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CREATING SOCIAL EQUITY THROUGH CANNABIS POLICY

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AGENDA

What is Social Equity?

Laws & Regulations

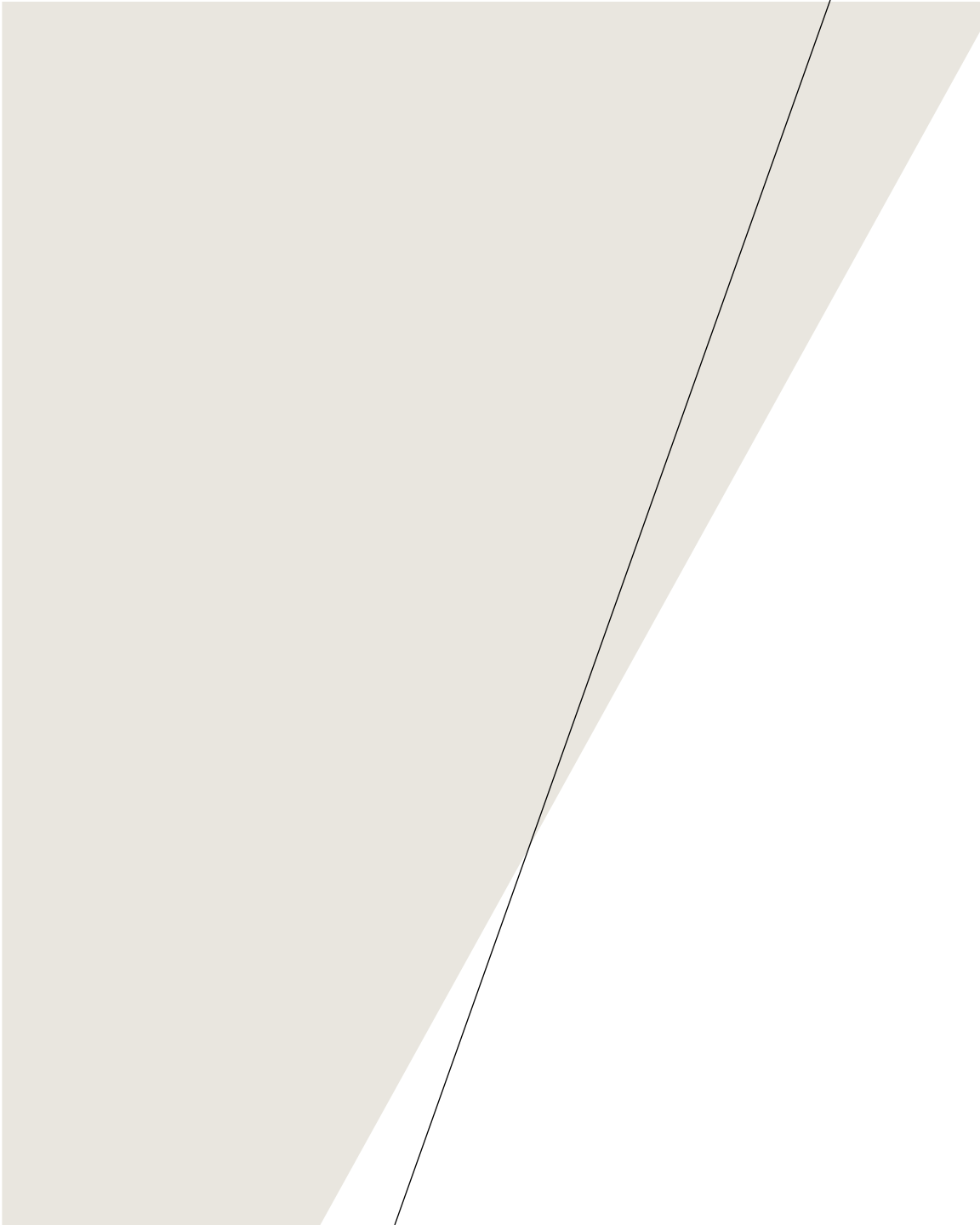
Results

Constitutional Limitations

Necessary Next Steps

WHAT IS SOCIAL EQUITY?

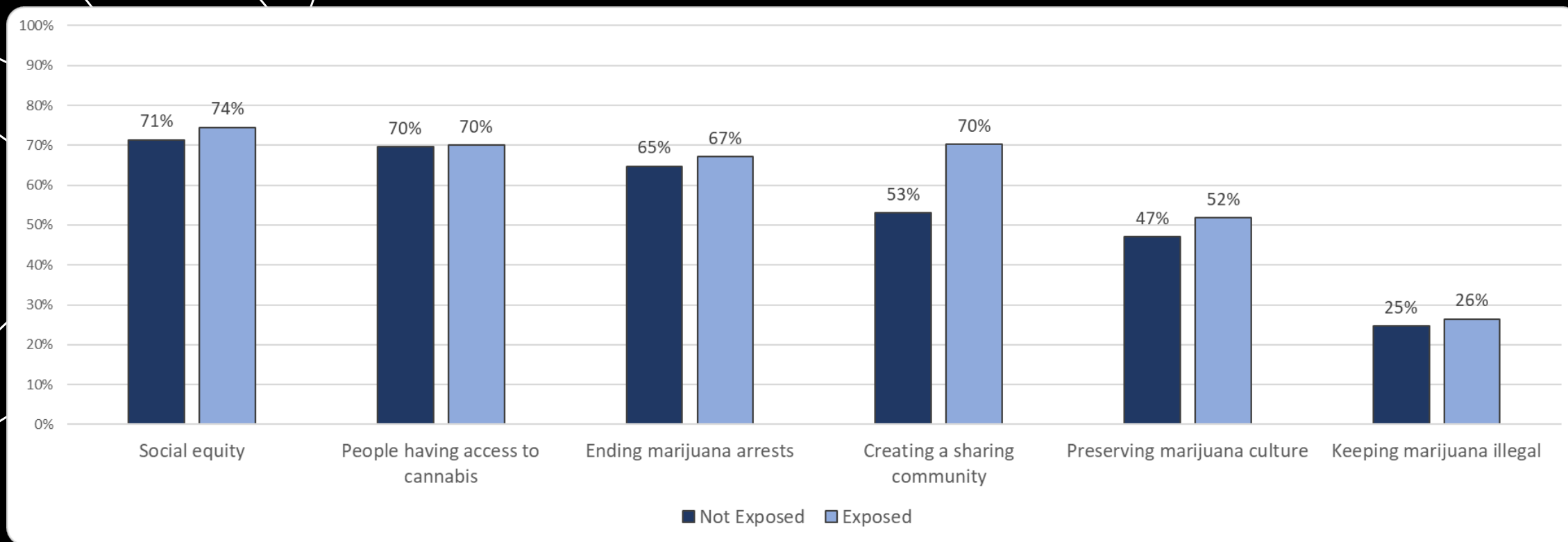
Social equity is the idea that we should try to repair some of the harms caused by past enforcement of marijuana laws.



A majority of American voters
support cannabis equity policies.
Most Republicans support directing
cannabis tax revenue to
community reinvestment programs.

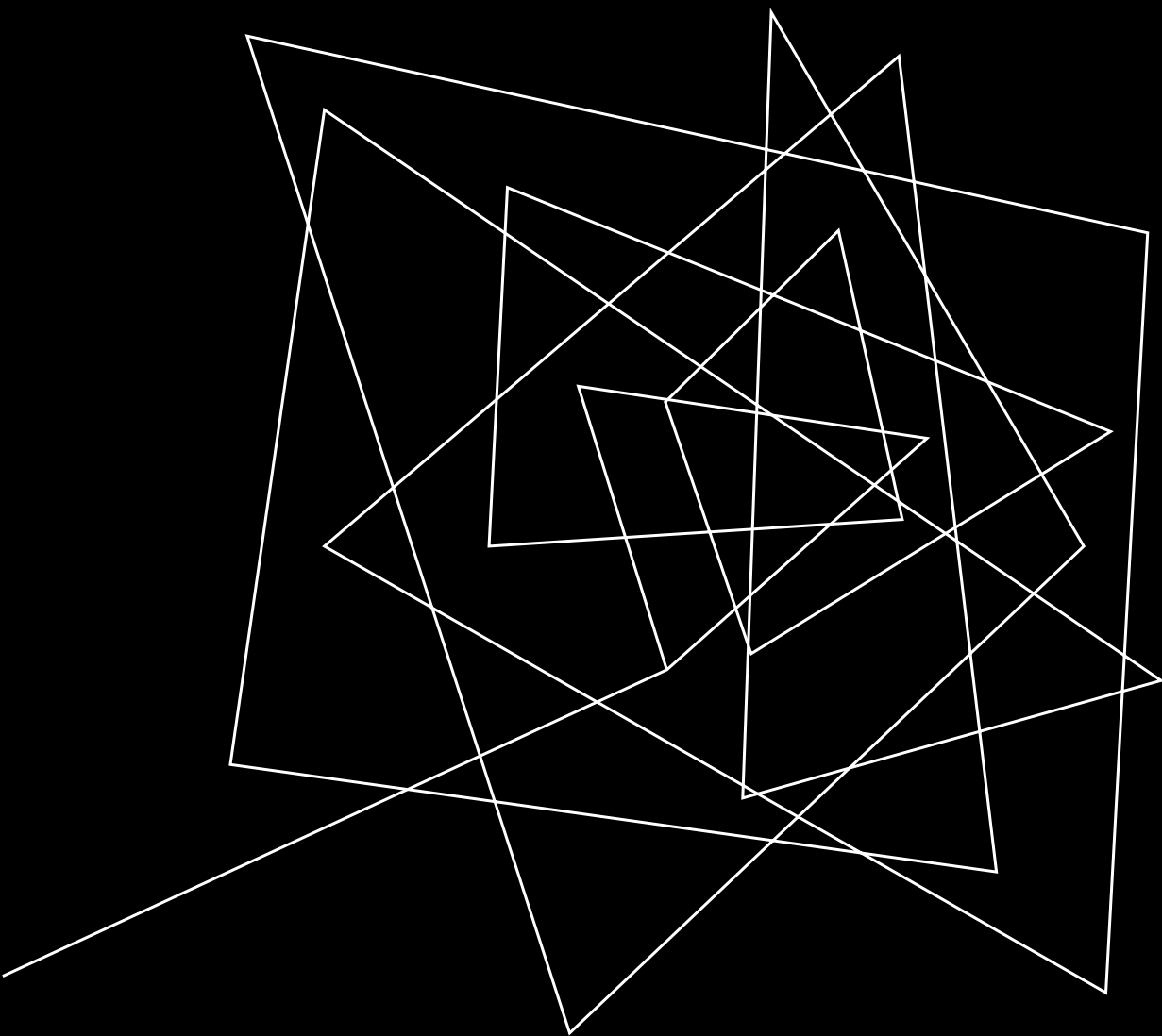
Source: Data for Progress

“When it comes to cannabis policy, I care about...”



LAWS AND REGULATIONS: ELEMENTS OF SOCIAL EQUITY PROGRAMS

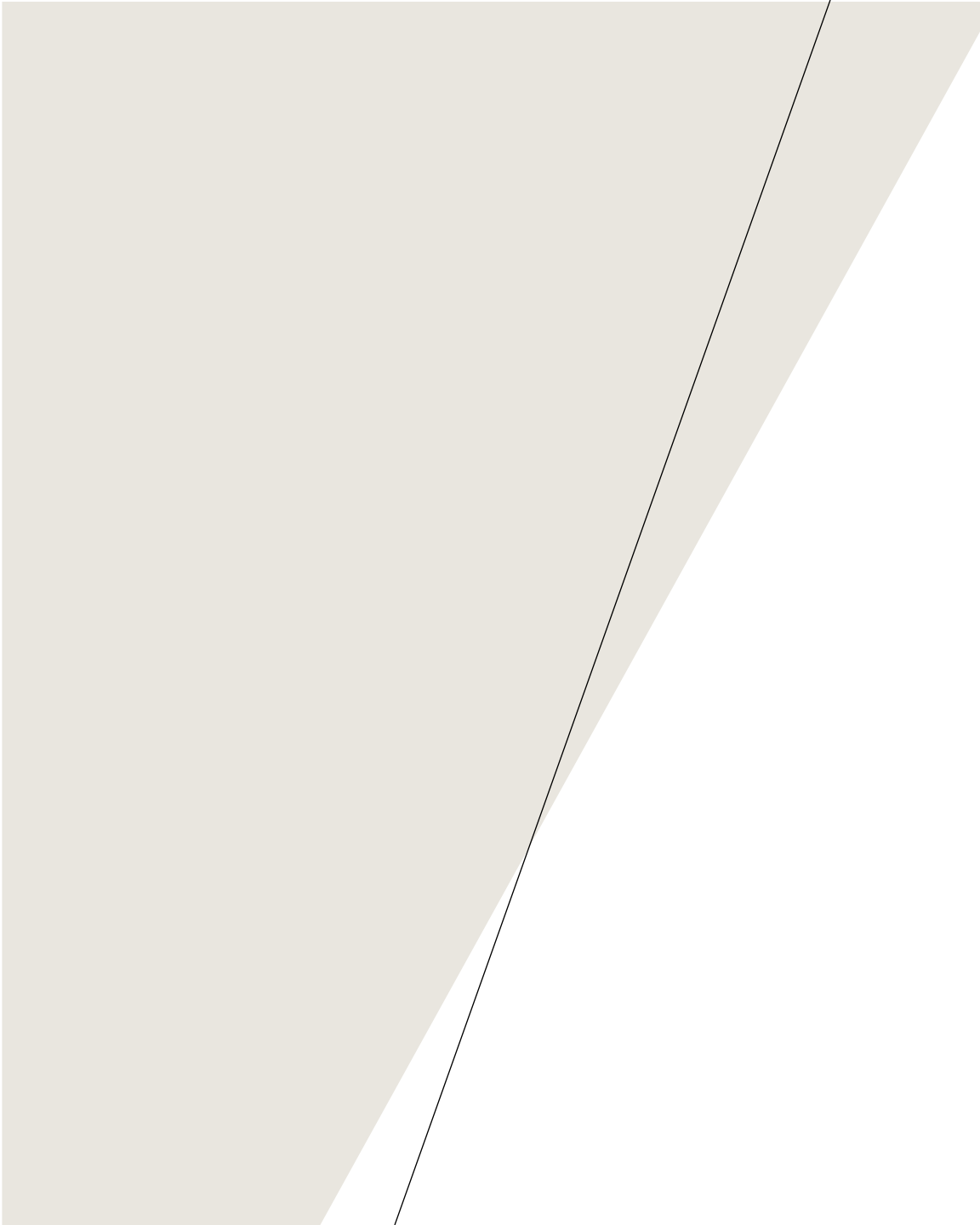
CRIMINAL JUSTICE	BUSINESS LICENSING	EMPLOYMENT PROGRAMS	CANNABIS TAX REINVESTMENT	DIRECT REPARATIONS
Record clearance; automatic expungement; restoration of benefits	Exclusive or early access to licenses; technical assistance; grants and loans	Training, placement, advancement and mentorship programs	Reinvesting a percentage of revenue into impacted communities	Currently being tested in one or two municipalities; many details need to be worked out



RESULTS

For every \$1 invested in Social Equity Programs, there is a projected social return of \$1.20.

Source: Supernova Women Equity Impact Report 2022



When reinvestment funds are specifically earmarked to the community's *education programs, health assistance, employment training and expungement assistance*, the Social Return on Investment (SROI) increases to \$4.56 for every \$1 invested.

Source: Supernova Women Equity Impact Report 2022



CONSTITUTIONAL LIMITATIONS

ELIGIBILITY BASED ON RACE OF APPLICANT

Race “quotas” in marijuana licenses have been ruled unconstitutional. Separately, the Supreme Court ruled in 2023 that race-based affirmative action programs in college admissions processes violate the Equal Protection Clause.

ELIGIBILITY BASED ON RESIDENCY OF APPLICANT

The “dormant commerce clause” generally prohibits states from enacting laws that either directly discriminate against out-of-state businesses or indirectly burden interstate commerce in a way that is excessive or unreasonable.

**BOTTOM LINE: ELIGIBILITY FOR SOCIAL EQUITY PROGRAMS
SHOULD NOT BE BASED ON RACE OR RESIDENCY ALONE.**



ALTERNATE CRITERIA FOR ELIGIBILITY

ARRESTS, CONVICTIONS, AND INCARCERATION

Other factors including education and income are sometimes also considered to determine the impact.

CRIMINAL JUSTICE SYSTEM IMPACTS ON SOMEONE'S FAMILY

Spouses and children are affected when a close family member is impacted by a drug conviction.

RACIAL JUSTICE IMPACTS ON SOMEONE'S LIFE

The Supreme Court ruled that academic institutions may consider how race may have shaped an applicant's life.

- 1 — States should continue to develop and adapt their social equity efforts.
- 2 — Policymakers should collect data consistently across jurisdictions.
- 3 — Automatic expungement and sequential licensing (a head start for equity) should be prioritized.
- 4 — Every person who cares about equity should become educated and involved with the development of federal cannabis regulations *now*.

NECESSARY NEXT STEPS: STATE-LEVEL EQUITY

- 1 — Explicitly allow existing state cannabis laws to operate as designed and without disruption.
- 2 — Allow bona-fide social equity businesses, small businesses, and worker-owned businesses to engage in interstate commerce first.
- 3 — Limit harmful impact by large corporations by preventing excessive consolidation through mergers and acquisitions, and establishing anti-monopoly provisions.
- 4 — Disqualify tobacco companies from the marijuana industry.

NECESSARY NEXT STEPS: EQUITY NATIONALLY



SUMMARY

- Social equity means trying to repair the harms of prohibition.
- Most people support social equity as a concept.
- Current social equity programs have a demonstrated return on investment.
- Policymakers should be prepared to defend their programs from constitutional challenges.
- Without specific action, federal legalization will wipe out the equity and justice aspects of legalization.

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THANK YOU

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