
Memorandum

To: Chairman Hoffman, Commissioner Flanagan and McBride, and Director Collins
From: Shaleen Title
Date: July 7, 2020
Subject: Letter requesting authority to apply donations and fines to equity efforts

I am writing in advance of our meeting to ask you to join me in sending a letter requesting the legislature to allow the Commission to apply donations (for example, from a licensee as part of its Positive Impact Plan) and fines collected by the Commission to our equity training and related initiatives, including measurement and evaluation. A specific way to accomplish this was reviewed by staff including Director Collins and introduced in a bill by Senator Jason Lewis in January 2019, included on the following pages.

The feedback from our first cohort of Social Equity Program participants has been very positive. With approval of our second cohort, the number of participants has more than doubled, and there are hundreds of others seeking to participate. We have also discussed expanding technical assistance to Economic Empowerment Applicants, and eventually, certified Minority Business Enterprises, Women Business Enterprises, and Veteran Business Enterprises. Our ongoing serious commitment requires us to recruit and retain talented staff to focus on maintaining the success of this program.

Currently, and despite this dramatic growth, the Social Equity Program budget within our operating budget has been maintained at the same funding level of \$300,000 per year since 2017. Meanwhile, numerous licensees who have committed to donating part of their revenue to our efforts as part of their positive impact plans lack a mechanism to make the donation because we lack the mechanism to accept it. In some cases, the funds are currently sitting unused in escrow.

It is important to note that this request would not affect any funds from tax revenue; it would only apply funds from donations and fines collected under our pre-existing regulations. Utilizing these funds would not only allow us to support our staff to keep up with the growth of the program, but potentially move on to the “creation of employer training to attract minorities, women, and veterans into the workforce” and “outreach to disadvantaged groups” contemplated in Chapter 55 of the Acts of 2017. Additional funds would allow us to invest in the measurement and evaluation of not only the Social Equity Program but licensees’ Positive Impact Plans for the purposes of accountability and our own decision-making.

Given the importance of our equity training efforts and that our data shows more resources are needed, I hope that we will decide, as we did with the need for host community agreement limitations to be enforced, that the issue is urgent enough for us to take the unusual step of directly making a request to the legislature as an agency.



SENATE No. 1708

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to a social equity training and technical assistance fund.

PETITION OF:

NAME:

Jason M. Lewis

DISTRICT/ADDRESS:

Fifth Middlesex

SENATE No. 1708

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1708) of Jason M. Lewis for legislation relative to a social equity training and technical assistance fund. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to a social equity training and technical assistance fund.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 94G is hereby amended by inserting after section 14, the following
2 section:-

3 Section 14A. (a) There shall be established and upon the books of the commonwealth a
4 separate fund to be known as the social equity training and technical assistance fund to be
5 expended, without further appropriation, by the cannabis control commission. The fund shall
6 consist of revenues collected by the commonwealth including: (1) any revenue from
7 appropriations or other monies authorized by the general court and specifically designated to be
8 credited to fund; (2) any fines and penalties allocated to the fund under the General Laws or
9 regulations; (3) any funds from public and private sources such as gifts, bequests, grants and
10 donations; (4) any interest earned on such revenues; and (5) any funds provided by other sources.
11 Revenues deposited in the fund that are unexpended at the end of the fiscal year shall not revert
12 to the General Fund and shall be available for expenditure in the following fiscal year.

13 (b) The executive director of the commission, as trustee, shall administer the fund. All
14 expenditures from the fund shall support the commission's social equity program. The social
15 equity program shall provide programming for restorative justice, jail diversion, workforce
16 development, industry specific technical assistance, and mentoring services for economically-
17 disadvantaged persons in communities disproportionately impacted by high arrest rates and
18 incarceration for marijuana offenses pursuant to chapter 94C of the General Laws. The fund shall
19 support the social equity program's expenditures, including, but not limited to: (1) training and
20 technical assistance to individuals interested in participating in the cannabis industry; (2)
21 technical assistance for social equity program licensees; and (3) research and evaluation of the
22 social equity program.

23 (c) The commission shall submit an annual report on the fund's expenditures and revenue
24 to the house and senate committees on ways and means not later than August 31 of each year.