

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-2455/1	Introduction Number AB-0550
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Description
 Medical use of marijuana, requiring the exercise of rule-making authority, making an appropriation, and providing a penalty

Fiscal Effect

State:

- | | | |
|--|--|---|
| <input type="checkbox"/> No State Fiscal Effect
<input type="checkbox"/> Indeterminate
<input type="checkbox"/> Increase Existing Appropriations
<input type="checkbox"/> Decrease Existing Appropriations
<input checked="" type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Decrease Costs |
|--|--|---|

Local:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|---|--|---|

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
DHFS/ Ellen Hadidian (608) 266-8155	Andy Forsaith (608) 266-7684	11/21/2007

Fiscal Estimate Narratives

DHFS 11/21/2007

LRB Number	07-2455/1	Introduction Number	AB-0550	Estimate Type	Original
Description Medical use of marijuana, requiring the exercise of rule-making authority, making an appropriation, 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. AB 550 also provides for a one-time registration fee of up to \$150/person for individuals who wish to be included in the registry.

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.

It is assumed that, once the registry is established, ongoing costs would be paid by program revenue from the registration fee. GPR would be required only for startup costs. 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 PR annually. A program and planning analyst – senior 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 \$53,200 PR for the program and planning analyst and \$40,300 PR for the program assistant. There will also be one-time costs of \$7,200 GPR for each position. Approximately .07 FTE of a supervisor will be required as well to provide supervision of registry activities, at a cost of \$8,000 annually. 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 \$42,100 PR annually.

If the registration fee is set at \$150/person, at least 1,158 new individuals, or .04% of the total estimated eligible caseload, would have to be diagnosed and registered annually to provide sufficient funding for the program.

Total one-time costs of establishing the registry are estimated to be \$314,400 GPR. The cost of maintaining the registry will be \$173,700 PR annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Medical use of marijuana, requiring the exercise of rule-making authority, making an appropriation, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$300,000 GPR for the establishment of the registry and \$14,400 GPR for one-time staff costs.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$133,700		\$
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs	40,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$173,700		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (173,700)	173,700		
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, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS (173,700)	173,700		
SEG/SEG-S			
TOTAL State Revenues	\$173,700		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$173,700		\$
NET CHANGE IN REVENUE	\$173,700		\$
Agency/Prepared By		Authorized Signature	Date
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