

Cannabis Control Board FY24 BAA request

Market Update and BAA Request
Senate Committee on Appropriations
Thursday, January 17, 2024

Introduction

2021

Board members seated; Advisory Committee convened; 157 public meetings held; rules pre-filed.

(4 staff authorized)

2022

CCB assumes jurisdiction over Medical Cannabis Program; rules adopted; legislature transfers hemp program to CCB; first phase of licensing portal built; first cannabis licenses issued; retail market opens.

(4 staff transferred to CCB and 12 additional staff authorized)

2023

- Legislature authorizes one additional license type and a quality control laboratory
- Product registration and inventory tracking phases of licensing portal built
- Rules amended
- 550 cannabis establishment licenses and 863 employee ID cards issued
- Over 1,000 site visits conducted
- 3,808 unique products registered

(3 additional staff authorized)

Organizational Structure

The Cannabis Control Board Team – 3 Board members, 23 staff

Executive Team and Business Office

Executive Director
Brynn Hare

Director of Operations
Olga Fitch

General Counsel
Gabe Gilman

Education & Outreach Manager
(vacant)

Finance Manager
Karen Schifferle

Data Analyst
(vacant)

Compliance Team

Interim Compliance Director
Andy Chevrefils

Compliance Agents
Christine Motyka
Denise McCarty
Lawrence "Chipper" Sullivan
Michael DiTomasso
Duane Tomlin
(vacant)

Licensing Team

Director of Licensing and Registration
Kimberly Lashua

Deputy Director
Melissa Andersen

Licensing Agents
Heather Munzberg-Edson
Dominique Fisk
Kelsi Alger

Medical Program
Isabel Senter
Preya Holland

Quality Control Lab

Laboratory Director
(vacant)

Chemists
(vacant)
(vacant)

Adult-Use Cannabis Program Licensing Overview (Social Equity Licenses)

Total Issued Employee ID Cards: 863

Total Issued Licenses: 560 (85)

Outdoor & Mixed Cultivation

Tier 1 Mixed: **97 (21)**
Tier 2 Mixed: **17 (2)**
Tier 3 Mixed: **7 (1)**
Tier 4 Mixed: **1**
Tier 5 Mixed: **3 (2)**

Tier 1 Outdoor: **112 (6)**
Tier 2 Outdoor: **23 (3)**
Tier 3 Outdoor: **13 (4)**
Tier 4 Outdoor: **4 (1)**
Tier 5 Outdoor: **3**

Indoor Cultivation

Tier 1 Indoor: **97 (17)**
Tier 2 Indoor: **14 (3)**
Tier 3 Indoor: **7 (4)**
Tier 4 Indoor: **0**
Tier 5 Indoor: **1**

**Total Cultivators: 399
(64)**

Manufacturing

Tier 1: **11 (2)**
Tier 2: **55 (7)**
Tier 3: **9 (1)**

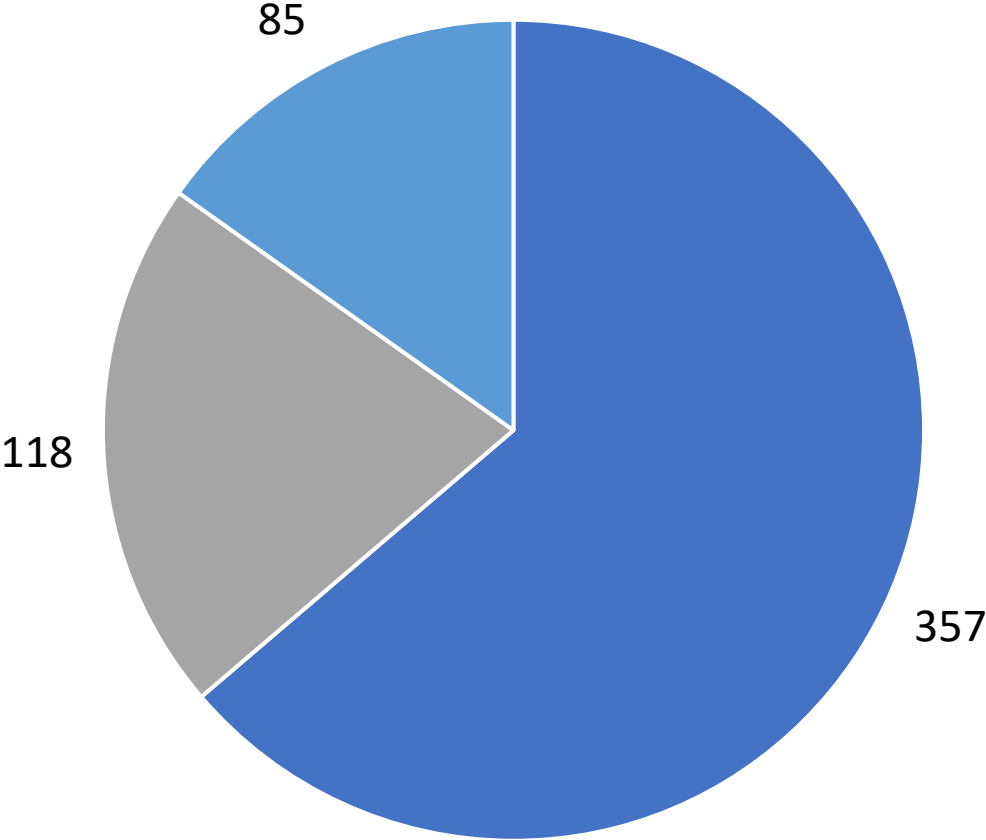
Total: 75 (11)

Other

Retail: **73 (11)**
Testing Labs: **2**
Wholesale: **8 (1)**
Integrated: **3**

Adult-Use: Issued Licenses by Priority Status

Total Licenses Issued: 560



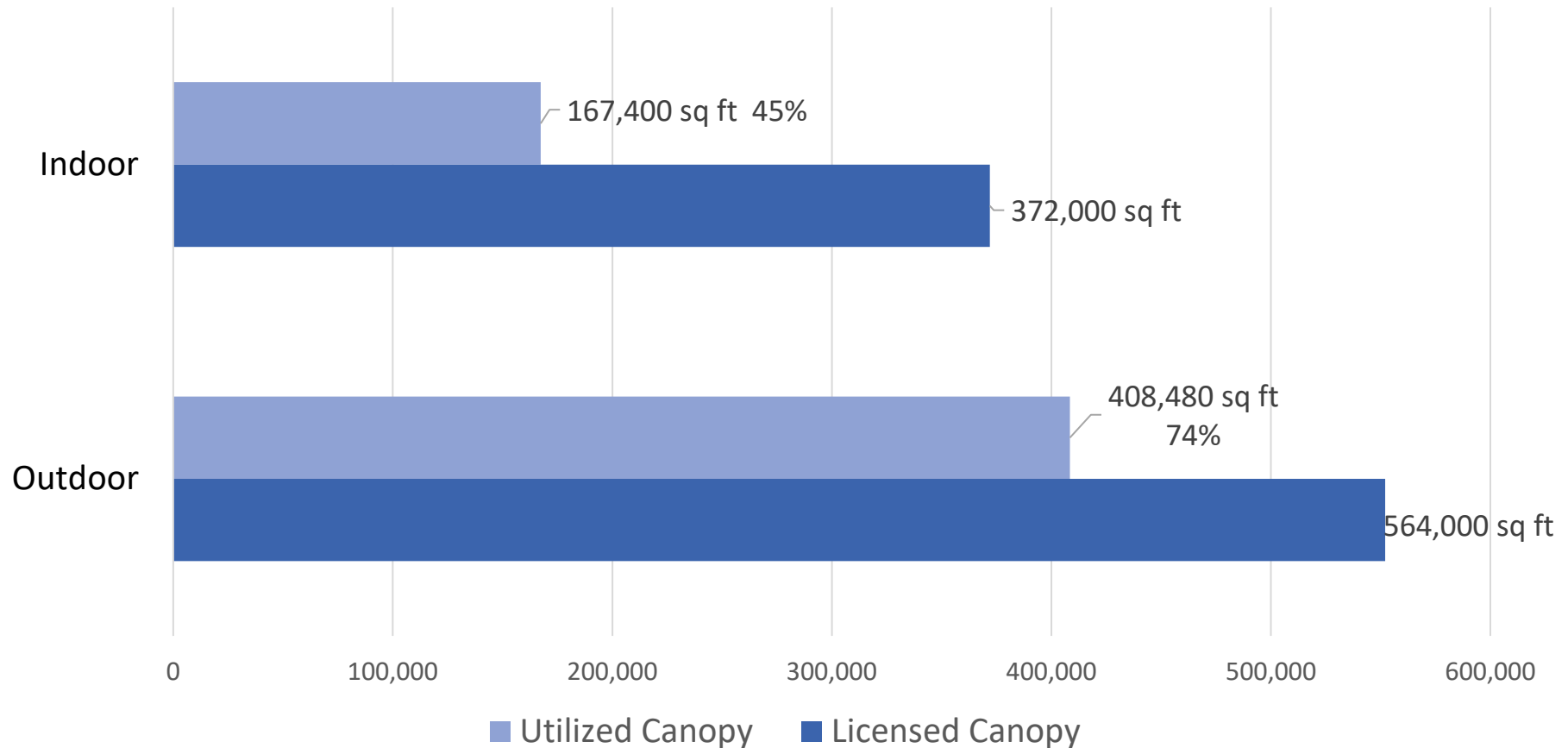
■ Standard ■ Economic Empowerment ■ Social Equity

Adult-Use: Application Processing Times

Priority Status	Average Days from Submission to Approval for Initial Application	Average Days from Submission to Approval for Renewal Application
Standard	88	66
Social Equity	66	59

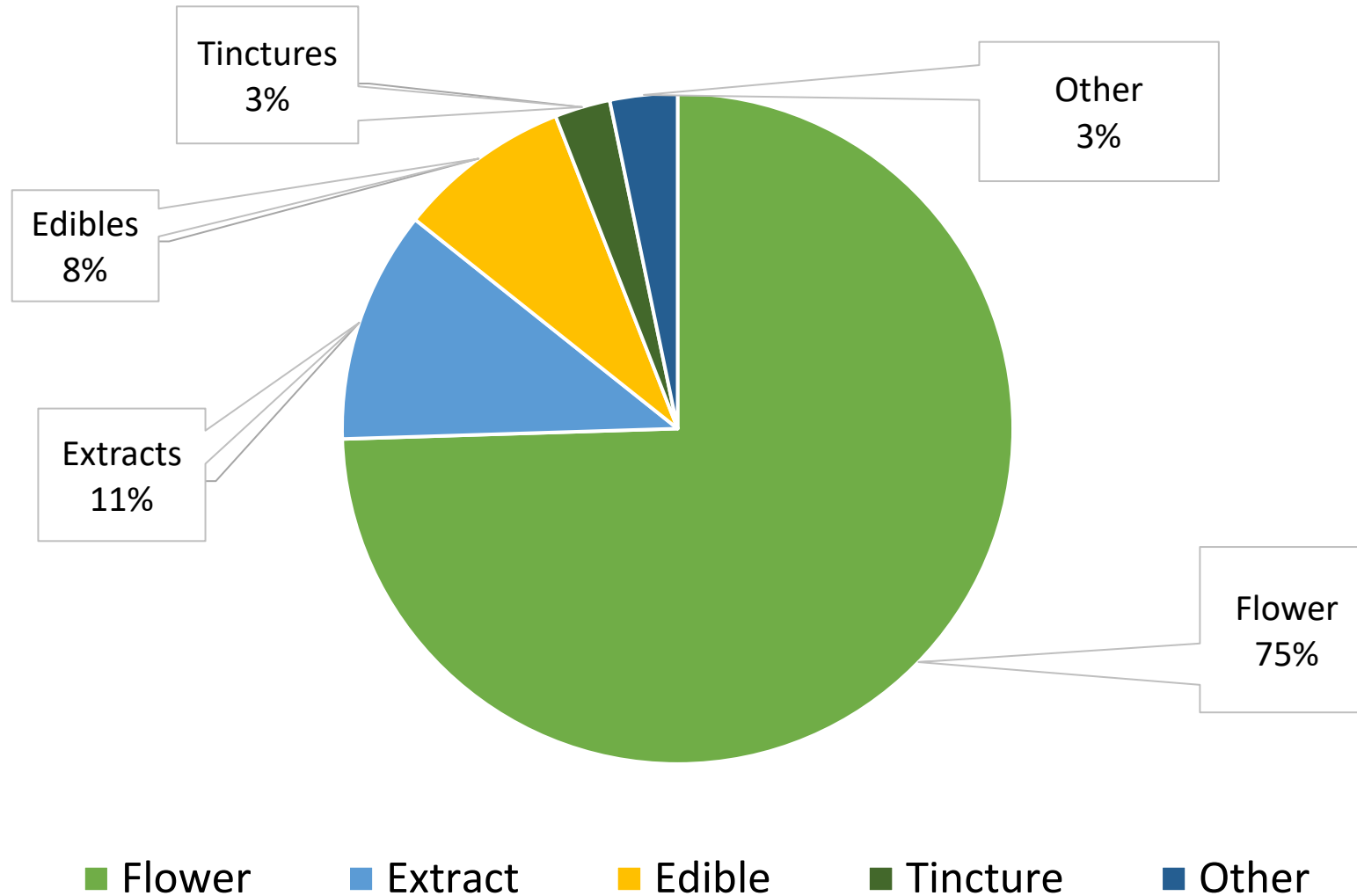
Adult-Use: Canopy Size

Licensed Canopy Square Footage Capacity vs. Utilization

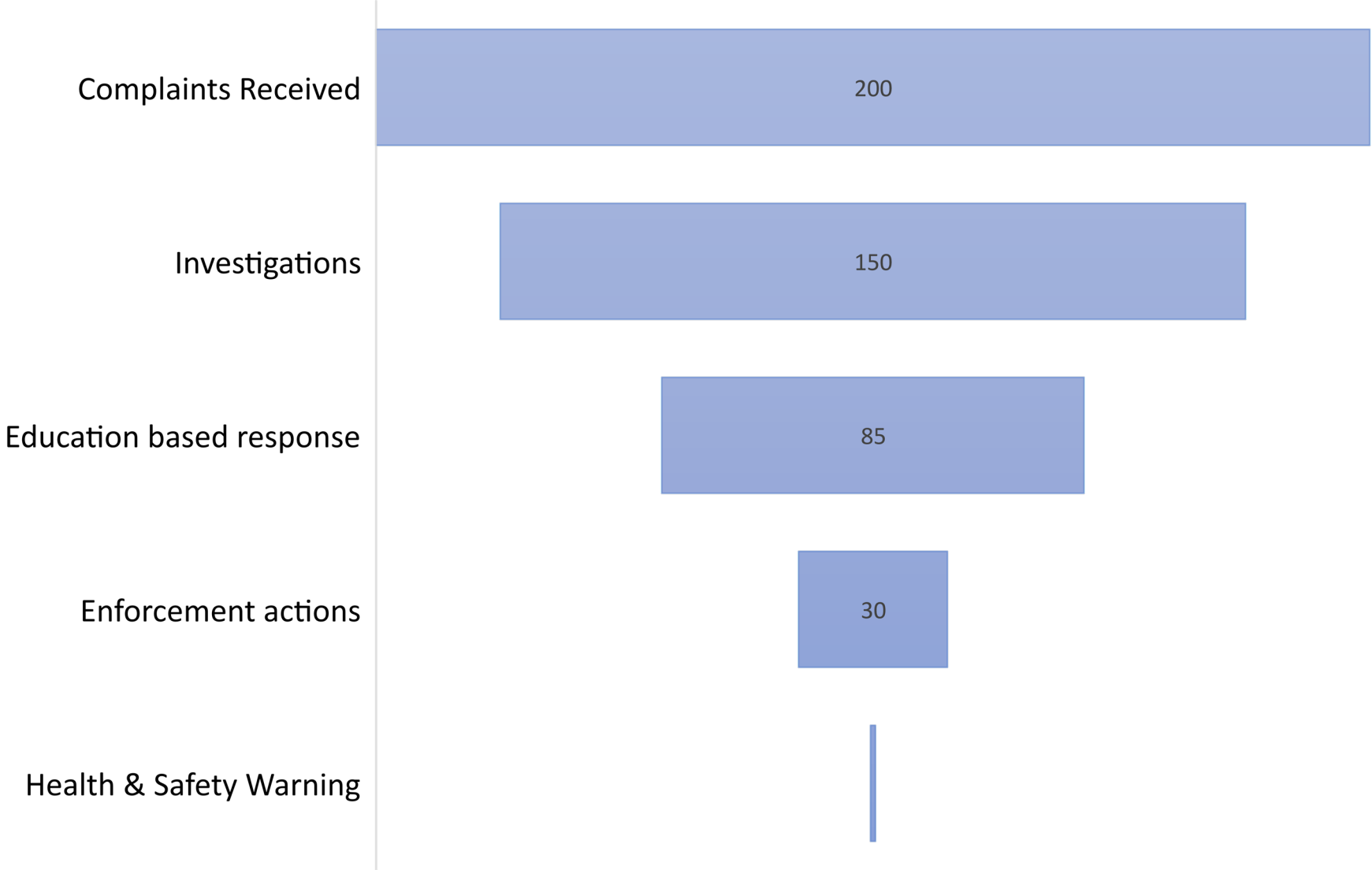


Adult-Use: Registered Products

Total Registered Products: 3,808



Adult-Use: Summary of Compliance Work



Adult-Use: Advertising Data

Total advertising submissions received and reviewed: 263

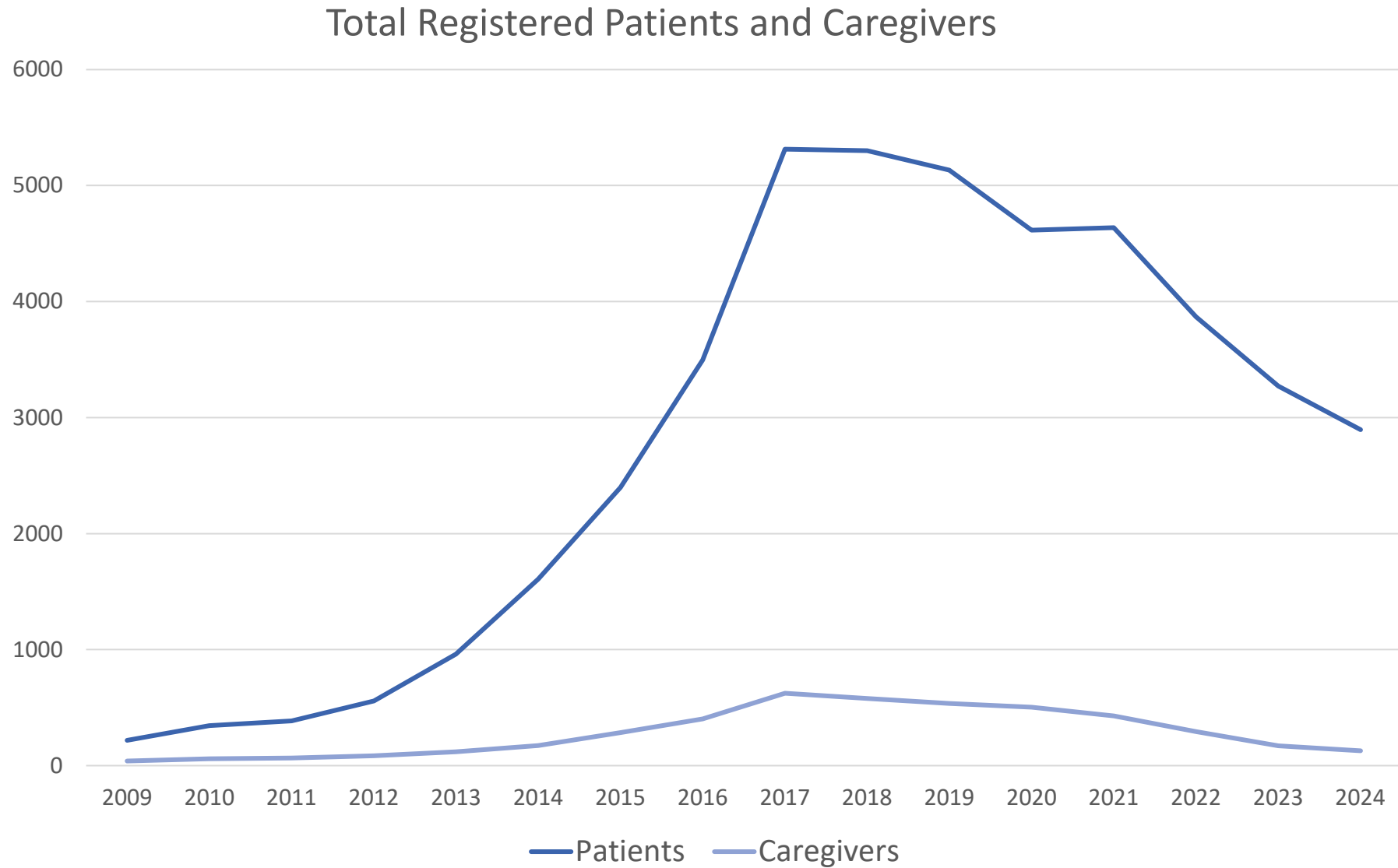
- Approved: 58%
- Denied: 40%
- Partial Approval: 2%

Reasons for denial* pursuant to 7 V.S.A. § 864:

- 45%: Insufficient data to meet 15% youth audience composition threshold
- 30%: Missing health warning
- 15%: Deceptive, false, or misleading
- 15%: Offers prize, award, or inducement to purchase
- 5%: Appealing to children
- 5%: Represents that the use of cannabis has curative effects
- 2%: Other

*There may be multiple reasons to deny a single submission.

Medical Cannabis Program: 2009 - today



Expenses covered by FY24 BAA request

- Medical cannabis program database contract extension (\$55,120)
- Fee for spaces (\$43,800)
 - Rent and utilities for larger office space to accommodate full team
 - Cannabis Quality Control Laboratory lease
- Additional cost of lab equipment (\$125,000)
- Phase II of licensing system development (\$250,000)
 - Enhancements to existing software to include complaint, investigation, and enforcement action tracking and appeals docketing
 - Medical cannabis program built-out
 - Development of public-facing licensing and product registration database

Funding and revenue

- Effective in FY24, 7 V.S.A. § 845 provides that the portion of the excise tax not allocated to prevention programming will first flow to the Cannabis Regulation Fund to cover the cost of administering the adult-use and medical cannabis programs. The remaining revenue is transferred to the General Fund.
- May 2022 – December 2023 fee revenue: \$3.75M (application, license, product registration fees and administrative penalties)
- October 2022 – October 2023
 - Taxable sales \$97.03M
 - Excise tax revenue: \$13.58M
 - Sales tax: \$5.82M