

Individual State Agency Fiscal Note

Bill Number: 2266 E S HB AMS WM S2894.2	Title: Precursor drugs	Agency: 303-Department of Health
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.9	0.8	0.9	0.0	0.0
Fund					
Health Professions Account-State 02G-1	142,000	126,000	268,000	0	0
Total \$	142,000	126,000	268,000	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/15/2005
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill allows a licensed pharmacy, shopkeeper, itinerant vendor (or employee thereof), or a practitioner to sell single ingredient ephedrine, pseudoephedrine, and phenylpropanolamine (EPP) products under the following conditions:

- 1) May only sell to customers who are at least 18 years of age
- 2) Customers must produce photo ID that shows the date of birth of the person prior to receiving EPP
- 3) Products must be kept in a location that is not accessible without assistance of a merchant

It allows the Washington Association of Sheriffs and Police Chiefs or Washington State Patrol to petition the Board of Pharmacy (BOP) to establish restrictions for combination EPP products.

The bill allows BOP to adopt rules when a petition establishes that restricting the sale of the product at retail is warranted to prevent access to the drug for use in manufacturing methamphetamine.

With this bill, Manufacturers may apply for removal of the product from the requirements of the bill if the product has been formulated to prevent conversion of EPP into methamphetamine.

It requires the BOP to convene a work group made up of representatives of law enforcement, prosecuting attorneys, Attorney General's Office, BOP, and two representatives from the retail industry. BOP shall report to the legislature no later than November 30, 2005, regarding the findings of the work group along with any recommendations or proposed legislation.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Currently there is sufficient revenue to cover the costs of this legislation. However, additional appropriation authority would be required.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 3: The Washington Association of Sheriffs and Police Chiefs or the Washington State Patrol would be able to petition the Board to establish restrictions for the sale or distribution of combination EPP products if the products could be converted to methamphetamine and there was substantial evidence that the product was being used in the illegal manufacturing of methamphetamine. If the Board determined the petition had merit, they would adopt rules to prevent access to the product for use in the illegal manufacture of methamphetamine.

Manufacturers would also be able to petition the Board to remove restrictions from products. BOP would need to consider each petition and make a determination if additional restrictions were necessary to protect public health.

Based on discussions with other states, it is estimated that there are 300 EPP products on the market. For purposes of this fiscal note, it is estimated that half (150) of these products are found in methamphetamine labs and that the Board would receive 150 petitions from law enforcement to restrict the sales of these products.

BOP would not be able to absorb this additional workload in its current meeting schedule. They typically meet every six weeks (9 times per year) for two days to consider Board business and discipline. This legislation would require 10 additional meeting days per year in fiscal years 06-07 to consider petitions. It is assumed that law enforcement and

manufacturers would present their petitions for a given product at the same time, allowing the board to make one ruling on each product petition. Costs associated with the review of petitions and additional board meetings would include board and staff time, AG time, travel, room rentals, printing and postage. Staff costs in FY06 and FY07 would include .07 FTE Executive Director (WMS 3), .13 FTE Health Services Consultant 3, .04 FTE Office Assistant Senior, and .38 FTE Board Time. There would be some costs associated with petitioning in future years, but the Department of Health is assuming that most of the petitioning would be completed in the first two years and would be limited after that. Workload after the first two years could be handled during regularly scheduled business meetings, therefore no ongoing costs are included for the purposes of this fiscal note.

If the Board determined that the petitions had merit, rule making would be necessary. It is anticipated that the board will hold five rule making hearings each year. Costs of rulemaking would be associated with the board and staff time, AG time, travel, room rentals, printing and postage. Staff costs in FY06 and FY07 would include .12 FTE Health Services Consultant 3, .04 FTE Office Assistant Senior, and .02 FTE Board Time.

Section 4: One-time costs in FY06 would require the BOP to convene a workgroup to study the need for requiring and maintaining logs of transactions involving EPP products. BOP would report findings to the legislature by November 30, 2005.

HPQA would hold five (5) meetings, three (3) in Tumwater and two (2) in Seattle. These meetings would be planned and staffed by BOP. Costs associated with the work group meetings and the report would include, board time, staff time and associated costs, travel, room rentals, printing and postage. Staff costs would include .02 FTE Executive Director (WMS 3), .03 FTE Health Services Consultant 4, .03 FTE Secretary Administrative, and .02 Board Time.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.9	0.8	0.9		
A-Salaries & Wages	32,000	27,000	59,000		
B-Employee Benefits	6,000	5,000	11,000		
C-Personal Serv Contr					
E-Goods and Services	82,000	73,000	155,000		
G-Travel	21,000	20,000	41,000		
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement	1,000	1,000	2,000		
Total:	\$142,000	\$126,000	\$268,000	\$0	\$0

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Board Member	13,000	0.4	0.4	0.4		
Executive Director	84,996	0.1	0.1	0.1		
Hlth Services Consultant 3	53,136	0.3	0.3	0.3		
Hlth Services Consultant 4	58,656	0.0		0.0		
Office Assistant Senior	29,616	0.1	0.1	0.1		
Secretary Administrative	35,808	0.0		0.0		
Total FTE's		0.9	0.8	0.9		0.0

III. C - Expenditures By Program (optional)

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Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Hlth Svcs Quality Assurance (060)	126,000	112,000	238,000		
Administration (090)	16,000	14,000	30,000		
Total \$	142,000	126,000	268,000		

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Rulemaking would be required to restrict the sale of certain combination EPP products.