

Good Morning Mr. Chair and esteemed Members of the Committee on Government Operations and Military Affairs.

My name is Timothy Egan, and I am here to testify in support of all the small business men and women in Vermont's Cannabis industry and the supportive business infrastructure that has grown in Vermont since you passed adult use legalization in 2018.

For reference I served in the NH House of Representatives from 2018-2022 Representing Grafton District 1 which included Franconia, Lisbon, Lyman, Sugar Hill and of note, Monroe which borders the Vermont town of Barnet, Rygate & West Hartford along the Connecticut River. I highlight this as it's important to recognize the integral business relationship between the Vermonts Northeast Kingdom and NH's North Country. Small businesses in agriculture and tourism see past border lines when relying on vendors and consumers.

Germane to my testimony, for the last 10 years I have been an employee of the State of Vermont at Part Time faculty at Vermont State University where I currently teach at the Lyndon, Johnson and Castleton campuses in the Business Department, Communications & Journalism Dept and mostly importantly for today, in the Cannabis Studies Certificate Program.

I highlight this aspect as I teach Cannabusiness and Coordinate the Programs Internship program. Both aspects help me keep a keen eye on Vermont's cannabis workforce. And it is growing. Students are engaging and expanding our program which has grown every year since its inception in 2019 by Program Director Dr. Phil Lamy. Be it undergraduates or adult learners, we have had 60 students earn their 12 credit certification. As well, we have placed more than 100 students in the cannabis workforce.

Along the way, I have helped our program develop a healthy working relationship with the Vermont Cannabis Control Board to gain insight and guidance in our education efforts, while offering student and faculty support to the Board. Of note our program found the first research intern at the CCB, worked by supporting social equity licensees with interns and serve

on the Social Equity Working Group to assess issues impacting small and sometimes fragile social equity licensed growers, processors and retailer.

Yet it is my most recent naming to the Board of Vermont NORML and election in the summer 2024 as the new Chapter Director, that brings me to focus my testimony on two topics:

The First is business revenue retention and job creation in cannabis industry via ancillary services like advertising and marketing tourism.

The second is regional tourism economic development opportunities via the cannabis industry.

Both draw young people to the state resulting in economic impact by broadened opportunities for the cannabis industry, expansion of tourism assets and most importantly new residents investing in Vermont a business owners, homeowners and consumers.

In my professional opinion the Vermont advertising rules need to be changed to allow the business to invest more in advertising if the rules are more flexible. They currently require the business owner to spend more time on the process of advertising because of the antiquated system that the state has for an employee to review the advertising so it wastes time for the business, and if they hire an ad agency to help them it wastes money in the back and both process to review ads.

Another aspect of the advertising process that hampers businesses is the amount of ad space they need to buy for the elaborate warning that needs to go on the product. If they can only advertise in a product where the preponderance of the audience is above 21 then how come there has to be that much of a safety warning.

As well, that safety warning is costly to processors, who have to fill a lot of their packaging space with safety messages when they could be better off stating how the cannabis was grown, where are the seeds from and its scientific lineage, which would make consumers more comfortable than just hearing a often repeated repetitive safety message.

Lastly, the information hand card required for dispensaries to display and provide to consumers is costly and time consuming. Now six years in to legalization of adult use, is the hand card needed. They are not required in MA, ME or NY allowing border states businesses a competitive advantage of small Vermont businesses. With legislation improving the cannabis advertising policies for businesses they will in turn invest more in marketing by patronizing local media outlets, awareness opportunities and adding staff to do the work either in house or via local communications agencies. When local business succeed they put more money back in the local economy though fees, wages and sponsorships.

Regional tourism can benefit from changes in cannabis legislation. By looking at creating event licenses or social consumption allowances, it recognizes that a large aspect of the cannabis industry audience in Vermont are those who are interested in the outdoors: skiers, snowboarders snowshoe or's winter hikers cross country skiers they are interested in enjoying the products. Having the opportunity for ski mountains to have après-ski parties, outdoors, being wise and respecting the anti-smoking indoors rules, this can create more opportunity for the ski mountains to retain more customers in their après-ski offerings. It would give more opportunity for tourists to come to Vermont in the winter and enjoy everything Vermont has to offer. Our ski industry is ripe for utilization of these type of opportunities.

Equally important is allowing cannabis licenses to be tied to catered weddings, events, festivals or outdoor concerts. Any place where a one day liquor license could be established for catering of an event, so should a cannabis license for those same style of events. As well, the outdoor activities tourist interested in hiking, mountain biking, kayaking, canoeing & fishing can equally enjoy their cannabis. The key aspect of those events and tourists drive local commerce, expanded workforces, growth of ancillary businesses to help this consumer, all benefiting and Vermonts diverse regional economy, be it concerts on the lake in Newport or snowshoeing in Brattleboro.

The Vermont Department of Tourism and Marketing announced recently the results of a new study by Tourism Economics that finds visitors to Vermont in 2023 spent a record \$4 billion on goods and services. Researchers also

found that 15.8 million guests came to Vermont in 2023, showing a sustained return to pre-pandemic visitation. According to the report, “Economic Impact of Visitors in Vermont 2023,” visitor spending represents 9.3% of Vermont’s Gross Domestic Product (GDP), which is significantly higher than the national state average of 3.0% (2022 data). It also found the visitor economy supports 31,053 jobs, which is 9% of Vermont’s workforce. Expanded cannabis social consumption policies can keep that trend moving.

Lastly, the cannabis industry from our perspective at Vermont State University is increasing their interest in Vermont from young adults, whether that undergraduate students coming to study at the state college, where they can earn a certificate in Cannabis Studies to augment their traditional business, communications or nursing degree and focus on cannabis as part of industries that are growing in the state of Vermont.

As well, it is drawing adult learners are one-of-a-kind program is enticing, business owners, or those that want to work for businesses in a cannabis space to come study and understand the value that the state of Vermont offers in its very successful craft cannabis style and limited licensing structure.

Driving more young people to work or settle in the state of Vermont is essential given that it’s tied with New Hampshire being the second oldest population in the country After the state of Maine, who also has legal cannabis and has not yet figured out how to this attract this younger audience. New Hampshire has with their stay work play program, but they have mired themselves in policy conundrum’s and trying to figure out how to legalize adult use cannabis.

Here is where Vermont can make strides to create more revenue, and attract more young people from neighboring states government and help grow an industry that is multi-billion dollars in United States now. As of 2023, a \$1.6 Billion dollar industry in Mass., our neighbor to the south.

I will likely be testifying before you more in the future as a resource for the cannabis educational community and look forward to taking your questions. Thank You.

