



# Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.9, 02/01/2022)

## 1.1 General Information

**1. Agency or State Entity Name: 1115 - Department of Cannabis Control**

If Agency/State entity is not in the list, enter here with the [organization code](#).

[Click or tap here to enter text.](#)

**2. Proposal Name and Acronym: AB 8 IT System Integration**

**3. Proposal Description: (Provide a brief description of your proposal in 500 characters or less.)**

The Department of Cannabis Control (DCC) proposes to implement modifications to the California Cannabis Track-and-Trace (CCTT) system to support the integration of industrial hemp into the cannabis regulatory framework, as mandated by AB 8 (2025).

**4. Project Planning Start Date: 11/1/2025**

**5. Proposed Project Execution Start Date: 11/1/2026**

**6. S1BA Version Number: Version 1**

## 1.2 Submittal Information

**1. Contact Information**

Contact Name: Sean O'Connor

Contact Email: [sean.o'connor@cannabis.ca.gov](mailto:sean.o'connor@cannabis.ca.gov)

Contact Phone: 916-282-0384

**2. Submission Type: New Submission**

If Withdraw, select Reason: [Choose an item](#).

If Other, specify reason here: [Click or tap here to enter text](#).

**Sections Changed, if this is a Submission Update: (List all sections changed.)**

N/A

**Summary of Changes: (Summarize updates made.)**

N/A

3. Attach [Project Approval Executive Transmittal](#) to your email submission.
4. Attach [Stage 1 Project Reportability Assessment](#) to your email submission.

## 1.3 Business Sponsorship

### 1. Executive Champion (Sponsor)

Title: Chief Deputy Director

Name: Clint Kellum

Business Program Area: Executive Office

### 2. Business Owner

Title: Deputy Director, Compliance

Name: Evelyn Shaeffer

Business Program Area: Compliance Division

### 3. Product Owner

Title: Compliance Division Manager

Name: Stephanie Dorminey

Business Program Area: Compliance Division

*TIP: Copy and paste or click the + button in the lower right corner on any section to add additional Executive Champions, Business Owners, or Product Owners with their related Business Program Areas as needed.*

## 1.4 Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the state entity needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

1. Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)

State Entity Only: No

Other Departments/State Entities: Yes

Public: Yes

Federal Entities: No

Governor's Office: Yes

Legislature: Yes

Media: Yes

Local Entities: Yes

Special Interest Groups: Yes

Other: No

## 2. Describe how each group marked 'Yes' will be involved in the planning process.

### **Other Departments/State Entities:**

DCC will coordinate with the California Department of Public Health (CDPH), the California Department of Tax and Fee Administration (CDTFA), and the Department of Technology (CDT) to ensure alignment on regulatory, fiscal, and technical aspects of AB 8 implementation. CDTFA will be involved in tax-related system implications, while CDT will support PAL oversight and project approval.

### **Public:**

Public stakeholders, including consumers and industry participants, will be engaged through public comment periods during rulemaking and through outreach materials explaining changes to the cannabis supply chain and hemp integration.

### **Governor's Office:**

The Governor's Office will be briefed on implementation progress and fiscal implications, particularly as they relate to public health, enforcement, and economic impact.

### **Legislature:**

Legislative staff and committees will be updated on implementation milestones, budget impacts, and regulatory outcomes to ensure alignment with the intent of AB 8.

### **Media:**

Media outlets will be engaged through press releases and public communications to inform the public about regulatory changes, enforcement actions, and consumer protections.

### **Local Entities:**

Local jurisdictions will be informed of regulatory language and policy through targeted and public communications.

### **Special Interest Groups:**

Industry associations, public health advocates, and consumer safety organizations will be consulted during regulatory development and may participate in advisory or stakeholder meetings.

## 1.5 Business Program

- 1. Business Program Name:** Compliance Division – CCTT Admin
- 2. Program Background and Context:** Provide a brief overview of the entity's business program(s) current operations.

The Compliance Division at DCC is responsible for ensuring that cannabis licensees operate in accordance with state laws and regulations. A core component of this oversight is the CCTT system, which monitors the movement of cannabis and cannabis products throughout the licensed supply chain. The system enables DCC to detect anomalies, mitigate diversion, and maintain the integrity of the regulated market. Currently, the CCTT system is configured as a closed-loop environment, tracking only cannabis-related inventory and transactions.

- 3. How will this proposed project impact the product or services supported by the state entity?**

The proposed project will modify the CCTT system to support the integration of industrial hemp into the cannabis supply chain, as required by AB 8. Specifically, the system will be enhanced to:

- Allow hemp plant material to be entered into the supply chain by licensed distributors.
- Track the testing, quarantine, and movement of hemp-derived products.
- Record the exit of finished hemp products from the supply chain.
- Generate new anomaly reports and compliance dashboards to monitor hemp-related activity.

These changes will expand the scope of the CCTT system and require new compliance protocols, data analytics, and reporting tools to ensure that hemp integration does not compromise the integrity of the regulated cannabis market.

*TIP: Copy and paste or click the + button in the lower right corner to add Business Programs, with background and context and impact descriptions as needed.*

## 1.6 Project Justification

- 1. Strategic Business Alignment**

### Enterprise Architect

Title: Application Development Chief

Name: Tommy Chi

Strategic Plan Last Updated? 8/1/2023

Strategic Business Goal: Implement and refine meaningful equitable policies and programs.

Alignment: The project aligns with DCC’s strategic goal by expanding the CCTT system to accurately and properly track hemp-related activity.

*TIP: Copy and paste or click the + button in the lower right corner to add Strategic Business Goals and Alignments as needed.*

**Mandate(s):** [State](#)

Bill Number/Code, if applicable: [AB 8 \(Aguiar-Curry, Chapter 248, Statutes of 2025\)](#)

Add the Bill language that includes system-relevant requirements:

[AB 8](#) requires DCC to track hemp plant material entering and finished hemp products exiting the cannabis supply chain using the Track-and-Trace system.

*TIP: Copy and paste or click the + button in the lower right corner to add Bill Numbers/Codes and relevant language as needed.*

**2. Business Driver(s)**

**Financial Benefit:** [No](#)

Increased Revenue: [No](#)

Cost Savings: [No](#)

Cost Avoidance: [No](#)

Cost Recovery: [No](#)

Will the state incur a financial penalty or sanction if this proposal is not implemented? [No](#)

If the answer to the above question is “Yes,” please explain:

[Click or tap here to enter text.](#)

**Improvement**

Better Services to the People of California: [Yes](#)

Efficiencies to Program Operations: [Yes](#)

Improved Equity, Diversity, and/or Inclusivity: [No](#)

Improved Health and/or Human Safety: [Yes](#)

Improved Information Security: [No](#)

Improved Business Continuity: [Yes](#)

Improved Technology Recovery: [No](#)

Technology Refresh: No

Technology End of Life: No

## 1.7 Business Outcomes Desired

### Executive Summary of the Business Problem or Opportunity:

The CCTT system cannot currently support hemp tracking as required by AB 8. This project will close that compliance gap and enable enforcement and oversight pursuant AB 8's provisions.

#### Objective ID: 1

**Objective:** Add or modify data collection fields across multiple CCTT system screens to collect data relevant to hemp as it proceeds through the supply chain.

**Metric:** Additional hemp-specific data tracking fields deployed.

**Baseline:** No hemp-specific data fields

**Target Result:** Fields available by January 1, 2028

#### Objective ID: 2

**Objective:** Deploy hemp-focused anomaly reports to DCC's existing suite of reports that flag irregular supply chain data conditions for DCC staff to conduct further investigation

**Metric:** Number of reports developed

**Baseline:** 0 hemp-focused anomaly reports

**Target Result:** 5 hemp-focused anomaly reports by close of FY 2027–28

#### Objective ID: 3

**Objective:** Implement data condition rules to prevent inaccurate or improper hemp-related data entry

**Metric:** Number of data condition rules implemented

**Baseline:** 0 hemp-specific data condition rules

**Target Result:** 5 data condition rules by close of FY 2027-28

#### Objective ID: 4

**Objective:** Integrate tagging of hemp products in the supply chain

**Metric:** Cannabis businesses can tag and associate hemp products with their inventory in the CCTT system.

**Baseline:** Cannabis businesses cannot tag and associate hemp products to their inventory in the CCTT system.

**Target Result:** Tagging integration available by January 1, 2028.

Click or tap here to enter text.

Click or tap here to enter text.

*TIP: Copy and paste or click the + button in the lower right corner to add Objectives as needed. Please number for reference.*

*TIP: Objectives should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time-bound. Objective must cover the specific. Metric and Baseline must detail how the objective is measurable. Target Result needs to support the attainable, realistic, and time-bound requirements.*

## 1.8 Project Management

### 1. Project Management Risk Score: .1

Follow the instructions in [Statewide Information Management Manual \(SIMM\) Section 45 Appendix B Project Management Risk Assessment Preparation Instructions](#).

Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix A Project Management Risk Assessment Template](#) to the email submission.

### 2. Project Approval Lifecycle Completion and Project Execution Capacity Assessment

Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

**Answer:** Yes

Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

**Answer** (No, New, Existing, or Both): Both New and Existing Processes

## 1.9 Initial Complexity Assessment

### 1. Complexity Assessment (Business Score): 1.5

Follow the instructions in the [Statewide Information Management Manual \(SIMM\) Section 45 Appendix D Complexity Assessment Instructions](#).

Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix C Complexity Assessment Template](#) to the email submission.

NOTE: Business complexity is initially completed in PAL Stage 1. Technical complexity is initially completed in PAL Stage 2.

2. **Noncompliance Issues:** Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is non-compliant.

Programmatic regulations: [No](#)

HIPAA/CIIS/FTI/PII/PCI: [No](#)

Security: [No](#)

ADA: [No](#)

Other: [No](#)

Not Applicable: [Yes](#)

Noncompliance Description:

[Current system lacks functionality to comply with AB 8 hemp tracking requirements.](#)

### 3. Additional Assessment Criteria

If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, include it as an attachment to your email submission.

How many locations and total users is the project anticipated to affect?

Number of locations: [9,000](#)

Estimated Number of Transactions/Business Events (per cycle): [270,000,000](#)

Approximate number of internal end-users: [741](#)

Approximate number of external end-users: [68,789](#)

## 1.10 Funding

### Planning

1. Does the Agency/state entity anticipate requesting additional resources through a budget action to **complete planning** through the project approval lifecycle framework? [No](#)

If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

[Click or tap to enter a date.](#)

2. Please provide the Funding Source(s) and dates funds for planning will be made available:

[Click or tap here to enter text.](#)

### Project Implementation Funding

1. Has the funding source(s) been identified for **project implementation**? [Yes](#)

If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

DCC has submitted a broader Budget Change Proposal for FY 2026–27 that includes \$800,000 specifically for Metrc system updates to support hemp tracking. Funds are expected upon enactment of the FY 2026–27 Budget Act.

Will a budget action be submitted to your Agency/DOF? [Yes](#)

If “Yes” is selected, specify when this BCP will be submitted: 11/5/2025

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: [Less than \\$10 Million](#)

**End of agency/state entity document.**

**Please ensure ADA compliance before submitting this document to CDT.**

**When ready, submit Stage 1 and all attachments in an email to [ProjectOversight@state.ca.gov](mailto:ProjectOversight@state.ca.gov).**

## Department of Technology Use Only

Original "New Submission" Date: [5/13/2026](#)

Form Received Date: [5/13/2026](#)

Form Accepted Date: [5/13/2026](#)

Form Status: [Completed](#)

Form Status Date: [5/13/2026](#)

Form Disposition: [Approved](#)

If Other, specify: [Click or tap here to enter text.](#)

Form Disposition Date: [5/13/2026](#)

Department of Technology Project Number (0000-000): [1115-006](#)