

Please submit these comments to the CAC full board and Equity Subcommittee held on March 2, 2023 and March 9, 2023

Thank you in advance

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Kind Regards,

Dr. TYRONE FREEMAN, DBA, MBA

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CALIFORNIA MINORITY ALLIANCE

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CALIFORNIA MINORITY ALLIANCE

Date: March 2, 2023

To: Cannabis Advisory Committee & The Equity Subcommittee

Fr: Dr. Tyrone Freeman, DBA, MBA,
President California Minority Alliance- a non-profit organization (CMA)

Re: CMA Public Comment regarding Item # 3 of March 2, 2023, Equity Subcommittee Agenda & Generalization Remarks relative to Equity in DCC implementation of licensing application review

The California Minority Alliance (CMA) respectfully submits the forthcoming comments on Equity Data Collection and the DCC implementation of Equity in licensing application review.

In considering the evaluation and performance of the DCC social equity initiatives and goals, it is imperative that the committee construct distinguishes between internal, external, and controlled variables in the data collection set for each licensee precisely and by local jurisdictions generally.

Simply put, any analyses of the DCC social equity initiatives and goals or progress in meeting diversity in licensing goals are only as good as the initial date used to create the analyses. Therefore, two types of data are necessary: snapshot data on ownership and employees from a single point in time, generally from just before the 2022 equity waivers were granted, and employment and ownership interest activity data for the 12 months preceding the renewal of the licensee.

For example, for licensees with Equity waivers effective Jan 1 to Dec. 31, 2022, the employee ownership interest (Equity) would generally be Dec. 31, 2021, and the licensee activity range would be Jan. 1 to Dec. 31, 2015.

Employee Data

There are specific types of employees who must be included in the data:

- All full- and part-time regular employees
- Anyone who's been hired in the past 12 months
- Contingent workers not on the payroll

For each worker who is counted, the data should include:

- Employee ID Number (DCC required ID)
- Name
- Race, gender, and disability status (submission of data should allow for visual identification of race and gender for employees who have opted out of voluntarily identifying themselves for Equity evaluation purposes.)
- Job title

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- Commercial Cannabis Activity engaged in
- Wage/salary
- Location
- Hire Date

Licensee (ALL) Activity Data

Licensee (includes all management service providers) activity data covers 12 months during which the licensee has had an equity waiver and contains a list of hires, rehires, contracted services, promotions, terminations, and applicants. This information is used to create ongoing data collection reports on the total number of applicants, owners, and hires identifying with social equity ownership, illustrating the number of jobs opened and filled by the licensee. Inasmuch, the data collection outlined should be implemented for Equity and non-equity licensee. **In that, CMA postulates that the cannabis industry, culturally speaking, constitutes an extremely homogeneous group.**

General Comments on DCC Equity Initiatives

During the early time of licensing, when cannabis licensing in California was appealing to many Californians in general, thus establishing the promise that *"those most harmed by the War on Drugs would obtain equality under the cannabis laws"* reimagined the possibility for the victims of the War on Drugs oppressive and racist past. And in 2017, the City of Oakland and Los Angeles took steps towards realizing this dream that would inspire and divide the cannabis industry: these cities mandated social Equity licensing that embraced equitable action to repudiate the discriminatory norms of the past. In its inception, Social Equity sought to balance ownership outcomes between minority groups and the white majority, arguing that it was ultimately California's deep institutional biases and refusal to embrace Equity in the enforcement of drug laws that propagated over 40 years of inequality. However inspired this policy might have been, the DCC's equity initiatives and goals are the patient zero for California's political and policy failures to combat inequality in the cannabis industry.

Prime Minister Thatcher once said, " the road to hell is paved with good intentions," and she was right: dismantling systemic bias against minority communities in this industry should be a state and local jurisdiction universal ethic, but the success of arrest-based equity initiatives and goals falls short of this goal. The central tenet of social equity advocates is twofold. Surging members of disenfranchised groups into union jobs and transitional employment will, first, cultivate competitive skill sets within individuals who have had inequitable access to resources because of the War on Drugs. Second, it will benefit the communities when entrepreneurs bring their skills back into the disenfranchised areas.

Typically, the success of the DCC equity initiatives and goals policy will be judged by the increase in minority licensees gained, but this metric is essentially deceptive. Social Equity was designed to balance social and economic outcomes between minority groups and the white majority, so the policy's ultimate success should not be judged only by the absolute gains of

licensure minority communities applied for. It should be judged by how much minority communities have been able to gain relative to the white majority in the cannabis industry because inequality can grow even when minority communities are making gains in absolute terms. This is the current problem we must align ourselves to resolve if the legal cannabis industry is to survive in California.

In sum, the data collected and the crucial emphasis on the most critical data elements are essential in developing a win-win strategic plan for all engaged in this nascent industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Freeman', with a long horizontal stroke extending to the right and a small upward tick at the end.

Dr. Tyrone Freeman, DBA, MBA
President