

Multiple Agency Fiscal Note Summary

Bill Number: 5699 SB	Title: Cannabis analysis labs
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	1.3	0	0	315,890	2.5	0	0	622,750	2.5	0	0	622,750
Department of Health	2.7	0	0	777,000	5.4	0	0	1,554,000	5.4	0	0	1,554,000
Department of Agriculture	2.5	0	0	790,000	5.0	0	0	1,540,000	5.0	0	0	1,540,000
Total \$	6.5	0	0	1,882,890	12.9	0	0	3,716,750	12.9	0	0	3,716,750

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Jim Cahill, OFM	Phone: (360) 790-2630	Date Published: Final 1/20/2022
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Individual State Agency Fiscal Note

Bill Number: 5699 SB	Title: Cannabis analysis labs	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	2.5	1.3	2.5	2.5
Account					
Dedicated Marijuana Account-State 315-1	0	315,890	315,890	622,750	622,750
Total \$	0	315,890	315,890	622,750	622,750

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/12/2022
Agency Preparation: Colin O Neill	Phone: (360) 522-2281	Date: 01/13/2022
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/13/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/13/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 3: creates an interagency coordination team responsible for the program that establishes and maintains quality standards for laboratories conducting analysis of recreational and medicinal cannabis with high THC (greater than 0.3 percent). The interagency team includes the Department of Agriculture, the Liquor and Cannabis Board ("Board"), and the Department of Health. The standards must be adopted by rule by the Department of Agriculture, and changes to standards may require reference in the Board's rules and the Department of Health's rules.

Section 5(5): The Board may adopt rules necessary to implement section 5 of this bill. Rules may be adopted as necessary to implement subsection 5(2) until a successor state agency or agencies assume responsibility for establishing and administering laboratory standards and accreditation.

Section 7 (1d): Beginning in fiscal year 2023, the Board is appropriated \$315,890 annually to implement marijuana testing lab quality standards pursuant to this act.

Section 8: Section 5 of this act expires July 1, 2024.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No cash receipt impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This legislation would require new positions in the Marijuana Examiner's Unit of the LCB's Enforcement Division to participate on the interagency coordination team. Those positions include 2.5 FTEs; (0.5 WMS2, and 2 chemists). Most of the costs are salaries and benefits but there are associated costs that include laptop leases, phone lines, office supplies, travel, and other small miscellaneous items. There is also a minimal, one-time cost component in FY23 for startup costs that include desk chairs, phones, monitors and other small miscellaneous items.

1.0 FTE Chemist 3 - \$116,934/yr (\$110,634 salary/benefits, \$6,300 in associated costs). Onetime costs in FY23 of \$1,505 for equipment purchases.

1.0 FTE Chemist 4 - \$132,446/yr (\$126,146 salary/benefits, \$6,300 in associated costs). Onetime costs in FY23 of \$1,505 for equipment purchases.

0.5 FTE WMS Band 2 - \$61,995/yr (\$58,845 salary/benefits, \$3,150 in associated costs). Onetime costs in FY23 of \$1,505 for equipment purchases.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
315-1	Dedicated Marijuana Account	State	0	315,890	315,890	622,750	622,750
Total \$			0	315,890	315,890	622,750	622,750

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		2.5	1.3	2.5	2.5
A-Salaries and Wages		222,828	222,828	445,656	445,656
B-Employee Benefits		72,797	72,797	145,594	145,594
C-Professional Service Contracts					
E-Goods and Other Services		8,215	8,215	15,800	15,800
G-Travel		7,500	7,500	15,000	15,000
J-Capital Outlays		4,550	4,550	700	700
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	315,890	315,890	622,750	622,750

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Chemist 3	82,344		1.0	0.5	1.0	1.0
Chemist 4	95,484		1.0	0.5	1.0	1.0
WMS Band 2	90,000		0.5	0.3	0.5	0.5
Total FTEs			2.5	1.3	2.5	2.5

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Enforcement Division (060)		315,890	315,890	622,750	622,750
Total \$		315,890	315,890	622,750	622,750

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

Section 5(5): The Board may adopt rules necessary to implement section 5 of this bill. Rules may be adopted as necessary to implement subsection 5(2) until a successor state agency or agencies assume responsibility for establishing and administering laboratory standards and accreditation.

Individual State Agency Fiscal Note

Bill Number: 5699 SB	Title: Cannabis analysis labs	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	5.4	2.7	5.4	5.4
Account					
Dedicated Marijuana Account-State 315-1	0	777,000	777,000	1,554,000	1,554,000
Total \$	0	777,000	777,000	1,554,000	1,554,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/12/2022
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/14/2022
Agency Approval: Alisa Weld	Phone: (360) 236-2907	Date: 01/14/2022
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/20/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill creates a new chapter to Title 15 RCW (Agriculture and Marketing) relating to quality standards of laboratories conducting cannabis analysis.

Section 3: Creates the interagency coordination team (team). The team must coordinate with participating agencies on agency policies, actions, and regulatory activities that relate to marijuana testing laboratory quality standards, as well as advise the Department of Agriculture on implementation and maintenance of marijuana testing laboratory quality standards topics. The Department of Health (department) is a participating agency on this team.

Section 7(iv): Amends RCW 69.50.540 (Uniform Controlled Substances Act) to state beginning fiscal year 2023, seven hundred seventy-seven thousand dollars to the Department of Health to implement marijuana testing laboratory quality standards pursuant to this act.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Interagency Coordination Team

The team will meet on a regular basis to develop rules and guidance for lab quality standards. The department will participate as an active member of this team, providing feedback and subject matter expertise on quality assurance standards relating to products intended specifically for medical use. The department will operate within existing authority adopting rules relating to this work as necessary.

This will be accomplished by funding several DOH positions, including a chemist, epidemiologist and a microbiologist, to participate on the ICT to implement and maintain the task force proposal, as well as provide the expertise to facilitate and maintain the adopted lab quality standards.

Costs to accomplish the ongoing work identified in this bill are 5.40 FTE and \$777,000 (315-1) in fiscal year 2023 and each year thereafter.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
315-1	Dedicated Marijuana Account	State	0	777,000	777,000	1,554,000	1,554,000
Total \$			0	777,000	777,000	1,554,000	1,554,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		5.4	2.7	5.4	5.4
A-Salaries and Wages		409,000	409,000	818,000	818,000
B-Employee Benefits		148,000	148,000	296,000	296,000
E-Goods and Other Services		171,000	171,000	342,000	342,000
G-Travel		10,000	10,000	20,000	20,000
J-Capital Outlays		13,000	13,000	26,000	26,000
T-Intra-Agency Reimbursements		26,000	26,000	52,000	52,000
9-					
Total \$	0	777,000	777,000	1,554,000	1,554,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
CHEMIST 3	80,292		1.0	0.5	1.0	1.0
EPIDEMIOLOGIST 2 (NON-MEDICAL)	95,484		1.0	0.5	1.0	1.0
Fiscal Analyst 2	53,000		1.0	0.5	1.0	1.0
HEALTH SERVICES CONSULTANT 4	80,292		0.3	0.2	0.3	0.3
Health Svcs Conslt 1	53,000		0.8	0.4	0.8	0.8
MICROBIOLOGIST 3	80,292		1.0	0.5	1.0	1.0
WMS03	125,268		0.3	0.2	0.3	0.3
Total FTEs			5.4	2.7	5.4	5.4

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5699 SB	Title: Cannabis analysis labs	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	5.0	2.5	5.0	5.0
Account					
Dedicated Marijuana Account-State 315-1	0	790,000	790,000	1,540,000	1,540,000
Total \$	0	790,000	790,000	1,540,000	1,540,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/12/2022
Agency Preparation: Kelly McLain	Phone: 360-902-1945	Date: 01/17/2022
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 01/17/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 01/17/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Senate bill 5699 purpose is to create an interagency coordination team responsible for the program that establishes and maintains quality standards for laboratories conducting microbial and chemical analysis of high THC (greater than 0.30 percent) cannabis. The interagency team includes the Washington State Department of Agriculture (WSDA), the Washington State Liquor and Cannabis (WSLCB), and the Washington State Department of Health (WSDOH). To establish and maintain cannabis laboratory standards and facilitate all future science needs for cannabis.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

WSDA proposes to create a new cannabis laboratory standards team that includes 5.0 new FTE' s.

- Travel, and vehicle.

\$190 Per diem and lodging per night for 40 days = \$7,500

- Debt Service is computer leasing calculated at \$600 per year per person shown as object P.

- Agency Administrative Overhead (payroll, HR, IT and Financial) is calculated at the agency indirect rate of 24.6% of direct program salaries and benefits, and is shown as object 9.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
315-1	Dedicated Marijuana Account	State	0	790,000	790,000	1,540,000	1,540,000
Total \$			0	790,000	790,000	1,540,000	1,540,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		5.0	2.5	5.0	5.0
A-Salaries and Wages		405,100	405,100	810,200	810,200
B-Employee Benefits		156,000	156,000	312,000	312,000
C-Professional Service Contracts					
E-Goods and Other Services		60,300	60,300	120,600	120,600
G-Travel		7,500	7,500	15,000	15,000
J-Capital Outlays		20,000	20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service		3,000	3,000	6,000	6,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Admin Overhead		138,100	138,100	276,200	276,200
Total \$	0	790,000	790,000	1,540,000	1,540,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Chemist 3	80,292		2.0	1.0	2.0	2.0
Management Analyst 3	69,264		1.0	0.5	1.0	1.0
Microbiologist 3	80,292		1.0	0.5	1.0	1.0
Program Manager	95,000		1.0	0.5	1.0	1.0
Total FTEs			5.0	2.5	5.0	5.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required