

Multiple Agency Fiscal Note Summary

Bill Number: 2151 2S HB	Title: Cannabis lab. accreditation
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Ecology	0	0	(498,000)	0	0	(996,000)	0	0	(996,000)
Department of Agriculture	0	0	40,000	0	0	80,000	0	0	80,000
Total \$	0	0	(458,000)	0	0	(916,000)	0	0	(916,000)

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	(2.3)	0	0	(782,333)	(3.6)	0	0	(1,219,961)	(2.6)	0	0	(875,256)
Department of Agriculture	.0	0	0	0	1.0	0	0	376,700	1.0	0	0	376,700
Total \$	(2.3)	0	0	(782,333)	(2.6)	0	0	(843,261)	(1.6)	0	0	(498,556)

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Matthew Hunter, OFM

Phone:
(360) 529-7078

Date Published:
Final 2/15/2024

Individual State Agency Fiscal Note

Bill Number: 2151 2S HB	Title: Cannabis lab. accreditation	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 02/14/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/14/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/15/2024

Part II: Narrative Explanation

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

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

Section 1 – the Department of Agriculture must, in consultation with the Liquor and Cannabis Board, adopt rules to implement section 2.

Section 2 (RCW 69.50.348) – references to the “Department of Ecology” are replaced with “Department of Agriculture.”

Section 2(4) – creates an exception to the mandatory destruction provision, to allow options other than destruction that may be provided in rules of the LCB.

Section 3 – repeals RCW 43.21A.736 (Cannabis product testing fees-rules)

Section 4 – Section 2 of this act takes effect July 1, 2024.

Section 5 – Sections 1 & 3 take effect immediately.

CHANGES FROM 2151 SHB:

Section 2(4) restores current law that provides that if a representative sample of cannabis inspected and tested does not meet applicable quality assurance and product standards established by the LCB, the entire lot from which the sample was taken must be destroyed.

New language in this subsection creates an exception to this mandatory destruction provision, to allow options other than destruction that may be provided in rules of the LCB.

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.

No fiscal impact. This version of the bill reinstates mandatory destruction of failed lots as is currently done with a caveat that in the future the agency can write rules to allow lots to not be destroyed.

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.

Section 2(4) – creates an exception to the mandatory destruction provision, to allow options other than destruction that may be provided in rules of the LCB.

Individual State Agency Fiscal Note

Bill Number: 2151 2S HB	Title: Cannabis lab. accreditation	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Dedicated Cannabis Account-State 315-1		(498,000)	(498,000)	(996,000)	(996,000)
Total \$		(498,000)	(498,000)	(996,000)	(996,000)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	(4.6)	(2.3)	(3.6)	(2.6)
Account					
Dedicated Cannabis Account-State 315-1	0	(782,333)	(782,333)	(1,219,961)	(875,256)
Total \$	0	(782,333)	(782,333)	(1,219,961)	(875,256)

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: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Preparation: Gary Koshi	Phone: 360-701-7645	Date: 02/13/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/13/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/13/2024

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.

Compared to SHB 2151, 2SHB 2151 has the following change:

Section 2 (4) is restored to the current law requirement that the entire lot from which a sample was taken must be destroyed if a representative sample of cannabis or a cannabis product inspected and tested by an independent, third-party testing laboratory does not meet the applicable quality assurance and product standards established by the Liquor and Cannabis Board (LCB). However, this is modified to allow for exceptions as provided by LCB rule.

This change does not change the fiscal impact to Ecology.

Under current law, RCW 69.50.348, the responsibility to accredit cannabis-testing laboratories is scheduled to transfer from the Washington State Liquor and Cannabis Board (WSLCB) to the Department of Ecology (Ecology), effective July 1, 2024. Under RCW 43.21A.736, Ecology is currently required to adopt rules by July 1, 2024, to implement the program.

This bill would replace Ecology with the Department of Agriculture (WSDA) as the agency responsible for accrediting cannabis-testing laboratories starting July 1, 2024.

Section 2 would amend RCW 69.50.348 to transition private cannabis lab accreditation responsibility from WSLCB to WSDA rather than from WSLCB to Ecology, effective July 1, 2024. Section 2(5) would remove the requirement for Ecology to establish fees to fully cover the costs of the program, and instead allow WSDA to establish fees that support their costs to implement the program.

Section 3 would repeal RCW 43.21A.736, which would no longer require Ecology to adopt rules and establish fees to accredit cannabis-testing laboratories.

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 would result in a reduction to cash receipts for Ecology starting in fiscal year (FY) 2025.

RCW 69.50.348(5) currently requires Ecology to establish a fee schedule to fully cover, but not exceed, the administrative and oversight costs of the accreditation program. Ecology has undertaken rulemaking as required to begin charging this fee in FY 2025. In order to fully recover Ecology's costs to implement the program, Ecology estimates the fee revenue would be approximately \$498,000 per year.

Section 2 of this bill would transition private cannabis lab accreditation responsibility from WSLCB to WSDA rather than from WSLCB to Ecology, effective July 1, 2024, and would remove the requirement for Ecology to establish fees. Therefore, estimated fee revenue would be eliminated beginning in FY 2025.

Cash Receipts Summary

FY 2025 and ongoing: -\$498,000 per year, Dedicated Cannabis Account

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.

Compared to current law, this bill would result in a reduction in expenditures to Ecology as detailed below.

Please note, Ecology currently does not have an appropriation to implement the current law requirements. While the responsibility under current law to accredit cannabis-testing laboratories is scheduled to transfer to Ecology July 1, 2024, Ecology currently has no budget in the 2023-25 biennium to support this activity. In the 2022 session, the Legislature passed E2SSB 5796 to identify appropriation levels from the Dedicated Cannabis Account through the 2021--23 biennium, and the 2023--25 operating budget removed remaining Dedicated Cannabis Account appropriation for this activity from Ecology's budget. Ecology would require additional funding beginning in FY 2025 to be able to meet the current statutory requirement. This funding is included in the Governor's 2024 supplemental operating budget proposal PL PJ Cannabis Lab Accreditation; however, it is not currently in Ecology's budget. The costs listed below are what is requested in budget proposal PL PJ Cannabis Lab Accreditation. The result of changing the cannabis lab accreditation program to WSDA instead of Ecology is that Ecology would no longer require new 2024 supplemental funding to implement the program.

Section 2 of the bill would change the responsibility for accreditation of cannabis-testing laboratories to WSDA instead of Ecology beginning July 1, 2024. As compared with current law, this would eliminate the need for Ecology to incur costs associated with implementation of the program beginning in FY 2025, and therefore have the impact of a reduction in costs to Ecology. Beginning July 1, 2024 and ongoing, Ecology estimates the following resources would not be needed:

1.0 FTE Chemist 4 – This position would be an organic chemist with a working knowledge of metals chemistry. This position would conduct on-site and virtual audits of laboratories that have applied for accreditation, review quality assurance manuals and standard operating procedures of applicant laboratories, provide technical assistance to laboratories, and perform other activities required to determine whether laboratories can produce accurate and defensible analytical data.

1.0 FTE Microbiologist 4 – This position would evaluate, audit, and provide technical assistance to labs for analyses of microbiological pathogens (E.Coli, salmonella) and mycotoxins. They would also assist with conducting the on-site and virtual audits, and perform other activities, as needed, to determine whether laboratories can produce accurate and defensible analytical data.

In addition to these ongoing staff, from July 1, 2024 through June 30, 2026, Ecology would no longer require the following IT positions to integrate cannabis accreditation data into Ecology's existing systems:

1.0 FTE IT Business Analyst-Journey – This position would plan and design an accreditation data management system that would be integrated with the cannabis lab accreditation workflow and existing Ecology systems.

1.0 FTE IT App Development-Journey – This position would develop and implement a robust data management system to house information on all the accredited labs, including auditing and proficiency testing results. 0.25 FTE of this resource would be needed ongoing, starting in fiscal year 2027, to provide support for the integrated solution.

In addition, this bill would not require Ecology to repeal or revise any rules because Ecology has not yet adopted rules to take over accreditation of cannabis-testing laboratories.

SUMMARY of reduced costs compared to current law:

FY 2025 and FY 2026: \$782,333 and 4.6 FTEs

FY 2027 and ongoing: \$437,628 and 2.6 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

Goods and Services are the agency average of \$5,224 per direct program FTE.

Travel is the agency average of \$1,563 per direct program FTE.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
315-1	Dedicated Cannabis Account	State	0	(782,333)	(782,333)	(1,219,961)	(875,256)
Total \$			0	(782,333)	(782,333)	(1,219,961)	(875,256)

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		(4.6)	(2.3)	(3.6)	(2.6)
A-Salaries and Wages		(425,462)	(425,462)	(663,405)	(475,886)
B-Employee Benefits		(153,166)	(153,166)	(238,826)	(171,320)
E-Goods and Other Services		(20,896)	(20,896)	(32,650)	(23,508)
G-Travel		(6,252)	(6,252)	(9,769)	(7,034)
J-Capital Outlays		(4,124)	(4,124)	(6,444)	(4,640)
9-Agency Administrative Overhead		(172,433)	(172,433)	(268,867)	(192,868)
Total \$	0	(782,333)	(782,333)	(1,219,961)	(875,256)

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
CHEMIST 4	108,152		(1.0)	(0.5)	(1.0)	(1.0)
FISCAL ANALYST 2			(0.4)	(0.2)	(0.3)	(0.2)
IT APP DEVELOPMENT-JOURNE'	107,154		(1.0)	(0.5)	(0.6)	(0.3)
IT APP DEV-JOURNEY			(0.2)	(0.1)	(0.2)	(0.1)
IT BUSINESS ANALYST-JOURNE'	107,154		(1.0)	(0.5)	(0.5)	
MICROBIOLOGIST 4	103,002		(1.0)	(0.5)	(1.0)	(1.0)
Total FTEs			(4.6)	(2.3)	(3.6)	(2.6)

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2151 2S HB	Title: Cannabis lab. accreditation	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Dedicated Cannabis Account-State 315-1		40,000	40,000	80,000	80,000
Total \$		40,000	40,000	80,000	80,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	1.0	1.0
Account					
Dedicated Cannabis Account-State 315-1	0	0	0	376,700	376,700
Total \$	0	0	0	376,700	376,700

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: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Preparation: Trecia Ehrlich	Phone: 360-584-3711	Date: 02/13/2024
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 02/13/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/13/2024

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.

Compared to SHB 2151, 2SHB 2151 would restore current law language in section 2 (4) requiring the entire lot from which a sample were determined to be substandard to be destroyed. This would not change the fiscal impact Washington State Department of Agriculture (WSDA) estimated for SHB 2151.

Under current law (Chapter 15.150 Revised Code of Washington (RCW)), WSDA sets and maintains cannabis testing laboratory quality standards. The proposed legislation would reassign the responsibility for the accreditation of private cannabis testing laboratories from the Department of Ecology (Ecology) to the Department of Agriculture.

Section 1 would require Agriculture to consult with the Liquor and Cannabis Board and adopt rules to implement section 2 by July 1, 2024. This section would authorize Agriculture to use expedited rule making.

Section 2 (1) would establish Agriculture as the agency responsible for establishing accreditation requirements for private cannabis testing laboratories.

Section 2 (5) would authorize Agriculture to support costs for laboratory accreditation and laboratory quality standards through assessment of fees. Agriculture would be required to review established fee schedules biennially. Fees collected by Agriculture would be deposited in the Dedicated Cannabis Account created in RCW 69.50.530.

Per section 4, section 2 would be effective July 1, 2024.

Per section 5, sections 1 and 3 would be effective immediately upon the bill enactment.

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.

Section 2 (5) would authorize Agriculture to support costs of lab standards and accreditation of private labs through a fee. Agriculture assumes a certification fee of \$3,000 to \$5,000 per year would be assessed to each lab seeking accreditation, and revenue from collected fees would be deposited in the Dedicated Cannabis Account, beginning in fiscal year 2025.

There are currently 8 labs in the state seeking accreditation. Based on the number of estimated fee payers and a fee range of \$3,000 to \$5,000 per lab, estimated cash receipts in the Dedicated Cannabis Account would range between \$24,000 and \$40,000 each year, beginning in FY 2025. For purposes of this fiscal note, the upper range of the estimate is provided in the tables.

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 fiscal impact to Agriculture is greater than \$50,000 in fiscal year 2026 and ongoing each fiscal year thereafter.

Under current law (Chapter 15.150 RCW), WSDA sets and maintains cannabis testing laboratory quality standards. Current law requirements are funded with one-time state general fund appropriation in the 2023-25 enacted operating budget. The workload and cost estimates for this fiscal note are based on current law and assume current law requirements would be funded through a separate decision package in the 2025-27 biennium budget.

Because WSDA would assume responsibility in section 2 on July 1, 2024, per section 4, WSDA assumes the current Cannabis Lab Analysis Standards Program (CLASP) staff funded through the existing 2023-25 biennium authority would implement the accreditation requirements that take effect on July 1, 2024, and the other provisions that take effect immediately.

The incremental ongoing staff that would be needed to implement lab accreditation requirements on an ongoing basis, starting in FY 2026 would be as follows:

Management Analyst 3 – 0.2 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for program and fee administration.

Microbiologist 4 – 0.4 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for accreditation of microbiological laboratories.

Chemist 4 – 0.4 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for accreditation of chemistry laboratories.

Total estimated costs would be \$188,350 and 1.0 FTE in fiscal year 2026 and ongoing each fiscal year thereafter. Costs are assumed to be in the Dedicated Cannabis Account, based on the current funding source for Department of Ecology's rulemaking for lab accreditation.

Please note: The estimated costs of this fiscal note assume continued funding for WSDA's CLASP requirements in Chapter 15.150 RCW, which are currently funded on a one-time basis in the 2023-25 biennium. In addition to the incremental staffing above, the following essential staff would be needed to maintain the CLASP and ongoing accreditation requirements in the proposed legislation (current estimated costs are \$659,330 and 3.50 FTE in FY 2026 and ongoing each fiscal year thereafter). These essential positions are not included in the fiscal note tables. WSDA plans to submit a 2025-27 biennium decision package to ensure continued funding.

WMS Band 2 Manager – 1.0 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for coordination with the Liquor and Cannabis Board and program oversight.

Management Analyst 3 – 0.30 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for program administration.

Operations Research Specialist – 1.0 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for oversight and updates of lab standards and accreditation.

Microbiologist 4 – 0.6 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for maintaining and updating microbiological standards.

Chemist 4 – 0.6 FTE beginning fiscal year 2026 and ongoing each fiscal year thereafter for maintaining and updating chemistry standards.

Summary of cost assumptions by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are calculated based on current standard statewide benefit rates.

Goods and Services are the agency average of \$8,600 per direct program FTE. Goods and Services also include building lease costs, estimated at \$3,800 per FTE per year, professional development costs estimated at \$500 per FTE per year, and personnel services charges, estimated to be 0.347% of salaries.

Travel costs are estimated to be \$6,000 per year.

Agency Administrative Overhead is calculated based on a rate of 24.6% of direct program salaries and benefits.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
315-1	Dedicated Cannabis Account	State	0	0	0	376,700	376,700
Total \$			0	0	0	376,700	376,700

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				1.0	1.0
A-Salaries and Wages				204,020	204,020
B-Employee Benefits				67,400	67,400
C-Professional Service Contracts					
E-Goods and Other Services				26,500	26,500
G-Travel				12,000	12,000
J-Capital Outlays					
N-Grants, Benefits & Client Services					
9-Agency Administrative Overhead				66,780	66,780
Total \$	0	0	0	376,700	376,700

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
CHEMIST 4	113,712				0.4	0.4
MANAGEMENT ANALYST 3	76,607				0.2	0.2
MICROBIOLOGIST 4	103,008				0.4	0.4
Total FTEs					1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Section 1 would require Agriculture to consult with the Liquor and Cannabis Board and adopt rules to implement section 2 by July 1, 2024. This section would authorize Agriculture to use expedited rule making.

The staff for the laboratory standards program are currently conducting rulemaking for lab standards per Chapter 15.150 RCW. Staff currently working on lab standards rulemaking would prepare an emergency rule for the lab accreditation requirements in the event the proposed legislation were enacted.