

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	SB 201
Fiscal Note Number:	1
(S) Publish Date:	4/6/2016

Identifier: SB201-DCCED-CBPL-03-25-16
 Title: PHARMA BD & EMPLOYEES;DRUG
 DIST/MANUFAC
 Sponsor: GIESSEL
 Requester: (S) 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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	100.9		100.9	100.9	100.9	100.9	100.9	100.9
Travel	6.0		6.0	6.0	6.0	6.0	6.0	6.0
Services	12.5		10.0	10.0	10.0	10.0	10.0	10.0
Commodities	5.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	124.4	0.0	116.9	116.9	116.9	116.9	116.9	116.9

Fund Source (Operating Only)

1156 Rcpt Svcs	124.4		116.9	116.9	116.9	116.9	116.9	116.9
Total	124.4	0.0	116.9	116.9	116.9	116.9	116.9	116.9

Positions

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

Change in Revenues	124.4		116.9	116.9	116.9	116.9	116.9
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Janey Hovenden, Director	Phone:	(907)465-2536
Division:	Corporations, Business and Professional Licensing	Date:	03/25/2016 12:00 PM
Approved By:	Catherine Reardon, Director	Date:	03/25/16
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

SB201 authorizes the Board of Pharmacy to license and inspect out-of-state wholesale drug distributors and outsourcing facilities and creates an executive administrator position for the board.

Current statutes allow licensing of in-state wholesale distributors only. In November 2013, federal law was enacted under the Drug Supply Chain Security Act (DSCSA) requiring regulations for licensing of wholesale drug distributors.

SB201 further authorizes the Board to establish the qualifications and duties of an executive administrator to assist the board in complying with the new Federal regulations. Alaska currently is one of two states that do not license out-of-state wholesale distributors.

This bill will 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.

There is no expected impact on the public or private sectors in the state as the licensing will impact entities outside the State of Alaska.

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: \$100.9 (one full-time permanent Executive Administrator, range 18)

Travel: \$6.0 (Executive Administrator to attend four board meetings per year)

Services: \$2.5 (legal costs to amend regulations, printing, and postage in first year)

\$10.0 (department-wide services support for one new position)

Commodities: \$5.0 (computer, office panels, office furniture and other one-time needs for one new position 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.