

INITIATIVE 502 BENEFIT-COST EVALUATION

In November 2012, the citizens of the state of Washington passed Initiative 502 (I-502), authorizing the state Liquor Control Board to “regulate and tax marijuana for persons twenty-one years of age and older.”¹ The initiative created the Dedicated Marijuana Fund consisting of tax revenue received by the state from marijuana-related activities, including production, processing, and retail. Portions of this fund are allocated to Washington State agencies and universities for education, prevention, and research activities such as:

Healthy Youth Survey	<i>Department of Social and Health Services (DSHS)</i>
Web-based public education	<i>University of Washington Alcohol and Drug Abuse Institute</i>
Public health programs	<i>Department of Health</i>
Prevention programs for middle and high school aged students	<i>Division of Behavioral Health and Recovery in DSHS</i>
Building Bridges (dropout prevention)	<i>Office of Superintendent of Public Instruction</i>
Research on short- and long-term effects of marijuana use	<i>University of Washington and Washington State University</i>
Benefit-cost evaluation of I-502	<i>Washington State Institute for Public Policy</i>

The law directs the Washington State Institute for Public Policy (WSIPP) to “conduct cost-benefit evaluations of the implementation of” I-502. WSIPP’s evaluations of the effects of the law must include, but are not limited to, the topics and outcomes listed in Exhibit 1.

Exhibit 1 Topics and Outcomes Specified in WSIPP’s I-502 Research Assignment

Topic	Outcomes
Public health	<ul style="list-style-type: none"> • health costs associated with marijuana use and criminal prohibition of marijuana (e.g., costs that arise due to lack of product safety and quality control) • research, education, prevention, and intervention program impacts on marijuana-related maladaptive use, abuse, and dependence
Public safety	<ul style="list-style-type: none"> • safety issues related to marijuana use and to criminal prohibition
Usage rates	<ul style="list-style-type: none"> • use and maladaptive use of marijuana for youth and adults • diagnosis rates for marijuana-related substance-abuse disorder or dependence
Economy	<ul style="list-style-type: none"> • job creation, workplace safety, revenues, and taxes in private & public sectors
Criminal justice	<ul style="list-style-type: none"> • public resources such as law enforcement officers, prosecuting attorneys, public defenders, judges & court staff, crime labs, jails & prisons, and supervision officers • short- & long-term consequences of criminal justice system involvement for persons accused of marijuana-related crime, their families, and communities
State/local agencies	<ul style="list-style-type: none"> • administrative costs and revenues

¹ Initiative Measure No. 502; Full text available at <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Initiatives/Initiatives/INITIATIVE%20502.pdf>

About WSIPP. WSIPP's mission is to carry out practical, non-partisan research at the direction of the legislature or its board of directors.

Research Approach. WSIPP's research team will use a blend of analytical techniques to estimate how I-502 impacts statewide outcomes (those listed in Exhibit 1 and potentially others) over time. The methods may include:

- (1) statistical analysis of administrative and survey data available from national, state, and local government or other community sources;
- (2) collection and analysis of primary data;
- (3) systematic literature reviews, using a meta-analytic approach where appropriate; and
- (4) benefit-cost analysis using WSIPP's return on investment model.²

Report Due Dates. The initiative directs WSIPP to issue a preliminary report to the legislature by September 1, 2015, and subsequent reports in 2017, 2022, and 2032.

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² Lee, S., Aos, S., Drake, E., Pennucci, A., Miller, M., & Anderson, L. (2012). *Return on investment: Evidence-based options to improve statewide outcomes* (April 2012 Update). (Document No. 12-04-1201). Olympia: Washington State Institute for Public Policy. See the technical appendix for details on WSIPP's meta-analytic and benefit-cost methods (<http://www.wsipp.wa.gov/rptfiles/12-04-1201B.pdf>).