

Multiple Agency Fiscal Note Summary

Bill Number: 2320 2S HB	Title: High THC cannabis products
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	0	0	379,000	0	0	758,000	0	0	563,000
Total \$	0	0	379,000	0	0	758,000	0	0	563,000

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	.0	379,000	379,000	758,000	.0	758,000	758,000	1,516,000	.0	562,000	562,000	1,125,000
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.7	162,000	162,000	162,000	1.3	404,000	404,000	404,000	1.3	298,000	298,000	298,000
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.7	541,000	541,000	920,000	1.3	1,162,000	1,162,000	1,920,000	1.3	860,000	860,000	1,423,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
University of Washington	.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: Val Terre, OFM	Phone: (360) 280-3073	Date Published: Final 2/28/2024
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Individual State Agency Fiscal Note

Bill Number: 2320 2S HB	Title: High THC cannabis products	Agency: 075-Office of the Governor
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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: Monica Fontaine	Phone: 3607867341	Date: 02/21/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/26/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/26/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/26/2024

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.

Second Substitute HB 2320 adds a null and void clause if specific funding is not provided by June 30, 2024. This does not change previous fiscal note assumptions.

Substitute HB 2320 removes Section 6 of the original bill which impacted the Governor's Office and therefore the substitute has no fiscal impact.

HB2320 enacts evidence-based public policy solutions to address the public health harms associated with high THC products.

Per Section 6 the governor may seek government-to-government consultations with federally recognized Indian tribes regarding raising the minimum legal age of sale of cannabis products identified in RCW 69.50.357(1)(c), in compacts entered into under RCW 43.06.490. The office of the governor shall report to the appropriate committees of the legislature regarding the status of such consultations by December 1, 2025.

The Governor delegated authority to the Washington State Liquor and Cannabis Board for cannabis compacts with the tribes and assume they would implement the requirements in section 6. Based on those consultations, the Office of the Governor would provide a status report to the legislature. The Office estimates this work can be accomplished within current resources and therefore doesn't have a fiscal impact.

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: 2320 2S HB	Title: High THC cannabis products	Agency: 086-Governor's Office of Indian Affairs
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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: Monica Fontaine	Phone: 3607867341	Date: 02/21/2024
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 02/21/2024
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 02/21/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/21/2024

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.

2nd Substitute House Bill 2320 seeks to reduce public health harms associated with high TCH cannabis products.

This version of the bill does not contain language relevant to the Governor's Office of Indian Affairs (GOIA), therefore no fiscal impact is expected.

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

Revised

Bill Number: 2320 2S HB	Title: High THC cannabis products	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2		379,000	379,000	758,000	563,000
Total \$		379,000	379,000	758,000	563,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	0	379,000	379,000	758,000	562,000
General Fund-Federal 001-2	0	379,000	379,000	758,000	563,000
Total \$	0	758,000	758,000	1,516,000	1,125,000

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: Monica Fontaine	Phone: 3607867341	Date: 02/21/2024
Agency Preparation: Cari Tikka	Phone: 360-725-1181	Date: 02/22/2024
Agency Approval: Carl Yanagida	Phone: 360-725-5755	Date: 02/22/2024
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 02/22/2024

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.

See attached narrative.

II. B - Cash receipts Impact

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

See attached narrative.

II. C - Expenditures

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

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	379,000	379,000	758,000	562,000
001-2	General Fund	Federal	0	379,000	379,000	758,000	563,000
Total \$			0	758,000	758,000	1,516,000	1,125,000

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		758,000	758,000	1,516,000	1,125,000
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 \$	0	758,000	758,000	1,516,000	1,125,000

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
Community Behavioral Health (150)		758,000	758,000	1,516,000	1,125,000
Total \$		758,000	758,000	1,516,000	1,125,000

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

NONE

Part V: New Rule Making Required

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

HCA Fiscal Note

Bill Number: **2320 2SHB**

HCA Request #: 24-177

Title: **High THC Cannabis Products**

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Estimated Cash Receipts to:

ACCOUNT	REV SOURCE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Medicaid 001-C	0393	-	379,000	379,000	379,000	379,000	184,000	379,000	758,000	563,000
REVENUE - TOTAL \$		\$ -	\$ 379,000	\$ 379,000	\$ 379,000	\$ 379,000	\$ 184,000	\$ 379,000	\$ 758,000	\$ 563,000

Estimated Operating Expenditures from:

Estimated Expenditures from:

	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCOUNT									
General Fund-State 001-1	-	379,000	379,000	379,000	379,000	183,000	379,000	758,000	562,000
General Fund-Medicaid 001-C	-	379,000	379,000	379,000	379,000	184,000	379,000	758,000	563,000
ACCOUNT - TOTAL \$		\$ -	\$ 758,000	\$ 758,000	\$ 758,000	\$ 367,000	\$ 758,000	\$ 1,516,000	\$ 1,125,000

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:

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

HCA Fiscal Note

Bill Number: **2320 2SHB**

HCA Request #: 24-177

Title: **High THC Cannabis Products**

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.

2SHB2320 enacts evidence-based public policy solutions to address the public health harms associated with high THC products.

As compared to the original bill, the second substitute bill adds a null and void clause if specific funding for the purposes of this act is not provided by June 30, 2024, in the omnibus appropriations act.

New Section 4 is added to RCW 28B.20 (University of Washington), subject to amounts appropriated for this specific purpose, the Health Care Authority (HCA) must:

1. Issue a request for proposal and contract with an entity to develop, implement, test, and evaluate guidance and health interventions for health care providers and patients at risk for developing serious complications due to cannabis consumption who are seeking care in emergency departments, primary care settings, behavioral health settings, other health care facilities, and for use by state poison control and recovery hotlines to promote cannabis use reduction and cessation for at risk youth and adult populations.
2. HCA must submit a preliminary report to the Legislature by December 1, 2025, a progress report on initial outcomes by July 1, 2027, and a final report by December 1, 2028. The provisions related to the HCA sunset on December 31, 2028.
3. Data gathering on adverse health impacts occurring in Washington associated with consumption of high THC cannabis, and data gathered must be included in the reports submitted to the legislature under this section.
4. This section expires December 31, 2028.

New Section 5 adds a null and void clause if specific funding for the purposes of this act is not provided by June 30, 2024, in the omnibus appropriations act.

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. Distinguish between one time and ongoing functions.

For this analysis, HCA assumes contracting costs are eligible for federal matching and a rate of 50.0 percent was used. Estimated revenue is prorated in fiscal year 2029 as the provisions related to the HCA sunset on December 31, 2028.

II. B - Estimated Cash Receipts to:

ACCOUNT	REV SOURCE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Medicaid 001-C	0393	-	379,000	379,000	379,000	379,000	184,000	379,000	758,000	563,000
REVENUE - TOTAL \$		\$ -	\$ 379,000	\$ 379,000	\$ 379,000	\$ 379,000	\$ 184,000	\$ 379,000	\$ 758,000	\$ 563,000

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. Distinguish between one time and ongoing functions.

HCA Fiscal Note

Bill Number: **2320 2SHB**

HCA Request #: 24-177

Title: **High THC Cannabis Products**

This bill directs HCA to issue a request for proposal (RFP) and contract with an entity to develop, implement, test, and evaluate guidance and health interventions for health care providers and patients at risk for developing serious complications due to cannabis consumption who are seeking care in emergency departments, primary care settings, behavioral health settings, other health care facilities, and for use by state poison control and recovery hotlines to promote cannabis use reduction and cessation for youth and adults. The contract entered under the authorization in this section must include, in the scope of work, data gathering on adverse health impacts occurring in Washington associated with consumption of high THC cannabis, and data gathered must be included in the reports submitted to the legislature. HCA must submit a preliminary report to the Legislature by December 1, 2025, a progress report on initial outcomes by July 1, 2027, and a final report by December 1, 2028.

HCA's estimated cost to meet the RFP and contract requirements of SHB 2320 are based on fiscal note HB 2320 published on 1/29/2024 8:12:44 AM [Fiscal Notes Public Search \(wa.gov\)](#). This version of the bill removes the University of Washington from leading the development and evaluation of guidance and health interventions for health care providers and patients and for other uses, and instead, directs HCA to issue a request for proposal to contract with an entity for this work—subject to appropriation, and adds data gathering on adverse health impacts to the scope of work. The cost estimate includes \$100,000 (\$50,000 GF-State) annually for data gathering and HCA assumes project management and report writing are included in the scope of work. Estimated costs are prorated in FY2029 as the provisions related to the HCA sunset on December 31, 2028.

FY2025 \$758,000 (\$379,000 GF-State)
 FY2026 \$758,000 (\$379,000 GF-State)
 FY2027 \$758,000 (\$379,000 GF-State)
 FY2028 \$758,000 (\$379,000 GF-State)
 FY2029 \$367,000 (\$183,000 GF-State)

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

III. A - Operating Budget Expenditures

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	-	379,000	379,000	379,000	379,000	183,000	379,000	758,000	562,000
001-C	General Fund	Federal	-	379,000	379,000	379,000	379,000	184,000	379,000	758,000	563,000
ACCOUNT - TOTAL \$			\$ -	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 367,000	\$ 758,000	\$ 1,516,000	\$ 1,125,000

III. B - Expenditures by Object Or Purpose

III. B - Expenditures by Object Or Purpose

OBJECT	OBJECT TITLE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
E	Goods and Other Services	-	758,000	758,000	758,000	758,000	367,000	758,000	1,516,000	1,125,000
OBJECT - TOTAL \$		\$ -	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 367,000	\$ 758,000	\$ 1,516,000	\$ 1,125,000

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)

III. D - Expenditures By Program (optional)

PROGRAM	PROGRAM TITLE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
150	Community Behavioral Health	-	758,000	758,000	758,000	758,000	367,000	758,000	1,516,000	1,125,000
PROGRAM - TOTAL \$		\$ -	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 367,000	\$ 758,000	\$ 1,516,000	\$ 1,125,000

HCA Fiscal Note

Bill Number: **2320 2SHB**

HCA Request #: 24-177

Title: **High THC Cannabis Products**

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.

NONE

Individual State Agency Fiscal Note

Bill Number: 2320 2S HB	Title: High THC cannabis products	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: Monica Fontaine	Phone: 3607867341	Date: 02/21/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 02/22/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 02/22/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/22/2024

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.

No fiscal impact.

CHANGES MADE BY THE SECOND SUBSTITUTE:

Section 5 - Null and void clause is added.

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: 2320 2S HB	Title: High THC cannabis products	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.3	0.7	1.3	1.3
Account					
General Fund-State 001-1	0	162,000	162,000	404,000	298,000
Total \$	0	162,000	162,000	404,000	298,000

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: Monica Fontaine	Phone: 3607867341	Date: 02/21/2024
Agency Preparation: Damian Howard	Phone: 3602363000	Date: 02/27/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/27/2024
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/28/2024

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.

This substitute bill inserts Section 5, which indicates if funding is not provided by June 30, 2024, the act is considered null and void.

Section 2 directs DOH to create an optional training that cannabis retail staff may complete to better understand the health and safety impacts of THC cannabis products. In developing this training, DOH must consult with a variety of stakeholders listed in the bill.

Section 3 Directs DOH to develop the notice required under this section and make it available to licensed cannabis retailers. The notice must, at a minimum, identify the following: The potential health risks and adverse health impacts that may be associated with the consumption of high THC cannabis; (ii) the potentially much higher risks that may be present for younger persons under age 25 as well as for persons who have or are at risk for developing certain mental health conditions or psychotic disorders; and (iii) where to find help in case of negative effects and resources for quitting or reducing cannabis consumption.

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 2:

1.0 FTE Health Service Consultant 3 (FY25 and ongoing)

Retail Education Coordinator for a statewide retailer education program:

This position oversees the planning, development, and implementation of the statewide optional retailer education as outlined in the legislation; conducts research and community engagement to identify education needs; develops course modules (both in-person and virtual) and related materials; Hosts training for individuals to serve as “trainers” across the state and offering training to retailers. The position focuses on relationship building and community engagement with cannabis retailers to ensure that course modifications meet their needs and emerging evidence regarding high THC cannabis products. This position manages contracts for any identified needs or opportunities that are to be completed externally to avoid the limitations of staff capacity. This includes developing statements of work, coordinating and monitoring invoices, budgets, and payments for the vendor, coordinating the planning, development, implementation, and evaluation of contract deliverables, and providing necessary technical assistance to the contractor.

FY26 Training for Implementation and Logistics: \$50,000

(4) in-person 4-hour trainings @ approximately \$7,000 per training (estimate a minimum of 50 attendees per training)
- Per Training Cost Breakdown: \$4,600 for venue rental; \$1,000 for material for participants; \$700 per trip for travel costs for 2 DOH trainers (pending if overnight/air travel is required, estimate \$350 per person with previous similar events) and \$700 for light refreshments for training participants.

(2) in-person “train the trainer” 6-hour trainings @ \$10,000 per training (estimated 15-30 attendees per training plus a one-time cost of \$2,000 to record and post training).

- Per Training Cost Breakdown: \$6,000 for venue rental; \$2,000 for food costs for training participants; \$1,200 for

materials for participants; \$800 travel costs for 2 DOH trainers (pending if overnight/air travel is required, estimate \$400 per person with previous similar events); Plus a one-time cost of \$2,000 to record and post the following (based on previous cost estimates with TA contractor): Modules for a virtual general training and modules for a virtual train the trainer training.

FY27 Training for Implementation and Logistics: \$48,000

(4) in-person 4-hour trainings @ approximately \$7,000 per training (estimate a minimum of 50 attendees per training)
 - Per Training Cost Breakdown: \$4,600 for venue rental; \$1,000 for material for participants; \$700 per trip for travel costs for 2 DOH trainers (pending if overnight/air travel is required, estimate \$350 per person with previous similar events) and \$700 for light refreshments for training participants.

(2) in-person “train the trainer” 6-hour trainings @ \$10,000 per training (estimated 15-30 attendees per training).
 - Per Training Cost Breakdown: \$6,000 for venue rental, \$2,000 for food costs for training participants, \$1,200 for materials for participants, and \$800 travel costs for 2 DOH trainers (pending if overnight/air travel is required, estimate \$400 per person with previous similar events).

SECTION 3(4)(b):

\$10,000 (FY25 only)

Initial development, printing and mailing of signage to cannabis retailers. Signage development would be inhouse with collaboration of cannabis retailers. This would include translation of signage for up to 10 priority languages identified by the retailers. Cost breakdown mirrors the Tobacco-21 passage where signs were developed, printed, and mailed out. Future costs would be absorbed within the cannabis retailer trainings.

Total Costs to Implement this Bill:

- FY25: 1.3 FTE and \$162,000 (GF-S)
- FY26: 1.3 FTE and \$203,000 (GF-S)
- FY27: 1.3 FTE and \$201,000 (GF-S)
- FY28 and ongoing: 1.3 FTE and \$149,000 (GF-S)

Total FY costs and FTE can include staff and associated expenses, including goods and services, travel, intra-agency, and indirect/overhead personnel/costs.

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	162,000	162,000	404,000	298,000
Total \$			0	162,000	162,000	404,000	298,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.3	0.7	1.3	1.3
A-Salaries and Wages		96,000	96,000	192,000	192,000
B-Employee Benefits		37,000	37,000	74,000	74,000
E-Goods and Other Services		20,000	20,000	102,000	14,000
G-Travel				18,000	
T-Intra-Agency Reimbursements		9,000	9,000	18,000	18,000
9-					
Total \$	0	162,000	162,000	404,000	298,000

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		0.2	0.1	0.2	0.2
HEALTH SERVICES CONSULTANT 3	78,120		1.0	0.5	1.0	1.0
Health Svcs Conslt 1	53,000		0.1	0.1	0.1	0.1
Total FTEs			1.3	0.7	1.3	1.3

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: 2320 2S HB	Title: High THC cannabis products	Agency: 360-University of Washington
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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.

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OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/27/2024

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.

Second Substitute House Bill 2320 relates to high THC cannabis products. This is the third version of this bill the University of Washington (UW) has been asked to evaluate. Our analysis remains unchanged from the first substitute.

In the original version of the bill, Section 5 required the Addictions, Drug, and Alcohol Institute (ADAI) at UW to develop, implement, test, and evaluate guidance and health interventions for providers and their patients at risk for serious complications related to cannabis consumption. This provision was removed from both the first and second substitute. Instead, Section 4 requires the Health Care Authority (HCA) to contract for this work, subject to appropriation. Though it is possible that ADAI could contract with the HCA to perform the development, implementation, testing, and evaluation of the guidance and health interventions, this is no longer directed by the bill language, therefore there are no fiscal impact to the UW from 2SHB 2320.

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.