



Implementation Update

Senate Commerce and Consumer Protection Committee

February 20, 2024

Charlene Briner | Office of Cannabis Management Interim Director

Agenda

- Implementation Team Structure
- Hiring Update
- Contract Support
- Technology
- Cannabis Advisory Council
- Legislative Reports
- Rulemaking Update
- Community Engagement
- Looking Ahead

Implementation Teams

Cross-agency implementation teams

- IT Business and Operational Systems
- PIO/Communications
- Tribal Liaison
- Planning
- Finance
- State reference lab

Functional strike teams

- Temporary Regulations and Registration
- Rulemaking
- HR/Hiring
- Legislative
- License System Design
- Outreach and Engagement

Staff

- 23-member implementation team
- 30 OMC staff working on medical cannabis and HDCPs, while supporting the transition and planning
- 2 MDA inspectors adding inspection capacity for HDCP enforcement

Hiring Update

- Key leadership team hires & start dates:
 - Katie Knutson, Chief of Staff, Sept. 18, 2023
 - Max Zappia, Chief Regulatory Officer, Nov. 29, 2023
 - Nikki Jensen, Executive Assistant, Dec. 20, 2023
 - Jackie Crow Shoe, Tribal Liaison, Dec. 20, 2023
 - Sophie Leininger, Government Relations Director, Jan. 3, 2024
 - Eric Taubel, General Counsel, Jan. 17, 2024
 - Marisa Haggy, Human Resources Director, Jan. 17, 2024
 - Merone Melekin, Outreach Director, Jan. 17, 2024
 - Quincey Traynham, Finance Director, Feb. 14, 2024
- Next positions: Social Equity Director, Communications Director, Cannabis Advisory Council Coordinator, Grants Manager, HR team positions

Carahsoft Technology Group

- Primary contractor for the licensing system and has proposed using Accela software. The software will provide a web-based portal to allow cannabis businesses to collaborate with the OCM on all aspects of the regulated industry, from business registration and renewal, to audit and compliance functions.

Cannabis Public Policy Consulting (CPPC)

- Project management support for all aspects of implementation, including conducting original market research, scoping an equity-centric community engagement plan, and developing and streamlining application, licensing, and other implementation-related processes.

Licensing Application System Implementation

- 1st iteration of design phase is complete
- Design work accomplishments
 - Application process
 - Renewal process
 - Application form
 - Complaint form
 - Identification of critical data and required forms for application
- Next steps
 - Complete the automation, scripting, mobile
 - Address reviews and pilot testing changes
 - Determine external needs (information website, required forms)
 - Complete the configuration
 - Conference room pilot testing
 - Build integrations for banking, revenue, seed-to-sale
 - Begin design phase of GIS integration (mapping solution)

Cannabis Advisory Council

- Governor Walz made 18 public appointments on 12/15
 - Six remaining appointments to be named
- Direct appointments will be registered with the SOS office
- Planning for first meeting in first quarter of 2024
- Cannabis Advisory Council liaison position screening underway

Legislative Reports: Overview

- An Examination of Cannabis Consumers and Cannabis Demand in Minnesota
- OCM Annual Report to the Legislature (2024)
 - Submitted January 15

Market Demand Study

- An examination of Cannabis Consumers and Cannabis Demand in Minnesota
 - Project a robust demand for cannabis in Minnesota, based on findings that detail consumer use of cannabis.
 - Some uncertainty about the impact of hemp-derived cannabinoid products on the adult-use market; because Minnesota is uniquely situated in this space, it will take additional data to understand how consumer patterns will develop.

Rulemaking Timeline

- Public Engagement and Drafting of Rules: Fall 2023 – Summer 2024
 - Significant outreach and collaboration is well underway
 - Prioritizing ongoing input from stakeholders and general public throughout drafting process
 - Informing and consulting with the public and experts; soliciting feedback to improve proposed rules
 - Approved form from Revisor's Office
- Notice of Intent to Adopt and Proposed Rules Publication: Fall 2024
 - Public written comment period: may submit comments for 30 days following NOI publication
 - OCM may make modifications based on comments before submission to ALJ for legal review
 - Approval by ALJ: within 14 days after submission by OCM, possibly with required changes
 - Governor has option to veto
- Publication of Notice of Adoption (rules become effective): Early 2025
 - Complete license applications available

Public Input Process

- OCM prioritizes hearing from the public
- Input process is accessible to all interested community members, advocates, and partners
- 7 Public input surveys planned through February 26, 2024
 - Survey #7 available today through Feb. 26: Medical cannabis; patient registry program
- Preparing public report to share themes and priorities from input

Surveys by Topic

Survey date range	Topic(s)	Number of responses
Oct. 30 – Nov. 30	Cultivation, processing, and manufacturing	751 (484 cultivation)
Dec. 1 – Dec. 14	Testing; environmental controls; use of pesticides and fertilizers	199
Dec. 15 – Dec. 28	Retail business operations; retail sanitary standards; expedited complaint process	257
Dec. 29 – Jan. 12	Packaging and labeling; integrated cannabis tracking, inventory, and verification system	373
Jan. 13 – Jan. 26	Licensing, social equity considerations	394
Jan. 29 – Feb. 11	Laboratory standards; edible products standards	246
Feb. 12 – Feb. 26	Medical cannabis; patient registry program	4,400+ so far

Rulemaking Progress

- **Consultations:** Pollution Control, Commerce, Agriculture, Revenue, etc.
- **Drafting:** Environmental standards, cultivation
 - Review of **ALL** comments submitted for topic
 - Consultative meetings with subject matter experts
 - Assessment of related cannabis rules in other states, existing Minnesota regulations
 - Research for best practices and guidance from related industries (e.g., hemp, food)
 - Language development
 - Subject matter expert review and refinement
- **Planning:** Listening session process for public review of initial language

Community Engagement

- OCM website
- Speaker engagement bureau/speaker engagement requests
- Community Cannabis Conversations
- OCM newsletter
- Educational and/or media campaigns
- Cannabis Ambassadors (later in implementation process)
- Rulemaking public engagement sessions
- Tribal Engagement

Engagement & Outreach

- Over 50 engagement opportunities since summer, ranging from general overviews to subject-specific discussions.
- Hosted a public webinar (775 registered, 1,700 YouTube views) in August to provide a general overview of the early work to establish OCM.
- Hosted a public webinar (850 registered, 685 YouTube views) in January to provide an implementation update.
- Met with legislative and regulatory bodies, plus partners and advocates in the business community, including associations and business leaders.
- Recurring meetings with trusted business, community, and faith leaders representing communities that were historically harmed by cannabis prohibition.
- Met with tribal leaders, continue to engage in coordination and consultation, and support the Governor's Office through compacting discussion
- Continue to distribute resources to partners interested in OCM rulemaking, supporting prospective business owners and lending a trusted voice for the new industry.

Looking Ahead

- Re-opened search for OCM Director
- Continue hiring and on-boarding permanent OCM staff
- Finalize location for OCM office and plan for occupancy
- Continue build out of license application software and seed-to-sale tracking system
- Rule drafting
 - Complete input surveys, analyze input, continue drafting, plan for public engagement on early draft language
- First meeting of Cannabis Advisory Council
- Tribal compacting
- Continue working group for model ordinance
- Finalize legislative proposals
 - Support successful market launch
 - Position for sustained and effective regulation over time

Thank You!