



STATE FISCAL YEAR 2025 - 2026, EXECUTIVE BUDGET

Testimony of:

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Greetings and Salutations:

Good afternoon, Committee Chairs, Senator Krueger and Assemblymember Pretlow. I want to thank you for the opportunity to testify this afternoon.

My name is Felicia A.B. Reid, and I am the Acting Executive Director of the Office of Cannabis Management. I look forward to sharing OCM's incredible work since I stepped into this role last June, as well as the work to come.

I want to thank Governor Hochul and the Executive Chamber for their support. This work and the milestones OCM has reached so far would be impossible without their commitment to economic development, public safety and rule of law, patient care, and a New York where diversity, equity, and inclusion are the drivers of positive and lasting change.

Today is the first time that OCM has appeared for a budget hearing. In that, I recognize the advocates and legislators who fought to bring the Marijuana Regulation and Taxation Act to life and to the cannabis businesses across our growing industry who are its lifeblood and the MRTA's greatest dream.

I also want to thank everyone at OCM. It truly takes a village—and you show up every day, and sometimes nights and weekends, to make our shared mission a reality.

And finally, thank you to the Cannabis Control Board and Cannabis Advisory Board, and to Sue Filburn, Acting Deputy Executive Director, and my dear colleagues across OCM's Executive Team.

Transition:

I came to OCM at a moment of necessary transition, tasked with strengthening the agency's infrastructure and enhancing its operational effectiveness.

I joined OCM, ready to work on day one, thanks to my experience working with justice-impacted New Yorkers. Having worked with the Legislature, appellate court, Legislative Ethics Commission, and the Office of Children and Family Services overseeing a statewide human services system, I was well

prepared. Still, it's the time I spent with incarcerated young people and their families that animates the MRTA for me.

The MRTA is a landmark piece of legislation that prioritizes economic development and demands equity in New York's cannabis industry. I understand what's at stake—making equity the engine, not an afterthought or an aside in an emerging market full of big risks and high stakes.

The thing you learn quickly in juvenile justice is that the most creative, perceptive, innovative, and gifted people—the people with the most to give back to their communities—are the hundreds of young people locked behind double fences and two layers of razor wire. The elegance of the MRTA is that it sees and knows the extraordinary power of the communities I've served for years.

And so, it is my mission as the head of OCM to realize the promise of these New Yorkers and their communities, those whose dreams have been denied and deferred for long enough.

As New York's cannabis industry moves from a jog to a sprint, OCM's economic development and regulatory roles have never been more crucial. But before I get to where the agency is going, let's look at where it is now.

The Right Now:

By the end of 2024, New York's adult use cannabis industry surpassed \$1 billion in sales, while medical sales captured almost \$100 million. Governor Hochul's Illicit Cannabis Enforcement Task Force was instrumental to these milestones. Along with our State agency partners, OCM padlocked 330 unlawful stores, saw more than 200 additional unlicensed operators close on their own, and seized nearly 7,500 pounds of illicit cannabis.

And unlike other states, New York achieved these economic development and revenue milestones while prioritizing small and medium-sized, local businesses on the foundation of social and economic equity.

In plain terms, this means that the economic powerhouse of New York cannabis is DEIA in action. It is a testament to what we accomplish by demanding the diversity and inclusion of many, not just the most powerful few. And what OCM has accomplished is both internal and external.

Today, OCM is in a much different place than when I joined last year. Thanks to Civil Service's HELPS program, we have hired nearly 50 new staff to stand at 215 employees today, across offices in Albany, New York City, and Buffalo.

To support OCM's continued expansion, I welcome Governor Hochul's proposed \$5 million to support additional hiring in licensing, compliance, enforcement, and legal, and the proposed increase in our staffing cap from 245 to 274.

Doubling OCM's licensing team has made navigating the application process more transparent and supported our implementation of a single point of contact system for application review. This ensures

that each applicant has an assigned case manager who provides them with regular communication and works with them through the entire process.

How does this show up in the industry? Let's look at the license approval rate from January 2024 through the end of May 2024, against June 2024 to today. Comparatively, OCM has moved almost 193% more licenses through to the Cannabis Control Board for approval—all while continuing to exceed the MRTA's goal of 50% of social and economic equity operators.

This means more regulated stores, cultivators growing and breeding genetics adapted to New York, additional cannabis research and development, and greater resources for medical patients.

By late summer of last year, OCM coordinated a light-touch needs assessment of our people, processes, and technology—concretizing what we must build across those domains. I addressed OCM's lack of internal accountability processes by installing its first office of internal control and audit, to reduce agency risk and practice vulnerabilities. By winter, OCM brought together its first customer service team, which will help the agency, in real time, address issues from the field. And finally, by year's end, OCM reduced its FOIL backlog by 25%.

This month, I announced the launch of the Trade Practice Bureau, a unit in our Office of General Counsel, to go after operators who violate the two-tier market, undermine the development of local business, and who disregard New York cannabis' equity priorities. The industry has roundly celebrated this news.

Meeting the New Yorkers across the cannabis community has been the highlight of my time at OCM—whether it's standing in a muddy field with cultivators in Hudson Valley or in booties at a state-of-the-art processing facility in Long Island. From Buffalo to the boroughs, the team and I have met with hundreds of New Yorkers, in their communities, to hear from them directly about their needs in navigating our regulated market. We heard about the things that work and the things that don't, and we will use the relationships we build to inform where we go next.

The Future:

My vision for OCM is an agency that understands the needs of cannabusiness across the supply chain, protects and educates the public, knows its obligation to maintain market integrity, and invests in the growth and development of staff. All this while treating equity, not as a word of the day, but spirit that gives color, light, and meaning to all that we do.

At our recent Cannabis Control Board meeting, 62% of the adult-use licenses approved were social and economic equity-owned, and 52% of those licenses were women-owned businesses. To date 54% of licenses across the supply network are social and economic equity (SEE) owned.

A vision is only as good as the ability to make it real, and that ability is what I've brought to OCM.

Taking Lessons Forward:

Successfully implementing the MRTA requires long term strategic planning and action. New York must learn now from lessons other cannabis jurisdictions learned only in hindsight. We must continue to

support operators across the supply chain. We must move decisively on matters of climate change and environmental sustainability. And we must pay close attention to the economic winds that impact our regulated market.

So what does success look like?

- It's more legal stores in our communities that sell New York-grown cannabis;
- It's a well-trained cannabis workforce and labor practices that keep them safe;
- It's patients with greater access to medication and practitioners who understand the science;
- It's families and caregivers having the information to have cannabis conversations with young people;
- It's innovation that doesn't happen at the expense of the environment;
- It's even-handed compliance and enforcement efforts so that those who follow the rules are those most likely to be successful.
- And it's knowing that to approach a person, a community, or an industry with equity is to know deeply, that "we do not survive as individuals." Equity values difference and meets that difference adaptivity, so that we all get where we need to go--together.

Thank you, Senator Krueger and Assemblymember Pretlow for welcoming OCM to this budget hearing. I deeply appreciate the opportunity to share information and plan forward for the future of New York cannabis.