

2021 ANNUAL REPORT

Department of Commerce and Economic Opportunity



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SUMMARY

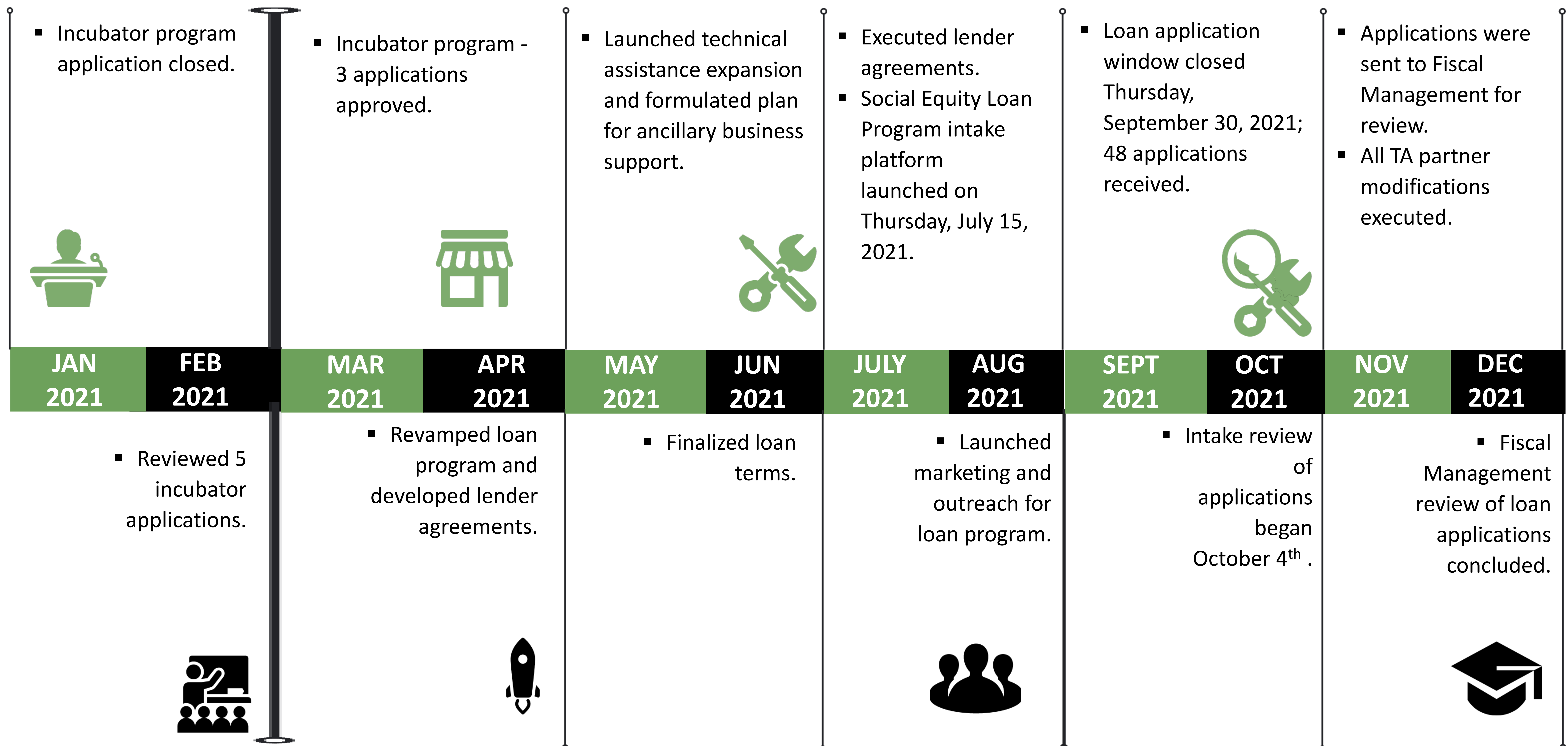
“ DCEO has driven efforts to support social equity applicants and licensees through comprehensive technical assistance and strategic partnerships that leverage funding to provide affordable and flexible loans.

The Department of Commerce and Economic Opportunity (DCEO) is responsible for three facets of the State of Illinois Cannabis Program: Incubator and Sponsorship, Technical Assistance, and Social Equity Loans. In early 2021, through an application submission review process, DCEO accepted several companies renewing their early adult-use cannabis licenses into the Incubator and Sponsorship program. Accepted licensees met the Social Equity Inclusion Plan requirement for license renewal by providing financial and technical support to social equity applicants.

Throughout this year, DCEO managed its network of four technical assistance partners to provide accessible support and guidance to interested social equity applicants and now licensees. Technical assistance has proved critical for ensuring equitable representation of small and diverse businesses and entrepreneurs in the emerging cannabis industry and in navigating the deficiency notice process; resulting in hundreds of prospective business owners/entrepreneurs interested in owning a cannabis business receiving much needed support this fiscal year.

To support the Social Equity Loan Program, DCEO finalized loan partnership agreements with private lenders to enhance the amount of funding available to licensees for flexible low-interest loans to social equity licensees. DCEO began accepting loan program applications from recipients of licenses from the Department of Agriculture upon license issuance on July 15, 2021 and closed the application window on September 30, 2021. To date, we have received 48 loan applications, 41 across all Illinois Department of Agriculture (IDOA) license types. We also had 7 applications submitted for the Illinois Department of Finance & Professional Regulation (IDFPR) Adult Use Dispensing Organizations license (these are on hold pending court decision to issue licenses to lottery winners). DCEO anticipates loan closings as early as the 1st quarter of calendar year 2022. DCEO will begin accepting applications from dispensary licensees after licenses are issued. **As of the date of this report, no loans have been funded and DCEO has no financial assistance information to report pursuant to 410 ILCS 705/7-15(f). However, this report includes information about the status of the loan and technical assistance programs.**

FY21 Accomplishments



Key Data Points

Social Equity Loan Program

Loan program to provide access to capital for social equity licensees. Due to the COVID-19 pandemic and litigation, timelines have been delayed for evaluating and issuing cannabis business licenses under the CRTA, no loans have been awarded at the time of this report.



\$17,000,000 available to assist licensees

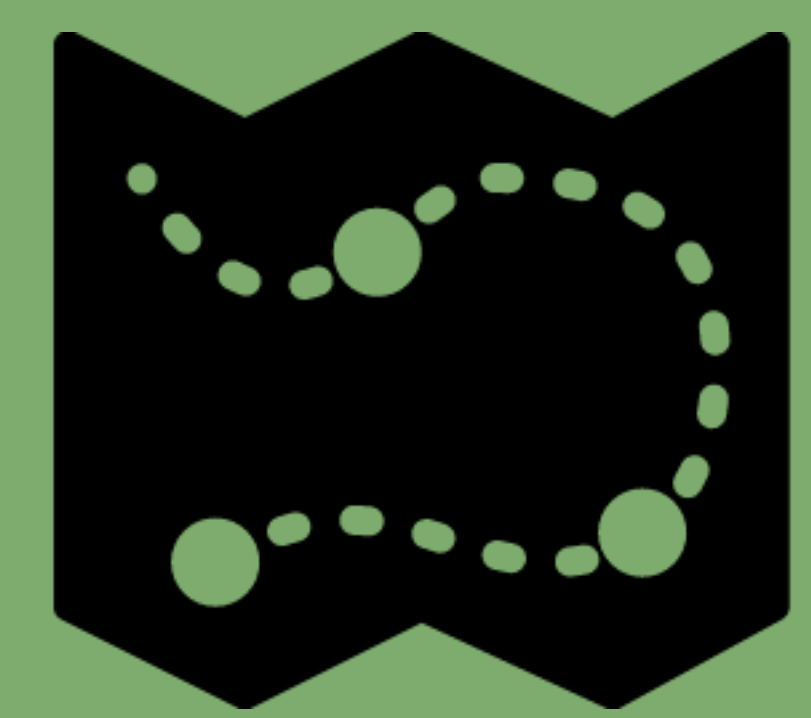


DCEO's participation in a loan will not exceed a certain amount per license type:

- o Transporter: \$50,000
- o Dispensary Organization: \$250,000
- o Infuser: \$250,000
- o Cultivator: \$1,000,000

Technical Assistance

Comprehensive support for social equity applicants and licensees entering the cannabis industry. Our TA partners have continued to provide technical assistance to SEAs by conducting much needed deficiency notice support for both the IDFPR and IDOA supplemental rounds.



Investment in Technical Assistance: \$900K+



Webinars Conducted: 120+
1 on 1 Sessions: 300+



Social Equity Applicants Assisted: 1,300+

Funding Usage

The DCEO FY22 appropriation from the Cannabis Business Development Fund (“CBD fund”) for Cannabis is \$18M, of which \$17 million is reserved for loans and \$1 million for TA awards and administration of the Social Equity Loan Program. DCEO also received an appropriation to support administration of its cannabis programs.

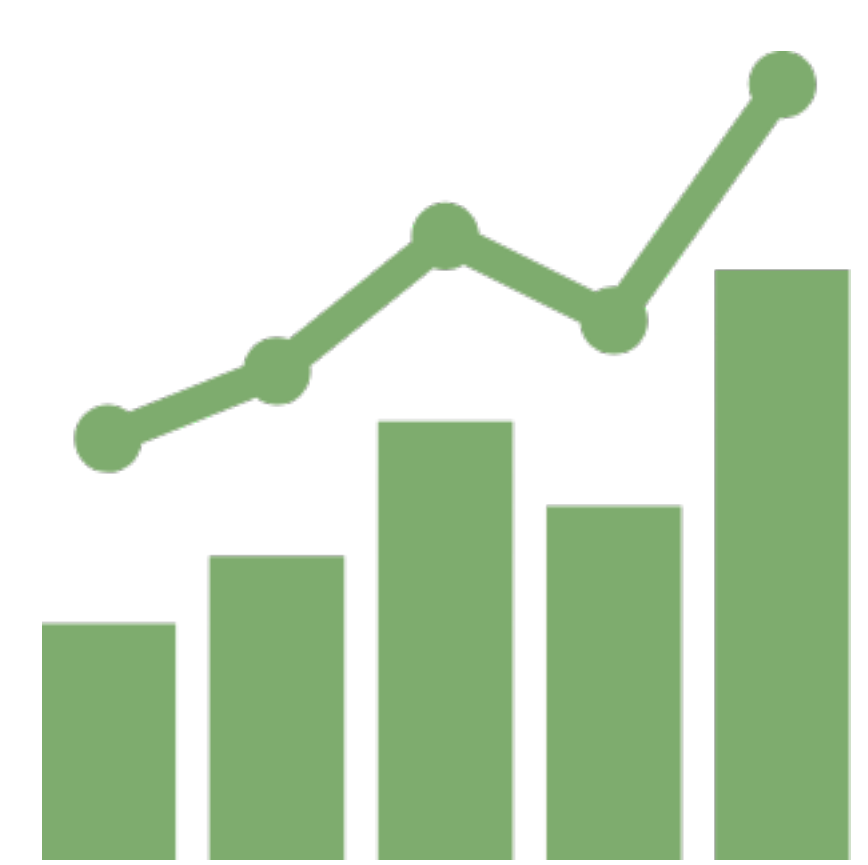
Appropriation language:

Section 15. The sum of \$18,000,000, or so much thereof as may be necessary, is appropriated to the Department of Commerce and Economic Opportunity from the Cannabis Business Development Fund for administrative costs, awards, loans and grants Pursuant to Section 7-10 and Section 7-15 of the Cannabis Regulation and Tax Act.

Section 16. The sum of \$300,000, or so much thereof as may be necessary, is appropriated to the Department of Commerce and Economic Opportunity from the Cannabis Regulation Fund for the ordinary and contingent expenses associated with the administrative of the Cannabis Regulation and Tax Act.

CBD Fund Closing balance as of December 30, 2021

\$39,390,613.70



Funding Breakdown

