



CCA Board Meeting  
Via Conference Call  
May 10, 2019  
**MINUTES**

**May 10, 2019**

President Fennell called the meeting to order at 11:00 a.m.

**1. Roll Call.**

<u>  X  </u>	Estelle Fennell, Humboldt County, CCA President
<u>  X  </u>	Mary Zeeb, Treasurer-Tax Collector, Monterey County, CCA Secretary
<u>      </u>	Jim Hamilton, TT Collector/ Auditor Controller, SLO, CCA Treasurer, CCA Board Member
<u>  X  </u>	Shari Schapmire, Treasurer-Tax Collector, County of Mendocino, CCA Board Member
<u>  X  </u>	Supervisor Jim Provenza, Yolo County, CCA Board Member Alternate
<u>      </u>	Supervisor Don Saylor, Yolo County, CCA Board Member
<u>      </u>	Alisha McMurtie, Treasurer-Tax Collector, Inyo County, CCA Board Member

Others: Cara Martinson, Adam Crabtree, Alan Fernandes, Greg Turner, Justin Cooley for San Luis Obispo County, John Bartholomew, Humboldt County Treasurer Tax Collector, CCA Alternate, Kristina Parson, Susan Strachan for Yolo County

**Legislative Update.** Staff reported to the Board on the Governor’s May Revision of the state Budget. In January, the Administration expected the excise tax to generate \$355 million in 2018-2019 and \$514 in 2019-2020. The May Revision has downgraded this revenue forecast to \$288 million for 2018-2019 and \$359 million for 2019-2020. Staff reminded the Board that, under Proposition 64, revenue is continuously allocated to the Cannabis fund and prioritized in the following way. Priority funding goes to the administration and enforcement of California’s legalized cannabis regulatory framework. Next, funds go to specified cannabis legalization research programs and equity programs. Finally, remaining funds go to youth education, prevention, early intervention, and treatment; environmental restoration; and public-safety related activities.

Staff stated that revenues for this new industry are hard to predict, therefore the flow of funding to these programs is subject to change. However, given the Administrations estimated revenue of \$288 million to the Cannabis Fund for 2018-2019, the Administration is proposing roughly \$89 million in administrative costs and a remaining \$198 million for research, equity, youth education, public health, environmental clean-up, and public safety programs. Several of these allocations will be of interest to counties, including:

- \$15 million for grants to local governments to create and administer local equity programs.
- \$26 million to the Board of State and Community Corrections for a competitive grant program for local governments that have not banned cannabis to fund public health and safety programs, including, but not limited to, local partnerships focused on prevention and intervention

programs for youth, and efforts to support collaborative enforcement efforts against illegal cannabis cultivation and sale.

Finally, the May Revision includes statutory language to address technical, clean-up issues related to streamlining provisional licenses, enhance the equity grant program established in Chapter 794, Statutes of 2018 (SB 1294), strengthen administrative penalties for unlicensed cannabis activity, and extend the existing CEQA exemption for local cannabis ordinances.

- 2. UPDATE on Internal CCA Operations, Membership & Outreach a. San Luis Obispo County – May 15th b. Yolo County – May 29<sup>th</sup>.** Staff reported that both Yolo County and San Luis Obispo county gave their operators notice that they must start transmitting data to CCA in May. Staff is working with the counties to onboard to the platform and will be conducting trainings with the appropriate staff over the next several months to connect counties with the platform and its features. Staff also reported that they are continuing to work with the Administration on a revised MOU regarding METRC data. Staff met with Nicole Elliot, the Governor’s new appointee for cannabis issues and will be continuing to meet with her and other state regulatory heads to finalize the details of our data integration. Staff also reported on a meeting with Riverside County CAO and senior cannabis staff. Staff was joined by NSC for a demonstration of the platform. Riverside County reported that they are taking an alternative approach to regulation, specifically through the development agreement process and have not and do not plan to pass a tax measure. They also envision the licensing process taking up until the end of the year. The county expressed interest in our work, but deferred to a later date to continue the conversation about joining the JPA. Staff also reported on a number of outreach efforts CCA engaged in over the month, including a booth at the CSAC Legislative Conference, and a presentation to the Central Coast Cannabis Managers meeting in Monterey County. Staff also reported on the CSAC FC April meeting and the presentation staff and CCA Secretary, Mary Zeeb made to the CSAC FC Board. The CSAC FC Board continued to express support for CCA, and was very encouraged by our progress. The CSAC FC Board also voted to appropriate \$200,000 in ongoing financial start-up resources to the organization. This funding will be payable (as other start-up funds from CSAC FC have been) back to the organization through our existing fiscal structure. Finally, counties reported on the status of their cannabis programs.
- 3. Freedom of Information Act/ Public Records Act Requests.** Greg Turner, CCA Counsel, reported that he responded to several PRA/FOIA requests made to CCA. Staff indicated that they would respond to these types of requests, but would also let member counties know as they occurred or if there were any requests made with specific information about a particular county. Information and data that CCA collects is generally not subject to the Public Records Act, per Proposition 64.
- 4. Tax Apportionment.** Greg Turner, CCA Counsel, reported to the Board on the Tax Apportionment Memo that was included in the packet. Counsel outlined the law and how it applies to counties in California that differing tax structures. Staff indicated that they would share Counsel’s memo with city and state representatives to clarify the issue.
- 5. June CCA Board Meeting.** – Staff shared an outline of a draft agenda and logistics for the CCA in-person Board meeting the following month in Monterey. Staff indicated that the primary focus and action item for the meeting would be to consider and reaffirm the revenue model and a 2019-20 budget. Staff indicated that the meeting would follow a similar structure to the CCA 2018 fall meeting in Yolo County, and that staff would work with Monterey County staff and CCA Board Members to develop a meaningful agenda and program, with the potential for a tour option. Staff

also indicated that they would be reserving hotel rooms for CCA Board Members as CCA pays for Board travel. Staff would also be sending out a draft agenda and meeting details in the following weeks.