



Proposed Final Report

Dedicated Cannabis Account appropriations and expenditures

Melanie Stidham and Ashley Trunnell



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Legislative Auditor's Conclusion

State and local agencies spent \$3.3 billion from the Dedicated Cannabis Account between fiscal years 2015 and 2023.

Spending was consistent with legislative direction. Opportunities exist to improve financial transparency.

Recommendation

As the administrator of the Dedicated Cannabis Account, the Liquor and Cannabis Board (LCB) should:

- **create a webpage** that provides information on cannabis revenues and expenditures.
- **consult with stakeholders**, including legislative staff, to determine the level of detail desired and the appropriate format for sharing this information.

LCB concurs

Presentation Overview

- How does the Legislature appropriate funds?
- How were Account revenues spent?
- Are there options to improve financial transparency?



The Legislature appropriates funds based on a **two-part formula**

Specified in I-502

Codified in RCW 69.50.540

1

State agencies receive fixed dollar amounts for specific purposes

EXAMPLE

WSIPP receives \$200,000 for benefit-cost evaluations of I-502

2

State agencies & accounts, and local governments receive percent of remaining funds

EXAMPLE

HCA receives 11% of remaining funds for programs (e.g., prevention and education)

Appropriations Appendix



Dedicated Cannabis Account appropriations and expenditures | Appendix A

[VIEW DETAIL](#)

All appropriations by entity

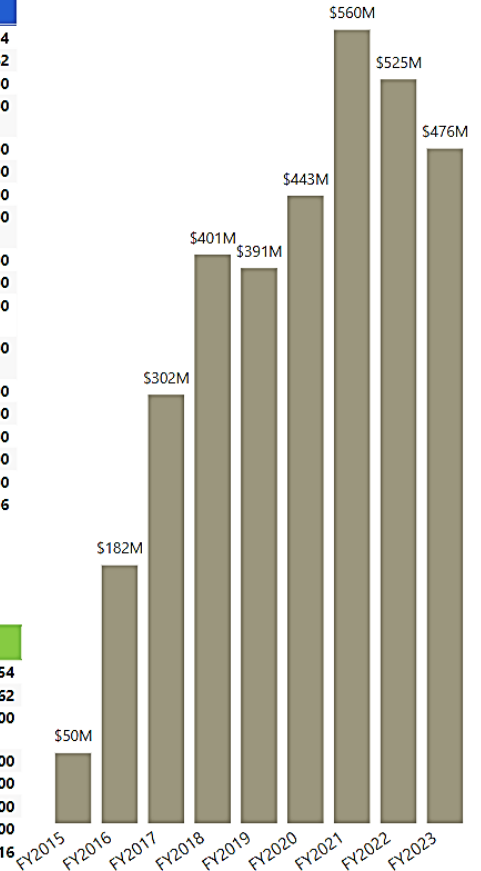
Click on entity name to filter graph

Entity	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Basic Health Plan Trust Account	\$22,706,000	\$93,750,000	\$145,717,000	\$213,912,000	\$188,316,699	\$213,000,000	\$272,000,000	\$264,470,455	\$230,431,000	\$1,644,303,154
General Fund	\$15,269,000	\$51,048,900	\$96,596,209	\$102,376,825	\$116,481,699	\$137,000,000	\$191,295,655	\$157,065,574	\$141,804,000	\$1,008,937,862
Health Care Authority: Centers	\$2,271,000	\$7,791,000	\$14,572,000	\$17,616,000	\$18,677,000	\$20,870,000	\$26,906,000	\$26,063,000	\$21,078,000	\$155,844,000
Health Care Authority: Programs					\$28,486,000	\$28,490,000	\$28,490,000	\$28,493,000	\$28,493,000	\$142,452,000
Local Government				\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$20,000,000	\$22,157,000	\$102,157,000
Liquor & Cannabis Board	\$4,214,000	\$7,736,000	\$8,481,000	\$10,400,000	\$10,585,000	\$11,649,000	\$10,846,000	\$11,846,000	\$12,500,000	\$88,257,000
Dept. of Health	\$1,000	\$7,500,000	\$7,500,000	\$9,761,000	\$9,764,000	\$10,786,000	\$10,615,000	\$10,584,000	\$11,800,000	\$78,311,000
Dept. of Social & Health Services	\$5,166,000	\$13,514,000	\$28,486,000	\$28,486,000						\$75,652,000
Washington State Patrol					\$2,803,000	\$2,453,000	\$2,423,000	\$2,423,000	\$2,423,000	\$12,525,000
Dept. of Commerce							\$1,813,000	\$3,200,000		\$5,013,000
Office of Financial Mgmt./Dept. of Health				\$2,652,000	\$352,000	\$1,323,000				\$4,327,000
Office of Superintendent of Public Instruction		\$251,000	\$511,000	\$513,000	\$515,000	\$522,000	\$530,000	\$520,000	\$550,000	\$3,912,000
Dept. of Agriculture						\$635,000	\$635,000	\$628,000	\$635,000	\$2,533,000
University of Washington		\$227,000	\$227,000	\$247,000	\$247,000	\$256,000	\$266,000	\$263,000	\$325,000	\$2,058,000
Dept. of Ecology					\$98,000	\$465,000	\$464,000	\$284,000	\$290,000	\$1,601,000
Washington State University		\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000	\$175,000	\$1,141,000
Dept. of Enterprise Services		\$95,000								\$95,000
Total	\$49,627,000	\$182,050,900	\$302,228,209	\$401,101,825	\$391,463,398	\$442,587,000	\$559,608,655	\$524,591,029	\$475,861,000	\$3,329,119,016

All appropriations by category

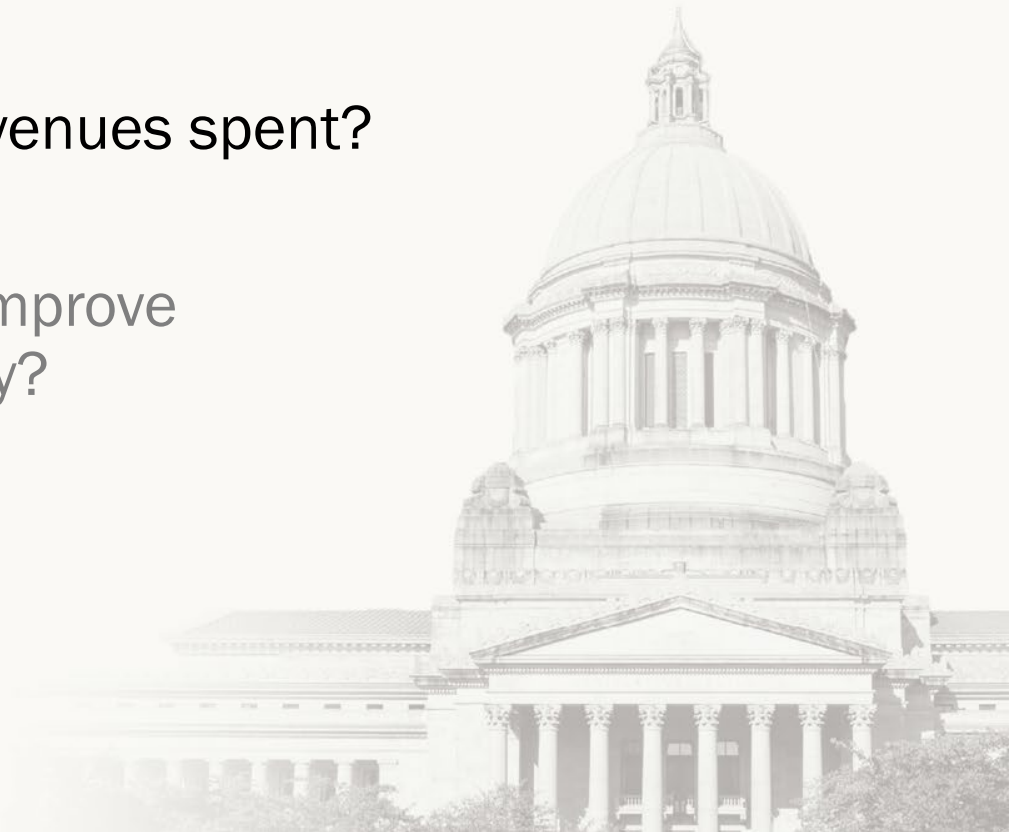
Click on category name to filter graph

Category	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Health Care	\$24,977,000	\$101,541,000	\$160,289,000	\$231,528,000	\$206,993,699	\$233,870,000	\$298,906,000	\$290,533,455	\$251,509,000	\$1,800,147,154
General Fund	\$15,269,000	\$51,048,900	\$96,596,209	\$102,376,825	\$116,481,699	\$137,000,000	\$191,295,655	\$157,065,574	\$141,804,000	\$1,008,937,862
Prevention, Education, & Treatment	\$5,167,000	\$20,585,000	\$35,817,000	\$38,080,000	\$38,085,000	\$38,121,000	\$38,147,000	\$38,109,000	\$39,368,000	\$291,479,000
Administration & Enforcement	\$4,214,000	\$7,831,000	\$8,481,000	\$13,052,000	\$13,838,000	\$17,522,000	\$15,176,000	\$15,989,000	\$16,648,000	\$112,751,000
Local Government				\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$20,000,000	\$22,157,000	\$102,157,000
Research		\$1,045,000	\$1,045,000	\$1,065,000	\$1,065,000	\$1,074,000	\$1,084,000	\$1,081,000	\$1,175,000	\$8,634,000
Social Equity								\$1,813,000	\$3,200,000	\$5,013,000
Total	\$49,627,000	\$182,050,900	\$302,228,209	\$401,101,825	\$391,463,398	\$442,587,000	\$559,608,655	\$524,591,029	\$475,861,000	\$3,329,119,016



Presentation Overview

- How does the Legislature appropriate funds?
- How were Account revenues spent?
- Are there options to improve financial transparency?



State and local agencies spent \$3.3 billion from the Account

Spending was consistent with legislative direction

Category	Amount	Percent
Health care	\$1.8 billion	54%
General fund	\$1.0 billion	30%
Prevention, education, & treatment	\$284 million	9%
Administration & enforcement	\$105 million	3%
Local government	\$102 million	3%
Research	\$8.4 million	0.3%
Social equity	\$1.3 million	0.04%

(FY 2015-23)

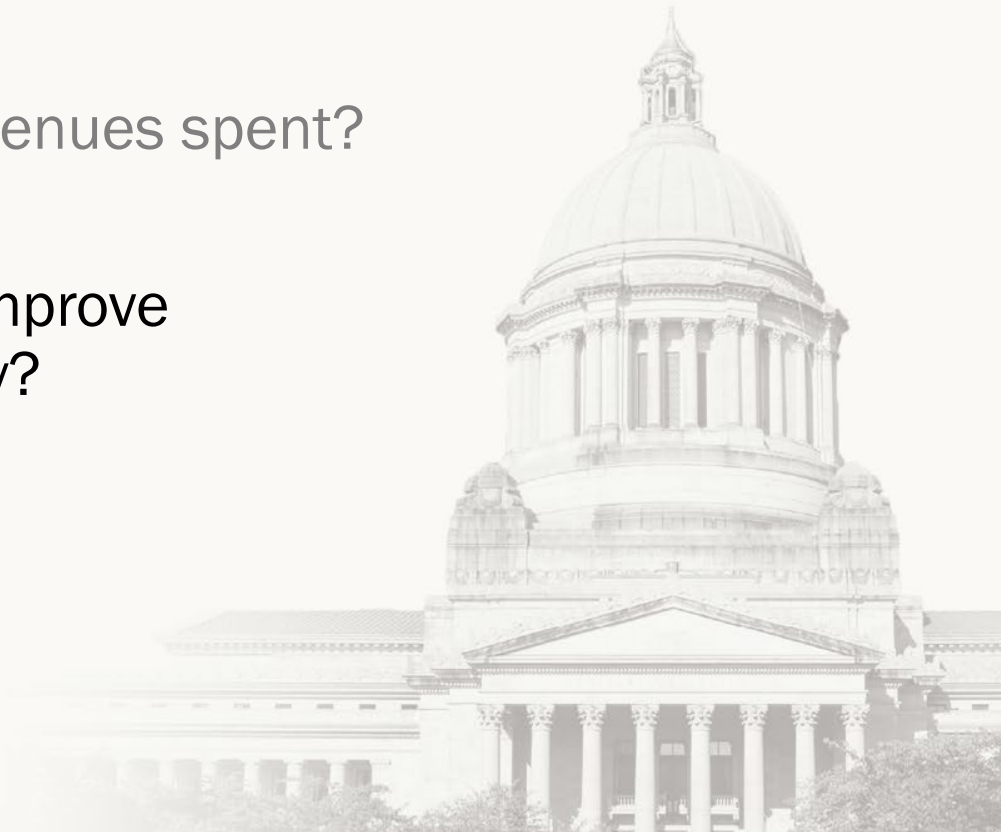
Appendix B:

Expenditure details by entity

Basic Health Plan Trust Account	Health Care Authority
Dept. of Agriculture	Liquor and Cannabis Board
Dept. of Commerce	Local Governments
Dept. of Ecology	Office of Financial Management
Dept. of Enterprise Services	Office of Supt. of Public Instruction
Dept. of Health	University of Washington
Dept. of Social & Health Services	Washington State Patrol
General Fund	Washington State University

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Additional clarifications may improve understanding of how the funds are spent

Current language

Funds for Basic Health Plan Trust Account are spent on children enrolled in Medicaid

Statute references the Basic Health Plan, which ended in 2014

Formula directs funds to contracts with Community Health Centers

Funds are spent on children enrolled in Medicaid

Legislature could

Combine the appropriations and/or

Specify that funds are intended for Medicaid

Expenditure information can be difficult to find

No entity directed to provide information

LCB and others provide information about funds from the Account

No single location

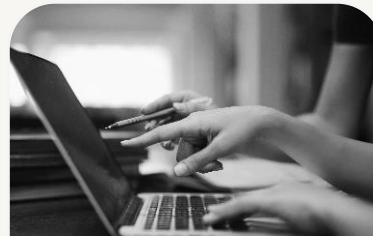
Best practices for online information sharing



Interagency collaboration



Publicly available data

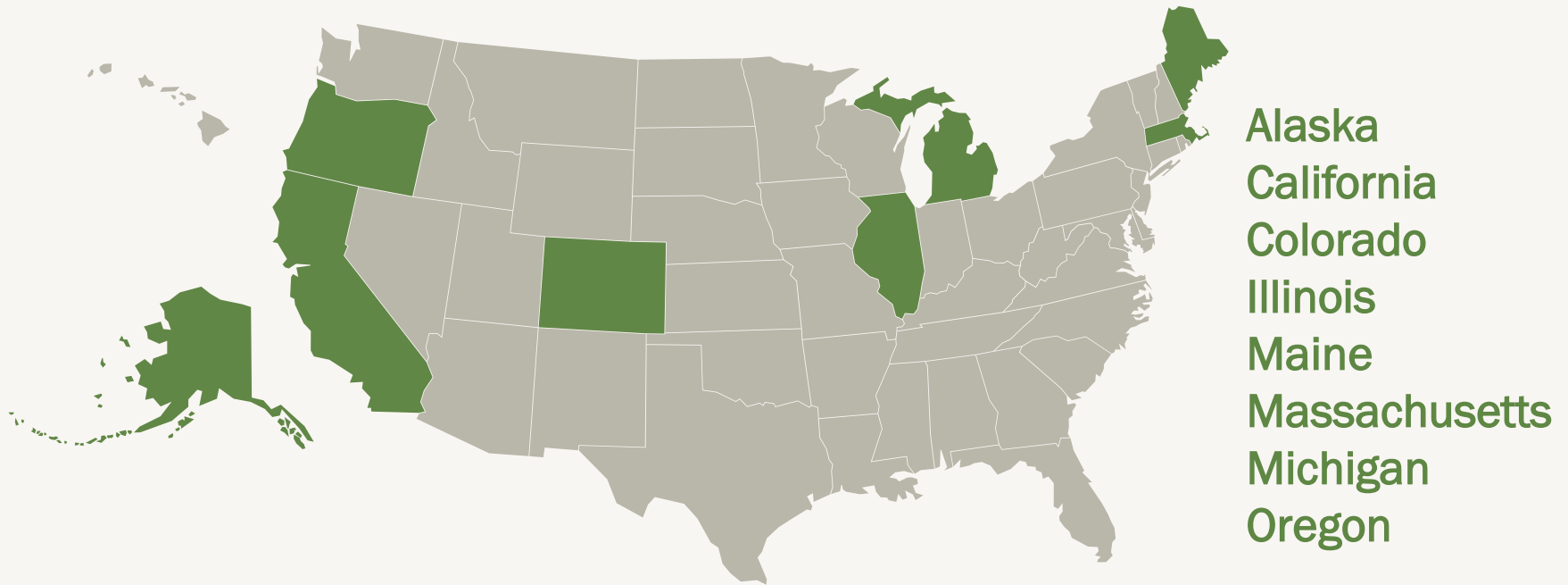


Easily accessible data



Stakeholder engagement

Other states share spending detail on a cannabis-specific website or webpage



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Contact Us

Research Analysts

Melanie Stidham

(360) 786-5183

melanie.stidham@leg.wa.gov

Ashley Trunnell

(360) 786-5181

ashley.trunnell@leg.wa.gov

Stephanie Seto

(360) 786-5689

stephanie.seto@leg.wa.gov

Project Coordinator

Stephanie Hoffman

(360) 786-5297

stephanie.hoffman@leg.wa.gov

Legislative Auditor

Eric Thomas

(360) 786-5182

eric.thomas@leg.wa.gov

