

An Interview with Layke Martin Conine

Perspectives from the COVID-19 Pandemic: Leadership and Learning in Nevada

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Each interviewee had the opportunity to review their transcript. All measures have been taken to preserve the style and language of the interviewee. This interview features Layke Martin Conine, Executive Director of Nevada Cannabis Association and was conducted on 5/3/22 by John Hudak and Kristian Thymianos. This interview covers topics including reflections on leadership, organizational challenges, and opportunities for collaboration.

Interview with Layke Martin Conine

Date: 5-3-2022

SPEAKERS: John Hudak, Kristian Thymianos, Layke Martin Conine

John Hudak [00:02]

All right, Layke, thank you again for taking the time to speak with us today. Now that we're recording, I just wanted to confirm that you consent to being recorded.

Layke Martin Conine [00:11]

Yeah.

Interviewer [00:10]

And you consent to the consent form that I emailed along to you earlier.

Layke Martin Conine [00:14]

Yes.

John Hudak: [00:17]

Excellent. Thank you. Kristian, you're up.

Kristian Thymianos [00:19]

All right, okay. So starting off with the first question, could you describe your position and role in your organization, and what your organization does?

Layke Martin Conine [00:28]

Sure. So I am the Executive Director of the Nevada Cannabis Association, which, until recently, was known as the Nevada Dispensary Association. We are the oldest and largest trade association for cannabis businesses in Nevada. We represent the majority of the state's 94 dispensaries, as well as cultivation, production, and distribution licensees and affiliated businesses.

And so, as a trade association, our primary role is advocating for the industry at the federal, state, and local levels. We also provide a lot of educational resources to our members to aid in their compliance. This is a highly regulated industry, and so compliance is paramount. And so we create all sorts of training resources for management employees in the industry. We also do a lot of community outreach, media outreach, and political outreach.

Kristian Thymianos [01:25]

Thank you. Much appreciated. Okay. The second question is, how did you see your role or your organization's role during the pandemic?

Layke Martin Conine [01:36]

Well, so I was not with the organization for the first part of the pandemic. But I can tell you how the association and how the industry responded early on in the pandemic. So we have, like I said, about at the time, we have 94 open dispensaries now—that's probably about 70 in March of 2020. And with the initial closures, the industry advocated to make sure that dispensaries were deemed essential because we do have a population that relies on cannabis for medical treatment. And so, early on, they were deemed essential but had to deal with some significant capacity restrictions, or even being closed but allowed to do delivery and curbside.

"Curbside" is sort of an interesting pandemic creation. It hadn't existed before for dispensaries. But in the interest of keeping people not crowded into a store, they developed curbside pickup—where you order online and then come and pick up your order in a parking space. What's been interesting about curbside since is that customers really loved it, and they ended up—for some businesses, it's about 30% of their business still.

So we, during the last legislative session, made sure that curbside was codified because it had been a part of the governor's Emergency Order. Now, it's a part of—it can be done everywhere, and other states are following suit. I think California's seeking a codified curbside, and just making it a permanent feature of what dispensaries are able to offer.

The other thing is, early on in the pandemic, home delivery wasn't a big thing. There just wasn't a lot of it. And obviously, the need for home delivery really ramped up in the first few weeks of the pandemic. And so, our association and the industry worked with the Cannabis Compliance Board, which is our regulatory body, to approve, you know—highly regulated—they had to approve a bunch of cars for delivery, to make sure there was delivery guidance out there. And so, retail has really ramped up delivery in a significant way. And again, making sure that it was safe and compliant, and all of that. So those are a couple of ways.

The other thing is the industry had been very focused on tourism, and with that decreasing significantly, coming to basically, a stop at the beginning of the pandemic, the industry had to look at okay, how are we going to target locals? And so things like loyalty marketing programs and things like that really changed and developed in different ways during the early pandemic.

Kristian Thymianos [04:36]

Thank you. Much appreciated. The next question is, which demographic groups do you believe were hardest hit by the COVID recession? And then how, if at all, did your organization's goals change to accommodate the groups hardest hit?

Layke Martin Conine [04:53]

I don't know like business trade association—do you mean like with employment, or outside of cannabis, or—can you be more specific?

John Hudak [05:00]

So I would say, Layke, in terms of any groups that struggled within the industry, whether it was groups of employees, types of employees, etc., or in terms of the consumer base if you saw any changes or challenges existing among your consumers?

Layke Martin Conine [05:19]

I think you're going to find cannabis might be a little bit different in how it was impacted by the pandemic versus some other industries, and I will tell you two ways: one is employment. So during the pandemic, during those initial couple of months, there were some folks who couldn't get the same number of hours because stores were closed or had reduced capacity. So we did have some job loss I think initially. But then, throughout the rest of the pandemic, if we're looking at the whole two-year period, we added hundreds, if not thousands, of jobs in the industry.

What was interesting is that sales of cannabis grew during the pandemic in fiscal year 2021, which, as you know, the state fiscal year ended on June 30 of 2021. That was the highest sales on record yet for Nevada. And since the restrictions have lifted, and people are back at work, and out of their houses, and whatnot, actually, sales have decreased in the early part of this year.

So it was sort of an interesting flipside, and I think—I don't know if alcohol tracked the same way. But I think, when people were at home, they were willing to try new things, and cannabis was one of those things. And I think also because we had added those—we had made it more accessible. And with those things like curbside and home delivery, and things like that. So we did see a high number of sales during the pandemic.

Back to employees, we have an incredibly diverse workforce. And there's a demographic study that I can send you, that the CCD conducts every year, but starting last year, so they've done two surveys. And our workforce, particularly our frontline workforce, is incredibly diverse. And so, again, by being kind of recession-resilient, we were able to keep folks employed, and keep an incredibly diverse workforce employed during the pandemic. In terms of customers, I'm not sure we saw much of a change, other than we were increasing customers, like the types of sales changed. I'm sure you noticed; flower sales increased, while edible sales decreased because people were not tourists—because you can't smoke legally, a lot of tourists consume edibles, or they're new to it, and view it as an easy starter. So a lot of tourists buy edibles. Tourists weren't coming. Folks at home smoke flower. It's cheaper, and so, flower sales were increasing, definitely.

John Hudak: [08:26]

A quick follow-up there. You had mentioned people working from home, and then being interested in trying new things. Did you get any anecdotal evidence, or evidence otherwise, that issues around anxiety, stress, and things like that were also inducing customers to either try it or use it more regularly?

Layke Martin Conine [08:49]

Well, that as well, but only anecdotally.

John Hudak: [08:50]

Okay.

Layke Martin Conine [08:52]

But I'm sure if we talked to budtenders and asked them what people were coming in and saying—they were seeking to address through—cannabis use, I'm sure, would be one of them.

John Hudak: [09:02]

And it seems—this will be my last follow-up on this one, then I will kick back to Kristian. It also seems like there's a story to tell there about sort of responsible use, right? As people are working from home, they're purchasing more or trying it. And now that they're driving to work again, that use might be falling off, as a sort of responsible consumer not using and driving, that sort of thing.

Layke Martin Conine [09:23]

Yeah, I think so.

John Hudak: [09:25]

Great. Kristian?

Kristian Thymianos [09:30]

All right. So what do you wish the different levels of government would have done, or could do differently, during the COVID recession?

Layke Martin Conine [09:40]

I think the treasurer's response to COVID was—that's my husband, Kristian, actually (laughs). Honestly, I think that the state reacted really well in making sure that—and recognizing that, for many folks, this is plant medicine, and allowing it to be deemed essential early on, and I think they did the best with the information they had. Would we have hoped for increased capacity in stores early on? Sure. But the way that they were working with the industry, to allow an increase in delivery, and allow an increase in curbside, and some more innovation, I think was really effective, and I think that the sales numbers and the corresponding tax revenue brought into the state reflects that. So I think that both the state and the industry can be commended for being nimble, for pivoting effectively early on, and for getting through this and actually growing the industry during the pandemic.

John Hudak [11:05]

Actually, a quick—oh, sorry. Go on, Kristian.

Kristian Thymianos [11:06]

No, you go first, please, John.

John Hudak [11:08]

Just a quick follow-up there. Some respondents from other industries, who we've talked to, have said that there were some real challenges with rapidly changing regulatory environments, executive orders, and things like that in terms of clarity for the people who it affected. So could you talk a little bit about whether there was that challenge among cannabis operators about fully understanding what the changing regulatory environment was? And if so, how it had been changed—how you resolved the issues.

Layke Martin Conine [11:40]

Yes, John, that's a really good point. And it was really hard on a lot of our human resources managers and small staffs at the time because they were trying to make sure that their income clients, and also, making sure with vaccination mandates and things like that, addressing—making sure that they're meeting their employees where they're at and treating them respectfully, but also being compliant with other requirements.

And so it was a really difficult time for, I see it, managers, human resources, and whatnot. What we tried to do as an association is to offer some additional help to those folks in navigating all of this. Because they still have their regular jobs to do, as well as trying to understand mandates, requirements, and whatnot. And those mandates certainly were pretty confusing when they first came out. And so we would bring in an employment law attorney for a call, just to get on the phone and say, "Okay, what questions do you have? How can we help you figure this out?" And so we were just trying to support those folks with trainings and answering their questions as much as possible. But you're absolutely right. Figuring out—you would spend an entire afternoon when a new emergency order or executive order came out, trying to decipher it, and then relay that information to our members in a way that they could immediately put it into practice.

John Hudak [13:18]

And were your members pretty willing to reach out to you, then, with questions, with the hope that those questions could make their way up to the regulatory bodies, or were members reaching out directly to regulatory bodies? Do you know how that communication went?

Layke Martin Conine [13:33]

Yeah, both.

John Hudak [13:34]

Okay. Thanks. Kristian?

Kristian Thymianos [13:38]

The former question was, more or less, my question, so we can nix that. And I will move on to the next one then. Were there groups in the community, or otherwise, that you especially engaged with during the course of the pandemic?

Layke Martin Conine [13:56]

I think individually, a lot of our retailers took on—would work with different nonprofit groups, whether it's raising money for them or doing volunteer projects. There's a lot of volunteerism in this industry. A lot of folks who are really committed to the community. And so whether it's a roundup at the point-of-sale, that then is donated to a different nonprofit. Or a day of volunteering with a group, like The Just One Project, or something like that, they were definitely—folks in the dispensaries were very, very involved in cultivation and production.

Kristian Thymianos [14:41]

Cool, thank you. All right. And then this one should be my last question before we move it over to John. From your perspective, were there more effective policies or programs, either at the local, state, or federal levels, in place to deal with the COVID recession relative to the Great

Recession? I know you say you just joined the Cannabis Board; so if you can't really speak to this point, that's okay. But if you have any knowledge about this kind of realm, that would be great.

Layke Martin Conine [15:11]

Well, the cannabis industry wasn't really [overtalking 15:12] in the Great Recession. So there's not like an actual—we can't refer the two.

Kristian Thymianos [15:19]

Yeah. That makes sense to me. All right. Let's move on to the next one then, John.

John Hudak [15:24]

Sure. So, Layke, has your industry, like other industries, experienced workplace shortages since COVID? And if so, could you describe those shortages a bit for us?

Layke Martin Conine [15:38]

Yeah. Recruiting became a real challenge, for sure, and I think is still. Recruiting is still a big challenge for the industry. And so I've seen all sorts of different efforts that I'm sure are similar to other industries—signing bonuses. We have been really, as an association, we worked with—as you know, in cannabis, almost everything is like a workaround because of the federal illegality. And so, we had to figure out how to try to engage insurance companies and employee benefit companies to provide employment benefits and health benefits to workers in the industry and convince them that it was okay to do business with the cannabis industry.

And so we were successful in finding some brokers and some insurance companies—we have Blue Cross/Blue Shield, Anthem, and all of them—are partners with us to provide employee benefits. So, again, making sure that we are able to provide the same benefits that other industries do is a huge recruitment tool. A few examples (laughs) that's something that is available in the cannabis industry which are—and certainly, salaries that higher than minimum wage, opportunities for advancement, and all of that, yeah, has been a focus as the industry seeks to recruit and retain workers.

John Hudak [17:02]

You had mentioned early on that there were shutdowns in the cannabis industry, as essentially, the state shut down, and before the essential designation was given. Were your companies and employees eligible for certain support benefits that other industries had, or-

Layke Martin Conine [17:24]

Yeah.

John Hudak [17:25]

-could you talk a little bit about what kind of stresses that put on the business?

Layke Martin Conine [17:30]

Yeah. That's a hugely important piece of this. Which is that cannabis businesses aren't eligible for the same federal aid that other similarly situated companies are. And that is a huge—so the PVP,

all of those—even as the state grants, while theoretically, cannabis small businesses could be eligible, it was more opened up to cannabis businesses. And so there has been no state or federal funding or grants available for cannabis businesses put into place.

John Hudak [18:07]

Was that disproportionately felt by—I assume it was disproportionately felt by certain parts of the industry over others, whether it was smaller businesses, minority-owned businesses, younger business owners, etc. Could you talk about that?

Layke Martin Conine [18:24]

Mmm, I don't know that I can because I don't know exactly how to-

John Hudak [18:26]

Okay. No worries. Let me just find my place on this sheet. The cannabis industry has, obviously, a lot of small businesses in it. Can you talk a little bit about how effectively, during this time, the cannabis small businesses were able to advocate for themselves, either directly, or through your organization?

Layke Martin Conine [18:53]

So when you're categorizing cannabis small businesses, John, are you thinking about licensees, or are you thinking about affiliated businesses, like an accountant or something?

John Hudak [19:02]

I was thinking—let's start with the cannabis licensees themselves. And if you have more to add on some of the secondary and tertiary industries, that would be great as well.

Layke Martin Conine [19:11]

I think—so how were cannabis licensees able to advocate for themselves? Primarily through our organization. We really were advocating at all levels, particularly to work with the CCB, to make sure that the guidance was clear, and to make sure that we were able to do the things that were necessary to keep operating businesses, like curbside, delivery, and things like that. And so I think our advocacy was effective for both large companies and the smaller independent dispensaries or independent cultivation that just has one facility.

And I'm not sure about affiliated businesses. They really didn't come under our tent until recently, when we expanded the organization to start representing some affiliated companies. So I can't speak to that particularly.

John Hudak [20:07]

Sure. What kinds of business closure rates or business sale rates were happening during COVID or because of COVID? Did you see any changes to that happening, or were things pretty stable?

Layke Martin Conine [20:20]

Like licensee transfers?

John Hudak [20:21]

Yeah.

Layke Martin Conine [20:23]

Okay. So there's—it's hard to measure that in this industry, and I will tell you why. So in 2020—the Cannabis Compliance Board started in July of 2020, and they took over from—to partner taxation—you know all of this. But what happened in that transfer was that there were a number of transfers of interest that had been applied for previously, which is like a sale of any—all or a portion of the ownership interest. And there was a backlog of those that was about a year long, and there had been a moratorium prior to that, so no transfers of interest had been processed for a certain amount of time. So we were looking at July in 2020 of a backlog of about a year. And it took them basically about another year to work through that transfer list.

So it's hard to measure when sales were taking place because a lot of those sales weren't actually effectuated and approved until 2021. Some of those—there's still a backlog now that we've been pushing to, obviously, increase the speed of. Because it does impact the ability to sell your business if you can't get approved for a year. (laughs) So we're trying to move that forward, but it's really hard to say because the sales just weren't completed in any—the sales weren't approved at the same rate as they were, so-

John Hudak [21:45]

And they weren't happening like in the same month, so you could see changes like that. Gotcha.

Layke Martin Conine [21:50]

Nope.

John Hudak [21:53]

So my next question; as you all know, the cannabis industry is sometimes seen as this sort of red-headed stepchild in the commercial space. Could you talk a little bit about whether—during COVID, during the recession that followed, etc., what type of engagement you had with other trade groups, non-governmental organizations—whether there were groups willing to work with you, coordinate, and communicate with you, or if you guys were sort of left on your own?

Layke Martin Conine [22:31]

I can't—I'm sure that my predecessor had some engagement with other trade groups early in the recession—early on in the pandemic. But since I didn't come in until later, I can't really think of anything along those lines.

John Hudak [22:44]

Okay. No worries.

Layke Martin Conine [22:47]

We meet with legislators; we work with lobbyists across the industry and in other industries. We communicate with the Nevada Resorts Association. So we work with everybody. I don't get the feeling like we were left on our own or anything like that.

John Hudak [23:02]

Okay.

Layke Martin Conine [23:04]

But that was like the early, critical few months.

John Hudak [23:06]

Nice. Perfect. Can you talk a little bit about some of the changes that have happened organizationally, whether it was from you taking over, or right before your tenure started, in response to COVID and the recession that you think will probably be made permanent—to be helpful to make the organization operate better in the future?

Layke Martin Conine [23:34]

For our association?

John Hudak [23:35]

Yeah, for yours.

Layke Martin Conine [23:37]

For our association, the main thing that we did [23:39] and the members voted to expand membership. That's not necessarily COVID-related, but more just like looking ahead-related, speaking with one voice, on behalf of the industry, when we're dealing with policymakers and lawmakers. The group prior to that had been a fairly exclusive group of dispensary owners. However, many of them were vertically integrated, and so, we were already taking up issues on behalf of production, cultivation, and all that. Because a lot of it affects the industry-wide.

And so we thought, well, why not have those voices at the table? Even if we don't agree on everything, we can still—we can work on those issues where we do agree. And if we don't agree on something, maybe it's something that someone can hire an individual lobbyist, and they can work on that particular issue, right? So there's different spots in the industry, and different places in the supply chain have different interests, right? Like a [distributor 24:35] might want open markets, where dispensaries want more limited markets. A cultivator might want to sell directly to a consumer, where dispensaries want to be that part of the supply chain, where they're the ones selling to consumers. And so there's always an opportunity for conflict.

So it was two: one, we had to make sure that our members wanted to expand, and they did. And so started to slowly bring on new licensees. And the others, that we had to make sure that we had sort of dispute resolution, conflict resolution in place, and our bylaws to address these issues that may inevitably arise.

John Hudak [25:12]

Great. I want to be mindful of your time. I only have a couple more questions. Are there—you had mentioned earlier, for instance, that there were challenges in terms of getting state aid for the industry, in a similar way that there were obvious challenges for federal aid. Did you see any—if you want to talk about that, and/or anything else? Any other types of responses from state or local governments, or frankly, the federal government, that you now see moving forward as

something that really needs to be addressed, in the event of another crisis or another thing popping up? And so what those things are, what those issues are, and how do you think it will be effective to address them?

Layke Martin Conine [25:54]

That's a great question. And I think that this state aid issue if you look at the PETS grant—the Pandemic Emergency Technical Support grant, which was for small businesses, I think those were federal funds. And so I think where the state aid—even though the state was administering them and awarding them, I think that because they were tied to federal funds, they potentially—we weren't eligible for those cannabis industries.

So I think, yeah, that would be ideal; is to enable cannabis businesses, which are operating just like the store across the street, have the same accessibility of aid, loans, and grants in a recession-type situation. I think that would be essential, particularly for smaller cultivators—I think that there is a need there. We're employing 15,000 people, and if we do have to shut down, or something happens where tourism dries up, or those types of situations; to protect those individuals, I think the availability of state aid and federal aid would be incredibly helpful.

John Hudak [27:06]

Then my last question, and then I will kick to Kristian, in case he has anything else. What would you say is the one story about the cannabis industry during this time, that hasn't been sufficiently told, about what the experience was like, what the challenges were, and what the opportunities were, etc., that you just don't see major media outlets, researchers, etc., talking about enough?

Layke Martin Conine [27:31]

[27:30] resiliency, absolutely. I think that it's a fairly new industry. It's full of entrepreneurs. And I think that their reaction—their ability to modify how they're doing business very quickly, but still be able to deliver in a way that is super-safe and compliant with the regulations. But to both find new ways to reach existing customers and to attract new customers during this time. I think that the cannabis industry fared differently than several other industries during the pandemic, and I think that us being a new and nimble and creative industry helped with that.

John Hudak [28:25]

Excellent.

Layke Martin Conine [28:25]

And also, people really, you know, cannabis had a bit of a boom during the pandemic nationally. (laughs)

John Hudak [28:30]

Yeah, that's right. And frankly, I think—I for one figure that's going to happen in a lot of places. I was skeptical whether it would happen in Las Vegas, just given the shutdown in tourism that happened. It's remarkable that that boom carried all the way to Southern Nevada, which probably would have been the last place in the country to get that, I would guess.

Layke Martin Conine [28:52]

Yeah, exactly. But that's what's so interesting because of—I know it sounds so boring delivering curbside. But delivering curbside was *huge* for this.

John Hudak [29:01]

Nice.

Layke Martin Conine [29:02]

And had we not been allowed to do that—because again, curbside didn't exist before May 17th, 2020, right? It just wasn't a thing. And so, to enable that—and those were locals that were coming, who had maybe never set foot in a dispensary, and never wanted to step foot in a dispensary, but were more comfortable with curbside or home delivery.

John Hudak [29:23]

Excellent. Thank you. Kristian, I wanted to kick it to you, in case there was anything else you had.

Kristian Thymianos [29:29]

I have nothing—that was a fantastic interview that was drawn in.

John Hudak [29:33]

Well, Layke, thanks a ton for your time. I really appreciate it. We will keep you in the loop as we're producing deliverables related to this. And I reserve the right—hopefully, as I go through this, if there are any follow-ups or clarifications that I need I could reach out to you.

Layke Martin Conine [29:49]

Yes, absolutely. It's great talking to you both.

[overtalking 29:52]

John Hudak [29:54]

And one last quick thing; there was a report from CCB about workplace diversity. I remember having read the first one, but you said a second one has come out.

Layke Martin Conine [30:03]

Yes, and this one changed from the first.

John Hudak [30:05]

Okay. Excellent.

Layke Martin Conine [30:05]

Which is interesting, but it shows you could do an entire interview about that. But there haven't been additional licenses, and so the thing really has changed in ownership related to—just because there hasn't been an opportunity to have any licenses. Now, after lounges start opening up in the application process, I anticipate some of that will change.

John Hudak [30:28]

Got it.

Kristian Thymianos [30:30]

Great. Were you talking about the demographic study that you mentioned earlier during the course of the interview? Okay. I was going to say if you could forward that along, I thought that might be helpful.

Layke Martin Conine [30:40]

You bet.

Kristian Thymianos [30:41]

Perfect.

John Hudak [30:42]

Well, Layke, thank you so much for your time. Say hi to Zach for me. Wish him luck in the upcoming race.

Layke Martin Conine [30:46]

Thank you.

John Hudak [30:50]

And we will talk soon.

Layke Martin Conine [30:51]

Wonderful.

John Hudak [30:52]

Take care.

Layke Martin Conine [30:53]

Bye.

End of audio: 30:57