

Cannabis Control Authority (CCA)
Board of Directors Meeting
September 7, 2023
1:00-3:00PM

Virginia Workers' Compensation Commission
Commissioner's Conference Room (Basement)
333 E. Franklin Street / Richmond, VA 23219

MEMBERS PRESENT: John Keohane, Chair
 Neil Amin, Vice Chair
 Michael Massie
 Anthony Williams

MEMBERS PRESENT VIRTUALLY: Bette Brand

LEGAL COUNSEL: James Flaherty, Office of the Attorney General

PRESENTERS: Jeremy Preiss, CCA
 Jamie Patten, CCA
 Shawn Casey, CCA
 Jake Shuford, CCA
 Hanna Jones, CCA
 Brianna Bonat, CCA

1. CALL TO ORDER

Mr. Keohane called the meeting to order at 1:01pm.

2. DETERMINATION OF QUORUM

Mr. Keohane determined the Board had a quorum given that four board members were physically present and a fifth was attending virtually.

3. APPROVAL OF THE AGENDA

Upon motion by Mr. Amin and duly seconded by Mr. Massie, the members voted to approve the meeting's agenda.

4. APPROVAL OF PREVIOUS MEETING'S MINUTES

Upon motion by Mr. Amin and duly seconded by Mr. Massie, the members voted to approve the draft minutes from the July 20, 2023, Board meeting.

5. NEW BOARD MEMBER INTRODUCTION

Mr. Keohane introduced Anthony D. Williams, the newest member of the CCA Board of Directors. Mr. Williams joins the Board after a 34-year career in public service, including as a veteran of the US Armed Forces and thirty years with the Drug Enforcement Administration (DEA) where he served as Chief of Operations for the agency from 2016 through 2019.

6. NEW CCA STAFF INTRODUCTIONS

Ms. Patten introduced three new staff who joined the CCA after the previous Board meeting:

- Robin Hollenbeck, Human Resources Director
- Jeff Harris, Compliance and Enforcement Manager
- Isaac Wright, Medical Cannabis Program Manager

7. REGULATORY UPDATE

Mr. Shuford presented the draft regulations for the Medical Cannabis Program (MCP). He stated that legislation transferring oversight of the MCP from the Board of Pharmacy (BoP) to the CCA directed the CCA to adopt regulations that mimicked, to the greatest extent possible, existing BoP rules. He explained that the CCA's proposed regulations follow this directive but also include some enhancements (e.g., more accessible language, the elimination of duplicative language). He noted the draft rules also reflect 2023 legislative revisions, such as replacing brand names with registered cannabis product names and changing allowable testing deviation amounts.

Ms. Casey discussed proposed changes to the MCP fee schedule. She said the CCA's seeks to ensure the revised fees cover the cost of administering the MCP. She explained existing fees would not cover the MCP's direct and indirect costs, partly because the removal of patient and practitioner registration requirements eliminated the fees associated with those requirements. Even with the increases, Ms. Casey noted the CCA's proposed fees are well in-line with what other states assess.

Mr. Shuford updated the Board on the proposed rules on "equivalents." Virginia law currently refers to possession limits only for botanical cannabis. He explained the proposed rules establish one ounce of botanical cannabis is equal to 500 mg of THC cannabis products (such as edibles) and five grams of cannabis concentrate (e.g., vapes, inhalable oils). He noted the CCA based its proposed equivalents on research examining how roughly 20 other states approach the issue.

The Board asked why a patient might still choose to register. Ms. Casey explained a patient might register to enable them to purchase medical cannabis in another jurisdiction that accepts out-of-state medical cards. Mr. Preiss added that patients also may register and obtain a card to show an employer they are entitled to limited employment protections under Virginia law.

The Board questioned whether an annual inspection of MCP pharmaceutical processors was sufficient. Ms. Casey stated the CCA, once it assumes oversight of the MCP, will evaluate if this frequency is adequate. Mr. Preiss noted the CCA also will conduct inspections whenever there is a credible complaint that a processor is violating applicable law or regulation.

The Board asked how the public can track future developments on the rules. Mr. Shuford explained that after the Board approves the final text of the proposed regulations, the CCA will submit them to the Registrar and post them to Town Hall. The rules will then be published and available for the public to review and comment. Once the public comment period runs, the regulations will become effective on the listed date. Members of the public can access Town Hall at townhall.virginia.gov and track regulatory actions there. Mr. Preiss added the CCA will revisit the regulations regularly to refine them based on experience and stakeholder feedback. Future legislative changes to the medical cannabis program also would prompt modifications to the regulations.

Mr. Keohane made a motion to adopt the CCA's medical cannabis regulations, including the fee schedule. The Board approved an additional request allowing CCA staff to address any typos and make any necessary grammatical and minor technical changes to the regulations.

8. EDUCATIONAL RESOURCES UPDATE

Ms. Jones updated the Board on CCA's educational resources. She noted the CCA conducted a needs assessment, which received 169 responses, to gauge readers' reactions to CCA's current educational resources. Ms. Jones reported the needs assessment affirmed the utility of the CCA's published educational materials. Respondents also indicated they wanted more materials focused on youth, driving, and the rules affecting cannabis use and employment. These results were consistent with what CCA heard from citizens at town halls and other outreach events, and reinforced the importance of CCA work, already underway, to create both a toolkit to help parents talk about cannabis with their children and a resource on youth prevention.

The Board asked if the CCA plans to visit schools to share its educational information. CCA staff agreed this idea was worth exploring. Mr. Preiss shared that CCA staff participate in various government and non-government workgroups that can be leveraged to further disseminate the educational materials.

9. SAFE DRIVING CAMPAIGN UPDATE

In her update, Ms. Bonat reported the current phase of the safe driving campaign is focused on the creation of radio and television ads, i.e., public service announcements (PSAs). Radio PSAs were scheduled to begin airing across Virginia the first week of September. She reported the television PSAs will be available in early October. The PSAs are in Spanish as well as English.

Ms. Bonat discussed plans to update the website to include a "pledge" where people can commit to not drive high and to plan for a sober ride. Ms. Bonat also discussed efforts to create a digital toolkit the CCA will share with various partners in government, advocacy, public health, and business who, in turn, can amplify the safe driving messages. Mr. Preiss added that the CCA, budget permitting, would like to continue this campaign until survey results show significant behavior modification.

10. FINANCE AND BUDGET UPDATE

Ms. Patten updated the Board on the CCA's budget and finances. Current spending for FY 2024, which runs through June 30, 2024, is roughly \$400,000. The CCA's original appropriation for FY2024 was \$11.2 million; however, in a recent special session, the General Assembly reduced the CCA's budget to \$5.3 million. Ms. Patten noted the CCA anticipated these budget changes and feels it can carry out its various mandates under the reduced budget. Ms. Patten added that an additional \$2.5 million is available for the CCA to secure "Seed-to-Sale" tracking software for use in the MCP.

Ms. Patten also provided an update on the budget for operation of the MCP, including projected revenue from licensing fees that will support direct and indirect staff administering the program.

11. OTHER BRIEF UPDATES

Mr. Preiss briefly updated the Board on a new suit filed in federal court in Virginia challenging certain provisions in a recently passed law that imposed stricter limits on intoxicating hemp-derived

products; the suit named the CCA, among others, as a defendant. Mr. Preiss noted the CCA will further update the Board on the litigation as material developments in the case occur.

Ms. Casey briefed the Board on the U.S. Department of Health and Human Services' recommendation that the DEA reschedule marijuana under Schedule III of the Controlled Substances Act. She explained that if the DEA were to agree to implement the recommendation, the move could have consequences for state regulation of cannabis. She emphasized, however, that the process concerning potential rescheduling is in its early stages and could take time to unfold.

12. PUBLIC COMMENT PERIOD

Mr. Keohane invited comments from the public.

Mr. Jack Page, founder of Dharma Pharmaceuticals, a pharmaceutical processor in the MCP serving Virginia's Health Service Area 3, thanked the CCA staff and Board for their work. He suggested he would like to see some "tweaks" to the regulations in the future and expressed hope the CCA would consider him a resource. He said he looked forward to working with the CCA.

13. CLOSED SESSION

Mr. Keohane moved that the Board enter closed session under the Virginia Freedom of Information Act to discuss matters lawfully exempted from the open meeting requirements under the Personal Privacy and Security Matter Exemption^s contained in Virginia Code 2.2-3711(A)(4) and (A)(19). The motion was duly seconded, and the members unanimously voted to enter closed session. Ms. Patten, Mr. Preiss, and Mr. Flaherty attended the closed session in addition to the Board members.

Upon the Board's return from closed session, Mr. Keohane moved to certify that to the best of his knowledge only matters falling under section 2.2-3711(A)(4) and (A)(19) were discussed in the closed session. The motion was duly seconded and approved.

14. ADJOURNMENT

The Board adjourned at 3:03 PM.