



Program strategy

Licensing data

CANNABIS PROGRAM:

Enforcement data

Budget and fees

Management fundamentals needed to improve regulation of emerging industry

AUDIT HIGHLIGHTS | January 2020

The State of Oregon legalized the sale of recreational cannabis in 2014, and in early 2016 the City of Portland began regulating businesses that grow, produce, or sell cannabis.

City Council directed the Office of Community & Civic Life to develop and manage the regulatory process and to be responsive to the developing industry, while balancing business and public health needs.

An effective regulatory program needs:	Cannabis program is missing these fundamentals:
Develop a clear strategy to guide program actions	<p><i>Strategy not completed</i></p> <p>Civic Life finalized a vision document in Fall 2019 after our field work for this audit ended. The three goals are: sensible regulation; sustainable, regional cannabis; and equity and community involvement. This vision document will guide the strategic development of program activities.</p>
Budget to implement the planned actions	<p><i>Budget and fees not based on strategy or workload</i></p> <p>Without defined program activities and accurate information about workload, management must rely on anecdotal information and can't assess budget requirements or identify appropriate licensing fees.</p>
Collect program workload and industry information	<p><i>Data on licensing, enforcement, and complaints not reliable</i></p> <p>Civic Life doesn't have a system to ensure data on the licensing and enforcement process is valid and complete and has not formalized a plan to do so.</p>
Report on progress to inform needed adjustments to the strategy and respond to evolving industry	<p><i>Data does not inform future program direction</i></p> <p>City's regulatory purpose and priorities may need to be revisited, but this requires information on program performance, industry needs, and public impact.</p>

Recommendations

We recommend the Office of Community & Civic Life develop a program strategy, implement a data management system to consistently track program performance and results, and develop communication tools to inform Council and the public about cannabis regulation.