

Oregon Recreational Marijuana Online Licensing System

Oregon Liquor Control Commission, Recreational Marijuana Program

<https://apps.oregon.gov/OLCC/Marijuana/elicense>

Category: Enterprise IT Management Initiatives

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Executive Summary

In November 2014, Oregon voters approved Ballot Measure 91, making Oregon the third state to allow for the production, sale, and possession of recreational marijuana. The Measure stipulated that the Oregon Liquor Control Commission (OLCC) begin accepting license applications for producers, processors, wholesalers, and retail establishments by January 4, 2016, while also allowing for additional changes to law by the Legislature. Despite the short timeline and a moving target, OLCC successfully launched a robust online licensing and administrative system on schedule and on budget. In just over a year, the system had received 2200 applications (from draft to completed) far outpacing initial expectations for the program, which had initially estimated receiving enough applications, as a basis for issuing between 800 and 1200 licenses during the entire 2015-2017 biennium.

The Oregon Recreational Marijuana Licensing System:

- Provides secure registration and login for Recreational Marijuana Producer, Processor, Wholesale, Laboratory, Retail License and Research Certification applications.
- Supports the complex relational structure of multiple license applications to specific physical addresses, and tracks multiple individual licenses assigned to one business, interested parties, legally interested entities, and funding sources.
- Ensures secure upload and storage of required documentation.
- Integrates Google maps to enable applicants to select exact geolocation of growing facilities.
- Allows secure credit card payment processing for application and license fees. The system accepts cash payments if changing banking perspectives on marijuana require an alternative payment method.
- Provides administrative interface for OLCC staff to receive, review, update, search, track status, and approve or deny applications. Staff now use a secure messaging tool to interact with applicants, streamline the process for applicants, and eliminate unnecessary calls and emails.

Project Narrative

Concept

RESISTANCE TO PARTICIPATE IN GOVERNMENT REGULATION

Given the recent legalization of a market that was illegal and unregulated, OLCC understood that a significant number of its initial applicants would be facing government business licensing requirements for the first time. By developing an easy-to-use online system that helps applicants intuitively navigate an otherwise complicated process, it encourages businesses to come under government regulation.

Recreational marijuana licensing requirements are complex, but this system breaks down requirements into consumable components, allowing applicants to provide a block of information, save their work, log off, and return later to update their application. In-line validation ensures complete and accurate data, and also streamlines the application review and processing. Google Maps integration allows for the insertion of intuitive geolocation data entry by dropping pins onto a digital map, instead of requiring applicants to enter text into a data field, the kind of digital stumbling block that could stymie applicants.

APPLICATION PROCESSING EFFICIENCY

For the OLCC receiving a completed licensing application is just the first step. OLCC investigators review each application to ensure it meets all state requirements. Often, back and forth communications are required between the investigator and applicant. The system seamlessly tracks this communication so that at any time, if an investigator is reassigned, details of a particular application's status remain intact. Another business problem solved through this system was speed of application processing. An online system that enables the agency to receive complete and accurate information, and keep track of processing details through approvals, sets OLCC up for a fast turn-around on applications, resulting in greater customer service. Where the previous OLCC alcohol licensing process was paper based, the new licensing application provides an IT management initiative that allows for transformation in the area of service delivery.

Significance

BUSINESS PROCESS AND SERVICE LEVEL IMPROVEMENT

This project represents a new way of doing business for an agency that manages liquor licensing through an entirely paper based process. The recreational marijuana team pioneered a way of doing business through the online licensing system that represents an organizational shift for OLCC, and provides simpler business processes for both

agency staff and licensees. Licensees may either fill in data fields or upload documents online to complete licensing requirements, and by doing so save in-progress license applications at any point, to complete at a later time. They can also check the status of their application under review. This system enables a business owner to check to make sure that all of their licenses are up-to-date, from one central location. If business details change, such as an address or name of licensee, they can update the information on one application, and it will simultaneously update all associated licenses at the same time. All these features simplify the business application process for licensees who are attempting to stay compliant with Oregon law and OLCC rules.

For the OLCC, the system was custom designed to support its license application and maintenance requirements. It supports investigators examining an application through the entire review process, review all application details, updating application data, keeping notes on the investigation, and then marking an application as approved. This approval triggers the creation of a license fee payment requirement, which is also payable through the system. Business owners can pay all fees by credit card, debit card, or cash card.

Oregon law allows for businesses to apply for an unlimited number of Producer, Processor, Wholesale, Laboratory, Retail License and Research Certification licenses. Additionally, an individual may have licenses associated with several different but integrated recreational marijuana businesses. The system was built to support this complicated logic with a relational database. The technical challenge to overcome was to maintain an intuitive user-interface for both the applicants/licensees and OLCC staff; this included complex relationships between businesses, licenses, and individuals. Excellent user experience design supports this process by incorporating tabbed interfaces, detail modals, and a modular layout.

The Oregon Recreational Licensing System integrates with the OLCC Cannabis Tracking System (CTS), a seed to sale process that tracks marijuana through the regulated supply chain, to make regulatory administration of this growing industry manageable and scalable over time. The Licensing System integrates with the CTS using a real time web service.

To help the OLCC directly troubleshoot discrepancies between the two systems, the Licensing System provides an “Insights Dashboard” which keeps a detailed log, filterable by date, of all calls to this service. The Insights Dashboard also keeps a real-time application status detail log that provides: a visual breakdown of applications, their status, and an email log of all system generated email notifications that is searchable by date range, email address, or keyword.

USABILITY

1. During development, OLCC solicited feedback from more than 100 different business owners across the state. Usability testing helped identify potential stumbling blocks to resolve issues before the go-live date.

2. In-page support text with hyperlinks to lengthy details, helps to provide context and detail for required application information. Color and icon highlighting, help draw attention to instructional information commonly overlooked during usability testing.
3. After saving an application, an applicant logs back into a dashboard page showing a modular summary of all information previously entered or still required. Prominent instructional text clearly describes the remaining information that's needed.
4. Dynamic information collection reduces clutter, making questions appear only when required for the applicant.
5. Staff may email directly from the system or from multiple screens within the administrative interface.
6. Staff may set-up the action needed and include explanatory documentation for the action, create notes in the system, and send applicant notifications.
7. Searchable reports enable OLCC management to reassign cases and report on program-wide statistics and status.

SECURITY

The Licensing System leverages an enterprise service provider through a public-private partnership, offered through the Oregon CIO's E-Government Program. This provider undergoes an annual independent security audit.

ACCESSIBILITY

Oregon is committed to ensuring equal access to electronic information. The License Directory conforms to Federal Section 508 and utilizes W3C WAI-ARIA to enhance the rich web accessibility experience for visitors.

PRIVACY

User authentication and login requirements provide access to system data for only authorized users. Oregon views the privacy of citizen information and the security of online transactions as key success factors for the License System. To assure users of their privacy and security while accessing the License Directory, a comprehensive Privacy policy (<http://www.oregon.gov/Pages/Terms-and-Conditions.aspx>) informs users of what data is saved, as well as how it is used and secured, with the latest industry security technologies.

In addition, this new Licensing System meets 2017 NASCIO priorities in the areas of 1) Consolidation/Optimization, 2) Security/Risk Management, and 3) Data Management and Analytics. It also provides an IT management initiative that allows for transformation in the area of service delivery.

Impact

All Recreational Marijuana business license holders in the state of Oregon, and all state and local government entities will benefit directly from this project. Indirectly, all residents of Oregon will benefit because this project is the cornerstone of the Recreational Marijuana Program's effort to create a robust regulatory framework.

Costs included one staff project manager and staff subject matter experts. The system was developed utilizing an innovative annual software subscription fee, which helped protect the State of Oregon from traditional risky time and materials-based approaches. The ongoing annual subscription fee is \$92,000. The project was developed through Oregon's E-Government Program in partnership with NIC-USA, Oregon Division, which is under contract to provide state enterprise digital services. This approach was analyzed in OLCC's Business Case and selected over issuing a formal RFP. This was due to time considerations in meeting the mandates of Measure 91, requiring that applications be accepted beginning January 4, 2016.

A direct ancillary benefit of this project is that the "best practice" will also be applied to the alcohol side of the agency. Currently, liquor licensing is done using a paper system, and data storage takes the form of "dog eared" index cards dating back to the agency's inception (right after the repeal of Prohibition). The OLCC will work with NIC-USA to replicate this online licensing process for liquor licensing, in a project that should go live in 2017.

More broadly, all public agencies at the state level benefit from the extensive marketing effort OLCC undertook before the application was ready for public use. The OLCC took advantage of a unique opportunity to create a positive rapport and build trust with a brand new community of licensees, to ensure these customers have a positive experience with online licensing. During development, a cross section of business owners across Oregon were solicited for feedback; that feedback was used to frame the system design and technical requirements, while also earning stakeholder buy-in and generating public awareness about the effort. This collaboration helped to make the Licensing System more intuitive to a broader segment of the business licensing community.

In addition, a series of OLCC workshops that introduced the online application were held around Oregon in December 2015 and produced multiple benefits. The workshops attracted more than 4,000 attendees and provided them with information on how to apply for a license; the workshops also enabled staff to collect feedback on the system prototype. The agency took prospective applicants step by step through the application, with an eye towards ensuring a flawless customer experience. This is likely to generate a positive residual effect that will affect their future E-Government experiences.

A video, providing a condensed version of the application process was released on the OLCC YouTube channel and cross promoted on Facebook, Twitter, and Google+, that describes the rules of the application process in detail. This groundwork helped pave

the way for a smooth launch of the new licensing system, which accepted 276 applications on its first day of operation. The YouTube video has 8,500+ views to date. <https://www.youtube.com/watch?v=kopekM9Pqfw>

The best-practices that the OLCC's Marijuana Program developed during this project can be used for future e-Licensing projects by the State of Oregon's E-Government Program.

In addition to social media distribution, the agency used its ListServ platform GovDelivery, to push news and updates to the recreational marijuana industry and interested recreational marijuana stakeholders; this was particularly helpful in the months leading up to the launch of the Licensing System, as the OLCC worked to proactively educate this new community of licensees ahead of the Licensing System launch. To date we have more than 20,000+ unique individual subscriptions.

The NIC-USA project team worked collaboratively with OLCC technical, legal, investigative, and project staff to define system requirements and to test functionality. Strong collaboration between vendors also contributed to the success of this project. Fostering information sharing between these two vendors produced two products that work seamlessly together, to bridge the gap between licensing and retail management.

Weekly project status meetings and ad-hoc daily working calls, provided solid project governance, team collaboration, and ultimately an excellent Licensing System. These meetings were supported by document sharing and discussion threads on Oregon's GovSpace, a team specific collaboration space.

Overall, this new licensing application provides an IT management initiative that allows for transformation in the area of service delivery.