

Fiscal Estimate Narratives

DWD 11/4/2019

LRB Number	19-1055/1	Introduction Number	SB-507	Estimate Type	Original
Description medical cannabis, providing an exemption from emergency rule procedures, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill proposes to permit the use of cannabis for debilitating medical conditions. Under the bill, individuals must obtain written certification from their practitioner of their qualifying medical condition and must also register with a proposed Department of Health Services (DHS) registry to lawfully use medical cannabis.

This bill would provide that an employee who is terminated solely due to a positive drug test for cannabis components or metabolites, or who violates the employer's policy concerning the use of cannabis, is not disqualified from receiving unemployment insurance (UI) or worker's compensation benefits if the employee has a valid certification and registration card, subject to certain exceptions.

In 2018, there were 9,548 effective UI benefit denial determinations due to misconduct. Approximately 2% of the denial determinations for misconduct were due to testing positive for tetrahydrocannabinols (THC), which may be found in medical cannabis products. Using this 2018 denial determination data, and the 2018 average UI benefit claim amount, the estimated net effect of this bill on the UI Trust Fund could be up to \$454,200 annually (which is not a state appropriation). This assumes all individuals with a positive test for THC in 2018 would have, under this bill, a valid certification and registration card.

Increased UI benefit payments would have a negligible impact on reimbursable state and local government employers. This would impact state appropriations by a negligible amount.

A one-time administrative cost to the UI program is estimated at \$540 which includes updates to forms, publications, websites, handbooks, manuals, and training material. This cost would increase expenditures from a state appropriation.

This bill may also have an impact on the Worker's Compensation program including the Self-Insured Employers Liability Fund s. 102.28 (7) & (8), the Uninsured Employer Fund s. 102.80, and the Work Injury Supplemental Benefit Fund s. 102.65. This bill would allow payment of treatment including medical cannabis, and medical expenses may be paid from these funds. The Department, however, is not able to reliably project the dollar amount paid from these funds.

Long-Range Fiscal Implications