

# Costs and Benefits to Government of SB 1097 Cannabis Right to Know Act



While we don't know for certain the magnitude of the benefit in safer patterns of use for cannabis, even minuscule reductions in any of the major harms easily outweigh the extremely modest implementation costs of this bill, most already covered by existing required Proposition 64/MAUCRSA dedications.

## Costs

CDPH and DCC must design a simple ONE PAGE flyer with safer use guidance and the warning statements, for which a model already exists. They do not need to print it or distribute it. Costs covered by dedicated cannabis tax revenue and fees for regulatory activities and enforcement. No new appropriations required.

DCC, with input from CDPH and UC's must design the new mental health warnings labels to be included on cannabis packaging and issue regulations. Costs covered by dedicated cannabis tax revenue and fees for regulatory activities and enforcement. No new appropriations required.

DCC with input from CDPH and UC's must review the warning labels every 5 years based on the state of the science to recertify or require updates. Costs covered by dedicated cannabis tax revenue and fees for regulatory activities and enforcement. No new appropriations required.

It is recommended that DCC use some of the existing required research expenditure to California public universities of \$10M annually until 2028 for cannabis policy research to evaluate the policy and best approaches. No new appropriations required.

## Savings

Reduced emergency room visits for cannabis ill effects. There were 149,000 emergency visits with a cannabis-related diagnosis in 2019, and 42% of all ED patient visits were insured by MediCal in 2019.

Decreased expenditures to law enforcement, jails, psychiatric institutions, for psychosis resulting in severe mental illness or acts leading to incarceration.

Reduced public medical expenditures for low-birth-weight babies and educational expenditures for children with neurodevelopmental challenges from in utero cannabis exposure. MediCal covers >50% of births and over 40% of children.

Reduced expenses for treatment for cannabis use disorder, a leading cause of substance abuse treatment.

Reductions in motor vehicle crashes. Cannabis associated crashes have been increasing according to the Insurance Institute for Highway Safety, especially when combined with alcohol.

Reduced suicide attempts and suicides with reduced costs for coroners and for families.

Reduced expenditures for families and for employers due to any of these issues.