



Draft Minutes of the Social Equity in Cannabis Task Force
September 14, 2021
Virtual Meeting

Workgroup Members Present:

Rep. Kelly Chambers	Christopher Poulos
Rep. Melanie Morgan	Yasmin Trudeau
Sen. Rebecca Saldaña	Cherie MacLeod
Sen. Curtis King	Tamara Berkley
Carmen Rivera	Pablo Antonio Gonzalez
Craig Bill	Raft Hollingsworth
Michelle Merriweather	Monica Martinez
David Mendoza	Jim Makoso
Joe Solorio	Micah Sherman
Ollie Garrett	Dorian Waller

Workgroup Members Absent:

Guests and Other Participants:

Throughout the meeting, approximately 60 members of the public joined and participated. The Task Force (TF) thanks all of those who attended and shared their time, expertise, and lived experience to help shape this important work.

Staff Support:

Christy Curwick Hoff	Joy Hollingsworth
Anzhane Slaughter	Crystal Ogle

Call to Order

Rep. Melanie Morgan, Chair called the public meeting to order at 3:02 p.m. read from a prepared statement (on file). Anzhane Slaughter, Staff shared the Zoom protocol, conversation norms, and reviewed the agenda. Anzhane Slaughter, Staff facilitated introductions of members. Rep Morgan welcomed 3 new Task Force members; Dorian Waller, Micah Sherman and Jim Makoso and 1 new Staff member; Joy Hollingsworth.

1. Approval of Agenda

Motion: Approve September 14, 2021 agenda.

Motion/Second: Member Yasmin Trudeau / Member Ollie Garrett
Approved unanimously.

2. Approval of July 27, 2021, Meeting Minutes

Motion: Approve July 27, 2021 minutes as written

Motion/Second: Member Ollie Garrett / Member Cherie MacLeod
Approved unanimously.

3. Old Business – Technical Assistance & Mentorship Proposal

Raft Hollingsworth, Co-Lead and Tamara Berkley, Co-lead provide update on old business regarding the Department of Commerce and use of Fiscal Year 2022 funds. The fiscal year ends June next year and they want the Dept of Commerce to have direction on how to use the funds. The TA&M Workgroup proposes that the funds be used to begin the implementation of the mentorship program which would include classes on general business and cannabis business specifically. Due to the timing and need to verify SE applicants, there could not be one-on-one mentorship at this time. They ask for discussion and questions.

Sen. Curtis King, member, asks who the program would be open to. Clarification is given that it's open to anyone who wants this mentorship. Applicants can utilize these resources and opportunities while waiting for their application to go through, they can prepare and get educated. HB 1443 is used to clarify who would meet SE criteria to be offered mentorship; 51% minority or women owned. Potential mentors do not have to be current license holders, they can be general business owners as well. The Workgroup has been discussing mentorship and the program in parallel with the Dept of Commerce to help source mentors, utilize existing resources to be sure they are not duplicating resources. Rep. Kelly Chambers, member expresses concern for duplication of services for mentorship when it comes to general business. Anzhane Slaughter, Staff says that the workgroup has been working in parallel with the Dept of Commerce. Sen. Curtis King, member, asks about payment or reimbursement of mentors and wonders if free programs already set up could be utilized. Rep. Melanie Morgan, Chair, shares that she's had in depth conversations with Chamber of Commerce on this topic, and will be working in collaboration with them. Rep. Kelly Chambers, member asks about billable rates for mentors. Tamara Raft, Co-Lead, explains that The Dept of Commerce can help advise on mentorship reimbursement rates. After a lengthy and detailed discussion, a motion is made to vote.

Motion: The Department of Commerce use the funds from 2022 to implement the cannabis mentorship program.

Motion/Second: Member Raft Hollingsworth / Member Tamara Berkley

Rep. Melanie Morgan, Chair accepts motion and puts to vote.

Motion passed: Yea 14, Nay 1, Abstain 0

4. Update: Technical Assistance & Mentorship Workgroup

Raft Hollingsworth, Co-lead and Tamara Berkley, Co-lead inform the Task Force of the proposals which have come out of the TA&M workgroup meetings. The workgroup would like to propose that financial assistance be a new use of funds for

the TA grant program. To increase the allotment for the grant program they are asking that 10% of the cannabis tax revenue that currently goes to the general fund, approximately 30 million, go towards the grant program and 5% of the same tax revenue go toward low-interest loans for SE cannabis license holders. Finally, they would like to recommend that current license holders who meet the SE definition be eligible for grant dollars.

Rep. Kelly Chambers, member asks for a definition of Technical Assistance as far as funds go. Tamara Berkley, Co-lead explains funds can be used for start up costs including buildout, rent, and legal fees. There will be milestones that would be reached in order to apply. Rep. Melanie Morgan, Chair requests that it be made known that this is a legislative recommendation, not one to the LCB. David Mendoza, member questions if this would violate laws in place for a gift of public funds and wants clarification on which someone would apply for. Tamara Berkley, Co-Lead explains that grants will be for a capped amount and loans can be for any additional monies and that the gift of public funds law allows for funds up to \$75,000. Rep. Kelly Chambers, member expresses concern around who defines what low-interest. Tamara Berkley, Co-Lead addresses the concern by explaining the Workgroup will be determining details in future Task Force meetings, if and once the Task Force agrees to recommend use of funds for this. Yasmin Trudeau, member suggests changing the word “add” in the proposal to “expand”, and in general, the Task Force agrees to that change. After the change, they are ready to make a motion.

Motion: To expand the financial assistance as new use of funds for technical assistance dollars.

Motion/Second: Member Tamara Berkley / Member Raft Hollingsworth

Rep. Melanie Morgan, Chair accepts, puts to vote

Motion passed: Yea 14, Nay 1, Abstain 1

Rep Morgan, Chair requests that the Co-Leads group the remaining proposals into one. Co-leads review the remaining proposals regarding using 5% of the Cannabis tax revenue that currently goes to the general fund for low-interest loans and 10% of the same funds for grants, as well as making current licensees who qualify for SE eligible for grant funds.

The Task Force discusses what other states and city programs have done throughout the country. It's clarified that funds from tax dollars will still go towards rehab and education, the 5% and 10% amounts were decided based on community feedback and what other states are doing. Starting a cannabis business in WA is expensive and these candidates do not have a lot of seed money. Pablo Gonzalez, member points out that it takes money to keep the business going, especially the first 1-2 years after opening and suggests tax breaks be considered. Rep. Melanie Morgan, Chair would like to see a vote on the proposals and anything else can be considered for future.

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

Motion/Second: Member Raft Hollingsworth / Member Tamara Berkley
Rep. Melanie Morgan, Chair accepts, puts to vote
Motion passed: Yea 14, Nay 1, Abstain 1

Rep. Melanie Morgan breaks time is 4:20pm, to reconvene at 4:30pm

5. **Update: Disproportionately Impacted Areas Workgroup**

Cherie MacLeod, Co-leads and Christopher Poulos, Co-leads update the Task Force on what the DIA Workgroup has been discussing and present their proposals. The 3 pieces they are presenting include a DIA map, an application flow chart and a scoring rubric. They begin with DIA eligibility criteria. Michele Cadigan, Workgroup Member and University of Washington PHD student, helps explain the formula used for the scoring rubric. The rubric includes communities of color, drug convictions, unemployment, and income. Using federal census tracks as area boundaries, DIA scores were calculated. They show the Task Force samples and examples. The DIA workgroup is recommending that the top 20 areas be considered DIAs. An applicant will put in their address, and the system, using this algorithm will output a DIA score.

Motion: To use the presented DIA ranking formula and indicators.

Motion/Second: Member Cherie MacLeod / Member Christopher Poulos
Rep. Melanie Morgan, Chair accepts, puts to vote
Motion passed: Yea 13, Nay 0, Abstain 1

Next, Cherie MacLeod, Co-lead moves onto the flow chart. A sample flow chart (on file) is shared with the Task Force. The flow chart begins with an applicant registering with the DOR and includes a community review panel, opportunity for mentorship and a SE case worker being assigned to SE applicants. It's shown, based on the flow chart, where an applicant can apply for a grant to secure a location. The Department of Commerce would be who applicants apply for grant funds from and more detail about the case worker is given, the case worker is a point of contact that keeps applicants from slipping through cracks and the process moving forward. There's belief that there will be many more applicants than there are licenses and tie breakers will need to be determined. The workgroup felt that an interview with the community panel may be a way for an applicant to be further assessed. Also, in consideration they discussed possible fee waivers, which would require legislation.

Task Force discusses aspects of the proposal. Sen. Curtis King, member asks who would make up a community review board. Cherie MacLeod, Co-Lead answers by explaining it's in discussion, that currently they are thinking community members. It's also clarified that final approval of licenses would go through LCB, that the review panel would make only recommendations. The LCB has a history of working with 3rd party review panels, the community review panel would be much the same. Sen. Curtis King, member voices another concern about mobile licenses and giving grant money to someone before a license. Additional concerns about flooding the market was heard from Pablo Gonzales, member. Rep. Melanie Morgan, Chair tables the discussion of mobility and licenses for another area of the meeting. Questions about where the applicants apply for licenses are heard. Suggested they have 3 priority places was given. Cherie MacLeod, Co-lead, explained that the group didn't dive into those details, yet. Rep. Melanie Morgan, Chair would like to see the flow sheet in written form, not just a visual, with more details outlined. In general, there is concern around being ready to vote on the flow sheet at this meeting, there are more questions that need clarification. Many in the Task Force would like to see more details worked out.

Motion: to table application process for further development and to bring back to Task Force at a later date.

Motion/Second: Member Christopher Poulos / Member Cherie MacLeod
Rep. Melanie Morgan accepts, puts to vote.

Motion to table approved: Yea 13, Nay 0, Abstain 0

Rep. Melanie Morgan clarifies that the DIC workgroup will not disband today, as they will have further work to do on these proposals. Prior to moving onto the Licensing workgroup, the 3rd proposal of the DIC workgroup is noted and a motion to table it as well is brought up.

Motion: to table scoring rubric for further development and to bring back to Task Force at later date.

Motion/Second: Sen. Curtis King / Member Cherie MacLeod
Rep. Melanie Morgan accepts, puts to vote

Motion to table approved: Yea 12, Nay 1, Abstain 0

6. Update: Licensing Workgroup

Co- Leads Michelle Merriweather and Micah Sherman, who is sitting in for Monica Martinez as Co-Lead, present the Licensing Workgroup proposals to the Task Force. They have three proposals. First, that all new licenses be reserved for SE applicants. Second, that SE licenses become mobile contingent on local approval within their respective counties. Third to reduce buffer zones from 1000 ft to 500 ft reserved for SE licenses, this would exclude schools and playgrounds as they must remain at 1000 ft. Member Micah explains that these are legislative recommendations and cannot be put into place until the legislature meets. Additionally, he explains that the exact number of licenses does not have to be determined now, that can be done at a later date.

The Task Force discusses the recommendations. Sen. Curtis King, member expresses concern about buffers being in place because children frequent the locations is heard. Paul Brice, advisor reminds the group that nobody under 21 can enter these establishments. Christopher Poulos, member, compares setbacks to establishments that serve alcohol. Co-leads clarify that these buffers would be the new default, that municipalities still have the ultimate say in what buffers will be allowed in their locations. They also clarify that mobility licenses are still contingent upon local approval. Cities and municipalities still determine bans or moratoriums. Sen. Rebecca Saldaña, member, reminded the Task Force that we have heard community say they want and need. After a good discussion and consideration, the Task Force puts the matter to vote.

Motion: That any new licenses issued be reserved for SE through 2029. This includes new licenses that get passed through the legislator. That all licenses available for SE retail licenses are mobile contingent on local approval within their respective counties. To reduce buffer zones from 1000ft to 500ft reserved for SE licenses (excluding elementary schools, secondary schools, playgrounds that must remain at 1000ft).

Motion/Second: Member Michelle Merriweather / Member Yasmin Trudeau
Rep. Melanie Morgan accepts, puts to vote
Motion passed: Yea 12, Nay 2, Abstain 1

7. Public Comment

Public comments included concern that the Task Force is losing sight of true equity and equality. Suggestions of removing restrictions and buffers even more significantly were made, also giving consideration to prior owners or license holders who lost their businesses. Compliments were given to the Task Force for their time and efforts and support for mentorship.

Rep. Melanie Morgan, Chair thanks the public for their comments and encourages the public to email further comments.

8. Next Steps

Anzhane Slaughter, Staff provides dates for future meetings. There will be a special meeting called for the tabled items. This meeting will happen before the November SECTF meeting. She encourages the public to sign up for the email distribution list by visiting healthequity.wa.gov

Good of the Order & Adjournment

Rep. Melanie Morgan thanked everyone for joining us and adjourned the meeting at 7:00 p.m..

Rep. Melanie Morgan, Task Force Co-Chair

To request this document in an alternate format or a different language, please contact Kelie Kahler, Washington State Board of Health Communication Manager, at 360-236-4102 or by email at kelie.kahler@sboh.wa.gov TTY users can dial 711.

PO Box 47990 • Olympia, Washington • 98504-7990
360-236-4110 • wsboh@sboh.wa.gov • sboh.wa.gov