

Opportunities and  
challenges in building  
a diverse and inclusive  
medical cannabis  
workforce



**Jefferson**  
Philadelphia University +  
Thomas Jefferson University

**Lambert Center**  
for the Study of Medicinal Cannabis & Hemp

By The Entrepreneurship and Social Impact Initiative  
of the Lambert Center for the Study  
of Medicinal Cannabis and Hemp  
Thomas Jefferson University

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Judith Spahr is the Administrative Director of the Lambert Center for the Study of Medicinal Cannabis and Hemp. Judy has extensive expertise in managing and conducting clinical and sociobehavioral research; writing protocols, informed consent forms, other study materials; preparing regulatory documentation and interacting with IRBs and has experience in adult education planning and training. As a former health sciences librarian, she is well versed in conducting literature searches as well as writing, editing, and proofreading manuscripts. Working together with one of the lead investigators on the international, multi-site RE-LY trial, Judy helped to bring the first novel anticoagulant, dabigatran (Pradaxa) to market. Prior to joining Jefferson, Judy was the Manager of the Clinical Research Center at the Lankenau Institute for Medical Research. Judy holds an M.P.H. from West Chester University, an M.L.S. from Simmons College, an M.Ed. from Plymouth State University and a B.A. from Colby College.

# Executive Summary

This Workforce Development Report is the result of the effort of the Entrepreneurship and Social Impact Initiative (ESII) within the Lambert Center for the Study of Medicinal Cannabis and Hemp at Thomas Jefferson University to identify current policy conditions related to ownership and employment in the cannabis industry, focusing on historically marginalized populations and to consider the next steps to be taken toward a formalized plan for workforce development.

## Conclusions:

The cannabis industry is growing quickly. New states are adding medical programs, and each state is developing its own rules and licensing procedures. Although some states and cities are making diversity a priority, there is a long way to go before we see an industry that is truly inclusive. After reviewing policies, current research, conducting interviews and exploring case studies, we have confirmed that there is a need for workforce development programs focused on diversity and inclusion, with specific emphasis on veterans, people with disabilities, and minorities/people of color.

## Recommendations:

Going into this research project, we hypothesized that there was a need for workforce development within the industry that targets marginalized populations, especially those impacted by the war on drugs. Our research confirmed the need for workforce development. Our process will include development of a program that:

1. Provides a well designed and tested curriculum which has been proven with other vulnerable populations such as homeless and formerly incarcerated populations, unskilled and under-skilled residents, and at-risk youth.
2. Creates a set of resource materials to help local workforce collaboratives and providers to better understand the sector. Such workforce development projects will not be successful without dissemination of information, providing a platform for community input from the community of workforce providers, and being iterative.
3. Creates a new workforce collaborative, composed of subject matter experts, community development corporations, and policy experts to advocate on behalf of this workforce.

Based on our research, we also have a series of recommendations that extend beyond workforce development. The topics are listed below and covered in more detail in the report.

1. Combination of low-interest business loans, permit fee reductions, preferential licensing, technical/permitting assistance, and incubator programs
2. Use of cannabis revenue to create a fund for minority small business loans.
3. We also explored local worker hire requirements and/or minority quota requirements and diversity plans for licensing. These opportunities have potential, but also complications, which we will cover below.

# Introduction

As part of The Lambert Center for the Study of Medicinal Cannabis and Hemp at Thomas Jefferson University, the Entrepreneurship and Social Impact Initiative (ESII) was launched to focus on the diverse entrepreneurship and social justice issues inherent to the medical cannabis industry.

## Mission

The Entrepreneurship and Social Impact Initiative (ESII) works to advance entrepreneurial “best practices” and elevate understanding of social impacts -- with a focus on education, sustainability and inclusion in order to drive positive change -- within the medical cannabis and hemp industries. **Mission**

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## Key Objectives

Research across the industry’s spectrum of emerging impacts and opportunities – medical, social, environmental, and economic

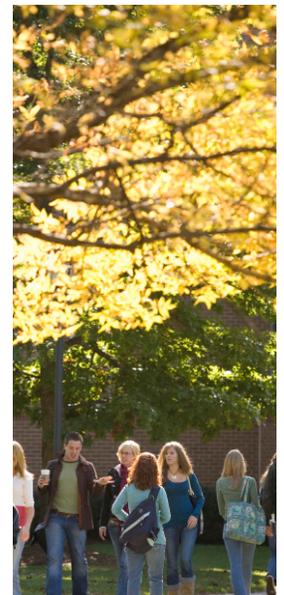
Educate the next generation of medical cannabis entrepreneurs, community, and policy makers by identifying and using evidence-based best practices

Train people with barriers to employment for careers in the medical cannabis and hemp industries

Advocate for greater inclusion and best practices across all facets of the industry

Collaborate with diverse partners to advance socially responsible and evidence-based entrepreneurial best practices

Activate an inclusive, healthy, and equitable community within the medical cannabis industry



# Survey data on the populations with barriers to employment

There are very limited official data on the racial makeup of the cannabis industry. No states currently report on racial compositions for either ownership or occupational licenses. The National Bureau of Labor and Statistics does not track the cannabis industry. The only method available to gauge minority participation in the industry is through privately-funded, voluntary surveys. Two such national surveys, both with significant biases, have been conducted. Neither poll has been reviewed for statistical accuracy.

## Marijuana Business Daily August 2017 Reader Survey

Marijuana Business Daily issued a voluntary survey to its readers asking them for their races and positions in the cannabis industry. They received responses from 389 readers. As designed, the survey has a number of limitations:

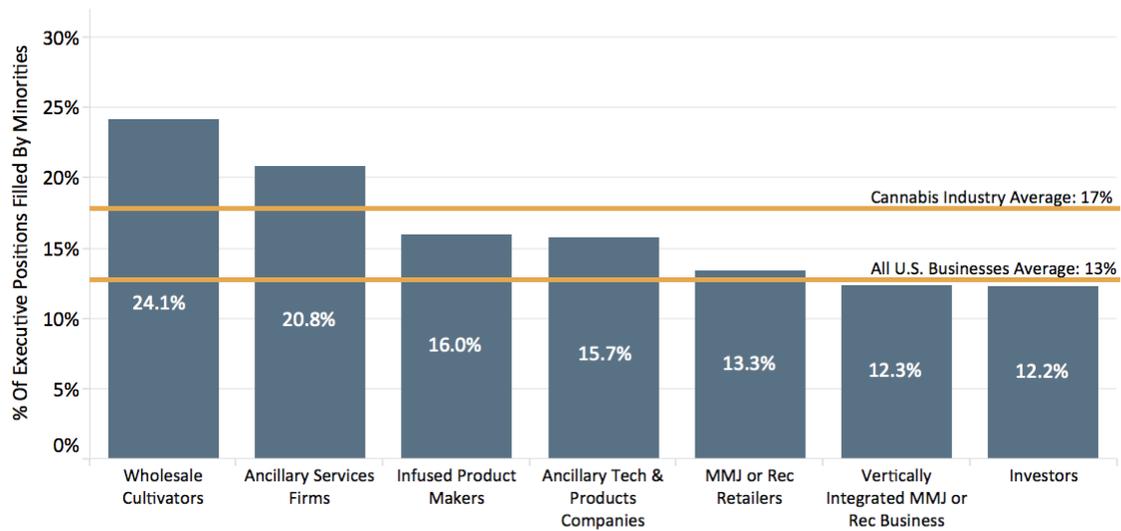
The voluntary nature of the solicited survey might skew responses towards those interested in the issue. It is reasonable to conclude that individuals who self-selected into the survey are more likely to be a minority.

The survey was taken across jurisdictions of various legal statuses. It is reasonable to conclude that the racial makeup and barriers to entry in less developed or even illegal commercial markets are far different than the makeup and barriers to entry in highly regulated markets.

The raw participation number (389 respondents) is low enough to make the data suspect. More problematic, dividing that data out into region-specific results may result in such low numbers as to render the data of very limited value.

That said, the survey has some surprising results, showing a slightly higher average of minority involvement in executive positions in the industry than compared to average U.S. industries.

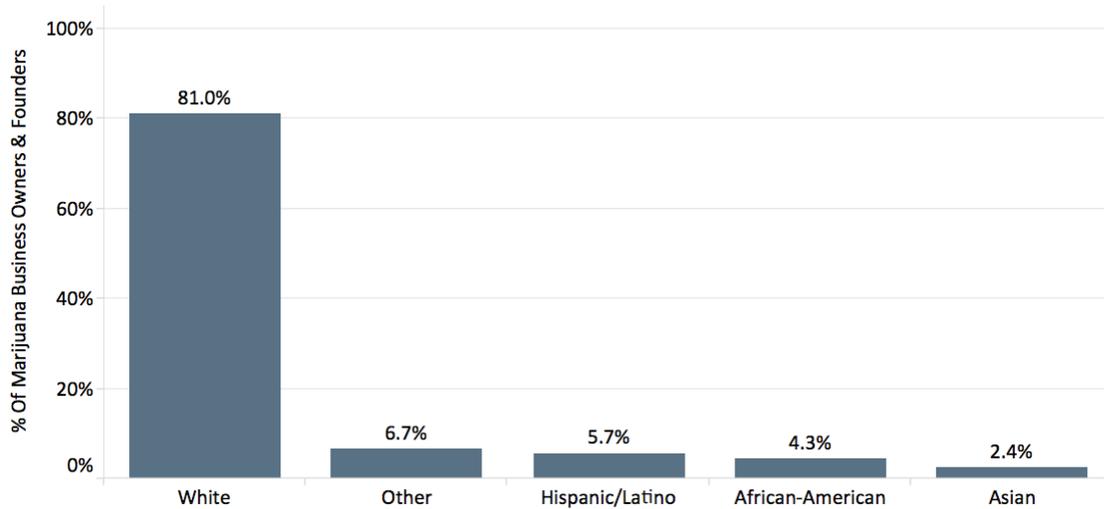
### Percentage Of Minority Executives In The Cannabis Industry



Source: Marijuana Business Daily August 2017 reader survey, 2014 U.S. Equal Employment Opportunity Commission report  
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More in line with expectations, though still higher than perceived disparities, the survey only shows about 20% minority ownership.

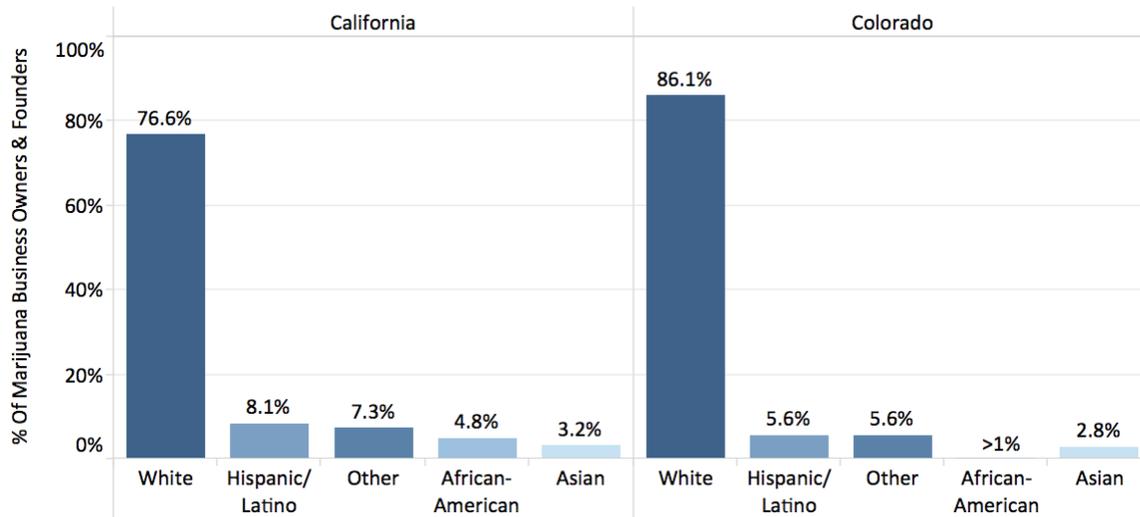
### Breakdown Of Marijuana Business Owners & Founders By Race



Note: Results reflect the percentage of respondents with any ownership stake in a marijuana business.  
Source: Marijuana Business Daily August 2017 reader survey  
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Moreover, as the last chart shows, the minority owner percentages are worse for states like Colorado than states like California. This may be explained by differences in the population. It is also possible, and likely, that as the market matures and consolidates over time, the barriers to entry get higher and minority owners are pushed out of the market. Any interpretation of these data should be treated with great caution as this is based on a 389-person national survey.

### Sampling Of Owners & Founders In The Cannabis Industry By State & Race



Note: Results reflect the percentage of respondents with any ownership stake in a marijuana business.  
 Source: Marijuana Business Daily August 2017 reader survey  
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This survey, on its face, shows the cannabis industry to be starting from a relatively good place in terms of diversity for executives and owners. This is a surprising result given perception in the industry and high legal and capital barriers to entry that should tend to exclude minorities. As discussed above, the survey results are far from scientifically sound.

# New Frontier Report: Diversity in Cannabis 2017

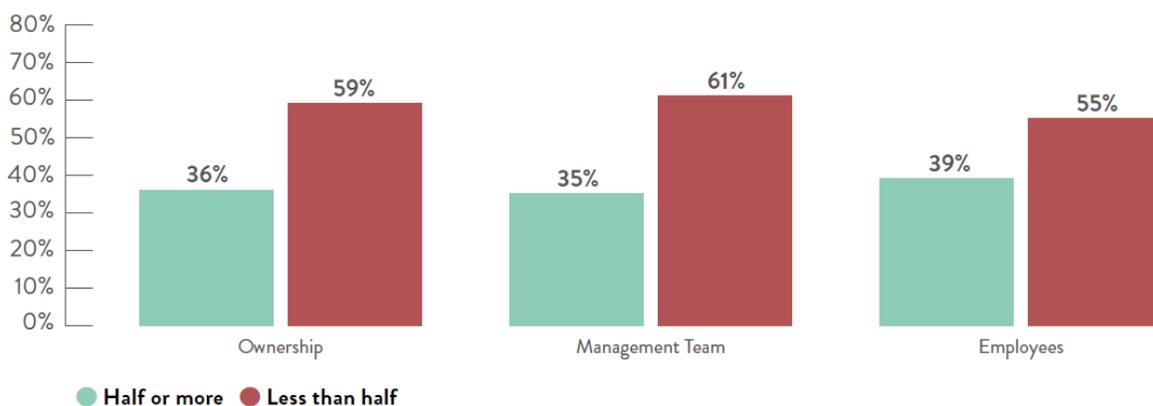
The second private survey available is from New Frontier Data in partnership with Women Grow. This survey was open to industry stakeholders in any of the 28 states (plus the District of Columbia) that have some form of legalized cannabis. While the survey reports to have been open, it states that it solicited responses through the Women Grow network. The survey asks for respondents' races, genders and ages as well as their perceptions of the industry. While the total response numbers are much higher for this survey compared to the previous survey, it still has a number of limitations:

Because of the manner in which responses were solicited, 87% of respondents identified as female. The survey cannot be said to be representative of the industry.

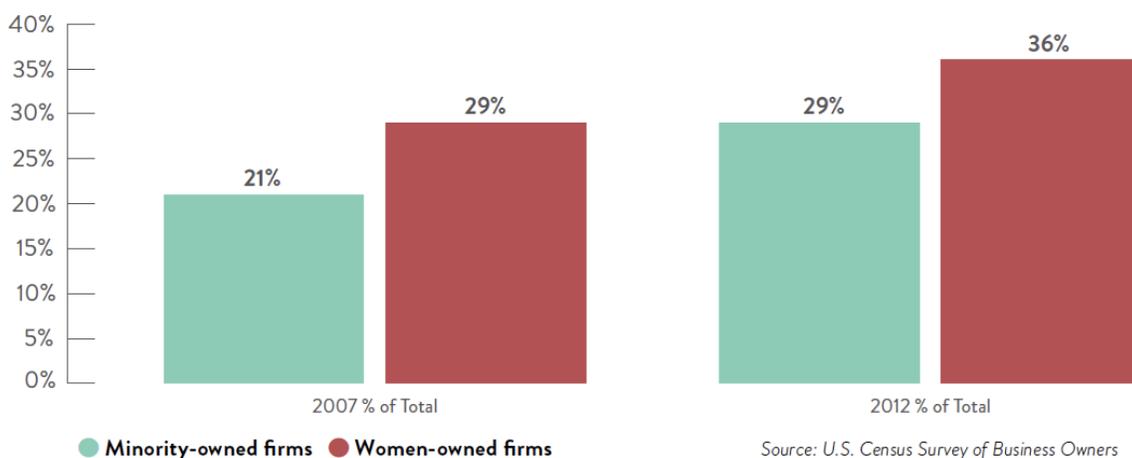
The respondents self-selected into the survey. It is reasonable to conclude that those who responded were more likely to be interested in the subject and have perceptions of the industry that skew more towards a desire for equality than a truly representative sample would show.

The survey was taken across jurisdictions of various legal statuses. It is reasonable to conclude that the racial makeup and barriers to entry in less developed or even illegal commercial markets are far different than the makeup and barriers to entry in highly regulated markets.

Q: Within your current company in the cannabis industry, what proportion are minorities among the following groups?

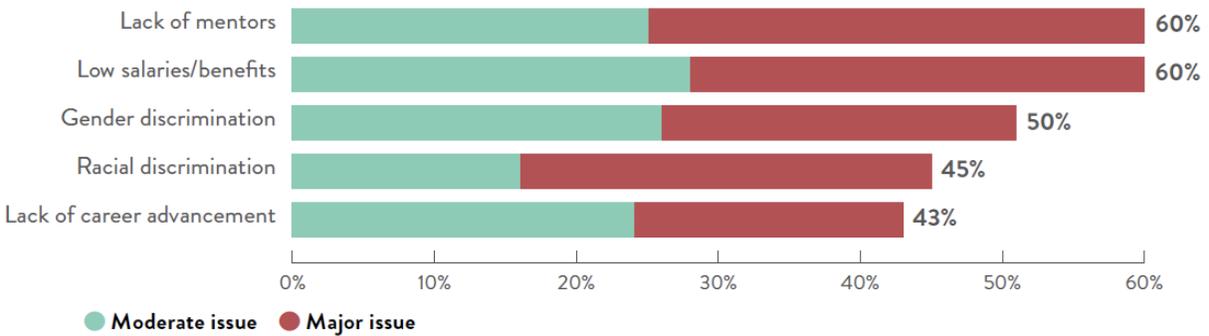


## PERCENTAGE OF BUSINESSES IN THE U.S. OWNED BY WOMEN AND MINORITIES



While this survey has natural biases that prevent it from having reliable quantitative value, there is value for how the respondents perceive racial discrimination as a problem. The following two graphs show that roughly half of those in the industry see racial discrimination as a problem for the industry, though they think that racial discrimination is about the same, if not a little less, compared to other industries.

Q: In your experience, how much of an issue are the following in the cannabis industry:



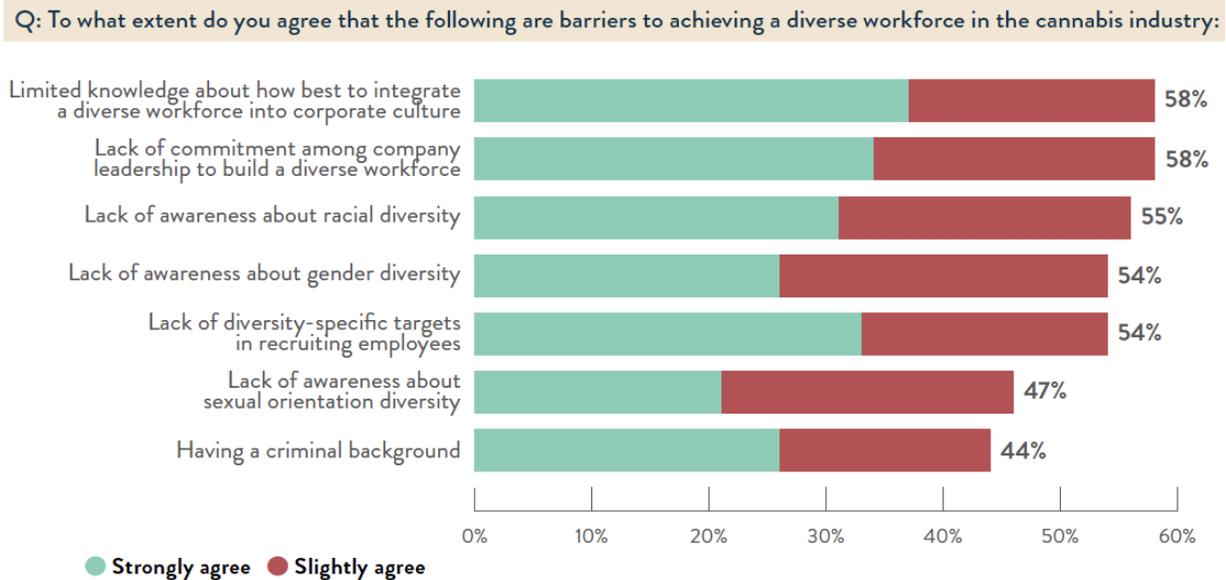
Q: How does racial discrimination in the cannabis industry compare to other industries?

Q: How does gender discrimination in the cannabis industry compare to other industries?



At least for this group of respondents, then, a narrative is evident: racial discrimination is a country-wide problem, and the industry suffers from it as well.

Perceived reasons for the continued racial disparity are widespread:



Interestingly, the only structural issue listed as a choice (criminal background checks) comes in as the last reason for lack of diversity.

## Conclusion

Current research for this issue is sparse. These two surveys appear to moderate the current concern that diversity is a specific problem for the cannabis industry. However, the inherent biases and survey flaws in available data speak to the need for a more in-depth, rigorous analysis.

# The ESII process for identifying policies, barriers, challenges, and successes

Thomas Jefferson University has brought together a diverse team of experts to support the policy analysis and implementation of this workforce development program. The group includes national policy, workforce development, and cannabis business experts from around the United States. The team was tasked with identifying the current policy conditions related to ownership and employment in the cannabis industry, with a focus on historically marginalized populations. This information serves as the basis for policy recommendations and the development of a workforce training program to be piloted in Philadelphia.

## Team members

Andrew Freedman is co-founder and Senior Director at Freedman & Koski, Inc. As the state of Colorado's first Director of Marijuana Coordination, Andrew spearheaded the implementation of voter-mandated legalized recreational and medical marijuana while protecting public health, maintaining public safety, and keeping marijuana out of the hands of children. His firm helps governments and ancillary businesses implement voter-mandated marijuana laws in a manner that best benefits the community. Andrew holds a J.D. from Harvard Law School and a B.A. in philosophy and political science from Tufts University.

Lewis Koski was the Director of the Colorado Marijuana Enforcement Division during the legalization of marijuana. He led this agency in implementing medical and retail marijuana policy, constructing strategies to develop balanced regulations, launching the first marijuana inventory tracking system and solving challenges the State faced in developing and implementing divisive mandates related to contemporary marijuana laws. He is recognized nationally and internationally as an expert in formative marijuana policy. Lewis holds an M.B.A. with an emphasis on International Business and is a Doctoral Candidate in Public Administration with a focus on policy analysis and public participation in rulemaking.

Ebele Ifedigbo is co-founder and co-director of the Hood Incubator in Oakland, CA. Ebele is a Yale M.B.A. graduate committed to using business to foster innovation and racial equity in cannabis. Ebele has served as an NAACP Economics Fellow, working to develop federal and state policies and programs aimed at closing the national Racial Wealth Divide. Ebele's other professional experiences include working as a Finance Analyst at Ameriprise Financial, a Legal & Compliance summer analyst at Goldman Sachs, and an M.B.A. summer intern for worker cooperative development organization Project Equity. Ebele received a joint B.A. in Economics and Philosophy, with a minor in African Studies from Columbia University in New York City. In June 2017, Ebele was awarded the highly-competitive Echoing Green global social entrepreneurship fellowship on behalf of The Hood Incubator. In October 2017, Ebele was honored by Entrepreneur Magazine as one of 2017's Most Daring Entrepreneurs, along with Jeff Bezos, Issa Rae, Elon Musk, and other global innovators. In November 2017, Ebele was named to the 2017 Full Color 50 List and the 2018 Forbes 30 Under 30 List.

Scott Hawkins is the principal of GRUN Strategic. Scott has spent his career focused on food and farming, communications, non-profit management, and strategic development issues. His Santa Cruz-based brokerage and consulting firm, Hawkins Associates, was a primary contributor to the growth of organic produce industry in its formative stages during the 1980's and 1990's. He eventually sold the company to Whole Foods Market. Since then, he has worked as a strategy specialist and management consultant for a range of clients, primarily in the areas of the performing arts, non-profit governance, and agriculture-related marketing and executive transition. Recently, he has focused his attention on fundraising, public relations, and government affairs, with a focus on issues surrounding medical cannabis. He serves on the Board of the National Cannabis Industry Association. Scott studied American Literature at Drew University and Harvard University Extension Program.

Bernadine Hawes is an executive level, nonprofit professional and economic development specialist in project management, strategy development, workforce, and evaluation. She is VP of Economic Development at the Center of Effort, LLC, developing equity initiatives for underserved populations. She serves as Vice Chair of the National Advisory Board for the Manufacturing Extension Program, a division of the National Institute for Science and Technology (US Department of Commerce). She is Chairwoman of the Delaware Valley Industrial Resource Center, which provides top-level growth services to the region's manufacturing sector. Bernadine retired as Vice President from the University City Science Center where her career involved programming large-scale databases, research and analysis, and incubating over 100 information technology and biotech start-ups. Bernadine has directed entrepreneurship programs for underserved populations, provided expertise to city agencies, and authored a best practices manual for small, minority businesses, funded in part by the U.S. Small Business Administration. She holds a B.A. from Lincoln University, and has pursued a Master's Degree at the University of Pennsylvania.

Mike Pahides founded Center of Effort, LLC in 2008 as a resource to companies and organizations in developing strategies and tactics to achieve specific goals in such areas as business and market development, public and stakeholder relations, educational program planning, development and implementation and education, economic, and workforce development services. He is also a Senior Advisor for Econsult Solutions, Inc. and provides business and public policy makers with economic consulting services. Michael is an experienced intermediary between the public and private sectors and has sourced over \$50 million of government grants and seed money that leveraged an additional \$150+ million in private investments. As Senior Vice President of Economic Development and Education for the Delaware Valley Industrial Resource Center, he was instrumental in planning and developing strategic initiatives and projects. Michael has worked with both the supply and the demand sides of the Greater Philadelphia Region's and the Commonwealth of Pennsylvania's Economic Development system. He holds an M.S. in Human Organizational Science from Villanova University.

# Reports from the team

Freedman & Koski:

## Policy conditions impacting minority involvement in the regulated cannabis industry

Currently, there are 29 states that have adopted permissive medical cannabis policies and 8 of those states have also elected to legalize adult use of cannabis for adults who are over 21 years of age. No two states are taking the exact same path crafting policy, but there are similar components of these policies that impact minority involvement in the industry. Most regulated frameworks have mandatory criminal disqualifiers, high costs to entry, highly skilled industry positions.

The commercialization of cannabis, both for medical and adult use, remains divisive as states across the country grapple with the rigor of implementing more permissive cannabis policy. In almost every case, states and local governments are disrupted by the effort associated with this paradigm shift that includes developing new policy, creating new agencies, hiring staff and managing the conflicting viewpoints that come with this type of policy change. Even though these agencies are proceeding forward in good faith to kick start a new and contentious industry, it is easy to miss opportunities to address some of the social justice issues that remain from a drug policy that historically focused on criminal enforcement to the detriment of minorities.

On one hand, there was a fair amount of optimism surrounding permissive cannabis policy as an alternative to strict criminal enforcement. It makes sense to assume that legalization will lead to fewer arrests and less negative consequences for communities who were the focus of criminal enforcement pre-legalization. On the other hand, the comprehensive regulatory apparatus associated with the commercialization of cannabis can create barriers that impact lower socioeconomic neighborhoods and minorities to a greater degree. This section will discuss some of the policy conditions that make these barriers more challenging for lower income and minority communities and prevent them from taking advantage of the economic opportunities provided in commercialized cannabis.

## Criminal history-mandatory disqualifiers in cannabis licensing

The regulated cannabis industry was largely created in the image of other comprehensively regulated vice style industries. In particular, cannabis regulation borrowed heavily from the gaming and alcohol industries to craft licensing regimes. In both industries, state regulators issue licenses to applicant businesses who in turn are allowed to enjoy the activities specifically afforded to that license type. Holding a license is a privilege predicated on the licensee's ability to prove it has met and continues to maintain all of the qualifying conditions for licensure. These conditions will be discussed in more detail in subsequent sections. In addition to demonstrating qualifying conditions, owners, and in some cases employees, have to prove they do not have any mandatory disqualifiers preventing them from being licensed.

The most prominent mandatory disqualifier is for poor moral character related to criminal history. If individuals have disqualifying criminal histories, they are typically banned from participating in the regulated industry for an established period of time.

Each industry and jurisdiction has different parameters in state statute that outline what constitutes a

example, gambling related, fraud and financial crime convictions are often mandatory disqualifiers in gaming licensing regimes. Felony convictions, regardless of offense, usually are mandatory disqualifiers for gaming, alcohol and cannabis licensing schemes. Some mandatory disqualifiers are life time bans while others have a limited window of time within which an individual is prohibited from being licensed.

General suitability is more subjective. It is founded on the grounds that a person's criminal history could indicate they are of poor moral character, despite having no mandatory disqualifying convictions. In these cases, licensing agencies look at such aspects as the number of arrests, how recently the arrests occurred or how many non-disqualifying convictions were in the history. In aggregate, regulators look at the overall criminal history and underlying circumstances of the arrests/convictions to determine if the person is suitable for licensing. Individuals with extensive or relevant criminal histories could be denied a license based on general suitability.

Public perception of the regulated framework could be damaged if unsuitable people put public health and safety at risk through non-compliant behavior. There is a good argument that a person's criminal history might make them a poor candidate for licensure in a comprehensively regulated industry, but it is not an exact science. This is a particularly thorny issue in the burgeoning cannabis industry because of the relationship between historical drug enforcement and its disparate treatment of minorities.

## Disparate treatment leads to cannabis licensing challenges

The impacts of criminal enforcement on an individual can continue to linger well after a state elects to commercialize the cannabis industry. This is especially true for individuals who have drug related and/or felony convictions. Data on arrest rates by race indicate that the criminal justice system has disproportionately impacted minorities, which could unfairly prevent them from getting licensed in the cannabis industry for significant periods of time.

Debating the relevant merits and negative results of the War on Drugs is outside the scope of this work, but this drug policy was exclusively focused on criminal enforcement. Since criminal enforcement was the focus, arrests became the focal point of government efforts. As law enforcement bodies committed themselves to the campaign over several decades, millions were arrested for simple possession to distribution of controlled substances. The data from these arrests showed that there were significant disparities in rates of arrests for different races.

The difference was especially stark when comparing arrests of whites versus blacks. In 2014, 815 African Americans were arrested per 100,000 residents for possession of illegal drugs.<sup>1</sup> During the same year, only 362.19 whites were arrested per 100,000 residents for possession of illegal drugs.<sup>2</sup> Even though cannabis usage rates amongst whites and non-whites were similar<sup>3</sup>, the same trend noted above for drug arrests in general carried over to cannabis arrests.<sup>4</sup> According to the ACLU, blacks were much more likely to be arrested for a cannabis related crimes than whites.<sup>5</sup>

It is important to note that possession-related offenses are less likely to prevent minorities from entering the cannabis industry unless those offenses were felonies or there were multiple arrests for misdemeanor drug charges. This will be discussed more in subsequent sections, but for now it is important to recognize that misdemeanor arrests do not typically block someone from getting involved in the industry.

It is of more consequence when a person has been arrested for distribution because those offenses are almost exclusively charged as felony crimes. The same trend noted above existed when comparing arrest rates for

blacks and whites. In 2014, there were 211.5 blacks arrested for drug distribution crimes per 100,000 residents compared to 66.5 for whites. According to Mitchell & Caudy<sup>6</sup>, Hispanics (60%) and blacks (247%) were more likely to be arrested for distribution cases compared to whites. Suitability for participation in the cannabis industry would largely hinge on how these cases were dispositioned in the court system.

The disposition of criminal cases is critical to licensing in privileged industries like commercialized cannabis. Cases that result in criminal convictions are much more likely to have a negative impact on person's ability to participate in the cannabis industry especially if the conviction was for a felony. This is where minorities may be at the most risk of being excluded from the cannabis industry, because they are convicted more often and receive stiffer sentencing compared to whites with the same drug related charges<sup>7</sup>, as well as other non-drug related charges<sup>8</sup>. These two factors are important because felony convictions usually ban an individual from participating as a licensee for a specific period of time and sentencing usually has to be completed before the clock starts ticking. More convictions and longer sentencing could equate to longer periods of unsuitability for minorities with felony convictions.

Bottom line: the data substantiates that drug-related arrests have disproportionately impacted minorities for some time<sup>9</sup>. Arrests are only part of the story when looking at barriers to entry. The number of arrests, convictions and sentencing are all important factors for future employment opportunities, but these factors weigh more heavily in a regulated industry where licensing disqualifiers could prevent someone from participating. Especially in an industry like commercialized cannabis, individuals may be done with their criminal history, but their criminal histories may not be done with them.

The scope of this workforce development plan is to licensed businesses exclusively, but it is also important to recognize the benefit of having a diverse group of licensed business owners. One of the biggest challenges to becoming an owner of a licensed cannabis business is the financial costs associated with getting it off the ground. This section discusses some of the policy that creates significant barriers to minority involvement as owners.

## Licensing

Licensing processes can be costly, legally jeopardous, inconsistently administered, competitive and intimidating to someone new to highly regulated industries.

Licensing fees have can be very expensive depending on the jurisdiction. Many agencies base fees on a cost recovery basis while others could inadvertently include additional costs when there are a limited number of licenses allowed. Cost recovery is based on the actual costs of administering the program that licenses and monitors businesses in the market. There is no set standard on how states set fees. Fees in Colorado are measured by the thousands while fees in California are measured in the hundreds. There are also additional startup capital and bonding requirements that increase application costs, discussed below.

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<sup>1</sup>Snyder, H. N., & Mulako-Wangota, J. (2012). Drug arrest rates of juveniles by race, 1980-2009. Generated using the arrest data analysis tool at [www.bjs.gov](http://www.bjs.gov) (August 11, 2012). Washington, DC: Bureau of Justice Statistics.

<sup>2</sup>Ibid

<sup>3</sup><https://www.aclu.org/gallery/marijuana-arrests-numbers>

<sup>4</sup>Ibid

<sup>5</sup>Ibid

<sup>6</sup>Mitchell, O., & Caudy, M. S. (2017). Race differences in drug offending and drug distribution arrests. *Crime & Delinquency*, 63(2), 91-112.

Application and licensing fees in Pennsylvania's medical program are somewhat prohibitive to anyone interested in participating, but with limited resources. Cultivations/processors must provide a \$10,000 non-refundable application fee and a \$20,000 licensing fee to be considered for licensing.<sup>10</sup>

There are similar requirements for dispensary licenses. Dispensary applicants have to pay a non-refundable licensing fee of \$5,000 and a licensing fee of \$30,000. In both cases, the license fees are refundable if the applicant is not successful getting licensed, but the applicant has to submit these funds at the time of application.

Some of the most sophisticated applicants will hire lawyers to navigate the application process. Applications for licensing are complex and there are legal consequences to information submitted on those forms. Applicants who choose to apply without legal representation do so at their own peril. At times applicants decide to bring in legal counsel when the licensing agency takes issue with information submitted. This could prove to be costlier than obtaining representation from the start.

In many states, the licensing process ends up being a competitive process due to a limited number of licenses. In states like Colorado, California, Oregon and Washington, there are no limits on the number of potential licenses. If an applicant can meet the minimal requirements for licensing, the applicant can be reasonably assured that the initial investment of time and money will result in licensing. In states like Maryland, Florida and Pennsylvania there were a limited number of authorized licenses to be issued by licensing authorities. For example, Pennsylvania is authorized to issue 25 cultivation/processor and 50 dispensary licenses. Companies that successfully obtain a license are ensured limited competition in the marketplace, which guarantees a large proportion of market share to successful applicants. These dynamics encourage more capitalized businesses to compete for licenses that are awarded to those who have the best business model and have the most funding on hand.

In the best of circumstances, the licensing process is not designed for the faint of heart or the startup business lacking access to capital. In Pennsylvania, the application process can be even more intimidating and out of reach for prospective minority business owners due to the requirements for startup capital and the competitive nature of having limited authorized license numbers.

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<sup>7</sup>U.S. SENTENCING COMM'N, REPORT ON THE CONTINUING IMPACT OF UNITED STATES V. BOOKER ON FEDERAL SENTENCING (Jan. 30, 2013), available at <http://www.ussc.gov/news/congressional-testimony-and-reports/booker-reports/report-continuing-impact-united-states-v-booker-federal-sentencing>.

<sup>8</sup>Racial Disparities in Sentencing: Hearing on Reports of Racism in the Justice System of the United States [https://www.aclu.org/sites/default/files/assets/141027\\_iachr\\_racial\\_disparities\\_aclu\\_submission\\_0.pdf](https://www.aclu.org/sites/default/files/assets/141027_iachr_racial_disparities_aclu_submission_0.pdf)

<sup>9</sup>Mitchell, O., & Caudy, M. S. (2017). Race differences in drug offending and drug distribution arrests. *Crime & Delinquency*, 63(2), 91-112.

## Pre-licensing commitments

In addition to the costs of advancing a successful license application, owners are encumbered with additional pre-licensing expenditures. For example, applicants frequently have to prove they have a suitable premises for licensing. In order to reach this threshold, applicants may have to secure a lease, initiate or complete an approval process with local authorities and incur capital expenditures to make required property improvements prior to receiving licensing approval. In many cases, license approvals could take months to complete. During this time, owners are making lease payments and incurring other costs recognizing their licensing process could be delayed or extended due to issues discovered by regulators.

In Pennsylvania, these pre-licensing commitments are increased due to the capital requirements needed at the time of application. A cultivator/processor applicant has to prove they have \$2 million in capital of which \$500,000 has to be on hand in a financial institution.<sup>11</sup> The capital requirement for a dispensary application is \$150,000. In both cases, these application costs are prohibitive for minority business applicants with limited access to capital because the applicant has to have a large amount of funding secured and on hand in order to even submit an application.

Individually or in aggregate, these pre-licensing commitments require a substantial amount of capital to get an application in the door, putting businesses with limited access to funding at a distinct disadvantage going into the application process and decreasing their odds of success after licensing.

## Operational Infrastructure

In addition to the pre-licensing expenses, there are also pre-operational expenses owners have to incur prior to exercising the privileges of the license. Cannabis regulations are comprehensive, to include surveillance, packaging/labeling, manufacturing and transportation requirements. Each of these regulatory categories invoke costs to owners.

These costs are an ongoing expense for licensees as regulatory requirements continue to evolve and maintenance is required on security and surveillance equipment. Regulations will continue to evolve over time so there is a strong chance additional of requirements being placed on licensees. This could include changes to packaging and labeling or increased costs associated accountability of product. Alarm and surveillance equipment systems are technology-based investments that change dynamically over time as do regulatory requirements. There are ongoing costs associated with keeping these systems up to date, functional and compliant.

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<sup>10</sup><https://www.pa.gov/guides/pennsylvania-medical-marijuana-program/#GrowersandProcessors>

## Limited investment opportunities

The perennial ambiguity created by the disparity between federal and state law make investors reluctant and/or queasy to invest in the industry. There have been a significant number of investors exploring possibilities in the cannabis industry and others who are actively investing. It is unknown how much of this investment has or would be interested in exploring opportunities geared towards minority involvement.

## Complex regulatory framework

Cannabis regulatory frameworks are complex and comprehensive. The cost of obtaining and maintaining compliance is significant. These costs are difficult to predict, but it is important to note that these expenses will be material. Regulatory requirements also span numerous professions, which may require additional resources with expertise in the various areas. This is more pronounced with licensees such as cultivators and infused product manufacturers, but still apparent in other types as well. In order to maintain compliance in comprehensively regulated industry, licensees have hired compliance officers to monitor compliance more closely. The cost of compliance could make it more difficult for newer companies unused to operating in a strictly regulated industry.

## Employment options

Looking for opportunities for minorities to participate as owners in Pennsylvania's medical marijuana program is a worthy goal, but as outlined above, it could be somewhat daunting especially since the program has been in the process of being implemented for over two years. In the absence of ownership prospects, there are opportunities worth exploring for minority involvement as employees of licensed businesses.

In most cases, it will be more practical for underprivileged persons to get involved in the cannabis industry as employees of licensed businesses or ancillary companies. There are a significant number of unskilled positions available in the industry, but they may not prove an adequate career path. Some of the more highly skilled jobs on the other hand, do provide a promising career path.

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<sup>11</sup>op cit

## Highly skilled positions

Job Type	Percentage of Direct Employment in Cannabis Labor Market <sup>12</sup>	Estimate of Average Salary or Hourly Wage <sup>13</sup>
Sales	35%	\$12 to \$15/hour
Administrative	22%	\$12 to \$15/hour
Manufacturing	16%	\$50/hour
Management	15%	\$40K to \$75K/annual for sales manager depending on company size; \$80K to \$120K for agricultural or manufacturing supervisors depending on company size
Agricultural Specialists	12%	\$50K/annual

<sup>12</sup><https://www.indeed.com/viewjob?cmp=Fiberlab,-Inc.&t=Cannabis+Laboratory+Manager&jk=d35ac37895b3682e&q=Cannabis+%2460%2C000http://www.mjpolicygroup.com/pubs/MPG%20Impact%20of%20Marijuana%20on%20Colorado-Final.pdf>

<sup>13</sup>Estimate is gathered from currently listed jobs at: <https://www.indeed.com/q-Cannabis-jobs.html>

# Ebele Ifedigbo: The Hood Incubator

## Case Study - Profile of the Hood Incubator Oakland, CA The Hood Incubator

a community-centered nonprofit organization committed to building economic and political power for Black and Brown communities

founded in Oakland, CA in January 2017, in response to marijuana legalization in California and across the country

aligned with California's Adult Use of Marijuana Act's focus on anti-discrimination in commercial licensing and reinvestment in communities most harmed by the War on Drugs

aims to increase participation of Black and Brown communities in the legal cannabis industry through community organizing, policy advocacy, and economic development



## The Hood's Projects/Outcomes/Recommendations

### Oakland Equity Program/Business Permitting & Industry Policy:

Offered expertise, research, and grassroots network to local political leadership to support equity program (allowing greater access to cannabis business licenses for Black and Brown communities), which was passed into law in 2017. Now contracted to provide Cannabis Equity Program Outreach and Technical Assistance services on behalf of Oakland.

### Legal Clinics/Expungements

Recommendation: Focus on automatic expungement across the board

### Workforce Development

Recommendation: A stipend is key. Industry/government funding should offer support. Expand hiring beyond exiting networks.

### Accelerator/Business Development

Recommendation: Networking/in-kind support and offering technical guidance a plus especially re direct financing (startup capital), legal/consulting services

### Direct canvassing & phone banking

Outcome: Stigma remains; people reluctant to discuss cannabis; distrust of government

### Making Equity Series

Recommendation: Relationship building is key to good partnerships, create opportunities for individuals to connect with resources at events. Provide qualifying documents for equity applicants and incentives for permit applicants.

### Educational events

Recommendation: increase number of educational programs with broad content

At Decriminalization program, found that people did not know the basics of the law; need expanded education

### Wellness Clinical program

Recommendation: host this type of program; attendees loved the opportunity to gain product knowledge

## Scott Hawkins, GRUN Strategic: Industry perspectives

Five leading licensed medical cannabis dispensary and cultivation organizations in the Bay Area and the District of Columbia were surveyed about their current workforce composition and specific approaches to recruitment of economically vulnerable and underrepresented or under-employed member groups within the communities they operate.

Not surprisingly, the general progressive ethos and focus on issues related to diversity in their respective local jurisdictions has helped prompt – and, in certain ways, mandate – rather enlightened outreach and staffing efforts. Also, the regulated medical cannabis programs in San Francisco, Oakland, and D.C. are some of the nation’s oldest and well-established. Owners and managers of the surveyed organization have served on a variety of local, state, and national industry advisory boards and steering committees. Together, they’re seen by their industry peers as champions of “trying to do the right thing” – similar to the role that other social impact-focused, non-cannabis industry organizations might play. And importantly, their efforts have helped raise issues of equity, economic access, and workforce development challenges in their larger civic and business communities.

The surveyed organizations, whose staffing levels range from 15-45 employees, rely largely on existing staff referrals, word of mouth, on-site flyers, and social media postings (primarily, Facebook) to attract candidates for open positions. Most though, have supplemented these mostly passive recruiting efforts with more active outreach to attempt to ensure that their staff reflects local community demographics, organizational values, and their social equity aspirations (whether formally documented or not.)

Magnolia Wellness, a West Oakland dispensary founded in 2009, has managed over the years to build a team that serves as a rough image of Oakland’s diverse population (though with a notable lack of Asian-Americans, who have, as a group, been stridently opposed in recent years to any expansion of cannabis retailing in and around the Bay Area.) As of December 2017, their staff totaled 27, and included 13 white employees, 8 Blacks, 4 Latinos, and 1 Egyptian national. All but ten live within Oakland. Magnolia works closely with (and helps



sponsor) The Hood Incubator, and seeks to hire graduates of their various programs. They are organized as a union shop, via the United Food and Commercial Workers Local 5, whose hiring hall and job posting services are an additional pipeline for potential “non-traditional” (i.e., non-middle class white) candidates. They also conduct their own classes to teach aspiring local residents cannabis business, resume writing, and job hunting skills.

Along with other respondents, Magnolia did cite challenges, due to the lack of an established referral network, in identifying suitable candidates among the larger population of formerly incarcerated individuals. (Magnolia does organize regular letter writing sessions to inmates convicted of low-level marijuana possession.)

In general, respondents have encountered a plethora of relatively qualified candidates, even despite the booming Bay Area economy, as cannabis continues to be widely viewed as a “stepping stone” to overall opportunity. Most use developed retail or other customer service skills, and a mission-based background or orientation (gained often from non-profit staffing for volunteer work) as key elements of their hiring criteria. Many did state the combination of pre-existing cannabis knowledge and strong interpersonal skills was a rare find, thus necessitating initial and ongoing education of staff members in the type, applications, and reported properties of cannabis strains and formulations. (This was less the case with District Growers employees who, as cultivation workers, do not engage in direct patient interaction.)

La Corona Wellness, a recently licensed dispensary located in the Mission District of San Francisco, has expressly built its staffing plan upon existing relationships between two of its founders, who both grew up in the Mission, and local social services and job training non-profit organizations. Jose Pecho, La Corona’s COO, is working with Mission Hiring Hall, which provides vocational training to local low and moderate-income residents in construction trades, construction project administration, security services, and the hospitality industry. They seek identify Latina/Latino and Filipino candidates with an interest in developing knowledge and skills suitable for the legal cannabis retail industry. Other channels of deep community contact and integration include the Delancey St. Foundation, the city’s (and country’s) leading residential self-help organization for, as they note on their website, “substance abusers, ex-convicts, homeless and others who have hit bottom”. Following completion of one the many Delancey St. programs, select graduates will be expressly invited to apply for an appropriate position at the dispensary.

These outreach efforts are driven by the co-founders’ multi-decade relationships with the local business and social services community, and by their passion for helping their cultural peers achieve vocational success, too.

District Growers, located in Washington D.C.’s Ward 5, also has a workforce that reflects the diversity of its community, including 50% women, 50% African American, 12.5% Asian/Pacific Islander, 25% Hispanic, and 12.5% Caucasian. As one of the first licensees in the District, they have continued to attract new or novice growers, who they then put through an extensive in-house training program. They are also one of the few large-scale, African-American owned licensed medical cannabis operations in the Middle Atlantic and Northeast.

All of the interviewed organizations expressed a commitment to continue to expand their workforce development efforts to reach more deeply into underserved populations, especially those who have been incarcerated due to previous drug-related offenses. For a variety of reasons, they strive to mirror the diversity of the communities in which they operate, and take seriously their responsibility as cannabis business pioneers to effect some change in the general public’s perception of their industry as the province of mostly white males.

## Center of Effort, LLC: Cannabis industry workforce development – next steps

The opportunity is before us. From knowledgeable dispensary clerk to production worker to local site manager to growers, the emergence of medical marijuana as a legal industry is creating jobs in the manufacturing production and service sectors.

This section of the report addresses developing solutions which will provide opportunities for individuals who may face personal, emotional, social and economic barriers to creating careers that provide a family-sustaining income and benefits. They have a critical need for access to good jobs.

Social justice and equity are key issues which we have addressed in this study. We are well aware of the legal issues that create barriers for individuals as they move to participate in the economic growth and business opportunities that the rapid growth in the cannabis industry provide. Without a doubt, the legalization of medical marijuana has been a critical catalyst in national discussions on equity. But more critical is how these discussions can be converted into viable, impactful and sustainable policies and practices across the entire medical marijuana industry sector. In the medical marijuana industry creating equity transcends the traditional discussions of unequal distribution of goods and services but also by identifying the underlying social constructs that have resulted in unequal distribution of opportunities: opportunities for employment, opportunities to create and grow businesses, opportunities to engage in investment initiatives to create wealth.

Some states have begun to overlay their medical marijuana legalization with strategies and policies that move in the direction of leveling the playing field in the medical marijuana sector. For example, Oakland, California, has developed an innovative new cannabis equity assistance program which privileges and prioritizes African Americans in the process for obtaining city medical marijuana businesses permits. Policies of this type are part of correcting a social construct, based on race and ethnicity, which saw hundreds of people of color imprisoned for selling small amounts of marijuana which in most states is now legal.

Current literature documents the role of trauma in increasing these barriers and further disrupting the ability of individuals to negotiate the labor market and to establish a productive lifestyle. The reality of trauma and its effect will be addressed by our approach to workforce development to ensure equality and equity.



## Veteran Population

Without a doubt, the core of the discussion centers on “jobs of the future” – a perpetually changing, shifting universe of work that requires employees to be critical thinkers and fast on their feet. Nowhere is this going to be more realized within the next five years than in the medical marijuana industry. Recruiters will be looking for employees “nimble enough to constantly learn new technologies and apply their skills on the fly”<sup>1</sup>. This is an industry sector that will be looking less for knowledge of specific technology, and more for what most consider soft skills: problem solving, effective communication and leadership.

Such skilled employees are found within the veteran population – a demographic which very quickly understood and learned that critical thinking, ability to execute strategy, and tactical agility were all part of life and death. The Georgetown Center on Education and the Workforce clarifies this by saying that “the human being’s role in the workplace [of the future] is less to do repetitive things all the time and more to do the non-repetitive tasks that bring new kinds of value.”

Within the veteran population is the opportunity for this project to develop a workforce that is keenly committed to being employed in this as well as bringing a fresh approach to creating entrepreneurial enterprises in this sector. Again, the construct of trauma-informed entrepreneurship is a unique and exceptional approach for a population that has experienced all the traumas of war.

According to the Pennsylvania Department of Labor and Industry, the state had “345,906 veterans between the ages of 18 and 64 in 2016, which was 4.4 percent of the comparable population in the state. Of these, 266,489 were in the labor force, for a participation rate of 77.0 percent. In comparison, Pennsylvania’s non-veteran labor force participation rate for those aged 18 to 64 was 76.0 percent. There were 13,168 unemployed veterans in 2016, for an unemployment rate of 4.9 percent. Pennsylvania’s non-veteran unemployment rate was 5.7 percent.”<sup>2</sup> While the unemployment rate among veterans may be lower than the general population, we feel it is important to serve that group, as well as building up opportunities for veterans who may be underemployed in other industries.



<sup>1</sup> Pinsker B. Tomorrow’s jobs require impressing a bot with quick thinking. Technology News. May 1, 2018. <https://www.reuters.com/article/us-world-work-recruiting/tomorrows-jobs-require-impressing-a-bot-with-quick-thinking-idUSKBN1123AY>

<sup>2</sup> [http://www.workstats.dli.pa.gov/Documents/Veterans\\_Packet.pdf](http://www.workstats.dli.pa.gov/Documents/Veterans_Packet.pdf)

## Workers with Disabilities

Amid years of talk about wealth gaps and unsustainable minimum wages, one wage gap has seen incremental movement toward justice: the fight to end exploitative subminimum wages paid to people with disabilities. Since 2014, the Department of Labor has required that “Workers with disabilities whose wages are governed by special certificates issued under section 14(c) of the Fair Labor Standards Act [FLSA] must receive no less than the full minimum wage rate [\$10.35 in 2018] as established by the Executive Order.”<sup>1</sup>

“While some advocate that sheltered workshops provide vocational training and desired job opportunities for individuals with disabilities, the fact remains that rote work at subminimum wage is not career-oriented training. Rather, sheltered workshops separate individuals with disabilities from their communities while allowing employers to reap large profits. Section 14c of FLSA allows employers to pay certain employees less than minimum wage based on the impact the employee’s disability has on his or her ability to perform the job.”<sup>2</sup>

Part of this workforce initiative will provide a gateway to breaking the mold on providing workforce training to persons with disabilities, moving away from the sheltered workshop model by recognizing the opportunity to diminish a person’s disability with key elements of technology (such as robotics) in cannabis companies that are growing through the use of advanced technologies.

The importance of this project to provide workforce training in medical cannabis that is equitable is evidenced in light of the overall employment picture for our target populations. According to the 2017 Disability Statistics Annual Report a publication of The Rehabilitation Research and Training Center on Disability Statistics and Demographics and based on the American Community Survey (ACS) approximately 10.6% of all working age adults (age 18-64) have a disability. However, only 35.9% of these adults, and who are living within the community, were employed.<sup>3</sup>

While these percentages vary widely across states, Pennsylvania’s employment rate for non-institutionalized working-age (ages 21 to 64) adult with disabilities compares very closely at 35.2% with this national figure.<sup>4</sup>

Data on veterans show an even weightier picture. The American Community Survey (ACS) asked “if the veteran has a service-connected disability, and if so, give a rating (on a scale of 0-100%)”. A “service-connected” disability is one that has been determined by the Department of Veterans Affairs (VA) as being a result of disease or injury incurred or aggravated during military service. In 2016, 18.2 percent of working-age civilian veterans had a VA service-connected disability with close to 25% of these reporting a severity level of 70% or above.<sup>5</sup>

From these data, one can appreciate the immense importance of creating workforce initiatives that is inclusive of veterans, persons with disabilities and the veteran population which intersects both demographics.

Although currently data are very scarce on jobs in this sector and its workforce requirements, there are several “north star” indicators of employment needs in the future which will be identified as part of discovery in this project. What is clear is that inclusion of these populations – veterans, disabled, and minorities - into this novel workforce program will not just advance the national narrative on equity and trauma as it relates to medical marijuana but will increase momentum on enacting national legislation so that this industrial sector can begin to grow unencumbered.

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<sup>1</sup> <http://www.dol.gov/whd/flsa/eo13658/fr-factsheet.htm>

<sup>2</sup> <https://nonprofitquarterly.org/2018/03/20/will-subminimum-wages-disabled-finally-end>

<sup>3</sup> 2017 Disability Statistics Annual Report, A Publication of the Rehabilitation Research and Training Center on Disability Statistics and Demographics, Institute on Disability/UCED, University of New Hampshire

<sup>4</sup> Erickson, W. Lee, C., & von Schrader, S. (2018). 2016 Disability Status Report: Pennsylvania. Ithaca, NY: Cornell University Yang Tan Institute on Employment and Disability (YTI). [http://www.disabilitystatistics.org/StatusReports/2016-PDF/2016-StatusReport\\_PA.pdf](http://www.disabilitystatistics.org/StatusReports/2016-PDF/2016-StatusReport_PA.pdf)

<sup>5</sup> Disability Statistics: Online Resource for U.S. Disability Statistics, Cornell University, <http://www.disabilitystatistics.org/sources.cfm>

## Workforce Development Models

While we have not come across specific, cannabis industry related workforce development programs, this initial discovery phase uncovered several programs that can be relevant to the industry.

The National Retail Federation – Rise Up Training and Credential Programs delivers three targeted program-based certifications: 1) Retail Industry Fundamentals, 2) Customer Service and Sales and 3) Advanced Customer Service and Sales. These could provide basic entry level training for dispensary operations and retail sales positions (<https://nrf.com/career-center/riseup>).

Apprenticeship programs such as the CVS Pharmacy Technician Program offers a potential model to replicate and customize to support higher technical skill and education development for employees in the medical cannabis industry - see [http://www.philly.com/philly/business/labor\\_and\\_unions/cvs-launches-philly-apprentice-program-to-find-more-pharmacy-techs-20171117.html](http://www.philly.com/philly/business/labor_and_unions/cvs-launches-philly-apprentice-program-to-find-more-pharmacy-techs-20171117.html).

At the University of Delaware’s Center for Bio-manufacturing Science and Technology, automated processes for cultivating plant based medicines and new approaches to bioprocessing are being developed. The future for this industry is to standardized production to ensure good manufacturing processes (GMP) and quality assurance. As this region’s industry matures, the opportunity for production facilities will grow. We will look towards the biopharmaceutical and commercial agriculture industries for production workforce development models.

Americans for Safe Access (ASA) has been a leader in medical cannabis education since 2002. ASA created Patient Focused Certification (PFC) as a certification and training program to help regulators, operators, and advocates ensure regulatory compliance for medical cannabis businesses.

The PFC training and education program prepares individuals to understand state and local regulations and to learn required safety and operational protocols, while teaching them the basics of cannabis as medicine and common therapeutic uses of cannabis. PFC trainings provide content that will also save businesses time and money, whether they are drafting regulations, applying for a license, or trying to pass numerous State inspections at an existing operation.

PFC’s training and education program can help companies reduce the cost of developing, implementing, and operating in-house medical cannabis training programs. PFC trainings are available online or are offered in-person by a PFC Certified Instructor. The overall Certification Program is directed towards companies, but the training programs are appropriate for individuals in the industry or those seeking to enter the industry.

Disciplines covered:

- Distribution
- Cultivation and Processing
- Manufacturing
- Laboratory



## PFC Certification Program

### Certification Levels for employees:

Staff

Verified Professional

### Courses include:

Core Cannabis Training: Cannabis as Medicine (1 hour)

Core Cannabis Training: Cannabis Business Operations (2 hours)

Core Cannabis Training: Understanding Cannabis Law (1 hour)

Core Cannabis Training: State and Local Legal Compliance (2 hours)

### National Cannabis Standards Training (choose 1 or more of the below disciplines)

Distribution Operations (2 hours)

Manufacturing, Packaging, Labeling and Holding Operations (4 hours)

Cultivation and Processing Operations (2 hours)

Laboratory Operations (2 hours)



Finally, the Goldman Sachs 10,000 Small Businesses Programs offers an example of leadership development and business planning for the entrepreneur interested in the industry. (<https://www.ccp.edu/business-and-industry/goldman-sachs-10000-small-businesses-program>)

## Curriculum Development

Our curriculum will incorporate a multi-tiered system of initiatives to create a sustainable workforce in the cannabis industry in order to create a better functioning system of employment. “Dead-end” jobs should not be acceptable in an industry with as strong a potential as the medical marijuana has. It should mirror the current state of those high-growth sectors and provide jobs and opportunities accordingly – from supply chain (growers, products) to process manufacturing and distribution to technology and financial investments.

Center of Effort LLC has developed a proven methodology for curriculum development in other industries which:

1. Quickly identifies what works, what doesn't and which lessons can be learned from other industries grappling with the same workforce challenges; stakeholder analysis and development activities targeting:
  - b. potential industry employees; 2) potential employers and 3) potential educational and workforce development providers and their associated funders.
2. Seeks to obtain specialized assistance in designing and implementing new programs or in making current programs more effective;
3. Utilizes up-to-date, comprehensive information about what is happening in other states that have legalized medical marijuana so that industry stakeholders are aware of cutting-edge policies; and
4. Incorporates emerging national trends and their implications for growers, dispensaries, and consumers in order to be prepared to meet future demands.

This methodology results in a training program with the following core elements:

1. a well designed and tested curriculum which has been proven with other vulnerable populations such as homeless and formerly incarcerated populations, unskilled and under-skilled residents, and at-risk youth.
2. a set of resource materials to help local workforce collaboratives and providers to better understand the sector. Such workforce development projects will not be successful without dissemination of information, providing a platform for community input from the community of workforce providers, and being iterative.
3. creation of a new workforce collaborative, comprised of subject matter experts, community development corporations, and policy experts to advocate on behalf of this workforce.

We are particularly excited about incorporating trauma-informed entrepreneurship into our curriculum. As states and municipalities increasingly seek to create equitable programs to offset previous racial disparities in incarcerating former marijuana users and dealers, we propose an innovative trauma-informed approach to entrepreneurship in this sector if businesses are to be developed which is where jobs are actually created. Most jobs in this industry require physical locations - they are not cloud-based nor are they SOHOs (small office, home offices). For example, one module in our overall curriculum could include facilities planning (to mitigate community push-back to cannabis facilities (grow sites, dispensaries, etc).

We clearly anticipate that the long-term impact of our curriculum will be development of a workforce primed to take advantage of job opportunities in this high growth sector, have the ability to progress in hierarchical jobs, and even develop fungible skills to move into other industry sectors such as manufacturing, healthcare, technology etc.

## Policy Advocacy

Of course, seeking federal dollars for such training is out of the vision of the federal government. The real question is whether the federal government can afford to continue to ignore such a large and growing industry sector and the consequences of ignoring its required workforce. One key to finally creating a means for federal engagement lies in the Marijuana Justice Act put forth in the Senate by Senator Cory Booker of New Jersey and in the US House of Representatives by Congresswoman Barbara Lee (California). Both bills seek to amend the Controlled Substances Act:

- to remove marijuana and tetrahydrocannabinols from schedule I; and
- to eliminate criminal penalties for an individual who imports, exports, manufactures, distributes, or possesses with intent to distribute marijuana.
- to direct federal courts to expunge convictions for marijuana use or possession.
- It prohibits and reduces certain federal funds for a state without a statute legalizing marijuana, if the Bureau of Justice Assistance determines that such a state has a disproportionate arrest rate or disproportionate incarceration rate for marijuana offenses.
- Finally, the bills establish in the Treasury the Community Reinvestment Fund. Amounts in the fund may be used by the Department of Housing and Urban Development to establish a grant program to reinvest in communities most affected by the war on drugs.

Creation of a new workforce collaborative specific to this industry will be key to advocating for the kinds of changes detailed in this legislation. Incarceration for marijuana can no longer trump employment and community investment opportunities.

## Piloting the Curriculum

During the next phase of funding we will:

1. Conduct 2-3 pilot projects to socialize and test our curriculum for deployment in the region with a focus on 1) dispensary operations; 2) production and cultivation workers; 3) professional management and 4) entrepreneur and business owners.
2. Evaluate Pilot Project outcomes and launch formal programs.
3. As we review the lessons of this body of research and explore ways to improve the industry and implement the workforce development program, we believe the overall the mission should be:
  - a. Ensuring that minority communities historically disadvantaged from the War on Drugs realize an equal, if not greater, benefit from economic development opportunities afforded by cannabis legalization.
  - b. Ensuring that the developing cannabis industry mirrors the community that it serves on all levels of employment.