

# Draft Minutes of the Social Equity in Cannabis Task Force Technical Assistance & Mentorship Workgroup October 12, 2021

Virtual Meeting

## **Workgroup Members Present:**

Sheley Anderson, CCC and Industry
Representative
Ian Eisenberg, Industry Representative
Zachary Fairley, Community
Representative
Jamie Hoffman, Industry Representative
Rick Anderson, Dept of Commerce
Raft Hollingsworth, Co-Lead and Task
Force Member
Jim Makoso, Industry Representative
Carmen Rivera, CoHA and Task Force
Member
Joe Solorio, UFCS and Task Force
Member

## **Workgroup Members Absent:**

Tamara Berkley, Co-Lead and Task Force Member

### **Guests and Other Participants:**

Throughout the meeting, approximately 33 members of the public joined and participated. The workgroup thanks all of those who attended and shared their time, expertise, and lived experience to help shape this important work.

### **Staff Support:**

Anzhane Slaughter Joy Hollingsworth

Crystal Ogle

#### Call to Order

<u>Raft Hollingsworth, Co-Lead</u>, called the public meeting to order at 1:04 p.m. and read from a prepared statement (on file). <u>Anzhane Slaughter, Staff</u> shared the Zoom protocol, conversation norms, and reviewed the agenda. <u>Raft Hollingsworth, Co-Lead</u> facilitated introductions of members and stated that the goals for today's meeting, is to come up with recommendations to the Task Force (TF).

# 1. Recap September 14th Task Force Meeting

Raft Hollingsworth, Co-Lead recapped the TA&M workgroup proposals made at the September 14<sup>th</sup> Task Force meeting. They included: 1. The department of commerce use the funds from 2022 to implement the cannabis mentorship program. 2. To expand the financial assistance as new use of funds for technical assistance dollars (recommendation to the legislator). 3. To increase the allotment for the

technical assistance mentorship grant program. Asking for 10% of the cannabis tax revenue that currently goes into the state general fund. 4. To reserve 5% of the cannabis tax revenue that currently goes to the state general fund for low interest loans for social equity cannabis license holders. 5. That current license holders that meet the definition of social equity be eligible for grant dollars.

Member comments included praise for getting the proposals approved. There's also discussion around details of whom the allocated funds can go to, the discussion will be postponed to a later agenda item. What other states are doing was mentioned, including NY who reinvests 40% and IL who reinvests 25% compared to WA who currently does not reinvest anything. In general, the workgroup agrees tax revenue from Cannabis sales should be reinvested into community but how much and some details will need to be worked out later in today's meeting.

## 2. Discussion Begins - Community Re-Investment

Raft Hollingsworth, Co-Lead opens the discussion with sharing a ppt (on file) which includes what's being done about reinvestment in other areas around the country, an idea of community support channels (education, housing and home ownership, small business, the arts, college scholarships, digital equity, food insecurity, mental health and health care). The presentation also included a breakdown of the 3 steps to current cannabis appropriations, an overview of equity goals, and an overview of 2019-2021 state operating expenditures.

The workgroup discusses which funds to base percentages off of, what's left to be disbursed in the general fund, or from the top of all Cannabis tax revenue. Concerns and support are heard about both options. Two percentages, 30% and 50% are heard as well. The workgroup asks to hear from the public.

Public comment agreed that 50% of the total Cannabis tax dollars should go into community reinvestment. Other comments include ideas for how the money should be used, with housing being priority.

The workgroup then discusses equity vs equality. Equality is 50% but Equity is to actually give whatever is needed to right the wrong and that may be more than even 50%. The group again revisits what other states and national organizations have done or recommended to ensure Washington measures up. The group then comes to a consensus that they will recommend 50% off the top, of all Cannabis tax revenue collected by the state to put into community reinvestment.

## 3. Discussion Continues - Community Re-Investment

Raft Hollingsworth, Co-Lead begins the discussion by asking how we use these funds to reinvest in communities. The workgroup further defines communities as Disproportionately Impacted Areas (DIA). A slide (on file) showing previously discussed ideas for community investment was shown to workgroup members. The ideas included: Education, Housing and Home Ownership, Small Business, The Arts, College Scholarships, Digital Equity (broadband and devices), Food Insecurity,

Mental Health and Healthcare. Thoughts about these areas included housing/home ownership and healthcare being well supported. There was also some discussion about removing the arts but ultimately it was decided the arts are important to community and culture. The workgroup also identified other areas to add to the list including: research, employment opportunities, gun violence, prevention, drug research, and child welfare. The workgroup then turned discussion to who could apply for funds and decided faith-based organizations, non-profits, individuals and local business outside of the Cannabis industry should all be considered. Finally, the group began discussing oversight of the funds. There were many solutions and considerations that were shared for fund oversight. The fact it's state funds, would likely mean a state entity would need to oversee the program. The possibility of the newly formed Office of Equity Washington State, Department of Commerce and maybe the Home Sight Program were all discussed as state agencies who may be able to host the program. The idea of having a Community Development Financial Institution (CDFI) oversee the funds was passed around and generally accepted. There was a suggestion that the board overseeing the CDFI should include those from community. Ultimately, the workgroup decided to continue the discussion of agencies to host the program and entities to oversee funds. Finally, Raft Hollingsworth, Co-Lead brought up the proposals that were accepted and passed by the Task Force. Two of them in particular included a % of Cannabis tax revenue, 10% for TA&M and grants and 5% for loans. Co-Lead Hollingsworth clarified these would have to come out of the 50% from the top that the workgroup is asking for. and not in addition to.

Public comment included tips on legislative strategy. Allies could be found in changing the tax code and gathering funds for research. A suggestion of story telling about the harms of the war on drugs was given. Public comment also reminded the workgroup that there are already organizations out there such as the Urban League and NAACP that work with communities and know where the needs are.

## 4. Next Steps

Anzhane Slaughter, Staff shared dates for future meetings.

## Adjournment

Raft Hollingsworth, Co-Lead thanked everyone for attending and adjourned the meeting at 4:00 p.m..

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