

Background and Workgroup Scope

The Technical Assistance and Mentorship workgroup has been tasked with assisting the Social Equity in Cannabis Taskforce (SECTF) on their recommendations to the Department of Commerce (Commerce) specific to the Technical Assistance and Mentorship program outlined in statute. Per statute, Technical Assistance grants must be awarded to social equity applicants submitting social equity plans. For this reason, the Technical Assistance and Mentorship workgroup must coordinate with the DIA workgroup as they discuss elements to include in the Social Equity Plans. It has been made clear to the Technical Assistance and Mentorship workgroup that the time needed for the Washington State Liquor and Cannabis Board (LCB) to conduct rulemaking and issue licenses through an equitable process makes it difficult for Commerce to be able to issue the Technical Assistance grants before the end of the 2022 fiscal year. If funds are not given direction by the SECTF or re-appropriated through legislative action, then those 2022 fiscal year dollars are at risk of being lost. The workgroup's first priority is to prevent the loss of funds. Its second priority is to develop proposals for how the Technical Assistance and Mentorship program will operate in subsequent years. Finally, the Workgroup will consider questions regarding community re-investment, workforce training, and other tools offered in statute to further bring equity to Washington State.

Technical Assistance and Mentorship Membership

- The Technical Assistance and Mentorship Workgroup has met 3 times between May 11 and July 20)
- This workgroup has 10 members most with backgrounds in community, commerce, and the cannabis industry (retailer, producer, and processor). Most meetings have about 25 community members present. Co-leads for this workgroup are Tamara Berkley and Raft Hollingsworth.

Technical Assistance and Grant Program Fiscal Year 2022-progress update

- This workgroup would like Commerce to use all funds allotted for fiscal year 2022 and begin developing the mentorship roster outlined in statute. Commerce currently has the statutory authority to do so, and with the SECTF' recommendation can begin to implement.
 - Per statute, the mentorship roster must be comprised of businesses that are at least 51% minority- or women-owned. The workgroup wishes to keep this requirement.
 - The Technical Assistance and Mentorship workgroup supports allowing both current licensees that fit the social equity applicant criteria and potential applicants to all have access to this mentorship roster.
 - Workgroup members have heard from community that there are business owners who could use mentorship right now.
 - The workgroup would like to see mentorship in various ways through seminars and panels, both in person and virtual.
 - Workgroup members would like to see the majority of classes offered by mentors be focused on cannabis specific information in classes/seminars. However, some of the classes offered should focus on general business knowledge. The workgroup would like to see the mentorship program include:
 - general business classes on:
 - Business structure advice
 - Information and laws around hiring
 - Human resource help
 - cannabis specific classes on:
 - Cannabis Tax law

- Cannabis rules/WAC
- Cannabis Business Plan
- Security
- Traceability
- Cannabis License process
- Ordering Inventory
- Personal Statement Writing
- It is important to the workgroup and community members that this program is sustainable and can remain available for years to come.
- The workgroup would like to see Commerce contract with large and small businesses that meet the criteria for mentorship.

Early Proposal: The Technical Assistance and Mentorship workgroup proposes that the SECTF make an early recommendation to Commerce to use FY22 funds to develop and implement a mentorship program to educate prospective social equity applicants and current licensees.

Technical Assistance and Mentorship Program in Subsequent years

- The workgroup would like to see more funding allotted to the program.
 - The current allotment is insufficient to support new business owners and sustain the mentorship roster.
- Workgroup members would also like to include cash grants or financial assistance as a use of the FY23 and following years' appropriated funds.
- Workgroup members would like to see all grant amounts be equal.
- The Workgroup strongly believes grants should only be issued to applicants who will receive a license.
 - One option the workgroup considering to achieve this goal is to combine the grant and license processes through the social equity plans.

Future Questions to consider

- According to statute, a grant recipient must show completion of their grant funded project after 12 months. Should the SECTF keep this provision or amend it?
- Should Washington State reinvest cannabis tax dollars back into communities that are Disproportionately Impacted?
 - New York has set a standard for 40% of cannabis tax dollars to be reinvested into the communities that were most harmed by the War on Drugs
 - Currently in WA state 33% of Cannabis Tax dollars are directed to the State General Fund. The workgroup would like to discuss whether some of this revenue should be reinvested in the community.
- Per statute, should Washington State create workforce training opportunities for underserved communities?