

Agenda / Discussion Guide

- Introductions
- Summarized Public Comments (submitted electronically)
- Purpose of the Social Equity Committee
- Review of VT Law (Act 164 & 62) and NACB Model
- Social Equity Programs – A review
 - Qualifications for licenses
 - DIA criteria/proposed H414
 - Challenges
- Differentiating Social Equity programs from Diversity, Equity & Inclusion programs
- Upcoming Priorities:
 - Defining Social Equity for Vermont
 - Consider licensing fee initiatives of “reducing or eliminating licensing fees”
 - Determining Social Equity applicant/candidate parameters & requirements
- Public Comments (from those in the room)

Social Equity

SUB-COMMITTEE

- NACB
 - Gina Kranwinkel
 - Geoffrey Gallegos
 - Deneka Scott
- CCBAC
 - Nader Hashim
 - Ashley Reynolds
 - TJ Donovan

- State of VT (*in consultation*)
 - Xusana Davis, Executive Director of Racial Equity, Diversity
 - Lindsay Kurrle, Secretary – Agency of Commerce and Community Development
- CCB Observer
 - Julie Hulbard

- Program Design (*stakeholder engagement plan*)
- Applicant Program Design & Execution
- Ongoing program administration including transferability of Social Equity licenses

MILESTONES

- **OCTOBER 1, 2021**
 - Plan for reducing or eliminating fees for SE applicants
- **OCTOBER 15, 2021**
 - Develop criteria for SE applicants for the purpose of obtaining social equity loans and grants from the Cannabis Business Development Fund
- **NOVEMBER 2021**
 - Meet in-person with the relevant subcommittees of the Advisory Committee and stakeholders to assist in the design of a social equity program

Public Comments Received – Summary

- Equity and inclusion initiatives are considered priority for the future adult use market, as well as expanded access for marginalized communities
- Vacating all marijuana convictions, be they possession or distribution
- Focus on BIPOC (*Black, Indigenous, People of Color*) communities
- Forming initial cohorts for would-be social equity applicants NOW, to stay engaged and have direct lines of communication with this board.
- Consider hosting more public meetings with social equity and social justice experts and witnesses such groups as M4MM - [Minorities for Medical Marijuana](#), and [The Last Prisoner Project](#)
- Recommend reading: [Chasing the Scream: The First and Last Days of the War on Drugs](#) as required reading for the members of the board.
 - Summary of the book ***Chasing the Scream: The First and Last Days of the War on Drugs*** is a book by [Johann Hari](#) examining the history and impact of drug criminalisation, collectively known as "the [War on Drugs](#)". Summary by www.wikipedia.org

(Summarized) Public Comments Made by Meg Milton, Craig Winooski, Andrew Montpelier

Public Comments

<https://ccb.vermont.gov/form/publicinputform>

Purpose of the Social Equity Sub-Committee

- The Social Equity sub-committee has the distinct honor to carefully consider and provide recommendations on how to rectify a wrong to those who were disproportionately impacted by cannabis prohibition in Vermont by:
 - Define and determine application criteria for candidates
 - Develop a plan to ensure participation in Vermont's burgeoning cannabis industry
 - Provide ways to reduce or eliminate fees for candidates

Purpose of Social Equity Programs

Overview. The legalization of medical and adult-use marijuana has become widespread in the United States and has stimulated an urgent discussion about creating **social equity programs** to benefit individuals and communities damaged by the long-running War on Drugs (*cannabis prohibition*).

The goal of social equity laws (*programs*) is to ensure that people from communities disproportionately harmed by marijuana prohibition and discriminatory law enforcement are included in the new legal marijuana industry. Policymakers are working to address criticisms that outsiders are setting up legal cannabis businesses and profiting by doing the same things their less fortunate neighbors were arrested and given jailtime for just a few years ago.

Vermont Legislation: Act 62

Sec. 13 SOCIAL EQUITY APPLICANTS; CRITERIA

- The Cannabis Control Board, in consultation with the Advisory Committee, the Agency of Commerce and Community Development, and the Executive Director of Racial Equity, shall develop criteria for social equity applicants for the purpose of obtaining social equity loans and grants from the Cannabis Business Development Fund pursuant to 7 V.S.A. chapter 39. The Board shall provide the criteria to the General Assembly not later than October 15, 2021. ***(page 23 of 27)***

(providing relevant points to today's 09/09/21)

Act 62

Sec. 11. FEES; SOCIAL EQUITY

- “When reporting to the General Assembly regarding recommended fees for licensing cannabis establishments pursuant to Sec. 4a of this act, the Cannabis Control Board shall propose a plan for reducing or eliminating licensing fees for individuals from communities that historically have been disproportionately impacted by cannabis prohibition or individuals directly and personally impacted by cannabis prohibition.” (page 21 of 27)

(providing relevant points to today's 09/09/21)

Vermont Legislation: Act 164

VT Act 164 Sec. 5.

(g) On or before January 15, 2022, the Executive Director of the Cannabis Control Board shall submit to the General Assembly:

(1) a summary of its work with the Department of Labor, Agency of Commerce and Community Development, the Department of Corrections, and the Director of Racial Equity to develop outreach, training, and employment programs focused on providing economic opportunities to individuals who historically have been disproportionately impacted by cannabis prohibition; (page 19 of 102)

(providing relevant points to today's 09/09/21)

NACB Social Equity Model: Qualifications for Social Equity Licenses

In most states, individuals eligible for equity licenses must live in (or have recently lived in) a designated geographical area where there has been a high rate of arrest and incarceration for marijuana-related activity that is no longer illegal. These areas must have higher than average poverty and unemployment rates. Applicants who themselves have been arrested or convicted, or who are hiring employees who have been arrested or convicted, may receive priority for their social equity license application.

Differentiating Social Equity and DEI for Vermont's Cannabis Industry

Fundamental difference:

- *The individual was disproportionately impacted by cannabis prohibition*

This is a Social Equity Applicant

- *Historically underrepresented individuals in business, government, society, et al*

This is Diversity, Equity & Inclusion (DEI)

Social Equity Program Challenges

Strict Scrutiny Test:

- Identify the compelling government interest
 - To provide a remedy for an injury caused by the enforcement of cannabis prohibition
- Law must be narrowly tailored to achieve that interest
- Construct the regulations so they will survive judicial review

Need to:

- Focus on cannabis prohibition in VT
- Identify what the impact is
- Identify what a disproportionate impact looks like
- Identify individuals and communities that have suffered this impact
- Contemplate how to measure these criteria in the application process

DIA Criteria—Proposed Bill VT H 414

- While still in committee, H 414 provided a starting point to defining “disproportionately impacted areas” based on statistical considerations:
 - **“Disproportionately impacted area”** (DIA) means a census tract or comparable geographic area that meets at least one of the following criteria:
 - (A) a designated Vermont Opportunity Zone;
 - (B) the area has a poverty rate of at least 20 percent according to the latest federal decennial census;
 - (C) 75 percent or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
 - (D) at least 20 percent of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
 - (E) the area has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.
 - See H 414, § 986(3)

Social Equity – Upcoming Priorities

- Defining Social Equity for Vermont
- Consider licensing fee initiatives of “reducing or eliminating licensing fees”
- Determining Social Equity applicant/candidate parameters & requirements

Public Comments

(in-person attendees)

Appendix

Differentiating Social Equity from Diversity, Equity & Inclusion

Social Equity in the Cannabis Industry – *Forbes.com*

- “Social equity deals with justice and fairness within social policy. These programs attempt to ensure that people of color, and those with marijuana offenses prior to legalization, be afforded an opportunity to participate, *meaningfully*, in this burgeoning industry.”
- ”...cannabis prohibition has been disproportionately deleterious to minority populations. This has led to many young people that have been deprived of educational opportunities and a future by virtue of being arrested for marijuana possession.... It is well documented that marijuana has been a key driver of mass criminalization in this country and hundreds of thousands of people, the majority of whom are Black or Latina/o, have their lives impacted by these arrests each year.”

Robert Hoban, Hoban Law Group / Clark Hill Law

<https://www.forbes.com/sites/roberthoban/2020/08/31/the-critical-importance-of-social-equity-in-the-cannabis-industry/?sh=7620ed9c1a6d>

Differentiating Social Equity from Diversity, Equity & Inclusion

Defining Diversity:

- Having a variety of racial, sexual, gender, class, religious, ethnic, abled, and other social identities represented in a space, community, institution, or society. “Differences between social identity groups based on social categories such as race, gender, sexuality, class and others.” (See Equity and Inclusion)

Adams, M et al. (2016). Teaching for Diversity and Social Justice. New York: Routledge. P. 1

Source: <https://www.brandeis.edu/diversity/resources/definitions.html>

Differentiating Social Equity from Diversity, Equity & Inclusion

Defining Inclusion:

- The notion that an organization or system is welcoming to new populations and/or identities. This new presence is not merely tolerated, but expected to contribute meaningfully into the system in a positive, mutually beneficial way. (See Diversity and Equity)

Derived from Carter-Hicks, J. (2015). "Inclusive Education." Encyclopedia of Diversity and Social Justice. Vol. 1. (Ed. S. Thompson). Lanham, MD: Rowman & Littlefield. P. 412-3.

Source: <https://www.brandeis.edu/diversity/resources/definitions.html>

Differentiating Social Equity from Diversity, Equity & Inclusion

Defining Equity:

- The notion of being fair and impartial as an individual engages with an organization or system, particularly systems of grievance. “Equity” is often conflated with the term “Equality” (meaning sameness). In fact, true equity implies that an individual may need to experience or receive something different (not equal) in order to maintain fairness and access. For example, a person with a wheelchair may need differential access to an elevator relative to someone else. (See Diversity and Inclusion)

Morton, B. and Fasching-Varner, K. (2015). “Equity.” Encyclopedia of Diversity and Social Justice. Vol. 1. (Ed. S. Thompson). Lanham, MD: Rowman & Littlefield. p. 303-4.

Source: <https://www.brandeis.edu/diversity/resources/definitions.html>