

December 10, 2025

The Honorable Tina Kotek, Governor of Oregon
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RE: Urgent Need to Resolve OMMP Revenue Shortfall and Restructure Fiscal Framework

Dear Governor Kotek, Director Hathi, Deputy Director Baden, and Ms. Layton,

The Oregon Cannabis Commission (OCC) provides advice to Oregon Health Authority and the Oregon Liquor and Cannabis Commission regarding Oregon Administrative Rules that govern medical cannabis as well as retail cannabis as it pertains to patients and caregivers. Additionally, the commission is tasked with developing a long-term strategic plan for ensuring that cannabis will remain a therapeutic and affordable option for patients.

We are writing to bring to your attention the fiscal situation and declining revenues facing the Oregon Medical Marijuana Program (OMMP). We respectfully request your support for implementing the solution outlined within this document to stabilize and sustain this vital program.

The program is facing significant budget challenges with expenditures exceeding revenue. The biennial revenue for the 25-27 biennium is projected to be approximately \$3.5 million with

expenditures projected to be approximately \$8.2 million. This shortfall threatens the infrastructure that supports thousands of Oregon patients with serious and chronic health conditions and their caregivers. Elimination of the OMMP would dismantle essential patient protections, benefits from medical cannabis registration, and undo more than two decades of bipartisan work.

Like the Oregon Liquor and Cannabis Commission (OLCC) adult-use program, the OMMP is a fee-based program. However, due to declining enrollment and a shrinking number of growers, current fee revenues are no longer sufficient. Raising fees, already the highest in the nation, would further suppress enrollment and therefore revenue needed to support the program. Reducing staffing is equally unviable, as OMMP already operates below its authorized FTE capacity.

The Oregon Cannabis Commission has repeatedly identified OMMP's fiscal instability as a top concern and continues to recommend realigning cannabis tax revenue to reflect the current needs of the OMMP and its patients.

The Value of the OMMP

OMMP enrollees include patients with cancer, chronic pain, PTSD, and terminal illness—many of whom cannot find adequate cannabis or cannabis products through the recreational system. The OMMP offers distinct and essential benefits not available to non-patient consumers, including:

- **Tax-exempt cannabis purchases**, reducing out-of-pocket costs;
- **Higher possession limits** for flower, concentrates, and infused products;
- **Expanded cultivation rights** for personal and caregiver use;
- **Full access to the cannabis retail market** without recreational restrictions.

Additionally, the program inspects medical marijuana grow sites to ensure growers are reporting and tracking accurately and in compliance with plant limits. The OMMP also oversees testing requirements for all cannabis and hemp-derived vapor products in Oregon. These benefits ensure safe, affordable, and consistent access to therapeutic cannabis. Without the OMMP, patients would lose these protections, face increased legal risk or find availability through sources outside the regulated market.

While it may be argued that the OMMP no longer serves its original purpose, this view ignores the structural and legal distinctions between the medical and recreational markets. For many, the OMMP is not optional—it is essential to better quality of life and well-being.

Current Funding Model

In 2017, [SB 1057](#) transferred from the Oregon Health Authority (OHA) to the OLCC, oversight of tracking and reporting of grow site activities and transfers and the inspections for tracking and reporting errors at large OMMP grow sites. A large OMMP grow site is one serving three or more OMMP patients. To support this transition and ongoing regulation, OLCC was allocated:

- Up to \$1.25 million per quarter from the Oregon Marijuana Account ([ORS 475C.871](#)); and
- A one-time \$1.8 million transfer for implementation.

At the time, OLCC expected to oversee over 4,200 grow sites, 31 dispensaries, and 14 processors. Today, fewer than 120 large OMMP grow sites remain, and all medical-only dispensaries and processors have ceased operations. Yet, the original quarterly funding allocation remains unchanged.

The recommended legislative action noted below proposes a proportional realignment of this existing revenue—without new spending or fee increases—to reflect OLCC’s reduced oversight role, and support OHA’s continued administration of the OMMP cardholder program. This approach would:

- Maintain OLCC funding to oversee the remaining large OMMP grow sites.
- Enable OHA to preserve core patient card services.

Recommendation for Legislative Action

We recommend legislation to:

Restructure OMMP’s fee-based funding, leveraging reallocated cannabis tax revenue to ensure fiscal sustainability and provide for any agency implementation costs related to the transition.

Conclusion

Governor Kotek, Director Hathi, Deputy Director Baden and Ms. Layton, this moment requires bold and compassionate leadership. We respectfully urge your support for the funding solutions outlined here and request that OHA and OLCC work in partnership with the Oregon Cannabis Commission and key stakeholders to preserve this essential program.

We would like to meet to discuss next steps for resolving the funding shortfall.

Thank you for your continued support of compassionate care and equitable health policy.

Respectfully,

Anthony Taylor, Chair
Oregon Cannabis Commission