



## Frequently Asked Questions (FAQs)

### ***What is the purpose of the California Cannabis Authority?***

The California Cannabis Authority is a Joint Powers Authority established amongst county government to develop and manage a statewide data platform. The platform will assist local governments that are regulating commercial cannabis activity by consolidating data from different sources into one resource to help ensure for maximum regulatory and tax compliance. In addition, the platform will help to facilitate banking services to the cannabis industry by connecting cannabis clients with willing financial institutions, providing banks necessary information to help them fulfill necessary compliance requirements.

### ***What is a Joint Powers Authority? Why create a JPA?***

Joint Powers Authorities (JPAs) are legally created public entities that allow two or more public agencies to jointly exercise common powers. Forming a JPA provides a creative approach to the delivery of public services, and also permits public agencies with the means to provide services more efficiently and in a cost-effective manner. The California Cannabis Authority (CCA) is a Joint Powers Authority (JPA) created by contract between counties with cannabis regulatory and taxing authority.

### ***Who will govern CCA?***

CCA's Board of Directors is comprised of one representative from each county that joins the organization. In addition, the day-to-day business of CCA will be directed by an Executive Committee consisting of five members from the Board of Directors. Cities and other public entities will be allowed to participate in the JPA and access data, but will not be part of the authority's governance structure. Financial institutions will have access to CCA data by contract.

### ***Who is the CCA technology provider?***

CCA has contracted with NCS Analytics, a technology firm specializing in cannabis data management to create and manage the CCA data platform. The NCS Platform is a secure analytics platform capable of aggregating and analyzing diverse data streams.

### ***Who can access the data and how?***

While counties make up the governing structure of CCA, other public entities including cities and state agencies can participate and access data through a separate agreement. The database is a cloud-based system. Member counties and participants will be able to access the database on the internet with a secure log-in connection through the CCA website.

### ***How will financial institutions access data?***

CCA will work with interested financial institutions and their prospective cannabis clients to provide accurate and cost-effective licensing and compliance information that ensures that the revenue generated from the client's commercial cannabis activity is from fully licensed and compliant activities. Consent from prospective cannabis clients must be obtained before information is shared with financial institutions that might wish to bank them.

***What type of privacy requirements does the CCA follow? Is CCA subject to public records requests?***

CCA will operate under a Memorandum of Understanding (MOU) with the state licensing agencies to ensure that all information that is confidential and not subject to the Public Records Act under Proposition 64 remains so. The data platform also adheres to all federal security standards, including the Federal Risk and Authorization Management Program (FRAMP) process to conduct security assessments, authorizations and continuous monitoring of cloud services. Data will be held confidential and only be viewable by authorized personnel.

***What are the requirements of joining CCA?***

Member counties are required to adopt the Joint Powers Agreement via their Board of Supervisors, and appoint one member and an alternate to CCA's Board of Directors. In addition, member counties and participating cities must require their cannabis licensees to provide CCA with commercial cannabis data. This information will be collected directly by CCA through cannabis businesses 3<sup>rd</sup> Party Software System providers.

***How will data be collected?***

CCA's data platform will connect directly to other data systems, and also connect to businesses point of sales or 3<sup>rd</sup> Party Software system providers. The preferred method is an Application Programming Interface (API), but there are other methods that the system can employ. NCS has released its API documents. This is the manual for how 3<sup>rd</sup> Party Vendors and the CCA data platform will connect to one another. In an effort to make it easier on Software System Providers, the CCA API looks and acts very similarly to the METRC API used by the State of California. CCA is reaching out to 3<sup>rd</sup> Party Vendor Systems to establish connections and ensure that data is submitted in a secure manner.

***How will CCA be funded? Will this cost Cannabis Businesses?***

The CCA Board of Directors adopted a financing structure that includes a fee to be paid by each member county and participating public entity that is based upon total sales within the jurisdiction. This amount will be commensurate with the amount of data generated, and therefore equitable to each member or participant's costs to the JPA. It is the decision of the Member County or participating entity to determine what source the fee will come from.

***How will CCA interface with the state's track and trace program? Is this a duplicative system?***

The data platform is designed to start where the state's Track and Trace (TaT) systems stops. TaT systems are built to track anything entered by an end user. TaT methodology requires user input and relies on the end user's ability to enter, or scan data correctly into the TaT system. This is where the CCA platform adds significant value. The CCA platform isn't constrained to just data from one source, and it isn't built to "track", but is built to analyze and evaluate. The platform looks for anomalies with individual data sources and also looks at how those sources interact with one another, giving a more complete picture and a higher degree of confidence that what is being reported and what is occurring are truly one in the same. When they are not the same, the platform creates an alert.

***Which counties have joined CCA?***

San Luis Obispo, Monterey, Humboldt, Mendocino and Yolo County are members of CCA. The President of the organization is Supervisor Estelle Fennell from Humboldt County.

***Who do I contact for more information?***

To learn more about the CCA, please contact Cara Martinson, CCA Executive Director at 916-526-7082, or [cmartinson@cca.ca.gov](mailto:cmartinson@cca.ca.gov). For more information, please visit our website at [www.cca.ca.gov](http://www.cca.ca.gov).