

COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

POST AUDIT DIVISION

FISCAL YEAR 2027 BUDGET ANALYSIS

OFFICE OF CANNABIS REGULATION

AUGUST 7, 2026



COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

POST AUDIT DIVISION

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Ms. Odette Gordon.....Budget Analyst
Ms. Ashley WattleyBudget Analyst
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Ms. Alinda Sebastian.....Administrative Secretary I

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OFFICE'S OVERVIEW

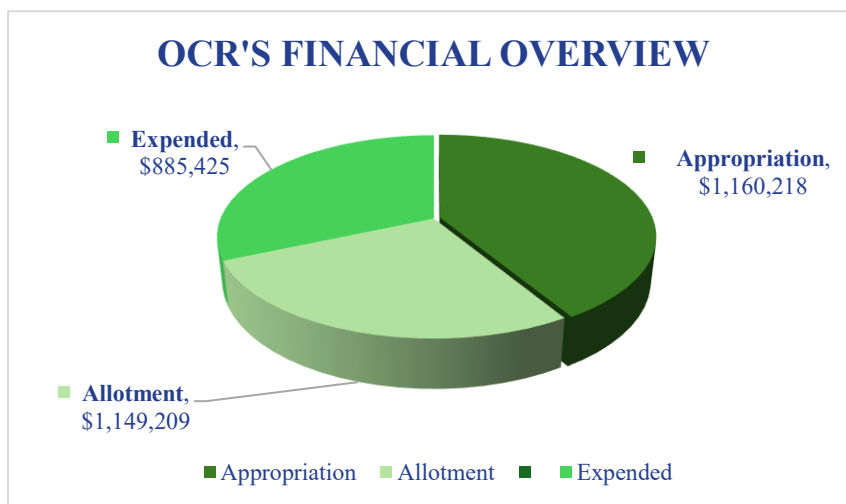
The Office of Cannabis Regulation (OCR), a division of the Department of Licensing and Consumer Affairs (DLCA), oversees and regulates all cannabis-related activities in the U.S. Virgin Islands, including adult-use, medical, and sacramental cannabis programs. Established under Act No. 8680, the Virgin Islands Cannabis Use Act, OCR is responsible for implementing a safe, regulated cannabis industry while promoting social equity and local participation. Act No. 9072, signed into law in January 2026, gave OCR the authority to regulate and license businesses that sell intoxicating hemp and artificially made cannabinoid products.

OCR's primary responsibilities include issuing licenses and permits, developing and enforcing regulations, inspecting licensed facilities, collecting fees, certifying medical practitioners, registering patients and caregivers, and administering social equity initiatives. The Agency also manages the licensing process through its online Industry Portal, where applicants can submit and manage registrations, licenses, and required documentation.

Under Virgin Islands law, adults 21 years and older may legally possess limited amounts of cannabis for personal use. Medical patients are permitted higher possession limits. Cannabis consumption is restricted to private property or licensed consumption lounges, while home cultivation is limited to qualified medical patients, ceremonial users, and approved micro-cultivation permit holders. OCR also oversees dispensary licensing, prohibits the transportation of cannabis between islands, and regulates hemp-derived cannabinoid products in accordance with territorial law.

OCR AT A GLANCE

The Office of Cannabis Regulation received an appropriation of ***\$1,160,218*** for Fiscal Year 2026 through Act No. 9035 to fund personnel and fringe benefits under the Department of Licensing and Consumer Affairs.



As reported by the Office, expenditures through July 28, 2026, are as follows:

Office of Cannabis Regulation	As of July 28, 2026
Personnel Services	\$ 428,794
Capital Outlays	-
Fringe Benefits	178,412
Supplies	260,713
Other Services & Charges	17,506
Utilities	-
Total Expenditures	\$ 885,425

Exhibit I

FY 2026 KEY ACTIVITIES

Licensing & Regulation: 62 licenses/permits, applications reviewed

Compliance & Enforcement: 90 business inspections conducted, 23 for At Home Growers, 11 investigations and 2 joint operations

Industry Development: Expanded to include oversight over hemp production.

Public Engagement & Outreach: 4 training sessions, 3 townhalls, 3 in-person sessions and 1 compliance summit

Operational Updates: Implemented a licensing and registry platform

- 9 registered medical practitioners
- 144 electronic medical certifications issued
- 67 medical patient identification cards issued
- 1 registered sacramental organization
- 9 cannabis business agent registrations issued.

FUND FLOW ANALYSIS

The Office's Fiscal Year 2026 fund flow analysis outlines OCR's budget across five key components: appropriations, allotted amount, obligations, expenditures and balance available; and notes that the expenditures reflect commitments made through July 28, 2026.

Dept.	Fund Source	Appropriation	Allotted as of August 6, 2026	Obligated	Expended as July 28, 2026	Balance	Remarks
OCR	General	\$1,160,218	\$1,149,209	-	\$885,425	\$274,794	\$11,009 remains unallotted

Exhibit II

The Office of Cannabis Regulation received a General Fund appropriation of **\$1,160,218** for Fiscal Year 2026. OCR received **\$1,149,209** in allotments, representing **99%** of the total appropriation.

- The Office utilized **76%** of FY 2026 appropriation, leaving a balance of **\$274,794**.

FISCAL YEAR 2027 BUDGET SUMMARY

The Governor has recommended a General Fund appropriation of **\$1,160,218** for Fiscal Year 2027. **Exhibit III** displays FY 2025 actuals, the revised budget for FY 2026 and the recommended budget for FY 2027 as stated in the Executive Budget. OCR was also appropriated **\$100,000** from the Tourism Advertising Revolving Fund and **\$250,000** from the Cannabis Fund for FY 2027, bringing the total recommended funding for FY 2027 to **\$1,510,218**.

Description	FY 2025 Actuals	FY 2026 Revised Budget	FY 2027 Recommended	Variance	% Chg
General Fund:					
Personnel Services	\$ 61,718	\$ 585,000	\$ 675,000	\$ 90,000	15%
Fringe Benefits	29,863	249,154	295,540	46,386	19%
Supplies	-	-	151,478	151,478	100%
Other Services & Charges	-	-	38,200	38,200	100%
Capital Projects	191,851	-	-	-	-
Total General Fund	\$ 283,432	\$ 834,154	\$ 1,160,218	\$ 326,064	39%
6068 - Tourism Advertising Revolving	-	-	\$ 100,000	\$ 100,000	100%
6116 - Cannabis Fund	-	-	250,000	250,000	100%
Total Expenses	\$ 283,432	\$ 834,154	\$ 1,510,218	\$ 676,064	81%

Exhibit III

Exhibit IV presents the Projected Expenditures for FY 2027 as submitted by OCR.

Description	FY 2027 Projected Expenditures
Personnel Services	\$ 660,000
Capital Projects	-
Fringe Benefits	233,323
Supplies	226,695
Other Services & Charges	40,200
Utilities	-
Total Expenditures	\$ 1,160,218

Exhibit IV

PERSONNEL SERVICES

The Governor has recommended **\$675,000** in General Fund appropriations for personnel services in Fiscal Year 2027. OCR's personnel services request stands at **\$660,000**, a **\$15,000** difference from the recommended appropriation for FY 2027. A detailed list of positions can be found in *Appendix I*.

OCR			Position Classification				
Fiscal Year 2027			Unclassified		Classified		Adjustments
Fund Name	Pos #	FY 2027 Budget	Pos #	Total	Pos #	Total	
General Fund – 0100	9.00	\$ 660,000	9.00	\$ 660,000	-	-	
Grand Total	9.00	\$ 660,000	9.00	\$ 660,000	-	-	

Exhibit V

- The Office currently has one vacancy reported: **Operations Coordinator - \$70,000**

LEASES /RENTAL

The Office of Cannabis Regulation do not have any open leases.

OTHER SERVICES & CHARGES

Exhibit VI presents a comparative analysis of expenditures under the Other Services and Charges line item for Fiscal Year 2025 actual expenditures, the Fiscal Year 2026 revised budget, and the FY 2027 projected budget, based on information provided by the Office of Cannabis Regulation.

Description	FY 2025 Expenditures	FY 2026 Revised Budget	FY 2027 Projection
Professional Services	\$ 10,331	\$ -	\$ -
Communication	4,598	3,056	7,200
Travel	40,167	265	-
Transportation - Not Travel	19,308	-	-
Advertising And Promotion	-	1,557	-
Printing And Binding	-	-	-
Insurance	-	-	-
Repairs And Maintenance	5,371	-	-
Rental- Land/Building	-	-	-
Description	FY 2025 Expenditures	FY 2026 Revised Budget	FY 2027 Projection
Rental - Machines/Equipment	-	-	-
Training	1,290	-	10,000
Security	-	-	-
All Other	56,881	12,628	23,000
Total Other Services & Charges	\$ 137,946	\$ 17,506	\$ 40,200

Exhibit VI

EXPENDITURES

Exhibit VII outlines actual expenditures by category for FY 2025, along with FY 2026 expenditures incurred through July 28, 2026.

Line Item	Oct. 1, 2024 – Sept. 30, 2025	Oct. 1, 2025 - July 28, 2026
Personnel Services		
Classified Employee Salaries	\$ -	\$ -
Unclassified Empl. Salaries	291,980	296,736
Temp/Part Time Salaries	-	-
Overtime Salaries	-	-
Lump Sum Payments	-	28,824
Night Differential Comp	-	-
Other Differential Comp	-	-
Fees & Compensation Noc	-	26,172
Holiday Pay	22,292	29,135
All Other	23,180	47,928
Sub-Total	\$ 337,452	\$ 428,794
Capital Outlays		
Machinery & Equipment	\$ 191,851	\$ -
Vehicles	-	-
All Other	-	-
Sub-Total	\$ 191,851	-
Fringe Benefits		
Employer Contr. Retirement	71,754	85,118

Line Item	Oct. 1, 2024 – Sept. 30, 2025	Oct. 1, 2025 - July 28, 2026
F.I.C.A.	20,922	26,585
Medicare	4,893	6,218
Health Insurance Premium	48,051	60,491
Workers Comp. Premiums	1,161	-
Uniform Allowance	-	-
All Other	-	-
Sub-Total	\$ 146,782	\$ 178,412
Supplies		
Office Supplies	\$ 2,461	\$ -
Operating Supplies	18,324	3,920
Small Tools/Minor Equipment	66,192	-
All Other	20,912	256,793
Sub-Total	\$ 107,890	\$ 260,713
Other Services & Charges		
Professional Services	\$ 10,331	\$ -
Communication	4,598	3,056
Travel	40,167	265
Transportation - Not Travel	19,308	-
Advertising And Promotion	-	1,557
Printing And Binding	-	-
Insurance	-	-
Repairs And Maintenance	5,371	-
Rental- Land/Building	-	-
Rental - Machines/Equipment	-	-
Training	1,290	-
Security	-	-
All Other	56,881	12,628
Sub-Total	\$ 137,945	\$ 17,506
Utility Services		
Electricity	\$ 13,563	\$ 17,519
Water	-	-
Sub-Total	\$ 13,563	\$ 17,519
Total Expenses	\$ 921,920	\$ 885,425

Exhibit VII

PROFESSIONAL SERVICES CONTRACTS

The office reported **\$297,000** in Professional Services Contracts offering data software services territory-wide.

Vendor	Purpose	Type of Service	Period	FY 2027 Amount	Funding Source
Tyler Technologies, Inc	Hosts and manages the Cannabis Patient Registry System	Date Software	1/1/2027 – 12/31/2027	\$ 197,000	General Fund
Metrc, LLC	To provide a Cannabis Seed-to-Sale Inventory Management System to the OCR	Date Software	1/7/2026 – 1/6/2027	100,000	TARF
Total: 2				\$ 297,000	

Exhibit VIII

VEHICLE

OCR maintains a total of four (4) vehicles, assigned equally by district.

Year	Make	Model	Funding Source	Lease/ Own	Condition	Plate	Maintenance Cost	Gas Amount	District
2024	Ford	Bronco Sport	TARF	Own	Excellent	CHZ-338	\$ 280	\$ 1,050	STX
2025	Ford	Explorer	TARF	Own	New	CHZ-320	-	-	STX
2024	Ford	Bronco Sport	TARF	Own	Excellent	THR-244	171	2,520	STT/STJ
2025	Ford	Explorer	TARF	Own	New	THS-764	-	-	STT/STJ
Total: 4							\$ 451	\$ 3,570	

Exhibit IX

FEDERAL GRANTS

The Office of Cannabis Regulation does not receive federal funding.

OUTSTANDING ACCOUNTS PAYABLE

The Office of Cannabis Regulation provided a list of outstanding accounts payable which totals **\$249,284** for FY 2027.

Vendor	Purpose	Invoice Date	ERP Entry Date	Amount	Status
Tyler Technologies	Tyler Tech Contract	12/31/2025	2/13/2026	\$ 248,667	Awaiting Check Run
One Communication	Apr 2026 Phone Bill	4/1/2026	4/14/2026	617	Pending Approval
Total: 2				\$ 249,284	

Exhibit X

ENCUMBRANCES

OCR submitted a list of encumbrances for FY 2027 with a balance of **\$13,444**, found in *Exhibit XI*.

Vendor	Purpose	PO Issue Date	Total Amount	Balance	Aging Schedule
Godrej Profile Screening, Inc.	Cannabis Business Background Checks	12/9/2025	\$ 9,975	\$ 4,733	232
US Bank National Association	Executive Director Credit Card	12/11/2025	10,000	4,495	230
Metrc, LLC	Additional Metrc RFID Handheld Readers	12/22/2025	3,176	3,176	219
Love City Ferries	STJ Vehicle Ferry	3/19/2026	1,040	1,040	132
Total: 4			\$ 24,191	\$ 13,444	

Exhibit XI

REVENUES

The office reported collecting \$3.6 million in revenues through July 2026.

Description	Actual Expenditures to Date
Departmental Ser N.O.C.	\$ 12,880
Liquor Licenses	204,657
Entertainment Licenses	85,061
Hotel & Rest. Licenses	71,898
Brokers & Agents License	83,979
Commercial Licenses	1,327,418
Manufacturing Licenses	8,365
Trade/Professional Licenses	76,192
Penalty	100
5% Tax Withholding	97,691
Total Revenue	\$ 1,968,241
Departmental Ser N.O.C.	\$ 3,559
Liquor Licenses	133,989
Entertainment Licenses	58,091
Hotel & Rest. Licenses	95,360
Brokers & Agents License	61,041
Commercial Licenses	743,315
Manufacturing Licenses	19,486
Trade/Professional Licenses	16,235
Penalty	350
5% Tax Withholding	59,433
Total Revenue	\$ 1,190,859
Departmental Ser N.O.C.	\$ -
Trade/Professional Licenses	12,286
Total Revenue	\$ 12,286
Departmental Ser N.O.C.	\$ -
Trade/Professional Licenses	14,580
Total Revenue	\$ 14,580
Penalty	\$ 501,743
Total Revenue	\$ 501,743
Grand Total	\$ 3,687,709

SUMMARY

The Governor has recommended a General Fund Appropriation of ***\$1,160,218*** for the The Office of Cannabis Regulation during Fiscal Year 2027.

\$ 675,000	General Fund
295,540	Fringe Benefits
151,478	Supplies
38,200	Other Services & Charges
\$ 1,160,218	Governor's General Fund Recommendation



Theodora Philip, DBA
Post Auditor

APPENDIX I

OCR'S PERSONNEL LISTING

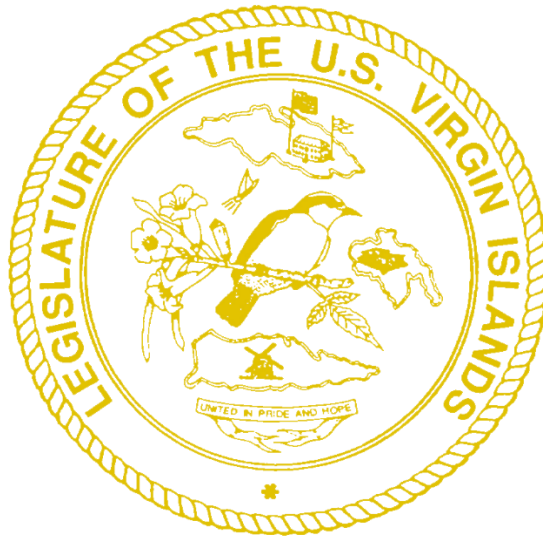
Position Name	FY 2027	FTE
OCR		
GENERAL FUND 0100		
<u>UNCLASSIFIED FILLED</u>		
EXECUTIVE DIRECTOR OFFICE OF CANNABIS REGULATION	\$ 100,000	1.00
DEPUTY DIRECTOR ENFORCEMENT	75,000	1.00
DEPUTY DIRECTOR REGULATION & ADMINISTRATION	75,000	1.00
LEAD CANNABIS ENFORCEMENT AGENT	70,000	1.00
CANNABIS ENFORCEMENT AGENT	70,000	1.00
CANNABIS ENFORCEMENT AGENT	70,000	1.00
CANNABIS COMPLIANCE AUDITOR	65,000	1.00
CANNABIS COMPLIANCE AUDITOR	65,000	1.00
<u>TOTAL UNCLASSIFIED FILLED</u>	\$ 590,000	8.00
<u>UNCLASSIFIED VACANT</u>		
OPERATIONS COODINATOR	\$ 70,000	1.00
<u>TOTAL UNCLASSIFIED VACANT</u>	\$ 70,000	1.00
TOTAL GENERAL FUND	\$ 660,000	9.00

APPENDIX II

OCR'S APPLICATION FEE LISTING

Medical Use – Individuals		
License Type	Description	Fee
Resident Adult Medical Patient	Identification Card	\$50
Resident Adult Medical Patient Renewal	Identification Card	\$50
Resident Medical Patient (Under 21 years old)	Identification Card	\$50
Resident Medical Patient (Under 21 years old) Renewal	Identification Card	\$50
Non-Resident Medical Patient	Identification Card	\$50
Designated Caregiver	Identification Card	\$35
Designated Caregiver Renewal	Identification Card	\$35
Caregiver Request for Additional Patients	-	\$20
Patient Request for Additional Caregivers)	-	\$20
At-Home Cultivation for Medical Patients & Sacramental Users	Add-On	\$100
Medical Use – Practitioners		
License Type	Description	Fee
Practitioner Registration (2 Years)	Certification	\$250
Practitioner Registration Renewal (2 Years)	Certification	\$250
Sacramental		
License Type	Description	Fee
Sacramental Organization	Identification Card	\$200
Sacramental Organization Renewal	-	\$200
Collective Sacramental Cultivation Certificate	Permit	\$500
Sacramental User	Identification Card	\$50
Sacramental User Renewal	Identification Card	\$50
Business		
License Type	Description	Fee
Agent Registration	Identification Card	\$250
Agent Registration Renewal	Identification Card	\$250
Third Party Vendor	Certification	\$1,000
Third Party Vendor Renewal	Certification	\$1,000
Approved Vendor	Certification	\$1,000

License Type		Description		Fee
Approved Vendor Renewal		Certification		\$1,000
Research & Development		License		\$1,500
Research & Development Renewal		License		\$1,500
Request to Change Ownership		Change Request		\$1,000
Request to Change Business Location		Change Request		\$500
Request to Add Financial Interest Holder		Change Request		\$1,000
Request to Modify Licensed Premises		Change Request		\$500
OCR Certified Testing Facility		Certification		\$1,500
Testing Facility		License		\$2,500
Adult-Use Lounge		Permit		\$1,500
On-Site Cannabis Use		Permit		\$1,500
Cannabis Temporary Use Permit – Event Permit (Single Event)		Permit		\$250
Cannabis Temporary Use Permit – Event Permit (Multi- Event Bundle) <i>Maximum of 12 Events in a month span</i>		Permit		\$1,500
Business – Manufacturing & Dispensaries				
License Type		Description		Fee
Cannabis Manufacturing		License		\$5,000
Cannabis Manufacturing Renewal		License		\$5,000
Cannabis Dispensary* Application		License		\$10,000
Cannabis Dispensary* Renewal		License		\$25,000
Certificate to Operate*		Certification		\$15,000
Business – Cultivation				
License Type	Description	Flowering Plants	Immature Plants	Fee
Cannabis Cultivation – Application Fee*	Application Fee	N/A	N/A	\$2,500
Cannabis Cultivation Tier 1	License	51 - 350	201 – 1000	\$2,500
Cannabis Cultivation Tier 2	License	351 – 650	1001 – 2000	\$5,000
Cannabis Cultivation Tier 3	License	651 – 1000	2001 - 3000	\$7,500
Cannabis Tier 1 Renewal	License	-	-	\$2,500
Cannabis Tier 2 Renewal	License	-	-	\$5,000
Cannabis Tier 3 Renewal	License	-	-	\$7,500
Micro-Cultivation	Permit	0 – 50	0 – 200	\$1,000



COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
- POST AUDIT DIVISION -

P.O. Box 1690
Emancipation Garden Station
St. Thomas, Virgin Islands 00840
Phone: (340) 774-2478