

OHA Psilocybin Services - 2026 Part 1

RAC 2 - Products & Premises - Meeting 2 - July 9, 2026

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Good morning, everyone, and thank you for joining us. This is the 2nd meeting of the Oregon Psilocybin Services Rules Advisory Committee for Products and Premises. It is July 9th, and it is 9:00 AM. This meeting is being recorded.

I would like to share that I'm having a little bit of choppy video this morning.

So if that becomes a problem, I'll just go off camera and we'll proceed from there. And Emily, do you think we need another minute for folks to roll in before we, we just jump into it? We might want to wait just another minute.

That might be a good idea, just to make sure everybody who's planning to be here this morning makes it in. And yeah, thank you, Jesse. Your announcement, announcement came through clear, so hopefully we aren't going to have any glitches or connection trouble with hearing and seeing you today. I am going to take down our title meeting slide here and navigate to the copy of the rules that we're working through today.

Okay, so right now I'm where we left off last time at 4310 Service Center Temporary Events. Thank you. And we did receive your input on this rule as we were wrapping up yesterday, but we're starting here again just to ensure that everyone has enough time to offer whatever the remaining comments they may have. Jerry, I see your hand is up.

Yeah, I wasn't sure if it actually went up. I had to click on it a couple times. Um, I think I figured out my problem from yesterday too. There was 2 other Zoom meetings going on in my house, so maybe we were a bit short on bandwidth.

Um, yeah, I just want to reiterate that I think this rule is a little foggy and could be defined a little bit more if you're going to have it.

You know, for instance, okay, a staff meeting isn't something, but what about an open house or, you know, some, some type of group meeting that, you know, it's, it's a psilocybin informational meeting.

You know, there's so many things that are related but aren't you know, necessarily fall within these guidelines. Thank you, Josh.

Good morning. I just wanted to reiterate that it feels like these are, for the most part, unnecessary and are solving a problem that doesn't exist. And I would suggest that they be, for the most part, removed to eliminate unnecessary regulation where it's not needed. Thank you.

Mike. Yeah, I also believe this needs additional work if it's going to stay in here. It's not clear at all what is the criteria for evaluating what is an allowable temporary use.

You know, if there was a clearer explanation of that, then a service center could make sure that You know, what they're planning is going to likely be approved.

But you have a notification requirement. But, you know, you're just waiting then to find out whether it's going to be approved or not. And it's not clear on what basis that decision is going to be made. Thank you.

Mimi. Morning. I just want to be aware of the amount of admin work that we're requiring from service centers, from OHA, from manufacturers. I, you know, with the fees increasing, it's harder to staff.

And we're just putting, I feel like, a little bit more burden on staff when we're unable to hire more staff. I just want to be highly aware of that sort of admin work. Thank you. Gary?

Yeah, I guess one thing I would like to add is, you know, again, the no alcohol rule. I get it if, you know, it's not out of service, but if you take it out of service and you're having an informational night, not quite sure why you can't have Beverages. Thank you. Courtney.

Thanks. Good morning. Yeah, just want to reiterate that this section, this rule is sort of the perfect example of rules being added on to this program that go well beyond what's justified and makes sense for service centers to be able to operate. Um, and it's indicative of a pattern that continues to drive up the cost of running this program for you all, for us.

Uh, as I said earlier, like, this is just more admin work for us unnecessarily. Admin work, you know, and there's hundreds of examples of this little admin pieces, right? That, like, alone. Are maybe insignificant, but when you bring them all together, it just adds unnecessary cost to this program.

Thanks, Mimi. I guess again, I want to mention where it says, you know, to submit something that is adequate and complete. Just what does that mean?

You also give one example of you don't have to alert of a staff meeting.

That's just one example. If- I think if you're gonna give one example, it would be nice to give more of- more examples of what you don't have to write in for, maybe even things that you don't need a response from OHA for. If there's, you know, something that happened that created the reason for creating this rule, maybe we only need to reply for that type of event. Just, I think just getting a little bit more specific would help.

Thank you, Gary. Yeah, on that point Mimi just made, you know, I mean, I think it's highly, well, straight up humorous that you, that a staff meeting would even be in there. I would sure hopefully hope that we don't have to take our service center out of service just to have a staff meeting.

So yeah, I mean, total overkill.

Thanks.

Okay, should we move on to licensed premises operating requirements? Yes, and there is only one change in this rule. It is in Section 7, and it is an amended reference because we changed the rule number on the prior rule.

So if anyone has a comment on the amended reference, we could take that, or we could move on to the next rule, 4480. I guess I'm not seeing the amendment you're talking about. It's very slight, Gary. In Section 7, there used to be a reference to 4300, and that's now a reference to 4310.

Got it. Thank you. Yeah.

Okay.

In the next rule, 4480, we have several clarifications. The first is in Section 10, and it's a clarification that service centers may not remove products from client packaging for repackaging or any other purposes.

We also have some clarifications around promotion of unregulated cultivation and processing in what is now Section 11.

So that includes providing instruction related to home cultivation, and we have included similar language in every license type.

So I think you saw it in manufacturers earlier when we met, and it's also included in facilitators as well as labs. And in 12, service centers may not promote unregulated consumption of psilocybin products, including scheduling clients to consume psilocybin at an unlicensed location or recommending that they consume products at a location other than a service center. 14, we have a new provision which requires that service centers take reasonable steps to ensure that the areas that they control that are adjacent to or outside the premises do not present a safety risk for clients entering and exiting. For example, a parking lot. In Service 15, this is language that is also contained in statute, but we're putting it in the rules as well because sometimes people only look at the rules and not the statutes.

And it states that a service center may refuse to provide psilocybin products to a client or potential client for any reason, but there's an exception for This does not excuse service centers from complying with applicable nondiscrimination laws. That concludes my summary. Mimi, maybe did you have a comment?

Okay.

Josh. Um, uh, in terms of number 12, um, this was brought up, uh, previously, uh, related to harm reduction and education. Um, would that be appropriate to include that, uh, harm reduction information if clients are going to be, you know, consuming like they're asking about? Microdosing, for example, are we- would that be allowable to offer harm reduction information and education?

So the prohibition is on promoting unregulated consumption.

So I think Your question kind of depends on the information that is being provided. Um, it would be kind of a fact-specific inquiry.

You know, if there's a difference between saying, uh, you know, here's some issues or dangers that you might want to be aware of for unregulated consumption versus saying, yes, I recommend unregulated consumption.

Um, you know, I used a very kind of simple example there, but that's an example to show that it would be a fact-based determination.

So would this allow us, if someone is saying I'm going to be microdosing, how, what should I do? If we offer guidance, would that be considered promotion? I mean, I think it could be, you know, if it was pushed, it could potentially be considered that.

So I was just wondering about clarification related to that. Yeah, it- I mean, I think it would be very much dependent on the facts.

So it's difficult for me to provide any more context than the example.

You know, I provided a very obvious example, but, you know, it's going to, I think, in every case depend on the the facts.

Mike? Looking at Section 15, I would- excuse me, I would defer to the service center owners, but I would think that interpreting Section 15 might require consultation with their attorneys to make sure that they're actually in compliance of that. I- that leaves a lot unsaid in that requirement, I think. Thank you.

Courtney. Thanks. For number 12, my feedback would be to eliminate this.

Also eliminate it where it's included elsewhere.

For facilitation and manufacturers. I think that the harm reduction, the provision of harm reduction material, in the example that Jesse gave, pretty clear. I think that it would become, there'd be myriad of reasons why it could get very sort of complicated and like whether or not we felt like it was important to provide a client with such information and whether somebody deemed it as promotion or not.

And so this is outside of the responsibility of the OHA.

And so I think there's not a need for it here. Again, we're adding things on that weren't here before unnecessarily because of maybe one bad apple or one bad- one person did one thing once.

Okay, so My recommendation is to get rid of this. For number 10, any other purpose is very vague wording.

Maybe you could clarify any other purpose is.

Okay, I understand repackaging. Any other purpose, like wasting out, if we're wasting it out and then some falls out of the packaging, is that then Uh, are we in violation now? Um, uh, for number 14, what is an example of a reasonable effort specifically?

Like making sure there's not like nails, um, on the ground outside the door before they walk outside? Um, like in what case would, uh, a service center be in Violation of this rule. Yeah, again, we always ensure client safety is our number one priority, and we all want them to exit and enter in a safe fashion, all clients.

So again, this just seems like once again unnecessary rule.

Thank you, Gary. Yeah, I agree with this conversation thread and think I just mainly am adding to it. But, you know, 10 under service centers, I agree. I think this is pretty vague, and even the comment client packaging.

Um, you know, I don't believe the client actually packages it.

So I think that wording is a bit strange. Um, obviously, yes, once we give it to the client, I suppose it's their product as we can't administer it to them, but it's really the vendor packaging. And, um, that once it's given to the client can't be used for any other purpose.

I just think it needs to be defined better. As everybody has said. I think on 12, again, you know, the harm reduction aspect needs to be considered in this. Obviously, the one statement that makes sense is the including scheduling clients to consume psilocybin at an unlicensed location.

I suppose if you are a licensed facility and you're scheduling people to meet at an unlicensed facility, that would be an infraction, obviously.

I also think that number 12 needs to extend to manufacturers and facilitators. I believe there's a lot of facilitators that walk the line between underground and legal facilitation.

So I think where you might see this the most would be in facilitators working with some clients not in a service center.

So I think that's a huge omission if you're going to have it in there. I think, you know, obviously your licensed facility scheduling something somewhere else is an obvious infraction. I think we need to define the word promotion. That's pretty vague.

And then, you know, 14, isn't that already covered by city code, fire code, our insurance?

So I think it's a little overkill or needs to be defined better if it's above and beyond basic business requirements for accessibility that already exist for many other agencies. Thank you. Yeah, and I had raised my hand just to provide a little bit of context, and then we'll quickly get back to Mariah.

Client packaging is a defined term, and it is the packaging of the product that is required at the manufacturer level, and then it goes to the service center, and then it finally, after it is transferred to the client, the packaging is opened by the client.

So I just wanted to provide that context.

And also regarding the comments that the requirements should extend to other license types, those are proposed in this rulemaking. There's similar language that extends to all license types.

Thank you. That's just in another area? Yes, it's in another rule section.

Okay, thank you.

All right, Mariah. Good morning. Um, I also share concerns on number 12, and I also like give validity to what Gary just said about like, um, sure, like service centers should not be, um, scheduling people at unserved, unlicensed service centers or opportunities. Um, but I think that there's issues with a lot of the vague wording.

And I think that Jesse gave a very black and white example, but I think the reality is that reality is not black and white and there's a lot of gray area. And then I think whenever sometimes facilitators ask for clarifications on these rules, we're met with just a repeating of what the rule is. And it's like, that didn't help.

So if the answer or the solution is going to be for us to just reread the rule that we've already that we're confused on.

There should be more clarity from the start. And we should also consider the impacts of, like, people acting in fear, like out of fear, not helping people who need help because they're scared of an infraction of their licensure. And then someone else can go out and, you know, experience real harm.

And so I think there should be explicit Verbiage for harm reduction on every single one of these things.

And, and just like a very clear, explicit, you know, rule if you're going to have it. And that would be my input there. Thank you.

Okay, are we ready to move on to the next rule?

In this rule, we have only one very minor edit proposed, and it is in 3. Previously, we had referenced submitting written notice by electronic mail. We're striking electronic mail because that would provide flexibility to give the notice via the TLC portal.

So this is just a very minor edit, and I see that Courtney, you have your hand up.

Yeah.

You know, I think we've seen this sort of, you know, happen a few times on these.

You know, it's cutting out, eliminating the option for TLC and instead designating the form.

And so I guess my question is why we were removing that flexibility, which was nice to be able to message in TLC instead of the form.

You know, this is frankly an implementation issue where it's easier to have to locate the record if it is a PDF rather than a TLC message.

So You know, that question wasn't necessarily directly related to the text, but, you know, what the text does is it allows- the change to the text allows this form to be submitted either via TLC or in another manner by removing the words electronic mail. Got it.

So we still submit it via TLC, just with attachment?

Yeah, I mean, I cannot provide detailed implementation information right now. That'll come later in the year. But this provides the flexibility to do it that way. Got it.

Thanks.

Okay, we have a perhaps the most boring edit we will see today. In Section 5, we have renumbered the reference to the subsection 5203.

Okay, in 4900, this is collection and maintenance of client data, and we're doing 2 very minor things here.

We're removing an obsolete date reference. We're clarifying that when the reporting is done, it must be using the form published for the current reporting period. And then in 5, we are specifying that it is the form published on the authority's website. But can we take the pause to mean that there's no comments here and move to 4910?

I mean, I guess I'm still trying to process this one a little bit.

Yeah, sorry for rushing us there. Please go ahead. Is that what we're doing already?

It is this. I mean, this is a clarification.

Okay, in a form and manner prescribed by- got it. Thank you.

Yeah. On the next rule, 4910, we do have a substantive change, and it is in Sections 4C and D. Legislation in 2026, House Bill 4040, made an amendment to the way that average doses are reported by service centers.

So previously, there was 1 value that was reported for average dose consumed by clients.

Now we are going to have 2 values that are required to be reported by statute. The first is for doses higher than 5 milligrams of psilocybin analyte, and the second is for doses of 5 milligrams or less.

So, Sorry, we can't get those both on the same page. The page break landed a little funny this time.

But those are the changes to rule, and they match the changes to statute.

So I just wanted to highlight that for the group that, you know, beginning January 1st, the average dose reporting will change. Gary, I guess I can see where that would make sense for tracking data, and it would be simplified if it was TPE and we worked within your system. If you know what I mean by that.

Yeah, I, I understand that you, your input is that you would prefer to see the TPE value reported rather than milligrams of psilocybin analyte. And I would- Yes and no. I mean, I think we need to go to the TPE just to simplify it. I understand why you want to quantify micros versus macro doses separately.

But I think it goes back to your system only being able to enter the psilocybin analyte rather than TPE. Is that correct? Or- Yeah, I would like to clarify for this rule. I, you know, I think your comments are, are perhaps more relevant to the rules that we have discussed in the previous meeting.

In this case, the statute itself uses milligrams of psilocybin analyte so that the language that we see in our rule follows the statute nearly identically. It's nearly word for word.

So, you know, in this instance, we really have no choice but to use psilocybin analyte regardless of of system constraints. Josh.

If I'm understanding this correctly, that these doses, I understand the separation between a microdose and a macrodose being reported, and again, the issue of only reporting psilocybin versus TPE. If though, if I'm understanding correctly, if we're just reporting psilocybin, then that information is not, doesn't accurately reflect what the participants are actually taking, what the average dose is because of the variability of psilocin content. Am I understanding that correctly?

You know, in, in the context of the other rules, we were talking about the variability.

In the context of this rule, we're really just implementing the language in the statute, and the language in the statute is milligrams of psilocybin.

So if this were to change, it would require that a change to statute in order for the rule to remain consistent. And that would take a measure or a bill, correct? Yeah, that would happen through the legislative process.

That's not something that the agency could do. And just a reminder that when Jesse's saying statute, this has to do with the Service Center data that's submitted each quarter that was first created by Senate Bill 303.

So we call it the 303 Service Center data. Go ahead, Courtney.

I guess I just want to ask a clarifying question about the goal. I think that would maybe help sort of understand this. Basically, you're trying to- we'll be inputting 2 numbers. For average dose, now the one average for all sessions in which it was under 5, and an average for all sessions that were over 5, so as to maybe get a better, clearer picture of sort of the number of larger sessions or higher dose sessions, and then the number of microdose sessions, right?

That's correct.

Yeah, so the legislative testimony on this bill was that, you know, we weren't getting it when we only produce one average, we weren't getting a true reflection because the, the very low doses were skewing the average.

So we'll have more information about this at the end of the year when we send our letters, as we typically do, because service centers may need to adjust some of their business practices as far as like recording their dosing in a manner that will allow them to report these 2 separate values. And Jesse, just to confirm, this change was made in House Bill 4040 and passed by the legislature this year, correct?

That's correct.

So, you know, Emily was referring earlier to Senate Bill 303, which was adopted in a prior session.

So this is the new bill, House Bill 4040, which did a couple things for psilocybin, and this was one of them. Josh.

This is coming from a place I am naive in terms of government and how things are done at this granular level. But I just want to point out, does it make sense? Is there a way for the Senate to give the OPS the authority to make these decisions? Because it seems strange to me that a bunch of senators and folks like that are making decisions at this granular level when it's unlikely they have any clue what they're talking about.

Can they give us authority, you guys authority to make decisions? Because unless they're going to be doing journeys and have any sense of what they're talking about, it seems, I don't, it doesn't, I don't get that why they would make decisions at this level, if that makes sense.

You know, speaking very broadly about rulemaking authority, agencies will often get a general grant of authority within the statutes. In our case, When you are looking at these rules and it says statutory authority, in this case it's more specific, but in most rules you'll see a reference to 475A.235, which is, you know, the general grant of authority to the agency to adopt rules.

Sometimes statutes give agencies specific directions, you know, to adopt a rule that does X. And other times, there is no grant of authority to the agency, and we just follow the statute.

And so that's what's happening here.

You know, there is no discretionary authority for rulemaking on this issue.

We're just amending our rule to comply with the statute. Courtney. My comments on this are that in the future, with the folks, the senators and the lobbyists and the folks at the lobbyists for represent that introduced bills like SB 303 and House Bill 4040 provide funding to service centers and staff to be able to collect and report all of this fun data. Maria.

As someone who does a lot of the reporting, I support what Courtney just said. It takes a lot of time, and so, um, just The- I, I understand it's straightforward. I love the separation. I get the difference and the skewed values that come from it.

I, I get it. Um, but it is more time. It's just adding more time.

And so if there is consideration for the financial and time consequences that come along with these changes that they seek, that I also understand, it would be great if like we could, um, help each other help each other.

Hey, are we ready to move on to 4930?

So this This rule was actually included due to a sorting error. It was intended to go to the other table, and it did go to the other table where it received input. In the interest of transparency, I'm going to explain what it is.

So this relates to the required licensee and applicant data that is submitted under Senate Bill 303.

So it removes an obsolete date reference. It specifies what it means if an application is incomplete in the new Section 2, and it also specifies that this information is required on new applications and renewal applications. And I would also note, because there

is some very sensitive information there on the page, that every applicant and licensee, when they submit this form, has the option to not answer any of these questions.

Questions. I just wanted to state that for the record. Gary? And I guess I'd like to just say for the record that in this current environment and administration that the opt-out is very important, and I would be very careful about adding any more Um, reporting requirements like this.

Uh, just, uh, it's the world we're in, man.

So, uh, for the record, thank you, Gary. Careful with those things. Thank you.

Larry, you know, where does it say that you can opt out in this? It says pretty clearly you must do this.

Yeah, so our interpretation of the statute is that the forms must be submitted the opt-out is essentially a constructive opt-out because every question on the form has an option that says, I choose not to answer. But it doesn't say that in the rule.

Right. It says that you must submit the information, but contained within that submission is the option not to answer.

So your comment, I believe, is that The implementation that I described is, is not documented in the rule. Yeah, I would say so.

It should clearly state that it's optional or whatever the wording would be proper on it, because it doesn't say that right now. Thank you. Yeah, I think the language of application must provide information feels pretty like compulsory or like, like you must do it. And I think for those with sensitive backgrounds or that aren't of the norm, that could feel like it instills fear.

And so maybe just having a sentence that talks about what Jesse just addressed of the reality of like that the form that has those questions must be submitted, that that is the must is a submission, but not that you must provide the information. Or if there is that, then indicating that there is the within that form that you must submit an option to rescind information on each individual question. Yeah, I think that with how I mentioned earlier, sometimes we ask for clarification and then are returned back to the exact rule that we were confused on. Making it as specific or as clear as possible would be greatly appreciated, and then also save your guys' time as well for not having to field those questions so often.

Thank you. Gary. I completely agree with Larry and Mariah on this, that if you're going to have that wording in there that it's required, that you also need to, you know, have wording such as even if you opt out of the information, the form must be included because, yeah, there's nothing in here about an opt-out. Thank you.

Thank you, Larry. Yeah, it's must is a it's a hundred percent word. There's no there's no vagueness to must. To me, that's another equivalent would be shall, and perhaps should be changed to a should, which does imply.

The ability to opt out or to clarify or whatnot. Just a thought. Thank you, Courtney. Yeah, I support Larry's comment on replacing shall with should.

Is that what it was? Making it more of a less mandatory or compulsory and more optional. Thank you, Mike. I'm a little confused with the requirement here, whether it's a requirement to submit the form or a requirement to respond to.

All the questions on the form, which allows for opt-out of some of those elements. This suggests that you have to and are required to and must and shall respond to every single demographic question on that form, and if you don't, then you're in violation. And I think the spirit of this, or the meaning of this, is that you're required to submit the form itself. Thank you.

Thanks.

Okay, so sequentially, the next rule is 5250, but we took this out of sequence when we met on Tuesday.

So we've already covered 5250, and we're going to move on to 6030, which is the laboratory licensee prohibited conduct rule.

You know, I referenced that there was some similar information in other rules about promoting unlicensed activities.

Here we have it in the laboratory rule where there is a prohibition on promoting unregulated cultivation and processing of products by providing information and instruction related to home cultivation or offering sales, mycelium, or other cultivation materials for sale. Sam. Yeah, just one thing on, on here. I don't know what all business lines our one lab has, but cultivation of psilocybin mushrooms is the same cultivation of every other kind of mushroom, or I mean, obviously there's some variations there.

But like, if the lab was making money off of selling monotubs for different kinds of legal mushrooms or things like that, I just would be concerned about putting in a rule that removes a legal profitable revenue stream for, for the lab. Thank you. Looks like maybe Gary Popped off, and I'm going to admit him back in now.

Okay, do we have any other comments on this laboratory prohibited conduct rule 6030?

Uh, yeah, sorry, I'm seeming to have some technical difficulties. The raise hand has disappeared on my screen for some reason. Um. There we go.

Now I'm finding it. But, uh, yeah, I guess I would just, uh, you know, say that spores and a lot of, uh, you know, you can buy them at local grow shops now. Um, I realize OHA doesn't have jurisdiction outside of licensees. Yeah, I don't know.

I just feel funny on this one when you can go down to- I agree that maybe licensees shouldn't be doing that, but you can just go to the shop 3 blocks down and buy spores anyhow.

You know, to my knowledge, there's no mycelium being sold Legally, maybe there is on the internet as you can find anything. Yeah, yeah, yeah, yeah. Whatever around that came in in the last, yeah, yesterday and the day before.

Yeah. She already checked.

Okay, sounds like. All right, thank you.

Gary, were you complete on your comment? Yeah, I think mostly, um, you know, I just think we have to on the black market again as well, uh, you know, it's totally legal to sell spores and there, you know, there's grow shops that, uh, you know, sell spores, sell grain, all that. Great. Um, I think that's important and especially if we ever can move to Uh, you know, a homegrown or a more relaxed over-the-counter type of model.

Um, yeah, I don't know. I just think something- it's great that you can rein in the people that have licenses, but I think you also have to start thinking about those who don't and how your role at OHA plays into Uh, especially the black market of finished produced product. Um, it's coming from somewhere. That's all I have to say.

Thank you. Thank you, Courtney. Um, yeah, uh, this feels just like an unnecessary additional rule, um, for our one laboratory licensee. And I think any sort of extra burden, whether or not the laboratory licensees are engaging in any of this, this rule wouldn't- shouldn't matter and shouldn't be included.

This also is not just a sale, it's also again providing harm reduction materials potentially.

And so the burden of that being on a laboratory licensee having to make the distinction between a maybe gray area call here would be challenging and just feels like an unnecessary inclusion on our one laboratory licensing. Thank you. Mike.

I'm just curious as to whether this puts OHA vulnerable to a constitutional challenge since spores are legal. And to not be able to discuss that may constitute a First Amendment violation. Thank you, Gary. Looks like maybe I just didn't lower my hand, but I'll go ahead and to give a point on this, uh, since you called on me, that, you know, I think this is, uh, and I realize this is statute, but I think this is one place our statute needs fixed is, uh, maybe you should allow home grows and maybe they should have to buy their spores from a legal licensed facility.

Probably not the lab, one of the manufacturers. Um, but I'm a proponent that, uh, the statute needs fixed and that we should allow, um, homegrown and low dose over the counter with supervision and appropriate screening. Um, I think there's some fixes that need to be done in the statute, and this is possibly one of them. And The fact that OHA cannot enforce anybody acting outside of a, uh, anybody outside of a licensed manufacturer.

I mean, we're talking about paying a \$20,000 license fee here, and you can't enforce unlicensed actions. Hmm. Seems strange, but it's my opinion. Thank you.

Mariah. I just want to support what Courtney said about just the recognition that we only have one lab. And I think that we should strongly consider any additional burden or effort or financial, or like, if, if the lab stops, this ends.

And so, um, with great caution and care, should any additional burden be placed upon them, um, or interpretation or risk of them, um, losing their licensure, um, because that stops and this all stops.

And, um, yeah, it is legal. To sell spores for the sake of microscopy.

So that's something to maybe just like remove that part, leave the mycelium or other materials.

So there's less room for like interpretation and less risk of them potentially losing their license.

Thank you.

Okay, if we're ready to move to the next rule, it is 6100 Advertising Restrictions. And the new text is in Section 3, and it clarifies that when a licensee purchases advertising or otherwise directs a third party to perform advertising on their behalf, that they are responsible for any violations related to that non-compliant advertising.

I'm sorry, I think it's going to take me a minute to get a new copy up.

I, for some reason- oh, does your copy cut off? Yeah, it does.

So I will bring up my Word version here. This is my- okay, sorry everyone.

And just so we all know, we're doing well on time today. We have just a few more rules to cover, and then we will move on to a review of the statement of need and fiscal and equity impact statement. That impact statement will contain some evaluation of the impact of the proposed rule changes on the cost.

So we will have another opportunity to discuss license fees when we review that impact statement, which was shared with you via email on Monday.

And Emily, if you need me to email another copy, please let me know. Yeah, getting it up right now.

Okay. I think we're there.

All right. And thank you all for bearing with us on the navigation of these technical issues.

Okay, so I summarized this text previously, but it's really just a clarification that when a licensee directs a third party to advertise on their behalf, that that licensee is responsible for the content of that advertising. Josh, can you- what I'm not quite understanding this.

Is it just saying that if the licensee advertises that they're responsible for what they're advertising? I mean, what is I'm not understanding what the purpose of this rule is. Yeah, it's a clarification that if a licensee directs an unlicensed person to do advertising on their behalf, that the licensee is responsible for that conduct. Is that- isn't that kind of like- it's arguably implied already.

Yeah. This, this is a clarification making it explicit.

Okay. Mike.

Yeah, I was just wondering about the term social media influencers and whether that implies that they are somehow being paid or under some kind of contractual agreement. With the service center. I mean, there's a lot of social media influences out there that

are kind of doing their own thing independent of any kind of direction or guidance because they want their own clicks.

So I think that that could be problematic if someone takes off and does their own thing that is not specifically paid for, authorized, contracted for by the service center licensee.

Yeah, so to respond to that briefly, I think in this case the keywords are at the beginning of the clause, and that's if the licensee directs or authorizes.

So if somebody was doing their own thing, it would fall outside of the rule. Gary. I mean, I guess I understand the intent of this.

I thought it was a given anyhow that if we hired an ad agency, a digital agency, anything like that, that we had to make sure that their content was within our regulations. I've definitely spent a lot of time educating different agencies and marketing people we work with that what they can and can't do. I guess my bigger question would be about unlicensed advertisers and not just influencers, but people advertising services as if they were licensed. I see a lot of that going on and a lot of misrepresentation of their license status.

Thank you.

Okay, are we ready to move to 6150? 6150 is a modification that requires a licensee to be present when an inspection takes place.

So you'll see that modification in 3, where it used to be the licensee or licensee representative, it is now licensee. Courtney.

My question is, why? Why does this need to be the licensee? For example, Mariah could do probably a better job than I at leading you through our inspection process upon renewal. And if, say, one of my kids has an emergency and needs to be in the hospital and we have our inspection that day, and it's the only day that works for you guys, and it's the only day that works for us, Like, why are we including this?

We could reschedule, I suppose, but it just seems unnecessary.

So the rationale for this rule is that the licensee is ultimately responsible for the compliance at the licensed premises.

So if there are any issues that come up during a an inspection, it would be preferable to communicate with the licensee directly. It does not prohibit additional people from being present at the inspection, and of course, if there were scheduling issues, our staff would work with you to address the scheduling issues.

Courtney? Respectfully, it feels like those issues could be communicated to a third party, somebody there, and then communicated to the licensee, um, all the same. This just seems silly. What are we doing?

Thank you, Kelly. Yeah, I just wanted to ditto that. I mean, I don't see why you can't have a representative mutually agreed upon between parties that conducts that? Thanks.

Mike? Presumably, following an inspection, there would be documentation of the findings, any violations or concerns that would be written up, and those could be communicated in writing in a document. To the licensee, further clarified by their representative that they were there.

So again, I think that the written documentation should serve as the formal notification to the licensee of any concerns or potential violations or corrections that need to be made.

Thank you. Mimi. Thank you. I just want to second 3rd and 4th that, um, I mean, our founder has absolutely been here for every inspection, and I think she wants to be.

But if, uh, if she can't for some reason, um, I or another staff is absolutely capable of walking someone through the inspection.

And so this just seems unnecessary. Thank you, Courtney. Yeah, just to reiterate what Mike said, they do in fact send you communication with any outstanding issues or changes there that were discussed during the inspection.

And while I am planning on being there at every inspection, I've been there at every inspection again, like Mimi said, like It doesn't make sense to require it. Larry, it would seem to me that this would be a pretty easy fix by just putting in licensee or written designee, or just, you know, designee. But You know, part of the person's job description could be easily documented. Thank you.

Okay, if we're ready to move on, the next rule is 6160, and this is just a minor clarification that when we refer to evidence, we also include include information recorded in the product tracking system. This list in 1 was always including but not limited to, but this is just a clarification.

Okay, is there- there's no feedback on 6160. We can move to 7020.

And in 7020, we made a change to Section 6, which describes what happens for test results that are greater than- older than 1 year.

So these are expired test results. We have removed the provision that it could be tested again, and we're now requiring the product to be destroyed and designated as waste. I'm not aware that we have had any products that have had test results of 1 year, aged greater than 1 year.

You know, folks who are in operating service centers would probably have a better understanding of the market realities there, but this just specifies that if that product's test result is 1 year old or older, that the product must be destroyed because it's no longer a valid test result. Tosh, was there some issue that arose that said that, that made it necessary to put this rule in effect? Was there, was there a problem with it as written that if it's, it's old, it could be retested? What is the thinking behind that?

So it's my understanding that the rule as written was a mismatch with the system capability to record a second test result.

So that's kind of the back office, and I see that Steve, you may have something to add here as well. Thanks, Jesse. Yeah, another consideration is that the way our testing rules are written would require essentially require all packaged material to be returned, commingled, sampled again for the purpose of retesting.

And that's just not really feasible once things are tested, packaged out, and sent to licensees to kind of, to bring that all back in order to perform the testing as we do, as we require with a representative sample being taken and homogenization steps and then the actual analytical work. It just, it really isn't feasible.

So the way this rule was written before didn't align with the way we perform testing. Thank you.

Sorry, Gary. Yeah, I mean, didn't we address this in the retesting at a year last year, if I recall? And this may be a clarification or, or really kind of a contradiction of, of that. And is this based on any degradation of the product or You know, to my understanding, if you have TPE again, uh, the psilocybin would be converting to psilocin.

Um, but is there any studies that it increases or decreases in potency if stored right? And, um, again, I'm just concerned about you know, designated waste, added testing costs, just trying to streamline and not make regulation for the sake of regulation. Thank you. Courtney?

Well, we get a notification in the TLC product tracking if we have a product that needs to be destroyed. I cannot answer that question right now, so I'm going to record that as, if it's okay with you, as a comment that you would like to get notification. I mean, I think so, rather than having to go through everything, and we have like 20+ different, you know, product lines.

And so might be more expensive for you guys to do it than us.

I don't know. But this just seems like, I mean, you know, you don't have to ask that question, I guess. I'll, yeah. Strike it from the record.

Maria, is the, like, the best-by packaging that is on our products, is that reflective of the, like, when the lab report would have expired, or is that a different date that's based off of the packaging. Yeah, thank you for that. I can offer some clarification. These are 2 separate dates.

So the best-by date is a date that the manufacturer chooses. It's not specified in rule. The 1-year expiration is the date that is the hard limit in rule.

So you may have a best-by date that is less than 1 year, but after 1 year after the test results, this rule would require the product to be destroyed.

Gary? Yeah, I guess my comment was somewhat of a question towards Steve if there's any scientific evidence of a need or change or degradation in the product. Um, I, I think, yeah, I, I don't think that we're aware at this point of, of any sort of rigorous studies, um, on, on expiration dates. Um, I, I, I know during our potency work group that we put together in March, there were some papers about sort of the, the degradation of psilocybin into psilocin and then psilocin into its degradation products being, when stored correctly without the presence of water, being quite a bit longer than, than like anecdotally people had said.

But I don't think we have any thorough data to, to inform us on that. Mariah. Oh, I'm already unmuted.

Sorry.

It would be helpful to know what that lab date is. Maybe not like an item that you guys have to like alarm us with within OPS, like a, a message. But you know where there is the category of information of like the milligram per gram, like in your product tracking, maybe having the lab date just listed there of when it was tested.

So then we can be mindful when we're glancing at our inventory each day we have a session.

Um, I would say a lot of our dried products Um, like whole or homogenized, um, go pretty quickly. But we do have some honey options that don't maybe go as fast. Um, and so it would be nice to know that we had to get rid of something. Um, and I think that maybe just listing that in the tracking wouldn't be too much of a burden, just having another line item.

Something to consider if this were to be implemented.

Oh, sorry for jumping in there. Were you complete? I would like to call in- we'll get to Kelly in a sec.

I would like to call in Steve again to talk a little bit about what is on this, the COA, which is an acronym that I always get wrong. Certificate of Analysis, I believe it is.

So the This certificate is the complete lab results, and it is required to be included with the product information document in 2410.

So, Steve, would that information that was just described be on the COA?

Yeah. Yes.

So we require that the labs would include the date of testing on their certificate of analysis report.

And so as Jesse said, that's included with the information sheet, right?

Product information sheet.

So you would have that information in there. And I can't speak to what's in the tracking system, but it would be at least available with the lab report. Kelly?

Yeah, I'm just really curious about the why behind this. Like, why is this being stricken out and being required to be destroyed? I mean, it seems like maybe it could be an option here where you can test it again. If it fails, then it's destroyed instead of just saying you've got to destroy it.

But it just seems a little, little, little much. I mean, why not test it? And it's not chicken, right? And it's not like gonna go bad and hurt somebody.

So, um, yeah, you know, Steve described earlier how resampling the product after it has been packaged for testing is kind of a practical impossibility.

So we had a rule that really didn't work as far as, you know, why are we setting the 1-year product expiration or testing expiration date?

You know, again, as Steve mentioned, we don't have peer-reviewed data on product degradation, but some of the available data that is out there suggests that psilocybin does degrade over time. There may be some conflicting information saying that if it's stored properly, that's not an issue, but kind of in an exercise of caution, these rules require that the product's destroyed after 1 year.

Gary? I guess I understand that You know, the retesting would be a logistical nightmare. And, um, but, you know, also this causes a big inventory issue.

You know, if we're taking inventory and just counting SKUs versus counting inventory and taking the time to read the testing date on every single COA, Your inventory time could double or triple.

And that's a cost. And unless there's scientific evidence or studies that says this product is heavily degraded one way or the other, or unsafe, this makes no sense. Thank you. Courtney?

Yeah, I agree with Gary. Inventory work is not quick work, and going through all the product information sheets for each product, including that figuring out exactly when it would have to be destroyed by, if it was up to a year, adds way more time to the entire inventory process on our end. And as Gary mentioned, in the absence of good data science that says 1 year is the appropriate amount of time for it to be destroyed, then I think this, this just adds cost once again unnecessarily. We are at 10:30. 30, which I think is around the time we had scheduled a break for this morning's meeting.

So, yeah, and as a reminder, we covered 7040 on Tuesday.

So we will come back after the break, and we'll start on 7050.

So thank you all. We will reconvene at 10:45, and we'll just turn off our cameras and our videos, and we will see you then.

Thank you. All right, we're at 10:45, so just calling everyone. Back to the second half of our meeting here.

Okay, we'll give everyone a chance to get back here and on camera.

Looks like we're all here.

So in the next 2 rules, 7050 and 7090, we are making some very minor changes in order to achieve consistency with changes that ORLAP is making on their side regarding using decimal points when we express numerical values.

So, Steve, I don't know if there's any other context you would like to add on this. Sure.

Yeah, this is just, you know, adding significant figures that are important for, like, reflecting the accuracy of a scientific measurement.

And so in this case, for the solvent testing rules that we're looking at on screen right now, Changing it to say 3,000.0 micrograms per gram for methanol simply kind of specifies that labs can't test for something and say, oh, well, this turned out to be 3,400 micrograms per gram, but that's gonna round down to 3,000.

So adding the significant figure is just an important way to make sure that we are consistently expressing test results in a way that have the accuracy that's that's required of it. And as Jesse said, we've been making these changes in some places we didn't have

sort of adequate significant figures.

So this is aligning the 2 separate sets of rules.

Okay, if there's no comments on significant figures, we can move on to 7120, Failed Test Samples.

So the significant change here is the deletion of the prior Section 1B Um, we had a rule that, as written, did not match the market reality of there being one lab in the system.

So the prior text required that if there was a failure, the original lab could retest, and then if the second test was a pass, it needed to go to a second independent lab to do an additional test.

So of course, this doesn't work if there is no second lab.

So that has been- that section has been deleted, and it has been replaced by, if the sample passes, OHA may require another laboratory to resample, but it's a may. Rather than a must.

Okay, so if there's no comments on that testing rule, the next is just some minor clarifications in the product tracking rule.

These are going to be in subsection 2BF and H.

Also, we've got one later down in 3AE.

So just really quickly clarifying what we mean by receptacles. In F, specifying in H that the contact will be via phone or email.

That's if there's an accident or another situation on the road involving product loss. And then for overnight stops where we used to Excuse me, these are not necessarily overnight stops. I misspoke. Oh no, it is.

I did not misspeak. It is an overnight stop.

Sorry about that.

So it used to be location and duration, and we've added purpose.

Those are the changes that are being proposed in this rule. Gary. Yeah, I guess my first question is regarding the shipping receptacle. What is the definition of that and what is acceptable?

And then I guess the other part of it is I didn't even realize there were overnight stops allowed, which is great because there's been many times I've come in at 10, 11 o'clock at night and had to register product after picking it up since we don't really have any manufacturers over here. We have to pick up from the valley.

So it's great to see that. But yeah, explain the receptacle, please.

Yeah, so it's, it's not defined in these rules, but it doesn't have to be any specific type of receptacle. It could be a cardboard box, it could be a plastic tote. But what this requires is that when a receptacle of that type contains products that the UID, or excuse me, the UIN, the unique identification number, is affixed to that receptacle.

So to put it in very plain words, if you are putting your psilocybin products in a box, we're asking that there be the unique identification number on the box.

And that's, you know, all has always been in place. We are just clarifying the meaning of the term receptacle. Yeah, I guess the UID on the box makes sense. I'm still struggling that I don't think you've defined receptacle.

No, it is not defined. I guess that's one example of not overregulating then. We can put it in whatever we want.

Okay, do we have any other comments on this product transportation rule?

Okay, the next rule is product tracking, and we have made a clarification here in 3B and C. The prior language said train and authorize any new product tracking system users, and that has been replaced with more clear language in C, which says ensure that all product tracking system users complete the training and document completion in a form and manner prescribed by the authority. And that's the only change proposed in this rule. Mariah, is there currently a form that talks about training, um, or is there specific expectations of what should be going on in the training?

And where do- yeah.

So that kind of felt like 2 questions. I mean, the first question was, is there currently a form to document training? And the answer to that question is no.

But then, as far as are there specific expectations for training, This is not my area of expertise, but I believe we have training videos and other resources available that have been offered by the Section. Where is that on the website? There's a TLC System Support webpage that includes video trainings. And then you guys will have a form in the future as this goes.

We, yeah, we can't answer that right now, but we will follow up with that during implementation at the close of the year.

Okay, Gary. Yeah, and I guess I would ask on that form if it's an actual form, which it sounds like at this time it's not, or if it's referring to form as in just type and manner prescribed. Um, just, I guess, a clarifying question on that, especially since you don't have a form.

And quickly backing up on the labeling, um, you know, obviously that's more on the manufacturer to have whatever you're picking it up in, whether it's a box or a sack or whatever. Um, say you put 10 boxes you pick up from somebody in a Rubbermaid in the back of your- in your trunk. Does that Rubbermaid need to have the identification sticker on it too, or that each individual box inside of it, is that enough?

So just a question.

Yeah, I I can't answer that right now, but I have documented the question. Thank you. Just want to make sure we're doing it right. This C, I feel like I remember 3 years ago there was a training that happened.

It was like a one-on-one training with maybe somebody from OPS, but that might be absent now. But this just feels like a business decision that you would want to have everybody that has access to your product tracking system to be well-versed in how it operates and they know how to do it. And if you don't train them properly and then there are issues, that's gonna like come up down the road and be a problem. For your business, for the service center.

And so this seems like this additional rule that's sort of very vague. There's like no actual, you know, system training that's out there, no form unless it's like a sort of type of process. It seems like it's just unnecessary, and you could just expect service centers to do it. I don't know what, what's, what's the goal?

What's the- yeah. And to your point, Courtney, obviously if you don't do it right, you're risking a fine of not doing it right.

So isn't that the bigger hammer?

Okay, we have one more rule to discuss, um, before we move to the impact statement. 8210 had a technical defect.

This rule in 1B requires a daily reconciliation of product in the product tracking system to reflect the prior day's activity. This does not work for licenses that are expiring or surrendering because they lose access to the system on the date of the expiration or surrender.

So we added 3, which states that in that instance, on that one day, everything would be required. It's not a next business day requirement for reconciliation, it's a prior to expiration requirement.

So this change is addressing a very narrow circumstance for reconciling on the last day before the license expires.

Okay, are we, are we ready to move on? Oh, Steve, please. Thanks, Jesse.

This is maybe just a kind of a clarification point that might be worth considering. The way I would read this right now would say that for every licensee, even if they've renewed, I mean, their license expires and then renews.

And so this would kind of be reading to that an individual on the last day of their current license must do that reconciliation before the license expires and rolls over to the new one. I would maybe just suggest putting in something that would specify that this is for somebody who has not renewed their license and it's about to expire.

Thank you. I think that's the intent. Yeah, thank you.

Okay, do we have any more comments?

Looks like we're ready to go with the Statement of Need and Fiscal Impact. I'm going to provide a little bit of framing on this, and then I'm going to walk us through the sections, and we'll take comments section by section. This document is required for all administrative rule filings. Anytime an agency adopts or amends a rule, We're required to file with the Secretary of State a statement of need and fiscal impact.

It's also- the form has not been updated to reflect the revised content. It is actually a statement of need and fiscal and racial equity impact statement.

So it will examine the impact fiscally on licensees, the public, and state agencies for complying with the rules, and it will also analyze the impact on racial equity in the state. I would like to say that it's very difficult to get concrete numbers in this type of statement, so you're going to see a lot of descriptive language, and The fees are impactful and they are addressed, and we'll walk through that impact when we get to that paragraph.

So starting- well, before I start with a summary, does anyone have any questions about the process and the purpose of this document?

Okay, we start with a statement of need, and that's the paragraph that's on the page right now. I am not going to read this verbatim. I'm going to summarize.

And it states that the rules are needed to implement statute, including the recent legislation that we discussed, House Bill 4040. It gives some history on annual rulemaking. It summarizes very broadly all of the subject matter of the rulemaking. And notably in this paragraph, we do state that the proposed rules increase license fees significantly in order to support program sustainability, that they're necessary to implement the Act.

I would note that there is a sentence here that the changes increase flexibility, and most of the changes in this rule set that do increase flexibility for licensees were considered by the, the other table, the training and facilitation table, and those are going to be described in a little more detail later in the document. And again, we implement this legislation by making changes to, to align with statutory languages for dual license facilitators, reporting of average doses, and for some training provisions.

So I'd like to pause right there and see if there's any comments on this introductory paragraph on the need for the rules. Josh.

I have issue with the language that this is to maintain sustainability because it is not. It doesn't do that as we've talked about with in relation to Sam's death spiral reference and data to support it.

So that's the that I would suggest that that is looked at and maybe. Addressed.

Thank you, Sam. Yeah, just to add on to what Josh shared, the assumption in here is that increasing the fees is a viable way, and we've already figured out that it's not.

And so that it's not an assumption. The assumption is wrong.

Um, like, you can, you can propose any idea not based in reality and as if it's a possibility, but then when you scrutinize it and you find out it's not actually possible, then, um, then you have to change the wording, um, because this is not only going to- this won't leave things where they are, it's gonna hurt it by nearly \$600,000 annually by the amount of attrition that it would cause. Thank you, Mariah. I've gotta say, reading that felt a little Orwellian, like a 1984 paragraph of like doublespeak. Um, there's- I don't see how the proposed rules address all aspects of implementation support the Act's goals of promoting access and equity.

Um, that's very counterintuitive with these fee changes and, um, like both to the licensees and taking away the equitable aspect for them to be able to be licensed if they, um, to like be able to attain to become a facilitator or licensee at all. Um, and then how the trickle-down of those fees are going to impact the clients, as well as the previous 2 have commented on how this is not going to support program sustainability, but instead it's quicker dissolve- dissolution. Thank you. Gary?

I agree with the comments just made prior. And, um, I'm opposed to this being here in, in this wording. And, uh, for the purposes we've all discussed prior, is it- this is, uh, you know, an assumption that the rules should be increased. And, uh, really, I think that goes against all 3 directives of this program.

Which are public health, public safety, and access. Thank you. Thank you, Larry. Yeah, I agree with what's being said.

I think the summarizing or paraphrasing how this started out yesterday about this was that your hands were tied and the only way to change this was to get legislative changes. And it'd be my suggestion that somehow the wording is, uh, it's kind of back to the people, the people, the people and their interest in this and, uh, engaging their legislature or legislators and other, uh, people in terms of, uh, changing that. If that's the only way this can be fixed is going through the legislative process I don't know if that's true or not, but that was what more or less we were said. And I think it really is up to us as stakeholders to do the correct lobbying to get that changed.

But yeah, I agree.

Also, the language right now basically says everything is working out wonderfully, and I think it's pretty clear it's not working out wonderfully, and there's going to be an awful lot of Uh, licensees or agencies, whatever you want to call it, are going to leave, and it's counterproductive. And if I could interject, uh, quickly before we move to the rest of the comments, this introductory paragraph states the need for the rules. Um, the impact is going to be addressed in later paragraphs, which will describe how things are not working out wonderfully.

Thanks, Kelly. Yeah, hi, just ditto everyone else, and thanks for the clarification on the need for the rules part. Yeah, it's not equitable. I mean, the whole hardship thing was struck out, the whole entire section, and it's not sustainable.

So thanks, that's it. Thank you, Courtney.

So, so this paragraph describes the need for the rules, and it says that, you know, these proposed rules are necessary to support program sustainability. These rules increase flexibility for licensees.

There's not a single instance in one of the rules that we have discussed in these 2 sessions that increase flexibility for licensees. Not one.

Okay, so that's not wrong, and it certainly doesn't support client safety. None of these new rules support client safety.

The fee increases do not support client safety.

So this is just a, like, a laughable paragraph that, like, certainly doesn't describe, like, what this is and what has just happened, what these rules do, what these new rules do. It's not accurate. Thank you, Gary.

Yeah, I agree with all that's being said, and just that this statement um, assumes that it's a foregone conclusion that that's the only way to make this program work is to increase fees, which we all say are against the 3 directives of this program to start with. Um, you know, and I, I don't think it's any secret there's already a movement against, uh, the fee raise and the licensing increase and some of these other rule changes, that it's going to go to legislation and either a bill or a ballot measure to change this.

And so it would be a short-term move, not a long-term move that's best for the program or the health, public safety, and access. And if you do this, I believe it's just going to be re- you know, reversed, and, and you're just stoking the fires of the movement against this.

So I think it's really short-sighted. Thank you, Mariah. This description kind of feels like, like bypassing reality. I think that if the impacts are going to share the hardships, that should be reflected in this opening statement and to not have this pivot, these, this like such a conflict of what is true.

Let it be continuous and grounded in reality. Thank you.

Okay, if we are ready to move on to the paragraphs regarding the impact on racial equity in the state. The first paragraph summarizes some procedural issues regarding who would be impacted, all of our license types.

It describes the recommendation process from the Oregon Psilocybin Advisory Board. It, it describes our engagement with communities, including meeting with you all. I would note that we did not meet on July and forth, and it states that we will continue to engage during the public comment period. The real substantive pieces are in the next paragraph, so I'm going to spend a little more time going through this one.

On balance, the proposed rules will affect equity negatively.

Some rule amendments that provide flexibility or address concerns of licensees are likely to have positive impact, but any positive impact is outweighed by the negative impact created by increased fees. The proposed rules double license fees as well as increased fee changes. They eliminate reduced fee provisions, and I'm not going to list all of the eligibility criteria.

The reduced fees were adopted in 2022 and were designed to encourage lower-income applicants and individuals with diverse life experience to become licensed specifically for facilitators that represent diverse lived and professional experiences and provide culturally responsive services and health and behavioral services to communities. The elimination of reduced fees not only impacts licensees directly, but also the clients they serve, as clients from certain communities may have more difficulty locating a psilocybin facilitator who provides culturally responsive services or shares affinity traits. I paraphrased on the affinity traits. The fee increase affects the cost of doing business for all licensees, including those who are not eligible for reduced fees.

To the extent that increased cost is passed on to clients, the increased cost is likely to have a greater impact to underserved individuals, lower-income individuals, and communities who have experienced historic and contemporary inequities and marginalization.

So we would like to take your paragraph, your comments on these paragraphs now. Sam. Overall, I like what's there, but it feels generic without the data.

You know, I did my own unofficial survey. It took me a half hour to send emails to 309 people. It took me a couple of hours to record those, but it's unofficial. It'd be really great if you guys put together a survey and got the real data and showed the numbers, and it'd be much more impactful, and it wouldn't take a lot of time.

Thank you, Josh. Yeah, I appreciate the naming of the, the harms that are potential to come out of this. I- that first in the paragraph that says, on balance, the proposed rules will affect equity negatively, the part around that some rules may provide flexibility or have a positive impact, I'm not seeing, seeing those. I don't know if those are if that's accurate.

So just something to consider if there are positive impacts for any, any of these rules.

I know some of the more minor ones around that we talked about, but in general, I don't see the positive impacts from these. We'll go into a little bit more detail on that in, in a later paragraph, and, and most of those rules were seen not by this group, but by the other table. Gary?

Yeah, I have to agree with Josh. I don't see the flexibility or possibility of a positive impact. And I mean, correct me if I'm wrong, but isn't this just stating what we have already stated, is that these proposed rules will affect equity negatively. I think we've all stated that.

I don't know, maybe I'm missing something here, but I think this just reinforces that it's going to impact it negatively, and that's against one of the directives of access. Thank you, Courtney. Yeah, like others have said, I appreciate the acknowledgement in the very first sentence about the negative impact on equity and access. I guess it's just equity, but once again, I think it's comical to say that this provides flexibility and even like more insane to say that it addresses concerns of licensees.

To have a positive impact. And I don't understand where in the last 3 years we've gone so wrong about the feedback from us, boots on the ground, to you all about what our actual concerns are and what's frustrating about this work, what makes it harder, what makes it more expensive, while also demonstrating how safe it is and how much we care about safety. And our concerns just falling on deaf ears every single year we make comments. Maybe I should have been involved at a different stage in this process, but I guess I just would have assumed that when you had enough service center operators, enough facilitators, all voicing the same concerns about this program for years, that that would have been taken into account in these changes every year.

And yet, I don't know what system you guys use.

To sort of like take it from the group that met before this to your internal group to the advisory board, but it's clearly one that does not work well for this program, as we're seeing here with this likely ending in 2028 or whatever. I'm hoping the next home that this program finds does take that into account, but the way that this has worked so far has- this is not an accurate representation of how the rulemaking and feedback by licensees' works. Thank you.

Mike? Yeah, I'm struggling with the kind of the obvious and blatant contradiction from the first paragraph stating that these proposed rules are necessary to effectively implement the Act. And then it's admitted in this paragraph that the goals of the Act would be severely undermined. Those 2 things are not consistent.

And I think, you know, you need to acknowledge these, and I think you, you know, are clear about the negative impacts here, but I think that needs to be reflected in that first paragraph as well as being saying that these are necessary in order to implement the Act. You're- it is inconsistent. It is- it's misleading. How can you implement the Act when you're acknowledging that implementation of these new rules will not comply with the Act, with the goals of the Act?

I don't- I'm just very confused about that juxtaposition. Thank you. Mariah. Yeah, I think it's important to consider the psychology of like the primacy and recency effect.

And that what our memory will hold is often like the first thing that we read and then the last. And to just advocate again for there to be alignment within that first paragraph that reflects a lot of the troubles that come from these changes. Thank you.

Okay, if we're ready to move to the next paragraph, which addresses the effect on the system overall.

OPS expects an increase in licensing fees to reduce the overall number of licensees and create a more significant budget shortfall for the program. This will have a detrimental impact on many people. For example, students that have completed training programs in order to become facilitators and cannot afford increased licensing fees would lose the value of their educational completion, which is estimated at \$10,000 to \$15,000 per student. We will include exact numbers of licensed facilitators when we file.

Related sectors include real estate and tourism, which would also experience negative impacts. We list the public agencies that may experience loss of revenue, including the HECC, ODA, and DOR. The number of licensed facilitators has grown since 2387 introduced dual licensed facilitators and 4040 in 2026 expanded on the types of dual licensure which is available, and I'm not going to read the list of all 9 boards there.

So I'd like to take any comments on this paragraph now.

Gary? Yeah, I mean, isn't this basically acknowledging that, uh, it won't work. And I'm, I'm still surprised we haven't put a moratorium on new facilitator licenses since there is no place for them to facilitate or, or work. It seems that that is our one oversupply area in the industry.

Um, they keep churning out facilitators with no place to go to work. Um, to me, yeah, this, this is a statement that reinforces what we've been saying.

So I'm, I'm just confused. Mike.

Yeah, I, it's a little off topic perhaps, but I want to support what Gary said. I mean, it's, it, it's almost, you know, false advertising for training programs. To suggest that someone going through facilitation training would be able to operate in some kind of financially sustainable manner.

I know there's not that, there probably is not that feedback loop to the requirements of training programs.

And as I said, this is a little off topic, but training programs should be providing clear, transparent information about the likelihood of being able to practice with their license. I think that is important information to provide. And just as a related comment, I think the TPL system is, I believe that's what it's called, is only open to, available to licensed entities. And I think people in facilitation training programs should have access to that so that they understand.

Or for any license, should have access to that so they have some idea of what's going to be required of them once they enter into a regulatory license system. And they may change their mind about whether or not they actually want to pursue the high cost of facilitation training and the limited likelihood of being able to actually practice Thank you, Gary. Yeah, and I just agree with what Mike just said and, and, you know, back that up that, um, you know, there has to be some transparency in reality when you're charging these people that type of money to go through your program. What I see happening are people go through the training programs get their training or certification there, and then don't get licensed and go to the underground and, uh, comment, you know, portray themselves as being trained, have gone through the education and training and portraying themselves as a licensed facilitator when really they're not.

And I think there needs to be some type of tracking between getting your training and actually getting a license or not. I think that's a big miss in the program right now. Thank you. Mireille, I think it's a really great point that Gary just made, and I think could even be included here in this impact statement of not only are they like losing the value of their education and being able to, but like explicitly saying that this can promote people to then go to the underground model, which is, you know, the safety that the service center model allows for facilitators to have these multiple tiers of support, the licensed manufacturers with their mushrooms that were tested, like all of these things that we want for our clients to have safe and supported experiences, that like all of that can melt away if these folks are not following through with their license.

So the fee changes does have an impact on like the growing underground push.

So making that explicitly stated here in this paragraph is what I would recommend. Thank you.

Okay, if we're ready to move to the next paragraph, um, This paragraph does describe some of the changes that were intended to offer flexibility, and that starts at the bottom of the page.

The negative impact is offset to some degree. And again, this table did not get the opportunity to review many of these rules, but they are summarized in the paragraph, so I'm going to touch on them briefly, and then we'll move to comments.

So it's offset to some degree, but the prior paragraph says- still says on balance that it's a negative impact. These changes could expand options for services to make services more accessible to a broad range of clients.

For example, rules have been relaxed around incorporating music into administrative sessions. We, in the other table, also streamlined group facilitator ratios. The changes implementing legislation for dual licensed facilitators will have a positive impact on health equity by removing barriers to becoming a PSYCH-MN facilitator for individuals who hold those credentials. Likewise, the proposed rules addressing out-of-state training programs will expand opportunities for facilitators that have completed training by other state providers, state-approved psilocybin facilitator training programs, which may increase the number of facilitators licensed by OPS.

And it's not included in this paragraph, but I would like to also note that we are proposing to eliminate the 24-hour waiting period between preparation sessions and administration sessions.

So we will take your comments on this paragraph now. Courtney, I have a hard time understanding how the restrictions on music being changed, which I'm not exactly clear, uh, because I haven't seen what was sort of agreed upon, um, but I think it was in the spring of this year when that sort of first surfaced. And that was already an overreaching regulatory involvement into this.

And so, like, to act as if you guys have done something to improve it by, like, it's like you added a rule and then now you're removing a rule. And that's like a better- that's leaving us in a better place is like, once again, I have problems accepting that as like a statement of fact.

I'm also curious, like, what exactly you guys believe to be the benefit of those changes around music, other than our opposition to them, like, by nearly the entire facilitator and service center community. Yeah, I mean, I can speak real briefly to music.

That is, those rules are on our website if you would like to look at them. The draft rules for the individual. And, you know, as you just described, we did receive feedback from facilitators and service centers that the prohibition on live music in administration sessions was limiting the types of facilitation and the types of sessions that people were able to offer.

So by relaxing those requirements, We are arguing that we are increasing accessibility by allowing more types of sessions to be held.

Okay. Thanks. Kelly. Yeah, hi.

I just, I knew you'd be on relative to the flexibility part. I mean, there's just the whole First sentence is just mind-boggling, the flexibility, because it doesn't offset the fee structure that's quadrupling for costs of populations that this was built to protect. I mean, not only just goes against a mission statement, it goes against the statute, right, that to commit this being safe, accessible, and affordable for all persons 21 and over.

You know, as a former state legislator, not here but in Nevada, but, you know, this would have been done to a bill I passed.

I would just be livid at this whole thing. I mean, it seems like it's just being designed to kill the program, honestly.

But anyways, thanks. Thank you, Gary.

Yeah, just reinforce that I agree with the comments already made. And it's really hard to really even weigh in on any of these rules that we haven't seen, such as the music. I mean, to my understanding, there's plenty of studies that say how important music is to the therapy session, the administration session. But yeah, the big thing is it's pretty hard to comment on something we're not seeing on.

And I agree that, yeah, again, it seems to be moving in the wrong direction. And the comment that, you know, this is going to increase the number of facilitators licensed by OPS, Um, yeah, I don't think that's a need in the program right now. We need to fix the program first, make it healthy so we can provide work for more facilitators.

Um, so yeah, I'm just really having a lot of trouble with a lot of this wording here.

Thank you. Sam. Um, I think that the issue I have is the word some. The The negative impact is offset to some degree.

If you're in a death spiral, then there's no some degree, because it has zero effect of benefit if the program's killed. Thank you. Gary? Yeah, I'm just seeing this here now down here.

OPS has attempted to craft rules that promote public safety without creating unnecessary costs for licensees that may be passed on to clients. Um, that's totally inaccurate. I think everything we're talking about decreases public safety by driving people to the black market. And everything we're talking about is really raising costs for licensees.

So again, these comments are just really confusing. Gary, you have moved us to the next paragraph, so I'm going to go ahead and summarize this paragraph and we can take some more comments. Comments here.

So the next paragraph starts with, many of the proposed rule changes are technical in nature.

It states that some changes may ease licensees' administrative burdens. Other changes create new requirements that may increase administrative burdens. In addition to raising fees, some of the proposed rules may create an increased cost to comply with regulation. To the extent that cost is passed on to clients, there will be a negative impact on certain communities.

Throughout the rule- and then we have the sentence at the- it closes with the sentence that Gary just took exception to, which is, throughout the rulemaking process, we've attempted to craft rules that promote safety without creating unnecessary cost.

So we'll take comments on anything in this paragraph now. Mingyi. Just curious if the ease of administrative burden, was that just- were those things discussed in the other session?

I didn't see any ease. Being discussed in our- with our group. I mean, one example of that is like the 24-hour requirement being proposed for elimination, just as an example. Yeah, I think the most problematic word in this last sentence is unnecessary.

That's carrying a lot of meaning there that I think you've heard that there are other ways of viewing it, and to call it unnecessary suggests that this is the only way of approaching this. Thank you, Courtney. Yeah, I think the last sentence is if that is like, if OPS truly believes that they've crafted rules that increase safety and Do not create unnecessary costs for us, which most certainly will be passed on to clients. Is that like an actual statement of belief by OPS, is my question?

So I think the statement speaks for itself. It says that we've attempted to craft rules that meet those requirements, and that's, you know, frankly, what every state agency is going to attempt to do. And as we've heard over the last couple meetings, there may be differences of opinion regarding whether our attempts are successful. Yeah, I think it's like pretty clear that you have created unnecessary costs that will ultimately be unsuccessful, which is unfortunate.

And the 24-hour thing, I mean, like, to cite that as like the sort of one thing to champion here. Uh, thank you, but like, you could have done more. Maria, it kind of feels like there's like a minimizing aspect here, like an unnecessary, like a, an unfair minimizing of the harm that was done with a lot of these rules or comparing the weight to be equal of, um, like I as a facilitator and, you know, all of our community had a big issue with the music situation.

So like, thank you for proposing amendments to that and the 24-hour thing.

Um, but by comparison to all of the other changes, that is not a balanced scale. And I think that that should be reflected in this impact here, that the benefits are minor. And the harm is quite large. Instead of being like it's apples to apples or a 1-to-1 ratio of like, oh, there were some bad things and there were some good things, it's like there's some sprinkles on top of this large ice cream cone of doom.

I'm hungry, so that's where that metaphor came from, but you get the point. Yes, and we'll be moving on to lunch pretty shortly here. And I appreciate the levity. We realize that these are difficult conversations.

Gary? I disagree with those comments that, yeah, we support the removing the 24-hour rule and the music, but to me those should have never been an issue anyhow.

So it's not really a positive and it's not balanced with the negative. Um, but yeah, good moving right direction on those 2 points.

It should have never been.

Okay, if we're ready to move on to the fiscal and economic impact, this section of the document is a little more structured. It requests specific cost of compliance, and there's going to be less discussion of fees here because it's more focused on the cost of complying with operational rules. But, you know, everything that was discussed in the prior paragraphs with fees would also apply to these paragraphs and may eventually be moved down here as well.

So, to start with the top, at the top, licensed businesses and state agencies will incur costs to comply with these rules. It cannot be quantified. However, the impact on the regulated community is likely to be significant due to increased fees. Again, we state that they're necessary to implement the statute.

Less restrictive operational rules could carry a lower cost of compliance. However, that needs to be balanced with the potential that less restrictive rules could create a higher risk. I'm going to go through both of these paragraphs, and then we'll, we'll take comments. On them together.

The second paragraph states that the market is still relatively new and fluctuating, that we're continuing to license new people.

However, some businesses, specifically service centers, have closed down. Like all new businesses, psilocybin businesses incur significant startup and ongoing costs, and it is difficult to determine how much of these costs will be influenced by rule requirements and how much will be influenced by other factors such as the Federal Controlled Substances Act and challenges related to banking, liability insurance, and high operating costs. Existing businesses that become licensed will incur cost for additional equipment and modifications to their facilities.

Finally, because The statute creates a fee-based structure. Licensing fees must cover the cost of administration for the section's work. Affordability is a concern for licensed businesses and small businesses that have planned to apply for licensure. However, no other funding exists to subsidize these costs.

So we'll take comments on all 3 of these paragraphs now. Courtney. Yeah, I disagree with the last sentence in the first paragraph that you read. I think the safety record for this program is pretty clear, and I think we've shown how safe this work is that we do.

And so less restrictive rules would actually create a lower cost to us And we could offer our services at a lower cost, which would actually improve the public health for our state, for people coming from out of state. The benefits of this on public health, the work that we do, right, are significant.

And so actually less restrictive rules would- you understand, like, how this is misaligned here? More rules make it more expensive, make it harder to access, and make a worse public health system.

Thank you. Kelly? Yeah, just mostly in the 3rd paragraph. And, you know, it admits affordability is a concern, that there's no other funding to offset it.

But, you know, I want to go back to what I kind of said yesterday about the flat fee being regressive. Same dollar amount size regardless of size.

So I think the marijuana program has got one that's more of a sliding scale.

You know, if we can do anything to- and I know we're not talking about the exact fees right now, but if there's a solution that's more of a progressive fee structure of any sort, that would be appreciated.

I've got about 8 different solutions written out. I'm not going to go through them. I'll get them to you in public comment. But, you know, it's hitting the- this thing is hitting the small businesses and the small people and the equity piece the hardest.

And like I said just previously, I mean, goes against the actual statute. Thanks. Maria.

Also thinking on the psychology of primacy and recency and having that last sentence be there feels manipulative and unnecessarily maximizing the concept of anxiety over the safety of this program.

You guys know the numbers of how there have been 22,000+ and such a small little amount of adverse reactions. And similar to a lot of these proposed rules being disproportionately enforced whenever it doesn't go wrong, hundreds and thousands, like hundreds or thousands of times, but then there's complaints for one or two, and those complaints are valid, and I don't want to minimize those, but using those to justify like, well, it's like, what if, what if, what if?

And so I think that removing or modifying or tucking it somewhere else in or finding another way to express express that, especially whenever we talked earlier about how a lot of licensed facilitators are going through training and then not getting licensed because of these fees and then going underground and being in a completely unregulated setting. That has a strong negative impact on the public health and safety for our clients and communities.

Thank you. Gary, totally agree with the comments made and do not agree with, uh, that there is no other funding, uh, avenue to subsidize these costs. Um, that, that's just- I don't believe it. It's inaccurate with the amount of money that's spent in other programs that \$3.5 million is a rounding error.

Thank you.

Moving on to the statement of cost of compliance. These questions are very structured, so I'm gonna just kind of run through the whole section, and then we'll have until 12 o'clock to take any comments.

So my summaries will be more brief to allow time.

So the first question is the impact on state agencies, units of local government, and the public.

So our section will incur cost to implement the rules. Those costs are difficult to quantify. It describes the types of activities that we will conduct.

It states that the cost of- to local governments are unknown but likely very small, if any. The general public will incur costs to the extent that the increased fees and cost of compliance are passed on to clients. The second question is for cost of compliance effect on small businesses. It asks us to estimate the number of small businesses.

We will plug in these license numbers right before we file. We estimate that Most psilocybin businesses qualify as small businesses, and also for the purpose of this question, we consider individual facilitators to be businesses, so they would go into that number. Recordkeeping, recording, and other administrative activities. We have some statements about some increase and some streamline.

They do create- propose to create new requirements for designating products for low-dose administration sessions. You all had a lot of feedback on that rule. And I would also say that this statement presupposes that the rules will be adopted as they were proposed.

So there is a sequencing issue here.

This will be filed on amended rules.

So to the extent that the rules are amended, or change based on comments, this document will change. Again, it says we cannot accurately predict the net cost of compliance, and it states that any increased cost of compliance is relatively minor compared to the cost of increased fees. Finally, there is a statement on equipment, supplies, and labor.

It could lead to some increased cost Again, however, it is difficult to quantify those costs.

So we'll take comments on all of this for the remaining 5 minutes here. Where are you? If this is like more general to Oregon and not just the, like, Okay, thinking about the small businesses that are often around service centers or the- like there's like shopping districts, like a lot of people come to the service centers and then explore the areas around.

And Portland, and I think a lot of towns in Oregon have a lot of niche small business places available. It's like what Portland's all about.

So there is inherent impact on that as well as we have reduced people traveling to Oregon from the cost increases for the experiences themselves. Thank you, Gary.

Yeah, this makes me think of the governor's Prosperity Council and the report that just came back that Oregon is very unfriendly to small business and overregulated and overtaxing small business, not just in our industry, but in general. And it seems to be amplified in our industry. And I think we need to take a real serious look at that and what we're doing to small business in the state. Period.

And I would add that we'll be able to quantify the cost of these pretty quickly, and they'll be substantial. Thank you. Sam. Yeah, I think since we're wrapping up, I just wanted to make the comment.

I want to say thank you to the people in OPS, you guys that are the workers, the hands, the boots on the ground. In the little bit of research that I was able to do, it looks like you guys put out the call in the last biennium that there was going to be a shortfall, and OHA didn't do anything about it, and legislature didn't do anything about it. And you guys are just trying to do the best that you can, and you guys have a board that's above you that's making these rules, and you're just trying to execute. And these are hard meetings to do.

So I just want to thank you guys. Amen. Thank you. Thank you.

Mariah. Mine was just similar, that any frustration that was expressed was not directly at the 2 of you, and I'm very grateful for you guys offering this opportunity for us to give feedback. But I do hope that the frustration escalates up the ladder. Thank you, Kelly.

Yeah, just want to get all those comments. Definitely not directed at you. Probably seemed like it a couple times, but definitely not. You guys appreciate everything you're doing.

Thanks. Thank you, Courtney. Yeah, I just wanted to echo that sentiment that it's always been a pleasure. To interact and chat with you all at the OHA.

And like others have said, any frustrations that we, the, you know, the operators on the ground are feeling are not directed at you more, just a system that is going in the wrong direction, it feels, unfortunately. And without much we can sort of do to stop the spiral.

So thanks for all you do. Thank you.

And to wrap it up, I would like to, on behalf of the section, extend our thanks to all of you for volunteering your time to participate in these meetings and to have these difficult discussions and You know, we understand that it's frustrating and we're all human beings.

So for the next stage in the rulemaking, revised drafts will be published on September 1st for a public comment period. That public comment period will run from September 1st to the 21st. Any Rules Advisory Committee member is also welcome to provide public comments during that time, and we will have 2 public hearings, also virtual public hearings for folks who would like to provide verbal comments.

So thank you all again for your time, and I hope you have a great day. Oh, I'm sorry, Mike, one question. Yeah, just quickly, do you anticipate being able to provide more information about the fiscal implications of combining with the medical cannabis Commission folks. Yeah, we cannot answer that question in this forum.

That's more appropriate for our section manager.

Yeah, okay, thank you. All right, thank you. Thank you all.

Have a great day. Thanks, everyone. Bye.

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