

SENATE BILL REPORT

SB 5245

As Reported by Senate Committee On:
Human Services, Mental Health & Housing, February 5, 2015

Title: An act relating to substance abuse prevention and treatment programs funded by the marijuana excise tax.

Brief Description: Concerning substance abuse prevention and treatment programs funded by the marijuana excise tax.

Sponsors: Senators Dammeier, Kohl-Welles, McAuliffe, Angel and Conway; by request of Department of Social and Health Services.

Brief History:

Committee Activity: Human Services, Mental Health & Housing: 1/26/15, 2/05/15 [DPS].

SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

Majority Report: That Substitute Senate Bill No. 5245 be substituted therefor, and the substitute bill do pass.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Hargrove and Padden.

Staff: Kevin Black (786-7747)

Background: Initiative 502 (I-502), approved November 6, 2012, established a marijuana excise tax on sales of marijuana by licensed marijuana producers, processors, and retailers. Tax collections under I-502 began in July 2014.

Proceeds from the marijuana excise tax must be disbursed by the state Liquor Control Board (LCB) every three months. Certain fixed funding amounts must be disbursed to the Department of Social and Health Services (DSHS), University of Washington (UW), and LCB for the purposes of research, public education, and administration. The remaining funds must be disbursed as follows:

- 15 percent to DSHS for programs and practices to prevent or reduce substance abuse among middle school and high school age students;
- 10 percent to the Department of Health for public education relating to marijuana;
- 1 percent to UW and Washington State University (WSU) for marijuana research;
- 50 percent to the Basic Health Plan Trust Account;

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- 5 percent to the Health Care Authority for community health centers;
- 0.3 percent to the Superintendent of Public Instruction for funding Building Bridges programs; and
- the remainder to the general fund.

Of the 15 percent of funds to be disbursed to DSHS, at least 85 percent must be directed to evidence-based and cost-beneficial programs and practices that produce objectively measurable results, and up to 15 percent may be directed to research-based and emerging best practices or promising practices. In deciding which programs and practices to fund, DSHS must consult at least annually with UW's Social Development Research Development Group and UW's Alcohol and Drug Abuse Institute.

According to the Economic and Revenue Forecast Council, projected disbursements to DSHS under the 15 percent provision are \$29.0 million for the 2015-17 biennium, and \$52.0 million for the 2017-19 biennium.

Summary of Bill (Recommended Substitute): DSHS may use proceeds from the marijuana excise tax for evaluation and development of programs and practices aimed at prevention or reduction of substance abuse among middle school and high school students, in addition to the implementation and maintenance of such programs. The requirement that 85 percent of funds be directed towards cost-beneficial programs is changed to indicate programs that are cost-beneficial by September 1, 2020.

DSHS, in consultation with the Washington State Institute for Public Policy, the UW Social Development Group, and faculty from WSU, must determine a definition of cost-beneficial as it relates to prevention and treatment programming and submit a report to the Legislature by December 1, 2017.

EFFECT OF CHANGES MADE BY HUMAN SERVICES, MENTAL HEALTH & HOUSING COMMITTEE (Recommended Substitute): An emergency clause is added.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: PRO: We are trying to fulfill the intent of the voters, by allowing I-502 money to be used efficiently and effectively. This legislation is about enabling us to spend funds for their intended purpose. Washington State is an exemplar of the use of data around substance abuse research and prevention. This bill doesn't discount the use of evidence, but gives choices to communities using the best currently available evidence, while allowing for collection of information to fill in our gaps in knowledge.

OTHER: We want to ensure that evidence-based programs are available to young people who are most vulnerable. No programs have ever been tested in the context of legalized marijuana. The cost-benefit requirement is too restrictive, given sparse data available to make long-term projections about potential harms and costs of marijuana. We cannot meet the cost-beneficial requirement and adequately serve our communities, because we don't have good data showing causal benefits linking marijuana treatment to graduation rates, labor market earnings, potential long-term medical consequences, drunk driving related to marijuana, or possible cognitive impairments. We want to be able to provide a strong menu of programs, and develop and test programs at the local level. There are only two programs currently available that are cost-beneficial for marijuana using current evidence. This does not offer enough choice to communities.

Persons Testifying: PRO: Senator Dammeier, prime sponsor; Brittany Cooper, WSU; Jane Beyer, DSHS, Behavioral Health and Service Integration Administration.

OTHER: Kevin Haggerty, Social Development Research Group, UW School of Social Work.