

Multiple Agency Fiscal Note Summary

Bill Number: 5263 S SB	Title: Psilocybin
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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
Office of Attorney General	0	0	16,000	0	0	16,000	0	0	10,000
Total \$	0	0	16,000	0	0	16,000	0	0	10,000

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
Office of Attorney General	.3	78,000	78,000	94,000	.3	78,000	78,000	94,000	.3	78,000	78,000	88,000
Washington State Health Care Authority	.0	406,000	406,000	406,000	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	.3	0	0	84,190	.3	0	0	78,190	.3	0	0	78,190
Department of Health	6.6	1,669,000	1,669,000	1,669,000	6.0	1,479,000	1,479,000	1,479,000	5.6	1,396,000	1,396,000	1,396,000
Department of Agriculture	.2	94,200	94,200	94,200	.2	94,200	94,200	94,200	.2	94,200	94,200	94,200
Total \$	7.4	2,247,200	2,247,200	2,347,390	6.8	1,651,200	1,651,200	1,745,390	6.4	1,568,200	1,568,200	1,656,390

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final 2/24/2023
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Individual State Agency Fiscal Note

Bill Number: 5263 S SB	Title: Psilocybin	Agency: 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1	8,000	8,000	16,000	16,000	10,000
Total \$	8,000	8,000	16,000	16,000	10,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
General Fund-State 001-1	39,000	39,000	78,000	78,000	78,000
Legal Services Revolving Account-State 405-1	8,000	8,000	16,000	16,000	10,000
Total \$	47,000	47,000	94,000	94,000	88,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/17/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/22/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/22/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/23/2023

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 1 – New Section. Legislature establishes advisory board and interagency group to develop of regulatory framework for access to psilocybin for residents over 21.

Section 2 – New Section. Purposes.

Section 3 – New Section. Name – Washington Psilocybin Services Wellness and Opportunity Act.

Section 4 – New Section. Chapter may not be construed to require or prohibit certain things.

Section 5 – New Section. Definitions.

Section 6 – New Section. Establishes Board within the Department of Health (DOH) and sets out structure.

Section 7 – New Section. Establishes interagency work group of DOH to provide advice and recommendation on specified items.

Section 8 – Amends 2022 c297 (uncodified) the Health Care Authority (HCA) – Medical assistance funding appropriations and conditions and limitations of appropriations.

Section 9 – New section. Sets out duties, powers and functions for DOH. Jurisdiction of DOH extends to psilocybin services in this state. Sets out specific duties and functions, including rule making.

Section 10 – New Section. Licensed medical professionals not subject to adverse licensing actions for recommending psilocybin treatments available under this chapter. Patients protected as well.

Section 11 – New section. By July 1, 2028 DOH must establish a registry of individuals over 21 interested in psilocybin treatment.

Section 12 – New Section. Liquor and Cannabis Board (LCB) shall assist and cooperate with the Department of Agriculture (AGR) to carry out duties in this chapter.

Section 13 – New Section. AGR cooperate with DOH to carry out duties under this chapter.

Section 14 – New Section. AGR may possess test and dispose of psilocybin products.

Section 15 – New Section DOH, AGR, and LCB cannot refuse to act under this chapter on the basis that psilocybin is banned under federal law.

Section 16 – New Section. Restricts lawsuit against DOH, AGR, and LCB for their actions under this chapter.

Section 17 – New Section. Those authorized to perform a duty with respect to a psilocybin product may purchase, possess, seize or dispose of psilocybin to carry out these duties.

Section 18 – New Section. Governor may suspend licenses or permits under certain conditions.

Section 19 – New Section. Defines psilocybin producing fungi.

Section 20 – New section. AGR may not exercise authority of psilocybin products or licensee except as provided by DOH in rule.

Section 21– New Section. Public disclosure requirements.

Section 22 – New Section. Employer cannot discriminate against an employee receiving psilocybin if sanctioned under this chapter.

Section 23 – Amends RCW 7.48.035, adds to definition of agricultural activity and farmland.

Section 24 – Amends RCW 49.60.180. States cannot consider use of psilocybin as basis for employment actions.

Section 25 – New Section. Severability clause.

Section 26 – Sections 1 through 7 and 9 through 22 constitute new chapter in Title 8.

Section 27 – Sections 6 and 8 take effect immediately.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Department of Health (DOH) and the Liquor and Cannabis Board (LCB). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

DOH will be billed for non-Seattle rates:

FY 2024 and FY 2025 (each FY): \$5,000 for 0.02 Assistant Attorney General FTE (AAG) and 0.01 Legal Assistant 3 FTE (LA).

FY 2026 and FY 2027 (each FY): \$8,000 for 0.03 AAG and 0.02 LA.

FY 2028 and each FY thereafter: \$5,000 for 0.02 AAG and 0.01 LA.

LCB will be billed for Seattle rates:

FY 2024 and FY 2025 (each FY): \$3,000 for 0.01 AAG and 0.01 LA.

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill is effective immediately due to an emergency clause.

Location of staffing is assumed to be in a Seattle and non-Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

Assumptions for the AGO Agriculture & Health Division (AHD) legal services for the Department of Health (DOH):

The AGO will bill DOH for legal services based on the enactment of this bill.

The bill would require some legal advice to the psilocybin advisory board and to DOH on rulemaking pertaining to psilocybin advertising and creation of a psilocybin registry.

AHD total FTE workload impact for non-Seattle:

FY 2024 and FY 2025 (each FY): \$5,000 for 0.02 AAG and 0.01 LA.

FY 2026 and FY 2027 (each FY): \$8,000 for 0.03 AAG and 0.02 LA.

FY 2028 and each FY thereafter: \$5,000 for 0.02 AAG and 0.01 LA.

Assumptions for the AGO Licensing & Administrative Law Division (LAL) legal services for the Liquor and Cannabis Board (LCB):

The AGO will bill LCB for legal services based on the enactment of this bill.

LAL provides legal advice to the LCB, including advice on rulemaking and contract and procurement work.

This bill imposes limited new responsibilities on LCB, and imposes no licensing or enforcement requirements on LCB.

LAL total FTE workload impact for Seattle rates:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA.

FY 2025: \$3,000 for 0.01 AAG and 0.01 LA.

Assumptions for the AGO Administrative Division (ADM):

AGO ADM activities are funded with General Fund-State dollars. There is no appropriate client agency to bill for legal services.

ADM assumes the enactment of this bill will require 0.25 Policy Analyst (Exempt) FTE (PA) for an ongoing participation in and contributions to the psilocybin board.

ADM total FTE workload impact for Seattle rates:

FY 2024: \$39,000 for 0.25 PA and each FY thereafter.

The AGO Criminal Justice Division (CRJ) has reviewed this bill and determined it will not significantly increase or decrease

the division’s workload in representing the Washington State Patrol (WSP). This bill establishes an advisory board and working groups to study the development of a comprehensive framework for access to regulated psilocybin. Additionally, this bill requires duties from various state agencies, none of which are clients of CRJ. Therefore, costs are not included in this request.

The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the LCB. GCE litigates licensing and enforcement actions for LCB. Section 6 would require the appointment of a member of LCB to the psilocybin advisory board. Section 7 would create an interagency psilocybin work group, which would include LCB to provide advice and recommendations to the advisory board. Section 12 would require LCB to assist and cooperate with DOH and the Department of Agriculture (AGR) as necessary for the departments to carry out their duties under this bill. Because LCB would have no regulatory authority under this bill, GCE does not anticipate any legal assistance needs to LCB. Therefore, costs are not included in this request.

The AGO GCE Division has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing DOH. Section 9 would give DOH the necessary authority and duties related to the psilocybin products and services, including licensure and regulation. Section 10 would exempt medical professionals licensed in Washington State from adverse licensing action for recommending psilocybin to a patient, provided the professionals comply with the applicable standard of care. DOH would have regulatory authority over the new licenses, products, and services allowed by this bill. This excludes the boards and commissions represented by GCE. Therefore, costs are not included in this request.

The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Human Rights Commission (HRC). New legal services are nominal and costs are not included in this request.

The AGO Social & Health Services - Olympia Division (SHO) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload. Therefore, costs are not included in this request.

AHD, LAL, and ADM total FTE workload impact for Seattle and non-Seattle rates:

FY 2024 – FY 2027 (each FY): \$47,000 for 0.03 AAG, 0.02 LA and 0.25 PA.
 FY 2028 and each FY thereafter: \$44,000 for 0.02 AAG, 0.01 LA, and 0.25 PA.

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	39,000	39,000	78,000	78,000	78,000
405-1	Legal Services Revolving Account	State	8,000	8,000	16,000	16,000	10,000
Total \$			47,000	47,000	94,000	94,000	88,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	32,000	32,000	64,000	64,000	60,000
B-Employee Benefits	10,000	10,000	20,000	20,000	18,000
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
Total \$	47,000	47,000	94,000	94,000	88,000

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
Assistant Attorney General	118,700	0.0	0.0	0.0	0.0	0.0
Assistant Attorney General-Seattle	124,635	0.0	0.0	0.0		
Legal Assistant 3	55,872	0.0	0.0	0.0	0.0	0.0
Legal Assistant 3-Seattle	67,044	0.0	0.0	0.0		
Management Analyst 5	91,524	0.0	0.0	0.0	0.0	0.0
Policy Analyst (Exempt)	95,000	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.3	0.3	0.3	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
ADMINISTRATIVE DIVISION (ADM)	39,000	39,000	78,000	78,000	78,000
AGRICULTURE & HEALTH DIVISION (AF)	5,000	5,000	10,000	16,000	10,000
Licensing & Administrative Law Division (LAL)	3,000	3,000	6,000		
Total \$	47,000	47,000	94,000	94,000	88,000

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: 5263 S SB	Title: Psilocybin	Agency: 107-Washington State Health Care Authority
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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
Account					
General Fund-State 001-1	203,000	203,000	406,000	0	0
Total \$	203,000	203,000	406,000	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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/17/2023
Agency Preparation: Hanh OBrien	Phone: 360-725-1447	Date: 02/22/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 02/22/2023
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 02/24/2023

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	203,000	203,000	406,000	0	0
Total \$			203,000	203,000	406,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	203,000	203,000	406,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	203,000	203,000	406,000	0	0

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.

HCA Fiscal Note

Bill Number: 5263 SSB

HCA Request #: 23-153

Part II: Narrative Explanation

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

An ACT Relating to access to psilocybin services by individuals 21 years of age and older.

The first substitute bill makes the following changes from 5263 SB bill:

- Strikes a number of provisions in the bill including, among others, provisions relating to: establishing a two-year program development period; psilocybin licenses; psilocybin sessions; creating a psilocybin control and regulation account; authority of local jurisdictions to regulate psilocybin; testing, tracking, labeling, packaging, and dosing psilocybin products; and creating a social opportunity program;
- Section 1 modifies legislative intent language to state the Legislature intends to establish an Advisory Board and an Interagency Work Group (Work Group) to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age;
- Section 6 retains the Advisory Board created in the underlying bill, but makes the following changes:
 - (1) Requires Advisory Board to provide advice and recommendations to the Liquor and Cannabis Board (LCB) and Department of Agriculture (DOA), in addition to the Department of Health (DOH), and
 - (6) Requires the Advisory Board to meet at least five times per calendar year until July 1, 2025, and after that date, to meet at least once every calendar quarter.
- Section 7 establishes a Work Group with DOH, LCB, and DOA to provide advice and recommendations to the Advisory Board on the following:
 - (a) developing a comprehensive regulatory framework for a regulated psilocybin system,
 - (b) reviewing indigenous practices with psilocybin and clinical psilocybin trials and findings,
 - (c) reviewing medical research on the possible use and misuse of psilocybin, and
 - (d) ensuring a social opportunity program is included in any psilocybin licensing program to remedy targeted enforcement of drug-related laws on over-burdened communities.
- Section 8 renames the psilocybin stakeholder group created in the 2022 Supplemental Operating Budget, Section 211(99), to a Task Force and makes the following additional changes:
 - Replaces a member of the nursing profession with knowledge of psilocybin with a public health practitioner,
 - Specifies two psychologists, two mental health counselors, and two physicians with experience in mental and behavioral health, or experience in palliative care are included on the Task Force,
 - Adds a pharmacologist with expertise in psychopharmacology,
 - Specifies that the cannabis industry representative must have knowledge of medical cannabis;
 - HCA must convene the first meeting of the task force no later than June 30, 2023;
 - HCA must provide a preliminary brief report to the governor and appropriate committees of the legislature by December 1, 2023 and final report on December 1, 2024;
 - Expands the duties of HCA in consultation with the Task Force to include, among other things, activities regarding clinical trials and research, and reviewing and discussing regulatory structures for clinical use of psilocybin in Oregon and other jurisdictions.
- Section 10(1) provides that medical professionals licensed in Washington must not be subject to adverse licensing action for recommending psilocybin treatments under certain condition and (2)

HCA Fiscal Note

Bill Number: 5263 SSB

HCA Request #: 23-153

protects psilocybin patients from criminal, civil, or adverse licensing action in Washington for the mere use of psilocybin.

- Section 11 directs DOH to develop a registry for individuals over 21 who are interested in using psilocybin by July 1, 2028.
- Amends other sections to refer to future psilocybin licenses and services, if allowed.

New Section 4 is added to state this chapter may not be construed:

- (1) To require a government medical assistance program or private health insurer to reimburse a person for costs associated with the use of psilocybin products;
- (2) To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, delivery, possession, or use of psilocybin products to the extent necessary to satisfy federal requirements for the grant.

Section 8 renames the psilocybin stakeholder group created in the 2022 Supplemental Operating Budget, Section 211(99), to a Task Force and makes the following additional changes:

- Replaces a member of the nursing profession with knowledge of psilocybin with a public health practitioner,
- Specifies two psychologists, two mental health counselors, and two physicians with experience in mental and behavioral health, or experience in palliative care are included on the Task Force,
- Adds a pharmacologist with expertise in psychopharmacology,
- Specifies that the cannabis industry representative must have knowledge of medical cannabis;
- HCA must convene the first meeting of the Task Force no later than June 30, 2023;
- HCA must provide a preliminary brief report to the governor and appropriate committees of the legislature by December 1, 2023 and final report on December 1, 2024;
- Expands the duties of HCA in consultation with the Task Force to include, among other things, activities regarding clinical trials and research, and reviewing and discussing regulatory structures for clinical use of psilocybin in Oregon and other jurisdictions;

II. B - Cash Receipts Impact

None

II. C – Expenditures

Fiscal impact.

Section 4(1) (2) of this proposed legislation does not seek that HCA create a reimbursement option for psilocybin products and related services.

Section 8 renames the psilocybin stakeholder group that was funded in 2022 Supplemental Operating Budget to the Task Force and extends the Task Force meeting and reporting requirements for HCA. The bill requires HCA to convene the first meeting of the Task Force no later than June 30, 2023 and provide the preliminary brief report to the governor and legislature by December 1, 2023 and final report on December 1, 2024. Currently, HCA holds a contract with Oregon Health and Science University (OHSU) for \$203,000 GF-S in fiscal year 2023 to help facilitate the workgroup and complete the report. HCA would need to extend the contract with OHSU to continue to help facilitate the workgroup and to complete the reporting requirements. HCA assumes the funding is needed at the same level as the current contract. HCA requests \$406,000 GF-S in 2023-25 biennium.

By Fund:

HCA Fiscal Note

Bill Number: 5263 SSB

HCA Request #: 23-153

II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2024	FY-2025	2023-25	2025-27	2027-29
001-1	General Fund	State	203,000	203,000	406,000	-	-
Totals			\$ 203,000	\$ 203,000	\$ 406,000	\$ -	\$ -

By Object:

II. C - Expenditures by Object Or Purpose

			FY-2024	FY-2025	2023-25	2025-27	2027-29
C	Professional Service Contracts		203,000	203,000	406,000	-	-
Totals			\$ 203,000	\$ 203,000	\$ 406,000	\$ -	\$ -

Part IV: Capital Budget Impact

None

Part V: New Rule Making Require

None

Individual State Agency Fiscal Note

Revised

Bill Number: 5263 S SB	Title: Psilocybin	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
Dedicated Cannabis Account-State 315-1	42,095	42,095	84,190	78,190	78,190
Total \$	42,095	42,095	84,190	78,190	78,190

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/17/2023
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 02/23/2023
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/23/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/23/2023

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 1. The legislature intends to establish an advisory board and interagency work group to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age.

Section 2. The legislature declares that the purposes of this chapter are:

- (1) To develop a long-term strategic plan for ensuring that psilocybin services become and remain a safe, accessible, and affordable option for all persons 21 years of age and older in this state for whom psilocybin may be appropriate or as part of their indigenous religious or cultural practices;
- (2) To protect the safety, welfare, health, and peace of the people of this state by prioritizing this state's limited law enforcement resources in the most effective, consistent, and rational way;
- (3) To develop a comprehensive regulatory framework concerning psilocybin products and psilocybin services under state law;
- (4) To prevent the distribution of psilocybin products to other persons who are not permitted to possess psilocybin products under this chapter including but not limited to persons under 21 years of age; and
- (5) To prevent the diversion of psilocybin products from this state to other states.

Section 6.

- (1) The Washington psilocybin advisory board is established within the department to provide advice and recommendations to the department, the liquor and cannabis board, and the department of agriculture.
- (2)(h) The governor shall appoint the following individuals to the Washington psilocybin advisory board: A person designated by the liquor and cannabis board who has experience working with the cannabis central reporting system developed for tracking the transfer of cannabis items.
- (3)(a) Members of the Washington psilocybin advisory board shall serve for a term of four years, but at the pleasure of the governor. Before the expiration of the term of a member, the governor shall appoint a successor whose term begins on January 1st of the following year. A member is eligible for reappointment. If there is a vacancy for any cause, the governor shall make an appointment to become immediately effective for the unexpired term
- 6) Until July 1, 2025, the Washington psilocybin advisory board shall meet at least five times a calendar year at a time and place determined by the chair or a majority of the voting members of the board. After July 1, 2025, the board shall meet at least once every calendar quarter at a time and place determined by the chair or a majority of the voting members of the board. The board may meet at other times and places specified by the call of the chair or of a majority of the voting members of the board.
- (9) The members of the Washington psilocybin advisory board may receive reimbursement or an allowance for expenses within amounts appropriated for that specific purpose consistent with RCW 43.03.220.

Section 7.

- (1) An interagency psilocybin work group of the department of health, the liquor and cannabis board, and the department of agriculture is created to provide advice and recommendations to the advisory board on the following:
 - (a) Developing a comprehensive regulatory framework for a regulated psilocybin system, including a process to ensure clean and pesticide free psilocybin products;
 - (b) Reviewing indigenous practices with psilocybin, clinical psilocybin trials, and findings;
 - (c) Reviewing research of medical evidence developed on the possible use and misuse of psilocybin therapy; and
 - (d) Ensuring that a social opportunity program is included within any licensing program created under this chapter to remedy the targeted enforcement of drug-related laws on overburdened communities.
- (2) The findings of the psilocybin task force in section 8 of this act must be submitted to the interagency work group created in this section and to the psilocybin advisory board.

(3) The interagency psilocybin work group must submit regular updates to the psilocybin advisory board.

Section 8.

(99)(d) The authority must provide a preliminary brief report to the governor and appropriate committees of the legislature by December 1, 2023, focusing on (f) of this subsection, and a final report by December 1, 2024. The authority may form subcommittees within the task force and adopt procedures necessary to facilitate its work.

(f) The duties of the authority in consultation with the task force shall include, but not be limited to, the following activities:

(i) Reviewing the available clinical information around specific clinical indications for use of psilocybin, including what co-occurring diagnoses or medical and family histories may exclude a person from use of psilocybin. Any review of clinical information should:

(A) Discuss populations excluded from existing clinical trials;

(B) Discuss factors considered when approval of a medical intervention is approved;

(C) Consider the diversity of participants in clinical trials and the limitations of each study when applying learnings to the population at large; and

(D) Identify gaps in the clinical research for the purpose of identifying opportunities for investment by the state for the University of Washington or Washington State University or both to consider studying.

(ii) Reviewing and discussing regulatory structures for clinical use of psilocybin in Washington and other jurisdictions nationally and globally. This should include discussing how various regulatory structures do or do not address concerns around public health and safety the group has identified.

Section 12. The liquor and cannabis board shall assist and cooperate with the department and the department of agriculture to the extent necessary to carry out the duties of the departments under this chapter.

Section 15. (1) The department, the department of agriculture, and the liquor and cannabis board may not refuse to perform any duty under this chapter on the basis that manufacturing, distributing, dispensing, possessing, or using psilocybin products is prohibited by federal law.

Section 16. A person may not sue the department, the department of agriculture, the liquor and cannabis board, a member of the liquor and cannabis board, or any employee of these entities, for performing or omitting to perform any duty, function, or power of the entity set forth under this chapter or in any other law of this state requiring these entities to perform a duty, function, or power related to psilocybin products.

Section 17. Subject to any applicable provisions of RCW 10.105.010 and 69.50.505 and chapter 34.05 RCW, any state officer, board, commission, corporation, institution, department, or other state body, and any local officer, board, commission, institution, department, or other local government body, that is authorized by the statutory laws of this state to perform a duty, function, or power with respect to a psilocybin product, may purchase, possess, seize, or dispose of the psilocybin product as the state officer, board, commission, corporation, institution, department, or other state body, or the local officer, board, commission, institution, department, or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

Section 27. Sections 6 and 8 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

CHANGES MADE BY THE SUBSTITUTE:

- Strikes a number of provisions in the bill including, among others, provisions relating to: Establishing a two-year program development period; psilocybin licenses; psilocybin sessions; creating a psilocybin control and regulation account; authority

of local jurisdictions to regulate psilocybin; testing, tracking, labeling, packaging, and dosing psilocybin products; and creating a social opportunity program.

- Modifies legislative intent language to state the Legislature intends to establish an Advisory Board and an Interagency Work Group (Work Group) to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age.
- Retains the Advisory Board created in the underlying bill, but makes the following changes: (1) Requires the Advisory Board to provide advice and recommendations to LCB and WSDA, in addition to DOH; and (2) requires the Advisory Board to meet at least five times per calendar year until July 1, 2025, and after that date, to meet at least once every calendar quarter.
- Establishes a Work Group with DOH, LCB, and WSDA to provide advice and recommendations to the Advisory Board on the following: (1) Developing a comprehensive regulatory framework for a regulated psilocybin system; (2) reviewing indigenous practices with psilocybin and clinical psilocybin trials and findings; (3) reviewing medical research on the possible use and misuse of psilocybin; and (4) ensuring a social opportunity program is included in any psilocybin licensing program to remedy targeted enforcement of drug-related laws on over-burdened communities.
- Renames the psilocybin stakeholder group created in the 2022 Supplemental Operating Budget to a Task Force and makes the following additional changes: (1) Replaces a member of the nursing profession with knowledge of psilocybin with a public health practitioner; (2) specifies two psychologists, two mental health counselors, and two physicians with experience in mental and behavioral health, or experience in palliative care are included on the Task Force; (3) adds a pharmacologist with expertise in psychopharmacology; (4) specifies that the cannabis industry representative must have knowledge of medical cannabis; and (5) expands the duties of HCA in consultation with the Task Force to include, among other things, activities regarding clinical trials and research, and reviewing and discussing regulatory structures for clinical use of psilocybin in Oregon and other jurisdictions.
- Provides that medical professionals licensed in Washington must not be subject to adverse licensing action for recommending psilocybin treatments under certain conditions.
- Protects psilocybin patients from criminal, civil, or adverse licensing action in Washington for the mere use of psilocybin.
- Directs DOH to develop a registry for individuals over 21 who are interested in using psilocybin by July 1, 2028.
- Amends other sections to refer to future psilocybin licenses and services, if allowed.
- Makes other technical changes.

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.

With respect to the advisory board, the bill provides that the governor will appoint someone designated by the Washington State Liquor and Cannabis Board ("LCB") with experience in the Cannabis Central Reporting System (CCRS) to a four year term with some specific requirements (the advisory board meets at least five times a year and potentially other times where ever the chair or a majority of the advisory board wishes). Fiscal impact here would likely be FTE time devoted to advisory board work that might necessitate some existing workflow coordination. The agency believes this impact could likely be absorbed within existing resources and the bill provides for reimbursement of expenses.

With respect to the interagency work group fiscal impact would be significantly greater based on the described responsibilities (regulatory development for example) of the LCB designee. This group would report to the advisory board on an on-going basis, so it's possible that meetings would be more frequent than the advisory board.

With respect to the psilocybin task force, a final report would be due to the legislature by Dec 1 2024, so assuming significant LCB contributions may be needed here, as well, although the cost of the report itself is covered in the bill, but staff time is not.

The agency assumes the roles as described for the second two bodies would have significant impact in terms of time needed to complete the work.

0.3 FTE Regulatory Analyst 3 - \$39,095/yr (\$38,264 salary/benefits, \$831 in associated costs).

The Attorney General's Office will bill the agency for legal services based on the enactment of this bill. This bill imposes limited new responsibilities on the agency and imposes no licensing or enforcement requirements. Therefore, some legal services will be required. This bill does not require the agency to do more than cooperate and consult with the Department of Health to formulate rules and plan to effectuate the bill.

FY 2024: \$3,000

FY 2025: \$3,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
315-1	Dedicated Cannabis Account	State	42,095	42,095	84,190	78,190	78,190
Total \$			42,095	42,095	84,190	78,190	78,190

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	28,847	28,847	57,694	57,694	57,694
B-Employee Benefits	9,417	9,417	18,834	18,834	18,834
C-Professional Service Contracts					
E-Goods and Other Services	3,789	3,789	7,578	1,578	1,578
G-Travel					
J-Capital Outlays	42	42	84	84	84
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	42,095	42,095	84,190	78,190	78,190

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
Regulatory Analyst 3	96,156	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.3	0.3	0.3	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Board Division (010)	42,095	42,095	84,190	78,190	78,190
Total \$	42,095	42,095	84,190	78,190	78,190

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: 5263 S SB	Title: Psilocybin	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.7	6.5	6.6	6.0	5.6
Account					
General Fund-State 001-1	842,000	827,000	1,669,000	1,479,000	1,396,000
Total \$	842,000	827,000	1,669,000	1,479,000	1,396,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/17/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/23/2023
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 02/23/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/23/2023

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.

The fiscal impact on this version of the bill has changed from the previous version SSB 5263. This version of the bill removes several provisions in the original bill, including those establishing a comprehensive regulatory framework concerning psilocybin products and psilocybin services under state law. Instead, this version of the bill establishes an advisory board and an interagency work group to provide advice and recommendations on developing a regulatory framework for access to regulated psilocybin. Additionally, the Department of Health (department) is directed to develop a registry for individuals over 21 who are interested in using psilocybin by July 1, 2028.

This bill adds a new chapter to Title 18 RCW, establishing an advisory board and interagency work group to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age.

Section 6: Establishes the Washington Psilocybin Advisory Board (board) within the department to provide advice and recommendations to the department, the Liquor and Cannabis Board (LCB), and the Department of Agriculture (AGR). The advisory board shall consist of 19 - 21 members. The board must meet at least five times per calendar year until July 1, 2025, and at least once every calendar quarter each year thereafter. The members of the board may receive reimbursement or an allowance for expenses consistent with RCW 43.03.220 (Compensation of members of part-time boards and commissions—Class one groups.).

Section 7: Creates an interagency psilocybin work group (work group) of the department, LCB, and AGR to provide advice and recommendations to the advisory board. The work group must submit regular updates to the board.

Section 9: The department has the duties, functions, and powers necessary or proper to enable the department to carry out its duties, functions, and powers under this chapter, including: 1) To examine, publish, and distribute to the public available studies, research, and other information relating to the safety and efficacy of psilocybin; 2) To adopt, amend, or repeal rules necessary to carry out the intent and provisions of this chapter; and 3) To exercise all powers incidental, convenient, or necessary to enable the department to administer or carry out this chapter.

Section 11: By July 1, 2028, the department must develop a registry for individuals over the age of 21 who are interested in using psilocybin approved under this chapter and the department must develop rules to implement this section.

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.

Board

Section 6: The bill establishes the Washington Psilocybin Advisory Board within the department, made up of 19–21 members. The department anticipates ten (10) work group participants will be community representatives with lived experience who would not otherwise be compensated for their participation. Per RCW 43.03.220 (Compensation of members of part-time boards and commissions—Class one groups), the department will make available stipends of \$200 per meeting to these representatives. The bill requires the board meet at least five times per calendar year until July 1, 2025, and at least once every calendar quarter each year thereafter. Therefore, the department assumes the work group will have

5 meetings in FY 2024, 5 meetings in FY 2025, and 4 meetings in FY 2027 and each year thereafter. The board must meet at a time and place determined by the chair or a majority of the voting members of the board. In accordance with RCW 43.03.220, the department assumes all meetings will be held virtually in order to not require travel while still maximizing member and public participation. For all meetings, the department anticipates providing meeting announcements and materials in English, Spanish, Russian, and Vietnamese, ASL and Spanish interpretation services, and Communication Access Realtime (CART) will be available for virtual attendees.

The Assistant Attorney General will provide legal advice on board formation and governance and board rulemaking, including attending board meetings. Attorney General Office charges are estimated at \$4,000 each year.

Costs include board stipends, translation, interpretation, CART services, and Assistant Attorney General services:

FY 2024 costs will be \$25,000 (GF-S).

FY 2025 costs will be \$25,000 (GF-S).

FY 2026 and ongoing, costs will be \$20,000 (GF-S) each year.

Work Group

Section 7: Department staff will be required to participate in the interagency psilocybin work group, providing advice and recommendations to the board on developing a comprehensive regulatory framework for a regulated psilocybin system, reviewing indigenous practices, clinical trials, findings, and research of medical evidence related to psilocybin, and ensuring that a social opportunity program is included within any psilocybin licensing program. The department assumes work in FY 2024 and FY 2025 will be primarily focused on researching and reviewing clinical trials, findings, and available medical research and reporting this information to the board. The department assumes work in FY 2026 and FY 2027 will be focused on developing and providing recommendations on the development of a regulatory framework and a social opportunity program, as well as continued review of available research. Ongoing, staff will be required to further develop and provide recommendations to the board.

Costs include staff and associated expenses (goods and services, intra-agency, and indirect charges) for the following:

- Science Officer: 1.0 FTE in FY 2024 and FY 2025, 0.5 FTE each year thereafter.
- Regulatory Framework Subject Matter Expert: 1.0 FTE ongoing.
- Equity & Community Engagement Specialist: 0.3 FTE in FY 2024 and FY 2025; 0.5 FTE in FY 2026 and FY 2027; 0.3 FTE ongoing.

FY 2024 costs will be 3.2 FTE and \$413,000 (GF-S).

FY 2025 costs will be 3.2 FTE and \$418,000 (GF-S).

FY 2026 costs will be 2.8 FTE and \$348,000 (GF-S).

FY 2027 costs will be 2.8 FTE and \$348,000 (GF-S).

FY 2028 and ongoing, costs will be 2.5 FTE and \$316,000 (GF-S) each year.

Staff Support

Sections 6, 7, 9, and 11: The department will hire staff to support the board and the work group, including coordination of meetings, drafting of formal recommendations made by the board to the department, LCB, and AGR, and other administrative duties, including coordination of board stipends. Additionally, staff will be required to draft and publish materials for the public, manage the psilocybin registry required in Section 11 of the bill, and answer questions from the public and interested parties related to the registry and the department, work group, and board work with psilocybin. Costs includes staff and associated expenses (goods and services, intra-agency, and indirect charges) for the following:

- Psilocybin Work Group and Staff Support Manager: 0.25 FTE ongoing
- Work Group and Advisory Board Support: 1.5 FTE ongoing
- Administrative Assistant: 0.5 FTE ongoing

FY 2024 costs will be 3.0 FTE and \$352,000 (GF-S).
FY 2025 and ongoing, costs will be 3.1 FTE and \$355,000

Rulemaking

Sections 9 and 11: The department will develop and adopt rules to develop a registry for individuals over the age of 21 who are interested in using psilocybin approved under this chapter. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of a program manager and a community engagement specialist to identify underreached communities and engage them in the rulemaking process. Based on the anticipated controversy over creating a registry of individuals interested in using a Schedule I drug, which is illegal under federal law, the department anticipates rulemaking to be complex. Complex rulemaking will require a rules project coordinator to support subject matter experts and ensure timely completion of rulemaking. This rule package is extended to identify specific groups who have previously had access barrier to engagement with the department, as well as giving the department the ability to expand community engagement and conduct additional workshops and listening sessions. This process will include six meetings with interested parties as well as one formal rules hearing, all held virtually, and will take at least 18 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 \$6,000.

FY 2024 costs will be 0.4 FTE and \$52,000 (GF-S).
FY 2025 costs will be 0.2 FTE and \$29,000 (GF-S).

Registry System

Section 11: Following rulemaking, the department will create a registry for individuals over the age of 21 who are interested in using psilocybin approved under this chapter. The information to be collected in the registry will be determined in rulemaking, but for the purpose of this fiscal note, the department assumes minimal information will be collected for the registry, and what is collected will be considered confidential. For the development of this registry, the department anticipates using an existing technology utilized by the department for other services. Department staff will be required to create the new registration, create an external portal for the new registration, configure a new report, and perform database support.

Costs include staff and associated expenses (goods and services, intra-agency, and indirect charges).

FY 2026 costs will be 0.2 FTE and \$26,000 (GF-S)
FY 2027 and ongoing, costs will be \$7,000 (GF-S)

TOTAL COSTS TO IMPLEMENT THIS BILL:

FY 2024: 6.7 FTE and \$842,000 (GF-S)
FY 2025: 6.5 FTE and \$827,000 (GF-S)
FY 2026: 6.0 FTE and \$749,000 (GF-S)
FY 2027: 5.9 FTE and \$730,000 (GF-S)
FY 2028 and ongoing: 5.6 FTE and \$698,000 (GF-S)

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	842,000	827,000	1,669,000	1,479,000	1,396,000
Total \$			842,000	827,000	1,669,000	1,479,000	1,396,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.7	6.5	6.6	6.0	5.6
A-Salaries and Wages	534,000	534,000	1,068,000	957,000	902,000
B-Employee Benefits	202,000	198,000	400,000	359,000	338,000
C-Professional Service Contracts	7,000	7,000	14,000	12,000	12,000
E-Goods and Other Services	51,000	49,000	100,000	78,000	76,000
J-Capital Outlays	12,000	4,000	16,000	8,000	6,000
T-Intra-Agency Reimbursements	36,000	35,000	71,000	65,000	62,000
Total \$	842,000	827,000	1,669,000	1,479,000	1,396,000

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
ADMINISTRATIVE ASST 3	50,592	0.5	0.5	0.5	0.5	0.5
EPIDEMIOLOGIST 3 (NON-MEDICAL)	108,804	1.0	1.0	1.0	0.5	0.5
Fiscal Analyst 2	53,000	1.1	1.1	1.1	1.0	1.0
HEALTH SERVICES CONSULTAN 4	82,896	2.7	2.6	2.7	2.5	2.5
Health Svcs Conslt 1	53,000	0.6	0.6	0.6	0.7	0.5
MANAGEMENT ANALYST 4	82,896	0.5	0.4	0.5	0.5	0.3
WMS02	114,360	0.3	0.3	0.3	0.3	0.3
Total FTEs		6.7	6.5	6.6	6.0	5.6

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.

Sections 9 and 11: The department will adopt rules as necessary to implement this bill.

Individual State Agency Fiscal Note

Bill Number: 5263 S SB	Title: Psilocybin	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
General Fund-State 001-1	47,100	47,100	94,200	94,200	94,200
Total \$	47,100	47,100	94,200	94,200	94,200

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/17/2023
Agency Preparation: Trecia Ehrlich	Phone: 3605843711	Date: 02/22/2023
Agency Approval: Jeannie Brown	Phone: 360-902-1989	Date: 02/22/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/22/2023

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.

Original bill SB 5263, created a legal avenue for the legalization of psilocybin in a guided clinical setting- it did not provide a clear role for the WSDA but did grant DOH the authority to direct WSDA as needed. As WSDA was not given a distinct role in the bill, no fiscal impact could be measured at that time.

The substitute bill SSB 5263 is essentially an entirely new bill, and instead of creating a program, it creates a two year pathway towards a future program, and provides a distinct role for WSDA in that path.

New Section 7 (1) of the substitute establishes an advisory board of appointees and an interagency workgroup that will provide advice and recommendations on developing a comprehensive regulatory framework for the legalization of psilocybin. The workgroup would include members from Department of Health (DOH), Department of Agriculture (WSDA), and Liquor Cannabis Board (LCB). In (2) the workgroup would be responsible for providing advice and recommendations related to the development of a comprehensive regulatory framework for a regulated psilocybin system. The framework must ensure clean and pesticide free products, the review of indigenous practices, medical evidence, and the inclusion of a social opportunity program. In (3) the workgroup is required to provide regular updates to the psilocybin advisory board.

WSDA resources needed would include a .20 WMS 2 level policy/analyst staff person to sit on the interagency work group. There is ongoing work required of the workgroup so the position would be ongoing. Also, given the work to create a regulatory framework for psilocybin, WSDA anticipates a need for assistance from the agencies Attorney General's office as it relates to the advice and recommendations WSDA provides the work group.

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.

Under Section 8 of SSB 5263, Washington Health Care Authority (HCA) is responsible for setting, administering, or collecting the tax or fees associated with this bill.

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.

WSDA estimates a .20 FTE WMS 2 position to be a part of the interagency workgroup for cost of \$39,300 per year and 52 hours of attorney general costs at \$150 per hour for \$7,800 per year. There are no travel costs assumed, as it is assumed that meetings will be held remotely.

Staff costs include salaries, benefits, supplies, and overhead.

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	47,100	47,100	94,200	94,200	94,200
Total \$			47,100	47,100	94,200	94,200	94,200

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	22,000	22,000	44,000	44,000	44,000
B-Employee Benefits	7,200	7,200	14,400	14,400	14,400
C-Professional Service Contracts					
E-Goods and Other Services	10,600	10,600	21,200	21,200	21,200
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	100	100	200	200	200
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Admin Overhead	7,200	7,200	14,400	14,400	14,400
Total \$	47,100	47,100	94,200	94,200	94,200

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
WMS 2 position	110,000	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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.