

Tuesday, March 31, 2026

The Honorable Louis DiPalma  
Chairman, Senate Committee on Finance  
Rhode Island Senate  
82 Smith Street  
Providence, RI 02903

Subject: S3128 – An Act Relating to Food and Drugs – The Rhode Island Cannabis Act

Dear Chairman DiPalma,

The Cannabis Control Commission submits this letter regarding S3128 – An Act Relating to Food and Drugs – The Rhode Island Cannabis Act, to raise concerns related to funding structure, statutory alignment, and the implications of establishing a new, unspecified appropriation requirement within the current implementation framework.

The Commission recognizes the intent of this legislation to support education, prevention, and public awareness related to cannabis use. These objectives align with the Commission’s core pillars of public health and safety, transparency, and equity.

S3128 requires the Commission to make annual appropriations totaling \$700,000 to the Substance Use Mental Health Leadership Council. The legislation does not specify a funding source, necessitating alignment with existing statutory funding structures. Under current law, two primary mechanisms support cannabis-related programs: the Social Equity Assistance Fund (SEAF) and the Marijuana Trust Fund (MTF).

The Social Equity Assistance Fund is intended to support social equity applicants through financial assistance, technical support, and workforce development tied to participation in the regulated cannabis market. It is funded through application and licensing fees, as well as enforcement penalties.

The Commission is currently formalizing the SEAF, including application procedures, eligibility criteria, and grant administration systems. The fund has not yet been deployed. As such, the SEAF is not an authorized or appropriate funding mechanism for S3128, as it is not designated for education, prevention, or public awareness initiatives.

The Marijuana Trust Fund (MTF) is supported by cannabis tax revenue and funds a range of state priorities, including public health, safety, and regulatory functions. These resources are appropriated through the State’s budget process across multiple agencies, and the MTF does not provide a mechanism for direct, recurring appropriations to external organizations outside established budgetary structures.



At the Commission's current stage of implementation, an annual appropriation of \$700,000 for a single entity risks setting a precedent for earmarking funds outside of these established controls. It

also raises concerns regarding long-term fiscal sustainability and could result in unintended budgetary shortfalls or reallocation pressures across the Commission and other agencies.

Additionally, because a formal mechanism for direct appropriations has not yet been established, this requirement risks diverting limited and not-yet-stabilized resources away from the Commission's core implementation priorities. Maintaining alignment with statutory intent and established funding processes will be critical as implementation continues.

The Commission remains focused on implementing statutory programs and deploying funds in accordance with their intended purposes. Establishing a new annual appropriation requirement at this stage introduces structural and fiscal considerations, including potential impacts on fund integrity, implementation timelines, and existing budget frameworks.

Maintaining alignment with statutory intent and established funding processes is critical as implementation continues.

Thank you for your consideration.

Sincerely,

Michelle A. Reddish, MS, MPH  
Cannabis Office Administrator

cc: The Honorable Members of the Senate Committee on Finance  
Stephen Whitney, Senate Fiscal Advisor  
Kristen Silvia, Director of Legislation and Deputy Chief of Staff