



**OKLAHOMA**  
Medical Marijuana Authority

# Oklahoma Medical Marijuana Authority

**FY 2026 Budget Hearing Presentation**

Submitted by: Adria Berry, Executive Director

# Adria Berry

Executive Director



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The **Oklahoma Medical Marijuana Authority** serves as the regulatory agency for Oklahoma's medical marijuana program.

Oklahoma voters authorized the state's medical marijuana program in **2018** with **State Question 788**. SQ788 legalized medical marijuana in Oklahoma; HB 2612 in 2019 created the OMMA to oversee the program. This agency now encompasses the following divisions:

- 10 – Administration
- 20 – Operations
- 88 – Information Services

# Agency Vision, Mission and Core Values

**Vision**: A safe medical marijuana program that is appropriately regulated to support responsible industry growth and innovation.

**Mission**: Promote public health and safety through regulation and enforcement of responsible medical cannabis practices by patients and commercial licensees.

**Core Values**: Consumer Protection, Integrity, Collaboration, Innovation, Quality Service.



# Accomplishments

## Top accomplishments for FY 2024 – FY 2025

- 1) **Partner Agency Trainings:** OMMA held a series of Partner Agency Trainings in FY24 designed to share information and enhance collaboration across state agencies involved in medical marijuana regulation.
- 2) **Laboratory Standardization:** OMMA worked with labs to develop better regulations for testing techniques. A committee of licensed testing labs met for over 90 hours and submitted 120 pages of recommendations for equipment and testing standards. In FY24, these recommendations were included in OMMA's rules after extensive review and lengthy public comment period. The lab standardization rules help ensure the safety of medical cannabis and medical cannabis products for patients and amend testing requirements such as:
  - Round robin testing for statistical analysis by OMMA to address any outlier
  - More specific requirements for instrumentation, calibration and method validation, quality control, and personnel training
- 3) **Regulation and Safety:**
  - Over 6,000 compliance inspections completed
  - Over 1,400 administrative cases filed
  - 262 completed requests for assistance from regulatory agencies and law enforcement partners
  - 704 products recalled on June 10, 2024
- 4) **Outreach and Engagement:** In FY24 OMMA successfully introduced Community Conversations, an informal opportunity for licensees to meet with OMMA's executive leadership in a small group setting to share feedback, ask questions, and address concerns, with more being planned.
  - Over 81,000 calls received by the Call Center
  - Over 60,000 email and contact form submissions received
  - 38 digital newsletters/bulletins published to licensees with an average open rate of 70%
  - Over 1.7 million website visits
  - 165 Facebook posts with over 289,000 total post impressions, 947 post shares, and 289 inquiries answered





# Analysis of Agency Challenges

|          | <b>Challenge</b>  | <b>Current Actions</b><br>(Briefly describe how the agency is currently addressing the challenge.)  | <b>Planned Actions</b><br>(Briefly describe how the agency plans to address the challenge going forward.)   |
|----------|---|---|---|
| <b>1</b> | Agency restructure to align the agency and services we provide with our statutory mandates  | Proactive data monitoring to assess OMMA's licensing and regulatory scope which drives staffing levels and distribution   | Create a Patient Service Unit to provide customer service, license processing, and education & outreach to Oklahoma medical marijuana patients; Merge two departments who oversee the life cycle of a medical marijuana business (Licensing & Compliance) to ensure information is not siloed |
| <b>2</b> | Numerous environmental, economic, agricultural, medical and scientific aspects of the medical marijuana program and its impact across the state | Outreach and relationship-building with medical professionals and scientists in the cannabis space; interfacing with federal partners and stakeholders; regular discussion & implementation of best practices through work with cannabis regulators across the United States  | Education & Outreach to include giving CME presentations to physicians; continue building relationships with state agencies & federal agencies  |
| <b>3</b> | Fraudulent application materials submitted by licensed medical marijuana businesses along with illicit activities at licensed facilities.       | OMMA agents and Intel Analysts assigned to the Organized Crime Task Force (OCTF), investigations of straw owners, filing administrative actions against non-compliant licensees   | Building out a risk assessment tool to ensure we're using our resources to tackle the biggest problems in the industry  |
| <b>4</b> | Prioritizing technology solutions to optimize operations and increase efficiencies.   | Finalizing the procurement process that began in January of 2023 with an RFP for a new licensing system   | Replacement of deficient licensing software solution; implement a novel compliance inspection technology  |
| <b>5</b> | Anticipate and adapt to potential upcoming federal law or rule changes including cannabis rescheduling.   | Seeking guidance from Federal partners; interfacing regularly with Federal delegation; maintaining close working relationship with Attorney General's Office to plan for potentialities; Previously established Project Management functionality within Operations division to track and implement legislative mandates | It is unwise for OMMA to plan any action on this until we receive more information from the federal government  |



# Savings & Efficiencies (Current or Planned)

| Savings or Efficiency Name                    | Brief description of how savings were achieved   | Savings in Unit of Measurement*        | FY 2024 (Actual \$ Savings) | FY 2025 (Projected \$ Savings) | FY 2026 (Projected \$ Savings) |
|---|--|--|-----------------------------|--------------------------------|--------------------------------|
| <b>Reduction-in-Force &amp; Restructuring</b> | 29 positions were eliminated in a July 2024 RIF. This allowed the agency to cut back on FTE in bloated areas and focus on areas of highest need.                                     | Personnel costs                        | \$0                         | \$2,280,500                    | \$3,223,800                    |
| <b>Robotic Process Automation</b>             | This project will allow OMMA to execute the provisions of SB 1704 through the implementation of robotic process automation.  | Hours, 10 FTE                          | \$120,000                   | \$720,000                      | \$720,000                      |
| <b>Chat Bot</b>                               | This project aims to address the manual nature of customer support challenges by introducing an intelligent chatbot that can automate and streamline our customer service processes. | Hours, FTE                             | Break Even                  | \$24,000                       | \$24,000                       |
| <b>Implement CRM and Inspection Software</b>  | Enhancing customer relationship management and optimizing operations within communications and call center via customer relationship management (CRM) system.                        | 10% efficiency gain; saved labor costs | \$36,375                    | \$110,250                      | \$110,250                      |
| <b>Develop database and Data Warehouse</b>    | By investing in hosted KPI dashboards, we empower our leadership to make data-driven decisions, thus making resource allocation more efficiently.                                    | 1% efficiency gain across organization | \$80,000                    | \$100,000                      | \$100,000                      |

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

| Goal |   | Metric  | FY 24 Target | FY 24 Actuals | FY 25 Target                      | FY 29 Target |
|------|---|---|--------------|---------------|-----------------------------------|--------------|
| 1    | Develop robust Patient Services functionality to promote public health and safety, with an emphasis on lab testing, education, and medical community outreach   | Number of patients served via licensing, customer service, education, and outreach  | N/A          | N/A           | 350,000                           | 350,000      |
| 2    | Decrease commercial license processing turnaround timeframes from statutory 90-days to less than 55 business days   | Number of business days needed to promptly process "completed" commercial applications  | N/A          | ~70 days      | <55 days                          | <55 days     |
| 3    | Navigate enforcement actions and emergency actions against illicit operators; seize and embargo illicit or unsafe marijuana or plants; and ensure safe products | Number of administrative cases filed against licensees in OMMA's Administrative Court plus the number of criminal cases OMMA is involved in | N/A          | 1,456         | #                                 | #            |
| 4    | Operationalize diversion indicators into inspections, investigations, and enforcement efforts (compliance enforcement initiatives)                              | Number of Administrative cases built based on Inspection referrals  | N/A          | 1,043         | #                                 | #            |
| 5    | Operationalize the statutorily created Secret Shopper Program   | Secret shop 50 dispensaries in FY25, and more than 10% of dispensaries in future fiscal years   | N/A          | N/A           | 100%                              | 100%         |
| 6    | Operationalize Oklahoma's first cannabis QA Reference Lab   | Test at least 100 medical cannabis samples a month at the state QA lab  | N/A          | N/A           | 100%                              | 100%         |
| 7    | Implement RPA for employee credential applications; decrease TA and credential application processing turnaround timeframes to less than 10 business days       | Application processing time   | N/A          | ~23 days      | <10 days                          | <10 days     |
| 8    | Enhance customer relationship operations within communications and call center; inc. CRM, website chat bot, and reduced call/email volume?                      | Number of emails and calls to the Comms inbox decreasing by a percentage each year  | N/A          | N/A           | 10% decrease in call/email volume |              |



# Projects for FY 2025

List and briefly describe up to 5 current or upcoming projects for the current fiscal year that support the goals and strategies of the agency's mission.

- 1) **QA Reference Lab implementation:** to fulfill the requirements provided for in SB 813 (2023) which authorizes OMMA to operate a quality assurance lab for conducting compliance testing of medical marijuana testing laboratories licensed in the state, the secret shopper program (est. by HB 3971 (2022)), enforcing lab standardization statutes (est. by HB 4056 (2022)), and process validation (est. by HB 3929 (2022)).
- 2) **Operationalize Secret Shopper Program:** secret shop 50 dispensaries in FY25, and more than 10% in future fiscal years.
- 3) **Database and data warehouse development:** to make data-driven decisions, thus making resource allocation more efficient.
- 4) **CRM and inspection software implementation:** to enhance customer relationship management and optimizing operations within communications and call center via customer relationship management (CRM) system.
- 5) **RPA implementation:** to decrease Transport Agent and credential application processing turnaround timeframes to 10 business days.





# Projects for FY 2026

List and briefly describe up to 5 continuing (from a prior year into FY 2026) or upcoming projects for next fiscal year that support the goals and strategies of the agency's mission.

- 1) **Operationalize QA Reference Lab:** a fully operational QA Reference Lab will enhance OMMA's ability to appropriately regulate Oklahoma's medical cannabis industry, protect the health and safety of medical cannabis patients, and ensure state resources are utilized for their intended purpose and in an efficient, responsible, and lawful manner.
- 2) **Database and data warehouse**
- 3) **CRM and inspection software**
- 4) **Legal case management system:** will further support OMMA's ability to facilitate the regulation of Oklahoma's medical cannabis industry through appropriate and timely administrative action and reducing duplicative efforts and variance in information communicated by OMMA departments.

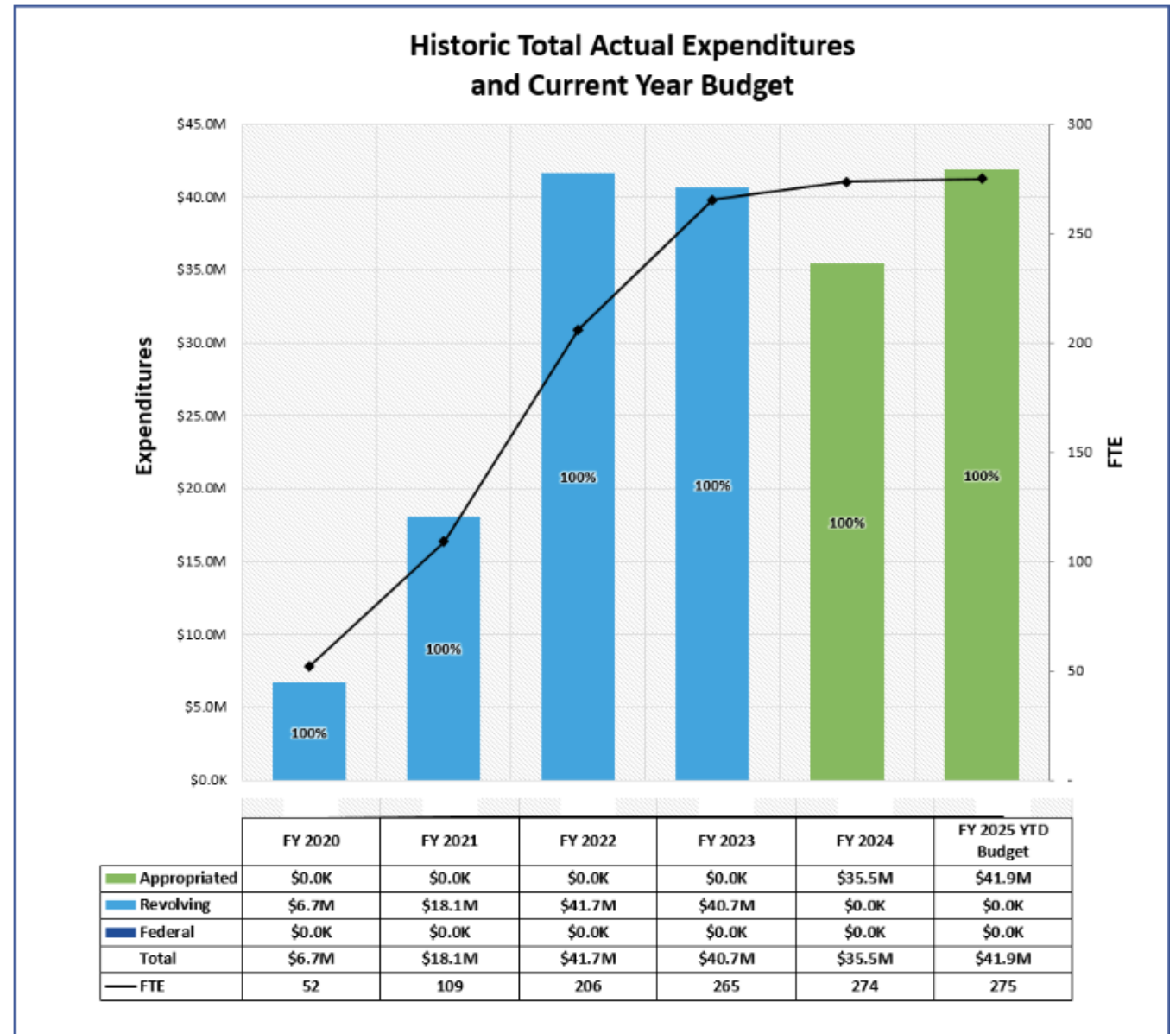


# Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

## Explanation of Changes and Trends

The OMMA was a department under the OSDH until it became an independent agency on Nov. 1, 2022, when SB 1543 (2022) took effect. Full financial separation from the OSDH was completed in the spring of 2023.

Beginning in FY'24, the OMMA does not directly receive any revenue. Instead, the Legislature appropriates the agency's funding annually (SB 18X (2023)). Significant decrease in FY 2024, OMMA requested \$48M and was appropriated \$37M.



*\*FY24 expenditures as of 9/4/24*



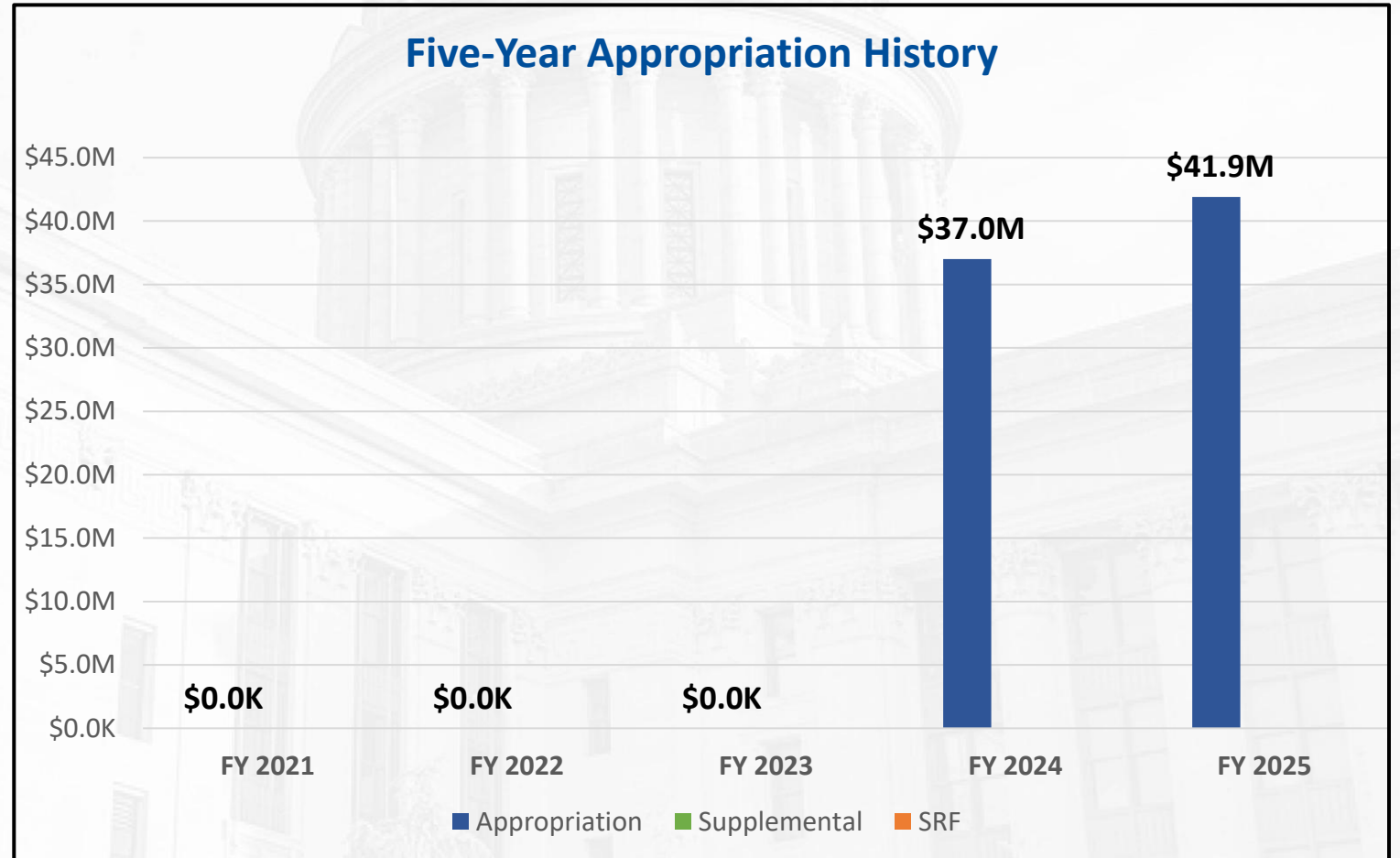


# FY 2025 Budgeted Full Time Equivalents (FTE)

|   | FY 2025 Budgeted FTE |
|---|----------------------|
| <b>Total FTE</b>                          | 275                  |
| <b>Supervisor FTE</b>                     | 63                   |
| <b>Supervisors to Total FTE Ratio (%)</b> | 23%                  |
| <b>Current Budgeted but Unfilled FTE</b>  | 7                    |

# Appropriation History

| Fiscal Year | Legislated Appropriation (\$)<br>(Includes supplementals and SRF/ARPA.) |
|-------------|---|
| FY 2021     | \$0   |
| FY 2022     | \$0   |
| FY 2023     | \$0   |
| FY 2024     | \$37M   |
| FY 2025     | \$41.9M   |



*\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*





# Financial Resource Analysis

| Carryover  |  | FY 2021   | FY 2022                     | FY 2023  | FY 2024  |
|--|--|---|-----------------------------|--|--|
| Total appropriated carryover amount expended (\$)                    |  | N/A   | N/A                         | N/A  | \$1,300,000  |
| Historical Cash Balances   |  | FY 2021   | FY 2022                     | FY 2023  | FY 2024  |
| Year End Revolving Fund Cash Balances ( <i>All Revolving Funds</i> ) |  | \$34,302,945<br>OSDH 248<br>\$37.5M transferred out in May 2021. April ending balance was \$64.1M | \$53,182,806<br>OSDH 248    | \$15,905,823<br>OMMA 248<br>\$80M transferred out of 248 in June 2023 (HB 1004X). May ending balance was \$90.1M. <b>OMMA no longer has access to these funds unless &amp; until they are appropriated by the Legislature.</b> | \$69,086,196<br>OMMA 248 + 205<br>\$28.1M transferred out of 205 in June 2024 (SB 1125). May ending balance was \$42.3M <b>OMMA no longer has access to these funds unless &amp; until they are appropriated by the Legislature.</b> |
| Revolving Class Fund # ( <i>Unrestricted only</i> )                  | Revolving Class Fund Name ( <i>Unrestricted only</i> )   |   | Current cash balance (\$)   | Projected FY 2025 year-end cash balance (\$)   |  |
| 248  | Oklahoma Medical Marijuana Authority Fund<br>OMMA no longer has access to these funds unless & until they are appropriated by the Legislature. |   | \$50,655,804<br>10/31/ 2024 | \$48.7M<br>FY25 beginning balance minus FY25 approp., plus 3-yr lic & fee collection avg   |  |
| 576  | Special Cash   |   | \$1,283,434<br>10/31/ 2024  | \$0  |  |



*Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.*

# FY 2023 – 2024 Appropriation Change Review

| <i>Purpose of appropriation increase or decrease</i>                | <i>Amount FY 2023</i> | <i>Amount FY 2024</i> | <i>Total amount received FY 2023 - 24</i> | <i>Total amount expended by 11/1/2024</i> | <i>Included in FY 2025 approp? (Yes/No)</i> | <i>If not expended fully, please explain.</i> |
|---|-----------------------|-----------------------|---|---|---|---|
| FY'24 was first year for OMMA to be appropriated by the Legislature | N/A                   | \$37M                 | \$37M                                     | \$35,716,565                              | Yes   |   |
|   |                       |                       |   |   |   |   |
| <b>Totals</b>   | N/A                   | \$37m                 | \$37m                                     | \$35,716,565                              |   |   |



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2025 Appropriation Change Review

| <i>Purpose of appropriation increase or decrease</i> | <i>Amount of increase or decrease (\$)</i> | <i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i> | <i>If yes, included in appropriation for same purpose? (Yes/No)</i> | <i>If not included for same purpose, please explain.</i> |
|--|--|--|---|--|
| QA Lab Costs & Personnel                             | \$1.4M                                     | Yes  | Yes   |  |
| QA Lab Start-up Costs                                | \$3.5M                                     | No   |   |  |
|  |  |  |   |  |
| <b>Total adjustment</b>                              | <b>\$4.9M</b>                              |  |   |  |



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Incremental Request Summary

| Request Name |  | FY 2026 Incremental Appropriation Request Amount (\$)<br>{or FY 2025 for Supplementals} | Type of Request: Recurring, One-time, or Supplemental |
|--------------|--|---|---|
| 1            | Information Technology Investment              | \$2,800,000   | Recurring   |
| 2            | Removal of one-time funding for QA Lab Startup | -3,500,000  | One-time  |
| 3            |  |   |   |
| 4            |  |   |   |
| 5            |  |   |   |





# (1) Incremental Budget Request

|   |             |
|---|-------------|
| <b>Name of Request: Information Technology Investment</b>   |             |
| Type: Recurring   | \$2,800,000 |
| <p>(1) <b>SW1182</b> will provide a more stable licensing software solution that will have tangible and intangible benefits for internal and external stakeholders. The internal stakeholders will have a more reliable and dynamic environment to manage the application process and will translate to processing efficiencies. External stakeholders will see a much better user experience, quicker processing times and quicker agency response to issues of concern. (2) <b>Add'l OMES data resources</b> will support the SW1182 enhancements and application development. (3) <b>General Recurring Expense Increases</b> - there are multiple basic services items that we are planning on normal annual inflation type increases. (4) <b>Robotic Process Automation</b> - this will be used in conjunction with personnel to process patient licenses faster . While there is not an immediate direct cost savings, the impact will reduce the turn around time for patient applications by an estimated 70% (10days &gt; 3days).</p> |             |

