

February 23, 2022

TO: Representative Morgan and Social Equity in Cannabis Task Force Members

FROM: Rebecca Smith, Director of Licensing and Regulation

SUBJECT: Social Equity in Cannabis Task Force Recommendations

Thank you for sharing your recommendations for the Social Equity Program with the Washington State Liquor and Cannabis Board (LCB) on January 6, 2022.

The LCB has reviewed the recommendations and other than the rubric mentioned below, we have adopted all the Task Force's recommendations into our agency draft rules. It is important to note, as we go through the rule making process, each rule is subject to a public review process that may result in some changes. We invite and encourage members of the Task Force to participate in the rule making process, and are taking steps to actively engage communities impacted by the war on drugs.

The LCB supports the recommendations for the Social Equity application process. We have begun drafting:

- Rules to reflect the definition of family member and other changes that will support the Social Equity program;
- A process to utilize the ranking formulas and indicators to determine disproportionally impacted areas;
- A request for proposal for a third-party contractor to review and prioritize applications;
- A request for proposal for an outside entity to conduct a double-blind lottery for applicants who have the same score;
- The preliminary letter of approval; and
- The job description for the Social Equity Case Manager.

Prior to receiving the Task Force recommendations, the LCB took steps to support the goals of the Social Equity Program, including:

- Updating our criminal history rules, which went into effect on October 2, 2021;
- Creating a dedicated resource on the LCB website to address questions related to the Social Equity Program;

- Engaging in outreach to local authorities to answer questions about the Social Equity Program and the licensing process;
- Researching local requirements to identify possible locations for Social Equity applicants in available jurisdictions;
- Collaborating with other states that have implemented a successful Social Equity Program;
- Identifying options to address barriers for applicants to find a location within our legal authority; and
- Planning for outreach and education to Social Equity applicants.

As we outlined in our letter on January 14, 2022, the LCB has reviewed the recommended scoring rubric, and we have proposed a race neutral rubric based on a previous draft from the Task Force. We believe that this proposed rubric will meet the social equity goals while minimizing the risk of legal challenges that may delay the licensing process.

Thank you for sharing your recommendations for the Department of Commerce. We appreciate having this information as we move forward in partnership with the Department of Commerce and the Task Force.

The LCB looks forward to continued collaboration and discussions with the Task Force on this important topic. If you have any questions, please do not hesitate to let me know.

cc: David Postman, LCB Board Chair Ollie Garret, LCB Board Member