WSIPP Overview & Cannabis Research

WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

Eva Westley
Amani Rashid, PhD

House Consumer Protection & Business Committee:

Work Session

October 21, 2025

WHO WE ARE

Washington State Institute for Public Policy

- Created by 1982 legislature
- Independent, nonpartisan, legislative "think tank"
- Small staff, governed by a Board of Directors
- Administered by The Evergreen State College

WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

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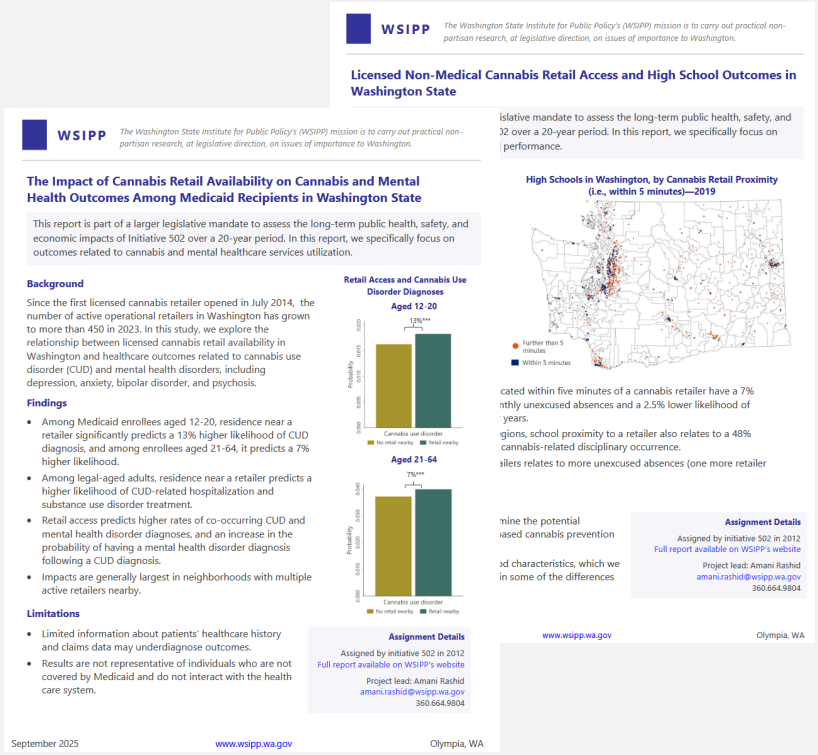
WSIPP'S ROLE

Our role is to provide **practical, nonpartisan research** – at legislative direction – on topics of importance to Washington State.

- Applied research that focuses on outcomes of public policies and programs
- Reports are easy to understand and accessible to policymakers
- Studies conducted in-house by nonpartisan researchers with academic training



WSIPP *The Washington State Institute for Public Policy's (WSIPP) mission is to carry out practical non-partisan research, at legislative direction, on issues of importance to Washington.*

Licensed Non-Medical Cannabis Retail Access and High School Outcomes in Washington State

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The Impact of Cannabis Retail Availability on Cannabis and Mental Health Outcomes Among Medicaid Recipients in Washington State

This report is part of a larger legislative mandate to assess the long-term public health, safety, and economic impacts of Initiative 502 over a 20-year period. In this report, we specifically focus on outcomes related to cannabis and mental healthcare services utilization.

Background

Since the first licensed cannabis retailer opened in July 2014, the number of active operational retailers in Washington has grown to more than 450 in 2023. In this study, we explore the relationship between licensed cannabis retail availability in Washington and healthcare outcomes related to cannabis use disorder (CUD) and mental health disorders, including depression, anxiety, bipolar disorder, and psychosis.

Findings

- Among Medicaid enrollees aged 12-20, residence near a retailer significantly predicts a 13% higher likelihood of CUD diagnosis, and among enrollees aged 21-64, it predicts a 7% higher likelihood.
- Among legal-aged adults, residence near a retailer predicts a higher likelihood of CUD-related hospitalization and substance use disorder treatment.
- Retail access predicts higher rates of co-occurring CUD and mental health disorder diagnoses, and an increase in the probability of having a mental health disorder diagnosis following a CUD diagnosis.
- Impacts are generally largest in neighborhoods with multiple active retailers nearby.

Limitations

- Limited information about patients' healthcare history and claims data may underdiagnose outcomes.
- Results are not representative of individuals who are not covered by Medicaid and do not interact with the health care system.

Retail Access and Cannabis Use Disorder Diagnoses

Aged 12-20

13%***

Probability

Cannabis use disorder

No retail nearby | Retail nearby

Aged 21-64

7%***

Probability

Cannabis use disorder

No retail nearby | Retail nearby

Assignment Details

Assigned by initiative 502 in 2012

Full report available on WSIPP's website

Project lead: Amani Rashid

amani.rashid@wsipp.wa.gov

360.664.9804

September 2025 www.wsipp.wa.gov Olympia, WA

islative mandate to assess the long-term public health, safety, and
02 over a 20-year period. In this report, we specifically focus on
performance.

High Schools in Washington, by Cannabis Retail Proximity (i.e., within 5 minutes)—2019

Further than 5 minutes

Within 5 minutes

cated within five minutes of a cannabis retailer have a 7%
nthly unexcused absences and a 2.5% lower likelihood of
years.

gions, school proximity to a retailer also relates to a 48%
cannabis-related disciplinary occurrence.

ilers relates to more unexcused absences (one more retailer

mine the potential
ased cannabis prevention

d characteristics, which we
in some of the differences

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HOW ARE PROJECTS ASSIGNED?

WSIPP's research projects are initiated and funded through:

1) Legislative assignments (i.e., policy bills with funding attached or budget bills)

   OR

2) Approval by WSIPP's Board of Directors.

WSIPP has capacity to begin several new studies in FY2027/28.

For study inquiries contact Eva Westley
eva.westley@wsipp.wa.gov | (360) 664-9089

WSIPP'S CANNABIS-RELATED STUDIES

1) RCW 69.50.550: Initiative 502 evaluations **Today's focus**

2) 2018 supplemental operating budget

   - ✓ Suppressing Illicit Cannabis Markets After State Marijuana Legalization (2019)
   - ✓ Measuring Youth Cannabis Use in Washington State (2019)
   - ✓ Updated Inventory of Programs for the Prevention and Treatment of Youth Cannabis Use (2019)

3) Board-approved contract

   - ✓ Employment and Wage Earnings in Licensed Marijuana Businesses (2017)

Long-Term Initiative 502 Evaluation Update

PRESENTATION OUTLINE

I. Background

- Initiative 502 and WSIPP's assignment

II. Reports

- *Initiative 502 and public health and safety outcomes (September 2023)*
  - Legalization of possession and conviction rates
  - Cannabis retail and public health and safety
- *Cannabis retail and high school outcomes (December 2023)*
- *Cannabis retail and healthcare outcomes (September 2025)*

III. Conclusion

- Takeaways and future work

WSIPP'S INITIATIVE 502 (I-502) ASSIGNMENT

RCW 69.50.550

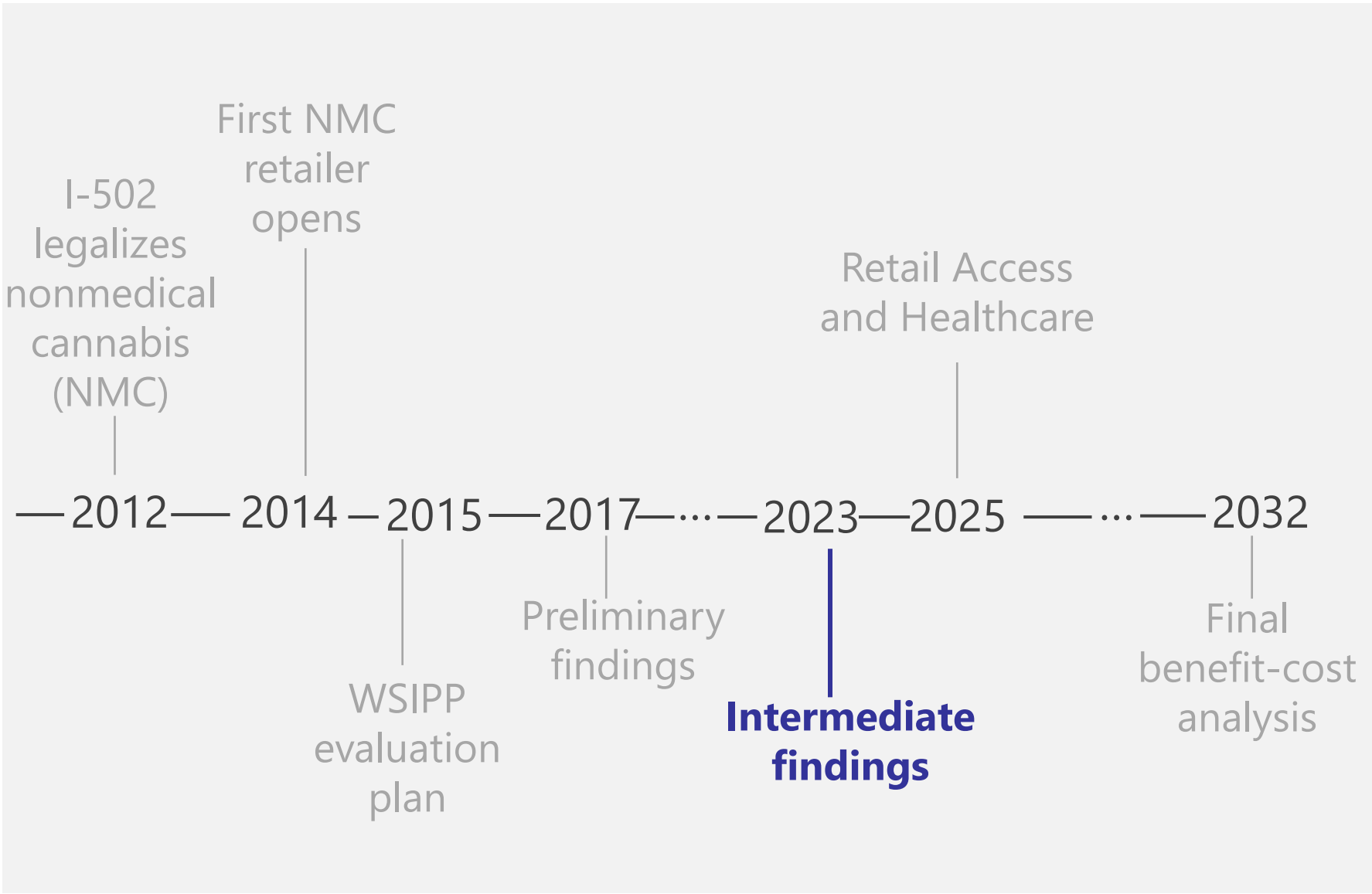
WSIPP shall conduct cost-benefit evaluations for the implementation of [this act]…The evaluations shall include, but *not necessarily be limited to*:

- Public health and health care,
- Public safety,
- Substance use,
- Criminal justice,
- Economic impacts, and
- Administrative costs and revenues

abbreviated assignment language

WSIPP'S I-502 ASSIGNMENT

WSIPP'S I-502 ASSIGNMENT



Initiative 502 and Cannabis-Related Public Health and Safety Outcomes: Third Required Report

Amani Rashid (2025)

CANNABIS POSSESSION CONVICTIONS

- Described how trends in cannabis possession misdemeanor conviction rates (per 100,000 population) evolved after legalization
  - Examined rates across three age groups: 12-17, 18-20, 21+
  - Study period is 2005-2019
- Over the study period, 3,300,000 criminal cases occurred
  - 1,800,000 convictions (3.6% associated with cannabis possession)
- Results
  - Among legal-aged adults, monthly conviction rates drop to almost zero immediately after I-502
    - Declines shared across different racial categories
  - Among underaged populations, especially those ages 18-20, conviction rates substantively declined after I-502

CANNABIS RETAIL MARKET

- First licensed retailer went into operation in July 2014
  - Currently over 450 licensed retailers in operation
- Studies show a link between cannabis retail outlets and increased cannabis use among adults in nearby areas
- We examine the link between shorter drivetimes to a nearby retailer and local rates of cannabis use, traffic fatalities, and substance use disorder

PUBLIC HEALTH AND SAFETY

- Reported cannabis use (WA State data)
  - A shorter drive time to a licensed retailer relates to a higher probability of reported cannabis use among adults ages 21+
    - E.g., a 50% reduction in drive time increases the probability of reporting past-month use by 6.0% and the probability of reporting heavy past-month use by 8.6%

- Fatal traffic crashes
  - A shorter drive time to a licensed retailer relates to a modest increase in the number of drivers involved in a fatal traffic crash
    - E.g., a 50% reduction in the average drive time to the nearest retailer predicts about 6% more drivers involved in a fatal crash annually
  - A shorter drive time to a licensed retailer relates to an increase in the prevalence of drivers who test THC-positive

PUBLIC HEALTH AND SAFETY

- Substance use disorder diagnoses (Medicaid claims)
  - A shorter drive time to a licensed retailer relates to a higher probability of cannabis use disorder (CUD), alcohol use disorder, and opioid use disorder diagnoses among legal-aged adults
    - E.g., a 50% reduction in drive time relates to a 2.3% higher likelihood of an annual CUD diagnosis
  - A shorter drive time to a licensed retailer relates to a higher probability of co-occurring diagnoses

Licensed Non-Medical Cannabis Retail and High School Outcomes in Washington State

Amani Rashid (2023)

HIGH SCHOOL OUTCOMES

- Examined the relationship between attending a school within 5 minutes of a licensed retailer and reported cannabis use

- Several ways retail access can relate to adolescent cannabis behavior
  - Advertising (Donnelly et *al.*, 2022 ; Firth et *al.*, 2022)
  - Normalize cannabis use (Madras et *al.*, 2019; O'Loughlin et *al.*, 2022)
  - Access through legal-aged family and/or friends (Firth et *al.*, 2022)

- 10th and 12th grade students that attend a school nearby an operational retailer are more likely to report (frequent) past month cannabis use

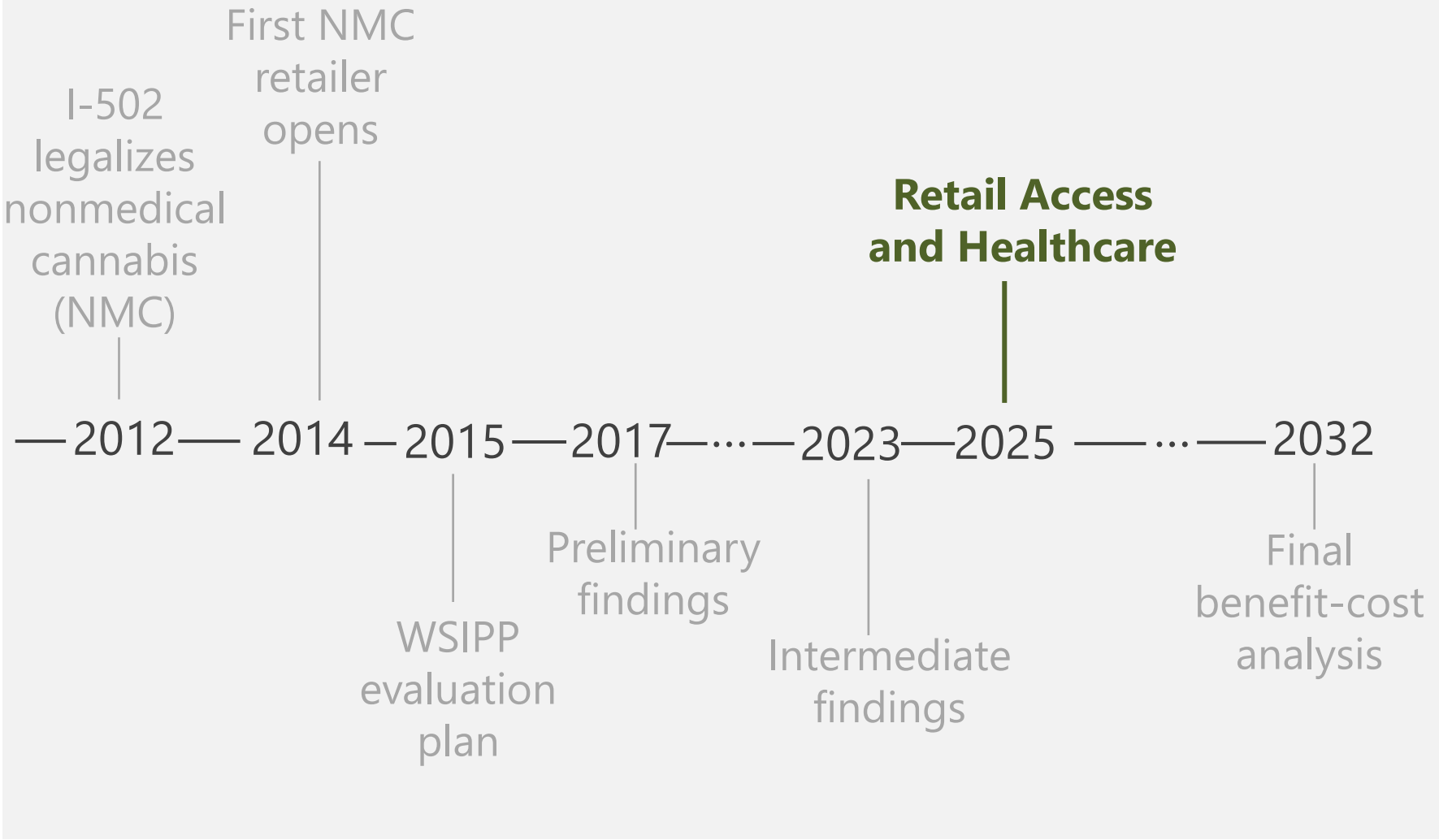
Map

HIGH SCHOOL OUTCOMES

- Examined the relationship between attending a school within 5 minutes of a licensed retailer and administrative high school outcomes

- Results
  - Students attending a school near a retailer have a 7% higher number of average monthly unexcused absences
  - Students attending a school near a retailer have a 2.5% lower likelihood of graduating high school in four years
    - Results driven by students attending schools in rural regions

WSIPP'S I-502 ASSIGNMENT



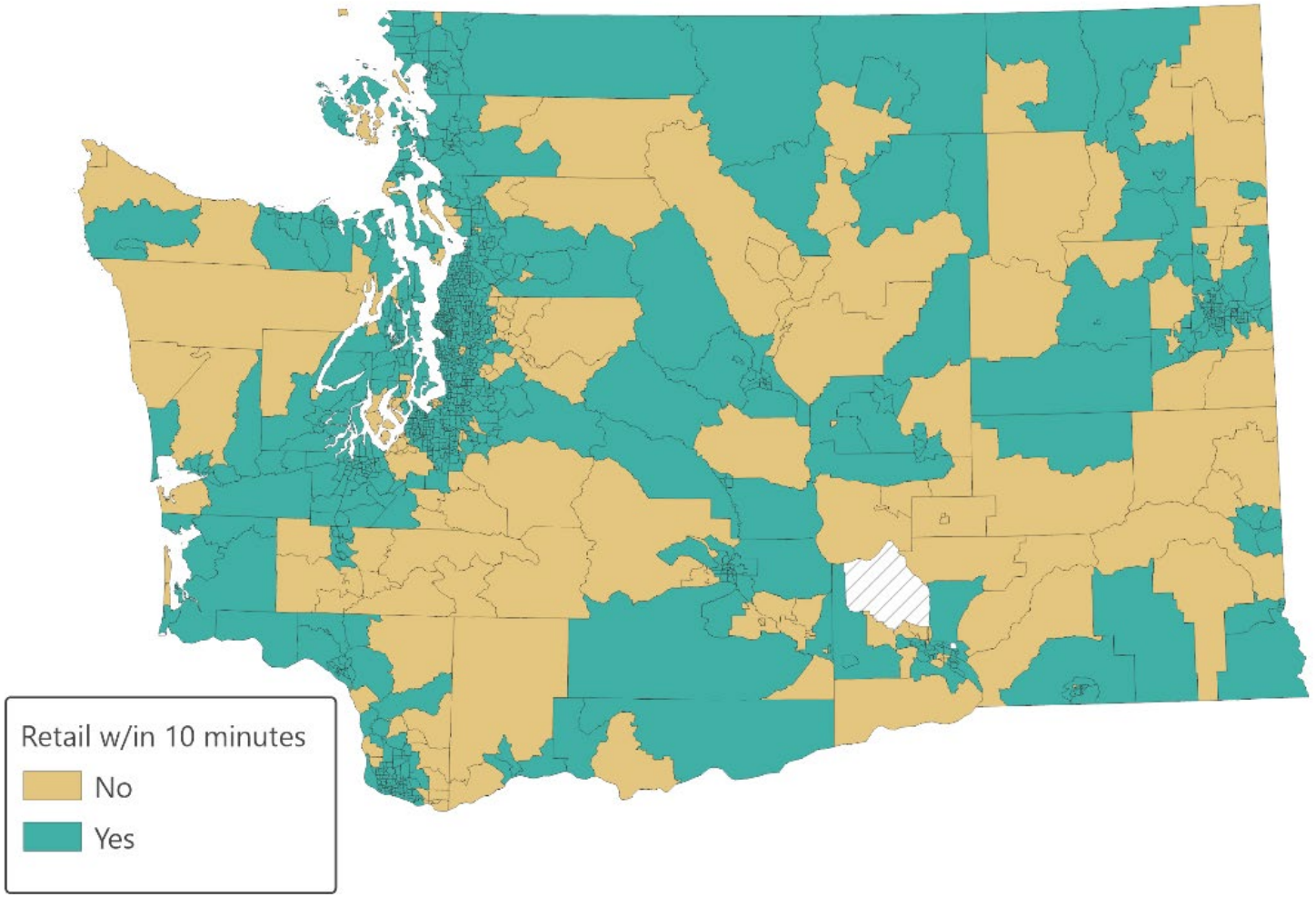
The Impact of Cannabis Retail Availability on Cannabis and Mental Health Outcomes Among Medicaid Recipients in Washington State

Amani Rashid & Helen Ippolito (2025)

MOTIVATION

- Assignment language emphasizes “maladaptive use of cannabis” and “health costs related to cannabis use”
- Previous work has examined the relationship between cannabis retail access and reported cannabis use and cannabis use disorder (CUD)
- We build on this work by examining the relationship between retail access and following outcomes
  - CUD diagnosis
  - CUD-related hospitalization/inpatient SUD treatment
  - Mental health disorder diagnoses

Census Tracts with an Operational Licensed Cannabis Retailer w/in a 10-minute drive time, 2023



ANALYTIC APPROACH

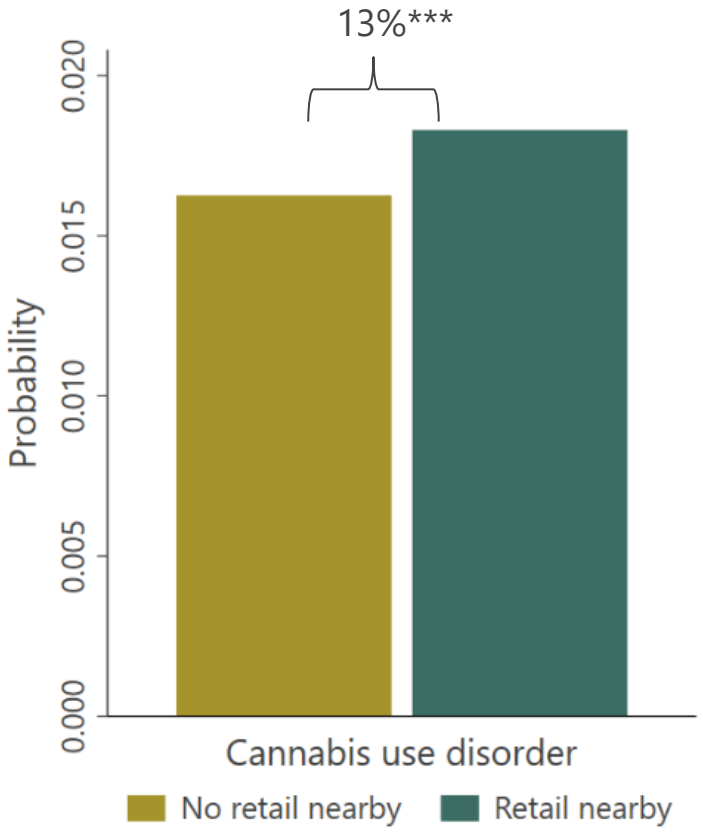
- Estimate changes in outcomes between census tracts with a retailer within a 10-minute drive time and those without (before-and-after operations begin)

- Annual Medicaid claims data between 2012-2023
  - 853,695 aged 12-20 and 1,247,305 aged 21-64
  - Account for individual and census tract characteristics

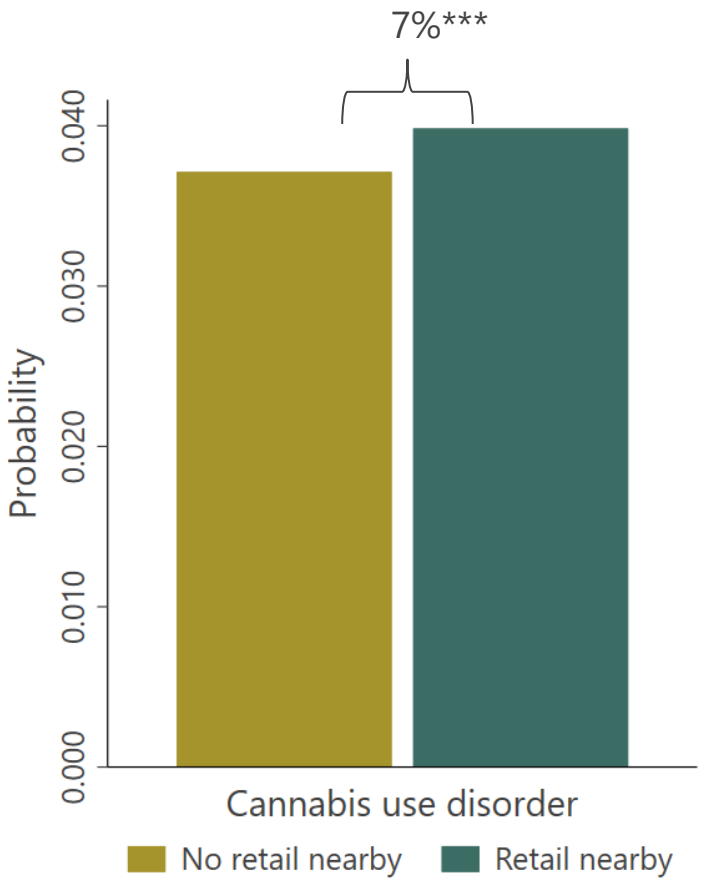
- Outcomes include indicators for:
  - CUD diagnosis
  - CUD-related hospitalization
  - CUD-related inpatient/residential SUD treatment
  - Co-occurring CUD and anxiety/depression/bipolar/psychotic disorders

Predicted Probability of CUD Diagnosis, by Retail Access and Age Group

Aged 12-20

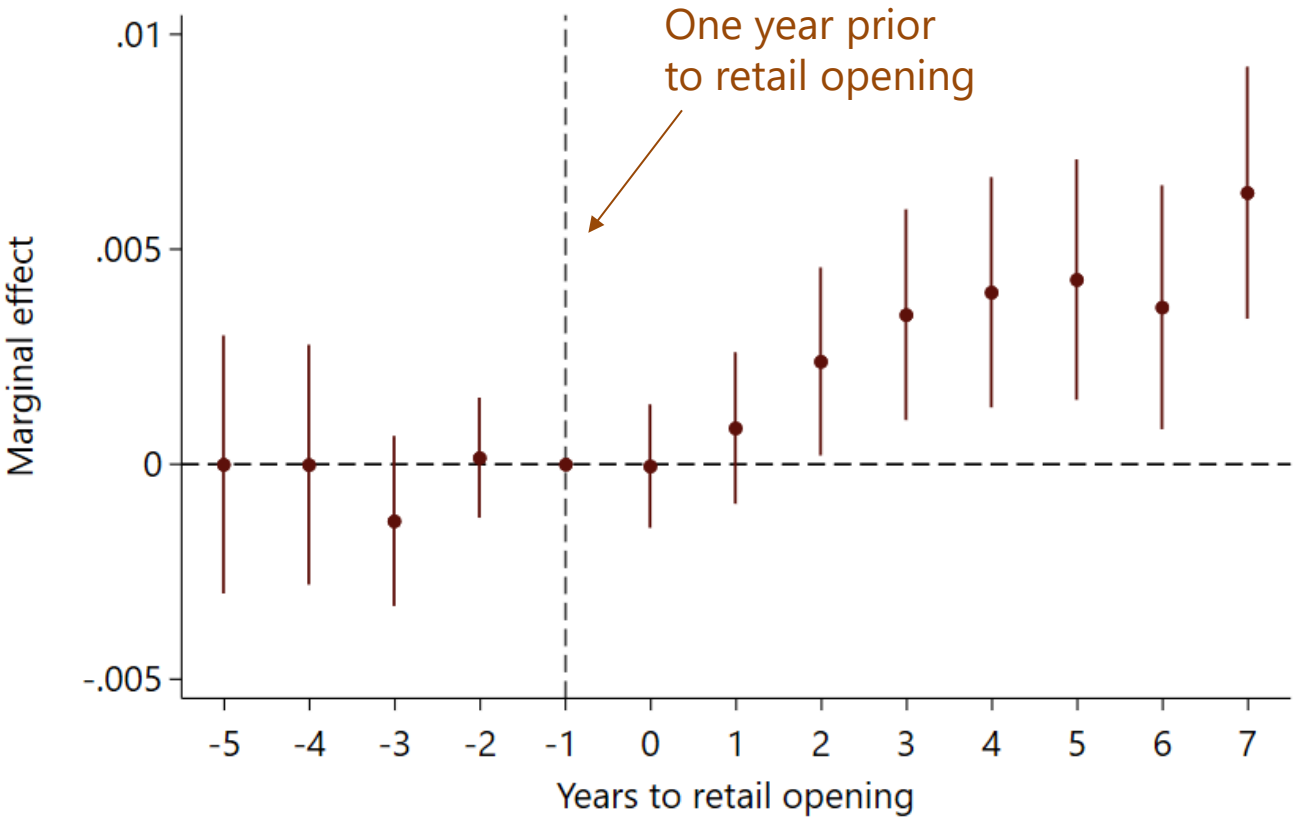


Aged 21-65



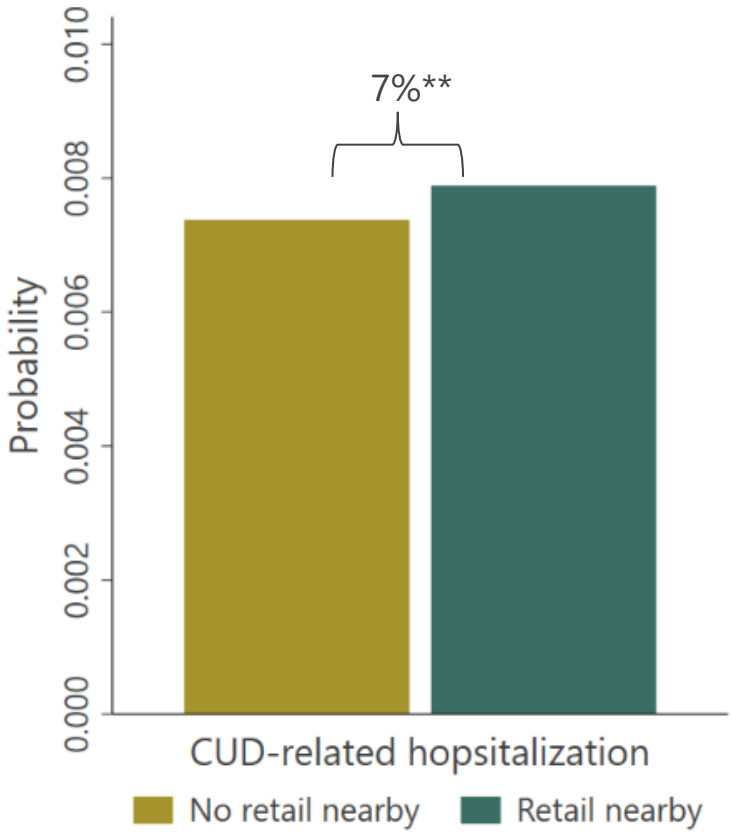
WA Medicaid claims, 2012-2023. ***Statistical significance at the 1%-level.

Cannabis Retail Openings and CUD, Aged 21-64

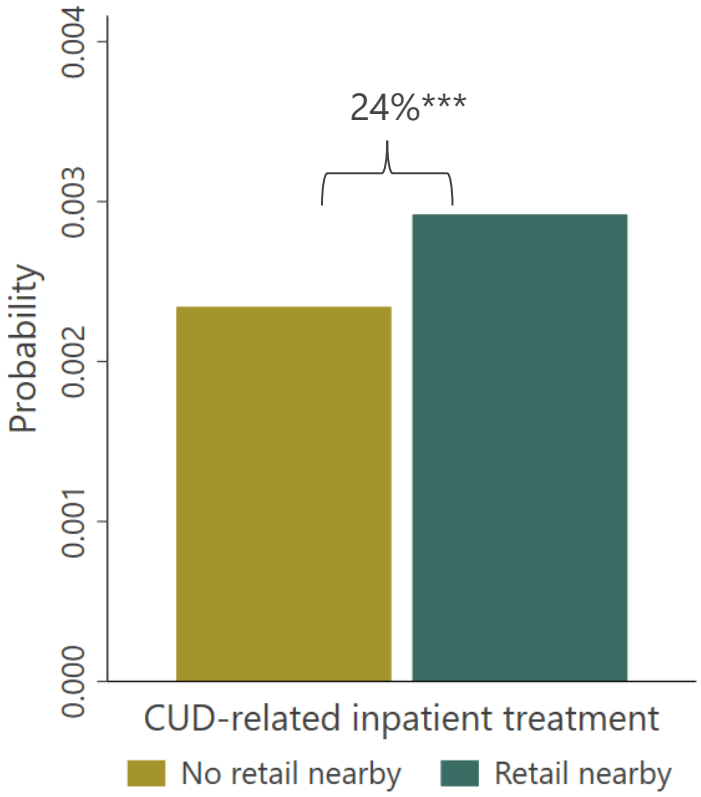


Predicted Probability of CUD-Related Healthcare Use, Enrollees Aged 21-64, by Retail Access

Hospitalization



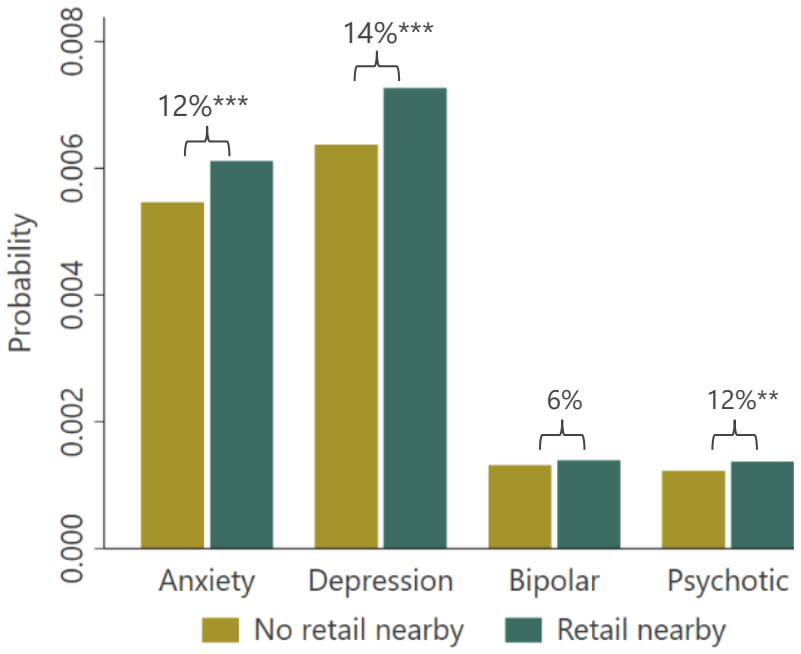
Inpatient SUD Treatment



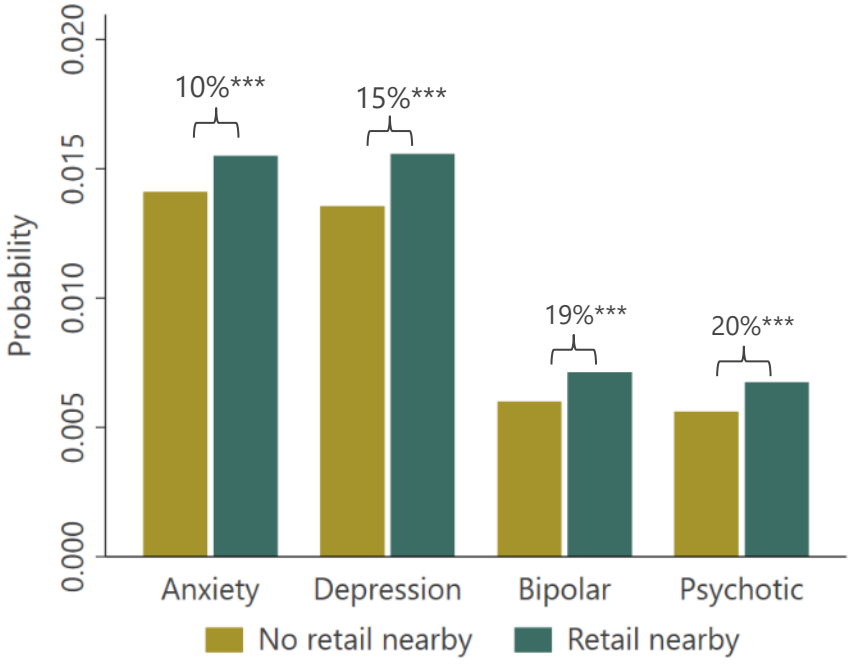
WA Medicaid claims, 2012-2023. ***Statistical significance at the 1%-level. **Statistical significance at the 5%-level

Co-Occurring CUD and Mental Health Disorder Diagnoses, by Retail Access and Age Group

Aged 12-20



Aged 21-65



WA Medicaid claims, 2012-2023. **Statistical significance at the 5%-level. **Statistical significance at the 5%-level

OTHER FINDINGS

- The effects are largest in tracts with three or more operational retailers
- Impacts are larger if the retailer is within 5-minute drivetime, impacts are generally insignificant for 20-minute drivetime
- Impacts are concentrated among urban residents and White and Hispanic populations

CONCLUSION

Takeaways

- Retail access relates to higher rates of reported cannabis use
  - Higher rates of traffic fatalities
  - Higher rates of high school absenteeism
  - Higher rates of cannabis-related healthcare utilization and mental health diagnoses

Future work

- Retail access and child welfare outcomes
- Retail access and workplace safety
- Employment and wages in the cannabis industry

THANK YOU!

Questions?

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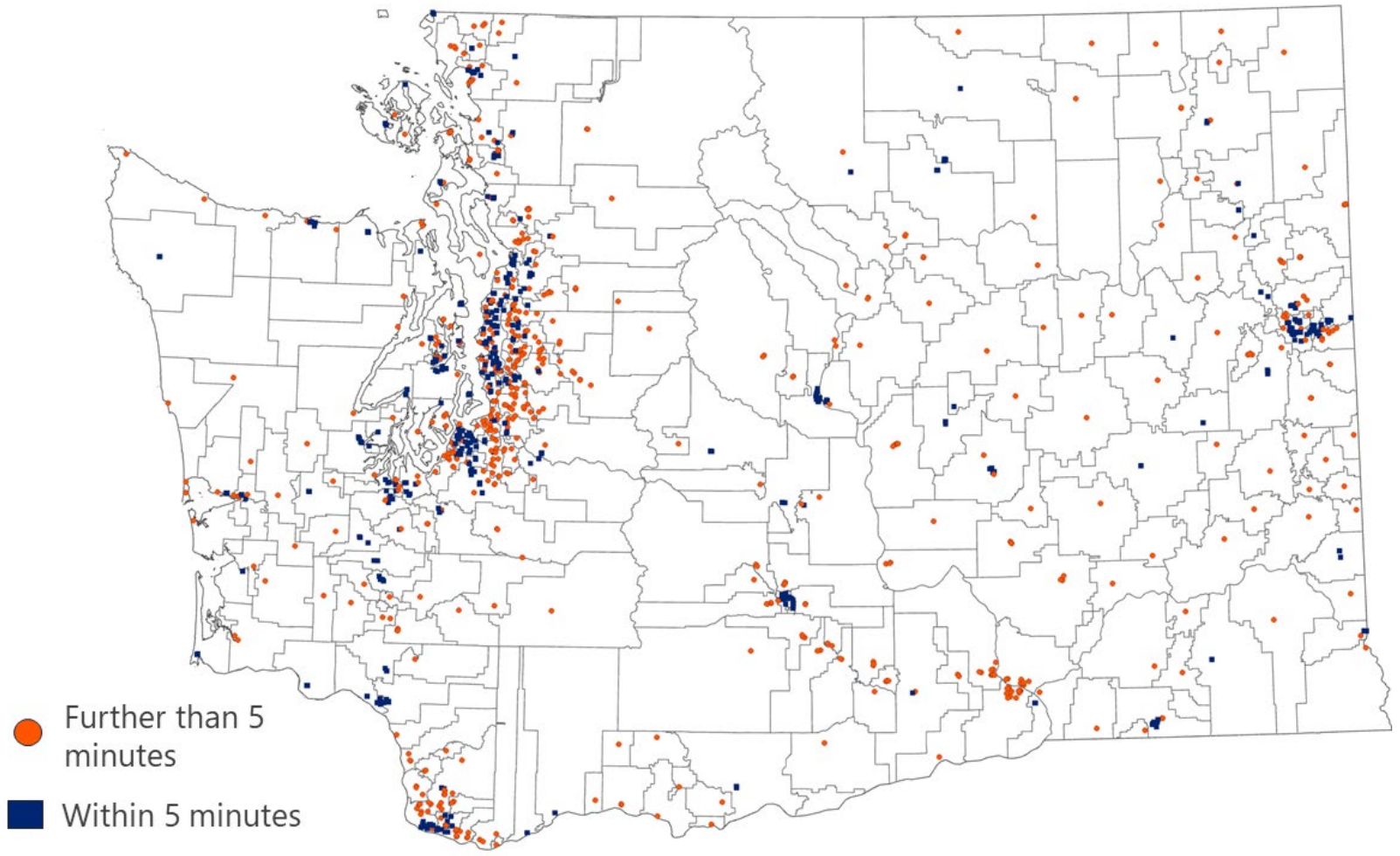
School Access to the Nearest Licensed NMC Retail, 2019



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