

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 9  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB009-DCCED-CBPL-03-31-17  
Title: PHARMA BD & EMPLOYEES;DRUG  
DIST/MANUFAC  
Sponsor: SADDLER  
Requester: (H) Labor & Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>136.5</b>	<b>0.0</b>	<b>136.5</b>	<b>136.5</b>	<b>136.5</b>	<b>136.5</b>	<b>136.5</b>
Personal Services	136.5	0.0	136.5	136.5	136.5	136.5	136.5
Travel	6.0	0.0	6.0	6.0	6.0	6.0	6.0
Services	31.7	0.0	15.0	15.0	15.0	15.0	15.0
Commodities	10.0	0.0					
Capital Outlay		0.0					
Grants & Benefits		0.0					
Miscellaneous		0.0					
<b>Total Operating</b>	<b>184.2</b>	<b>0.0</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>

## Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	184.2	0.0	157.5	157.5	157.5	157.5	157.5
<b>Total</b>	<b>184.2</b>	<b>0.0</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>

## Positions

Full-time	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Part-time		0.0					
Temporary		0.0					

## Change in Revenues

1156 Rcpt Svcs (DGF)	184.2	0.0	157.5	157.5	157.5	157.5	157.5
<b>Total</b>	<b>184.2</b>	<b>0.0</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>	<b>157.5</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/18**

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Janey Hovenden, Director Phone: (907)465-2538  
Division: Corporations, Business and Professional Licensing Date: 03/31/2017 08:00 AM  
Approved By: Catherine Reardon, Director Date: 03/31/17  
Agency: Division of Administrative Services, DCCED

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB 9

**Analysis**

HB 9 gives authority to the Board of Pharmacy to license and inspect out-of-state wholesale drug distributors and outsourcing facilities. Current statutes allow licensing of in-state wholesale distributors only. Alaska is one of two states that do not currently license out-of-state wholesale distributors.

HB 9 authorizes the board to establish the qualifications and duties of an executive administrator to assist the board in complying with new federal regulations. In November 2013, federal law was enacted under the Drug Supply Chain Security Act (DSCSA) requiring regulations for licensing of wholesale drug distributors within two years after the date of enactment.

This bill will specifically change the Board of Pharmacy licensing program by increasing the number of applications received and processed by division staff. Additional staff will be necessary to implement the additional licensing of out-of-state wholesale distributors and outsourcing facilities.

The board will need to implement new regulations for the licensing and inspection of the facilities, within a time frame of nine to twelve months. The new federal regulations are extensive, requiring research by board staff to ensure regulations meet the Federal requirements.

If the bill passes the following expenses will be incurred:

- Personal Services: \$136.5 (one permanent full time executive administrator, range 23)
- Travel: \$6.0 (executive administrator to attend four board meetings per year)
- Services: \$16.7 (legal costs to amend regulations, printing, and postage in the first year)  
\$15.0 (statewide core services RSAs and allocated costs )
- Commodities: \$10.0 (computer, office furniture, and other one-time needs in first year)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.