OLCC MARIJUANA LICENSING PROGRAM UPDATE

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### OLCC Marijuana Licensing Program Overview

#### Renewal Team
- 5 investigators
- About 2,253 active licenses for renewal each year.

#### Retailer, Processor, Lab Team
- 3 investigators
- 1 vacant
- Assigned: 153
- Reassignment: 78
- Pending Assignment:
  - Pre-pause: 212
  - Post-pause: 29
  - C/O: 36
  - C/LOC: 14

#### Producer, Wholesaler Team
- 3 investigators
- 1 vacant
- Assigned: 132
- Reassignment: 81
- Pending Assignment:
  - Pre-pause: 456
  - Post-pause: 12
  - C/O: 42
  - C/LOC: 19

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As of 04/13/2020

- **C/O:** Change of Ownership
- **C/LOC:** Change of Location
- **Reassignment:** Waiting on documents from applicant
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COVID-19 IMPACTS

Less Desirable Impact

- Effective March 23, 2020 applications for new licenses paused to be more responsive to current licensee need.
- Transition to telework caused marginal slow down in productivity for approximately 7-10 days during transition period.

Making the best of the situation

- Staff in other divisions who were unable to work full-time in their assigned role have been reallocated to marijuana licensing for some tasks.
- Existing streamlining efforts in renewal process allowed rapid training and deployment of these additional resources.
- 10 additional staff allocated to renewals.
- Between allocation and process improvement, six months worth of renewal work completed in three weeks.
- Pause to new application assignment resulted in faster change of ownership assignments.
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CONTINUOUS IMPROVEMENT

Define & Agree on Problem

Develop Understanding & Analyze Data

Hold the Gain

Develop & Implement Solutions

Reflect & Learn
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Define & Agree on Problems
- Tracked & evaluated industry feedback.
- Conducted internal focus groups.
- Collected & shared feedback & concerns.

Develop Understanding & Analyze Data
- Reviewed historical changes.
- Identified breakdowns.
- Collected disparate data, identified data and tracking gaps.

Develop & Implement Solutions – We are here
- Separate license actions to move toward “assembly line” with specialized staff performing specialized work.
- Piloting “ramp up” temporary staff allocation for renewals.
- Streamlining renewal application process.
• Dedicate compliance inspectors to licensing unit. (In progress)
  • License actions requiring inspection or that are escalated from licensing do not compete with priority enforcement cases.

• Reduce need for review of certain actions. (In development)
  • Internal physical alterations to a premises.
  • Pre-license inspections.
  • Incoming investments and corporate structure changes.

• Remove duplicative review. (Parking lot)
  • Empower “lead workers” to be first and final reviewers for license actions.
  • Frees technical staff to develop internal and external documentation and training, further reducing future need.
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COMPLETED EFFORTS & IMPACTS

COVID-19 Response

- Reallocates staff to renewal processing.
- Estimated 2-3 weeks of current level of effort to bring renewals current.

Renewal Streamline Development

- Remove excess information collection at renewal.
- Separate license actions to move to assembly-line.
- Free license investigators to perform necessary investigative work.

Customer Service Responses

- Remove day-to-day licensing question responses from License Process staff and reassign to “Officer of the Day” to triage & delegate to balance workloads.
- Redirect non-complex calls to email to free staff time.

Succession Planning

- Address “rotating vacancies” by balancing internal development opportunities with number of recruitments for permanent placement.
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COMPLETED EFFORTS & IMPACTS

Program Changes

• Assigned Investigators to three specialist teams.
• Reduced investigator caseloads to speed individual file completion.
• Monthly overtime budgets for concentrated renewals processing efforts to address backlog while improving throughput through new processes.
• Implemented “readiness checklist” for Producer applicants to focus on those ready to be licensed.

Rule Changes

• Removed ability to make changes on license applications to reduce “gray market” of selling applications, which cause slowdown through frequent filings.
• Implemented timelines for applicants to provide all requested information.
• Established a formal hold and inactivation process where timelines aren’t met.
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FUTURE EFFORTS & WORK TO BE DONE

Staff are processing applications received as of the following dates*:

• 02/21/2018 – New Producers
• 06/14/2018 – New Processors, Retailers, Wholesalers
• 09/25/2019 – Change Owner Retailers, Processors, Labs
• 11/06/2019 – Change Owner Producers, Wholesalers
• 11/02/2019 – Other changes for Retailers, Processors, Labs
• 10/30/2019 – Other changes for Producers, Wholesalers
• 03/01/2020 – Renewals

Future Improvements/Parking Lot (key items)

• Centralize licensing data and tracking to reduce duplicate entry and simplify program performance review.
• Centralize and standardize the method of license action requests. Limited software flexibility means a high reliance on email submission.
• Develop strict and/or automated “pre-screening” to prevent submission of incomplete applications.
• Reduce collection of information not immediately relevant to licensing actions
• Simplify vetting process for investors/buyers of licensed businesses.
• Procure new agency-wide records management system. (In development, RFP ETA fall/winter 2020)

*As of 04/03/2020
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