

Multiple Agency Fiscal Note Summary

Bill Number: 1797 HB	Title: Ephedrine & pseudoephedrine
-----------------------------	---

Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Health	0	400,800	0	801,600	0	801,600
Total \$	0	400,800	0	801,600	0	801,600

Local Gov. Courts *						
Local Gov. Other **	Fiscal note not available					
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Health	2.2	0	648,000	1.1	0	678,000	1.1	0	678,000
Total	2.2	\$0	\$648,000	1.1	\$0	\$678,000	1.1	\$0	\$678,000

Local Gov. Courts *									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

--

Prepared by: Nick Lutes, OFM	Phone: 360-902-0570	Date Published: Preliminary 2/ 9/2007
-------------------------------------	-------------------------------	---

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 15806

Individual State Agency Fiscal Note

Bill Number: 1797 HB	Title: Ephedrine & pseudoephedrine	Agency: 303-Department of Health
-----------------------------	---	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
Health Professions Account-State 02G-1		400,800	400,800	801,600	801,600
Total \$		400,800	400,800	801,600	801,600

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	3.3	1.1	2.2	1.1	1.1
Fund					
Health Professions Account-State 02G-1	309,000	339,000	648,000	678,000	678,000
Total \$	309,000	339,000	648,000	678,000	678,000

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: Yvonne Walker	Phone: 360-786-7841	Date: 02/02/2007
Agency Preparation: Danny Howard	Phone: (360) 236-4625	Date: 02/05/2007
Agency Approval: Patty Steele	Phone: 360-236-4530	Date: 02/08/2007
OFM Review: Nick Lutes	Phone: 360-902-0570	Date: 02/09/2007

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.

Section 1: Requires sales of ephedrine, pseudoephedrine, and phenylpropanolamine (EPP) to be kept in an electronic format and submitted to a centralized repository.

Section 2: Requires the State Board of Pharmacy to establish, collect and maintain electronic logs to record retail sales involving EPP containing products. It requires the repository to be maintained for two years and have the capability to:

- 1) Check compliance against all local, state and federal laws;
- 2) Interface with other states to assure wide-range compliance; and
- 3) Be accessible to all city, county, state, and federal law enforcement agencies.

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.

There is an estimated 6,000 firms authorized to sell EPP products, 1,200 pharmacies and 4,800 shopkeepers. This bill will require the Department of Health, Office of Health Professions Quality Assurance (HPQA) to raise fees appropriately. It is estimated that starting in FY 2009 an additional amount of \$66.80 will be added to their existing license fees. Depending on the impact of this bill and other new legislation that may also impact program expenditures, an exception to 1-601 maybe 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 2: Requires the Department of Health (DOH) to establish and maintain a repository of the electronic logs furnished by sellers of EPP products. The records must be maintained for two years, and the repository must be capable of checking compliance against all local, state, and federal laws, including interfacing with other states to assure comprehensive compliance. Further, the repository must be accessible to all city, county, state, and federal law enforcement agencies.

Rulemaking will need to be established on the reporting requirements for EPP products. HPQA will hold meetings with stakeholders to establish a common format for the data collected. Three meetings would be held; one in Tumwater, Kent, and Spokane. One-time costs in FY 2008 associated with these meetings will include staff and associated costs, Board Member time, Office of Attorney General time, meeting room rental, travel, printing and postage. Staff costs would include 0.02 FTE Executive Director (WMS, Band3), 0.05 FTE Pharmacist Investigator, and 0.05 FTE Health Services Consultant 3.

DOH does not currently possess a system which would satisfy the requirements of this legislation. It is expected to take one year to develop a system capable of organizing and maintaining the data, giving DOH the capability of responding to requests from city, county, state, and federal law enforcement agencies. One-time costs in FY 2008 will include staff and associated costs and equipment costs. Staff includes 0.50 FTE Information Technology (IT) Project Leader (WMS, Band 2), 1.0 FTE Information Technology Specialist 4 and 1.0 FTE Information Technology Specialist 3.

DOH expects to contract with a vendor to collect and organize sales reports from sellers of EPP products. The vendor would transmit the data to the DOH network. The system DOH develops will allow staff to analyze the data, and develop standard and ad hoc queries. Staff time will be needed to review requests and forward non-standard requests to IT staff for report development. DOH expects to receive most requests by e-mail and to respond to most requests electronically. Vendor costs are estimated at \$240,000 per year. Ongoing costs starting in FY 2009 would include vendor payments, staff

time and associated costs, printing and postage. Staff includes 0.25 FTE Information Technology Specialist 3 and 0.25 FTE Health Services Consultant 1.

Starting in FY 2009 there will be an ongoing need for technical assistance for firms working to comply with the requirements of this legislation. Costs would include staff time and associated costs, travel, printing and postage. Staff includes 0.26 FTE Pharmacist Investigator and 0.09 FTE Health Services Consultant 1.

There will also be salary, benefit, and associated costs with administrative workload. In FY 2008 staff includes 0.30 FTE Health Services Consultant 2 (HSC 2) and 0.40 FTE Financial Analyst 2 (FA 2). Ongoing staff starting in FY 2009 includes 0.10 FTE HSC 2 and 0.10 FTE FA 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	3.3	1.1	2.2	1.1	1.1
A-Salaries & Wages	192,000	58,000	250,000	116,000	116,000
B-Employee Benefits	48,000	14,000	62,000	28,000	28,000
C-Personal Serv Contr					
E-Goods and Services	48,000	259,000	307,000	518,000	518,000
G-Travel	2,000	3,000	5,000	6,000	6,000
J-Capital Outlays	15,000	3,000	18,000	6,000	6,000
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement	4,000	2,000	6,000	4,000	4,000
Total:	\$309,000	\$339,000	\$648,000	\$678,000	\$678,000

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 2008	FY 2009	2007-09	2009-11	2011-13
Executive Director (WMS3)	85,200	0.0		0.0		
Financial Analyst 2	42,480	0.4	0.1	0.3	0.1	0.1
Hlth Services Consultant 1	40,452		0.3	0.2	0.3	0.3
Hlth Services Consultant 2	48,036	0.3	0.1	0.2	0.1	0.1
Hlth Services Consultant 3	55,716	0.1		0.0		
Info Tech Project Mgr (WMS2)	74,976	0.5		0.3		
Info Technology Specialist 3	54,372	1.0	0.3	0.6	0.3	0.3
Info Technology Specialist 4	60,036	1.0		0.5		
Pharmacist Investigator	80,736	0.1	0.3	0.2	0.3	0.3
Total FTE's		3.3	1.1	2.2	1.1	1.1

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Hlth Systems Quality Assurance (060)	276,000	326,000	602,000	652,000	652,000
Administration (090)	33,000	13,000	46,000	26,000	26,000
Total \$	309,000	339,000	648,000	678,000	678,000

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.

Section 2: Rulemaking will be required to establish reporting requirements for sales of EPP products.