

OLCC RESPONSES TO WAYS AND MEANS SUBCOMMITTEE ON TRANSPORTATION AND ECONOMIC DEVELOPMENT

Q: How much marijuana does an acre of marijuana produce?

A: It varies depending upon the growing method utilized by the grower and growing conditions; some growers choose to grow large plants spaced widely apart while others plant smaller plants spaced closer together. Growers may grow indoors, outdoors, or a combination of both.

The yield average for a sample of 15 large outdoor grow operations of 40,000 square feet in 2016 (almost an acre) is:

Average Pounds Per Acre of Dry* Marijuana Harvested	Average Number of Plants Harvested Per Acre
1,310	1,070

*15% moisture content

Q: What is the salary for a regulatory specialist? Is there a difference between inspectors and investigators?

A: Currently both inspectors and investigators are classified as regulatory specialists. The salary range is:

Low: \$45,516 base salary + \$29, 840 OPE = \$75,356 per year

High: \$66,528 base salary + \$35,891 OPE = \$102,419 per year

There is currently a compensation study being done for this classification which is looking at compensation rates for license investigators and regulatory specialist.

Q: Do you have a plan for space acquisition?

A: The headquarters' facility in Milwaukee is at capacity for both employees and parking with the recent addition of the marijuana program. In the event that additional personnel are allocated for the Portland Metro area OLCC will work with DAS to procure leased facilities in the area based on the number of people that need to be housed. DAS does the search and negotiations for OLCC lease properties

In addition to the state owned facility in Milwaukee, OLCC currently leases 11 facilities around the state for field and regional offices. The average lease term of these facilities is five years and some of them are coming up for renewal. As the leases come up for renewal OLCC will work with DAS to evaluate the need for larger facilities. Currently Eugene and Medford are coming up for renewal and OLCC/DAS will be looking for new facilities to accommodate more people. We are currently pricing out leasing options in the Portland/Metro area and the area between Salem and Portland for lower cost alternatives.

Q: Are you keeping track of the frequency and type of law enforcement issues and their response?

A: We track any issue or complaint that comes in to OLCC and relates to a licensee or applicant that comes to the OLCC directly or has been referred by law enforcement. If the complaint does not relate to a licensee or applicant we have not been tracking them.

Q: Is a marijuana conviction an automatic disqualification for hiring? How much can DAS help?

A: The answer is it depends on the severity of the offence, and the amount of time that has passed since the offence. A minor conviction such as possessing in the distant past would not likely prevent a hiring but a conviction for such as growing or selling marijuana would likely disqualify the applicant. Also the proximity of the position to enforcement could be a factor. A minor marijuana conviction for a OLCC licensing specialist would not likely exclude them from hire but a recent minor conviction for a candidate applying for a regulatory position would likely excluded them from hire. OLCC reviews background check results to make determinations as to the nexus of the job of any conviction.

Q: Who is tracking the size of the illegal market? What estimates are there?

A: There is no tracking of the size of the illegal market. Some tracking is being done of the legal recreational and medical through OLCC's cannabis tracking system and OHA's monthly reporting requirement for medical growers.

A study from ECONorthwest estimated that the total usable marijuana consumption annually to be about 4.1 million dry ounces. Of this total about 1.5 million ounces was estimated to be in the illegal market, 1.4 million ounces would be consumed from the legal retail market and legal home grows, and 1.2 million ounces would be consumed by medical patients. But these are estimates based on survey and other public health data before the implementation of the recreational marijuana system.

Q: What degree of delay for licensing and renewals is acceptable?

OLCC's goal is to get to the same timeframe we have for liquor - 75 days on average from submission of application to decision. There may always be a degree of delay in marijuana that is different than in alcohol, however, as many MJ applicants don't invest in infrastructure or security until they know they have passed background checks and their paperwork is complete. OLCC is working on a way to track these periods of time in which we are waiting for applicants, so that we can determine true processing times. Right now, the extent of the backlog makes the total processing time much longer, and we anticipate a continued backlog until the industry and OLCC staffing stabilizes. Delays in processing license renewals and license applications also impact the revenues needed to generate operating funds for the program

Q: Is the application too complicated?

A: No, however, the application is comprised of multiple parts designed to ensure the integrity of the recreational system. So far 1,200 applicants from the smallest grower to processors and retailers have successfully completed their applications and received licenses. As with any business endeavor, the applicant does need to be organized, get their data together, and be able to explain in writing where their business will be located, their operational plan, and how they will provide security.

Q: Do you track the number of hours on an application?

A: We do not. There has been some discussion of trying to do this at times, but the determination has been that processing time is so dependent on the individual applicant and circumstances, and investigators are working on multiple applications at any given time (usually 30-50), that at this time it would be extremely difficult to do and there wouldn't be much gain in having the information. What we have done is evaluate the time that the various parts of the application process take in general, so that we can look for efficiencies and streamline the process wherever we can. This has resulted in shuffling the responsibilities for processing of parts of the application to different staff to make the process more efficient as a whole and a significant reduction in the form and nature of required information an applicant must submit. For example, for most applicants OLCC currently requires a single packet that consists mostly of check boxes, that is approximately 10 pages long. At this time last year we were asking for up to 10 different forms, totaling approximately 40 pages, for mostly the same information. We have similarly worked to reduce the steps and requirements for the agency's internal staff to process an application in many ways, all to save time and be more efficient.

Q: Do you anticipate the location of marijuana grows to cause conflicts with neighbors?

A: Yes, we are already experiencing concerns. Those issues are addressed through the local time, place and manner restrictions that cities and counties can put on their licensees. The OLCC can consider these issues in the denial of license renewals if cities or counties charge licensees with violations.