# Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.8, 02/01/2022)

## 1.1 General Information

1. **Agency or State entity Name: XXXX - Other**

   If Agency/State entity is not in the list, enter here with the organization code.

   **1115 - Department of Cannabis Control**

2. **Proposal Name and Acronym: Cannabis Data Warehouse and Business Intelligence Reporting Tool**

3. **Proposal Description: (Provide a brief description of your proposal in 500 characters or less.)**

   The Department of Cannabis Control (Department) seeks to improve business and technical internal users' access to data from our licensing, enforcement, compliance, and track and trace system. The Department wants to empower these users' abilities to build their own reports without the need to understand SQL or other coding languages. Additionally, the Department wants the capability to build external facing dashboards to allow external users that ability to interact with data in charts and graphs to understand trends in the cannabis industry.

4. **Proposed Project Execution Start Date: 6/1/2023**

5. **S1BA Version Number: Version 1**

## 1.2 Submittal Information

6. **Contact Information**

   Contact Name: Sean O'Connor

   Contact Email: Sean.O'Connor@cannabis.ca.gov

   Contact Phone: 916-282-0384

7. **Submission Type: New Submission**

   If Withdraw, select Reason: Choose an item.

If Other, specify reason here:

**Sections Changed, if this is a Submission Update: (List all sections changed.)**

Click or tap here to enter text.

**Summary of Changes: (Summarize updates made.)**

Click or tap here to enter text.

8. Attach **Project Approval Executive Transmittal** to your email submission.

9. Attach **Stage 1 Project Reportability Assessment** to your email submission.

## 1.3 Business Sponsorship

1. **Executive Champion (Sponsor)**

    Title: Chief Deputy Director

    Name: Rasha Salama

    Business Program Area: Executive Office

2. **Business Owner**

    Title: Deputy Director, Licensing Division

    Name: Robin Foemmel-Bie

    Business Program Area: Licensing Division

    Title: Deputy Director, Equity and Inclusion Division

    Name: Eugene Hillsman

    Business Program Area: Equity and Inclusion Division

    Title: Deputy Director, Policy and Research Division

    Name: Christina Dempsey

    Business Program Area: Policy and Research Division

    Title: Deputy Director, Public Affairs

    Name: Maria Luisa Cesar

    Business Program Area: Public Affairs

    Title: Deputy Director, Legal Affairs Division

    Name: Tamara Colson

    Business Program Area: Legal Affairs Division

Title: Deputy Director, Legislative Affairs

Name: Angela Hill

Business Program Area: Legislative Affairs

Title: Deputy Director, Administration Division

Name: Melissa Eidson

Business Program Area: Administration Division

Title: Deputy Director, Enforcement Division

Name: Bill Jones

Business Program Area: Enforcement Division

3. **Product Owner**

Title: Reporting Services Lead

Name: Rajneel Ram

Business Program Area: Information Technology Services Division

*TIP: Copy and paste or click the + button in the lower right corner on any section to add additional Executive Champions, Business Owners, or Product Owners with their related Business Program Areas as needed.*

# 1.4   Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the state entity needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

1. **Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)**

    State Entity Only: Yes

    Other Departments/State Entities: No

    Public: No

    Federal Entities: No

    Governor's Office: No

    Legislature: No

    Media: No

    Local Entities: No

Special Interest Groups: No

Other: No

2. **Describe how each group marked 'Yes' will be involved in the planning process.**

The Department has formed an Enhanced Data Reporting Workgroup to review market research, product demos, and establish the goals and objectives of this project. This group meets at a monthly cadence and members of the workgroup also collaborate outside of regular meetings as needed. The group is made up of members of all program areas to facilitate ownership and input.

## 1.5    Business Program

1. **Business Program Name:** Licensing Division

2. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Licensing Division is responsible for administering all aspects of the license cycle (application review, license issuance, renewal, and modifications), providing technical assistance and support to applicants and licensees, engaging and working closely with local jurisdictions, coordinating license actions with compliance and enforcement, and providing enhanced assistance to equity applicants and licensees. The Licensing Division conducts a thorough review all new license applications to determine the information submitted meets the regulatory and statutory requirements of licensure. During their review, division staff communicate regularly with applicants to gather the correct/revised documentation needed for licensure, provide technical assistance if the licensee does not understand the regulatory requirements, and confirm that any requested modifications to applications are reviewed and approved prior to issuance of the license. The Licensing Division also processes requests for license modifications, license renewals, and serves as the statewide point of contact for local jurisdictions regarding the state's regulatory licensing requirements and equity programs.

3. **How will this proposed project impact the product or services supported by the state entity?**

The creation of a data warehouse and business intelligence reporting tool will enable the Licensing Division to track application and license deficiencies, identify licensure trends, , o better monitor and evaluate performance metrics through the implementation of reports and data visualizations. It will also aid in alerting the Licensing Division to issues with individual records that merit review and potential action.

4. **Business Program Name:** Compliance Division

5. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Compliance Division is responsible for processing complaints submitted to the Department, conducting inspections, investigating violations of law and regulation by licensees, and partnering

with other regulatory and law enforcement agencies throughout the state as needed to better administer the Department's inspection and enforcement activities. Compliance staff receive, review, and process complaints received by the Department through public counter assistance, phone calls, letters, and the online complaint system. In addition, the Compliance Division inspects licensed premises and temporary cannabis events, conducts filed investigations related to licensee violations, and coordinates with the Enforcement Division, local jurisdictions, and other regulatory agencies as needed. Compliance staff also write reports based on the inspections and investigations conducted. When a violation is determined, Compliance staff take appropriate action based on the facts of the case and prepare the necessary documentation. These actions may include educating licensees, embargos, recalls, notices to comply, citations, fines, and suspension or revocation of the license.

6. **How will this proposed project impact the product or services supported by the state entity?**

. Being able to leverage  licensing, complaint, and California Cannabis Track and Trace (CCTT) data will allow the Compliance Division to identify patterns of noncompliance, gaps in licensee knowledge, and develop trend-specific licensee education resources. Greater access to simple and fast report-writing tools will allow the Compliance Division to streamline the complaint review and investigation process and to develop new inspection standards and practices based on emerging trends and licensee violations.

7. **Business Program Name:** Enforcement Division

8. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Enforcement Division is responsible for handling criminal and unlicensed commercial cannabis investigations for the Department. This Division works closely, and coordinates investigative actions, with other state and local law enforcement agencies and state departments as needed to address illegal market activities.. Sworn peace officers carry out investigations related to criminal and unlicensed activity, and conduct surveillance, undercover operations, search warrants, arrest warrants, and bank seizure warrants.. This team is also responsible for training local law enforcement on new cannabis laws and regulations, cannabis investigative techniques, and early intervention and prevention techniques involving minors based on lessons learned.

9. **How will this proposed project impact the product or services supported by the state entity?**

Business-specific monitoring and flagging for potential noncompliance or illicit operations will be possible with the new tool. Greater access to simple and fast report-writing tools will allow the Enforcement Division to streamline the investigation process and the development of new enforcement standards based on trends in the illicit marketplace.

10. **Business Program Name:** Policy and Research Division

11. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Policy and Research Division is responsible for analyzing and developing policy concepts for the Director and Executive Office. Policy and Research Division staff track and analyze local, state, national, and international policy and research trends related to California's goals associated with the legalization and regulation of cannabis. Division staff also identify important and emerging issues including but not limited to equity, public health, the environment, and overall market trends in both California and the nation.

12. **How will this proposed project impact the product or services supported by the state entity?**

The Policy and Research Division can better monitor the cannabis marketplace for emerging trends to inform policy development with the new tool. The success of the Policy and Research Division is contingent on access to high-quality data. Data warehouse tools will enable the Division to better inspect and clean existing data and use statistical tools to analyze data for actionable insights and forecasting, including the identification of patterns, correlations, and outliers in licensing, compliance, enforcement, testing, and Track and Trace data. These tools will allow the Division to better inform Executive staff on industry trends and aid in the policymaking process of identifying emerging problems, considering potential solutions, and implementing and evaluating policy decisions.

13. **Business Program Name:** Equity and Inclusion Division

14. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Equity and Inclusion Division is responsible for ensuring the issue of equity occupies a prominent place in the Department. This includes supporting the development, implementation, and evaluation of Department programs, policies, outreach efforts, and administration. The Division also works to develop and implement, with other divisions, regulations that positively impact equity applicants and equity business owners. Externally, the Division works with local jurisdictions, local equity programs, state agencies, business owners and other stakeholders to improve outcomes for Californians negatively impacted by cannabis criminalization. This includes identifying barriers to participating in the cannabis industry, sharing information regarding Department programs designed to encourage participation in the cannabis industry, and highlighting approaches jurisdictions have taken to generate additional opportunities for individuals, communities, and business owners.

15. **How will this proposed project impact the product or services supported by the state entity?**

The Equity and Inclusion Division will use the new tool to analyze licensing data and evaluate the effectiveness of equity efforts. Also, the tool will assist in identifying policies that help or hinder equity applicants and licensees. A public-facing data dashboard will enable the Division to better share equity statistics with local equity programs and local governments, state agencies, business owners, and the public.

16. **Business Program Name:** Public Affairs Division

17. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Public Affairs Division is responsible for developing the Department's communications strategy, public engagement plans, media strategy, internal and external publications, and educational efforts. The Division is responsible for the overall communications and outreach activities of the Department with its internal and external stakeholders. In addition, the Division develops and executes public affairs strategies to support the goals and objectives of the Department. The Division's primary responsibilities include media relations, risk communications, web services, social media, and development of key publications and educational tools.

18. **How will this proposed project impact the product or services supported by the state entity?**

The tool will aid the Public Affairs Division in disseminating aggregate data with the public and communicating cannabis marketplace and licensing conditions with external stakeholders and the media. This will improve the Division's ability to inform the public and democratize access to previously unavailable data resources and insights.

19. **Business Program Name:** Legal Affairs Division

20. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Legal Affairs Division is responsible for providing a full range of legal services to the Department including providing legal advice and guidance to the Department's executive management and staff regarding legal issues that develop during the Department's day-to-day operations. Legal staff conduct research in complex and emerging areas of law, provide advice on a broad range of legal issues, draft and review legal documents and responses, liaise with the Attorney General's office regarding Department litigation, and provide legal support to the licensing, compliance, and enforcement divisions. Legal staff are also responsible for consulting with program staff, then developing, researching, and drafting the Department's regulations, as well as preparing all regulatory package documents and guiding proposed regulations through the adoption process. The Legal Affairs Division also handles public records requests pursuant to the Public Records Act (PRA). Legal staff also review personnel actions, contracts, and other Department documents for legal accuracy. In addition, the Department's legal staff review both license denials and enforcement actions for legal sufficiency and represent the Department in Departmental settlement conferences. The legal staff also works with the Attorney General's office on cases that are appealed to the Cannabis Control Appeals Panel, Supreme Court or courts of appeal, as well as legal court challenges to the statute and regulations.

21. **How will this proposed project impact the product or services supported by the state entity?**

The creation of an external, public-facing data dashboard will reduce the Legal Affairs Division's PRA workload by making up-to-date aggregate data readily available online, lessening the demand for public records requests.

22. **Business Program Name:** Legislative Affairs Office

23. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Office of Legislative Affairs is responsible for advancing the policy interests of the Department. The Office monitors and anticipates relevant political and policy developments impacting the Department and develops strategies and recommendations in response. Members of the office attend legislative hearings and represent the Department as needed. This team also tracks, analyzes, and develops bill analyses on the behalf of the Department. They provide technical assistance to legislative offices and bill sponsors regarding legislation, interact with authors of bills that impact the Department, and monitor the daily file for floor actions and scheduled events. The Office represents the Department and Agency as needed in meetings and policy engagements with local officials, legislators, and key stakeholders.

24. **How will this proposed project impact the product or services supported by the state entity?**

The Legislative Affairs Office will be able to develop reports more easily to aid in the legislative decision-making process and the provision of technical assistance to legislators and key stakeholders.

25. **Business Program Name:** Laboratory Division

26. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The Laboratory Division is responsible for providing regulatory oversight of cannabis testing laboratories and overseeing the activities of the state cannabis reference laboratory. The Laboratory Division reviews required testing laboratory application materials, including test method standard operating procedures (SOPs), method validation reports, and ISO/IEC 17025 accreditation. The Laboratory Division also conducts inspections of licensed laboratories to review their testing processes, ensure the laboratories use current SOPs, and to verify laboratory instrumentation calibration and equipment maintenance records.. Division staff also review and analyze scientific documents and data packages associated with regulatory compliance testing.

27. **How will this proposed project impact the product or services supported by the state entity?**

Upon implementation and integration of laboratory data, the Laboratory Division can better identify trends in laboratory practices, testing methodologies, and sample failure rates and causes. This will inform the Division's work in reviewing testing laboratory applications and SOPS, developing new testing methodologies, and in the analysis of data packages associated with compliance testing.

28. **Business Program Name:** Administration Division

29. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.

The Administration Division is responsible for providing a multitude of services to guarantee the timely and efficient execution of the Department's day-to-day operations and administrative oversight. The Administration Division includes three key functions: Financial Management, Operations, and Human Resources. Financial Management includes the Accounting Office and the Budget Office which are responsible for administering and building the Department's annual budget, monitoring revenues and expenditures, ensuring overall financial solvency, and reconciling the Department's fiscal operations. Financial management staff are also responsible for responding to all Budget Letters pertaining to the Department as well as drafting the Department's Budget Change Proposals (BCPs). Operations includes Acquisitions and Businesses Services. These offices are responsible for the development and preparation of contract and procurement requests, conducting grant management work, and serving as the Department's SB/DVBE coordinator. The Business Services staff are also responsible for all facilities and asset management, fleet coordination, health and safety, mailroom and warehouse functions. Human Resources is responsible for all recruitment and retention, staff development and performance management activities of the Department, ensuring that the Department's processes and procedures are in place, and that hiring deadlines are met.

30. **How will this proposed project impact the product or services supported by the state entity?**

The tool will aid the Administration Division in drafting BCPs and other reports by increasing staff access to data analysis and reporting tools.

31. **Business Program Name:** Information Technology Services Division

32. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The IT Services Division is responsible for safeguarding the technology systems that provide for licensing the entire industry, as well as tracking and tracing cannabis and cannabis products from cultivation to retail. IT Services Division staff recommend upgrades in functionality to make the licensing systems more effective and efficient, respond to changes in regulations or statutes in the systems, develop guidance and assistance to system users on the use of the technology systems, and analyze user experience and data to refine the systems over time. Division staff are also responsible for providing Department staff with IT strategic direction, IT policy, and delivering centralized IT solutions and services that support the mission of the Department. This includes desktop support, information security, telecom, network/server maintenance, and webpage development and maintenance.

33. **How will this proposed project impact the product or services supported by the state entity?**

Once implemented the Information Technology Services Division will be able to use the tool to respond timelier to report requests. The staff in the Division will also be able to train non-technical users on how to pull data on their own to improve the overall Departmental-capacity for report building. Staff in the division will be less reliant on third party vendors when responding to data requests from stakeholders.

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*TIP: Copy and paste or click the + button in the lower right corner to add Business Programs, with background and context and impact descriptions as needed.*

## 1.6    Project Justification

1. **Strategic Business Alignment**

   **Enterprise Architect**

   Title: Chief Infrastructure and Enterprise Services

   Name: Donovan Dutt

   Strategic Plan Last Updated? N/A – Initial Strategic Plan in Progress

   Strategic Business Goal: N/A

   Alignment:  N/A

   *TIP: Copy and paste or click the + button in the lower right corner to add Strategic Business Goals and Alignments as needed.*

   **Mandate(s):** None

   Bill Number/Code, if applicable: Click or tap here to enter text.

   Add the Bill language that includes system-relevant requirements:

   Click or tap here to enter text.

   *TIP:  Copy and paste or click the + button in the lower right corner to add Bill Numbers/Codes and relevant language as needed.*

2. **Business Driver(s)**

   Financial Benefit: No

   Increased Revenue: No

   Cost Savings: No

   Cost Avoidance: No

   Cost Recovery: No

   Will the state incur a financial penalty or sanction if this proposal is not implemented? No

   > If the answer to the above question is "Yes," please explain:

   > Click or tap here to enter text.

**Improvement**

Better Services to the People of California: Yes

Efficiencies to Program Operations: Yes

Improved Equity, Diversity, and/or Inclusivity: Yes

Improved Health and/or Human Safety: Yes

Improved Information Security: Yes

Improved Business Continuity: Yes

Improved Technology Recovery: Yes

Technology Refresh: Yes

Technology End of Life: No

## 1.7    Business Outcomes Desired

**Executive Summary of the Business Problem or Opportunity:**

The Department seeks to improve business and technical internal users' access to data from existing licensing, enforcement, compliance, and track and trace system. The Department will procure and implement a data warehouse and business intelligence software solution that will improve data access from several mission critical databases. This improved data access will result in a shortening in time between data request initiation and delivery of the final data set. Non-technical internal users will be able to create reports via drag and drop functionality as opposed to writing code. Additionally, the tools procured will enable the creation of external facing visualizations to better serve stakeholders and researchers interested in the cannabis industry.

**Objective ID:** 1

**Objective:** Enable internal non-technical users to build reports without writing code.

**Metric:** Number of reports built by non-technical users.

**Baseline:** 0 annually

**Target Result:** 25 annually

**Objective ID:** 2

**Objective:** Create internal and external interactive data visualizations.

**Metric:** Number of interactive visualizations created or refreshed with new data.

**Baseline:** 0 annually

**Target Result:** 4 annually

**Objective ID:** 3

**Objective:** Decrease the amount of time needed to obtain a complex new data extract or report.

**Metric:** Time (in weeks) to create a new report in the system.

**Baseline:** 4 weeks

**Target Result:** 2 weeks

**Objective ID:** 4

**Objective:** Utilize system data to identify anomalies in the track and trace data system to target investigation and inspection activity.

**Metric:** Number of anomaly reports created or refreshed with up to date data.

**Baseline:** 1 report annually

**Target Result:** 6 reports annually

*TIP: Copy and paste or click the + button in the lower right corner to add Objectives as needed. Please number for reference.*

*TIP:  Objectives should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time-bound. Objective must cover the specific. Metric and Baseline must detail how the objective is measurable. Target Result needs to support the attainable, realistic, and time-bound requirements.*

## 1.8   Project Management

1. **Project Management Risk Score: 0.5**

   (Attach a completed Statewide Information Management Manual (SIMM) Section 45 Appendix A Project Management Risk Assessment Template to the email submission.)

2. **Project Approval Lifecycle Completion and Project Execution Capacity Assessment**

   Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

   **Answer:** Yes

   Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

   **Answer** (No, New, Existing, or Both)**:** No

# 1.9    Initial Complexity Assessment

1. **Business Complexity Score:  1.1**

    (Attach a completed SIMM Section 45 Appendix C to the email submission.)

2. **Noncompliance Issues:** (Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is noncompliant.)

    Programmatic regulations: No

    HIPAA/CIIS/FTI/PII/PCI: No

    Security: No

    ADA: No

    Other: No

    Not Applicable: No

    Noncompliance Description:

    Click or tap here to enter text.

3. **Additional Assessment Criteria**

    If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, include it as an attachment to your email submission.

    How many locations and total users is the project anticipated to affect?

    Number of locations: Multiple as internal and external users will access data from office and home locations.

    Estimated Number of Transactions/Business Events (per cycle): 75 new reports built per year.

    Approximate number of internal end-users: 110 users

    Approximate number of external end-users: Unknown. External end-users will interact with the data that is embedded as a data visualization on the Department's website.

# 1.10  Funding

**Planning**

1. Does the Agency/state entity anticipate requesting additional resources through a budget action to *complete planning* through the project approval lifecycle framework? No

    If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

    Click or tap to enter a date.

2. Please provide the Funding Source(s) and dates funds for planning will be made available:

Exisiting resources will be utulized for  planning w. Specifically, this will take the   form of a minor allocation of existing  IT staff who are completing market research and procurement activities for the project.

**Project Implementation Funding**

1.  Has the funding source(s) been identified for ***project implementation***? Yes

    If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

    Funds are available currently within the approved budget of the Department.

    Will a budget action be submitted to your Agency/DOF? No

    > If "Yes" is selected, specify when this BCP will be submitted: Click or tap here to enter text.

2.  Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: Less than $10 Million

<br>

**End of agency/state entity document.**

**Please ensure ADA compliance before submitting this document to CDT.**

**When ready, submit Stage 1 and all attachments in an email to** ProjectOversight@state.ca.gov.

## Department of Technology Use Only

Original "New Submission" Date: 1/6/2023

Form Received Date: 1/6/2023

Form Accepted Date: 1/6/2023

Form Status: Completed

Form Status Date: 1/6/2023

Form Disposition: Approved

    If Other, specify: Click or tap here to enter text.

Form Disposition Date: 1/6/2023

Department of Technology Project Number (0000-000): 1115-004