



Department of Health
2021-23 First Supplemental Budget Session
Policy Level - QD - Cannabis Laboratory Testing

Agency Recommendation Summary

House Bill 2052, Clarifying Marijuana Product Testing, Chapter 277, Laws of 2019, directed the transfer of cannabis testing lab accreditation from the Liquor and Cannabis Board (WSLCB) to the Washington State Department of Ecology (ECY) and established a Cannabis Science Task Force to develop the standards for accrediting labs in Washington. The task force identified a gap in the expertise needed to review and approve lab methods and made the recommendation to create an Interagency Cooperative Team (ICT) to develop and review the accreditation standards. The Department of Health (DOH), in conjunction with the WSLCB and the Department of Agriculture (WSDA), jointly requests funding to establish the ICT.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Staffing						
FTEs	0.4	5.4	2.9	5.4	5.4	5.4
Operating Expenditures						
Fund 315 - 1	\$41	\$777	\$818	\$777	\$777	\$1,554
Total Expenditures	\$41	\$777	\$818	\$777	\$777	\$1,554

Decision Package Description

House Bill 2052, Clarifying Marijuana Product Testing, Chapter 277, Laws of 2019, directed the transfer of cannabis testing lab accreditation from the Liquor and Cannabis Board (WSLCB) to the Washington State Department of Ecology (ECY) and established a Cannabis Science Task Force (CSTF) to develop the standards for accrediting labs in Washington.

The work of the task force began in August of 2019. Early on, the task force identified that no single agency has the authority, subject matter expertise or resources in house to review and approve current, and future, cannabis testing lab methods. CSTF recommended the formation of an Interagency Cooperative Team (ICT), consisting of WSLCB, ECY, the DOH and the WSDA, to address this gap.

The creation of the ICT is critical to the integrity of the ECY accreditation program and allows oversight by experts and agencies with interest in the outcomes of lab analyses. WSLCB, WSDA, and DOH will form the ICT and authorize it to hold the authority (granted collectively by the three agencies) and expertise to facilitate and maintain the adopted Lab quality standards based on sound science practices.

The Department of Health requests \$818,000 in the 2021-23 biennium, and \$1,554,000 ongoing from the Dedicated Marijuana Account (315-1) to meet the intent of HB 2052 to provide cannabis testing labs critical guidance, and to support the ECY lab accreditation model.

This will be accomplished by funding three DOH positions, including a chemist, epidemiologist and a microbiologist, to participate on the ICT to implement and maintain the task force proposal, as well as provide the expertise to facilitate and maintain the adopted lab quality standards.

The ICT will also have the authority to develop rules and guidance for lab quality standards based on sound science and practices. DOH will participate as an active member of the ICT by providing feedback and subject matter expertise on quality assurance standards relating to products intended specifically for medical use. DOH will operate within existing authority adopting rules relating to this work as necessary.

If the proposal is implemented, DOH, in collaboration with WSLCB and WSDA, will be able to participate in and support the ICT. The ICT will also have other representatives including expertise in food and agricultural testing, pesticide testing and other lab testing practices.

At present, no single agency has the authority, subject matter expertise or resources in-house to perform the functions as outlined for the program. For the ICT program to operate effectively, resourcing for all three agencies is necessary. The resourcing of only one portion of the program would result in an inability to rely on the subject matter expertise needed. This request is part of a larger legislative directive with multiple state agencies collaborating on the proposal. The involved agencies have been collaborating on a joint solution for the past eighteen months.

Failure to act on this issue would result in failure to form the ICT. Without the formation of the ICT, the intent of HB 2052 to provide cannabis testing labs critical guidance and create standards for the ECY lab accreditation model would not be met. Since there are multiple agencies involved in this work, if any one agency fails to act, the formation of the ICT would not be possible and the transfer of lab accreditation from WSLCB to ECY would not be successful. It would also ultimately affect the safety of cannabis in Washington.

Equity Impacts

Patients who are likely to use medical cannabis are often medically fragile and any unknown compounds or chemicals in cannabis can be detrimental to a person's health, especially when their health may be already compromised or failing. The purpose of this action is to facilitate access to safe products by helping to establish cannabis lab standards that will ensure safe, tested product is available to the patient community, and to ensure that all labs are held to the same standards and testing rules.

This proposal will benefit the medical cannabis patient community by ensuring that any cannabis products for medical use are tested through the same set of requirements no matter which lab the product has been tested with. As the industry advances, the formation of the ICT will ensure that the medical community is not left behind as product and safety standards continue to evolve. This work will ensure that all cannabis patients are consuming the same safe and well tested product, and that there is no difference in testing standards or rules in labs that could result in a lower quality product in communities with vulnerable or marginalized populations.

This proposal will have a positive impact on the Tribal Nations because with a memorandum of agreement, Tribes with a compact through the WSLCB and a memorandum are accessing cannabis product that may be beneficial for medical use to serve their patient communities as well.

By creating the ICT to evaluate and set lab standards that will be the same throughout the state, Tribal Nations will have access to cannabis products that have been through the same statewide lab standards and rules which will help ensure confidence in product safety and testing.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

N/A, this project is not an expansion or alteration of a current program or service. It is establishing a new service not currently provided by the Department of Health or any other state agency.

Detailed Assumptions and Calculations:

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JOB CODE MASTER	SALARY	2022	2023	2024	2025	2021-23 BIENNIUM	6 YEAR IMPACT
WMS03	125,268	-	31,317	31,317	31,317	31,317	156,585
Health Services Consultant 4	80,292	20,073	20,073	20,073	20,073	40,146	120,438
Chemist 3	80,292	-	80,292	80,292	80,292	80,292	401,460
Microbiologist 3	80,292	-	80,292	80,292	80,292	80,292	401,460
Epidemiologist 2 (non-medical)	95,484	-	95,484	95,484	95,484	95,484	477,420
TOTAL SALARIES		20,073	307,458	307,458	307,458	327,531	1,557,363
BENEFITS							
Standard Benefits as a Percentage of Total Salaries		7,065	104,359	104,359	104,359	111,424	528,861

Workforce Assumptions:

See attached Financial Calculator for more details

How is your proposal impacting equity in the state?

See package description

Strategic and Performance Outcomes

Strategic Framework:

This proposal supports the Governor’s Results Washington goal areas of healthy and safe communities and efficient, effective and accountable government. It also supports the agency and division goals of equity, innovation, engagement, and access to care. The proposal does this by:

- Coordinating state approval of laboratory standards to allow for a consistent performance-based lab standard approach.

- Allowing DOH to utilize reports and data from the ICT to support a research-based approach to cannabis product testing and public safety work.

Performance Outcomes:

The ICT will have the authority to develop rules and guidance for lab quality standards based on sound science practices. DOH will participate as an active member of the ICT, providing feedback and subject matter expertise on quality assurance standards relating to products intended specifically for medical use. DOH will operate within existing authority adopting rules relating to this work as necessary. The ICT will also have scientific expertise in chemistry and microbiology, food and agricultural testing, pesticide testing and other laboratory testing practices. This work will support healthy and safe communities by ensuring laboratory standards are equal across the state.

The testing of marijuana product is a critical juncture for the market and for demonstration by marijuana producers and processors that their product meets Washington State standards. Within the rules that govern testing are two distinct sets of standards; product standards and lab standards. Product standards define acceptable product content for marijuana. Lab standards define test methods, method validation, and performance measures that are used by labs to test products to product standards. Lab standards are also used for accreditation to verify laboratory competence.

All labs will be accredited under the same standards developed by the ICT across the state. This will eliminate inconsistencies or uncertainty that currently exists in the laboratory setting around testing methodologies and testing results. Currently DOH has no access to lab testing result data; as a result of the work of the ICT DOH will be represented and be able to monitor data for public safety and policy development.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

N/A

Intergovernmental:

This request impacts WSLCB, ECY, and WSDA and the transfer of accreditation and formation of the ICT group will not be possible without each agency completing their portion of the work to make these critical laboratory standards a reality for Washington state.

The WSLCB will transfer laboratory accreditation to ECY. Then, since ECY will be the accrediting authority, WSLCB, DOH and WSDA will form the ICT. The specific agency roles and duties of the ICT members are outlines below:

Role	Responsibilities
WSLCB	WSLCB will participate as an active member of the lab standards review team. Providing feedback and subject matter expertise on lab criteria; contributing to decisions on whether lab methods meet standard and completing the ongoing work of PDP creation. WSLCB will also operate within the existing law and rule authority issued to WSLCB for adopting rules related to this work as necessary.
WSDA	WSDA will participate as a lead agency of the lab standards review team; providing feedback and subject matter expertise on quality assurance standards relating to any state allowable marijuana products. WSDA will need explicit authority for lab standards in statute to fully participate in the role that has been negotiated between agencies.
DOH	DOH will participate as an active member of the lab standards review team; providing feedback and subject matter expertise on quality assurance standards relating to products intended specifically for medical use. DOH will operate within existing authority adopting rules relating to this work as necessary.

Legal or Administrative Mandates:

This proposal is in response to the Cannabis Science Task Force after the task force identified a gap in the ability to review and approve current, future, laboratory methods and made a specific recommendation to address this particular gap. The issue identified in the gap is that no single agency has the authority, subject matter expertise or resources in house to complete the work and implement the recommendations of the Task Force.

Stakeholder Response:

Partner	Anticipated Position (Support, Neutral, Oppose)
Medical marijuana patients	Support
Medically endorsed retail store owners	Support
Medical marijuana consultants	Support
Medically endorsed cannabis retail store employees and budtenders	Support
Patient advocacy groups	Support
Tribal Nations	Support
Legislative staff (JLARC)	Support
Liquor and Cannabis Board	Support
Department of Ecology	Support
Department of Revenue	Support
Department of Agriculture	Support
Cannabis laboratories	Support
Cannabis farmers and growers	Support

Changes from Current Law:

N/A

State Facilities Impacts:

N/A

Reference Documents

[FinancialCalculator 2021 - ICT Cannabis Lab.xlsm](#)

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$25	\$409	\$434	\$409	\$409	\$818
Obj. B	\$9	\$148	\$157	\$148	\$148	\$296
Obj. E	\$4	\$171	\$175	\$171	\$171	\$342
Obj. G	\$0	\$10	\$10	\$10	\$10	\$20
Obj. J	\$1	\$13	\$14	\$13	\$13	\$26
Obj. T	\$2	\$26	\$28	\$26	\$26	\$52

Agency Contact Information

Alisa Weld

(360) 236-2907

alisa.weld@doh.wa.gov