

March 10th 2025

Senator Hickman, Representative Supica and members of the Veterans and Legal Affairs Committee, my name is Lizzy Hayes, I am medical cannabis caregiver, an organic farmer, and I am before you today to testify in support of LD 584

In the state of Maine, the heads of Departments, Commissions and Boards are appointed by the Governor subject to confirmation by the Legislature. Legislative oversight is a fundamental check and balance. The head of the Office of Cannabis Policy should also be subject to the process of legislative review and approval especially as this is an emerging industry that uniquely operates outside of federal law.

The director of the office of cannabis policy oversees an agricultural industry that has sold over \$500 million of product last year, over \$243 million for Adult Use (\$243,876,905) and over \$273 million for Medical (\$273,759,909) which brought in over \$53 million (\$53,749,741) in sales and excise tax.

Choices made by cannabis regulators shape the landscape of the industry, determine the ability or inability for small operators to participate, affect the price to the consumer, and determine whether policy matches public expectations. Regulators must weigh the costs and benefits of regulatory burdens and decide if policy choices are an efficient means to achieve desired outcomes and the legislative intent.

A confirmation hearing provides an opportunity to assert public expectations. Concerns can be raised about potential conflict of interest, relevant industry or regulatory experience and potentially conflicting policy agendas. It is an opportunity for the appointee to understand the will of the people of Maine and the will of the legislature before beginning their role as director of a valuable state industry that touches many different sectors of our economy and society.

I'd like to take this opportunity to point out that the initial 2019 METRC contract included a line item of \$21,762 a year for software updates, or 100 hours at a rate of \$217.62/hr. At the time director Gunderson noted the importance of picking a track and trace system that allowed for customization if necessary. The software build out negotiated in 2023 by our current director cost the state \$350,000. At that hourly rate outlined in 2019, a \$350,000 software buildout would come to 1608 hours of labor, or 40 hours a week for 42 weeks in order to allow a cultivator to input a group of plants as a batch instead of each plant individually. Concerns about the ability of our director to be a good negotiator for the state of Maine with state funds with this particular company would have been brought to light if the language put forward in this bill were already in place.

I thank you for your time and attention and ask that you vote ought to pass on LD584

plants in production, total plants destroyed, and total inventory adjustments. The Metrc system should provide additional tools for administration and enforcement, including fraud and abuse prevention.

- Interface portal to provide access to all potential external users (i.e., growers, provisioning centers, secure transports, safety compliance facilities, processors).
- All required third-party software for State use (the State reserves the right to utilize existing licenses where applicable).

**4. System Configuration and Customization**

The Metrc system is highly configurable. Configuration changes will be completed at no cost.

The Provider agrees to provide 100 hours of customization and/or training annually that may or may not be used by the Department. The total cost of the 100 hours of customization and/or training is a maximum of \$21,762 annually (\$65,286 over contract term) based on table below. Specific Time and Materials work will be described & quoted in the relevant Statement of Work/Task Order.

**Time and Materials Resources**

Named Resource (may be replaced)	Title	Hourly Rate
Jesse Narainjo	Director of Software Engineering	\$200.00
Brent Doherty	Project Manager / Change Management	\$169.27
Peter Funcheon	Technical Support / Help Desk / Hardware-Software Specialist	\$107.36
Adam McKinley	Consultant / System Architect / System Programmer	\$217.62

**5. Project Initiation, Planning and Management**

**a. Project Kick-off Meeting**

The Provider must hold a project kick-off meeting to discuss the content and procedures of the Contract. Provider will review and validate the requirements with the Department. Provider will identify any general, functional or technical issues that need to be addressed to ensure successful implementation and will propose resolutions to be undertaken and timing thereof. The meeting may be held on location in Augusta, Maine at a date and time mutually acceptable to the Department and the Provider. At this meeting, Provider will provide and review:

- Software overview
- Preliminary project plan and schedule

**AGREEMENT TO PURCHASE SERVICES (BP54-IT)**

**RIDER B-IT**

**METHOD OF PAYMENT AND OTHER PROVISIONS**

1. **AGREEMENT AMOUNT** \$224,286.12

2. **INVOICES AND PAYMENTS** The Department will pay the Provider as follows:

The Department will be invoiced \$4,166.67 monthly. Monthly invoicing will commence upon a successful implementation and "go-live" with the Industry. Initial invoice will include previous monthly hosting fee charges from beginning of contract period. Department will approve first invoice upon final acceptance.

The department will be invoiced \$9,000 for the additional five (5) RFID scanners, in the month that they are delivered, which will be before production implementation. Department will approve invoice upon receipt of the five (5) scanners.

See Rider A IV, 4. System Configuration and Customization, for rules for potential payment of up to \$21,762 annually (\$65,286 over the contract term). Invoicing for relevant Statement of Work/Task Orders will be submitted as applicable. Department will approve invoices upon verification of Provider time and material.

<b>Department One time fees</b>	
One time implementation fees	No Charge
Training fees	No Charge
Consulting fees	No Charge
Travel fees	No Charge
<b>Initial year costs (include all fees for license, use, access, etc.)</b>	
For unlimited users	No Charge
<b>Ongoing annual costs (include all fees for maintenance, support, use, access, etc.) – paid by the industry facilities</b>	
For unlimited users	No Charge
Industry fees for tags, ongoing training, support and reporting:	\$40.00/month per licensed facility (Grower, Processor, Dispensary, Lab, Transporter etc.) – applies to each facility owned under or by a licensee. Prices are fixed for the term of the contract.  Plus, tags (plant tags .45 each and transfer package tags .25 each)
Additional RFID Scanners	\$1,800 each
<b>State cost of ownership</b>	
The total cost of ownership for the product annually,	Metre hosting fees are \$4,166.67/month or \$50,000.04 annually.
Training & Support fees for the state-side	No Charge
RFID Scanners (one-time) Quantity: 2	No Charge
Additional RFID Scanners Quantity: 5	\$9,000 (\$1,800 each)
System Customization	Up to \$21,762 annually (\$65,286 over the contract term)