

Cannabis Industry Navigation Grant Program

Department of Employment and Economic Development

As required by Minn. Stat. § 116J.6595 Subd. 5

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As requested by Minnesota Statute 3.197: This report cost approximately \$158.59 to prepare, including staff time, printing, and mailing expenses.
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Program Description and Background

In order to support the opportunity for entrepreneurship within Minnesota's legal cannabis industry, with a particular focus on serving those who have experienced barriers to education or employment, public sector investment for technical assistance is necessary.

The Cannabis Industry Navigation (CanNavigate) Grant Program will award grants to organizations to develop technical assistance resources to inform interested members of the public about the regulatory requirements of starting and operating a business in the legal cannabis industry. Additionally grants to organizations should support technical assistance and navigation services to individuals. An emphasis is made that those who have faced barriers to employment or education should have access to these services. As a result, a critical criterion for grant awards is the applicant's history of successfully providing services to areas where long-term residents are eligible to be Social Equity Applicants and that the technical assistance being proposed would serve those communities. Pursuant to Minn. Stat. § 116J.6595, the State of Minnesota, Department of Employment and Economic Development (DEED) has the authority to award grants to provide technical assistance and navigation services for Minnesota's legal cannabis industry.

The relevant legislation states:

Minn. Stat. § 116J.6595 Cannabis Industry Navigation Grants

Subd. 1. Establishment: The commissioner of employment and economic development shall establish CanNavigate, a program to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry.

Subd. 3. Grants to organizations. (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing technical assistance or navigation services to individuals.

Subd. 5. Reports to the legislature: By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Funding

In 2023, the Minnesota legislature legalized the legal cannabis industry and appropriated \$1,000,000 each year in SFY2024 and SFY2025 to the CanNavigate grant program.

No awards have been issued during the reporting period.

Development Process

DEED has formed an intra-agency working group for each program team to develop the CanNavigate, CanStartup, and CanTrain grant programs. This working group is designed so each of the three program teams are able to share insights and learnings as each grant program is created. Research has included

targeted conversations with experts, consulting with the Office of Cannabis Management (OCM), and a Request for Information (RFI) that solicited almost 200 responses from experts and cannabis start-ups.

Request for Information

DEED and OCM gathered public input for developing four state programs that will support the state's new legal cannabis industry (CanGrow, CanNav, CanStartup and CanTrain).

DEED published a RFI in May 2024 and collected responses through June 2024. The survey link was posted on the DEED website and sent via email to partners, OCM's distribution list and other interested parties.

The RFI sought feedback on stakeholder needs for assistance and ideas for consideration when designing program criteria, administration and other aspects.

From the RFI we learned the following:

- The most desired services were related to legal and regulatory compliance, taxation/accounting, and business development/options.
- The most desired assistance models included in-person education, live and interactive online education, recorded online videos, and written guidance material, both physical and digital.

Conclusion and Next Steps

The RFP is currently in final draft form is being reviewed and routed for agency approvals. DEED expects to publish the RFP in early 2025.