

Department of Cannabis Control Strategic Plan FY 2023 – FY 2025



Gavin Newsom, Governor
State of California

Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing
Agency

Nicole Elliott, Director
Department of Cannabis Control



Department of
Cannabis Control
CALIFORNIA

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DIRECTOR'S MESSAGE

On July 12, 2021, the Department of Cannabis Control was established. Alongside other departments in California's Business, Consumer and Housing Agency, the Department works every day to protect consumers, patients, workers, the environment, and the general public. It was with this in mind that the Department has zeroed in on its mission – to foster a well-regulated, legal cannabis market that benefits all Californians while embracing a broader vision – to have a safe, sustainable, and equitable cannabis market that serves as an example to the world.

In our first two years, the Department has taken critical steps towards meeting our mission and our vision.

For example, we have begun the process of streamlining and simplifying California's cannabis regulations. To reduce barriers to legal industry participation, the Department has created and implemented a successful fee relief program for equity businesses, launched robust compliance resources for licensees, and steadily increased access to licensure for businesses throughout the state. We have more deeply engaged our local partners, investing millions of dollars to support the development and implementation of local regulatory frameworks and lifting best practices for equity programs. We have taken an important step towards enhancing local regulatory efforts by providing city and county regulators with real time access to their licensees' track-and-trace data. We have doubled down on combating the illicit market, and protecting public and consumer safety, by taking on a leadership role in California's Unified Cannabis Enforcement Task Force, further strengthening our collaboration with law enforcement.

We also recognize that we're still learning. We continue to expand our collective understanding of the cannabis plant, its relationship to and impact on consumers, and the broader dynamics of this developing market, by supporting research in these issues at California's world-class academic institutions.

I am extraordinarily proud of the work this organization has done to serve all Californians, and to support our licensees. But our task is monumental: California is the nation's largest and oldest cannabis market. I am mindful of the scale of the challenge still ahead of us.

This strategic plan is intended to help prioritize our work and narrow our focus in an ever-changing state and federal landscape. To do this, the Department's strategic priorities are centered around development, implementation, partnerships, and organizational culture. The Department will leverage these priorities to guide our work and create year-over-year achievable goals that help measure our success.

These strategic priorities were collaboratively developed and reflect the valuable input of Department staff and support of our partners. My sincerest thanks to all who participated, and to our entire team for their continued commitment to the Department's ongoing work.



ABOUT THE DEPARTMENT OF CANNABIS CONTROL

The Department of Cannabis Control (DCC) was established on July 12, 2021, with the passage of Assembly Bill 141 (Chapter 70, Statutes of 2021). This legislation consolidated California's three cannabis licensing programs (established in 2016) into a single department to centralize and streamline California's commercial cannabis regulatory oversight.

The Department licenses and regulates commercial cannabis activity within California. This includes:



The transportation, delivery, and tracking of cannabis goods



The manufacturing of cannabis products



The growing of cannabis plants



The testing and sale of cannabis goods



The permitting of events where cannabis is sold

EXECUTIVE TEAM

Nicole Elliott, *Director*

Rasha Salama, *Chief Deputy Director*

Matthew Lee, *General Counsel*

Melissa Eidson, *Deputy Director of Administration*

Jeff Merriman, *Deputy Director of Compliance*

Bill Jones, *Deputy Director of Enforcement*

Po-Wen Leung, *Manager, Equal Employment Opportunity Office*

Eugene Hillsman, *Deputy Director of Equity & Inclusion*

Angela Hill, *Deputy Director of Governmental Affairs*

Sean O'Connor, *Chief Information Officer*

Tanisha Bogans, *Deputy Director of Laboratory Services*

Tamara Colson, *Deputy Director of Legal Affairs*

Michael Cheng, *Deputy Director of Licensing*

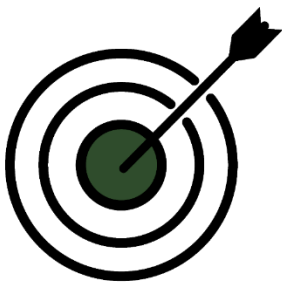
Jacqueline Champion, *Deputy Director of Policy and Research*

Maria Luisa Cesar, *Deputy Director of Public Affairs*

Stacey O'Brien, *Strategic Development Officer*

MISSION, VISION, AND VALUES

- **Mission:** Through innovative policies and effective implementation, the Department (DCC) advances and facilitates a well-regulated, legal market that benefits all Californians.
- **Vision:** California has a safe, sustainable, and equitable cannabis market that serves as an example for the world.
- **Values:**
 - Integrity: We work for the public benefit, and we safeguard the public trust. We honor the work we do and hold it in high regard.
 - Fairness: We create standards and practices that are equitable, practical, and consistent.
 - Innovation: We foster an environment of curiosity, creativity, and scientific understanding. We are bold, futuristic, and responsive to change.
 - Knowledge: We value competency, professional excellence, and continuous learning.
 - Collaboration: We are approachable and responsive. We value engagement and diversity of thought. We establish and maintain partnerships that balance our ideas and support our values.
 - Support: We are resilient, kind, and respectful, both individually and as a community.



MISSION



VISION



VALUES

DIVISION DESCRIPTIONS

Executive Division

The Executive Division provides leadership, direction, and guidance to the Department's divisions. The Executive Office includes the Director, Chief Deputy Director, General Counsel, and the Equal Employment Opportunity Office.

Administration

Administration is responsible for providing core services essential to the day-to-day operations of the Department. The division is responsible for directing the administrative functions of the Department and providing employee services, including but not limited to: human resources, budgets, fiscal management, contracts, procurement, and facilities and fleet management. The division serves as the Department's primary liaison with California control agencies such as the Department of Finance, State Controller's Office, Department of General Services, and FI\$Cal.

Compliance

Compliance is responsible for supporting and enforcing regulatory compliance of licensed commercial cannabis activity to promote accountability and consumer and public safety. The division is responsible for conducting routine inspections, investigating alleged and observed violations, addressing public complaints, and supporting licensees in achieving compliance. In collaboration with the Laboratory Division, the Compliance Division also oversees the remediation and destruction of cannabis and cannabis products that fail testing, as well as consumer recalls. The division is responsible for the administration of the California Cannabis Track-and-Trace system and works closely with the Department's Law Enforcement Division and other state and local regulatory and enforcement entities on cases that could result in administrative or civil penalties.

Enforcement

Law Enforcement is responsible for conducting and supporting criminal investigations of illegal commercial cannabis activity in California to protect consumers and support the legitimacy of the legal market and preservation of California resources. The division partners with local, state, and federal law enforcement and regulatory agencies in combating unlicensed activity across the supply chain by leveraging all available resources and intelligence.

Equity and Inclusion

Equity and Inclusion is responsible for leading the development, implementation, and evaluation of the Department's equity programs, policies, outreach efforts, and administration. The division works closely with local jurisdictions, local equity programs, state agencies, business owners and other partners to develop, identify and promote promising practices and policies that improve outcomes for California cannabis entrepreneurs and employees negatively impacted by cannabis criminalization.

Government Affairs

Government Affairs is responsible for advancing the Department's mission and strategic priorities through legislative engagement at the state, local, and federal level. The division serves as the primary liaison for the Department with local, state, and federal legislative partners and tracks and oversees the analysis of all relevant bills that may impact the Department. The division engages with partners to better understand statutory policy initiatives, and, where appropriate, provides technical assistance that furthers the Department's goals and priorities.

Information Technology Services

Information Technology (IT) Services is responsible for implementing the Department's IT policies and delivering centralized IT solutions and services. The division provides coordination of technology operational activities, including desktop support, information security, telecom, network/server maintenance, project management, and application development and maintenance. The division works closely with all the Department's divisions in developing technology solutions that streamline their work, provide the public with digital information, and allow the Department to meet its objectives while operating more efficiently and effectively.

Laboratory Services

Laboratory Services is responsible for regulatory oversight of California licensed cannabis testing laboratories. This includes the review of license applications, conducting routine inspections, investigating complaints, taking enforcement actions, and conducting investigative sample analysis. The Laboratory Services Division also works closely with other divisions in the review and evaluation of data and scientific literature to enhance the regulatory framework and identify best practices for product testing and consumer safety. Lastly, the division directs and monitors the contract California's cannabis reference laboratory.

Legal Affairs

Legal Affairs is responsible for providing legal services to all the Department's divisions and executive office. This includes conducting research in complex and emerging areas of law and advising programs, drafting, and reviewing legal documents and responses, responding to Public Records Act Requests, drafting regulations, representing Department programs in administrative actions and appeals, and liaising with the Attorney General's office about Department litigation.

Licensing

Licensing is responsible for administering application review, license issuance, renewal, and modifications; providing technical assistance and support to applicants and licensees; coordinating license actions with the Compliance and Enforcement Divisions; and providing enhanced assistance to equity applicants and licensees. The division works in close coordination and collaboration with other state and local agencies responsible for the permitting or licensing of cannabis businesses.

Policy & Research

Policy & Research is responsible for assessing the effectiveness of current state policies related to commercial cannabis, identifying opportunities to enhance and reform state regulatory requirements, and developing recommendations for new regulatory policies. The division generates and solicits policy recommendations, including from Department staff, the Cannabis Advisory Committee, and other external partners, that support the Department's legislative, regulatory, and strategic goals. The division also monitors federal, state, and local policy developments, monitors and conducts research, and performs data analysis to help inform policy decisions.

Public Affairs

Public Affairs is responsible for developing and supporting the Department's internal and external communications, community engagement, and partner relations. This includes, but is not limited to media strategy, public engagement and outreach efforts, customer service, Cannabis Advisory Committee meetings, event participation, and the dissemination of educational resources. The division oversees and manages the Department's website and social media channels, as well as its digital outreach to licensees and partners.

STRATEGIC PRIORITIES

- I. DEVELOPMENT:** Develop a legal, sustainable, and equitable cannabis framework for California.
- II. IMPLEMENTATION:** Implement and refine meaningful equitable policies and programs.
- III. PARTNERSHIPS:** Establish and maintain strong partnerships. Invite diversity of thought through partner engagement in all we seek to accomplish.
- IV. ORGANIZATIONAL CULTURE:** Strive for organizational excellence through a focused and inspired value-driven workforce.



DEVELOPMENT

Develop a legal, sustainable, and equitable cannabis framework for California.

To continue to develop California’s cannabis framework, the Department will further establish structures that inform its assessment and development of meaningful regulatory policies.

Strategies to Achieve Priority #1:

- Develop meaningful regulatory policies that are informed by data, science, and partner input.
- Incorporate equity in all facets of policy and programmatic development.
- Share information through digital tools and campaigns to educate the public and inform partners on market trends, consumer behavior, and impacts of legalization.
- Advance California’s knowledge of the latest scientific, policy, industry, and market trends by developing strong cross-governmental partnerships on the international, federal, state, and local level.

IMPLEMENTATION

Implement and refine meaningful equitable policies and programs.

The Department will continue to implement policies and programs and monitor their performance to ensure that California's cannabis industry is regulated in an equitable and efficient manner.

Strategies to Achieve Priority #2:

- Assess and streamline processes and requirements to create a more effective and efficient licensing, compliance, and enforcement framework.
- Work with local jurisdictions to identify mechanisms to strengthen and streamline local cannabis permitting programs and processes.
- Support policies and programs that expand access to licensed operators, reduce barriers to entry, and increase access to legal cannabis goods.
- Equip licensees and local jurisdictions with information to support licensee compliance.
- Conduct consistent and fair compliance measures to strengthen and stabilize the licensed market.
- Execute a multi-pronged, statewide enforcement strategy on unlicensed operators to disrupt illegal operators.

PARTNERSHIPS

Establish and maintain strong partnerships. Invite diversity of thought through partner engagement in all we seek to accomplish.

The continuous development of a thoughtful statewide regulatory framework that serves all Californians requires collaboration and the engagement of various partners. The Department has established and will build upon several structures to support the comprehensive engagement of partners to support well-informed policymaking that is consistent, equitable, and aligned with DCC's values.

Strategies to Achieve Priority #3:

- Facilitate the Cannabis Advisory Committee and its subcommittees.
- Work with State leadership to convene and facilitate inter-department cannabis forums comprised of state partners with oversight responsibilities.
- Convene and facilitate a forum of local cannabis regulators to strengthen partnerships, streamline dual implementation, and leverage resources.
- Actively engage and participate in international, national, state, and local forums that further inform, through research and information sharing, the development and implementation of the California cannabis framework.
- Continue to thoughtfully connect with California's cannabis licensees and consumers through outreach, education, and resources.

ORGANIZATIONAL CULTURE

Strive for organizational excellence through a focused and inspired value-driven workforce.

The Department strives to cultivate a culture that supports the whole person and that is steeped in research, innovation, diversity, adaptability, and resilience.

Strategies to Achieve Priority #4:

- Recruit and retain competent professionals by providing opportunities for professional development and encouraging workplace practices that enhance productivity and preserve work-life balance.
- Foster an inclusive workspace in which team members are valued and have opportunities to collaborate and productively contribute to the continued evolution of the organization.
- Develop policies and programs that instill a value-driven culture and organizational innovation.
- Develop and establish administrative practices, tools, and solutions that enhance employee performance and enhance service delivery.
- Develop and enhance organizational feedback loops that encourage internal collaboration, improve department processes, support innovation, and mitigate risk.