

**LEGISLATIVE APPROPRIATIONS REQUEST  
W/ BUILDING BLOCKS  
FOR FISCAL YEARS 2004 AND 2005  
BY  
TEXAS STATE BOARD OF PHARMACY  
FRIDAY, FEBRUARY 21, 2003**

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Education and Practice  
OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY: 1 Operate an Application and Renewal Licensure System

\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION SUMMARY \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Building Blocks Within Strategy:</b>						
2	Operate an Application & Renewal Licensure System	\$300,519.	\$422,541.	\$458,890.	\$412,064.	\$455,674.
3	Pharmacy Technician Registration	\$0	\$0	\$0	\$196,432	\$449,837
4	TexasOnline Subscription Fees - Pharmacist/Pharmacy	\$0	\$0	\$0	\$68,410	\$0
5	TexasOnline Subscription Fees - Pharmacy Technician	\$0	\$0	\$0	\$50,000	\$30,000
	<b>TOTAL, BUILDING BLOCKS</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$726,906</b>	<b>\$935,511</b>
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$162,624	\$176,097	\$183,955	\$283,955	\$472,627
1002	OTHER PERSONNEL COSTS	\$900	\$2,300	\$2,640	\$2,840	\$2,840
2001	PROFESSIONAL FEES AND SERVICES	\$79,511	\$113,506	\$73,360	\$95,710	\$69,411
2003	CONSUMABLE SUPPLIES	\$2,670	\$2,990	\$2,700	\$2,530	\$2,530
2004	UTILITIES	\$1,472	\$1,647	\$1,647	\$1,647	\$1,647
2005	TRAVEL	\$1,652	\$1,112	\$1,112	\$1,112	\$1,112
2006	RENT - BUILDING	\$25	\$25	\$25	\$25	\$25
2007	RENT - MACHINE AND OTHER	\$861	\$1,306	\$1,306	\$1,306	\$1,306
2009	OTHER OPERATING EXPENSE	\$50,804	\$123,558	\$192,145	\$332,381	\$313,512
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$5,400	\$70,501
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$726,906</b>	<b>\$935,511</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$298,337	\$421,285	\$457,634	\$726,906	\$935,511
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$298,337</b>	<b>\$421,285</b>	<b>\$457,634</b>	<b>\$726,906</b>	<b>\$935,511</b>
666	APPROPRIATED RECEIPTS	\$2,182	\$1,256	\$1,256	\$0	\$0
	<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$2,182</b>	<b>\$1,256</b>	<b>\$1,256</b>	<b>\$0</b>	<b>\$0</b>
<b>Rider Appropriations:</b>						
523	PHARMACY BD OPERATING ACC					
99 1	TexasOnline Authority				\$0	\$0
	<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>				<b>\$0</b>	<b>\$0</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$726,906</b>	<b>\$935,511</b>

<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$726,906</b>	<b>\$935,511</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>7.8</b>	<b>13.8</b>

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Education and Practice

OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met

STRATEGY: 1 Operate an Application and Renewal Licensure System

\*\*\*\*\* **BUILDING BLOCK / CORE FUNCTION NAME: 2 Operate an Application and Renewal Licensure System** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1001	SALARIES AND WAGES	\$162,624	\$176,097	\$183,955	\$186,575	\$186,575
1002	OTHER PERSONNEL COSTS	\$900	\$2,300	\$2,640	\$2,840	\$2,840
2001	PROFESSIONAL FEES AND SERVICES	\$79,511	\$113,506	\$73,360	\$95,710	\$69,411
2003	CONSUMABLE SUPPLIES	\$2,670	\$2,990	\$2,700	\$2,530	\$2,530
2004	UTILITIES	\$1,472	\$1,647	\$1,647	\$1,647	\$1,647
2005	TRAVEL	\$1,652	\$1,112	\$1,112	\$1,112	\$1,112
2006	RENT - BUILDING	\$25	\$25	\$25	\$25	\$25
2007	RENT - MACHINE AND OTHER		\$861	\$1,306	\$1,306	\$1,306
2009	OTHER OPERATING EXPENSE \$50,804	\$123,558	\$192,145	\$120,319	\$187,528	
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$2,700
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$412,064</b>	<b>\$455,674</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$298,337	\$421,285	\$457,634	\$412,064	\$455,674
	<b>SUBTOTAL, MOF</b>					
	<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$298,337</b>	<b>\$421,285</b>	<b>\$457,634</b>	<b>\$412,064</b>	<b>\$455,674</b>
666	APPROPRIATED RECEIPTS	\$2,182	\$1,256	\$1,256	\$0	\$0
	<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$2,182</b>	<b>\$1,256</b>	<b>\$1,256</b>	<b>\$0</b>	<b>\$0</b>
<b>Rider Appropriations:</b>						
523	PHARMACY BD OPERATING ACC					
99	1 TexasOnline Authority				\$0	\$0
	<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>				<b>\$0</b>	<b>\$0</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$412,064</b>	<b>\$455,674</b>
	<b>TOTAL, METHOD OF FINANCE</b>					
	<b>(EXCLUDING RIDERS)</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$412,064</b>	<b>\$455,674</b>
	<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Education and Practice

OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met

STRATEGY: 1 Operate an Application and Renewal Licensure System

\*\*\*\*\* **BUILDING BLOCK / CORE FUNCTION NAME: 2 Operate an Application and Renewal Licensure System** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**CORE FUNCTION DESCRIPTION AND JUSTIFICATION:**

Pharmacy practice involves a wide range of services including accountability & record-keeping aspects, activities related to the processing of prescriptions, distribution of prescription drugs, patient care functions & educational activities related to patients & other health-care professionals.

The pharmacy profession is the only regulated, licensed health profession in which the body of regulation covers three distinct but interrelated & inseparable elements.

Practitioners (Pharmacists): this element of regulation includes setting standards for the education, experience, & competencies a candidate must attain to become licensed as a pharmacist in Texas. It also involves the ongoing monitoring & review of the pharmacist's practice to assure all established legal standards governing the practice of pharmacy are being adhered to in the interest of the public health & safety.

Facilities (Pharmacies): this element of regulation includes the requirements necessary for the establishment & operation of a pharmacy. Ongoing monitoring is carried out to help assure they are operating within the legal requirements set for security, prescription drug & other record-keeping requirements relating to consumer protection.

Products (Prescription Drugs & Devices): this particular element of regulation includes the requirements of state & federal law regarding prescription drug distribution & involves specific requirements regarding handling, safeguarding, & distribution of prescription drugs & devices through pharmacies by pharmacists.

**EXTERNAL/INTERNAL FACTORS IMPACTING CORE FUNCTION (including any needed statutory changes):**

Pharmacist Licensure

The licensee population continues to grow, resulting in increased workload in all areas (examination, internship, continuing education, pharmacists' changes of address/employment records), & licensure renewals, as well as related telephone calls & correspondence. The Board has implemented such initiatives as the biennial renewal of licenses, on-line license renewal & a web-based mechanism to verify licensure status. The Board will continue to look toward implementing other initiatives, as a means to reduce workload & more efficiently serve the public.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

GOAL:                                    1   Establish and Maintain Standards for Education and Practice  
OBJECTIVE:                            1   Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY:                            1   Operate an Application and Renewal Licensure System

**\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION NAME: 2 Operate an Application and Renewal Licensure System \*\*\*\*\***

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Pharmacy (Facility) Licensure

While the number of pharmacies has increased at a slower pace than pharmacist licenses, quantity issues do not reflect the complexity of regulating pharmacies. The agency licenses five different Classes of Pharmacy. In addition, in FY02, the agency added a new category of pharmacy regulation - Remote Pharmacy Services using automated pharmacy systems & telepharmacy systems. 1,200 of these “satellite pharmacies” were approved in FY02. As mechanisms for providing pharmacy services to patients continue to diversify, the agency expects the number of pharmacies (& possibly the Classes of Pharmacy) will continue to increase over the next 5 years.

The 12.5% reduction affects this Strategy by eliminating all staff training & merit increases. Given the rising cost of employee benefits (i.e. insurance), no cost of living increases or merit funding, staff turnover is expected to increase within the agency, which will negatively impact turnaround times & customer service.

**IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):**

The 12.5% reduction affects this Strategy by primarily eliminating all staff training & merit increases. Given the rising cost of employee benefits (i.e. insurance), no cost of living increases or merit funding, staff turnover is expected to increase within the agency, which will negatively impact turnaround times & customer service.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

GOAL:                                    1    Establish and Maintain Standards for Education and Practice  
OBJECTIVE:                            1    Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY:                            1    Operate an Application and Renewal Licensure System

\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION NAME: **3 Pharmacy Technician Registration** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$97,380	\$286,052
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$93,652	\$95,984
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$5,400	\$67,801
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,432</b>	<b>\$449,837</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC					
		\$0	\$0	\$0	\$196,432	\$449,837
	<b>SUBTOTAL, MOF</b>					
	<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,432</b>	<b>\$449,837</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$196,432</b>	<b>\$449,837</b>
	<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,432</b>	<b>\$449,837</b>
	<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>	<b>9.0</b>
	<b>CORE FUNCTION DESCRIPTION AND JUSTIFICATION:</b>					

In 1999, SB 730 was passed requiring TSBP to register pharmacy technicians on 09/01/2001. No additional funds were appropriated to implement this mandate because the implementation was not scheduled to occur until the next biennium. TSBP therefore, requested funding during the 2001 Legislative Session. The Senate Finance Committee voted to fund this critical program. However, the House Appropriations Committee did not after receiving testimony from two legislators. The Conference Committee concurred with the House. TSBP now has an unfunded mandate.

In 2002, TSBP formed a task force of representatives from the Texas pharmacy professional associations & interested legislators to make recommendations to the Board regarding the registration of technicians. The Task Force recommended implementation of the law as it now stands. Therefore, this item again identifies the funding required to implement the registration of pharmacy technicians.

This request will fund the following 9 new positions:

- Program Administrator (1)
- Administrative Tech (5)
- Field Compliance Officer (1)
- Field Investigator (2)

TSBP estimates that there are 20,000 pharmacy technicians in Texas. Currently, TSBP licenses about 20,000 pharmacists & 5,600 pharmacies. Assuming that the 78th Legislature provides funding, the addition of 20,000 registrants would have a dramatic effect on TSBP's operations. It would double the number of licensees. Failure to provide adequate funding in this area will negatively impact TSBP and its customers as explained under External/Internal Factors.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Education and Practice  
OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY: 1 Operate an Application and Renewal Licensure System

\*\*\*\*\* **BUILDING BLOCK / CORE FUNCTION NAME: 3 Pharmacy Technician Registration** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**EXTERNAL/INTERNAL FACTORS IMPACTING CORE FUNCTION (including any needed statutory changes):**

1. Unfunded mandate - registration of technicians.
2. Dynamic, even turbulent & uncertain environment of the rapidly changing health care system.
3. Complexity & multiplicity of laws/rules governing pharmacy practice.
4. Numbers of licensees, registrants as well as complaints filed.

We anticipate that the number of all licensees will total approximately 40,000 by the end of FY04. This number represents a 50% increase in one year, over the current number of licensees.

A substantial amount of resources are required to implement a registration program for pharmacy technicians. Failure to provide adequate funding in this area will negatively impact:

**Licensing Program**

1. Inadequate staff to register pharmacy technicians will result in a cursory registration process.
2. Existing staff will need to be redirected to handle the registration of technicians. This will result in a dramatic slowdown in the issuance of new license registrations, renewal of all licenses, intern registrations & preceptor certifications.

**Enforcement Program**

1. Complaints: complaint resolution time & complaint backlog will increase with the 50% increase in license population. In FY02, the average complaint resolution time was 225 days. With 800 additional complaints & no additional enforcement staff, we estimate that complaint resolution time will average 350 days in FY04-5.
2. Compliance Inspections: TSBP estimates that the average pharmacy inspection time will increase, resulting in fewer inspections.

**IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):**

The base amount does not include this funding because the pharmacy technician registration program was not funded in prior years.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Education and Practice  
OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY: 1 Operate an Application and Renewal Licensure System

\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION NAME: **4 TexasOnline Subscription Fees - Pharmacist / Pharmacy** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$68,410	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$0	\$0	\$0	\$68,410	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>		<b>\$68,410</b>	<b>\$0</b>			
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>CORE FUNCTION DESCRIPTION AND JUSTIFICATION:</b>						

SB 187, passed by the 2001 Texas Legislature, required the Texas State Board of Pharmacy (TSBP) to establish a profile system for its license holders (pharmacists and pharmacies). SB 187 also requires the agency to charge each licensee a subscription fee, as determined by the Department of Information Resources (DIR). The subscription fees are collected by TSBP and transferred to the DIR on a monthly basis as a pass-through appropriation. Because the fee was not in place until March 2002, in fiscal year 2002, TSBP paid this subscription fee for only 6 months of the year, for a partial year payment of \$67,610. The amount included for Fiscal Year 2003 (\$136,020) represents an estimate of a full year of the same subscription fee. In order to fully fund the subscription fee for a full biennium in FY2004/2005, we have requested the difference over the Initial Relevant Dedicated GR amount, as an exceptional item (i.e., building block). The exceptional item request of \$68,410 will give the agency a full biennium of payments, based on the number of current licensees but does not include any population increases. In other words, any increase in the licensee population will also require the appropriation authority to expend the \$10 collected from those license fees.

**EXTERNAL/INTERNAL FACTORS IMPACTING CORE FUNCTION (including any needed statutory changes):**

The process for collection & payment of the subscription fees to the Texas OnLine Authority requires agencies to establish a budget for payment of the subscription fees, & at the end of each fiscal year, collections will be compared with the budget established. At that time, agencies will need to increase or decrease their budget authority.

The subscription profile fee is required to be collected on all licensees, regardless of whether the licensee mails in their payment or submits their payment through the Texas On-Line system. Therefore, the estimated appropriation is based on the agency's projection of the number of pharmacists and pharmacies that intend to renew their license within each 12 month period.

It is important to note that this appropriation is contingent upon the number of licenses that pay a revenue fee; therefore this appropriation is estimated and based on a \$10 allocation per license or license renewal collected. Contingent upon additional revenue collections, such additional fees will need to be appropriated to the agency in order to expend the funds to the Texas On-Line Authority (via DIR).

**IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):**

The base amount does not include this increase.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

GOAL:                                    1   Establish and Maintain Standards for Education and Practice  
OBJECTIVE:                            1   Operate Licensure System to Ensure that Minimal Standards Are Met  
STRATEGY:                            1   Operate an Application and Renewal Licensure System

\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION NAME: **5 TexasOnline Subscription Fees - Pharmacy Technician** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**Objects of Expense:**

2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$50,000	\$30,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$30,000</b>

**Method of Financing:**

523	PHARMACY BD OPERATING ACC	\$0	\$0	\$0	\$50,000	\$30,000
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$30,000</b>

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)                    \$50,000                    \$30,000**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)                    \$0                    \$0                    \$0                    \$50,000                    \$30,000**

**FULL TIME EQUIVALENT POSITIONS:                                    0.0                    0.0                    0.0**

**CORE FUNCTION DESCRIPTION AND JUSTIFICATION:**

SB 645, passed by the 2001 Texas Legislature, requires TSBP to participate in the Texas On-line system. Appropriations are required to fund the subscription fee included in that legislation.

**EXTERNAL/INTERNAL FACTORS IMPACTING CORE FUNCTION (including any needed statutory changes):**

**IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):**

The base amount does not include this fee because the pharmacy technician registration program was not funded in prior years.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 2 Protect Public Health by Enforcing Al Laws Relating to Practice  
 OBJECTIVE: 1 Decease Violations by Inspections, Education, Resolving Complaints  
 STRATEGY: 1 Operate System of Compliance Inspections, Technical Assistance, Education, Investigation & Adjudication

\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION SUMMARY \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Building Blocks Within Strategy:</b>						
2	Enforcement	\$1,735,025	\$2,168,733	\$2,061,202	\$1,630,082	\$1,654,522
3	Reinstate Percentage of Reduction	\$0	\$0	\$0	\$166,504	\$180,961
<b>TOTAL, BUILDING BLOCKS</b>		<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,796,586</b>	<b>\$1,835,483</b>
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,272,542	\$1,449,652	\$1,514,261	\$1,460,373	\$1,460,373
1002	OTHER PERSONNEL COSTS	\$25,015	\$56,381	\$20,716	\$21,256	\$21,256
2001	PROFESSIONAL FEES AND SERVICES	\$24,498	\$151,548	\$48,150	\$32,249	\$57,480
2002	FUELS AND LUBRICANTS	\$10,024	\$9,882	\$9,882	\$9,882	\$9,882
2003	CONSUMABLE SUPPLIES	\$15,776	\$14,858	\$16,127	\$15,314	\$15,314
2004	UTILITIES	\$11,615	\$10,654	\$10,654	\$2,030	\$2,030
2005	TRAVEL	\$66,452	\$83,440	\$85,200	\$96,732	\$90,247
2006	RENT - BUILDING	\$176	\$543	\$543	\$393	\$393
2007	RENT - MACHINE AND OTHER		\$5,760	\$8,759	\$8,759	\$8,759
2009	OTHER OPERATING EXPENSE	\$198,082	\$322,492	\$286,310	\$125,798	\$122,799
5000	CAPITAL EXPENDITURES	\$105,085	\$60,524	\$60,600	\$23,800	\$46,950
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,796,586</b>	<b>\$1,835,483</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$1,660,688	\$2,043,599	\$1,936,068	\$1,796,586	\$1,835,483
<b>SUBTOTAL, MOF</b>						
<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,660,688</b>	<b>\$2,043,599</b>	<b>\$1,936,068</b>	<b>\$1,796,586</b>	<b>\$1,835,483</b>
666	APPROPRIATED RECEIPTS	\$74,337	\$125,134	\$125,134	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$74,337</b>	<b>\$125,134</b>	<b>\$125,134</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,796,586</b>	<b>\$1,835,483</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,796,586</b>	<b>\$1,835,483</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>27.9</b>	<b>30.3</b>	<b>30.3</b>	<b>30.3</b>	<b>30.3</b>

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

GOAL:                                    2    Protect Public Health by Enforcing Al Laws Relating to Practice  
OBJECTIVE:                            1    Decease Violations by Inspections, Education, Resolving Complaints  
STRATEGY:                            1    Operate System of Compliance Inspections, Technical Assistance, Education, Investigation & Adjudication

\*\*\*\*\* **BUILDING BLOCK / CORE FUNCTION NAME: 2 Enforcement** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1001	SALARIES AND WAGES	\$1,272,542	\$1,449,652	\$1,514,261	\$1,376,433	\$1,355,669
1002	OTHER PERSONNEL COSTS	\$25,015	\$56,381	\$20,716	\$21,256	\$21,256
2001	PROFESSIONAL FEES AND SERVICES	\$24,498	\$151,548	\$48,150	\$16,972	\$42,203
2002	FUELS AND LUBRICANTS	\$10,024	\$9,882	\$9,882	\$9,882	\$9,882
2003	CONSUMABLE SUPPLIES	\$15,776	\$14,858	\$16,127	\$15,314	\$15,314
2004	UTILITIES	\$11,615	\$10,654	\$10,654	\$2,030	\$2,030
2005	TRAVEL	\$66,452	\$83,440	\$85,200	\$74,443	\$68,265
2006	RENT - BUILDING	\$176	\$543	\$543	\$393	\$393
2007	RENT - MACHINE AND OTHER		\$5,760	\$8,759	\$8,759	\$8,759
2009	OTHER OPERATING EXPENSE	\$198,082	\$322,492	\$286,310	\$101,800	\$98,801
5000	CAPITAL EXPENDITURES	\$105,085	\$60,524	\$60,600	\$2,800	\$31,950
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,630,082</b>	<b>\$1,654,522</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$1,660,688	\$2,043,599	\$1,936,068	\$1,630,082	\$1,654,522
	<b>SUBTOTAL, MOF</b>					
	<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$1,660,688</b>	<b>\$2,043,599</b>	<b>\$1,936,068</b>	<b>\$1,630,082</b>	<b>\$1,654,522</b>
666	APPROPRIATED RECEIPTS	\$74,337	\$125,134	\$125,134	\$0	\$0
	<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$74,337</b>	<b>\$125,134</b>	<b>\$125,134</b>	<b>\$0</b>	<b>\$0</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$1,630,082</b>	<b>\$1,654,522</b>
	<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,630,082</b>	<b>\$1,654,522</b>
	<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>27.9</b>	<b>30.3</b>	<b>30.3</b>	<b>28.3</b>	<b>27.3</b>

**CORE FUNCTION DESCRIPTION AND JUSTIFICATION:**

TSBP is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Occ. Code, Sec. 551-566 and 568-569) & the Texas Dangerous Drug Act (Health & Safety Code, Chapter 483). However, there are many other state & federal laws & rules governing the practice of pharmacy, which are enforced by TBSP. Specific statutory provisions that relate to this strategy include Section 554.001 & 554.002 of the Texas Pharmacy Act.

This building block contributes directly to the statewide functional goal to ensure that communities are served by high quality professionals & businesses by setting clear standards, maintaining compliance, & disciplining violators. This Strategy also contributes to TSBP's goals/objectives by fostering the provision of quality pharmaceutical care to all Texans, & regulating the practice of pharmacy, operation of pharmacies, & distribution of prescription drugs to consumers.

Without enforcement of pharmacy laws/rules, the health of Texans would be at risk because their prescription drugs & drug information would be provided by potentially incompetent, unlicensed individuals working in potentially unsanitary, unlicensed pharmacies. Further, the safety of Texans would be at risk due to the unregulated distribution of prescription drugs.



Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 2 Protect Public Health by Enforcing AI Laws Relating to Practice  
 OBJECTIVE: 1 Decease Violations by Inspections, Education, Resolving Complaints  
 STRATEGY: 1 Operate System of Compliance Inspections, Technical Assistance, Education, Investigation & Adjudication

**\*\*\*\*\* BUILDING BLOCK / CORE FUNCTION NAME: 3 Reinstate Percentage of Reduction \*\*\*\*\***

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$83,940	\$104,704
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$15,277	\$15,277
2005	TRAVEL	\$0	\$0	\$0	\$22,289	\$21,982
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$23,998	\$23,998
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$21,000	\$15,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$166,504</b>	<b>\$180,961</b>
<b>Method of Financing:</b>						
523	PHARMACY BD OPERATING ACC	\$0	\$0	\$0	\$166,504	\$180,961
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$166,504</b>	<b>\$180,961</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>		<b>\$</b>			<b>166,504</b>	<b>\$180,961</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$166,504</b>	<b>\$180,961</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>3.0</b>
<b>CORE FUNCTION DESCRIPTION AND JUSTIFICATION:</b>						

This building block is seeking to restore five percent of the agency's proposed 12.5% cut and would have the effect of cutting the funding of the agency by 7% of the FY2002-2003. With this level of funding, the agency believes that we can maintain a reasonable though not optimal level of service.

If these funds are not restored the full effect of the 12.5% reduction would be felt by the agency and the public. At the 12.5% level of funding the effect on the ability of the agency to perform its mission of protecting the public health will be enormous. The 12.5% cut will result in the loss of two investigators and one inspector. This will cause the agency to resolve approximately 300 fewer complaints per year and inspect 450 fewer pharmacies. Our experience with the inspection program has shown that a reduction in the number of inspections increases the number of violations in pharmacies.

**EXTERNAL/INTERNAL FACTORS IMPACTING CORE FUNCTION (including any needed statutory changes):**

In recent years a number of states have experienced incidents that involving serious injury and eleven deaths of patients as a result of products compounded in pharmacies. For example, in California in 2001, thirteen people were hospitalized and three others died from meningitis traced to a contaminated product prepared in a pharmacy. California does not inspect pharmacies on a regular basis. We believe that our inspection program is one of the reasons we have not had these problems in Texas.

For complaint resolution, a reduction of 300 in the number of complaints resolved will increase the average resolution time by approximately 15% each year. This occurs because the back log of complaints will increase. By the end of the second year in the biennium, the average resolution time for complaints will increase from the current 225 days to almost 300 days. This will continue to increase as long as the back log of complaints continues to grow.



Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 2 Protect Public Health by Enforcing Al Laws Relating to Practice

OBJECTIVE: 1 Decease Violations by Inspections, Education, Resolving Complaints

STRATEGY: 1 Operate System of Compliance Inspections, Technical Assistance, Education, Investigation & Adjudication

\*\*\*\*\* **BUILDING BLOCK / CORE FUNCTION NAME: 3 Reinstate Percentage of Reduction** \*\*\*\*\*

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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As you are aware, pharmacies carry prescription drugs and controlled substances. During the last year alone, this agency investigated a number of complaints where large amounts of controlled substances were diverted from licensed pharmacies to the general public. If our investigation efforts are decreased, the numbers of these drugs reaching the streets will increase.

**IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):**

This building block is seeking to restore five percent of the agency's proposed 12.5% cut and would have the effect of cutting the funding of the agency by 7% of the FY2002-2003. With this level of funding, the agency believes that we can maintain a reasonable though not optimal level of service.

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 2 Protect Public Health by Enforcing Al Laws Relating to Practice  
OBJECTIVE: 1 Decrease Violations by Inspections, Education, Resolving Complaints  
STRATEGY: 2 Peer Assistance

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**Objects of Expense:**

1001	SALARIES AND WAGES	\$52,067	\$52,325	\$52,325	\$52,325	\$52,325
2001	PROFESSIONAL FEES AND SERVICES	\$108,000	\$108,000	\$108,000	\$94,500	\$94,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$160,067</b>	<b>\$160,325</b>	<b>\$160,325</b>	<b>\$146,825</b>	<b>\$146,825</b>

**Method of Financing:**

523	PHARMACY BD OPERATING ACC	\$160,067	\$160,325	\$160,325	\$146,825	\$146,825
<b>SUBTOTAL, MOF</b>						
<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$160,067</b>	<b>\$160,325</b>	<b>\$160,325</b>	<b>\$146,825</b>	<b>\$146,825</b>

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)**

**\$146,825 \$146,825**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)**

**\$160,067 \$160,325 \$160,325 \$146,825 \$146,825**

**FULL TIME EQUIVALENT POSITIONS:**

**2.0 2.0 2.0 2.0 2.0**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The TSBP is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Occupations Code, Sec. 551-566 and 568-569) and the Texas Dangerous Drug Act (Health & Safety Code, Chapter 483). However, there are many other state and federal laws and rules governing the practice of pharmacy, which are enforced by TSBP. Specific statutory provisions that relate to this strategy include Sections 554.001, 554.002, 565.001, 565.052, and 565.057, and Chapter 564 of the Texas Pharmacy Act.

This building block contributes directly to the statewide functional goal to ensure that communities are served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions. Without Licensure and Examination of pharmacists and pharmacies, Enforcement and Peer Assistance, the health of Texans would be at risk because their prescription drugs and drug information would be dispensed or provided by incompetent, unlicensed individuals, and the safety of Texans would be at risk due to the unregulated distribution of prescription drugs. Therefore, all strategies are interwoven with one another and are critical to the mission of the State and the agency.

The Peer Assistance Program is a self funded program - that is, the program is funded by a statutory fee that is levied on each individual license holder. By statute, the Board has the authority to finance this program, including the costs of administering the program.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors are the number of individuals licensed & complaints filed. TSBP must contend with the growing problem of alcoholism & chemical dependence.

As the number of pharmacists increase & incidences of alcoholism/drug dependence increase, there will be more pressure on TSBP to identify, intervene & monitor impaired/recovering individuals. Some of this pressure is relieved through the interventions & efforts of the Pharmacy Recovery Network, a self-funded peer assistance

program for pharmacists and eligible pharmacy students.



Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

GOAL: 3 Indirect Administration  
OBJECTIVE: 1 Indirect Administration  
STRATEGY: 1 Indirect Administration

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005	
<b>Objects of Expense:</b>							
1001	SALARIES AND WAGES	\$381,030	\$414,106	\$439,769	\$443,967	\$443,967	
1002	OTHER PERSONNEL COSTS	\$15,110	\$23,540	\$21,780	\$21,040	\$21,040	
2001	PROFESSIONAL FEES AND SERVICES	\$9,880	\$10,454	\$7,481	\$7,481	\$8,549	
2003	CONSUMABLE SUPPLIES	\$3,779	\$5,000	\$5,302	\$4,951	\$4,951	
2004	UTILITIES	\$762	\$1,303	\$1,303	\$1,303	\$1,303	
2005	TRAVEL	\$32,728	\$38,752	\$37,407	\$20,539	\$20,539	
2006	RENT - BUILDING	\$3,470	\$3,496	\$3,496	\$784	\$784	
2007	RENT - MACHINE AND OTHER		\$1,753	\$2,659	\$2,659	\$2,659	\$2,659
2009	OTHER OPERATING EXPENSE	\$47,385	\$47,322	\$42,473	\$27,045	\$32,471	
5000	CAPITAL EXPENDITURES	\$3,680	\$4,080	\$25,952	\$3,400	\$12,450	
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$499,577</b>	<b>\$550,712</b>	<b>\$587,622</b>	<b>\$533,169</b>	<b>\$548,713</b>	
<b>Method of Financing:</b>							
523	PHARMACY BD OPERATING ACC	\$499,577	\$550,712	\$587,622	\$533,169	\$548,713	
<b>SUBTOTAL, MOF</b>							
<b>(GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$499,577</b>	<b>\$550,712</b>	<b>\$587,622</b>	<b>\$533,169</b>	<b>\$548,713</b>	
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$533,169</b>	<b>\$548,713</b>	
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$499,577</b>	<b>\$550,712</b>	<b>\$587,622</b>	<b>\$533,169</b>	<b>\$548,713</b>	
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.8</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>	
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>							
<b>EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:</b>							
<b>IDENTIFICATION OF DIFFERENCES FROM 2002-2003 BASE (General Revenue and All Funds):</b>							
The 12.5% reduction affects this Strategy by primarily eliminating all staff training & merit increases. Given the rising cost of employee benefits (i.e. insurance), no cost of living increases or merit funding, staff turnover is expected to increase within the agency, which will negatively impact turnaround times & customer service.							

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>SUMMARY TOTALS:</b>						
<b>OBJECTS OF EXPENSE:</b>		<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>					<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>		<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>44.5</b>	<b>47.0</b>	<b>47.0</b>	<b>50.0</b>	<b>56.0</b>

II. B SUMMARY OF TOTAL BUILDING BLOCKS SUBMISSION BY METHOD OF FINANCE  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

METHOD OF FINANCE	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**GENERAL REVENUE FUND - DEDICATED**

**523** GR Dedicated - Pharmacy Board Operating Account No. 523

*REGULAR APPROPRIATIONS*

GR Dedicated-Pharmacy Board Operating Account No. 523	2,618,669	3,175,921	3,141,649	3,203,486	3,466,532
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**TOTAL, GR Dedicated - Pharmacy Board Operating Account No. 523**

	<b>\$2,618,669</b>	<b>\$3,175,921</b>	<b>\$3,141,649</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
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**TOTAL, ALL GENERAL REVENUE FUND - DEDICATED**

	<b>\$2,618,669</b>	<b>\$3,175,921</b>	<b>\$3,141,649</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
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**OTHER FUNDS**

**666** Appropriated Receipts

*REGULAR APPROPRIATIONS*

Regular Appropriations	76,519	126,390	126,390	0	0
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**TOTAL, Appropriated Receipts**

	<b>\$76,519</b>	<b>\$126,390</b>	<b>\$126,390</b>	<b>\$0</b>	<b>\$0</b>
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**TOTAL, ALL OTHER FUNDS**

	<b>\$76,519</b>	<b>\$126,390</b>	<b>\$126,390</b>	<b>\$0</b>	<b>\$0</b>
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**GRAND TOTAL**

	<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
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<b>FULL-TIME-EQUIVALENT POSITIONS</b>	<b>44.5</b>	<b>47.0</b>	<b>47.0</b>	<b>50.0</b>	<b>56.0</b>
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II. C. SUMMARY OF TOTAL BUILDING BLOCKS SUBMISSION BY METHOD OF FINANCE  
78<sup>TH</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

OBJECT OF EXPENSE	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005	
1001 SALARIES AND WAGES	\$1,868,263	\$2,092,180	\$2,190,310	\$2,240,620	\$2,429,292	
1002 OTHER PERSONNEL COSTS	\$41,025	\$82,221	\$45,136	\$45,136	\$45,136	
2001 PROFESSIONAL FEES AND SERVICES	\$221,889	\$383,508	\$236,991	\$229,940	\$229,940	
2002 FUELS AND LUBRICANTS	\$10,024	\$9,882	\$9,882	\$9,882	\$9,882	
2003 CONSUMABLE SUPPLIES	\$22,225	\$22,848	\$24,129	\$22,795	\$22,795	
2004 UTILITIES	\$13,849	\$13,604	\$13,604	\$4,980	\$4,980	
2005 TRAVEL	\$100,832	\$123,304	\$123,719	\$118,383	\$111,898	
2006 RENT - BUILDING	\$3,671	\$4,064	\$4,064	\$1,202	\$1,202	
2007 RENT - MACHINE AND OTHER		\$8,374	\$12,724	\$12,724	\$12,724	\$12,724
2009 OTHER OPERATING EXPENSE	\$296,271	\$493,372	\$520,928	\$485,224	\$468,782	
5000 CAPITAL EXPENDITURES	<u>\$108,765</u>	<u>\$64,604</u>	<u>\$86,552</u>	<u>\$32,600</u>	<u>\$129,901</u>	
<b>OOE Total (Excluding Riders)</b>	<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>	
<b>OOE Total (Riders)</b>				<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b><u>\$2,695,188</u></b>	<b><u>\$3,302,311</u></b>	<b><u>\$3,268,039</u></b>	<b><u>\$3,203,486</u></b>	<b><u>\$3,466,532</u></b>	

II. D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES  
78<sup>TH</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

Goal / Objective / <b>OUTCOME</b>	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1 ESTABLISH AND MAINTAIN STANDARDS FOR EDUCATION AND PRACTICE <i>1 Operate Licensure System to Ensure that Minimal Standards Are Met</i>					
<b>KEY 1 Percent of Licensees with No Recent Violations</b>	98.30%	97.20%	99.00%	99.00%	99.00%
2 PROTECT PUBLIC HEALTH BY ENFORCING ALL LAWS RELATING TO PRACTICE <i>1 Decrease Violations by Inspections, Education, Resolving Complaints</i>					
<b>KEY 1 Percent of Complaints Resulting in Disciplinary Action</b>	10.70%	10.00%	10.00%	10.00%	10.00%
<b>2 Recidivism Rate of Those Receiving Disciplinary Action</b>	3.80	3.50	4.00	4.00	4.00
<b>3 Percent of Documented Complaints Resolved within Six Months</b>	58.00%	60.00%	60.00%	60.00%	70.00%
<b>4 Recidivism Rate for Peer Assistance Programs</b>	13.00%	25.00%	20.00%	20.00%	20.00%
<b>5 One-year Completion Rate for Peer Assistance Programs</b>	78.00%	85.00%	75.00%	75.00%	75.00%

III. A. PRIORITY ALLOCATION TABLE  
78<sup>TH</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

Initial Relevant GR Amount = \$ 0

Priority Strategy / Strategy Option / Rider

Initial Relevant GR-Ded Amount = \$5,527,874

2004 Funds				2005 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
1 S	Operate an Application and Renewal Licensure System									
4.8	412,064	0	412,064	4.8	455,674	0	455,674	0	867,738	
2 S	Enforcement									
28.3	1,630,082	0	1,630,082	27.3	1,654,522	0	1,654,522	0	4,152,342	
3 S	Peer Assistance									
2.0	146,825	0	146,825	2.0	146,825	0	146,825	0	4,445,992	
4 S	Indirect Administration									
9.9	533,169	0	533,169	9.9	548,713	0	548,713	0	5,527,874	
45.0				44.0				***** Initial Relevant GR=Ded Amt = \$5,527,874 *****		
5 S	Reinstate Percentage of Reduction									
2.0	166,504	0	166,504	3.0	180,961	0	180,961	0	5,875,339	
6 S	TexasOnline Subscription Fees - Pharmacist/Pharmacy									
0.0	68,410	0	68,410	0.0	0	0	0	0	5,943,749	
7 S	Pharmacy Technician Registration									
3.0	196,432	0	196,432	9.0	449,837	0	449,837	0	6,590,018	
8 S	TexasOnline Subscription Fees - Pharmacy Technician									
0.0	50,000	0	50,000	0.0	30,000	0	30,000	0	6,670,018	
9999R	TexasOnline Authority									
0.0	0	0	0	0.0	0	0	0	0	6,670,018	
50.0	3,203,486	0	3,203,486	56.0	3,466,532	0	3,466,532			



III. A. PRIORITY ALLOCATION TABLE  
78<sup>TH</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: <b>Texas State Board of Pharmacy</b>		Initial Relevant GR Amount = \$ 0							
Priority	Strategy / Building Block / Rider	FTEs		2004 Funds		2005 Funds		Biennial	
		2004	2005	TOTAL	GR	TOTAL	GR	Cumulative GR	Page#
1 S	Operate an Application and Renewal Licensure System	4.8	4.8	412,064	0	455,674	0	0	
2 S	Enforcement	28.3	27.3	1,630,082	0	1,654,522	0	0	
3 S	Peer Assistance	2.0	2.0	146,825	0	146,825	0	0	
4 S	Indirect Administration	9.9	9.9	533,169	0	548,713	0	0	
5 S	Reinstate Percentage of Reduction	2.0	3.0	166,504	0	180,961	0	0	
6 S	TexasOnline Subscription Fees - Pharmacist/Pharmacy	0.0	0.0	68,410	0	0	0	0	
7 S	Pharmacy Technician Registration	3.0	9.0	196,432	0	449,837	0	0	
8 S	TexasOnline Subscription Fees - Pharmacy Technician	0.0	0.0	50,000	0	30,000	0	0	
9999R	TexasOnline Authority	0.0	0.0	0	0	0	0	0	
Total		50.0	56.0	\$ 3,203,486	\$0	\$ 3,466,532	\$0		

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	1	Establish and Maintain Standards for Education and Practice	Statewide Goal/Benchmark: 8 8			
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met	Service Categories:			
STRATEGY:	1	Operate an Application and Renewal Licensure System	Service: 16 Income: A.2 Age: B.3			
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**Output Measures:**

1	Number of Individuals Examined	1,430.00	1,430.00	1,430.00	1,430.00	1,500.00
2	Number of New Licenses Issued to Individuals	781.00	855.00	780.00	780.00	800.00
3	Number of Licenses Renewed (Individuals)	15,278.00	10,507.00	11,050.00	10,880.00	11,650.00

**Efficiency Measures:**

1	Average Cost Per Exam Administered	57.83	65.23	67.39	70.42	65.12
2	Average Licensing Cost Per Individual License Issued	6.06	14.85	20.28	15.97	19.44
3	Average Licensing Cost Per Facility License Issued	20.31	35.27	42.24	38.34	41.62
4	Percent New Licenses Issued within Ten Days	100.00	98.00	98.00	50.00	50.00
5	Percent of Individual Licenses Issued within Seven Days	100.00	98.00	98.00	50.00	50.00

**Explanatory/Input Measures:**

1	Total Number of Individuals Licensed	20,679.00	21,060.00	21,440.00	21,820.00	22,220.00
2	Total Number of Business Facilities Licensed	5,603.00	5,681.00	5,770.00	5,850.00	5,900.00
3	Pass Rate	91.18	90.00	90.00	90.00	90.00

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)**

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>					
GOAL:	1	Establish and Maintain Standards for Education and Practice			Statewide Goal/Benchmark: 0 0		
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:		
STRATEGY:	2	Operate an Application and Renewal Licensure System			Service: n/a Income: n/a Age: n/a		
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005	

**Objects of Expense:**

1001SALARIES AND WAGES	\$162,624	\$176,097	\$183,955	\$186,575	\$186,575
1002OTHER PERSONNEL COSTS \$900	\$2,300	\$2,640	\$2,840	\$2,840	
2001PROFESSIONAL FEES AND SERVICES	\$79,511	\$113,506	\$73,360	\$95,710	\$69,411
2003CONSUMABLE SUPPLIES	\$2,670	\$2,990	\$2,700	\$2,530	\$2,530
2004UTILITIES	\$1,472	\$1,647	\$1,647	\$1,647	\$1,647
2005TRAVEL	\$1,652	\$1,112	\$1,112	\$1,112	\$1,112
2006RENT - BUILDING	\$25	\$25	\$25	\$25	\$25
2007RENT - MACHINE AND OTHER	\$861	\$1,306	\$1,306	\$1,306	\$1,306
2009OTHER OPERATING EXPENSE	\$50,804	\$123,558	\$192,145	\$120,319	\$187,528
5000CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$2,700
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$412,064</b>	<b>\$455,674</b>

**Method of Financing:**

523 PHARMACY BD OPERATING ACC	\$298,337	\$421,285	\$457,634	\$412,064	\$455,674
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**SUBTOTAL, MOF**

(GENERAL REVENUE FUNDS - DEDICATED)	\$298,337	\$421,285	\$457,634	\$412,064	\$455,674
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**Method of Financing:**

666 APPROPRIATED RECEIPTS	\$2,182	\$1,256	\$1,256	\$0	\$0
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<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$2,182</b>	<b>\$1,256</b>	<b>\$1,256</b>	<b>\$0</b>	<b>\$0</b>
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**Rider Appropriations:**

523 PHARMACY BD OPERATING ACC					
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99 1 TexasOnline Authority			\$0	\$0	
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<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>				<b>\$0</b>	<b>\$0</b>
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<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$412,064</b>	<b>\$455,674</b>
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<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$300,519</b>	<b>\$422,541</b>	<b>\$458,890</b>	<b>\$412,064</b>	<b>\$455,674</b>
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<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>
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III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	1	Establish and Maintain Standards for Education and Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	2	Operate an Application and Renewal Licensure System			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Pharmacy practice involves a wide range of services including accountability & record-keeping aspects, activities related to the processing of prescriptions, distribution of prescription drugs, patient care functions & educational activities related to patients & other health-care professionals.

The pharmacy profession is the only regulated, licensed health profession in which the body of regulation covers three distinct but interrelated & inseparable elements.

Practitioners (Pharmacists): this element of regulation includes setting standards for the education, experience, & competencies a candidate must attain to become licensed as a pharmacist in Texas. It also involves the ongoing monitoring & review of the pharmacist's practice to assure all established legal standards governing the practice of pharmacy are being adhered to in the interest of the public health & safety.

Facilities (Pharmacies): this element of regulation includes the requirements necessary for the establishment & operation of a pharmacy. Ongoing monitoring is carried out to help assure they are operating within the legal requirements set for security, prescription drug & other record-keeping requirements relating to consumer protection.

Products (Prescription Drugs & Devices): this particular element of regulation includes the requirements of state & federal law regarding prescription drug distribution & involves specific requirements regarding handling, safeguarding, & distribution of prescription drugs & devices through pharmacies by pharmacists.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Pharmacist Licensure

The licensee population continues to grow, resulting in increased workload in all areas (examination, internship, continuing education, pharmacists' changes of address/employment records), & licensure renewals, as well as related telephone calls & correspondence. The Board has implemented such initiatives as the biennial renewal of licenses, on-line license renewal & a web-based mechanism to verify licensure status. The Board will continue to look toward implementing other initiatives, as a means to reduce workload & more efficiently serve the public.

Pharmacy (Facility) Licensure

While the number of pharmacies has increased at a slower pace than pharmacist licenses, quantity issues do not reflect the complexity of regulating pharmacies. The agency licenses five different Classes of Pharmacy. In addition, in FY02, the agency added a new category of pharmacy regulation - Remote Pharmacy Services using automated pharmacy systems & telepharmacy systems. 1,200 of these "satellite pharmacies" were approved in FY02. As mechanisms for providing pharmacy services to patients continue to diversify, the agency expects the number of pharmacies (& possibly the Classes of Pharmacy) will continue to increase over the next 5 years.

The 12.5% reduction affects this Strategy by eliminating all staff training & merit increases. Given the rising cost of employee benefits (i.e. insurance), no cost of living increases or merit funding, staff turnover is expected to increase within the agency, which will negatively impact turnaround times & customer service.



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78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	1	Establish and Maintain Standards for Education and Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	3	Pharmacy Technician Registration			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

1. Unfunded mandate - registration of technicians.
2. Dynamic, even turbulent & uncertain environment of the rapidly changing health care system.
3. Complexity & multiplicity of laws/rules governing pharmacy practice.
4. Numbers of licensees, registrants as well as complaints filed.

We anticipate that the number of all licensees will total approximately 40,000 by the end of FY04. This number represents a 50% increase in one year, over the current number of licensees.

A substantial amount of resources are required to implement a registration program for pharmacy technicians. Failure to provide adequate funding in this area will negatively impact:

**Licensing Program**

1. Inadequate staff to register pharmacy technicians will result in a cursory registration process.
2. Existing staff will need to be redirected to handle the registration of technicians. This will result in a dramatic slowdown in the issuance of new license registrations, renewal of all licenses, intern registrations & preceptor certifications.

**Enforcement Program**

1. Complaints: complaint resolution time & complaint backlog will increase with the 50% increase in license population. In FY02, the average complaint resolution time was 225 days. With 800 additional complaints & no additional enforcement staff, we estimate that complaint resolution time will average 350 days in FY04-05.
2. Compliance Inspections: TSBP estimates that the average pharmacy inspection time will increase, resulting in fewer inspections.

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78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	1	Establish and Maintain Standards for Education and Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	4	TexasOnline Subscription Fees - Pharmacist / Pharmacy			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**Objects of Expense:**

2009 OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$68,410	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>

**Method of Financing:**

523 PHARMACY BD OPERATING ACC	\$0	\$0	\$0	\$68,410	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$68,410</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,410</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

SB 187, passed by the 2001 Texas Legislature, required the Texas State Board of Pharmacy (TSBP) to establish a profile system for its license holders (pharmacists and pharmacies). SB 187 also requires the agency to charge each licensee a subscription fee, as determined by the Department of Information Resources (DIR). The subscription fees are collected by TSBP and transferred to the DIR on a monthly basis as a pass-through appropriation. Because the fee was not in place until March 2002, in fiscal year 2002, TSBP paid this subscription fee for only 6 months of the year, for a partial year payment of \$67,610. The amount included for Fiscal Year 2003 (\$136,020) represents an estimate of a full year of the same subscription fee. In order to fully fund the subscription fee for a full biennium in FY2004/2005, we have requested the difference over the Initial Relevant Dedicated GR amount, as an exceptional item (i.e., building block). The exceptional item request of \$68,410 will give the agency a full biennium of payments, based on the number of current licensees but does not include any population increases. In other words, any increase in the licensee population will also require the appropriation authority to expend the \$10 collected from those license fees.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The process for collection & payment of the subscription fees to the Texas OnLine Authority requires agencies to establish a budget for payment of the subscription fees, & at the end of each fiscal year, collections will be compared with the budget established. At that time, agencies will need to increase or decrease their budget authority.

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	1	Establish and Maintain Standards for Education and Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	4	TexasOnline Subscription Fees - Pharmacist / Pharmacy			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

The subscription profile fee is required to be collected on all licensees, regardless of whether the licensee mails in their payment or submits their payment through the Texas On-Line system. Therefore, the estimated appropriation is based on the agency's projection of the number of pharmacists and pharmacies that intend to renew their license within each 12 month period.

It is important to note that this appropriation is contingent upon the number of licenses that pay a revenue fee; therefore this appropriation is estimated and based on a \$10 allocation per license or license renewal collected. Contingent upon additional revenue collections, such additional fees will need to be appropriated to the agency in order to expend the funds to the Texas On-Line Authority (via DIR).



III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 8 7	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	1	Operate System of Compl Inspects, Tech Asst, Education, Invest, Adjud			Service: 16 Income: A.2 Age: B.3	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**Output Measures:**

1	Number of Inspections	2,529.00	2,000.00	2,000.00	2,000.00	2,000.00
2	Number of Complaints Resolved 1,614.00	2,090.00	1,300.00	1,300.00	1,300.00	

**Efficiency Measures:**

1	Average Time for Complaint Resolution	267.00	225.00	300.00	350.00	350.00
2	Average Cost Per Complaint Resolved	552.02	658.12	658.71	683.15	671.11

**Explanatory/Input Measures:**

1	Number of Jurisdictional Complaints Received	1,642.00	1,787.00	2,000.00	2,300.00	2,300.00
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**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)**                    **\$0**                    **\$0**                    **\$0**

**FULL TIME EQUIVALENT POSITIONS:**                    **0.0**                    **0.0**                    **0.0**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	2	Enforcement			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**Objects of Expense:**

1001 SALARIES AND WAGES	\$1,272,542	\$1,449,652	\$1,514,261	\$1,376,433	\$1,355,669
1002 OTHER PERSONNEL COSTS \$25,015	\$56,381	\$20,716	\$21,256	\$21,256	
2001 PROFESSIONAL FEES AND SERVICES	\$24,498	\$151,548	\$48,150	\$16,972	\$42,203
2002 FUELS AND LUBRICANTS	\$10,024	\$9,882	\$9,882	\$9,882	\$9,882
2003 CONSUMABLE SUPPLIES	\$15,776	\$14,858	\$16,127	\$15,314	\$15,314
2004 UTILITIES	\$11,615	\$10,654	\$10,654	\$2,030	\$2,030
2005 TRAVEL	\$66,452	\$83,440	\$85,200	\$74,443	\$68,265
2006 RENT - BUILDING	\$176	\$543	\$543	\$393	\$393
2007 RENT - MACHINE AND OTHER	\$5,760	\$8,759	\$8,759	\$8,759	\$8,759
2009 OTHER OPERATING EXPENSE	\$198,082	\$322,492	\$286,310	\$101,800	\$98,801
5000 CAPITAL EXPENDITURES	\$105,085	\$60,524	\$60,600	\$2,800	\$31,950
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,735,025</b>	<b>\$2,168,733</b>	<b>\$2,061,202</b>	<b>\$1,630,082</b>	<b>\$1,654,522</b>

**Method of Financing:**

523 PHARMACY BD OPERATING ACC	\$1,660,688	\$2,043,599	\$1,936,068	\$1,630,082	\$1,654,522
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$1,660,688</b>	<b>\$2,043,599</b>	<b>\$1,936,068</b>	<b>\$1,630,082</b>	<b>\$1,654,522</b>

**Method of Financing:**

666 APPROPRIATED RECEIPTS	\$74,337	\$125,134	\$125,134	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$74,337</b>	<b>\$125,134</b>	<b>\$125,134</b>	<b>\$0</b>	<b>\$0</b>

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)** **\$1,630,082** **\$1,654,522**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)** **\$1,735,025** **\$2,168,733** **\$2,061,202** **\$1,630,082** **\$1,654,522**

**FULL TIME EQUIVALENT POSITIONS:** **27.9** **30.3** **30.3** **28.3** **27.3**

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	2	Enforcement			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

TSBP is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Occ. Code, Sec. 551-566 and 568-569) & the Texas Dangerous Drug Act (Health & Safety Code, Chapter 483). However, there are many other state & federal laws & rules governing the practice of pharmacy, which are enforced by TBSP. Specific statutory provisions that relate to this strategy include Section 554.001 & 554.002 of the Texas Pharmacy Act.

This building block contributes directly to the statewide functional goal to ensure that communities are served by high quality professionals & businesses by setting clear standards, maintaining compliance, & disciplining violators. This Strategy also contributes to TSBP's goals/objectives by fostering the provision of quality pharmaceutical care to all Texans, & regulating the practice of pharmacy, operation of pharmacies, & distribution of prescription drugs to consumers.

Without enforcement of pharmacy laws/rules, the health of Texans would be at risk because their prescription drugs & drug information would be provided by potentially incompetent, unlicensed individuals working in potentially unsanitary, unlicensed pharmacies. Further, the safety of Texans would be at risk due to the unregulated distribution of prescription drugs.

The successful accomplishment of TSBP's mission is primarily dependent on funding of this Strategy. Without proper funding in this critical area, the laws/rules governing the practice of pharmacy would be severely compromised.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

- Unfunded mandate (registration of technicians).
- Dynamic & uncertain environment of a rapidly changing health care system.
- Complexity & multiplicity of laws/rules governing pharmacy practice.
- Increase in the number of licensees, registrants & complaints filed.

Internal factor: ability & number of TSBP=s enforcement staff to meet the demands for increased services.

- TSBP has 5 Compliance Officers to inspect 5,600 pharmacies. With this workload, pharmacies are inspected only every 2 to 2.5 years. More frequent inspections improve compliance.
- Some years ago, due to a 100% increase in the number of complaints received with no additional staffing, TSBP developed a backlog of complaints. Due to significant turnover in the enforcement staff over the past 3 years, TSBP has not been able to significantly reduce its complaint backlog.
- Number of requests for public records. The same staff that handle complaints also handle requests for enforcement records.

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>						
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice				Statewide Goal/Benchmark: 0 0		
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met				Service Categories:		
STRATEGY:	2	Enforcement				Service: n/a Income: n/a Age: n/a		
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005		

- Most notably, the current level of funding does not address the increased workload on the TSBP enforcement staff that will occur with the registration of pharmacy technicians. We anticipate that the number of all licensees/registrants will total approximately 45,000 by the end of FY04. This number represents a 50% increase in one year, over the current number of licensees/ registrants and would result in a dramatic increase in the number of complaints received by TSBP.

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	3	Reinstate Percentage of Reduction			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**Objects of Expense:**

1001 SALARIES AND WAGES	\$0	\$0	\$0	\$83,940	\$104,704
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$15,277	\$15,277
2005 TRAVEL	\$0	\$0	\$0	\$22,289	\$21,982
2009 OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$23,998	\$23,998
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$21,000	\$15,000

**TOTAL, OBJECT OF EXPENSE** **\$0** **\$0** **\$0** **\$166,504** **\$180,961**

**Method of Financing:**

523 PHARMACY BD OPERATING ACC	\$0	\$0	\$0	\$166,504	\$180,961
<b>SUBTOTAL, MOF (GENERAL</b>					

**REVENUE FUNDS - DEDICATED)\$0** **\$0** **\$0** **\$166,504** **\$180,961**

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)** **\$166,504** **\$180,961**

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)** **\$0** **\$0** **\$0** **\$166,504** **\$180,961**

**FULL TIME EQUIVALENT POSITIONS:** **0.0** **0.0** **0.0** **2.0** **3.0**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This building block is seeking to restore five percent of the agency's proposed 12.5% cut and would have the effect of cutting the funding of the agency by 7% of the FY2002-2003. With this level of funding, the agency believes that we can maintain a reasonable though not optimal level of service.

If these funds are not restored the full effect of the 12.5% reduction would be felt by the agency and the public. At the 12.5% level of funding the effect on the ability of the agency to perform its mission of protecting the public health will be enormous. The 12.5% cut will result in the loss of two investigators and one inspector. This will cause the agency to resolve approximately 300 fewer complaints per year and inspect 450 fewer pharmacies. Our experience with the inspection program has shown that a reduction in the number of inspections increases the number of violations in pharmacies.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

In recent years a number of states have experienced incidents that involving serious injury and eleven deaths of patients as a result of products compounded in pharmacies. For example, in California in 2001, thirteen people were hospitalized and three others died from meningitis traced to a contaminated product prepared in a pharmacy. California does not inspect pharmacies on a regular basis. We believe that our inspection program is one of the reasons we have not had these problems in Texas.

III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 0 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	3	Reinstate Percentage of Reduction			Service: n/a Income: n/a Age: n/a	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

For complaint resolution, a reduction of 300 in the number of complaints resolved will increase the average resolution time by approximately 15% each year. This occurs because the back log of complaints will increase. By the end of the second year in the biennium, the average resolution time for complaints will increase from the current 225 days to almost 300 days. This will continue to increase as long as the back log of complaints continues to grow.

As you are aware, pharmacies carry prescription drugs and controlled substances. During the last year alone, this agency investigated a number of complaints where large amounts of controlled substances were diverted from licensed pharmacies to the general public. If our investigation efforts are decreased, the numbers of these drugs reaching the streets will increase.





III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515		Agency Name: <b>Texas State Board of Pharmacy</b>				
GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice			Statewide Goal/Benchmark: 8 0	
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met			Service Categories:	
STRATEGY:	4	Peer Assistance			Service: 16 Income: A.2Age: B.3	
CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External factors are the number of individuals licensed & complaints filed. TSBP must contend with the growing problem of alcoholism & chemical dependence.

As the number of pharmacists increase & incidences of alcoholism/drug dependence increase, there will be more pressure on TSBP to identify, intervene & monitor impaired/recovering individuals. Some of this pressure is relieved through the interventions & efforts of the Pharmacy Recovery Network, a self-funded peer assistance program for pharmacists and eligible pharmacy students.

When TSBP intervenes, the impaired/recovering pharmacist is generally subject to an extremely lengthy and complex Disciplinary Order. If the licensee does not comply with the requirements of the Disciplinary Order, the Board initiates further disciplinary action, which in turn, increases the Legal Division's workload.

Monitoring licensees who are subject to these types of Orders is very labor intensive due to the numerous restrictions and conditions that are imposed upon the licensee, including a 5 year probation period, random drug screens, quarterly reports from the recovering pharmacist, and if applicable, the supervising pharmacist & mental health professional.

One Order could result in as many as 16 different reports being submitted to TSBP each year of the 5 year probation period. Each report must be reviewed, evaluated, and acknowledged by agency staff.

Finally, the peer assistance program is also subject to the same internal factors as outlined under the Enforcement Strategy.



III. B. STRATEGY REQUEST  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515    Agency Name: **Texas State Board of Pharmacy**

	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$2,695,188</b>	<b>\$3,302,311</b>	<b>\$3,268,039</b>	<b>\$3,203,486</b>	<b>\$3,466,532</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>44.5</b>	<b>47.0</b>	<b>47.0</b>	<b>50.0</b>	<b>56.0</b>

III.D. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUESTS  
78<sup>th</sup> Regular Session, Agency Submission (w/Building Block), Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 515 Agency Name: **Texas State Board of Pharmacy**

Rider	Strategy	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
99	1 TexasOnline 1-1-2 LICENSING					
<b>OBJECT OF EXPENSE:</b>						
	2000 Operating Costs	0	0	0	0	0
<b>TOTAL, OBJECT OF EXPENSE</b>		0	0	0	0	0
<b>METHOD OF FINANCING</b>						
	523 Pharmacy Bd Operating Acc	0	0	0	0	0
Total, Method of Financing		0	0	0	0	0
Description / Justification for continuation of existing riders or proposed new rider						
SUMMARY:						
Object of Expense Total		0	0	0	0	0
Method of Financing Total		0	0	0	0	0