

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-4468/1		Introduction Number AB-0506	
Description legalizing the possession of marijuana; medical marijuana; regulating the production, processing, and sale of marijuana; expunging or redesignating past convictions for marijuana-related crimes; equity grants; making an appropriation; and providing a penalty			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<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		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<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			
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Affected Ch. 20 Appropriations			
New appropriation under s. 20.437(3)(r); existing appropriation under s. 20.437(3)(a).			
Agency/Prepared By		Authorized Signature	
DCF/ Sasha Williams (608) 422-6348		Adam Hartung (608) 422-6346	
		Date	
		10/23/2023	

Fiscal Estimate Narratives

DCF 10/23/2023

LRB Number	23-4468/1	Introduction Number	AB-0506	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

Generally, Assembly Bill 506 legalizes possession of marijuana. Specific to the Department of Children and Families (DCF), the bill creates a new appropriation, funded at \$5 million in SFY25, for diversity, equity and inclusion grants to public, private, and nonprofit entities. Revenues funding this SEG appropriation would come from 60 percent of an excise tax on marijuana production, processing, distribution and sale.

In addition, provisions in the bill exclude marijuana from substance abuse screening, testing, and treatment requirements for the Wisconsin Works, Transform Milwaukee Jobs, Transitional Jobs, and Children First programs. Currently \$250,000 GPR is provided annually to fund substance abuse testing and treatment activities for these programs.

The department estimates it will need 0.5 FTE Program and Policy Analyst-Advanced position to administer the grant program created under the bill. Based on the average cost of similar staff, DCF estimates an annual cost of \$60,300 annually.

The impact of the changes to substance abuse testing and treatment requirements for DCF programs is indeterminate, as it is unknown at this time the substances for which program participants test positive and require treatment. To the extent participants test positive for other controlled substances, DCF will continue to fund testing and treatment efforts.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description legalizing the possession of marijuana; medical marijuana; regulating the production, processing, and sale of marijuana; expunging or redesignating past convictions for marijuana-related crimes; equity grants; 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):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$43,800	\$
(FTE Position Changes)		
State Operations - Other Costs	16,500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$60,300	\$
B. State Costs by Source of Funds		
GPR	60,300	
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$60,300	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DCF/ Sasha Williams (608) 422-6348		10/23/2023
Adam Hartung (608) 422-6346		