

Alcoholic Beverage and Cannabis Administration (“ABCA”)
FY 23-24 Performance Oversight Hearing Questions
Committee on Business and Economic Development
Kenyan McDuffie, Chairperson

Racial Equity

1. Describe any programs or policies where the agency (including the ABC Board) has had success in building racial equity during Fiscal Year 2023 and Fiscal Year 2024 to date.

Response: The agency has had success in FY23 and FY24 to date in building racial equity through the agency’s implementation of the Medical Cannabis Amendment Act of 2022. Specifically, since FY23, the agency has received 41 manufacturer, 53 cultivation center, and 9 courier medical cannabis license applications for either a permanent or conditional license from social equity applicants. As of January 3, 2024, ten unlicensed establishments that qualify as social equity applicants have been placarded for retailer licenses. The availability of additional medical cannabis facility licenses resulted in a significant opportunity for social equity applicants to enter the District’s medical cannabis market. The ABC Board has also achieved racial equity by providing access to medical cannabis to qualifying patients in all eight wards of the District through a medical cannabis patient card available at no cost in FY23 and FY24 to date.

2. In the context of the agency and its mission (including the ABC Board), describe three areas, programs, or initiatives where the Department has the greatest opportunity to address racial inequity.

Response: ABCA and the ABC Board have identified several areas, programs or initiatives that provide an opportunity for addressing racial inequity.

First, as part of its implementation of the Medical Cannabis Amendment Act of 2022 (Act), the agency is making medical cannabis retailer licenses available only to social equity applicants beginning on Friday, March 1, 2024 and ending on Tuesday, April 30, 2024. Under the Act, qualifying applicants for social equity retailer licenses are eligible to have 75 percent of their application and licensing fees waived for the first three years.

Second, our agency is excited about the potential of the District’s Medical Cannabis Social Equity Fund (Fund) as new licensed retailers start to open this fiscal year. In FY23, ABCA worked collaboratively with the Department of Small and Local Business Development (DSLBD) on a memorandum of understanding to implement the Fund. The Fund provides a great opportunity to provide equity, grants, and loans to assist social equity applicants and medical cannabis certified business enterprises in gaining entry to and operating in the Medical Cannabis Program.

Third, the forthcoming omnibus alcohol bill provides a significant opportunity to address racial inequity by helping to attract restaurants to Ward 7 and Ward 8 and make it easier for returning citizens to work at or own an alcohol licensed establishment.

3. Last fiscal year, ABCA shared that while it collects geographic data, it does not have a mandatory requirement that applicants complete race-based questions. Earlier this fall, the Committee sent a letter to the agency in response to a [DCist article](#) that reported that over the last five years, “Black-owned businesses on H Street NE faced liquor license protests from the ANC or neighbors more often than other businesses.” Furthermore, while Black-owned businesses make up less than half of businesses on H Street with a liquor license, DCist/WAMU reported that they account for 66% of the ANC or neighborhood protests in the last five years.

The agency responded that it was not able to provide the data the Committee requested because it “does not track race-based data related to alcohol licenses, as all of its alcoholic beverage license applications and protest petitions are race neutral”, among other things. Is there a legal impediment to the agency collecting race-based data on its alcohol license applications and protest petitions? If not, would the agency be willing to work with the Committee on implementing new data requirements?

Response: The agency is willing to work with the Committee on implementing or tracking new data requirements.

4. Has ABCA received complaints from current and prospective Black business owners about the liquor license approval process and the role of ANCs in changing neighborhoods? If so, please share those complaints and ABCA findings.

Response: As noted above, ABCA does not track race-based data related to alcohol licensees and filed protests, as all of its alcoholic beverage license applications and protest petitions are race-neutral.

The role an Advisory Neighborhood Commission (ANC) plays during the liquor license approval process is an important one. ANCs are one of the four primary groups granted standing under § 25-601. While ANCs comprise elected representatives from districts within the Commission’s boundaries, the ABC Board is fully aware that their principal purpose is advisory only. The ABC Board can only give “great weight” to recommendations from an affected ANC. It is not required to follow the recommendations or objections of an affected ANC. In evidentiary hearings, the Board conducts independent investigations through ABCA investigators to assist the Board in making an objective determination in a case.

It is worth noting that D.C. Official Code §§ 25-432(b)(1) requires the ABC Board to hold an evidentiary protest hearing within 75 days of the end of the protest period for new license applications. Additionally, D.C. Official Code §§ 25-433(c) requires the ABC Board to issue a written decision within 60 days after the close of the record for

new license applications. The reason for these two provisions is to ensure that new applicants who believe that a protestant is being unreasonable may receive a timely evidentiary hearing before the ABC Board and, ultimately, a decision from the Board. These two provisions are critical to ensuring that new applicants can proceed forward to a hearing and a decision from the ABC Board when they are unable to resolve issues raised by a protesting party.

5. Has ABCA received complaints from current and prospective Black business owners that the ANC settlement agreement process is racially biased and/or discriminatory? If so, please share those complaints and ABCA findings.

Response: As noted above, ABCA does not track race-based data related to alcohol licensees and filed protests, as all of its alcoholic beverage license applications and protest petitions are race-neutral.

With regard to the settlement agreement process, the agency requires mandatory mediation with an impartial agency mediator to help ensure that parties are being treated equitably and fairly. Additionally, ABCA's Office of the General Counsel reviews submitted settlement agreements to ensure that the agreements are fair and enforceable in accordance with D.C. Official Code §§ 25-446.01 and 25-446.02.

6. A subsequent [DCist article](#) reported that some Ethiopian-owned businesses in Shaw feel unfairly targeted by a proposed liquor moratorium. Has ABCA received past complaints from past and current Black business owners that the liquor moratorium process is racially biased and/or discriminatory?

Response: ABCA has not received any previous complaints from past or current African American business owners that the liquor moratorium process is racially biased and/or discriminatory. Moratoriums are generally imposed upon neighborhoods to limit license classes and endorsements. They are brought at the request of Advisory Neighborhood Commissions and other groups or members of the public without regard to the race, color, or nationality of the licensees. The ABC Board strictly follows the moratorium procedures set forth in Title 25 of the DC Official Code and Title 23 of the DCMR.

7. Please provide any other updates on the agency's work to advance racial equity.

Response: ABCA worked collaboratively with the Mayor's Office on Returning Citizens Affairs (MORCA) and the DC Department of Small & Local Business Development to hold two in-person information sessions for returning citizens regarding the medical cannabis facility application process and working at a medical cannabis facility. Internally, ABCA continues to utilize an agency Racial Equity Action Team that worked with the Mayor's Office of Racial Equity as part of its FY23 Racial Equity Cohort.

General Questions

8. Is the agency operating under a full or partial hiring freeze? If so, why?

Response: No. ABCA is not currently operating under either a full or partial hiring freeze.

9. Please provide a current organizational chart for the agency, including the number of vacant, frozen, and filled positions in each division or subdivision. Include the names and titles of all senior personnel, and note the date that the information was collected on the chart.
- a. Please provide an explanation of the roles and responsibilities of each division and subdivision.

Response: Please see the attached response to Question 9 for an agency organizational chart. The organizational chart is accurate as of January 2, 2024.

- b. Please provide a narrative explanation of any changes to the organizational chart made during the previous year.

Response: As of January 2, 2024, there were two new positions added to the ABCA organizational chart. The agency created an additional Freedom of Information Act Officer position that was funded in ABCA's FY24 Budget as well as a Licensing Program Specialist position.

10. Please provide a current Schedule A for the agency which identifies each position by program and activity, with the employee's title/position, salary, fringe benefits, and length of time with the agency. Please note the date that the information was collected. The Schedule A should also indicate if the position is continuing/term/temporary/contract or if it is vacant or frozen. Please separate salary and fringe and indicate whether the position must be filled to comply with federal or local law.

Response: Please see the attached response to Question 10 for the Schedule A document.

11. Please list all employees detailed to or from your agency. For each employee identified, please provide the name of the agency the employee is detailed to or from, the reason for the detail, the date of the detail, and the employee's projected date of return.

Response: ABCA does not have any employees who have been detailed to or from our agency.

12. Please provide the Committee with:

- a. A list of all employees who received or retained cellphones, personal digital assistants, or similar communications devices at agency expense in fiscal years 2023 and 2024, to date.

Response: Please see the attached response to Question 12a.

- b. A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned, as well as a description of all vehicle accidents involving the agency’s vehicles in fiscal years 2023 and 2024, to date.

Response: ABCA has 10 vehicles that are solely utilized by the Enforcement Division and are assigned as follows:

Primary Vehicle used by Supervisory Investigators

| <u>Tag</u> | <u>Make and Model</u> | <u>Year</u> |
|------------|-----------------------|-------------|
| DC-10891 | Toyota Camry | 2017 |

**Supervisory Investigator Mark Brashears (Green Team)
 Supervisory Investigator Jason Peru (Blue Team)
 Supervisory Investigator Earl Jones (Orange Team)**

The vehicles listed below are utilized by investigators on the Green, Blue, and Orange investigative teams.

| <u>Tag</u> | <u>Make and Model</u> | <u>Year</u> |
|------------|-----------------------|-------------|
| DC-8842 | Dodge Caravan | 2014 |
| DC-10190 | Toyota Corolla | 2013 |
| DC-10595 | Toyota Corolla | 2014 |
| DC-12847 | Ford Taurus | 2017 |
| DC-13079 | Toyota Camry | 2018 |
| DC-10596 | Toyota Corolla | 2014 |
| DC-12262 | Toyota Camry | 2018 |
| DC-13477 | Toyota Camry | 2020 |
| DC-13478 | Toyota Camry | 2020 |

For FY23 and FY24, to date, there was one (1) driving accident involving ABCA’s vehicles. The accident occurred on December 3, 2023 and involved a 2020 Toyota Camry.

- c. A list of travel expenses, arranged by employee for fiscal years 2023 and 2024, to date, including the justification for travel; and

Response: Please see the attached response to Question 12c.

- d. A list of the total workers' compensation payments paid in fiscal years 2023 and 2024, to date, including the number of employees who received workers' compensation payments, in what amounts, and for what reasons.

Response: ABCA did not have any workers' compensation payments in FY23 or FY24, to date.

13. For fiscal years 2023 and 2024, to date, what was the total cost for mobile communications and devices, including equipment and service plans?

Response: Please see the chart below in response to Question 13 for ABCA's mobile communications costs.

FY'23

| Service Type | Vendor Name/Budget Type | Total Cost | Payments | Remaining Balance |
|--------------|-------------------------|-------------|-------------|-------------------|
| Wireless | Verizon Wireless | \$22,182.59 | \$26,703.26 | (\$4,520.67) |

FY'24

| Service Type | Vendor Name/Budget Type | Total Cost | Payments | Remaining Balance |
|--------------|-------------------------|-------------|------------|-------------------|
| Wireless | Verizon Wireless | \$20,144.83 | \$2,467.36 | \$17,677.47 |

14. For fiscal years 2023 and 2024, to date, to date, please list all intra-District transfers to or from the agency. For each transfer, include the following details:
- The program and activity codes and names in the sending and receiving agencies' budgets;
 - Funding source (i.e. local, federal, special purpose revenue);
 - Whether a letter of intent was executed for fiscal year 2023 or 2024, to date and if so, on what date,
 - The date of the submitted request from or to the other agency for the transfer; and
 - The date funds were transferred to the receiving agency.

Response: Please see the attached response to Question 14.

15. Please list any additional intra-district transfers planned for fiscal years 2023 and 2024, to date, including the anticipated agency(ies), purposes, and dollar amounts.

Response: ABCA does not currently have any additional planned intra-district transfers for FY24.

16. For fiscal years 2023 and 2024, to date, please identify any special purpose revenue funds maintained by, used by, or available for use by the agency. For each fund identified, provide:
- a. The revenue source name and code;
 - b. The source of funding;
 - c. A description of the program that generates the funds;
 - d. The amount of funds generated by each source or program;
 - e. Expenditures of funds, including the purpose of each expenditure; and
 - f. The current fund balance.

Response: Please see the attached in response to Question 16.

17. For fiscal years 2023 and 2024, to date, please list any purchase card spending by the agency, the employee making each expenditure, and the general purpose for each expenditure.

Response: Please see the attached in response to Question 17.

18. Please list all memoranda of understanding (“MOU”) executed by your agency during fiscal years 2023 and 2024, to date, as well as any MOU currently in force. For each, indicate the date on which the MOU was entered and the termination date.

Alcoholic Beverage Regulation Administration (LQ0)
List of MOUs

1) List of MOUs signed and expiring in FY 2023

| Description | Buyer Agency | Seller Agency | Date MOU Signed | Amount |
|-----------------------------|-------------------------------------|---|-----------------|--------------|
| Merchant Service Fees | Alcoholic Beverage Regulation Admin | Office of the Chief Financial Officer (ATO) | 9/11/2023 | 105,221.41 |
| Reimbursable Detail Program | Alcoholic Beverage Regulation Admin | Metropolitan Police Department (FAO) | 3/13/2023 | 1,184,661.00 |
| HR Support Services | Alcoholic Beverage Regulation Admin | DC Human Resources (BE0) | 11/16/2022 | 29,725.00 |
| | | | | |

2) List of MOUs signed and expiring in FY 2024

| Description | Buyer Agency | Seller Agency | Date MOU Signed | Amount |
|----------------------------|-------------------------------------|---|-----------------|------------|
| Financial Support Services | Alcoholic Beverage Regulation Admin | Office of the Chief Financial Officer (ATO) | 10/23/2023 | 55,000.00 |
| Reducing Underage Drinking | Alcoholic Beverage Regulation Admin | DC Department of Transportation (KA0) | 11/2/2023 | 192,588.40 |
| | | | | |

19. Please list the ways, other than MOU, in which the agency collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations in fiscal years 2023 and 2024, to date.

Response: ABCA continues to coordinate with the US Marshal Service (USMS) anytime USMS executes a Notice of Eviction or a Writ for an ABC-licensed establishment in the District. USMS notifies ABCA in advance of the executed action and ABCA investigators are on the scene to ensure that any alcoholic beverages are properly secured and stored.

ABCA is also involved with several organizations to collaborate with analogous agencies in other jurisdictions. For example, ABCA is a member of the Cannabis Regulators Association (CANNRA) to collaborate with other state cannabis regulators. ABCA is also a member of the National Conference of State Liquor Administrators (NCLSA) to collaborate with other state alcohol regulators.

20. Please identify all recommendations identified by the Office of the Inspector General, D.C. Auditor, or other federal or local oversight entities during the previous 3 years. Please provide an update on what actions have been taken to address these recommendations. If the recommendation has not yet been implemented, please explain why.

Response: ABCA has not received any recommendations from the Office of the Inspector General, D.C. Auditor, or any other federal or local oversight entities during the previous three years.

21. Please list all capital projects in the financial plan and provide an update on all capital projects under the agency’s purview in fiscal years 2023 and 2024, to date, including the amount budgeted, actual dollars spent, and any remaining balances. In addition, please provide:

- a. An update on all capital projects begun, in progress, or concluded in fiscal years 2022, 2023, and 2024, to date, including the amount budgeted, actual dollars spent, and any remaining balances.
- b. An update on all capital projects planned for fiscal years 2024-2029.

- c. A description of whether the capital projects begun, in progress, or concluded in fiscal year 2022, 2023, or 2024, to date, had an impact on the operating budget of the agency. If so, please provide an accounting of such impact.

Response: ABCA does not have any existing or planned capital projects.

22. Please provide a table showing your agency’s Council-approved original budget, revised budget (after reprogrammings, etc.), and actual spending, by program and activity, for fiscal years 2022, 2023, and the first quarter of 2024. For each program and activity, please include total budget and break down the budget by funding source (federal, local, special purpose revenue, or intra-district funds).
- a. Include any over- or under-spending. Explain any variances between fiscal year appropriations and actual expenditures for fiscal years 2021, 2022 and 2023 for each program and activity code.
 - b. Attach the cost allocation plans for fiscal years 2021, 2022, and 2023.
 - c. In fiscal year 2022 or 2023, did the agency have any federal funds that lapsed? If so, please provide a full accounting, including amounts, fund sources (e.g. grant name), and reason the funds were not fully expended.

Response: Please see the attached in response to Question 22.

23. Please provide a list of all budget enhancement requests (including capital improvement needs) for fiscal years 2023 and 2024, to date. For each, include a description of the need and the amount of funding requested.

Response: ABCA did not have any budget enhancement requests in FY23. ABCA does not expect to have any budget enhancement requests for FY24.

24. Please list, in chronological order, each reprogramming in fiscal years 2023 and 2024, to date, that impacted the agency, including those that moved funds into the agency, out of the agency, and within the agency. Include the revised, final budget for your agency after the reprogrammings for fiscal years 2023 and 2024, to date. For each reprogramming, list the date, amount, rationale, and reprogramming number. Please also include the program, activity, and CSG codes for the originating and receiving funds.

Response: Please see the attached in response to Question 24.

25. Please list each grant or sub-grant received by your agency in fiscal years 2023 and 2024, to date. List the date, amount, source, purpose of the grant or sub-grant received, and amount expended.

Response: ABCA applied for and received a sub-grant from DDOT’s Highway Safety Office in FY24. ABCA’s portion of the sub-grant monies is \$192,558.40 for FY24. ABCA’s portion of the sub-grant is intended to help reduce underage drinking. The grant monies were awarded to DDOT from a safety grant administered by the U.S.

Department of Transportation’s National Highway Safety Administration. The federal safety grant also support projects that reduce impaired driving; encourage seat belt use; promote child passenger safety seats; reduce speed-related fatalities; and promote pedestrian and bicycle safety.

- a. How many FTEs are dependent on grant funding? What are the terms of this funding? If it is set to expire, what plans, if any, are in place to continue funding the FTEs?

Response: ABCA does not have any FTEs that are dependent on grant funding.

26. Please describe every grant your agency has, or is considering applying for in fiscal years 2023 and 2024.

Response: ABCA applied for and received a sub-grant from DDOT’s Highway Safety Office in FY24 to help reduce underage drinking. The grant monies received by the District also support projects that reduce impaired driving; encourage seat belt use; promote child passenger safety seats; reduce speed-related fatalities; and promote pedestrian and bicycle safety.

27. Please list each contract, procurement, and lease, executed, extended, and option years exercised by your agency during fiscal years 2023 and 2024, to date. For each contract, please provide the following information, where applicable:

- a. The name of the contracting party;
- b. Contract number;
- c. Contract type (e.g. HCA, BPA, Sole Source, sing/exempt from competition award, etc.)
- d. The nature of the contract, including the end product or service;
- e. Contract’s outputs and deliverables;
- f. Status of deliverables;
- g. The dollar amount of the contract, including amount budgeted and amount actually spent;
- h. The term of the contract;
- i. Whether the contract was competitively bid;
- j. Subcontracting status (i.e. Did the Contractor sub any provision of the goods and/or services with another vendor);
- k. CBE status;
- l. Division and activity within ABRA utilizing the goods and/or services;
- m. The name of the agency’s contract monitor and the results of any monitoring activity; and
- n. The funding source.

Response: Please see the attached response for Question 27.

28. Please list all pending lawsuits that name the agency as a party. Identify which cases on the list are lawsuits that potentially expose the District to significant financial liability or will result in a change in agency practices, and describe the current status of the litigation. Please provide the extent of each claim, regardless of its likelihood of success. For those identified, please include an explanation about the issues involved in each case.

Response: There is one pending lawsuit involving a former ABCA employee, Fowler v. ABRA, filed in the United States District Court for the District of Columbia (No. 1:18-cv-00634). Ms. Fowler seeks damages relating to allegations of disparate treatment in a hostile work environment and age discrimination. OAG filed a Motion to Dismiss the Third Amended Complaint and, as of January 2024, it is still pending.

29. Please list all settlements entered into by the agency or by the District on behalf of the agency in fiscal year 2023 or 2024, to date, and provide the parties' names, the amount of the settlement, and if related to litigation, the case name and a brief description of the case. If unrelated to litigation, please describe the underlying issue or reason for the settlement (e.g. administrative complaint, etc.).

Response: The matter cited in ABCA's performance oversight inquiry the last two fiscal years was settled in FY23. This matter, Fowler v. DC Alcoholic Beverage Regulation Administration (OEA Matter No.: 1601-0006-20), resulted in the Office of Employee Appeals affirming the decision of the Administrative Judge against ABCA. Payment of \$15,545.93 was made to the former employee representing her compensation for the period of October 15, 2019 through February 6, 2020, the effective date of her retirement. Additionally, ABCA did not prevail in opposing the complainant's attorney's fees and payment was made in June 2023.

30. Please list the administrative complaints or grievances as well as the nature of the complaints or grievances that the agency received in fiscal years 2023 or 2024, to date, to date, broken down by source. Please describe the process utilized to respond to any complaints and grievances received and any changes to agency policies or procedures that have resulted from complaints or grievances received. For any complaints or grievances that were resolved in fiscal years 2023 and 2024, to date, describe the resolution.

Response: There have been no Union grievances received by the agency in fiscal years 2023 or 2024, to date. Two former ABCA employees have filed complaints with the Office of Human Rights that are currently pending with that agency.

31. Please describe the agency's procedures for investigating allegations of sexual harassment or misconduct committed by or against its employees. List and describe any allegations received by the agency in fiscal years 2023 and 2024, to date, and whether those allegations were resolved.

Response: ABCA complies with the requirements set forth in Mayor's Order 2017-313 issued December 18, 2017, and the recently published Mayor's Order 2023-131 (Updated District Government Sexual Harassment Policy, Guidance and Procedures)

issued October 31, 2023, regarding the investigation of allegations of sexual harassment or misconduct. ABCA has adopted the policies set forth in those two Orders and makes clear to its employees that it will not tolerate any form of sexual harassment in the workplace. ABCA employees complete refresher sexual harassment prevention training when required. There were no allegations received or investigations conducted by ABCA regarding sexual harassment in FY 23 or FY 24, to date.

32. Please list and describe any ongoing investigations, audits, or reports on the agency or any employee of the agency, or any investigations, studies, audits, or reports on the agency or any employee of the agency that were completed during fiscal years 2023 and 2024, to date.

Response: ABCA is not participating in any ongoing investigations, audits or reports.

33. Please describe any spending pressures the agency experienced in fiscal year 2023 and any anticipated spending pressures for the remainder of fiscal year 2024. Include a description of the pressure and the estimated amount. If the spending pressure was in fiscal year 2023, describe how it was resolved, and if the spending pressure is in fiscal year 2024, describe any proposed solutions.

Response: The agency did not experience any spending pressures in FY23. The agency does not anticipate any spending pressures in FY24.

34. Please provide a copy of the agency's fiscal year 2023 performance plan. Please explain which performance plan objectives were completed in fiscal years 2022 and 2023 and whether they were completed on time and within budget. If they were not, please explain.

Response: A copy of the agency's FY23 performance plan is attached. ABCA exceeded its performance plan objectives for FY23. ABCA completed all of its performance plan objectives on time and within budget in FY23. ABCA expects to exceed all of its performance plan objectives for FY24.

35. Please provide a copy of your agency's fiscal year 2024 performance plan as submitted to the Office of the City Administrator.

Response: A copy of the agency's FY24 performance plan is attached.

36. Please provide the number of FOIA requests for fiscal years 2023 and 2024, to date, that were submitted to your agency. Include the number granted, partially granted, denied, and pending. In addition, please provide the average response time, the estimated number of FTEs required to process requests, the estimated number of hours spent responding to these requests, and the cost of compliance.

Response: In FY23, ABCA received 241 FOIA requests. Of the 241 submitted, 221 requests were completed in FY23. Twenty (20) requests were pending at the end of FY23.

Sixty-one (61) requests were *Granted in Full* with no information withheld. One hundred and thirty-nine (139) requests were *Granted in Part/ Denied in Part* with some personal information, trade secrets, and other exempt information, withheld. Three (3) requests were *Denied in Full*. Two (2) requests were *Withdrawn*. Three (3) requests were forwarded to other public bodies. Forty-three (43) requests were disposed of by other means. The average processing time was 18.2 days. One (1) FOIA Officer spent approximately eight (8) hours per day resulting in approximately 2,080 hours per year responding to FOIA requests. As such, the cost of compliance for FY23 was approximately \$90,805.

As of January 9, 2024, ABCA processed 95 FOIA requests inclusive of the 78 FOIA requests received in FY24 and the pending balance from FY23. Of the 78 requests received in FY24, 75 have been completed, three (3) are pending; 37 were *Granted in Full* with no information withheld; 32 were *Granted in Part/ Denied in Part* with personal information, trade secrets, and other exempt information, withheld; one was *Denied in Full*; 11 requests were withdrawn; and three (3) were disposed of by other means. The average processing time, inclusive of the completed FY23 pending requests, is 11 days.

Of note, the agency added one (1) new FTE FOIA Officer position in FY24 increasing the total number of FTE FOIA Officers to two (2). The FOIA Officers have spent cumulatively 104 hours in FY24 responding to FOIA requests. As such, the cost of compliance for FY24 is approximately \$8,907.

| ABCA FOIA DATA SUMMARY | | |
|--|-------------|--|
| | FY23 | FY24 <i>As of January 9, 2024</i> |
| TOTAL REQUESTS SUBMITTED | 345 | 78 |
| TOTAL REQUESTS COMPLETED | 335 | 75 |
| AVERAGE PROCESSING TIME (DAYS) | 18 | 11 |
| GRANTED IN FULL | 61 | 37 |
| GRANTED IN PART/DENIED IN PART | 139 | 32 |
| DENIED IN FULL | 3 | 1 |
| PENDING | 20 | 3 |
| WITHDRAWN OR DISPOSED OF BY OTHER MEANS | 48 | 14 |

37. Please provide a list of all studies, research papers, reports, and analyses that the agency prepared or contracted for during fiscal years 2023 and 2024, to date, to date. Please state the status and purpose of each. Please submit an electronic copy to the Committee if the study, research paper, report, or analysis is complete.

Response: ABCA did not prepare or contract for any studies, research papers, reports, or analyses in FY23 or FY24, to date.

38. Please separately list each employee whose salary was \$100,000 or more in fiscal years 2023 and 2024, to date. Provide the name, position number, position title, program, activity, salary, and fringe. In addition, state the amount of any overtime or bonus pay received by each employee on the list.

Response: Please see the attached response to Question 38.

39. Please list in descending order the top 25 overtime earners in your agency in fiscal years 2023 and 2024, to date, if applicable. For each, state the employee's name, position number, position title, program, activity, salary, fringe, and the aggregate amount of overtime pay earned.

Response: Please see the attached response to Question 39.

40. For fiscal years 2023 and 2024, to date, please provide a list of employee bonuses or special pay granted that identifies the employee receiving the bonus or special pay, the amount received, and the reason for the bonus or special pay.

Response: Please see the attached response to Question 40.

41. Please provide each collective bargaining agreement that is currently in effect for agency employees. Please include the bargaining unit and the duration of each agreement. Please note if the agency is currently in bargaining and its anticipated completion.

Response: A copy of ABCA's collective bargaining agreements currently in effect are attached. Collective bargaining agreements for ABCA's union employees are negotiated by the Mayor's Office of Labor Relations and Collective Bargaining.

42. Please list all reports or reporting currently required of the agency in the District of Columbia Code or Municipal Regulations. Provide a description of whether the agency is in compliance with these requirements, and if not, why not (e.g. the purpose behind the requirement is moot, etc.).

Response: The agency is in compliance with all of its reporting requirements. Pursuant to DC Official Code § 25-205, the ABC Board is required to provide an annual report to the Council detailing its activities during the previous year.

Additionally, ABCA is posting information related to the medical cannabis program requirements set forth in D.C. Official Code § 7-1671.05(11) to the ABCA website on a monthly basis.

Finally, ABCA files three reports annually that are required generally of District agencies, which include: (1) a FOIA Report, (2) BEGA's Filer Designation Report, and (3) the Sexual Harassment Data Collection Act Report.

43. Please provide a list of any additional training or continuing education opportunities made available to agency employees. For each additional training or continuing education program, please provide the subject of the training, the names of the trainers, and the number of agency employees that were trained.

Response: ABCA employees are encouraged to take online training throughout the year. All ABCA employees completed the required OCTO cybersecurity training by the December 2023 deadline. ABCA Managers also took a racial equity training course in FY23. ABCA continues to work with BEGA on an annual basis to provide ethics training and training on the Open Meetings Act for the ABC Board.

44. Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

Response: Yes, ABCA conducts mid-year and annual performance plans for its employees, including managers. Mid-year performance plans are required to be completed by managers and reviewed with the employee. The mid-year is a marker for the employee to ensure they are on track to meet or exceed their performance goals. Annual performance plans are then completed at the end of the fiscal year by the manager to evaluate the employee's performance and provide feedback. The mid-year review provides an opportunity for all managers to ensure that employees are meeting their individual job requirements. Managers are encouraged to meet with their staff regularly for purposes of providing them with feedback to assist with their professional development.

Agency Operations

45. Please describe any initiatives that the agency implemented in fiscal year 2023 or 2024, to date, to improve the internal operations of the agency or the interaction of the agency with outside parties. Please describe the results, or expected results, of each initiative.

Response: ABCA was successful in FY23 with the introduction of an online non-DC resident temporary patient registration system. The system allows non-residents to register as a temporary patient in the district for various time periods not less than 3 days and not more than one year. The result of this important initiative is that non-residents visiting the District are able to quickly register with the District as a qualifying patient and obtain medical cannabis from a licensed retailer.

46. What are the agency's top five priorities? Please explain how the agency expects to address these priorities in fiscal year 2024. How did the agency address its top priorities listed for this question last year?

Response: The agency's top five priorities in FY24 are to:

- 1. Educate licensees on the District's alcoholic beverage and medical cannabis laws and regulations;**
- 2. Ensure that licensed establishments are in compliance with the District's alcoholic beverage and medical cannabis laws and regulations;**
- 3. Engage in community outreach regarding the alcoholic beverage and medical cannabis licensing processes;**
- 4. Maintain a highly efficient, transparent, and responsive agency in the District of Columbia government; and**
- 5. Attend community meetings to educate the public regarding the alcoholic beverage and medical cannabis licensing processes.**

The agency intends to continue working on the priorities referenced above in FY24. The agency addressed its top priorities in FY23 by conducting 12,417 regulatory investigations and inspections and 441 sale to minor compliance checks at licensed establishments. Additionally, ABCA's education efforts in FY23 resulted in 490 licensees and members of the public being trained. The agency also attended 101 community meetings in FY23.

47. Please list each new program implemented by the agency during fiscal years 2023 and 2024, to date. For each initiative, please provide:
- a. A description of the initiative;
 - b. The funding required to implement the initiative; and
 - c. Any documented results of the initiative.

Response: ABCA did not implement any new programs during FY23 or FY24, to date.

48. Please list the task forces and organizations of which the agency is a member.

Response: ABCA is a member of the following task forces and organizations:

- **The National Liquor Law Enforcement Association (NLLEA)**
- **FBI-Law Enforcement Executive Development Association (FBI-LEEDA)**
- **The Cannabis Regulators Association (CANNRA)**
- **The District of Columbia Homeland Security and Emergency Management Agency (HSEMA) Special Events Task Group**
- **The District's Multiagency Nightlife Task Force**

49. Please explain the impact on your agency of any legislation passed at the federal level during fiscal years 2023 and 2024, to date.

Response: ABCA was not affected by any legislation passed at the federal level during FY23 and FY24, to date.

50. Please describe any steps the agency took in fiscal years 2023 and 2024, to date, to improve the transparency of agency operations.

Response: ABCA goes to great lengths to be transparent to its customers and public alike. The following exemplifies this commitment:

- **All public meetings are streamed virtually, which enables a greater number of persons to participate as an observer or party to a case. Transcripts, decisions, and Board Orders pertaining to cases are published online.**
- **In accordance with the Open Meetings Amendment Act, ABCA publishes its weekly calendars in the *D.C. Register* in advance of the ABC Board’s meeting. In addition to publishing the weekly calendar on the website, ABCA also publishes at the beginning of every calendar year the dates of all of the Board’s meetings and hearings.**
- **ABCA regularly distributes communications including a bimonthly e-newsletter that highlights program modifications, deadlines, and opportunities. The public can customize their subscriptions.**
- **ABCA regularly publishes data online including:**
 - **Alcohol license issuances (weekly)**
 - **Current alcohol licensees (monthly)**
 - **Medical cannabis program metrics (monthly)**
 - **Licensees registered to participate in each holiday eligible for extended holiday hours (ongoing)**
- **ABCA convenes meetings with key industry representatives including:**
 - **Medical cannabis business licensees (quarterly)**
 - **Medical cannabis program interagency partners (quarterly)**
 - **DC Association of Beverage Alcohol Wholesalers (quarterly)**
- **ABCA convenes quarterly meetings with ABCA staff, distributes staff updates, and launched an agency relocation committee comprised of staff members.**
- **ABCA proactively provide data to sister agencies and external partners including:**
 - **Licenses approved for sports wagering and games of skills (OLG)**
 - **License renewals for Clean Hands determination (OTR)**
 - **Pub crawls (Main Streets, BIDs)**

51. Please identify all electronic databases maintained by your agency, including the following:

- a. A detailed description of the information tracked within each system;
- b. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and

- c. Whether the public can be granted access to all or part of each system.

Response: ABCA utilizes the following systems:

Accela

Accela is used for all alcohol and select medical cannabis facility and employee data purposes. Accela is used to create license numbers for all new and substantial change records related to alcohol licensing and to house data regarding the licenses, including but not limited to license type, premises address, license contacts, license statuses, and related documents. Accela is also used to track data on licensed medical cannabis facilities and their employees.

The agency has used an updated version of Accela since 2008. Between 2015-2016, ABCA transitioned the system to the cloud-hosted option. Due to system limitations, ABCA will transition from Accela to Salesforce starting in FY24.

METRC

METRC is the District's medical cannabis seed-to-sale tracking platform.

DC Health selected the METRC system in 2018 and ABCA has continued its use. The agency has used an updated version each year with various enhancements. New production version releases are ongoing.

The only access to METRC outside of ABCA is to registered medical cannabis facilities to track product growth, packaging, distribution and sale to patients. Patients are only identified by registration number in this system. Third party vendors can obtain access to the METRC API.

QuickBase

QuickBase is used by ABCA for medical cannabis program patient, caregiver, and healthcare practitioner data. The QuickBase platform was selected by DC Health and transitioned to ABCA when the agency assumed oversight of the program in FY2020. Agency staff have implemented several rounds of scaling to functionally allow the system to grow, expand and be utilized to its full potential including adding various formulas and conditional formatting to allow staff to provide greater customer service. QuickBase has public access to patients who apply for patient registrations as well as healthcare practitioners issuing recommendations for patients.

PremiSis

PremiSis is used by ABCA to print physical identification cards for patients and caregivers. DC Health selected the PremiSis program in 2018 and ABCA continues to use it on a very limited basis since QuickBase was modified to allow printing directly from that system. The agency is aiming to sunset the legacy system at the end of the calendar year. PremiSis is not a public facing application.

52. Please provide a detailed description of any new technology acquired in fiscal years 2023 and 2024, to date, including the cost, where it is used, and what it does. Please explain if there have been any issues with implementation.

Response: As stated above, ABCA intends to transition much of its agency operations to Salesforce starting in FY24. This change will enable the agency to become more efficient, introduce customer self-servicing options, and better report on and safeguard data. As such, the agency purchased Salesforce licenses in January 2023 and renewed them in FY24. The deadline for companies to submit configuration proposals is in mid-January 2024.

In FY24, ABCA also intends to introduce:

- **Freshservice by Freshworks—a ticketing system to submit, track, and report on IT service requests.**
- **GPS Insight—a fleet management system to track ABCA fleet vehicles and monitor driver performance.**
 - **ABCA is being reimbursed the FY24 fee as part of its inaugural federal grant through the District’s Highway Safety Office. ABCA has submitted a Letter of Intent to submit a grant application for a minimum of \$250,000 for FY25. Continued funding for GPS Insight will be included in the request.**

Amazon Connect—ABCA will deploy the agency’s first call center on January 16, 2024.

53. How many in-person training programs took place in fiscal years 2023 and 2024, to date?

Response: In FY23, ABCA’s investigators participated in one (1) in-person DC Health led NARCAN training and select medical cannabis program staff participated in one (1) in-person Metrc-led RFID hand scanner training. In FY23, ABCA also partnered with Metrc, its seed-to-sale tracking vendor, to offer a two-day, in-person Advanced Metrc training on January 12-13, 2023. In FY24, ABCA participated in one (1) optional in-person FEMS-led CPR and NARCAN training. In FY23 and FY24 to date, select ABCA staff and board members have also attended various in-person conferences.

54. What training deficiencies, if any, did the agency identify during fiscal years 2023 and 2024, to date?

Response: The Agency has not identified any training deficiencies.

55. What are the agency’s fiscal year 2023 and 1Q fiscal year 2024 legislative priorities?

Response: ABCA anticipates introducing the following legislation and several rulemakings in FY 2024 and into FY 2025:

- a. **Technical Amendment Rulemaking for Title 23 (Alcoholic Beverages)**
- b. **Adams Morgan Moratorium Zone**
- c. **North Shaw Moratorium Zone**
- d. **Omnibus Alcoholic Beverage Amendment Act of 2024**

Small Business Enterprise (SBE)

56. Please attach copies of the required annual small business enterprise (SBE) expenditure reports for your agency for fiscal years 2022 and 2023.
- a. D.C. Official Code § 2-218.53(b) requires each District agency to submit supplemental information with their annual SBE expenditure report, including: a description of the activities the agency engaged in to achieve their fiscal year SBE expenditure goal; and a description of any changes the agency intends to make during the next fiscal year to achieve their SBE expenditure goal. Has your agency submitted the required information for fiscal years 2022 and 2023? If so, please provide a copy as an attachment.

Response: Please see the attached expenditure reports for FY22 and FY23.

57. Please provide the Committee with the SBE goals for fiscal years 2022, 2023, and 2024.

Response: The SBE goals are as follows

FY 2022 - \$210,938.18
FY 2023 - \$320,827.68
FY 2024 - \$192,097.50

Alcohol and Medical Cannabis Protests and Settlement Agreements

Please distinguish between alcohol and medical cannabis settlement agreements and by license type when applicable.

58. How many protests regarding current or prospective license applicants have been initiated in fiscal years 2022, 2023, and 2024, to date? Please provide the wards and locations of those protests.

Response: There were 170 protests initiated in fiscal years 2022, 2023, and 2024. Of those, only one protest was initiated for a medical cannabis application. Specifically, the Board reviewed: 52 in Ward 1, 44 in Ward 2, 3 in Ward 3, 22 in Ward 4, 8 in Ward 5, 25 in Ward 6, 1 in Ward 7, and 15 in Ward 8. Please see the attached spreadsheet for a breakdown of the protests by Ward and location.

59. Please include a numerical breakdown of the reason (i.e. peace, order, and quiet; residential parking and vehicular and pedestrian safety; real property values; etc.) for the protests by ward, location, and license type.

Response: ABCA does not track protest data in this manner. It is safe to say that most, if not all, Advisory Neighborhood Commissions cite all of the above appropriateness standards when filing a protest. Abutting property owners and Groups of Five or More Residents generally cite peace, order, and quiet as the reason they protest.

60. How frequently do license applicants decline to work with ANCs to reach a settlement agreement?

Response: ABCA does not track settlement negotiations in this manner and parties are not required to report it. Mediations are inherently confidential in nature, and the success or failure of mediated negotiations are only known because it either results in a settlement agreement or proceeds to a contested hearing. Moreover, mediation is conducted by ABCA's trained mediator and they occur outside the supervision of the agency, thus ensuring confidentiality.

61. How many settlement agreements were submitted to the ABC Board for review and approval in fiscal years 2023 and thus far in 2024? Were some agreements not approved? If so, please explain why in each case.

Response: For FY 2023, 122 settlement agreements were reviewed and approved by the agency. For FY 2024, to date, 36 settlement agreements were reviewed and approved. All settlement agreements submitted to the agency were approved by the Board because all met the statutory qualifications for approval and the agency works with the parties before submission to ensure that the terms of the agreement are satisfactory.

62. How many of such agreements were approved in fiscal years 2023 and thus far in 2024? Please provide the wards and locations of the approved settlement agreements.

Response: See response to question #61 above. ABCA does not track Settlement Agreements by Ward or location.

63. How many settlement agreements were either violated or terminated in fiscal year 2023 and how many have been violated or terminated thus far in fiscal year 2024? Please explain why in each case.

Response: ABCA does not track violations of settlement agreements by type of offense. ABCA does track terminations of settlement agreements and there were no petitions for termination filed in FY 2023 and none filed in FY 2024 to date, thus no settlement agreements have been terminated for this same time period.

64. How many establishments have requested to have their settlement agreements terminated without community approval? How many of those requests were granted? Please provide the location and ward of the establishment.

Response: See response to question #63. No settlement agreements have been terminated, with or without community approval.

ABC Board Questions

65. What is the current number of seats filled on the Board? How many seats are vacant?

Response: There are currently three seats that are filled on the Board. As of January 16, 2024, there are four vacant seats on the Board.

66. Please provide the date when each member was appointed, the date their appointment ends, and the ward in which they reside.

Response: Please see the table below:

| ABC Board Member | Initial Appointment Date | Term End Date | Ward |
|---------------------|--------------------------|---------------|--------|
| Donovan Anderson | November 3, 2015 | May 7, 2027 | Ward 7 |
| James N. Short | January 7, 2014 | May 7, 2024 | Ward 7 |
| Silas H. Grant, Jr. | November 7, 2023 | May 7, 2027 | Ward 5 |

67. Has the Board ever had 7 members at one time? If so, when?

Response: Yes, the Board has had seven members at one time. The last Board meeting with seven members was the July 14, 2021 Board meeting.

68. What was the attendance rate of each ABC Board member at Board meetings in fiscal year 2023 and what has been the attendance rate of each member at Board meetings in fiscal year 2024, to date?

Response: Please see the table below for the attendance rate of current Board members:

FY'23

| ABC BOARD MEMBER | ATTENDED | NOT ATTENDED | PERCENTAGE |
|-------------------|----------|--------------|------------|
| DONOVAN ANDERSON* | 41 | 1 | 98% |
| JAMES SHORT | 42 | 0 | 100% |

FY'24

| ABC BOARD MEMBER | ATTENDED | NOT ATTENDED | PERCENTAGE |
|------------------|----------|--------------|------------|
| DONOVAN ANDERSON | 12 | 0 | 100% |
| JAMES SHORT | 12 | 0 | 100% |

| | | | |
|-------------|---|---|------|
| SILAS GRANT | 8 | 0 | 100% |
|-------------|---|---|------|

*The two Board meetings missed by Chairperson Anderson in FY23 were non-Wednesday special meetings.

69. Has the agency begun to implement the new fiscal year 2024 budget subtitle that authorizes weekly stipends for ABC Board members?

Response: Yes, the new fiscal year 2024 budget subtitle that authorizes weekly stipends for ABC Board members has been implemented by the agency.

Reimbursable Detail Officer Program

70. Please explain the purpose of the Reimbursable Detail Subsidy program and its progression and evolution, especially over the last two fiscal years. How has it navigated the uptick in business concerns about crime and public safety issues?

Response: The Reimbursable Detail Subsidy Program is a public safety initiative, coordinated by the Metropolitan Police Department (MPD), that details MPD officers to patrol the outside of on-premises establishments and at outdoor events on an overtime basis.

Eligible parties to participate in the subsidy program include:

- On-premises retailers including alcohol licensed restaurants, taverns, nightclubs, hotels, and multipurpose facilities;
- Pub crawl organizers with a Pub Crawl License;
- Outdoor events organizers with a One-Day Substantial Change License or a Temporary License;
- DC Business Improvement Districts, and;
- DC Main Streets.

ABCA takes public safety seriously, and is excited to continue this partnership with MPD to help address crime in the District.

71. How much of the funds allocated for the Reimbursable Detail Subsidy program did the agency spend in fiscal years 2021, 2022, 2023, and 2024, to date? How much was allocated for the program for each fiscal year?

Response: The budget and expenditures that were spent under the Reimbursable Detail Subsidy Program for FY21, FY22, FY23, and FY 24 to date, are as follows:

Expenditures

**FY 21: \$334,437.44
FY 22: \$737,073.40**

Budget

**FY 21: \$1,193,825.67
FY 22: \$1,184,661.00**

FY 23: \$819,911.70
FY 24: Not available

FY 23: \$1,379,388.21
FY 24: \$1,251,389.57

72. Please provide the balance in funds for the Reimbursable Detail Subsidy program for fiscal year 2023 and discuss if the balance is still available or if it was reprogrammed for other priorities.

Response: The fund balance for the Reimbursable Detail Program at the end of FY 23 was \$637,750.26. It has not been reprogrammed and is still available.

73. How many ABC licenses, independently or in a group, utilized the Reimbursable Detail Subsidy program in fiscal years 2021, 2022, 2023, and 2024, to date?

Response:

FY 21: 44
FY 22: 35
FY 23: 52
FY 24: Not available

74. Please provide a monthly listing of the funds spent from the RDO subsidy program for fiscal year 2023 and thus far in fiscal year 2024.

Response: Please see the chart for FY23 listed below. The information for FY24 is not yet available.

| FY23 ABCA ELIGIBLE YTD OVERTIME ACTIVITY THROUGH PPE 10/08/2022 - 09/30/2023 (Includes Supplementals) | |
|--|-------------------|
| MONTH | ABCA COST |
| October | 83,134.75 |
| November | 85,280.48 |
| December | 59,995.35 |
| January | 55,588.60 |
| February | 65,988.96 |
| March | 69,162.80 |
| April | 69,920.96 |
| May | 88,022.54 |
| June | 62,970.71 |
| July | 65,132.49 |
| August | 55,299.86 |
| September | 59,414.22 |
| TOTAL | 819,911.70 |

Noise Issues

75. How many complaints did ABCA receive from residents regarding noise from ABC establishments in fiscal year 2023 and thus far in fiscal year 2024? In addition, how many of such complaints were referred to ABCA by MPD in fiscal year 2023 and thus far in fiscal year 2024? Please provide a ward breakdown of these complaints.

Response: Noise complaints that are received via the ABCA hotline are routinely assigned for immediate follow-up. Complaints that are received by ABCA through emails and other means are typically assigned for monitoring by one of the ABCA Enforcement investigative teams.

In FY23, ABCA received 809 noise complaints from residents. In FY24, as of January 7, 2024, ABCA has received 249 noise complaints from residents. In FY23 and FY24 to date, ABCA has not received any noise referrals from MPD.

ABCA is in the process of finalizing a new enforcement module and will be tracking noise complaints by ward on or before October 1, 2024.

76. Of those total complaints, how many did ABCA formally investigate?

Response: ABCA's policy and practice is to follow up on all noise complaints received, therefore the total number of noise complaints received is the same as those investigated (25lease see the response to Question 75 for further details).

77. How many citations were issued to ABC establishments for noise violations in fiscal year 2023 and thus far in fiscal year 2024? List each citation and establishment.

Response: ABCA issued two citations for noise violations in FY23. These citations in the amount of \$250.00 were issued to (1) Mariachi Lounge and (2) Comet Pizza. No citations have been issued to date for noise in FY24.

In FY23, ABCA also submitted two investigative reports to the Board for noise violations. As of January 9, 2024, ABCA has submitted one investigative report in FY24 to the Board for a noise violation.

78. How many times has the Noise Task Force gone out to investigate noise complaints in fiscal year 2023 and thus far in fiscal year 2024? Please provide the dates and the locations.

Response: The Noise Task Force did not convene in FY23. The Department of Buildings opted out of the Noise Task Force for FY23 as they are still in the process of rewriting the noise regulations. ABCA investigators are continuing to enforce noise violations apart from the Noise Task Force.

- a. Has the agency noticed an increase in the noise complaints it has received?

Response: ABCA continued to observe an increase in the number of noise complaints it has received. Noise complaints rose from 542 in FY22 to 809 in FY23, an increase of approximately 49%.

Medical Cannabis

79. Please provide a progress update on the implementation of the Medical Cannabis Amendment Act of 2022. What are the agency's early lessons learned? Are there any concerns that the agency would like to share with the Committee?

Response: With the implementation of the Medical Cannabis Amendment Act of 2022 (Act), the agency found that the legislation repositioned services to offer greater access to patients, cultivation centers, and retailers alike. Specifically, the Act facilitated the minimization and/or removal of significant barriers to services. For patients, it allowed for self-certification, reduction in fees, and greater access to facilities. Moreover, patient registrations have also been expanded from one-year to two-years in length. The Act has also afforded facilities the opportunity to expand operations and prepare for larger services, e.g. cultivation centers increasing supply for new and existing retailers. The Act also increased the number of available facility licenses and expanded the opportunity for social equity applicants to enter the medical cannabis market. The agency also discovered that many unlicensed operators were willing to come into compliance by applying for licensure. Many retailers who initially had concerns about the regulatory process found ABCA to be customer focused and forward thinking with all stakeholders in mind. As such, the implementation of the Act has helped to spur business development.

Other lessons learned included the opportunities for social equity applicants as a result of the Act. Each open application period since the Act's inception demonstrated a keen interest in being licensed by social equity applicants. The Act has been beneficial to social equity applicants by offering them the first opportunity to apply, reducing their application and licensing fees by 75% for the first 3 years, and requiring that 50% of licenses be issued to social equity applicants.

80. What is ABCA's process for reviewing proposed locations of medical cannabis establishments to ensure that they meet the requirements for proximity to prohibited locations (i.e. such as the location of a school or another establishment)?

Response: ABCA has worked closely with OCTO-provided resources to review proposed locations for applicants in advance of application submissions. In addition, ABCA relies on the advanced GIS multi-layered mapping system to ensure physical measurements are accurate and proximity concerns are determined in advance of

processing. Furthermore, if proximity concerns arise during the mapping and application process, ABCA then deploys an ABCA investigator to physically measure the distances to confirm and/or finalize permissive or prohibitive establishments. ABCA will deploy the same process as applicants who have been awarded conditional licenses return with documentation for proposed locations for operations.

81. Is there a backup process in place to ensure that if there are issues with zoning maps (i.e., incorrectly labeled lots), no medical cannabis retailers, for example, will be erroneously located near schools, recreation centers, or any other prohibited locations?

Response: Yes. Please see the response above to question 80 for further details.

82. Are there any zoning challenges that the agency is aware of that prospective medical cannabis businesses are facing that the Committee can help address through legislation?

Response: ABCA is currently working with the District’s Office of Zoning Administration in The Department of Buildings to clarify where a licensed medical cannabis manufacturer can locate. ABCA will keep the Committee updated regarding whether additional legislation is necessary to address this issue.

83. In fiscal year 2023, and fiscal year 2024 to date, how many applications did the agency receive for the following license categories. Please breakdown the applications by round or phase (i.e. May 1, 2023 – May 1, 2024, August 29, 2023 – October 30, 2023, etc.). Please include how many applicants were social equity and standard applicants. Please also include how many were awarded and by ward.

- a. Manufacturer (including new licenses to previously licensed operators)
- b. Courier
- c. Cultivation center
- d. Unlicensed operators – cultivation center, internet retailer, and retailer

Response: Please see the breakdown by fiscal year below

Fiscal Year 2023

- **Manufacturer Licenses issued to previously licensed cultivation centers – 5 (Ward 5 – 3, Ward 4 – 1, Ward 7 – 1)**
- **Manufacturer Applications – Social Equity – 41 applicants. 32 conditional licenses awarded. 1 placarded in Ward 5**
- **Manufacturer Applications – Standard – 26 applicants. 19 conditional licenses awarded. 1 placarded in Ward 5**
- **Courier Applications – Social Equity – 9 applicants. 1 conditional license awarded. 1 approved in Ward 2.**

- **Courier Applications – Standard – 3 applicants. 2 conditional licenses awarded. None approved.**
- **Cultivation Center Applications – Social Equity – 53 applicants. 40 conditional licenses awarded. 1 placarded in Ward 5.**
- **Cultivation Center Applications – Standard – 27 applicants. 21 conditional licenses awarded. None placarded.**

Fiscal Year 2024 (as of 1/9/24)

- **Manufacturer Licenses Issued to previously licensed cultivation centers -1 (Ward 5)**
- **Unlicensed Operators – Cultivation Center applications – 0.**
- **Unlicensed Operators – Internet Retailer applications – Social Equity – 1 applicant. 1 withdrawn.**
- **Unlicensed Operators – Internet Retailer applications – Standard – 1 applicant. 1 denied.**
- **Unlicensed Operators – Retailer applications – Social Equity – 17 applicants. 10 placarded (Ward 1 – 1, Ward 2 – 3, Ward 3 – 1, Ward 5 – 1, Ward 6 – 4)**
- **Unlicensed Operators – Retailer applications – Standard – 20 applicants. 9 placarded (Ward 1 – 2, Ward 2 – 5, Ward 6 – 2)**

84. In fiscal year 2023, and fiscal year 2024 to date, how many conditional applications did the agency issue and for which license categories? Please include how many applicants were social equity and standard applicants.

Response: Please see the chart below:

| | Couriers | Cultivation Centers | Manufacturers | Retailers | Internet Retailers | Testing Labs |
|--|-----------------|----------------------------|----------------------|------------------|---------------------------|---------------------|
| Social Equity Applicants (SEA) Conditional License Approved | 1 | 40 | 32 | 0 | 0 | 1 |
| Standard Conditional License Approved | 2 | 21 | 19 | 0 | 0 | 1 |

85. Please provide a numerical update on the issuance of any new endorsement categories in fiscal year 2023 and fiscal year 2024, to date.

Response: ABCA has issued five (5) medical cannabis delivery endorsements thus far to licensed retailers. The agency has issued four (4) medical cannabis education tasting endorsements thus far to licensed retailers. ABCA has not yet issued any safe-use treatment facility or summer garden endorsements. Two safe-use treatment facility applications are currently pending with the agency.

86. Please provide an update on the agency's plans to open the application process for social equity and standard applicants who plan to seek retailer and internet retailer licenses.

Response: The current open application period for eligible unlicensed operators who are social equity and standard applicants to apply for a retailer or internet license closes on January 29, 2024. The next open application period begins on March 1, 2024 and ends on April 20, 2024 and is for eligible social equity applicants to apply for a retailer or internet retailer license. Standard applicants will be eligible to apply for a retailer or internet retailer license during the subsequent open application period that will begin on July 1, 2024 and end on August 29, 2024.

87. Please provide the agency's assessment of the new social equity definition as defined in the Medical Cannabis Amendment Act of 2022, and as expanded through emergency legislation. What early insights or results has the agency seen thus far? Does the agency have any feedback to the Committee on this definition?

Response: The expanded definition of a social equity applicant to now include arrests and convictions of qualifying family members, including siblings and grandparents, for a cannabis or drug offense is working well. Specifically, the significant number of social equity applicants applying for cultivation center, manufacturer, and courier licenses has allowed the agency to exceed the 50% set aside of facility licenses for social equity applicants. Of note, the expanded definition has also been well received during ABCA's community outreach presentations to audiences at events with the Mayor's Office of Returning Citizens (MORCA), the DC Cannabis Business Association, the Career Shop DC cohort, and various webinars.

88. How many medical cannabis patient registrations did the agency issue in fiscal year 2022, 2023, and so far in fiscal year 2024? How many practitioners provided medical cannabis referral or recommendations to patients in fiscal year 2022, 2023, and 2024 thus far? How many patients self-certified in fiscal year 2023, and 2024 thus far? What trends did the agency see after the Council legalized self-certification?

Response: With regard to District resident medical cannabis patient registrations, ABCA issued 12,377 registrations in FY22, 10,064 registrations in FY23, and 1,806 registrations in FY 24 (through 1/8/24).

With regard to District resident practitioner referrals and recommendations, 3,277 qualifying patients submitted a practitioner recommendation in FY22, 422 qualifying patients submitted a practitioner recommendation in FY23, and 59 qualifying patients submitted a practitioner recommendation in FY 24 (through 1/8/24).

With regard to patient self-certification, 9,772 District residents self-certified in FY23. In FY24, 1,767 District residents self-certified as of January 8, 2024.

District residents were eligible to self-certify as qualifying medical cannabis patients beginning on July 6, 2022. Self-certification has played a key role in sustaining the District's medical cannabis program. Of note, self-certification has helped to promote racial equity by reducing financial and regulatory barriers and making medical cannabis accessible to all qualifying District resident patients regardless of one's ability to access or pay for a healthcare practitioner.

89. What are the early results of the agency's ability to provide more flexible timeframes for the non-resident registration cards?

Response: The additional non-resident patient card timeframes have been well received by both qualifying patients and licensed retailers. The flexible timeframes have taken into account the different lengths of time that visitors stay in the District. The success of this initiative can also be attributed to non-residents being able to quickly register on-line as well as ABCA's non-resident registration system operating smoothly and without issue. Licensed dispensaries have expressed their appreciation for the hard work of ABCA staff for implementation of the online registration portal and the quick resolution of any initial issues that may have existed.

90. What is the agency's assessment of the medical cannabis program, and trends in sales, after Maryland legalized adult use cannabis?

Response: The District's medical cannabis program is in position to succeed and grow in FY24 and in future fiscal years, notwithstanding Maryland legalizing adult use cannabis. This is due in part to the District's non-resident patient registration process. Maryland continues to consistently remain the state with the largest number of residents purchasing medical cannabis from District licensed retailers.

Medical Cannabis sales in the District will benefit in FY24 and in future fiscal years with the opening of additional retailers in the District. Currently, there are only six operating licensed medical cannabis retailers in the District and none currently open in Ward 3 or Ward 5. The opening of additional medical cannabis retailers as a result of the recent and upcoming open application periods will provide qualifying patients with additional accessible locations to purchase medical cannabis.

91. Please list how many states and territories have reciprocity with the District’s medical cannabis program. What new states or territories were added in fiscal year 2023 and 2024, to date?

Response: DC’s medical cannabis reciprocity program is nationally recognized as one of the most patient-friendly programs in the country. Reciprocity was extended to 37 U.S. states and Puerto Rico. No new states were added to the reciprocity list in fiscal years 2023 and 2024, to date.

92. How much revenue has the District received from the medical cannabis sales tax in fiscal year 2022, 2023, and 2024, to date? Please provide a progress update on the annual sales tax holiday that will now occur each April. How are sales during that holiday faring each year?

Response: The medical cannabis sales tax revenue for the requested periods is as follows:

| | FY22 | FY23 | FY24 <i>(As of November 30, 2023)</i> |
|-------------------|-------------|----------------|--|
| Sales Tax Revenue | \$2,229,000 | \$2,218,671.75 | \$342,277.18 |

The 10-day medical cannabis sales tax holiday that takes place annually since FY22 between April 15-24 continues to grow in awareness and popularity. Key data associated with the holiday is detailed below.

| | FY22 | | | FY23 | | |
|-------------|-------------|---|-------------|-------------|---|-------------|
| | Tax Holiday | Rest of April <i>(Excluding Tax holiday)</i> | Total | Tax Holiday | Rest of April <i>(Excluding Tax holiday)</i> | Total |
| Total Sales | \$1,339,785 | \$1,924,081 | \$3,263,866 | \$1,601,694 | \$1,986,412 | \$3,588,106 |

| | | | | | | |
|------------------------|-------|--------|--------|--------|--------|--------|
| Total Transactions | 8,231 | 13,540 | 21,771 | 11,764 | 16,446 | 28,210 |
| Avg Transaction Amount | \$163 | \$142 | \$150 | \$136 | \$121 | \$127 |

93. Please provide an update on the agency’s efforts to facilitate the opening of the District’s first testing lab. Has the emergency legislation that the Council passed in July to incentivize testing lab applications proved beneficial? How many testing lab applications has the agency received in fiscal year 2023 and fiscal year 2024, to date? How many prospective businesses expressed interest in applying for a testing lab license to date?

Response: The emergency legislation adopted by the Council has been beneficial in increasing interest in opening a testing laboratory in the District. This included applicants taking advantage of being able to apply for a conditional testing lab license. During FY23 and FY24, to date, the agency received three (3) applications for testing labs. Two of the testing lab applicants have been approved by the ABC Board for a conditional testing lab license. One did not advance to ABC Board review.

94. Given that DLCP is tasked with enforcement of the Medical Cannabis Amendment Act of 2022 and that activity is not currently funded, how does ABCA plan to proceed with the issuance of cease-and-desist orders and adjudication? How does the agency plan to work with DLCP on enforcement? Is there a timeline for that collaboration and enforcement activities?

Response: The roles of DLCP and ABCA with regard to enforcement are likely to change with the Council’s adoption of the Medical Cannabis Program Enforcement Emergency Amendment Act of 2024 on January 9, 2024 (Emergency Act). ABCA is currently monitoring the Mayor’s review of the Emergency Act which would modify the District’s current enforcement plan. ABCA intends to continue to work collaboratively with DLCP on enforcement regardless of how agency roles may change as a result of the emergency legislation.

95. Please provide an update on the Medical Cannabis Task Force that the agency assembled to conduct inspections on medical cannabis facilities. How many inspections have been conducted in fiscal year 2022, 2023, and 2024, thus far? How many violations, if any has the task force identified in those fiscal years? What was the nature of the violations?

Response: The Medical Cannabis Task Force that is comprised of multiple District agencies continues to meet on a quarterly basis. Due to the statutory pause in enforcement contained in the Medical Cannabis Amendment Act of 2022, the task force has not gone out as a group. With regard to licensed medical cannabis facilities, 58 inspections were conducted in FY23. In FY24 to date, each operating licensed

medical cannabis facility has been inspected at least once. These inspections included visits from both ABCA and the Department of Energy and Environment (DOEE). DOEE is currently finalizing regulations for medical cannabis cultivation centers. ABCA also regularly communicates with DC Fire and EMS Department inspectors on fire safety issues.

- a. What kind of penalties are given once an establishment has been found to be in violation?

Response: ABCA issued two (2) written warnings in FY23 to licensed medical cannabis facilities. One written warning was issued for failing to file a sliding scale report. Another written warning was issued as a result of an employee working with an expired ABCA registration badge.

- b. Please provide an update on ABCA's oversales investigations to patients.

Response: ABCA has closed out all of its pending investigations regarding patient oversales. ABCA continues to work with medical cannabis retailers to ensure that their internal point of sale computer systems communicate with Metrc to prevent user errors and system errors, which has helped to further prevent patient oversales numbers that the agency observed in the past.

96. How is the agency working with the Department of Small and Local Business Development on the Social Equity Fund and the Just Cannabis program? Has there been any progress or outcomes to date?

Response: In FY23, the agency entered into a memorandum of agreement with DSLBD to implement the Social Equity Fund (Fund). ABCA continues to monitor medical cannabis sales tax collections to track the possible availability of monies in the Fund. This is because the Fund will only receive monies once an annual threshold amount of the medical cannabis tax revenue has first been met in the Healthy DC and Health Care Expansion Fund. Once this threshold is met, the Fund can be deployed by DSLBD as grants, loans, or equity. In FY23, ABCA also worked with DSLBD and MORCA to present at two in-person training sessions that were held for returning citizens.

97. An increasing number of retail stores across the District advertise the sale of entheogenic plants and fungi (e.g., psilocybin mushrooms). Does ABCA have any plans to regulate entheogenic plants and fungi? If so, please describe.

Response: ABCA is currently monitoring the recent implementation of medical psilocybin mushroom programs in several other states. The adult sale of psilocybin mushrooms, which is a Schedule I substance, is currently prohibited by the same congressional rider that prohibits the District from regulating adult cannabis sales. Of note, unlike medical cannabis programs, there are currently no federal legislative protections in place for state medical psilocybin mushroom programs.

Alcohol

98. When does the agency anticipate that the omnibus alcoholic beverage legislation will be introduced by the Chairman at the request of the Mayor?

Response: ABCA anticipates that the Chairman will introduce the omnibus alcoholic beverage legislation in FY24, Q2. The measure is already drafted and undergoing IQ review with the Executive Office of the Mayor. Likewise, ABCA expects to obtain a Fiscal Impact Statement by no later than the end of January 2024.

99. What legislative or regulatory changes are needed to allow for the permanent continuation of the streatery program and endorsement? How is ABCA working with DDOT on this issue?

Response: On December 21, 2023, the Mayor signed the Streatery Program Extension Emergency Amendment Act of 2023. The emergency legislation continues the existing streatery program through December 31, 2024. ABCA's Omnibus Bill would make the Streatery Program permanent and year-round. Licensees would be required to obtain a permanent streatery endorsement by 2025.

ABCA is currently working with DDOT on their proposed streatery regulations which recently obtained legal sufficiency from OAG.

100. Are there open-carry alcohol zones authorized and operating in the District? If so, where? If so, have they been successful? If so, have there been any challenges with operations or enforcement?

Response: There are no licensed open-carry alcohol zones operating in the District.

101. If they exist, does ABCA have plans to consider expanding open-carry alcohol zones to other areas of the District? If so, please describe those plans and whether existing regulations need to change to keep pace with technology, definitions of DJs and promoters, etc.

Response: As noted above, no licensed open-carry alcohol zones currently exist in the District.

102. With on-premises licensees now allowed to sell alcohol for off-premises consumption if a meal is purchased, please provide an update on the success of the program and how many on-premises licensees have registered to take advantage of the carry-out privileges.

- a. How does ABCA ensure that on-premises licensees are actually taking in orders and making deliveries on alcohol with food purchases?

Response: Compliance with the prepared food requirement remains strong due to initial and ongoing educational outreach efforts by ABCA investigators and our communications team. ABCA investigators are in the field daily, regularly monitoring alcohol carry-out transactions for compliance with District law, including while conducting regulatory and final inspections and in responding to complaints.

- b. Has ABCA received complaints from consumers and other classes of licensees specifically the off-premises licenses on on-premises licensees taking alcohol orders with no food purchase? If it has, please share: (1) how many complaints it has received; and (2) how the agency resolved the complaints. Please include the wards and locations of such complaints.

Response: In FY23, ABCA received nine (9) complaints from the public related to no prepared food being sold with alcohol purchased for carry-out and delivery. All complaints were investigated by an ABCA investigator. If a violation is observed by an ABCA investigator, a case report is drafted for submission to the ABC Board for adjudication. As of January 9, 2024, ABCA has not received any complaints on this issue in FY24.

103. During FY20-21 performance oversight, the agency noted that its main challenge in monitoring the new carry-out provisions for on-premises licensees was ensuring that alcohol was being delivered to individuals 21 years of age and older. Please discuss in detail the progress the agency has made to conduct compliance checks.

Response: ABCA conducts routine inspections of alcohol licensed establishments that have a carry-out and delivery endorsement. During these inspections, ABCA investigators ensure that the to-go alcohol is accompanied by at least one food item, and that the customer's ID is checked to verify that they are 21 years of age or older. During FY23, ABCA did not find any violations related to the carry-out and delivery of alcohol. In FY24, ABCA will continue to conduct inspections of delivery records of licensed third party delivery companies to verify that they are delivering alcoholic beverages only to individuals 21 years of age and older.

104. Please list all Moratorium Zones that the ABC Board has adopted or denied. Please list by ward and initial date that the zone was established. Please provide background and details on the establishment of moratorium zones. For example, what is the process for

the establishment and dissolution of moratorium zones? Please also include pending moratorium zone applications.

Response: Please see the attached spreadsheet which sets forth the Moratorium Zones (both expired and in existence) in the District of Columbia.

Committee Recommendations

105. The Committee made the following policy and operating budget recommendations to the agency in its Fiscal Year 2024 Budget Report. Please provide an update on how the agency has addressed the Committee's recommendations.

- a. During the Committee's ABCA Performance and Budget Oversight hearings, public witnesses testified to the importance of expanding the ABC Board qualifications to include expertise on cannabis regulations. The ABCA Director also stated that he plans to discuss the potential expansion of ABC Board qualifications with the Board and whether to include proposed language in the Executive's forthcoming alcohol omnibus legislation. Currently, the ABC Board qualifications state that each member of the Board shall have a demonstrated record of substantial involvement in issues related to the community impact of licensed establishments before his or her appointment to the Board. It also states that the chairperson shall have a demonstrated knowledge of the laws and regulations relating to the sale and delivery of alcoholic beverages in the District.

These qualifications have not been updated since ABCA assumed responsibilities of the medical cannabis program in October 2020. Additionally, we will soon have several open seats on the ABC Board. With the recent expansion of the medical cannabis law and program, there is a need for future Board members to also have expertise in cannabis regulations. Therefore, the Committee requests that ABCA work with the committee on the expansion of required ABC Board qualifications to include knowledge of cannabis regulations.

Response: The Committee's recommendation has been included in and is addressed by the Executive's forthcoming alcohol omnibus legislation. ABCA looks forward to continuing to work with the Committee on this issue once the legislation is introduced at the Council.

- b. During the Committee's ABCA Performance Oversight hearing, public witnesses testified on the importance of ABCA conducting targeted outreach to share the recent changes to the medical cannabis law and the availability of new licenses, particularly to returning citizen communities. Additionally, given that the social equity applicant definition is now targeted toward returning citizens and their

family members, the Committee recommends that ABCA ensure that they be intentional about reaching out to returning citizens communities. This could include partnering with the Mayor's Office on Returning Citizen Affairs.

Response: In FY23, ABCA worked collaboratively with the Mayor's Office on Returning Citizens Affairs and the DC Department of Small & Local Business Development to hold two in-person information sessions for returning citizens regarding the medical cannabis facility application process and working at a medical cannabis facility.

- c. The Committee worked closely with ABCA and stakeholders on the Reopen DC Act, effective June 30, 2022. However, the Committee recognizes some outstanding concerns that were raised by the Council's Office of Racial Equity ("CORE") that were beyond the scope of the legislation. The Committee encourages ABCA to work on the outstanding concerns that were raised in CORE's Racial Equity Impact Assessment especially attracting more sit-down restaurants on the east end of the city. The Committee commends the agency in its effort to attract more full-service grocery stores East of the River and is committed to working with the agency to extend similar efforts for sit-down restaurants. Per the agency's responses at their Performance Oversight hearing this spring, the agency may pursue this recommendation in the Executive's forthcoming alcohol omnibus legislation.

Response: While the Reopen DC Bill made great strides to attract ABC-licensed businesses to those areas across the Anacostia River, ABCA's Omnibus Alcohol Bill (Ward 7, Ward 8 and Downtown Hospitality Bill) creates additional opportunities for business development in those Wards and downtown. The bill would allow existing breweries to open a new brewpub in Ward 7, Ward 8 or downtown. The bill also waives application licensing fees for three years for new art galleries in Ward 7, Ward 8, and downtown, among other things.