

Guidance on Equity Programs

Revised by the Commission: June 2020

Purpose

The purpose of this amended guidance is to assist stakeholders in understanding Cannabis Control Commission (Commission) benefits directly intended for disproportionately harmed people (known as the Social Equity Program), for businesses that economically empower disproportionately harmed people (known as Economic Empowerment Priority), and for minority-owned, women-owned, and veteran-owned businesses. These benefits currently apply to adult-use applicants and licensees only.

This guidance is not legal advice. If you have legal questions related to these programs, we encourage you to consult an attorney. We also encourage you to sign up for the Commission’s general notification list and Social Equity Program newsletter [here](#) if you wish to be notified of updates.

Overview and Legal Basis

Social Equity Program

The [Social Equity Program](#) (SEP) is a free, statewide, technical assistance and training program that provides education, skill-based training, tools, and licensing benefits for success in the cannabis industry for those most impacted by the War on Drugs, marijuana prohibition, and disproportionate arrests and incarceration. The program, which is not a license or license type, is designed to give participants the tools and training necessary to apply for and obtain a license and the skills-based training for employment in the industry. Completion of the program does not guarantee licensure. The program stems from the requirement for the Commission to ensure that people from communities that have been disproportionately harmed by marijuana law enforcement are included in the new legal marijuana industry, under St. 2017, c.55.

Economic Empowerment Priority

Separate from the requirement to include disproportionately harmed people, St. 2017, c. 55 also required the Commission to prioritize review and licensing decisions for “applicants seeking retail, manufacturing, or cultivation licenses who were able to demonstrate experience in – or business practices that promote – economic empowerment in disproportionately impacted communities.” The law required the Commission to “identify all applications subject to prioritization . . . submitted between April 1, 2018 and April 15, 2018 and grant or deny such applications prior to reviewing any other applications for licenses.” Pursuant to these provisions, the Commission created an application process to certify applicants who successfully applied during that window as [Certified Economic Empowerment Priority Applicants](#). In addition to the



priority review required by law, the Commission has chosen to make several additional benefits available to these 122 certified applicants.

Minority-Owned, Women-Owned, and Veteran-Owned Businesses

Under St. 2017, c. 55, the Commission is required to track and pursue meaningful participation by minority, women, and veteran business enterprises. Along with other types of businesses, certified minority-owned, women-owned, and veteran-owned businesses are eligible to have their licensing applications expedited.

For more information on licensing, priority review, and expedited review, please consult the Commission's [Guidance on Licensure](#).

How to Apply and Maintain Eligibility

Social Equity Program

The SEP focuses on those most impacted by the War on Drugs, marijuana prohibition, disproportionate arrests and incarceration, and provides education and entry across four areas: entrepreneurship, entry- and managerial-level workforce development, and ancillary business support. These tracks are designed based on an applicant's specific interest in the cannabis industry, their current skills, and the outcomes they are seeking from the program.

Applicants are eligible for the SEP if they demonstrate at least one of the following criteria:

- Applicant income does not exceed 400% of [Area Median Income](#) and residency in an [Area of Disproportionate Impact](#), as defined by the Commission, for at least five of the preceding 10 years;
- Applicant residency in Massachusetts for at least the preceding 12 months and a conviction or continuance without a finding for a M.G.L. c. 94C offense under M.G.L. c. 94C or an equivalent conviction in other jurisdictions; or
- Applicant residency in Massachusetts for at least the preceding 12 months and proof that the individual was either married to or the child of an individual convicted or continuance without a finding for a M.G.L. c. 94C offense or an equivalent conviction in other jurisdictions.

The professional training and technical assistance services to support SEP participants are provided by vendors who are selected as part of a state procurement process. Commission staff reviewed submissions over several phases and scored them based on: curriculum framework; experience working with minorities, veterans, women, farmers, or other disproportionately impacted communities; experience developing digital content; a timeline for deliverables; and budget. The Commission then entered into a Master Agreement with the selected vendors to provide training and technical assistance.



The SEP application is digitally accessible through the [Massachusetts Cannabis Industry Portal](#) (MassCIP). The first cohort of the Social Equity Program completed the program in April 2020, and the application deadline to be considered for the second cohort was May 1, 2020.

To receive updates on the application deadline to be considered for the third cohort, subscribe to the SEP newsletter [here](#), watch the Commission meetings, or follow the Commission on social media (see links [here](#)).

The following resources are available on the Commission Equity Programs page:

- [Program Tracks and Helpful Application Tips](#)
- [Frequently Asked Questions \(March 2020\)](#)
- [Social Equity Program Application Preview](#)
- [Tutorial: How to Sign up for MassCIP](#)
- [Overview of Eligibility Criteria](#)
- [How to Apply Under Qualification 1](#)
- [How to Apply Under Qualifications 2 and 3](#)
- [Webinar Clinic: Applying to the Social Equity Program for Reopened Applications \(May 2020\)](#)
- [Guidance on Areas of Disproportionate Impact](#)
- [Guidance on Income Limits](#)
- [Guidance on Municipal Equity](#)

In order to access the SEP's technical assistance and trainings, a participant must be designated as an SEP participant by the Commission, based on meeting the eligibility criteria.

For details on maintaining eligibility to participate in the SEP, please consult the Commission at Equity@CCCMass.com for information on your specific program track.

Economic Empowerment Priority

As dictated by statute, the Commission identified all applications eligible for Economic Empowerment Priority Review between April 1, 2018 and April 15, 2018. Applications for Economic Empowerment Priority Review are no longer being accepted.

Applicants were certified as Economic Empowerment Priority Applicants if the individual or group of individuals applying met three of the following six criteria:

- Majority of ownership belongs to people who have lived in *areas of disproportionate impact* for 5 of the last 10 years;
- Majority of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;



- A majority of the ownership is made up of individuals from Black, African American, Hispanic, or Latino descent;
- At least 51% of current employees/sub-contractors reside in areas of disproportionate impact and will increase to 75% by first day of business;
- At least 51% of employees or sub-contractors have drug-related CORI, but are otherwise legally employable in a cannabis-related enterprise;
- Owners can demonstrate significant past experience in or business practices that promote economic empowerment in areas of disproportionate impact.

In order to remain eligible for Priority Review and any other benefits based on Economic Empowerment Priority Review status, an applicant or licensee must continue to be more than 50% owned and controlled by an individual or group of individuals who meet three of the six criteria. If the qualifications are no longer met, the applicant or licensee is no longer considered an Economic Empowerment Priority Applicant and is no longer eligible for the related benefits. Changes in ownership or control relative to Economic Empowerment Priority Review are governed by [935 CMR 500.104\(1\)\(b\)\(3\)](#), which states:

Where a certified Economic Empowerment Priority Applicant seeks approval by the Commission of a change in ownership or control, the applicant must undergo the approval process provided by 935 CMR 500.104 prior to making a change in ownership or control.

- In order to maintain its status as an Economic Empowerment Priority Applicant, the Economic Priority Applicant in its submission must demonstrate that it continues to qualify as an Economic Empowerment Priority Applicant, as defined in 935 CMR 500.002.*
- On receipt of notice and a request for approval under 935 CMR 500.104, the Commission shall review anew the applicant's eligibility for economic empowerment certification status.*
- If the qualifications are no longer are met subsequent to the approved change, the applicant will no longer be certified as an Economic Empowerment Priority Applicant and will no longer receive any benefits stemming from that designation.*
- The applicant may still seek approval of a change of ownership or control.*

Minority-Owned, Women-Owned, and Veteran-Owned Businesses

Benefits for minority-owned, women-owned, and veteran-owned businesses are based on certification by the Massachusetts Supplier Diversity Office. As stated in the Commission's [Guidance on Licensure](#), minority-owned business, women-owned business, and/or veteran-owned business must disclose this designation in their license application and either (1) be certified as that specific type of business with the Supplier Diversity Office. or (2) signed up for the Supplier Diversity Office's required business class and complete and upload the Expedited Review Affidavit into their license application. Certification as minority-owned business, women-owned business, and/or veteran-owned business by the Supplier Diversity Office will be required prior to obtaining a final license. More information pertaining to obtaining certification from the Supplier Diversity Office can be found [here](#).



Benefits

- Exclusive ability to apply for certain types of licenses

For at least two years, Delivery Endorsements for microbusinesses and Delivery-Only Licenses will be limited exclusively to businesses controlled by and with majority ownership comprised of Certified Economic Empowerment Priority Applicants or SEP participants. The Commission may vote to extend that period if the goal of the exclusivity period – to promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law – has not been met. These provisions will also be applicable to Social Consumption Licenses when they become available. For more information about these exclusivity provisions, see [935 CMR 500.050\(10\)\(b\)](#).

- No application fees for license applications
- 50% reduction in annual license fees
- No monthly Metrc program fees

All Certified Economic Empowerment Priority Applicants and SEP participants are eligible to receive the benefits above, which are designed to reduce barriers to entry into the adult-use marijuana industry.

In order to receive the fee waivers and discounts above as an *Certified Economic Empowerment Priority Applicant*, an individual or group of individuals who meet three of the six criteria must be listed on the license application as a Person Having Direct or Indirect Control and must continue to meet three of the six criteria, regardless of stage in the licensing process. In order to remain eligible for any benefits based on Economic Empowerment Priority Review status, including the fee waivers and discounts above, an applicant or licensee must continue to be more than 50% owned and controlled by an individual or group of individuals who meet three of the six criteria.

In order to receive the fee waivers and discounts above as an *SEP participant*, that participant must be listed on the license application as a Person Having Direct or Indirect Control and must maintain at least 10% ownership in the Marijuana Establishment.

- Priority review

Certified Economic Empowerment Priority Applicants who continue to meet the required criteria have priority status for their license applications. The Commission reviews applicants with priority review status before any other applications. Priority status is not available to new applicants, as dictated by statute. More information is available in “Order of Review” section of the Commission’s [Guidance on Licensure](#).



- Expedited review

After priority applicants, the Commission reviews expedited applications by the date and time the application was fully submitted. Expedited applications are those submitted by SEP participants and minority-owned businesses, women-owned businesses, and veteran-owned businesses, along with microbusiness applicants, craft marijuana cooperative applicants, independent testing lab applicants, and outdoor cultivator applicants. More information is available in “Order of Review” section of the Commission’s [Guidance on Licensure](#).

- Designation as beneficiaries of Positive Impact Plans

Every licensee for a Marijuana Establishment must submit a plan to positively impact people and communities disproportionately harmed by cannabis prohibition, along with goals, programs, and measurements that must be tracked and submitted to the Commission upon renewal. Certified Economic Empowerment Priority Applicants and SEP participants are specifically designated among the intended beneficiaries of these plans. For more information about these plans, see the Commission’s [Guidance on Plans to Positively Impact Disproportionately Harmed People](#).

To stay informed about benefits created by the Commission and participate in future discussions, sign up for the Commission’s general notification list and SEP newsletter [here](#).

Data

The Commission continuously publishes extensive data on the participation of marginalized communities in the legal Massachusetts cannabis industry. On the Commission’s [Public Documents](#) page, check the most recent meeting presentation file for up-to-date information on minority-owned businesses, women-owned businesses, veteran-owned businesses, LGBT-owned and disability-owned businesses, and statistics on the demographics of registered agents.

The Research Department has published the following informative reports for the public, including:

- [A Baseline Review and Assessment of the Massachusetts Adult-Use Cannabis Industry: Market Data and Industry Participation](#) (February 2020)
- [A Baseline Review and Assessment of the Massachusetts Cannabis Industry’s Required Positive Impact Plans](#) (October 2019)
- [Part 2: 94C Violations and Social Equity: Literature Review and Preliminary Data in Massachusetts – A Baseline Review and Assessment of Cannabis Use and Public Safety](#) (April 2019)

Questions? If you have additional questions regarding this guidance on Equity Programs, please contact the Commission at Commission@CCCMass.com or (774) 415-0200.

