

STATE-LEVEL MARIJUANA REFORM: LESSONS LEARNED AND ONGOING CHALLENGES



**DRUG
POLICY
ALLIANCE.**

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INTRODUCTION

Since 1996, when California's Proposition 215 marked the first state-level legalization of medical cannabis, the landscape of U.S. cannabis law reform has undergone remarkable changes. Subsequently, numerous states have decriminalized or fully legalized cannabis for both medical and adult use. This rapid shift in policy and public attitude has been driven by sustained advocacy efforts aimed at rectifying past injustices of prohibition and creating new models for responsible regulation. While these reforms have produced many positive outcomes—such as reduced criminalization, broader access to regulated cannabis products, and significant cultural shifts—they have also had unintended consequences and introduced new challenges.

To better understand these developments and guide future efforts, the Drug Policy Alliance organized a series of structured focus groups to gather insights from a wide range of experts, including drug policy reform advocates, researchers, government officials, business owners, indigenous representatives, labor organizers, and medical professionals. This report presents the findings of the focus group discussions, emphasizing the central achievements in state-level cannabis law reform, the unintended consequences and ongoing challenges, and insights on how to move forward. The analysis highlights the continued need to refine cannabis policies to ensure public health protections, small business viability, consumer access and education, and effective regulatory oversight.

FOCUS GROUP PROCESS

A total of ten structured focus group discussions were convened and led by the Drug Policy Alliance in the Spring of 2024. Each focus group centered on one or more topics, including criminal justice impacts, social equity, racial justice, medical and adult-use markets, regulation, public health, labor, alternative market models, and environmental issues. Participants were selected to represent a wide range of expertise and perspectives. They included:

- Policy experts and government officials responsible for crafting or implementing state-level regulations.
- Cannabis activists, legacy market participants, and advocates with firsthand experience of prohibition's harms.
- Physicians and researchers specializing in substance use and public health.
- Legal experts offering insights into enforcement practices and regulatory frameworks.
- Small business owners, labor representatives, and farmers highlighting challenges in the marketplace.
- Indigenous experts and community organizers emphasizing sovereignty concerns and local challenges.

Each focus group employed probing questions to spark candid discussion about significant outcomes, unintended effects, and future threats or opportunities in cannabis policy. The input of participants was then synthesized into key findings by the project team. For a full list of focus group participants see Appendix A.

DISCLAIMER

The following key findings represent the project team's summary of feedback from focus group participants. They reflect collective insights and should not be attributed to any individual participant.

KEY OUTCOMES AND ACHIEVEMENTS

1. Reduction in Criminalization and Legal Relief

One of the most widely recognized victories of cannabis law reform is the substantial decline in arrests and prosecutions for cannabis offenses. Many states now offer avenues for expunging past cannabis convictions, thereby alleviating the long-term negative impacts of criminalization on housing, employment, and social welfare. A number of states have automatically expunged records and some Governors have issued mass pardons. This shift away from punitive enforcement also reflects a broader acknowledgment of the failures of the war on drugs and the necessity of alternative, public health-oriented approaches.

2. Improved Access to Regulated Products

Legal cannabis markets have allowed for the sale of tested and regulated cannabis products that meet specified health and safety standards. Obligations such as product labeling and lab testing have helped reduce consumer exposure to contaminants. As a result, consumers often have safer, more predictable experiences. The creation of regulated channels has also expanded the availability of medicinal cannabis, improved patient access, and fueled new medical research on cannabis's therapeutic potential.

3. Cultural Shifts and Decline in Stigma

Cannabis legalization has eased the stigma associated with cannabis use, particularly in states where legalization has been in place for several years. As arrests decline and cannabis use becomes normalized, conversations have increasingly centered on personal choice, harm reduction, and the potential medicinal benefits of cannabis. This cultural evolution has spurred further policy advancements and public acceptance.

4. Economic Benefits and Community Reinvestment

Legalization has fostered job creation and tax revenue generation. Some states have used tax revenues to finance reinvestment programs intended to remedy past harms associated with prohibition. These programs often include initiatives that support small cannabis businesses or fund community services, workforce development, and other local priorities. However, participants stressed that strong oversight is necessary to ensure these funds reach disproportionately impacted communities.

5. Medical Research and Public Health Advancements

Decriminalization and legalization have contributed to a more open environment for scientific inquiry, enabling additional research into cannabis's medical applications. Scholars and healthcare practitioners can now explore cannabis's effects on conditions such as chronic pain, epilepsy, and behavioral health with fewer of the barriers once presented by prohibition.

6. Advocacy Momentum and Movement Building

Several experts cited the broader drug policy movement's growth and sophistication as a major achievement. By securing legislative wins and shifting public perception, cannabis reform has illustrated a pathway for future initiatives focused on harm reduction, racial justice, and public health approaches to substance use.

KEY CHALLENGES AND UNINTENDED CONSEQUENCES

Despite the achievements mentioned above, the rapid pace of legalization and expansion of commercial cannabis markets has produced a range of complex and interlinked challenges. The following summarizes the major issues identified by focus group participants, most of which remain unresolved.

1. Unregulated Hemp and CBD Market

A high-priority concern is the proliferation of hemp-derived products, such as CBD and high-THC hemp extracts, which often bypass the rigorous quality controls applied to state-regulated cannabis products. This creates confusion among consumers and may expose them to poorly tested or adulterated items. In addition, the influx of lower-cost hemp products into state-legal cannabis markets undermines established businesses that must meet stricter safety and testing requirements.

2. Corporate Monopolization and Market Inequities

Many participants highlighted the increasing dominance of large, well-funded corporations that can afford the high costs of licensing, compliance, and taxation. This uneven playing field has pushed out smaller enterprises and equity-focused businesses that were meant to benefit from legalization. In some instances, licensing requirements and restrictions and predatory investing strategies threaten to concentrate ownership and market control among a few influential entities, making it more difficult for legacy farmers, community-based operations, and entrepreneurs from marginalized backgrounds to compete.

3. Persistence of Unregulated Markets and Crime

In many jurisdictions, the unregulated (also referred to as “illicit” or “legacy”) market has continued alongside legal businesses. High taxes, strict regulatory requirements, and difficulties transitioning legacy operators into the legal system have contributed to ongoing unlicensed activity. Growth in unlicensed operations also raises concerns from some of the experts about criminal networks using front businesses, labor exploitation, human trafficking, and broader public safety implications.

4. Public Health Vulnerabilities including High-THC Products

The legalization of adult-use markets has also led to the widespread availability of high-THC products such as concentrates, vaping cartridges, and potent edibles. Public health experts expressed concerns over the appeal of these products to adolescents and the potential link between THC levels and mental health effects like anxiety or psychosis. This issue is compounded by aggressive marketing tactics, insufficiently clear labeling, and the misconception that legalized cannabis is automatically safe.

5. Rapid Commercialization Outpacing Regulation

The growth of the commercial cannabis market has advanced faster than regulators can manage in some places. A lack of standardized guidelines leads to patchwork policies from state to state, resulting in incomplete data collection, inconsistency in product testing, and varying enforcement approaches. Several experts noted that community outreach and local education efforts are often neglected due to the fast pace of implementing new laws.

6. Shift Away from Justice Orientation to Profit Focus

Historically, cannabis law reform was driven by social justice goals, including repairing drug war harms and creating pathways for impacted communities. As profitability attracts increased corporate and investor interest, however, experts observed reduced emphasis on equitable policy development and restorative justice efforts. Advocates fear that the reform movement’s original intent is being overshadowed by commercial interests seeking to expand consumer markets.

7. Policymaker Fatigue and Loss of Advocacy Momentum

Some lawmakers, having championed early legalization efforts, view the job as done. This fatigue undermines efforts to refine and improve cannabis laws. At the same time, philanthropic and public enthusiasm for cannabis policy reform has waned, leaving fewer resources for the noncommercial priorities that initially shaped the movement. Many experts voiced concerns that these dynamics slow progress on equity, data tracking, labor and other reforms still needed within legal frameworks.

8. Data Collection Gaps

Current systems for tracking cannabis use, product distribution, enforcement, health impacts, worker conditions, illicit activity, and cannabis tax revenue—including how that revenue is allocated—vary significantly across states. In many cases, regulators lack the authority or resources for robust data collection. The deficiency in evidence-based tracking hinders policymakers' ability to craft well-informed rules and measure the impacts of legalization.

9. Labor Issues

A growing cannabis industry means jobs across the industry's supply chain. Yet workers often face inadequate labor protections, particularly in areas such as cultivation and manufacturing. Many states have not adapted labor laws to protect cannabis workers, which some experts fear perpetuates patterns of exploitation reminiscent of other agricultural and service sectors.

10. Environmental Impacts

Without regulations specifically designed for sustainable cultivation, cannabis grows—particularly large-scale or unlicensed operations—can significantly affect water usage, pesticide contamination, and energy consumption. Ensuring environmentally responsible practices is a continuing struggle as more producers enter the market and unregulated producers continue to proliferate.

FOCUS GROUP INSIGHTS — OPPORTUNITIES AND CHALLENGES MOVING FORWARD

I. Address Public Health and Safety Concerns

- **Reduce Co-Use with Other Substances:** Coordinate awareness initiatives to highlight the risks of mixing cannabis with nicotine, alcohol, or other drugs, and expand access to treatment where needed.
- **Discourage Impaired Driving:** Review the effectiveness of drug-impaired driving policies and ensure that related strategies, like roadside sobriety tests, consumer education, and research on THC-impairment detection methods are evidence-based.
- **Consumer Education:** Require serving size restrictions, with clear instructions on safe storage to limit accidental ingestion, harm reduction information, particularly focused on vulnerable groups.
- **Restrict Marketing and Dangerous Product Design:** Restrict corporate marketing, advertising, and product design and development that is focused on vulnerable groups or counter to public health.

2. Criminal Justice Reform

- **Expand Legal Relief:** Legalization alone does not undo past injustices or prevent ongoing consequences tied to criminalization. States must take deliberate steps to provide meaningful relief by releasing individuals currently incarcerated for marijuana-related offenses, issuing pardons, facilitating resentencing, and ensuring automatic expungement of past convictions. Without these efforts, the harms of criminalization will persist even in newly legal markets.

- **Avoid New Criminal Penalties:** Instead of relying on arrests and criminal penalties, states should prioritize education, civil enforcement mechanisms, and public health strategies to manage undesirable behavior. Creating new crimes risks perpetuating the very harms legalization seeks to repair, particularly for communities historically targeted by prohibition. A truly just approach to regulation requires breaking the cycle of criminalization—not rebranding it.

3. Strengthen Regulatory Oversight

- **Close Gaps Between Hemp and Cannabis Regulations:** To confront the issue of unregulated hemp products, states should adopt comprehensive regulations that align hemp-derived products with existing cannabis frameworks and establish parity between cannabis and hemp cultivation. This includes standardized testing, labeling, and age restrictions for hemp products sold in the state.
- **Regulatory Enforcement; Not Drug War 2.0:** Regulators must also be empowered with enforcement tools to address unlicensed operations effectively and provided with sufficient resources to ensure compliance, including civil penalties for unlicensed or unsafe practices.

4. Promote Fair Market Access and Competition

- **Guard Against Corporate Monopolies:** Market regulations should encourage broad ownership and limit corporate concentration by capping the number of licenses per entity and limiting vertical integration for large entities to encourage diverse ownership and prevent predatory expansion.
- **Facilitate Inclusive Licensing:** Licensing processes should be simplified for small businesses, along with financial and technical assistance. Government should establish support services, funding opportunities, and technical assistance to help historically marginalized groups participate.
- **Support Local Farms:** Incentivize smaller-scale cultivation and encourage responsible land use, and advance models that allow for direct consumer sales from small farmers.

5. Facilitate Legacy Market Transitions

- **Streamline Pathways to Legality:** Offer reduced or waived application fees, tax amnesty, and technical assistance programs so that small businesses and legacy operators can navigate regulations more easily.
- **Expand Access to Capital:** Provide financial support—such as low-interest loans or micro-grants—to help formerly illicit operators move into the licensed market.
- **Offer Ongoing Guidance:** Develop training programs on compliance, record-keeping, and safe production methods.

6. Responsibly Regulate High-THC Products

- **Invest in Research:** Reduce research barriers and fund studies that explore the health impacts of high-potency cannabis, guiding future regulatory calibrations.
- **Stricter Labeling and Marketing:** Ensure clear potency information and health warnings to raise consumer awareness of risks associated with high-THC items.
- **Consider Tiered Tax Structures:** By taxing non-medical cannabis products by potency (for instance, milligrams of THC) rather than by weight or price, regulators may be able to discourage excessive THC content while maintaining consumer choice. Consider product specific requirements and restrictions on high THC products.

7. Fund and Expand Consumer Education

- **Public Outreach:** Fund focused public education campaigns to reduce adverse public health outcomes including preventing accidental ingestion, impaired driving, and youth use. Education can also build public support for equity policies.
- **Dispensary Education Requirements:** Mandate that retailers distribute accurate material on safe consumption, dosage, and side effects, ensuring ongoing consumer access to reliable information.
- **Focused Messaging for Vulnerable Groups:** Provide specialized resources and prevention education for those who are young, pregnant, breastfeeding, or prone to substance misuse.

8. Develop Robust Data Collection and Research

- **Uniform Metrics:** Encourage states to adopt standardized metrics, reporting tools, and data definitions to enable meaningful state-to-state comparisons.
- **Long-Term Study Investments:** Fund programs to support large-scale, longitudinal research on cannabis markets, social impacts, public health, and consumer behaviors.
- **Regular Reporting Requirements:** Mandate that licensed businesses submit data for tracking and to inform policy adjustments as markets evolve.

9. Protect Workers' Rights

- **Ensure Compliance with Labor Standards:** Require minimum wage, overtime, and workers' compensation, including for agricultural workers, emphasizing the importance of clear guidelines for both employers and workers.
- **Worker Safety:** Enforce health and safety regulations to address potential hazards such as repetitive strain, chemical exposure, and HVAC issues.
- **Encourage Unionization and Collective Bargaining:** Facilitate employee-driven labor organizations to safeguard fair work conditions and access to benefits.
- **Workforce Development:** Partner with technical schools or community organizations to train and upskill workers for cultivation, processing, and retail.

10. Plan for Interstate Commerce

- **Coordinate Across States:** Pursue compacts between states to align basic regulatory standards, ensuring product safety and tax compliance until federal law changes.
- **Prepare for Federal Legalization:** Develop contingency plans for interstate trade, balancing growth opportunities with protections for small local businesses and social equity programs.

11. Ensure Beneficial Allocation of Tax Revenues

- **Transparent Earmarking:** Assign specific percentages of cannabis tax revenue to invest in public education, public health and communities disproportionately impacted by cannabis criminalization instead of general fund injections.
- **Accountability Mechanisms:** Establish oversight committees (including community representatives) to track expenditures and outcomes related to social equity grants, substance use treatments, and workforce programs.
- **Reinvest in Impacted Communities:** Direct funds toward communities most harmed by prohibition, focusing on initiatives like job training, community development, and expungement clinics.

12. Encourage Noncommercial Models

- **Foster Noncommercial Supply Options:** Support the adoption of non-commercial models, such as state distribution, cannabis social clubs, or home cultivation under regulated conditions to reduce commercial pressures.

13. Ensure Sustained Advocacy and Policymaker Engagement

- **Advance civil legal reforms:** Remove drug testing and barriers to employment and child custody and other public benefits and services due to legal cannabis use, especially for medical patients.
- **Support Expungement Efforts:** Push for automatic expungement of low-level cannabis offenses and provide legal aid to individuals seeking clemency for more serious past convictions.
- **Engage Multiple Stakeholders:** Keep coalition-building a priority, ensuring that community groups, public health experts, and advocates remain integral to policy development to promote consumer interests, small business viability, environmental protections, and equity priorities.

CONCLUSION

The Drug Policy Alliance (DPA) sincerely thanks all of this project's focus group participants for sharing their invaluable insights on lessons learned from state-level marijuana reform. Their perspectives on key achievements, ongoing challenges, and insights will continue to provide critical guidance as we work to address the impacts of cannabis policy and advocate for a more just and equitable path forward.

These discussions have reinforced that both communities and experts recognize the meaningful progress cannabis law reform has achieved—reducing criminal justice involvement, creating a safer cannabis market for consumers, facilitating medical research, and generating social and economic opportunities. At the same time, there is broad consensus that the transition from prohibition to a regulated market has raised important questions about how best to protect public health, sustain a justice-oriented approach, integrate small businesses and legacy operators, prevent monopolization, and ensure an equitable industry.

As we move forward, we recognize the need for continuous assessment and refinement of regulatory frameworks to improve legal, public health, and economic outcomes. Ongoing advocacy and dedicated policymaker engagement are essential to upholding the original intent of cannabis reform—one that acknowledges and addresses past injustices while fostering a fair, stable, and accessible market for all. DPA will utilize these insights to inform our advocacy efforts, ensuring that cannabis policy continues to evolve in ways that prioritize justice, public health, and equity for the long term.

APPENDIX A: FOCUS GROUP PARTICIPANTS

FOCUS GROUP LEADERS

- **Cat Packer**, Director of Drug Markets and Legal Regulation at the Drug Policy Alliance
- **Shaleen Title**, Founder and Director of the Parabola Center
- **Tamar Todd**, Drug Policy Legal Counsel and Policy Consultant

FOCUS GROUP PARTICIPANTS

- **Mary Jane Oatman**, Executive Director of the Indigenous Cannabis Industry Association; Member of the Nez Perce Tribe (Idaho)
- **Dr. Scott Hadland**, Chief of adolescent medicine at Mass General Hospital specializing in young people struggling with drugs and alcohol
- **Amanda Reiman**, Cannabis and public health researcher and social worker and Founder and CEO of Personal Plants
- **Kassandra Frederique**, Executive Director of the Drug Policy Alliance
- **Paul Armentano**, Deputy Director for the National Organization for the Reform of Marijuana Laws
- **Justin Leiby**, Professor in the College of Business at University of Illinois involved in collecting and analyzing data on barriers to entry and equity in the cannabis industry
- **Kat Murti**, Executive Director of Students for Sensible Drug Policy (SSDP)
- **Khurshid Khoja**, CEO and Principal Attorney at Greenbridge Corporate Counsel
- **Chris Goldstein**, Regional Organizer for the National Organization for the Reform of Marijuana Laws in New Jersey, Pennsylvania, and Delaware
- **Ross Gordon**, Policy Analyst with Origins Council
- **Genine Coleman**, Executive Director and Founder of Origins Council
- **Micah Sherman**, Board Member of the Washington Sun & Craft Growers Association
- **Mark Barnett**, Policy Director with the Maine Craft Cannabis Association
- **Geoffrey Pizzutillo**, Executive Director and Co-Founder of the Vermont Growers Association
- **Melissa Moore**, Director of Civil System Reforms for the Drug Policy Alliance
- **Axel Bernabe**, Formerly New York Gov. Cuomo's health counsel
- **Imani Brown**, Dr. Imani Brown Director, Social Equity Program, City of Los Angeles, Department of Cannabis Regulation
- **Tabatha Robinson**, Director of Economic Development for the New York Office of Cannabis Management
- **Julie Hulburd**, Commissioner on the Vermont Cannabis Control Board
- **Eugene Hillsman**, Deputy Director of Equity and Inclusion for the California Department of Cannabis Control
- **Bruce Turcott**, Former Editor of Cannabis Law Deskbook and coordinator of University of Arizona Law certificate program in cannabis law and policy
- **Diane Goldstein**, Executive Director of Law Enforcement Action Partnership
- **Doug Berman**, Director of Drug Enforcement Policy Center at Ohio State University
- **Dominique Mendiola**, Senior Director for the Colorado Department of Revenue's Marijuana Enforcement and Natural Medicine Division
- **Jason Ortiz**, Director of Strategic Initiatives for Last Prisoner Project; Past Executive Director for Students for Sensible Drug Policy; Past President of Minority Cannabis Business Association

- **Lynn Silver**, MD, Director of the Public Health Institute
- **Renee M. Johnson**, PhD, MPH, Professor, Johns Hopkins Bloomberg School of Public Health; working on substance use, drug-impaired motor vehicle crashes, and hemp-derived cannabis products.
- **Amber Senter**, Executive Director and Co-founder of Supernova women
- **Patty Lovera**, Food and agriculture policy consultant
- **Oscar Pares**, Deputy Director of International Center for Ethnobotanical Education, Research, and Services
- **Steve Rolles**, Senior Policy Analyst with Transform Drug Policy Foundation
- **Eliana Green**, Movement and reentry attorney, Delegate Board Member of Supernova Women
- **Mathew Swinburne**, Managing Director for the Legal Resource Center for Public Health Policy-Cannabis at The University of Maryland Francis King Carey School of Law
- **Jane Allen**, Research Triangle Institute International
- **David Nathan**, Psychiatrist and educator; Founded Doctors for Cannabis Regulation, which is now Doctors for Drug Policy Reform
- **Gillian Schauer**, Executive Director of the Cannabis Regulators Association
- **Chelsea Higgs Wise**, Cofounder and Executive Director of Marijuana Justice Virginia