

Fiscal Estimate Narratives

DHFS 10/24/2005

| | | | | | |
|--|-----------|---------------------|--------|---------------|----------|
| LRB Number | 05-1136/2 | Introduction Number | AB-740 | Estimate Type | Original |
| Description Medical use of marijuana, requiring the exercise of rule-making authority, and providing a penalty | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The bill requires the Department to establish a registry for medical users of marijuana. Individuals with debilitating medical conditions or their caregivers may apply to the Department to be permitted the legal use of marijuana for the medical condition. Under the bill, the Department must issue a registry identification card to qualifying patients who apply for inclusion in the registry by submitting to DHFS a signed application and physician statement. The Department is required to verify the information submitted by the patient.

The Department is required under the bill to promulgate rules specifying which debilitating medical conditions would allow a patient to be included in the registry. The conditions must include cancer, glaucoma, AIDS, a positive HIV test, and any chronic or debilitating disease that causes wasting away, severe pain, severe nausea, seizures, or the treatment of these conditions.

There are approximately 2.6 million individuals in Wisconsin who have a medical condition that might cause one of the effects listed in the bill as grounds for inclusion in the registry, including cancer, glaucoma, HIV, and other conditions with debilitating pain, such as arthritis or migraines. It is not known what percentage of this caseload would make use of the registry, but it is assumed that the percentage will grow over time. If 10% of this population makes use of the registry, approximately 261,000 patients would be registered.

The one-time cost of establishing a registry for medical users of marijuana is estimated at \$300,000 GPR, with ongoing system maintenance and hosting costs estimated at \$30,000 GPR annually. A program and planning analyst will be required to perform the duties mandated by this bill, including rule promulgation, system development management, research, application verification for individuals and registration verification for corporations, and to act as a liaison to law enforcement agencies. A program assistant will also be required to perform data entry for the system and respond to inquiries from patients. The annual cost of the positions will be \$46,500 GPR for the program and planning analyst and \$35,000 GPR for the program assistant. There will also be one-time costs of \$7,200 for each position. In addition, approximately .15 FTE of a Chief Medical Officer position will be required to provide appropriate medical consultation to the registry, at a cost of \$30,000 GPR annually.

Total one-time costs of establishing the registry are estimated to be \$314,400 GPR. The cost of maintaining the registry will be \$141,500 GPR annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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|--|--|--|-----------------|
| LRB Number 05-1136/2 | | Introduction Number AB-740 | |
| Description Medical use of marijuana, requiring the exercise of rule-making authority, and providing a penalty | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| \$314,000 GPR for the establishment of a registry | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | | \$109,100 | |
| (FTE Position Changes) | | (2.0 FTE) | |
| State Operations - Other Costs | | 32,400 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$141,500 | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | 141,500 | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| | | Increased Rev | Decreased Rev |
| GPR Taxes | | \$ | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$141,500 | \$ |
| NET CHANGE IN REVENUE | | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
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