

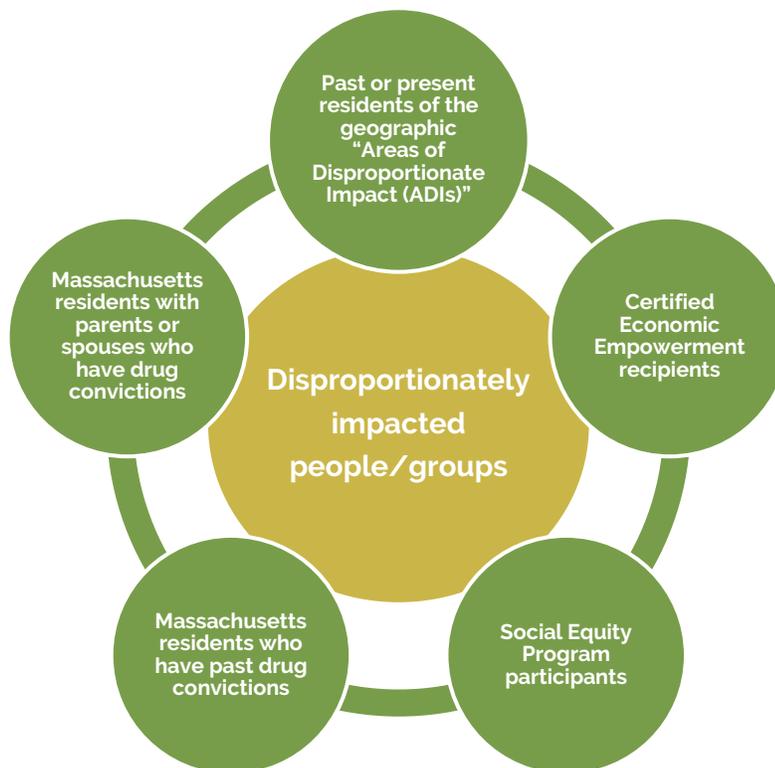
Guidance on Plans to Positively Impact Disproportionately Harmed People

Revised by the Commission: January 16, 2020

Purpose

The purpose of this amended guidance is to assist applicants with information on the Cannabis Control Commission (Commission) requirement to submit a plan to positively impact people disproportionately harmed by cannabis prohibition. This guidance is not legal advice. If you have questions regarding the legal requirements for licensure and renewal in the Commonwealth, you are encouraged to consult an attorney.

Diagram: People Disproportionately Harmed by Cannabis Prohibition



Legal Background and Basis

The Commission is charged by state law to adopt procedures and policies to promote and encourage full participation in the regulated cannabis industry by individuals from communities disproportionately harmed by cannabis prohibition and enforcement and to positively impact those communities. M.G.L. c. 94G, § 4.

As part of that mandate, the Commission requires every applicant to develop a plan to contribute to this objective.

Disproportionately Harmed People

Every applicant seeking licensure must submit its own plan to invest in people who have been disproportionately impacted by cannabis prohibition, specifically the five populations defined by the Commission (see diagram on previous page). When this guidance refers to disproportionately harmed people, it refers to these five populations described below.

The first step for the applicant is to decide who the plan is intended to benefit, so that the plan can tailor the goals, programs, and measurements to that specific group. **The five identified populations of disproportionately harmed people that the Positive Impact Plan should impact are the following:**

1. Past or present residents of the geographic “areas of disproportionate impact,” which have been defined by the Commission and identified in its [Guidance for Identifying Areas of Disproportionate Impact](#). Note that some disproportionately impacted geographic locations are cities or towns, and others are neighborhoods identified by census tracts. The designation of these areas will be re-evaluated periodically.
2. Commission-designated Certified Economic Empowerment Priority recipients;
3. Commission-designated Social Equity Program participants;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have drug convictions.

A compliant Positive Impact Plan will be tailored to benefit at least one of the groups identified above. Applicants are encouraged to design plans to benefit more than one identified group.

[Commission resources](#) are available to facilitate services for the Commission-designated groups.

Elements of a Plan

As part of an extensive review of application materials, the Commission will assess the Positive Impact Plan to make sure it includes the following:

1. **Goals:** one or more desired outcomes of the plan;
2. **Programs:** detailed actions, activities, or processes that will be utilized or implemented to achieve the outlined goals; and
3. **Measurements:** specific metrics that will be implemented to assess the progress and success of the program.



Each plan should follow this format to be considered compliant with the Commission’s regulations. Miscellaneous, extraneous, or additional information unrelated to the goals, programs, and measurements of each plan is not necessary and should not be included in the submission.

The following sections will provide guidance on the Commission’s expectations, examples, and additional state requirements that should be included in the plan. The examples provided below are not an exhaustive list and applicants are encouraged to be innovative while remaining compliant with the Commission’s regulations and requirements and any other applicable laws.

Goals

Each applicant must establish specific goals that will make a positive impact on one or more of the five groups of people as identified above. Each plan must clearly list and describe these goals. We encourage you to develop your own goals, especially by taking and considering input from the disproportionately harmed people and/or communities that your plan is intended to impact.

The Commission defines equity as the recognition and accommodation of differences through fairness in process and result to prevent the continuation of an inequitable status quo. Some examples of equity-focused goals include the following:

1. **Reducing barriers to entry in the commercial adult-use cannabis industry for disproportionately harmed people** (specifically list which barriers the plan intends to reduce);
2. **Providing mentoring, professional, and technical services for disproportionately harmed people** (specifically list the services the plan will offer); and
3. **Providing business assets or other benefits for disproportionately harmed people** (specifically list the benefits the plan will provide).

Programs

Each applicant should develop specific programs to accomplish its stated goals to positively affect disproportionately harmed people and clearly describe the proposed programs in its plan. Please be as specific as possible. We discourage you from creating plans that consist solely of donation-based activities.

You should develop and individualize your own programs to reach your goals. Some examples of programs are below. To prioritize the sentiment, reflections, and perspectives of the people most affected by cannabis prohibition and enforcement, the first four program examples below are those most commonly identified by recent Social Equity Program participants as activities that cannabis businesses should initiate or fund, in the order they were preferred.

1. **Providing grant funding or providing low-interest loans**
This could be accomplished by providing debt and/or equity funding to help businesses founded by disproportionately harmed people with limited net worth and access to traditional sources of capital meet start-up and working capital needs. This funding may



take the form of investment vehicles including, but not limited to: standard debt instruments; convertible debt instruments; or equity investment pools with other enterprises.

2. **Creating accelerator or incubator programs**

Such programs for disproportionately harmed people could provide: grants; access and introductions to potential sources of capital; cultivation, manufacturing, or retail space; management training or other forms of industry-specific technical training; mentorship from experts; formation of peer support groups; and other benefits that do not violate the Commission's regulations with respect to limitations on ownership and control.

3. **Providing educational sessions and record sealing/expungement services**

Collaborations with an educational institution such as a community college could be used to provide knowledge, information, and practical skills about the cannabis industry to disproportionately harmed people. Educational events with nonprofit organizations could also make a positive impact. For both types of education, you should document how the programs benefit disproportionately harmed people specifically. Often, educational sessions include a record sealing or expungement component as an additional benefit.

4. **Creating jobs**

This could be accomplished by giving hiring preferences to disproportionately harmed people. If you choose to implement this type of program, your program must affirmatively identify the specific disproportionately impacted people or groups and how you will reach them, and track your progress on an ongoing basis. If your data shows that you are not succeeding in creating jobs for the group(s) you identified, you should adjust your approach in alignment with this goal.

5. **Funding charitable efforts**

Providing assistance to named non-profits and charities whose mission(s) benefit disproportionately harmed people could make a positive impact. You should include the name and mission of a listed non-profit or charity in the plan and how you will ensure that your contributions specifically benefit disproportionately harmed people. Note that if you intend to make monetary donations to nonprofits or charities, you must obtain written correspondence certifying that the nonprofit or charity will accept the donation prior to including it as a component of your plan.

Measurements

Each applicant must disclose the specific measurement metrics that will be used in measuring the success of its programs. This is important because upon renewal, the licensee will be required to report, at a minimum, detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of approved plans.

Therefore, this section of the plan should include both qualitative and quantitative measures (metrics) that demonstrate the progress or success of the plan. Metrics should have an identified data source and method for tracking that data.

The applicant is responsible for disclosing and tracking the intended measurement metrics.



Depending on the stated goals and programs, measurement metrics will vary. You should design your metrics as a practical way to measure your progress toward the goals you set in your plan. Some examples of metrics that could be utilized include the following:

1. Number of employees hired, retained, or promoted that come from disproportionate impacted areas or one of the other groups of people previously identified in this guidance;
2. Number and subject matter of trainings offered and performed, with documentation of attendance by people from disproportionately harmed communities;
3. Number of records sealed or expunged;
4. Specific financial data and/or employee hours showing donations to or investments in specific causes that benefit disproportionately harmed people;
5. Number of businesses owned by disproportionately harmed people that obtained training or assistance from the programs, along with the businesses' assessment of the programs; or
6. Number of businesses or people participating in and successfully paired with the employer through the Commission's Social Equity Program.

Additional Requirements Pertaining to Positive Impact Plans

In addition to those requirements stated above, the Positive Impact Plan require the applicant to affirmatively state the following:

1. The applicant acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and
2. Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Tips for Designing Your Positive Impact Plan

When drafting the plan, every applicant should be mindful of the following information:

1. The plan to positively impact disproportionately harmed people is a distinct application requirement. The Positive Impact Plan deals with benefiting areas of disproportionate impact and/or disproportionately harmed people as defined in this guidance. The plan should positively impact one or more of the five identified populations. If it is geographically or otherwise impractical for your business to reach geographic areas of disproportionate impact, consider a plan that focuses on the other four specified groups.
2. You should endeavor to disclose only the information necessary to comply with the requirements of the plan. This plan should be no longer than three pages. You may include appendices; however, this is discouraged, excluding support letters for non-profits accepting monetary donations.
4. Progress on this plan will be evaluated upon license renewal. Please ensure that the plan you submit as part of the application is practical and that you plan to implement and achieve success in the programs you list. We recommend instituting a process to evaluate the progress of your plan quarterly in preparation for demonstrating success



upon renewal. Upon license renewal, the Commission shall evaluate any information deemed necessary to assess the bona fide progress of each plan.

5. This revised guidance should be utilized immediately. For compliance purposes, Commission staff will begin reviewing all applications not previously reviewed in accordance with this document upon approval by the Commission.

Questions? If you have additional questions regarding Positive Impact Plans, please contact the Commission at Commission@CCCMass.com or (774) 415-0200.

