



Open Session Meeting Minutes

Friday, September 23, 2022
1:02 pm – 1:22 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)

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

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 1:02 pm.

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

2. Approval of April 27, 2022 Meeting Minutes.

Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the April 27, 2022 meeting. There were no additions or corrections. No comments from the public.

Motion (Moore): Approve the minutes of the April 27, 2022 meeting as submitted. Seconded (Bremond). Melita Deci took a roll call vote on the motion. Motion passed 2-0.

3. Executive Management Report.

Executive Director Anne Hawley presented the Executive Management Report.

Hawley began with an end-of-the-year summary on the 2021-22 Fiscal Year (FY), which closed on June 30, 2022.

As a reminder, Hawley noted that the Panel is funded by the cannabis control fund (#3288). This fund is supported by cannabis licensing fees, delinquent fees, and other regulatory fees. In addition to funding CCAP, this fund also supports 12 to 13 state agencies and other operational programs that are part of the regulatory framework in California.

Hawley then gave an overview of CCAP's budget. Overall, the budget is divided into two big categories. The first is personal services (e.g., salaries and wages). The second is operating expenditures and equipment.

For personal services, CCAP's budget in FY 2021-22 was \$2,475,000. However, by the end of the year, CCAP's actual expenses was \$1,750,460 – leaving a surplus of \$724,540. This surplus was largely due to the two vacancies on the panel and three staff vacancies (Office Technician, Legal Secretary, and Legal Assistant).

Overall, CCAP had a total budget of \$3,117,000 for FY 2021-22 between “personal services” and “operating expenditures and equipment”. For the latter, CCAP was budgeted for \$642,000 but its actual expenses were only \$453,800.

On a separate note, CCAP's budget reflects an amount of \$18,485 in reimbursements. This is the rent paid by the Alcoholic Beverage Control Appeals Board (ABCAB) beginning from February 2022 for use of CCAP's office space.

Hawley then transitioned into CCAP's second budget category – operating expenditures and equipment. Hawley's report divided this category into multiple sub-categories:

- **General Expenses:** This covers bar dues, office supplies, legal subscriptions (e.g. Westlaw), and news subscriptions. CCAP had a budget for \$10,000 in FY 2021-22. Its actual expenses, however, was \$13,253. Hawley reassured that this is not a problem as overspending in one area can be compensated by CCAP's cost savings in other areas.
- **Printing:** CCAP had a budget of \$5,000. CCAP has seen significant savings in this category due to the impacts from COVID such as the increase in telework.
- **Communications:** CCAP had a budget of \$28,000, but only incurred \$19,422 in actual expenses. This sub-category includes cell phones, CALNET, delivery services, etc.
- **Postage and Travel (in-state):** Hawley commented that the pandemic's impact is reflected in the total lack of spending in the areas of postage and travel. However, travel is expected to increase due to AB-1733, which was signed by the Governor a few months ago. This bill allows boards and commissions to hold meetings via

teleconference, but this is set to expire on July 1, 2023. Travel is also expected to increase because of outreach efforts becoming a greater point of focus as outlined in CCAP's strategic plan. CCAP has had major cost savings in postage since it has been transmitting meeting materials electronically instead of printing and shipping through physical mail.

- Facilities Operation: CCAP went over its budget due to the installation of security card readers for the large conference room as well as new locks for the IT storage closet and the copy room. CCAP's actual rent for the FY was \$222,095. Moving forward, ABCAB will reimburse CCAP each FY in the amount of \$45,000 for rent.
- Interdepartmental Expenditures: CCAP had a surplus due to the cost savings in this area. The actual expenses went down by \$100,000 because DGS accounting and budget is now handled through a direct transfer – it is no longer reflected in this category. Hawley noted that \$24,420 was still spent on DGS “pro rata” which is a mandatory state-wide general administrative services expenditure that each state agency contributes to in order to support those agencies tasked with providing support to all agencies (e.g. State Controller's Office). CCAP was also charged \$3,757 from the Military Department for facilitating the IT audit that CCAP is required to do every three years. CCAP's interagency agreement with the Business, Consumer Services and Housing Agency was \$11,485. CCAP spent \$45,000 with the Department of Consumer Affairs (DCA) since CCAP transferred its IT services over to DCA earlier in 2022. Going forward, the expenditure for DCA's IT services will go up to \$90,000 annually. In addition to DCA, the Department of Financial Protection and Innovation (DFPI) charged CCAP \$15,897 for IT services that DFPI provided the year prior. However, since DCA has now taken over providing IT services to CCAP, this DFPI line item will now be discontinued from the budget.
- Information Technology: This area covers case management consultants, internet service, and supplies (paper, toner, etc.).
- Capital Asset Purchases: The \$16,662 in expenses was required to update (1) CCAP's AV equipment because of various difficulties with sound feedback and connectivity issues in the hearing and large conference rooms and (2) CCAP's microphones to be ADA compliant to better serve those who are sight impaired.
- Non-Capital Asset Purchases: This area includes additional AV cords and equipment, as well as additional chairs for CCAP's large conference room in anticipation of larger meetings. Relatedly, Hawley noted that CCAP lends out its large conference room and hearing room to the Victim Compensation Board and several other state agencies within the building. This is an effort to better utilize CCAP's office space. There is also furniture for hoteling offices that will be built out soon. Lastly, the purchases also include software used every day such as the Adobe suite and Microsoft suite.

Overall, CCAP only spent 70% of the total budget appropriated for FY 2021-22. Hawley closed the report by commenting that CCAP is in good fiscal shape.

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

4. Update on Strategic Plan.

Hawley next provided a brief update on CCAP's strategic plan.

Since the Panel approved the strategic plan in late April, CCAP staff has been working hard at developing various action items for each of the goal areas and objectives. CCAP staff has come up with 40 action items for Goal 1 (Decision Making), 25 for Goal 2 (Outreach and Education), 15 for Goal 3 (Organizational Effectiveness), and 35 for Goal 4 (Diversity, Equity, and Inclusion).

Within a week or two, Hawley will be sending the list of action items to the Panel. This is meant to be a living document that may change over time as the Panel sees fit. Staff will catch up with each panel member in one-on-one meetings scheduled for October. In these meetings, each panel member is encouraged to provide comments on how staff can continue to build on the strategic plan and implement the plan to the Panel's satisfaction. To date, staff has already begun working on several action items – especially those with a high priority.

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

5. Discussion and Action Regarding Proposed Revisions to Regulation Text.

Chairperson Bremond opened by asking if this agenda item could be postponed to the next Panel meeting due to Panel Member Ian Calderon's absence today. No comments from the Panel. No comments from the public.

Motion (Moore): Move this agenda item to the next Panel meeting. Seconded (Bremond). Motion passed 2-0.

6. 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.

7. Future Agenda Items.

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

8. Adjournment.

Motion (Moore). Adjourn the meeting. Seconded (Bremond). Meeting adjourned at 1:22 pm.