

EVALUATION & BENEFIT-COST ANALYSIS OF INITIATIVE 502

WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

**Adam
Darnell, Ph.D.**

Rhode Island
Marijuana
Policy Forum

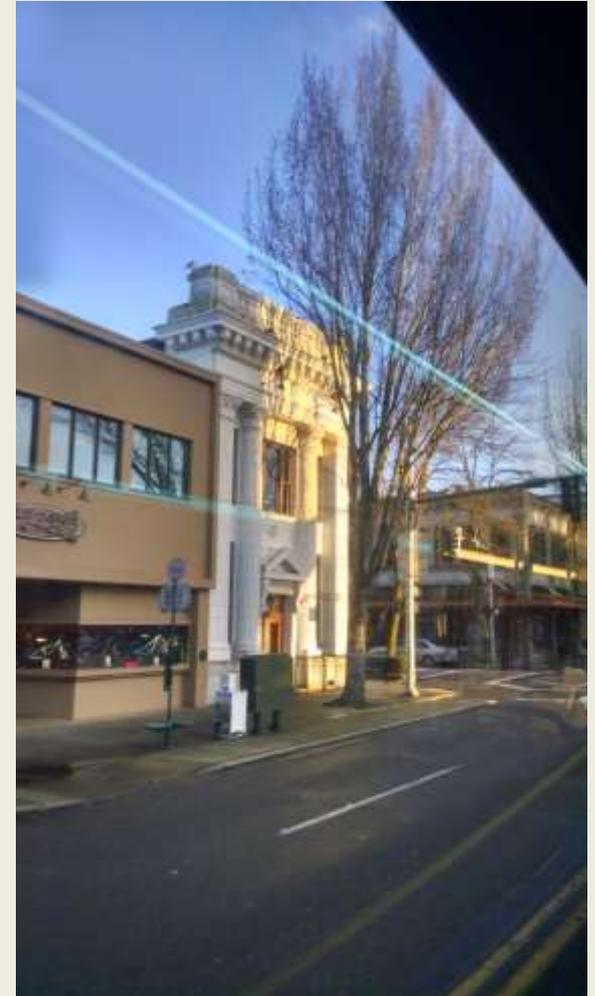
April 2016

WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

Created by the 1983 Legislature

Mission: carry out non-partisan
research at the direction of the
Legislature

- Meta-analyses
- Benefit-cost analyses
- Evaluations



Study Requirements in I-502

[RCW 69.50.550](#)

WSIPP shall conduct cost-benefit evaluations for the implementation of this act...The evaluation shall include, but not necessarily be limited to:

- Youth and adult marijuana use, maladaptive use, and clinical dependence/disorder

Study Requirements in I-502

- Effects of marijuana use & criminal prohibition of marijuana on:
 - Public health
 - Public safety
 - Criminal justice
- Effects of increased investment in prevention, treatment, and research

Study Requirements in I-502

- Economic impacts:
 - Jobs creation
 - Workplace safety
 - State and local revenues
 - State and local administrative costs

CLARIFY PRE- AND POST-LAW CONDITIONS

	Pre-legalization	Post-legalization
Crime		
Supply		
Prevention/ Treatment		
Regulation		
Revenues		

MAJOR STUDY FEATURES

- Reliance on existing data sources
- Identifying causal effects without experimental design
 - Longitudinal data, extended follow-up periods
 - Description of change over time in implementation of the law
 - Legal and supply aspects of the law
 - Between-state and within-state models
- Application of WSIPP benefit-cost methods

ASSESSING NET ECONOMIC IMPACT

- Observed changes in human and social outcomes that can be causally associated with the law will be monetized
 - Youth initiation → clinical disorder, HS graduation, crime
 - → Earnings, healthcare, criminal justice, and victim costs
 - Similar approach to be taken for a range of other non-monetary outcomes
- Observed changes in costs and revenues directly attributable to I-502:
 - Taxes, fees, penalties
 - Agency costs

AGENCY COSTS

- Rulemaking, licensure, and enforcement
- Development of testing laboratory accreditation standards
- Background checks for cannabis license applicants
- Hearing appeals of LCB licensing actions (denial, suspension, and revocation)
- Legal advice to the LCB by the Office of the Attorney General;
- Administering tax collection
- Department of Social and Health Services and Department of Health implementation of programs and services required in the initiative
- University of Washington and Washington State University public education and research activities required in the initiative
- Employee training on cannabis impaired driving by Washington State Patrol;
- Blood testing for driving under the influence cases
- Administrative activities by the Department of Licensing to suspend or revoke driver's licenses for driving under the influence
- Legal defense by the Office of the Attorney General of judicial appeals of DOL driving under the influence decisions, and
- Information technology changes to the Judicial Information System by the Administrative Office of the Courts.

IMPLEMENTATION CHALLENGES

- Volume of license applications
- Approval of edible products
- Cash receipts
- Diversion of existing resources
 - Enforcement
 - Monitoring labs
 - Public records
 - Communications

Required report dates

- Sept. 1, 2015
(study plan and early implementation)
<http://wsipp.wa.gov/Reports/570>
- Sept. 1, 2017
- Sept. 1, 2022
- Sept. 1, 2032

CONTACT

adam.darnell@wsipp.wa.gov

360.586.2768

<http://wsipp.wa.gov/>