



MEMORANDUM

TO: Marijuana Control Board
DATE: March 31, 2021
FROM: Glen Klinkhart, Director
RE: Director's Report

NEW BOARD MEMBERS:

The staff and members of the MCB board would like the entire board to consider a resolution thanking the outgoing Chairman Loren Jones for his time and commitment to the MCB board, especially during the past year of the pandemic.

PERSONNEL:

The two unfilled positions, AMCO Program Coordinator and Local Government Specialist, have been forwarded for posting and hiring. We are hoping to begin the search for qualified candidates immediately.

TELEWORK:

We are expecting word soon as to whether the SOA will be ending the teleworking agreements in the middle of April. AMCO has already begun processing our plans of slowly re-integrating staff into the office using a rotational process in-office schedule for licensing and soon enforcement staff. The use of teleworking is another tool which has proven to be helpful in some areas of the AMCO working flow and we will continue to look for ways to utilize it as we move forward and to create our version of "normal" office operations.

ENFORCEMENT/OAH HEARING:

AMCO has been involved in several Office of Administrative (OAH) hearing processes regarding investigative accusations against marijuana and laboratory licensees over the past three months. Many of these accusations have moved into a mediation phase and are expected to be concluded by the time of this board meeting or shortly thereafter. I am asking the board members to consider a special meeting in April to hear the results of these mediation efforts with licensees, and OAH officer/judge(s). Usually the judge likes to meet with just the board in executive session to discuss the process, the results of each meditation, and to decide if the board supports the proposed mediation.

MCB BOARD MEETING MINUTES:

With the larger number of board meetings in the past year, Licensing Supervisor Carrie Craig has spent a great deal of time putting together the minutes for the many emergency and regular board meetings. A great big thank you to her for getting these together for your review.

MCB BOARD MEETING RECORDINGS:

All of the MCB board meeting audio recordings are now online and available for the public to access. Each meeting audio recording is saved in with the meeting documents for their respective meeting date.

<https://www.commerce.alaska.gov/web/amco/MCBMeetingDocuments.aspx>

FINE SCHEDULE WORKING GROUP:

The MCB Fine Schedule Working group met several times since the last board meeting. Industry members conducted another survey their members and obtained additional consensus regarding many of the remaining offenses on our list. We will be bringing the final results and recommendations to the board in the very near future. Once again, I wish to thank Ryan Tunseth, Trevor Haynes, and Chelsea Foster and all the licensees who have been giving there input on this important subject.

REQUESTED INVESTIGATIVE INQUIRY:

Last January the board requested an investigative inquiry into allegations made regarding a licensee, Vangreen's, whose renewal application was held up due to one of the signatory's unwillingness to sign the renewal application. AMCO investigator Steve Johnson opened an investigation and found no regulatory or criminal violations by any of the Vangreen's principals, members, or staff. The renewal application was eventually signed and has been effectuated. This is another case of where the board may wish to consider adjusting regulations so that one or a minority of licensee signatures cannot hold up a future renewal applications.

OUTREACH:

I recently spoke at the Building Owners and Managers Association of Anchorage (BOMA) lunchtime online meeting about the process and the opportunity for commercial property owners and management firms to interface with the marijuana industry as potential clients.

LICENSING CAP SURVEY:

The AMIA recently provided AMCO and the board with the results of a survey regarding proposed licensing caps. I have attached it for the boards review. AMIA president Lacy Wilcox and Taylor Bickford with Strategies 360 who conducted the survey will be available for questions during public comment if the board wishes.

NEXT MEETING:

The next MCB Board meeting is currently scheduled for June 9th - 10th, 2021 in Fairbanks, Alaska.

Glen Klinkhart
Director
Alcohol & Marijuana Control Office
550 W 7th Ave #1600, Anchorage, AK 99501
Office (907) 269-0350



March 17, 2021



TO: Alaska Marijuana Industry Association
FR: Strategies 360
RE: Survey Results

This memo is intended to supplement the topline results from a recent survey Strategies 360 (S360) conducted on behalf of the Alaska Marijuana Industry Association (AMIA) on the topic of a potential license cap. The topline results of the survey can be accessed [here](#).

Methodology

Strategies 360 worked with AMIA to build a survey instrument and program it in Alchemer, an online survey platform. The survey was distributed to a list of 349 marijuana industry licenseholders in Alaska. The survey was provided via email to license holders on February 2, 2021 and closed on February 18, 2021 with multiple reminder emails sent over this 16 day period. Ultimately, 114 licenseholders responded which amounts to a 32.7% response rate.

Question #1 – In which city is your business primarily located?

Over the course of the survey period we received responses from licenseholders in 26 communities in Alaska. For the purposes of this analysis, we have organized the community responses into 6 distinct regions – Anchorage, Mat-Su Valley, Interior, Kenai Peninsula, Southeast, and Rural:

- Anchorage
 - **Responses:** 22 (19.3%)
 - **Communities:** Anchorage
- Mat-Su Valley
 - **Responses:** 36 (31.6%)
 - **Communities:** Wasilla, Soldotna, Big Lake, Houston, Palmer, Talkeetna, Sterling, Willow
- Interior
 - **Responses:** 21 (18.4%)
 - **Communities:** Fairbanks, North Pole, Denali
- Kenai Peninsula
 - **Responses:** 18 (15.8%)
 - **Communities:** Kenai, Seward, Homer, Nikiski, Anchor Point, Kasilof, Ninilchik, Sterling
- Southeast
 - **Responses:** 14 (12.3%)
 - **Communities:** Ketchikan, Juneau, Sitka, Port Alexander
- Rural
 - **Responses:** 3 (2.6%)
 - **Communities:** Dillingham, Nome, Kodiak

Question #2 – Do you have at least one active or pending license in any of the following categories?*
Check all that apply.

Respondents were allowed to provide one or more answers to this question and were instructed to select all license types that they currently hold. The topline data presents the results by each license type, which we have grouped together in categories for the purposes of this memo:

- Cultivation (limited + standard)
 - **Responses:** 95 (83.3% of the total 114 responses)
- Manufacturing (concentrate + product)
 - **Responses:** 32 (28.1% of the total 114 responses)
- Retail
 - **Responses:** 53 (46.5% of the total 114 responses)

Question #3 – License cap overview and question

The topline results reflect strong levels of support for the concept of a license cap, with 70.2% of respondents supportive of a cap, 19.3% opposed, and 10.5% undecided. There are, however, underlying factors beneath the surface of these numbers that are important to point out.

First, of respondents who support a cap, 27.5% of this total expressed weak support with 72.5% expressing strong support. Amongst the respondents who opposed a cap, only 13.5% expressed weak opposition with 86.5% strongly opposed. This means that opponents of a cap are more firmly cemented in their opinions whereas there is more room for movement amongst cap supporters.

Additionally, there are some noteworthy differences in how different regions and types of licenseholders answered this question (data below). Anchorage, which represents nearly 20% of the overall sample, was an outlier with nearly 82% support for a cap whereas the other 5 regions ranged from 64.7% to 68.4% support. Those who hold cultivation licenses were more likely to support a cap than respondents with retail and manufacturing licenses.

Region

- Anchorage
 - 81.8% support
 - 9.1% oppose
 - 9.1% undecided
- Mat-Su Valley
 - 65.7% support
 - 20% oppose
 - 14.3% undecided
- Interior
 - 64.7% support
 - 29.4% oppose
 - 5.9% undecided
- Kenai Peninsula
 - 68.4% support
 - 15.8% oppose
 - 15.8% undecided
- Southeast
 - 64.3% support
 - 21.4% oppose
 - 14.3% undecided

- Rural
 - 66.7% support
 - 33.3% oppose
 - 0% undecided

License Type

- Cultivation
 - 72.2% support
 - 15.6% oppose
 - 12.2% undecided
- Manufacturing
 - 65.6% support
 - 34.4% oppose
 - 0% undecided
- Retail
 - 68.6% support
 - 23.5% oppose
 - 7.9% undecided

Question #4 – Even though you need more information, if you had to decide, which way would you lean?

For those respondents who were undecided in Question #3, we asked a follow-up question to determine which direction they were leaning.

- 58.3% lean toward opposing a cap
- 41.7% lean toward supporting a cap

The result indicates that undecided licenseholders are more likely to break in the direction of opposing a cap as they learn more about the issue.

Question #5 – Which type of cap(s) would you support? Please choose all that apply

For those who indicated in Question #3 that they would support a license cap, we asked a follow-up question to determine levels of support for different potential types of license caps.

- 70.6% would support a cap on retail based on population
- 54.1% would support a cap on manufacturing based on population
- 70.6% would support a cap on cultivation based on population
- 11.8% chose the “other” option and provide written thoughts, many of which described that they support a potential cap but not one based on population

While there were similar levels of support for retail and cultivation caps, there was considerably less support for the concept of a manufacturing cap.

Question #6 – Finally, please share any thoughts you have on the issue of a marijuana license cap here in Alaska.

At the end of the survey, respondents were given the opportunity to anonymously share additional thoughts in writing. These results were not scientifically analyzed or categorized by S360, but have been provided to AMIA to provide additional insight into how licenseholders are currently thinking about these issues.