

Multiple Agency Fiscal Note Summary

Bill Number: 5624 SB	Title: Substance use recovery serv.
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Health	0	0	8,000	0	0	19,000	0	0	24,000
Total \$	0	0	8,000	0	0	19,000	0	0	24,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other		(97,001)		(148,000)		(175,000)
Local Gov. Total		(97,001)		(148,000)		(175,000)

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	3,900	3,900	3,900	.0	0	0	0	.0	0	0	0
Administrative Office of the Courts	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Public Defense	.0	0	0	0	.0	0	0	0	.0	0	0	0
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.1	36,956	36,956	36,956	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	.0	2,624,000	2,624,000	2,624,000	.0	1,989,000	1,989,000	1,989,000	.0	2,122,000	2,122,000	2,122,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Revenue	3.2	733,700	733,700	733,700	1.3	279,000	279,000	279,000	1.3	279,000	279,000	279,000
Criminal Justice Training Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	1.0	289,000	289,000	304,000	2.1	954,000	954,000	990,000	.1	208,000	208,000	222,000
Department of Children, Youth, and Families	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Corrections	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	.0	13,347	13,347	13,347	.0	0	0	0	.0	0	0	0
The Evergreen State College	.0	0	0	0	.2	71,110	71,110	71,110	.4	204,037	204,037	204,037
Total \$	4.3	3,700,903	3,700,903	3,715,903	3.6	3,293,110	3,293,110	3,329,110	1.8	2,813,037	2,813,037	2,827,037

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other			3,839,760			1,407,500			
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			3,839,760			1,407,500			

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Public Defense	.0	0	0	.0	0	0	.0	0	0
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Cynthia Hollimon, OFM	Phone: (360) 810-1979	Date Published: Final 2/16/2023
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Judicial Impact Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

STATE	FY 2024	FY 2025	2023-25	2025-27	2027-29
State FTE Staff Years					
Account					
General Fund-State 001-1	3,900		3,900		
State Subtotal \$	3,900		3,900		
COUNTY	FY 2024	FY 2025	2023-25	2025-27	2027-29
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2024	FY 2025	2023-25	2025-27	2027-29
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					

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

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 02/08/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/08/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/15/2023

182,412.00

Request # 128-1

Form FN (Rev 1/00)

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Bill # 5624 SB

Part II: Narrative Explanation

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

This bill would amend and add new sections to laws to implement the recommendations of the substance use recovery services advisory committee.

Sections 2-4 of the bill may decrease the annual number of cases before superior courts by changing certain drug offenses from a class C felony to a misdemeanor: a) knowing possession of more than a personal amount of a counterfeit substance or knowing possession of a counterfeit substance by any person under 21; b) knowing possession of more than a personal amount of a controlled substance or knowing possession of a controlled substance by any person under 21; and c) knowing possession of more than a personal amount of a legend drug or knowing possession of a legend drug by any person under 21.

The bill does not define “personal amount”.

II. B - Cash Receipts Impact

None

II. C - Expenditures

ADMINISTRATIVE OFFICE OF THE COURTS

This bill would have minimal fiscal impact on the Administrative Office of the Courts (AOC).

COURT FORMS

This bill would require changes to court forms which would take approximately 40 hours of work by a Legal Services Senior Analyst.

Legal Services Senior Analyst. Beginning July 1, 2023 through June 30, 2024, AOC would require salary, benefits, and associated standard costs for 0.01 FTE to update required court forms.

AOC STAFF IMPACTS INCLUDE STANDARD COSTS

Explanation of standard costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 31.89% of salaries.

Goods and Services are the agency average of \$3,800 per direct program FTE.

Travel is the agency average of \$2,500 per direct program FTE.

One-time IT Equipment is \$4,800 for the first fiscal year per direct program FTE. Ongoing Equipment is the agency average of \$1,600 per direct program FTE.

Agency Indirect is calculated at a rate of 24.73% of direct program salaries and benefits.

INDETERMINATE IMPACT TO SUPERIOR, DISTRICT AND MUNICIPAL COURTS

It is not possible to determine a fiscal impact to the superior courts or the courts of limited jurisdiction. The bill would decriminalize possession of a “personal amount.” It is impossible to predict how many cases would actually get charged if possession of a “personal amount” is decriminalized. The bill does not define “personal amount”. It would be up to litigation and the development of caselaw in this matter to make that definition.

Where the bill changes the seriousness of certain drug offenses from a felony to a misdemeanor, fewer cases would remain in superior court and be heard in district or municipal court. However, there would not be a cost savings to superior court. Under this bill, the savings would be indeterminate. Even if they could be estimated, these savings could only be realized if the number of judicial officers was reduced together with a corresponding reduction in staff. It would be unlikely that actual staffing reductions would occur. Rather, it would be more likely that judges and staff would redirect their efforts to provide adequate time and attention to other cases before the court and to reducing caseload backlogs. The number of superior and district court judge positions in each county is established by statute. Positions cannot be eliminated during the term of office.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

State	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Wages	2,300		2,300		
Employee Benefits	700		700		
Professional Service Contracts					
Goods and Other Services	100		100		
Travel	100		100		
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements	700		700		
Total \$	3,900		3,900		

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

III. B - Expenditure By Object or Purpose (County)

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

III. C - Expenditure By Object or Purpose (City)

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

III. D - FTE Detail

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Senior Analyst	114,400	0.0		0.0		
Total FTEs		0.0		0.0		0.0

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

182,412.00

Form FN (Rev 1/00)

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

None

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 056-Office of Public Defense
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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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Brett Ballew	Phone: 360-586-3164 1	Date: 02/09/2023
Agency Approval: Sophia Byrd McSherry	Phone: 360-586-3164	Date: 02/09/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/16/2023

Part II: Narrative Explanation

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

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

SB 5624 would implement recommendations of the Substance Use and Recovery Services Advisory Committee (SURSAC) related to possession of controlled substances and support for substance use disorder treatment and related services.

* Section 6 would amend the definition of indigent in the dependency statute (Ch. 13.34 RCW) to include any one in need of mental health, substance use, or behavioral health services. OPD administers state-funded services to represent indigent parents in dependency and termination cases. Currently, a person is indigent in a dependency or termination case when they are at any time during the case receiving certain types of public assistance, involuntarily committed to a public mental health facility, receive an annual income 125 percent or less of the federal poverty level, or are unable to pay the anticipated cost of counsel for the matter because funds are insufficient to pay for counsel.

OPD does not anticipate that Section 6 would result in more parents qualifying for OPD representation because nearly all parents in dependency cases already meet the indigence criteria. In addition, virtually all dependencies require some form of mental health, substance use or behavioral health services as a part of the service plan for the parent.

* Section 7 would create a right to counsel in family law parenting plan or child custody proceedings where the court determines the parent, guardian, or custodian is affected by substance use disorders, mental health or behavioral health concerns. The bill does not specify an entity to be responsible for providing counsel in these matters. Appointment of counsel in Title 26 family matters is not among OPD's enumerated statutory duties, therefore OPD assumes that Section 7 would not create a fiscal impact to OPD.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 101-Caseload Forecast Council
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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:

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- 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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 02/04/2023
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 02/04/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/05/2023

Part II: Narrative Explanation

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

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

See attached.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

SB 5624

IMPLEMENTING THE RECOMMENDATIONS OF THE SUBSTANCE USE RECOVERY ADVISORY COMMITTEE

**101 – Caseload Forecast Council
February 1, 2023**

SUMMARY

A brief description of what the measure does that has fiscal impact.

- Section 1 States the findings of the legislature.
- Section 2 Amends RCW 69.50.4011 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possession of a Counterfeit Substance. Additionally, limits criminal actions to those who knowingly possess more than a personal amount or to those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.
- Section 3 Amends RCW 69.50.4013 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possession of a Controlled Substance. Additionally, limits criminal actions to those who knowingly possess more than a personal amount or to those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.
- Section 4 Amends RCW 69.41.030 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possessing a Legend Drug. Additionally, limits criminal actions of Knowingly Possessing a Legend Drug to those who knowingly possess more than a personal amount or those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.
- Section 5 Adds a new section to chapter 69.50 RCW stating the laws concerning drug paraphernalia are preempted by the state of Washington and cities, towns, and counties or other municipalities may only enact laws and ordinances that are specifically authorized by state law. Requires local ordinances to have the same penalty as provided by state law.
- Section 11 Amends RCW 69.50.4121 contracting the Class I Civil penalty associated with drug paraphernalia.

EXPENDITURES

Assumptions

None.

Impact on the Caseload Forecast Council.

None.

Background Information

In February 2021, the Washington State Supreme Court ruled in *State v. Blake* that the state's felony drug possession statute was unconstitutional. Prior to the Blake decision, Drug Possession was a felony offense ranked at Seriousness Level I on the Adult Felony Drug Grid and a Category C on the Juvenile Offender Sentencing Grid.

As a result of the court decision in February 2021, simple drug possession became non-criminal.

The 2021 Legislature addressed the issue and made changes to the statutes ruled unconstitutional by adding the term "knowingly" – effective as of May 13, 2021 (ESB 5476). The bill also lowered felony possession offenses to misdemeanor offenses and encouraged prosecutors to divert cases for assessment, treatment, or other services. The possession offenses were removed from the Adult felony Drug Grid, and lowered to a Category E on the Juvenile Offender Grid.

ESB 5476 contained a sunset clause, making the changes expire as of July 1, 2023, at which time without any changes, simple possession would once again be unconstitutional and no longer a crime.

This bill reintroduces the term "knowingly" to the drug possession statutes and classifies simple possession of a controlled or counterfeit substance a misdemeanor. Additionally reintroduces the term "knowingly" to the sale, possession or delivery of a legend drug and allows for possession of a personal use amounts if age 21 or over. The sale, delivery, or possession with intent to sell or deliver a legend drug remains a Class B felony. Knowingly possessing a legend drug remains a misdemeanor offense if possession is over the personal amounts allowed or if the individual is under the age of 21.

Impact Summary

This bill results in possession offenses remaining as criminal offenses as of the effective date of the bill for any person that knowingly possesses a counterfeit or controlled substance or legend drug and the person knowingly possessed more than a personal amount or for any person who is under the age of 21 for any amount of the substance/drug.

The changes in this bill will keep allow for the legal possession of certain substances or drug for individuals 21 and over that possessed a personal amount of the substance/drug.

Changes is ESB 5476 expire as of July 1, 2023. Section 15 (Adult Felony Sentencing Drug Grid) and Section 16 (Juvenile Offender Sentencing Grid), are not amended by SB 5624 and will revert the Seriousness Levels and Categories back to pre-ESB 5476. This results in Possession of a Controlled Substance at Seriousness Level II on the adult grid, and a Category C on juvenile grid. As the offense is not a felony offense, it should not be included on the adult grid. For juveniles, the offense will be categorized as Category C offense (which is equivalent to a Class Felony) under the provisions of the bill.

Impact on Prison and Jail beds

The bill decriminalizes possession offenses that are currently considered a misdemeanor offense, when the possession does not exceed personal use and the person is 21 or over. The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate impacts resulting from the bill. However, as a misdemeanor, the offense is punishable by a term of confinement of 0-90 days in jail. Therefore, any decreased convictions for this offense would reduce the need for jail beds.

Impact on Department of Corrections (DOC) Supervision Caseload

The provisions of the bill have no impact to DOC supervision caseload.

Impact on Juvenile Rehabilitation and local beds

Possession of a Controlled Substance will remain a misdemeanor offense under the provisions of the bill for individuals under the age of 21 (regardless of the amount possessed). The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate impacts resulting from the bill.

Changes in ESB 5476 expire as of July 1, 2023. Section 16 (Juvenile Offender Sentencing Grid), are not amended by SB 5624 and will revert the Seriousness Levels and Categories back to pre-ESB 5476. This results in Possession of a Controlled Substance at Category C on juvenile grid. For juveniles, the offense will be categorized as Category C offense (which is equivalent to a Class Felony.)

As a result, the offense is punishable by a standard range term of between Local Sanctions (0-30 days in local juvenile detention) and 15-36 weeks in Juvenile Rehabilitation for juveniles adjudicated for the offense but confinement would be limited to a little less than 13 weeks (90 days maximum for misdemeanor offenses).

Therefore, incidences of this offense would likely impact both local juvenile detention and Juvenile Rehabilitation beds.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.0	0.1	0.0	0.0
Account					
General Fund-State 001-1	36,956	0	36,956	0	0
Total \$	36,956	0	36,956	0	0

Estimated Capital Budget Impact:

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

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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/13/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/13/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/15/2023

Part II: Narrative Explanation

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

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

Section 17 provides legislative intent to increase operating and capital investments in the 2023-2025 biennium over the 2021-2023 biennium, including for crisis stabilization facilities, which the Department of Commerce (department) implements as part of its Behavioral Health Facilities Program.

Section 20 amends RCW 36.70A.200 to modify the essential facilities that cities and counties planning under the Growth Management Act would add into their processes for identifying and siting such facilities within their comprehensive plans.

Section 22 adds a new section to RCW 43.330 requiring the department to form and operate a program for the capital construction needs of substance use disorder treatment programs. Awards must be made to unserved areas of the state and specifically Eastern and Central Washington.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 20: Growth Management Services essential facilities guidance.

Assumptions:

- The department assumes minor updates to existing essential facilities guidance and rulemaking to update WAC 396-550.
- Guidance includes outreach and engagement in coordination with the staff of the grant program developed by the department in Section 13 with emphasis on siting issues and opportunities at the local level.

0.20 FTE Commerce Specialist 3 (418 hours) in FY24 to provide essential facility guidance, technical assistance to cities and counties, and to update department rules for essential facilities. Staff would be responsible for coordinating with opioid treatment grant program staff during outreach and engagement.

Salaries and Benefits:

FY24: \$22,211

Goods and Services:

FY24: \$3,433

Travel:

Outreach and engagement to Eastern and Central Washington for 10 days, all of which are likely overnight trips.

FY24: \$4,005

Intra-agency Reimbursements:

FY24: \$7,307

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

=====
 Total Costs:
 FY24: \$36,956

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	36,956	0	36,956	0	0
Total \$			36,956	0	36,956	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	16,411		16,411		
B-Employee Benefits	5,800		5,800		
C-Professional Service Contracts					
E-Goods and Other Services	3,433		3,433		
G-Travel	4,005		4,005		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	7,307		7,307		
9-					
Total \$	36,956	0	36,956	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.0		0.0		
Commerce Specialist 3	82,056	0.2		0.1		
Total FTEs		0.2		0.1		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

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

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

NONE

Section 17: Legislative intent to increase investment for crisis stabilization facilities

- The impact of the intent statement is indeterminate and appropriation level is unknown at this time.

Section 22: Development and implementation of an opioid treatment capital program.

Assumptions:

- The proposed legislation creates a new Opioid treatment capital grant program that is subject to appropriation and does not identify a funding source.
- The department assumes 3% of a potential appropriation for administrative costs, but without a clearly identified funding level, the costs outlined for the department to implement the proposed legislation are illustrative only.
- The department assumes a process to develop the grant program criteria, including eligibility, funding prioritization, application question development, and scoring process would be in consultation with state partners from the Health Care Authority (HCA), Opioid Treatment Coordination Team and the Department of Health (DOH), Health Systems Quality Assurance Team. The department would convene virtually for between four and six half-day meetings between July 1, 2023 and December 31, 2023.
- The timeline to form and develop the program would take approximately eight months, with hiring to occur in alignment with budget authority on July 1, 2023. The department assumes the program would be operational by March 1, 2023 and would begin its first grant cycle thereafter to generate a prioritized project list by September 1, 2024.
- The department would leverage existing Behavioral Health Facilities staff to develop the program required in Section 13.
- Application review and scoring would be in consultation with the HCA and DOH and require approximately 40 hours of staff time depending on the number of applications received. It could be higher if there is a significant volume of applications, such as more than 10.
- The department assumes outreach and engagement with existing providers to assess interest and opportunity to retrofit or build new opioid treatment facilities in Central and/or Eastern Washington.
- For purposes of this fiscal note, the department assumes opioid treatment programs, as defined in Section 12, including mobile or fixed-site medication units are eligible for funding consideration.
- The level of appropriation required for implementing Section 13 and to form a new opioid treatment capital program in the department is unknown. The level of demand for state funding to support providers to expand opioid treatment services in Central and Eastern Washington and the number of grants awarded are also unknown.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY24-FY29, for general program administration and consultation with

providers and interagency partners. This position will be responsible for ongoing program operations, including contract management and coordinating outreach to providers and communities. 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 program.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY24-FY29, to develop policies and procedures; to hire staff 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, as necessary. Staff will present advanced technical business information to eligible providers. Staff will oversee program development, including application, scoring and other relevant process with interagency partners.

0.20 FTE WMS2 (418 hours) in FY24-29, to provide leadership, oversight, supervision, rules coordination and final decision making over all elements of the program. Staff will provide expert policy advice and consultation on a range of issues specific to the program and to areas that have agency wide implications as the program is formed and begins initial grant making activities.

0.10 WMS3 (209 hours) in FY24-29 to provide to provide expert policy and program advisement, consultation on program issues that have a large impact on agency-wide activities or policies.

0.10 Administrative Assistant 3 (209 Hours) in FY24-FY29, to review documents, records, or applications for completeness, accuracy, and compliance with rules. Composes office correspondence such as requests for documentation and responses to requests for information.

Salaries and Benefits:

FY24: \$294,914

FY25-FY29: \$304,862 each fiscal year

Goods and Services:

An annual ZoomGrants license at \$2,458 and 50 hours of Assistant Attorney General (AAG) consultation at \$210 per hour in FY24.

FY24: \$55,899

FY25-FY29: \$45,416 each fiscal year

Travel:

Outreach and engagement to Eastern and Central Washington for 10 days, all of which are likely overnight trips.

FY24-FY29: \$4,005 each fiscal year

Equipment:

Standard workstations for new team members and a replacement computer on the agency's five-year lifecycle replacement schedule.

FY24: \$10,000

FY28: \$4,800

Intra-agency Reimbursements:

FY24: \$97,027

FY25-FY29: \$100,300 each fiscal year

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

=====

Total Costs:

- FY24: \$462,685
- FY25-FY27: \$454,583 each fiscal year
- FY28: \$459,383
- FY29: \$454,583

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

The department would update rules under WAC 396-550 for essential facilities.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 107-Washington State Health Care Authority
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	1,548,000	1,076,000	2,624,000	1,989,000	2,122,000
Total \$	1,548,000	1,076,000	2,624,000	1,989,000	2,122,000

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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Marcia Boyle	Phone: 360-725-0850	Date: 02/13/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 02/13/2023
OFM Review: Robyn Williams	Phone: (360) 704-0525	Date: 02/16/2023

Part II: Narrative Explanation

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

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

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	1,548,000	1,076,000	2,624,000	1,989,000	2,122,000
Total \$			1,548,000	1,076,000	2,624,000	1,989,000	2,122,000

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	703,000	564,000	1,267,000	1,002,000	1,002,000
B-Employee Benefits	241,000	199,000	440,000	352,000	352,000
C-Professional Service Contracts	250,000	10,000	260,000	91,000	224,000
E-Goods and Other Services	61,000	59,000	120,000	114,000	114,000
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	293,000	244,000	537,000	430,000	430,000
9-					
Total \$	1,548,000	1,076,000	2,624,000	1,989,000	2,122,000

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

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: 5624 Substance Use Recovery Services

HCA Request #: 23-094

Part II: Narrative Explanation

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

Section 2 - Amends RCW 69.50.4011 to add 'knowingly' to possession of counterfeit substances and adds subsection for individuals under 21. These two conditions result in a misdemeanor and prosecutors are encouraged to divert cases for assessment, treatment, or other services.

Section 3 – Amends RCW 69.50.4013 to indicate that any person who knowingly possesses more than a person amount or is under 21 and possesses a controlled substance is guilty of a misdemeanor. Prosecutors are encouraged to divert cases for assessment, treatment, or other services.

Section 4 – Amends RCW 69.41.030 to add “knowingly” and “more than a person amount” to possession of any legend drug or if a person is under 21 and knowingly possesses a legend drug of any amount is guilty of a misdemeanor. Prosecutors are encouraged to divert cases for assessment, treatment, or other services.

Section 8 – Adds a new section to RCW 71.24 directing the Washington State Health Care Authority to fund recovery residences, including by expansion of a revolving fund program, establish a voucher program to allow accredited recovery housing operators to hold bed space for individuals transitioning to stable housing, to conduct outreach to underserved and rural areas to support recovery housing focused on women, LGBTQIA+, and youth; and develop training for housing providers by January 1, 2024, focusing on aligning and providing appropriate housing for LGBTQIA+ communities.

Section 12 – Directs HCA to develop and implement a data integration platform by June 30, 2024 to support the recovery navigator program. HCA is to leverage existing platforms if possible, and to establish a quality assurance process for the Behavioral Health Administrative Services Organizations (BHASOs) for the data collection workbook.

Section 13 - Adds a new section to RCW 71.24 directing HCA to contract with the Washington State Institute for Public Policy (WSIPP) to conduct a study of the long-term effectiveness of the recovery navigator program, with reports due by June 30th in the years 2028, 2033, and 2038. Directs WSIPP to collaborate with HCA and the Substance Use and Recovery Services Advisory Committee (SURSAC) to determine the parameters of the report and recommendations for modification of the recovery navigator program. Directs HCA to create an expedited pre-approval process by August 1, 2023.

Section 14 – Adds a new section to RCW 71.24 directing HCA to develop licensure standards and payment structures for health engagement hubs by January 1, 2024. Provides an outline to include stakeholders in the rule-making process. Provides definition of a health engagement hub. Directs HCA to direct Medicaid managed care organizations to adopt value-based bundled payment methodology in contracts with health engagement hubs and other opioid treatment providers. Directs HCA to make available sufficient funding to ensure that health hubs are available within a two-hour drive for all communities, and that there is at least one health engagement hub per 200,000 residents in Washington state.

Section 15 - Adds a new section to RCW 71.24 directing HCA to establish a grant program to provide employment opportunities for persons recovering from substance use disorder. Priority to be given to programs that engage with black, indigenous, persons of color, and other historically underserved communities.

HCA Fiscal Note

Bill Number: 5624 Substance Use Recovery Services

HCA Request #: 23-094

Section 16 - Adds a new section to RCW 71.24 directing HCA to contract with organization to develop a dynamic map of treatment and recovery support services locations.

Section 17 - Adds language outlining the intent of the legislature to increase investments in the provision of evidence-based prearrest and prefiling diversion programs across the state.

Section 18 - Adds a new section to RCW 71.24 directing HCA to convene a work group regarding intake, screening, and assessment for substance use disorder services to meet specific goals and outcomes. Work group participants are listed and a report with recommendations is due by December 1, 2024.

Section 19 - Adds a new section to RCW 71.24 directing HCA to convene and staff a statewide safe supply workgroup. Identifies participants, subject matter, goals, and outcomes. Preliminary report and recommendations due December 1, 2023, and final report due December 1, 2024.

Section 22 – Adds a new section to RCW 43.330 directing the Washington State Department of Commerce to fund construction and startup costs for opioid treatment programs that will increase these programs in regions of the state which currently lack access to such programs.

II. B - Cash Receipts Impact

Indeterminate

II. C – Expenditures

Indeterminate

Sections 1 thru 4 – No fiscal impact.

HCA assumes that the modifications to RCW Chapter 69 will not have a direct fiscal impact to services. Any impact would be captured through the caseload forecast process.

Section 8 – Indeterminate fiscal impact.

HCA currently contracts with an organization to support a revolving fund program. HCA would need to modify the agreement to increase funding or contract with an additional vendor. To meet the requirement of having an adequate number of recovery residences in each region, HCA will need to collect and map data. Depending on the size of the increase provided to HCA, additional ongoing staff would be needed in both the program and agency support units to support this workload.

HCA will need to establish a voucher program. HCA anticipates needing ongoing program staff to oversee and monitor this new program. Contracts staff may be tasked to support new or modified contracts. Depending on the size of the voucher program additional support staff may be needed.

To meet the outreach and training requirements, HCA anticipates hiring a vendor to assist with development and disbursement of materials and training. HCA anticipates there will be a higher initial cost and then a need for on-going funds to support updates and turnover of those needing training. HCA would need program staff to oversee this function and support from contracts staff.

HCA Fiscal Note

Bill Number: 5624 Substance Use Recovery Services

HCA Request #: 23-094

- 0.5 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.5 FTE Fiscal Analyst 3 at \$92,000/FTE
- 0.3 FTE Contracts Specialist at \$111,000/FTE
- 0.5 FTE Management Analyst at \$124,000/FTE
- Loan/grants indeterminate
- Voucher costs are not able to be calculated at this time and will depend on location and volume.
- Outreach and Training could be between \$50,000 to \$100,000, with on-going costs of \$10,000 to \$30,000.

Section 12- Indeterminate fiscal impact

HCA will need to develop and implement a data integration platform and establish quality assurance processes for the BHASOs. HCA anticipates that IT staff will lead the efforts using existing platforms as reasonable.

- 1.0 FTE IT Data Management Senior/Specialist at \$146,000/FTE
- 1.0 FTE IT App Development – Journey at \$134,000/FTE
- 0.5 FTE Management Analyst at \$124,000/FTE
- Increased licensing cost \$45,000/year
- Additional software may be needed if unable to leverage existing platforms – Indeterminate at this time.

Section 13 – Indeterminate fiscal impact.

HCA will contract with WSIPP to study long-term effectiveness of the recovery navigator program and produce reports. The contract with WSIPP will cost a total of \$857,218 with \$71,110 in FY 2027 and \$204,037 in FY 2028, HCA program staff support will be needed to coordinate and help with the report.

- 0.1 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.1 FTE Contracts Specialist 3 at \$111,000/FTE

Section 14 – Indeterminate fiscal impact.

HCA in support of health engagement hubs will need to develop licensure standards and payment structures, direct Medicaid managed care organization to adopt value-based bundled payment methodologies and ensure adequate funding to support the availability of a health engagement hub within a two-hour drive and for every 200,000 residents. HCA anticipates this will impact workload in both programmatic and support units

- Fiscal impacts related to supporting hubs are unable to be calculated at this time.
- 0.5 FTE WMS2 (Fiscal Information and Data Analyst) at \$156,000/FTE
- 0.2 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.1 FTE Contracts Specialist 3 at \$111,000/FTE
- Vendor or software costs to support mapping may be needed.

Section 15 – Indeterminate fiscal impact.

HCA anticipates they will need programmatic staff to develop and manage this new grant program and contracts staff to enter into agreements with community partners to disburse grant funds.

- 0.5 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.2 FTE Contracts Specialist 3 at \$111,000/FTE

Section 16 – Indeterminate

HCA Fiscal Note

Bill Number: 5624 Substance Use Recovery Services

HCA Request #: 23-094

HCA anticipates that they will need to solicit for a vendor to provide a statewide tool to map and direct individuals to treatment and recovery support locations. Initial costs are anticipated to be higher than on-going maintenance costs.

- 0.2 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.2 FTE Contracts Specialist 3 at \$111,000/FTE
- Vendor costs to support statewide tool.

Section 18 and 19 – Indeterminate one-time costs

HCA will need to convene two workgroups and provide staff support. HCA anticipates that much of the analytical work could be contracted with the Washington State Department of Social and Health Services (DSHS) Research and Development Administration.

- 0.5 FTE Medical Assistance Program Specialist 3 at \$113,000/FTE
- 0.1 FTE Contracts Specialist 3 at \$111,000/FTE
- Contract with DSHS for analytical support \$200,000

Section 22 – Indeterminate future fiscal impact.

Increases to infrastructure and capacity for substance use disorder programs may increase service costs. Until there is more certainty about the impact, HCA is unable to estimate these impacts.

At this time all expenses are estimated using state general fund. Some administrative costs may be eligible for federal match.

Goods and services, travel, and equipment are calculated on actual program averages per FTE.

Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are capture and/or included as Fiscal Analyst 3 classification.

II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
001-1	General Fund	State	1,548,000	1,076,000	959,000	1,030,110	1,163,037	959,000
Totals			\$ 1,548,000	\$ 1,076,000	\$ 959,000	\$ 1,030,110	\$ 1,163,037	\$ 959,000

II. C - Expenditures by Object Or Purpose

		FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
FTE		9.8	8.1	7.2	7.2	7.2	7.2
A	Salaries and Wages	703,000	564,000	501,000	501,000	501,000	501,000
B	Employee Benefits	241,000	199,000	176,000	176,000	176,000	176,000
C	Professional Service Contracts	250,000	10,000	10,000	81,110	214,037	10,000
E	Goods and Other Services	61,000	59,000	57,000	57,000	57,000	57,000
T	Intra-Agency Reimbursements	293,000	244,000	215,000	215,000	215,000	215,000
Totals		\$ 1,548,000	\$ 1,076,000	\$ 959,000	\$ 1,030,110	\$ 1,163,037	\$ 959,000

Part IV: Capital Budget Impact

None

Part V: New Rule Making Require

None

Department of Revenue Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.1	1.3	3.2	1.3	1.3
Account					
GF-STATE-State 001-1	594,200	139,500	733,700	279,000	279,000
Total \$	594,200	139,500	733,700	279,000	279,000

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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Kari Kenall	Phone: (360) 534-1508	Date: 02/05/2023
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 02/05/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/06/2023

Request # 5624-1-1

Part II: Narrative Explanation

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

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

This fiscal note only addresses section 9 that impacts the Department of Revenue (department) and the state and local property tax levies.

CURRENT LAW:

The law exempts nonprofit organizations owning or leasing real and personal property used in providing emergency or transitional housing to people who are homeless and low-income or victims of domestic violence. The law limits the exemption to organizations with a limited length-of-stay policy. For emergency housing and transitional housing that is 60 days or two-years respectively.

PROPOSED LAW:

This bill expands the property tax exemption for nonprofit organizations owning or leasing real and personal property used in providing emergency or transitional housing to people who are homeless and low-income or victims of domestic violence to include approved registered recovery residences. An approved registered recovery residence does not require a limited length-of-stay policy. In addition, the home must:

- Register as a recovery residence with the Washington State Health Care Authority.
- Involve peers in the governance of the recovery residence.
- Integrate recovery support into the daily activities.
- Maintain an environment that is home-like, promotes healthy recovery, and is free from alcohol and illicit drugs.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- There are approximately 450 recovery residences.
- Total estimated real property value of recovery residences is \$242,500,000.
- Total estimated personal property value of recovery residences is \$830,000.
- Approximately 75% of qualified residences would apply and receive property tax exemption in calendar year 2024 with an additional 4% each calendar year after accounting for added participation of existing residences and new residences established.
- Analysis of local property tax levies shows that with a new property tax exemption, 90% of local taxes would shift to non-exempt property owners and 10% of local taxes would decrease revenues for local taxing districts.
- Based on five years of state property tax collections, 52.35% of state property tax collections occur in April and 47.65% occur in October. When converting from calendar year to fiscal year, this estimate assumes revenues shifts and losses follow this trend.
- This bill takes effect beginning with property taxes due for calendar year 2024.

DATA SOURCES:

- Washington State Health Care Authority, Registered recovery residences
- Washington Center for Real Estate Research, University of Washington, quarter 3, 2022, median resale price by county
- Department of Revenue, Property Tax Division data
- Department of Revenue, State School Levy Forecast Model, November 2022

Request # 5624-1-1

REVENUE ESTIMATES:

The Economic and Revenue Forecast Council predicts the state property tax levy remains below the \$3.60 limit throughout the 2027-29 biennium. This expanded exemption results in a shift and no loss to the state levy.

PROPERTY TAX SHIFTS:

This legislation results in a state levy shift to other taxpayers of an estimated \$198,000 for fiscal year 2024 and \$390,000 in fiscal year 2025, the first full fiscal year.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000): None

Local Government, if applicable (cash basis, \$000):

FY 2024 - (\$ 32)
FY 2025 - (\$ 65)
FY 2026 - (\$ 71)
FY 2027 - (\$ 77)
FY 2028 - (\$ 84)
FY 2029 - (\$ 91)

DETAIL OF REVENUE IMPACT FOR PROPERTY TAX BILLS, Calendar Year Basis

State Government, Impact on Revenues (\$000): None

State Government, (\$000), Shift of Tax Burden:

CY 2024 - \$ 380
CY 2025 - \$ 400
CY 2026 - \$ 430
CY 2027 - \$ 450
CY 2028 - \$ 480
CY 2029 - \$ 510

Local Government, Impact on Revenues (\$000) :

CY 2024 - (\$ 60)
CY 2025 - (\$ 70)
CY 2026 - (\$ 70)
CY 2027 - (\$ 80)
CY 2028 - (\$ 90)
CY 2029 - (\$ 90)

Local Government, (\$000), Shift of Tax Burden:

CY 2024 - \$ 1,070
CY 2025 - \$ 1,170
CY 2026 - \$ 1,280
CY 2027 - \$ 1,400
CY 2028 - \$ 1,540
CY 2029 - \$ 1,680

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

FIRST YEAR COSTS:

The department will incur total costs of \$594,200 in fiscal year 2024. These costs include:

- Labor Costs - Time and effort equate to 5.07 FTEs.
- Create a special notice and update forms and publications.
- Receive, process, and approve or deny applications for exemption from nonprofit organizations maintaining recovery residences.
- Amend one administrative rule.

SECOND YEAR COSTS:

The department will incur total costs of \$139,500 in fiscal year 2025. These costs include:

- Labor Costs - Time and effort equate to 1.3 FTEs.
- Receive, process, and approve or deny applications or renewals for exemption from nonprofit organizations maintaining recovery residences.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$279,000 and include similar activities described in the second-year costs. Time and effort equate to 1.3 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.1	1.3	3.2	1.3	1.3
A-Salaries and Wages	351,700	88,500	440,200	177,000	177,000
B-Employee Benefits	116,100	29,200	145,300	58,400	58,400
E-Goods and Other Services	76,200	13,900	90,100	27,800	27,800
G-Travel	15,000	3,900	18,900	7,800	7,800
J-Capital Outlays	35,200	4,000	39,200	8,000	8,000
Total \$	\$594,200	\$139,500	\$733,700	\$279,000	\$279,000

III. B - Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EMS BAND 4	126,619	0.0		0.0		
MGMT ANALYST4	73,260	0.0		0.0		
PROPERTY AND ACQUISITION SI	68,076	4.0	1.3	2.7	1.3	1.3
PROPERTY AND ACQUISITION SI	77,028	1.0		0.5		
TAX POLICY SP 2	75,120	0.0		0.0		
TAX POLICY SP 3	85,020	0.0		0.0		
TAX POLICY SP 4	91,524	0.0		0.0		
WMS BAND 3	107,685	0.0		0.0		
Total FTEs		5.1	1.3	3.2	1.3	1.3

III. C - 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the expedited rulemaking process to amend WAC 458-16-320, titled: "Emergency or transitional housing".

Persons affected by this rulemaking would include nonprofits that provide housing for vulnerable populations.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 227-Criminal Justice Training Commission
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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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Brian Elliott	Phone: 206-835-7337	Date: 02/02/2023
Agency Approval: Brian Elliott	Phone: 206-835-7337	Date: 02/02/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/03/2023

Part II: Narrative Explanation

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

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

There is no fiscal impact to the Washington Association of Sheriffs and Police Chiefs to be a member of the safe supply work group described in section 19 of this bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This bill has no cash receipt impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This bill has no expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Private/Local 001-7		8,000	8,000	19,000	24,000
Total \$		8,000	8,000	19,000	24,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	1.9	1.0	2.1	0.1
Account					
General Fund-State 001-1	19,000	270,000	289,000	954,000	208,000
General Fund-Private/Local 001-7	0	15,000	15,000	36,000	14,000
Total \$	19,000	285,000	304,000	990,000	222,000

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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/08/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/08/2023
OFM Review: Robyn Williams	Phone: (360) 704-0525	Date: 02/09/2023

Part II: Narrative Explanation

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

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

This bill updates justice system and behavioral health responses for persons experiencing substance use disorder based on recommendations provided by the substance use recovery services advisory committee.

Section 14: Adds a new chapter to 71.24 RCW (Community Behavioral Health Services Act) creating and defining health engagement hubs and directs the Department of Health (department) to include certain stakeholders in the rulemaking process.

Section 16: Adds a new chapter to 71.24 RCW (Community Behavioral Health Services Act) directing the department to contract with a vendor to provide a statewide tool to map and direct individuals to treatment and recovery support locations

Section 21(7)(b): Amends the definition of opioid treatment program in RCW 71.24.590 (Opioid treatment—Program Licensing or Certification by Department, Department Duties—Use of Medications by Program—Definition) requiring the program to be a mobile or fixed-site medication unit.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Current law, RCW 43.70.250 (License fees for professions, occupations, and businesses.), requires a licensing program be fully self-supporting and sufficient revenue be collected through fees to fund expenditures.

Because many Opioid Treatment Programs (OTP) likely perform some of the work described in this bill already, the department assumes many existing OTPs will apply to be licensed health engagement hubs. Currently, there are approximately 35 OTPs operating. Additionally, the bill requires the Health Care Authority make sufficient funding available to ensure there is at least one health engagement hub available per 200,000 residents in Washington state. According to the 2020 Census, Washington state has a population of 7.7 million, requiring a total of 39 health engagement hubs. The department estimates 50% of the 39 health engagement hubs called for will apply the first year of licensure and that the number of hubs will grow by 15% in each of the following years.

For the purpose of this fiscal note, a one-year licensing fee is estimated between \$370 and \$420 to cover the regulation of health engagement hubs. During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. The department will monitor the program fund balance and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures. Revenue collection will start January 1, 2025, and will be deposited to the private local fund.

Estimated Revenue for Health Engagement Hubs:

FY 2025: \$8,000 (20 applications)

FY 2026: \$9,000 (3 applications, 20 renewals)

FY 2027: \$10,000 (3 applications, 23 renewals)

FY 2028: \$11,000 (3 applications, 26 renewals)

Note: This estimate assumes the department will receive general fund-state (GF-S) in FY 2024 and FY 2025 to implement this bill. If GF-S is not appropriated for implementation, then fees may range between \$705 and \$755 per license in order to recover the implementation costs over a six-year horizon.

II. C - Expenditures

Substance use recovery serv.

Form FN (Rev 1/00) 181,420.00

FNS063 Individual State Agency Fiscal Note

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 21(7)(b): The department, in consultation with the Attorney General's Office, views the amended definition of an opioid treatment program requiring the program to be a mobile or fixed-site medication unit as a technical error in the bill as it would eliminate currently licensed opioid treatment programs by requiring them to be a mobile or fixed-site medication unit. Mobile and fixed-site medication units would not be able to meet federal opioid treatment program regulations as they are required to be an extension of a brick-and-mortar opioid treatment program. For the purposes of this fiscal note the department will not include costs requiring all opioid treatment programs to be a mobile or fixed-site medication unit.

Rulemaking

Section 14: The department will develop and adopt rules to allow a substance use disorder treatment program to receive a certification as a health engagement hub. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of the program manager and a community engagement specialist to identify underreached communities and engage them in the rulemaking process. This process will include two meetings with interested parties as well as one formal rules hearing, all held virtually, and will take 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$3,000.

FY 2024 costs will be 0.1 FTE and \$19,000 (GF-S).

FY 2025 costs will be 0.1 FTE and \$22,000 (GF-S).

Health Technology Solutions

Section 14: Configuration in department's Healthcare Enforcement and Licensing Modernization System will require 66 hours from the integration vendor at a rate of \$262.50 per hour. Work will include the initial vendor configuration and agency staff time for ongoing maintenance of new workflows and user defined license data fields for health engagement hubs.

FY 2025 costs will be 0.1 FTE and \$20,000 (GF-S).

FY 2026 and ongoing, costs will be \$3,000 (GF-L) each year.

Inspection

Section 14: The department will conduct inspections and clinical record reviews based on the three-year survey cycle for each behavioral health agency for compliance with the minimum operating and patient care standards. The department plans to divide the health engagement hub inspections evenly across the three-year inspection cycle. The average initial inspection is expected to take 3 hours per health engagement hub and 10 hours for each clinical record review.

FY 2025, FY 2026, and FY 2027 costs will be 0.1 FTE and \$15,000 (GFL).

FY 2028 and ongoing, costs will be \$4,000 (GF-L).

Health Technology Solutions - Behavioral Health Support Map

Section 16: The department will contract with a vendor to provide a statewide tool to map and direct individuals to treatment and recovery support locations. The HELMS project will be used as one of the data streams for this tool and will be nearing completion during FY 2024. This project must complete a stabilization period before a new project dependent on

data from this system could be initiated. Work is expected to begin on the statewide treatment and recovery support map in FY 2025. This project is expected to last 12 months and includes oversight by the Office of the Chief Information Officer, a full competitive procurement, and development of a solution that includes requirement refinement, testing, security review, and implementation. A full-time project director and an IT project manager would be needed to facilitate this project, as well as support from an IT business analyst, a data management specialist, a quality assurance specialist, and a records management analyst. Based on similar IT projects, the vendor contract is estimated at \$303,000 for development, and \$91,000 per fiscal year for ongoing maintenance and operations.

FY 2025 costs will be 1.5 FTE and \$223,000 (GF-S).
 FY 2026 costs will be 3.6 FTE and \$825,000 (GF-S).
 FY 2027 and ongoing, cost will be \$91,000 (GF-S).

Office of the Assistant Secretary – Behavioral Health Support Map

Section 16: The department will contract with a vendor to provide a statewide tool to map and direct individuals to treatment and recovery support locations. The department will need to coordinate data sharing agreements with the Health Care Authority and the vendor and provide ongoing data cleaning for information received through those data sharing agreements.

FY 2025 costs will be 0.1 FTE \$5,000 (GF-S).
 FY 2026 costs will be 0.2 FTE and \$25,000 (GF-S).
 FY 2027 and ongoing, costs will be 0.1 FTE and \$13,000 (GF-S).

Total costs to implement this bill are:
 FY 2024 – 0.1 FTE and \$19,000 (GF-S)
 FY 2025 – 1.9 FTE and \$270,000 (GF-S), and \$15,000 (GF-L)
 FY 2026 – 3.9 FTE and \$850,000 (GF-S), and \$18,000 (GF-L)
 FY 2027 – 0.2 FTE and \$104,000 (GF-S), and \$18,000 (GF-L)
 FY 2028 and ongoing – 0.1 FTE and \$104,000 (GF-S), and \$7,000 (GF-L)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	19,000	270,000	289,000	954,000	208,000
001-7	General Fund	Private/Local	0	15,000	15,000	36,000	14,000
Total \$			19,000	285,000	304,000	990,000	222,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	1.9	1.0	2.1	0.1
A-Salaries and Wages	11,000	185,000	196,000	409,000	28,000
B-Employee Benefits	3,000	61,000	64,000	138,000	8,000
C-Professional Service Contracts		15,000	15,000	401,000	180,000
E-Goods and Other Services	4,000	14,000	18,000	20,000	4,000
T-Intra-Agency Reimbursements	1,000	10,000	11,000	22,000	2,000
Total \$	19,000	285,000	304,000	990,000	222,000

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 2024	FY 2025	2023-25	2025-27	2027-29
EPIDEMIOLOGIST 2 (NON-MEDICAL)	98,592				0.1	0.1
Fiscal Analyst 2	53,000		0.4	0.2	0.4	
HEALTH SERVICES CONSULTAN 4	82,896		0.1	0.1	0.1	
Health Svcs Conslt 1	53,000		0.2	0.1	0.3	
IT BUSINESS ANALYST - SENIOR/SPECIALIST	110,292		0.2	0.1	0.2	
IT DATA MANAGEMENT - SENIOR/SPECIALIST	110,292		0.1	0.1	0.1	
IT PROJECT MANAGEMENT - SENIOR/SPECIALIST	115,824		0.3	0.2	0.4	
IT QUALITY ASSURANCE - SENIOR/SPECIALIST	110,292		0.2	0.1	0.2	
NURSING CONSULTATION ADVISOR	147,360	0.1	0.1	0.1		
WMS02	114,360		0.3	0.2	0.4	
Total FTEs		0.1	1.9	1.0	2.1	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 14: The department will adopt rules in 246-341 WAC (Behavioral Health Agency Licensing and Certification Requirements) as necessary to implement the bill.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 307-Department of Children, Youth, and Families
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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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Samuel Quartey	Phone: 360-628-4334	Date: 02/10/2023
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 02/10/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/13/2023

Part II: Narrative Explanation

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

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

This bill seeks to implement the recommendations of the Substance Use Recovery Services Advisory Committee, and amend and adds new sections to existing laws.

Section 7 added a new section to chapter 26.12 RCW which address provisions for court appointed counsel to parents involved in custody proceedings under 26.12 who may be affected by substance use disorder, mental health disorder, or behavioral health concerns.

Section 10(1) requires the Department of Children, Youth, and Families (DCYF) to develop a training for parents of children and transition age youth with substance use disorders (SUD) by June 30, 2024. The section also establishes topic areas that must be covered by the training.

Section 10(2) requires DCYF to make the training developed in subsection 1 of publicly available and promote the training to licensed foster parents.

Section 10(3) requires DCYF to make available opioid reversal medication and appropriate training for use by caseworkers or employees that may come in contact with individuals experiencing overdose.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Total costs are INDETERMINATE.

DCYF is unable to fully estimate total costs for this bill was written.

Section 7

Total cost for this section is Indeterminate due to potential increased length of stay in foster care for children/youth in a small number of cases in which a parenting plan is contested Family Court and must be amended to discharge a case in Juvenile Court. Unequal access to legal representation for parents who do not have a right to counsel under the bill could result in cases lingering in care longer when one parent in the case has an attorney and the parent with which DCYF is seeking reunification does not.

Section 10(1)

The total cost of ongoing training will be determined by the format (in-person or virtual) and type (videos, classes, meetings, brochures, workshops). DCYF cannot determine what format the required trainings will be in, and how many Full-Time Equivalent (FTEs) may be needed to coordinate and present trainings statewide.

Section 10(3)

Currently, there are 1,500 DCYF caseworkers and employees that may come in contact with individuals experiencing overdose. DCYF may be able to purchase an overdose kit at a discounted cost rate of \$64 per kit (actual cost may vary). Estimating one kit per month for 1,500 employees; $1,500 \times \$64 \times 12 = \$1,152,000$ per year.

Impact on Juvenile Rehabilitation and local beds:

Possession of a Controlled Substance will remain a misdemeanor offense under the provisions of the bill for individuals under the age of 21 (regardless of the amount possessed). The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate impacts resulting from the bill.

Changes in ESB 5476 expire as of July 1, 2023. Section 16 (Juvenile Offender Sentencing Grid), are not amended by SB 5624 and will revert the Seriousness Levels and Categories back to pre-ESB 5476. This results in Possession of a Controlled Substance at Category C on juvenile grid. For juveniles, the offense will be categorized as Category C offense (which is equivalent to a Class Felony.)

As a result, the offense is punishable by a standard range term of between Local Sanctions (0-30 days in local juvenile detention) and 15-36 weeks in Juvenile Rehabilitation for juveniles adjudicated for the offense but confinement would be limited to a little less than 13 weeks (90 days maximum for misdemeanor offenses).

Therefore, incidences of this offense would likely impact both local juvenile detention and Juvenile Rehabilitation beds.

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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 310-Department of Corrections
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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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Scherry Sinclair	Phone: (360) 725-8428	Date: 02/03/2023
Agency Approval: Ronell Witt	Phone: (360) 725-8428	Date: 02/03/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/03/2023

Part II: Narrative Explanation

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

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

An ACT relating to implementing the recommendations of the substance use recovery services advisory committee.

Section 1 States the findings of the legislature.

Section 2 Amends RCW 69.50.4011 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possession of a Counterfeit Substance. Additionally, limits criminal actions to those who knowingly possess more than a personal amount or to those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.

Section 3 Amends RCW 69.50.4013 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possession of a Controlled Substance. Additionally, limits criminal actions to those who knowingly possess more than a personal amount or to those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.

Section 4 Amends RCW 69.41.030 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possessing a Legend Drug. Additionally, limits criminal actions of Knowingly Possessing a Legend Drug to those who knowingly possess more than a personal amount or those who knowingly possess any amount and are under the age of 21. Establishes the penalty for the criminal behavior as a misdemeanor but encourages the prosecutor to divert cases for assessment, treatment, or other services.

Section 5 Adds a new section to chapter 69.50 RCW stating the laws concerning drug paraphernalia are preempted by the state of Washington and cities, towns, and counties or other municipalities may only enact laws and ordinances that are specifically authorized by state law. Requires local ordinances to have the same penalty as provided by state law.

Section 11 Amends RCW 69.50.4121 contracting the Class I Civil penalty associated with drug paraphernalia.

Effective data is assumed 90 days after adjournment of session in which this bill is passed.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The bill decriminalizes possession offenses that are currently considered a misdemeanor offense when the possession does not exceed personal use and the person is 21 or over. The Caseload Forecast Council (CFC) does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate impacts resulting from the bill. However, as a misdemeanor, the offense would be punishable by a term of confinement of 0-364 days in jail. Therefore, any decreased convictions for this offense would reduce the need for jail beds.

We assume this bill will have no fiscal impact to DOC.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
General Fund-State 001-1	8,898	4,449	13,347	0	0
Total \$	8,898	4,449	13,347	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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 02/03/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 02/03/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/05/2023

Part II: Narrative Explanation

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

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

SB 5624 implements the recommendations of the substance use recovery services advisory committee. Section 19 establishes a Safe Supply Work Group to evaluate potential models for safe supply services and make recommendations for a regulated, tested supply of controlled substances to individuals at risk of overdose. The work group will be Governor-appointed and is required to include a representative from the University of Washington Addictions, Drug, and Alcohol Institute (ADAI).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

SECTION 19

This section establishes the Safe Supply Work Group at the Health Care Authority and requires a representative from the ADAI. The Safe Supply Work Group will be staffed by the Health Care Authority and will evaluate the concept and evidence of safe supply, and potential risks and benefits. A preliminary report and recommendations are due to the Governor and appropriate legislative committees by December 1, 2023. A final report is due December 1, 2024.

A University of Washington (UW) representative from ADAI will participate in the Safe Supply Work Group. We estimate this participation to require 0.03 FTE for the entire 18-month period, assuming a monthly one-hour meeting and additional work preparing for and following up on meetings (annual salary: \$172,200, benefits rate: 24.1%). The UW also assumes quarterly travel to Olympia for in-person meetings, for an additional \$525 cost in mileage reimbursement.

TOTAL FISCAL IMPACTS OF SB 5624:

\$8,898 in FY24

\$4,449 in FY25

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	8,898	4,449	13,347	0	0
Total \$			8,898	4,449	13,347	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0		
A-Salaries and Wages	6,888	3,444	10,332		
B-Employee Benefits	1,660	830	2,490		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel	350	175	525		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	8,898	4,449	13,347	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
ADAI Faculty	172,200	0.0	0.0	0.0		
Total FTEs		0.0	0.0	0.0		0.0

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5624 SB	Title: Substance use recovery serv.	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.2	0.4
Account					
General Fund-State 001-1	0	0	0	71,110	204,037
Total \$	0	0	0	71,110	204,037

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: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Preparation: Catherine Nicolai	Phone: (360) 664-9087	Date: 02/03/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 02/03/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/06/2023

Part II: Narrative Explanation

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

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

Sec. 13. of SB 5624 directs the Health Care Authority to contract with the Washington State Institute for Public Policy (WSIPP) to "conduct a study of the long-term effectiveness of the recovery navigator program under RCW 71.24.115." WSIPP "shall collaborate with the authority and substance use recovery services advisory committee under RCW 71.24.546 on the topic of data collection and to determine the parameters of the report, which shall include recommendations, if any, for modification and improvement of the recovery navigator program."

Reports are due by June 30, 2028, June 30, 2033, and June 30, 2038.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Sec. 13 of SB 5624 directs the Health Care Authority to contract with WSIPP to complete a study. The cost detailed below is what WSIPP would expect to be covered in a contract with HCA.

In order to complete the study outlined in Sec. 13 of SB 5624, WSIPP would assign the following resources:

FY 27:

- 0.34 FTE Researcher to scope the study, submit the Washington State Institutional Review Board (WSIRB) application, submit data requests, and begin a literature review.
- 0.06 FTE Methods Review to develop a study plan.
- Assumes \$1,750 in WSIRB fees.

FY 28:

- 0.73 FTE Researcher to complete a literature review, develop the research design, process data, analyze the data, and write the report.
- 0.06 FTE Methods Review for methodological review.
- 0.06 FTE Editing/Publication for report publication.
- Assumes \$50,000 in data fees for Research and Data Analysis (RDA) data and \$250 in WSIRB fees.

FY 32—Total cost for FY32 is \$76,628: \$53,324 in salaries, \$14,844 in benefits, \$8,210 in goods and services, and \$250 in WSIRB fees.

- 0.34 FTE Researcher to scope the study, submit the Washington State Institutional Review Board (WSIRB) application, submit data requests, and begin a literature review.
- 0.06 FTE Methods Review to develop a study plan.
- Assumes \$250 in WSIRB fees.

FY33—Total cost for FY33 is \$199,256: \$113,864 in salaries, \$31,793 in benefits, \$21,349 in goods and services, and \$32,000 in data fees for Research and Data Analysis (RDA) data and \$250 in WSIRB fees.

- 0.73 FTE Researcher to complete a literature review, develop the research design, process data, analyze the data, and write the report.

- 0.06 FTE Methods Review for methodological review.
- 0.06 FTE Editing/Publication for report publication.
- Assumes \$32,000 in data fees for Research and Data Analysis (RDA) data and \$250 in WSIRB fees.

FY37—Total cost for FY37 is \$84,574: \$58,874 in salaries, \$16,389 in benefits, \$9,062 in goods and services, and \$250 in WSIRB fees.

- 0.34 FTE Researcher to scope the study, submit the Washington State Institutional Review Board (WSIRB) application, submit data requests, and begin a literature review.
- 0.06 FTE Methods Review to develop a study plan.
- Assumes \$250 in WSIRB fees.

FY38—Total cost for FY38 is \$221,611: \$125,715 in salaries, \$35,102 in benefits, \$23,744 in goods and services, and \$36,800 in data fees for Research and Data Analysis (RDA) data and \$250 in WSIRB fees.

- 0.73 FTE Researcher to complete a literature review, develop the research design, process data, analyze the data, and write the report.
- 0.06 FTE Methods Review for methodological review.
- 0.06 FTE Editing/Publication for report publication.
- Assumes \$36,800 in data fees for the Research and Data Analysis (RDA) data and \$250 in WSIRB fees.

The total cost to complete the assignment would be \$857,218.

*Goods and other services include a 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	0	0	71,110	204,037
Total \$			0	0	0	71,110	204,037

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.2	0.4
A-Salaries and Wages				48,297	103,130
B-Employee Benefits				13,444	28,796
C-Professional Service Contracts					
E-Goods and Other Services				7,619	21,861
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-Data/WSIRB fees				1,750	50,250
Total \$	0	0	0	71,110	204,037

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 2024	FY 2025	2023-25	2025-27	2027-29
Editing/Publication	107,544					0.0
Methods Review	120,984				0.0	0.0
Researcher	107,544				0.2	0.4
Total FTEs					0.2	0.4

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5624 SB	Title: Substance use recovery serv.
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Revenue decrease due to tax shift; costs for law enforcement and planning officials.
- Counties: Revenue decrease due to tax shift; costs for law enforcement, planning officials and court-appointed defense attorneys; savings for jails.
- Special Districts: Revenue decrease due to tax shift.
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Costs for first-year training for city and county law enforcement officers.
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Costs for court-appointed defense attorneys as a result of modifying the definition of "indigent."

Estimated revenue impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City	(9,531)	(19,359)	(28,890)	(44,079)	(52,121)
County	(11,716)	(23,797)	(35,513)	(54,185)	(64,069)
Special District	(10,754)	(21,844)	(32,598)	(49,736)	(58,810)
TOTAL \$	(32,001)	(65,000)	(97,001)	(148,000)	(175,000)
GRAND TOTAL \$					(420,001)

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City	1,725,360	1,080,000	2,805,360	907,500	
County	534,400	500,000	1,034,400	500,000	
TOTAL \$	2,259,760	1,580,000	3,839,760	1,407,500	
GRAND TOTAL \$					5,247,260

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

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/08/2023
Leg. Committee Contact: Kevin Black	Phone: (360) 786-7747	Date: 01/31/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/08/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/08/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Sec. 2 amends RCW 69.50.4011. It is unlawful for any person to knowingly possess more than a personal amount of a counterfeit substance; or any person under the age of 21 to knowingly possess a counterfeit substance of any amount. A violation is a misdemeanor. The prosecutor is encouraged to divert such cases for assessment, treatment, or other services.

Sec. 4 amends RCW 69.41.030. It shall be unlawful for any person to sell, deliver, or knowingly possess more than a personal amount of any legend drug; or a person under the age of 21 to knowingly possess a legend drug of any amount. A violation is a misdemeanor.

Sec. 5 adds a new section to RCW 69.50. Local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements of state law shall not be enacted and are preempted and repealed, regardless of the nature of the code, charter, or home rule status of such city, town, county, or municipality.

Sec. 6 amends RCW 13.34.030. The definition of "indigent" is modified to include a person who, at any stage of a court proceeding, is in need of or receiving mental health, substance use, or behavioral health services.

Sec. 7 adds a new section to RCW 26.12. In any parenting plan or child custody proceeding in which the court determines the child's parent, guardian, or custodian is affected by substance use disorders, mental health disorders, or behavioral health concerns, the parent, guardian, or custodian shall have the right to court-appointed counsel. The court may, in its discretion, appoint counsel for the child upon a finding that the appointment is in the best interests of the child.

Sec. 9 amends RCW 84.36.043. The real and personal property used by a nonprofit organization in maintaining an approved recovery residence registered under RCW 41.05.760 is exempt from taxation if: (a) The charge for the housing does not exceed the actual cost of operating and maintaining the housing; and (b)(i) The property is owned by the nonprofit organization; or (ii) The property is rented or leased by the nonprofit organization and the benefit of the exemption inures to the nonprofit organization.

Sec. 19 adds a new section to RCW 71.24. Subject to the availability of funds appropriated for this specific purpose, the statewide safe supply work group is created. The work group membership shall include a representative of sheriffs and police chiefs and a representative of local government.

Sec. 20 amends RCW 36.70A.200. The comprehensive plan of each county and city that is planning under RCW 36.70A.040 shall include a process for identifying and siting essential public facilities including opioid treatment programs including both mobile and fixed-site medication units, recovery residences, and harm reduction programs including syringe service programs.

Sec. 21 amends RCW 71.24.590. No city or county legislative authority may impose a maximum capacity for an opioid treatment program.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would have known costs for training for law enforcement officers and staff costs for comprehensive plan additions, which are reflected in the expenditure grid. It would further result in indeterminate jail savings and indeterminate public defense costs.

LAW ENFORCEMENT COSTS:

According to the Washington Association of Sheriffs and Police Chiefs (WASPC), all local law enforcement officers would need to go through training regarding the changes to possession and the definition of "personal amount." WASPC estimates that approximately one hour of training would be required per law enforcement officer. This training would require a one-time cost of \$442,860 for cities and \$134,400 for counties, for a total one-time cost to local governments of \$577,260.

The 2021 Crime in Washington Report conducted by WASPC states that there are 6,710 commissioned officers in police departments and 2,240 commissioned officers in sheriff's departments, for a total of 8,950 commissioned law enforcement employees that would require training. The 2023 Local Government Fiscal Note Program Criminal Justice Cost Model estimates the average hourly salary (including benefits and overhead) for an officer employed by a city to be \$66, and the same figure for an officer employed by a county to be \$60. If every officer in Washington had to complete approximately one hour of training, the cost to local governments would be:

Cities:

6,710 officers X 1 hours X \$66 = \$442,860

Counties:

2,240 officers X 1 hours X \$60 = \$134,400

Total:

\$442,860 + \$134,400 = \$577,260

Training materials and time required may differ among different departments, however.

COMPREHENSIVE PLAN COSTS:

Sec. 20 impacts all fully planning cities and counties. These figures would be the approximate fiscal year spending based on planning work occurring two years before the submission date of a periodic update as per RCW 36.70A.130(5). These figures assume work on the development regulations would begin 90 days after the effective date of the bill and all planning jurisdictions with 2024 and 2025 due dates would begin in FY24.

Combined

FY	Total
2024	\$1,682,500
2025	\$1,580,000
2026	\$1,010,000
2027	\$397,500
2028	\$0
2029	\$0
	\$4,670,000

City

FY	Total
2024	\$1,282,500
2025	\$1,080,000
2026	\$660,000
2027	\$247,500

2028	\$0
2029	\$0
	\$3,270,000

County	
FY	Total
2024	\$400,000
2025	\$500,000
2026	\$350,000
2027	\$150,000
2028	\$0
2029	\$0
	\$1,400,000

JAIL BED IMPACTS:

The bill decriminalizes possession offenses that are currently considered a misdemeanor offense, when the possession does not exceed personal use and the person is 21 or over. Any decreased convictions for this offense would reduce the need for jail beds. The average cost for a jail bed is \$145 per day, according to the Local Government Fiscal Note jail cost survey.

PUBLIC DEFENSE COSTS:

The legislation changes the definition of "indigent" to include a person who, at any stage of a court proceeding, is in need of or receiving mental health, substance use, or behavioral health services. This change would greatly increase the number of defendants who qualify for court-appointed defense attorneys. However, these costs cannot be estimated in advance.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would result in a decrease in tax revenue as a result of the exemption established in Sec. 9. According to the Department of Revenue (DOR) this legislation results in a state levy shift to other taxpayers of an estimated \$198,000 for fiscal year 2024 and \$390,000 in fiscal year 2025, the first full fiscal year. Please see the DOR note for their assumptions and data sources.

**LOCAL GOVERNMENT REVENUE BREAKDOWN
COUNTIES**

FY 2024	-\$11,716
FY 2025	-\$23,797
FY 2026	-\$25,994
FY 2027	-\$28,191
FY 2028	-\$30,753
FY 2029	-\$33,316

CITIES

FY 2024	-\$9,531
FY 2025	-\$19,359
FY 2026	-\$21,146
FY 2027	-\$22,933
FY 2028	-\$25,018
FY 2029	-\$27,103

SPECIAL DISTRICTS

FY 2024	-\$10,754
FY 2025	-\$21,844
FY 2026	-\$23,860
FY 2027	-\$25,876
FY 2028	-\$28,229
FY 2029	-\$30,581

TAX SHIFT

COUNTIES

CY 2024	\$213,216
CY 2025	\$233,143
CY 2026	\$255,062
CY 2027	\$278,974
CY 2028	\$306,872
CY 2029	\$334,769

CITIES

CY 2024	\$172,187
CY 2025	\$188,279
CY 2026	\$205,980
CY 2027	\$225,291
CY 2028	\$247,820
CY 2029	\$270,349

SPECIAL DISTRICTS

CY 2024	\$684,597
CY 2025	\$748,578
CY 2026	\$818,957
CY 2027	\$895,735
CY 2028	\$985,308
CY 2029	\$1,074,881

ASSUMPTIONS AND METHODOLOGY:

Tax Shift and Revenue Loss:

Tax exemptions lower the taxable value against which taxing districts levy their taxes. When exemptions are enacted, taxing districts may compensate for the loss in taxable value by increasing the tax rate for taxpayers who are not eligible for the exemptions. Consequently, taxpayers who do not benefit from the exemption would pay a higher tax. This higher tax results in a tax shift from the exempt taxpayers to the non-exempt taxpayers. However, when a taxing district is restricted from increasing the tax rate due to a levy limit, the taxing district incurs a revenue loss. Local government revenue losses were computed by taking the DOR fiscal note data and multiplying the result by the property tax distribution for counties, cities and special districts. These percentages are derived from DOR Property Tax Statistics for 2022.

Calendar Year versus Fiscal Year:

Note that a tax shift is presented by calendar year (CY) and a revenue loss is presented by fiscal year (FY). Taxes are assessed and collected by the counties on a calendar-year basis. When a tax shift occurs, it is computed for the calendar year. Because revenue and expenditures are reported on a fiscal year basis, the revenue loss is also for a fiscal year. Tax shift figures for special districts include school districts; school districts do not experience a revenue loss.

SOURCES:

Department of Revenue Property Tax Statistics 2022

Department of Revenue fiscal note, SB 5624 (2023)

Local Government Fiscal Note “Tax Shift and Revenue Loss Model” (2023)

Washington Association of Sheriffs and Police Chiefs

Washington Defender Association