

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSB 37(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/13/2018

Identifier: SB037CS(FIN)-DCCED-CBPL-04-06-18
 Title: PHARMACY BD & STAFF;DRUG
 DISTRIB/MANUFACT
 Sponsor: GIESSEL BY REQUEST
 Requester: (H) 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	FY 2024
OPERATING EXPENDITURES								
Personal Services	136.5		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	6.0
Services	20.8		15.0	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	157.5

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	173.3		157.5	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	157.5

Positions

Full-time	1.0		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	157.5
Total	173.3	0.0	157.5	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 If yes, by what date are the regulations to be adopted, amended or repealed? 08/01/19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:

Update analysis for current Finance Committee Subsitute.

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Phone: (907)465-2538
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**REPORTED OUT OF
 HFC 04/12/2018**
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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, third-party logistics providers, 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. Alaska currently is one of two states that do not license out-of-state wholesale distributors.

The bill authorizes the board to establish the qualifications and duties of an executive administrator to assist the board in complying with the new Federal regulations, to serve as the principal executive officer of the board and liaison to the legislative and executive branches of state government, the media, and other state pharmacy boards. Without the executive administrator, the pharmacy policy of the state would remain fully in the purview of a volunteer board. The executive administrator would serve in the same capacity and be in the partially exempt service at a step in range 23, similar to the other executive administrators of healthcare boards within the division.

This bill will specifically change the Board of Pharmacy licensing program by increasing the number of applications received and processed by division staff. The new license types will bring in enough revenue to cover the costs to implement this Act.

The new Federal regulations are extensive, requiring policy research and implementation by board staff to ensure regulations meet the Federal requirements and that the new regulations for the licensing and inspection of the facilities are implemented within a time frame of nine to twelve months.

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.