

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue
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## 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	8,518,000	0	0	24,302,000	0	0	32,854,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>8,518,000</b>	<b>0</b>	<b>0</b>	<b>24,302,000</b>	<b>0</b>	<b>0</b>	<b>32,854,000</b>

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

## 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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Commerce	.6	0	0	1,391,000	1.2	0	0	2,782,000	1.2	0	0	2,782,000
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Washington State Health Care Authority	.0	8,212,000	8,212,000	8,212,000	.0	8,858,000	8,858,000	8,858,000	.0	8,858,000	8,858,000	8,858,000
Liquor and Cannabis Board	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
University of Washington	.5	0	0	135,000	1.0	0	0	270,000	1.0	0	0	270,000
Washington State University	.1	138,000	138,000	138,000	.1	138,000	138,000	138,000	.1	138,000	138,000	138,000
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	.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>1.2</b>	<b>8,350,000</b>	<b>8,350,000</b>	<b>9,876,000</b>	<b>2.3</b>	<b>8,996,000</b>	<b>8,996,000</b>	<b>12,048,000</b>	<b>2.3</b>	<b>8,996,000</b>	<b>8,996,000</b>	<b>12,048,000</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
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
Washington State University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.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> Cheri Keller, OFM	<b>Phone:</b> (360) 584-2207	<b>Date Published:</b> Final 2/10/2022
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 090-Office of State Treasurer
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## 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:

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

### 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/21/2022
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/21/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/22/2022

## 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 .*

SB 5796 restructures the cannabis revenue appropriations. The community reinvestment account is created, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092 (4).

In addition, this bill modifies the name of the dedicated marijuana account to the dedicated cannabis account. There is no fiscal impact to the office associated with name changes.

### 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 .*

Transfers and projected cash flows are currently unavailable; therefore, transfers and 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.*

Section 2 states in part:

- By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under (b) of this subsection, if any, for each county and city as determined in (b)(i) of this subsection.

Estimates are currently unavailable.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

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

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

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

**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

Revised

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 103-Department of Commerce
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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	1.2	0.6	1.2	1.2
<b>Account</b>					
Dedicated Marijuana Account-State 315-1	0	1,391,000	1,391,000	2,782,000	2,782,000
<b>Total \$</b>	0	1,391,000	1,391,000	2,782,000	2,782,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

### 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Joyce Miller	Phone: 360-725-2710	Date: 02/10/2022
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/10/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/10/2022

## 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 amends RCW 69.50.540 for the following items for the Department of Commerce :

Section 2 (2)(B)(vi) increases funding from \$1,650,000 to \$2,000,000 for department to fund Social Equity Technical Assistance Grant Program.

Section 2 (2)(B)(vii) increases funding from \$159,000 to \$200,000 for department to fund a roster of mentors for social equity technical assistance grant program.

Section 2 (2)(B)(viii) provides \$1,000,000 to department to administer low interest loans.

Section 2 (3) states at the end of each fiscal year, the treasurer must transfer any amounts in the dedicated cannabis account that are not appropriated pursuant to subsection (1) or (2) of this section into the Community Reinvestment Account created in Section 3 of this act and appropriated to the Department of Commerce to establish a Cannabis Equity Grant Program.

Section 3 adding a new section, creating the Community Reinvestment Account. Moneys in the account may be spent only after appropriation and may be used to fund five categories :

- Economic development and homeownership ;
- Civil and criminal legal assistance ;
- Community-based violence intervention and prevention ;
- Reentry services; and
- Public education regarding the harms associated with tobacco and cannabis use, outreach to medically underserved communities regarding tobacco and cannabis use, prevention, and cessation, and grants to health centers and youth development programs for tobacco and cannabis cessation treatment 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 increases funding from \$1,650,000 to \$2,000,000 the Social Equity Technical Assistance Grant Program, increases funding from \$159,000 to \$200,000 for a roster of mentors for social equity technical assistance grant program, and provides \$1,000,000 to administer low interest loans. To accomplish the work in this section, the department estimates the following will be needed:

1.0 FTE Commerce Specialist 4 (2,088 hours) in FY23-FY27 to create and administer loan and grant program.

Salaries and Benefits:  
FY23-FY27: \$112,357 per fiscal year

Contracted Services:  
The department assumes contracting with an entity to administer a low interest loan program (\$250 per hour x 280 hours of work).  
FY23-FY27: \$70,000 per fiscal year

Goods and Services, Travel and Equipment:  
FY23: \$22,739  
FY24-FY27: \$13,739 per fiscal year

Grants, Benefits, Client Services:  
FY23: \$2,960,703  
FY24-FY27: \$2,965,703 per fiscal year

Intra-agency Reimbursements:  
FY23-FY27: \$38,201 per fiscal year

Section 3 adding a new section, creating the Community Reinvestment Account. Moneys in the account may be spent only after appropriation and may be used to fund six categories :

- Economic development and homeownership ;
- Civil and criminal legal assistance ;
- Community-based violence intervention and prevention;
- Reentry services; and
- Public education regarding the harms associated with tobacco and cannabis use, outreach to medically underserved communities regarding tobacco and cannabis use, prevention and cessation, and grants to health centers and youth development programs for tobacco and cannabis cessation treatment services.

The cost associated with this section are indeterminate and subject to an appropriation.

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Agency Assumptions:

Under this assumption, there are six program activities that can be funded with the \$125,000,000 annual appropriation. The vast majority of those activities would be managed by the Community Services and Housing Division. They 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. It is estimated that \$20,833,333 in the home ownership program can serve 278 households and the \$20,833,333 to the other areas can serve 2,500 organizations/businesses.

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. It is estimated that \$20,833,333 can serve 83 organizations.

4. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington. is estimated that \$20,833,333 can serve 2,500 individuals.

5. Public education regarding the harms associated with tobacco and cannabis use.

In administering these funds the department would divide the first category into two and equally fund each. The categories would be 1a. economic development/small business assistance, training, support, and 1b. asset building /homeownership. In effect, there would be five funding categories with an annual appropriation of \$20,833,333 (17%) each.

The department assumes that the entire annual appropriation would be divided evenly between the five activities described above and the full appropriation would be used to support existing programs. The department assumes that no new programming would be created as a result of an 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 five activities for the Community Reinvestment program. Responsibilities of the position include building conceptual financial analytics to support the five activities, 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 subsections of grants. 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 subsections 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:**

FY23: \$44,000

FY26: \$14,476

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY23 and the purchase of replacement laptops /tablets in FY26 based on the department's replacement cycle.

**Grants, Benefits, and Client Services :**

FY23: \$123,206,452  
 FY24-FY25: \$123,250,452 per fiscal year  
 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.)

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**Total Costs:**

FY23-FY27: \$1,391,000 per 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
315-1	Dedicated Marijuana Account	State	0	1,391,000	1,391,000	2,782,000	2,782,000
<b>Total \$</b>			0	1,391,000	1,391,000	2,782,000	2,782,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

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

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.2	0.6	1.2	1.2
A-Salaries and Wages		82,901	82,901	165,802	165,802
B-Employee Benefits		29,456	29,456	58,912	58,912
C-Professional Service Contracts		70,000	70,000	140,000	140,000
E-Goods and Other Services		17,539	17,539	25,078	25,078
G-Travel		1,200	1,200	2,400	2,400
J-Capital Outlays		4,000	4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		1,147,703	1,147,703	2,313,406	2,313,406
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		38,201	38,201	76,402	76,402
9-					
<b>Total \$</b>	0	1,391,000	1,391,000	2,782,000	2,782,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

**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		0.2	0.1	0.2	0.2
Commerce Specialist 4	82,091		1.0	0.5	1.0	1.0
<b>Total FTEs</b>			1.2	0.6	1.2	1.2

**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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 107-Washington State Health Care Authority
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## 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	8,543,000	(25,000)	8,518,000	24,302,000	32,854,000
<b>Total \$</b>	8,543,000	(25,000)	8,518,000	24,302,000	32,854,000

### Estimated Operating Expenditures from:

Account	FY 2022	FY 2023	2021-23	2023-25	2025-27
General Fund-State 001-1	3,758,000	4,454,000	8,212,000	8,858,000	8,858,000
<b>Total \$</b>	3,758,000	4,454,000	8,212,000	8,858,000	8,858,000

### 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Cari Tikka	Phone: 360-725-1181	Date: 02/01/2022
Agency Approval: Michael Paquette	Phone: 360-725-0875	Date: 02/01/2022
OFM Review: Bryan Way	Phone: (360) 522-3976	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 .

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	3,758,000	4,454,000	8,212,000	8,858,000	8,858,000
<b>Total \$</b>			3,758,000	4,454,000	8,212,000	8,858,000	8,858,000

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

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	3,758,000	4,454,000	8,212,000	8,858,000	8,858,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	3,758,000	4,454,000	8,212,000	8,858,000	8,858,000

**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

NONE

**III. D - Expenditures By Program (optional)**

<b>Program</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>2021-23</b>	<b>2023-25</b>	<b>2025-27</b>
Community Behavioral Health (150)	3,758,000	4,429,000	8,187,000	8,858,000	8,858,000
HCA - Other (200)		25,000	25,000		
<b>Total \$</b>	<b>3,758,000</b>	<b>4,454,000</b>	<b>8,212,000</b>	<b>8,858,000</b>	<b>8,858,000</b>

**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: 5796 SB

HCA Request #: 22-042

## Part II: Narrative Explanation

This bill is AN ACT Relating to restructuring cannabis revenue appropriations creating a cascading three subsection system where each new subsequent subsection is allocating funds by the remains of the previous subsection. Any remaining amounts under each subsection must be distributed as indicated in each section.

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

Section 1 – Amends RCW 69.50.530 (Dedicated Marijuana Account). This section renames the Dedicated Marijuana Account to the Dedicated Cannabis Account. states that the dedicated cannabis account is created in the state treasury. And all moneys received by the board, or any employee thereof, from marijuana-related transactions must be deposited into the account.

Section 2 – Amends RCW 69.50.540 (Dedicated Marijuana Account – Appropriations).

(1)(a) The legislature must appropriate nineteen percent of all money in the Dedicated Cannabis Account on a quarterly basis or as follows:

- i. \$12,148,000 to the board for administration of this chapter.
- ii. Until June 30, 2032, \$200,000 to the Heath Care Authority (HCA) for the purpose of contracting with the Washington State Institute for Public Policy.
- iii. \$2,423,000 for fiscal year 2022 and \$2,793,000 for fiscal year 2023 to the Washington state patrol for a drug enforcement task force.
- iv. \$270,000 for fiscal year 2022 and \$464,000 for fiscal year 2023 to the Department of Ecology for implementation of accreditation of marijuana product testing laboratories.
- v. \$800,000 for each of fiscal years 2020 through 2023 to the Department of Health for the administration of the marijuana authorization database.
- vi. \$621,000 for fiscal year 2022 and \$635,000 for fiscal year 2023 to the Department of Agriculture for compliance-based laboratory analysis of pesticides in marijuana.

(1)(b) Any amounts remaining after the distributions made under (1)(a) of this subsection must be distributed as follows:

- i. \$27,800,000 to counties, cities, and towns.
- ii. Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.

(1)(c) By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under (b) of this subsection, if any, for each county and city as determined in (b)(i) of this subsection.

(1)(d) Any amounts remaining after the distributions made under (b) of this subsection must be deposited in the state general fund.

Section 2(2) From the amounts in the Dedicated Cannabis Account after appropriation of the amounts identified in subsection 2(1) of this section, the legislature must annually appropriate for the purposes listed in this subsection (2) as follows:

- a) Fifty-eight 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 (Basic Health Plan – Health Care Access Act).
- b) Any remaining amounts under this subsection (2) must be distributed as follows:
  - i. \$49,246,000 to HCA for the following:
    - A. Design and administer the Washington State Healthy Youth Survey.

# HCA Fiscal Note

Bill Number: 5796 SB

HCA Request #: 22-042

- B. Develop, implement, maintain, and evaluate 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.
- C. Contract 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.

Section 2(3) requires the treasurer transfer any amounts in the Dedicated Cannabis Account that are not appropriated pursuant to subsection (1) or (2) of this section at the end of each fiscal year into the Community Reinvestment Account and appropriated to the Department of Commerce to establish a cannabis equity grant program.

Section 3 - The Community Reinvestment Account is created in the state treasury. Money from the distribution required in RCW 69.50.540 must be deposited into the account. Moneys in the account may be spent only after appropriation.

## 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	8,543,000	(25,000)	7,875,000	16,427,000	8,518,000	24,302,000	24,302,000
<b>Totals</b>	<b>\$ 8,543,000</b>	<b>\$ (25,000)</b>	<b>\$ 7,875,000</b>	<b>\$ 16,427,000</b>	<b>\$ 8,518,000</b>	<b>\$ 24,302,000</b>	<b>\$ 24,302,000</b>

## II. C – Expenditures

HCA requests \$8,212,000 GF-State in the 2021-2023 biennium to cover the estimated fiscal impact from this proposed legislation.

This bill restructures cannabis revenue appropriations creating a cascading three subsection system where each new subsequent subsection is allocating funds by the remains of the previous subsection. Any remaining amounts under each subsection must be distributed as indicated in each section. HCA estimates the cost of the new appropriation methodology for distributing DMA funding will have a significant fiscal impact to HCA's Community Behavioral Health and Apple Health programs.

### 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	3,758,000	4,454,000	4,429,000	4,429,000	8,212,000	8,858,000	8,858,000
<b>Totals</b>			<b>\$ 3,758,000</b>	<b>\$ 4,454,000</b>	<b>\$ 4,429,000</b>	<b>\$ 4,429,000</b>	<b>\$ 8,212,000</b>	<b>\$ 8,858,000</b>	<b>\$ 8,858,000</b>

### II. C - Expenditures by Object Or Purpose

		FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
N	Grants, Benefits & Client Services	3,758,000	4,454,000	4,429,000	4,429,000	8,212,000	8,858,000	8,858,000
<b>Totals</b>		<b>\$ 3,758,000</b>	<b>\$ 4,454,000</b>	<b>\$ 4,429,000</b>	<b>\$ 4,429,000</b>	<b>\$ 8,212,000</b>	<b>\$ 8,858,000</b>	<b>\$ 8,858,000</b>

### II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.

Job title	Salary	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
<b>Totals</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### II. C - Expenditures By Program (optional)

Program	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
150 Community Behavioral Health	3,758,000	4,429,000	4,429,000	4,429,000	8,187,000	8,858,000	8,858,000
200 HCA - Other	-	25,000	-	-	25,000	-	-
<b>Totals</b>	<b>\$ 3,758,000</b>	<b>\$ 4,454,000</b>	<b>\$ 4,429,000</b>	<b>\$ 4,429,000</b>	<b>\$ 8,212,000</b>	<b>\$ 8,858,000</b>	<b>\$ 8,858,000</b>



## HCA Fiscal Note

Bill Number: 5796 SB

HCA Request #: 22-042

### **Part IV: Capital Budget Impact**

None

### **Part V: New Rule Making Required**

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 195-Liquor and Cannabis Board
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## 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Thea McNally	Phone: 360-664-4552	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: 01/14/2022

## 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 .*

This bill restructures the appropriations in the Dedicated Marijuana Account and changes the name of the account to the Dedicated Cannabis Account.

However, the Liquor and Cannabis Board's (Board) appropriation is not impacted by the changes made by the bill as the appropriation in section 2(1)(a)(i) is consistent with the omnibus appropriations act.

Additionally, the Board is responsible for distributing revenues from the account to local governments. Although section 2(1)(b)(i) of the bill changes where these distributions fall in the hierarchy of appropriations in the account and increases the amount to distribute, the distribution formula remains the same so there is no additional workload from this change.

### 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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 303-Department of Health
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## 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	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 .*

This bill amends RCW 69.50.530 (Dedicated marijuana account.) to rename the account to the dedicated cannabis account. The bill also amends RCW 69.50.540 (Dedicated marijuana account—Appropriations.) to restructure how funding is appropriated within the account itself.

This bill does not impose any fiscal impacts upon the Department of Health through creation of new programmatic or new staffing demands as the stipulated uses of funds in Section 2 (2)(b)(ii) are already outlined in the current version of RCW 69.50.540. This bill only more explicitly codifies the amounts to be appropriated for said purposes.

### 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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 350-Superintendent of Public Instruction
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

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

**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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 01/20/2022
Agency Approval: Amy Kollar	Phone: 360 725-6420	Date: 01/20/2022
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/21/2022



## 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 restructures the Cannabis Revenue Appropriation, an appropriation from which the Office of the Superintendent of Public Instruction (OSPI) receives spending authority.

Section 2 of the bill eliminates a subsection that authorizes the Health Care Authority (HCA) to receive specific spending authority of \$125,000 to design and administer the Washington State Healthy Youth Survey, analyze the collected data, and produce reports, in collaboration with OSPI and other state agencies. It is replaced by another subsection that authorizes the same work without a specific spending authority for only that work.

Section 2 also eliminates a subsection that requires the legislature to appropriate a minimum of \$511,000 to OSPI to fund grants to building bridges programs for each fiscal year. It is replaced by a subsection that annually appropriates \$530,000 to fund grants to building bridges programs.

### 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 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 an indeterminate expenditure impact on OSPI.

OSPI currently collaborates with HCA on the Healthy Youth Survey, but does not receive any funding, and the collaborative work is done within existing agency resources. It is assumed for this fiscal note that the same level of collaboration with HCA would occur in the future and no additional funding would be needed. This would have no expenditure impact on OSPI.

OSPI currently receives a yearly appropriation for the Building Bridges Program from the Dedicated Marijuana Account, the amount has varied over the last three biennia, with FY 2018 at \$513,000, FY2019 at \$515,000, FY 2020 at \$522,000, FY 2021 at \$530,000, and the current biennium funding is \$520,000 for FY 2022, and \$533,000 for FY 2023. This bill would set the amount at \$530,000 per state fiscal year, going forward with no yearly variation. OSPI assumes for this fiscal note that the legislature is "right-sizing" the proviso funding that it receives from the Cannabis Account, and any increase or decrease would be addressed in another agency fund source.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

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

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

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

**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

Revised

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 360-University of Washington
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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	1.0	0.5	1.0	1.0
<b>Account</b>					
Dedicated Marijuana Account-State 315-1	0	135,000	135,000	270,000	270,000
<b>Total \$</b>	0	135,000	135,000	270,000	270,000

### 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Jed Bradley	Phone: 2066164684	Date: 01/26/2022
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 01/26/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/26/2022

## 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 .*

SB 5796 modifies appropriations from the Dedicated Marijuana Account (renamed by the bill to the Dedicated Cannabis Account). The following changes are relevant to the University of Washington :

Section 2 (p.2 line 36) removes a quarterly \$5,000 appropriation to the Alcohol and Drug Abuse Institute (ADAI, now renamed the Addictions, Drug, and Alcohol Institute) for the purposes of web-based public education materials about the health and safety risks of marijuana use. This is replaced by an annual appropriation (p.7 line 5) of \$20,000 for the same purpose. This has no net change.

Section 2 (p.7 lines 1-3 and 10-15) suspends the percentage-based distribution to the University of Washington, which has been suspended each biennium in favor of static annual appropriations, and replaces it with an annual appropriation to the University of \$378,000 for research on the short and long-term effects of marijuana use.

### 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.*

The University currently receives a total of \$263,000 per year from the Dedicated Marijuana Account. Currently, \$20,000 of this allocation is distributed directly to ADAI for web-based education materials and the remainder is distributed by UW Research for cannabis research activity. In total, the bill would have no change on the direct allocation to ADAI, but would increase the research portion by \$135,000 (\$378,000 - \$243,000).

UW Research has directed the research portion of the funding to ADAI to perform and oversee cannabis research efforts since July 2015. Consistent with RCW 69.50.530 and 69.50.540, these funds are used to support “research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research”, as documented in the 2015-17, 2017-2019 and 2020-21 UW ADAI Research Reports disseminated to the public every biennium.

The University has a robust portfolio of cannabis research and significant interest in additional research. By legislative request, potential additional research projects were submitted as part of the University’s 2017-19 budget request (ML AD Marijuana Research).

Additional funding would likely allow expansion of the Cannabis Small Grants Program. This program supports UW researchers selected through a rigorous peer-reviewed process to investigate cannabis use consequences and develop /test prevention, treatment, and public health approaches to minimize risks associated with its use.

Funding could also support the addition of one full time investigator to UW ADAI Cannabis Research and Education Program focused on cannabis legalization impact on social and health equity.

Given that it is unknown which projects or additional activity would be selected out of a competitive pool to be funded by this increase, we have estimated a salary and benefits split based on the faculty benefit load rate (23.2 percent) and total new funding of \$135,000 (for an estimated 1.0 FTE total in FY23 and beyond). In reality, the activity would likely be a

combination of faculty researcher salaries and benefits, research assistant (RA) salaries and benefits (a similar benefit load rate to faculty), and supplies and materials.

### 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	135,000	135,000	270,000	270,000
<b>Total \$</b>			0	135,000	135,000	270,000	270,000

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

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		110,000	110,000	220,000	220,000
B-Employee Benefits		25,000	25,000	50,000	50,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	135,000	135,000	270,000	270,000

#### 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
Faculty Researcher	110,000		1.0	0.5	1.0	1.0
<b>Total FTEs</b>			1.0	0.5	1.0	1.0

#### 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**

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 365-Washington State University
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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	0.1	0.1	0.1	0.1	0.1
<b>Account</b>					
General Fund-State 001-1	69,000	69,000	138,000	138,000	138,000
<b>Total \$</b>	69,000	69,000	138,000	138,000	138,000

### 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 01/26/2022
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/26/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/26/2022

## 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 (2) (b) (iv) of SB 5796 states that Washington State University will receive an additional \$69,000 per year bringing the total to \$207,000 annually from the dedicated cannabis account for research on the long and short term effects of marijuana use.

### 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.

Funding from the dedicated cannabis account would fund additional cannabis research through WSU's Center for Cannabis Policy, Research, and Outreach. The Director (0.03 FTE), Assistant Director (0.02 FTE), and Administrative Assistant (0.04 FTE) would be partially funded with cannabis account funds. The majority of funds (approximately \$45,000) would fund grants for research projects across multiple academic disciplines.

## 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	69,000	69,000	138,000	138,000	138,000
<b>Total \$</b>			69,000	69,000	138,000	138,000	138,000

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

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	12,065	12,065	24,130	24,130	24,130
B-Employee Benefits	3,378	3,378	6,756	6,756	6,756
C-Professional Service Contracts					
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
G-Travel	3,333	3,333	6,666	6,666	6,666
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	45,224	45,224	90,448	90,448	90,448
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	69,000	69,000	138,000	138,000	138,000

### 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 Assistant	50,000	0.0	0.0	0.0	0.0	0.0
Assistant Director	174,000	0.0	0.0	0.0	0.0	0.0
Director	175,000	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.1	0.1	0.1	0.1	0.1



**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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 376-The Evergreen State College
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## 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Catherine Nicolai	Phone: (360) 664-9087	Date: 01/12/2022
Agency Approval: Laura Coghlan	Phone: (360) 867-6510	Date: 01/12/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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 .*

The proposed language in SB 5796 does not change WSIPP's assignment or have an associated cost.

### 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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 461-Department of Ecology
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## 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Gary Koshi	Phone: 360-407-7222	Date: 01/16/2022
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/16/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	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 .*

Under current law, Ecology has an appropriation of \$284,000 in FY 2022 and \$290,000 in FY 2023 from the Dedicated Marijuana Account, as provided in the 2021-23 Enacted Operating Budget (ESSB 5092). Ecology participated on the cannabis science task force to develop recommendations for laboratory quality standards, and is responsible for accreditation of marijuana-testing laboratories beginning July 1, 2024.

Section 1 of this bill would amend RCW 69.50.530 to change the name of the Dedicated Marijuana Account to the Dedicated Cannabis Account. There are no changes to the uses of the the account.

Section 2 of the bill would amend RCW 69.50.540 to restructure how funding is appropriated within the Dedicated Cannabis Account.

Section 2(1)(iv) of the bill states that the legislature must appropriate \$270,000 for FY 2022 and \$464,000 for FY 2023 from the Dedicated Cannabis Account to Ecology for “implementation of accreditation of marijuana product testing laboratories”. This bill more explicitly codifies the amounts appropriated for said purposes. For Ecology, the FY 2023 appropriation indicated in this bill is higher than Ecology’s current appropriation. However, the agency’s appropriation is determined separately under the budget appropriations bill, so this bill would not change Ecology’s appropriation from the Dedicated Cannabis Account. Since the bill does not add any additional workload to Ecology, nor does it modify any of Ecology’s existing responsibilities, the bill would not affect Ecology’s planned expenditures and would have no fiscal impact on Ecology.

### 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> 5796 SB	<b>Title:</b> Cannabis revenue	<b>Agency:</b> 495-Department of Agriculture
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## 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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Preparation: Kelle Davis	Phone: 360 902-1851	Date: 01/14/2022
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 01/14/2022
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 5796 restructures the dedicated cannabis account appropriations to provide transparency and accountability and to increase community infrastructure and investment. The bill has little to no impact to WSDA, as it only amends the 2023 appropriation to WSDA from \$627,000 to \$635,000, an increase of \$8,000.

### 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.*

Minimum to zero impact - a small increase in appropriation will be allocated to those WSDA programs already receiving cannabis monies.

## 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**

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5796 SB

Title: Cannabis revenue

**Part I: Jurisdiction**-Location, type or status of political subdivision defines range of fiscal impacts.

**Legislation Impacts:**

- Cities: Revenue based on per capita basis.
- Counties: Revenue based on per capita basis.
- Special Districts:
- Specific jurisdictions only: Location where licensed marijuana retailers are physically located based on proportional share of revenue generation.
- Variance occurs due to:

**Part II: Estimates**

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Changes in revenue distribution compared to current law

**Estimated revenue impacts to:**

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

**Estimated expenditure impacts to:**

None

**Part III: Preparation and Approval**

Fiscal Note Analyst: Lauren Gilmore	Phone: 564-999-3560	Date: 01/14/2022
Leg. Committee Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/11/2022
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/14/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/14/2022

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Provide a clear, succinct description of the bill with an emphasis on how it impacts local government .*

This bill restructures cannabis revenue appropriations to provide transparency and accountability and to increase community infrastructure and investment, including \$27,800,000 to counties, cities, and towns every biennium.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Briefly describe and quantify the expenditure impacts of the legislation on local governments , identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

This legislation has no impact on expenditure.

### **C. SUMMARY OF REVENUE IMPACTS**

*Briefly describe and quantify the revenue impacts of the legislation on local governments , identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

This bill would have indeterminate revenue impact.

This proposed bill would change the allocation amount for local governments from a variable amount to a set \$27 .8 million dollars per biennium. Because the current law provides a variable allocation rate to local governments the revenue impact of this bill is indeterminate.

The legislature appropriates \$27,800,000 to counties, cities, and towns each biennium as follows :

-- Thirty percent must be distributed to counties, cities, and 16 towns where licensed marijuana retailers are physically located based on

the proportional share of the total revenues generated in the individual jurisdiction

-- Seventy percent must be distributed to counties, cities, and 26 towns ratably on a per capita basis. Counties must receive 60 percent of

the distribution, which must be disbursed based on each county's total proportional population.

-- Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter

-- By September 15th of each year, the board must provide the state treasurer the annual distribution amount made for each county and city

-- Any amounts remaining after the distributions made under this subsection must be deposited in the state general fund.

Background:

Under existing statute local governments are awarded money collected from marijuana sales taxes from the general fund . These funds are allocated to be 30% of the previous year's marijuana excise taxes deposited in the general fund provided that year exceeded \$25 million in total collections. According to the Washington State Liquor and Cannabis Board, in the 19-21 biennium local governments received \$15 million and in the 21-23 biennium counties have been allocated \$20 million

Cannabis revenue has increased significantly since the current statute was enacted. The revenue set in this bill may not be as high as would occur under the existing statute. However, the November 2021 update from the Washington State Economic and Revenue Forecast Council suggests that cannabis revenues may be stabilizing which could result in a revenue increase or little change from the existing statute.

SOURCES:

Washington State Liquor and Cannabis Board

Washington State Economic and Revenue Forecast Council, November 2021 Revenue Notebook