



CANNABIS CONTROL APPEALS PANEL

GOVERNOR GAVIN NEWSOM

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
Secretary Lourdes M. Castro Ramirez



Open Session Meeting Minutes

Tuesday, August 15, 2023

10:00 am – 10:48 am

Cannabis Control Appeals Panel

400 R Street

Sacramento, CA 95811

Members present via teleconference:

- Dr. Diandra Bremond, Chairperson (in Sacramento County)
- Sharon-Frances Moore, J.D. (in Sacramento 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

Others present via teleconference:

- Jevon Price

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 10:04 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 March 22, 2023 Meeting Minutes.

Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the March 22, 2023 meeting. There were no additions or corrections. No comments from the public.

Motion (Moore): Approve the minutes of the March 22, 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 presented the Executive Management Report.

Hawley began with a Budget-to-Actuals summary for Fiscal Year 2022-23. Hawley gave an overview of CCAP's budget from the past year. Although books have not yet officially closed, the numbers shown today are close to final:

- "General Expenses" is a broad category which includes categories such as office supplies, subscriptions, bar fees, and office equipment repairs.
- The "Printing" category has had very little spending since CCAP has adopted a paperless process for communication purposes.
- The "Communications" category includes costs for cell phone service as well as CALNET (a service charge by the Department of Technology).
- The spending in the "Postage" category was low. These costs may increase, however, if CCAP begins receiving cases.
- Spending in the "Travel" category is also expected to increase in the new fiscal year compared to the most recent fiscal year.
- For the "Training" category, CCAP spent about \$1,000 last fiscal year.
- The "Facilities" category is probably CCAP's largest expenditure next to "Salaries & Benefits". CCAP's rent is roughly \$230,000 annually. Costs for security went towards the security door system. Costs for special repairs went towards expenditures not covered in the lease agreement, such as signage, painting, etc.
- Under the "Consulting & Professional Services – Interdepartmental" category, there was roughly \$63,000 spent on administrative, legal, legislative policy, and communications services. These services were provided by the Business, Consumer Services and Housing Agency. Next, \$1,224 is a cost earmarked for control agencies such as the Department of General Services, California Military Department, and the State Personnel Board. These entities conduct routine compliance audits on CCAP's procurement authority and hiring practices.
- In the "External" spending category, \$4,700 was spent on translations for various documents into 12 additional languages.
- For the "Information Technology" category, CCAP has an interagency agreement with the Department of Consumer Affairs (DCA) for IT service. Under this agreement, DCA assists with software procurement and manages CCAP's network, security maintenance, as well as the security audits conducted by the Military Department.

- For the “Reimbursement” category, CCAP is reimbursed approximately \$43,000 for rent annually by the Alcoholic Beverage Control Appeals Board.
- Overall, combining “Operating Expenditures & Equipment” *and* “Personal Services”, CCAP’s total budget for the recent fiscal year was \$3,345,000. CCAP only spent roughly 71% of the budget (\$2,361,203) – leaving a surplus or positive variance of \$983,797.

Next, Hawley reported on CCAP’s operations update. Recently, CCAP changed its phone system – migrating from AT&T over to Microsoft Teams. CCAP did this for a couple of reasons:

- Lower cost.
- Its higher functionality is better suited for CCAP’s hybrid work environment.
- It is also more convenient as the auto attendant routes inbound calls to the appropriate staff member as selected by a caller. Also, if a caller leaves a message, a transcript of the message – along with the audio file – will be sent to the appropriate member of CCAP staff.
- This new system will also provide more flexibility and save taxpayer money. Staff will no longer have to use desk phones. Phone calls will now be received through Microsoft Teams either through the computer or on the cell phone.

Hawley also provided an update on CCAP’s Budget Change Proposal (BCP). Governor Newsom signed the 2023-2024 state budget on June 27, 2023. CCAP’s continuation of funding request was included in that signed budget. This will provide funding to CCAP through June 30, 2026. For “Personal Services” CCAP received funding for the five panel positions and six staff positions. When legal workload increases, CCAP will submit another BCP to request additional funding for the Legal Secretary and Legal Assistant positions. Under the new BCP, CCAP’s total budget requested will grow each year primarily due to increased costs in CCAP’s lease agreement.

Finally, Hawley transitioned into discussing the implementation of CCAP’s strategic plan. The one-page “Your Appeal Rights” flyer, Forms 6003 and 6005, the Proof of Service form, and CCAP’s Appeals Process Chart have all been translated into 12 different languages. In addition, DCA has finished providing voiceovers for the seven public instructional videos and has begun working on the graphics. More updates will be provided at the next Panel meeting.

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, Bagley-Keene.

CCAP legal staff provided a report on pending legislation.

Chairperson Bremond introduced the Panel's Chief Counsel, Chris Phillips, and its Staff Attorney, Brian Hwang, to discuss SB 544 – a bill to amend the Bagley-Keene Act by suspending certain teleconference-related requirements. This agenda item is informational only and there is no vote required.

Staff Attorney Hwang began his presentation with a brief refresher. SB 544 was introduced earlier this year in February by Senator Laird. During the pandemic, the Governor issued an executive order to allow state bodies to hold teleconferences while waiving certain requirements – such as having to post agendas at all teleconference locations. The effect of this order expired last month. As mentioned, SB 544 would permanently amend Bagley-Keene to remove several teleconference requirements which had been waived under the Governor's executive order.

Hwang noted that, since the bill's introduction, there have been two significant amendments to SB 544. The first revision adds a sunset date of January 1, 2026, which means this bill expires after that date. The second revision would require, for at least 50% of a state body's meetings each year, that a quorum be present at one physical location open to the public.

In practical terms, if the Panel were to hold 10 meetings in 2024, then at least a quorum of the Panel must be physically present at one public location for at least five of those meetings. In essence, this creates a two-track approach. Each meeting must be designated as either "in person" or "remote". For "in person" meetings, at least three Panel members must be present at one physical location, which will most likely be CCAP's hearing room in Sacramento. All remaining meetings may be conducted as "remote" meetings just like the last three years. Panel members can attend remotely without their locations being open or disclosed to the public. Again, however, this will apply – at most – to half the Panel meetings held each year.

As for the status of SB 544, it is currently still pending in the Assembly. The bill has been re-referred to the Assembly Appropriations Committee, but no hearing date has been set. Hwang commented that the legal staff will continue to keep an eye on the bill.

Hwang then opened the floor for any questions or comments.

Panel member Calderon asked whether the Assembly Appropriations Committee (or the Department of Finance) had released a bill analysis regarding the costs associated with SB 544. Hwang replied that the Appropriations Committee has yet to issue an analysis on the bill.

Chief Counsel Phillips added some clarifications. First, according to the Senate Floor analysis on the bill, SB 544 does not appear to have any notable fiscal impact. Second, during earlier discussions about amending this bill, the term "quorum" was used in reference to the physical presence requirement for at least 50% of future meetings. Yesterday, however, the official text of the amendments was released, and it refers to a "majority" of the members instead. Phillips explained that he read this language to mean today's meeting would satisfy the amended bill's requirement since a majority of the Panel's active members were present at one physical

location (CCAP's hearing room in Sacramento). Phillips closed by noting the legal staff will continue to figure out the exact requirements of the bill.

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

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

5. Designate Quarterly Meeting Dates (2023-2024).

Chairperson Bremond introduced the next agenda item. The Panel will discuss proposed quarterly public Panel meeting dates for the remainder of 2023 through the end of 2024. Following discussion, the Panel will vote whether to accept the proposed meeting dates.

Since today's meeting is being held in August 2023, the next quarterly meeting would be November 2023. For the calendar year 2024, the quarterly meetings would take place in February 2024, May 2024, August 2024, and November 2024.

Bremond opened the floor for feedback from other panel members. Panel member Calderon expressed, with enough notice, those meeting dates should be feasible and provide enough flexibility. Planning ahead will help ensure upcoming meetings proceed smoothly and without issue. No other comments from the Panel. No comments from the public.

Motion (Moore). Accept the proposed Panel meeting dates. Seconded (Calderon). Melita Deci took a roll call vote on the motion. Motion passed 3-0.

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. Closed Session.

Open session suspended at 10:29 am for the Annual Review of the Executive Director in closed session, under the authority of Government Code section 11126(a)(1). Open session resumed at 10:47 am.

9. Adjournment.

Motion (Moore). Adjourn the meeting. Seconded (Calderon). Meeting adjourned at 10:48 am.