

## Medical Cannabis & Psilocybin (MCAP) – Psilocybin Budget Information

[ORS 475A](#) directs OHA to license and regulate the production of psilocybin products and provision of psilocybin services. Oregon is the first state in the nation to implement a regulatory framework for psilocybin services and has received global interest in its model. During a two-year development period, from January 1, 2021, to December 31, 2022, MCAP's Psilocybin Program, formerly known as Oregon Psilocybin Services (OPS), worked with the governor-appointed members of the Oregon Psilocybin Advisory Board on recommendations to establish rules and regulations for ballot measure implementation.

On January 2, 2023, MCAP began accepting applications for manufacturer, laboratory, service center, and facilitator licenses in accordance with ORS 475A. The first service center door opened to clients in the summer of 2023. Since then, the number of licenses issued has grown and contracted. MCAP expects continued fluctuations as the new regulated ecosystem continues to develop. Please visit the [MCAP Psilocybin Data Dashboard](#) Licensing Data Set for information on the number of licenses, worker permits, and training program curricula approval issued.

As of October 1, 2026, over 50,000 psilocybin products have been sold by licensed service centers to clients for administration sessions. While this number may include the sale of secondary doses, thousands of clients have been served under Oregon's model. In accordance with new legislation adopted by the Oregon Legislature in 2023, MCAP has published additional data reported by licensed service centers. For more information visit the [MCAP Psilocybin Data Dashboard](#).

### 2021-23 Biennium

For the 2021-2023 biennium, OPS received General Fund (GF) dollars for start-up costs and staff positions to begin implementation of ORS 475A. MCAP had unspent GF from 2021-23 of \$3,092,885 that was unable to be carried over to the following biennium.

#### Budget considerations:

- MCAP was established during COVID response. During that time, OHA experienced significant infrastructure challenges, including hiring delays, which slowed hiring for the psilocybin program.

**Cost containment strategies** for the 2021-23 biennium included:

- Moving background checks to Oregon Background Check Unit (BCU) to reduce workload and overall implementation costs
- Moving fee payment receipting to Office of Financial Services (OFS) to reduce workload and overall implementation costs
- Developing a single, cloud-based system for training program, licensing, compliance, and product tracking. The Training Program, Licensing, and Compliance (TLC) system, developed in partnership with the OHA Office of Information Services, reduced costs associated with vendor contracts and created efficiencies in licensing and compliance work, including for licensing, compliance, product tracking, and data reporting
- Adopting a hybrid working model to reduce overhead and operational costs while establishing secure office space

## **2023-25 Biennium**

MCAP received \$3,139,672 General Fund (GF) dollars and \$4,115,500 Other Fund (OF) limitation in the 2023-25 biennium for a total of \$7,255,172. Despite cost increases, including SB 303 (2023) implementation, Cost of Living Adjustments (COLAs), internal cost allocation assessments, and legal fees, OPS decreased its expenses for 2023-25 by over \$600,000.

Current MCAPOPS operating costs are based upon the program meeting minimum legal requirements of regulating psilocybin according to statute.

Cost containment strategies for the 2023-25 biennium included:

- Reducing program positions from 23 FTE to 17 FTE

Revenue-generating strategies for the 2023-25 biennium included:

- Increasing Training Program and Worker Permit Fees. MCAP made the following fee changes, effective January 1, 2025:
  - Changed 5-year worker permits (\$25 for 5-year approval) to annual worker permits (\$25 for annual approval).
  - Changed 5-year training program curriculum approval (\$500 application fee for 5-year approval) to annual curriculum approval (\$500 for annual curriculum approval).

Licensing fees have not covered the costs of administering the minimal requirements of ORS 475 for several reasons:

- The regulated psilocybin industry is still growing in Oregon, and licensure takes time and resources for applicants.
  - The slow growth of the industry is partly due to property challenges that applicants are experiencing due to local government ordinances that prohibit MCAP from issuing licenses and restrictive zoning requirements for psilocybin businesses.
  - Licensees face high costs related to insurance, banking, tax filing, and other constraints.
- Unanticipated increases in costs during the 2023-25 biennium included:
  - Additional program work as a result of SB 303 (2023) with no additional implementation resources for new data collection and reporting requirements added to ORS 475A. Implementation costs included legal fees, TLC system development to support data collection and reporting and a new research analyst position.
  - Increased legal counsel needs due to administrative hearings and legal challenges.
  - Cost of Living Adjustments (COLAs).
  - Increased direct and indirect costs for state agency and infrastructure supports.
  - Costs associated with Oregon Environmental Laboratory Accreditation Program (ORELAP) contract and compliance related work.
  - Costs associated with Oregon Department of Agriculture (ODA) for third party validation testing for psilocybin products, including speciation, potency, microbials, pesticides, and heavy metals in accordance with statutory and rule requirements.
  - Oregon Psilocybin Advisory Board Compensation will require more budget funds based on implementation of HB 2992 (2021), which increases compensation amounts for each meeting and will include compensation for qualified non-governor appointed subcommittee members. New OPAB board members were appointed by the governor in March 2025.

## **2025-27 Biennium**

MCAP does not have an approved Policy Option Package (POP) for the 2025-27 biennium and has identified a growing budget shortfall beginning in 2026. During 2026 rulemaking, proposed psilocybin rules included significant increases to licensing fees and elimination of reduced fees for low income, veteran, and non-profit applicants. Based on feedback received through the Oregon Psilocybin Advisory Board (OPAB), rule advisory committees (RACs), and rulemaking public comment period, OHA decided not to adopt final rules with

fee increases as a result of the rulemaking process. OHA will restart a new rulemaking process to consider proposed rules that are unrelated to proposed fee changes, with a planned effective date of January 15, 2027.

OHA has identified that increasing licensing fees may be counterproductive, pricing out licensees and resulting in fewer licensees, significant decreases in revenue, and increased need for GF support. Current psilocybin program operating costs are based upon the program meeting minimum the current legal requirements of regulating psilocybin according to statute. Absent a significant increase in licensees and statutory changes, sustainability of the program continuing to meet statutory requirements would be dependent on other revenue streams, such as General Fund, or additional solutions, such as creation of new revenue streams.

## **Future Biennia**

Oregon's psilocybin program is at the center of a national discussion on the creation of safe, effective, and equitable access to legal, regulated psilocybin services. Based on the administrative rules adopted in 2022, which are updated annually, Oregon has created intentional, client-centered policy that has gained attention from national organizations, international governments, and other states working on healthcare policy.

Regulated psilocybin services create a new workforce in Oregon, supports the state economy, and may create significant cost savings in healthcare, criminal justice, and social services systems. ORS 475A directs OHA to work with the Oregon Psilocybin Advisory Board on long term sustainability in accordance with ORS 475A.

MCAP is committed to ensuring safe, effective, and equitable psilocybin services in Oregon, as well as aligning with OHA's strategic plan goal to eliminate health inequities and Oregon's State Health Improvement Plan, Healthier Together Oregon. To ensure equitable access to services, OPS is working with the Oregon Psilocybin Advisory Board on recommendations for program sustainability, as well as reducing barriers to access due to affordability concerns.

To review data published on MCAP's Psilocybin Data Dashboard, please visit the [MCAP Psilocybin Data Dashboard](#) page.

To find out more about the accomplishments of the MCAP Psilocybin Program, please visit the program website's [Annual Reports page](#), where "Year in Review" summaries are published.