



Open Session Meeting Minutes

Thursday, January 13, 2022
10:32 am – 11:05 am

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
- Sarah M. Smith, Senior Staff Attorney, Cannabis Control Appeals Panel
- Brian Hwang, Staff Attorney, Cannabis Control Appeals Panel
- Melita Deci, Administrative and Business Services Coordinator, Cannabis Control Appeals Panel

Public present via teleconference:

- Kelly Hayes

Others present via teleconference:

- Erica Gonzalez – Business, Consumer Services and Housing Agency

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 10:32 am.

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 September 16, 2021, Meeting Minutes.



Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the September 16, 2021 meeting. There were no additions or corrections. No comments from the public.

Motion (Calderon): Approve the minutes of the September 16, 2021 meeting as submitted. Seconded (Moore). Melita Deci took a roll call vote on the motion. Motion passed 3-0.

3. Introduction of Erica Gonzalez, Deputy Secretary of Equity and Strategic Initiatives for the Business, Consumer Services and Housing Agency

Chairperson Bremond next introduced Erica Gonzalez, the Deputy Secretary of Equity and Strategic Initiatives with the Business, Consumer Services and Housing Agency (Agency), to say a few words.

After introducing herself, Gonzalez thanked the Panel and CCAP staff for inviting her today. She also remarked that, in their short time together, Executive Director Anne Hawley has been a fantastic collaborator.

Gonzalez then went onto talk about her role and share some updates on the Agency's recent work. She was newly appointed by the Governor around last October. A key focus of her work is figuring out how to embed equity in all the things that we're doing – not just within Agency, but also within all the departments that the Agency oversees.

The work starts with knowledge building and shared understanding regarding diversity, equity, and inclusion, and how these concepts integrate into our day-to-day work. Collaboration is also important. Many departments are already leading the way in advancing this initiative and can help other departments that may need some assistance in getting started.

Agency had already begun its strategic planning in this space, but the rise of COVID-19 required Agency to prioritize pandemic-related work. Now that things are more stabilized, Agency is able to resume or "reboot" its work on the initiative. They are currently in the process of stakeholder engagement and reaching out to external stakeholders to learn how they are interacting with Agency and how they feel Agency is meeting goals. This will be followed by an internal analysis with interagency partners, department leads, the Governor's office, and Agency itself. Agency will then use all the gathered information to sculpt their strategic plan and what it will look like moving forward.

Gonzalez remarked that Hawley has been an active part of this work. She noted that Hawley has taken a leading role with her work in CCORE – Capitol Collaborative on Race & Equity – and has been a thoughtful collaborator in this space. Gonzalez concluded by saying she looks forward to continuing to partner with Hawley as well as other departments in the future.



4. Executive Management Report.

Executive Director Anne Hawley presented the Executive Management Report.

Before giving her report, Hawley thanked Erica Gonzalez for her presentation. Hawley also thanked Gonzalez for the outstanding support she has given to Hawley, as well as the guidance from Agency on the Panel's work.

Since the last Panel meeting in September, it has been a busy time for CCAP. Many reports and contracts are typically due in the fourth quarter of the year. CCAP's legal team has continued to assist other state agencies with projects such as regulation packages and legal briefs. Hawley thanked Chief Counsel Chris Phillips, Senior Staff Attorney Sarah Smith, Staff Attorney Brian Hwang, as well as Administrative & Business Services Coordinator Melita Deci for all their hard work during this difficult time throughout the pandemic.

Hawley's report began with some housekeeping items. Form 700 (Statement of Economic Interest) must be submitted to the Fair Political Practices Commission by April 1. If possible, Panel members should submit drafts of their Form 700 by March 14 so that CCAP staff can answer any questions prior to final submittal. Next, regarding strategic planning, the Department of Consumer Affairs notified CCAP that they were supposed to conduct CCAP's environmental scan and interviews in December but were delayed due to staff shortages on their end. The hope is that this will be rescheduled for February.

Hawley then transitioned to discuss recent executive orders and legislation regarding Bagley-Keene and teleconferencing. In March 2020, Governor Newsom issued executive order N-29-20 which temporarily enabled all public agencies to meet remotely by teleconference during the COVID-19 emergency. This order suspended the requirement to post agendas at all teleconference locations, that at least one member of the Panel be physically present at each location, and to provide a physical location for the public to observe the meeting and offer public comment. These exemptions were set to sunset on January 31, 2022, but Governor Newsom signed another executive order last week extending the sunset date by two months to March 31, 2022.

With regard to the new telework policy, the 2021 Telework Policy published by the Department of General Services (DGS) became effective as of October 1, 2021. This policy applies to all state of California agencies, departments, boards, and commissions, and requires that they offer telework as an option to employees. CCAP must establish a written policy and have it fully implemented by October 2022. The overarching goals of telework policy include: (1) encouraging participation of all eligible employees, (2) reducing office space, (3) improving employee retention and recruitment, (4) maintaining or improving employee productivity, (5) reducing environmental impacts (e.g. traffic congestion), and (6) maintaining or improving



customer service. State entities must submit draft telework policies to DGS by January 31, 2022. CCAP already submitted its draft policy to DGS on November 3, 2021, and DGS approved CCAP's telework policy. CCAP will soon begin notifying the union bargaining units. Once CCAP receives approval from the bargaining units, CCAP shall begin fully implementing the telework policy.

Hawley then outlined the telework policy implementation process in greater detail. There are six key requirements to remember. First, once state entities have a final telework policy, a signed Telework Agreement (STD. 200) must be executed between employees and management. Panel members may wonder whether they also have to sign the form. Based on the guidance she's received, Hawley answered that all employees and classifications must sign this agreement. Once CCAP's policy is final, Hawley will be sending the STD. 200 form to the panel members. Second, the policy implementation requires that management identify all telework eligible positions. Most CCAP positions are eligible for telework because the nature of its work. Third, the policy requires outlining the financial responsibility of the state entity and what support or equipment will be provided by the entity. Fourth, the policy requires outlining technology and security procedures, as well as determining how to keep data assets safe in a remote-centered work environment. Fifth, managers must ensure that assessments and opportunities for telework employees are handled fairly, and that there is no favoritism towards office-centered employees. Sixth and finally, DGS will collect telework metrics from each state entity (e.g. energy cost savings, decrease in commute) and this information will eventually be posted to the DGS Telework Data Dashboard.

Hawley provided an update regarding CCAP's facilities. In the spirit of lowering its real estate footprint with the rise of telework, CCAP will begin sharing its office space with the Alcoholic Beverage Control Appeals Board (ABCAB) beginning Friday, January 28, 2022. This will provide significant cost savings on rent and utilities. For Fiscal Year 2021-22, ABCAB will reimburse CCAP \$19,000 covering February to June 2022. For Fiscal Year 2022-23, CCAP will be reimbursed \$43,000.

Hawley next discussed Governor Newsom's proposed budget for Fiscal Year 2022-23 which was announced this week. Under the proposed budget, CCAP would continue to have 13 positions and an operating budget of \$3,242,000 – of which \$3,199,000 would be funded by the Cannabis Control Fund and the remaining \$43,000 funded by reimbursements from ABCAB. CCAP is currently on a three-year limited term budget, which means it will submit a new budget change proposal (BCP) for Fiscal Year 2023 and beyond. It is unknown at this time whether the Department of Finance and the Administration will keep CCAP on a three-year limited term schedule (meaning CCAP has to re-submit a BCP every three years) or whether it will be deemed ongoing beyond 2023.

CCAP's current budget is \$3,114,000. CCAP's year-to-date expenditures (from July to November 2021) includes \$706,707 for Personal Services (salaries and benefits) and \$72,647 for Operating



Expenses and Equipment, for a total of \$779,353. For CCAP's projected expenditures (December 2021 to June 2022), the total is estimated to be \$1,135,511. The projected year-end expenditures is estimated to be \$1,914,864. Altogether, for Fiscal Year 2021-22, Hawley projects that CCAP will be under budget by \$1,199,136.

In closing, Hawley noted the office will be closed on Monday, January 17, in observance of Martin Luther King Jr. Day. She completed her report by wishing everyone a safe three-day weekend. Chairperson Bremond thanked Hawley and CCAP staff for all their hard work.

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

5. Public Hearing and Possible Action Regarding Proposed Amendments to Update and Clarify Regulations.

Chief Counsel Chris Phillips provided an update regarding proposed revisions to CCAP's administrative rules and regulations.

Phillips described this agenda item as another required step in the rulemaking process. In September 2021, the Panel voted to approve the proposed regulatory changes and language and for staff to initiate the 45-day public commenting period. The public comment period ended yesterday at 5 PM and concluded without CCAP receiving a single comment. This is not surprising given that these changes are non-controversial and non-substantive.

Today's agenda item serves two functions. First, it serves as one more public hearing on the current proposed amendments. Second, it serves as an opportunity for the Panel to officially adopt the proposed amendments. Phillips will first facilitate the public hearing portion, and then present CCAP staff's recommendations regarding adoption of the proposed regulation changes.

First, this agenda item provides a public hearing on the proposed regulation changes where members of the public have one more opportunity to address the Panel today. Phillips noted the presence of one member of the public and instructed that if they wish to make a comment, they should use the 'raise hand' feature in Zoom so that he can call on them in a moment. He also instructed the Panel that if any public comments are made, the Panel is not required to immediately respond to them. CCAP staff will be replying to any relevant and germane comments in a document called the Final Statement of Reasons, which is the last major piece in the rulemaking process. Phillips then opened the floor to any members of the public that wished to comment on the proposed regulations. There were no comments from the public. There were also no comments from the Panel. This concluded the public hearing portion of the agenda item.



Phillips then transitioned to the second part of this agenda item. This is also a necessary step in the rulemaking process. After all comments are received and considered by the Panel, the approved regulation text that went out for public comment must now be adopted by Panel in order for CCAP to move forward in the rulemaking process. Phillips provided a brief review of the proposed changes in CCAP's regulations and its forms:

- (1) Non-substantive changes revising all references to multiple licensing entities to now refer to the one sole licensing authority, the Department of Cannabis Control (DCC), which was created following the consolidation last July;
- (2) Updating CCAP's listed address from its old address (on Capitol Mall) to its current address (on R Street);
- (3) Adding the inclusion of CCAP's newly created online portal, which gives appellants another avenue to file the required initiating documents (Form 6003 - Notice of Appeal, Form 6005 - Certification of Email Address);
- (4) Changing pronoun language consistent with gender inclusivity;
- (5) Updating Forms 6003 and 6005 to also reflect the single licensing authority (DCC) rather than the three separate entities that existed prior to consolidation.

Phillips and CCAP staff presented the Panel with a two-part recommendation, that the Panel: (1) adopt the approved proposed regulation text and proposed forms (6003 and 6005), and (2) further authorize staff to complete and submit the rulemaking package to the Office of Administrative Law. Phillips concluded his presentation and opened the floor for any questions regarding the proposed amendments to CCAP's regulations and incorporated forms.

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

Motion (Moore): Adopt the proposed regulation text and proposed forms 6003 and 6005, and further authorize CCAP staff to complete and submit the rulemaking package to the Office of Administrative Law. Seconded (Calderon). Melita Deci took a roll call vote on the motion. Motion passed 3-0.

6. Election of the Chair.

Chief Counsel Phillips facilitated this agenda item. He began by stating that since this is the first panel meeting of the year, it is time for the Panel to elect the Panel Chair for the upcoming year.



He reminded that the election procedures were modified the prior year and gave a brief review of the process. All panel members are eligible, and anyone can announce their willingness to serve as Chair. Candidates may also provide a brief statement as to why they should be elected. Once all candidates have had that opportunity, a roll call vote will be conducted, and a Chair will be elected. Regardless of the outcome, Bremond will retain Chairperson duties for the remainder of today's meeting. Any change to the Chair position will take effect at the next meeting.

Before moving onto the nomination process, Phillips asked if anyone had questions regarding the duties of the Chair or the election process. No questions from Panel.

Phillips then opened up the floor and asked for interested candidates to identify themselves and to provide a speech, if desired. Bremond self-nominated and emphasized willingness to continue serving as Chairperson. Phillips asked if anyone else was interested as a candidate. There were no other candidates.

Phillips asked if Bremond would like to make a brief statement or speech. Bremond replied by stating that it has been an honor and privilege to serve in this role and to work with everyone at CCAP. Bremond looks forward to the future.

Melita Deci then took a roll call vote on Bremond being re-elected as Chairperson. The Panel voted 3-0 in favor of Bremond's re-election.

7. 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.

8. Future Agenda Items.

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

9. Adjournment.

Motion (Moore). Adjourn the meeting. Seconded (Calderon). Meeting adjourned at 11:05 am.