

## What is the 40% Equity Hire Requirement?

Adult-Use Cannabis Businesses that do not qualify for the Equity Assistance Program in Long Beach are required to employ Equity Employees for a minimum of forty percent (40%) of total annual work hours performed at the business.

## Who qualifies as an Equity Employee?

Equity Employees are defined as individuals who meet the following criteria:

1. In the last year, has had an annual family income at or below eighty percent (80%) Los Angeles – Long Beach – Glendale (Los Angeles County) Area Median Income (AMI) adjusted for family size, and a net worth below \$250,000; and
2. Satisfies at least one of the following criteria;
  - a. Has lived in a Long Beach census tract for a minimum of three (3) years where at least fifty-one percent (51%) of current residents have a household income at or below eighty percent (80%) of the Los Angeles County Area Median Income; or
  - b. Was arrested or convicted for a crime relating to the sale, possession, use, or cultivation of cannabis in the City of Long Beach prior to November 8, 2016 that could have been prosecuted as a misdemeanor or citation under current California law; or
  - c. Is a Long Beach resident currently receiving unemployment benefits.

## How does someone register as an Equity Employee?

To get verified as an Equity Employee, an individual must register with the Workforce Development Bureau and comply with the following Equity Program pre-hire requirements:

1. Complete the online Equity Employee Interest Form available on the Workforce Development website at [www.lbcannabisjobs.com](http://www.lbcannabisjobs.com).
2. Submit proof of eligibility to the Workforce Development Bureau.
3. Obtain a Certificate of Eligibility from the Workforce Development Bureau.

## What is the Workforce Development Bureau?

The Workforce Development Bureau is responsible for providing economic opportunities for workers and providing a skilled workforce for employers in the City of Long Beach. The goal of the Workforce Development Bureau is to ensure the preparedness of the workforce and competitiveness of businesses through alignment of economic development, training, education, and community partnerships.

## How do I hire Equity Employees to meet the 40% Requirement?

Adult-Use Cannabis Businesses may submit an Employer Job Order Form to the Workforce Development Bureau for every Employment Opportunity a business is seeking to fill. The Employer Job Order Form must include the following information:

- Employer contact information
- Number of positions Adult-Use Cannabis Business wishes to fill
- Anticipated starting wage and benefits
- Position title, job duties, and minimum qualifications necessary
- Preferred method of recruitment
- Any other information voluntarily provided by the employer

Copies of the employer Job Order Form are available at [www.lbcannabisjobs.com](http://www.lbcannabisjobs.com).

Employer Job Order Forms may be submitted via email to [cannabisjobs@longbeach.gov](mailto:cannabisjobs@longbeach.gov). Once an Employer Job Order Form has been submitted, the Workforce Development Bureau will initiate recruitment efforts based on the preferred method of recruitment indicated on the Employer Job Order Form. The goal of Workforce Development Bureau recruitment efforts is to identify Equity Applicants for Adult-Use Cannabis Businesses to consider as part of their hiring process. Ultimate hiring decisions will be entirely at the discretion of Adult-Use Cannabis Businesses.

## What are my options for methods of recruitment for Equity Employees?

To identify a preferred method of recruitment, Adult-Use Cannabis Businesses may select from the following options on the Employer Job Order Form:

- **Option 1: E-blast** – The Workforce Development Bureau will email the Employer Job Order Form to Equity Employees on the Priority Equity Hire

Eligible List. Equity Employees will be instructed to apply for the position directly with the Adult-Use Cannabis Business using the contact information provided on the Employer Job Order Form.

- **Option 2: Pre-Screening** – The Workforce Development Bureau will email key information contained in the Employer Job Order Form to Equity Employees on the Priority Equity Hire Eligible List, including starting wage and benefits, position title, job duties, qualifications necessary, and any other information voluntarily provided by the employer. Equity Employees interested in the position may submit their resume to the Workforce Development Bureau for review. The Workforce Development Bureau will pre-screen Equity Employees for the minimum qualifications identified on the Employer Job Order Form, and forward qualified resumes to the Adult-Use Cannabis Business. Adult-Use Cannabis Businesses may contact Equity Employee applicants for further assessment.
- **Option 3: Recruitment Event** – Adult-Use Cannabis Businesses may request a targeted recruitment event, specifically for their business. The recruitment event will allow Adult-Use Cannabis Businesses to interact directly with individuals on the Priority Equity Hire Eligible List.
- **Option 4: Job Fair** – The Workforce Development Bureau will periodically host Job Fairs where Adult-Use Cannabis Businesses may participate and recruit for open positions that the business is looking to fill.

## **How can I confirm if someone applying for a position qualifies as an Equity Employee?**

All Equity Employees will be given a Certificate of Eligibility upon verification of their eligibility by the Workforce Development Bureau. Adult-Use Cannabis Businesses shall contact the Workforce Development Bureau to verify the authenticity of a Certificate of Eligibility prior to making an offer of employment.

## **One of my existing employees qualifies as an Equity Employee. Will they count towards the 40% Equity Hire Requirement?**

Yes, existing employees of Adult-Use Cannabis Businesses that qualify as Equity Employees will count towards the 40% Equity Hire Requirement if they register for the program. Existing employees can register for the program by visiting [www.lbcannabisjobs.com](http://www.lbcannabisjobs.com). Only employees that obtain a Certificate of Eligibility from the Workforce Development Bureau will be counted towards the 40% Equity Employee Requirement.

## **How will the City track compliance with the 40% Equity Hire Requirement?**

Adult-Use Cannabis Businesses must maintain Certified Payroll Records for all individuals employed by the business, and shall submit copies of the Payroll Records to the Workforce Development Bureau on a semiannual basis following issuance of the adult-use business license. The Workforce Development Bureau will compare the employees listed on the Certified Payroll Records to Workforce Development Bureau's internal database of certified Equity Employees to determine the percentage of total annual work hours completed by Equity Employees. Businesses that fail to submit Certified Payroll Records on a semiannual basis will be considered non-compliant with the 40% Equity Employee requirement.

Workforce Development Bureau staff may perform on-site inspections at the Adult-Use Cannabis Business location to verify that the employer is meeting all the requirements of the Equity Hire Program. The Workforce Development Bureau may investigate and inspect employment records maintained on the business site to ensure that the Adult-Use Cannabis Business is acting in compliance with the Equity Hire Program.

## **What are Certified Payroll Records?**

Certified Payroll Records are documents maintained by a business that contain the name, address, social security number, and work classification of each employee; the straight time and overtime hours worked each day and each week; the fringe benefits; and the actual per diem wages paid to each employee.

## **What happens if I fail to meet the 40% Equity Hire Requirement?**

If the Workforce Development Bureau determines that an Adult-Use Cannabis Business is not in compliance with the Equity Hire Program, the Workforce Development Bureau will notify the Adult-Use Cannabis Business and refer the violation to the Office of Cannabis Oversight for enforcement. Enforcement actions may include, but are not limited to; administrative penalties, civil fines, permit suspension, and permit revocation.

## **What happens when an Equity Employee is hired, and is no longer considered “low income?”**

Once an individual has qualified as an Equity Employee and obtained a Certificate of Eligibility from the Workforce Development Bureau, that individual shall retain their Equity Employee status regardless of any changes to their income level over time. Similarly, an individual that has qualified as an Equity Employee and obtained a Certificate of Eligibility from the Workforce Development Bureau shall retain their Equity Employee status regardless of changes to their residency or unemployment benefits.

## **Under what circumstances will the City reduce or waive the 40% Equity Hire requirement?**

Adult-Use Cannabis Businesses that fail to meet the 40% Equity Employee Requirement may avoid enforcement and penalties for noncompliance by demonstrating best efforts to hire and employ Equity Employees. Adult-Use Cannabis Businesses may demonstrate best efforts by submitting a Best Efforts Exemption Form and all attachments to the Workforce Development Bureau. The Best Efforts Exemption Form is available on [www.lbcannabisjobs.com](http://www.lbcannabisjobs.com).

## **How do I demonstrate that I made a best effort to hire and employ Equity Employees?**

The Workforce Development Bureau will determine whether a business has demonstrated that it utilized its best efforts to hire and employ Equity Employees based on the following requirements. Any Adult-Use Cannabis Business that fails to satisfy all of the requirements listed below will be deemed ineligible for the best efforts exemption:

- Participation in the Workforce Development Employer Orientation;
- Complete and on-time submission of Certified Payroll Records to the Workforce Development Bureau;
- Utilization of Employer Job Order Forms to alert the Workforce Development Bureau of every Employment Opportunity;
- Complete and on-time submission of the Best Efforts Exemption Form and all attachments to the Workforce Development Bureau. Copies of the Best Efforts Exemption Form are available at [www.lbcannabisjobs.com](http://www.lbcannabisjobs.com). The Best Effort Exemption Form must include the following information:
  - A minimum of three (3) Equity Employee candidates that were interviewed for each Employer Job Order Form submitted that year;
  - Contact information for those candidates;
  - Date, time and method of interview;

- Reasons why the candidates were not hired prior to filling the employment opportunity.
- Annual progress towards compliance with the 40% Equity Employee requirement as evidenced by year-over-year increases in the percentage of total annual work hours performed by Equity Employees at the Adult-Use Cannabis Business.

## **What happens if there is an insufficient pool of Equity Employees to fill a position?**

The 40% Equity Employee Requirement shall not apply to positions that the Workforce Development Bureau determines that an insufficient labor pool exists to meet employer demand. To make this determination, the Workforce Development Bureau will perform a Labor Market Evaluation upon submission of an Employer Job Order Form. The Labor Market Evaluation will be completed using the following procedures:

1. The Workforce Development Bureau will compare the minimum qualifications listed on the Employer Job Order Form to interested Equity Employee candidates on the Priority Equity Hire Eligible List.
2. If fewer than three (3) Equity Employee candidates meet the minimum qualifications for the Employment Opportunity, the Workforce Development Bureau will notify the business that the position has been deemed exempt from the 40% Equity Hire requirement. If a business is not notified by the Workforce Development Bureau that the position is exempt, the Adult-Use Cannabis Business must continue with best efforts to hire an Equity Employee for the position in order to meet the 40% Equity Employee requirement.
3. A position that has been deemed exempt from the 40% Equity Employee Requirement shall not be counted towards the total number of annual work hours performed at the business.
4. The position shall remain exempt until the position is vacated by the current employee. Exempt positions that are vacated must have a new Employer Job Order Form submitted to the Workforce Development Bureau to be re-considered for exemption from the 40% Equity Hire requirement.

## **How can I learn more about the 40% Equity Hire Requirement?**

Adult-Use Cannabis Businesses are required to participate in the Workforce Development Employer Orientation prior to obtaining an adult-use cannabis business license by the City. The orientation will provide information on how to comply with the 40% Equity Hire Program, and identify services offered by the Workforce Development Bureau to help businesses meet program goals. To learn

more, please contact the Workforce Development Bureau at (562) 570-4576 or [cannabisjobs@longbeach.gov](mailto:cannabisjobs@longbeach.gov).