



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.