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## **ADMINISTRATIVE SERVICES AND LICENSING DIVISION**

### **FY2003 SIGNIFICANT ACCOMPLISHMENTS**

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1. The Division accomplished or partially accomplished 100% of its objectives (30 accomplished and 1 partially accomplished).
2. Significant efficiencies and/or benefits, primarily for board customers, have or will be gained through the implementation of a number of projects that included:
  - Implementation of the pharmacist online license renewal system;
  - Implementation of wireless handheld devices for inspection program; and
  - Active computer virus monitoring and firewall installation.
3. The agency received a 100% compliance rating by the Texas Building and Procurement Commission on the Pre-Payment & Procurement audit of service contracts.
4. The agency received a 98% compliance rating by the Texas Building and Procurement Commission on a Post-Procurement audit of service contracts.
5. The agency received an unqualified certification of the agency's FY2002 key performance measures, conducted by agency internal auditor.
6. In January 2003, the Department of Information Resources (DIR) ran a controlled penetration test to assess the security of the agency's computer systems network, and a test of dial-up lines for modem access. DIR was unable to penetrate the firewall's defenses that protect the internal network, and no vulnerabilities were found through the test of dial-up lines.
7. As computer virus and hacker activity continues to dramatically increase, the agency has been successful in keeping security incidents extremely low. Upgrading anti-virus software, implementing automatic updates, weekly scans, and taking an assertive stance towards user passwords, as well as aggressively maintaining recommended security updates on the web server and firewall, have limited agency exposure to a single low-impact web defacement and virus infection to zero.
8. The Division met or exceeded 83% of the performance measures required to be submitted to the Legislative Budget Board.

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## ADMINISTRATIVE SERVICES AND LICENSING DIVISION

### FY2003 SIGNIFICANT DISAPPOINTMENTS/CONSTRAINTS

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1. **Budget Reductions of FY2003:** In January 2003, agencies were informed of a projected overall budget shortfall of \$1.8 billion and instructed by the Governor, Lieutenant Governor, and Speaker of the House to reduce FY2003 budgets by 7%. Specifically, agencies were instructed to eliminate foreign travel and out-of-state travel not necessary for statutory obligations, reduce or eliminate planned capital purchases for the remainder of FY2003, and contracts for consultants and professional services. Further reductions to be considered included administrative costs, a hiring freeze or reduction in force if necessary, and reductions to current activities not required by law. The TSBP accomplished these reductions by outsourcing the agency lawbook, greatly reducing out-of-state travel, significantly reducing all other expenditures, and lapsing a number of vacant positions in the Enforcement Division for the remainder of FY2003.
  
2. **Legislative Changes due to State Fiscal Crisis:** The state budget for the FY2004/2005 biennium was balanced by closing a projected \$10 billion shortfall without raising taxes. However, a number of legislative changes that affect all state employees were enacted that reduced or will ultimately reduce the earning dollar of these employees. These legislative changes included:
  - reducing the budgets of state agencies, which, in many cases, means a reduction or elimination of merit pay for outstanding performance;
  - significant increases to out-of-pocket costs for health coverage by all state employees;
  - reduced state contribution of health care coverage for part-time employees; implementing a 90-day waiting period for health insurance and state retirement contribution for new state employees;
  - increasing the minimum age for retiree insurance; and
  - allowing a lump sum incentive payment for eligible retirees, which must be paid out of agency appropriations, thus reducing the funds available to the agency.

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## ADMINISTRATIVE SERVICES AND LICENSING DIVISION

### FY2003 ANNUAL REPORT

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### Goal

To administer agency operations including personnel, accounting, budgeting, purchasing, property management, and information technologies. To conduct a pharmacy and pharmacist licensure system, initial licensure by examination, and the ongoing renewal of licenses.

### Objectives (New) - Administrative Services

1. To assist the Executive Director, in cooperation with other Divisions, in:
  - A. preparing testimony, attending public hearings, and providing any fiscal or technical information as required by the 78th Texas Legislature; and
  - B. reviewing all legislation that has an impact on the practice of pharmacy and agency operations, and monitoring the progress of this legislation throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** The Division Director reviewed and analyzed 150 pieces of legislation that had a potential impact on agency operations. Division Director and Chief Accountant also maintained constant contact with the Legislative Budget Board (LBB) and Governor's Budget Office (GBO) to review and discuss the agency *Legislative Appropriations Request* for FY2004-2005.

2. To monitor the progress of the agency's *Legislative Appropriation Request* and corresponding performance measures for FY2004/2005.

**Status:** ACCOMPLISHED

**Comment:** In January 2003, agencies were informed of a projected overall budget shortfall of \$1.8 billion and instructed by the Governor, Lieutenant Governor, and Speaker of the House to reduce FY2003 budgets by 7%. Specifically, agencies were instructed to eliminate foreign travel and out-of-state travel not necessary for statutory obligations, reduce or eliminate planned capital purchases for the remainder of FY2003 and contracts for consultants and professional services. Further reductions to be considered included administrative costs, a hiring freeze or reductions in force if necessary and reductions to current activities not required by law. The TSBP accomplished these reductions by outsourcing the agency lawbook, greatly reducing out-of-state travel, significantly reducing all other expenditures, and lapsing a number of vacant positions in the Enforcement Division for the remainder of FY2003.

In addition, agencies were asked to review their core functions and essential services and reduce their current funding budget for FY2004/2005 by 12.5%. As the 78th Legislative Session progressed, several different budget scenarios were presented to the LBB. Performance measures, capital budgets, and rider language were continuously revised to accommodate the 12.5% budget reduction mandate. Preliminary budget hearings were held in September and October 2002, and public hearings/markup were held in February 2003 with the Senate Finance Committee, House Appropriations Committee, and the House Committee on Government Reform. The final budget passed in May 2003, with mixed results.

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**ADMINISTRATIVE SERVICES AND LICENSING**

The agency's base appropriation was reduced by 12.5%, but the Legislature approved additional appropriations to fund the Pharmacy Technician Registration Program and corresponding Texas Online subscription fee and funding for the newly created Office of Patient Protection. Significant reductions occurred in the areas of travel, salaries, information resource technologies, vehicles, agency newsletter, registration and training, and merit pay. The budget reductions occurred at the same time that new funding was approved to implement the existing agency statutory mandate, the registration of pharmacy technicians. As a result, although there was a net increase over the biennium, the agency will be doubling its population of licensees in FY2004, and this will cause a dramatic increase in the public's demand for agency services in every area of its operation.

3. To assist the Executive Director, in cooperation with other Divisions, in the agency Sunset Review Process, including preparation of the agency Self- Evaluation Report, throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       The Sunset Occupational Licensing Model was reviewed in preparation for the Sunset Review Process. On June 6, 2003, the Sunset Advisory Commission sent TSBP 21 pages of written instructions for completing the agency's Self-Evaluation Report (SER). On June 20, 2003, the Executive Director met with management staff to discuss timelines and assignments. Division Director met with Fiscal and Licensing staff to research and prepare data and statistics for the SER. Recommendations were made to areas pertaining to Administration, Fiscal, and Licensing. The SER was submitted to the Commission by the approved due date (August 20, 2003).

4. To assist the Executive Director, in cooperation with other Divisions, in planning for implementation of the new program to register and regulate pharmacy technicians, if the program is funded by the 78<sup>th</sup> Texas Legislature.

**Status:**           **ACCOMPLISHED**

**Comment:**       The 78th Texas Legislature passed an Appropriations Act that included funding for the agency to register and regulate pharmacy technicians. A project time line was developed, and during the time period May - August 2003, five staff meetings and two meetings with the agency's computer resources vendor (Northrop Grumman) were held to discuss the various tasks and milestones that would be required in FY2004 to ensure the success of this major project. Revenue projections were compiled, and rules regarding the registration fees for pharmacy technicians were proposed at the August 2003 Board Business Meeting to become effective in December 2003.

5. To assist the Executive Director, in cooperation with other Divisions, in the orientation of a new Board Member within 90 days of appointment by the Governor.

**Status:**           **ACCOMPLISHED**

**Comment:**       Division Director assisted the Executive Director with the orientation of new public member, Juliette F. Bartlett-Pack, Ph.D., by updating New Member Orientation Manuals and participating in an on-site orientation on February 28 - March 1, 2003.

## Objectives (Ongoing) - Administrative Services

1. To comply with all Comptroller Accounting Policies, Notices to State Agencies, and Attorney General Opinions relating to fiscal matters by specified due dates throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** All accounting policies were reviewed and procedures were implemented or revised as required. These policies ranged from security procedures for USAS/USPS, calculations of various oversight agencies assessments, certifications, appropriation modifications, and a number of accounting/budget transactions.

2. To prepare and submit all required accounting and fiscal reports and reconciliations to the Executive Director throughout FY2003, no later than ten days from the monthly due date.

**Status:** ACCOMPLISHED

**Comment:** Under HB 609, an Internal Audit was required to be conducted and a report issued to the Governor, LBB, Sunset Commission, and the State Auditor's Office. In response to this legislation, an audit of LBB Performance Measures was conducted by the agency's internal auditor and all measures were certified with no exceptions. In addition, an evaluation of the agency computer systems and security was conducted by the Department of Information Resources (DIR). DIR was unable to penetrate the firewall's defenses that protect the agency's internal network, and no vulnerabilities were found in a test of the agency's dial-up lines for modem access.

A monthly report was also submitted to the Executive Director/Secretary for each month during the fiscal year that outlined major financial reports and reconciliations completed for the prior month. The agency's Annual Financial Report (AFR) for the year ending August 31, 2002, was submitted on November 20, 2002, and the Annual Report of Non-Financial Data was submitted on December 31, 2002, in accordance with the requirements established by the Comptroller of Public Accounts. The AFR was reviewed by the Comptroller's Office as part of the statewide annual financial report and found to be in compliance.

3. To review and recommend to the Executive Director additional sources of spendable revenue and to assess fees charged for Board services throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** A quarterly operating budget was presented to the Board at each of the regularly scheduled business meetings and recorded as such in the official minutes of the Board. Revenue projections were made and closely monitored to ensure that expenditures did not exceed the required amount of revenue collected. Revenue projections were completed for FY2004/2005, to comply with the new Riders regarding additional appropriations for the registration of pharmacy technicians and the new Office of Patient Protection. Recommended fee changes to initial licensure and renewal of pharmacy and pharmacist licenses, as well as pharmacy technician fees, were presented and approved by the Board Members with implementation in January 2004.

4. To assess the material needs of the agency and supervise the purchasing and supply activities in accordance with all Texas Building and Procurement Commission rules and procedures throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** A Procurement and Pre-Payment audit was conducted by the Texas Building and Procurement Commission, resulting in a 100% compliance rating. In addition, the final findings of a Post-Procurement audit conducted in FY2002 were released, which revealed a 98% compliance level. The Chief Accountant continued to review all specifications, product tabulations, and purchase requisitions for compliance with agency policies and procedures and Texas Building and Procurement Commission rules. This oversight ensured that the appropriate procurement method was identified, the agency received the best value for the product or service purchased, and that funds were always available.

5. To increase the efficiency and productivity of Board office operations by managing and coordinating space needs and on-site maintenance of the Board's office facilities throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** The objective was accomplished by the following:

- A. As an additional security enhancement to the Hobby Building and with the cooperation of the Department of Public Safety, magnetic locking devices were installed on the North, South, and East entrances to the Hobby Building. All non-employee visitors are directed to the front entrance and must sign in and obtain a visitor badge. In addition, lobby elevators to the Hobby Parking Garage are only operable by magnetic card, and only the outside elevators are accessible to the public. The above measures were taken to enhance security by limiting building access by unauthorized people.
- B. The agency's off-site storage was eliminated and all surplus property was either sold or recycled.
- C. Division staff spent a number of hours reviewing office blueprints and redesigning office space to accommodate the new employees that will be added to the agency next year.

6. To serve as the agency's Human Resource Coordinator in ensuring agency compliance with all applicable state and federal personnel statutes throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** This objective was accomplished as follows:

- A. All newly hired and current employees received Equal Employment Opportunity/Sexual Harassment Training as required by state law.

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- B. The agency reviewed its Recruitment Plan/Affirmative Action Plan and made updates as necessary. No employee grievances or discrimination complaints were filed, and there were no employment discrimination charges pending with the Texas Commission on Human Rights.
- C. The agency received 180 applications for employment during this fiscal year, which resulted in four new hires and three promotions. (Note: Providing EEO information by applicants is strictly voluntary. Nine (9) applicants did not provide the information.)
- D. The following table reflects the agency's EEO profile for employees hired, promoted, or terminated during FY2003, as well as an applicant profile report.

AGENCY EEO DATA	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT
BOARD MEMBERS	5	2	7	0	1	1	0	1	1	0	0	0	5	4	9
ADMINISTRATORS	1	4	5	0	0	0	0	0	0	0	0	0	1	4	5
PROFESSIONALS	7	8	15	0	1	1	1	2	3	0	0	0	8	11	19
PARA-PROFESSIONALS	3	10	13	0	2	2	0	5	5	0	0	0	3	17	20
ADMIN SUPPORT	0	1	1	0	0	0	0	1	1	0	0	0	0	2	2
<b>TOTALS</b>	<b>16</b>	<b>25</b>	<b>41</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>38</b>	<b>55</b>

NEW HIRES	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT												
ADMINISTRATORS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONALS	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1
PARA-PROFESSIONALS	1	1	2	0	0	0	0	0	0	0	1	0	1	2	3
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>4</b>						

PROMOTIONS	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT												
ADMINISTRATORS	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1
PROFESSIONALS	0	2	2	0	0	0	0	0	0	0	0	0	0	2	2
PARA-PROFESSIONALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>									

TERMINATIONS	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT												
ADMINISTRATORS	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
PROFESSIONALS	2	1	3	0	0	0	0	1	1	0	0	0	2	2	5
PARA-PROFESSIONALS	2	0	2	0	0	0	0	0	0	0	0	0	2	0	2
ADMIN SUPPORT	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1
<b>TOTALS</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>8</b>

APPLICANTS	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT
ADMINISTRATORS	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1
PROFESSIONALS	14	19	33	0	4	4	2	7	9	1	1	2	17	31	48
PARA-PROFESSIONALS	44	24	68	20	10	30	14	4	18	4	2	6	82	40	122
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>58</b>	<b>44</b>	<b>102</b>	<b>20</b>	<b>14</b>	<b>34</b>	<b>16</b>	<b>11</b>	<b>27</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>99</b>	<b>72</b>	<b>171</b>

7. To manage the information resource needs (data processing, telecommunication, and web site) of the agency throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       This objective was accomplished as follows:

- A.       Security and system availability remained a top priority. Approximately 50 anti-virus updates were implemented; firewall alerts/logs were reviewed; critical equipment was replaced in a timely manner. In January 2003, the Department of Information Resources (DIR) ran a controlled Penetration Test to assess the security of our computer systems network, and a test of dial-up lines for modem access. DIR was unable to penetrate the firewall's defenses that protect the internal network, and no vulnerabilities were found through the test of dial-up lines.
- B.       The Compliance Inspection Project development on the handheld devices was completed, tested, and implemented.
- C.       All necessary hardware/software, including a new server installation, 14 PC's or laptops, five PC's or drives, were replaced.
- D.       The existing web content was reviewed and updated.
- E.       The Customer Service data base was developed.
- F.       In FY2003, TSBP received 160,937 web site inquiries (average of 13,411 "hits" each month). This compares to prior years as follows:

<b>Fiscal Year</b>	<b>Number of Web Site Inquiries</b>	<b>Cumulative Increase Since FY2000</b>
FY2000	64,476	--
FY2001	90,701	40.67%
FY2002	112,184	73.93%
FY2003	160,937	149.60%

8. To serve as the agency Records Retention Manager to the Texas State Library, in maintaining a Records Retention Program for the economical and efficient management of agency records throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       Agency staff destroyed 113.01 cubic feet of records, in accordance with the TSBP record retention schedule, and 169.5 cubic feet of records were sent to the State Library for retention.

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9. To coordinate the sale and distribution of the pharmacy law reference manual and cooperate with the Professional Services Division to assure the publication of any updates of the manual throughout FY2003.

**Status: ACCOMPLISHED**

**Comment:** At year-end, approximately \$29,363 was generated in spendable revenue due to the sale of this publication. Due to the state's budget crisis, the Texas Pharmacy Laws and Regulations was outsourced to a private vendor in mid-year. The Administrative Services staff continued to provide the administrative support necessary to determine fees, maintain mailing lists, and proper inventory levels of these manuals.

10. To assist the Executive Director, in conducting a survey of agency customers regarding the quality of service delivered by the agency as specified in Chapter 2113 of the Government Code, throughout FY2003.

**Status: ACCOMPLISHED**

**Comment:** A customer service data base was developed, and beginning January 1, 2003, customer service surveys were mailed to new pharmacist applicants, new pharmacist interns, new pharmacy owners, renewing pharmacists, and complainants. At year-end, a total of 7,235 surveys had been mailed by the agency as a whole. The analysis of these responses will be completed and reported to the Governor's Office in FY2004.

11. To provide verbal and written information to Board staff and customers throughout FY2003 including, by the assigned due dates, the preparation of:
- A. LBB Performance and Funds Management Report and other special reports as requested by LBB, legislative committees, legislators, and others, in conjunction with other Divisions as necessary;
  - B. responses to surveys and questionnaires; and
  - C. a report of the types and numbers of surveys/questionnaires/reports completed by all Divisions during FY2003.

**Status: ACCOMPLISHED**

**Comment:** This objective was accomplished as follows:

- A. Statutorily Required Reports

<b>Report Title</b>	<b>Recipient(s)</b>	<b>Division Reporting</b>
Registrations	Ethics Commission	Administration
FTE State Employees	State Auditor	Administration
Governmental Employees Quarterly Report	Texas Workforce Commission	Administration
Deferred Compensation (457) Plan Confirmation of Reconciliation	Employees Retirement System	Administration
Employer's Quarterly Federal Tax Return	Internal Revenue Service	Administration

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<b>Report Title</b>	<b>Recipient(s)</b>	<b>Division Reporting</b>
Retirement Contributions Reconciliation Report	Employees Retirement System	Administration
Annual Financial Report	Governor's Office; LBB; State Comptroller; State Auditor	Administration
Non-Financial Annual Report	Governor's Office; LBB; State Comptroller; State Auditor	Administration
Recycled Materials Expenditures	Texas Building & Procurement Commission	Administration
Historically Underutilized Business Progress Reports	Governor's Office; Lt. Governor; Speaker of House; Texas Building & Procurement Commission	Administration
Encumbrance Reports	State Comptroller; State Auditor; LBB	Administration
State Use Report	Texas Building & Procurement Commission	Administration
Non-Resident Bidders	LBB	Administration
EEO Information Report	Commission on Human Rights	Administration
Minority Hiring Practices	Commission on Human Rights	Administration
Membership & Training Report	LBB	Administration
Risk Management - Losses	Office of Risk Management	Administration
Performance and Funds Mgmt. Reports	Legislative Budget Board	Administration Enforcement
Contract Workforce Report	State Auditor, LBB, Governor	Administration
Open Records Online Monthly Report	Legislative Budget Board	All
Resource Efficiency Plan and Updates	Comptroller	Administration
Internal Audit Report	Governor's Office; LBB; State Comptroller; State Auditor; Sunset Advisory Commission	Administration

**B. Other Surveys and Questionnaires:**

<b>Report Title</b>	<b>Recipient(s)</b>	<b>Division Reporting</b>
Indirect Cost Sub-Strategy Report	Governor's Budget Office	Administration
Workforce Summary Review	State Auditor's Office	Administration
2 <sup>nd</sup> Budget Submission	LBB	Administration
3 <sup>rd</sup> Budget Submission	LBB	Administration
Budget Testimony	House Appropriations Committee/Senate Finance Committee/House Committee on Government Reform	Administration
Texas Online Report	Legislative Budget Board	Administration
Human Resources Survey	Small State Agency Task Force	Administration
Revised FY04/05 Performance Measures with Budget Reductions	LBB	Administration
Revised Biennial Operating Plan with Budget Reductions	LBB	Administration
Email Survey	State Auditor	Administration
Information Resources Survey	State Auditor	Administration

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<b>Report Title</b>	<b>Recipient(s)</b>	<b>Division Reporting</b>
Licensing Functions Process Survey	Texas Department of Licensing & Regulation	Licensing
Internal Auditor Survey	State Auditor	Administration
Electronic Records Management Survey	State Auditor	Administration
Information Technology Survey	Health Professions Council	Information Resources
Capital Budget with Budget Reduction	LBB	Administration
Survey regarding HIP-DB	Health & Human Services	Enforcement
Questionnaire on Agency Procedures regarding Intake & Resolution of Complaints	House Committee on Public Health	Enforcement/Legal
Network Security Survey	DIR	Legal
Customer Satisfaction Survey	State Law Library and State Office of Administrative Hearings	Legal
Sunset Self-Evaluation Report	Sunset Commission	All

- C. Types and numbers of surveys/questionnaires/reports completed by all Divisions: See Professional Services Ongoing Objective #9, Legal Services Ongoing Objective #8, and Enforcement Ongoing Objective #7. In addition, the agency reported 156,543 requests for information, both written and electronic, to the Texas Building & Procurement Commission.

12. To assist the Executive Director in developing and implementing the objectives of the Health Professions Council (HPC) pertinent to Division activities throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       Division staff participated in the following activities:

- A. HPC Annual Report - Division Director submitted recommendations and licensing performance data to be incorporated into the HPC Annual Report.
- B. The TSBP continued to participate in several HPC centralized services, such as the Centralized Mail Center, Courier Service, Copy Center, Shared Employee Training, and Shared Information Resource Technology staff.
- C. Division director participated in the development of a method to allocate the shared costs to member agencies, of the use of the imaging system.

13. To maintain a staff development program by encouraging Division staff to participate in professional and interpersonal development seminars, cross training, and on-the-job training throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       Division staff participated in the following activities:

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<b>Cathy Stella, Division Director</b>
Texas Online Implementation and Profile Meetings
LBB/GBO Hearings
Small State Agency Task Force Meetings
Internal Audit Meetings
Orientation for new staff members and interns
Health Professions Council Meetings & Subcommittee on Consolidation of Fiscal Activities
Joint Committee on Internship
Human Resources Training Course
Senate Finance/House Appropriation Budget Hearings
NAPLEX & MPJE Orientation to students of Texas Southern University, University of Houston, and Texas Tech
Occupational Licensing Steering Committee
Telicon Legislative Seminar
EAP Presentations on Handling Stress

<b>Jane Bennett, Chief Accountant</b>
100 Day Report Seminar
USAS User Group Meetings
Internal Audit Meetings
SORM Risk Allocation Public Hearing & Users' Meetings
Small Agency Task Force Meetings
AFR Training
LBB Hearings
Wellness Committee Meeting
TexaSaver 401K & 457 Presentation
EAP Presentation on Handling Stress
Bearing Point - Expenditure Refunds
Board meetings re: Internal Operating Budget and LAR

<b>Robbi Dana, Employee Relations Coordinator</b>
Insurance Summer Enrollment Training
USPS Monthly Users Meetings
New staff orientation
EAP Presentation on Handling Stress
TexaSaver, May 1 Health Insurance Changes
SORM Users Meeting
USAS Core Training Lab
ERS Online Training
ERS Web Cast Training on Coordinator's Reference Manual

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Managing Projects
USPS Year-End Training
Small Agency Task Force Meeting
TSABAA Meeting

**Sandy Morton, Accountant**

USPS Year-End Processing Workshop
Policies Government State Employee Compensation & Personnel Actions
Behavior Course in Traffic Safety Education
EAP Presentation on Stress Reduction
1099 & W-2 Training
USPS Workshops

**Darlene Guthrie, Purchaser**

Introduction to NIGP Code System and Combined Purchasing Subjects
Ergonomics in the Workplace
FleetFocus 5.2
Basics of Purchase Rules and Guidelines
Public Purchasing Law
Procurement Card - Regional Conversion Session
Environmental Purchasing in Texas
State Use Orientation
How to pass a TBPC Audit
EAP Presentation on Stress Reduction

**Mary Helen Oviedo, Accountant**

Principles of Accounting (Austin Community College)
Procurement Card Services Term Contract Regional Conversion Session (Bank One)
CPR/AED Training
Survey of Organizational Excellence ACT Committee

**Lisa Ake, Exam/Intern Specialist**

NAPLEX & MPJE Orientation to Students of Texas Southern University, University of Houston and Texas Tech
NABP Lotus Notes Workshop - Chicago
Conflict Management and Confrontation Skills
Behavioral Course in Traffic Safety Education
EAP Presentation on Stress Reduction

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**Steve Rapp, Information Resource Manager**

New staff orientation for new hires

DIE 2003 Technology Issues Briefing

CPR/AED Training

Access Level II training

Exchange Server 2000 Class

EAP Presentation on Stress Reduction

Win2K courses

**Todd Hayek, Network Specialist**

Access 2000 Levels I and II

Web Database Class

EAP Presentation on Stress Reduction

**Rachel Glass, Pharmacist Licensing Specialist**

EAP Presentation on Stress Reduction

Newsletter Committee

Citistreet 401K Meeting

Technician Registration Development Committee

**Rene Howard, Pharmacy Licensing Specialist**

EAP Presentation on Stress Reduction

Survey of Organizational Excellence ACT Committee

**Melinda Uballe, Licensing Technician**

EAP Presentation on Stress Reduction

14. To conduct periodic reviews and annual evaluations of all employees under the supervision of this Division during FY2003.

**Status:** ACCOMPLISHED

**Comment:** The Division achieved a 100% completion rate of evaluations scheduled for this fiscal year. All 11 employees were evaluated in July - August 2003.

15. To update the Agency Personnel Handbook and the Division's *Policy and Procedure Manual* as needed and submit any substantive revisions to the Executive Director for approval throughout FY2003.

**Status:** PARTIALLY ACCOMPLISHED

**Comment:** Although the Employee Handbook was not updated, revisions were made to a number of other plans, including the Agency HUB Plan, Procurement Plan, Resource Efficiency Plan, Risk & Safety Manual, and the Disaster Recovery Manual. Various licensing procedures were either updated or developed, including the new requirements to open a pharmacy and pre-inspection procedures, procedures regarding the online renewal of pharmacists licenses, and a number of web site forms and instructions.

16. To recommend policies and procedures to the Executive Director that will enhance the efficiency and effectiveness of the agency throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** Significant efficiencies and/or benefits, primarily for Board customers, have been, or will be, gained through the implementation of a number of projects that included:

- Implementation of the Pharmacist Online license renewal system;
- Implementation of wireless handheld devices for inspection program; and
- Active computer virus monitoring and firewall installation.

17. To recommend changes to the Texas Pharmacy Act and rules that will enhance the agency's ability to protect the public health, safety, and welfare, or will improve the efficiency and effectiveness of the agency's operations, and forward the recommendations to the Executive Director throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** Two key areas of licensing were reviewed in depth and new programs implemented. These included new rules and procedures with regard to new pharmacy (facility) openings, and the registration of pharmacy technicians. Recommendations to both of these areas required a number of meetings with Licensing, Enforcement, and management staff to review rule language and develop procedures, instructions, and application forms. As major milestones were accomplished, information was distributed to the licensees via the agency web site.

18. To prepare and submit a report on the accomplishment of Division objectives for incorporation into the agency's *FY2002 Annual Report* to be presented to the Board by its May 2003 Board Meeting.

**Status:** ACCOMPLISHED

**Comment:** The Division's first draft of the FY2002 Annual Report was submitted to the Executive Director by the due date. The final draft of the TSBP Annual Report was presented to and approved by the Board at its May 2003 Board meeting.

## Objectives (Ongoing) - Licensing

- To coordinate the collection of licensing data for *Key Performance Targets* required under the 2002-2003 Appropriations Act and to submit to the Executive Director by specified due dates throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** The following chart reflects all year-end data for Licensing Measures required to be reported on an annual basis to the Legislative Budget Board. The statistical data was submitted to the Legislative Budget Board and Governor's Budget Office by the prescribed due dates, in conjunction with the enforcement performance measures. Within a 5% variance, the Division met or exceeded 83% of these measures (12 measures; 2 measures were not met). With regard to the average cost of an individual and facility license, the 77<sup>th</sup> Texas Legislature passed S.B. 187, which mandates the agency to charge each licensee a subscription fee of \$10.00, payable to the Texas Online Authority. Targets for this performance measure were made before this legislation passed, which nearly doubled the cost of a license.

The chart below reflects year-end data for TSBP licensing and cost performance measures:

Performance Measures	Target FY03	Accomplished FY03	Key or Non Key (K-NK)	Expectations
Percent of Licensees with No Recent Violations	99	96.68%	K	Met
Individuals Examined (examinations administered)	1430	1,576	NK	Exceeded
Number of Licenses Renewed (Individuals)	10,450	11,005	K	Exceeded
Number of New Licenses Issued to Individuals	800	806	K	Exceeded
Average Licensing Cost Per Individual License Issued	\$9.07	\$18.19	K	Not Met
Average Licensing Cost Per Facility License Issued	\$31.20	\$41.14	K	Not Met
Average Cost Per Exam Administered	\$67.39	\$55.30	NK	Exceeded
% of New Licenses Issued within 10 Days	98%	99%	NK	Exceeded
% Individual Licenses Issued within 7 Days	98%	100%	NK	Exceeded
Total Number of Individuals Licensed	21,440	21,570	NK	Exceeded
Total Number of Business Facilities Licensed	5,480	5,794	K	Exceeded
Pass Rate	90%	89.21%	NK	Met

**ADMINISTRATIVE SERVICES AND LICENSING**

2. To determine the eligibility of all pharmacist applicants applying to take the NAPLEX and Texas Pharmacy Jurisprudence Examination (MPJE) for initial licensing or licensing by reciprocity throughout FY2003.

**Status:**        **ACCOMPLISHED**

**Comment:**     The following statistics relate to all applicants that were determined eligible and received a score for the NAPLEX and MPJE in FY2003:

JURISPRUDENCE (MPJE)	Total Exams Administered
Candidates Passing	877    (89%)
Candidates Failing	103    (11%)
<b>TOTAL EXAMS JURISPRUDENCE</b>	<b>980    (100%)</b>

NAPLEX	Total Exams Administered
Candidates Passing	529    (89%)
Candidates Failing	67     (11%)
<b>TOTAL EXAMS NAPLEX</b>	<b>596    (100%)</b>

The total number of new licenses issued to individuals is as follows:

NEW PHARMACISTS LICENSED - FY03	
Graduates of Texas Colleges of Pharmacy	330    (41%)
Graduates of Out-of-State Colleges of Pharmacy	429    (53%)
Credentialed by the Foreign Pharmacist Equivalency Committee	47     (6%)
<b>Total</b>	<b>806    (100%)</b>

Regarding reciprocity (license transfer) in and out of Texas, 260 candidates were licensed by reciprocity in FY2003, and the agency responded to requests from NABP for verification of licensure status of Texas licensees desiring to transfer to other states. The National Association of Boards of Pharmacy reports that in calendar year 2003, Texas had 315 requests for licensure transfer into the state and 418 licensure requests to transfer to other states.

3. To provide staff support to the *Examination Retake Committee* and any other advisory committee related to licensing issues as required in FY2003.

**Status:**        **ACCOMPLISHED**

**Comment:**     Division Director continued to inform applicants who failed the Board licensing examination(s) three times of the committee recommendations to complete college coursework prior to retaking the examination(s).

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**ADMINISTRATIVE SERVICES AND LICENSING**

4. To issue an initial and/or renewal certificate to all pharmacy license applicants within seven working days of receipt of the required fee and all required documents throughout FY2003.

**Status:**           **ACCOMPLISHED**

**Comment:**       In April 2003, TSBP implemented a new program and rules with regard to new pharmacy (facility) openings. This new program required a number of meetings with Licensing, Enforcement, and management staff to review rule language and develop procedures, instructions, and application forms. The most significant change requires new pharmacies to be inspected before receiving a pharmacy license. This procedure will help ensure that a pharmacy license (a license that allows an individual to purchase prescription drugs) is issued to legitimate operations.

The following chart represents the total number of pharmacy licenses (business or facilities) issued by the agency, and includes five classes of pharmacy licenses. The average processing time to issue a license from receipt of a completed application was 3.5 working days for a pharmacy renewal and 5.5 working days for a new pharmacy license. The total number of active pharmacy licenses at the end of the fiscal year was as follows:

<b>PHARMACIES ACTIVE FY03</b>	
Class A (Community)	4,131
Class B (Nuclear)	37
Class C (Institutional)	875
Class D (Clinic)	445
Class E (Non-Resident)	306
<b>TOTAL</b>	<b>5,794</b>

A total of 4,246 pharmacy applications were processed as follows:

<b>PHARMACY APPLICATIONS PROCESSED</b>	
Pharmacy Renewals	2,539
Remote Pharmacies	699
New Opens	413
Change of Ownership	95
Change of Location	174
Change of Name	76
Closings	250
<b>TOTAL</b>	<b>4,246</b>

**ADMINISTRATIVE SERVICES AND LICENSING**

5. To issue renewal certificates to all pharmacist candidates within four working days of receipt of the required fee and all required documents throughout FY2003.

**Status:**       **ACCOMPLISHED**

**Comment:**     The Texas Online System was implemented for pharmacist renewals in October 2002. At year-end, approximately 21.60% of eligible pharmacists renewed their licenses online. Overall, the agency renewed 11,005 pharmacist licenses on a biennial basis during FY2003. The average processing time to issue a renewal license from receipt of a completed application was 1.5 business days. The total population of licensed pharmacists for this fiscal year is as follows:

<b>PHARMACISTS LICENSED - FY03</b>	
Active Status	20,339
Inactive Status*	1,231**
<b>TOTALS</b>	<b>21,570</b>

\* Not practicing pharmacy in Texas and not reporting continuing education credits.  
 \*\* Of the above number, 238 pharmacists have been practicing in Texas for more than 50 years or are greater than 72 years old, and are classified as "exempt."

In addition to these statistics, Division (Licensing) staff had the following workload statistics:

<b>WORKLOAD</b>	<b>STATISTIC</b>
Changes of Address	2,566
Changes of Employment	3,600
Telephone Calls Received	10,000
Email Inquiries Answered	4,000
Information Packets Mailed	779
Customer Service Surveys Mailed	6,679

6. To issue a pharmacist license by examination, score transfer, or reciprocity within ten working days after the date the agency receives the examination results throughout FY2003.

**Status:**       **ACCOMPLISHED**

**Comment:**     The agency issued 806 new pharmacist licenses with an average turnaround time of five business days from the download of the examination results. Examination results were downloaded approximately once every five business days with the exception of the May - August period. During these months, examination grades were downloaded once every ten business days. Barring any other requirements that might be due for initial licensure, licensure candidates received notice of their new license within an average of ten business days of their examination date.

7. To register all qualified pharmacist-interns within an average of 20 working days of the receipt of all required documents.

**Status:** ACCOMPLISHED

**Comment:** 335 new intern registrations were issued in FY2003 and all interns were certified within six business days after receipt of all required documents. A total of 1,066 pharmacist preceptors were certified within 3.5 days of receipt of required documents.

8. To audit the pharmacists' compliance with continuing education and to initiate complaints on pharmacists who are not in compliance with the rules regarding pharmacists' mandatory continuing education for relicensure, in cooperation with the enforcement team, throughout FY2003.

**Status:** ACCOMPLISHED

**Comment:** Of the total number of audits conducted, 100% of the audits were closed.