

From: Byrne, Emily [Emily.Byrne@vermont.gov]
Sent: Friday, February 12, 2016 11:56 AM
To: Johnson, Justin; Pallito, Andy; Pepper, James
CC: Ferland, Brad
Subject: S.241 Revamped Admin Proposal.xlsx
Attachments: S.241 Revamped Admin Proposal.xlsx

Attached are updated appropriations for S.241.

They are based on the detail that I got from departments.

One area that there are changes in is public safety. I got a sheet from them and they are at 6 chemists and 6 rulemaking staff... which I am pretty sure has changed – but I am not sure who talked to who and have nothing officially in writing...

I think this is a good snap shot of the high water mark – please make sure the numbers pass a gut check....

Let me know if you need anything else.

I would ask if this gets sent around anywhere that you turn it into a PDF – the departments were pretty clear that they don't want too many draft spreadsheets floating around.

I will call on in Tuesday.

Have a great weekend!

Emily

DRAFT

S.241 Administration Proposal

| | Funding (in Millions) | | | Positions | | |
|---|-----------------------|----------------|----------------|----------------|----------------|----------------|
| | FY 2017 | FY 2018 | FY 2019 | FY 2017 | FY 2018 | FY 2019 |
| One time Appropriations | FY 2017 | FY 2018 | FY 2019 | FY 2017 | FY 2018 | FY 2019 |
| <i>Legislative Council Program Review</i> | 0.06 | - | - | | | |
| Tax Department - Administration | | | | | | |
| Excise Tax Module | 0.76 | 0.75 | - | | | |
| Training for Staff | - | 0.01 | - | | | |
| Vault/Safe | - | 0.08 | - | | | |
| Security/Construction Enhancements | - | 0.45 | - | | | |
| Cash Equipment | - | 0.05 | - | | | |
| Department of Public Safety - Criminal Justice | | | | | | |
| Drug Recognition training | 0.06 | - | - | | | |
| Trooper Set Fit Up | - | 0.48 | 0.48 | | | |
| Lab Equipment | 0.12 | - | - | | | |
| Agency of Agriculture | | | | | | |
| Lab Equipment | - | 0.35 | - | | | |
| Total One-time Appropriations | 1.00 | 2.16 | 0.48 | - | - | - |
| Administration | | | | | | |
| <i>Marijuana Commission</i> | 0.03 | 0.03 | 0.03 | | | |
| Tax Department | | | | | | |
| Excise tax module M&O | - | 0.01 | 0.01 | | | |
| Business Analyst | 0.08 | 0.08 | 0.08 | 1.00 | - | - |
| Policy Analyst | 0.08 | 0.08 | 0.08 | 1.00 | - | - |
| Tax Examiners | - | 0.16 | 0.16 | - | 2.00 | - |
| Discovery | - | 0.04 | 0.08 | - | 1.00 | - |
| Audit | - | - | 0.08 | - | - | 1.00 |
| Collections | - | - | 0.08 | - | - | 1.00 |
| Training | - | 0.00 | 0.00 | - | - | - |
| Vault/Safe Maintenance | - | - | 0.01 | - | - | - |
| Security/Construction Enhancements | - | 0.10 | 0.10 | - | - | - |
| Cash Equipment | - | - | 0.01 | - | - | - |
| Cash Management Staff | - | 0.08 | 0.08 | - | 2.00 | - |
| Armored Car Service | - | 0.03 | 0.06 | - | - | - |
| Security Guards | - | 0.06 | 0.06 | - | - | - |
| Department of Public Safety | | | | | | |
| Rulemaking/Application Processing | 0.24 | 0.50 | 0.51 | 3.00 | 3.00 | - |
| Agency of Agriculture | | | | | | |
| Staff Attorney | 0.13 | 0.13 | 0.14 | 1.00 | - | - |
| Admin Assistant | - | 0.08 | 0.08 | - | 1.00 | - |
| Field Inspector | - | 0.10 | 0.10 | - | 1.00 | - |
| Program Lead | - | 0.11 | 0.11 | - | 1.00 | - |
| Operating | 0.01 | 0.17 | 0.17 | - | - | - |
| Attorney General | | | | | | |
| | - | 0.20 | 0.20 | - | - | - |
| Total Administration | 0.57 | 1.95 | 2.23 | 6.00 | 11.00 | 2.00 |
| Criminal Justice System | | | | | | |
| Department of Public Safety | | | | | | |
| 2018 Troopers | - | 0.72 | 0.74 | - | 8.00 | - |
| 2019 Troopers | - | - | 0.72 | - | - | 8.00 |
| States Attorneys | | | | | | |
| Prosecutors | - | 0.50 | 0.51 | - | 4.00 | 2.00 |
| Expert Witness Fees | - | 0.10 | 0.10 | - | - | - |
| Software for Case Management | - | 0.10 | - | - | - | - |
| Defender General | | | | | | |
| Defense Attorneys | - | 0.50 | 0.51 | - | 5.00 | - |
| Expert Witness Fees | - | 0.20 | 0.20 | - | - | - |
| Judiciary | | | | | | |
| | - | 0.02 | 0.02 | - | - | - |
| Total Criminal Justice System | - | 2.14 | 2.80 | - | 17.00 | 10.00 |
| Prevention and Education | | | | | | |
| Health Department | | | | | | |
| School Based Substance Abuse Programs | 0.20 | 2.40 | 2.40 | 1.00 | 2.00 | - |
| SBIRT Practice Model for Professionals | 0.05 | 0.25 | 0.25 | - | - | - |
| SBIRT Direct Services | - | 0.20 | 0.20 | - | - | - |
| Family Education Programs | 0.10 | 0.50 | 0.50 | - | - | - |
| Counter Marketing | 0.15 | 0.90 | 0.90 | - | - | - |
| Agency of Education | | | | | | |
| Policy Position | - | 0.12 | 0.12 | - | 1.00 | - |
| Discipline Position | - | 0.05 | 0.05 | - | 1.00 | - |
| Health Education Position | - | 0.12 | 0.12 | - | 1.00 | - |
| Supplies for health Education position | - | 0.03 | 0.03 | - | - | - |
| Position to support homeless/delinquent/neglected youth | - | 0.12 | 0.12 | - | 1.00 | - |
| Grants to Districts | - | 0.50 | 0.51 | - | - | - |
| Total Prevention and Education | 0.50 | 5.19 | 5.21 | 1.00 | 6.00 | - |

| | | | | | | |
|---------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Treatment: | | | | | | |
| Health Department | | | | | | |
| Direct Treatment | - | 1.75 | 1.75 | - | - | - |
| Total Prevention and Education | - | 1.75 | 1.75 | - | - | - |
| Lab | | | | | | |
| Department of Public Safety | | | | | | |
| Equipment** | - | 0.01 | 0.01 | | | |
| Training** | 0.01 | 0.00 | 0.00 | - | - | - |
| Contractual | 0.00 | 0.00 | 0.00 | - | - | - |
| Personnel (3 chemists) | 0.05 | 0.10 | 0.10 | 3.00 | 3.00 | - |
| Supplies | 0.01 | 0.01 | 0.01 | - | - | - |
| Agency of Agriculture | | | | | | |
| Chemists | 0.10 | 0.20 | 0.21 | 1.00 | 1.00 | - |
| Operating | 0.01 | 0.08 | 0.08 | - | - | - |
| Total Prevention and Education | 0.17 | 0.40 | 0.40 | 4.00 | 4.00 | - |
| Total Administration Proposal | 2.24 | 13.60 | 12.89 | 11.00 | 38.00 | 12.00 |

| | | | | | | |
|------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Total Funding By Department | | | | | | |
| Marijuana Commission | 0.09 | 0.03 | 0.03 | 1.00 | - | - |
| Public Safety | 0.48 | 1.82 | 2.57 | 6.00 | 14.00 | 8.00 |
| States Attorneys | - | 0.70 | 0.61 | - | 4.00 | 2.00 |
| Defender General | - | 0.70 | 0.71 | - | 5.00 | - |
| Judiciary | - | 0.02 | 0.02 | - | - | - |
| Attorney General | - | 0.20 | 0.20 | - | - | - |
| Health Department | 0.50 | 6.00 | 6.00 | 1.00 | 2.00 | - |
| Agriculture | 0.26 | 1.22 | 0.89 | 2.00 | 4.00 | - |
| Education | - | 0.94 | 0.96 | - | 4.00 | - |
| Tax | 0.92 | 1.97 | 0.89 | 2.00 | 5.00 | 2.00 |
| Total Funding By Department | 2.24 | 13.60 | 12.89 | 12.00 | 38.00 | 12.00 |

* Inflation factor 2.5%
** Match for Governor's Highway Safety Funding 20.0%

| | | | |
|---|-------------|-------------|-------------|
| Other Funding | | | |
| Capital Bill | | | |
| DPS - Lab Work Space | 0.55 | - | - |
| Governor's Highway Safety Program | | | |
| Lab Equipment | 0.47 | 0.04 | 0.04 |
| Training | 0.02 | 0.00 | 0.00 |
| Contractual | 0.01 | 0.01 | 0.01 |
| Personnel (chemists) | 0.19 | 0.40 | 0.42 |
| Supplies | 0.02 | 0.02 | 0.02 |
| Subtotal Governor's Highway Safety Program | 0.72 | 0.47 | 0.49 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Fees | | | |
| Retail Stores | 0.38 | 0.53 | 0.45 |
| Cultivation Tier 1 | 0.38 | 0.38 | 0.30 |
| Cultivation Tier 2 | 0.38 | 0.38 | 0.25 |
| Labs/testing | 0.01 | 0.01 | 0.01 |
| Total Fees | 1.13 | 1.28 | 1.01 |

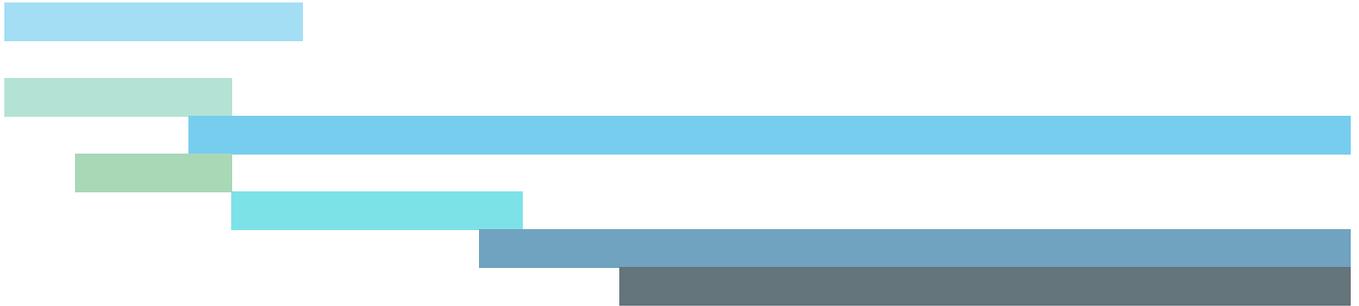
| | | | |
|-----------------------|---|------|-------|
| 25% Excise Tax | | | |
| Conservative | - | 5.60 | 13.40 |
| Middle | - | 7.00 | 16.80 |
| High | - | 8.70 | 20.80 |

| | | | |
|----------------------------------|--------|--------|------|
| Revenue less Expenditures | | | |
| Conservative | (1.11) | (6.72) | 1.52 |
| Middle | (1.11) | (5.32) | 4.92 |
| High | (1.11) | (3.62) | 8.92 |

| | | | |
|---------------------------|--------|--------|--------|
| Cumulative Deficit | | | |
| Conservative | (1.11) | (7.83) | (7.41) |
| Middle | (1.11) | (6.43) | (2.61) |
| High | (1.11) | (4.73) | 3.09 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---------|--|--|--|--|--|--|--|--|--|---------|--|--|--|--|--|--|--|--|--|--------|--|--|
| CY 2017 | | | | | | | | | | FY 2018 | | | | | | | | | | CY2018 | | |
|---------|--|--|--|--|--|--|--|--|--|---------|--|--|--|--|--|--|--|--|--|--------|--|--|

r May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct
 30 1 15 31 1 15 31 1 15 31 1 15 31



FY 2019

CY 2019

Nov Dec Jan Feb Mar Apr May Jun



| | FY17 | FY18 | FY19 | | Notes |
|------------------------------------|-------------------|-------------------|-------------------|---------------------------|--|
| Computer System | | | | | |
| Software | \$ 750,000 | \$ 750,000 | | | CO's FAST module cost \$1.4M; includes interface to enforcement software costs for research, requirements development, or other research expenses Ongoing M&S |
| Implementation Consulting | \$ 10,000 | | | | |
| Vender Maintenance and Support | | \$ 5,000 | \$ 5,000 | | |
| Total | \$ 760,000 | \$ 755,000 | \$ 5,000 | | |
| Staffing Costs | | | | | |
| Business Analyst/IC | \$ 80,000 | \$ 80,000 | \$ 80,000 | 80,000 | 1 staff - lead SME during project development |
| Policy Analyst | \$ 80,000 | \$ 80,000 | \$ 80,000 | 80,000 | 1 staff - legal support |
| Tax Examiners | | \$ 160,000 | \$ 160,000 | 160,000 | 2 staff - call center and front end processing |
| Discovery | | \$ 40,000 | \$ 80,000 | 80,000 | 1 staff - data management for enforcement activities |
| Audit | | | \$ 80,000 | 80,000 | 1 staff - Audit activities |
| Collections | | | \$ 80,000 | 80,000 | 1 staff |
| Training | | \$ 10,000 | \$ 2,000 | 2,000 | |
| Total | \$ 160,000 | \$ 370,000 | \$ 562,000 | 8 staff | |
| Cash Collection Costs | | | | | |
| Vault/safe | | \$ 75,000 | \$ 5,000 | 5,000 | WA costs = \$63k |
| Security/construction enhancements | | \$ 550,000 | \$ 100,000 | 100,000 | WA costs = \$800k; |
| Cash equipment | | \$ 50,000 | \$ 5,000 | 5,000 | WA costs = \$50k |
| 2 internal staff Cash Mngmt | | \$ 80,000 | \$ 80,000 | 80,000 | 2 part time staff - needed Jul 2017 for training, bonding. |
| Total | \$ - | \$ 755,000 | \$ 190,000 | 2 cash mngmt staff | |
| Services | | | | | |
| Armored Car Services | | \$ 30,000 | \$ 60,000 | 60,000 | CO costs = \$60k |
| Security Guards | | \$ 60,000 | \$ 60,000 | 60,000 | |
| Total | \$ - | \$ 90,000 | \$ 120,000 | | |
| Total | 920,000 | 1,970,000 | 877,000 | 10 staff | |

Assumptions

- Enforcement Structure Similar to CO's with seed to sale tracking
- Ad Valorem separate excise tax and sales tax at the point of retail sale
- At least 30% cash collection in first year
- 1 Tax Collection Point with Employees Present
- 5 days a month for cash collection w/ appointments

S. 241 - Number of Filers

- Max number of cultivator licenses prior to July 1, 2018 = 20
- Max number of retail licenses prior to July 1, 2018 = 40
- Max numbers after July 1, 2018 - up to Public Safety

New Trooper Cost (First Year)

| Line Item | Cost | 2nd year | |
|-------------------------------|-----------------|---------------|------------------|
| Salary | 52,723 | 54,041 | |
| Benefits Package | 30,601 | 32,131 | |
| Training | 3,259 | 3,259 | |
| Uniforms and Supplies | 9,591 | - | 9,591 |
| Vehicles & cost of outfitting | 46,424 | - | 46,424 |
| Gasoline | 3,600 | 3,600 | |
| IT Equipment | 8,582 | - | 8,582.32 |
| TOTAL | 154,779 | 93,031 | 64,596.78 |
| | \$ 1,238,234.24 | 744,245 | 1,261,019.24 |

One time costs per trooper 493,989
 On-going trooper costs 61,748.66
 93,031

DPS Forensic Lab and VT Criminal Information Center (VCIC) estimated costs and funding breakdown

| Year One (FY17) | | | | Funding Source Breakdown | |
|---------------------|---------------|-----------------|---------------------------|--------------------------|----------------|
| Cost Type | Cost per Unit | Number of Units | Total Cost Year 1 (FY 17) | General | Federal |
| Lab Work Space | \$ 545,000 | \$ 1 | \$ 545,000 | \$ - | \$ - |
| Equipment | \$ 592,600 | \$ 1 | \$ 592,600 | \$ 118,520 | \$ 474,080 |
| Training | \$ 25,000 | \$ 1 | \$ 25,000 | \$ 5,000 | \$ 20,000 |
| Contractual | \$ 12,025 | | \$ 12,025 | \$ 2,405 | \$ 9,620 |
| Personnel Lab | \$ 80,000 | \$ 3 | \$ 240,000 | \$ 48,000 | \$ 192,000 |
| Personnel VCIC | \$ 80,000 | \$ 3 | \$ 240,000 | \$ 240,000 | |
| Supplies | \$ 26,550 | \$ 1 | \$ 26,550 | \$ 5,310 | \$ 21,240 |
| Total Year 1 | | | 1,681,175 | 419,235 | 716,940 |

| Year Two (FY18) | | | | Funding Source | |
|-----------------|---------------|-----------------|---------------------------|----------------|---------|
| Cost Type | Cost per Unit | Number of Units | Total Cost Year 2 (FY 18) | General | Federal |

Equipment \$ 51,194 \$ 1 \$ 51,194 \$ 10,239 \$ 40,955

Training \$ 3,000 \$ 1 \$ 3,000 \$ 600 \$ 2,400

Contractual \$ 12,025 \$ 1 \$ 12,025 \$ 2,405 \$ 9,620

Personnel Lab \$ 83,200 \$ 6 \$ 499,200 \$ 99,840 \$ 399,360
Personnel VCIC \$ 83,200 \$ 6 \$ 499,200 \$ 499,200 \$ -

Supplies \$ 26,550 \$ 1 \$ 26,550 \$ 5,310 \$ 21,240

| | | | |
|---------------------|-----------------------|--------------------|--------------------|
| Total Year 2 | \$ 1,091,169 | \$ 617,594 | \$ 473,575 |
|---------------------|-----------------------|--------------------|--------------------|

| Year Three (FY19) | | | | Funding Source | |
|-------------------|---------------|-----------------|--------------------------|----------------|---------|
| Cost Type | Cost per Unit | Number of Units | Total Cost Year 3 (FY19) | General | Federal |

| | | | | | | | | | | |
|----------------|----|--------|----|---|----|---------|----|---------|----|---------|
| Equipment | \$ | 52,986 | \$ | 1 | \$ | 52,986 | \$ | 10,597 | \$ | 42,389 |
| Training | \$ | 3,000 | \$ | 1 | \$ | 3,000 | \$ | 600 | \$ | 2,400 |
| Contractual | \$ | 12,025 | \$ | 1 | \$ | 12,025 | \$ | 2,405 | \$ | 9,620 |
| Personnel Lab | \$ | 86,528 | \$ | 6 | \$ | 519,168 | \$ | 103,834 | \$ | 415,334 |
| Personnel VCIC | \$ | 86,528 | \$ | 6 | \$ | 519,168 | \$ | 519,168 | \$ | - |

| | | | | | | | | | | |
|----------|----|---------------------|----|---|----|---------------------|-------------------|-------|-------------------|--------|
| Supplies | \$ | 26,550 | \$ | 1 | \$ | 26,550 | \$ | 5,310 | \$ | 21,240 |
| | | Total Year 3 | | | | \$ 1,132,897 | \$ 641,914 | | \$ 490,983 | |

The above breakdown is based upon the information below taken from Joe Flynn's email to James Pepper dated 2/5/16

Work Space - \$545,000 - This is now in the Capital Bill

Equipment - \$592,600 - This is not in the '17 Budget, hopes are we can get grant money from the

Training -\$25,000 - Should be put into the MJ Bill.

Contractual - \$10,000 - Should be put into the MJ Bill.

Personnel - \$480,000 (Reflect 3 staff in Lab and 3 in VCIC in '17 vs. initial plan for 12. Addition:

Supplies - \$26,550 - Should be put into the MJ Bill.

Contractual - \$2,025 - Should be put into the MJ Bill.

wn for Marijuana Program (3 year projection)

| kdown | Notes |
|--------------|--|
| Other | |
| \$ 545,000 | Included in Current Capital Bill |
| \$ - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Also equipment over 5k must be approved by NHTSA in advance of purchase. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
| \$ - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
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| \$ - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
| \$ - | No federal source for these costs. |
| \$ - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
| 545,000 | |

| e | | Notes |
|--------------|---|--|
| Other | | |
| \$ | - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Also equipment over 5k must be approved by NHTSA in advance of purchase. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
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| \$ | - | |

| Notes | |
|--------------|--|
| Other | |

| | | |
|----|---|--|
| \$ | - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Also equipment over 5k must be approved by NHTSA in advance of purchase. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
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| \$ | - | Federal/GF Split shown to the left is due to the NHTSA/Gov Highway Safety Funds 20% match requirement. Assumes costs are approved and there is an ongoing commitment by NHTSA/Governor's Highway Safety Program to fund these costs |
| \$ | - | |

GHSP (AOT). Should a decision be to put it in the MJ Bill, that would ensure this. Your call.

al 6 (3 and 3) staff would come in '18). \$480,000 should be put into the MJ Bill.