2022 Annual Report

Introduction

The Cannabis Advisory Committee (CAC) was established under California state law (Business and Professions Code <u>section 26014</u>) to advise the Department of Cannabis Control (DCC) on the development of standards and regulations for commercial cannabis businesses, including those necessary to protect public health and safety.

The CAC engages in thoughtful, comprehensive discussion and provides an important venue for robust public input. This work supports DCC's mission of advancing and facilitating a well-regulated, legal market that benefits all Californians and vision for a safe, sustainable and equitable cannabis market that serves as an example for the world.

Committee Structure and Administration

On August 1, 2022, DCC Director Nicole Elliott <u>appointed</u> a slate of CAC members – the first appointments made following DCC's formation in July 2021 and the first new appointments since the CAC was established in 2017. Appointed members were invited to serve two-year terms.

Members represent a diversity of viewpoints and communities impacted by commercial cannabis activity, including licensed cannabis businesses, labor, academic research and public health, law enforcement, medical use, local government, and environmental advocacy.

The CAC held two meetings of the full committee members during 2022, on September 8 and December 15, 2022 (September 8 Meeting Agenda, December 15 Meeting Agenda).

At its first meeting in September 2022, members elected Ali Jamalian as Chair, and Kristin Nevedal as Vice-Chair. The CAC adopted bylaws, which established the following standing subcommittees:

- Cultivation
- Equity
- Laboratory
- Licensing
- Public Health and Community Impact
- Track-and-Trace



Chair Jamalian also established three ad-hoc subcommittees:

- Manufacturing
- Medicinal Use
- Finance

The Equity and Cultivation Subcommittees held their first meetings in December 2022; the other subcommittees will convene for their first meetings during 2023.

CAC Recommendations

The CAC is required by <u>state law</u> to publish an annual report describing its activities, including the recommendations the CAC made to DCC and whether those recommendations were implemented by DCC. As a reconstituted and therefore newer body much of the committee's activities during 2022 have been spent on establishing the administration of the committee.

Recommendations Related to the Local Jurisdiction Retail Access Grant

The 2022-2023 Budget Act, through provisions enacted by <u>Assembly Bill (AB) 178</u>, outlines minimum requirements for the Cannabis Local Jurisdiction Retail Access Grant Program that DCC must utilize in establishing the program. DCC requested input from the CAC to inform further development of the Local Jurisdiction Retail Access Grant Guidelines.

Specifically, DCC requested input on the following questions:

- What should local jurisdictions be required to include in the plan for permitting cannabis retail that is submitted with the grant application?
- How can the additional equity program funding be constructed to incentive inclusion of meaningful support and opportunities in local retail permitting programs for individuals affected by the War on Drugs?
- Should local jurisdictions be eligible for funding if they will permit only medicinal cannabis retail and will not permit adult-use retail?
- Should any specific requirements be imposed on the local permitting program that will be developed using grant funding?
- What criteria should be used to evaluate whether a local jurisdiction has failed to demonstrate progress toward permitting retail businesses for purposes of recapturing grant funds?



The CAC did not adopt recommendations during its September meeting; however, it held a robust discussion with special focus on requirements around equity programs and participation.

The CAC resumed discussion of these questions posed by DCC during the December meeting, and adopted two recommendations, as follows:

Recommendation The CAC recommends that priority in grant funding be given to local jurisdictions that plan to allocate at least 50% of the funding received directly to equity operators.

Status: The recommendation was presented to DCC for consideration in December 2022. DCC will review the recommendation to determine if it meets legal requirements and furthers the overall intent and goals of the grant program. DCC will release guidelines for the grant program in spring 2023.

Recommendation: The CAC recommends that priority in grant funding be given to local jurisdictions that plan to adopt local equity programs.

Status: The Budget Bill Language authorizing the grant program requires DCC to prioritize local jurisdictions whose retail program contains provisions to assist equity applicants (in Phase 1) and to provide additional funding to eligible local jurisdictions that issue permits to equity applicants (in Phase 2). DCC intends to incorporate these Budget Bill requirements into the overall structure and guidelines for the grant program.

Subcommittee Activity

Equity Subcommittee

The Equity Subcommittee held its first meeting on December 13, 2022 (<u>Meeting Agenda</u>). The subcommittee established its goals and objectives for 2023 meetings and discussed the Cannabis Local Jurisdiction Retail Access Grant Program.

The CAC approved and adopted one of the Equity Subcommittee's recommendations on the Cannabis Local Jurisdiction Retail Access Grant Program, as referenced in the section above.

Cultivation Subcommittee

The Cultivation Subcommittee held its first meeting on December 14, 2022 (<u>Meeting Agenda</u>). The subcommittee established its goals and objectives for 2023 and identified the following topics for primary focus on regulatory issues facing cultivators:

• Streamlining transfer of mixed light cultivation licenses to outdoor licenses



- The opportunity for fallowing
- Direct-to-consumer sales opportunities
- The potential to reduce the amount of touch points between cultivation and consumers
- License fee structure
- Greenhouse gas requirements / generator use
- Track-and-trace issues, including plant tagging and harvest batch tagging
- Reconsideration of prior recommendations that are still outstanding

Conclusion

The CAC is looking forward to 2023, with a robust meeting schedule of both subcommittee and full committee meetings with the goal of advising the Department on relevant issues to ensure a safe, sustainable, and equitable legal cannabis market in California.



Acknowledgements

The CAC would like to acknowledge and thank the following individuals for their leadership and support. We would like to thank the individuals who attended committee and subcommittee meetings, provided thoughtful feedback, and engaged with the work of the committee. We look forward to your continued participation to improve regulation and oversight of the cannabis marketplace in California.

CAC Members

As of December 2022, the following individuals were members of the Cannabis Advisory Committee:

Ali Jamalian, CEO, Kiffen LLC

Amber Baur, Executive Director, United Food and Commercial Workers Western States Council

Antonio Fraser, President, Sonoma Lab Works

Christine De La Rosa, CEO & Co-Founder, The People's Dispensary

David Woolsey, Police Sergeant, San Jose Police Department, Division of Cannabis Regulation

Dr. Ellicott Matthay, Social Epidemiologist and Assistant Professor, NYU Grossman School of Medicine; Affiliate, University of California San Francisco and University of California Berkeley

Dr. Imani Brown, Social Equity Program Director, City of Los Angeles

Jeremy Brown, Co-Owner, Booney Acres; District 4 Supervisor, Trinity County

Kristin Nevedal, Director, County of Mendocino Cannabis Department

Madison Shockley III, Owner, Off the Charts South Los Angeles

Matthew Broad, Legislative Advocate at Broad and Gusman, representing California Teamsters (alternate)

Matthew Clifford, Attorney, Trout Unlimited

Matthew Maldonado, Director of Operations, United Domestic Workers (UDW/American Federation of State, County, Municipal Employee Local 3930) (alternate)

Paul Tupy, Deputy Division Chief, Northern Division, Department of Alcoholic Beverage Control



Sara Payan-Pehrson, Public Education Officer

Terry Brennand, Government Relations Director, Service Employees International Union (SEIU) California State Council

Acknowledgement of Former CAC Members

We would like to thank the following members for their service on the committee:

Jeff Merriman, former Program Manager, Nevada County, Cannabis and Code Compliance Division

Beverly Yu, former Government Affairs Director, United Domestic Workers (UDW/American Federation of State, County, Municipal Employee Local 3930)

Leadership

Gavin Newsom, Governor

Lourdes Castro Ramirez, Secretary, California Business, Consumer Services and Housing Agency

DCC Leadership Team

Nicole Elliott, Director

Rasha Salama, Chief Deputy Director

Matthew Lee, General Counsel

Melissa Eidson, Deputy Director of Administration

Jeff Merriman, Deputy Director of Compliance

Bill Jones, Deputy Director of Enforcement

Eugene Hillsman, Deputy Director of Equity & Inclusion

Angela Hill, Deputy Director of Governmental Affairs

Tamara Colson, Deputy Director of Legal Affairs

Robin Foemmel Bie, Deputy Director of Licensing

Christina Dempsey, Deputy Director of Policy & Research

Maria Luisa Cesar, Deputy Director of Public Affairs

Sean O'Connor, Chief Information Officer



DCC CAC Support Staff

Shannon George, Policy Manager, Policy & Research Division

Margaret Goldbar, Policy Analyst, Policy & Research Division

Devin Gray, Policy Analyst, Policy & Research Division

Nina Lemke, Education & Outreach Manager, Public Affairs Division

Kaila Fayne, Staff Services Manager, Legal Affairs Division

Donovan Dutt, Branch Chief, Information Technology Services Division

Brandon Menge, Service Desk Lead, Information Technology Services Division

Ray Peart, Operation Office Supervisor, Information Technology Services Division

