

ANALYSIS OF THE MEDICAL MARIJUANA FUND FOR THE 2021-23 AND 2023-25 BIENNIUMS (REFLECTING LEGISLATIVE ACTION THROUGH CROSSOVER)

	2021-23 Biennium	2023-25 Biennium
Beginning balance	\$1,234,230	\$1,748,330
Add estimated revenues		
Program fees:		
Dispensary and manufacturer registration fees	\$1,120,000	\$1,120,000
Application fees, including patient and compassion center agent fees	968,074	821,000
Total estimated revenues	2,088,074	1,941,000 ²
Total available	\$3,322,304	\$3,689,330
Less estimated Department of Health and Human Services expenditures (Pursuant to a continuing appropriation in North Dakota Century Code Section 19-24.1-40)		
Salaries and wages	\$989,435	\$1,157,555
Indirect costs	145,447	170,161
Operating expenditures	439,092	497,415
Total estimated expenditures and adjustments	1,573,974 ¹²	1,825,131 ²
Estimated ending balance	\$1,748,330	\$1,864,199

¹The State Department of Health presented estimated expenditures to be made through the continuing appropriation, totaling \$1,564,793, including 5 FTE positions. Estimates were increased \$12,120 for salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, and \$4,000 for the expenditure impact of House Bill No. 1359 (2021).

²The Department of Health and Human Services presented estimated expenditures to be made through the continuing appropriation, totaling \$1,746,384, including 5 FTE positions. Estimates have been increased \$52,435 for salary adjustments of 4 percent each year of the biennium and \$26,312 for increases in the health insurance rate. The estimated expenditures do not include the fiscal impact of Senate Bill No. 2201 (2023) which, if approved, would decrease revenue by \$280,000 and increase expenditures by \$26,400 during the 2023-25 biennium. The estimated expenditures for the 2021-23 biennium do not include the fiscal impact of House Bill No. 1478 (2023) which, if approved, would increase expenditures by \$4,000 during the 2021-23 biennium.

FUND HISTORY

In November 2016, voters approved Initiated Statutory Measure No. 5 (North Dakota Compassionate Care Act) relating to medical marijuana and created Chapter 19-24. In Senate Bill No. 2344 (2017), the Legislative Assembly repealed Chapter 19-24 and created and enacted Chapter 19-24.1 to provide for the legalization of medical marijuana. Senate Bill No. 2344 required the State Department of Health to establish and implement a medical marijuana program to allow for the production, processing, and sale of marijuana for medical use. In Section 19-24.1-40, the Legislative Assembly established a medical marijuana fund. The State Department of Health must deposit all fees related to medical marijuana into the fund and must administer the fund. Money in the fund is appropriated to the department on a continuing basis for use in administering the medical marijuana program. Therefore, the Legislative Assembly removed funding for the Medical Marijuana Division from the State Department of Health's base budget in 2019.