

## **Background and Workgroup Scope**

The Disproportionately Impacted Communities workgroup is tasked with assisting the Social Equity in Cannabis Task Force (SECTF) in terms of eligibility and prioritization for the Social Equity Program (SEP). According to statute, a potential Social Equity applicant can qualify for a Social Equity license if they own at least 51 percent of a cannabis retail business and either 1) lived in a Disproportionately Impacted Area or 2) were convicted themselves or have a family member who was convicted of a drug offense. The workgroup divided into two small groups: one focused on the eligibility of Disproportionately impacted Areas (DIA) and the other on self/family conviction, also known as the Social Equity Applicant (SEA) subgroup. The DIA subgroup's priorities are to use data to capture those who have been most harmed by the war on drugs and to rank DIAs to help the Washington State Liquor and Cannabis Board (LCB) prioritize the issuance of retail licenses. The group used data indicators including unemployment, median household income, drug conviction by home address, and non-white demographic data to focus on those most harmed by past and current policies. To create an equitable process, the DIA subgroup is also considering how best to address the impact of gentrification and different time periods. Meanwhile, the SEA subgroup looked to previous legislation and community input to define Family member and eligibility verification options. The subgroup understands that those who have been disproportionately impacted by the war on drugs have also been disproportionately impacted by other systems. Therefore, the group plans to outline an application process that is low-barrier and inclusive. In recent meetings, the SEA subgroup has also discussed Social Equity Plans and will consider scoring in future meetings. When the work from both subgroups is completed, the SECTF will provide LCB direction on how to identify and prioritize Social Equity Applicants so the current limited number of Social Equity licenses are in the hands of those most impacted by the war on drugs.

## **Disproportionately Impacted Areas (DIA) Workgroup Meetings and Membership**

- The DIA Workgroup has met six times between February 25 and July 12
  - This work has been prioritized in order to implement the Social Equity Program (SEP), as we must first define who is eligible for licenses and how to issue them.
- The Disproportionately Impacted Workgroup has 11 members with backgrounds in law, education, government, advocacy, and industry. Additionally, about 35 community members are present at each meeting. The Workgroup Co-leads are Cherie MacLeod and Christopher Poulos.

## **Eligibility Progress Update**

### *DIA Subgroup*

- The DIA subgroup proposes to identify DIAs at the Census tract level.
- Based on work done in Massachusetts, the DIA subgroup plans to develop an index to measure and rank DIAs using data indicators. This practice is used by multiple health disparity maps that identify disadvantaged and under resourced areas.
- The DIA subgroup plans to create three lists of ranked DIAs for each decade 1980-1990, 1990-2000, and 2000-2010. Data will be used from each decade to rank the census tracts.
- Indicators the DIA subgroup would like to use as variables in identifying a Disproportionately Impacted Area include:
  - Unemployment
    - Per statute, The DIA subgroup intends to use the percent of residents who are unemployed in a census tract as one indicator. The more unemployed residents live in a tract, the higher the score will be.
  - Median Household Income

- Instead of using the Federal Poverty Level (FPL) , the workgroup proposes using median household income within a census tract as a percent of the median household income on the county-level. This variable accounts for individuals who may appear to have an income above the FPL, but who are indeed poor, when compared to the incomes of the surrounding area. Other Jurisdictions have similarly used the percentage of median household income at the county or city level for similar reasons.
- Exclude Participation in Federal/state income-based programs
  - The DIA workgroup is considering not using this indicator because many state and federal welfare programs had eligibility requirements excluding individuals with drug convictions. Therefore, those who were targeted by the War on Drugs were often not eligible for these programs. Thus, including this indicator would be counterproductive to the aim of the Social Equity Program.
- Conviction for Drug-related Offenses
  - The Workgroup is looking to broaden the range of drug violations included in this indicator
    - Cannabis convictions often show up as larger drug crimes rather than specifically Cannabis. For example, a cannabis conviction can be listed as a Violation of Controlled Substance Act (VCSA) without specifying the conviction. Thus, by only looking at cannabis convictions, we are likely excluding individuals who may have been arrested for cannabis
    - Cannabis specific number of arrests is extremely small that the data does not properly represent the reality that Black and Latino communities were disproportionately impacted by the War on Drugs.
- % Non-White Residents
  - To prioritize Black, Indigenous, AAPI, and Latinx communities, the DIA workgroup recommends including a set of indicators that captures the racial make up of each census tract. Then weight communities of color based on the disproportionate rate of individuals in that shared racial group who were arrested or convicted.
  - Example: Black individuals were 2.5 times more likely to be arrested for cannabis-related crime than white folks. Therefore, the indicator would be 2.5 multiplied by the percentage of Black residents in a census tract. Thus, the more Black residents in a community, the more likely these tracts will be scored higher.
  - The DIA workgroup is confident that this indicator will pass strict scrutiny standards because individuals do not have to be a specific racial background to have lived in a DIA.
- The DIA workgroup is currently facing a data setback.
  - The workgroup is waiting on conviction data from the Seattle Municipal Court and the State's Administrative Office of the Courts (AOC).
  - The data the workgroup had from AOC was destroyed after the research team's contract with AOC expired.
  - The process for re-pulling the required data has been initiated. However, the workgroup does not have a timeline for when they will receive it.
  - In the meantime, the workgroup will continue to construct their index, excluding conviction data for now. It will create a preliminary lists of census tracts that rank in the top 20% of DIAs.

- The Social Equity Applicant (SEA) workgroup is looking to define ‘Family’ in eligibility option 2 by using the definition from HB2614 (Paid Medical Family Leave) passed in the 2021 Legislative Session.
  - WA lawmakers have already agreed that family should be defined in a broad sense across the state, and workgroup members agree.
  - The individuals who suffered the most from the War on Drugs lost their mothers and fathers through mass incarceration. Often, individuals had to create kin or de facto relatives who were family without biological ties. By using this broad definition, we capture these unique family structures.
  - The workgroup would like to see this eligibility requirement in the form of a low-barrier “check box” with a few lines to explain the family relation.
  - Verifying documentation is not required.
- The SEA workgroup is considering not asking individuals for self or family drug conviction records to prove eligibility.
  - The subgroup recognizes that some individuals who had drug convictions have now had their records expunged to improve access to housing and employment. To prevent exclusion of these eligible people, the workgroup asks that the Liquor Cannabis Board use the honor system when implementing these criteria.
  - LCB is currently undergoing rulemaking to remove non-violent drug offenses from their internal points system.
  - This practice will keep the application process-low barrier.

### **Social Equity Plan Progress Update**

- The SEA subgroup intends to propose the following elements be included in the Social Equity Plans:
  - Per statute, a statement that Social Equity applicant qualifies as a Social Equity Applicant and intends to own at least 51% of the proposed retail business.
    - The group believes this element needs to be included because is important to have all applicants commit to their ownership.
    - To go further, this workgroup proposes to the SECTF that all Social Equity Licenses be sold and transferred only to individuals who meet the Social Equity Applicant definition.
  - Per Statute, a description of how issuing a cannabis license to the Social Equity Applicant will meet social equity goals.
    - The groups finds it important for the applicants to understand the State’s equity goals and intention behind the bills.
  - Per Statute, the Social Equity Applicant’s personal or family history with the Criminal Legal System and any offenses involving cannabis
    - If the applicant was eligible for the program through an individual or family conviction, this is an opportunity for the applicant to share more information on their lived experience and the impact from the war on drugs.
    - It’s also an opportunity to prioritize individuals who were directly impacted by the war on drugs either through individual or family conviction. If the subgroup agrees to do so.
  - The SEA subgroup has heard loud and clear from community members that individuals who previously owned a dispensary and were left out of the i502 Cannabis Market should have priority.
    - The workgroup members respect community’s opinions and would like to leave room for a check box on the application for previous dispensary owners.

- If this group of people are prioritized, then verifying documentation will be requested.
  - The workgroup has not decided on the level of priority this group will receive in scoring.
- The SEA Subgroup is considering not including the following Social Equity Plans elements offered in statute:
  - The composition of the workforce the Social Equity applicant intends to hire.
    - The workgroup finds this element limited for people who can only get a license in rural areas with less diversity.
    - Data also indicates that people naturally hire people that resemble themselves. Therefore, even if this element is not included in the Social Equity Plan, there is a good chance that owners will still hire diverse people.
  - Neighborhood characteristics of the location where the social equity applicant intends to operate. Focusing on DIA
    - The workgroup believes this element is not completely based on the applicant's desire and is limited by current license allotments and placements. Currently, licenses are tied to cities and counties, and caps are put in place to limit allotments in each city or county. If an applicant is desperate and will settle for a license anywhere, the workgroup and community do not believe they should be penalized for doing so.
- Social Equity Plans questions to still consider:
  - Business plans involving partnerships or assistance to organizations or residents with connections to populations with a history of high rates of enforcement around cannabis prohibition
  - Technical Assistance Grant questions
    - Are you interested in getting a Technical Assistance Grant? Y/N?
    - How much? And what for?
  - Should we include a race-conscious element to aid prioritization?
  - Should evidence of previous dispensary ownership be required?
  - How should we order the elements? Which are most important?
  - How many points should our scoring rubric have?
    - Then the full workgroup will be moving forward to scoring in our next workgroup meeting.

#### **Future Discussion for Disproportionately Impacted Areas Workgroup**

- The social equity impact of removing nonviolent cannabis related felonies and misdemeanors from the existing point system used to determine if a person qualifies for obtaining or renewing a cannabis license.
  - This recommendation was outlined in Statute. However, LCB is currently undergoing rulemaking to reconsider the point system. LCB staff have explained that they're working in tandem with the SECTF in anticipation of the Social Equity Program.
- Application Process:
  - How long of an application window is necessary?
  - What happens to licenses that are not awarded?
  - Should applicants be asked to correct an application instead of having their application voided?
  - Should a 3<sup>rd</sup> party review and recommend winning applications to LCB?

Social Equity in Cannabis Taskforce  
Disproportionately Impacted Communities Progress Update  
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