

Legislative Report

Date: 1/15/2025

To: Senator Matt D. Klein, Chair of Commerce and Consumer Protection; Senator Gary H. Dahms, Ranking Minority Member of Commerce and Consumer Protection; Representative Erin Koegel, Co-Chair of Commerce Finance and Policy; Representative Tim O'Driscoll, Co-Chair of Commerce Finance and Policy; Senator Aric Putnam, Chair of Agriculture, Veterans, Broadband, and Rural Development; Senator Torrey Westrom, Ranking Minority Member of Agriculture, Veterans, Broadband, and Rural Development; Representative Rick Hansen, Co-Chair of Agriculture Finance and Policy; Representative Paul Anderson, Co-Chair of Agriculture Finance and Policy; Senator Bobby Joe Champion, Chair of Jobs and Economic Development; Senator Rich Draheim, Ranking Minority Member of Jobs and Economic Development; Representative Dave Pinto, Co-Chair of Workforce, Labor, and Economic Development Finance and Policy; Representative Dave Baker, Co-Chair of Workforce, Labor, and Economic Development Finance and Policy

From: Eric Taubel, Director of the Office of Cannabis Management

Subject: Report required under Minnesota Statutes, section 342.70, subdivision 5; CanRenew Program Updates

Introduction

The Office of Cannabis Management (OCM) is required under Minnesota Statutes, section 342.70, subdivision 5, to provide a report to the Legislature that details “awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.”

In the previous reporting cycle, OCM shared the groundwork completed to establish the CanRenew and CanGrow grant programs. This included defining eligibility and award processes, creating reporting and evaluation systems to track outcomes and ensure responsible use of state funds, and launching community engagement strategies designed to inform program design, remove barriers, and build trust ahead of Minnesota’s cannabis market launch. Both the CanGrow and CanRenew grant programs were established in [Laws of Minnesota 2023, chapter 63](#), the state’s original cannabis legalization law.

Program purpose

The CanRenew grant program, administered by OCM’s division of social equity, is designed to support community-based organizations in advancing development, stability, and safety in Minnesota communities disproportionately affected by cannabis prohibition. CanRenew provides funding for community investments that improve local outcomes through economic development, public health and wellness, youth engagement, violence prevention, and civil legal aid.

Through these awards, eligible organizations deliver programs and services that strengthen social infrastructure, expand opportunity, and promote long-term community renewal. The CanRenew program prioritizes organizations that engage youth and foster community partnerships to build safe, thriving, and equitable environments for long-term residents eligible to be social equity applicants.

Program launch

Since last year's report, OCM has advanced the CanRenew grant program from design to implementation. Over the past year, OCM finalized its grants manual, established internal processes for grant administration, staffed a dedicated team to oversee program operations, and awarded the first round of awards.

The grants team has developed the infrastructure necessary to ensure consistency, accountability, and transparency in program delivery. This included creating systems for application submission, eligibility verification, and competitive scoring. The team also implemented fiscal control and monitoring tools to track awards, reimbursements, and expenditures, ensuring compliance with state grant policies. In addition, OCM developed performance-tracking mechanisms and quarterly reporting templates to measure grantee outcomes across key investment areas such as youth development, violence prevention, health and wellness, and economic opportunity. Together, these systems ensure that CanRenew grants are administered with integrity and that investments are advancing community renewal in alignment with statutory intent.

Grants awarded

In 2025, OCM completed the first funding round of the CanRenew program as appropriated by the Legislature, awarding \$1 million to 12 organizations.

Demand for the program far exceeded available resources as appropriated in the first year of the program, with 153 applications requesting more than \$22 million in funding. This response underscores the depth of community interest for investments that promote development, stability and safety—the guiding principles of Minnesota's social equity framework. Unlike business-facing initiatives, the CanRenew program funds community-based outcomes that seek to address the broader harms of cannabis prohibition: housing insecurity, public health and wellness risks, limited youth opportunity, economic exclusion, and barriers to legal aid.

2025 CanRenew grant awardees

Affinity Care MN (Bloomington) was awarded \$100,000 for its Revive the Flats project which stabilizes a 42-unit HIV/disability housing site through staffing, security upgrades, direct aid, and workshops on expungement and tenant rights.

Better Futures (Minneapolis) was awarded \$70,000 to provide men disproportionately impacted by incarceration with life and job skills training that allow them to become fully participating members of their communities and lessen the financial burden of incarceration by reducing the chance of re-offense.

Beltrami Area Service Collaboration (Bemidji) was awarded \$100,000 for its youth-led cannabis and substance use prevention campaign.

Girls Dream Code (St. Paul) was awarded \$50,000 to help empower underserved girls in technology.

Hired (Minneapolis) was awarded \$85,000 for its Corridors to Careers (C2C) project that will serve 40 Twin Cities youth from communities impacted by cannabis laws and help youth build career skills, reduce youth violence, and connect to a healthy future.

Ignite Afterschool (Minneapolis) was awarded \$75,000 for its afterschool youth-led Cannabis Awareness and Education Council for Youth (CAEC) and Young Nonprofit Leaders Club that provides youth peer education on cannabis, civic engagement, and nonprofit management.

InTENtions (Brooklyn Center and Mora) was awarded \$100,000 for its Environmentally Conscious Youth program that connects black, indigenous, and people of color (BIPOC) to nature, sustainable farming, and community gardens, fostering leadership, environmental awareness, and career development.

Metropolitan Economic Development Association (Minneapolis) was awarded \$70,000 to launch a new initiative called Roadmap to Business Success that will create or expand 100+ BIPOC-owned businesses in North Minneapolis through personal and business financial literacy training and mentorship.

United Way of Steele County (Owatonna) was awarded \$100,000 to help develop a teen center that will offer a safe, sober space for youth to study, socialize, and access resources like mental health support and substance use prevention and intervention.

Vermilion Country School (Tower) was awarded \$100,000 for Vermilion Country School's Youth Development & Job Training Program that provides Bois Forte and regional teens with hands-on experience in agriculture, landscaping, forestry, maintenance, and customer service, fostering skills for employment and community engagement.

Walker West Music Academy (St. Paul) was awarded \$50,000 to support the Rondo Community Music Series, a monthly concert series highlighting teaching artists, building community, and reinvigorating Rondo as a cultural and arts hub in the Twin Cities.

World Youth Connect (St. Paul) was awarded \$100,000 for the S.E.E.D. Program, a research project that will collect data through collective storytelling. It is designed to train youth researchers to evaluate, develop, and implement resources that benefit youth affected by cannabis.

The inaugural CanRenew portfolio advances projects in five areas of community revitalization: housing stability, youth development and prevention, workforce readiness, entrepreneurship, and cultural revitalization. Awards were distributed across the seven-county metropolitan region and northwest, northeast, and southeast Minnesota, supporting program reach into both urban and rural communities.

Table 1: Inaugural CanRenew grant recipients

Organization	Priority Area	Location	Amount awarded
Affinity Care MN	Social determinants of health	7-county metro area	\$100,000
Beltrami Area Service Collaborative	Youth development	Northwest central	\$100,000
Better Futures	Re-entry programs	7-county metro area	\$70,000
Girls Dream Code	Youth development	7-county metro area	\$50,000
Hired	Violence prevention	7-county metro area	\$85,000
Ignite Afterschool	Youth development	7-county metro area	\$75,000
InTENTions	Youth development	7-county metro area	\$100,000
Metropolitan Economic Development Association	Business planning	7-county metro area	\$70,000
United Way of Steele County	Re-entry programs	Southeast	\$100,000
Vermilion Country School	Youth development	Northeast	\$100,000
Walker West Music Academy	Youth development	7-county metro area	\$50,000
World Youth Connect	Social determinants of health	7-county metro area	\$100,000

Review and selection process

OCM designed a competitive grant review and selection process for both CanGrow and CanRenew to ensure fairness, transparency, and meaningful community participation. Review panels included 18 reviewers—community leaders, nonprofit practitioners, youth engagement specialists, public health professionals, and other experts—representing expertise in agriculture, community development, small business support, housing, youth engagement, and public health. Reviewers were selected for both their professional qualifications and their lived experience within communities to ensure diverse perspectives in decision-making. Each reviewer completed orientation and conflict-of-interest training before scoring proposals, which included narratives, work plans, and budgets. Applications were evaluated using a scoring rubric emphasizing organizational capacity, project readiness, community benefit, and alignment with program goals.

Evaluation criteria measured the following outcomes across diverse applicant types, including nonprofits, schools, businesses, and community groups:

- The organization's capacity and relevant experience working in communities eligible under Minnesota Statutes, section 342.17.
- The strength of project design and clarity of the work plan, including strategies for promoting development, stability, and safety.
- The depth of community partnerships, outreach strategies, and youth engagement activities.
- The quality of performance measures, data collection plans, and reasonable, well-justified budgets aligned with project objectives.

The process emphasized evidence-based and community-based best practices, requiring applicants to demonstrate that proposed strategies were informed by verifiable data, research, or community evaluation. OCM prioritized applications that showed measurable community benefit, strong collaboration, and a commitment to serving long-term residents eligible as social equity applicants.

Grant reporting and outcomes

Progress reports

Grantee reports covering first-quarter activities were due October 15, 2025. As of the end of October 2025, all grantees had submitted their first quarterly progress report (QPR)ⁱ. In this inaugural year, each grantee was provided an individualized QPR template, measuring their progress toward the goals identified in their OCM-approved workplans.

Projects are in various stages of implementation. For example, grantees have followed state procurement policies to obtain space for a teen center, purchased a van to transport youth to farming activities, and contracted with a security system vendor. They've used multiple engagement strategies to recruit youth researchers and program participants, as well as strategic community partners. As part of granting requirements, grantees will continue to provide progress reports. OCM will include more information in future legislative reports as the impact of the August awards is fully understood.

Grant outcomes

Program-wide outcomes

Each CanRenew grantee of the 2025 awards contributes to one or more of the program's evidence-based impact areas. The cost-benefit analysis below offers an ability to translate CanRenew's qualitative community outcomes into the potential for economic value using Minnesota-validated proxy data. Each domain applies conservative, evidence-based multipliers from state program evaluations utilizing research from several organizations, including Wilder Research, Minnesota Department of Health, Creative Minnesota, Department of Employment and Economic Development, Minnesota's Results First, etc. This analysis reflects a one-year horizon with moderate attrition adjustments and avoids double counting across outcome domains. Taken together, this research and proxy-data illustrate the power of reinvestment to

ⁱ One grantee was awarded after October 15, 2025, so the first quarter activities report is not due at the time of this report's publishing date.

transform communities. Based on analysis of the proxy-data from these organizations, the first-year CanRenew grant program awards has the potential to yield approximately \$3.6 million in social and economic value – a 3.6 to 1 return on investment. The range of possible outcomes extends from a lower-bound estimate of \$2.7 million to a high estimate of \$5.2 million when accounting for long-term multiplier effects such as increased earnings, educational attainment, and business survival. Every dollar invested through CanRenew thus has the potential to generate multiple dollars in quantifiable returns, while also advancing the less tangible but equally vital goals of dignity, stability, and opportunity in communities once excluded from Minnesota’s prosperity.

Project-specific outcomes

Each CanRenew investment has the potential to operate as a multiplier for development, stability, and safety, the pillars of the program as defined in statute. The cost-benefit estimates presented below rely on validated proxy data rather than direct program outcomes and are intended to approximate the scale of potential public value based on evidence-informed program design and benchmarking decisions made to maximize community impact.

The 2025 CanRenew program grant recipients represent projects that direct investment and progress into strategies informed by verifiable data, research, or community evaluation. When evaluating programs of grantees, the research available provides insight into the potential for demonstrable positive outcomes. For instance, Affinity Care MN’s Revive the Flats initiative strengthens housing stability and tenant rights for 42 residents living with HIV or disabilities, pairing supportive housing with expungement workshops that remove legal barriers to employment and tenancy. Wilder Research’s evaluations of supportive housing programs in Minnesota demonstrate that such models reduce emergency service and incarceration costs by nearly half, yielding an estimated public savings of \$31,000 per resident annually.¹ Applying that proxy to Revive the Flats would suggest a potential of roughly \$1.3 million in annual taxpayer savings, in addition to the economic benefits of higher wages and stable tenancy following expungement.

Further, youth development and prevention programs make up the largest share of the CanRenew portfolio, including initiatives in Beltrami Area Service Collaborative’s youth-led prevention campaign, Ignite Afterschool’s peer leadership programs, United Way of Steele County’s Teen Center, Vermilion Country School’s career training, Girls Dream Code’s STEM education, and several cultural or environmental leadership programs led by World Youth Connect, InTENtions, and Walker West Music Academy.

Research shared by the Minnesota Department of Health (2024) and Wilder Research (2023) consistently shows that participation in protective factors or community-based and prosocial activities like afterschool activities improves academic engagement, social-emotional skills, and mental health while reducing risky behaviors.^{2,3} Further research from Minnesota’s Results First Initiative applies a benefit-cost framework grounded in the Washington State Institute for Public Policy’s (WSIPP) evidence-based model to identify public programs that generate positive social and economic returns relative to cost.^{4,5} WSIPP’s evaluations of intensive, evidence-based youth interventions—such as Multisystemic Therapy for court-involved youth—demonstrate benefit-cost ratios of approximately three dollars in public benefit for every dollar invested, reflecting reductions in justice-system involvement, improved educational outcomes, and increased lifetime earnings.⁵ Applying this conservative 3:1 return-on-investment proxy to CanRenew’s \$475,000 investment in youth development and prevention

programming suggests the potential for an estimated \$1.43 million in public benefit. This estimate captures avoided public costs and near-term economic gains associated with improved youth outcomes and does not fully account for longer-term or intergenerational benefits.

In addition to youth development work, the CanRenew grant recipient projects also address advancements in workforce readiness and economic mobility through targeted training and entrepreneurship support. For example, Hired's Corridors to Careers program equips 40 youth with job readiness and violence prevention skills. Minnesota Management and Budget's Results First initiative research finds that evidence-based career and technical education and workforce programs generate positive lifetime earnings gains and benefit-cost ratios exceeding program costs.⁴ Findings from national workforce and sector-based training evaluations show the potential of earning gains of approximately \$2,000 per participant per year.⁶ Utilizing this data as a proxy for estimation of impact applied to Hired's cohort of forty participants, this approach suggests a potential aggregate annual earnings gain of approximately \$80,000.

Representing projects that prioritize support for entrepreneurship, the Metropolitan Economic Development Association (MEDA) is supporting more than 100 BIPOC business owners with mentorship, financial literacy, and capital access. Minnesota's Small Business Development Center network reports that such advisory programs return \$3 for every public dollar invested through increased business revenue, capital infusion, and job creation.⁷ Applying this as an estimation for the potential represented by the CanRenew grant program investments so far could suggest the potential for more than \$200,000 in community-level economic benefit.

Cultural and environmental identity programs complete the portfolio. Walker West Music Academy's Rondo Community Music Series and InTENTions' environmental stewardship initiative both foster connectedness and mental wellness in communities disproportionately affected by prohibition. Creative Minnesota's statewide economic analyses show that arts participation generates significant local economic activity, while University of Minnesota Extension studies link outdoor learning and community gardening to measurable reductions in stress and improvements in nutrition and mental health.^{8,9} These findings suggest that investments in arts and environmental leadership strengthen civic pride, reduce risk behaviors, and improve the overall well-being of participants.

The consideration of existing research is just one factor in OCM's evaluation and establishment of this grant program. OCM and the division of social equity have established the grant program with a commitment to tracking grant recipient's progress reports, measuring outcomes of workplans, and communicating about program outcomes, to show the exponential return on investment into the communities served by CanRenew grant program. While the CanRenew grant is a new program, the state has previously funded programs that promote similar goals, and those programs, as discussed above have shown a substantial benefit to the Minnesota taxpayers above and beyond the dollar amounts awarded in grantmaking.

Citations:

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3. (Serafin et al., 2023) and Serafin, M., Petersen, A., Robinson, M., & Thao, A. (2023). *Needs assessment of youth mental health and well-being in Northeast Minnesota*. Wilder Research. Retrieved from https://www.wilder.org/wp-content/pdf-file/UnitedWayNEYouth_Report_12-23.pdf
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Looking ahead

In the next year, OCM will continue strengthening program evaluation through real-time tracking of expenditures, performance metrics, and program milestones. OCM will also continue expanding access to resources for CanRenew grantees. The next round of CanRenew funding opened for applications on November 10, 2025, supporting a new cohort of organizations investing in community renewal across Minnesota.

OCM will enhance data collection and evaluation methods by incorporating logic modeling to align reporting across the workplan, progress reports, and final grant report. These refinements will streamline monitoring, improve the quality of outcome data, and ensure consistency across all evaluation tools.

Future legislative reports will include analyses derived from grantee-reported participant data, including financial statements, community reach, and long-term impacts.