
ADMINISTRATIVE SERVICES AND LICENSING DIVISION

FY2001 SIGNIFICANT ACCOMPLISHMENTS

1. The Division accomplished or partially accomplished 100% of its objectives (29 objectives: 28 accomplished and 1 partially accomplished).
2. The agency was successful in obtaining additional appropriations for FY2002-03 due to the passage of Senate Bill 65, Senate Bill 768, and Senate Bill 98. These bills primarily address the regulation of telepharmacy, automated systems, and emergency medication kits.
3. A complete revision of the agency's Personnel Policy and Procedure Manual was undertaken by management staff and the publication was distributed in October 2000. The agency personnel policy and procedural systems were certified by the Texas Commission on Human Rights.
4. Division Director, in cooperation and conjunction with the Executive Director and other Division Directors, implemented a procedure to ensure equity in determining merit awards.
5. Division Director, in cooperation and conjunction with the Executive Director and other Division Directors, and with input from Division staff, formulated uniform objectives for employee evaluations. This accomplishment was in compliance with the requirements of the Texas Human Rights Commission.
6. The Division met or exceeded 83% of the performance measures required to be submitted to the Legislative Budget Board.
7. As computer virus activity continues to dramatically increase, the agency has been successful in keeping virus incidents extremely low. Upgrading anti-virus software, implementing automatic updates, taking an assertive stance towards user passwords, as well as aggressively maintaining recommended security updates on the web server, has limited agency exposure to a single low impact web defacement and virus penetration to almost zero.
8. Steve Rapp, TSBP Information Resource Manager, continued to serve as chair of the Health Professions Council (HPC) Committee to implement an imaging system for HPC agencies. This HPC project was completed in FY2001. As a result, one scan station was installed in the TSBP office, and two scan stations were installed in the HPC office for all HPC agencies use.

ADMINISTRATIVE SERVICES AND LICENSING DIVISION FY2001 SIGNIFICANT DISAPPOINTMENTS/CONSTRAINTS

1. As requests for information to board staff and customers grow, workload constraints continue to hamper division employees. Division staff responded to approximately 16,000 telephone calls, 1,400 e-mail inquiries, mailed 3,619 packets of information to applicants for licensure and/or pharmacy owners, and responded to 83 requests for lists and labels. The electronic requests for information are growing rapidly, and will inevitably slow down the agency's response time in other areas.

2. The agency budget request to implement the legislation requiring the agency to register pharmacy technicians was denied by the 77th Texas Legislature. This action resulted in an unfunded mandate for TSBP to register and remove from registration, if necessary, approximately 20,000 certified pharmacy technicians.

ADMINISTRATIVE SERVICES AND LICENSING DIVISION

FY2001 ANNUAL REPORT

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 77th 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 FY2001.

Status: ACCOMPLISHED

Comment: The Division Director reviewed and analyzed 154 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 FY2002-2003. The following public hearings were attended by the Division Director in order to provide administrative and technical support to the Executive Director:

Senate Finance Committee Budget Hearing	January 17, 2001
Senate Finance Committee Markup	February 26, 2001
House Appropriations Subcommittee on Regulatory Agencies Budget Hearing	January 29, 2001
House Appropriations Committee Markup	March 8, 2001
Conference Committee Session	April 24, 2001

Other hearings and/or meetings were held with regard to the following:

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House Bill 905 Hearing/Meetings (Electronic renewal of licenses)	January 31, 2001
Profile Bill Information Meeting with Representative Maxey	March 9, 2001

Specific legislation passed by the 77th Texas Legislature that affects agency operations and will require implementation and monitoring, include the following:

- P** S.B. 187 relating to government services provided through on-line systems;
- P** S.B. 645 relating to the establishment of an electronic system for occupational licensing transactions;
- P** S.B. 768 relating to pharmacist continuing education; emergency medication kits in nursing homes; and development of a "Dispensing Directive" for generic substitution on prescriptions;
- P** S.B. 98 relating to the provision of pharmacy services in a nursing home through an automated pharmacy system;
- P** S.B. 65 relating to the provision of pharmacy services in a rural health clinic through a telepharmacy system; and
- P** H.B. 609 relating to establishing an internal audit program.

In addition to the above, the agency was required to prepare the following fiscal notes throughout the Legislative Session:

- P** H.B. 93 and companion bills SB 98 and SB 65 relating to the regulation of certain automated systems to dispense prescription drugs;
- P** H.B. 99 relating to the sale and delivery of drugs by electronic media including the Internet;
- P** H.B. 498 relating to credit in the Employee's Retirement System for service as a custodial officer;
- P** H.B. 556 relating to public access to certain information regarding certain health care professionals;
- P** H.B. 611 relating to the regulation of telepharmacy as a method to dispense drugs;
- P** H.B. 643 relating to the adoption of rules regarding complaints received through the Internet;
- P** H.B. 667 relating to requiring certain pharmacies to post an Internet link to the Texas State Board of Pharmacy;
- P** H.B. 905 establishing an electronic system for licensing transactions;
- P** H.B. 1428 relating to re-establishing service credit for retirement;
- P** H.B. 1730 relating to the name of the agency printed on certain state motor vehicles;
- P** H.B. 1929 relating to prescription drug benefits under certain health benefit plans;
- P** H.B. 2128 relating to the regulation of the practice of pharmacy;
- P** H.B. 2309 relating to benefits for custodial officers;
- P** H.B. 2695 relating to the return to dispensing pharmacy of unused prescriptions paid by the state for nursing homes;
- P** H.B. 2730 relating to the dispute resolution process;
- P** H.B. 2999 relating to the Texas Department of Health rebate for uninsured medicare/medicaid;
- P** H.B. 3198 relating to an electronic system for licensing transactions;
- P** H.B. 3373 relating to loan repayment for occupational license holders;

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- P** H.B. 3411 relating to improving readability of rules;
- P** H.B. 3554 relating to dispensing drugs pursuant to an oncology protocol;
- P** S.B. 65 relating to the provision of pharmacy services through a telepharmacy system;
- P** S.B. 98 relating to the regulation of certain automated systems to dispense prescription drugs;
- P** S.B. 372 relating to service credit in and benefits under certain public retirement systems;
- P** S.B. 459 relating to reestablishment of service credit in a public retirement system participating in the proportionate retirement program;
- P** S.B. 645 relating to establishing an electronic system for licensing transactions;

- P S.B. 768 relating to the regulation of the practice of pharmacy and dispensing certain drugs;
- P S.B. 817 relating to the name of the agency printed on certain state motor vehicles;
- P S.B. 818 relating to the prescription authority of certain psychologists;
- P S.B. 1458 relating to duties of a state agency with regard to development and access of electronic information; and
- P S.B. 1587 relating to dispute resolution.

2. To monitor the progress of the agency's *Legislative Appropriation Request* and corresponding performance measures for FY2002-03.

Status: ACCOMPLISHED

Comment: A summary of legislative action affecting the agency's FY2002-03 budget included the following:

APPROPRIATION PROVISIONS

- A. Additional appropriation is included to fund a 4% (or minimum of \$100/month) across-the-board pay raise for all classified employees.
- B. Contingency Revenue Rider which states that of the amounts appropriated, \$5,371 in FY2002 and \$8,099 in FY2003 can only be expended if the agency assesses fees sufficient to generate \$14,388 in excess of \$6,963,000 (Comptroller of Public Accounts' biennial revenue estimate). This amount (\$14,388) is an increase to the agency's share of payment to the Health Professions Council.
- C. Contingency Appropriation Riders for Senate Bill 65, Senate Bill 768, and Senate Bill 98 appropriate an additional \$545,425 over the biennium for the purpose of implementing these bills. The bills primarily address the regulation of telepharmacy, automated systems, and emergency medication kits. These appropriations were contingent on the agency assessing fees sufficient to generate \$545,425 in excess of \$6,963,000 (Comptroller of Public Accounts biennial revenue estimate).
- D. Limitations on Travel Expenditures. Appropriations for out-of-state travel expenditures (Board and Staff) were capped at 100% of the FY2000 out-of-state travel. This means that all out-of-state travel was capped at \$10,378. Additional restrictions required:
 - P Certification that it is necessary for more than one individual to execute state business, in cases where more than one individual has submitted

a travel voucher or claim for reimbursement of expenses for the same or similar travel occurrence.

- P For travel outside the state, the travel must be approved in advance in accordance with the policy of the state agency.
- P For travel outside the state, reimbursement may not be made unless the appointed officer (defined as board members) has filed with the Texas Ethics Commission, copies of all documents that will be submitted to the Comptroller and the Legislative Budget Board in support of the travel expense claim.

If the agency exceeds the travel cap for two consecutive fiscal years without the written approval of the Legislative Budget Board, the agency may not reimburse for any out-of-state travel, conventions, conferences, or seminars.

If the State Auditor determines that any travel for which payment is made is not in compliance with travel regulations, the State Auditor shall notify the Comptroller to reduce the appropriation for the agency by an amount equal to the entire amount paid by the state for that individual for that travel occurrence. The Comptroller shall then submit this information to the Legislative Budget Board.

- E. Electronic Renewal of Licenses. S.B. 645 requires the Department of Information Resources (DIR) to establish a common electronic system for occupational licensing transactions using the Internet. S.B. 645 requires participating agencies to charge a transaction and/or subscription fee to license holders.

S.B. 187 creates the Texas On-line Authority to establish and implement a common electronic infrastructure for online government. S.B. 187 is also called the "profile bill" because it requires specific agencies to create profiles of their license holders and have these profiles available to the public on the Internet. S.B. 187 requires participating agencies to charge a subscription fee and/or a "profile system" fee to its license holders. The subscription fee may not exceed \$5 for an annual renewal, or \$10 for a biennial renewal.

- F. Internal Auditor. H.B. 609, passed by the 77th Legislative Session, requires all agencies to comply with the Texas Internal Auditing Act. Previously, the only state agencies required to comply with the Act were those agencies that had an annual operating budget in excess of \$10 million, or had staff of more than 300 employees. Now, all agencies must comply. Appropriations for the internal auditor are available if the agency can certify that revenue is available through its fee collections.

- 3. To assist the Executive Director, in cooperation with other Divisions, in accomplishing any initiatives or objectives related to technology issues which impact the agency. Potential

technology issues include:

- P e-commerce initiatives including electronic;
- P Health Professions Council Imaging System; and
- P web development.

Status: ACCOMPLISHED

Comment: This objective was accomplished as follows:

A **Electronic Renewal**

Division Director was appointed to a Steering Committee dealing with S.B. 645, which requires the Department of Information Resources (DIR) to establish a common electronic system for occupational licensing transactions using the Internet. S.B. 645 requires participating agencies to charge a transaction and/or subscription fee to license holders. Division Director was also appointed to a Sub-Committee dealing with S.B. 187. S.B. 187 creates the Texas On-line Authority to establish and implement a common electronic infrastructure for online government. S.B. 187 is also called the "profile bill" because it requires specific agencies to create profiles of their license holders and have these profiles available to the public on the Internet.

Division Director met with staff of the Department of Information Resources (DIR) and the contractor, KPMG, to discuss the various aspects of these bills as well as develop a proposal to implement the on-line renewal of pharmacists and pharmacies. An Opportunity Proposal for the on-line renewal of pharmacists and pharmacies was ultimately approved by the Texas On-line Authority and reported to the Board. The anticipated implementation date was FY2002; however, this project was placed on hold due to the passage of the above-referenced bills.

B. Imaging System

Steve Rapp, TSBP Information Resource Manager, continued to chair the Health Professions Council (HPC) Committee to implement an imaging system for HPC agencies. This project was completed in FY2001. As a result, one scan station was installed in the TSBP office, and two scan stations were installed in the HPC office for all HPC agencies use.

C. Web Development

Division Director initiated the formation of a Web Committee, comprised of employees from all divisions, both management and non-exempt. Responsibility was assigned to members to periodically review the overall content of the web site and make each division accountable for the information contained on the site. Many cosmetic changes were made, various applications were updated, and a new on-line complaint form was designed for consumer use.

4. To assist the Executive Director, in cooperation with other Divisions, in the implementation of a new program to register and regulate pharmacy technicians.

Status: **PARTIALLY ACCOMPLISHED**

Comment: Division Director assisted Executive Director in drafting an amendment to the agency's Legislative Appropriation Request, requesting reduction from 16 to 8 staff needed to register/regulate pharmacy technicians for the biennium FY2002-03, with the intent of asking for the remaining 8 staff for FY2004-05, if needed.

However, during the 77th Texas Legislature, no additional staff or funding was appropriated to TSBP to register/regulate technicians. Division Director, in cooperation with the Executive Director and other Division Directors discussed several options of how the agency could implement a program to register technicians, without additional funding. The Executive Director discussed the matter with the Board at its business meeting on August 7-8, 2001, at which time the Board determined to establish a task force to study the issue.

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 FY2001.

Status: ACCOMPLISHED

Comment: The following Comptroller Accounting Policy Statements and Notices to State Agencies were submitted as follows:

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| (1) | Accounting Policy Statement 001:
DUE: As transaction occurs | Fund reimbursement for Employee Benefit. |
| (2) | Accounting Policy Statement 003:
DUE: Within 30 days of receipt of statement (revised 7/01/00) | Reimbursement for Unemployment Compensation Payments. |
| (3) | Accounting Policy Statement 004:
DUE: As transaction occurs | All transactions involving GAAP Agency/Suspense Funds. |
| (4) | Accounting Policy Statement 007:
DUE: As transaction occurs | Deposit of revenues intended to increase revenue and expenditure budget. |
| (5) | Accounting Policy Statement 008:
DUE: Every 3 days | Deposit of sales tax and hotel occupancy tax collected by state - Attorney General Opinion JM-987 (Agencies must follow sales tax laws and file sales tax reports). |
| (6) | Rapid Deposit Bill:
DUE: Every 3 days | To account for and deposit all revenues collected within three days of receipt. |
| (7) | Prompt Pay Act (HB 275):
DUE: As transaction occurs | Mandates state agencies pay for goods and services within 30 days. |
| (8) | Physical Inventory:
DUE: Annually | Due to the Comptroller's Office and the State Auditor. |
| (9) | Notice to State Agency
DUE: September 2000 | Fiscal Year 2001 allocation of appropriations. Responsible for setting up new program cost accounts appropriations and budget amounts for appropriations. |
| (10) | Accounting Policy Statement 010:
DUE: As transaction occurs | Travel advance, evidence fund, and petty cash fund - auditing, reconciling, and ensuring the funds are properly reimbursed and that agency policy and procedures are in compliance with the Comptroller's guidelines. |

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| (11) | Accounting Policy Statement 011:
DUE: Annually (revised
01/05/99) | Benefits to be proportional by fund due to
Comptroller and SAO. |
| (12) | Accounting Policy Statement 013:
DUE: As transaction occurs | Refunds of deposits - required guidelines for refunds
of erroneous collections. |
| (13) | Accounting Policy Statement 014:
DUE: As transaction occurs | Interagency payments and receipts. |
| (14) | Accounting Policy Statement 016:
DUE: As transaction occurs | Multiple employments with the state. |
| (15) | Accounting Policy Statement 017:
DUE: Within 30 days of receipt of
statement | Reimbursement for Workers Compensation
Payments. |
| (16) | Accounting Policy Statement 018:
DUE: 30 days after the close of
the fiscal year (revised 7/01/00) | Encumbrance report and lapsing of appropriations. |
| (17) | Accounting Policy Statement 019:
DUE: September 15, 2000 | Salary Benefit Appropriation allocations. |
| (18) | Accounting Policy Statement 021:
DUE: As transaction occurs | Cost allocation procedure and expenditure transfer
procedure. Corrective transactions-bookkeeping
entries. |
| (19) | Accounting Policy Statement 022:
DUE: As savings are approved | Employee Incentive Award transfers. |
| (20) | Accounting Policy Statement 027:
DUE: As transactions occur | Accounting for uncollectible accounts. |
| (21) | Accounting Policy Statement 028: | Reporting of debts and tax delinquencies. |
| (22) | Accounting Policy Statement 026: | Capital Budget Rider Appropriations. |
| (23) | Accounting Policy Statement 029: | Recognition of Revenues from convenience fees and
expenditures for transaction fees; credit card fees;
and other charges associated with receiving
payments. |
| (24) | State Legislation Impact
Assistance:
DUE: Annually | Calendar year expenditures. |
| (25) | Federal Relations Report:
DUE: Quarterly | Details agency efforts to maximize federal funds. |

- (26) Notice to State Agencies: Complete revision on procedures for interagency payments.
DUE: As transaction occurs
- (27) Notice to State Agencies: Review and correct Appropriation Structure for FY02.
USAS Profile Rollover AY01
DUE: September 1, 2001
- (28) Notice to State Agencies: Benefit Replacement Pay Allocation.
- (29) Notice to State Agencies: USAS Security Coordinator and user class updates.

- 2. To prepare and submit all required accounting and fiscal reports and reconciliations to the Executive Director throughout FY2001, no later than ten days from the monthly due date.

Status: **ACCOMPLISHED**

Comment: A monthly report was submitted to the Executive Director/Secretary which outlined major financial reports completed for the prior month. All reconciliations were completed for the fiscal year, and all required reports were submitted on a timely basis. The agency's Annual Financial Report (AFR) for the year ending August 31, 2000, was submitted on November 20, 2000, in accordance with the requirements established by the Comptroller of Public Accounts. This report was audited by the State Auditor as part of the statewide annual financial report and TSBP was commended by the State Comptroller on the accuracy of the AFR. State Property Accounting also commended the TSBP on the reconciliation between the Uniform Statewide Accounting System and the Statewide Property Accounting System.

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3. To review and recommend to the Executive Director additional sources of spendable revenue and to assess fees charged for Board services throughout FY2001.

Status: **ACCOMPLISHED**

Comment: A quarterly operating budget was presented to the Board at its 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 FY2002-03, to comply with the new Riders regarding additional appropriations. Recommended fee increases to initial licensure and renewal of pharmacy and pharmacist licenses were presented and approved by the Board Members in August 2001 with implementation scheduled for October 2001.

A review of the costs the agency assesses its customers for the purchase of lawbooks, mailing lists, labels, diskettes, and tapes was also made, and no changes to the current fee structure were recommended.

4. To assess the material needs of the agency and supervise the purchasing and supply activities in accordance with all General Services Commission rules and procedures throughout FY2001.

Status: **ACCOMPLISHED**

Comment: Although no audits were conducted by any oversight agencies during this fiscal year, the Chief Accountant continued to review all specifications, product tabulations and purchase requisitions for compliance with agency policies and procedures and General Services Commission rules. This oversight ensures that the appropriate procurement method is identified, the agency receives the best value for the product or service purchased, and that funds are always available. In addition, TSBP staff were advised on proper interpretation and application of purchasing policies and procedures.

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 FY2001.

Status: **ACCOMPLISHED**

Comment: The Executive Assistant continued to act as the agency representative to the Hobby Building Users Group and coordinate any on-site maintenance. The Employee Relations Coordinator continued to coordinate any space needs required.

6. To serve as the agency's Human Resources Coordinator in ensuring agency compliance with all applicable state and federal personnel statutes throughout FY2001.

Status: **ACCOMPLISHED**

Comment: This objective was accomplished as follows:

A The Texas Commission on Human Rights certified that the personnel policy and

procedural systems of the agency were in compliance with the Texas Commission on Human Rights Act.

- B. The Division Director, in coordination with the management staff, completely revised the agency's Personnel Policies and Procedures, and distributed to all staff.
- C. All newly hired employees received EEO/sexual harassment training as required by state law.
- D. 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.
- E. The agency received 189 applications for employment during this fiscal year, which resulted in seven new hires.
- F. The following table reflects the agency's EEO profile for employees hired, promoted, or terminated during FY01, 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	1	0	1	0	1	1	0	0	0	6	3	9
ADMINISTRATORS	1	4	5	0	0	0	0	0	0	0	0	0	1	4	5
PROFESSIONALS	10	9	19	0	1	1	2	1	3	0	0	0	12	11	23
PARA-PROFESSIONALS	0	7	7	0	3	3	0	2	2	0	1	1	0	13	13
ADMIN SUPPORT	0	1	1	0	1	1	0	2	2	0	0	0	0	4	4
TOTALS	16	23	39	1	5	6	2	6	8	0	1	1	19	35	54

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	5	5	0	0	0	0	0	0	0	0	0	0	5	5
PARA-PROFESSIONALS	0	1	1	0	0	0	0	1	1	0	0	0	0	2	2
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	0	6	6	0	0	0	0	1	1	0	0	0	0	7	7

PROMOTIONS	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	2	1	3	0	0	0	0	0	0	0	0	0	2	1	3
PARA-PROFESSIONALS	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	2	2	3	0	2	2	4								

TERMINATIONS	WHITE			BLACK			HISPANIC			OTHER			TOTAL		
	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT

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ADMINISTRATORS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONALS	1	1	2	0	0	0	1	0	1	0	1	1	2	2	4	
PARA-PROFESSIONALS	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1	
ADMIN SUPPORT	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1	
TOTALS	1	3	4	0	0	0	1	0	1	0	1	1	2	4	6	

APPLICANTS	WHITE			BLACK			HISPANIC			OTHER			TOTAL			
	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT	M	F	TOT	
ADMINISTRATORS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONALS	20	16	36	2	4	6	5	2	7	1	1	2	28	23	51	
PARA-PROFESSIONALS	40	58	98	5	9	14	9	13	22	2	2	4	56	82	138	
ADMIN SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTALS	60	74	134	7	13	20	14	15	29	3	3	6	84	105	189	

7. To manage the information resource needs (data processing and telecommunication) of the agency throughout FY2001.

Status: ACCOMPLISHED

Comment: This objective was accomplished as follows:

- A. Steve Rapp, TSBP Information Resource Manager, continued to chair the Health Professions Council (HPC) committee to implement an imaging system for HPC agencies. This project was completed in FY2001. As further validation of the benefits of this particular imaging system, the system was selected as Exhibitor Best Solution for the Government Technology Conference in 2001.
- B. In FY2001, TSBP received 90,701 web-site inquiries, an average of 7,558 "hits" each month, as compared to approximately 5,373 "hits" each month in FY2000, a 41% increase. The division was successful in reclassifying an existing employee, Todd Hayek, as a Network Specialist. Mr. Hayek is currently working on his certification as a Web Master and has been instrumental in maintaining and developing the agency web site.
- C. In 2001, Information Systems focused on refreshing old technology and security. Priority for refresh was the web server and one-third of the agency's desktops and laptops. Like many organizations, the agency's web presence increased in importance, forcing the need for a more robust and secure system. Desktop and laptop replacements were done as scheduled, keeping the staff downtime at a minimum.
- D. With regard to virus activity, a dramatic increase occurred which was addressed by upgrading the anti-virus software and implementing automatic updates which take the human response time out of the equation, thus keeping virus incidents extremely low. Aggressively maintaining recommended security updates on the web server limited exposure to a single low impact web defacement. In an effort to prevent unauthorized systems access, the agency has also taken a

more assertive stance toward user passwords, forcing users to change passwords more frequently and to adhere to stricter standards.

- E. The agency volunteered to participate in a penetration test, sponsored by the Department of Information Resources. The test was completed by Sprint and upon completion included formal recommendations to increase agency computer systems security.

- 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 FY2001.

Status: **ACCOMPLISHED**

Comment: Division staff destroyed 62.22 cubic feet of records, in accordance with the TSBP record retention schedule. The Records Retention Schedule was reviewed, and various amendments were submitted to the State Library for approval. Division licensing staff began the process of imaging licensing records.

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9. To coordinate the sale and distribution of the pharmacy law reference manual and cooperate with the Compliance Division to assure the publication of any updates of the manual throughout FY2001.

Status: **ACCOMPLISHED**

Comment: Approximately \$58,288 was generated in spendable revenue due to the sale of the *Texas Pharmacy Laws and Regulations*. An update of the Texas Pharmacy Rules was developed and distributed free of charge to approximately 5,000 board customers. The Administrative Services staff continued to provide the support necessary to determine fees, maintain mailing lists, and maintain property inventory levels of these manuals.

10. To provide verbal and written information to Board staff and customers throughout FY2001 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 FY2001.

Status: **ACCOMPLISHED**

Comment: This objective was accomplished as follows:

- A. Statutorily Required Reports

Report Title	Recipient(s)	Division Reporting
Registrations	Ethics Commission	Administration
FTE State Employees	State Auditor	Administration
Annual Financial Report	Governor's Office; LBB; State Comptroller; State Auditor.	Administration
Recycled Materials Expenditures	LBB	Administration
Historically Underutilized Business Progress Reports	Governor's Office; Lt. Governor; Speaker of House	Administration
Encumbrance Reports	State Comptroller; State Auditor; LBB	Administration
Operating Budget FY01	Governor's Office; LBB; State Comptroller; Legislative Reference Library	Administration
Non-Resident Bidders	LBB	Administration
EEO Information Report	Commission on Human Rights	Administration
Minority Hiring Practices	Commission on Human Rights	Administration

Report Title	Recipient(s)	Division Reporting
Historically Underutilized Minority Businesses - Contracts	General Services Commission; State Comptroller	Administration
Risk Management - Losses	Office of Risk Management	Administration
Performance and Funds Mgmt. Reports	Legislative Budget Board	Administration/Enforcement
Contract Workforce Report	State Auditor	Administration
Open Records On-line Monthly Report	Legislative Budget Board	All

B. Other Surveys and Questionnaires:

Report Title	Recipient(s)	Division Reporting
Office Space Needs Assessment	General Services Commission	Administration
Open Records Survey	General Services Commission	All
Vehicle Operations Guidelines	General Services Commission	Administration
Survey re: Risk Management Audit	State Office of Risk Management	Administration
Statistics regarding Number of Pharmacists in Texas compared to Total Population	Comptroller Office	Licensing
Biennial Operating Plan for Information Resources	Legislative Budget Board	Information Resources
Turnover Statistics	House Appropriations Committee	Administration
Information regarding Pharmacies by County	Representative Lucio	Licensing
Job Descriptions for Inspectors and Investigators	State Auditor Office	Administration

C. Types and numbers of surveys/questionnaires/reports completed by all Divisions: See Professional Services Ongoing Objective #10, Legal Services Ongoing Objective #8, and Enforcement Ongoing Objective #10. In addition, the agency as a whole, responded to 19,914 requests for information, both written and electronic.

D. Division (Licensing) staff responded to approximately 16,000 telephone calls, 1,400 e-mail inquiries, mailed 3,619 packets of information to applicants for licensure and/or pharmacy owners, and responded to 83 requests for lists and labels.

11. To assist the Executive Director in developing and implementing the objectives of the Health Professions Council pertinent to Division activities throughout FY2001.

Status: ACCOMPLISHED

Comment: Division staff participated in the following activities:

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- A. Implementation of an Imaging System - Division staff (Steve Rapp) continued to chair a committee to implement the indexing and scanning of documents for the HPC agencies.
- B. Division Director participated in an interagency workgroup of the HPC and Small Agency Task Force, to recommend legislative initiatives for the January 2001 Legislative Session.
- C. HPC Annual Report - Division Director submitted recommendations and licensing performance data to be incorporated into the HPC Annual Report.
- D. The TSBP continued to participate in several HPC centralized services, such as the Centralized Mail Center, Courier Service, and Copy Center; Shared Employee Training; and Shared Information Resource Technology staff.

12. 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 FY2001.

Status: ACCOMPLISHED

Comment: Division staff participated in the following activities:

Cathy Stella, Division Director
Small Agency Task Force, Legislative Issues Committee and HB 609 (Internal Auditor)
NAPLEX Computerized Exam Presentations to the University of Houston, Texas Southern University College of Pharmacy, and Texas Tech University
Health Professions Council Meetings
Numerous meetings with KPMG regarding E-commerce and state portal system.
Human Resources Seminar
e-Records 2000 Symposium
DIR Task Force on E-Renewal
Pre-Retirement Seminar
Managing Electronic Records
SOAH Hearing
TSHRA Meeting - Results of Legislative Session
Meeting with HEB representatives regarding change of ownership
EEO Law Seminar
Conference Call Meeting of Exam Retake Committee
Exam Grade Download Program Training at National Association of Boards of Pharmacy
New Hire Orientation for 7 New Hires

Jane Bennett, Chief Accountant
100 Day Report Seminar
USAS User Group Meetings
Small Agency Task Force Meeting re: LAR
GASB Teleconferences and seminars
Texas Basic Public Purchasing Class.
Small State Agency Task Force

ADMINISTRATIVE SERVICES AND LICENSING**Robbi Polanco, Employee Relations Coordinator**

Insurance Summer Enrollment Training

USPS Monthly Users Meetings

New staff orientation for seven new hires

Hobby Building Tenant Meetings

Numerous meetings with KPMG, DIR & Comptroller regarding e-Commerce & state portal system

Employment Discrimination/Sexual Harassment Training

SORM Annual State Agency Report Training

Texas Workers' Compensation Educational Conference

Managing Electronic Records

Personal Safety

Imaging System Navigation Training

Sandy Morton, Accountant

USAS Monthly User Meetings

Excel 2000 Advance

How to Supervise People for New Supervisors

TINS On-line Training

Darlene Guthrie, Purchaser

EEO Training

Access Introduction

State of TX Purchasers Conference

AT&T Wireless Data Solutions

Women's Conference

Tex-An Roadshow

Kay Wilson, Executive Assistant

Governor's Center for Management Development Leadership Series -- Customer Service

Attorney General's Open Government Conference

Hobby Building Users' Meetings

Sonya Whalon, Administrative Technician

United Parcel Service State of Texas Seminar

The Essentials of Managing the Front Desk

Ethics Training

Texa\$aver Informational Meeting

ADMINISTRATIVE SERVICES AND LICENSING

Steve Rapp, Information Resource Manager

New staff orientation for seven new hires

DIR Power to Purchase Seminar

Todd Hayek, Network Specialist

Web Certification Classes to include paint shop program, dream weaver, interface design, web management, American with Disabilities, world wide web, photo shop, flash.

Rachel Glass, Pharmacist Licensing Specialist

Customer Service

Access 2000 Introduction training

Melinda Uballe, Licensing Technician

Access 2000 Introduction class

Women's Conference

Conflict Management Skills for Women

13. To conduct periodic reviews and annual evaluations of all employees under the supervision of this Division during FY2001.

Status: ACCOMPLISHED

Comment: The Division achieved a 100% completion rate of evaluations scheduled for this fiscal year.

Name	Date Scheduled	Date Conducted
Nicki Green	September 2000	January 2001
Rene Howard	September 2000	December 2000
Sandy Morton	November 2000	November 2000
Patty Powers	December 2000	May 2001
Steve Rapp	January 2001	February 2001
Robbi Polanco	February 2001	June 2001
Sonya Whalon	March 2001	June 2001
Todd Hayek	April 2001	May 2001
Rachel Glass	June 2001	May 2001
Melinda Uballe	June 2001	June 2001
Jane Bennett	June 2001	June 2001
Darlene Guthrie	May 2001	June 2001

14. 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 FY2001.

Status: ACCOMPLISHED

Comment: A complete revision of the agency's Personnel Policy and Procedure Manual was undertaken by management staff; the publication was distributed in October 2000. In addition, the Division Director, on advice of the Texas Human Rights Commission and in consultation with management staff, revised the following policies:

- P Recruitment Plan/Affirmative Action Plan
- P Americans with Disabilities (ADA)
- P Reduction in Force and Recall Guidelines
- P Disciplinary Actions
- P Sexual Harassment Policy
- P Employee Performance Evaluation

As a result, the agency's personnel policy and procedural system were certified as compliant by the Texas Commission on Human Rights.

15. To recommend policies and procedures to the Executive Director which will enhance the efficiency and effectiveness of the agency throughout FY2001.

Status: ACCOMPLISHED

Comment: See remarks under Administrative Services Ongoing Objectives #5, #7, #8, #11, and #14.

16. To recommend changes to the Texas Pharmacy Act and Rules which 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 FY2001.

Status: ACCOMPLISHED

Comment: Rules suggested for adoption included:

- A. Amendments to §283.9 concerning examination fees. This amendment set the exam fee at \$300 for calculating the pharmacist renewal late fee.
- B. New Rule §281.19 concerning assignment of autos; and
- C. Amendments to §§291.6 and 295.5 concerning pharmacist and pharmacy licensing fees.

17. To prepare and submit a report on the accomplishment of Division objectives for incorporation into the agency's *FY2000 Annual Report* to be presented to the Board by its May 2001 Board

Meeting.

Status: ACCOMPLISHED

Comment: The first draft of the FY00 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 the meeting held May 2-3, 2001.

Objectives (Ongoing) - Licensing

1. To coordinate the collection of licensing data for *Key Performance Targets* required under the 2000-2001 Appropriations Act and to submit to the Executive Director by specified due dates throughout FY2001.

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

Performance Measures	Target FY01	Accomplished FY01	Key or Non Key (K-NK)	Expectations
Percent of Licensees with No Recent Violations	99	98.3	K	Met
Individuals Examined (examinations administered)	1400	1430	NK	Exceeded
Number of Licenses Renewed (Individuals)	15,032	15,278	K	Exceeded
Number of New Licenses Issued to Individuals	868	781	K	Not Met
Average Licensing Cost Per Individual License Issued	\$6.25	\$6.06	K	Met
Average Licensing Cost Per Facility License Issued	\$18.21	\$20.31	K	Not Met
Average Cost Per Exam Administered	\$62.68	\$57.83	NK	Exceeded
% of New Licenses Issued within 10 Days	98%	100%	NK	Exceeded
% Individual Licenses Issued within 7 Days	98%	100%	NK	Exceeded
Total Number of Individuals Licensed	20,300	20,679	NK	Exceeded
Total Number of Business Facilities Licensed	5,620	5,603	K	Met
Pass Rate	87%	91.18	NK	Exceeded

2. To determine the eligibility of all pharmacist applicants applying to take the NAPLEX and Multi-State Pharmacy Jurisprudence Examination (MPJE) for initial licensing or licensing by reciprocity throughout FY2001.

Status: ACCOMPLISHED

Comment: The following statistics relate to all candidates that were determined eligible and

received a score for the NAPLEX and MPJE in FY2001:

Jurisprudence (MPJE)	Total Exams Administered
Candidates Passing	800
Candidates Failing	69
TOTAL EXAMS JURISPRUDENCE	869

NAPLEX	Total Exams Administered
Candidates Passing	504
Candidates Failing	57
TOTAL EXAMS NAPLEX	561

In addition, the Exam/Internship Licensing Specialist responded to 4,631 inquiries by the National Association of Boards of Pharmacy (NABP) regarding an applicant's eligibility to sit for these exams, responded to approximately 5,000 telephone calls, 942 e-mail inquiries, and mailed 2,282 packets of information to examination applicants.

Regarding reciprocity (license transfer) in and out of Texas, 234 candidates were licensed by reciprocity in FY2001, and the agency responded to 675 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 2001, Texas led the number of requests for licensure transfer into the state for the second year in a row, at 334; however, Texas also ranked third in requests to transfer to other states with an almost equal number, 329.

- To provide staff support to the *Examination Retake Committee* and any other advisory committee related to licensing issues as required in FY2001.

Status: **ACCOMPLISHED**

Comment: The Examination Retake Committee was formed as a direct result of legislation passed during the 73rd Legislative Session which required an applicant who has failed the Board licensing examination(s) three times to complete college course work prior to retaking the examination(s). The Committee is made up of a representative of each of the Texas colleges of pharmacy and one current Board Member.

During FY2001, eight candidates failed either the NAPLEX or the MPJE three times and either completed or were in the process of completing the required course work recommended by the Examination Retake Committee. Of these eight candidates, five candidates fulfilled all requirements and were licensed as Texas pharmacists.

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 FY2001.

Status: ACCOMPLISHED

Comment: This measure represents the total number of pharmacies (business or facilities) currently licensed by the agency, and includes five classes of pharmacy licenses.

In FY2001, the average processing time to issue a license from receipt of a completed application was two working days for a pharmacy renewal and seven working days for a new pharmacy license. The number of pharmacy licenses issued (new and renewal) was as follows:

Pharmacies Licensed FY01	
Class A (Community)	4,052
Class B (Nuclear)	34
Class C (Institutional)	824
Class D (Clinic)	459
Class E (Non Resident)	234
TOTAL	5,603

In addition to these statistics, the Pharmacy Licensing Specialist responded to 7,000 telephone calls and 250 e-mail inquiries. A total of 1,252 pharmacy applications were processed as follows:

Pharmacy Applications Processed	
New Opens	339
Change of Ownership	351
Change of Location	168
Change of Name	94
Closings	300
TOTAL	1,252

- To issue renewal certificates to all pharmacist candidates within four working days of receipt of the required fee and all required documents throughout FY2001.

Status: ACCOMPLISHED

Comment: The agency renewed 15,278 pharmacist licenses on a biennial basis during FY2001. The average processing time to issue a renewal license from receipt of a completed application was one business day. The total population of licensed pharmacists for this fiscal year is as follows:

Pharmacists Licensed - FY01	
Active Status	19,451
Inactive Status*	1,228**
TOTAL	20,679

C Not practicing pharmacy in Texas and not reporting continuing education credits.

**** Of the above number, 146 pharmacists have been practicing in Texas for more than 50 years, and are classified as "exempt."

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The Pharmacist Licensing Specialist also responded to approximately 4,000 telephone calls from licensees and other board customers.

6. To issue a pharmacist license by examination, score transfer, or reciprocity within 10 working days after the date the agency receives the examination results throughout FY2001.

Status: ACCOMPLISHED

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

New Pharmacists Licensed - FY01	
Graduates of Texas Colleges of Pharmacy	365
Graduates of Out-of-State Colleges of Pharmacy	385
Credentialed by the Foreign Pharmacist Equivalency Committee	31
TOTAL	781

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

Status: ACCOMPLISHED

Comment: All qualified pharmacist-interns were registered within 20 working days after receipt of all requirements for certification.

In addition to certifying interns, the exam/internship office registers all qualified pharmacist preceptors. In FY2001, 892 pharmacist preceptors were certified within three days of their application request.

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 FY2001.

Status: ACCOMPLISHED

Comment: In FY2001, 348 audits were conducted. Of this total number, 99% of the audits were closed or referred to the Enforcement/Legal Division as indicated in the chart below.

CONTINUING EDUCATION AUDITS	
Status	Number
Active	1
Closed	336
Referred to Enforcement	11
TOTAL	348

