

To: Chairman Steven Hoffman & Commissioners Kay Doyle, Jen Flanagan, Britte McBride  
From: Shaleen Title  
CC: Shawn Collins  
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In our conversations with our counterparts who have implemented cannabis programs in other states, each of us has heard the same consistent advice: "Be careful because you can't turn back once it's too late." Each of us has also pointed out that, given our novel nature of our agency's duties, we will examine the data on an ongoing basis and occasionally need to make adjustments. As we continue to follow through on our mission statement honoring the will of the voters to foster the creation of a safely regulated industry, it appears that we have reached one of those points where we are in need of a course correction.

Our mission statement explains our commitment to an industry that will be characterized by participation by small and larger participants and with full and robust participation by minorities, women and veterans. Each of us has worked toward that goal in different ways, including through the Chairman's work creating relationships with banks and investors; Commissioner Doyle's work with farmers; Commissioner Flanagan's work with disproportionately impacted communities throughout the state; and Commissioner McBride's work recruiting and training pro bono service providers for small businesses.

I think all of us expected that by this point, a year and a half in with just over 100 provisional adult-use licenses issued, we would have seen greater diversity in the state's cannabis licensees and their employees, and that the licenses issued would reflect the wide variety of types of licenses we outlined and sought to grant. Due to the proactive and transparent nature of our agency, we can see that's not the case; as we know, we have granted adult-use licenses to almost no microbusinesses, almost no certified women-owned businesses, no co-ops, and no certified minority-owned businesses.

Looking at the next part of our mission statement, the Commission's Social Equity Program was intended to build on our industry accessible to participants of different sizes and backgrounds by helping people from disproportionately harmed communities to take advantage of that access. However, it's challenging to move on to that part when the program itself is not proving accessible to participants of different sizes and backgrounds. Designing it feels similar to designing a program to help people cross a bridge that has not yet been built.

This is a complex topic that requires thought from each of us, so for open meeting law reasons, I am writing this memo in advance to outline next steps as a starting point for a discussion in upcoming meetings.

1. **Gather information.** Under St. 2017, c.55, An Act To Ensure Safe Access To Marijuana, the Commission has a statutory obligation to conduct a study reviewing participation in the regulated cannabis industry and any evidence of discrimination or barriers to entry. The staff is working to yield far more in-depth and valuable information

than stating the obvious, namely a lack of access to capital or difficulty navigating the state or local process. If the capital needs are unreasonable or the process is only navigable for certain well-resourced groups, then we need to find out why and address it.

2. **Continue to provide opportunities for licensees to hire people from disadvantaged groups in accordance with their submitted plans.** The staff is working on designing the Commission's dedicated portal technology to facilitate connections between licensees and the groups to which the Commission has expressed a commitment.
3. **Review regulations governing microbusiness and cooperative license types.** Despite strong interest in the license types designed to create opportunities for smaller businesses, very few complete applications have been submitted for those types. This prompts a review and research of further incentives, including shared space to minimize the burden associated with securing a property and location.
4. **Develop curriculum content for Social Equity Program participants.** Commissioners and staff should work together to develop course content for the training and technical assistance, particularly as it relates to compliance, operational rules, the application and licensing process, and other crucial areas in which the agency can offer particular expertise and insight.
5. **Issue recommendations.** As noted by the Cannabis Advisory Board subcommittee on market participation, where our collected data demonstrates a need for support in order for the Commission's statutory mandate to be met, such as grants and interest-free loans for equity program participants, we should formally request it from the legislature.
6. **Review priority status.** With a year and a half passed and over 100 provisional licenses granted, the Commission should review and revisit priority status in light of our current data and goals.
7. **Collaborate directly with marijuana-forward municipalities whose local policies complement the state's equity efforts.** Each of us has made an impact with our proactive collaboration with individual municipalities. The Commission can take this further by formally working with municipalities to encourage the success of Social Equity Program participants, craft cooperatives and microbusinesses. Some municipalities have expressed interest in developing a collaborative licensing process in which the Commission would provide a partial initial review to help certain applicants progress more easily in the local process.

This is a partial list that should be shaped into a final plan with the input of all commissioners and staff and the readjustment of resources where necessary.

Last week, I attended a session of well-respected former Colorado regulators entitled "Everything We Messed Up and How We Fixed It," in which the speakers noted multiple points in which they stopped and realized they needed a course correction. Many of our successful policies, such as our public awareness campaign and our edibles regulations, are informed by difficult lessons learned in states like Colorado. In a way, we're the Colorado of diversity and equity programs – other states and even the federal government will benefit from our hard-earned lessons and our course corrections.