

Office of Medical Cannabis Control and Regulation – Function, Staffing, Budget Overview

**JHA Cannabis Informational Briefing
29 January 2025, Hawaii State Capitol**



Mission

Ensure **safe access** to medical cannabis for qualified patients

Promote **public health and safety** for cannabis and hemp-derived cannabinoid products in Hawaii

Key functions

- Patient and provider registration and advocacy
 - ~30,000 currently registered patients, 230+ active providers
 - 2-3 business days patient card issuance
 - Rules and legislative proposals based on patient & provider feedback



Key functions

- Rules and regulations for cannabis and product safety, including hemp-cannabinoid products
 - ~180-200 annual inspections of licensed dispensaries
 - Continuing interim medical cannabis rules 11-850 to align with 4 legislative acts
 - Completed interim hemp rules 11-37 for 4 legislative acts



Key functions

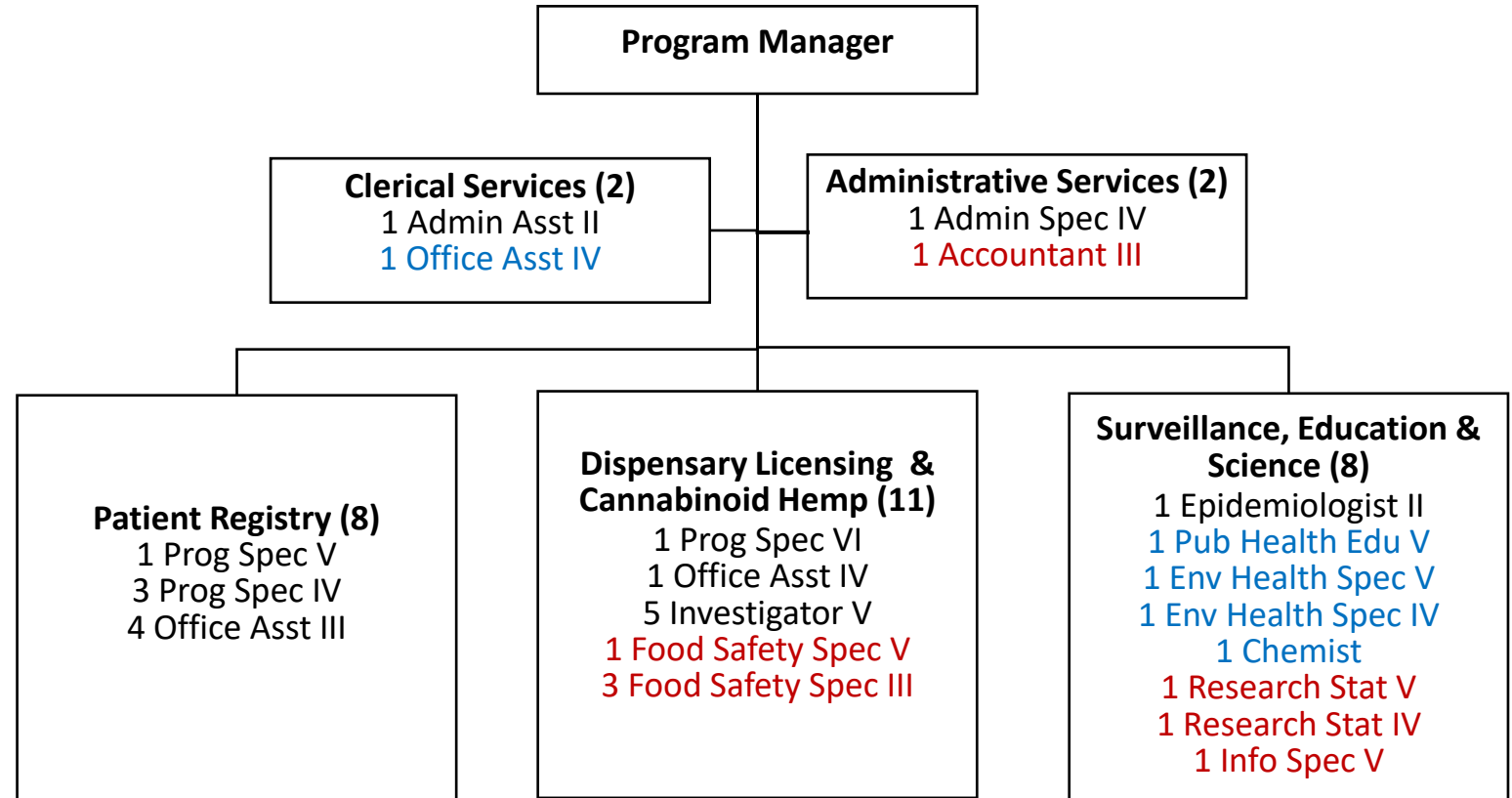
- Surveillance, education, evidence-based information
 - Adverse events, public health and safety monitoring
 - Patient education, healthcare continuing medical education
 - Analyses and studies, including market demand study

Medical cannabis licensing framework assessment and adult-use cannabis market demand study

- Independent assessment
- Evaluate patients' access and viability of dispensaries under current regulatory framework
- Predict demand for adult-use cannabis, effects of tourism on market size, taxation levels' impact on revenue, gray/illicit market share, licensing needs, effects on medical cannabis program & public health
- Market demand report by mid-March

Staffing

Established positions
FY23 Reorganization
FY24 Reorganization



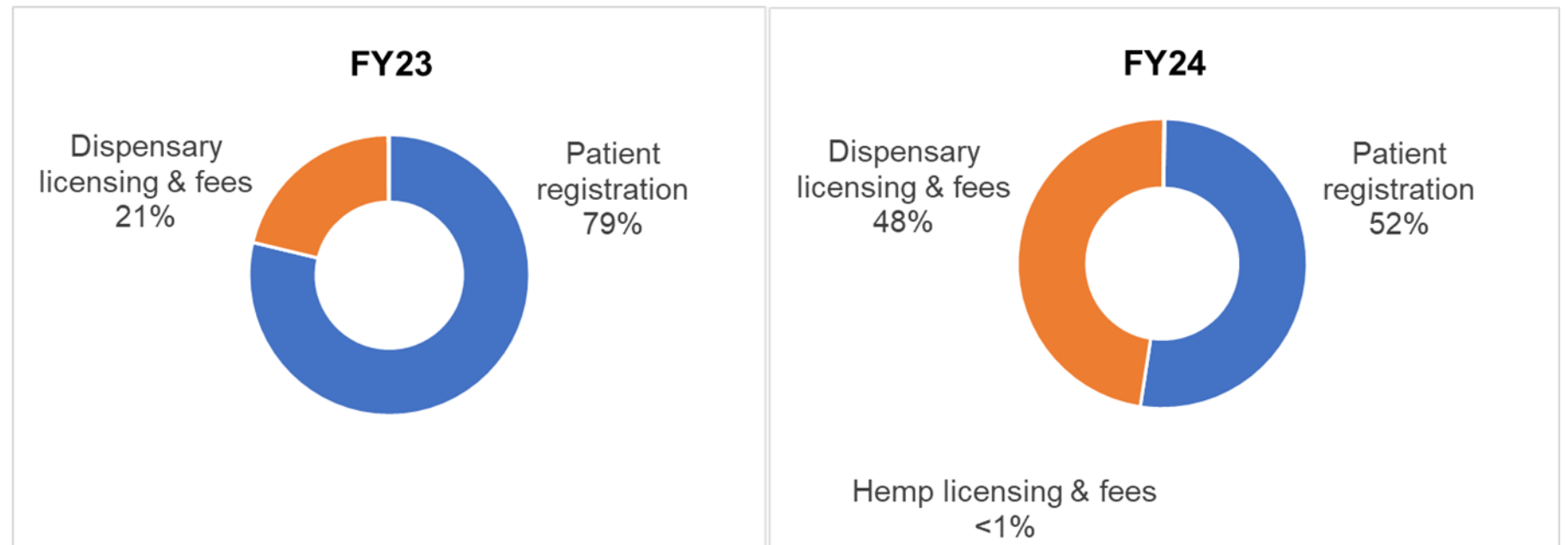
- 19 positions established, 32 total upon reorganization completion
- New hemp enforcement unit to enforce hemp-cannabinoid product regulations
- Acquiring scientific expertise for chemical, occupational, and environmental safety standards

Budget

Annual special fund revenue: \$2.5M
Annual expenditure: \$2.1M
Current cash balance (as of 1/25): \$11.6M

Projected future use of special funds to supplant general funds.

Distribution by revenue source



Looking ahead – Future costs

1) Enforcement

- Educating retailers on allowable and prohibited products and potential penalties
- Collaboration with law enforcement to identify and remove intoxicating cannabinoid products by unlicensed retailers, including
 - Product testing
 - Prosecutorial engagement
 - Embargoing products
 - Ongoing surveillance to ensure compliance

Looking ahead – Future costs

- 2) Education to ensure patient and public safety
 - Continuing medical education for healthcare professionals
 - Training for medical dispensary staff
 - Adult public education on potential risks of cannabis and hemp-cannabinoid products
 - Youth initiation prevention and use reduction campaigns

Looking ahead – Future costs

- 3) Protection of medical program with adult-use to ensure medical patients are not left behind, through advocacy for
 - Reduced costs and medical product availability
 - Priority access to products at dispensaries
 - Continued ability to cultivate

Requesting legislative support for

- Extension of medical cannabis interim rules (Chapter 11-850, HAR), expiring 6/2025
- Extension of dispensary positions for supervisor and 5 surveyors (Act 159 SLH 2018, Section 4), expiring 6/2025
- Proposed bills
 - HB1108 / SB1427 – Clarifies “manufactured hemp products” includes hemp products adopted by DOH pursuant to 328G-4, HRS
 - HB1109 / SB1428 – Establishes minimum age requirement for sale of manufactured hemp products
 - HB1110 / SB1429 – Repeals sunset date for caregivers to cultivate
 - HB1111 / SB1430 – Requires registration by manufactured hemp product distributors/retailers



Mahalo!



**Office of Medical Cannabis
Control and Regulation**