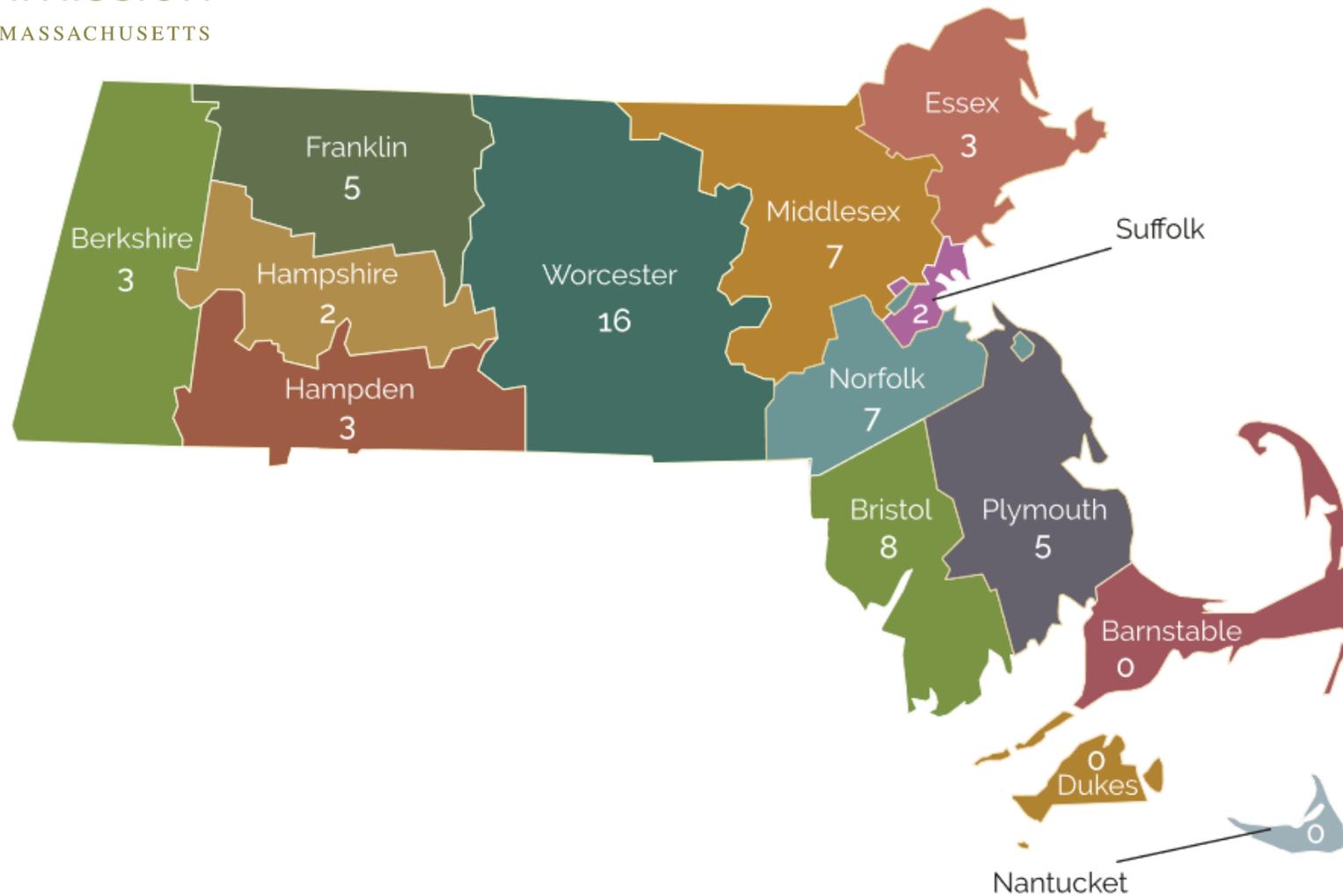
The totals below are distinct license numbers that have submitted all required packets.

Type	#
Marijuana Cultivator	22
Marijuana Microbusiness	2
Marijuana Product Manufacturer	15
Marijuana Research Facility	3
Marijuana Retailer	18
Marijuana Transporter with Other Existing ME License	1
<b>Total</b>	<b>61</b>

RMD Priority: 40  
Economic Empowerment Priority: 3  
General Applicant: 18

The 61 applications represent 31 separate entities.

## Licensing Applications | June 26, 2018





# Social Equity Program

Cannabis Control Commission

June 26, 2018 | Shekia Scott, Director of Community Outreach

# Agenda

- Background
  - State Law - Legislative Mandates
- Program Overview
  - Development
  - Eligibility
  - Tracks
  - Goals
  - Benefits
  - Outcomes
- Application Overview
- Next Steps
- Contact Information



# What is Equity?

Equality



= Sameness

Equity

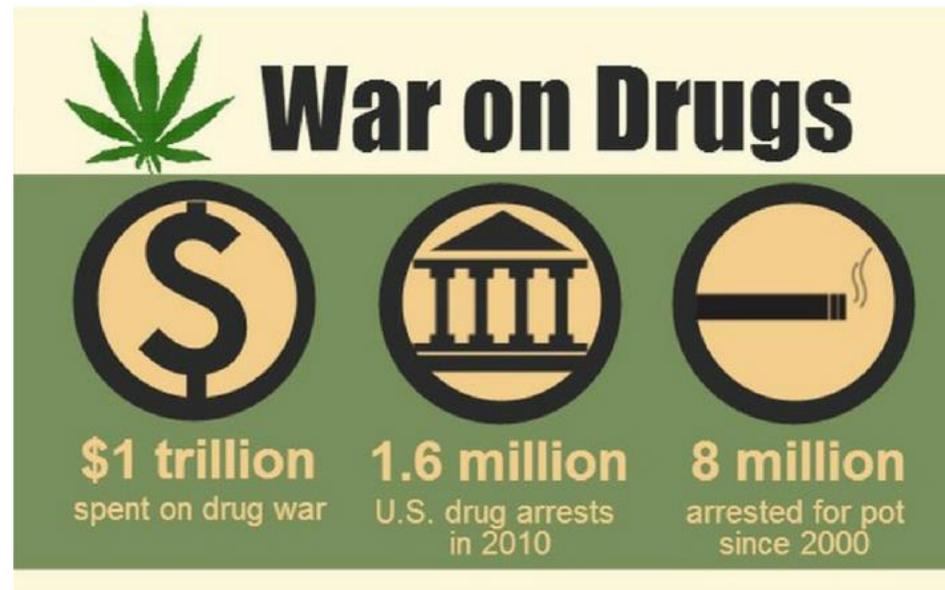


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= Fairness

# “THE WAR ON DRUGS WAS A VERY SPECIFIC WAR ON A VERY SPECIFIC COMMUNITY AND CULTURE”

Darlene Flynn, Director of Oakland, CA's  
Department of Race & Equity



## Full Criminalization

Any possession for any reason, as well as cultivation and sales, were illegal and criminally punishable.

1 9 7 0 ' s

## Decriminalization

Created civil penalties for small possession amounts. Cultivation, sale, and possession of more than 1 oz remained illegal.

2 0 0 9

## Medicalization

Medical use became legal in 2012. By 2014, there was a significant uptick in license applications and a notable decline in marijuana-related arrests.

2 0 1 2

## Legalization

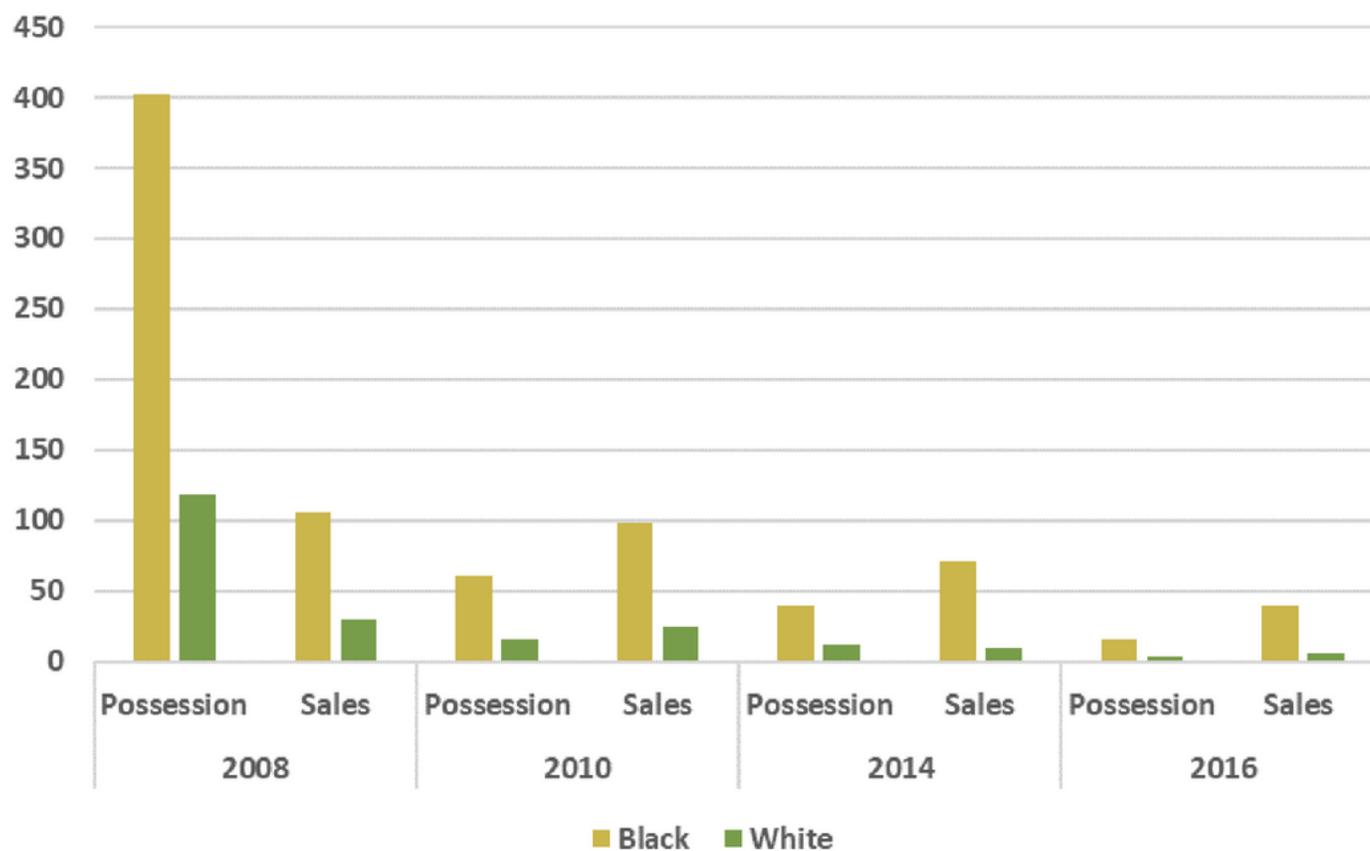
Voters approved a ballot measure in 2016 to legalize the adult use of cannabis.

2 0 1 6

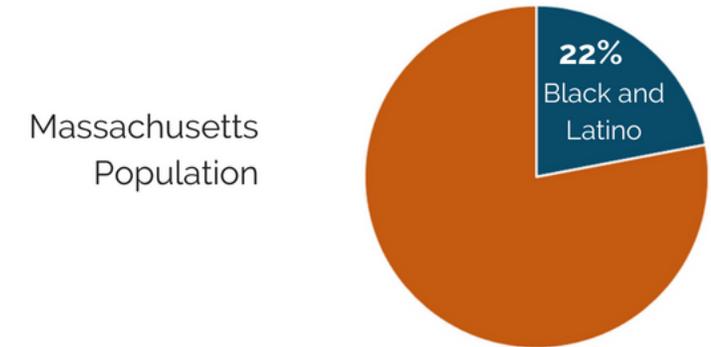
T I M E L I N E O F C A N N A B I S L A W S I N M A S S A C H U S E T T S

# Defining Disparities

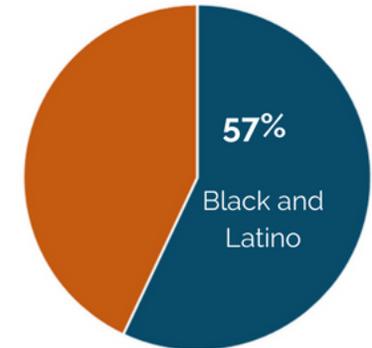
Disproportionate representation relative to population size and behavior patterns



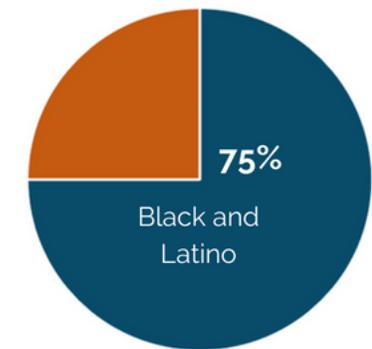
## Racial Disparities in the System of Incarceration



People Sentenced to Prison

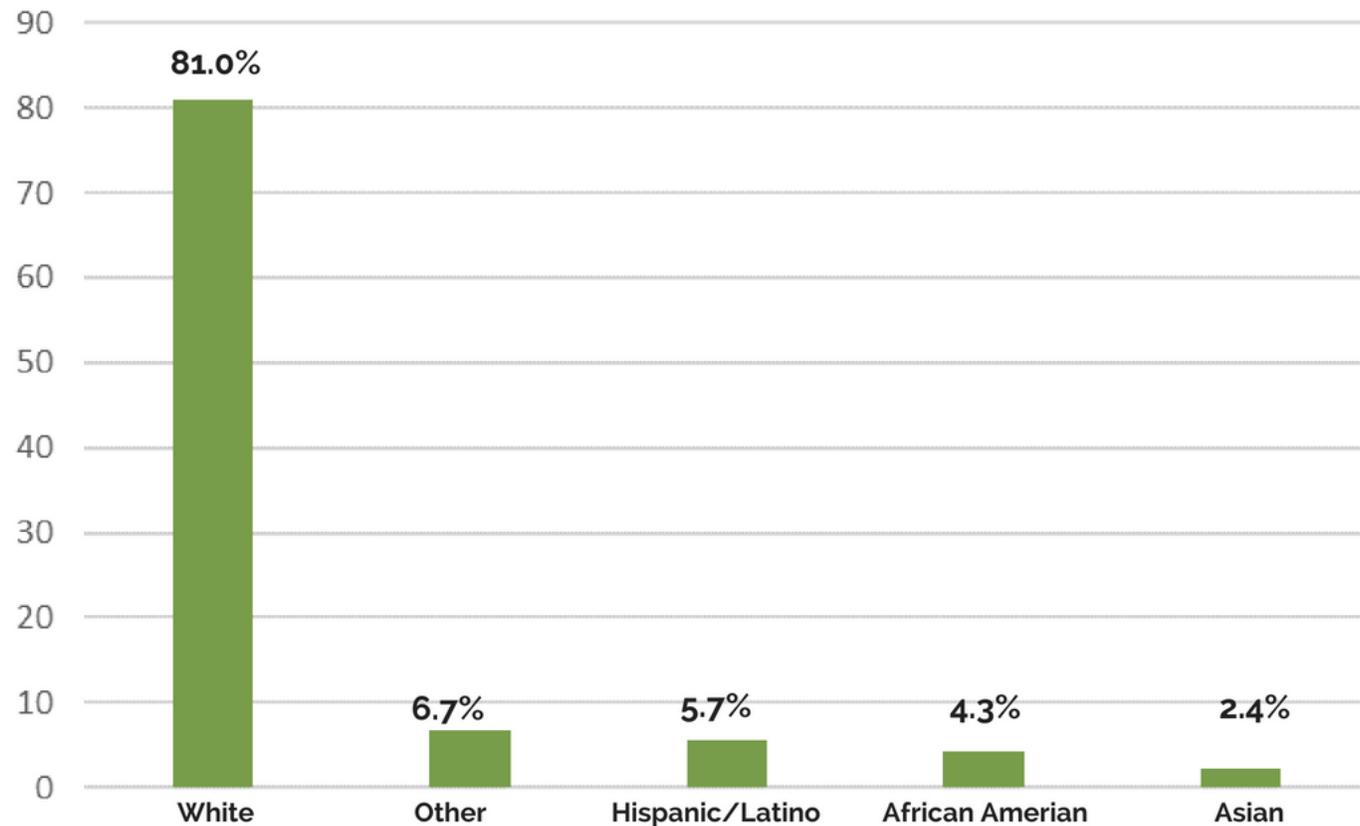


People Serving Sentences for Mandatory Minimum Drug Offenses



# Disparities in Representation in the Cannabis Industry

Breakdown of cannabis business owners & founders by race



Note: results reflect the percentage of respondents with any ownership stake in marijuana business.

Source: Marijuana Business Daily August 2017 reader survey

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## Key Barriers to Entry

Category	Barrier
Financial	Access to Capital or Financing
	Access to Real Estate
	Licensing and Regulatory Fees
Technical	Business Ownership
	Legal and Regulatory
	Tax
	Awareness of Equity Programs
Criminal	Background Checks
Other	Geography
	Distrust in Government

Source: 2017 Cannabis Equity Report, San Francisco

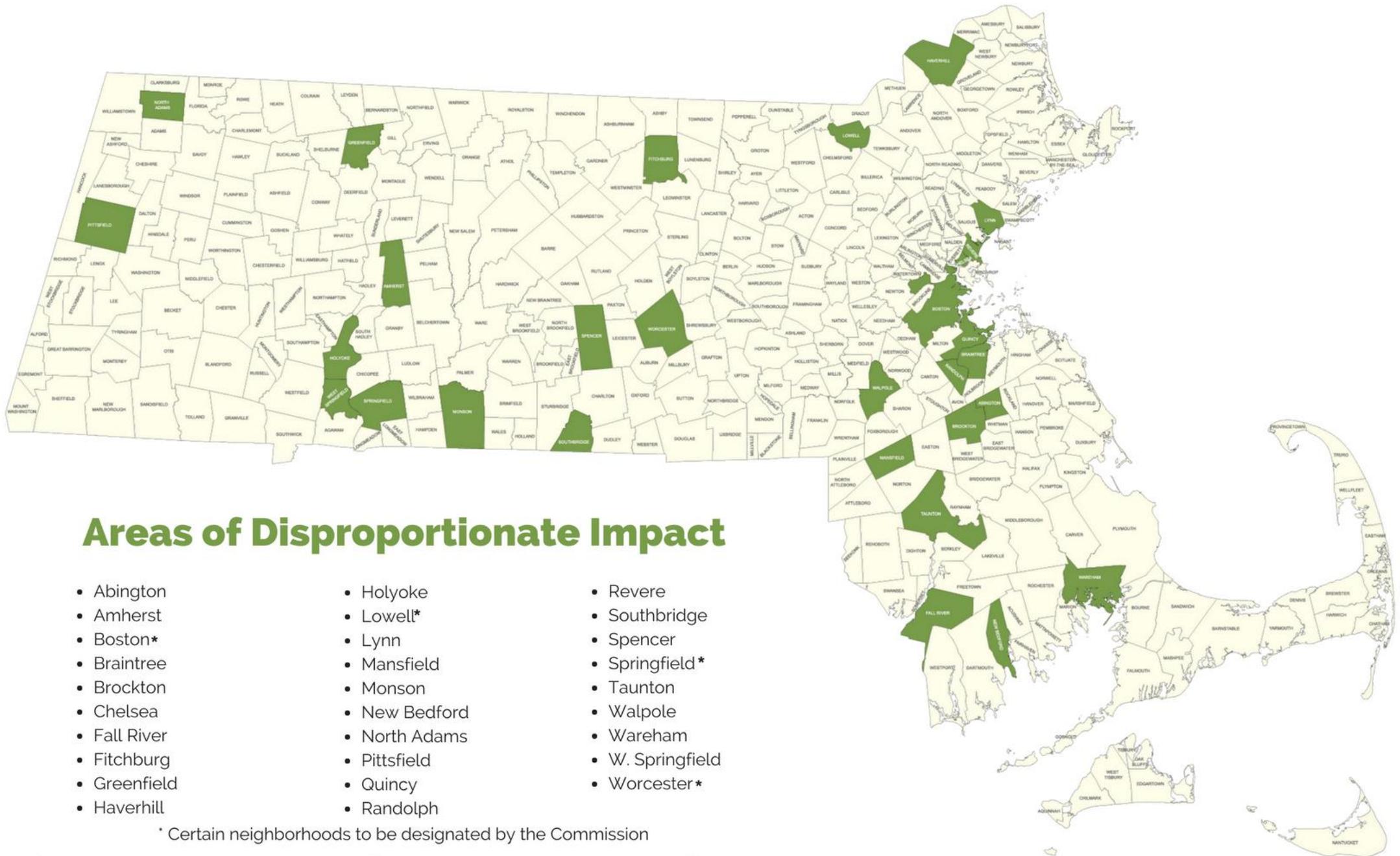
# STATE LAW - LEGISLATIVE MANDATES

## EQUITY PROGRAM FOR APPLICANTS

- The law requires the Commission to adopt procedures and policies to **promote and encourage full participation** in the marijuana industry by **people from communities that have been disproportionately harmed** by marijuana prohibition and enforcement and to positively impact those communities.

## ECONOMIC EMPOWERMENT PRIORITY REVIEW FOR APPLICANTS

- The law requires the Commission to **prioritize review and licensing decisions** for applicants for retail, manufacture, or cultivation licenses who **“demonstrate experience in or business practices that promote economic empowerment in communities disproportionately impacted** by high rates of arrest and incarceration for offenses under [the Controlled Substances Act].” M.G.L. c 94C



## Areas of Disproportionate Impact

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

\* Certain neighborhoods to be designated by the Commission

Based on "The Impact of Drug and Marijuana Arrests Within the Largest Cities of Massachusetts" Jon B. Gettman, Ph.D. Associate Professor, Criminal Justice Shenandoah University

# ACCOUNTABILITY

**The Legislature directed the Cannabis Control Commission to conduct a study regarding participation in the cannabis industry with a particular focus on minority, women, and veteran business enterprises.**

The Legislature instructed that, if the Commission found evidence of discrimination or barriers to entry in the regulated cannabis industry, the Commission was to adopt diversity licensing goals that would provide for the meaningful participation of those communities disproportionately impacted by cannabis prohibition enforcement. The Legislature further directed the Commission develop and implement training programs to meet the goals of meaningful participation in these communities.

1

Recruitment of minority-owned, women-owned, and veteran-owned business enterprises to become licensed in cannabis-related businesses;

2

Development of workforce training for minorities, women, and veterans to enter into cannabis-related businesses;

3

Creation of employer training to attract minorities, women, and veterans into the workforce; and

4

Outreach to disadvantaged groups, including consultations with state agencies and providing education and training opportunities.

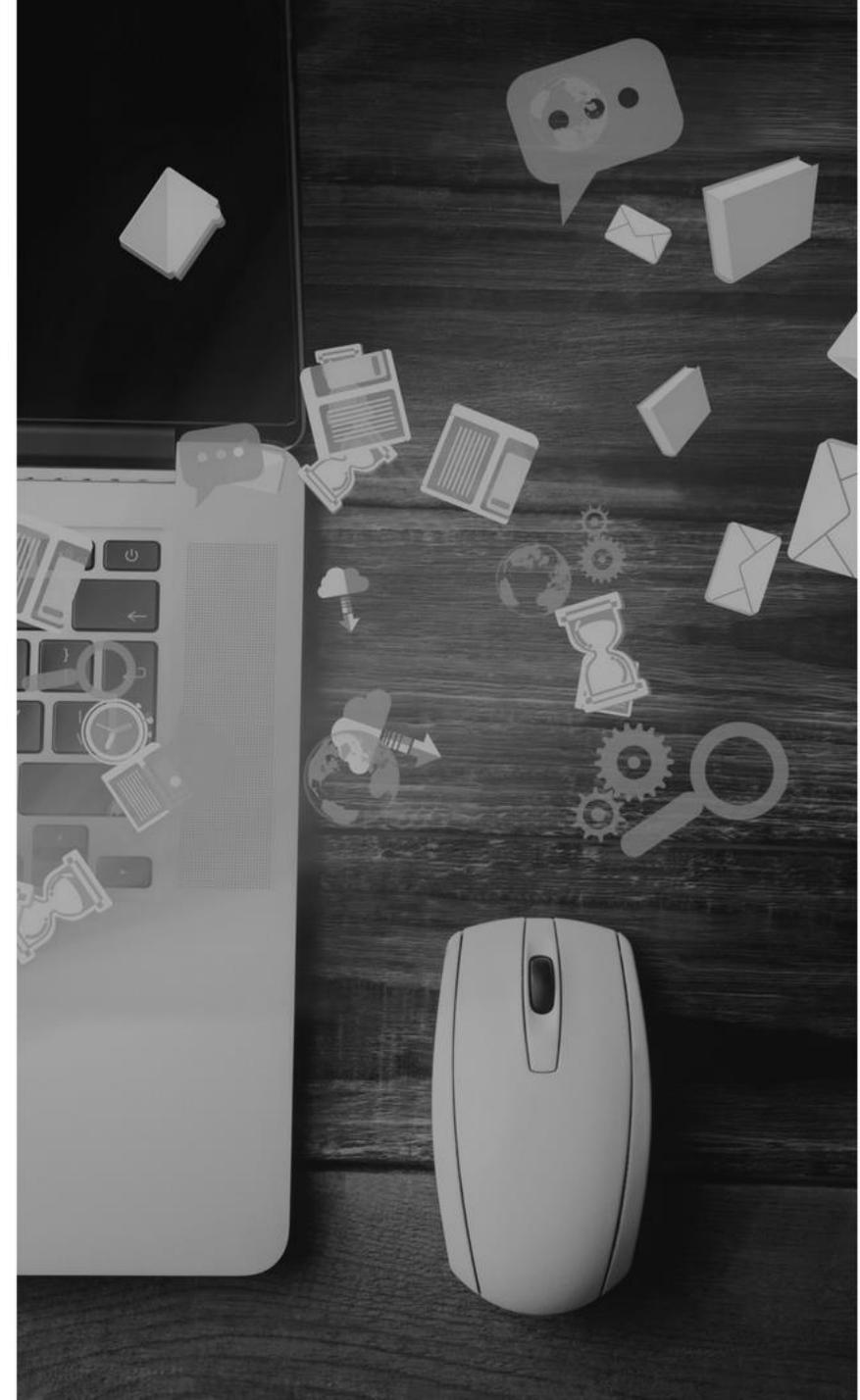
# Program Purpose

- The Social Equity Program is designed to create and build sustainable pathways into the cannabis industry for both individuals and businesses, regardless of their desired specialty. This program will allow applicants to reimagine what they can contribute while also providing avenues to build and support the growth of a robust adult-use industry.
- The program will create these pathways by pairing accepted applicants with qualified vendors based on a track system. These tracks are based on an applicant's specific interests in the cannabis industry, their current skills, and the outcomes they are seeking to gain from the program.
- The program will create a pipeline and dedicated connector for social equity applicants who are jobseekers and prospective and current cannabis employers for employment opportunities.



# Program Development

- Program vision and track creation
- Application design and development
- RFQ and procurement
- Dedicated webspace creation and utilization plan
- Program lists development and maintenance
- Portal conceptualization and buildout
- Implementation and outreach plans



# ELIGIBILITY

Applicants or licensees are eligible for the social equity program if they demonstrate at least **one** of the following criteria:

**#1**

Residence in an area of disproportionate impact for at least 5 of the past 10 years and an income that does not exceed 400% of the Federal Poverty Level;

**#2**

A past drug conviction and residence in Massachusetts for at least the preceding 12 months; or

**#3**

Married to or the child of a person with a drug conviction and residence in Massachusetts for at least the preceding 12 months.

# Track Overview

▶▶ These tracks are based on an applicant's specific interests in the cannabis industry, their current skills, and the outcomes they are seeking to gain from the program.



## Entrepreneur

Those seeking licensure and ownership



## Core

Those interested in cannabis careers at Marijuana Establishments at the managerial and executive level



## Re-Entry & Entry Level

Those re-entering society and those with entry level experience (0-2 years)



## Ancillary

Those with existing skills that are directly transferable to working with or supporting cannabis businesses. Inventors and developers of new cannabis accessories and tools.



Core Experienced Candidates  
(2-6 years)

Core Professional Candidates  
(7+ years)



Trade Professionals      Ancillary Professionals

# GOALS

**Address the disparities in life outcomes for individuals and improve the quality of life in areas of disproportionate impact by:**

**1**

Reducing barriers to entry in the commercial cannabis industry;

**2**

Providing professional training, technical services, and mentoring for individuals and businesses facing systemic barriers; and

**3**

Promoting sustainable, socially and economically reparative practices in the commercial cannabis industry in Massachusetts.

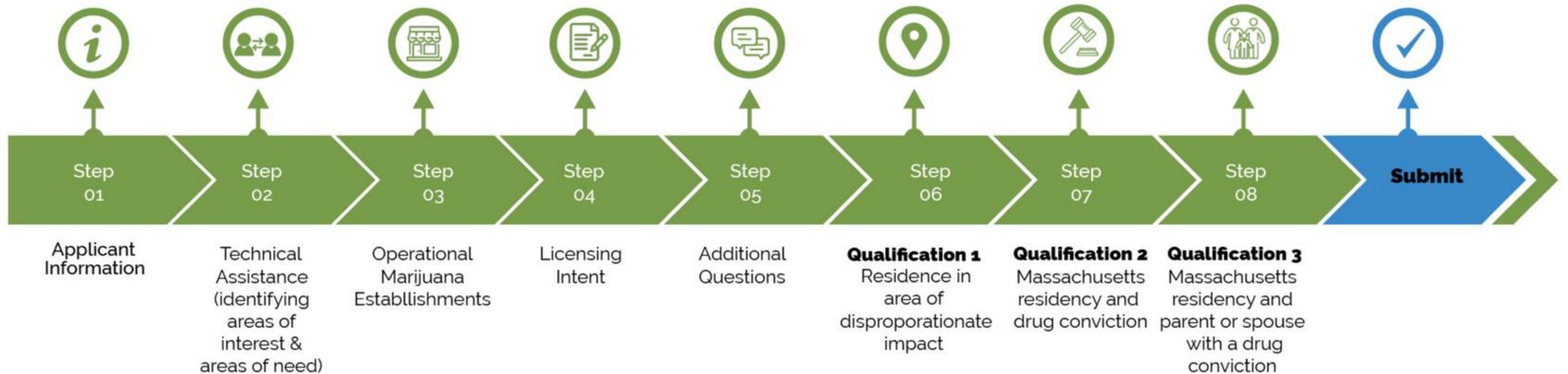
# Benefits

- Ongoing technical assistance
- Fee waivers
- Initial exclusive access to certain types of licenses



# Application Overview

The Social Equity application will be digital and accessible through the Commission's website. Completing the application will be a nine step process:



# Measuring Outcomes

- Overall increase in participation in the industry during and after completion of the program, particularly:
  - Individuals residing in disproportionately impacted areas
  - Women, veterans, farmers, and people of color, specifically those of African American/Black and Hispanic/Latino descent
  - Individuals with drug-related CORIs
  - Economic Empowerment applicants and Certified Economic Empowerment recipients
- Increase in workforce training programs for entry into cannabis industry
- Increase in businesses and individuals entered into and successfully paired with employers through dedicated connector
- Tracking number of licenses granted through this program



# Next Steps

The Commission will seek multiple vendors to develop face-to-face and on-demand curriculum as well as professional training, technical services, and mentoring through the Social Equity Program.

## Areas of Expertise

1. Accounting and Sales Forecasting
2. Business Plan Creation and Operational Development
3. Farming Best Practices
4. Identifying/Raising Funds or Capital
5. Management, Recruitment, and Employee Trainings
6. Cannabis Industry Best Practices
7. Navigating Licensing/Certification Processes
8. Navigation of Municipal Processes
9. Tax Prediction and Legal Compliance
10. Understanding and Navigating Law
11. Trade Skills
12. Other

**The Commission hopes to release an RFQ the week of June 25, 2018**



## For more information, please contact:

Shekia Scott, Director of Community Outreach



Shekia.Scott@Mass.Gov



<http://mass-cannabis-control.com/social-equity-programs/>

## **Next Public Commission Meeting**

Monday, July 2, 2018  
10:30 AM

Health Policy Commission Conference Room  
50 Milk Street, 8th Floor  
Boston, MA