



Office of Cannabis Management

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FELICIA A. B. REID
Acting Executive Director

Meeting Minutes

Title:	New York State Cannabis Advisory Board Meeting
Time & Date:	January 28, 2025 at 3:00 PM
Location:	H. Carl McCall SUNY Building, Center Tower Boardroom, 353 Broadway, Albany, NY 12246, 59 Maiden Ln., New York, NY 10038, 83 Main St., Cortland, NY 13045, 1001 Part St., Endicott, NY 13760, 910 Morris Ave., Bronx, NY 10451 and Virtual via Webcast

Attendance

Board Chair:	Joe Belluck, Esq.
Board Members Present:	<p>Voting Members: Joe Belluck, Esq., Alejandro Alvarez, Allan Gandelman (Cortland), Nikki Kateman (NYC), Marc Ramirez (Bronx), Sarah Ravenhall, Peter Shafer (Endicott)</p> <p>*Attending virtually from a private location due to extraordinary circumstances: Dr. Junella Chin, Ebro Darden, Armando Rosado</p> <p>Ex Officio Members: Thomas Brooks (virtual), Allan Clear (NYC), Kathleen DeCataldo (virtual), J’Aimee Louis (NYC - designee of Health), Dana Politis (virtual), Henry Rosen (designee of OASAS - virtual), Scott Wyner, Esq. (virtual)</p>
Board Members Absent:	Brooke Davis, TheArthur A. Duncan II, Esq., Patrick Foster, Garry Johnson, Daniel Kaufman-Berson, Emma Muirhead, Chandra Redfern
Others Present:	John Kagia, Patrick McKeage, Felicia A. B. Reid, Jim Rogers, Matthew Wilson

Agenda

- I. Welcome and Opening Remarks – Joe Belluck, Esq., CAB Chair
- II. Approval of Meeting Minutes from December 13, 2024 – Joe Belluck, Esq., CAB Chair
- III. Regulatory Discussion (Public Convenience and Advantage Regulations (119.4), Packaging, Labeling, Marketing and Advertising Regulations (Parts 128 and 129) – OCM Staff



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- IV. Office of Cannabis Management Updates (Market Update, Social and Economic Equity Update, Community Reinvestment Program Request for Application (RFA) Update, Seed-to-Sale System Update) – OCM Staff
- V. Thank you and Adjourn – Joe Belluck, Esq., CAB Chair

Notes & Comments

- Chair Belluck welcomed staff from the Office of Cannabis Management (“OCM” or the “Office”), and in particular, Acting Executive Director, Felicia Reid. He stated that they have spent most of the day together, first at an exciting press conference at the Capitol, announcing again their \$1 billion sales mark for cannabis sales in New York, and they were joined by the Assembly Majority Leader and Senator Cooney and many of their licensees, to celebrate that wonderful milestone. He stated that then Executive Director Reid and him were invited to the Black Cannabis Industry Association at the Albany Black Chamber of Commerce to give remarks to their members and listen to some feedback on a number of elements of the Marijuana Regulation and Taxation Act (“MRTA”) and their cannabis regulations. He further stated that it was an honor to be there, and he looks forward to working more closely with their members to understand what the practical impacts are of what OCM is doing with respect to the regulations.
- Upon a motion from Cannabis Advisory Board (“CAB”) Members, and a second from CAB Members, the Minutes of the December 13, 2024 CAB Meeting were approved unanimously. There was one abstention from Board Member Marc Ramirez.

- Patrick McKeage, Chief Operating Officer for OCM, and John Kagia, Executive Deputy Director of the Office of Market Policy, Innovation, & Analytics for OCM, provided an overview on the proposed regulations for Public Convenience and Advantage (“PCA”). Pursuant to Section 64(1)(g)(x) of the Cannabis Law, the Cannabis Control Board (“CCB”) is charged with developing regulations for use by the Office in determining whether an application should be granted a license, including the consideration of promoting PCA, public health and safety and the public interest of the state, county or community. As background, the cannabis regulations have proximity distances for where retail dispensaries can locate within a municipality. Some of these distances are in the Cannabis Law, such as the distance between the house of worship and the distance between a school, and then additional proximity requirements in the regulations pertaining to the distance that is allowed between retail dispensaries. In general, these distances are in a municipality that has a population of less than 20,000 people, the distance requirement is 2,000 feet between retail dispensaries



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and then if the population has more than 20,000 people, the required distance between dispensaries is 1,000 square feet. On September 10, 2024, the CCB passed Resolution No. 2024-96, directing OCM to file with the NYS Department of State (“DOS”) to issue public comment for the proposed PCA regulations. The window for public comment on the proposed PCA regulations opened on October 23, 2024 and closed on December 23, 2024. Overall, the Office received a total of 66 unique comments on the proposed regulations from various stakeholders, including applicants, licensees, public health associations, elected officials, municipalities and community boards. The majority of the comments that the Office received were negative against PCA and a subset of that provided recommendations to revise the proposed regulations. The main areas of opposition include a risk of oversaturation and threat to market stability, access may cause increased youth-use in adolescent populations, general public health risk associated with the increased density of retail stores and not enough municipality participation in the PCA process as proposed in these regulations. In response to these comments, the Office is now conducting what is called the Assessment of Public Comments. Any changes to these regulations would require the CCB to approve these changes and would kick off a second public comment period for 45 days. Based on this feedback, potential suggested revisions include:

- The default position of the CCB is to deny requests for exemption.
- Use specific criteria when judging PCA waiver applications, with decision-making centered on quantifiable data versus qualitative data.
- OCM and municipalities should issue an opinion on whether the requested exemption should be issued or not.
- Establish a hearing process for existing retail dispensary business, OCM, and the municipality to present their opinions or some sort of due process for all stakeholders impacted.
- Pause granting of PCA waivers to allow existing licensees and those in the queue to open and settle before adding additional competitors in their immediate vicinity.
- Create a PCA processing fee to be paid by the requestor to cover administrative costs and discourage frivolous submissions of PCA for consideration.
- Institute distance minimums where a PCA request could not be considered.
- Cap the number of conflicts a dispensary could have with other businesses for a PCA request to be considered.
- Require a certain amount of time a dispensary would need to be open before a PCA request could be considered.
- SEE status of the entities involved in the PCA request.



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- Chair Belluck stated that he hopes that the CAB will be given an opportunity to review the draft before its public comments are allowed and have input into what the public will ultimately comment on.
- Board Member Sarah Ravenhall stated that she would implore everybody to keep in mind what are the pillars of the cannabis program and public health, and that health equity is certainly one of two of them.
- Board Member Alejandro Alvarez asked if there are different responses coming from different regions of the of the state.
- John Kagia stated that these responses came in from across the state and the comments that they got did not try and tailor an outcome for specific regions, generally, proposing what would be statewide solutions.
- Board Member Allan Gandelman stated that from his perspective, working with a lot of dispensaries, the requiring a certain amount of time a dispensary would need to be open before a request could be considered is a really good idea and that it does take a dispensary six months to ramp up their customer base to really understand what the business model is and how many customers are in the area. He noted that there is another variable on that, which is enforcement, and what they are seeing is if there is a lot of illicit shops and one legal dispensary, the legal dispensary can be struggling until those illicit shops are closed down. He commented that he also agrees on the default position of the CCB to deny requests and with that have a hearing process where both sides can present their opinions. He stated that he is always going to support any quantifiable data that they can have in that community, in that neighborhood with that specific geographical location. He further stated that he is not sure why the OCM or the market would want to grant waivers at this time and that they have not even finished processing the November queue.
- Board Member Sarah Ravenhall stated that some of these suggested revisions could work and asked if they could make some kind of internal rubric and consider a few of them and come up with some qualifications. She noted that it should include health impacts, and asked are there hospitals and are there urgent cares, and that the reason she is suggesting that is because there is data out there that shows the association with higher density of cannabis retail establishments can result in increased hospitalizations, increased unintentional exposures in youth and prenatal individuals and it is important that they consider that the communities are set up to take on and be responsible for those retail establishments. She stated that then also maybe the time open, the distance minimums and the SEE status, and just have that rubric and pause, of course, while they are putting it together so that you have parameters for moving forward for granting the PCA waivers. She further stated that from a



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nonpublic health standpoint, when they are thinking about market stabilization, you made all these great points about and asked is this the time to be doing this and that her concern is from a public health standpoint, but these are good revisions.

- Board Member Alejandro Alvarez stated that there should be something there as far as a safeguard as well in how municipalities are engaged to potentially make a decision on whether or not something is open.
- John Kagia, Kagia, Executive Deputy Director of the Office of Market Policy, Innovation, & Analytics for OCM, provided an overview on the proposed amendments to Packaging, Labeling, Marketing and Advertising (“PLMA”) Regulations. On July 10, 2024, the CCB approved a resolution to file proposed amendments to the Part 128 and Part 129 PLMA regulations with the DOS for public comment. The proposed PLMA regulations were filed in the state register and became open for public comment on August 28, 2024, and the public comment period ended on October 28, 2024. OCM received 34 public comment submissions on the proposed PLMA regulations. The public comment submissions were disaggregated into 235 individual comments and 113 unique key points were identified. Commenters included a wide array of stakeholders.
 - Revisions to Part 128 and 129 aim to:
 - Reduce common causes of Statements of Findings by the OCM Compliance Team for which there is no risk to health and safety.
 - Streamline language to accommodate the medical cannabis program.
 - Make it easier for licensees to market and advertise competitively.
 - Restrict marketing and advertising practices that are a potential threat to public health and safety, such as targeting individuals under 21.
 - Clarify existing provisions and changes previously implemented in guidance only to regulations.
 - Discounts Defining Market Value
 - The proposed PLMA regulations allow for discounting with some requirements, including that the discount cannot result in the sale of cannabis products below market value or subvert State and local tax collections.
 - OCM received many comments in support of allowing discounts. Some commenters expressed public health concerns related to potentially promoting increased consumption. Many commenters requested OCM to define market value.
 - This is an essential decision as it plays an important role in:



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- Equitable Market Growth: Helps to level the playing field for small businesses and social equity applicants.
 - Consumer Protection: Prevents price manipulation and ensures fair market rates.
 - Tax Collection and Tax Revenue Forecasting: Helps prevent underreporting and supports accurate state tax revenue projections for public programs.
- Options to consider:
 - Setting Specific Thresholds: Commenters recommended market value be defined as being twice the wholesale price minus a set percentage (15% or 25%).
 - Price Posting: Similar to State Liquor Authority (“SLA”), OCM could require licensees to publicly post prices to improve market visibility and prevent predatory pricing.
 - Establishing Average Prices: Regulatory or tax authority would set average prices based on STS data, by product form, updated at regular frequencies (utilized in NV, OR).
- Chair Belluck stated that he does not know how exactly relevant it is to the PLMA, but they are all stewards of this market and when he goes into these dispensaries, there are a lot of products to him that would be attractive to kids, with names like Skittles or something else, and OCM’s position on this is that if it is a strain or something like that, it can be used in the name of the product. He stated that he thinks that they need to be super, super careful about this because there is going to come a point in time, it may be coming sooner than they think, where there is going to be oversight from somebody in the federal government or in New York State (NYS) or litigation where somebody is going to say these products were attractive to children or they are attractive to children and someone is going to get hurt and that he is not saying that there is an absolute rule that he is suggesting OCM adopt, but he thinks they really need to be careful about it and careful about how they are interpreting some of these things because if you hear the data about consumption by children and you go into these dispensaries, there are some things that in his mind are very close to the line and he just wants to reiterate that as they are talking about this labeling.
- John Kagia stated that they have been really heartened by the very intense collaborative role that the public health teams across the OCM have played in defining these rules and they continue to hold, particularly the protection of the youth, given how compelling the data has been about underage consumption and the harms that potentially creates, that remains an



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issue which is central to all of their deliberations here. He further stated that the one area where they allowed the industry to use the standard labels was on strain names and that was partly because there is a lot of established consumer knowledge around the names that are out there, and Skittles is one of the names that unfortunately was quite popular.

- Chair Belluck stated that he just thinks that with the strain names, it is a very slippery slope, because you can have Girl Scout cookies and then you can have Oreos and then you can have Skittles and the next thing you are going to have is Captain Crunch or something with the name Mickey Mouse in it and that somebody who is smart could come up with a strain name that is very appealing to a child.
- John Kagia stated that he feels very confident that particularly, the public health team, is singularly focused on this as an animating issue and that they will continue to monitor this very closely and if there needs to be further review and amendment here, they will take that if they are starting to see some of the things that he is concerned about.
- Board Member Alejandro Alvarez asked that as far as the packaging goes, is there any studies or any data around the actual demographics that the concentration of these purchases are made from.
- John Kagia stated that they do not yet have that data.
- Board Member Sarah Ravenhall noted that there is a strong evidence base that shows that youth are attracted or start using products that are concept flavors or fruit-based flavors. She stated that a strain is called Oreo and asked what does the packaging look like and does it actually look like an Oreo cookie and that is coming from the packaging of an Oreo cookie.
- John Kagia stated that you would not be able to create a product that looks like it mimics an Oreo packaging and that one of the things that they have been clear about in their packaging rules is one, you cannot mimic existing brands.
- Board member Sarah Ravenhall stated that that is the problem, and that illicit market is driving the need for other licensed establishments to feel the pressure to have these products that are called Oreo.
- John Kagia stated that on the naming, that is less about the influence on the packaging side, and it is a function of just the genetics that have evolved in the country over the last 25 to 30 years and that there has been a lot of different genetics out there. He further stated that on the strain names itself, that is just a function of what has been available in US cannabis for the past 30 years.
- Chair Belluck stated that maybe at a future meeting they could have more of a presentation and that it was a lot easier when people just referred to it as skunk bud because no kids would want to smoke a skunk, but now they are in a different era.



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- Chair Belluck stated that in the interest of time, he will meet with Pat and Lyla, and they will come up with a mechanism for the CAB to provide commentary on this.
- John Kagia, Executive Deputy Director of the Office of Market Policy, Innovation, & Analytics for OCM, Jim Rogers, Director of Small Business Development for OCM, and Matthew Wilson, Director of the Community Grant Reinvestment Fund for OCM, provided the following OCM updates.
 - Market Update
 - New York’s adult-use market has generated \$1.06 billion in sales to date.
 - With just three weeks into 2025, New York is approaching \$50 million in retail sales.
 - Sales per store is stable as more retail dispensaries open.
 - Performance has varied across the State’s 14 Empire State Development (“ESD”) regions.
 - As of January 2025, 983 locations have received proximity protection.
 - Over 50% of New York municipalities opted not to allow retail dispensaries.
 - Dispensaries are currently unable to open in approximately 54% of NYS’s municipalities due to municipal opt-outs.
 - The large opt-out areas will increase retail property premiums in opt-in zones and limit the total number of dispensaries that can be opened based on retail distance requirements.
 - Social and Economic Equity (SEE) Update
 - Of licenses issued at the last CCB meeting, 59% of adult-use licenses are SEE owned. The breakdown includes 23% Minority-Owned Businesses, 35% Women-Owned Businesses, 3% Service-Disabled Veteran-Owned Businesses (SDV), 6% Distressed Farmers, and 3% Communities Disproportionately Impacted (CDI). Since the inception of the Adult-Use Program, 54% of all adult-use licenses are SEE owned.
 - Of licenses issued at the last CCB meeting, 100% of the retail licenses were SEE licenses. Since the inception of the Adult-Use program, 36% of Adult-Use Cultivators, 44% of Adult-Use Processors, 39% of Adult-Use Distributors, 58% of Microbusinesses, and 81% of Adult-Use Retail Dispensaries, are held by SEE licensees.
 - The Conditional Adult-Use Retail Dispensary (CAURD) Grant Program exists to support active CAURD licensees with startup costs related to launching and operating a retail cannabis dispensary in New York. It



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provides grants to cover essential startup costs including commercial rent, capital improvements and space fit outs for retail locations, security equipment purchases and installation, point of sale system purchases, inventory tracking systems, and insurance costs. On behalf of OCM, ESD has entered into a contract with an independent, third-party service to administer the CAURD Grant Program, to award eligible CAURD licensees with vital funding to support their business operations. Grant applications will be accepted on a rolling basis until the \$5 million dollars is exhausted. All NYS based businesses that hold an active final CAURD license are eligible to apply. Licensees must be in compliance with all NYS Cannabis Laws and related regulations requirements, as determined by OCM. Awards will total up to \$30,000 for eligible expenses as defined by the grant. Applications must include a minimum of \$10,000 in eligible expenses to qualify for an award. The application portal will be open in early March.

- Upcoming programs and events include Cannabis Hub and Incubator Program (“CHIP”) Academy Part 4 and the Supply Chain event. CHIP Academy Part 4, the Office’s latest iteration of CHIP Academy, is a product of the OCM’s survey identifying educational needs for growers and is slated to launch in the coming months. CHIP Academy is an educational program designed to help new and conditional licensees navigate compliance, Good Manufacturing Practices (“GMPs”), and industry best practices, and consists of targeted training and Q&A sessions, and the program addresses key regulatory challenges and provides resources to support sustainable business growth. The Supply Chain event is an OCM-organized event for licensees across the supply chain, designed to promote networking among licensees and provide valuable information to support their success. Key features include opportunities for one-on-one technical assistance with subject-matter experts and OCM staff, in-person training sessions and workshops tailored to address business and operational needs, and a platform for licensees and stakeholders to connect, share resources, and collaborate.
- NYS is expanding cannabis access through higher education. There are several SUNY and CUNY colleges with active cannabis programs and all of these institutions offer a broad range of industry-related coursework.



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Some of these schools have specializations offered in Retail Management, Retail and Sales, Cannabis Production and Management, Cannabis Cultivation Science, Dispensary Training, and Specialty Crops and Cannabis Production. Currently, there are 22 cannabis certificate programs, 1 cannabis degree program, and 67 unique courses including Introduction and Fundamentals, Cultivation and Processing, Business and Compliance, Science and Medicine, Social and Cultural Impact, and other specialized topics.

- Community Reinvestment Program Grants Update
 - o The first round of the Community Grants Reinvestment Fund (CGRF) will issue grants to 501(c)(3) community-based organizations to fund programs serving youth, ages 0-24 years old, focusing on mental health, housing, and workforce development. The total available funding for this grant opportunity in 2024 is \$5 million. Each individual grant award will total \$100,000.
 - o Progress to Date
 - The Office issued the Request for Application (“RFA”) on October 16, 2024. The application closed on December 18, 2024.
 - The Office of General Services (“OGS”) conducted a “Minimum Eligibility Assessment.”
 - OCM recruited 40 evaluators from inside the agency. Training for evaluators was completed, covering RFA details, scoring, best practices, and confidentiality/conflict of interest (COI) requirements. All evaluators signed confidentiality and COI agreements.
 - Evaluators vetted applications for potential COIs. Applications were sorted into three-person Review Teams according to RFA selection methodology and COI avoidance. Applications became available for OCM review starting January 23, 2025.
 - Out of the 451 applications received, 81 of those applications were determined to be ineligible, leaving OCM with 340 eligible applications to review. These are not final numbers and are subject to change.
 - o Next Steps
 - Over the next six weeks, OCM intends to complete all of the evaluation and scoring.



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- Applications are ranked with tiebreakers and funding methodology.
- Tentative notices are sent to applicants.
- OGS submits the procurement package for Office of State Comptroller (“OSC”) approval.
- The CAB makes a public announcement after OSC approval.
- Program Preparations
 - Define Monitoring, Evaluation & Learning (MEL) framework.
 - Develop standard operating procedures & guidance.
 - Prepare financial administration.
 - Envision program enhancements such as welcome engagements, cohort convenings, and site visits.
- Seed-To-Sale System Update (The Office will send a written update to the CAB.)

- The CAB adjourned the meeting.