

Multiple Agency Fiscal Note Summary

| | |
|--------------------------------|-------------------------------------|
| Bill Number: 5536 2S SB | Title: Controlled substances |
|--------------------------------|-------------------------------------|

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 |
| Department of Health | 0 | 0 | 4,000 | 0 | 0 | 8,000 | 0 | 0 | 8,000 |
| Total \$ | 0 | 0 | 4,000 | 0 | 0 | 8,000 | 0 | 0 | 8,000 |

| Agency Name | 2023-25 | | 2025-27 | | 2027-29 | |
|---------------------|---------------------------|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Local Gov. Courts | Fiscal note not available | | | | | |
| Loc School dist-SPI | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | |
| Local Gov. Total | | | | | | |

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 |
| Joint Legislative Audit and Review Committee | .1 | 22,100 | 22,100 | 22,100 | .0 | 9,000 | 9,000 | 9,000 | .0 | 9,000 | 9,000 | 9,000 |
| Administrative Office of the Courts | Fiscal note not available | | | | | | | | | | | |
| Office of Public Defense | Fiscal note not available | | | | | | | | | | | |
| Office of Attorney General | .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 | Fiscal note not available | | | | | | | | | | | |
| 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 |
| Washington State Patrol | Fiscal note not available | | | | | | | | | | | |
| Criminal Justice Training Commission | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Department of Health | .2 | 0 | 0 | 60,000 | .1 | 0 | 0 | 24,000 | .1 | 0 | 0 | 24,000 |
| Department of Children, Youth, and Families | .0 | 2,304,000 | 2,304,000 | 2,304,000 | .0 | 2,304,000 | 2,304,000 | 2,304,000 | .0 | 2,304,000 | 2,304,000 | 2,304,000 |
| Department of Children, Youth, and Families | In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note. | | | | | | | | | | | |
| Department of Corrections | .0 | 3,000 | 3,000 | 3,000 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| University of Washington | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | | | | |
| The Evergreen State College | .0 | 0 | 0 | 0 | .2 | 71,110 | 71,110 | 71,110 | .4 | 204,037 | 204,037 | 204,037 |
| Environmental and Land Use Hearings Office | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Total \$ | 3.6 | 3,099,756 | 3,099,756 | 3,159,756 | 1.6 | 2,663,110 | 2,663,110 | 2,687,110 | 1.8 | 2,796,037 | 2,796,037 | 2,820,037 |

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|---------------------|---------------------------|----------|-------|---------|----------|-------|---------|----------|-------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Local Gov. Courts | Fiscal note not available | | | | | | | | |
| Loc School dist-SPI | | | | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|--|--|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Joint Legislative Audit and Review Committee | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Administrative Office of the Courts | Fiscal note not available | | | | | | | | |
| Office of Public Defense | Fiscal note not available | | | | | | | | |
| Office of Attorney General | .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 | Fiscal note not available | | | | | | | | |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Washington State Patrol | Fiscal note not available | | | | | | | | |
| 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 |
| Environmental and Land Use Hearings Office | .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 | Fiscal note not available | | | | | | | | |
| Loc School dist-SPI | | | | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Breakout

| | |
|------------------------|--|
| Department of Commerce | Non-zero but indeterminate cost and/or savings. Please see discussion. |
|------------------------|--|

Prepared by: Cynthia Hollimon, OFM

Phone:
(360) 810-1979

Date Published:
Preliminary 3/ 2/2023

Individual State Agency Fiscal Note

| | | |
|--------------------------------|-------------------------------------|---|
| Bill Number: 5536 2S SB | Title: Controlled substances | Agency: 014-Joint Legislative Audit and Review Committee |
|--------------------------------|-------------------------------------|---|

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 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 |
| Account | | | | | |
| General Fund-State 001-1 | 17,600 | 4,500 | 22,100 | 9,000 | 9,000 |
| Total \$ | 17,600 | 4,500 | 22,100 | 9,000 | 9,000 |

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Dana Lynn | Phone: 360-786-5177 | Date: 02/27/2023 |
| Agency Approval: Eric Thomas | Phone: 360 786-5182 | Date: 02/27/2023 |
| OFM Review: Gaius Horton | Phone: (360) 819-3112 | Date: 02/28/2023 |

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 bill creates a new property tax exemption for nonprofit organizations that maintain an approved recovery residence. The only section of the bill with an impact for JLARC is Part VI, sections 21 and 22.

SECTION 21 adds a new real and personal property tax exemption - RCW 84.36.043(2) - for nonprofit organizations that maintain an approved recovery residence registered under RCW 41.05.760 when certain criteria (noted in the bill) are met. The preference applies to taxes levied for collection in calendar years 2024 through 2033.

TAX PERFORMANCE STATEMENT DETAILS

SECTION 22 is the tax preference performance statement that categorizes the preference as intended to provide tax relief to certain businesses or individuals, as indicated in RCW 82.32.808(2)(e). The Legislature's specific public policy objective is to maximize funding for recovery residences to the extent possible, thus increasing availability of such residences.

To measure the effectiveness of the tax preference, JLARC must evaluate:

- Annual changes in the total number of parcels qualifying for the exemption.
- The annual amount of property tax relief resulting from the tax exemption.
- The average annual number of people housed at recovery residences located on property qualifying for the exemption.
- The annualized amount charged for housing at recovery residences located on qualifying property and the annualized estimated increase in the charge for housing if the properties had not been eligible for the exemption.
- The annual amount of expenditures by nonprofits to maintain recovery residences located on qualifying property.

The Legislature intends to extend the expiration date of the preference if a JLARC review finds that:

- The number of properties qualifying for the new exemption has increased.
- The number of individuals using recovery housing located on qualifying property has increased.
- The amount charged for recovery housing is reasonably consistent with the actual cost of operating and maintaining the housing.

To obtain data to perform the review, JLARC staff is directed to refer to:

- Initial applications for the tax exemption as approved by the Department of Revenue under RCW 84.36.815.
- Annual financial statements prepared by nonprofit entities claiming the exemption.
- Filings with the federal government to maintain federal tax exemption status by nonprofit organizations claiming the exemption.
- Any other data necessary for the evaluation.

No effective date is detailed for the sections 21 and 22. It will likely take effect 90 days after the end of the 2023 legislative 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.

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.

JLARC staff would contact and work with the Department of Revenue and other appropriate agencies immediately after passage of the bill to ensure project contacts are established and any other necessary data for JLARC staff’s future evaluation needs are identified and collected. The tax preference is scheduled to apply to property taxes collected for calendar years 2024 through 2033. JLARC usually reviews tax preferences so that there are two legislative sessions between the JLARC review and the expiration date. Based on this, JLARC would likely schedule this preference for review in 2031.

The expenditure detail reflects work conducted to prepare for the future review of the preferences. Costs associated with the review are not included in this fiscal note. This fiscal note reflects only the costs associated with establishing data collection and collecting preliminary data in preparation for the 2031 review.

This tax preference review may require additional resources. The audit will be conducted and presented to JLARC consistent with the processes used for other tax preference reviews. Based on all tax preference legislation that is passed, JLARC may subsequently determine that it can absorb the costs for this proposed bill in its base budget, if the workload of other enacted tax preference legislation does not exceed current staffing. JLARC will assess all of the tax preference reviews mandated in the 2023 legislative session.

This audit will require an estimated 2 audit months.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst’s time for a month, together with related administrative, support, and goods/services costs. JLARC’s anticipated 2023-25 costs are calculated at approximately \$22,100 per audit month.

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 | 17,600 | 4,500 | 22,100 | 9,000 | 9,000 |
| Total \$ | | | 17,600 | 4,500 | 22,100 | 9,000 | 9,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | | 0.1 | | |
| A-Salaries and Wages | 11,400 | 2,900 | 14,300 | 5,800 | 5,800 |
| B-Employee Benefits | 3,600 | 900 | 4,500 | 1,800 | 1,800 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 2,400 | 600 | 3,000 | 1,200 | 1,200 |
| G-Travel | 200 | 100 | 300 | 200 | 200 |
| 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 \$ | 17,600 | 4,500 | 22,100 | 9,000 | 9,000 |

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 |
|--------------------|---------|---------|---------|---------|---------|---------|
| Research Analyst | 126,694 | 0.1 | | 0.1 | | |
| Support staff | 89,671 | | | | | |
| Total FTEs | | 0.1 | | 0.1 | | 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: 5536 2S SB | Title: Controlled substances | Agency: 100-Office of Attorney General |
|--------------------------------|-------------------------------------|---|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Cam Comfort | Phone: (360) 664-9429 | Date: 03/01/2023 |
| Agency Approval: Edd Giger | Phone: 360-586-2104 | Date: 03/01/2023 |
| OFM Review: Cheri Keller | Phone: (360) 584-2207 | Date: 03/02/2023 |

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 Attorney General's Office (AGO), Agriculture & Health Division (AHD) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Commerce (Commerce). The change to the Growth Management Act (GMA) in Section 13 is not expected to affect Commerce Growth Management Services. The new program created in Section 16 for funding construction costs of Substance Use Disorder (SUD) treatment facilities is not expected to generate more than minimal legal work. Additionally, Commerce was assigned this fiscal note request for its role in estimating the impact of bills on local governments. This will not generate any legal work. Therefore, costs are not included in this request.

The AGO AHD has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Health (DOH). The enactment of this bill will not impact the provision of legal services to DOH. This bill would modify some requirements for opioid treatment program licensure (Section 15). DOH would be required to include stakeholders in rulemaking concerning health engagement hubs (Section 27). Additionally, DOH would be required to implement a statewide tool to map and direct individuals with behavioral health disorders to treatment and recovery support services locations. AHD assumes new legal services are nominal. Therefore, costs are not included in this request.

The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Revenue (DOR). Section 20 creates an exemption for property used by a nonprofit organization in maintaining an approved and registered recovery residence. REV assumes this bill is unlikely to generate any requests for advice or need for litigations since the exemption will be administered by county assessors. Therefore, costs are not included in this request.

The AGO Corrections Division (COR) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Corrections (DOC). This bill increases the penalty for drug possession (of certain substances) to gross misdemeanor, and creates a pretrial diversion program for individuals charged with simple possession. Individuals convicted of gross misdemeanors serve any confinement time in local jails, not in DOC prisons. Additionally, diversion programs are administered at the local level. Although DOC does supervise certain individuals for misdemeanor convictions, any increase in such supervision is unlikely to increase DOR's need for legal services. Therefore, 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 in representing the Health Care Authority (HCA). While this bill directs HCA to perform a study and work on several programs, SHO already advises the portion of HCA that handles the Substance Use Disorder (SUD) legal issues. This bill should not result in additional expansion of SUD program. SHO anticipates that the same program staff will continue providing advise and working on these issues. Therefore, costs are not included in this request.

The AGO Children, Youth and Families (CYF) Division has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Children, Youth, and Families (DCYF). Section 19 provides that parents, guardians, and legal custodians may have a right to appointed counsel in parenting plan and other child custody cases if the parent, guardian, or legal custodian is affected by SUD, a mental health disorder, or a behavioral health concern. This may result in a small increase in parents with attorneys seeking to modify guardianships, or other custody arrangements entered following a dependency case. However, CYF assumes legal services assistance would be minimal. Additionally, CYF anticipates a minimal legal assistance required by Section 23 for DCYF work with HCA to develop a training for parents of children with SUD. Section 24 requires DCYF to make "opioid reversal medication" available to case workers and other employees who may come into contact with individuals who might experience an

overdose. CYF assumes new legal services are nominal. Therefore, costs are not included in this request.

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: 5536 2S SB | Title: Controlled substances | Agency: 101-Caseload Forecast Council |
|--------------------------------|-------------------------------------|--|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Clela Steelhammer | Phone: 360-664-9381 | Date: 02/28/2023 |
| Agency Approval: Clela Steelhammer | Phone: 360-664-9381 | Date: 02/28/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 03/01/2023 |

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.

2SSB 5536
**CONCERNING POSSESSION OF CONTROLLED
AND COUNTERFEIT SUBSTANCES AND
LEGEND DRUGS**
101 – Caseload Forecast Council
February 25, 2023

SUMMARY

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

- Section 1 States legislative intent.
- 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, establishes the offense as a gross misdemeanor. States the prosecutor is encouraged to divert such cases for assessment, treatment, or other services. Additionally states in lieu of booking and referral to the prosecutor, law enforcement is encouraged to offer a referral to assessment and available services. Requires the court to advise defendant of the pretrial diversion program in Section 10(2) of the act, upon arraignment.
- 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, establishes the offense as a gross misdemeanor. States the prosecutor is encouraged to divert such cases for assessment, treatment, or other services. Additionally states in lieu of booking and referral to the prosecutor, law enforcement is encouraged to offer a referral to assessment and available services. Requires the court to advise defendant of the pretrial diversion program in Section 10(2) of the act, upon arraignment.
- Section 4 Amends RCW 69.50.4014 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” in Possession of 40 grams or less of Cannabis. Additionally, states the prosecutor is encouraged to divert such cases for assessment, treatment, or other services. Additionally states in lieu of booking and referral to the prosecutor, law enforcement is encouraged to offer a referral to assessment and available services. Requires the court to advise defendant of the pretrial diversion program in Section 10(2) of the act, upon arraignment.
- Section 5 Amends RCW 69.41.030 by reinserting language that expires as of July 1, 2023, by adding the term “knowingly” for possession in the offense of Sell, Deliver, or Possess any Legend Drug. States the prosecutor is encouraged to divert such cases for assessment, treatment, or other services. Additionally states in lieu of booking and referral to the prosecutor, law enforcement is encouraged to offer a referral to assessment and available services. Requires the court to advise defendant of the pretrial diversion program in Section 10(2) of the act, upon arraignment.
- Section 6 Amends RCW 69.50.509 to add the term “knowingly” for probable cause that a controlled substance is being possessed.

- Section 7 New Section is added to chapter 43.43 RCW requiring the Washington State Patrol (WSP) to complete analysis for evidence for a suspected violation of RCW 69.50.4011(1)(b), 69.50.4013, or 69.41.030 within 45 days of receipt of request.
- Section 8 New section appropriating funds the WSP solely to support analysis listed in Section 7.
- Section 9 Amends RCW 69.50.4121 by contracting the definition of a class I civil infraction regarding drug paraphernalia. Additionally removes testing and analyzing from the definition of drug paraphernalia. Also adds public health supplies, smoking equipment, and drug testing equipment from prohibited distribution.
- Section 10 Adds a new section to chapter 69.50 RCW requiring the court to advise the defendant and his/her attorney of the pretrial diversion program for certain drug offenses. Additionally describes the pretrial diversion program and states if the defendant successfully completes pretrial diversion, the criminal possession charge or charges must be dismissed. States nothing in the section prevents the defense from seeking to resolve possession charges through therapeutic courts.
- Section 10 Additionally stated courts shall assist the defendant in obtaining substance use disorder (SUD) evaluation within 7 days of agreement to participate in the diversion program, at no expense to the defendant who qualify for public defense services or are found to be indigent. Requires the state to reimburse local courts for the costs associated with assessments.
- Section 11 Adds a new section to chapter 69.50 RCW which sets the punishment for individuals convicted in courts of limited jurisdiction for possession offenses as follows:
- For convictions of RCWs 69.50.4011(1)(b) or 69.50.4013, if individual agrees as a condition of probation to submit to a SUD assessment and comply with treatment recommendations, the sentence includes a term of confinement of up to 364 days suspended for a period to exceed 2 years.
 - For convictions of 69.41.030(2)(b), if individual agrees as a condition of probation to submit to a SUD assessment and comply with treatment recommendations, the sentence includes a term of confinement of up to 90 days suspended for a period to exceed 1 year.
 - For convictions of 69.41.030(2)(b), if individual agrees as a condition of probation to submit to a SUD assessment and comply with treatment recommendations, the sentence includes a term of confinement of up to 90 days suspended for a period to exceed 1 year.
 - For convictions of 69.50.4011(1)(b), 69.50.4013, or 69.41.030(2)(b) for a schedule II substance and the individual refuses assessment and treatment, the sentence shall be a term of not less than 21 days.
- Section 11 Additionally describes the process and requirements for SUD evaluation and treatment. Requires the punishment for individuals agreeing to the diversion program that willfully abandon or demonstrate a consistent failure to comply with treatment, to be:
- For first instance of being sentenced under this section the court may use its discretion in determining amount of suspended sentence to be reinstated.
 - For second instance, the court is required to reinstate no less than 21 days of the suspended sentence.

- For third instance, the court is required to reinstate no less than 45 days of the suspended sentence.
- Section 11 Additionally states that the court may consider any subsequent possession charges filed against someone that is participating in the diversion program a willful abandonment of treatment. States that for successful completion of recommended treatment program, the individual must file proof of completion with the court and that the court must terminate probation and enter an order vacating the individual's conviction.
- Section 12 Amends RCW 9.96.060, adding a new subsection that states for individuals convicted of certain drug offenses who subsequently complete an approved substance use disorder treatment program, they may apply to the court for vacation of the conviction(s). Upon verification of successful completion, the court must vacate.
- Section 14 Amends RCW 71.24.589 (Substance use disorders—Law enforcement assisted diversion—Pilot project) by changing the pilot program to a grant program. Includes language regarding civil liability.
- Section 15 Amends RCW 71.24.590 (Opioid treatment—Program licensing or certification by department, department duties—Use of medications by program—Definition) by specifying opioid treatment. Additionally allows establishment of a mobile or fixed-site medication unit as part of a licensed opioid treatment program.
- Section 16 Adds a new section to chapter 43.330 RCW establishing a program in the Department of Commerce to fund construction costs necessary to start up SUD treatment programs in regions of the state currently lacking access to such programs (subject to appropriations). States the funding must be used to increase the number of SUD treatment programs in underserved areas such as Central and Eastern Washington.
- Section 17 Amends RCW 10.31.110 (Alternatives to arrest—Individuals with mental disorders or substance use disorders) by removing language regarding local diversion programs and the recovery navigator program described in RCW 71.24.115 when filing original charges.
- Section 18 Repeals RCW 10.31.115 (Drug Possession Referral to assessment and services) and 2021 c 311 s 13.
- Section 20 Adds a new section to chapter 71.24 RCW that increases recovery housing (subject to appropriations.)
- Section 21 Amends RCW 84.36.043 by adding approved recovery residences used by nonprofit organizations to taxation exemptions.
- Section 22 Adds a new section regarding tax preference.
- Section 23 Adds a new section to chapter 43.216 RCW requiring the Health Care Authority (HCA) to develop training for parents of children and transition age youth with SUDs.
- Section 24 Adds a new section to chapter 43.216 RCW requiring the Department of Children, Youth and Families to make opioid overdose reversal medication available for use by caseworkers or employees that may come in contact with individuals experiencing overdose and to make appropriate training available.
- Section 25 Adds a new section requiring HCA to develop and implement a data integration platform by June 30, 2024, to serve as a :
- common database for diversion efforts across the state;
 - data collection and management tool for practitioners; and
 - standardizing definitions and practices.

- Section 26 Requires HCA to contract with the Washington State Institute for Public Policy to conduct a study of the long-term effectiveness of the recovery navigator program.
- Section 27 Adds a new section to chapter 71.24 RCW that requires HCA to develop payment structures for health engagement hubs by January 1, 2025. States requirements of a health engagement hub.
- Section 28 Adds a new section to chapter 71.24 RCW that requires HCA to establish a grant program for providers of employment, training, certification, and other supportive programs designed to provide persons recovering from a SUD with employment opportunities. States the program give priority to programs that engage with black, indigenous, persons of color, and historically underserved communities (subject to appropriations.)
- Section 29 Adds a new section to chapter 71.24 RCW that requires HCA to collaborate with the Department of Social and Health Services to expand the Washington Recovery Helpline and the recovery readiness asset tool to provide dynamically updated statewide behavioral health treatment and recovery support services mapping tool (subject to appropriations.)
- Section 30 States the legislative intent to increase investments in the 2023-2025 biennium substantially over baseline levels established in the 2021-2023 operating and capital budgets to increase the provision of evidence-based prearrest and prefiling diversion programs in all regions of the state. States the appropriation amounts proved to the state HCA and the conditions and limitations of the appropriated amounts.
- Section 31 Adds a new section to chapter 71.24 RCW that requires HCA to convene a workgroup to recommend changes to systems, policies, and processes related to intake, screening, and assessment for substance use disorder services with recommendations due by December 1, 2024.
- Section 32 Amends 2021 c 311 s 29 to read Sections 8-10 and 12 of this act, and removes reference to Sections 15 and 16, expire on the effective date of this section.
- Section 33 States Sections 2-12 of this act take effect July 1, 2023.

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 the prior 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 as a gross misdemeanor. Additionally reintroduces the term “knowingly” to the sale, possession or delivery of a legend drug. 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.

Impact on prison and jail beds and community corrections population:

This bill results in the possession of a controlled or counterfeit substance or legend drug to remain a criminal offense.

Possession of a Counterfeit or Controlled Substance is currently a misdemeanor offense that is being raised to a gross misdemeanor offense under the provisions of the bill (rather than become decriminalized as of July 1, 2023.) The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate bed impacts resulting from the bill. However, since misdemeanor offenses are punishable by a term of confinement of 0-90 days in jail and gross misdemeanor offenses are punishable by a term of confinement of 0-364 days in jail, any impact of the change from current sentencing would manifest itself as a potential increased need for jail beds only. This bill additionally requires individuals agreeing to the diversion program that willfully abandon or demonstrate a consistent failure to comply with treatment to be sentenced to confinement for: the courts discretion on the first instance; 21 days on the second instance, and for 45 days for the third instance. For those that refuse treatment, the minimum confinement will be 21 days. It is unknown how many individuals will refuse treatment or how many of those that participate will willfully abandon or fail treatment and what the bed impact will be.

However, the bill also adds that the prosecutor is encouraged to divert such cases to assessment, treatment or other services. Law enforcement is encouraged to offer a referral to assessment and services. Upon arraignment for a violation for possession offenses, the court is required to advise the defendant of the pretrial diversion program established in the bill. For individuals who completes pretrial diversion, the criminal possession charge or charges must be dismissed. It is unknown if confinement time will increase or decrease from current practice as individuals as the court may terminate pretrial diversion if the defendant is not meaningfully engaging in the recommended treatment or services or is convicted of an intervening crime. Individuals who successfully complete a substance use disorder treatment program shall have their offense vacated by the court.

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

Impact on Juvenile Rehabilitation and local beds

This bill results in the possession of a controlled or counterfeit substance or legend drug to remain a criminal offense.

Possession of a Counterfeit or Controlled Substance is currently a misdemeanor offense that is being raised to a gross misdemeanor offense under the provisions of the bill (rather than become decriminalized as of July 1, 2023.) By adding the term “knowingly” to possession offenses, the offenses conform with the issue raised in the Blake decision, and will remain criminal offenses as of July 1, 2023. The bill amends 2021 c 311 s 29 by removing expiration of sections 15 and 16 of the bill, leaving Possession of a Counterfeit or Controlled Substance as a Category E offense.

The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate bed impacts resulting from the bill. However, the offense of Possession of a Controlled Substance would be punishable by a standard range term of Local Sanctions (0-30 days in local juvenile detention) for juveniles adjudicated for the offense. Therefore, incidences of this offense would likely impact local juvenile detention beds.

As described above under Prison and Jail Bed Impacts, juveniles may also participate in pretrial diversion. It is unknown if confinement time will increase or decrease from current practice as individuals may be terminated from the diversion program or if successful, charges may be dismissed.

Individual State Agency Fiscal Note

| | | |
|--------------------------------|-------------------------------------|---|
| Bill Number: 5536 2S SB | Title: Controlled substances | Agency: 103-Department of Commerce |
|--------------------------------|-------------------------------------|---|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Buck Lucas | Phone: 360-725-3180 | Date: 02/27/2023 |
| Agency Approval: Jason Davidson | Phone: 360-725-5080 | Date: 02/27/2023 |
| OFM Review: Myra Baldini | Phone: (360) 688-8208 | Date: 02/27/2023 |

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.

Differences between the second substitute bill and the substitute bill:

- Section 11 was renumbered Section 13 adds opioid treatment programs in addition to substance use disorder treatment facilities to the list of essential facilities that require a local siting process.
- Section 13 was renumbered Section 16, and the scope of a new Department of Commerce (department) capital program for substance use disorder facilities is unchanged.
- Section 15 adds methadone to the definition of opioid treatment program and eligible treatments for opioid use disorder; and adds mobile or fixed-site medication unit may be established as part of a licensed opioid treatment program.

The substitute would not change or create additional fiscal impacts to the department.

Summary of the second substitute bill:

Section 13 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. Facilities include opioid treatment facilities, substance use disorder facilities, and both mobile and fixed-site medication units, recovery residences, and harm reduction programs except for safe injection sites.

Section 16 adds a new section to RCW 43.330 that requires 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 13: 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 16 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 16: Development and implementation of a substance use disorder treatment capital program.

Assumptions:

- The proposed legislation creates a new substance use disorder 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) 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 substance use disorder program required in Section 16.
- 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 substance use disorder treatment facilities in Central and/or Eastern Washington.
- The level of appropriation required for implementing Section 16 and to form a new substance use disorder treatment capital program in the department is unknown. The level of demand for state funding to support providers to expand

substance use disorder treatment services, including opioid treatment programs, in Central and Eastern Washington and the number of grants that would be 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. Staff will manage capital contracts, validate invoices, monitor contract implementation and commitment period, and develop project communications.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY24-FY29, to provide staff management, including assigning and negotiating contracts and project support services. Staff will also provide rule development oversight, as required. Staff will also support application development, outreach, and application scoring and prioritization. Staff will present advanced technical business information to higher education institutions and coordinate with key stakeholders. 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 grantmaking activities of the program. Staff will provide expert leadership, oversight, rules coordination and decision making over all capital elements of the program.

0.10 WMS3 (209 hours) in FY24-29, to coordinate project delivery in compliance with established rules and laws, provide guidance on new capital grant solicitations, contract negotiation, as needed, and oversight of any consultant agreements.

0.10 Administrative Assistant 3 (209 Hours) in FY24-FY29, to review contract documents, facilitate accounting and project financial data management in the Contracts Management System, and records retention. Composes program correspondence regarding grantee projects, such as requests for documentation and responses to requests for information. Provides project support services and facilitates planning for for grantee meetings.

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.

Department of Revenue Fiscal Note

| | | |
|--------------------------------|-------------------------------------|--|
| Bill Number: 5536 2S SB | Title: Controlled substances | Agency: 140-Department of Revenue |
|--------------------------------|-------------------------------------|--|

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: Corban Nemeth | Phone: 603-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Kari Kenall | Phone: 603-534-1508 | Date: 02/28/2023 |
| Agency Approval: Valerie Torres | Phone: 603-534-1521 | Date: 02/28/2023 |
| OFM Review: Cheri Keller | Phone: (603) 584-2207 | Date: 03/01/2023 |

Request # 5536-2-1

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.

Note: This fiscal note reflects language in 2SSB 5536, 2023 Legislative Session.

This fiscal note only addresses section 21 of the bill, which impacts the Department of Revenue (department).

COMPARISON OF THE SECOND SUBSTITUTE BILL WITH THE SUBSTITUTE BILL:

While the second substitute renumbers the section, there were no changes to what became section 21.

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.

PROPOSAL:

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.
- Not charge more for the housing than the actual cost of operating and maintaining the housing.
- Ensure the property tax exemption benefits the nonprofit organization when the nonprofit organization is leasing the property.

This bill limits the exemption to taxes levied for collection in calendar years 2024 through 2033.

EFFECTIVE DATE:

This bill takes effect beginning with property taxes due for calendar year 2024.

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 show 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%

Request # 5536-2-1

occur in October. When converting from calendar year to fiscal year, this estimate assumes revenues shifts and losses follow this trend.

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

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 SJ | 68,076 | 4.0 | 1.3 | 2.7 | 1.3 | 1.3 |
| PROPERTY AND ACQUISITION SJ | 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: 5536 2S SB | Title: Controlled substances | Agency: 227-Criminal Justice Training Commission |
|--------------------------------|-------------------------------------|---|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Brian Elliott | Phone: 206-835-7337 | Date: 02/28/2023 |
| Agency Approval: Brian Elliott | Phone: 206-835-7337 | Date: 02/28/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 03/01/2023 |

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 30(2)(d) states the following sums, or so much thereof as may be necessary, are each appropriated: \$900,000 from the state general fund for the fiscal year ending June 30, 2024; \$900,000 from the state general fund for the fiscal year ending June 30, 2025; and \$1,800,000 from the state general fund-federal for the fiscal biennium ending June 30, 2025. The amounts in this subsection are provided solely for the authority to maintain a memorandum of understanding with the criminal justice training commission to provide ongoing funding for community grants pursuant to RCW 36.28A.450.

RCW 36.28A.450 relates to the Washington Association of Sheriffs and Police Chiefs to develop and implement a grant program aimed at supporting local initiatives to properly identify criminal justice system-involved persons with substance use disorders and other behavioral health needs and engage those persons with therapeutic interventions and other services, the efficacy of which have been demonstrated by experience, peer-reviewed research, or which are credible promising practices, prior to or at the time of jail booking, or while in custody.

Funding received from the Health Care Authority for this grant program will be passed through to the Washington Association of Sheriffs and Police Chiefs for the grant program.

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.

The Washington State Criminal Justice Training Commission, Health Care Authority, and Washington Association of Sheriffs and Police Chiefs will enter into a contract for the grant program. The Health Care Authority will provide funds to the Criminal Justice Training Commission and the Criminal Justice Training Commission will provide these funds to the Washington Association of Sheriffs and Police Chiefs for the grant program.

There is no expenditure impact to the Criminal Justice Training Commission as expenditures to the Washington Association of Sheriffs and Police Chiefs will be offset by funds received from Health Care Authority recorded as a recovery of expenditures.

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: 5536 2S SB | Title: Controlled substances | Agency: 303-Department of Health |
|--------------------------------|-------------------------------------|---|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Health Professions Account-State 02G-1 | | 4,000 | 4,000 | 8,000 | 8,000 |
| Total \$ | | 4,000 | 4,000 | 8,000 | 8,000 |

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | 0.3 | 0.2 | 0.1 | 0.1 |
| Account | | | | | |
| General Fund-Private/Local 001 -7 | 19,000 | 28,000 | 47,000 | 14,000 | 14,000 |
| Health Professions Account-State 02G-1 | 0 | 13,000 | 13,000 | 10,000 | 10,000 |
| Total \$ | 19,000 | 41,000 | 60,000 | 24,000 | 24,000 |

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Donna Compton | Phone: 360-236-4538 | Date: 03/01/2023 |
| Agency Approval: Kristin Bettridge | Phone: 3607911657 | Date: 03/01/2023 |
| OFM Review: Breann Boggs | Phone: (360) 485-5716 | Date: 03/01/2023 |

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 fiscal note has changed from the previous fiscal note on 5536 SSB. This substitute bill adds that a mobile or fixed-site medication unit may be established as part of a licensed opioid treatment program in section 15(8) and changes the creation of a statewide directory of recovery services, in section 29, from the department of health to the health care authority.

Section 15(8): Amends RCW 71.24.590 to include a mobile or fixed-site medication unit may be established as part of a licensed opioid treatment program.

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 that a business-licensing program be self-supporting and sufficient revenue be collected through fees to fund expenditures. The department does not anticipate the need to increase Pharmacy Commission licensing fees to support the changes proposed in this bill. However, the department anticipates raising Behavior Health Agency licensing fees over the next year to maintain a healthy fund balance. 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.

Behavioral Health Agencies

Based on the departments work with mobile units, the department anticipates 10 off-site medication units as a result of this bill; however, this is deemed to be an extension of the behavioral health agency license and will not generate additional revenue for this program.

Pharmacy Commission

The Pharmacy Commission (commission) anticipates all off-site medication units will apply to become licensed under “other controlled substance registration” to give them the authority to purchase, possess, administer, and dispense controlled substances. The commission will charge fees based on WAC 246-945-990 (Pharmaceutical Licensing Fees and Renewal Cycle) and anticipates \$360 per application.

FY 2025 – \$4,000 (10 Applications)

FY 2026 – \$4,000 (10 Renewals)

FY 2027 – \$4,000 (10 Renewals)

FY 2028 – \$4,000 (10 Renewals)

FY 2029 – \$4,000 (10 Renewals)

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.

Rulemaking

Section 15: The department will develop and adopt rules to allow a substance use disorder treatment program to establish off-site medication units. 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 approximately 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-L).

FY 2025 costs will be 0.1 FTE and \$21,000 (GF-L).

Inspection

Section 15: 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 average inspection is expected to take 3 hours per off-side medication location and 14 hours for each clinical record review.

FY 2025 and ongoing, costs will be 0.1 FTE and \$7,000 (GF-L).

Pharmacy Commission

Section 15: The commission will conduct initial facility inspections and review facility inspections once within a two-year period for compliance with the minimum operating and patient care standards.

FY 2025 costs will be 0.1 FTE and \$13,000 (02G).

FY 2026 and ongoing, costs will be \$5,000 (02G).

Total costs to implement this bill are:

FY 2024 – 0.1 FTE and \$19,000 (GF-L)

FY 2025 – 0.3 FTE and \$28,000 (GF-L), and \$13,000 (02G)

FY 2026 and ongoing – 0.1 FTE and \$7,000 (GF-L), and \$5,000 (02G)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|----------------------------|---------------|---------|---------|---------|---------|---------|
| 001-7 | General Fund | Private/Local | 19,000 | 28,000 | 47,000 | 14,000 | 14,000 |
| 02G-1 | Health Professions Account | State | 0 | 13,000 | 13,000 | 10,000 | 10,000 |
| Total \$ | | | 19,000 | 41,000 | 60,000 | 24,000 | 24,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | 0.3 | 0.2 | 0.1 | 0.1 |
| A-Salaries and Wages | 11,000 | 28,000 | 39,000 | 16,000 | 16,000 |
| B-Employee Benefits | 3,000 | 6,000 | 9,000 | 4,000 | 4,000 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 4,000 | 6,000 | 10,000 | 4,000 | 4,000 |
| T-Intra-Agency Reimbursements | 1,000 | 1,000 | 2,000 | | |
| Total \$ | 19,000 | 41,000 | 60,000 | 24,000 | 24,000 |

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 |
|------------------------------|---------|---------|---------|---------|---------|---------|
| Fiscal Analyst 2 | 53,000 | | 0.1 | 0.1 | | |
| HEALTH SERVICES CONSULTANT 4 | 82,896 | | | | 0.1 | 0.1 |
| NURSING CONSULTATION ADVISOR | 147,360 | 0.1 | 0.1 | 0.1 | | |
| PHARMACIST - INVESTIGATOR | 120,132 | | 0.1 | 0.1 | | |
| Total FTEs | | 0.1 | 0.3 | 0.2 | 0.1 | 0.1 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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 15: 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

Revised

| | | |
|--------------------------------|-------------------------------------|--|
| Bill Number: 5536 2S SB | Title: Controlled substances | Agency: 307-Department of Children, Youth, and Families |
|--------------------------------|-------------------------------------|--|

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 | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |
| Total \$ | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Kevin Keogh | Phone: 360-628-2652 | Date: 03/01/2023 |
| Agency Approval: Crystal Lester | Phone: 360-628-3960 | Date: 03/01/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 03/01/2023 |

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.

Comparison of 5536 SSB and 5536 2SSB

Section 8, which established that this act preempts local laws on drug prosecution, has been removed.

Section 11 is added. This establishes legal limits on drug possession sentencing within municipal and county courts. This includes limits on the number of days of imprisonment, requirements to perform a substance use disorder assessment, requirements that the individual receive a suspended sentence if they agree to treatment, and requirements to vacate the sentence upon completion of treatment.

Section 23(2) has been amended to require The Department of Children Youth and Families (DCYF) to promote the training for parents of children and transition age youth with substance use disorders (SUD) to caregivers in addition to foster parents. It specifically includes tribal foster parents and caregivers in this group.

Section 33 is added making sections 2-12 effective on July 1, 2023

Section 2 amends the RCW on counterfeit substances to include to include the term “knowingly” for counterfeit substance possession. This language was set to expired on July 1, 2023 rendering the crime unconstitutional as determined by the State v. Blake supreme court decision. It establishes this crime as a gross misdemeanor and encourages prosecutors and law enforcement to refer violators of this statute to assessment and treatment services in lieu of criminal prosecution.

Section 3 amends the RCW on controlled substances to include to include the term “knowingly” for controlled substances possession. This language was set to expired on July 1, 2023 rendering the crime unconstitutional as determined by the State v. Blake supreme court decision. It establishes this crime as a gross misdemeanor and encourages prosecutors and law enforcement to refer violators of this statute to assessment and treatment services in lieu of criminal prosecution.

Section 4 amends the RCW on possession of 40 grams or less of marijuana to include to include the term “knowingly”. This language was set to expired on July 1, 2023 rendering the crime unconstitutional as determined by the State v. Blake supreme court decision. It also encourages prosecutors and law enforcement to refer violators of this statute to assessment and treatment services in lieu of criminal prosecution.

Section 5 amends the RCW on legend drugs to include to include the term “knowingly” for legend drug possession. This language was set to expired on July 1, 2023 rendering the crime unconstitutional as determined by the State v. Blake supreme court decision. It also encourages prosecutors and law enforcement to refer violators of this statute to assessment and treatment services in lieu of criminal prosecution.

Section 9 amends the RCW on drug paraphernalia to decriminalize “giving” drug paraphernalia to another person.

Section 10 requires the court to inform defendants of pretrial diversion programs for the drug possession crimes being amended in the previous sections of this bill.

Section 12 allows individuals with the drug possession charges amended in this bill to petition the court for vacation of their conviction upon providing proof of meaningful engagement with a substance use disorder treatment program.

Section 18 repeals the RCW that requires law enforcement officers to offer a referral to assessment services for individuals with the drug possession charges amended above. Much of this language is included in the amendments above, but law enforcement officers are encouraged rather than required to offer referrals.

Section 19 gives the court the option for providing court appointed counsel to parents involved in custody proceedings who are affected by substance use disorder, mental health disorder, or behavioral health concerns to the degree that the parent cannot represent their own interests or they may have their parental rights restricted.

Section 23(1) requires Health Care Authority (HCA) to develop a training in coordination with the Department of Children, Youth, and Families (DCYF) 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 23(2) requires DCYF to make the training developed in subsection 1 of publicly available and promote the training to licensed foster parents and caregivers.

Section 24 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.

Indeterminate fiscal impact.

Sections 2-18: Indeterminate

The amendments to the drug possession RCWs, which effectively maintain drug possession as a prosecutable crime would likely result in an increase in Average Daily Population (ADP). The bill also allows for individuals to complete a substance use disorder treatment program and have their sentences vacated which could result in a reduction in ADP. It is unknown at this time how many youth will be impacted; therefore the caseload forecast and per capita adjustments are not known at this time.

DCYF assumes the impact will result when the ADP caseload changes in the JR residential facilities forecast. The impact would be reflected in the forecasted maintenance level budget step. DCYF will true up our fiscal impact in subsequent budget submittals if the legislation is enacted into law.

Section 19: Indeterminate

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 23: No Impact

DCYF assumes that it can absorb the cost of coordinating with HCA on substance use disorder training.

Section 24: \$2,304,000 GFS in the 23-25 Biennium

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.

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 | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |
| Total \$ | | | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |

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 | | | | | |
| B-Employee Benefits | | | | | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |
| 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 | | | | | |
| 9- | | | | | |
| Total \$ | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |

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)

| Program | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Children and Family Services (010) | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |
| Total \$ | 1,152,000 | 1,152,000 | 2,304,000 | 2,304,000 | 2,304,000 |

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: 5536 2S SB | Title: Controlled substances | Agency: 310-Department of Corrections |
|--------------------------------|-------------------------------------|--|

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 | 3,000 | 0 | 3,000 | 0 | 0 |
| Total \$ | 3,000 | 0 | 3,000 | 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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: James Cerna | Phone: (360) 725-8428 | Date: 03/01/2023 |
| Agency Approval: Ronell Witt | Phone: (360) 725-8428 | Date: 03/01/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 03/01/2023 |

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.

Proposed substitute 5536 2S SB revises the following from the 5536 S SB:

Sections 2- 6 requires the court to advise defendant of the pretrial diversion program in section 10(2), of the act, upon arraignment. Previous bill referred to section 9(1).

Section 7 is a new section – requires the Washington State Patrol to complete the necessary analysis for any evidence submitted for a suspected violations of 69.50.4011(1)(b), 69.50.4013, or 69.41.030 within 45 days of receipt of the request for analysis.

Section 10(1) allows the defense, with the consent of the prosecutor, to seek resolutions of charges of possession under RCW 69.50.4011(1)(b), 69.50.4013, 69.50.4014, or 69.41.030 through available therapeutic courts or other alternatives to prosecution.

Section 11 is a new section, requires individuals agreeing to the diversion program that willfully abandon or demonstrate a consistent failure to comply with treatment to be sentenced to confinement for: the courts discretion on the first instance; 21 days on the second instance, and for 45 days for the third instance. For those that refuse treatment, the minimum confinement will be 21 days. Requires courts to impose minimum jail sanctions on defendants convicted of possession who refuse substance use disorder (SUD) treatment or who willfully abandon treatment or consistently fail to comply with treatment. Requires courts to vacate convictions of possession for defendants who successfully complete required SUD treatment and file proof with the court.

Section 33 is a new section, specifying sections 2 through 12 of this act take effect July 1, 2023.

Note: Section 32 remains unchanged states sections 8 through 10 and 12 of this act expire on the effective date of this section. This conflicts with section 33. This has been discussed with committee staff and they agreed this is an issue and will fix the error.

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.

We assume this bill will have a fiscal impact to DOC less than \$50,000 per Fiscal Year (FY).

This bill results in the possession of a controlled or counterfeit substance or legend drug to remain a criminal offense.

Possession of a Counterfeit or Controlled Substance is currently a misdemeanor offense that is being raised to a gross misdemeanor offense under the provisions of the bill (rather than become decriminalized as of July 1, 2023.) The CFC does not collect data on misdemeanor and gross misdemeanor offenses, and, therefore, cannot reliably estimate bed impacts resulting from the bill. However, since misdemeanor offenses are punishable by a term of confinement of 0-90 days in jail

and gross misdemeanor offenses are punishable by a term of confinement of 0-364 days in jail, any impact of the change from current sentencing would manifest itself as a potential increased need for jail beds only.

However, the bill also adds that the prosecutor is encouraged to divert such cases to assessment, treatment, or other services. Law enforcement is encouraged to offer a referral to assessment and services. Upon arraignment for a violation for possession offenses, the court is required to advise the defendant of the pretrial diversion program established in the bill. For individuals who completes pretrial diversion, the criminal possession charge or charges must be dismissed. It is unknown if confinement time will increase or decrease from current practice as individuals as the court may terminate pretrial diversion if the defendant is not meaningfully engaging in the recommended treatment or services or is convicted of an intervening crime. Individuals who successfully complete a substance use disorder treatment program shall have their offense vacated by the court

The Caseload Forecast Council (CFC) has no information concerning how many incidents of knowingly possess a controlled substance may occur. As such, the CFC cannot reliably predict bed impacts resulting from the bill.

The DOC assumes this bill would likely result in an Average Daily Population (ADP) increase, although the impact cannot be reliably estimated. Therefore, the fiscal impact is indeterminate, assumed to be less than \$50,000 per FY.

Customization of the Offender Management Network Information (OMNI) system is needed to meet the requirements of this legislation. Due to the complexity to complete the development, testing and implementation of the statutory changes, contracted services are necessary in FY2024.

To implement this legislation, OMNI data tables need to be updated to RCW for technical corrections.

Cost Calculation Estimate:

IT Application Developer| \$120 per hour x 10 hours = \$1,000 (Rounded to nearest 1,000)

IT Quality Assurance| \$120 per hour x 8 hours = \$1,000 (Rounded to nearest 1,000)

IT Business Analyst| \$120 per hour x 5 hours = \$1,000 (Rounded to nearest 1,000)

Total One-Time Costs - FY2024 \$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 |
|-----------------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1 | General Fund | State | 3,000 | 0 | 3,000 | 0 | 0 |
| Total \$ | | | 3,000 | 0 | 3,000 | 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 | 3,000 | | 3,000 | | |
| 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 \$ | 3,000 | 0 | 3,000 | 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)

| Program | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Administrative & Support Services (100) (100) | 3,000 | | 3,000 | | |
| Total \$ | 3,000 | | 3,000 | | |

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: 5536 2S SB | Title: Controlled substances | Agency: 360-University of Washington |
|--------------------------------|-------------------------------------|---|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Charlotte Shannon | Phone: 2066858868 | Date: 03/01/2023 |
| Agency Approval: Charlotte Shannon | Phone: 2066858868 | Date: 03/01/2023 |
| OFM Review: Ramona Nabors | Phone: (360) 742-8948 | Date: 03/02/2023 |

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.

2S SB 5536 concerns the justice system and behavioral health responses for persons experiencing circumstances that involve controlled substances, counterfeit substances, legend drugs, drug paraphernalia, and provides treatment options.

The second substitute bill makes significant revisions to the first substitute including striking Section 28 concerning the Safe Supply Work Group. This version also adds new Sections including Section 17.

FISCAL IMPACTS OF CHANGES TO SECOND SUBSTITUTE:

Given Section 28 is struck from this bill, the University of Washington (UW) no longer has fiscal impacts associated with participation on the Safe Supply Work Group by a representative from the University of Washington Addictions, Drug, and Alcohol Institute (ADAI). However, the new language provided in this bill may have indeterminate fiscal impacts on both UW Medicine and the University of Washington Police Department (UWPD) for the purposes of this fiscal note.

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 17

This section encourages a police officer that has reasonable cause to believe that an individual has committed acts constituting a crime, and the individual is known by history or consultation with the behavioral health administrative services organization, managed care organization, crisis hotline, local crisis services providers, or community health providers to have a mental disorder or substance use disorder, in addition to existing authority under state law or local policy, as an alternative to arrest, the arresting officer is authorized and encouraged to:

- (a) Take the individual to a crisis stabilization unit as defined in RCW 71.05.020.
- (b) Take the individual to a triage facility as defined in RCW 71.05.020.
- (c) Refer the individual to a designated crisis responder for evaluation for initial detention and proceeding under chapter 71.05 RCW;
- (d) Release the individual upon agreement to voluntary participation in outpatient treatment;
- (e) Refer the individual to youth, adult, or geriatric mobile crisis response services, as appropriate; or
- (f) Refer the individual to the regional entity responsible to receive referrals in lieu of legal system involvement, including the recovery navigator program described in RCW 71.24.115.

In addition, if the individual is released to the community from the facilities in subsection (1)(a) through (c) of this section, the mental health provider or substance use disorder professional shall make reasonable efforts to inform the arresting officer of the planned release prior to release if the arresting officer has specifically requested notification and provided contact information to the provider. The mental health provider or substance use disorder professional is also required to inform the referring law enforcement agency if a patient violates terms requiring participation in services or treatment.

FISCAL IMPACTS OF SECTION 17:

The UW assumes there would be indeterminate but non-zero impacts to both UW Medicine and UWPD resulting from reporting requirements around diversion pathways under this section. Some of these requirements are already met by current diversion pathways, however, this bill would likely increase the number of individuals being brought in under a diversion pathway to facilities listed under subsection 1, and increase the communication and reporting requirements for both healthcare providers and law enforcement agencies. For the purposes of this fiscal note, the UW assumes indeterminate but under 50k expenditures per FY.

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

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: 5536 2S SB | Title: Controlled substances | Agency: 376-The Evergreen State College |
|--------------------------------|-------------------------------------|--|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Catherine Nicolai | Phone: (360) 664-9087 | Date: 02/28/2023 |
| Agency Approval: Dane Apalategui | Phone: 360-867-6517 | Date: 02/28/2023 |
| OFM Review: Ramona Nabors | Phone: (360) 742-8948 | Date: 03/01/2023 |

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. 26 of 2SSB 5536 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. 26 of 2SSB 5536 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. 26 of 2SSB 5536, 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.

Individual State Agency Fiscal Note

| | | |
|--------------------------------|-------------------------------------|---|
| Bill Number: 5536 2S SB | Title: Controlled substances | Agency: 468-Environmental and Land Use Hearings Office |
|--------------------------------|-------------------------------------|---|

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: Corban Nemeth | Phone: 360-786-7736 | Date: 02/24/2023 |
| Agency Preparation: Dominga Soliz | Phone: 3606649173 | Date: 03/01/2023 |
| Agency Approval: Dominga Soliz | Phone: 3606649173 | Date: 03/01/2023 |
| OFM Review: Lisa Borkowski | Phone: (360) 742-2239 | Date: 03/01/2023 |

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.

No changes to anticipated impacts from earlier versions of this bill.

The only section that deals with the Growth Management Act (GMA) is Section 11, which is changed to Section 13.

Section 13. RCW 36.70A.200 is amended to include an expanded definition of “essential public facilities” under (1)(a) to include opioid treatment programs including both mobile and fixed-site medication units, recovery residences, and harm reduction programs excluding safe injection sites. Subsection (d) defines “harm reduction programs.”

This change in definition does not change the fundamental character of existing public facilities in a way that would result in additional appeals to the Growth Management Hearings Board (GMHB) under the GMA.

NO FISCAL IMPACT to the GMHB anticipated.

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.

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

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.