

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Department of Health and Senior Services
Division Title: Division of Regulation and Licensure
Chapter Title: Medical Marijuana**

Rule Number and Title:	19 CSR 30-95.040 Medical Marijuana Facilities Generally
Type of Rulemaking:	Proposed

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Department of Health & Senior Services' costs =	\$1,895,829 for the first three year period and \$477,187 for annually thereafter
Total =	\$1,895,829 for the first three year period and \$477,187 for annually thereafter

III. WORKSHEET

Facility Licensing & Compliance Director

Three quarters (3/4) of one (1) FTE with an annual salary of \$56,250 and with estimated fringe benefits of \$26,598.

Three quarters (3/4) of One-Time First Year expense (computer, office, furniture etc.) for one FTE listed above - \$3,496.

On-going expenses (including travel, office supplies, network, printing, etc.) for one FTE - \$9,959.

\$56,250 (salary) + \$26,598 (fringe benefits) + \$9,959 (on-going expenses) X three (3) = \$278,421 + \$3,496 (one-time first year expense) = \$281,917 for the first three year period.

\$56,250 (salary) + \$26,598 (fringe benefits) + \$9,959 (on-going expenses) = \$92,807 annually thereafter.

Facility Licensing Managers

Half (1/2) of one (1) FTE with an annual salary of \$30,000 and with estimated fringe benefits of \$15,447.

One-Time First Year expense (computer, office, furniture etc.) for half (1/2) of one (1) FTE listed above - \$2,331

On-going expenses (including travel, office supplies, network, printing, etc.) for half (1/2) of one (1) FTE - \$6,639

$\$30,000$ (salary) + $\$15,447$ (fringe benefits) + $\$6,639$ (on-going expenses) X three (3) = $\$156,258$ + $\$2,331$ (one-time first year expense) = $\$158,589$ for the first three year period.

$\$30,000$ (salary) + $\$15,447$ (fringe benefits) + $\$6,639$ (on-going expenses) = $\$52,086$ annually thereafter.

Facility Licensing Specialists

Two (2) FTE's with total annual salaries of $\$104,000$ and with estimated fringe benefits of $\$56,913$.

One-Time First Year expense (computer, office, furniture etc.) for two (2) FTEs listed above - $\$9,322$

On-going expenses (including travel, office supplies, network, printing, etc.) for two (2) FTEs - $\$28,273$

$\$104,000$ (salary) + $\$56,913$ (fringe benefits) + $\$28,273$ (on-going expenses) X three (3) = $\$567,558$ + $\$9,322$ (one-time first year expense) = $\$576,880$ for the first three year period.

$\$104,000$ (salary) + $\$56,913$ (fringe benefits) + $\$28,273$ (on-going expenses) = $\$189,186$ annually thereafter.

Administrative Office Support Assistant

Two (2) FTE's with total annual salaries of $\$70,000$ with estimated fringe benefits of $\$46,554$.

One-Time First Year expense (computer, office, furniture etc.) for two FTEs listed above - $\$15,938$

On-going expenses (including travel, office supplies, network, printing, etc.) for two FTEs - $\$26,554$.

$\$70,000$ (salary) + $\$46,554$ (fringe benefits) + $\$26,554$ (on-going expenses) X three (3) = $\$429,324$ + $\$15,938$ (one-time first year expense) = $\$445,262$ for the first three year period.

$\$70,000$ (salary) + $\$46,554$ (fringe benefits) + $\$26,554$ (on-going expenses) = $\$143,108$ annually thereafter.

Facility Licensing System Contract

Estimated contract cost of $\$203,132$.for one year.

Seed-to-Sale System Contract

Estimated contract cost of \$230,049 for one year.

IV. ASSUMPTIONS

In order to process the facility license applications and the applications for various approvals post-licensing described in this rule, the department will need a Facility Licensing Manager, who will also perform other duties not covered by this proposed rule, and two (2) Facility Licensing Specialists.

In order to conduct the inspections and enforcement activities described by this rule, the department will need fourteen (14) Inspectors.

In order to supervise the fourteen (14) Inspectors and to conduct and support escalated or complex compliance/enforcement actions, the department will need four (4) Compliance Managers.

In order to supervise the work of the Facility Licensing Manager; to review and analyze escalated or complex issues; to issue, deny, revoke, and suspend licenses; to supervise the work of the Compliance Managers; and to review and analyze escalated or complex compliance/inspection issues, the department will need a Facility Licensing & Compliance manager, who will also perform other duties not covered by this proposed rule.

In order to administratively support the work of all FTEs required for this rule, the department will need two (2) Administrative Office Support Assistants.

In order to receive, process, and maintain records related to facility applications and licensed/certified facilities, the department will need a Facility Licensing System, which is an IT solution specifically designed for medical marijuana program functions, including integration with the state system for tracking medical marijuana purchases.

In order to facilitate the inventory control provisions of this rule and all facility requirements related to tracking medical marijuana from seed to sale, the department will need a Seed-to-Sale System, which is an IT solution specifically designed for tracking and tracing medical marijuana from immature plants stage to sale by a dispensary to a qualified patient or primary caregiver. The Seed-to-Sale system is necessary to determine whether any given individual may purchase any given amount of medical marijuana. All functions of this system referenced throughout Chapter 95 stem from requirements in this rule.