



February 6, 2024

The Honorable Michael O. Moore
Massachusetts Senate
State House, Room 109-B
Boston, MA 02133

Dear Senator Moore:

I hope this message finds you well and excited to embrace the new year ahead. Although the Cannabis Control Commission (Commission) did not receive your recent letter to Secretary Gorkowicz directly, I wanted to take this opportunity to share with you some crucial information regarding our budget request for FY 2025 submitted to the Executive Office for Administration and Finance (ANF). In the spirit of transparency, I hope the following information will be useful to you. Please know that if you or your team ever have any questions regarding the work of the Commission, we are ready and willing to assist with providing any clarity you may need. Please also know our agency is a resource to you and is grateful for the years of collaboration we have shared with the Legislature.

First, we understand you had questions regarding the delegation of staff work during the former Executive Director's parental leave this past fall. The former Executive Director submitted a Key Contact Form to the Comptroller's office designating the Chief Operating Officer (COO) as agency head during his leave of absence, even though this action was unnecessary as he was still actively employed by the Commission, and the COO had been duly authorized to perform agency financial functions since 2020. The Comptroller's office notified the Commission that it was returning the filing as invalid since the Executive Director remained the duly appointed agency head pursuant to G.L. c. 10, § 76(j). Upon review, the Comptroller's Office notified the Commission that the previous Key Contact filing remained effective and that since the COO retained Department Head Signature Authorization and credit card designation, all Commission financial functions were valid and authorized during this period of time.

Pursuant to G.L. c. 10, § 76(j), "[t]he commission **shall** [emphasis added] appoint an executive director . . . In the case of an absence or vacancy in the office of the executive director or in the case of disability as determined by the commission, the commission **may** [emphasis added] designate an acting executive director to serve as executive director until the vacancy is filled or the absence or disability ceases". In October 2023, the Commission exercised this authority to appoint Debra Hilton-Creek as Acting Executive Director during the Executive Director's absence. The Acting Executive Director has all the powers and duties of the Executive Director and is the executive and administrative head of the Commission. Notification of the vote was sent to the Comptroller and the key contact forms were updated to reflect that designation and was accepted without issue. All Commission business, financial or otherwise, was duly conducted



while the former Executive Director was on leave and served as our agency head until the Acting Executive Director's appointment. I hope this information alleviates any concerns you may have, as well as dispels any rumors that you might have heard.

Next, we wanted to reiterate the Commission's commitment to responsible stewardship of public funds and our pride in operating on a revenue neutral basis for the entirety of our history. The Commission's budgeting process is collaborative and incorporates feedback from Commissioners, agency leadership, and staff. As you may know, the agency's FY 2024 budget allocation was approximately \$600,000 below the required maintenance level. In response, the Commission redeployed resources to ensure continued public health and safety in the licensed Massachusetts cannabis industry and to begin the implementation of regulations adopted in the wake of the passage of Chapter 180 of the Acts of 2022. As a result, certain job positions, studies, and spending have been pushed out to the agency's FY 2025 and FY 2026 requests to maintain appropriate spending levels. The Commission was grateful to receive a \$200,000 supplemental budget in December 2023 that will allow the agency to add critical staff support and make needed upgrades to cybersecurity infrastructure in the months ahead.

To date, the Commission regulates a \$5.5 billion licensed industry that generates hundreds of millions of dollars in state and local revenue each year. Currently, cannabis generates more tax revenue than the alcohol industry, at \$134.7 million YTD, and is the most profitable crop in Massachusetts. The regulated marketplace further comprises between 15,000 and 20,000 well-paying jobs. The Commission's non-tax revenue is just as substantial. In FY 2024 YTD, the Commission has generated more than \$8 million, and the Commission projects total non-tax revenue receipts will end the fiscal year with more than \$21 million. Additionally, the agency is assessing its revenue-generating services for potential modifications to increase receipts.

Due to the continued federal prohibition of cannabis, the Commission has had to build out much of the necessary research, policy, and operational background on its own. Despite these unique challenges, the Commission's work has been modeled by other states as they set up their own regulatory agencies. We are grateful for the support of the Legislature, Administration, and our partners in other states that have assisted the agency with developing a best-in-class licensed industry; however, that build-out continues and requires adequate resources.

Since its inception in September 2017, the Commission has ensured licensees comply with state laws and regulations; upheld public health and safety; supported medical patients, caregivers, and providers; and incorporated its nation-leading equity mandate into every facet of its organization, policies, and programming. Over the course of the last fiscal year alone, the Commission has:

- Approved 1,485 licenses, including 147 Marijuana Retailers, 62 Marijuana Cultivators, 56 Product Manufacturers, 16 Delivery Operators, and 3 Independent Testing Laboratories.

- Conducted inspections and license reviews, which has resulted in a total of 556 Marijuana Establishments commencing full business operations, including the new additions of, 1 Microbusiness, 24 Marijuana Cultivators, 1 Delivery Courier, 3 Independent Testing Laboratories, 5 Delivery Operators, 22 Product Manufacturers and 79 Marijuana Retailers.

- Approved 22,260 Marijuana Establishment agent applications.

- Registered 94,136 medical marijuana patients, 7,265 caregivers, and 441 Certified Healthcare Providers.

- Developed and deployed new, specific courses for Delivery and Courier Licenses as well as 10 new Advanced Courses for Social Equity Program (SEP) Participants. The Commission is currently accepting new participants for Cohort 4 of the SEP. Recently codified into law, the Social Equity Program was the first statewide equity program in the nation to offer free technical assistance and training to individuals who were disproportionately impacted by marijuana prohibition and who are interested in becoming involved in the licensed marijuana industry.

- Approved 30 applicants to be Responsible Vendor Trainers teaching Basic Core Curriculum, an Advanced Core Curriculum, and a new Delivery Core Curriculum for all registered Marijuana Agents in the industry.

- In collaboration with the Massachusetts Registry of Motor Vehicles and AAA Northeast, developed and endorsed a nation leading curriculum to educate teenage drivers about the risks of cannabis-impaired driving. The curriculum was the first of its kind in the nation to be created and has been incorporated into driver education classes across the Commonwealth.

- Published 6 scientific peer-review publications, including a full Specialty Update in Clinical Therapeutics, as well as gave 5 presentations at National scientific meetings and other conferences, including the Research Society of Marijuana (RSMj), Council of State and Territorial Epidemiologists (CSTE) and MCR Lab's Cannabis Science Fair.

- Hosted a delegation of legislators and officials from the Executive Offices from the state of Hawaii, who consulted us regarding how to write regulations for, and then implement, legal marijuana marketplaces, including how to successfully protect medical marijuana programs. They have since publicized the fact their “Hawaii Cannabis Authority” and related equity efforts are modeled after Massachusetts.

- Held the first-ever State of Cannabis briefing at the State House on May 29, 2023, designed to provide legislators and staff with information and insight into progress the agency has made and ongoing efforts to regulate a safe, effective, and equitable industry for the Commonwealth.



You can learn more about these accomplishments and others by reviewing the agency's [Sixth Annual Activities Report](#), which was submitted to the Legislature in October 2023 in accordance with state law.

In addition to the 2023 achievements of the Commission, the Secretary of the Commonwealth promulgated the Commission's [new regulations](#) in response to the passage of Chapter 180 of the Acts of 2022. In 2024, the agency will continue to devote significant energy towards implementation with the creation of new online applications, updated guidance documents, and new systems and processes—both internal and external—to comply with the law.

The Commission's new mandates to oversee, review, and approve Host Community Agreements negotiated between municipalities and applicants and local municipal equity plans will require the onboarding of additional staff with subject-matter expertise in municipal finance and law. As a state agency devoted to transparency and open communication, Commission staff will put great effort into educating communities, applicants, equity program participants, and other stakeholders on these new changes.

To keep up with the pace of the licensed cannabis industry and the requirements of Chapter 180, the Commission's FY 2025 request includes plans to hire 12 new positions for the Investigations and Enforcement division. Additional Licensing Specialists, Investigators, and Laboratory Testing Analysts will assist the Commission with promoting public health and safety, ensuring consistent enforcement of the Commonwealth's comprehensive and varied regulations, and streamline the timeframe required for fair and thorough investigations. The FY 2025 request also includes hiring an additional six full-time professionals to support the agency's operational infrastructure, covering critical agency needs in our Operations, Human Resources (HR), Communications, Information Technology (IT), and Legal divisions. Without new staffing, the Commission's ability to execute new mandates to review and approve Host Community Agreements and municipal equity plans may prove difficult.

Additionally, in compliance with Chapter 180, the agency seeks to restore public education funding to \$1.5 million to further public health and safety in Massachusetts. In FY 2019, the Commission partnered with the Department of Public Health (DPH) to develop youth prevention materials with tips and techniques for parents and responsible adult-use messaging focusing on OUI, safe storage, and legal limits. In FY 2020, the agency expanded public education to develop material that targets young people with disengaged parents. Additionally, the Commission published content warnings of containments found in illicit-market cannabis products, the dangers of home cultivation and manufacturing, and the health risks of certain consumption practices during the pandemic.

With the \$1.5 million request for FY 2025, the Commission intends to continue its relationship with the Department of Public Health to further efforts relative to youth prevention messaging, raise awareness of the risks of high potency products and cannabis use during



pregnancy, and the dangers of home manufacturing as required by Chapter 180. The Commission also aims to develop and launch a campaign focused on safe consumption of cannabis as social consumption licenses become available and eventually operational. We also plan to contract a two-year study to assess school cannabis use disciplinary actions, as required by statute.

The Commission's first-of-its-kind Cannabis Center of Excellence will develop important research into the study of cannabis and its effects, including its two-year health care study as required by G. L. c. 94G, § 17(a)(ii). Additionally, a study of registered Medical Use of Marijuana Program patients, caregivers, and providers will be conducted to determine patient needs and whether regulatory updates may be warranted.

The Commission's commitment to equity and promoting participation in the industry by people from communities disproportionately impacted by marijuana prohibition continues beyond our statutory mandate and mission. In FY 2024 the Commission has held and attended numerous community outreach events both in person and virtually, seeing an increase in attendance from Social Equity Participants and the community at large. With the FY 2025 requested funding, the Commission will seek to run a racial disparity and license exclusivity feasibility study as well as a study of disproportionately impacted areas throughout the Commonwealth. A contract employment position envisioned to assist the Equity Programming and Community Outreach department with bringing an Innovation Lab design and framework build-out forward and operational, as a part of the Commission's three-year strategic planning initiative, which is in alignment with, and that supports newly promulgated regulations.

The Government Affairs and Policy department will build out critical new resources to support an increase in incoming and outgoing municipal outreach, create space to review documents from municipalities, create new publicly available materials, and support an increased and assertive public presence throughout the Commonwealth. With the addition of new staff, the department will efficiently and effectively respond to questions and inquiries, assess and route local equity plan disputes, and serve as a more effective conduit for state and local policymakers' inquiries. Additional software tools will allow the agency to monitor developments and access information in real time, while maintaining a high level of security to safeguard its information.

We also understand you raised concerns about the Commission's engagement of outside legal counsel during a period of transition for our agency to address complex employment related matters. In November of 2023, the Commission filled the vacant full-time General Counsel position and is committed to filling future vacancies with experienced attorneys and legal staff to reduce the level of reliance on outside counsel. These positions are essential to ensure a well-staffed, fully functioning legal department exist, which in turn ensures that Commission regulations and policies are supported by legal authority and licensees; that constituents have access to timely hearings of enforcement actions and administrative appeals; and that public records requests are fulfilled in accordance with statutory requirements.



We appreciate the opportunity to share some of these exciting developments with you. With the continued support of our partners in state government, we intend to continue the Commonwealth's tradition of serving as a national leader in regulating a safe, equitable, and effective licensed cannabis industry. Please know that you are always more than welcome to contact the Commission directly with your questions. In the meantime, if you need any further clarity about our operations or FY 2025 budget request, please do not hesitate to contact us directly. Thank you again.

Sincerely,

A handwritten signature in black ink, appearing to read 'Debra Hilton-Creek', written in a cursive style.

Debra Hilton-Creek
Acting Executive Director

cc: Secretary Matthew Gorzkowicz, Executive Office of Administration and Finance
Chair Michael Rodrigues, Senate Committee on Ways and Means
Chair Aaron Michlewitz; House Committee on Ways and Means