



MEMORANDUM

TO: Bruce Schulte, Chair and Members of the Marijuana Control Board DATE: April 20, 2016

FROM: Sarah Oates, Records & Licensing Supervisor RE: Licensing Implementation Update

1) Applications by the Numbers

a. Total Applications Received as of 04/20/16	277
b. Applications Voided	32
c. Applications in New Status	42
d. Applications in Initiated Status	182
e. Applications in Under Review Status	21
f. Applications Determined Complete	0

2) Applications by License Type in New, Initiated, and Under Review Status

a. Cultivation Facility applications	163
b. Testing Facility applications	3
c. Other applications	79

Licensing Database (Phases I and II)

Phase I of the new online marijuana licensing database rolled out on the morning February 24, 2016. This enables applicants to initiate marijuana license applications and pay online, and enables AMCO staff to view online applications and adjust the "status" of applications as supplemental documents are received. The staff's search capability in Phase I is limited to searching only by license number.

A team of AMCO staff has worked closely with IT over the past two months on Phase II of the licensing database, which will roll out at the end of May. Tina Thibodeaux and I have been largely in charge of ensuring that Phase II will meet as many of our needs as possible. Phase II should drastically increase search capability of the system, enable printing of marijuana establishment licenses and marijuana handler permit cards, auto-generate notification documents, create online ownership transfer and renewal applications, export data for METRC, generate reports, and further enhance staff's capability to track and update licensing applications.

The type, volume, and urgency of work that the team has spent on working with IT on Phase II is equal to that of a full-time employee who has no other commitments, duties, or distractions.



Application Process Training

Director Franklin, John Calder, and I provided two identical in-person training sessions to the public in Anchorage on February 17 and 18. The training sessions were each about an hour and fifteen minutes long, followed by an hour of questions by attendees. We had a very large turnout and had to turn people away to comply with fire codes both days. The full training sessions were video recorded by Lorence Williams from the Division of Community and Regional Affairs (DCRA). Mr. Williams spent many hours editing the videos, and the entire training videos are available on our website as an essential tool for license applicants.

Applications Spreadsheet and Map

Naomi Johnston took on the painstaking task of creating and updating a spreadsheet that lists the marijuana establishment applications from the database and links each license to a copy of the public notice form that is generated by the online application system. In addition to the spreadsheet, Ms. Johnston has created a map, using the GPS coordinates provided by the applicants, that shows where the licenses (by type) that have been applied for are around the state. Both the spreadsheet and map are available to the public on our website.

PFD Database

Joe Samaniego coordinated with other divisions to obtain access by AMCO staff to the Permanent Fund Dividend (PFD)'s database. This enables our staff to quickly check PFD eligibility of marijuana establishment license applicants for purposes of meeting the residency requirement. Mr. Samaniego has also created a written protocol for individuals whose residency cannot be confirmed by using the PFD database. Our enforcement team has taken on the task of independently confirming that those individuals meet the residency requirement.

Payment Portal

IT has worked diligently to enable user-friendly online payment of fees by license applicants. Licensing staff now has access to a detailed and time-consuming payment receipting system for applicants who pay with checks. Staff has spent many hours being trained on using this entirely new system, and new credit card machines have had to be purchased to sync with it.

Other Application Resources

Applicants and interested members of the public who have questions are instructed to use the resources provided to them by AMCO staff in order to prevent staff from being overwhelmed by the flood of questions, comments, and concerns that's been pouring in.

A detailed set of frequently asked questions (FAQs) is available on our website and updated frequently. Topics covered include questions about public input, marijuana license application processes, marijuana handler permits, marijuana inventory tracking system, marijuana establishment licenses in general, personal use, financing, local option, and regulations.



As Director Franklin touched on in her report, the licensing unit has been scheduling twenty-minute appointments for both marijuana and alcohol license applicants during designated hours to help balance workloads. Applicants who have used the tools provided on the website (regulations, FAQs, training videos, and detailed application instructions) but still have questions, or who would like staff to review supplemental documents prior to submittal, may call the office and schedule appointments for assistance. One or two examiners plus a member of the management team is present for training and support during each appointment, as examiners are still familiarizing themselves with the complex regulations while answering new, unforeseen questions every day.

We have had some new emails created to help filter and manage staff workloads.

marijuana.licensing@alaska.gov is the address that should be contacted by people who have questions about the marijuana licensing process, applicants who have questions or comments or need to submit supplemental documents, and public members who wish to object to a particular marijuana establishment license application (more information on objections later). amco.enforcement@alaska.gov is the address that should be contacted by applicants, licensees, and people who have questions or comments regarding alcohol and/or marijuana enforcement. marijuana@alaska.gov is the address that should be contacted by people who have any other marijuana questions or comments.

alcohol.licensing@alaska.gov is the equivalent of the marijuana licensing email, but for alcohol.

An additional email address was created specifically for local government officials to contact with questions, concerns, and formal notices of local government actions on license applications.

Objection Management

For entities or individuals who wish to object to a *specific* marijuana establishment license application(s), detailed instructions are provided on our website that explain the procedures. AMCO staff has been flooded by public comment about applications or about commercial marijuana in general, and the procedures created have helped licensing and administrative staff filter out those with specific objections to specific applications from general objections. General objections are included in the Marijuana Mailbox.

Opt-out Spreadsheet and Map

Mr. Calder and Ms. Johnston assisted DCRA with creating a spreadsheet and map that clearly show which communities have and have not opted out of commercial marijuana, which communities have alcohol local options, other unique business restrictions, and the date, method, and type of marijuana local option. Both the spreadsheet and map are available to the public on our website.



Other Updates and Topics for Potential Board Discussion

Licensing staff has quickly addressed some common mistakes that are being made by marijuana license applicants. A list of those mistakes and ways to prevent them are clearly addressed on our homepage. Since February 24, members of the licensing team have been spending hours each day preemptively checking all applications as they are created in the online system, contacting applicants who've missed steps or performed them incorrectly, and assisting applicants with fixing mistakes. We refer to these processes as "roll-backs". When an examiner finds that an applicant has not completed an application correctly, she sends an email to the applicant explaining such and then goes into the licensing database and rolls back the applicant's status from "Initiated" to "New", which enables the applicant to correct the application.

It is our hope and expectation that from here on out, applicants and potential future applicants will fully utilize the many detailed resources provided to them by our team before initiating the application process. After this board meeting, the licensing team expects that applicants will have the knowledge and resources necessary to avoid the common mistakes addressed on our website, and the licensing team will cease this preemptive work. *Only after* an applicant has submitted all supplemental documents and payment will future applications be reviewed for accuracy and completeness, and mistakes on applications be addressed by licensing staff, as contemplated in 3 AAC 306.025. We would like the board to have a quick discussion on the record showing support for the licensing team in ceasing these burdensome and time-consuming "roll-backs" and keeping expectations of applicants consistent with regulatory requirements.

A common question that our staff has received is whether or not the licensees who've been granted licenses at June 9, 2016 meeting will need to apply for renewal by June 30, 2016. Our position is that the initial licenses that are granted at the June 9, 2016 meeting only, will be valid through June 30, 2017, essentially giving the licensees up to an extra 21 days of operation without charge. Future applications will not be prorated or given additional time; those future licenses will require a renewal application by the first June 30 after they are granted, as contemplated in 3 AAC 306.035.

Over the past two years, Director Franklin and I have had discussions with the Alcoholic Beverage Control (ABC) Board members about setting deadlines for applications and other items to be included on meeting agendas. This became a clear necessity when we had applicants and lawyers calling merely days before a meeting to request that items be added to the agenda. We would like the board to have a quick discussion on the record about how far out we will require complete applications or other items to be received by our office in order to make future board agendas. The ABC Board has given us some discretion, and we set dates that are a minimum of two weeks before board meetings in order to give me enough time to set the agenda and get necessary information and documentation out to board members for review.