



# Social Equity Program Overview

Cannabis Control Commission

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# Program Breakdown

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# CCC Mission

The mission of the Cannabis Control Commission is to honor the will of the voters of Massachusetts by safely, equitably and effectively implementing and administering the laws enabling access to medical and adult-use marijuana in the Commonwealth.

- The Commission will foster the creation of a safely regulated industry that will create entrepreneurial and employment opportunities and incremental tax revenues in and to communities across the state and which will be a best practice model for other states.
- The industry will be characterized by participation by small and larger participants and with full and robust participation by minorities, women and veterans.
- We will develop policies and procedures to encourage and enable full participation in the marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and positively impact those communities.



# Social Equity Program (SEP)

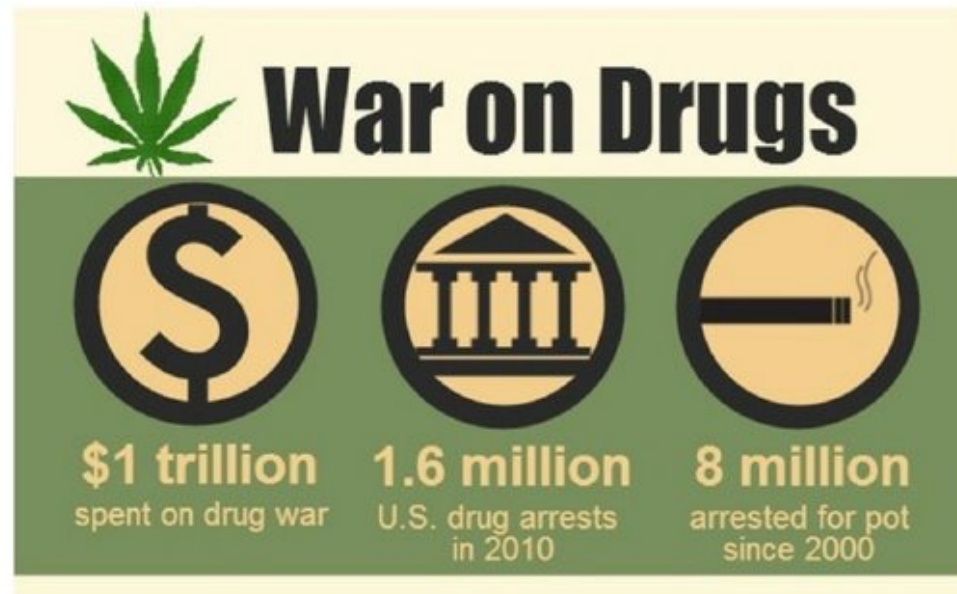
- The Social Equity Program (SEP) creates sustainable pathways into the cannabis industry for individuals most impacted by the War on Drugs, marijuana prohibition, disproportionate arrest, and incarceration.
- The SEP seeks to provide participants with education, skill-based training, and tools for success in the industry across four areas: entrepreneurship, managerial-level workforce development, re-entry and entry-level workforce development, and ancillary business support.
- Upon completion of this program, participants will have acquired tools and training to apply for and obtain a license through the Cannabis Control Commission. However, completion of the program does not guarantee licensure.





# “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.

1970's

## Decriminalization

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

2009

## 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.

2012

## Legalization

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

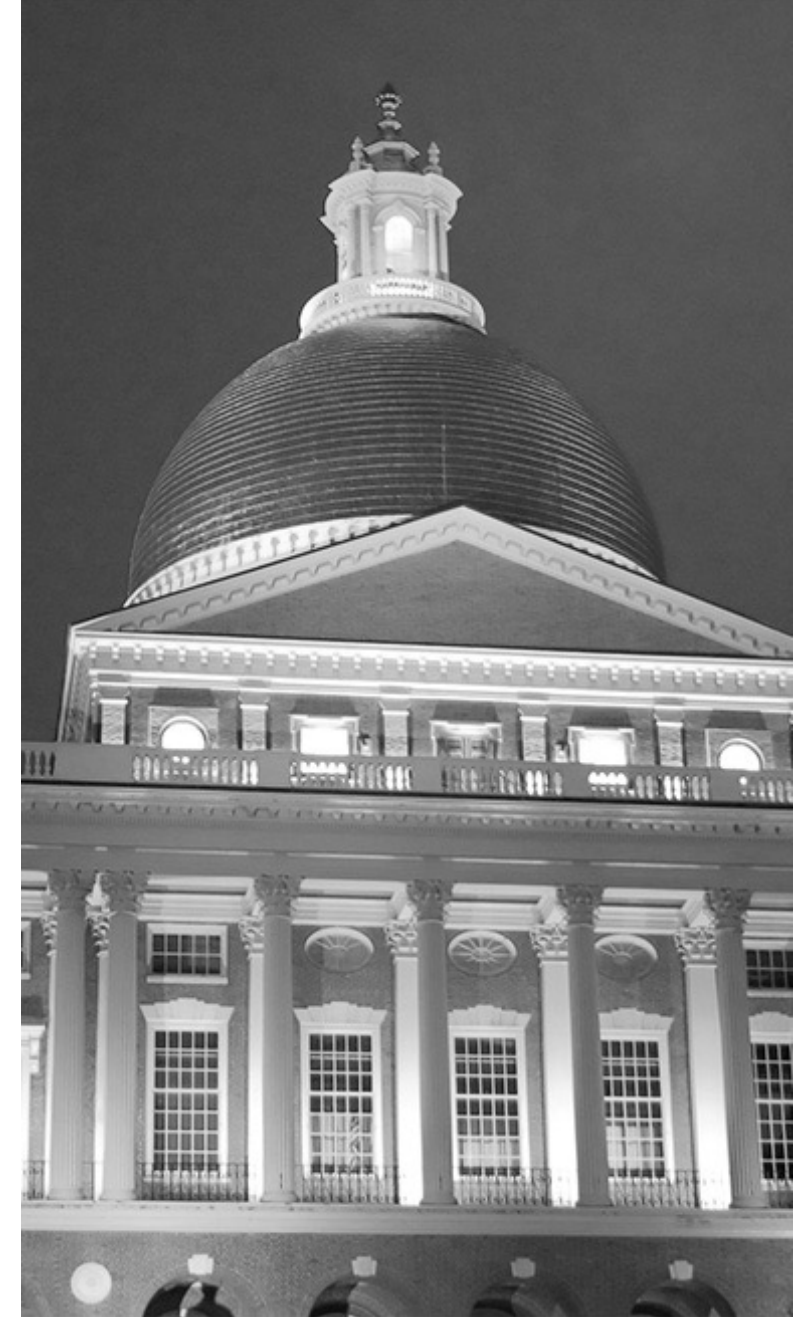
2016

TIMELINE OF CANNABIS LAWS IN MASSACHUSETTS



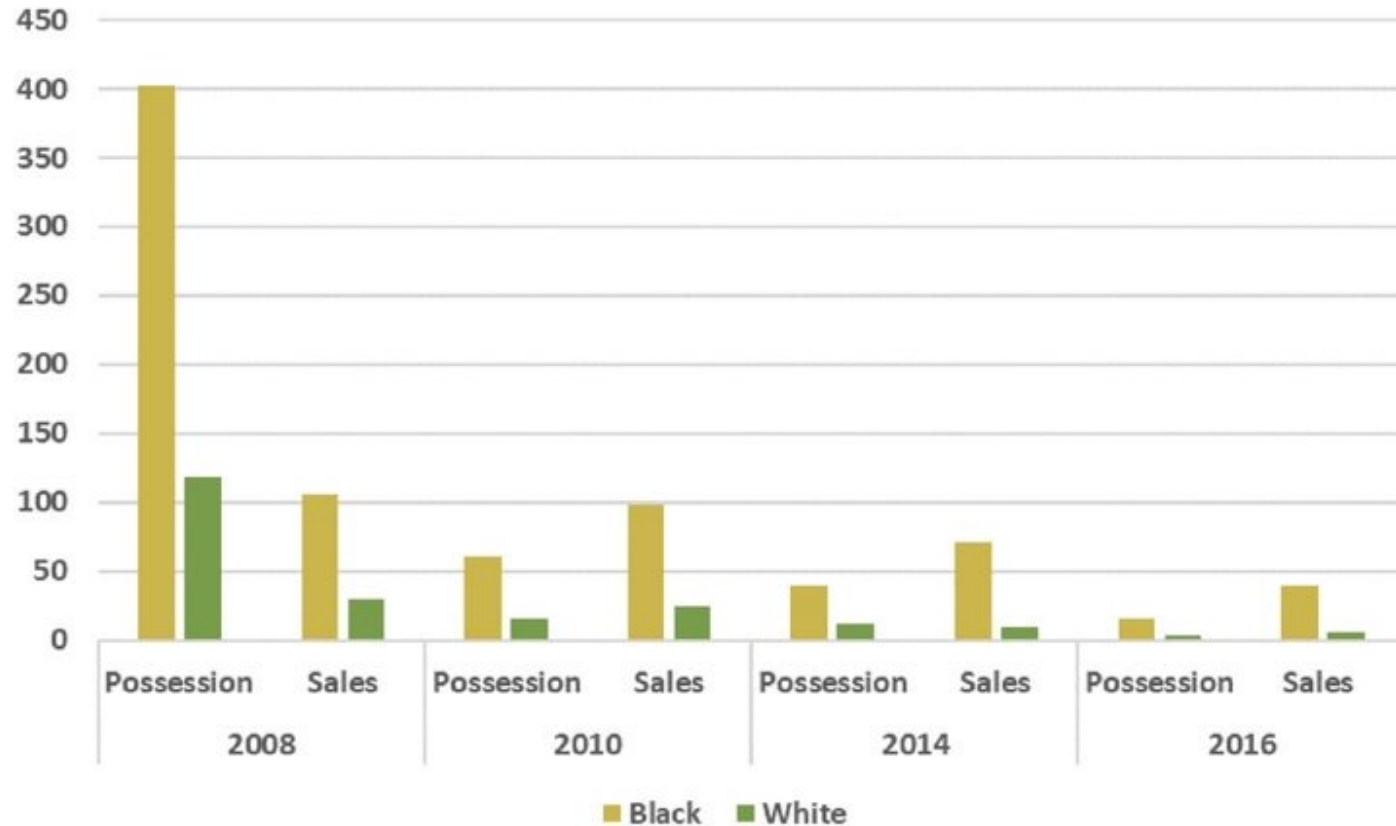
# Brief History of Legalization in Massachusetts

- November 6, 2012** Voter Initiative Legalizing Marijuana for Medical Purposes Approved (63% - 37%)
- June 25, 2015** First Medical Marijuana Treatment Center Opens
- November 4, 2016** Question 4 (Adult Use) Approved by Voters (53% - 47%)
- July 28, 2017** Governor Baker Signs Chapter 55 of the Acts of 2017
- September 1, 2017** Appointment of the Inaugural Cannabis Control Commission
- November 28, 2018** First Adult-Use Retail Stores Open
- May 2021** First Adult-Use Delivery Business Commences Operations in Massachusetts
- May 14, 2022** Adult-Use Sales Surpass \$3 Billion
- November 9, 2022** Chapter 180 of the Acts of 2022 goes into Effect

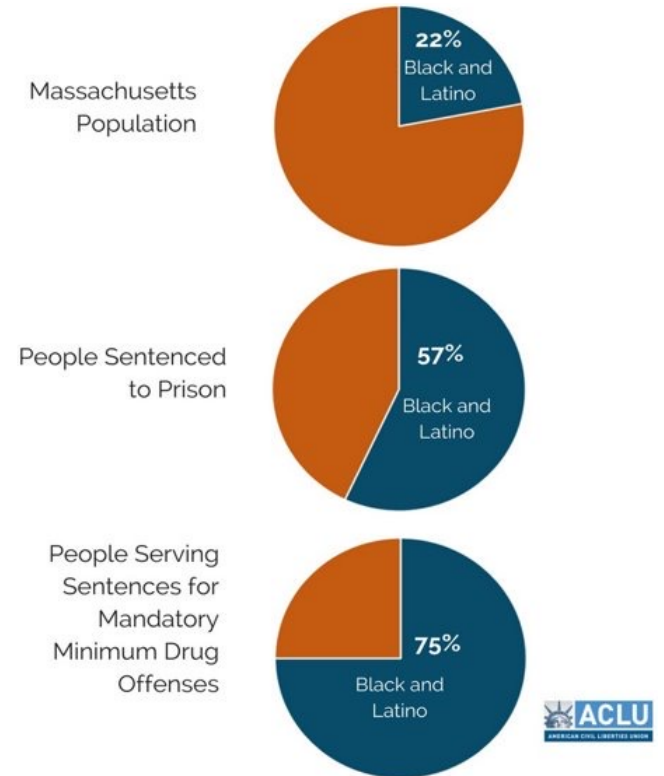


# Defining Disparities

## Disproportionate Representation Relative to Population Size and Behavior Patterns



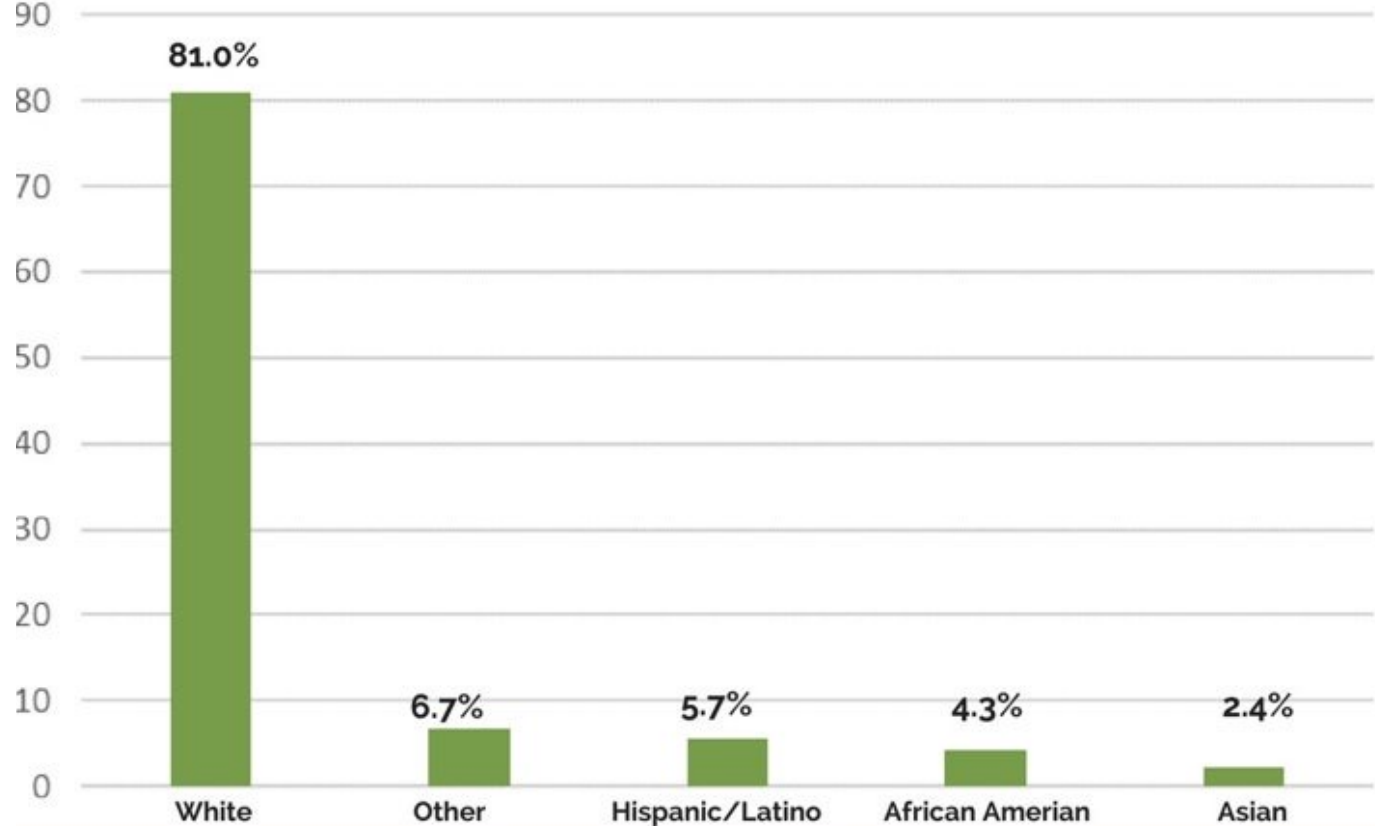
## Racial Disparities in the System of Incarceration





# Disparities in Representation in the Cannabis Industry

Breakdown of Cannabis Business Owners and Founders by Race



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



Note: Results reflect the percentage of respondents with any ownership stake in marijuana business. Source: Marijuana Business Daily August 2017 reader survey. © Marijuana Business Daily, a division of Anne Holland Ventures Inc. All rights reserved.

Source: 2017 Cannabis Equity Report. San Francisco

# State Law-Legislative Mandate

## Social Equity Program Review for Applicants

The law required 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.

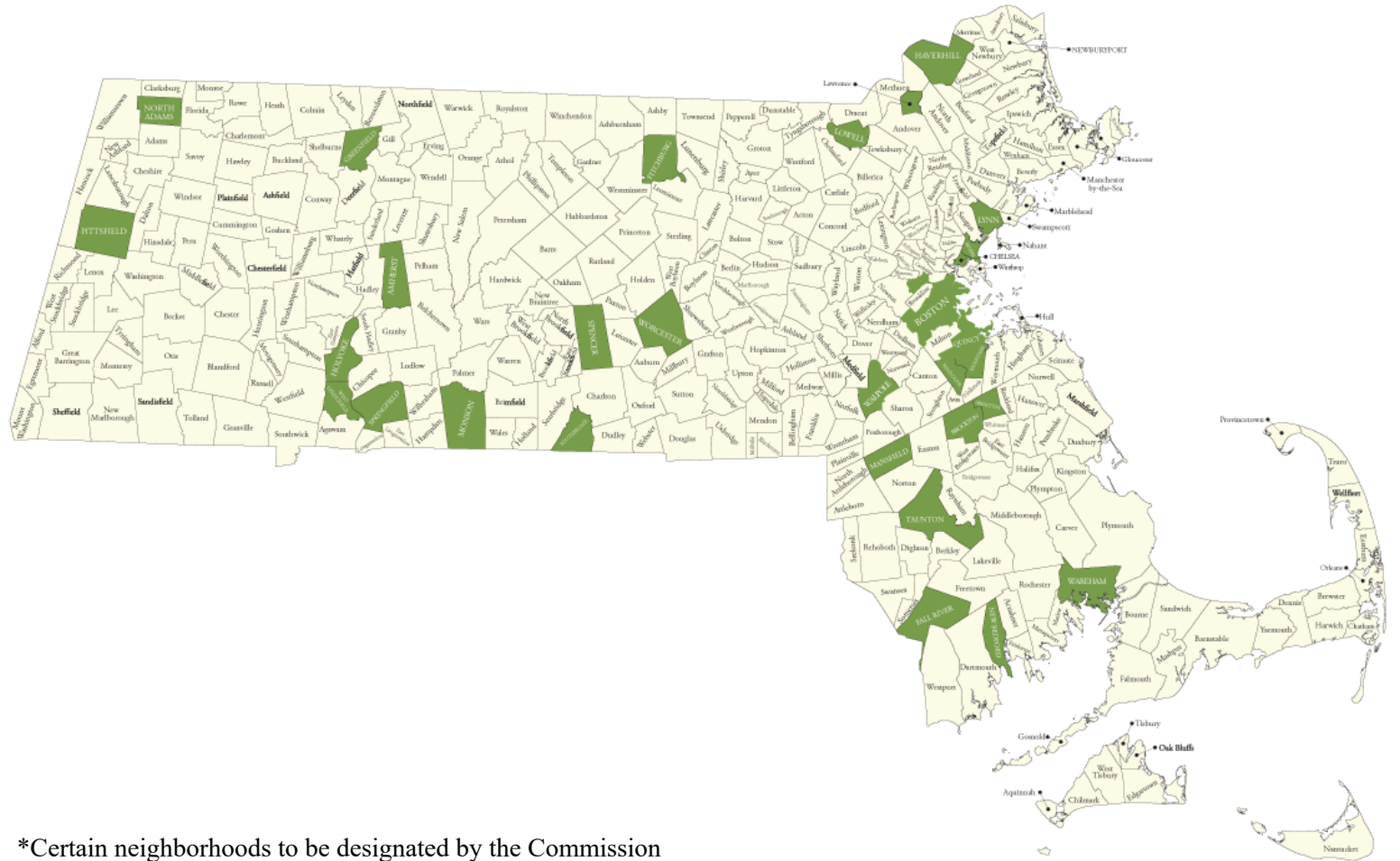
## Economic Empowerment Priority Review for Applicants

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



# Disproportionately Impacted Areas

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



\*Certain neighborhoods to be designated by the Commission

# 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 on 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 and enforcement. The Legislature further directed the Commission to 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.



# Social Equity Program Eligibility

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

**#1**

Income that does not exceed 400% of Area Median Income and Residency in an Area of Disproportionate Impact, as defined by the Commission, for at least five of the past ten years;

**#2**

Residency in Massachusetts for at least the past 12 months and a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions;

**#3**

Residency in Massachusetts for at least the past 12 months and proof that the applicant was either married to or the child of an individual convicted or continuance without a finding for a M.G.L. c. 94C offense or an equivalent conviction in Other Jurisdictions;

**#4**

Any individual listed as an owner on the original certification of an Economic Empowerment Priority Applicant.



# Social Equity Program Track Overview

Each track is comprised of several individual and skills-based courses which encompass a complete curriculum.



## Entrepreneur

Those seeking licensure and ownership.

Sub-tracks based on participant interest:



All Entrepreneur Track participants take Universal Courses, followed by courses specific to their sub-track.



## Core

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

All Core Track Participants take Universal Courses, followed by courses specific to managerial and executive level opportunities.



## Entry

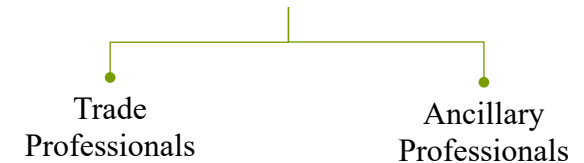
Those interested in entry level positions or starting careers at Marijuana Establishments.

All Entry Track Participants are encouraged to take Universal Courses.



## Ancillary

Those with existing skills that are directly transferable to working with or supporting cannabis businesses.



# 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

- Free access to technical assistance and virtual training courses;
- Expedited License Application Review;
- Waived Licensing Application Fees (Does not include cost associated with background checks);
- Waived METRC Monthly Program Fees (Does not include other costs associated with the seed-to-sale licensing system, specifically the fees for plant and package tags);
- 50% Reduction of Annual Renewal Fees;
- Exclusive Three-year period access to Social Consumption & Delivery Only License Types
  - Proposed to expire April 1, 2025; *however, the regulations specify that at least eight (8) months before the end of the exclusivity period, the Commission will begin evaluating whether their policy goals have been met, or whether an extension of at least another year is warranted.*
- Application Pre-Certification providing applicants with an initial determination from the Cannabis Control Commission which can be used for interactions with property owners, local officials, investors, and more.



# Application Overview

The Social Equity application will be digital and accessible through the Commission's website. Completing the application will be a 9-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/ Latin descent
  - Individuals with drug-related CORIs
  - Economic Empowerment applicants and Certified Economic Empowerment recipients
- Increase in workforce training programs for entry into the 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



# Social Equity Program Cohort III Demographic Overview

Race	American Indian or Alaska Native	Asian	Black or African American	Declined to Answer	Hispanic, Latino, or Spanish	Middle Eastern or North African	Other	White
	1	11	226	15	65	4	13	111
<b>Total (446)</b>	<b>0.22%</b>	<b>2.46%</b>	<b>50.67%</b>	<b>3.36%</b>	<b>14.57%</b>	<b>0.89%</b>	<b>2.91%</b>	<b>24.88%</b>

Track Interest	Ancillary	Core	Entrepreneur	Entry	Declined to Answer
	10	38	385	13	0
<b>Total (446)</b>	<b>2.24%</b>	<b>8.5%</b>	<b>85.2%</b>	<b>2.9%</b>	<b>0%</b>







# Questions?

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