



VIRGINIA
**Cannabis
Control
Authority**

2024

ANNUAL REPORT

FOR FISCAL YEAR JULY 1, 2023 - JUNE 30, 2024

LETTER FROM THE BOARD CHAIR

The Virginia Cannabis Control Authority (CCA or Authority) fully embraced its regulatory, educational, and policy roles in Fiscal Year 2024 (FY24). As regulators, we assumed oversight of the Commonwealth's medical cannabis program (MCP), which served nearly 104,000 unique patients in FY24. As educators, we expanded our public outreach and conducted a multimedia safe driving campaign. And as policy advisers, we provided technical advice to lawmakers on numerous legislative measures and other important policy matters. All of this work supported the Authority's overarching mission to promote the Commonwealth's public health and safety.

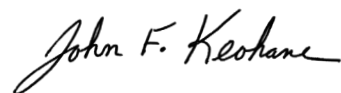
CCA began regulating the MCP in January 2024 and promptly issued regulations formalizing CCA authority over the program. Extensive preparations – hiring personnel, coordinating with both the previous regulator (the Board of Pharmacy) and software vendors, and communicating with licensed pharmaceutical processors and other stakeholders – preceded the start of CCA oversight. The planning produced a smooth regulatory transition of the MCP and enabled the Authority to build a robust enforcement function, efficient product approval process, and responsive team for managing public inquiries about the MCP. Prospectively, the CCA's focus in Fiscal Year 2025 (FY25) is to competitively select a pharmaceutical processor to begin operations in Health Service Area 1 as soon as feasible, update the MCP's software, and institute a statewide seed-to-sale system to strengthen the program's security and consumer protections.

The CCA team devoted significant time and effort in FY24 to public outreach. This work included sharing important public health and safety information at town halls, publishing new educational resources, presenting to stakeholder groups, participating in government and community working groups focused on substance abuse and prevention, and leveraging social media. Of particular note was the creation in FY24 of separate toolkits for parents, teens, and young adults that provided detailed information on the health, safety, and legal aspects of cannabis. These resources have proved especially popular among schools and groups focused on substance abuse and prevention.

Educating the public about the risks and consequences of cannabis-impaired driving in a multimedia campaign also was a priority for the CCA in FY24. The CCA highlighted these dangers through television, radio, and online digital ads. We amplified the campaign by enlisting the assistance of partner organizations and businesses, who used CCA-produced materials to further disseminate the safe driving message. Plans for FY25 include conducting a survey to understand which messaging was most effective in promoting safe driving habits among Virginia drivers.

At the direction of the General Assembly, the CCA also prepared a study of how other states regulate intoxicating hemp-derived products and commissioned a comprehensive examination of Virginia's MCP in FY24. These analyses provide information that can be used to sharpen laws on consumable hemp products and to revamp the MCP so it is more competitive, accessible, and economically inclusive.

FY24's momentum has carried into FY25. The new fiscal year promises to be equally busy with crucial work on the regulatory, educational, and policy fronts well underway. The Commonwealth's public health and safety will continue to drive all of the CCA's work in FY25. And I will continue to be grateful that I have the honor of leading the board overseeing the work of such a dedicated and public service-oriented team.



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VISION, MISSION, AND VALUES



Vision

We use our cannabis expertise and regulatory authority to make Virginians safer and healthier.

Mission

As an independent, apolitical subdivision, the CCA promotes the Commonwealth's public safety, advances public health, and protects communities through effective medical cannabis oversight and balanced and inclusive cannabis regulation, policy, and education.

Values

- Service
- Integrity
- Collaboration
- Tenacity

Photo by David J Bromley, CC BY-SA 4.0, via Wikimedia Commons

ORGANIZATIONAL STRUCTURE

Board of Directors

A five-member Board of Directors governs the Cannabis Control Authority (CCA). The Board met nine times in FY24. More information about these meetings can be found on the [CCA website](#). During FY24, the Board consisted of the following members.



John F. Keohane
Chair



Neil Amin
Vice Chair



Bette Brand
Member



Michael Jerome Massie
Member

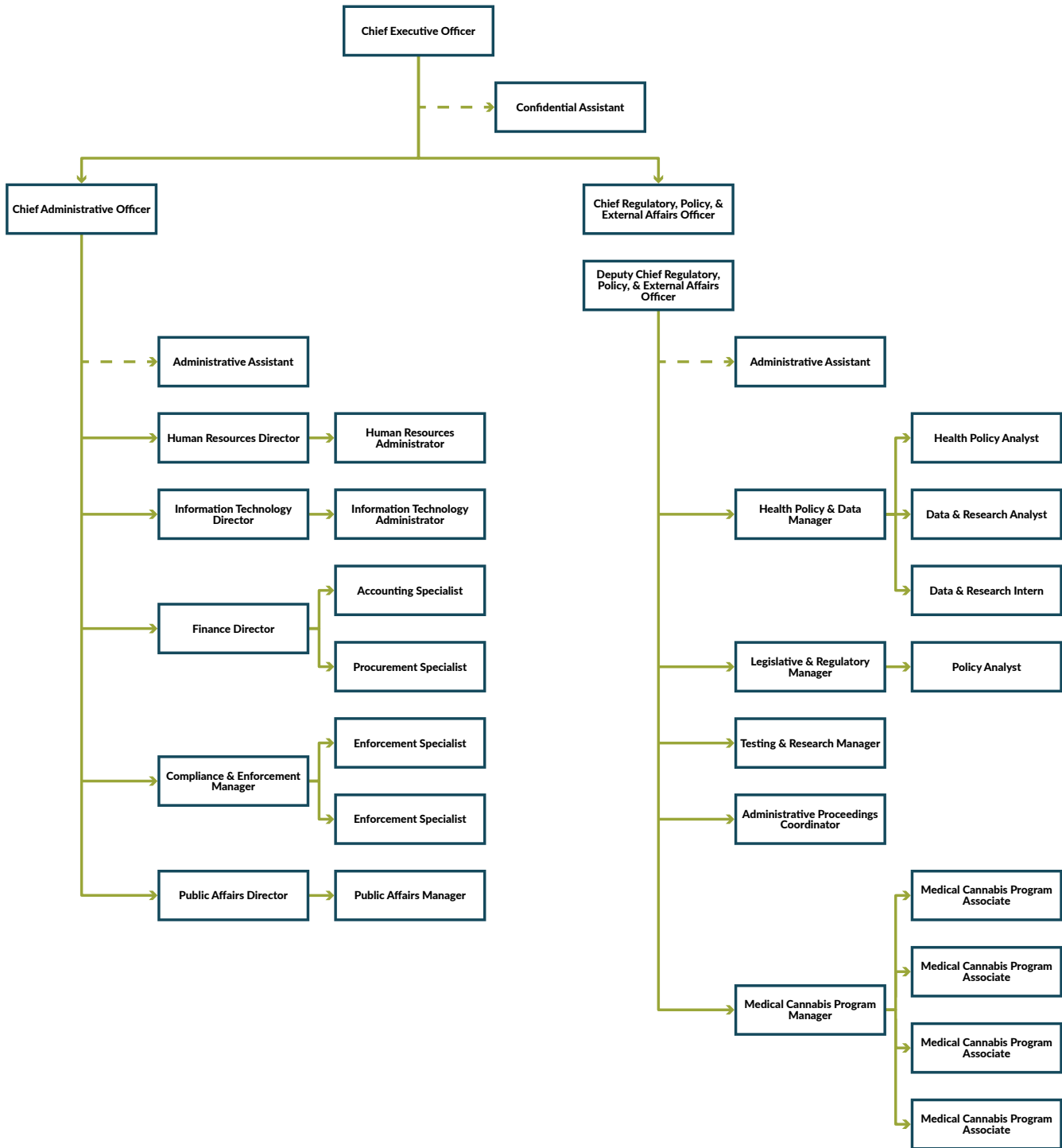


Anthony D. Williams
Member



Staff

The CCA more than doubled its staff size in FY24. The Authority began the fiscal year with 12 full-time employees and ended the fiscal year with 26 full-time and 2 part-time employees. The Authority has focused on building staff to support its medical cannabis regulatory functions, including licensing and compliance and enforcement staff.



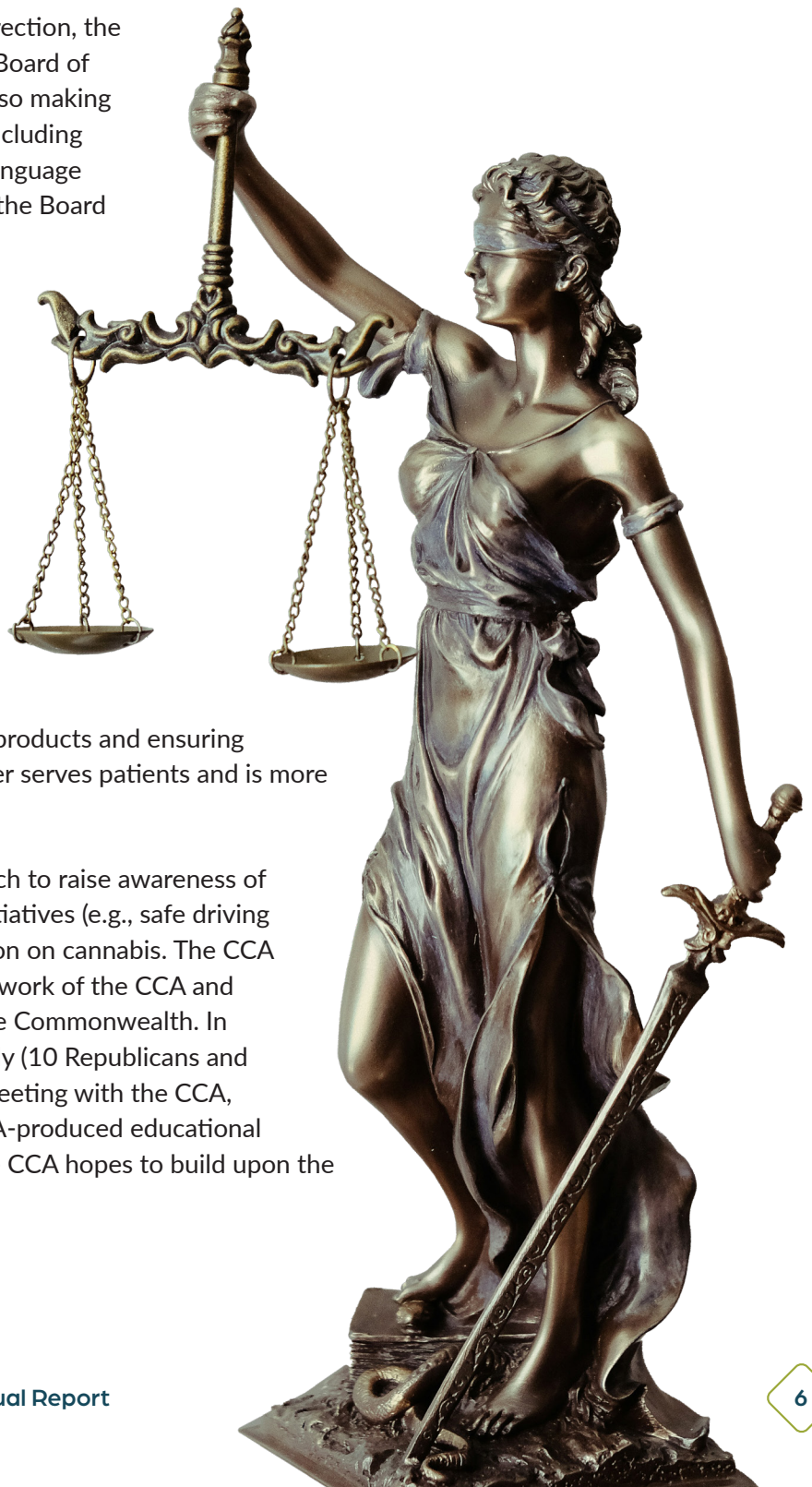
LEGISLATIVE & REGULATORY SYNOPSIS

During its 2023 session, the General Assembly passed Senate Bill 788 and House Bill 1598, which transferred oversight of the Commonwealth’s medical cannabis program (MCP) from the Board of Pharmacy (BOP) to the CCA, effective January 1, 2024. Enactment clause 5 of the legislation directed the CCA to promulgate “regulations to implement the provisions of this act, which shall model, to the greatest extent practicable, the [r]egulations ... promulgated by the Board of Pharmacy.”

Consistent with the General Assembly’s direction, the CCA issued regulations modeled after the Board of Pharmacy’s medical cannabis rules while also making non-substantive edits to the regulations, including eliminating redundancies and using plain language where appropriate. On October 25, 2023, the Board of Directors approved the CCA’s proposed regulations for the medical cannabis program, and the regulations became effective in January 2024.

In response to directives from the General Assembly, the CCA also studied two issues relevant to past and future legislative proposals: intoxicating hemp-derived products and the medical cannabis market in Virginia. The reports based on this analysis make several recommendations for protecting public health and safety from insufficiently regulated consumable hemp products and ensuring a viable medical cannabis market that better serves patients and is more economically inclusive.

The CCA also conducted legislative outreach to raise awareness of the Authority’s public health and safety initiatives (e.g., safe driving campaign) and offer counsel and information on cannabis. The CCA offered legislators meetings to discuss the work of the CCA and answer questions related to cannabis in the Commonwealth. In FY24, 20 members of the General Assembly (10 Republicans and 10 Democrats) or their staff requested a meeting with the CCA, and CCA staff gave over 100 copies of CCA-produced educational materials to legislative offices. In FY25, the CCA hopes to build upon the trust established with elected officials.



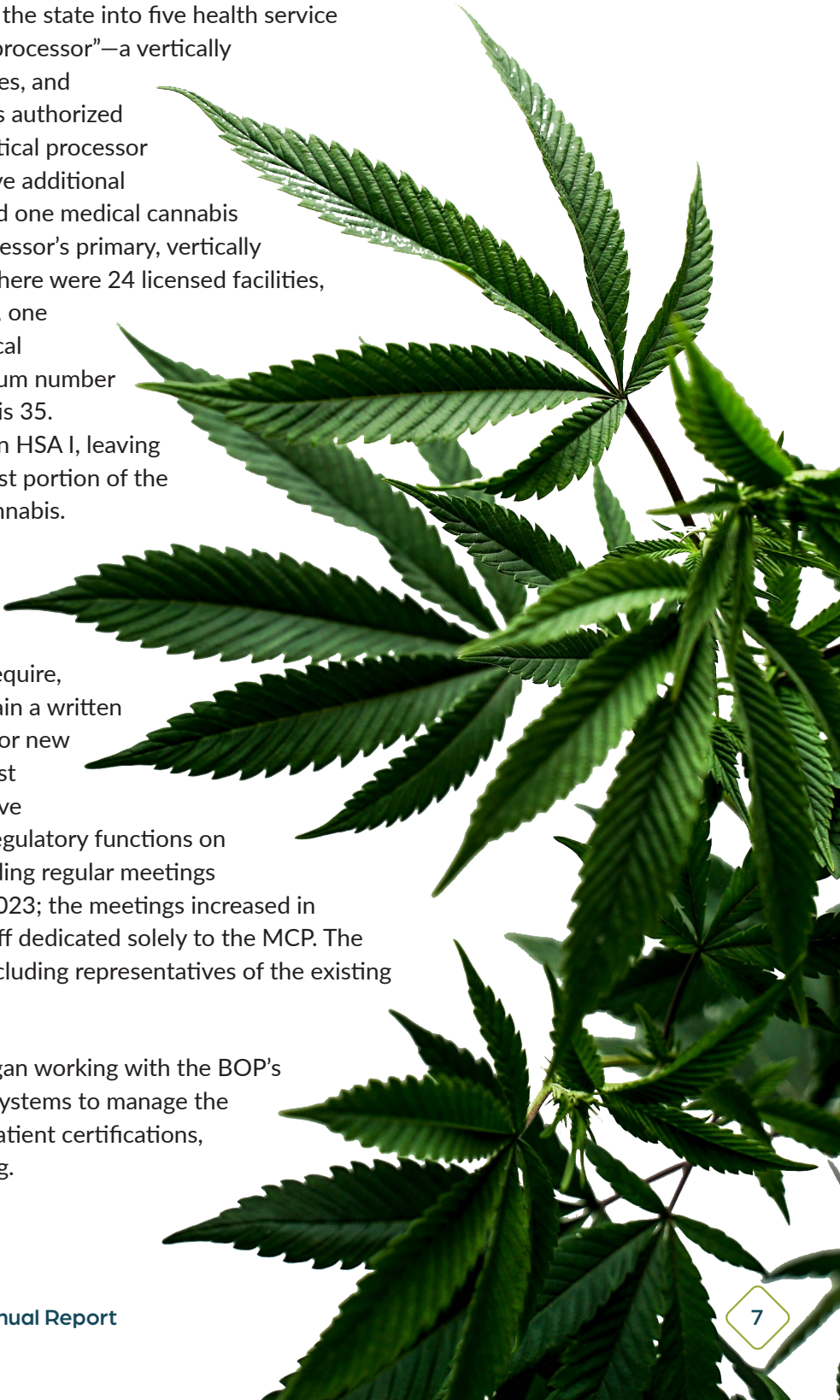
MEDICAL CANNABIS PROGRAM

The MCP enables qualified patients to purchase regulated, tested products from licensed facilities in Virginia. The MCP is the only regulated cannabis market in Virginia, and the market grew in FY24: 103,900 unique patients purchased medical cannabis from licensed facilities in Virginia during the year, an increase from the 87,359 unique patients who used the program in FY23.

The statutes establishing the MCP divide the state into five health service areas (HSA's). Only one “pharmaceutical processor”—a vertically integrated facility that cultivates, processes, and dispenses medical cannabis at one site—is authorized to operate in each HSA. Each pharmaceutical processor may apply for permits to operate up to five additional medical cannabis dispensing locations and one medical cannabis cultivation facility separate from the processor’s primary, vertically integrated location. At the end of FY24, there were 24 licensed facilities, including four pharmaceutical processors, one cannabis cultivation facility, and 19 medical cannabis dispensing facilities. The maximum number of facilities authorized under current law is 35. There is not a pharmaceutical processor in HSA I, leaving medical cannabis patients in the northwest portion of the state without direct access to medical cannabis.

Regulatory oversight of the MCP includes issuing permits to facilities, regularly conducting inspections and investigations and when circumstances require, managing the process for patients to obtain a written certification, and reviewing applications for new medical cannabis products. During the first half of FY24, the CCA engaged in extensive preparations to begin overseeing these regulatory functions on January 1, 2024. The CCA continued holding regular meetings with BOP staff that began in fiscal year 2023; the meetings increased in frequency after the CCA hired its first staff dedicated solely to the MCP. The CCA also met with other stakeholders, including representatives of the existing pharmaceutical processors in Virginia.

Before January 1, 2024, the CCA also began working with the BOP’s existing software vendors to implement systems to manage the MCP’s regulatory obligations, including patient certifications, product registrations, and facility licensing.



First Six Months of Oversight

The CCA had three main priorities during the initial months of the Authority's regulatory oversight of the MCP:

1. Ensuring a smooth transition experience for patients, practitioners, and licensees;
2. Establishing a positive working relationship with licensees; and
3. Building data-driven metrics.

MCP staff integrated their operations with existing BOP systems to help make the transition smooth for participants in the medical program. These systems addressed licensing (the Pharmaceutical Processor Licensing Portal), patient certifications (the Medical Cannabis Portal), and product registrations (Product Licensing Portal). Since January 1, 2024, the CCA has worked with system vendors to improve the usability, reliability, and security of their systems so they better serve MCP stakeholders.

The CCA also proactively sought to build positive working relationships with licensees. The Authority's outreach efforts included:

- Sending program transition emails to licensees and communicating directly with processors about the new product registration process;
- Meeting with each licensee to verify their facility data in the licensing system; and
- Reviewing the Pharmaceutical Processor Licensing Portal with each licensee.

The Pharmaceutical Processor Licensing Portal, the Medical Cannabis Portal, and Product Licensing Portal serve as valuable data sources for the CCA to establish and assess metrics for the program. In addition, the Prescription Monitoring Program (PMP) provides information on the number of unique patients and dispensations.

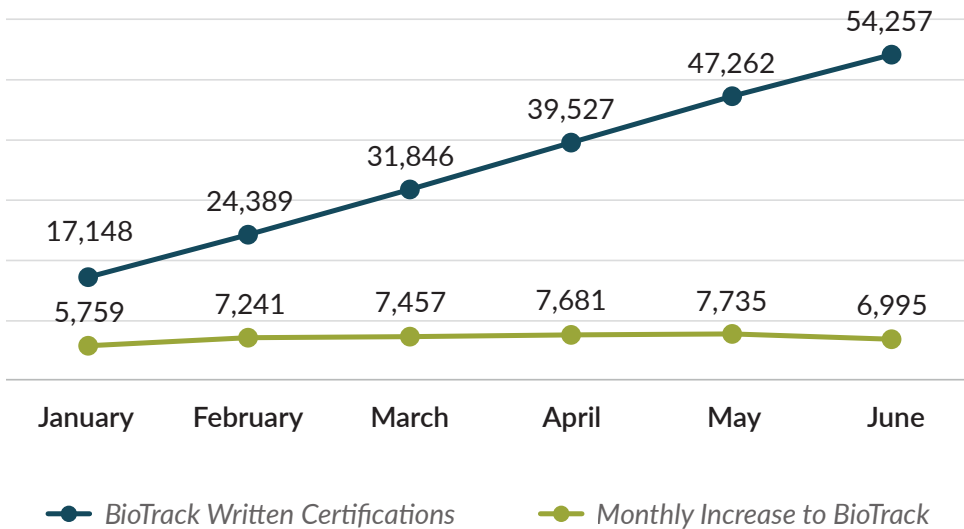
The CCA hopes to implement improved systems in the future to better meet its data needs. However, the existing systems give some insight into the MCP's operations.



Written Certifications

Most written certifications are completed in the Medical Cannabis Portal. The number of certifications issued through the portal rose steadily during the second half of FY24.

Written Certifications - Medical Cannabis Portal



Written Certification Uploads to Box

Month	Uploads
January	6645
February	7563
March	6837
April	2530
May	4172
June	3359

Paper written certifications remain accepted while work continues with BioTrack, the portal vendor, to improve the process for dispensaries to receive the written certification. Dispensaries must upload new paper written certifications to an online Box account. After a review of the process, CCA staff determined that the uploads are inconsistent regarding the type and quantity of the documents. The upload totals are not a fully accurate number, but rather generally reflect the overall decline in the number of paper written certifications.

Practitioners

FY24 was the first year that medical practitioners no longer had to register with the MCP regulator before issuing written certifications to patients. At the end of the fiscal year, 1,189 medical practitioners had used the Medical Cannabis Portal to issue written certifications.

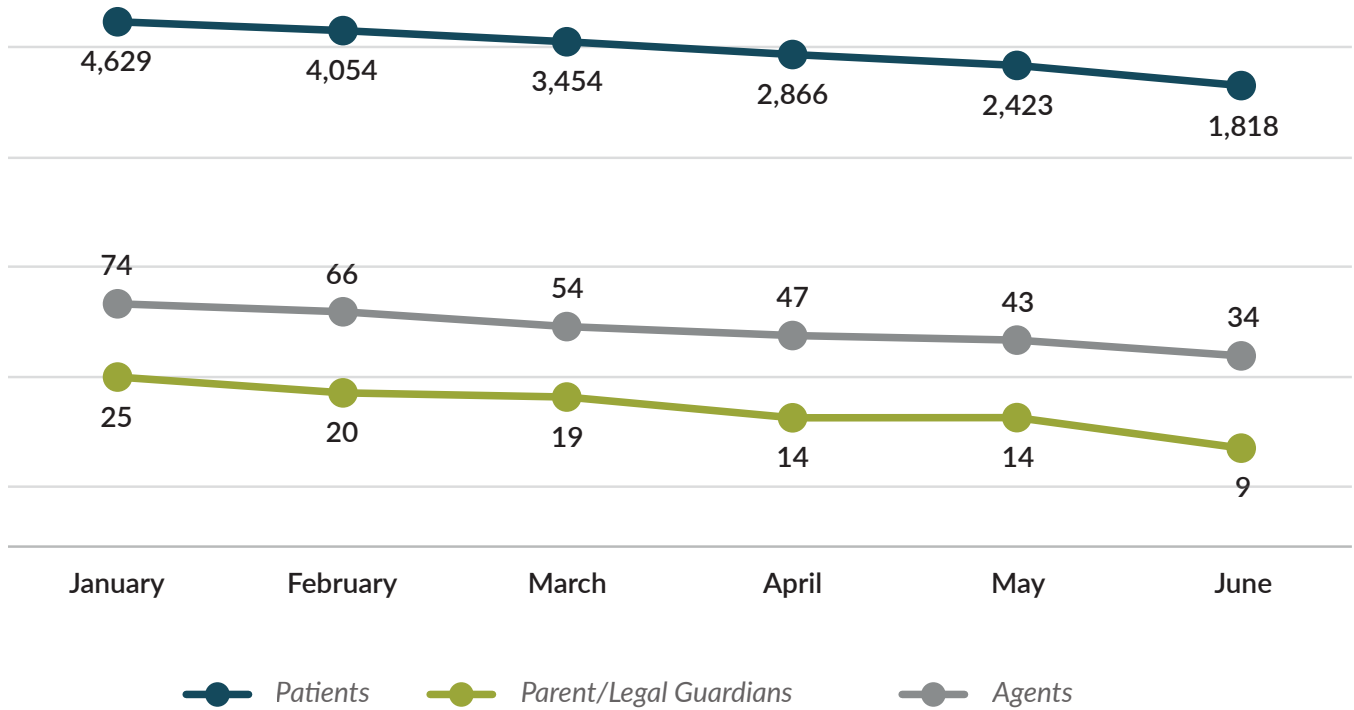
As previously noted, due to system constraints, the CCA currently does not require practitioners to use the Medical Cannabis Portal, and a small number of practitioners still choose to use the paper written certification form.



Registrations

Patients also no longer have to register with the MCP regulator before they can purchase medical cannabis, and the number of registered patients continues to decline. Parents/Legal Guardians and Agents are only required to register if they are not listed on the written certification by the practitioner.

Registrations - Medical Cannabis Portal



Customer Service

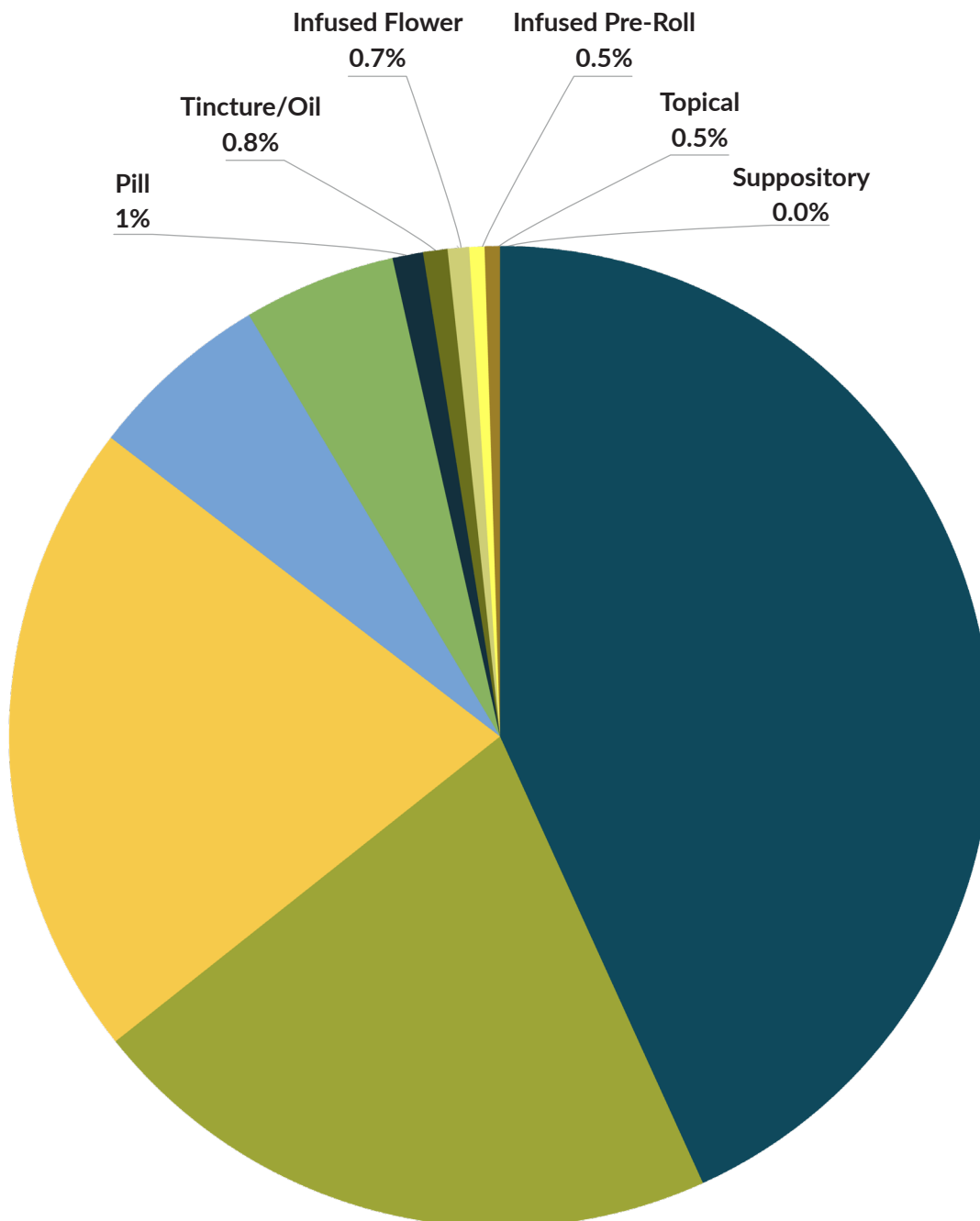
The CCA aims to provide efficient and effective customer service for all stakeholders participating in the MCP. The CCA receives an average of nearly 700 inquiries per month. MCP staff established a Help Desk “ticket” system to effectively process requests and build data about the timeliness and efficiency of resolutions to inquiries.

Medical Cannabis Product Registrations

Pharmaceutical processors must register all products with the CCA before they can be dispensed to patients. During the CCA's first six months of regulatory oversight of the MCP, staff processed a total of 843 product applications—an average of 141 per month.

The chart below shows a breakdown of the categories of products registered between January and June of 2024.

2024 Medical Cannabis Product Registrations by Type



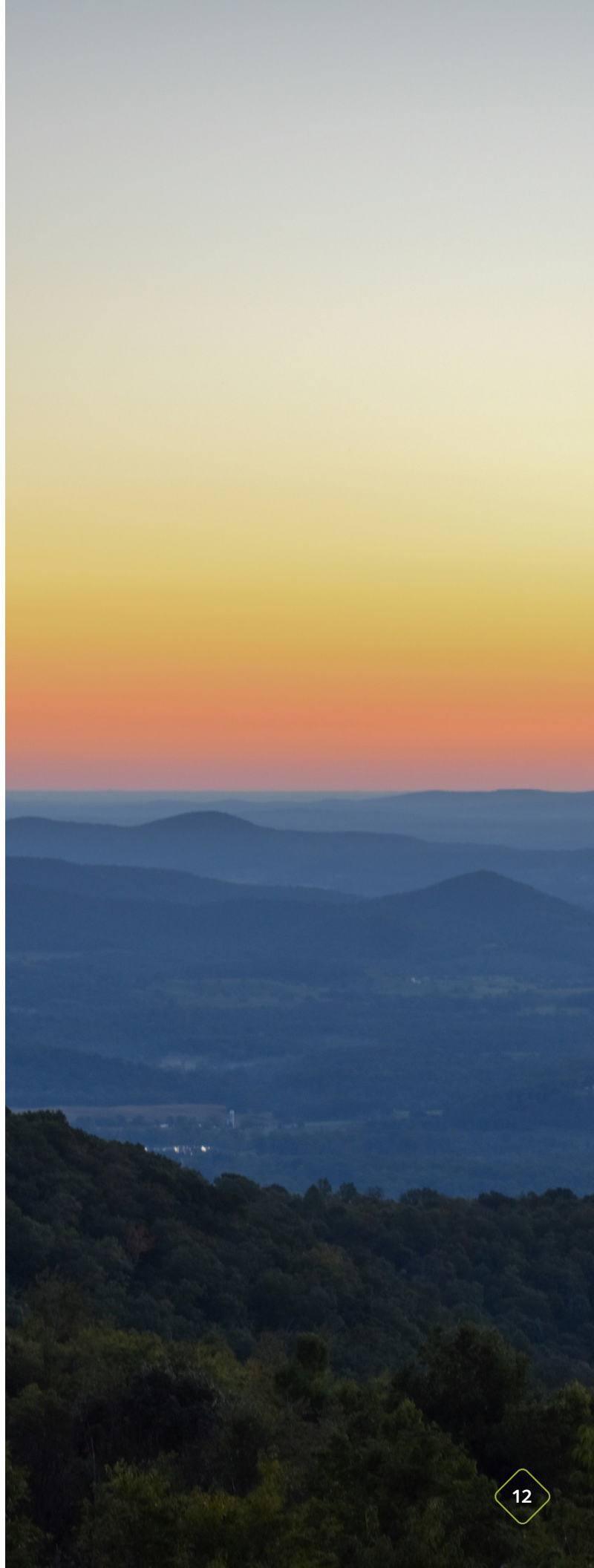
Looking Ahead

The CCA's two biggest priorities for the MCP in FY25 are (1) to issue a pharmaceutical processor permit in HSA I and (2) to deploy updated software systems to ensure more efficient and comprehensive oversight of the MCP.

In furtherance of the first priority, the CCA issued A Notice of Open Applications for HSA I in the second half of FY24, and the Authority anticipates awarding conditional approval to a selected applicant in the first half of FY25. The selected applicant will have one year to meet all requirements for a pharmaceutical processor permit.

The CCA is taking a two-pronged approach to deploying updated software systems. First, the CCA issued a request for proposals (RFP) in the second half of FY24 for a statewide seed-to-sale tracking system. Virginia is the only state in the country with a regulated medical or adult-use cannabis program that does not use a statewide seed-to-sale tracking system. Filling this regulatory gap will give CCA better tools to track data about the program, ensure there is no diversion of regulated cannabis to illicit markets, and enable statewide recalls in the event any contaminated product enters the market. The Authority requested an accelerated six-month implementation schedule and anticipates that the seed-to-sale tracking system will be operational by the end of FY25

Second, the CCA intends to update its licensing and patient certification systems using an RFP issued in early FY25. The CCA has used two systems inherited from the BOP since assuming regulatory oversight of the MCP. The Authority hopes to identify updated systems with more data security protections and reporting capabilities.



OUTREACH AND EDUCATION

In FY24, the CCA continued its public outreach on multiple fronts, holding town halls, creating additional educational resources, distributing resources widely, presenting to stakeholders, participating in intergovernmental workgroups, and leveraging its website and social media posts. These

efforts introduced the Authority to communities throughout the Commonwealth, reinforced its role as an expert educator on the public health and public safety issues related to cannabis, and provided the CCA an opportunity to listen and learn from Virginia residents.

Town Halls

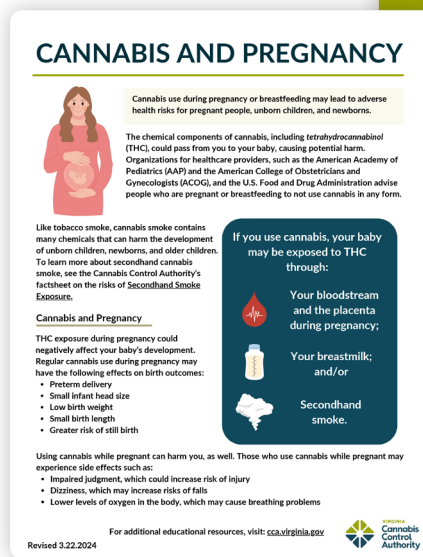
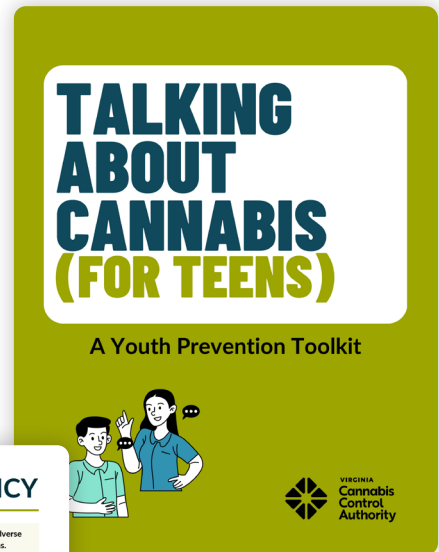
In July 2024, the CCA held two town halls—one in Augusta County, the other in Falls Church. The town halls provided the public with the chance to learn about the CCA's mission, roles, and priorities. They also featured discussion of current cannabis laws in Virginia and gave attendees a chance to share their perspectives and ask questions about cannabis.

In total, nearly 50 people participated in the two town halls in person or virtually.

Educational Resources

During FY24, the CCA focused on developing and distributing resources in response to stakeholders' needs. In addition to its factsheets and guidance documents, the CCA added toolkits to its resources inventory; the toolkits provide more detailed information on cannabis for target audiences. Collectively, the CCA published seven additional educational factsheets and toolkits in FY24, bringing the total number of educational resources available online to 27. New resources developed by the CCA in FY24 include:

- Talking About Cannabis (For Teens): A Youth Prevention Toolkit
- Talking About Cannabis: A Parent Toolkit
- Cannabis Use Disorder Factsheet
- High Potency THC Products Informational Document
- Cannabis and Pregnancy Factsheet
- Medical Cannabis Storage and Disposal Factsheet
- Safe Driving Partner Toolkits



CCA added a number of additional educational resources to its website, including a prevention toolkit for teenagers and information on cannabis and pregnancy.

Presentations and Educational Outreach

In addition to town hall events, the CCA presented as a guest at 21 other meetings and public outreach events during FY24, including to the following groups:

- Virginia State Epidemiological Outcomes Workgroup
- Virginia Addiction and Recovery Council
- Virginia Higher Education Substance Use Advisory Committee
- Virginia Beach Health and Wellness Conference
- Henrico Mental Health and Developmental Services
- Virginia Community Services Boards
- APPLE Training Institute
- DRIVE SMART Virginia
- Virginia Foundation for Healthy Youth
- Virginia Commonwealth University
- Prevention Coalition of Greater Prince William
- Virginia Impaired Driving Stakeholders Meeting
- Arlington Committee of 100
- Agenda Alexandria
- Drive Safe Hampton Roads
- Department of Labor and Industry

The Authority also distributed nearly 5,000 resources to various stakeholders, including nonprofits and schools. Educational resources were distributed at exhibit tables during conferences, at meetings, and through direct order requests. Many stakeholders have expressed positive feedback on the CCA's resources and often distribute them at the community level for added reach. For example, the Hampton Health Department now passes out the CCA's Cannabis and Pregnancy Factsheet to clients of the Statewide Safety Seat Program.



Jeremy Preiss speaking at the DRIVESMART Virginia Drugged Driving Workshop on January 17, 2024.



CCA staff providing educational resources at the Virginia Department of Criminal Justice Services' Power of Prevention Summit in February.

Workgroups

The CCA believes in leveraging partnerships to amplify its education work, advance its public safety and public health mission, and learn from others working on cannabis-related matters. To that end, the CCA is an active member of the following workgroups:

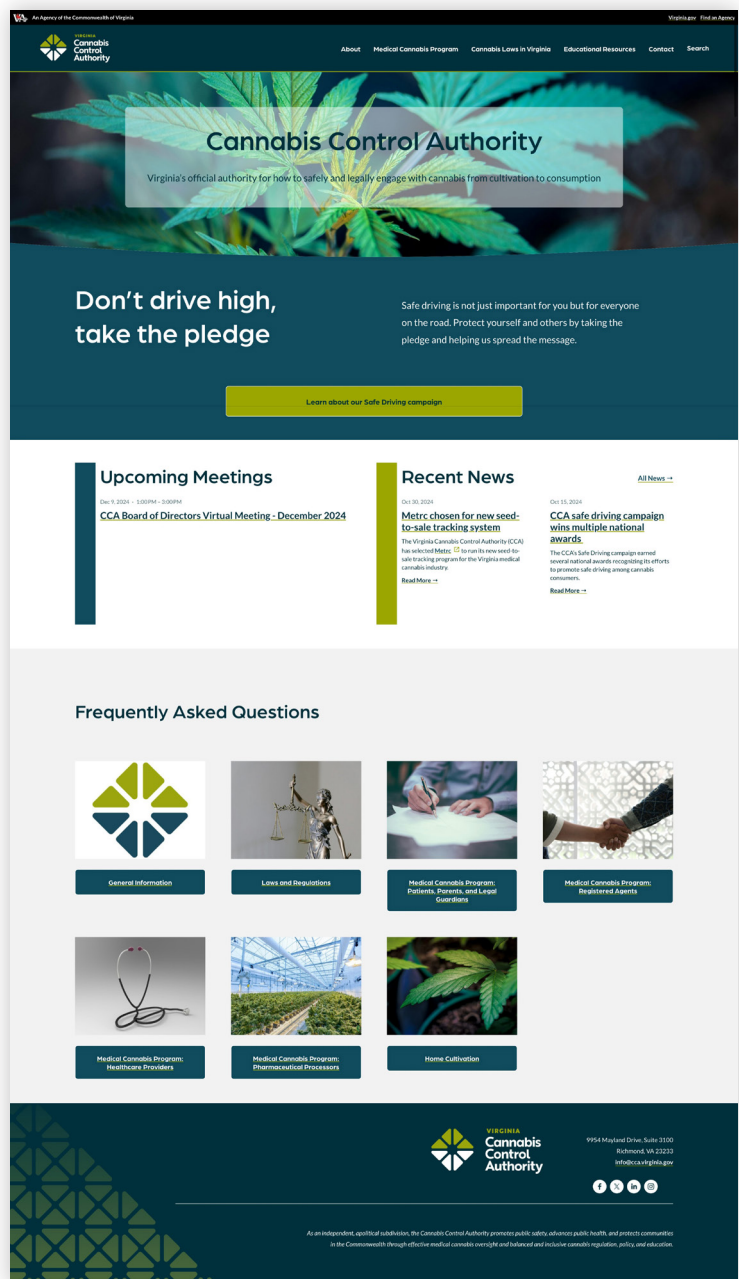
- Virginia Higher Education Substance Use Advisory Committee
- Virginia Office for Substance Abuse Prevention
- Virginia State Epidemiological Outcomes Workgroup
- Virginia Youth Cannabis Advisory Workgroup
- Virginia Perinatal Cannabis Workgroup

CCA Website

The CCA's website serves as a valuable tool for visitors looking for information about the agency, the medical cannabis program, and educational resources on cannabis.

From July 2023 through June 2024, nearly 251,000 people visited the website, totaling more than 475,000 views. The top three most visited pages pertain to safe driving, medical cannabis, and the Commonwealth's laws and regulations on cannabis.

FY2024 also saw the creation of a new Medical Cannabis Program section of the CCA website. The page provides vital information to medical cannabis patients, guardians, registered agents, practitioners, and pharmaceutical processors. Since launching this section on January 1, 2024, nearly 32,000 people have visited the medical cannabis home page.



Social Media

The CCA is active on Facebook, Instagram, X, and LinkedIn with messages that focus on the following topics:

- Regulation
- Policy advice
- Education (including public health and public safety topics)
- Medical cannabis program
- Agency announcements

In FY24, the CCA continued to grow its following across all social media channels. Facebook and Instagram saw a reach of more than 3.4 million people, largely due to the CCA's paid safe driving campaign. The CCA had more than 54,500 impressions on X and LinkedIn.



3.4 million PEOPLE REACHED ON FACEBOOK & INSTAGRAM



54,000 IMPRESSIONS

TIMES CONTENT WAS SEEN ON LINKEDIN & X





Looking Ahead

CCA's outreach efforts will continue in FY25, including regular meetings with stakeholders and the ongoing distribution of free resources that further reinforce important information on public health and public safety.

To enhance its outreach, the CCA is overhauling its webpage in FY25, focusing on accessibility for all users and easier navigation. Improvements include better visuals, updated content, and a more responsive webpage.

The CCA's social media presence continues to grow, with steady gains in followers, likes, and impressions. Regularly scheduled posts will continue into FY25 with the goal of gaining more followers and increasing visits to the webpage for information on the CCA's mission, roles, and educational materials.

SAFE DRIVING CAMPAIGN

The CCA's safe driving campaign highlighting the dangers of cannabis-impaired driving expanded in FY24. Working with a public relations and marketing firm, the CCA developed new messaging concepts for television, radio, and digital media. Messaging targeted heavy cannabis users, which the CCA's 2022 safe driving survey identified as primarily young white males. The CCA also worked with existing partners and stakeholders to amplify the reach of its safe driving messages.



TV and Radio Campaign

In September 2023, the CCA launched new television and radio public service announcements promoting safe driving habits. The commercials ran for one year on television and radio stations throughout Virginia.

In FY24, the television ads ran 2,900 times across the Commonwealth, generating more than 50.7 million impressions, and the radio ads ran more than 26,000 times with nearly 57 million impressions. The television ads can be viewed in English and Spanish on the CCA's [YouTube channel](#).



Online Digital Ad Campaign

The online digital ad campaign ran February 2024 through September 2024. Ads ran across YouTube, Facebook, Instagram, and various websites as banner ads.

In FY24, the digital ad campaign had more than 18.6 million impressions.



Community Partnerships

In addition to reaching target audiences directly with television, radio, and digital ads, the CCA collaborated with trusted organizations and businesses to expand the reach and impact of the campaign's messages. Partners included government agencies, safe driving organizations, prevention groups, and colleges and universities. Through an email campaign, the CCA provided partners with digital toolkits that included social media copy and graphics, web banners, flyers, and posters. These resources are also available on the [CCA's website](#) for partners and the public to use. The toolkits were downloaded 358 times in FY24.



Looking Ahead

In September 2024, the CCA enlisted an outside firm to reissue its safe driving survey across a demographically representative group of Virginia drivers. Like the safe driving survey CCA issued in the fall of 2022, the updated survey will gauge the attitudes of Virginians towards various dangerous driving activities, including driving after using cannabis. The survey will reveal any changes in attitudes towards cannabis-impaired driving over the last two years, as well as measure the effectiveness of the paid safe driving campaign. The CCA will use the survey findings to inform messaging for future safe driving campaigns.

Behavior modification takes time, occurring only after consistent, longstanding efforts aimed at producing a behavioral change. Budget permitting, the CCA intends to run its safe driving campaign until it detects much greater recognition among drivers in the Commonwealth of the risks associated with cannabis-impaired driving.

FINANCIAL REPORT

Legislators and the Governor have yet to enact legislation creating an adult-use retail market for cannabis. As a result, there are no revenues related to the implementation, administration, or enforcement of such a market. The absence of a retail market makes it infeasible for the CCA to prepare and submit the detailed six-year plan for retail operations called for in Virginia Code [§ 4.1-613](#). An audit report has not yet been issued to the CCA at the time of this report's publication, so the CCA has no audited financial statement to include in this report.

The Authority maintained a \$5.3 million budget for fiscal year 2024. The budget supported legislatively required Authority operations. These expenses include, but are not limited to:

- Personnel services
- Board meeting costs
- Office space lease
- Supplies
- IT equipment and professional services
- Consulting services
- Media services

The Authority ended fiscal year 2024 with \$4.2 million in expenditures. Expenditures were less than the authorized budget as the CCA continues to work to reach full implementation of CCA programs and full buildout of infrastructure and administrative capabilities.

The CCA anticipates that expenditures will continue to accelerate as the Authority operates fully staffed, expands its capabilities, and fully assumes its mandated roles. Significant expenditures are expected for software solutions, including for a licensing system and seed-to-sale tracking, that are necessary to effectively manage the medical cannabis program.

During the 2024 Special Session, the General Assembly reduced the CCA's FY25 general fund budget to \$4 million and provided a \$2.2 million non-general fund appropriation. The non-general fund appropriation reflects the shift of regulatory oversight of the MCP and the revenues associated with the program. \$2.5 million in prior-year funds remain available for procurement of the seed-to sale tracking system.

Cannabis Equity Business Loan Fund

The 2021 Cannabis Control Act ("Act") created the Virginia Cannabis Equity Business Loan Fund ("Fund"). See [§ 4.1-1501](#).

Money in the Fund is to be "used solely for the purposes of providing low-interest and zero-interest loans to social equity qualified cannabis licensees in order to foster business ownership and economic growth within communities that have been the most disproportionately impacted by the former prohibition of cannabis." The Act also directed the Virginia Cannabis Control Authority (CCA) to report annually on matters it "may deem appropriate, including the amount of funding committed to projects from the Fund." See [§ 4.1-1503](#).

Disbursements from the Fund to eligible licensees are contingent upon the creation of an adult-use cannabis market. As noted, that market has not been legislatively authorized and, therefore, does not exist. As a result, there have been no Fund disbursements or any other Fund-related activity or matter for the CCA to report in FY24.



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