



CANNABIS
CONTROL
APPEALS
PANEL

February 28, 2024
PANEL MEETING

Staff Copy



CANNABIS CONTROL APPEALS PANEL

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 **CANNABIS
CONTROL
APPEALS
PANEL**

GOVERNOR GAVIN NEWSOM
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
Secretary Tomiquia Moss



MEETING DATE AND TIME

Wednesday, February 28, 2024
1:30 p.m. to 2:30 p.m.
(Or conclusion of business)

MEMBERS OF THE PANEL

Dr. Diandra Bremond – Chairperson, Los Angeles County
Sharon-Frances Moore, J.D. – Member, San Diego County
Majority Leader Ian Calderon – Member, Orange County

SACRAMENTO COUNTY

Cannabis Control Appeals Panel
400 R Street
Hearing Room, Suite 330
Sacramento, CA 95811
Note: Open to the public

ORANGE COUNTY

Caltrans 12th District Office
1750 East 4th Street
Suite 100, Conference Room 104
Santa Ana, CA 92705
Note: Open to the public

NOTICE TO THE PUBLIC

HOW TO PARTICIPATE: If you wish to participate in person, you may attend any of the above public locations. Or, members of the public may take part remotely. You can watch the meeting through Zoom using the link below. You can also listen by phone using the call-in information.

Join Zoom Video Meeting

<https://us02web.zoom.us/j/88173345092?pwd=bmpReFg2L1drUEVheHdUcnlFcGNIQT09>

Meeting ID: 881 7334 5092

Passcode: 885389

Call-In Information:

Phone Number: 1-669-444-9171

Meeting ID: 881 7334 5092

Passcode: 885389

MEETING ACCESSIBILITY: A person who needs a disability-related accommodation to participate in the meeting may make a request by contacting Christopher Phillips at Christopher.Phillips@ccap.ca.gov, (916) 322-6870, or in writing to: Cannabis Control Appeals Panel, 400 R Street, Suite 320, Sacramento, CA 95811. Providing your request at least one week before the meeting will help to ensure availability of the requested accommodation.

IMPORTANT NOTICES: All times and the order of agenda items are subject to change at the discretion of the Chair. Action may be taken on any item listed on the agenda. We will take public comment on items of discussion for each item. If comment is not requested by the Chair, the public should feel free to request an opportunity to speak. The Chair may limit the time allotted for public comment at their discretion. The meeting may be cancelled without notice.

ADDITIONAL INFORMATION OR REQUESTS: Interested parties may access the meeting agenda and materials at <http://www.ccap.ca.gov>. All other inquiries (such as translation services) should be directed to Christopher Phillips at least one week prior to the meeting.

MEETING AGENDA

- | | | |
|---------------|--|-------------------------|
| Item 1 | Call to Order and Establishment of Quorum
<i>Dr. Diandra Bremond, Chairperson</i> | Action Item |
| Item 2 | Approval of November 9, 2023, Minutes
<i>Dr. Diandra Bremond, Chairperson</i> | Action Item |
| Item 3 | Presentation
<i>Angela Hill, Deputy Director of Government Affairs
Department of Cannabis Control</i> | Information Item |
| Item 4 | Executive Management Report
<i>Anne Hawley, Executive Director</i> | Information Item |
| Item 5 | Election of the Chairperson
<i>Christopher Phillips, Chief Counsel</i> | Action Item |
| Item 6 | Public Comments on Items Not on the Agenda
The Panel may not discuss or act on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting. [Government Code Sections 11125, 11125.7 (a)] | Information Item |
| Item 7 | Future Agenda Items
<i>Dr. Diandra Bremond, Chairperson</i> | Procedural Item |
| Item 8 | Adjournment
<i>Dr. Diandra Bremond, Chairperson</i> | Procedural Item |

AGENDA ITEM 1

No Meeting Materials

AGENDA ITEM 2

Approval of the
Minutes



CANNABIS CONTROL APPEALS PANEL

GOVERNOR GAVIN NEWSOM

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
Secretary Tomiquia Moss



Open Session Meeting Minutes

Thursday, November 9, 2023

1:34 pm – 2:07 pm

Cannabis Control Appeals Panel

400 R Street

Sacramento, CA 95811

Members present via teleconference:

- Dr. Diandra Bremond, Chairperson (in Los Angeles County)
- Sharon-Frances Moore, J.D. (in San Diego County)
- Majority Leader Ian Calderon (in Orange County)

Staff present via teleconference:

- Anne Hawley, Executive Director, Cannabis Control Appeals Panel
- Christopher Phillips, Chief Counsel, Cannabis Control Appeals Panel
- Brian Hwang, Staff Attorney, Cannabis Control Appeals Panel
- Melita Deci, Administrative and Business Services Coordinator, Cannabis Control Appeals Panel

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 1:34 pm.

Melita Deci took the roll call vote. Panel Members Diandra Bremond, Sharon-Frances Moore, and Ian Calderon were present. A quorum was established.

2. Approval of August 15, 2023 Meeting Minutes.

Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the August 15, 2023 meeting. There were no additions or corrections. No comments from the public.

Motion (Moore): Approve the minutes of the August 15, 2023 meeting as submitted. Seconded (Calderon). Melita Deci took a roll call vote on the motion. Motion passed 3-0.

3. Executive Management Report.

Executive Director Anne Hawley provided an update on CCAP's (1) financials and (2) operations.

First, Hawley began with a Budget-to-Actuals for the first quarter of the fiscal year. CCAP's budget is divided into two areas – Personal Services (which includes salaries and benefits) and Operating Expenditures.

For the whole fiscal year, CCAP is budgeted \$2,456,000 for salaries and benefits. In the first quarter, CCAP only spent \$468,022 out of that budget for five staff members and three panel members. CCAP will likely continue to see cost savings as staffing and panel vacancies remain.

Hawley then moved onto General Expenses. This area includes categories such as office supplies, subscriptions, etc. The expenditures in the first quarter were relatively low, but they should increase in the second and third quarters moving forward.

For Printing, there has been very little spending in this area since CCAP's communications have been mostly paperless.

For Communications, Hawley discussed CCAP's expenditures for cell phone services and CALNET – a central communication service provided by the Department of Technology.

For Postage, CCAP had zero expenditures during the first quarter. However, if CCAP starts receiving cases, spending will increase in this area. Hawley commented CCAP should have plenty of room to absorb any such costs.

For Travel, there is \$20,000 budgeted to cover all panel members traveling to Sacramento for hearings, as well as staff members conducting outreach and attending conferences. Expenditures in this area will probably increase moving forward due to the new Bagley-Keene requirements set to go into effect in January.

For Training, staff has various training requirements throughout the year. Those expenditures will be reflected in CCAP's second and third quarter updates.

For Facility Operations, CCAP's rent is approximately \$240,000 annually. The actual and updated costs will be reflected in future reports.

For Consulting and Professional Services, these include various interagency agreements. CCAP has budgeted \$40,000 for HR services provided by the Department of General Services, \$62,000 for various services provided by the Business, Consumer Services and Housing Agency, and \$95,000 for IT services provided by the Department of Consumer Affairs. This category also includes external agreements. These are basic subscriptions and requirements necessary for CCAP operations – such as annual legal research subscriptions, translation services, auditing fees, and service/repair fees for CCAP's audio and visual equipment.

For Information Technology, CCAP has budgeted \$60,000 for fees associated with Salesforce and CCAP's case management system, as well as \$10,500 for internet and cable services.

For other remaining expenses, CCAP is budgeted \$2,000 for security at panel hearings. Expenditures will be incurred once hearings are held. CCAP will also be reimbursed \$46,000 annually for rent from the Alcoholic Beverage Control Appeals Board since they share office space with CCAP.

Hawley provided a final summary for Personal Services as well as Operating Expenditures and Equipment. For the fiscal year, CCAP has been budgeted for \$3,147,000. In the first quarter, CCAP spent a total of \$593,326. Hawley remarked that CCAP is in good shape and will probably have a surplus at the end of the fiscal year.

After completing an update on financials, Hawley then reported on CCAP's operations.

For training, the State Personnel Board conducts a compliance audit on CCAP's HR practices every three years to confirm that CCAP is following various requirements. One of these requirements is whether CCAP is complying with mandatory trainings. On this note, Ethics Training is due on December 1, 2023, the Security Cyber Training is due on February 1, 2024, and, for those who completed the Sexual Harassment Prevention Training in 2023, the next due date will be February 1, 2025. Lastly, as a reminder, Hawley noted that Form 700 must be submitted by April 1, 2024.

Hawley next discussed recent projects involving CCAP staff. First, CCAP's legal team will be assisting the California Privacy Protection Agency on several legal projects and assignments. The legal team has also been busy with the user acceptance testing for CCAP's Salesforce case management system. CCAP's administrative team will be focused on completing all the mandatory year-end reports.

Hawley shared a few more final updates. She noted that an annual licensee is set to have a hearing with the Department of Cannabis Control at the Office of Administrative Hearings on January 30, 2024. Once a proposed decision is issued and the Department adopts the decision, this case could potentially get appealed to CCAP as early as August or September 2024.

Hawley stated she will be reaching out to each panel member to secure a time and date for the next panel meeting in February 2024. She also shared that CCAP is communicating with the Department of Cannabis Control to have one of their representatives appear at the next meeting to provide a briefing on a variety of topics.

Hawley concluded her report and handed the floor back to Bremond. Bremond opened the floor for any questions or comments.

No comments from the Panel. No comments from the public.

4. Update on SB-544 and SB-702.

CCAP legal staff provided a report on pending legislation.

Chairperson Bremond introduced the Panel's Chief Counsel, Chris Phillips, and Staff Attorney, Brian Hwang, to discuss two recent bills – SB 544 and SB 702. This agenda item is informational only and there is no vote required.

Staff Attorney Hwang reviewed the details of SB 544 regarding updates to Bagley-Keene. He summarized the bill's provisions with the panel members. Hwang then opened the floor for any questions or comments on SB 544.

Panel member Calderon asked about the purpose or intent behind this bill. Hwang stated it appears SB 544 underwent several revisions in response to those voicing concern that a lack of in-person presence might lead to transparency issues.

Chief Counsel Phillips provided additional context. Phillips noted that the genesis of this bill began with the pandemic. At that time, Governor Newsom signed an Executive Order exempting many Bagley-Keene requirements – essentially enabling fully remote public meetings. While the order was in effect, the Little Hoover Commission conducted a full study on the benefits of full teleconference meetings. Those benefits included cost savings, increased public participation, and the increased availability of panel or board members who otherwise would have trouble traveling for in-person meetings. The thrust of this study was in support of the Executive Order becoming actual law. This is how SB 544 started. However, as the bill went through various legislative committees, it became subject to new requirements and restrictions.

Calderon also asked what specific groups expressed their opposition to this bill. Executive Director Hawley informed Calderon that groups in opposition included the ACLU, Howard Jarvis Taxpayers Association, the Radio Television Digital News Association, California Common Cause, etc.

Calderon then thanked Hwang, Phillips, and Hawley for their briefing on the bill. No other questions on SB 544.

Hwang then moved onto SB 702. His update concerned the legislative status of the bill. On October 3, the Governor vetoed the bill. Although the Senate and Assembly can override this veto with a two-thirds vote in each house, it is highly unlikely as there have been no veto overrides since 1979. Hwang then opened the floor for any questions or comments on SB 702. There were no questions or comments.

Bremond thanked Phillips for his comments and Hwang for his presentation.

No other comments from the Panel. No comments from the public.

5. Public Comments on Items Not on the Agenda.

Chairperson Bremond warned any comment should not involve pending or future appeals, complaints, applications, or any disciplinary actions that may come before the Panel. No comments from the public.

6. Future Agenda Items.

No comments from the Panel. No comments from the public.

7. Adjournment.

Motion (Moore). Adjourn the meeting. Seconded (Calderon). Meeting adjourned at 2:07 pm.

AGENDA ITEM 3

Presentation by the
Department of
Cannabis Control

(PowerPoint slides presented at the
meeting)

AGENDA ITEM 4

Executive Management Report

(PowerPoint slides presented at the
meeting)

AGENDA ITEM 5

Election of the
Chairperson

CANNABIS CONTROL APPEALS PANEL

STAFF REPORT

REGULAR PANEL MEETING

February 28, 2024

SUBJECT: Election of the Chair

BACKGROUND:

The Member Handbook provides that election of the Panel Chair must occur at the first meeting of each calendar year. Pursuant to this procedure, the Panel must elect a new Chair at the current meeting.

ANALYSIS:

Election of the new Chair is subject to the procedures outlined in the Member Handbook:

Election of the Chair shall occur annually at the first meeting of each calendar year. The election can only occur with a quorum present.

A member must first announce their willingness to be Chair and then may give a short statement why they should be elected.

Each Panel member may cast one vote for the Chair position. Votes will be made publicly. The candidate with the most votes will be elected Chair and will assume the duties of that position at the end of the public meeting.

In the event of a tie, the Secretary of the Business, Consumer Services and Housing Agency, or their delegate, shall publicly cast a single vote to break the tie either at the meeting, or at the next publicly noticed meeting. In the latter situation, the prior Chair shall retain their duties until the tie is broken.

(Selection of Officers, CCAP Member Handbook, at p. 8.)

The Member Handbook also outlines the Chair's responsibilities, including coordinating with the Executive Director to stay abreast of day-to-day Panel operations; managing Panel meetings; overseeing annual review of the Executive Director; and representing the Panel before external entities as necessary. Panel staff can answer any additional questions regarding the duties of the Chair.

BUDGET AND FISCAL IMPACTS:

The election of the Chair will have no effect on the Panel's personnel budget. While the Chair enjoys a higher pay rate than other Panel members (see Gov. Code, § 11553), that pay is already contemplated in the Panel's budget.

BENEFITS AND RISKS:

The election of a Panel Chair during the first meeting of a calendar year is consistent with the duties and responsibilities of the Panel. Adherence to these requirements aligns with best practices, ensures the Panel's administrative and procedural tasks are accomplished, and allows the Panel to continue to adapt its procedures as necessary to accommodate the ongoing development of the cannabis industry. Deviation from these procedures, or failure to timely elect a Chair, may lead to confusion and delays to Panel business. Requiring the regular election at the first meeting of every calendar year also provides clear notice to and consistency for interested parties.

Holding the regular election only once a year ensures continuity of leadership and service under a single Chair. Should the Panel determine that the duly elected Chair has failed to fulfill their duties, there are statutory mechanisms for the removal or resignation of a Panel member, as well as filling the resulting vacancy:

- If necessary, a Panel member may be removed from office by their appointing authority (see Bus. & Prof. Code, § 26040(b)).
- A Panel member, including the current Chair, can resign from their position by providing written notification (see Gov. Code, § 1750).
- Finally, the Member Handbook provides that if the office of the Chair becomes vacant, the Panel shall elect a new Chair at its first meeting after such vacancy occurs, if reasonably feasible. (Selection of Officers, CCAP Member Handbook, at p. 8.)

In sum, the election of the Chair is necessary for the Panel's continuing function and carries only negligible risks.

ATTACHMENTS:

None.

RECOMMENDATION:

Elect a Panel Chair pursuant to Member Handbook procedures.

STAFF CONTACT:

Christopher Phillips, Chief Counsel
Cannabis Control Appeals Panel
(916) 322-6874

AGENDA ITEM 6

Public Comments on
Items Not on the
Agenda

(No Meeting Materials)

AGENDA ITEM 7

Future Agenda Items

(No Meeting Materials)

AGENDA ITEM 8

Adjournment

(No Meeting Materials)