



MEMORANDUM

TO: Cannabis Regulatory Commission Board

FROM: Kelly Anderson-Thomas, Deputy Executive Director

SUBJECT: Delegation Of Authority to Audit Committee in Support of Interagency Equity Programs

Date: September 9, 2022

OVERVIEW

Since its establishment, the Commission has collaborated with multiple State Departments and Authorities to explore ways to make the regulated cannabis industry more accessible to individuals from communities that have historically lacked access to government supports for business ownership. Where these interagency discussions result in proposed State programming that needs funding support, the Commission should consider contributing monies from its budget, where appropriate, towards the implementation and maintenance of the State program. While such expenditures of the Commission's budget would ordinarily require formal approval from the Board of Commissioners at a public Board meeting, the Commission should delegate its authority to review and act on expenditure requests to the Audit Committee to ensure timely funding of important State programs that offer new opportunities to individuals looking to participate in New Jersey's cannabis industry.

BACKGROUND

The Commission established interagency workgroups with the goal of developing programs aimed at bolstering New Jersey's budding cannabis industry. Specifically, workgroups have focused on efforts to develop the cannabis workforce and connect existing or prospective cannabis industry business owners to supportive resources. Workgroups engage in research, brainstorming, and information-sharing to devise effective solutions to overcoming typical barriers to the cannabis industry.

For instance, the Business Development Support Workgroup has teamed up with the New Jersey Business Action Center (NJBAC) to determine ways the State can provide general business



development support to individuals who wish to establish a cannabis business but may lack significant experience in entrepreneurship or otherwise may need assistance navigating government systems when establishing a new business. The NJBAC has proposed establishing a technical assistance program to help aspiring cannabis business owners start a business, navigate the legal and regulatory requirements for cannabis businesses, and connect owners to resources tailored to a business’s specific operational training and mentoring needs.

While the NJBAC uses its existing resources to make services available to *all* startups and businesses in the state, the number of resources that can be used for purposes related to cannabis are limited. As such, there is an opportunity for the Commission’s funds, which are not subject to the same cannabis-related restrictions applied to NJBAC’s funds, to be used to support the creation of a technical assistance program in partnership with the NJBAC.

Where appropriate, the Commission should provide funds from its budget to support programs or projects developed in collaboration with other State Departments or Authorities that expand access to entering the regulated cannabis industry in New Jersey. Having the Commission partner with State agencies to create or maintain programming to advance economic, racial, and social justice within the cannabis industry is consistent with the Commission’s mission statement.

PROPOSED DELEGATION OF AUTHORITY

Ordinarily, as a public body, Commission expenditures to another State agency would need to be considered for approval by the Board of Commissioners at a public Board meeting. However, N.J.S.A. 24:6I-24 allows the Commission to “designate its powers and authority as it deems necessary and appropriate to carry out its duties and implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.).”

The authority to accept, review, and act on funding requests from State Departments and Authorities for State programs or projects to make the cannabis industry more accessible and diverse should be delegated to the Commission’s Audit Committee.

As the Committee in charge of the Cannabis Regulatory Commission’s finances, the Audit Committee is uniquely poised to review and act on these funding requests in a timely manner so that important projects are not delayed for want of an imminent public Commission Board meeting. Expedient review and decision-making on these requests would avoid unnecessary delay in implementing equity programs.

As part of its review of these funding requests, Commission staff serving on the Audit Committee should solicit and consider input from staff members serving on other committees or workgroups that have subject matter expertise relevant to the program or project.



To ensure the Commission is appropriately aware of the expenditures, the Audit Committee should, as soon as practicable, notify the Commission’s Board of any decisions made pursuant to its delegated authority and provide the Board with any materials relied upon for decision-making. Additionally, the Committee should report on any funding decisions taken pursuant to the delegated authority at the next public Board meeting following the Committee’s actions.