

<b>Agency Name</b>	WSLCB
<b>Agency 4-digit Code</b>	1950
<b>Decision Package Name (as submitted in OFM's ABS)</b>	E3 - Cannabis Traceability Project
<b>Email</b>	kyle.saloma@lcb.wa.gov
<b>A. <input type="checkbox"/> Will this investment renew or procure a facial recognition service?</b>	No
<b>B. <input type="checkbox"/> Does this investment provide for acquisition of, or enhancement to, an administrative or financial system as required by technology policy EA-122 - administrative and financial system investment approval?</b>	No
<b>D. <input type="checkbox"/> <b>&lt;b&gt;For the Department of Children, Youth and Families, the Department of Health, the Department of Social and Health Services, the Health Care Authority and the Washington Health Benefit Exchange only:&lt;/b&gt; Has this project been screened for inclusion in the Health and Human Service (HHS) Coalition portfolio?</b></b>	No
<b>E. <input type="checkbox"/> Does this decision package support the adoption of modern, cloud-based technologies?</b>	Yes
<b>A. <input type="checkbox"/> Is this renewal for an existing software or subscription?</b>	No
<b>A. <input type="checkbox"/> Type of Investment - Identify the decision package investment classification from the following list (select only one):</b>	Improves existing service

<b>B. Washington's IT Strategic Plan - Identify which goal(s) of the State Strategic plan the decision package aligns with (select all that apply):</b>	Goal #2: Better Data, Better Decisions, Better Government, Better Washington Goal #3: Innovative Technology Solutions create a Better Washington
<b>C. Agency IT Strategic Plan - provide a public URL for your agency's IT strategic plan.</b>	<a href="https://lcb.wa.gov/sites/default/files/publications/ITS-Strategic-%20Plan-V05.pdf">https://lcb.wa.gov/sites/default/files/publications/ITS-Strategic-%20Plan-V05.pdf</a>
<b>D. Does this decision package fund the acquisition, development, enhancement, or replacement of a new or existing software solution?</b>	Yes
<b>If Yes, where will the software solution be hosted?</b>	External Cloud
<b>E. Do you expect this solution to exchange information with the state financial system (AFRS) or the OneWA solution (Workday)?</b>	No
<b>F. Does this decision package fund the acquisition or expansion of hardware capacity?</b>	No
<b>G. Does this decision package fund the continuation of a project that is under WaTech oversight? (See Technology policy PM-01 - IT Investments - Approval and Oversight Policy.)</b>	No

**<b>Feasibility of project proposal:</b> Summarize the needs assessment, high-level requirements, feasibility study, or similar due diligence, to understand business needs and complete market research and select technology solution. What is the planned investment approach and implementation staffing/resourcing, including assumptions about onboarding/staffing, etc.**

The agency is seeking funding this biennium for the staffing and support necessary to conduct community engagement activities as well as define its project management methodology process, business requirements, and needs for a new Cannabis Traceability Project planned for the 2027-29 biennium. Outcomes of these activities will inform a future independent feasibility study to determine the long-term cannabis traceability solution that best meets the needs of the agency, its cannabis licensees, and industry stakeholders. The agency will be seeking funding to hire an independent consultant firm in a separate 2025-27 supplemental cycle to conduct an independent feasibility study to assess agency readiness across technical, economic, legal, operational, and scheduling categories. Outcomes of the feasibility study will be used to inform a 2027-29 biennial decision package. It is assumed that a future Cannabis Traceability Project will be under Tier 3 WaTech Oversight.

**<b>Technology Adoption & Organizational Readiness:</b> Describe how your agency is preparing its workforce for the successful adoption, use, and support of the proposed technology solution. Summarize strategies for managing change, reskilling or redeploying staff, and embedding new ways of working into business operations. Describe the Organizational Change Management (OCM) approach that supports adoption across impacted groups (e.g., teams, divisions, agencies), and strategies to address communication, engagement, leadership alignment, resistance management, and long-term sustainment.**

At this time, the agency is only seeking funding for the staffing and support necessary to conduct community engagement activities as well as define its project management methodology process, business requirements, and needs of the agency, its licensees, and industry stakeholders for a new Cannabis Traceability Project planned for the 2027-29 biennium. It is assumed that a future Cannabis Traceability Project will be under Tier 3 WaTech Oversight requiring independent project quality assurance and organizational change management resources to be part of implementation planning when the time comes.

**<b>Strategic /Technical alignment:</b> For each Goal selected in part 4, please provide details on how your proposal aligns.**

This proposal supports all four goals of Governor's Results Washington across all priority area: continuous improvement, performance excellence, and transparency.

- Goal: Increase agency efficiency and effectiveness across state government. A centralized and accessible traceability solution will increase LCB's enforcement effectiveness and provide more efficient and timely access to relevant information.
- Goal: Improve service delivery outcomes for Washington citizens. LCB will be able to offer provide improved services and data to ensure the cannabis market remains transparent to consumers and other interested parties.
- Goal: Measure for action to drive progress. An end-to-end traceability solution enable a level of analysis that will strengthen decisions related to rules-making and communication with interested parties.
- Goal: Bring people and data together to solve complex problems. The data managed in the traceability system will provide real time insight into the dynamics of the marketplace that will lead to better problem solving by identifying areas of concerns faster and across all workflows related to traceability, promoting equity and transparency.

In addition to supporting an area of Results Washington, this proposal supports all four goals in the 2023-2025 Enterprise IT Strategic Plan published by WaTech.

- Goal #2 From Insight to Impact: Use industry data to improve, product safety, tracking cannabis product, and provide transparency across the marketplace.
  - Goal #3 Relentlessly pursue relevant technology to improve services: Cloud-based solution enables stakeholder access and input in real time.
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**<b>Business process and technology modernization:</b> Describe how this investment incorporates new and innovative technology (examples such as: cloud first solutions, low code / no code, AI etc.) to improve business outcomes and improve the health and alignment to the agency's existing IT portfolio and strategic plan. Summarize your agencies plan to incorporate modern technology solutions into redesigned business processes focused on improving customer experience, service quality, and reducing technical debt within the agency's technology portfolio.**

With a modern system, E&E would get an accurate real-time snapshot and not face delays of self-reporting as in the current system. E&E needs the ability to accurately and timely track product within the system, with more timely data on sales, product movement, and adjustments, it would make it easier to compare and identify discrepancies in the field versus what is reported in the system. It would eliminate the use of contingency manifests for transportation of product, which are difficult to validate and create an opportunity for product diversion.

The desired system would also eliminate erroneous product testing results from being posted and prevent the product from being moved in the system. A single identification number generated by the system would easily track products for quick product recalls and ensure that the proper product was seized and destroyed.

**<b>Customer Experience & Access:</b> Describe how the proposed solution improves customer access to business capabilities through technology. Summarize plans for person centered design including: accessibility testing plans, and insights from underserved populations to ensure equitable access to technology.**

This proposal will greatly improve the distribution of medical cannabis data to the Department of Health (DOH). Currently, under a data sharing agreement, the DOH receives manually generated COA reports related to medical distribution. The new system will enable automation of COA notification upon COA issuance from testing labs. This near real time notification will provide the DOH with actionable data if the DOH had to participate in recall actions or other product alerts.

The Washington State Patrol (WSP) requires manifest information to ensure transporters are lawfully moving product, if a transport vehicle were pulled over, real time information and tracking will enable the WSP to promptly identify the shipment and not hold delivery while verifying the manifest.

In addition to the above, improved transparency and real time information provided by this solution will have a positive impact to other local government and state agencies by having access to cannabis market data that will promote health, safety, and enforcement.

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**<b>Business driven technology:</b> What are the business problems to be addressed by the proposed investment? These business problems should provide the basis for the outcome discussion below. Describe how end users (internal and external) will be involved in governance and implementation activities.**

The traceability system will provide LCB and interested parties with data to ensure that social equity programs are being implemented and identify where and how they could be improved. A few ways in which traceability could support social equity include:

- Traceability supports compliance: Data analysis from the traceability system ensures alignment with social equity programs, such as reporting product flow, availability or detailing how a business promotes social equity in impacted communities.
- Traceability promotes market stability: Accurate tracking and real-time monitoring help reduce the diversion of legal cannabis to the illicit market. This prevents illegal activity from undercutting the prices of legal, licensed businesses, which is critical for new, equity-owned operations to succeed.
- Provides data for policy evaluation: The data collected by traceability systems can be used to evaluate the success and impact of social equity programs. By analyzing information on business ownership, workforce demographics, and market trends, regulators can see if the programs are effectively addressing the harms caused by the War on Drugs.

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**<b>Measurable business outcome: </b>Describe and quantify the specific performance outcomes you expect from this funding request. Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology investment. Describe how your agency will use customer satisfaction scores, adoption rates, cycle and processing times, etc.**

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