

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 159** HLS 15RS 650

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 4, 2015 6:37 AM	Author: HOFFMANN
Dept./Agy.: Louisiana Board of Pharmacy/ULM School of Pharmacy	Analyst: Alan M. Boxberger
Subject: Adds a fee at license renewal for pharmacists/pharmacies	

PHARMACISTS

RE INCREASE SG RV See Note

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Adds a fee at license renewal for pharmacists and pharmacies and dedicates proceeds to certain pharmacy education programs

Proposed law provides that in addition to any other fee authorized by present law, the Louisiana Board of Pharmacy (board) shall assess an additional fee of \$100 on annual renewals of pharmacist licenses and pharmacy permits; provides that the additional \$100 fee be designated as the "pharmacy education support fee"; requires the board to include on each license or permit renewal form issued to a pharmacist or pharmacy an option to not remit this additional fee; provides that all proceeds of the fee shall be dedicated and allocated to an accredited school of pharmacy at a public university in this state; requires that the board disburse all monies collected pursuant to proposed law to the public university pharmacy school on or before April 1 annually; requires that the university receiving the proceeds of the fee utilize the monies solely for the benefit of its pharmacy education program; provides that the expenditure of such funds shall be approved by the board of supervisors of the recipient university system; stipulates that funds collected shall be in addition to any other monies received by the university that operates the pharmacy school and that such funds are intended to supplement and not replace other funds.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law allows pharmacists and pharmacies practicing or operating in the state of Louisiana to pay an additional \$100 fee on an annual basis as part of the license or permit renewal process respectively. Although the fee is built into the fee schedule, an option to not remit the additional fee must be available on the renewal application. The fee shall be dedicated and allocated to an accredited school of pharmacy of a public university in this state, of which one currently exists at the University of Louisiana, Monroe. The public university pharmacy school shall utilize these monies solely for the benefit of its pharmacy education program and the expenditure of such funds shall be approved by the board of supervisors of the corresponding university system.

The Board of Pharmacy reports that it can collect and process the proposed fee within its existing operating resources by requiring applicants to submit two separate checks at renewal (one for renewal and one for the education support fee).

REVENUE EXPLANATION

Proposed law may increase revenues collected by the Louisiana Board of Pharmacy (board) by an indeterminable amount (not estimated to exceed \$960,000) for transfer to the state's singular existing School of Pharmacy at the University of Louisiana, Monroe. The LFO assumes these revenues would accrue as SGR to both the board and ULM.

Proposed law allows pharmacists and pharmacies practicing or operating in the state of Louisiana to pay an additional \$100 fee on an annual basis as part of the license or permit renewal process respectively. Although the fee is built into the fee schedule, an option to not remit the additional fee must be available on the renewal application. Proposed law is likely to result in an increase in revenues and expenditures but the LFO cannot quantify the percentage of renewals that will opt out of making the additional payment in any given fiscal year.

NOTE: There are currently approximately 7,700 licensed pharmacists in the state of Louisiana and 1,900 pharmacies. Each renewal that includes the new \$100 "pharmacy education support fee" will result in an incremental increase in expenditures for the School of Pharmacy at ULM. If all eligible renewals included the optional educational support fee, the maximum potential increase in expenditures would be \$960,000 (7,700 pharmacists + 1,900 pharmacies x \$100 = \$960,000). The total collections are likely to fall short of this number on a basis of \$100 per pharmacist or pharmacy opt out.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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