
Equity Delayed, Dreams Denied

How Pritzker
Botched Illinois'
Cannabis and Clean
Energy Programs

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About National Black Empowerment Action Fund

National Black Empowerment Action Fund (NBEAF) is a Black-led advocacy organization devoted to the economic, educational, and social uplift of Black communities across the country.

Through grassroots engagement, policy research and advocacy, leadership training, and earned and paid media campaigns, we drive public conversation around the policy decisions that affect the daily lives of Black communities and fight to lift up Black leaders and Black communities.

Black Americans for too long have been locked out of opportunities to accumulate wealth and establish economic security. We are committed to policies that empower Black businesses and families alike to thrive by creating good-paying jobs and generating economic activity in Black communities. We believe all Black people should have the resources they need to live fulfilling lives.

DARIUS JONES
FOUNDER AND PRESIDENT

Introduction

Centuries of systematic exploitation, discrimination, and theft have denied Black people their fair share of the American dream. Being perpetually locked out of the growth and opportunity of the world's number one economy has created a staggering racial wealth gap. Currently, the 400 wealthiest Americans are worth more than all 10 million Black households combined. Even more alarming is a recent study by Prosperity Now which finds that African American net worth is on the road to being \$0 by 2053, if current trends continue.

The economic climate in Illinois is particularly dire. Illinois is ranked last in the nation for racial inequity, measured by employment and wealth. The Black unemployment rate in Illinois is the second highest in the country at 9.4%, double that of Hispanics and well above the 4.0% rate for white residents. It's also more than 50% higher than the overall national Black unemployment.

The situation in Illinois cannot be blamed on national trends or factors outside the state's control. It's a direct result of the failed policies and neglect from the Governor, J.B. Pritzker. This report examines two places where Pritzker has failed us the most. Ironically, these are his supposed marquee achievements - the legalization of adult use cannabis and the pairing of emissions-reduction requirements with a robust workforce development program - where Pritzker failed us the most. He had the chance to ensure that the launch of not one, but two, industries with explosive growth potential were equitable. Instead, he's continuing to depress economic opportunities for Black families. Pritzker is leaving countless Black entrepreneurs and workers out in the cold, denying them a once-in-a-lifetime opportunity to better their lives and earn generational wealth for their families.

Cannabis Jobs

J.B. Pritzker's first major legislative "victory" as Governor of Illinois after taking office in January 2019 was signing the Illinois Cannabis Regulation Act. Pritzker bragged that Illinois would "have the most equity-centric law in the country" and that he "made clear that any plan for adult use cannabis had to prioritize social justice and equity." He later bullishly, and presumptuously, claimed that it would "result in 63,000 new jobs."

The law decriminalized cannabis, created a recreational use program for adults over 21, provided for dispensary licensing, created a "social equity applicant" status for licensing along with a low-interest loan program to help defray costs, and created paths to expungement for minor violations relating to cannabis.


From the very start, implementation of the law was beset by delay after delay, particularly for social equity applicants. A lottery system was used to select adult use dispensary licenses, with social equity candidates gaining entry into the lottery after having their applications scored by the state. The results of the review of the first batch of equity applications was announced late in 2020, with the state determining that, out of more than 4,000 applicants, only 21 qualified. The announcement left many Black entrepreneurs shocked, especially as some of those selected had shared ownership and appeared to have political connections to the state. In response, a group of applicants, including Black business owners who had not qualified, filed a lawsuit arguing that Pritzker's administration was defying the equity intent of the law. The General Assembly, the state's legislature, later stepped in to pass legislation creating 110 additional social equity dispensary licenses, helping to address some of the concerns from the litigation.

By mid-2022, businesses included in the initial licensing rounds had grossed over a billion dollars, while Black-owned dispensaries continued to struggle getting off the ground, leading those in the industry to warn that the equity program was “on the verge of collapse.” The failures of the Pritzker administration were causing massive harm - those waiting years for the licensing process reported millions lost in rent, mortgages, construction costs, and overall expenses. The state’s own data plainly showed the disparities. The Illinois Department of Financial and Professional Regulation’s 2022 Annual Cannabis Report showed a staggering racial gap in Pritzker’s cannabis industry at the time:

- **Zero licenses were issued to social equity applicants;**
- **1% of licensed dispensaries were Black-owned; and**
- **5% of C-suite executives were Black.**

These numbers were so damning that the state left many of them out of its next annual report, instead listing the percentage of licenses majority owned by people of color. Meanwhile, the state was raking in tax revenue from sales - Illinois collected \$445.3 million in tax dollars from \$1.5 billion in cannabis sales in fiscal year 2022 and \$420.8 million from \$1.58 billion in sales in fiscal year 2023. Pritzker’s top priorities were clear - money for big business and the state. It was not until November 2022, more than three years after the first dispensaries were licensed, that the first social equity applicants were allowed into the system.





The influence of big businesses in Pritzker's cannabis regime was undeniable. In 2023, Black legislators, led by Representative La Shawn Ford, worked with entrepreneurs of color to draft a detailed 269-page amendment to force the Pritzker administration to fix the industry. In spite of widespread agreement amongst legislators, the large majority-white players that profited handsomely while equity applicants were shut out, moved in to kill the bill. Some provisions made their way into the state budget, but many of the problems plaguing the industry were left unaddressed.

The situation for social equity applicants is so poor that the state has resorted to misleading data and omissions to save face. A survey released by the state's Cannabis Regulation Oversight Officer in February 2024 reported that Black-owned companies now make up 27% of the market. While the state is touting this number as a huge achievement, it does not appear to tell the whole story. It appears this growth bypassed the most lucrative parts of the industry - the dispensaries and cultivator centers - and instead occurred amongst smaller craft growers, infusers, and transporters.

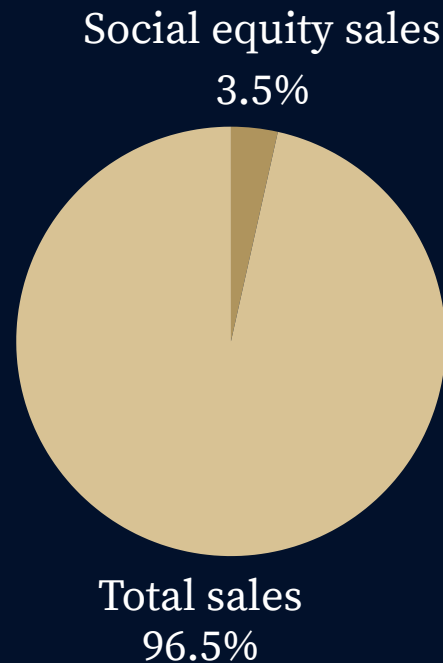
Less than 10% (15 out of 155) dispensary licenses went to businesses that were majority-owned by people of color and none of the cultivator center licenses went to such businesses. The survey also relied on self reporting and only about half of businesses fully responded.

While the streamlined, faster application/licensing process and the release of more licenses for social equity applicants is a positive development, it does little to repair the damage caused by the delays - millions of dollars in lost investments and years wasted for Black entrepreneurs, all while majority white-owned cannabis businesses earned billions. In fiscal year 2023, the most recent data made available by Illinois, social equity dispensaries had \$57.6 million in sales, just over **three percent** of the industry's \$1.58 billion total sales.

A small improvement nearly five years after the passage of a law is nothing to be celebrated. Despite Pritzker's ad nauseam claims that Illinois has the "most equitable" cannabis law in the country, he failed to institute or strongly advocate for several critical features seen in other states, like an exclusive social equity license class, full waivers for application and licensing fees for social equity businesses, and using funding sources other than licensing and application fees to support social equity programs, allowing for home grown cannabis, or prioritizing small businesses.

New York's adult use program encountered some of the same struggles faced by Illinois, including legal challenges, but nonetheless managed to prioritize equity. In New York, the very first batch of licenses issued went to those most impacted by cannabis prohibition, including non-profits serving the formerly incarcerated.

Illinois FY 2023 cannabis revenue



Features of Equitable Cannabis Programs

Description	In Illinois?
Exclusive social equity license class	NO
Full waiver of application/license fee for social equity applicants	NO
Additional state funding for social equity applicants	NO
Allowing for home grown cannabis	NO
Prioritizing small businesses	NO

Today, 55% percent of adult use licenses across the New York supply chain are owned by those included in the state’s social equity program. The state also rejected Illinois’ path of allowing massive corporations in early, so New York’s retail market is made up of 95% small businesses.

Pritzker was correct when he recently said that “[r]ighting the wrongs from the failed drug war means more jobs and opportunities in the communities hit hardest.” Before decriminalization, Illinois ranked as the third most biased state in terms of cannabis arrests. Black residents were more than seven times more likely to be arrested than white residents, trailing only Montana and Kentucky.

But while Pritzker talked the talk, he never walked the walk. Instead, he let white owners gobble up the most lucrative parts of the market while Black entrepreneurs patiently waited after a seemingly endless string of delays and excuses, which is not equity. The progress achieved in the last year is not sufficient to make up for the decades of harm caused by a racially discriminatory criminal justice system that targeted Black users of cannabis.

Green Jobs



Instead of bothering to fix the cannabis debacle, Pritzker elected to once again prioritize promises and headlines by turning his sights to a new industry. In September 2021, Pritzker signed the Climate and Equitable Jobs Act (CEJA), claiming that he was ushering in a new era of economic opportunity for Black residents while greening the state. The CEJA paired emissions-reduction strategies for the state along with a robust set of workforce development incentives and training programs designed to address both the impact of pollution on communities of color and the fact that they've been left out of the clean energy trades.

The centerpiece of these workforce development efforts was supposed to be the Clean Jobs Workforce Network Hubs Program (CEJA Workforce Hubs). The law required the creation of 13 hubs that would partner with community-based organizations (CBOs) to ensure minority populations can obtain the necessary credentials to compete for green jobs. Pre-apprenticeship centers would recruit, prescreen, and provide training.

Up to \$180 million per year in funding was made available under the CEJA, including significant funding for programs that would have provided critical support for Black community and Black entrepreneurs, including:

- \$34 million annually for the Jobs and Environmental Justice Grant Program, to remove barriers by providing upfront capital to support projects, businesses, and community organizations for historically disadvantaged populations, as well as seed capital for community ownership of renewable energy projects;
 - \$21 million annually for the CEJA Workforce Hubs through June 2023, and \$24.4 million a year thereafter;
 - \$21 million annually for the Clean Energy Contractor Incubator Program, to provide contractors with low-cost capital along with training, mentoring, and support as they go through their initial launch, register as a vendor with the state, and grow;
 - \$21 million annually for the Barrier Reduction Program, to provide services to help overcome barriers to entry into the clean jobs workforce, including childcare, transportation, and a lack of financial resources for necessary supplies;
 - \$10 million annually for the Illinois Climate Works Pre-Apprenticeship Program, to recruit, prescreen, and provide pre-apprenticeship skills training for construction and building trades work within the clean energy sector at hubs throughout Illinois;
 - \$9 million annually for the Clean Energy Primes Contractor Accelerator Program, to give contractors one-on-one coaching to develop five-year business plans;
 - \$6 million annually for the Returning Residents Clean Jobs Training Program, a clean energy curriculum for those currently incarcerated, which is followed by post-release career support; and
 - \$6 million annually for Energy Transition Navigators, who would provide support for all the CEJA's workforce programs, helping with both program recruitment and job placement.
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But despite this detailed mandate and access to hundreds of millions of dollars since the CEJA's passage, Pritzker's administration has allocated just a fraction of this funding and accomplished astonishingly little.

This state of affairs is particularly frustrating as the passage of the CEJA only occurred because of Black leadership. The CEJA was championed and ushered through by the first Black Speaker of the Illinois House of Representatives, Emanuel "Chris" Welch. Speaker Welch's expert political maneuvering was greatly aided by the support of Black communities, with several of key environmental justice organizations including Little Village Environmental Justice Organization, Blacks in Green, Clean Power Lake County, providing critical support during the CEJA's development and rallying for its passage.

In short, the General Assembly, led in part by a Black Speaker, working hand-in-hand with Black activists and environmental organizations, crafted a law that thoughtfully addressed historic wrongs and created a viable path for Black entrepreneurs to take advantage of the new, green economy. All Governor Pritzker needed to do was faithfully administer a law he claimed to fully support. But he was either unwilling or unable to make good on his promises.



As of the end of 2022, 15 months after Governor Pritzker signed the CEJA, none of the workforce development programs aimed at helping minority contractors and workers were active and not a single promised job had been created. The only concrete “action” taken since the passage of the CEJA - holding listening sessions with potential hub participants - barely qualified as such. Nearly a year after the law was passed, the state wasn’t even ready to accept applications from community-based organizations to participate in the Workforce Hubs. Meanwhile, according to the Chicago Chapter of the National Minority Association for Contractors, both workers and entrepreneurs were ready and willing to get to work.

By the spring of 2023, Pritzker’s agencies began a slow rollout of a handful of programs, including grants to localities impacted by fossil fuel or coal mine plant closures. But they also began to downplay the potential impact of the CEJA. This sudden change of tune came as Pritzker’s agencies struggled to meet even the most basic workforce development requirements in the CEJA. When asked about the slow progress, the agency charged with implementing the workforce programs, State Department of Commerce and Economic Opportunity, refused to commit to a single new job for Black workers, instead saying their work “will result in thousands of qualified and diverse workers ready to participate in apprenticeships,” tacitly admitting that they did not intend to create new jobs.

**Number of
CEJA jobs
created:**

0

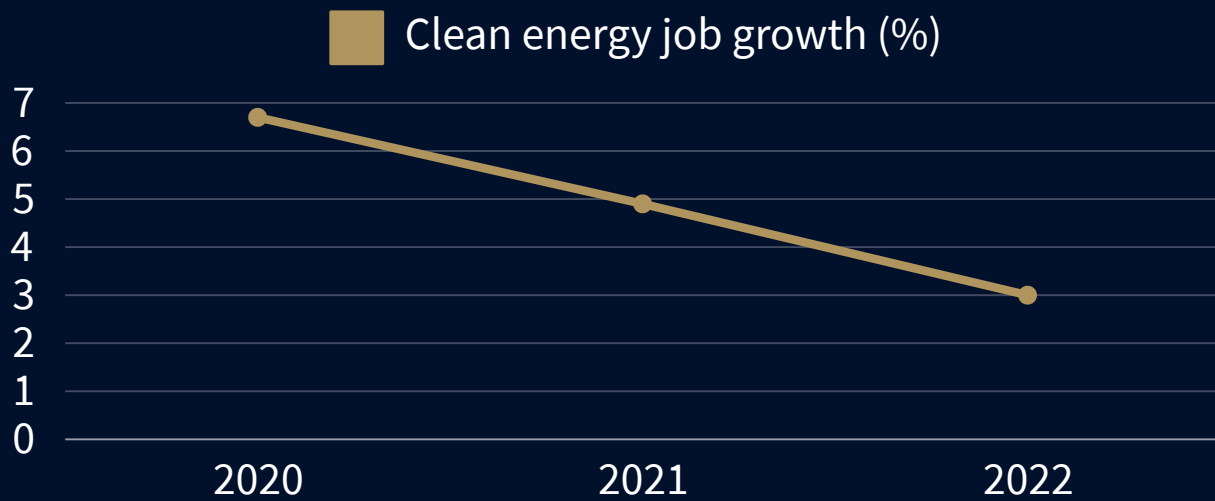
**Number of
Workforce
Hubs open:**

0

Little had changed by the fall. As of September 2023, Illinois had still failed to train or place a single worker. The state's failure to move on these initiatives is particularly harmful for renewable energy businesses like those in the solar industry, who often aren't paid until a job is completed. Moreover, in order to qualify for certain programs set out in the CEJA, businesses must meet diversity requirements and are expected to hire workers trained under the CEJA's workforce development programs. The backpedaling also continued. In response to legitimate complaints about their implementation of the CEJA, Pritzker's team made the astonishing claim that "creating clean energy jobs is an overarching, long-term goal" of the CEJA, but "not a direct function."

In 2024, the Pritzker administration rolled out some additional program funding, but is still woefully behind. The Workforce Hub and Energy Transition Navigators programs are accepting applications for CBO-partners, but only for three sites, meaning that services for Black residents are still far away. The wholesale neglect of the CEJA's workforce requirements isn't just hurting the Black community in the short-term, the roll-out has been such a spectacular disaster that it's impacting the entire renewable energy sector in Illinois. As of fall 2023, the state was only getting 10.5% of its energy from renewables, making the CEJA's 2025 target of 25% seem far out of reach.

One of the most stunning facts related to the implementation of CEJA is that Illinois actually saw job growth in the clean energy sector slow after its passage. The state lagged well behind others in terms of growth, falling behind even those without laws mandating emissions reduction targets and commitments to equitable workforces, like Tennessee, Kentucky, and Oklahoma. In 2022, Illinois managed to add just 3,621 new clean energy jobs total and ranked **37th** in terms of job growth percentage.



The striking lack of progress on clean jobs is yet another slap in the face to the Black residents waiting years for training and new opportunities. States across the country are now racing ahead in adding scores of green jobs while Illinois has barely moved on setting up the necessary infrastructure, let alone providing promised assistance.

Conclusion

Since becoming Governor of Illinois, Pritzker has had the opportunity to fundamentally change the lives and the futures of Black residents not once, but twice. With both the Illinois Cannabis Regulation Act and the Climate and Equitable Jobs Act, Pritzker was teed up by the General Assembly to deliver historic change and economic equity. His administration failed Black residents in the rollout of these programs, but there is still time to right these wrongs. We are calling on Governor Pritzker to acknowledge these shortcomings and commit to aggressively pursuing new solutions. We need Pritzker to listen and truly collaborate with Black residents. With renewed dedication and genuine collaboration, Pritzker can finally, truly deliver on his promises.

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