

Open Session Meeting Minutes

Wednesday, March 30, 2022
10:38 am – 11:50 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

Others present via teleconference:

- Ann Fisher, Department of Consumer Affairs
- Elizabeth Coronel, Department of Consumer Affairs

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 10:38 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 January 13, 2022 Meeting Minutes.

Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the January 13, 2022 meeting. There were no additions or corrections. No comments from the public.



Motion (Moore): Approve the minutes of the January 13, 2022 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.

First, Hawley commended Panel Members Bremond, Moore, and Calderon for submitting their Form 700 before the April 1 deadline. Hawley expressed her gratitude for their attention to this important requirement.

Hawley next discussed the Governor's executive order relating to Russia sanctions. On March 4, Governor Newsom issued Executive Order N-6-22 regarding the economic sanctions against Russia. The order directs all agencies and departments that are subject to the Governor's authority to review all their government contracts. All state agencies must notify contractors of their obligations and comply with economic sanctions. CCAP has already notified all its contractors and is in compliance with the executive order.

Hawley then discussed the Strategic Planning schedule. She first thanked all the panel members and staff for participating in the environmental scan for the strategic plan. Ann Fisher, the facilitator from the Department of Consumer Affairs (DCA), and Elizabeth Coronel (also from DCA) will be facilitating today's discussion with panel members on establishing CCAP's objectives aligned with its goals. Fisher will also provide details on next steps in the process. Hawley stated she is excited to hear the ideas that are generated today. On April 13, Fisher will facilitate a similar discussion with Hawley and the rest of CCAP staff to build on the Panel's objectives discussed today. The objectives identified from these two sessions will be compiled into a report for additional review by the Panel. Adjustments and final adoption will hopefully take place at the Panel's next meeting on April 27.

Hawley transitioned to the topic of legislation, and provided an update on Assembly Bill 2925. AB-2925 was recently introduced by Assembly Member Cooper. There are two sections to the bill. Section 1 would amend Section 26040 of the Business & Professional Code to add two additional members and increase the size of the Panel from five to seven members. The amended language would give the Senate Rules Committee and the Speaker of the Assembly each a second appointment to the Panel. Section 2 of the bill would amend the Revenue & Taxation Code but would have no effect on the Panel. The first draft of AB-2925 was introduced by Assembly Member Cooper on February 18, 2022. On March 17, the bill was referred to the Business & Professions Committee. On March 21, the bill was returned from the committee with Cooper's amendments introducing Section 2 of the bill. The next step in the timeline is that on April 5, the bill will be heard by the Business & Professions Committee. If the bill passes



out of the committee, then it will be referred to the Appropriations Committee due to its fiscal impact of adding two additional members. CCAP staff will provide a fiscal impact analysis to the Appropriations Committee outlining the bill's financial impacts. The earliest hearing date for the Appropriations Committee would not be until April 27. Following this hearing, the bill will be put on the suspense file. The purpose of the suspense file is to consider all fiscal bills above a certain monetary threshold. AB-2925 meets this threshold since it exceeds the Assembly's \$150,000 threshold. Final decisions regarding a bill staying on or leaving the suspense file are generally determined by the Appropriations Committee Chair. Other deadlines include May 20, which is the last day when fiscal committees can hear and report to the floor bills introduced in their house. May 27 is last day for each house to pass bills introduced in that house.

Following the legislative update, Hawley opened the floor for any questions from the Panel. Panel Member Calderon asked for Hawley's thoughts on Cooper's reasoning behind adding two more members to the Panel. Hawley replied that she reached out to Cooper's office to ask this same question but essentially received a non-response. Hawley stated that his office was not willing to share that information. Hawley also checked in with the Business, Consumer Services and Housing Agency as well as their Deputy Secretary to see if they had any information, but they had no information. Calderon offered to reach out to Cooper, and Hawley stated that would be helpful. Hawley explained that this bill would add over \$550,000 to CCAP's budget. If CCAP is later asked to officially submit a bill analysis, this would probably be an appropriate stage for the Panel, if interested, to look at the bill analysis and provide input. Calderon asked whether the \$550,000 figure would be added to the budget or whether it would be taken out of CCAP's existing budget. Hawley answered that CCAP currently does not have the ability to absorb that amount. This additional amount, which includes items such as salary, benefits, and equipment, would require CCAP's budget to be augmented through the Budget Change Proposal (BCP). CCAP currently has a three-year, limited term BCP, so this fall CCAP will be required to submit a new BCP that will hopefully be more permanent in nature. Chairperson Bremond asked who would make the additional appointments. Hawley stated this bill is atypical to what you would usually find in CCAP as well as other boards and panels similar to CCAP. The additional appointments would be coming from the legislature. The Senate Rules Committee would get a second appointment, and the Speaker of the Assembly would also get a second appointment. This would create an imbalance where the legislature would have more appointees than the Governor. This is pretty unusual and Hawley stated that, most of the time, there is a two-thirds split similar to CCAP where the Governor has three appointees and the legislature two appointees. If passed, this bill would be an outlier. Calderon replied that as additional context, this bill will likely have to be signed by the Governor. The Governor is not likely to sign a legislation like this. Calderon's assessment is that the legislature usually stands in a different position on public safety and related issues and thus may not see eye-to-eye with the Governor. This bill might be Cooper's attempt to impact what he believes is lacking in this space. Calderon concluded by noting that CCAP's problem isn't too few members, but too few

cases resulting from the inability of provisional licensees to have access to CCAP. Hawley thanked Calderon for his thoughtful feedback. There were no other comments.

Hawley moved onto provide financial updates. CCAP's current budget is \$3,114,000. CCAP's total year-to-date expenditures currently sit at \$1,337,752. CCAP's projected year-end expenditures are looking to be around \$2,031,590. CCAP is thus projected to run below its budget for Fiscal Year 2021-22 in the amount of \$1,082,410.

In closing, Hawley thanked the audience for their time and attention, and turned the stage back over to Bremond. Chairperson Bremond thanked Hawley and CCAP staff for all their hard work.

Bremond opened the floor for any comments from the Panel. Calderon added that being under budget is great, but things will change as more places open up with the relaxation of COVID-19 protocols. There may be additional costs such as travel by the Panel to Sacramento should in-person meetings resume. Hawley agreed and added that CCAP is looking into more outreach events for legal staff which would also add travel costs.

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

4. Strategic Planning Workshop.

Chairperson Bremond next introduced Ann Fisher, a Strategic Business Analyst and Facilitator with DCA, who will facilitate the Panel's SOLID workshop. As additional background, DCA's SOLID unit assists agencies in conducting environmental scans, forming strategic plans, and addressing opportunities and challenges the agency may face. In this workshop, Ann will discuss the results of the Panel's environmental scan and facilitate the Panel's strategic planning.

After introducing herself, Fisher thanked the Panel and CCAP staff for inviting her today. She also introduced her co-facilitator, Elizabeth Coronel. Their role is to act as a neutral party, provide structure to the workshop, and document ideas generated today. Fisher instructed panel members to respect each other's contributions, suspend judgment during brainstorming sessions, keep time limits in mind, and be willing to reach a consensus.

Fisher provided an overview of the strategic planning process. This process helps us look at where we are now as seen through the mission statement and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. We will also look at where we're going as reflected through the vision statement. More specifically, we will figure out how to get there as encompassed in the goals and objectives developed by the Panel today.

Fisher summarized the Strategic Planning process so far. There was a preliminary meeting where CCAP and SOLID defined what the process would look like. Fisher interviewed everyone,

both the Panel and CCAP staff. She took those results and then compiled them into her report. Today's focus will be a planning session where the Panel will look at the SWOT analysis and craft objectives. Fisher will then write up a report to return to the Panel for approval or modifications. CCAP staff will then engage in action planning where they will break things down into concrete steps in order to achieve the Panel's outlined goals and objectives. As a refresher, the SWOT analysis looks at strengths and weaknesses internally, and opportunities and threats externally.

Fisher then reviewed the Mission, Vision, and Values Statement which the Panel had already approved and adopted at a prior meeting. Fisher first reviewed the Mission Statement: The Cannabis Control Appeals Panel provides fair, accessible, and timely quasi-judicial resolution of appeals from the Department of Cannabis Control's licensing decisions. The Panel confirmed their approval of this statement. Fisher next reviewed the Vision Statement: Cultivating a transparent and respectful forum for cannabis businesses within all California communities. The Panel confirmed their approval of this statement. Lastly, Fisher reviewed the Values: Efficiency, Fairness, Professionalism, Respect, and Transparency. The Panel confirmed their approval of this list of values.

As SOLID and the Panel go through various goal areas, the aim is to create SMART (specific, measurable, action oriented, realistic, time based) Objectives. Each objective will have an action word, a goal or issue statement, and a specific benefit. Ultimately, the strategic direction of the Panel rests in the Panel's hands today. The Executive Director and staff are responsible for implementing the strategic plans and ensuring the strategic objectives are achieved.

Fisher began with Goal Area 1 - Decision Making. She opened the floor by asking the Panel what they would like to achieve in the next five years. Fisher received the following comments and suggestions:

- Bremond said the first thing that comes to mind is to move (action) through the decisions of the Panel efficiently once cases are received (issue). The benefit would be good utilization of the Panel's resources.
- Bremond suggested another objective: create (action) fairness through the decision-making process (issue). The benefit here would be to provide equity to the Panel's stakeholders.
- Panel Member Moore suggested it is important to ensure (action) clarity and transparency in decisions (issue). This would provide the benefit of creating/increasing/promoting public confidence. The public should be able to understand how the Panel operates.
- Calderon stepped in to express that it's hard to set specific objectives in this area since the Panel has yet to receive a case and go through the decision-making process. Fisher commented that she was under the impression that the Panel had gone through a mock



case exercise. Bremond clarified that they have not gone through that exercise, but that it is in the pipeline. Fisher then asked whether this sort of exercise is something they would like to memorialize in the strategic plan. Bremond stated this would be beneficial. On this topic, Hawley echoed Bremond by suggesting the following: identify and develop (action) trainings for Panel members on the decision-making process (issue). The benefit would be to provide a solid foundation on non-biased decision making.

- Bremond had a question for Fisher. When approaching this, are we thinking about the panel members or does this include the CCAP staff as well. Fisher answered as an entire entity. Bremond then replied that it is important that CCAP staff's skills and training remain up to date. Bremond therefore suggested the following as a new objective: identify and develop (action) trainings for staff on issues that impact the Panel (issue). The benefit of this would be staff providing competency and support. Bremond noted that the Panel is only as strong as their team on the ground.

Fisher transitioned to Goal Area 2 - Outreach and Education. For this portion, Fisher handed the floor to Elizabeth Coronel to facilitate the discussion. Coronel received the following comments and suggestions:

- Moore suggested the following: develop (action) a more modern technology-based approach to outreach and education (issue). For example, providing something like an online 'meet and greet' with the staff would help with CCAP's broader outreach with stakeholders. This would provide a benefit of increasing public awareness. Moore stated what she had in mind was greater use of technology, which is prevalent today. This will allow outreach to the public in ways other than CCAP's website. Moore believes it would be advantageous to utilize technology (e.g., social media) more actively, rather than just passively relying on CCAP's public-facing website.
- Calderon says outreach (action) is important to ensure that stakeholders know CCAP exists (issue). The public being aware CCAP exists is important because CCAP is an important part of the cannabis industry being successful in California. The benefit is to increase accessibility to the Panel and, as more people utilize CCAP, the more effective CCAP can be at contributing to a healthy and vibrant industry in California.
- Bremond expressed it would be a good idea to develop (action) an application (issue) to provide trainings and information for the benefit of CCAP's stakeholders becoming more engaged with the Panel's decisions and decision-making process. Calderon revised the action item from "develop" to "create".
- Calderon also proposed the objective of advocate (action) legislative outreach and education (issue). The benefit is providing resources to constituents and local businesses, and increasing their access to the Panel. Right now, there is a lack of education about CCAP's existence within the legislature and the resources that would be of benefit to a legislator's constituents if they knew of CCAP and its services.



Calderon believes it would be helpful to speak with legislators about what CCAP does and how CCAP may help the businesses and constituents in their local communities. He explained that there may be existing licensees or applicants within a legislator's district that disagreed with the decision of the Department of Cannabis Control but did not appeal the decision because they were either unaware of CCAP's existence or could not appeal because they were provisional licensees. The public knowing about CCAP along with the benefits that come with having access to the Panel will be important to its long-term success.

Coronel then transitioned to the final Goal Area - Organizational Effectiveness. For this portion, Fisher facilitated the discussion and received the following comments and suggestions:

- Moore suggested both an internal and external objective. First, Moore recommended initiate (action) a feedback system or process to evaluate internally how CCAP is doing (issue). This internal process could be something done regularly, like on a monthly basis. The benefit is to share Panel's effectiveness.
- Second, Moore also recommended create (action) an external mechanism to allow for feedback from constituents and stakeholders related to their experience with the Panel and the appeals process (issue). Bremond joined in to suggest that this external process could take the form of a survey where appellants could comment on their experience after concluding their business with CCAP. The benefit is that this external data can help improve CCAP's processes and inform the Panel as to how effective they are operating. Calderon commented that this may result in an influx of negative feedback from those who receive adverse rulings from the Panel. Moore acknowledged this possibility but noted there are still lessons you can glean from negative feedback.
- Calderon said that as the Panel starts receiving cases, there should be a review or debriefing process where they can talk about what they liked and disliked about how information pertaining to each case was provided to the panel members by CCAP staff. By identifying factors that either hindered or helped the appeals process, it will help improve the process. The objective would be to evaluate (action) how information has been provided by staff to the panel members. The benefit would be more effective and efficient decision making on behalf of appellants.
- Moore suggested another objective. Create (action) an approach to how the Panel evaluates their effectiveness as it pertains to other state agencies as well as stakeholders. The benefit would be the Panel having a closer relationship with other government entities and being better aware of their potential workflow as well as other issues that may impact the Panel.
- Bremond commented that when it comes to organizational effectiveness, it's hard not to think of fiscal prudence. Bremond thus suggested the objective of evaluate (action)

the Panel's fiscal prudence and effectiveness (issue). The benefit would be ensuring prudent financial stewardship.

Fisher then closed by summarizing the Panel's workshop. The Panel identified five objectives in the goal area of Decision Making, four for Outreach and Education, and five for Organizational Effectiveness – a total of 14 objectives. Fisher asked how long the Panel wishes for this plan to run, noting that some organizations go as short as two years and others as long as five years. Moore noted that five years is too long and antiquated. Things change and move too quickly for five years, so Moore suggested a time period of two years. Calderon noted his agreement with Moore.

Fisher noted the next step is a meeting with CCAP staff where they may either enhance or modify the objectives that were identified today. Fisher will then return a draft back to Hawley by April 15. At the Panel's next meeting, on April 27, they may engage in further discussions with the goal of formally approving the strategic plan. Hawley thanked the Panel for their great ideas and observations, and remarked that staff will continue to build on the ideas generated today. Fisher also thanked the panel members, and echoed Hawley's sentiments regarding the quality of ideas and objectives identified during the workshop. Fisher then handed the floor back to Bremond. Bremond thanked both Fisher and Coronel for their hard work today.

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.

Chairperson Bremond requested that Assembly Member Cooper's bill, AB-2925, be on the agenda for the next meeting. Hawley stated they will make note of this.

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

7. Adjournment.

Motion (Moore). Adjourn the meeting. Seconded (Calderon). Meeting adjourned at 11:50 am.