

## **A conversation with Professor Beau Kilmer, January 27, 2015**

### **Participants**

- Beau Kilmer – Codirector, RAND Drug Policy Research Center and Professor, Frederick S. Pardee RAND Graduate School
- Alexander Berger – Program Officer, US Policy, Open Philanthropy Project

**Note:** These notes were compiled by the Open Philanthropy Project and give an overview of the major points made by Professor Beau Kilmer.

### **Summary**

The Open Philanthropy Project spoke with Professor Beau Kilmer about the results of its grant to support RAND's report for the state of Vermont about options for and consequences of legalizing marijuana. Other conversation topics included the public health consequences of commercialization and other funding opportunities related to drug policy.

### **The Vermont report**

Good Ventures provided \$103,000 to the RAND Drug Policy Research Center in May 2014 to produce a report for the state of Vermont about options for and consequences of legalizing marijuana. The project was a larger undertaking than Professor Kilmer had anticipated and eight researchers donated some of their time to complete what otherwise would have been a \$300,000 to \$400,000 project. His team was aware going in that they would have to donate some of their time, but they pursued the project because it is rare for a state to request research to inform their legalization efforts and the report will likely have implications beyond Vermont.

The tight deadline (the report required to be ready by January 2015) proved to be the biggest issue while completing the report. Vermont officials were prompt with providing the necessary data and RAND's peer reviewers were flexible about providing feedback as individual chapters were completed rather than waiting until the full draft was completed.

In addition to the lengthy report, a three-page summary ([http://www.rand.org/content/dam/rand/pubs/research\\_briefs/RB9800/RB9825/RAND\\_RB9825.pdf](http://www.rand.org/content/dam/rand/pubs/research_briefs/RB9800/RB9825/RAND_RB9825.pdf)) specific to Vermont and a 12-page paper (<http://www.rand.org/pubs/perspectives/PE149.html>) summarizing the main options and issues for a lay audience outside Vermont were released.

### **Reactions to the report**

Professors Kilmer and Jonathan Caulkins (a report co-author who teaches at Carnegie Mellon University) presented the findings at the Vermont State House on January 16, 2015. Kilmer was pleased with reactions to the report and engaged in good discussions with policymakers, the media, and advocacy groups after the talk (e.g., the pro-legalization Marijuana Policy Project (MPP) and anti-legalization Smart Approaches to Marijuana (SAM)). Later that day, Kilmer and Caulkins testified before Vermont's House Committee on Ways & Means and answered more detailed taxation questions.

Professor Kilmer was happy with quality of in-depth stories by Vermont reporters and the amount of national press coverage. Releasing the report on a Friday was not ideal from a press perspective, but other events in Vermont made it the logical choice.

RAND also hosted a well-attended public event in Washington D.C. to discuss the report. With 80 RSVPs from a mix of legislators, staffers, and representatives from the Drug Policy Alliance (DPA), National Institute on Drug Abuse (NIDA), MPP, and other organizations, the event reached capacity. In addition to reserving a room in the Rayburn House Office Building for the presentation, Representative Earl Blumenauer of Oregon gave opening remarks followed by a speech by fellow pro-legalization Representative Steve Cohen of Tennessee. Professor Kilmer's team also briefed the study to federal officials at the White House Office of National Drug Control Policy (ONDCP) in a separate event.

## **Purpose of the report and target audiences**

The report aims to help the drafters of legalization initiatives in Vermont and other states understand the advantages and disadvantages of different legalization models. Since policymakers are hesitant to discuss marijuana policy, legalization is more likely to result from ballot initiatives rather than traditional legislation. It is not difficult to get an initiative on the ballot in many states and opinion polls suggest that a majority of voters in some other states support legalizing marijuana use.

Flexibility is important when designing a regulatory system and taxation regime, but constitutional amendments enacted by popular initiatives can be difficult to change (depends on the state). Additionally, drafters of legalization initiatives are concerned that including too much nuance will create opportunities for opponents to raise doubts. As a result, drafters sometimes choose to regulate marijuana like alcohol because that model is intuitively popular with voters.

Professor Kilmer also hopes the report will encourage policymakers at the federal level to pay more attention to marijuana policy. The report was also written for policymakers in other countries debating alternatives to marijuana prohibition (e.g., jurisdictions in Mexico

and Colombia). In order to extend the impact of the report, Professor Kilmer believes it should be translated into Spanish.

## **The public health consequences of commercialization**

The commercialization of marijuana may present additional health and safety risks compared to other legalization models. Commercialization is likely to influence marijuana use through at least two channels:

- Increased advertising
- Reduced prices.

Research on alcohol and tobacco in the US suggests that companies selling intoxicating substances derive most of their profits from heavy users. Heavy use and the associated health risks may rise under commercialization because of advertising. Strong commercial free speech protections in the US make it difficult to restrict advertising in a commercial market, and both Washington and Colorado are currently being sued for placing limits on marijuana marketing.

Decreasing marijuana prices resulting from more efficient production methods and reduced criminal risk may also encourage increased consumption. A couple of studies have estimated price elasticities of demand for marijuana of around -0.5 or -0.6 (participation elasticities seem to be at -0.3, but none of these studies focus on the price per unit of THC), but Professor Kilmer is hoping to learn more about the price elasticity of demand for marijuana and how it varies for different groups. For example, most research has focused on cannabis flowers, but the price elasticity may be different for consumers who prefer vaporizer pens or hash oil.

It is too early to tell if the commercialization of marijuana will produce negative health and safety outcomes in Washington and Colorado, but states should recognize that commercialization may be irreversible for political-economic reasons. Following the repeal of alcohol prohibition, many US states adopted partial government monopolies that still exist in some states.

One of the challenges facing researchers attempting to calculate the social costs of legalization models is the uncertainty around how changes in the price and availability of marijuana influences the consumption of other drugs. This is crucial for those who want to know the net effect of this policy change on public health and safety.

## **Drug policy research funding**

## **Background on marijuana policy research**

It is difficult to secure funding for drug policy research. When RAND established the Drug Policy Research Center in 1989, crack cocaine and its association with violent crime was constantly in the news. The Center started with millions of dollars in core funds and money was available for controversial research. After 9/11, drug policy became a lower priority and funding became scarce.

Funding for drug policy research only recently became available again. When Proposition 19 was placed on the California ballot, researchers at the Center were unhappy with the quality of discussions around marijuana legalization. Professor Kilmer and his colleagues wanted to help inform voters, but none of the California foundations wanted to support the research.

Until recently, few people wanted to have a serious conversation about marijuana. Policymakers are now curious about Washington and Colorado's experiences with legalization, and are paying more attention to drug policy issues. RAND received some funding from the Washington State Liquor Control Board to generate marijuana consumption estimates for the states. Some of Professor Kilmer's colleagues have received early funding from NIDA for marijuana policy evaluation (largely focused on medical marijuana, but they did receive a supplement to look at recreational legalization), but NIDA typically does not fund policy analysis.

The National Survey on Drug Use and Health (NSDUH) costs \$50 million a year, but self-reported use is not verified. The most recent validation study of this general population survey was conducted in 2001 and the field desperately needs updated figures—especially at the sub-national level. Indeed, if self-reported use and other prevalence measures increase after a state legalizes marijuana, it may simply mean that people are being more honest about marijuana consumption.

## **Marijuana policy research funding opportunities**

Professor Kilmer is currently writing an article about improving data collection instruments so we can be in a better position to evaluate changes in marijuana policies. We not only need better information about what people are consuming (edibles, concentrates, vaporizer pens, flowers, etc.), we also need better information about how much they are consuming and spending per an hour of intoxication.

An external analysis of the data collected by Washington and Colorado's tax authorities may be an interesting funding opportunity to learn more about marijuana consumption.

Funding research by tax attorneys and other experts to identify legal ways to increase flexibility in marijuana taxation may help the initiative writing process. Rather than include a fixed tax rate in ballot measures, states might be able to establish a separate commission with a rotating board appointed by the Governor to determine taxes and regulation.

With additional resources, Professor Kilmer could spend more time writing op-eds, giving public presentations, and sharing the insights from this report to policymakers around the globe. The conversation is often dominated by extreme voices and independent nonpartisan analysis would be helpful.

### **Other drug policy projects**

Professor Kilmer's other drug policy projects currently focus on evaluating innovative approaches to 1) reducing heavy alcohol consumption and 2) reducing the harms associated with violent drug markets and how they are traditionally policed. It is much easier to get funding to evaluate alcohol policy than marijuana policy. He currently has grants from the National Institute on Alcohol Abuse and Alcoholism to study South Dakota's 24/7 Sobriety Program and whether it can be successfully replicated in other jurisdictions. His work on violent drug markets is funded by the National Institute of Justice.

Professor Kilmer is currently seeking core funding for the RAND Drug Policy Research Center (DPRC). This core funding would be used to continue the DPRC's mission of providing objective and timely analysis. For example, it would enable rapid-response capabilities to support urgent decision-making with assessments of the effectiveness or appropriateness of options under consideration. It would also allow the DPRC to continue several key activities that are often considered too broad to be supported by a single agency or foundation:

- development and training of scientists from a variety of disciplines to ensure a comprehensive approach when evaluating alternative drug strategies;
- development of new methods and data resources that enable analysts to address the challenging and unanswered questions about substance use and drug policy;
- dissemination of the work we do to government officials, policymakers, practitioners, academics, schools, and the public.

*All Open Philanthropy Project conversations are available at  
<http://www.givewell.org/conversations>*