



December 26, 2024

The Honorable Adam Gomez
Senate Co-Chair, Joint Committee on Cannabis
Policy
State House, Room 413-B
Boston, MA 02133

The Honorable Daniel Donahue
House Co-Chair, Joint Committee on Cannabis
Policy
State House, Room 544
Boston, MA 02133

Dear Co-Chairs Gomez and Donahue:

I hope you and your staff are well. I am writing in my personal capacity to provide further clarity regarding several issues raised during the Joint Committee on Cannabis Policy's recent hearings about the agency's structure. The Massachusetts Cannabis Control Commission (Commission) remains dedicated to maintaining and building upon our historic collaboration with the Legislature, and I am grateful for this opportunity to provide context to our regulatory role and perhaps can add a unique insight having served at the Massachusetts Gaming Commission, which operated with a similar organizational structure. The Commission always welcomes the opportunity to provide further information to the Committee as needed.

Regulatory Mandates

The Commission's role is fundamental to regulating and supporting the Commonwealth's \$8 billion adult- and medical-use cannabis industry, a national trailblazer now hosting delegations from other states eager to learn from our successes. Generating more than \$1 billion in Marijuana Establishment sales to consumers annually, cannabis has surpassed cranberries as the state's highest value crop. This industry now generates more state revenue than alcohol taxes, contributing \$322 million in tax and non-tax revenue in fiscal year 2023 alone. With more than 17,000 medical and adult-use agents working in the industry, over 84,000 active patients and over 6,000 caregivers, our responsibility to regulate this industry safely, equitably, and effectively demands both a thoughtful approach to policy implementation and adequate resources.

The scope of our work continues to evolve with annual regulatory changes, including those required by new legislative mandates such as Chapter 180 of the Acts of 2022 (Chapter 180), or necessary updates to improve the industry such as recent changes to our delivery licenses, Microbusiness licenses and telehealth for our patients. In fact, the Commission has undertaken regulatory changes in each year of the Commission's tenure except 2022 when the Commission advocated in support of policies, such as the Social Equity Trust Fund, that were ultimately incorporated into Chapter 180 of the Acts of 2022. Each change, however, introduces additional implementation demands and operational requirements, further stretching our existing capacity and support systems. Even as this letter is being shared with you, the Commission's Chapter 180 Implementation Working Group continues its work, and this month the



Commission approved three new documents to benefit and support our Host Communities and Marijuana Establishment Licensees.

Budget Constraints

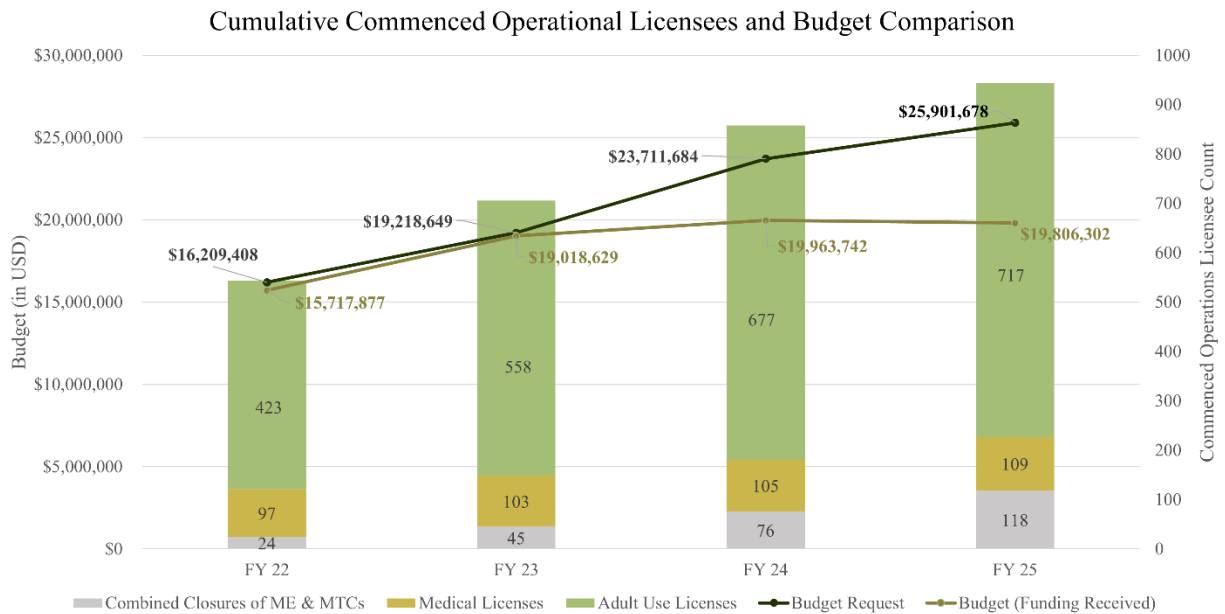
The Commission's budget constraints represent a major barrier to fulfilling our mission and mandates. While the Commission contributes substantially to the Commonwealth's revenues, repeated budget reductions have constrained our ability to deliver necessary regulatory work in a timely manner. The cost of regulatory work, including compliance inspections, product retesting, and public education campaigns continues to rise, particularly as new legislative mandates expand our responsibilities. At the same time, the Commission is expected to lead complex initiatives, such as the implementation of Host Community Agreements, Municipal Equity oversight and social consumption programs, that increase the workload on an already under-resourced team. Each new policy or reform involves a multiphase process, encompassing research, stakeholder engagement, rulemaking, training, and development of new materials to ensure that every change is sustainable and communicated clearly to ensure compliance.

Other regulatory agencies, such as the Massachusetts Gaming Commission or the Department of Public Health, benefit from funding models that do not solely require annual appropriations, which allows them the stability needed to focus solely on their regulatory functions. At the Gaming Commission, the enabling statute provided a mechanism for the Commission to alleviate the impacts of casinos in our host communities through the creation of the Community Mitigation Fund. Additionally, a percentage of funds is to be allocated each year for a Public Health Trust Fund that supports public health programs and research on the impacts of casinos on gaming behaviors of Massachusetts residents. This funding formula has allowed Massachusetts to be a nationally recognized leader in these categories. If the Commission received dedicated funding streams to maintain public awareness efforts and support expanded research, Massachusetts could build on the partnership you envisioned for us in statute with the Department of Public Health and build upon our leadership in research. This Commission's budget is subject to annual appropriation cycles that affect our operational continuity and have historically restricted our ability to consistently enforce and advance critical regulatory initiatives. The Commission is tasked with a significant volume of work across numerous program areas yet operates with fewer resources in response to additional regulatory requirements. Reduced funding amid new, high-profile mandates, such as Chapter 180, directly affects our ability to meet the expectations of the public and industry alike.

Although the cannabis industry has experienced significant growth and tax revenues have steadily increased, the Commission's budget has not proportionally increased, limiting our ability to meet regulatory requirements and the needs of the industry. A budget that is more commensurate with the tasks before us would enable the Commission to maintain the pace of oversight that the Legislature and public expect, and that the Commonwealth deserves. As of today, over 700 licensees have achieved the operational stage (a 19% increase in adult use licenses from the same month one year ago – December 2023). Between Fiscal Year 2022 and Fiscal Year 2025, the percentage of our annual budgetary request versus amount appropriated has dropped from 97% to 76%. The testimony that you received from stakeholders who encouraged and recommended support for more resources is appreciated. The Commission respectfully requests that budget decisions take into account our per-licensee budgetary



costs, which illustrate the need for increased resources to sustain the effective regulation of a growing industry.



Governance and Accountability

As you know, governance has been a critical focus for the Commission since our fifth year in operation, particularly as the agency has matured, onboarded new Commissioners and leadership team members, and navigated new challenges. The Commission is finalizing a durable charter to formalize clear roles and processes between appointees and staff and is looking forward to the arrival of a new Executive Director to provide their perspective, demonstrating our commitment to collaboration and ensuring the longevity of current and future leadership. This initiative was a proactive step taken by Commission leadership starting in 2022 to underscore our dedication to transparent and effective governance, and I am pleased it is nearing completion and adoption at a future public meeting. A durable governance charter will support the onboarding and work of future Commissioners, Executive Directors, and staff. It will help set expectations and outline critical responsibilities for each member of the Commission team.

By voluntarily adopting and memorializing accountability structures, the Commission aims to ensure a clear and responsive framework that serves the public interest. Our organizational structure will continue to hold all staff, directors, division chiefs, Executive Director and Commissioners accountable for their performance. Each member of the Commission team reports to someone and is also required to abide by an Enhanced Code of Ethics, modeled after the Massachusetts Gaming Commission’s statute.

As I have experienced in both positions, the appointment of Commissioners by separate appointing authorities allows for additional voices to be included in policy, licensing, and regulatory discussions. This level of independence allowed the Massachusetts Gaming Commission to create a transparent process for choosing the Commonwealth’s gaming licensees. The Commission, with the



strong work of the inaugural group of Commissioners and staff, created a licensing process that ensures fairness by prohibiting any applicant from “jumping the line” arbitrarily. As mandated through Chapter 55 of the Acts of 2017, the Commission also implemented an expedited review process for eligible applicants under the Social Equity Program and Economic Empowerment initiatives to promote equity in the cannabis industry. Each licensee benefits from an assigned investigator who is empowered to provide updates on application status, outline licensing requirements, and guide next steps.

Moreover, our agency has been open to external reviews, including by the State Auditor’s Office and the Office of the Inspector General (OIG), and has consistently cooperated to meet the highest standards of good governance. Nevertheless, I believe that the OIG’s recent recommendations for restructuring the Commission—such as removing it from the Open Meeting Law and proposing an undefined “receivership” model—would hinder our ongoing progress and transparency. I caution any change to the Commission’s statute that may result in disruption to the regulated market.

As many constituents mentioned during these Legislative hearings, accessible, public deliberation is fundamental to the Commission’s structure, with five Commissioners appointed with varying subject matter expertise. I saw firsthand at the Massachusetts Gaming Commission and currently experience here that the subject matter expertise and work experience each Commissioner brings to their service helps share the work and build a deliberative and thoughtful policy-making approach to the Commission’s work. The Commission’s governance measures are essential to our due diligence and align with best practices observed in other well-regulated industries and other cannabis markets across the country. The Commission remains open to legislative input on our accountability standards and welcomes the opportunity for a stronger alignment with the Legislature to further enhance transparency and public trust.

Addressing Concerns Raised at Legislative Hearings

The Commission actively engages with stakeholders, industry leaders, and public representatives to ensure our policies are informed, inclusive, and transparent. The Commission realizes that the industry faces competitive challenges especially as the business landscape has evolved since 2018 – neighboring states have legalized their own cannabis industries, pricing has declined and views that our current regulatory structure continues to need modernization.

To address misconceptions regarding our responsiveness, I want to emphasize that our agency prioritizes open communication. Individual Commissioners and staff regularly engage with a range of stakeholders in person and virtually, through various channels including public meetings, industry roundtables, our new quarterly listening sessions, meetings or community events, emails, social media channels, and phone calls. Our Constituent Services team receives communications via phone, email, and website submission on a daily basis and acts as an operator to field incoming calls from constituents during business hours. The Commission’s phone line also offers callback queue options to avoid long waits and translation services instantly available. In November 2024 alone, the Commission received 2,179 calls and approximately 492 emails. and maintains reasonable call times relative to meeting constituent needs effectively.

At our most recent monthly meeting, the Commission reviewed a busy calendar of meetings for 2025 that will include public monthly meetings, listening sessions about topics important to the community such as the medical program and social equity, and scheduled policy discussion meetings to



discuss regulations, meet with holders of specific licenses and consider policy topics. In addition, the Commission is inviting our Licensing team to provide license or Changes of Ownership applications to be brought forward at any public meeting in case there are applicants, who just missed a filing deadline but could benefit from an earlier decision and save a few weeks in the process. This measure reflects the Commission's focus on timely decision-making, quicker response times for licensees and better serving the evolving needs of the industry.

Further, the Commission has contributed significantly to broader regulatory discussions nationwide. For example, our input and hosting of peer jurisdictions in Boston was instrumental in establishing the Cannabis Regulators Association (CANNRA) in 2018, and other states, such as Hawaii, have modeled certain regulatory practices on our framework. The Commission also submitted [comments to the U.S. Department of Justice](#) during its review of rescheduling cannabis as a Controlled Substance, impacting progress on the federal level. These collaborations reflect the Commission's commitment to being an accessible and collaborative partner, both within Massachusetts and in the national regulatory landscape.

In response to concerns over product safety, the Commission has strict product safety protocols, including product retesting, to uphold public safety and industry standards, and I am proud of the efforts that have been taken to evolve and enhance our protocols in response to our maturing industry. [Enforcement actions, Notices of Deficiencies, and Bulletins](#) demonstrate the Commission's commitment to safe industry practices and working conditions across the Commonwealth. The Commission takes policymaking responsibilities seriously and is committed to informed, data-driven decision-making, as well as publishing available information to enable stakeholders to hold us accountable regarding our progress.

As a nationally recognized leader in equity and regulatory practices, the Commission's work serves an industry that has become a critical economic engine, fostered an equitable marketplace for social equity applicants, and generated jobs, investment, and revenues for Massachusetts. As the Commission moves forward with the appointment of a new Executive Director, the Commission is eager to maintain an effective regulatory framework and safeguard this thriving industry.

Legislative Partnership and Collaboration

Finally, the Commission looks forward to finding opportunities to continuously engage the Legislature with respect to policy and statute changes. In 2021, the Commission adopted a new Legislative and Executive Branch Outreach policy to guide Commissioners and Commission staff to engage and speak as one body on important policy matters. Through your support, the Commission has enjoyed the opportunity to partner on and host a "State of Cannabis Day" at the State ouse to help inform all members of the Legislature with updates about our activities and information about our patient, research, social equity, and public awareness programs. The collaboration further provided for meaningful reform of Host Community Agreements, equity provisions, local adoption of social consumption, and the creation of the Social Equity Trust Fund, among other needed changes. We welcome the opportunity to continue to partner and consider policy changes which will allow this vibrant new industry to maintain its success while protecting public health and safety.



I respectfully urge the Legislature to consider the unique needs of the Commission in supporting Massachusetts' cannabis industry. With appropriate funding, transparency, and continued collaboration, our agency will remain well-positioned to deliver responsible, effective regulation for the Commonwealth. The Commission appreciates the opportunity to address these matters and looks forward to continuing our constructive partnership with the Legislature.

Sincerely,



Bruce Stebbins
Acting Chair / Commissioner

Cc:

The Honorable Karen E. Spilka, Senate President
The Honorable Ronald Mariano, Speaker of the House
Members of the Joint Committee on Cannabis Policy
The Honorable Maura Healey, Governor
The Honorable Deborah Goldberg, Treasurer
The Honorable Andrea Campbell, Attorney General
Nurys Camargo, Commissioner, CCC
Ava Callendar Concepcion, Commissioner, CCC
Kimberly Roy, Commissioner, CCC
Debra Hilton Creek, Acting Executive Director / Chief People Officer, CCC

