

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSB 37(FIN)
Fiscal Note Number:	2
(S) Publish Date:	2/7/2018

Identifier: SB037-DCCED-CBPL-02-01-18
 Title: PHARMA BD & EMPLOYEES;DRUG
 DIST/MANUFAC
 Sponsor: GIESSEL BY REQUEST
 Requester: (S) Finance

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)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	173.3	0.0	157.5	157.5	157.5	157.5	157.5
Personal Services	136.5		136.5	136.5	136.5	136.5	136.5
Travel	6.0		6.0	6.0	6.0	6.0	6.0
Services	20.8		15.0	15.0	15.0	15.0	15.0
Commodities	10.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	173.3	0.0	157.5	157.5	157.5	157.5	157.5

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	173.3		157.5	157.5	157.5	157.5	157.5
Total	173.3	0.0	157.5	157.5	157.5	157.5	157.5

Positions

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

Change in Revenues

1156 Rcpt Svcs (DGF)	173.3		157.5	157.5	157.5	157.5	157.5
Total	173.3	0.0	157.5	157.5	157.5	157.5	157.5

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 08/01/19

Why this fiscal note differs from previous version/comments:

Updated to the 2018 Legislative form; updated regulations project estimate.

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Division:	Corporations, Business and Professional Licensing	Date:	02/02/2018
Approved By:	Catherine Reardon, Director	Date:	02/02/18
Agency:	Division of Administrative Services, DCCED		

REPORTED OUT OF
SFC 02/05/2018

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

SB 37 proposes to give 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. 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. The bill 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 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. 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, with 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 (one executive administrator to attend four board meetings per year)
Services:	\$5.8 (legal costs to amend regulations, printing, and postage in the first year)
	\$15.0 (statewide core services RSAs: Human Resources, financial support, mail, software licenses, and department support costs)
Commodities:	\$10.0 (computer, office furniture, and other one-time needs in the 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.