



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

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DIRECTOR

OFFICIAL
Policy Issuance (PI): 20-22

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To: Michigan Works! Agency (MWA) Directors

From: Stephanie Beckhorn, Director **SIGNED**
Employment and Training

Subject: Usage of Federal Funds for Job Seeker and Business Services in the
Marijuana Industry

Programs Affected: Federally Funded Programs Administered by the Michigan Department of Labor and Economic Opportunity-Workforce Development (LEO-WD) and Michigan Works! Agencies (MWAs)

References: United States Drug Enforcement Administration Title 21 United States Code (USC) Controlled Substances Act

Michigan Regulation and Taxation of Marijuana Act of 2018

Rescissions: None

Background: The WD, in partnership with the MWAs, assists job seekers in obtaining employment, education, training, and support services to be successful in the labor market. WD's federally funded job seeker and business services are designed to strengthen and improve our public workforce system and help equip our citizens, including youth and those with significant barriers to employment, to enter high-quality jobs and careers and help employers hire and retain skilled workers.

Policy: The purpose of this policy is to clarify the use of federal workforce development funds in relation to marijuana containing tetrahydrocannabinol (THC). Upon a determination of modifications in the Controlled Substance Act to reclassify or declassify marijuana, the Michigan legislature may amend or repeal current guidance, as necessary, to conform state law to such changes in federal law.

Federal funds cannot be used to support violations of federal law. Legislative changes by states, including Michigan, do not alter federal law, existing suitability criteria, or Executive Branch policies regarding marijuana. An individual's disregard of federal law pertaining to marijuana remains adjudicative and relevant to disciplinary action. Therefore, federally funded programs may not support job seeker and/or business services in the marijuana industry containing THC. This guidance does not preclude the use of federal funds for the testing of individuals to determine the use of marijuana for the purpose of employment eligibility if this testing is an allowable use of those funds.

The State of Michigan legalized the recreational use, cultivation, and distribution of marijuana on December 6, 2018. However, marijuana remains classified under federal law as a controlled substance according to Schedule I of the Controlled Substance Act. It is defined as a mind-altering (psychoactive) drug, produced by the cannabis sativa plant. Marijuana refers to any form or product containing THC. Forms include, but are not limited to dried marijuana, topicals, concentrates (including hash, THC/marijuana oils, wax and shatter), and edibles (referring to any form of marijuana that is mixed with food or drinks).

Federally funded programs are bound by federal law. With respect to marijuana containing THC, this means:

1. Federal funds may not support a customer in entering or retaining employment that is related to the growing, selling, producing, handling, or distribution of marijuana in any form.
2. Federal funds may not support education in fields of study specific to the marijuana industry.
3. Federal funds may not support self-employment or small business goals, or ventures associated with marijuana industry. This includes any business that has related activity that involves marijuana as a component of the business, including self-employment plans that result in the establishment of a dispensary or other marijuana-based industry employment.
4. Federal funds may not be used to support businesses that include marijuana production, processing, transportation, sales, or other marijuana-related activities as a component of their business.
5. Federal funds may not be used to purchase marijuana in any form on behalf of a customer nor assist a customer in the acquisition or consumption of marijuana in any form.

There are no exceptions to this prohibition.

Federal funds may be used to support job seekers and/or business services in connection with hemp production and products. Hemp is a term used to classify varieties of Cannabis that contain 0.3% or less THC content. Hemp holds the capabilities to produce resources such as textiles, food, rope, clothing, shoes, paper, and more.

Action: Local policy and procedures shall be updated, as appropriate.

Inquiries: Questions regarding this policy should be directed to your Workforce Innovation Team State Coordinator.

This policy is available for downloading from the [WD's website](#).

WD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Please contact Ms. Paula Hengesbach by telephone at 517-241-3678 or by email at HengesbachP@michigan.gov for details.

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**Expiration
Date:**

Ongoing

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