

September 24, 2024

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. I write to provide a summary and rationale for the Cannabis Control Commission’s (CNB) FY 2025 supplemental budget request to the Joint Committee on Ways and Means. The Commission respectfully seeks a total of \$2.1 million in an upcoming supplemental budget.

Account	Account Title	FY 2025 CNB Maintenance	FY 2025 CNB Request	FY 2025 CNB Final
1070-0840	Cannabis Control Commission	\$18,952,248	\$20,404,510	\$16,354,564
1070-0841	Public Education Campaign	\$0	\$1,500,000	\$0
1070-0842	Medical Use of Marijuana Program	\$3,694,918	\$3,997,168	\$3,451,738
Total:		\$22,647,166	\$25,901,678	\$19,806,302

The Commission is grateful for the Legislature’s historic support for our work. Over the past seven years, the Commission has had the resources necessary to stand up and support a now more than \$7 billion licensed cannabis industry that has raised hundreds of millions of dollars in state and local revenue. The Commission’s robust efforts to protect public health and safety and establish an equitable marketplace continue as the result of important upgrades and further development of mission-critical projects.

For FY 2025, the Commission received a final appropriation \$2.8 million below maintenance levels. To meet current agency needs and ensure ongoing progress in response to state mandates, our request of \$2.1 million will allow us to fund only the most necessary projects, while understanding that the additional request is less than what was requested to maintain level service to the Commonwealth.

This supplemental request is broken down into the following projects:

Equity Programming: \$250,000

The Social Equity Program (SEP) Core, Advanced Curriculum, and E-Learning Modules, part of the Commission’s Technical Assistance and Training Resources, are mandated by legislation to support the development and success of all approved SEP cohorts. This request includes funding to incorporate updates from Chapter 180 of the Acts of 2022 and regulatory changes to ensure compliance and relevant education that responds to evolving requirements and opportunities for all SEP participants. With a total of 1,101 approved participants as of this year, the next curriculum is tentatively scheduled to launch across FY 2025 and 2026.

The Equity Programming and Community Outreach Department is nationally recognized for its



leadership in providing innovative technical assistance, training, and education tailored specifically to SEP participants. Due to reduced funding, however, the Commission is currently unable to administer this critical requirement in FY 2025. Without additional allocation, future training and resources will be at risk, jeopardizing the Commission's ability to continue furthering its mandate to ensure full participation in the legal marketplace by communities disproportionately impacted by previous marijuana prohibition.

Public Education Funding: \$500,000

In the months ahead, the Commission will discuss and prioritize promulgating regulations to implement the Social Consumption Establishment license type. This business model will allow adult patrons to consume regulated marijuana and marijuana products on-site of a licensed facility. Due to the fact that this is a license type that may be new to many consumers, and our increasing responsibilities to protect public health and safety when social consumption comes online, there is a significant need to inform the public about safe practices. Following its inception, the Commission utilized initial public education resources granted by the Legislature to great effect, with the development of the More About Marijuana campaign that launched in 2018, prior to the any Marijuana Retailers commencing operations. The More About Marijuana campaign created evergreen content that is still being used and repurposed years after its development. The agency plans to develop new social consumption-focused messages and content in a similar manner. This appropriation would allow the Commission, in consultation with the Department of Public Health, to lay the groundwork for what may require a multi-year campaign. The Commission will request further funding in its FY 2026 public awareness line item.

Cannabis Industry Licensing Platform: \$750,000

The Massachusetts Cannabis Industry Portal (MassCIP), the Commission's current licensing platform, was developed in the earliest days of Massachusetts' regulated, adult-use cannabis industry. The current Medical Use of Marijuana Program Online System (MMJOS) was developed by the Department of Public Health before the establishment of the Commission. Both the current licensing platform and medical online system do not meet the Department of Justice's upcoming ADA accessibility requirements with a compliance deadline of April 4, 2026. As a result, the Commission seeks a new licensing management and case management system, preferably from an established platform, to provide more efficient workflow and staff's ability to manage the full lifecycle of a state license, enhanced data, audit and reporting capabilities, and meet state and federal accessibility requirements.

The benefits of an improved solution include the streamlining of staff work, enhanced security and compliance monitoring, and an improved experience for Registered Qualifying Patients, which will reduce calls for administrative support and provide improved constituent access. The Commission's MassCIP and MMJOS platform, versus case management system (Microsoft Dynamics) are currently separate and support licensing, monitoring, investigations and enforcement activities. They also facilitate the collection of roughly \$20 million in non-tax revenue per year which all reverts to the Marijuana Regulation Fund and helps to sustain the Commission's historic revenue neutral status. These upgrades also demand a multi-year undertaking, therefore continued funding to complete them in FY 2026 will be required to fully implement the new system.

Critical Hiring: \$400,000

The Commission seeks to hire four Full Time Equivalent professionals to fill roles with urgent needs in the agency's Finance, Legal, and Information Technology departments. The Commission budgeted for these positions in FY 2024 but removed them for FY 2025 operational planning due to a lack



of secured funding.

Investigations and Enforcement Testing and Analytics: \$75,000

This funding will allow the Commission's Investigations and Enforcement Department to conduct additional testing and research, undertake consulting and training, and continue to oversee and improve the Commonwealth's rigorous third-party, independent testing of marijuana and marijuana products to ensure consumer and patient safety.

Center for Cannabis Research and Policy: \$200,000

To further the Commission's robust research mission, the agency seeks to establish a research center that will bring together academic, government, and industry stakeholders to better inform the public regarding the use, effects, efficacy, and potential of marijuana and marijuana products for medical patients and adult-use consumers.

Thank you for considering the Commission's FY 2025 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 that will continue to ensure the Commonwealth remains the best regulated program in the nation. If we can be helpful, please feel free to contact me. Matt Giancola, the Commission's Director of Government Affairs and Policy is available to work with your team to align calendars or respond to information requests. Thank you again.

Sincerely,

Debra Hilton-Creek
Acting Executive Director

Cc: Alaina Martin, Fiscal Policy Analyst, Executive Office of Administration and Finance

