

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment
-----------------------------	--------------------------------------

## Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State Health Care Authority	0	0	(62,500,000)	0	0	(125,000,000)	0	0	(12,500,000)
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>(62,500,000)</b>	<b>0</b>	<b>0</b>	<b>(125,000,000)</b>	<b>0</b>	<b>0</b>	<b>(12,500,000)</b>

## 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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	6.9	0	0	125,000,000	13.8	0	0	250,000,000	13.8	0	0	250,000,000
Washington State Health Care Authority	.0	68,750,000	68,750,000	0	.0	137,500,000	137,500,000	0	.0	137,500,000	137,500,000	0
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Patrol	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>6.9</b>	<b>68,750,000</b>	<b>68,750,000</b>	<b>125,000,000</b>	<b>13.8</b>	<b>137,500,000</b>	<b>137,500,000</b>	<b>250,000,000</b>	<b>13.8</b>	<b>137,500,000</b>	<b>137,500,000</b>	<b>250,000,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Final 2/ 1/2022
--------------------------------------	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 090-Office of State Treasurer
-----------------------------	--------------------------------------	--

## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/12/2022
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/12/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/12/2022

## 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 .*

HB 1827 creates the community reinvestment account and allows the account to retain its earnings from investments.

### 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 .*

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 103-Department of Commerce
-----------------------------	--------------------------------------	---

## 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	13.8	6.9	13.8	13.8
<b>Account</b>					
Community Reinvestment Account-State      NEW-1	0	125,000,000	125,000,000	250,000,000	250,000,000
<b>Total \$</b>	0	125,000,000	125,000,000	250,000,000	250,000,000

### 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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Emily Grossman	Phone: (206) 256-6125	Date: 01/31/2022
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 01/31/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2022

## 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 2(1)(i) amends RCW 69.50.540, replacing the word cannabis for marijuana in the Department of Commerce (department) cannabis social equity technical assistance grant program.

Section 2(1)(k) amends RCW 69.50.540, transferring \$125,000,000 from the dedicated marijuana account to the community reinvestment account, beginning in fiscal year 2023, and each fiscal year thereafter, and appropriates the funds to the department to establish a cannabis equity grant program.

Section 3 adds a new section, creating the community reinvestment account in the state treasury. Moneys in the account may be spent only after appropriation and may be used to fund four categories:

- Economic development and homeownership ;
- Civil and criminal legal assistance;
- Community-based violence intervention and prevention; and
- Reentry services.

### 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.*

Section 2(1)(k) transfers \$125,000,000 from the dedicated marijuana account to the community reinvestment account and appropriates the funding to the Department of Commerce (department) to establish a cannabis equity grant program.

#### Agency Assumptions:

The department assumes Section 3 also refers to the cannabis equity grant program elements. Under that assumption, there are five program categories that may be funded with the \$125,000,000 appropriation each fiscal year. The vast majority of those efforts would be managed by or through the Community Services and Housing Division. The categories are as follows:

1. Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities ;
2. Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions ;
3. Community-based violence intervention and prevention services; and
4. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

To administer these funds, the department would separate the first category into two subsections funding each equally. The subsections would be:

- 1a. Economic Development/small business assistance, training, support; and
- 1b. Asset Building/Homeownership.

With this, the department would allocate the funding across five program areas with a fiscal year appropriation of approximately \$25,000,000 (20%) per area.

The department assumes the full appropriation would be used to support existing programs and no new programming would be created as a result of this appropriation.

To accomplish this work the department estimates the following will be needed :

1.0 FTE Budget Analyst 4 (2,088 hours) in FY23-FY27 to support all areas eligible for funding from the Community Reinvestment Account. Responsibilities of the position include building conceptual financial analytics to support the five categories, provide or develop the capacity to eventually monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for all activities established in this bill.

5.0 FTE Commerce Specialist 1 (10,440 hours) in FY23-FY27 to provide support for one of the five areas of programming. Responsibilities of these positions include providing program data analysis, review and work towards processing payments to vendors. Work will include preparing proposals, and developing monthly summary reports on the programs. Provide technical support (reviewing plans, RCWs, policies, statements of work, review criteria) to Commerce Specialist 3s and other senior-level staff or managers.

5.0 FTE Commerce Specialist 3 (10,440 hours) in FY23-FY27 for grant administration, monitoring and management for one of the five areas of grants. Responsibilities of these positions include provide or build capacity around solicitation, origination, management, and the monitoring of project contracts. Compliance may include site visits and corresponding compliance reports. Assist senior management with drafting legislation, representing the agency, developing policy positions, and coordinating the state's role with respect to the implementation of the programs.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY23-FY27 to hire, supervise and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

Salaries and Benefits:

FY23-FY27: \$1,193,584 per fiscal year

Goods and Other Services:

FY23-FY27: \$150,145 per fiscal year

Equipment and Capital Outlays:

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in fiscal year 2023 and the purchase of replacement laptops /tablets in fiscal year 2026 based on the department's replacement cycle.

FY23: \$44,000

FY26: \$14,476

Grants, Benefits, and Client Services:

The department estimates the follow for grants for each activity :

1. Homeownership: \$24.6 million, estimated 334 households served
2. Economic development to include expanding access to financial resources including but not limited to grants and loans for small businesses and entrepreneurs, financial literacy training and other small business training and support activities. \$24.6 million, estimated 3,000 organizations/businesses served



- Small business resiliency network program
  - Small business flex fund
  - Go Global
  - Scale Up
3. Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the removal of criminal records and convictions: \$24.6 million
    - The funds will pass through to the Office of Civil Legal Aid and the Office of Public Defense via interagency agreements
  4. Community-based violence and intervention services: \$24.6 million, estimated 100 organizations served
    - OFSVP
  5. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile detention facility in WA: \$24.6 Million, estimated 3,000 individuals served
    - Reentry Grant Program

FY23: \$123,206,452  
 FY24: \$123,250,452  
 FY25: \$123,250,452  
 FY26: \$123,235,976  
 FY27: \$123,250,452

Intra-agency Reimbursements:  
 FY23-FY27: \$405,819 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training. Attorney General costs, and agency administration. Intra-agency administration Reimbursement-Agency administrations costs (e.g., payroll, HR, IT are funded under a federally approved cost allocation plan.)

=====  
 Total Costs:  
 FY23-FY27: \$125,000,000 each fiscal year

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
NEW-1	Community Reinvestment Account	State	0	125,000,000	125,000,000	250,000,000	250,000,000
<b>Total \$</b>			0	125,000,000	125,000,000	250,000,000	250,000,000

**III. B - Expenditures by Object Or Purpose**

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		13.8	6.9	13.8	13.8
A-Salaries and Wages		864,565	864,565	1,729,130	1,729,130
B-Employee Benefits		329,019	329,019	658,038	658,038
C-Professional Service Contracts					
E-Goods and Other Services		150,145	150,145	300,290	300,290
G-Travel					
J-Capital Outlays		44,000	44,000		14,476
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		123,206,452	123,206,452	246,500,904	246,486,428
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		405,819	405,819	811,638	811,638
9-					
<b>Total \$</b>	0	125,000,000	125,000,000	250,000,000	250,000,000

**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
Administrative Services - Indirect	69,552		1.8	0.9	1.8	1.8
Budget Analyst 4	85,020		1.0	0.5	1.0	1.0
Commerce Specialist 1	58,704		5.0	2.5	5.0	5.0
Commerce Specialist 3	78,900		5.0	2.5	5.0	5.0
Commerce Specialist 5	91,525		1.0	0.5	1.0	1.0
<b>Total FTEs</b>			13.8	6.9	13.8	13.8

**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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 107-Washington State Health Care Authority
-----------------------------	--------------------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Basic Health Plan Trust Account-Non-Appropriated 172-6		(62,500,000)	(62,500,000)	(125,000,000)	(12,500,000)
<b>Total \$</b>		(62,500,000)	(62,500,000)	(125,000,000)	(12,500,000)

### Estimated Operating Expenditures from:

Account	FY 2022	FY 2023	2021-23	2023-25	2025-27
General Fund-State 001-1	0	68,750,000	68,750,000	137,500,000	137,500,000
Basic Health Plan Trust Account-Non-Appropriated 172-6	0	(62,500,000)	(62,500,000)	(125,000,000)	(125,000,000)
Dedicated Marijuana Account-State 315-1	0	(6,250,000)	(6,250,000)	(12,500,000)	(12,500,000)
<b>Total \$</b>	0	0	0	0	0

### 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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Cari Tikka	Phone: 360-725-1181	Date: 01/14/2022
Agency Approval: Eric Fiedler	Phone: 360-725-0490	Date: 01/14/2022
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/24/2022

## 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 .

See attached narrative.

### 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 .

See attached narrative.

### 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.

See attached narrative.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	68,750,000	68,750,000	137,500,000	137,500,000
172-6	Basic Health Plan Trust Account	Non-Appropriated	0	(62,500,000)	(62,500,000)	(125,000,000)	(125,000,000)
315-1	Dedicated Marijuana Account	State	0	(6,250,000)	(6,250,000)	(12,500,000)	(12,500,000)
<b>Total \$</b>			0	0	0	0	0

### III. B - Expenditures by Object Or Purpose

NONE

**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

NONE

### 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

None

**Part V: New Rule Making Required**

# HCA Fiscal Note

Bill Number: 1827 HB

HCA Request #: 22-46

## Part II: Narrative Explanation

This bill addresses racial, economic, and social disparities in communities across the state and provides aggressive approaches and targeted resources to support local design and control of community-based responses.

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

Section 2 – Amends RCW 69.50.540. Section 2(k) requires \$125 million to be transferred into the Community Reinvestment Account and appropriated to the Department of Commerce (COM) to establish a cannabis equity grant program beginning in fiscal year 2023 and each fiscal year thereafter. From the amounts remaining in the Dedicated Marijuana Account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed:

1. Up to fifteen percent to HCA for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women.
2. Up to ten percent to the DOH for the creation, implementation, operation, and management of a marijuana education and public health program.
3. Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use.
4. Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW.
5. Five percent to HCA to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220.
6. Up to three-tenths of one percent to the Office of the Superintendent of Public Instruction to fund grants to building bridges programs under chapter 28A.175 RCW.

New Section 3 – A new section is added to chapter 43.79 RCW. The Community Reinvestment Account is created in the state treasury. Money from the distribution required in RCW 69.50.540 (1)(k) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used for:

1. Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities;
2. Civil and criminal legal assistance to provide postconviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions;
3. Community-based violence intervention and prevention services; and
4. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

Section 4 – Amends RCW 43.84.092. Section 4(a) added the community reinvestment account.

Section 5 – Amends RCW 43.84.092. (4) (a) added the community reinvestment account.

New Section 6 – Section 4 of this act expires July 1, 2024.

# HCA Fiscal Note

Bill Number: 1827 HB

HCA Request #: 22-46

New Section 7 – Section 5 of the act takes effect July 1, 2024.

## II. B - Cash Receipts Impact

The requirements of this bill related to the Basic Health Trust Account impact HCA's revenue.

### II. B - Estimated Cash Receipts to:

ACCOUNT	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
Basic Health Plan Trust Acct-Non Appr 172-6	-	(62,500,000)	(62,500,000)	(62,500,000)	(62,500,000)	(125,000,000)	(125,000,000)
<b>Totals</b>	<b>\$ -</b>	<b>\$(62,500,000)</b>	<b>\$(62,500,000)</b>	<b>\$(62,500,000)</b>	<b>\$(62,500,000)</b>	<b>\$(125,000,000)</b>	<b>\$(125,000,000)</b>

## II. C – Expenditures

### HCA Apple Health

This bill transfers \$125 million from the Dedicated Marijuana Account to the newly established Community Reinvestment Account beginning in fiscal year 2023 and appropriates that funding to COM. The bill at the same time reduces funding in the Basic Health Trust Account (Fund 172). HCA requires the GF-State dollars to fully fund Apple Health.

### II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
001-1	General Fund	State	-	68,750,000	68,750,000	68,750,000	68,750,000	137,500,000	137,500,000
172-6	Basic Health Plan Trust Acct	Non Appr	-	(62,500,000)	(62,500,000)	(62,500,000)	(62,500,000)	(125,000,000)	(125,000,000)
315-1	Dedicated Marijuana Acct	State	-	(6,250,000)	(6,250,000)	(6,250,000)	(6,250,000)	(12,500,000)	(12,500,000)
<b>Totals</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Part IV: Capital Budget Impact

None

## Part V: New Rule Making Required

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 195-Liquor and Cannabis Board
-----------------------------	--------------------------------------	--

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Thea McNally	Phone: 360-664-4552	Date: 01/12/2022
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/12/2022
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 .*

This bill intends that in order to address racial, economic, and social disparities in communities across the state created by the historical design and enforcement of state and federal criminal laws and penalties for illegal drug sales, possession, and use in Washington state, aggressive approaches and targeted resources to support local design and control of community based responses to these outcomes are required.

Sec. 2. (k) amends RCW 69.50.540 by establishing a transfer of funds in the amount of \$125 million from the Dedicated Marijuana Account into the Community Reinvestment Account for the Department of Commerce to establish a cannabis equity grant program. The transfer begins in fiscal year 2023 and is to continue each fiscal year thereafter. This amendment does not have a fiscal impact on the Liquor and Cannabis Board (Board) as it is assumed the amount of the transfer will only reduce the amount available to be appropriated and transferred to other accounts outlined in subsection 2 of the RCW.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 225-Washington State Patrol
-----------------------------	--------------------------------------	--

## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Kendra Sanford	Phone: 360-596-4080	Date: 01/12/2022
Agency Approval: Walter Hamilton	Phone: 360-596-4046	Date: 01/12/2022
OFM Review: Ruth Roberson	Phone: (360) 995-3826	Date: 01/14/2022

## 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 .*

There is no fiscal impact to the Washington State Patrol (WSP) as there is no anticipated change in services.

Section 2(1)(k) transfers funds from the dedicated marijuana fund account into the new community reinvestment account starting fiscal year 2023, to be appropriated to the Department of Commerce to establish a cannabis equity grant program.

Section 3 creates the community reinvestment account.

### 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.*

The WSP Marijuana Enforcement Team (MET) is funded by the dedicated marijuana fund account. We anticipate this transfer of funds into the new account will not effect MET services.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 303-Department of Health
-----------------------------	--------------------------------------	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Bobbi Berschauer	Phone: 3602364378	Date: 01/13/2022
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 01/13/2022
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/18/2022

## 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 .*

No fiscal impact.

Section 2 transfers \$125 million each fiscal year to a new community reinvestment account to establish a cannabis equity grant program at the Department of Commerce. The Department at this time assumes this transfer will not affect future appropriations it will receive and therefore no impact. In the event it does, it would reduce prevention and education and medical marijuana program efforts the Department provides.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 350-Superintendent of Public Instruction
-----------------------------	--------------------------------------	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 01/18/2022
Agency Approval: Amy Kollar	Phone: 360 725-6420	Date: 01/18/2022
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/19/2022

## 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 2(1)(k) of the bill states that beginning in fiscal year 2023, and each fiscal year thereafter, \$125 million must be transferred into the Community Reinvestment Account and appropriated to the Department of Commerce to establish a cannabis equity grant program.

### 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 .*

This bill would have no cash receipts impact on the Office of the Superintendent of Public Instruction (OSPI).

### 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 bill would have no expenditure impact on OSPI.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 360-University of Washington
-----------------------------	--------------------------------------	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Kelsey Rote	Phone: 2065437466	Date: 01/14/2022
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 01/14/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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 .*

The only mentions of the University of Washington in this bill are in existing RCW and none of those sentences are being changed or impacted. We assume that this bill does not create any new activity or funding for the UW, and thus we are submitting this as a no impact fiscal note.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

### 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*

NONE

### 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

<b>Bill Number:</b> 1827 HB	<b>Title:</b> Community reinvestment	<b>Agency:</b> 495-Department of Agriculture
-----------------------------	--------------------------------------	--

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: Cassie Jones	Phone: 360-786-7303	Date: 01/11/2022
Agency Preparation: Kelle Davis	Phone: 360 902-1851	Date: 01/13/2022
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 01/13/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 01/14/2022

## 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 .*

House Bill 1827 adds appropriations for the dedicated marijuana account created in RCW 69.50.530. The bill adds a new appropriation beginning in 2023 for \$125 million to be transferred into a community reinvestment account. The department of commerce is directed to use funding to establish a cannabis equity grant program.

No fiscal impact to the Washington State Department of Agriculture (WSDA).

### 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 .*

The proposed legislation has no cash receipt impact on WSDA.

### 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.*

The proposed legislation has no expenditure impact on WSDA.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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*

NONE

### 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**