



Washington State Liquor and Cannabis Board

Topic: Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – Funding for Trauma-Informed Counseling and Research

Date: January 29, 2025

Presented by: Jeff Kildahl, Policy and Rules Coordinator

Background

On December 3, 2024, Ash Sjodin, a member of the public, submitted a rulemaking petition to the Liquor and Cannabis Board (Board). The petition request, received in the form of an email message to the Board Chair, proposes that the Board create a rule to allocate funding from cannabis revenue to support trauma-informed counseling and research. The petitioner’s request for rulemaking is stated as follows:

“I propose the creation of a rule that would allocate funding from cannabis revenue to support trauma-informed counseling and research. This initiative would provide critical mental health resources for both individuals disproportionately affected by past cannabis criminalization and LCB staff who often bear the brunt of emotionally charged interactions. It would also fund research to better understand the long-term effects of systemic racism and the War on Drugs, enabling us to develop more effective policies moving forward.

I believe this proposal aligns with the LCB’s mission to foster a safe, fair, and equitable cannabis industry. I would greatly appreciate your guidance on how to formally propose this initiative and move it into the rulemaking process. I am happy to meet with you or your team to discuss this further and to present my ideas at an upcoming meeting if appropriate.”

Issue

Whether the Board should create a new rule in Title 314 WAC that would allocate funding from cannabis revenue to support trauma-informed counseling for individuals disproportionately affected by past cannabis criminalization, and to also fund research into the long-term effects of the War on Drugs.

Statutes

[RCW 69.50.530](#) states that the dedicated cannabis account is created in the state treasury. All moneys received by the board, or any employee thereof, from cannabis-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all cannabis excise taxes collected from sales of cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under this chapter from cannabis producer, cannabis processor, cannabis researcher, and cannabis retailer

licenses, must be deposited in the account. Moneys in the account may only be spent after appropriation.”

RCW 69.50.540 Appropriations.

RCW 69.50.540(1) sets forth appropriations by the legislature for fixed dollar amounts, including funding for the Board, Washington Department of Health, Washington state university, and others.

RCW 69.50.540(3) sets forth appropriations for other purposes by percentage, including funding for the state basic health plan trust account, the Washington Health Care Authority, the state General Fund, local government, and others.

Analysis

The petitioner has requested creation of a new rule that would allocate funding from cannabis revenue to support trauma-informed counseling for individuals who now may be seeking opportunities within cannabis the cannabis industry, and for research into the effects of past trauma. The petitioner stated they believe this allocated funding would foster a safe, fair, and equitable cannabis industry.

Under existing Washington law in RCW 69.50.530, all cannabis revenue including excise taxes collected from sales of cannabis products in Washington, as well as all cannabis license fees, penalties, and forfeitures received from any cannabis licensee, must be deposited in a special dedicated cannabis account created in the state treasury. Additionally, RCW 69.50.530 requires that funds in this dedicated cannabis account may only be spent by appropriation by legislature. The LCB does not have the authority to determine how money from the special dedicated cannabis account is spent. Therefore, in order for the petitioner’s request to be accomplished, they should direct their request to the legislature during the current legislative session.

Conclusion

Because these cannabis revenues must be deposited in the dedicated cannabis account and may only be spent after appropriation by the legislature, the Board does not have authority to a develop a new rule to allocate cannabis revenue for counseling and research as requested by the petitioner.

Recommendation

For the reasons described above, Director’s Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board deny Ash Sjodin’s petition for amending of rules submitted on December 3, 2024.

Board Action

After considering the recommendation of Director’s Office staff, the Board accepts/denies the petition for rulemaking received from Ash Sjodin on January 29, 2024.

_____ Accept _____ Deny _____
Jim Vollendroff, Chair _____
Date

_____ Accept _____ Deny _____
Ollie Garrett, Board Member _____
Date

_____ Accept _____ Deny _____
Pete Holmes, Board Member _____
Date

Attachments

1. Email from Ash Sjodin

From: [Jacobs, Daniel \(LCB\)](#)
To: [Frost, Gretchen D \(LCB\)](#)
Cc: [LCB DL Rules](#)
Subject: Re: Proposal for Trauma Counseling and Research Initiative
Date: Wednesday, December 4, 2024 9:05:06 AM

Gretchen:

Thanks for passing this along, this is very important to let the rules team know about because it is probably a petition for rulemaking.

Good catch!

From: Frost, Gretchen D (LCB) <gretchen.frost@lcb.wa.gov>
Sent: Wednesday, December 4, 2024 9:03:35 AM
To: Jacobs, Daniel (LCB) <daniel.jacobs@lcb.wa.gov>
Subject: FW: Proposal for Trauma Counseling and Research Initiative

Hi Daniel, Forwarding this email from David's email. Its suggesting a creation of a rule. Hoping the policy and rules team can respond to Ash.

Thanks, Gretchen

From: Ash Sjodin <grownfolks502@gmail.com>
Sent: Tuesday, December 3, 2024 9:09 AM
To: Postman, David (LCB) <david.postman@lcb.wa.gov>
Subject: Proposal for Trauma Counseling and Research Initiative

External Email

Dear Chair Postman,

I hope this message finds you well. My name is Ash Sjodin, and I am the founder and CEO of Grown Folks 502, a cannabis business with a strong commitment to innovation, sustainability, and community advocacy. I am reaching out to discuss an important initiative I believe could significantly benefit both the cannabis industry and the broader community.

As you know, the legacy of the War on Drugs and systemic racism has left deep scars on individuals and communities, many of whom now seek opportunities within the legal cannabis industry. However, the trauma caused by these injustices continues to impact interactions within the industry, often creating a hostile environment for stakeholders and regulatory staff alike.

I propose the creation of a rule that would allocate funding from cannabis revenue to support trauma-informed counseling and research. This initiative would provide critical mental health resources for both individuals disproportionately affected by past cannabis criminalization and LCB staff who often bear the brunt of emotionally charged interactions. It would also fund research to better understand the long-term effects of systemic racism and the War on Drugs,

enabling us to develop more effective policies moving forward.

I believe this proposal aligns with the LCB's mission to foster a safe, fair, and equitable cannabis industry. I would greatly appreciate your guidance on how to formally propose this initiative and move it into the rulemaking process. I am happy to meet with you or your team to discuss this further and to present my ideas at an upcoming meeting if appropriate.

Thank you for your time and consideration. I look forward to hearing from you and working together to create a healthier, more inclusive cannabis industry in Washington State.

Warm regards,
Ash Sjodin
Founder & CEO
Grown Folks 502
grownfolks502@gmail.com

RCW 69.50.530 Dedicated cannabis account. The dedicated cannabis account is created in the state treasury. All moneys received by the board, or any employee thereof, from cannabis-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all cannabis excise taxes collected from sales of cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under this chapter from cannabis producer, cannabis processor, cannabis researcher, and cannabis retailer licenses, must be deposited in the account. Moneys in the account may only be spent after appropriation. [2023 c 470 s 1014. Prior: 2022 c 169 s 1; 2022 c 16 s 100; 2018 c 299 s 909; 2016 sp.s. c 36 s 942; 2015 2nd sp.s. c 4 s 1101; 2013 c 3 s 26 (Initiative Measure No. 502, approved November 6, 2012).]

Explanatory statement—2023 c 470: See note following RCW 10.99.030.

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Effective date—2018 c 299: See note following RCW 43.41.433.

Effective date—2016 sp.s. c 36: See note following RCW 18.20.430.

Findings—Intent—Effective dates—2015 2nd sp.s. c 4: See notes following RCW 69.50.334.

Intent—2013 c 3 (Initiative Measure No. 502): See note following RCW 69.50.101.

RCW 69.50.540 Appropriations. (1) For the purposes of this subsection (1), the legislature must appropriate the amounts provided in this subsection:

(a) \$12,500,000 annually to the board for administration of this chapter as appropriated in the omnibus appropriations act;

(b) \$11,000,000 annually to the department of health for the following:

(i) Creation, implementation, operation, and management of a cannabis, vapor product, and commercial tobacco education and public health program that contains the following:

(A) A cannabis use public health hotline that provides referrals to substance abuse treatment providers, uses evidence-based or research-based public health approaches to minimizing the harms associated with cannabis use, and does not solely advocate an abstinence-only approach;

(B) Programs that support development and implementation of coordinated intervention strategies for the prevention and reduction of commercial tobacco, vapor product, and cannabis use by youth and cannabis cessation treatment services, including grant programs to local health departments or other local community agencies;

(C) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by cannabis use; and

(D) Outreach to priority populations regarding commercial tobacco, vapor product, and cannabis use, prevention, and cessation; and

(ii) The Washington poison control center;

(c) (i) \$3,000,000 annually to the department of commerce to fund cannabis social equity grants under RCW 43.330.540; and

(ii) \$200,000 annually to the department of commerce to fund technical assistance through a roster of mentors under RCW 43.330.540;

(d) \$200,000 annually, until June 30, 2032, to the health care authority to contract with the Washington state institute for public policy to conduct the cost-benefit evaluations and produce the reports described in RCW 69.50.550;

(e) \$25,000 annually to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by cannabis use;

(f) \$300,000 annually to the University of Washington and \$175,000 annually to the Washington State University for research on the short-term and long-term effects of cannabis use to include, but not be limited to, formal and informal methods for estimating and measuring intoxication and impairments, and for the dissemination of such research;

(g) \$550,000 annually to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW;

(h) \$2,423,000 for fiscal year 2022 and \$2,423,000 for fiscal year 2023 to the Washington state patrol for a drug enforcement task force;

(i) \$270,000 for fiscal year 2022 and \$290,000 for fiscal year 2023 to the department of ecology for implementation of accreditation of cannabis product testing laboratories;

(j) \$800,000 for each of fiscal years 2020 through 2023 to the department of health for the administration of the cannabis authorization database; and

(k) \$621,000 for fiscal year 2022 and \$635,000 for fiscal year 2023 to the department of agriculture for compliance-based laboratory analysis of pesticides in cannabis.

(2) Subsections [Subsection] (1)(a) through (g) of this section must be adjusted annually based on the United States bureau of labor statistics' consumer price index for the Seattle area.

(3) After appropriation of the amounts identified in subsection (1) of this section, the legislature must annually appropriate such remaining amounts for the purposes listed in this subsection (3) as follows:

(a) Fifty-two percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(b) Eleven percent to the health care authority to:

(i) Design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(ii) Develop, implement, maintain, and evaluate programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the diagnostic and statistical manual of mental disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women. In deciding which programs and practices to fund under this subsection (3)(b)(ii), the director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute; and

(iii) Contract with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(c)(i) One and one-half percent to counties, cities, and towns where licensed cannabis retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (3)(c)(i) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed cannabis retailers physically located in each jurisdiction. For purposes of this subsection (3)(c), 100 percent of the proportional amount attributed

to a retailer physically located in a city or town must be distributed to the city or town;

(ii) Three and one-half percent to counties, cities, and towns ratably on a per capita basis. Counties must receive 60 percent of the distribution based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed cannabis producer, processor, or retailer;

(iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount made under this subsection (3)(c), if any, for each county and city as determined in (c)(i) and (ii) of this subsection; and

(iv) Distribution amounts allocated to each county, city, and town in (c)(i) and (ii) of this subsection must be distributed in four installments by the last day of each fiscal quarter; and

(d) Thirty-two percent must be deposited in the state general fund. [2023 c 470 s 1015. Prior: 2022 c 169 s 2; 2022 c 16 s 102; 2021 c 334 s 986; prior: 2020 c 357 s 916; 2020 c 236 s 4; 2019 c 415 s 978; prior: 2018 c 299 s 910; 2018 c 201 s 8014; 2017 3rd sp.s. c 1 s 979; 2015 3rd sp.s. c 4 s 967; 2015 2nd sp.s. c 4 s 206; 2013 c 3 s 28 (Initiative Measure No. 502, approved November 6, 2012).]

Explanatory statement—2023 c 470: See note following RCW 10.99.030.

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Conflict with federal requirements—Effective date—2021 c 334: See notes following RCW 43.79.555.

Effective date—2020 c 357: See note following RCW 43.79.545.

Findings—Intent—2020 c 236: See note following RCW 69.50.335.

Effective date—2019 c 415: See note following RCW 28B.20.476.

Effective date—2018 c 299: See note following RCW 43.41.433.

Findings—Intent—Effective date—2018 c 201: See notes following RCW 41.05.018.

Effective date—2017 3rd sp.s. c 1: See note following RCW 43.41.455.

Effective dates—2015 3rd sp.s. c 4: See note following RCW 28B.15.069.

Findings—Intent—Effective dates—2015 2nd sp.s. c 4: See notes following RCW 69.50.334.

Intent—2013 c 3 (Initiative Measure No. 502): See note following RCW 69.50.101.