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SENT VIA E-MAIL

Portland City Council
1221 SW 4th Avenue Room 340
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Mayor Ted Wheeler
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Commissioner Chloe Eudaly
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Commissioner Jo Ann Hardesty
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Commissioner Amanda Fritz
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RE: Proposed FY 2020-21 budget changes to Recreational Marijuana Tax Fund

Dear Mayor Wheeler and Portland City Commissioners,

We are writing today to express our concerns about the proposed budget changes to the use of the Recreational Marijuana Tax Fund (local cannabis tax revenue) outlined in the Mayor's budget for FY 2020-21. As the City of Portland's Cannabis Policy Oversight Team (CPOT), this advisory body is tasked with advising the City and engaging with Portlanders around cannabis policy. We find the distribution of our local cannabis tax revenue in the Mayor's budget to be inconsistent with Portland voter's intended use of the fund and out of alignment with Recommendations 1 & 2 of our [2019 Cannabis Policy Report](#): (1) Immediately improve the transparency in tax allocation decisions and outcomes; (2) Develop and adopt a comprehensive social equity framework- to ensure that cannabis policies exist within a framework that prioritizes restorative practices, reparative justice.

Our 2019 Annual Cannabis Policy Report emphasized the need for increased communication, community engagement, transparency, and accountability around the allocation and use of the City's cannabis revenue. These characteristics are fundamental to restorative justice work. We were surprised to discover that the proposed budget continues to allocate the majority of cannabis funds to public safety and transportation safety despite a lack of post-legalization data to justify such a high allocation. We were also disturbed by the potential shift of the entirety of the Cannabis Social Equity Grant Fund to other City programs. The process and decision-making around this year's budget and allocation of the

local cannabis revenue does not appear to address or acknowledge the advising that the Cannabis Policy Oversight Team (CPOT), community partners, and many engaged Portlanders have provided over the past year.

We support and applaud accountable reinvestment of these funds into City and community programs that are working to support resiliency through COVID-19, and to build wealth and power in communities who have been disproportionately impacted by enforcement of cannabis prohibition. For decades, Portlanders from our Black, Indigenous, and Communities of Color have been more likely to be arrested and convicted for cannabis-related offenses than other Portlanders. The ripple effect of an arrest, even for simple possession, was often devastating for these individuals and their families. Now that the City is profiting from the legal sale of cannabis, we have a responsibility to reinvest the funds towards repairing harm in impacted communities.

In Fiscal Year 2020-21, the available local cannabis tax revenue is estimated to be close to \$7 million dollars. Portland is entering its 4th year of reinvestment of cannabis tax revenue. How have the funds been used to repair and restore justice? What are the expectations, purpose and measures of accountability put on the Bureaus, programs and community organizations that receive these funds? How are the decisions around allocation of this revenue made? Council's budget work session on March 9, 2020, and this year's proposed budget document have done little to highlight or address these important questions. Additionally, the processes and documents related to the budget must be more accessible and support diverse methods of civic engagement.

Ballot Measure 26-180 provided a foundation for allocation of this fund but lacks the direction needed to prevent misinterpretation and ensure targeted reinvestment. A comprehensive social equity framework and cannabis tax steering committee are needed to ensure allocation and use of funds remain aligned with the spirit and intent of the measure and restorative justice.

The cannabis industry in Portland has been deemed essential and sales remain strong. Cannabis will continue to be a valuable source of tax revenue (including revenue generated by business and payroll taxes) while our economy and communities recover from the COVID-19 pandemic. The Mayor's proposed budget states, "Even while we reduce budgets, we must be thinking about the City we want to become." We look forward to learning more about the City's Equity Tool and the plans to increase the Bureaus' accountability to outcomes. We urge Portland City Council to review our 2019 Cannabis Policy Report and consider allocating funds to create, empower and support a cannabis tax steering committee and process to develop a comprehensive framework for reinvestment of the City's cannabis tax revenue.

Should Council want to discuss the contents of this letter further, please do not hesitate to reach out.

Sincerely,

The Cannabis Policy Oversight Team (CPOT) for the Cannabis Program, City of Portland

Al Ochoa (Chair)

Stephanie Neil (Vice-Chair)

John Monteleone III (Vice-Chair)

Dr. Rachel Knox

Dr. Nicole Bowles

Madeline Martinez
Danny Rowland
Laura Valden-Vega
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[Link to full CPOT roster](#)

Cc:

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