

Fiscal Estimate Narratives
R&L 2/14/2006

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|---|------------------------------------|-------------------------------|
| LRB Number 05-3021/2 | Introduction Number AB-1013 | Estimate Type Original |
| Description The wholesale distribution of prescription drugs, granting rule-making authority, and providing a penalty | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes requirements for the licensure by the Department of Regulation and Licensing (DRL) of wholesale prescription drug distributors.

The provisions of this bill would have the following fiscal impacts on DRL.

[All staff cost estimates include fringe benefits at 40.64% of salary]

One-time costs: \$

Changes to IT systems to add new credential type
85 hours IT programmer @ \$35 hour 2,975

Develop forms and applications
20 hours program manager @ 36 hour 720
40 hours program assistant @ \$17 hour 680
100 hours legal counsel @ \$53 hour 5,300

Develop new examination:
Exam development 14,160
100 hours legal counsel @ \$53 hour 5,300
Test administration (\$126/test *1800) 226,800

Continuing education:

1290 program assistant at \$17 hour 21,930

Criminal background check
30 hours paralegal @ \$27 hour 810
100 hours legal counsel @ \$53 hour 5,300

Process surety
30 hours paralegal @ \$27 hour 810
100 hours legal counsel @ \$53 hour 5,300

Inspection requirements (does not include out of state travel costs):
100 hours investigator @ 27 hour 2,700
100 hours paralegal @ \$27 hour 2,700
300 hours legal counsel @ \$53 hour 15,900

Promulgate rules
80 hours paralegal @ \$27 hour 2,160
40 hours legal counsel @ \$53 hour 2,120
40 hours program manager @ \$36 hour 1,440

Travel expenses for 10 board members, 3 meetings 3,000

Annual costs:

Process applications

130 hours program manager @ 36 hour 4,680
50 hours legal counsel 2,650

Examinations:
50 hours legal counsel 2,650

Inspection:
50 hours legal counsel 2,650

Criminal background check
50 hours paralegal @ \$27 hour 1,350
100 hours legal counsel @ \$53 hour 5,300

Process surety:
10 hours paralegal @ \$27 hour 270

Screen,investigate and resolve complaints:
100 Paralegal hours @ 27 hour 2,700
120 Investigator hours @ 27 3,240
200 Prosecutor hours @ 53 hour 10,600
270 Administrative Law Judge hours @ 53 hour 14,310

Revenue Assumptions:
None

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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|--|---|--|-----------------|
| LRB Number 05-3021/2 | | Introduction Number AB-1013 | |
| Description The wholesale distribution of prescription drugs, granting rule-making authority, and providing a penalty | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$93,305 | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$50,400 | |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$50,400 | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | | |
| | FED | | |
| | PRO/PRS | 50,400 | |
| | SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| | | Increased Rev | Decreased Rev |
| | GPR Taxes | \$ | \$ |
| | GPR Earned | | |
| | FED | | |
| | PRO/PRS | | |
| | SEG/SEG-S | | |
| | TOTAL State Revenues | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| | NET CHANGE IN COSTS | \$50,400 | \$ |
| | NET CHANGE IN REVENUE | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
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