



Draft Minutes of the Social Equity in Cannabis Task Force
January 25, 2021
Virtual Meeting

Task Force members present:

Tamara Berkley	Michelle Merriweather
Craig Bill	Rep. Melanie Morgan (Co-Chair)
Ollie Garrett	Christopher Poulos
Pablo Antonio Gonzalez	Carmen Rivera
Raft Hollingsworth	Sen. Rebecca Saldaña
Cherie MacLeod	Joe Solorio
Monica Martinez	Yasmin Trudeau
David Mendoza	

Task Force members absent:

Rep. Kelly Chambers	Paula Sardinas (Co-Chair)
Sen. Curtis King	

Guests and other participants:

More than 25 individuals participated throughout the meeting. The Task Force wishes to thank all of those who joined and shared their lived experience and valuable suggestions.

Representative Morgan, Task Force Co-Chair, called the public meeting to order at 2:03pm. Task Force staff shared the conversation norms and Zoom protocol. Task Force members gave brief introductions.

1. APPROVAL OF AGENDA

Motion: Approve January 25, 2021 agenda

Motion/Second: David Mendoza/Ollie Garrett. Approved unanimously.

2. APPROVAL OF DECEMBER 14, 2020 MEETING MINUTES

Elise Rasmussen noted updates to the minutes regarding workgroup meeting leads and the Licensing Workgroup scope of work.

Motion: Approve December 14, 2020 Meeting Minutes with added corrections

Motion/Second: Sen. Rebecca Saldaña/Carmen Rivera. Approved unanimously.

3. POLICY BRIEFING FROM THE WA STATE LIQUOR AND CANNABIS BOARD (LCB)

Ollie Garrett, Task Force Member, said this presentation was in response to a Task Force (TF) request for a briefing by LCB staff. She introduced Rebecca Smith, LCB Licensing Director, who gave her presentation (on file). Her presentation covered the following topics:

- Overview – History of Medical Cannabis
 - Medical Recreational Merger Overview (handout on file)
- Initiative 502 - Initial Application Process
- Senate Bill 5052 - Medical Merge
- Determination of License Allocations
- Local Bans and Moratoria
- Retail Operational Requirements
- Social Equity Program

Raft Hollingsworth, TF Member, asked for clarification on the number of open allotments available for the Social Equity Program. Ms. Smith said the program is limited to open allotments that currently exist. She added they were waiting for recommendations from the TF about whether to increase allotments, adding that any increase would require legislation. Monica Merriweather, TF Member, asked how many applicants were denied due to criminal history points exceeding the threshold, and how many additional licenses went to individuals that already held licenses. Ms. Smith, said the LCB can provide the data to the TF. Michelle Merriweather, TF Member, asked if the 46 certified title certificate holders and the 45 retail licenses not operating were the same. Ms. Smith, clarified that they are separate. There are 45 forfeiture licenses not open and operating, and also 46 certificate holders.

Ollie Garrett, TF Member, asked for the demographics on title certificate holders. Ms. Smith, stated that 30% are People of Color and data is available for the breakout of retail, producer/processor, and title certificates. Christopher Poulos, TF Member, wanted to offer assistance with rule changes to the criminal history background check process. Pablo Gonzalez, TF Member, said there hasn't been a study done in 4-6 years to see if current canopy space was enough to supply the demand and asked if there are plans for updated studies. Ms. Smith, said she is unaware of any plans currently, and added that 265 producers have gone out of business. Rep. Melanie Morgan, Co-Chair, asked why so many went out of business. Ms. Smith replied that producers are the most expensive and difficult business to be a part of adding that producers and processors cannot sell directly to consumers. Carmen Rivera, TF Member, asked for the demographics on the 265 producer/processors that went out of business. Ms. Smith stated she does not have that data and will see if it can be accessed.

The TF opened to the public for questions for Ms. Smith. Public participants shared questions, suggestions, and concerns:

- Need for local authorities to rethink their bans and moratoriums.
- Questions about LCB community engagement.
- Suggestion that more producer and processor licenses should be set aside for social equity.
- Comment on how barriers created by LCB application process harmed communities of color.
- Need to put checks and controls into place so that people of color aren't exploited as figureheads in obtaining social equity licenses.
- Need for an updated canopy study.

- Need to be intentional about prioritizing the Black community for the social equity program.
- Comment about the challenges independent producers/processors face and how farmers are not allowed to connect directly to communities and instead must go through retailers, who are generally owned by white males. There is a need to give farmers the opportunity to sell their products directly.
- The need to allow for vertical integration and how some are already getting around the rules through distant relatives and other means.
- Suggestion for transparency in how the LCB considers whether to adopt TF recommendations.
- Need for more retail licenses overall and how these need to be set aside for social equity. There are not enough licenses to make a difference in equity.
- Need to provide refunds to priority 2 and 3 applicants who did not receive retail licenses.

Member Garrett, thanked Rebecca Smith and said the LCB is eager to see Task Force recommendations and how they will be used to inform the Social Equity Retail Program.

The Task Force recessed for break at 3:48 p.m. and reconvened at 4:00 p.m.

4. **TASK FORCE WORKGROUP UPDATES**

Christy Curwick Hoff shared that TF staff are meeting with co-leads to discuss the scope and vision of each workgroup. They are working to recruit workgroup members with consideration to diversity by race/ethnicity, geography, and experiences. They are prioritizing the Disproportionately Impacted Communities Workgroup, since it will be focused on recommendations to LCB on who should be eligible and prioritized for the Social Equity Retail License Program. Elise Rasmussen added that workgroup meetings will be open public meetings. The workgroups will take on the bulk of TF work and shared back with the full TF for its consideration. She stressed that no recommendations will be approved at the workgroup level and that the TF must consider all recommendations. Member Hollingsworth set he met with members and store owners, assuming the role of the workgroup lead and shared a letter on December 22 to the TF (on file). The letter was contributed as public comment.

5. **PUBLIC COMMENT**

Representative Morgan, TF Co-Chair, opened the meeting to public comment.

Adam Powers, Public Participant, suggested to add language on ancestral individuals. The TF talks about focusing on those most affected by the drug war, however, there is little language on the history of cannabis and that the colonies brought Africans to grow hemp. We should focus not just on the 1980s drug war repercussions, but on the history of cannabis here in America and include priority for the descendants of those people.

Edgar Casteneda, Public Participant, asked how the TF will get more public comment and input. Municipalities have too much power on bans and are not educated enough on I502 and cannabis.

Bailey Hirschburg, Public Participant, shared suggestions for the TF:

- For general licensing of equity applicants, other factors should be considered, such as civic contribution, offer of wider health services, engagement with the community, what their environment looks like, and if they participated in potency testing for contamination and standard labeling.
- For the technical assistant grant program, recipients in disproportionately impacted area should spend the grants in the same area to get money into the community without adding a lot of requirements. If a business isn't located in the area, they shouldn't be required to meet limits and get less grant money.
- On license expansion, look at social consumption endorsements to allow equity applicants an opportunity not available to the wider market, include a sunset after a set amount of years, where the licensee can host cannabis events and onsite consumption. This is a way legislation could allow certain businesses a foot up and opportunity similar to what retailers have had to date.

Jim Makoso, Public Participant, asked about the process for becoming a workgroup member. Being a processor and product manufacturer, the needs pertaining to licensing and mentorship are quite different than cultivating. It is important as part of workgroups, both on licensing and technical assistance and mentorship, that consideration be given to the licensee specifically to meet their needs.

Mike Asai, Public Participant, stated I502 and SB5052 gave LCB the power to expand allotments. The language to give LCB authority to increase allotments was stricken. LCB is hiding behind the language of the senate bill. If the TF doesn't address allotment back to square one, 2870 needs to be amended to give LCB the power to expand allotments. Added that former collectives should be allowed to get back in.

Paul Brice, Public Participant, expressed that Social Equity should include pioneers with priority status moving forward. Stated that HB1260, the craft cannabis bill, would add 50 craft cannabis licenses, and allow tier 1 and 2 licensees to switch licenses. This would allow current licenses to start before minorities could benefit. A head start for minorities would help.

Joy Hollingsworth, Public Participant, suggested the TF pass a recommendation for the 1.1 million dollars appropriated to the Department of Commerce be allocated to current I502 owners to create incubator programs for social equity. Social Equity is not just getting new people into the industry, but to rebuild communities harmed by the war of drugs.

Peter Manning, Public Participant, stated concerns about TF membership and said he predicted the TF will not take Black people seriously.

Baljit, Public Participant, said open allotments are in areas that are difficult for businesses to succeed. He said the LCB needs to create more allotments.

6. LEGISLATIVE UPDATE

Co-Chair Morgan, said HB 2870 created some barriers and Senator Saldaña is crafting language for the Legislature. Sen. Rebecca Saldaña, TF Member, said she wants to

introduce new bill language that would address the recommendations in Mr. Hollingsworth's letter and others. TF members discussed options for recommendations to change current statute that could be included in legislation Topics discussed included whether current BIPOC licensees should be eligible to receive technical assistance grants to assist new BIPOC licensees, whether to expand the grants to include producer and processor licenses, and whether to change the qualifying criteria for applicants from poverty-based to race-based.

Co-Chair Rep. Morgan left the meeting and asked Sen. Saldaña to serve as Chair. Chair Pro Tem Saldaña said the TF has the authority to make recommendations to LCB and Commerce, specifically recommendations around the social equity program. She said other recommendations may require legislation She said she has heard that the current scope for grants is too narrow and needs to include other licensees.

Motion: The Task Force recommends changes to the underlying criteria for a social equity applicant from one solely based on place (i.e. disproportionately impacted areas) to one that allows for specific prioritization based on race.

Motion/Second: Raft Hollingsworth/Michelle Merriweather. Majority approved.

Vote No: Pablo Gonzalez

Motion: The Task Force recommends changes to the underlying criteria for a social equity grant program to ensure that qualifying current licensees and certificate holders (retailers, and producer/processors) can also receive the technical assistance grants.

Motion/Second: Raft Hollingsworth/Cheri MacLeod. Majority approved.

Vote No: Pablo Gonzalez

ADJOURNMENT

Sen. Rebecca Saldaña, Chair Pro Tem, adjourned the meeting at 5:34 p.m.

SUMMARY OF CHAT BOX COMMENTS FROM 1/25/21 SECTF MEETING

Additionally, members of the public participated in some or all of the meeting by contributing to the discussion and/or sharing their comments and questions via the virtual meeting platform's chat function. A summary of community's comments from the meeting platform's chat function is included here.

Community Questions:

- Can we request that a new assessment or study be done on the cannabis industry for the next five years in WA?
- Will the social equity application be open to all minorities?
- What can citizens or residents do to change the minds of local authorities who have the power to lift local bans and moratoriums?
- How is the state conducting community outreach during COVID?
- What controls are in place to prevent equity licenses from being exploited by others who seek to use a minority as a figurehead or face of the business?

- If 265 producers/processors have gone out of business, is there room to open these former license counts that were in this space to go to equity applicants in the state?
- Could people who received priority status, and then were later removed, receive new priority consideration without being placed back at the bottom if they apply?
- Has the LCB refunded all priority 2 & 3 applicants who did not receive a retail license?
- What could be done to the structure of the market to allow farmers of all sizes and races an opportunity to sell their products?
- Can the task force recommend tax exemption status for social equity license holders?

Community Comments:

- Several community members shared comments related to how the Department of Commerce's Technical Assistance Grant program should be run:
 - Ensure that funds are allocated proportionately across both Eastern and Western Washington
 - Create an incubator space where members meet specific metrics or qualifications to join
 - Make funds available to license holders who are Black, Indigenous, and People of Color
 - The money allocated for technical assistance grants is not enough
 - Current license holders should not get grant funds reserved for new applicants. Current license holders should only get additional grant funds.
- One community member commented on how rising home and rent costs in King County have led to a lot of residential displacement to South King County. They shared that they have been studying census data and believe that this region would likely be considered a Disproportionately Impacted Area. However, this area is also where there are numerous bans of cannabis sales. This community member urged the Task Force to study how to address this issue.
- One community member advocated for focusing license disbursement based more on race and other qualifying criteria, and to focus less on location (i.e. disproportionately impacted areas).

Community Suggestions for Future Task Force Meetings

- One community member stated how they would be able to interact with others during an in-person Task Force meeting, and therefore would like to be able to communicate with everyone during the meeting using the Zoom's chat function instead of limiting messaging to meeting hosts. They want to use the chat function to network and interact with other participants.

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