

1115 Department of Cannabis Control

The Department of Cannabis Control's mission is to advance and facilitate a well-regulated, legal cannabis market that benefits all Californians through innovative policies and effective implementation. The Department develops and implements progressive cannabis policies to license and regulate commercial cannabis activity in a way that best protects public health, safety, the environment, and local communities throughout the state of California.

3-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
1460	Department of Cannabis Control	531.9	649.0	659.0	\$146,877	\$186,915	\$176,581
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		531.9	649.0	659.0	\$146,877	\$186,915	\$176,581
FUNDING					2023-24*	2024-25*	2025-26*
0001	General Fund				\$31,348	\$7,932	\$-
0995	Reimbursements				94	454	454
3288	Cannabis Control Fund				112,319	157,440	102,682
3335	Cannabis Tax Fund - Department of Cannabis Control				-	-	63,445
3346	Cannabis Tax Fund - Department of Cannabis Control - Allocation 2				3,116	21,089	10,000
TOTALS, EXPENDITURES, ALL FUNDS					\$146,877	\$186,915	\$176,581

LEGAL CITATIONS AND AUTHORITY

Business and Professions Code sections 26000–26250; Fish and Game Code section 12029; Government Code section 20391; Health and Safety Code section 11474; Penal Code sections 830.2 and 830.11; and Revenue and Taxation Code section 34019.

DETAILED BUDGET ADJUSTMENTS

		2024-25*			2025-26*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments				-			-
Workload Budget Change Proposals				-			-
• Increased Program Workload and Organizational Restructure		\$-	\$-	-	\$-	\$7,118	9.0
• Cannabis Operator and Separate Premises License Types (SB 1064)		-	-	-	-	154	1.0
Totals, Workload Budget Change Proposals		\$-	\$-	-	\$-	\$7,272	10.0
Other Workload Budget Adjustments				-			-
• Section 4.05 Government Efficiencies Reductions		-	-500	-	-	-	-
• Section 4.12 Vacancy Savings and Position Elimination Adjustment		-	-1,477	-	-	-	-
• Salary Adjustments		-	1,749	-	-	1,750	-
• Benefit Adjustments		-	931	-	-	1,184	-
• Carryover/Reappropriation		7,932	11,089	-	-	-	-
• Miscellaneous Baseline Adjustments		-	-	-	-	-	-
• Retirement Rate Adjustments		-	-4,543	-	-	-4,543	-
Totals, Other Workload Budget Adjustments		\$7,932	\$7,249	-	\$-	\$-1,609	-
Totals, Workload Budget Adjustments		\$7,932	\$7,249	-	\$-	\$5,663	10.0
Totals, Budget Adjustments		\$7,932	\$7,249	-	\$-	\$5,663	10.0

PROGRAM DESCRIPTIONS

1460 -

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

1115 Department of Cannabis Control - Continued

The Department of Cannabis Control licenses and regulates cannabis businesses that conduct cannabis farming, transportation, product manufacturing, sale and delivery, and events. The Department establishes standards to ensure product safety including labeling requirements to inform consumers. The Department also conducts enforcement to prevent illegal commercial cannabis activity.

DETAILED EXPENDITURES BY PROGRAM

		2023-24*	2024-25*	2025-26*
	PROGRAM REQUIREMENTS			
1460	DEPARTMENT OF CANNABIS CONTROL			
	State Operations:			
0001	General Fund	\$30,068	\$5,180	\$-
0995	Reimbursements	94	454	454
3288	Cannabis Control Fund	112,319	157,440	102,682
3335	Cannabis Tax Fund - Department of Cannabis Control	-	-	63,445
3346	Cannabis Tax Fund - Department of Cannabis Control - Allocation 2	3,116	21,089	10,000
	Totals, State Operations	\$145,597	\$184,163	\$176,581
	Local Assistance:			
0001	General Fund	\$1,280	\$2,752	\$-
	Totals, Local Assistance	\$1,280	\$2,752	\$-
	TOTALS, EXPENDITURES			
	State Operations	145,597	184,163	176,581
	Local Assistance	1,280	2,752	-
	Totals, Expenditures	\$146,877	\$186,915	\$176,581

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
PERSONAL SERVICES						
Baseline Positions	639.0	649.0	649.0	\$56,532	\$57,698	\$57,698
Other Adjustments	-107.1	-	10.0	-5,678	3,929	7,590
Net Totals, Salaries and Wages	531.9	649.0	659.0	\$50,854	\$61,627	\$65,288
Staff Benefits	-	-	-	29,595	30,118	29,867
Totals, Personal Services	531.9	649.0	659.0	\$80,449	\$91,745	\$95,155
OPERATING EXPENSES AND EQUIPMENT				\$65,148	\$92,418	\$81,426
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$145,597	\$184,163	\$176,581
2 Local Assistance				Expenditures		
				2023-24*	2024-25*	2025-26*
Grants and Subventions - Governmental			\$1,280	\$2,752		\$-
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)			\$1,280	\$2,752		\$-

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2023-24*	2024-25*	2025-26*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation (transfer to Cannabis Control Fund)	\$30,000	-	-

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1115 Department of Cannabis Control - Continued

1 STATE OPERATIONS	2023-24*	2024-25*	2025-26*
Prior Year Balances Available:			
Item 1115-004-0001, Budget Act of 2022	2	482	-
State operations administrative costs from local assistance expenditures	66	4,698	-
Totals Available	\$30,068	\$5,180	-
TOTALS, EXPENDITURES	\$30,068	\$5,180	-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$94	\$454	\$454
TOTALS, EXPENDITURES	\$94	\$454	\$454
3288 Cannabis Control Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$142,319	\$161,280	\$102,682
Allocation for Employee Compensation	-	1,749	-
Allocation for Staff Benefits	-	931	-
Section 3.60 Pension Contribution Adjustment	-	-4,543	-
Section 4.05 Government Efficiencies Reductions	-	-500	-
Section 4.12 Vacancy Savings and Position Elimination Adjustment	-	-1,477	-
Totals Available	\$142,319	\$157,440	\$102,682
TOTALS, EXPENDITURES	\$142,319	\$157,440	\$102,682
Less funding provided by General Fund	-30,000	-	-
NET TOTALS, EXPENDITURES	\$112,319	\$157,440	\$102,682
3335 Cannabis Tax Fund - Department of Cannabis Control			
APPROPRIATIONS			
Revenue and Taxation Code section 34019(a)(2)	-	-	\$63,445
TOTALS, EXPENDITURES	-	-	\$63,445
3346 Cannabis Tax Fund - Department of Cannabis Control - Allocation 2			
APPROPRIATIONS			
Revenue and Taxation Code section 34019(b)	\$3,116	\$10,000	\$10,000
Past Year Carryover - Cannabis Tax Fund Allocation 2 (3346)	-	11,089	-
Totals Available	\$3,116	\$21,089	\$10,000
TOTALS, EXPENDITURES	\$3,116	\$21,089	\$10,000
Total Expenditures, All Funds, (State Operations)	\$145,597	\$184,163	\$176,581
2 LOCAL ASSISTANCE	2023-24*	2024-25*	2025-26*
0001 General Fund			
Prior Year Balances Available:			
Item 1115-101-0001, Budget Act of 2021	-	502	-
Item 1115-102-0001, Budget Act of 2022	1,280	2,250	-
Totals Available	\$1,280	\$2,752	-
TOTALS, EXPENDITURES	\$1,280	\$2,752	-
Total Expenditures, All Funds, (Local Assistance)	\$1,280	\$2,752	\$0
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$146,877	\$186,915	\$176,581

FUND CONDITION STATEMENTS

	2023-24*	2024-25*	2025-26*
<u>3288 Cannabis Control Fund⁵</u>			
BEGINNING BALANCE	\$154,304	\$127,680	\$82,421
Prior Year Adjustments	67	-	-
Adjusted Beginning Balance	\$154,371	\$127,680	\$82,421

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1115 Department of Cannabis Control - Continued

	2023-24*	2024-25*	2025-26*
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4120700 Cannabis Licensing Fees	48,366	11,877	12,234
4121200 Delinquent Fees	1,217	-	-
4127400 Renewal Fees	70,343	109,860	113,156
4129200 Other Regulatory Fees	49	-	-
4163000 Investment Income - Surplus Money Investments	7,422	3,267	3,267
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	65	-	-
4172500 Miscellaneous Revenue	5	-	-
Total Revenues, Transfers, and Other Adjustments	<u>\$127,467</u>	<u>\$125,004</u>	<u>\$128,657</u>
Total Resources	<u>\$281,838</u>	<u>\$252,684</u>	<u>\$211,078</u>
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
0840 State Controller (State Operations)	489	-	-
1045 Cannabis Control Appeals Panel (State Operations)	2,542	3,145	3,287
1115 Department of Cannabis Control (State Operations)	142,319	157,440	102,682
3600 Department of Fish and Wildlife (State Operations)	8,262	-	-
3930 Department of Pesticide Regulation (State Operations)	1,672	-	-
3930 Department of Pesticide Regulation (Local Assistance)	450	-	-
3940 State Water Resources Control Board (State Operations)	10,095	-	-
4265 Department of Public Health (State Operations)	512	536	602
7100 Employment Development Department (State Operations)	667	-	-
7600 California Department of Tax and Fee Administration (State Operations)	10,600	-	-
8570 Department of Food and Agriculture (State Operations)	1,363	1,840	1,844
9892 Supplemental Pension Payments (State Operations)	289	217	217
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	4,898	7,085	11,605
Less funding provided by General Fund (State Operations)	-30,000	-	-
Total Expenditures and Expenditure Adjustments	<u>\$154,158</u>	<u>\$170,263</u>	<u>\$120,237</u>
FUND BALANCE	<u>\$127,680</u>	<u>\$82,421</u>	<u>\$90,841</u>
Reserve for economic uncertainties	127,680	82,421	90,841
<u>3335 Cannabis Tax Fund - Department of Cannabis Control^s</u>			
BEGINNING BALANCE	\$25	\$25	\$25
Adjusted Beginning Balance	<u>\$25</u>	<u>\$25</u>	<u>\$25</u>
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments			
Revenue Transfer from California Cannabis Tax Fund (3314) to Cannabis Tax Fund - Department of Cannabis Control - Allocation 1 (3335) per Revenue and Taxation Code Section 34109 (a) (1) (B)	-	-	63,445
Total Revenues, Transfers, and Other Adjustments	<u>-</u>	<u>-</u>	<u>\$63,445</u>
Total Resources	<u>\$25</u>	<u>\$25</u>	<u>\$63,470</u>
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
1115 Department of Cannabis Control (State Operations)	-	-	63,445
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>-</u>	<u>\$63,445</u>
FUND BALANCE	<u>\$25</u>	<u>\$25</u>	<u>\$25</u>
Reserve for economic uncertainties	25	25	25
<u>3346 Cannabis Tax Fund - Department of Cannabis Control - Allocation 2^s</u>			
BEGINNING BALANCE	\$4,243	\$11,127	\$38
Adjusted Beginning Balance	<u>\$4,243</u>	<u>\$11,127</u>	<u>\$38</u>
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments			
Revenue Transfer from California Cannabis Tax Fund (3314) to Cannabis Tax Fund - Department of Cannabis Control - Allocation 2 (3346) per Revenue and Taxation Code Section 34019(b)	10,000	10,000	10,000
Total Revenues, Transfers, and Other Adjustments	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>

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1115 Department of Cannabis Control - Continued

	2023-24*	2024-25*	2025-26*
Total Resources	\$14,243	\$21,127	\$10,038
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
1115 Department of Cannabis Control (State Operations)	3,116	21,089	10,000
Total Expenditures and Expenditure Adjustments	\$3,116	\$21,089	\$10,000
FUND BALANCE	\$11,127	\$38	\$38
Reserve for economic uncertainties	11,127	38	38
<u>3388 Cannabis Fines and Penalties Account^s</u>			
BEGINNING BALANCE	\$303	\$1,409	\$1,409
Adjusted Beginning Balance	\$303	\$1,409	\$1,409
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129200 Other Regulatory Fees	1,106	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,106	-	-
Total Resources	\$1,409	\$1,409	\$1,409
FUND BALANCE	\$1,409	\$1,409	\$1,409
Reserve for economic uncertainties	1,409	1,409	1,409

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
Baseline Positions	639.0	649.0	649.0	\$56,532	\$57,698	\$57,698
Salary and Other Adjustments	-107.1	-	-	-5,678	3,929	6,539
Workload and Administrative Adjustments						
Cannabis Operator and Separate Premises License Types (SB 1064)						
Assoc Govtl Program Analyst	-	-	1.0	-	-	79
Increased Program Workload and Organizational Restructure						
Assoc Govtl Program Analyst	-	-	4.0	-	-	316
Assoc Industrial Hygienist	-	-	0.5	-	-	51
Environmental Program Mgr I (Supvry)	-	-	0.5	-	-	82
Environmental Program Mgr II	-	-	1.0	-	-	181
Info Tech Spec I	-	-	1.5	-	-	149
Sr Envirnal Scientist (Supvry)	-	-	1.0	-	-	142
Staff Svcs Mgr II (Supvry)	-	-	0.5	-	-	51
TOTALS, WORKLOAD AND ADMINISTRATIVE ADJUSTMENTS	-	-	10.0	\$-	\$-	\$1,051
Totals, Adjustments	-107.1	-	10.0	\$-5,678	\$3,929	\$7,590
TOTALS, SALARIES AND WAGES	531.9	649.0	659.0	\$50,854	\$61,627	\$65,288

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