



Washington State Liquor and Cannabis Board

House Regulated Substances and Gaming Committee

Social Equity Program Updates

Dec. 10, 2024



Presentation Overview

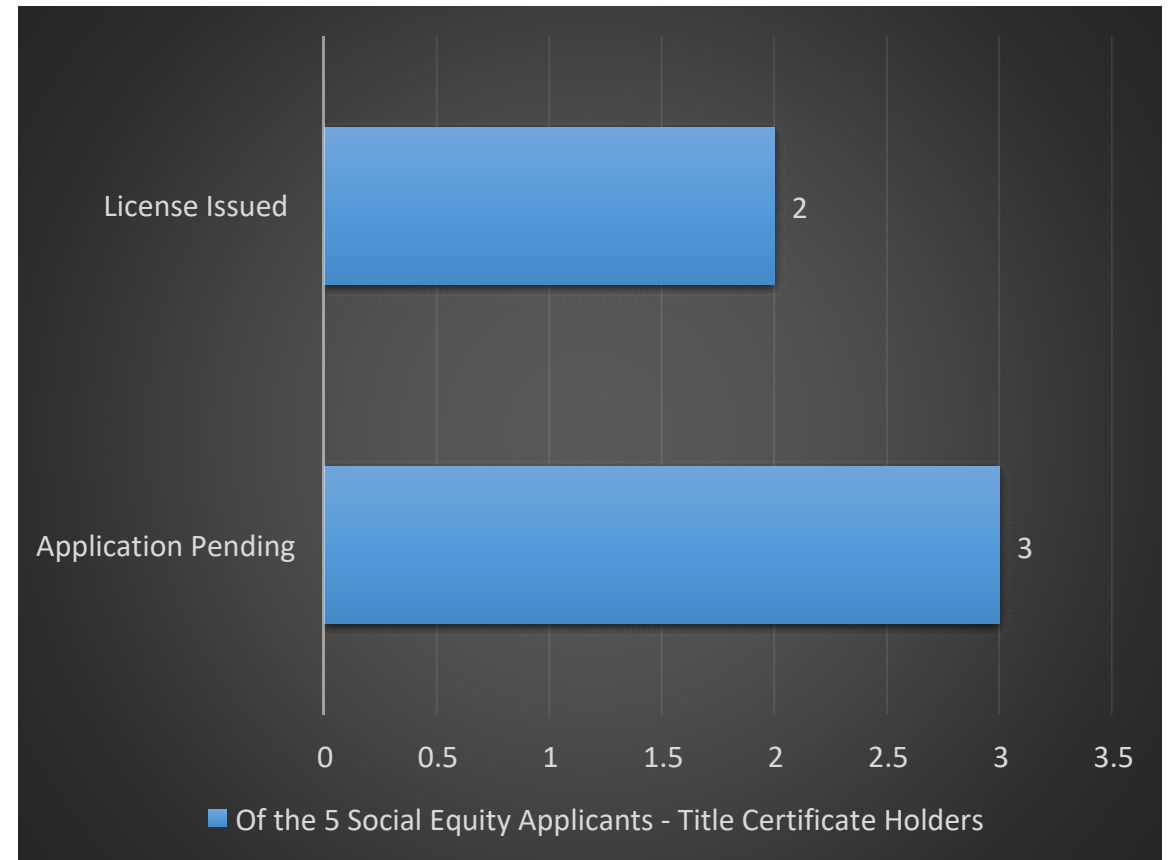
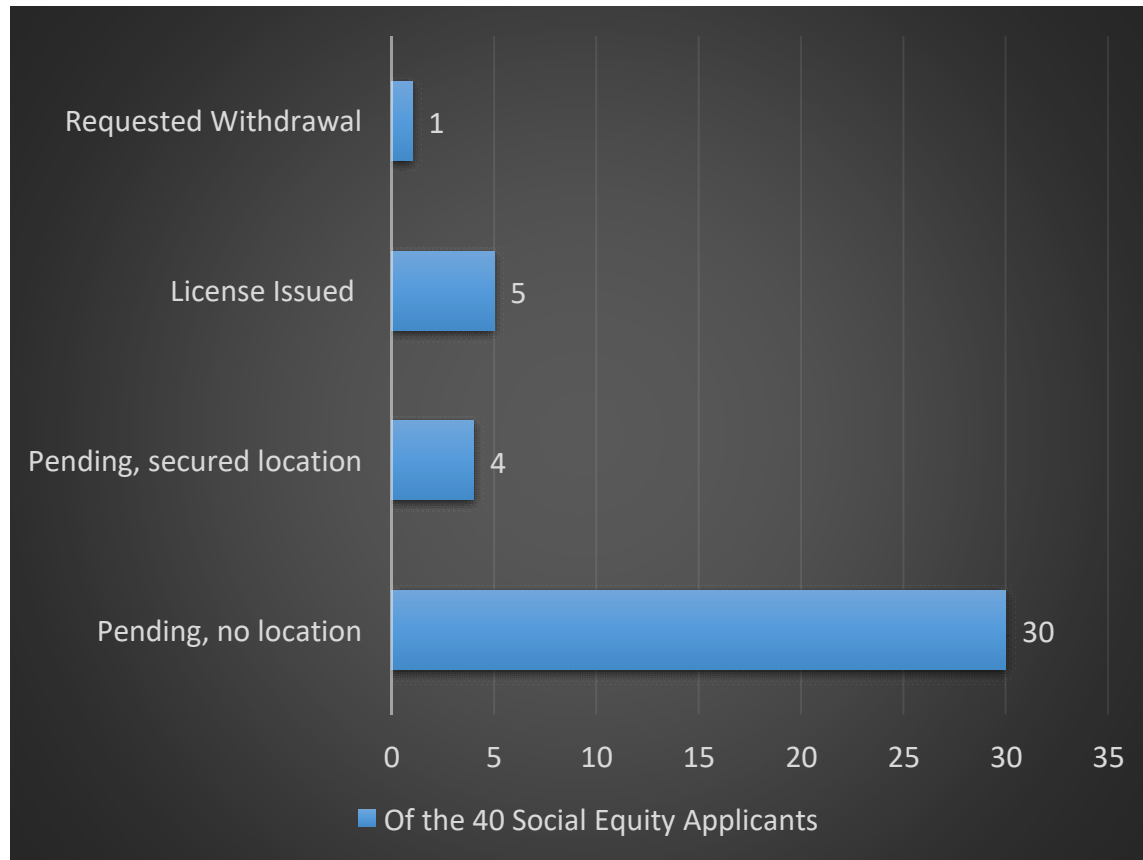
Social Equity Program Updates:

- Social Equity Applicant Statuses.
- Applicant Barriers to Licensure.
- Social Equity Applicant and Licensee Support.
- Social Equity Plan – One-Time Reimbursements.
- Social Equity Resources.

Senate Bill 5080 Progress:

- Rules Overview and Timelines.
- Disproportionately Impacted Areas (DIA).
- Social Equity Application Process.
- Local Authority Outreach.
- Inter-agency collaboration.
- Social Equity Resources in Progress.

Social Equity Applicant Statuses





Washington State Liquor and Cannabis Board

Inter-agency Collaboration

Office of Equity:

- The LCB coordinated with the Office of Equity in 2023 (summer and fall).
- LCB shared our previous scoring rubric and our application process; consultation helped design new application process.
- In addition, we shared information, including background and requirements for the new DIA maps.

Department of Commerce (Commerce):

- The social equity team and Commerce held monthly meetings to collaborate and share updates.
- Commerce invited one of our team members to participate on the Request for Proposals panel for their Technical Assistance Program.
- A representative from Commerce was invited and has attended our ESSB 5080 implementation meetings at LCB to provide updates on the Technical Assistance and Grant Program.

Office of Women and Minority Business Enterprises (OMWBE):

- The LCB met with OMWBE in 2023 to discuss the new requirement for a Social Equity Applicant, "A socially and economically disadvantaged individual as defined by the office of minority and women's".
- Discussed the Disadvantaged Population Certifications and steps applicants could take to obtain the certification.



Social Equity Plan – One-Time Reimbursements

A Social Equity Plan is a strategy enacted by cannabis businesses to help improve the communities most adversely impacted by the War on Drugs. The requirements for the Social Equity Plans are open-ended so cannabis licensees can be creative in how they help communities.

To date, the Social Equity Team, has:

- Developed a procedure and a Social Equity plan template for licensees to utilize.
- Created an email address for licensees to submit any questions specific to the process and to submit the completed plan.
- Received 105 Social Equity Plans that were reviewed and issued a one-time license renewal fee refund.
- Reached out to licensees who submitted plans to check-in on their efforts.



Washington State Liquor and Cannabis Board

Social Equity Key Dates

2020

Mar.	Gov. Inslee issues "Stay Home, Stay Safe" directive
Mar. 31	Gov. signs LCB-request Social Equity bill E2SHB 2870
June. 11	Effective Date of E2SHB 2870
Sept./Oct.	Dr. Hollins facilitates LCB listening sessions with community
Oct.	Social Equity in Cannabis Task Force (SECTF) convenes virtually

2021

Jan.	HB 1443 (Morgan) and SB 5388 (Saldaña) "Relating to social equity within the cannabis industry" introduced.
May	LCB outreach to cities and counties with open allotments
May	HB 1443 (Morgan) signed into law by the Governor.
July	LCB launches Social Equity section of its website
Sep.	Rule change adopted to ease criminal history qualifications

2022

Jan.	HB 2022 (Wicks) "Concerning Social Equity in the Cannabis Industry" introduced. Bill does not pass.
Jan. 6	SECTF issues initial set of recommendations
Mar. 17	LCB staff meets with Commission on African American Affairs on rules
Mar.	LCB releases video "Steps to take now to prepare for a SE license"
Mar. 23	Session on conceptual draft rules
Apr.	LCB Licensing, Comms, Rules and DEI staff meet with Office of Equity
Apr. 13	Original Social Equity CR 102 filed
May 11	Original Social Equity CR 101 withdrawn for additional comment
July 26	Third Party Reviewer: RFP release date
Aug. 3	Social Equity CR 102 filed
Aug. 10	Third Party Reviewer: RFP bidder conference
Sep. 26	Third Party Reviewer: contract signed
Oct. 11	E2SHB 2870 DIA maps contract signed with Dr. Williams
Oct. 12	Social equity CR 103 adopted
Nov. 22	Final SE rules effective
Dec. 9	SECTF issues final report
Dec.	LCB second Social Equity bill approved as "Agency Request"

2023

Jan.	LCB live education webinars (3)
Jan. 12	DIA maps published
Feb. 2	DIA map threshold adjusted from top 20% to top 30%
Mar. 1	Social Equity application window opens
Mar. 11	LCB Licensing staff attend Social Equity Summit
Mar. 29	Social equity application window extended to Apr. 27, 2023
Apr. 13	Second Social Equity bill E2SSB 5080 -- (Saldaña) passes Legislature
Apr. 27	Social equity application window closes
May	Applications are sent to Ponder Diversity Group
June 30	Licensing staff meet with Office of Equity
July 14	LCB releases "Moving forward with Social Equity" video
July 20	SB 5080 Inter-Division Planning Committee kickoff
July 23	Effective date of second Social Equity bill (E2SSB 5080)
July 24	Follow up meeting with Office of Equity
Aug. 14	E2SSB 5080 contract signed with Dr. Williams
Aug. 31	PDG provides LCB scored applications
Sep. 17	LCB issues the results of the scoring by PDG
Sep. 22	Commerce: Technical Assistance program launched
Sep. 22	Commerce: Mentorship program launched

2024

Jan.	Social Equity Blog launched
May	Whitney Report published
May	Rulemaking feedback sessions
Oct.	Alta Point Consulting announced as third-party vendor
Oct. 23	Social Equity CR-102 filed



Social Equity Resources

Resources available for applicants, licensees, and community:

- Revamped Social Equity page with information on the Liquor and Cannabis Board's website.
- Social Equity blog posted to the LCB's website.
- Program updates in the agency's quarterly newsletter.
- Hosted webinars for information sharing.
- Created an email address for any questions specific to the Social Equity in Cannabis Program.
- Initiated surveys to gain understand of areas we can build upon.
- External facing Disproportionate Impact Area Map (DIA) for potential applicants to verify if addresses were within a DIA.



Rules Overview and Timelines

- The CR 101 was filed November 8, 2023.
- During the informal public comment period we received 30 written comments.
- LCB conducted an initial survey of applicants who participated in the application process under HB 2870 (73 respondents).
- LCB contracted with Whitney Economics to provide information on thresholds for license types by county.
- Stakeholder engagement sessions held on May 15 and May 22, 2024.
- Draft rules were publicly shared with an accompanying survey.
- Survey responses were collected from July 11 to July 18, 2024 (242 respondents).
- CR-102 draft rules approve on July 31, 2025, and filed on Aug 06, 2025.
- A public hearing on the CR-102 draft rules was held on Sept. 11, 2024.



Rules Overview and Timeline, cont.

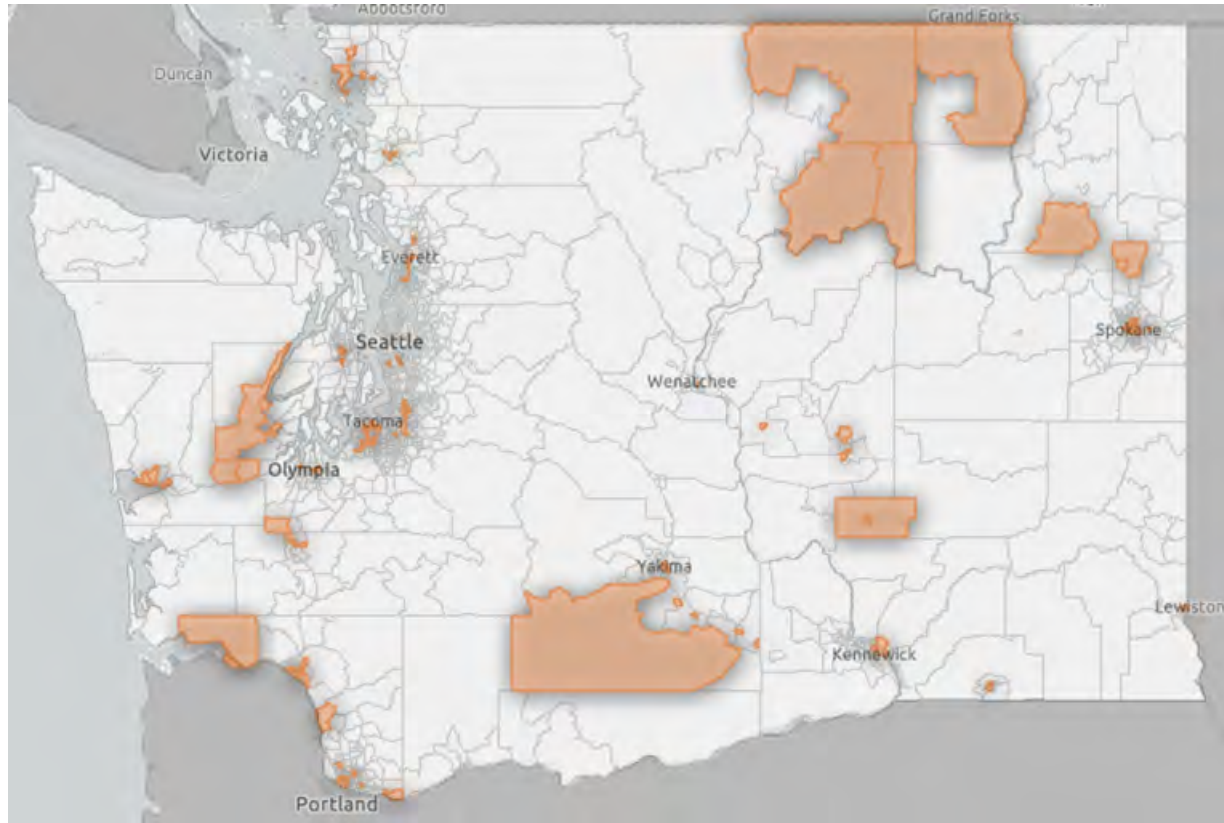
- Public comment evaluation occurred post CR-102 public hearing
- A supplemental CR-102 was approved on October 23, 2024
- A public hearing on the supplemental CR-102 occurred on Dec 04, 2024
- We plan to request approval of the CR-103 (final rules) on Dec 18, 2024
- Rules will become effective January 18, 2025
- License application window expected spring 2025



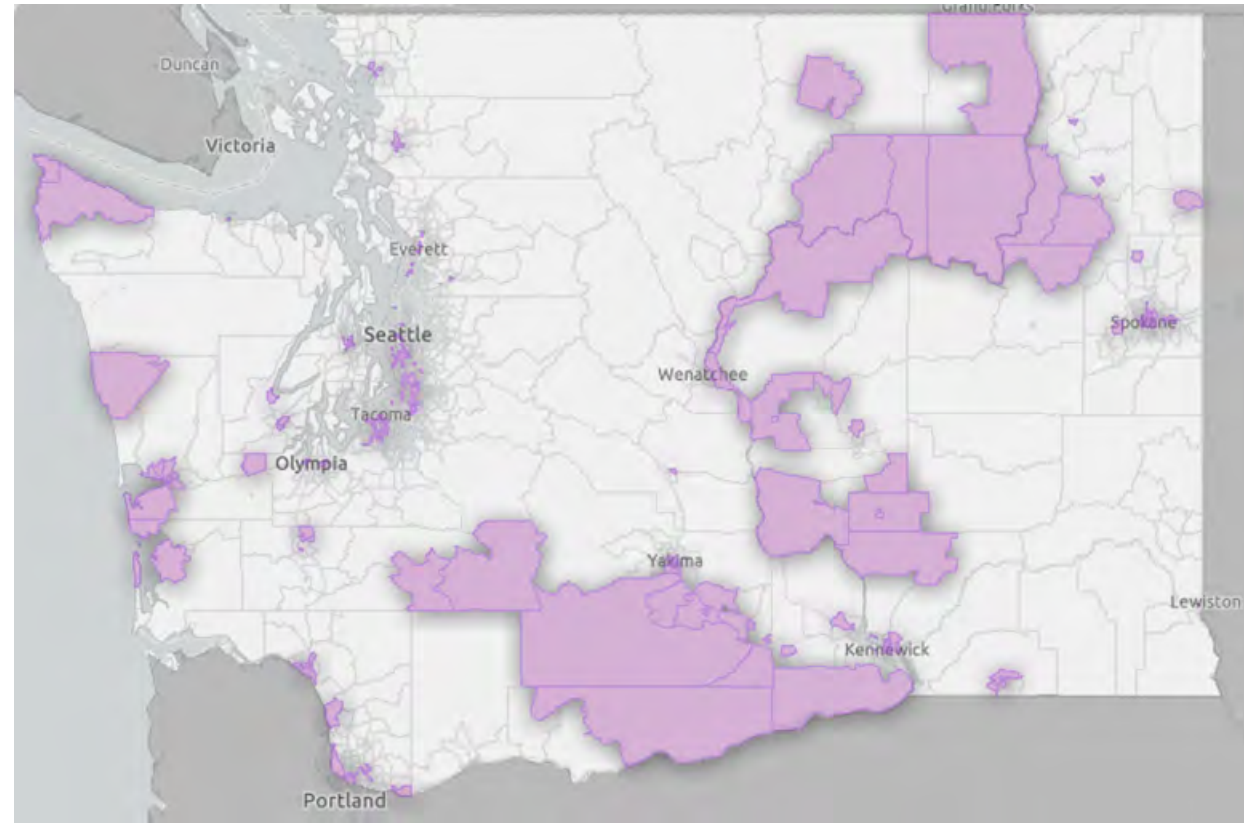
Disproportionately Impacted Areas

- Disproportionately Impacted Areas (DIAs) are one of the four requirements that may qualify an applicant for the Social Equity Program.
- The 2023 legislature changed the criteria for how DIA's are determined.
- The new criteria defines DIAs as census tracts that are in the top 15% in at least two of the following indicators:
 - High rate of people living under the federal poverty level;
 - High rate of people who did not graduate from high school;
 - High rate of unemployment; or
 - High rate of people receiving public assistance.
- The LCB contracted with a third-party to pull and analyze the data, and another to map the data.

2010 DIA – Comparison



Original



2024 Update



Disproportionately Impacted Areas

- The LCB shared the maps publicly to seek feedback from the community to consider if additional indicators should be used to determine how DIA's are defined.
- Individuals were able to lookup their addresses and review DIA census tracts across the state in the draft maps.
- The LCB requested feedback for 30 days and has since finalized the maps.



Applicant Barriers to Licensure

Most Common Barriers :

- Finding/securing a location.
- Start-up capital.

Steps that could Assist:

- Local authorities reducing distance buffers through ordinances (regulations allow for a buffer reduction to 100' for restricted entities apart from elementary and secondary schools and playgrounds).
- Reduction of heavy zoning measures.
- The lifting of bans or moratoria.
- Greater access to grant money or other resources.
- Modify the grant program through Dept. of Commerce that reimburses instead of funding upfront.



Social Equity Applicant and Licensee Support

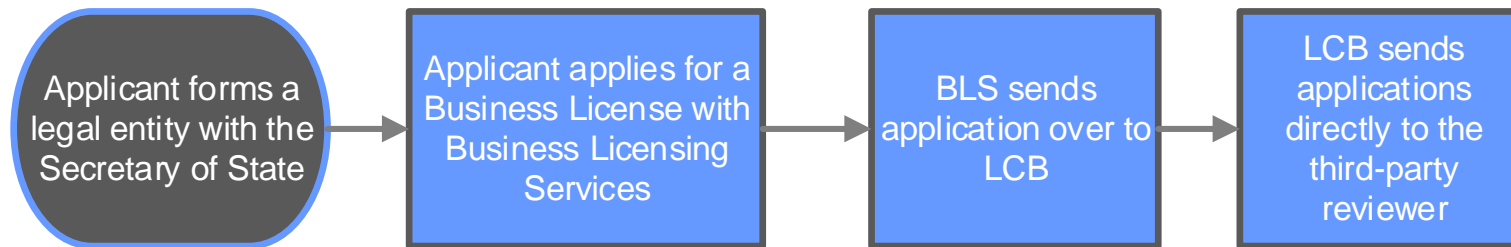
Measures Underway

- Reaching out to cities and counties.
- Consistent contact from Licensing Specialists.
- Verifying proposed locations through the agency's GIS Mapping System.
- Providing letters for potential landlords.
- Quarterly check-ins from the Social Equity Team.
- Liaison for the applicant with other agencies, stakeholders, and local authorities.
- Proposed allowing an applicant to add investors and give a percentage of business once selected to move forward with the application process.
- Streamlined the application process.

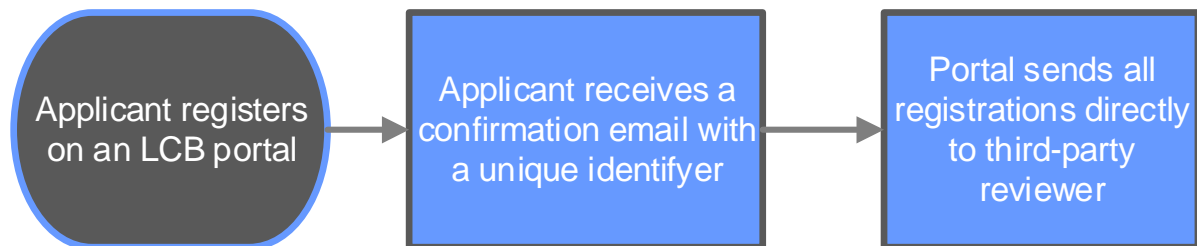


Social Equity Application Process

Previous Social Equity Application Process



New Social Equity Application Process





Local Authority Outreach

As part of the continued efforts to increase local authority awareness in the Cannabis Social Equity Program, the LCB has:

- Sent letters to jurisdictions with bans, moratoria, or restrictive zoning to give an overview of the program, provide contact information and other relevant updates.
- Attended city and county council meetings or met individually to answer questions.
- Made phone contact with local authorities to provide contact information.
- Contacted the Associates of Counties and recently sent information that they will include in their newsletter. In addition, we are discussing a collaborated webinar.



Social Equity Resources – In Progress

- We are currently developing videos for guidance through each step of the application process.
- Collaborating with the third-party reviewer for an application process that is user-friendly and provides support.
- Sending letters to cannabis producers and processors to notify them of the new retail licensees.
- Continuing to reach out to local authorities.
- Continuing to send surveys to applicants and licensees to gain knowledge of what areas still present barriers.

Washington State



**OFFICE OF
EQUITY**

Washington State Office of Equity

DECEMBER 10, 2024

Mission & Vision

Mission: To promote equitable access to opportunities, power, and resources across government that reduce disparities and improve outcomes statewide.

Vision: Everyone in Washington has full access to the opportunities, power, and resources they need to flourish and achieve their full potential.

Who We Are



Social Equity in Cannabis

- In 2023, the Office of Equity convened agencies to consider changes to the license application process. As a result of this convening, changes were made to help improve the application process for license seekers.**
- The Office of Equity is able to consult on additional aspects of the program as invited by LCB in the future, particularly as assessments occur regarding the second round of licensing.**

Community Reinvestment Project

- **Created in 2022 by the establishment of the Community Reinvestment Account and \$200 million appropriation by the Legislature.**
- **Intended to address the racial, economic, and social disparities created by the historic design and enforcement of the war on drugs.**
- **The majority of work was housed in the Department of Commerce, with Equity consulting and supporting Commerce's efforts.**
- **For the CRP social equity in cannabis funds, Equity worked with Commerce to:**
 - **Process applications for Cannabis Business Grants.**
 - **Provide feedback on the Cannabis Social Equity Business Course.**

Social Equity In Cannabis: Overview and Update

House Regulated Substances & Gaming
Committee Presentation

ALISON BEASON, LIFE SCIENCE & GLOBAL HEALTH SECTOR
OFFICE OF ECONOMIC DEVELOPMENT AND COMPETITIVENESS

12/9/24



Washington State
Department of
Commerce

We strengthen communities



HOUSING AND HOMELESSNESS



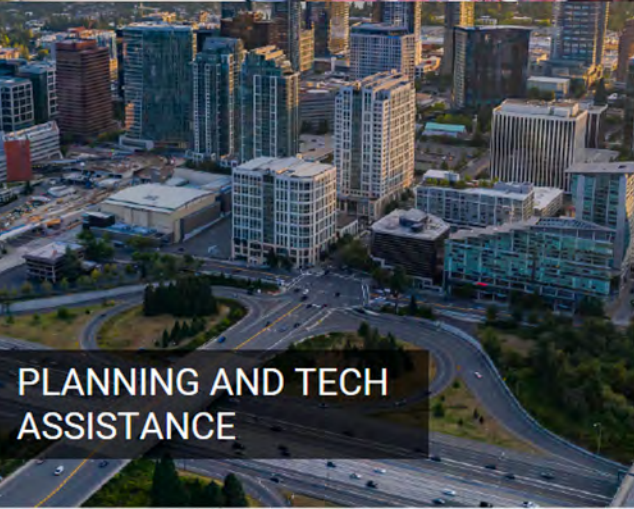
INFRASTRUCTURE AND BROADBAND



SMALL BUSINESS ASSISTANCE



ENERGY



PLANNING AND TECH ASSISTANCE



COMMUNITY SERVICES AND FACILITIES



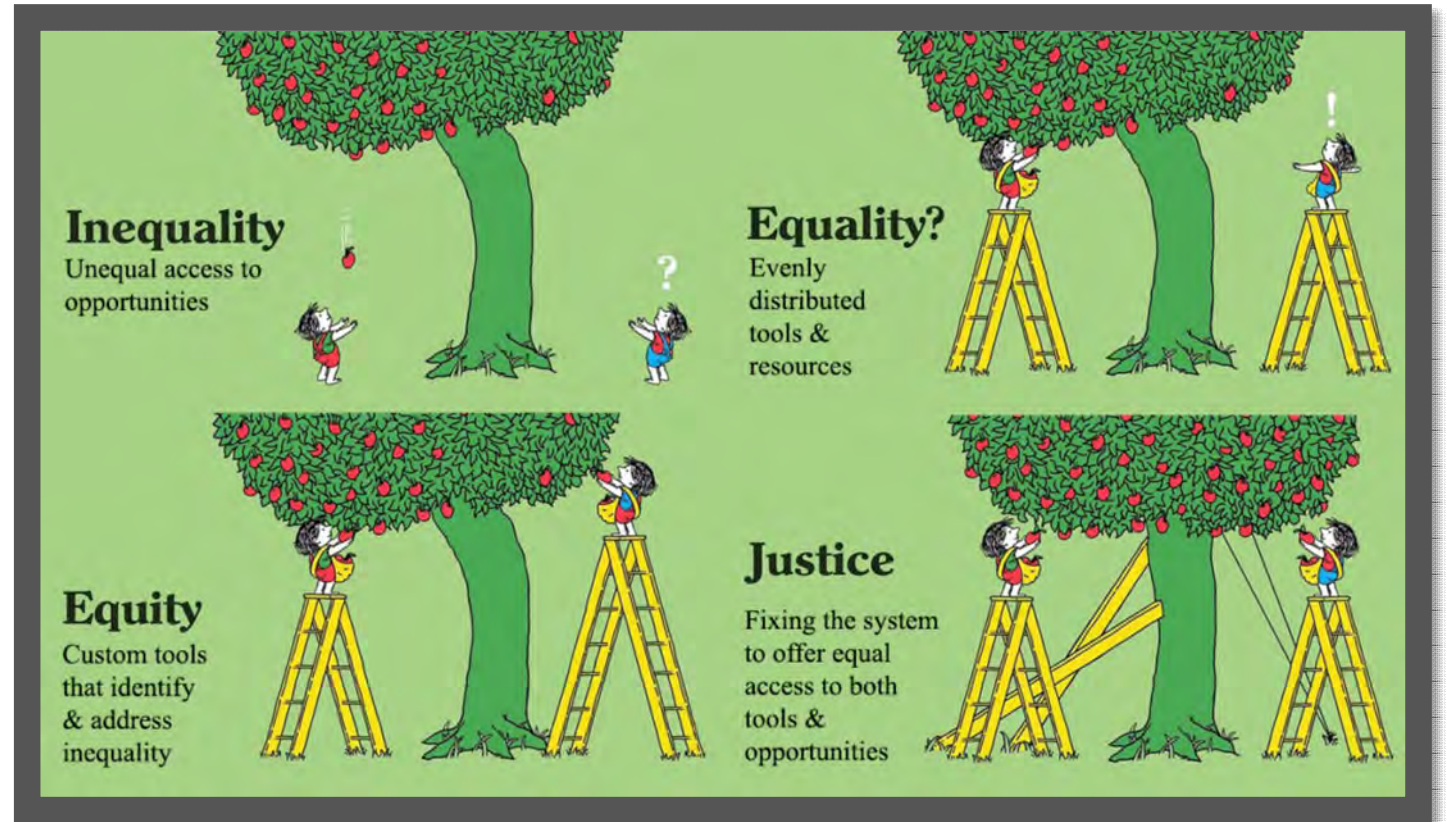
CRIME VICTIMS AND PUBLIC SAFETY



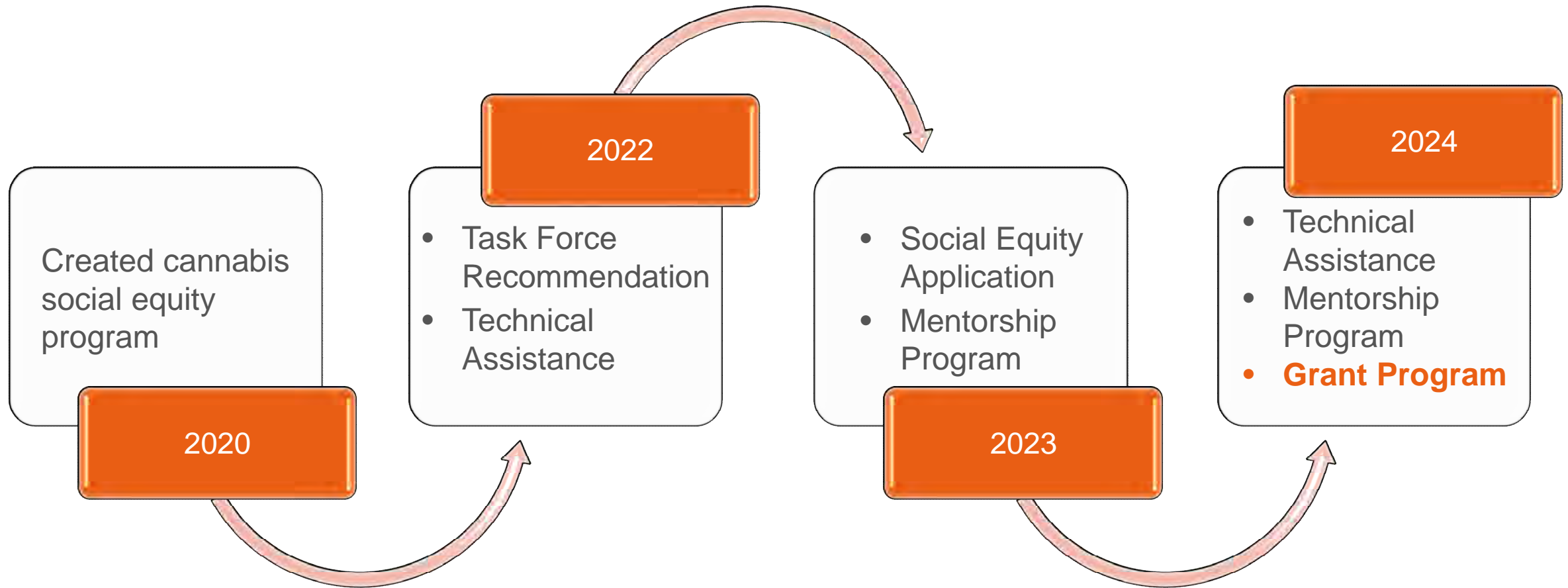
ECONOMIC DEVELOPMENT

Equity Versus Justice

The Social Equity Plan is a strategy to help improve the communities most impacted by the War on Drugs



Timeline



Updates

Current

- Grants
- Holistic Approach

Future

RCW 43.330.540

(ii) Cannabis licensees holding a license issued after **April 1, 2023, and before July 1, 2024**, who meet the social equity applicant criteria under RCW 69.50.335.

Technical Assistance for Cannabis Specific Business Development

Module Platform

Focus on potential SEAs for licenses

Base for Program:

Standardized cannabis-specific business learning basics

Free access for the public

Timeline

Launched September 2022

The screenshot displays the 'The Cannabis Business Roadmap' website. At the top, there is a navigation bar with the 'WA SOCIAL EQUITY Cannabis Program' logo and links for 'Home', 'Login', 'Signup', and 'My Learning'. The main content area features a four-step process:

- 1 Introduction to the Cannabis Business Roadmap**
- 2 Set Up a Legally-Compliant Business**
- 3 Do the numbers: Finance & Accounting**
- 4 Create a Cannabis Business Plan**

Following step 4, there is a call to action: **Make a decision: Do I want to start a store?**

Below the roadmap, there is a section titled 'Learn essential skills' which includes the text: 'Develop the skills you need to start a successful cannabis retail business. Take a deep dive into the business skills you will need to be successful such as creating a business plan and understanding the laws and regulations that govern this industry.' A 'Get Started Now' button is located at the bottom of this section. The background of this section features a smiling woman with glasses.

Mentorships

- 13 Mentors
 - Client Success Managers
 - Generalists
 - Business Planners
 - Accountants
 - Realtors (& More)
- 34 Active SEAs



Grants

First Round

June 2024

39 Grantees

\$141,729

Sponsorship

- Interchange

\$9 million in Total

- \$6 million Designated Cannabis Fund
- \$3 million Community Reinvestment



Round 1 Funding			
Funding Source	Amount Funded Per Applicant		Total Amount Funded
State Funding	\$	64,806.00	\$ 2,527,434.00
CRF Fund	\$	76,923.00	\$ 2,999,997.00
Total Grant Award	\$	141,729.00	\$ 5,527,431.00

Program Feedback Regarding Industry Barriers

Location Barriers:

- Moratorium
- Zoning Restrictions

Financial Barriers:

- Real Estate Cost
- Zero Expenses

“Working with social equity applicants has been an incredibly rewarding experience, though not without its challenges..... Overall, I've learned the importance of both flexibility and firmness in working with the SEA's, and using my honest but firm, and passionate approach, allowed me to gain the trust of many licensees.” – Client Success Manager

*“The Social Equity Program has helped provide a lot of professional services and helped me tackle barriers to open up my store”
– SEA Client*

*“I went to my first Interchange event that allowed me to network and improve my producer clientele relationships”
– SEA Client*

Outcomes

4 Stores Open:

- 5 Stores Opening Soon

Technical Assistance:

- 1,000 participants

Mentorship:

- Average 10 hours per client

Grants:

- Extensive Outreach
 - Holistic Approach
- 92% SEAs sent quarterly reports



Washington State



Thank You & Questions

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Washington State
Liquor and Cannabis Board



Washington State
Department of
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