



**ANNUAL REPORT BY  
THE VIRGINIA CANNABIS CONTROL AUTHORITY**

December 15, 2021

## **TABLE OF CONTENTS**

<b>Overview .....</b>	<b>3</b>
<b>Statutory Authorizations and Mandates of the CCA .....</b>	<b>4</b>
<b>Appointment of the CCA’s Board .....</b>	<b>6</b>
<b>Activity of the CCA .....</b>	<b>7</b>
<b>Statement of Revenues &amp; Expenses .....</b>	<b>9</b>
<b>Conclusion .....</b>	<b>9</b>
<b>Appendix A –Minutes from September 9, 2021 Board Meeting .....</b>	<b>10</b>
<b>Appendix B – Minutes from October 8, 2021 Board Meeting .....</b>	<b>12</b>
<b>Appendix C – Minutes from November 9, 2021 Board Meeting .....</b>	<b>17</b>

## OVERVIEW

Section 4.1-601 of the Code of Virginia (Code) creates the Virginia Cannabis Control Authority (CCA or Authority). During Special Session I of 2021, the General Assembly passed the Cannabis Control Act (Act), Subtitle II of Title 4.1 of the Code of Virginia. While the Act includes a gradual enactment timeline and many sections that must be re-enacted, the sections that embody the CCA and some of its mandates became effective July 1, 2021. This report details the work of the CCA to implement effective sections of the Cannabis Control Act and to prepare for potential outcomes of reenactment. The report covers CCA activity from its creation through December 7 2021, as required by § 4.1-620.

JLARC predicted that a newly created agency would need at least two-and-a-half years between enactment of the law and the beginning of commercial sales to develop a well-regulated commercial market.<sup>1</sup> This is at least six months longer than if regulatory authority was vested in an existing agency because the new agency would “need to have a director appointed, hire managers, and establish basic functions before it could create commercial market regulations.”<sup>2</sup> Over the last five and a half months, the CCA’s Board has endeavored to lay that foundational infrastructure—while also developing expertise in the field—so that the Authority will be well-poised to efficiently and thoughtfully develop regulations after details of the licensing and regulatory regime are reenacted by the 2022 General Assembly.

To date, the Board has held three public meetings<sup>3</sup> to conduct its business, scheduled a fourth, and has worked with staff from the Governor’s Office to make progress between meetings -- all of which is described below. Additionally, the CCA has provided updates to the Cannabis Oversight Commission as requested.<sup>4</sup> The Authority has adopted human resource and procurement policies; established needed financial processes; developed a FY’22 operating budget and FY’23-24 budget package for consideration by the Governor and General Assembly; and begun the process of hiring key staff. In the coming year, the Board looks forward to continue to expand the Authority’s capacity to achieve the mandates given to it by the General Assembly for the promotion of the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth.

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<sup>1</sup> Key Considerations for Marijuana Legalization; JLARC Report 542, Joint Legislative Audit & Review Commission, Nov. 16, 2020, <http://jlarc.virginia.gov/landing-2020-marijuana-legalization.asp>, at 153.

<sup>2</sup> JLARC at 153.

<sup>3</sup> Agendas and minutes for Board meetings are posted on the Commonwealth Calendar. See <https://www.commonwealthcalendar.virginia.gov/>. Members of the public are welcomed to and have attended each of the meetings.

<sup>4</sup> See Joint Commission on Cannabis Oversight, Aug. 17, 2021 and Oct. 14, 2021, [http://virginia-senate.granicus.com/ViewPublisher.php?view\\_id=3](http://virginia-senate.granicus.com/ViewPublisher.php?view_id=3).

## STATUTORY AUTHORIZATION OF AND MANDATES TO THE CCA

The 2021 General Assembly “determined that there exists in the Commonwealth a need to control the possession, sale, transportation, distribution, and delivery of retail marijuana and retail marijuana products in the Commonwealth” to “promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth.” § 4.1-601. To accomplish that purpose, the General Assembly created the Virginia Cannabis Control Authority.

The CCA is “an independent political subdivision of the Commonwealth, exclusive of the legislative, executive, or judicial branches of state government.” § 4.1-601. The CCA is modeled after the Virginia Alcoholic Beverage Control Authority (ABC), which is also an independent, board-directed, revenue generating authority. The CCA has reporting responsibilities to the Governor,<sup>5</sup> General Assembly,<sup>6</sup> the legislative Cannabis Oversight Commission,<sup>7</sup> and the Secretary of Public Safety and Homeland Security.<sup>8</sup> It also must publish several reports on an annual or multi-year schedule.<sup>9</sup>

By code the CCA consists of a Board of Directors (Board), the Cannabis Public Health Advisory Council,<sup>10</sup> a Chief Executive Officer (CEO), and any agents and employees the Board or CEO chooses to employ. § 4.1-602. The Board consists of five citizens appointed by the Governor and confirmed by the General Assembly. § 4.1-607. Board members are prohibited from having a “financial interest, direct or indirect” in a marijuana licensee or entity that has applied for a license. § 4.1-610. The Board is vested with plenary power to “prescribe and enforce regulations

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<sup>5</sup> §§ 4.1-603, 613, 620.

<sup>6</sup> §§ 4.1-603, 613, 620.

<sup>7</sup> Ch. 550, Virginia Acts of Assembly, 2021 Reconvened Special Session I, Enactment Clauses 2-23.

<sup>8</sup> § 4.1-604.

<sup>9</sup> The first report is an annual report of the audited financial statements of the Authority for the year ending the previous June 30. § 4.1-613. The first of these reports will be due in 2022, since the CCA did not exist until July 1, 2021. The second report is a six-year plan detailing the Authority’s assumed revenue forecast and operating costs, as well as other significant financial information and policies. § 4.1-613. This first of these reports will also be published in 2022. The third report is on the Virginia Cannabis Equity Business Loan Program and Fund’s activities. § 4.1-1503. Although the Program and Fund became law on July 1, 2021, the Fund has not yet been funded. The CCA has requested \$6 million for the Fund for FY’24. The first report on the Fund will occur on or before December 1 of the first year it is funded. Lastly, the CCA must publish an annual report on its activities. § 4.1-620. This is that report.

<sup>10</sup> “The Cannabis Public Health Advisory Council (the Advisory Council) is established as an advisory council to the Board. The purpose of the Advisory Council is to assess and monitor public health issues, trends, and impacts related to marijuana and marijuana legalization and make recommendations regarding health warnings, retail marijuana and retail marijuana products safety and product composition, and public health awareness, programming, and related resource needs.” § 4.1-603. The Council must approve all health-related regulations adopted by the CCA. § 4.1-606. The Council met once in 2021, on October 28.

[www.commonwealthcalendar.virginia.gov/Event/Details/53625](http://www.commonwealthcalendar.virginia.gov/Event/Details/53625).

and conditions under which retail marijuana<sup>11</sup> and retail marijuana products are possessed, sold, transported, distributed, and delivered, so as to prevent any corrupt, incompetent, dishonest, or unprincipled practices and to promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth.” § 4.1-601. The responsibilities of the Board are further described below. The CEO is also appointed by the Governor and is responsible for supervising and administering the operations of the CCA; serving as secretary to the Board; exercising powers delegated to him by the Board; employing necessary staff; and making recommendations to the Board for legislative and regulatory changes. § 4.1-608.

The Cannabis Control Act envisions an approximately two and a half year timeline of enactment between the creation of the CCA (July 1, 2021) and the start of legal sales (January 1, 2024), with regulations being completed by July 1, 2023 and licenses beginning to be awarded also on July 1, 2023.<sup>12</sup> In the interim, the General Assembly must reenact several licensing, regulatory, and criminal sections of HB2312/SB1406.<sup>13</sup> The CCA’s Board has both operational and regulatory duties and powers to meet those deadlines.

Generally, the CCA’s Board must “control the possession, sale, transportation, and delivery of marijuana and marijuana product,” § 4.1-604(2) “for the benefit of the citizens of the Commonwealth,” § 4.1-601. In terms of regulations, the Board’s duties include approving and overseeing the enforcement of regulations to grant, suspend, and revoke licenses; establishing standards for products, containers, and labels; promoting diversity within the cannabis industry; protecting public health and safety; enforcing relevant laws and regulations; and developing a website to include public guidance materials. § 4.1-604, 606. In terms of operations, the Board must build a new state Authority from the ground up with enough speed to meet statutory deadlines and sufficient oversight to safeguard public funding and assure long-term success of the Authority. These responsibilities include guiding the Authority’s strategic growth; developing human resource and procurement policies; approving operational budgets and budget requests; ensuring the hiring of statutorily-mandated positions; publishing required reports; and, generally, working to ensure that the work of the Authority is at all times for the benefit of the people of the Commonwealth. § 4.1-604, 623.

The Board must meet at least every 60 days. § 4.1-607. The General Assembly appropriated \$3.5 million in Fiscal Year 2022 from the general fund “for the initial operating costs of the Virginia Cannabis Control Authority, created pursuant to House Bill 2312 and Senate Bill 1406 of the 2021 Special Session I.”<sup>14</sup>

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<sup>11</sup> “‘Retail marijuana’ means marijuana that is cultivated, manufactured, or sold by a licensed marijuana establishment.” § 4.1-600. “‘Retail marijuana products’ means marijuana products that are manufactured and sold by a licensed marijuana establishment.” § 4.1-600.

<sup>12</sup> Ch. 550, Virginia Acts of Assembly, 2021 Reconvened Special Session I, Enactment Clause 7.

<sup>13</sup> Ch. 550, Virginia Acts of Assembly, 2021 Reconvened Special Session I, Enactment Clauses 1-23.

<sup>14</sup> “Included in the appropriation for this item is \$3,500,000 the second year from the general fund for the initial operating costs of the Virginia Cannabis Control Authority, created pursuant to House Bill 2312 and Senate Bill 1406 of the 2021 Special Session I. Disbursement

### **APPOINTMENT OF THE CCA BOARD**

On July 19, 2021, Governor Northam announced appointments to the Cannabis Control Authority's Board of Directors. Board members represent Central Virginia, Hampton Roads, and Southwest Virginia. They have experience in state and federal government; backgrounds in finance, criminal law, agriculture, emerging markets, and small business development; and represent a diversity of perspectives.

Mr. Neil Amin of Henrico was appointed to serve as Chair of the Board. Neil is Chief Executive Officer of Shamin Hotels. He previously worked at Goldman Sachs & Co. and has served on public sector boards including the Virginia Treasury Board and Virginia Small Business Financing Authority. Mr. Amin graduated summa cum laude from The Wharton School of the University of Pennsylvania, where he earned a Bachelor of Science degree in Economics and a Master of Business Administration.

The Governor appointed Mr. Michael Jerome Massie, Esq. of Portsmouth to serve as Vice Chair of the Board. Mr. Massie is Owner of Michael Jerome Massie, PC and has previous experience as a trial lawyer with experience at every level of Virginia's courts and federal courts. Mr. Massie earned a Bachelor of Arts degree in American Government from the University of Virginia, a Juris Doctor from the University of Colorado, and a Master of Divinity from Virginia Union University.

The Governor also appointed Ms. Bette Brand of Roanoke. Ms. Brand is Chief Executive Officer of Strategic Consulting LLC and previously served in several roles at the United States Department of Agriculture and at Farm Credit of the Virginias. Ms. Brand earned a Bachelor of Science degree in Agriculture from Virginia Tech and a Master of Business Administration from Virginia Tech.

Ms. Rasheeda N. Creighton of Richmond was also appointed to the Board. Ms. Creighton is Co-Founder of The Jackson Ward Collective, Founder and Chief Executive Officer of The 3Fifty Group, and previously served as the Executive Director of Capital One's 1717 Innovation Center. Ms. Creighton received her Bachelor of Arts degree in English from Spelman College and her Juris Doctor from The University of Michigan Law School.

Mr. Shane Emmett of Midlothian was also appointed to the Board. Mr. Emmett is Co-Founder and Former Chief Executive Officer of Health Warrior and Entrepreneur in Residence at the University of Richmond, and previously served in as an attorney in the Office of the Counselor to Governor Tim Kaine. Mr. Emmett has law degrees from Oxford University and Wake Forest University.

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of these funds shall be upon the determination of the Secretary of Finance and with the advice and consent of the Director of the Office of Diversity, Equity, and Inclusion.” Item 479, U. Chapter 552, Virginia Acts of Assembly, 2021 Reconvened Special Session I.

## ACTIVITY OF THE CCA

In the first five and a half months of its existence, the CCA's Board has worked to lay foundational infrastructure for the new Authority and to develop proficiency in the field of cannabis regulation. The work of the Board to date is described below.

At its first meeting on September 9, 2021,<sup>15</sup> the Board became grounded in its statutory responsibilities. The Secretary of Public Safety and Homeland Security Brian Moran oriented the Board to the CCA's position within state government and charged the Board with the important, multi-year work ahead. The Board's counsel briefed the Board on its transparency and ethical obligations. Staff outlined the Cannabis Control Act, including detailing which sections must be reenacted and articulating the specific responsibilities of the Board. Staff also provided an update on its work to coordinate support from experts in state agencies like the Department of General Services, the Department of Human Resources Management, the Department of Planning and Budget, and the Governor's staff to provide support to the CCA in its "start-up phase."

Throughout September, the Board collaborated with staff to develop operational functionalities for the Authority. Working from JLARC's research on marijuana legalization in Virginia<sup>16</sup> and from the advice of state experts, the Board developed an operating budget for Fiscal Year 2022. The CCA also submitted a budgetary decision package for Fiscal Years 2023 and 2024 to the Department of Planning and Budget.<sup>17</sup> Based on the timeline and mandates included in Ch. 550, Virginia Acts of Assembly, 2021 Reconvened Special Session I, the Authority anticipates needing \$12.1 million and 73 full time employees in FY'23. It anticipates employing about 116 full time employees and operating with a budget of \$21.8 million, including the beginnings of revenue collections, in FY'24. The budget for FY'24 includes \$6 million for the Cannabis Equity Business Loan Fund, as established by § 4.1-1501. The Board recognizes that there is considerable uncertainty about its long-term planning and future budgetary needs given reenactment.

At its second meeting on October 8, 2021, the Board was provided an update on work to establish initial functionalities and began approving infrastructure for the Authority. Staff presented its research on available state-owned properties that would be cost-effective for potential office space. Additionally, staff provided an update on progress made to establish the necessary financial management infrastructure, including federal and state employer IDs, payroll management, and state financial database IDs. Staff also updated the Board on research on It

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<sup>15</sup> See Appendix – Agenda & Minutes from September 9, 2021 Board Meeting.

<sup>16</sup> See Key Considerations for Marijuana Legalization; JLARC Report 542, Joint Legislative Audit & Review Commission, Nov. 16, 2020, <http://jlarc.virginia.gov/landing-2020-marijuana-legalization.asp>.

<sup>17</sup> See Agency Operating Budget Requests: 977 Virginia Cannabis Control Authority, Department of Planning and Budget, [http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=MC\\_161Main&FirstPageCall=False&rdAgReset=True&ShowInput=DontShow&ShowToggle=Show&Submitted=Show&rdShowModes=Show](http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=MC_161Main&FirstPageCall=False&rdAgReset=True&ShowInput=DontShow&ShowToggle=Show&Submitted=Show&rdShowModes=Show).

infrastructure. The Board formally approved the previously-discussed FY'22 budget. The Board also approved human resource policies, as required by § 4.1-623. These policies ensure that the Board's hiring will be done based upon the merit and fitness of applicants, without discrimination, and in such a manner as to promote diversity and inclusion.

Throughout the month of October, the Board worked with staff to continue building the infrastructure of the Authority. Staff obtained and began financial and legal review of a lease for the proposed office space; received a quote for furniture; and began consideration of potential IT contracts. The Board and staff collaborated to establish hiring priorities and a solution to enable the Board to hire despite the absence of human resource staff at the CCA. Staff also requested the first transfer of funding from the General Fund to the CCA to pay for the limited obligations to date: Board salaries mandated by code, § 4.1-607, meeting costs, travel expenses, and the costs of support from agencies including the Attorney General's Office and the Department of General Services. Lastly, the Board collaborated with staff to review, revise, and approve job postings for the first five employees to be hired at the CCA: a Chief Administration Officer; a Chief Diversity Officer and Social Equity Liaison; a Chief Government & External Affairs Officer; a Health Policy Advisor; and an Administrative Assistant.

At its third meeting on November 9, 2021, the Board learned from experts in two relevant fields; approved additional policies; and provided staff guidance on pending work. In light of its significant regulatory responsibilities, the Board received a briefing on Virginia's regulatory process from Mr. Ashley Colvin, Associate Director of Planning, Evaluation & Regulation at the Department of Planning and Budget. The Board then received a briefing from Captain Robert C. Holland and Sergeant Dominic M. Sottile of Virginia State Police (VSP) on their work to prevent and respond to drugged driving, including utilizing the \$1 million provided to VSP in the FY'22 budget to provide more advanced training to officers to recognize drugged driver.<sup>18</sup> The Board approved an electronic meeting policy in accordance with §2-2.3708.2. The Board then discussed previously-shared procurement policies, modeled from ABC's policies and reviewed by counsel. The Board adopted procurement policies. The Board also authorized a process by which staff can make procurement decisions of up to \$25,000, in accordance with approved policies and the approved FY'22 operating budget. The Board also discussed needed revisions to hiring plans and its operating budget in light of the changing circumstances. The Board directed staff to ensure that ongoing work, including lease negotiations, procurement of equipment for staff, and hiring itself, is done in a way to minimize financial losses given the unpredictability of reenactment. The Board emphasized its commitment to carrying out its statutory mandates, including being careful stewards of the public dollar.

Since its last meeting, the Board has continued to make progress on developing infrastructure and expertise. It has developed a beta website—[cca.virginia.gov](http://cca.virginia.gov)—to provide the public with public health and safety resources; information on the Cannabis Control Act; and updates about

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<sup>18</sup> The CCA is responsible for developing and implementing a health, safety, and safe driving campaign by January 1, 2023. Ch. 550, Virginia Acts of Assembly, 2021 Reconvened Special Session I, Enactment Clause 12.

the work of the CCA.<sup>19</sup> This website is in addition to cannabis.virginia.gov, which was launched in June 2021 to answer frequently asked questions. The Board has also scheduled an additional meeting for the year on December 8, 2021 to review applications for employment and learn about the Commonwealth's medical marijuana program.

### **STATEMENT OF REVENUES AND EXPENSES**

To date, the CCA has not received any revenues related to the implementation, administration, or enforcement of the recreational use of cannabis. In terms of expenditures, the Authority maintains a \$3.5 million budget for the current fiscal year and has incurred the following validated expenses to date:

- Board members' salaries;
- Costs related to CCA, Cannabis Public Health Advisory Council, and Cannabis Equity Reinvestment Board meetings;
- Legal Counsel

Within the next quarter, the CCA anticipates the following additional expenditures:

- Contractual services to support Authority creation;
- Office space lease;
- Furniture;
- Consultant fees;
- IT equipment and professional services;
- Classified Employee salaries and benefits;
- Office supplies and other miscellaneous expenses.

### **CONCLUSION**

Virginia is in the only first six months of a two and a half year process to stand up a well-regulated adult-use cannabis marketplace. Over the next two years, the CCA will need to promulgate a considerable body of regulations; issue and, potentially, revoke licenses; stand-up an enforcement regime; assume responsibility for Virginia's medical marijuana program; educate the public on health and safety; continue to build its infrastructure and human capital to accomplish these and other goals given to it by the General Assembly – amongst many other obligations. The CCA looks forward to collaborating with the Governor, General Assembly, sister state agencies, potential licensees, experts, and the public to ensure that this work is done to the highest possible standard.

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<sup>19</sup> § 4.1-604.

**CANNABIS CONTROL AUTHORITY  
BOARD OF DIRECTORS MEETING –  
MINUTES**

**September 9, 2021**

**1:30-4:30 PM**

**Patrick Henry Building – East Reading Room  
1111 E Broad St.  
Richmond, VA**

**MEMBERS PRESENT:** Neil Amin, Chair

Michael Jerome Massie, Esq., Vice Chair

Bette Brand

Rasheeda N. Creighton

Shane Emmett

**LEGAL COUNSEL:** James M. Flaherty, Assistant Attorney General,  
Office of the Attorney General

**PRESENTORS:** Brian Moran, Secretary of Public Safety

Jacquelyn Katuin, Assistant Secretary of Public Safety

Megan Field, Policy Advisor to the Governor

**WELCOME & CALL TO ORDER**

Mr. Amin called the meeting to order at 1:30pm and welcomed the Board Members to the Cannabis Control Authority's first board meeting.

**APPROVAL OF THE AGENDA**

Upon motion by Mr. Amin, and duly seconded, the members voted to approve the September 9, 2021 agenda.

**CALL FOR VOTE:**

Neil Amin, Chair - Aye

Michael Jerome Massie, Esq., Vice Chair - Aye

Bette Brand - Aye

Rasheeda N. Creighton - Aye

Shane Emmett - Aye

**VOTE:**

Ayes: 5

Nays: 0

**INTRODUCTION**

Secretary of Public Safety Brian Moran thanked the Board for their service to the people of Virginia and gave a survey of the Authority's position with state government.

**FREEDOM OF INFORMATION ACT TRAINING**

Assistant Attorney General James M. Flaherty provided the Board with training on their obligations under Virginia's Freedom of Information Act.

**BRIEFING ON THE VIRGINIA CANNABIS CONTROL ACT & THE CANNABIS CONTROL AUTHORITY**

Assistant Secretary of Public Safety Jacquelyn Katuin and Policy Advisor to the Governor Megan Field provided a briefing on the Virginia Cannabis Control Act, including an enactment timeline; an explanation of which section of the legislation must be reenacted; and descriptions of social equity, public, health and public safety requirements. Ms. Katuin and Ms. Field also provided a briefing on the structure, duties, and powers of the Cannabis Control Authority. Ms. Katuin and Ms. Field answered questions from the Board. Discussion ended.

**PUBLIC COMMENT PERIOD**

The Board opened to the floor for public comments. There were no public comments.

**BOARD ADJOURNED**

The board adjourned at 3:32 pm.

**CANNABIS CONTROL AUTHORITY  
BOARD OF DIRECTORS MEETING –  
MINUTES**

**October 8, 2021**

**12:00-3:00 PM**

**Patrick Henry Building – West Reading Room**

**1111 E Broad St.**

**Richmond, VA**

**MEMBERS PRESENT:** Neil Amin, Chair  
Michael Jerome Massie, Esq., Vice Chair  
Bette Brand  
Shane Emmett

**MEMBERS NOT PRESENT:** Rasheeda N. Creighton\*

**LEGAL COUNSEL:** James M. Flaherty, Assistant Attorney General,  
Office of the Attorney General

**PRESENTORS:** Shawn Talmadge, Deputy Secretary of Public Safety and Homeland

**1. CALL TO ORDER**

Mr. Amin called the meeting to order at 12:05 PM.

**2. DETERMINATION OF A QUORUM**

Mr. Amin determined that with four members present, the Board had a quorum.

**3. APPROVAL OF THE AGENDA**

\* Ms. Creighton was unable to attend and participate in the meeting in person, but did observe remotely.

Upon motion by Mr. Amin, and duly seconded, the members unanimously voted to approve the October 8, 2021 agenda.

#### **4. APPROVAL OF PREVIOUS MEETING'S MINUTES**

Upon motion by Mr. Amin, and duly seconded, the members unanimously voted to approve the draft minutes from the September 9, 2021 board meeting.

#### **5. UPDATE ON ESTABLISHING INITIAL AUTHORITY FUNCTIONALITIES**

- Deputy Secretary Talmadge provided an update on behalf of Secretary Moran's team on its work to establish foundational infrastructure for the new Authority.
- The update included a recommendation that the Board hire its first career staff members, with a focus on operational staff; policy staff; and the statutorily-mandated positions of Chief Diversity Officer and Social Equity Liaison and a Health Policy Advisor.
- Deputy Secretary Talmadge also provided an update on finance and budget administration, including detailing how the Department of Juvenile Justice has been assisting the Authority establish finance functions.
- Deputy Secretary Talmadge discussed the IT needs of the Authority and discussed potential options for establishing that infrastructure.
- Deputy Secretary Talmadge discussed potential office space for the Authority, explaining that his team was working with the Department of General Services to review and tour potential state-owned properties. His team recommends the state-owned Worker's

Compensation Building. Deputy Secretary Talmadge fielded questions about potential office space.

- Deputy Secretary Talmadge provided an update on the Authority's FY'23-24 Budget Request submitted to the Department of Planning and Budget. The request estimated that the Authority will need approximately \$12.1 million for FY'23 and \$21.9 million for FY'24, to include funding for the Virginia Cannabis Equity Business Loan Fund as established by § 4.1-1501. Deputy Secretary Talmadge answered questions from the Board about the budget.

## **6. BOARD ACTIONS**

At 12:29 Mr. Amin commenced Board Actions.

### **A. CONSIDERATION OF THE AUTHORITY'S FY'22 OPERATING BUDGET**

Deputy Secretary Talmadge provided a briefing on the proposed Authority operating budget for FY'22, including detailing the requirement that the Secretary of Finance and with the advice and consent of the Director of the Office of Diversity, Equity, and Inclusion approve disbursements to the Authority. Deputy Secretary Talmadge fielded questions about the budget. Upon a motion by Ms. Brand, and duly seconded, the members voted unanimously to approve the FY2022 proposed operating budget, as presented.

### **B. DISCUSSION OF HUMAN RESOURCE POLICIES & PROCESSES**

\* Ms. Creighton was unable to attend and participate in the meeting in person, but did observe remotely.

Deputy Secretary Talmadge recommended that, while the CCA may later chose to adopt Human Resource policies that are different from a typical state agency's, it is advisable for the Board to adopt the Department of Human Resource Management's (DHRNM) model policies on an interim basis. This would allow the Authority to efficiently move forward with hiring career staff, while ensuring a process that creates transparency and consistency, promotes equality, and prevents discrimination. DHRM's suite of policies can be found at: <https://www.dhrm.virginia.gov/hrpolicies>. The Chair then led a discussion on the topic. Upon a motion by Mr. Emmett, and duly seconded, the members voted unanimously to approve adoption of DHRM's model policies as Interim HR policies.

The Chair then led a discussion on the process for hiring the Authority's first staff. Members emphasized their various priorities for the process, including a commitment to diversity and inclusion; a desire to encourage individuals who may not normally apply for state government positions to do so; the importance of posting and sharing the job openings widely; the need for any initial screening of applications to be done in a bias-free manner; the significance of executive-level positions requiring a different hiring process than for non-executive hiring, with greater due diligence by the Board; the potential need for proactive recruitment of and/or salaries that can compete with the private sector to attract needed talent to executive-level positions; a request for the Board to see all applications submitted for executive level positions, rather than to have some screened out by staff; and a desire to ensure that the diverse perspectives of the Board Members' shapes the hiring process. Deputy Secretary Talmadge outlined a

\* Ms. Creighton was unable to attend and participate in the meeting in person, but did observe remotely.

process by which the Board reviews and approves jobs postings; Secretary Moran's team provides administrative support to post jobs and facilitate any screening or interviews requested by the Board; and the Board interviews and makes hiring offers. Upon a motion by Mr. Amin, and duly seconded, the members voted unanimously to approve the above-described process to hire the Authority's first staff.

### **PUBLIC COMMENT PERIOD**

At 1:02 pm Mr. Amin invited comment from the public. No one from the public wished to speak.

### **ADJOURNMENT**

The Board adjourned at 1:03 pm.

\* Ms. Creighton was unable to attend and participate in the meeting in person, but did observe remotely.

**CANNABIS CONTROL AUTHORITY  
BOARD OF DIRECTORS MEETING –  
MINUTES**

**November 9, 2021**

**12:00-3:00 PM**

**Patrick Henry Building – West Reading Room**

**1111 E Broad St.**

**Richmond, VA**

**MEMBERS PRESENT:** Neil Amin, Chair  
Michael Jerome Massie, Esq., Vice Chair  
Bette Brand  
Shane Emmett  
Rasheeda N. Creighton

**LEGAL COUNSEL:** James M. Flaherty, Assistant Attorney General,  
Office of the Attorney General

**PRESENTORS:** Ashley Colvin, Associate Director, Planning, Evaluation &  
Regulation, Virginia Department of Planning and Budget  
  
Sergeant Dominic M. Sottile, Training Division, Virginia State Police  
Captain Robert C. Holland, Training Division, Virginia State Police  
  
Shawn Talmadge, Deputy Secretary of Public Safety and Homeland  
Megan Field, Policy Advisor, Governor Northam

**1. CALL TO ORDER**

Mr. Amin called the meeting to order at 12:04 PM.

**2. REMARKS FROM SECRETARY OF PUBLIC SAFETY & HOMELAND SECURITY  
BRIAN MORAN**

Secretary Moran thanked the Board for its progress to date and emphasized his team's commitment to continuing to support the Board's work.

### **3. DETERMINATION OF A QUORUM**

Mr. Amin determined that with all members present, the Board had a quorum.

### **3. APPROVAL OF PREVIOUS MEETING'S MINUTES**

Upon motion by Ms. Creighton, and duly seconded, the members unanimously voted to approve the draft minutes from the October 8, 2021 board meeting.

### **4. BRIEFING ON VIRGINIA'S REGULATORY PROCESS**

Mr. Colvin of the Virginia Department of Planning and Budget briefed the Board on the regulatory process for a typical state agency in Virginia. Mr. Flaherty, the Board's Counsel, provided a briefing and answered questions on how the process for the Cannabis Control Authority's first round of regulations may differ from the typical regulatory process described by Mr. Colvin.

### **5. BRIEFING ON DRUGGED DRIVING PREVENTION EFFORTS**

Captain Robert C. Holland, of the Virginia State Police (VSP), introduced the topic and his colleague Sergeant Dominic M. Sottile. Sergeant Sottile explained that VSP had been appropriated \$1 million in the current fiscal year to train more state and local law enforcement officials on how to accurately identify a drug-impaired driver. This funding was included in the Fiscal Year 2022 Budget by Governor Northam. Sergeant Sottile went on to explain progressive levels of training mandates, beginning with ARIDE training and increasing in rigor to Drug Recognition Expert (DRE) training. VSP anticipates training approximately 700 officers in ARIDE by the end of the fiscal year. With two more training classes (one in December 2021 and one in May 2022), VSP anticipates increasing the number of Drug Recognition Experts from 37 to 77 by the end of June 2022. For the first time this year, Virginia conducted its own DRE training. 2021 graduates of the training programs include officers from VSP, Henrico, Roanoke, Alexandria, Virginia Beach, and other localities. Captain Holland and Sergeant Sottile answered questions from the Board.

The CCA is responsible for developing and implementing a health, safety, and safe driving campaign by January 1, 2023.

### **6. UPDATE ON INTERIM ACTIVITIES**

#### **A. Establishing Initial Authority Functionalities**

Deputy Secretary Talmadge provided an update on staff efforts to establish infrastructure for the Authority. He explained that the CCA has been added to various state systems required to manage the Authority's finances. He informed the Board that the first request to disburse funding from the General Fund to the CCA to pay for obligations, including meeting costs; travel; and salaries for the Board, has been made, and that similar requests will be made as the Authority begins to hire or incur further expenses. Deputy Secretary Talmadge noted that staff has received a draft lease for office space; a quote on furniture; and is waiting for

final quotes to meet short-term IT and human resource contractual services; all of which will be presented to the Board for consideration. Deputy Secretary Talmadge fielded questions from the Board, including questions on expenses incurred to date and public accessibility of the proposed office space.

## **B. Coordination with Related Cannabis Boards**

Ms. Field provided an update on staff's work to collaborate with the Cannabis Public Health Advisory Council; the Cannabis Equity Reinvestment Board; and the legislative Cannabis Oversight Commission, including providing updates to those bodies on the work of the CCA to date; Virginia State Police's efforts to seal marijuana-related arrest and conviction records; and the need for the CCA's Board and the Cannabis Public Health Advisory Council to coordinate regulatory work. Ms. Field answered questions from the Board, including about the significance of the Public Health Advisor position, which the Board is currently accepting applications for, in supporting coordination between the CCA's Board and the Cannabis Public Health Advisory Council.

## **7. BOARD ACTIONS**

**A. Consideration of Electronic Meeting Policy** – Ms. Field and Mr. Flaherty presented a draft Electronic Meeting Policy, to ensure compliance with §2-2.3708.2 and enable remote participation in Board meetings under specified circumstances. Ms. Field and Mr. Flaherty answered questions from the Board.

Upon a motion by Mr. Massie, and duly seconded, the Board unanimously approved the policy.

**B. Discussion of Procurement Policies** – Deputy Secretary Talmadge explained that staff, in consultation with counsel, had reviewed ABC's procurement policies as models for CCA's own procurement policies. Deputy Secretary Talmadge recommended adoption of the following policies: Sole Source Purchasing; Three Quotes for Non-Contracted Goods and Services (with amendment: strike reference to the E-Procurement Policy); Sources of Supply (with amendment: strike the first paragraph (i)); Vendor Appeals, Disputes, and Remedies; Contracts; Debarred Vendors; Contract Administration; Informal Solicitations/ Quick Quotes and Unsealed RFPs; Ethics in Procurement; Guidelines and Planning; Procurement Advertising/ Award Notification; Receipt of Goods and Services; Responsible and Responsive Offeror; Single Quote; and Small Purchase Charge Card Policy. The Chair asked whether these policies can be amended in the future and Deputy Secretary Talmadge answered that they can. Deputy Secretary Talmadge fielded further questions from the Board.

Upon a motion by Ms. Creighton, and duly seconded, the Board unanimously approved the above-described policies, with the above-described amendments.

**C. Consideration of Pending Procurement Actions** –

**i. Discussion of Procurement Process** - Deputy Secretary Talmadge introduced the discussion of how the Board would like to handle the procurement process by outlining three potential processes to ensure transparent, efficient, and fair procurement: (i) Board considers every contract decision; (ii) Board can delegate authority to a member of the Board to make contract decisions; or (iii) Board can delegate authority to a staff member of the Secretariat of Public Safety and Homeland Security. Deputy Secretary Talmadge explained that these are just three potential paths forward. The Chair explained that the Board is cautious about spending public money and that the Board wants to remain closely involved to ensure that money is well-spent. Board members express their priorities for the process, including staying actively involved in the financial management of the Authority.

Upon a motion by Mr. Emmett and duly seconded, the Board unanimously agreed to delegate Authority to the Chair of the Board to authorize a process in which a staff member of the Secretariat of Public Safety and Homeland has authority to make procurement decisions up to \$25,000, in accordance with the policies approved earlier in the meeting and based on the budget approved by the Board, until a CEO is in place. The Chair will provide a letter to Secretariat of Public Safety and Homeland staff making this delegation. Staff will provide the Board with regular updates on budget in comparison to actuals.

**ii. Update on Pending Procurement Actions** - Deputy Secretary Talmadge provided an update on current pending procurement actions above the \$25,000 threshold.

He explained that the lease for the recommended office space (the state-owned Worker's Compensation Commission Building, 333 E Franklin St, Richmond, VA) likely needs some revisions to the terms and provisions. Board members shared their priorities for the office space, including being in a position to occupy the space once staff is hired; ensuring that the terms of the lease are sufficiently flexible to respond to uncertainty due to reenactment; and exercising continued caution until reenactment occurs. Deputy Secretary Talmadge will return to lease negotiations to ensure either a month-to-month lease or a 60 or 90 day termination; and will provide an update to the Board at its next meeting, include having the lease in exercisable form.

Deputy Secretary Talmadge recommended signing a furniture contract from the Virginia Correctional Enterprise to furnish two executive offices; ten work stations; and a conference room. He explained that lead time is about eight weeks at this point. Deputy Secretary Talmadge fielded questions from the Board. Upon a motion by Ms. Creighton and duly seconded, the Board unanimously agreed to the procurement of the above-described furniture.

**iii. Hiring** – Deputy Secretary Talmadge fielded questions from the Board on the on-going hiring process for the following positions: Chief Administration Officer; Chief

Diversity Officer and Social Equity Liaison; Chief Government & External Affairs Officer; Health Policy Advisor; and an Administrative Assistant. The Board expressed its priorities for hiring, including aligning procurement timelines with date of onboarding staff to make sure staff has equipment and office space; ensuring qualified and diverse applicant pool of candidates in light of reenactment uncertainty; and need to ensure a successful transition of staffing as the gubernatorial transition occurs.

**D. Update to the Authority's FY'22 Operating Budget** – Deputy Secretary Talmadge recommended the Board adopt two changes to the fiscal year 2022 budget that it approved at its October 8, 2021 meeting: (i) \$1.1 million for professional services to provide strategic planning and support to the Authority and (ii) \$50,000 for professional services, including education and policy development; membership in professional associations; and staff training. Deputy Secretary Talmadge fielded questions from the Board.

Upon a motion by Mr. Emmett and duly seconded, the Board unanimously agreed to revise its fiscal year 2022 operating budget as recommended by Deputy Secretary Talmadge.

## **PUBLIC COMMENT PERIOD**

At 2:02 pm Mr. Amin invited comment from the public. No one from the public wished to speak.

## **ADJOURNMENT**

The Board adjourned at 2:02 pm.