

Legislative Appropriations Requests

For Fiscal Years 2016 and 2017

Submitted to the
Governor's Office of Budget, Planning & Policy
And the Legislative Budget Board

By

Texas State Board of Pharmacy

July 28, 2014

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Administrator's Statement

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Board Member	Dates of Term	Hometown
Buford T. Abeldt, Sr., R.Ph.	05/09/2008 - 08/31/2019	Lufkin
Christopher M. Dembny, R.Ph.	09/26/2013 - 08/31/2017	Richardson
Benjamin Fry, R.Ph., FIACP, FACS	04/14/2004 - 08/31/2015	San Benito
L. Suzan Kedron	05/09/2008 - 08/31/2019	Dallas
Alice G. Mendoza, R.Ph.	08/10/2006 - 08/31/2017	Kingsville
Bradley A Miller, Ph.T.R	09/26/2013 - 08/31/2019	Austin
Phyllis A. Stine	08/31/2011 - 08/31/2017	Abilene
Joyce A. Tipton, R.Ph., MBA	01/06/2010 - 08/31/2015	Houston
Jeanne D. Waggener, R.Ph.	08/10/2006 - 08/31/2017	Waco
Charles F. Wetherbee	01/06/2010 - 08/31/2015	Boerne
Dennis F. Wiesner, R.Ph.	05/09/2008 - 08/31/2019	Austin

The Texas State Board of Pharmacy (TSBP) is the agency responsible for the protection of the citizens of the state through the regulation of the practice of pharmacy in Texas, including the licensing/registration of pharmacists, pharmacist-interns, pharmacy technicians and the licensing of pharmacies engaged in dispensing or distribution of prescription drugs and devices.

One key factor that continues to affect the ability of the agency to serve and protect the public interest is the increased demand for agency services in every area of its operation as indicated below.

INCREASE IN NUMBER OF LICENSEES

Licensing - Since 2009, the licensee population of the agency has grown 13.95% (from 84,659 to 96,470). Historically, the majority of this growth has been in the numbers of pharmacy technicians with the average growth about 1.4%. However, over the last two years, the growth in the numbers of all licensees has increased by an average of 5.64% annually. This growth appears to be associated with the good health of the Texas economy and the availability of jobs in Texas.

Enforcement – This growth in the number of licensees has dramatically affected every division including the enforcement and legal division since the number of complaints has increased with the number of licensees. In order for the Board to continue to protect the citizens of Texas, it must have adequate funds and staff. The almost 60,000 pharmacy technicians and trainees licensed by the agency have had a dramatic effect on the agency’s operations. Of particular concern to the agency is the growth in the number of disciplinary orders entered by the agency and the continuing growth in the number of complaints received. In FY2003, the fiscal year prior to the registration of pharmacy technicians, the agency received 1,893 jurisdictional complaints, closed 1,850 jurisdictional complaints, and entered 213 disciplinary orders. In FY2013, the agency received 5,891 jurisdictional complaints, closed 6,504 jurisdictional complaints, and entered 683 disciplinary orders. It has been extremely challenging for the agency to handle this phenomenal growth during the past 11 years: 211% increase in the number of jurisdictional complaints received; 252% increase in the number of jurisdictional complaints closed; and 221% increase in the number of disciplinary orders entered.

Diversion of Controlled Substances from Pharmacies

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Another key factor that has affected the agency's ability to serve and protect the public interest is an increase in the diversion of controlled substances from pharmacies. This diversion is fueled by the growing abuse of prescription painkillers and other prescription drugs. In 2013, the CDC called prescription drug abuse a "growing epidemic." Nearly three of four prescription drug overdoses is caused by opioid pain medication and more people have died in recent years from the abuse of prescription drugs than from heroin and cocaine combined. The Harris County Coroner's Office reported in 2010 that prescription drugs have killed more than 1,200 people in Harris County since 2006.

Because pharmacies are a source of these prescription drugs that are so much in demand, we are seeing an increase in the diversion of drugs from pharmacies. The two main ways drugs are diverted from pharmacies are through illegal dispensing and through the theft of drugs from pharmacies by pharmacy personnel.

Illegal Dispensing – "Pill-Mill" pharmacies – these types of pharmacies dispense prescriptions based on invalid prescriptions. Federal and state controlled substance acts specify that for a prescription for a controlled substance to be valid, a practitioner acting in the usual course of professional practice must issue it for a legitimate medical purpose. These laws also specify that pharmacists have a corresponding responsibility with the practitioner for assuring that a prescription is issued for a valid medical need. Thus pharmacists who knowingly fill an invalid prescription, as well as the person issuing it, is subject to the penalties provided for violations of the provisions of law relating to controlled substances.

Theft of Drugs from Pharmacies – TSBP receives reports of the theft/loss of controlled substances and dangerous drugs from Texas pharmacies. A large percentage of these reports involve employee pilferage by technicians. Complaints are opened on the individuals who have purportedly stolen the drugs and a field investigation is initiated. If sufficient evidence is collected, disciplinary action is instituted against the license or registration involved. In FY13 TSBP revoked the licenses/registrations of 98 individuals (20 pharmacists and 78 pharmacy technicians) most for the diversion of controlled substances from pharmacies.

As you review our exceptional item request, we ask that you consider the two key factors indicated above and recognize the huge impact they are having on this agency and on the citizens of Texas.

The members of the Board have approved the entire supplemental budget request and understand that additional revenue may need to be generated, if the exceptional items are funded. The TSBP generates all of its revenue through fees and we have the authority and mechanisms necessary to generate the revenue needed to support this request.

I. INCREASE TO EXECUTIVE DIRECTOR'S SALARY (\$115,568)

The current executive director has indicated that she will retire in December 2015. The Board will establish a plan for hiring a new executive director. The Texas Pharmacy Act requires that the executive director of TSBP be a pharmacist. The process of finding a pharmacist to be the Executive Director of TSBP may be difficult due to the salary paid to this position. Currently the legislature has placed the salary of the executive director in exempt group 4, which has a minimum salary of \$106,500 and a maximum salary of \$167,500 per year. However, the legislature has specified that the executive director's salary be set at \$107,565 for FY2014 and \$109,716 for FY2015.

The current salary for the position results in the executive director being paid less than new pharmacists hired straight out of college. A 2013 survey of pharmacist's salary conducted by "Drug Topics" reported the annual base salaries for staff pharmacists between \$116,000 and \$140,000 a year. The lower range of these salaries is \$6,000 more than the salary of the TSBP executive director. In addition, a survey of the salaries of the Executive Director of Oklahoma, Arkansas, and Louisiana show

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that the average salary for these individuals is \$140,000 or \$30,000 more than that of the Executive Director in Texas.

The Board is requesting the 2015 Legislature to raise the salary specified in the Appropriations Act to the top of the Group 4 (\$167,500 per year). With this additional appropriation, the Board will be able to set the salary of the person who is the executive director at a level that is competitive with pharmacists' salaries and one that recognizes the experience of the individual.

II. RESTORE MERIT (\$436,008)

TSBP has not been able to give employees a merit increase since FY2009. The 81st Legislative Session appropriated funds to support merit increases to reward high-performing employees; however, these funds were cut during the budget cuts of FY2010. Being able to reward high performing employees is crucial to allowing the agency to keep high performing employees.

III. UNFUNDED MANDATES (\$45,474)

During the 82nd Legislative Session, the legislature passed a contingency provision that requires state agencies to contribute 1.0% of the total base wages and salaries for each employee of an agency, to the Employees Retirement System's Group Benefits Program for Payroll Contribution for Health Insurance. This provision was continued by the 83rd Legislature with an additional 0.05% payment for additional Payroll Contribution for Retirement. The agency has had to pay for these provisions from the agency's existing appropriations, primarily salaries for vacated positions and using unexpended budget authority for those lapsed positions in the next fiscal year. In the base budget of FY2016-2017, all FTE positions are filled and no amount is available or budgeted for the Payroll Contribution for Retirement.

The TSBP generates all of its revenue through fees and we have the authority and mechanisms necessary to generate the revenue needed to support this mandate. The agency must however, be given the additional appropriation authority for this mandate. Without the additional appropriation authority, the agency will be forced to absorb this increased appropriation by cutting critical staff services.

IV. RECLASSIFICATIONS AND EQUITY ADJUSTMENTS (\$289,222)

This item adjusts the salary rate of a number of classified employees to maintain a desirable salary level among agency employees and between employees of the agency and employees who hold similar positions in the relevant labor market. Consideration is given to the education, skills, work experience, length of service and job performance of agency employees in determining desirable salary relationships.

A great number of employees are represented – from accountants, to license specialists, to inspectors, to investigators and management. We have identified several classes of employees that are still paid at an entry level (basic skills) salary and some classes of employees that are paid a lower rate than others employees within the state of Texas, given their experience. The complexity of the pharmacy profession has simply outpaced the salary that we are paying many of our employees. This exceptional item reclasses some employee positions and awards a one-time equity increase to others (approximately 4%).

V. TECHNOLOGY REQUEST (\$116,917)

Information Resource Technologies Replacement: Aged and obsolete technology must be replaced. The agency replacement schedule complies with DIR's life cycle guidelines. Technology that is not replaced at the end of its life cycle becomes a liability to the agency due to frequent down time, increased support requirements and

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compatibility issues. New ventures also include devices to allow for mobile inspections by the field inspectors.

Scanning of Records: The agency needs additional funding to continue our project to image agency documents. If the agency is unable to image its anticipated documents, additional off-site file and/or storage space will become necessary.

VI. ADDITIONAL STAFF TO MAINTAIN SERVICES (\$275,154)

This exceptional item will fund the following two positions:

Network Specialist IV: A full time position is required to support the additional workload created by the new Versa database system, increased reporting requirements, increase security efforts and an increasingly mobile staff. The position would perform the network administration duties allowing the Director to focus on the Versa system needs, Business Continuity, Project management and reporting requirements. This position will also allow the existing network administrator to focus on network security and the support of our remote users.

Litigation Managing Attorney: The Legal Division has seen a significant increase in the number of cases requiring litigation at the State Office of Administrative Hearings (SOAH). Between FY2012 and FY2013, the number of case filed at SOAH increased by 25% and an increasing backlog of cases requiring litigation resulted. Previously, three attorneys contributed to the drafting of Preliminary Notice Letters. However, based on the SOAH workload, an additional attorney was reassigned to handling SOAH cases along with the Assistant General Counsel. One Staff Attorney is needed in relation to this increased workload to work on cases at the informal conference level and fill in with SOAH cases as needed.

VII. LUMP SUM TERMINATION PAY – EXECUTIVE DIRECTOR (\$29,544)

The current executive director has indicated that she will retire in December 2015. This amount represents the amount of accrued annual leave that must be paid upon termination of employment.

Health Professions Council (HPC) -

The TSBP is a member of the Health Professions Council and transfers funds through appropriations made to the TSBP, through interagency contract to HPC for a prorated share of HPC's operating budget. Please refer to the HPC LAR for the funding request necessary for Information Technology improvements as well as any other increases to the TSBP prorated share shown in Rider Sec 3, Special Provisions Relating to All Regulatory Agencies. The TSBP supports the HPC request assuming additional appropriations are made to the TSBP for any increases.

Criminal History Background Checks -

TSBP has the authority to conduct criminal history background checks under the following statutes: Code of Criminal Procedure, Art. 60.061; Gov't Code, 411.122; and Gov't Code 411.084 - 411.087. TSBP conducts a Department of Public Safety criminal history background check on all new owners of pharmacy licenses, and an FBI fingerprint check on all individual applicants for new licenses/registrations. In addition, a DPS criminal history check is conducted on a quarterly basis for all individual applicants for renewal of licenses/registrations.

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Centralized Accounting and Payroll/Personnel System (CAPPS) -

TSBP will begin the transition to this system in July 2017 and we do not estimate any additional support costs at this time. The Comptroller of Public Accounts will fund the transition and deployment costs.

10% REDUCTION IMPACT

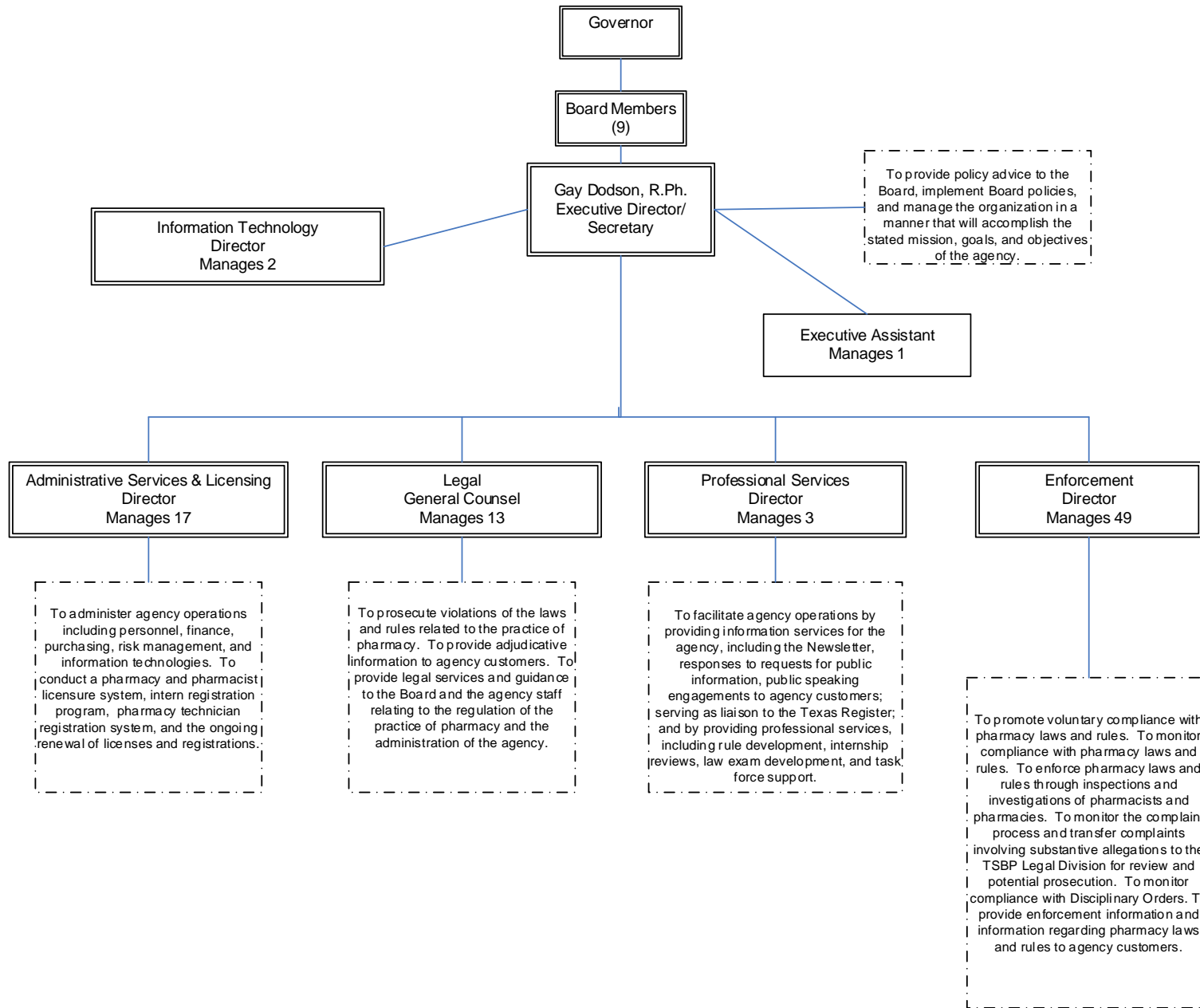
If the Legislature cuts the TSBP budget by 10%, the agency will be forced to make the following cuts.

- 7 FTE's (Licensing, Legal, Enforcement, Accounting)
- All Board and staff training, education and non-service travel will be eliminated
- An additional 10% cut to the funding for the Peer Assistance Program
- Vehicle replacement will be cut
- All Board Per Diem will be eliminated

The impact of a 10% budget cut in the above areas is outlined in detail in the Percent Biennial Base Reduction Options Schedule. In summary, the agency anticipates:

1. Approximately 400 fewer pharmacies would be inspected, which in turn, would lengthen the time between inspections and prevent the agency of achieving the goal of inspecting compounding pharmacies every two years;
2. Approximately 200 fewer complaints will be resolved which would increase the backlog of pending complaints, which in turn, would increase the average complaint resolution time to an estimated 250 days;
3. Approximately 100 fewer disciplinary orders would be entered by the Board, which in turn, would ultimately create a backlog of cases and lengthen the time required to resolve a disciplinary case;
4. Critical slowdowns and backlog in the issuing and renewing of licenses/registrations;
5. Reduction of the ability of Professional Recovery Network to provide the level and quality of monitoring needed to assure the public safety; and
6. Elimination of critical staff training and education; and
7. If field vehicles are not replaced in a timely manner, either: (1) significant repairs will be required or (2) the vehicle will simply not be operable (resulting in personnel assigned to the vehicle not being able to perform primary job duties).

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2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Establish and Maintain Standards for Pharmacy Education and Practice					
1 Operate Licensure System to Ensure that Minimal Standards Are Met					
1 LICENSING	844,258	1,109,249	922,914	1,086,979	937,097
2 TEXAS.GOV	200,066	173,463	173,463	173,463	173,463
TOTAL, GOAL 1	\$1,044,324	\$1,282,712	\$1,096,377	\$1,260,442	\$1,110,560
2 Protect Public Health by Enforcing All Laws Relating to Practice					
1 Decrease Violations by Inspections, Education, Resolving Complaints					
1 ENFORCEMENT	3,293,440	4,557,913	4,367,286	4,573,689	4,441,749
2 PEER ASSISTANCE	179,199	228,740	238,585	228,740	238,585
TOTAL, GOAL 2	\$3,472,639	\$4,786,653	\$4,605,871	\$4,802,429	\$4,680,334
3 Indirect Administration					
1 Indirect Administration					
1 LICENSING - INDIRECT ADMINISTRATION	87,061	124,461	118,450	128,147	118,449

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
2 ENFORCEMENT-INDIRECT ADMINISTRATION	587,297	705,283	671,219	726,188	671,219
TOTAL, GOAL 3	\$674,358	\$829,744	\$789,669	\$854,335	\$789,668
TOTAL, AGENCY STRATEGY REQUEST	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	5,174,487	6,891,379	6,484,187	6,909,476	6,572,832
SUBTOTAL	\$5,174,487	\$6,891,379	\$6,484,187	\$6,909,476	\$6,572,832
Other Funds:					
666 Appropriated Receipts	16,834	7,730	7,730	7,730	7,730
SUBTOTAL	\$16,834	\$7,730	\$7,730	\$7,730	\$7,730
TOTAL, METHOD OF FINANCING	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
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Agency code: **515** Agency name: **Board of Pharmacy**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$5,127,326	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$6,831,076	\$6,557,762	\$6,742,431	\$6,646,407
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RIDER APPROPRIATION

Art. VIII, Rider 2, Controlled Substance Forfeiture Prog. UB (2012-13 GAA)

\$66,198	\$0	\$0	\$0	\$0
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Comments: Unexpended Balance from FY2012 to FY2013

Art. IX, Sec 14.05 Unexpended Balance Authority Between Fiscal Years (2012-13 GAA)

\$106,276	\$0	\$0	\$0	\$0
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Comments: Unexpended Balance from FY2012 to FY2013

Art VIII, Rider 3, Controlled Substance Forfeiture Program, UB (2014-15 GAA)

\$(58,497)	\$1,756	\$0	\$1,756	\$0
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2.B. Summary of Base Request by Method of Finance

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Agency name: **Board of Pharmacy**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE

Comments: Unexpended Balance from FY2013 in the amount of \$58,497 is distributed as follows:

\$56,741 is included in Strategy B.1.1. Enforcement FY 2014 Regular Appropriation GAA

Remaining \$1,756 was collected at year end and in addition to the \$56,741 for FY2014 Controlled Substance Forfeiture Program.

Art VIII, Rider 2, Controlled Substance Forfeiture Program UB (2012-13 GAA)

\$5,051	\$0	\$0	\$0	\$0
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Comments: New Controlled Substance Forfeiture Revenue Funds received in FY 2013.

Art IX, Sec 18.41, Contingency for SB 500 (2014-15 GAA)

\$0	\$15,120	\$12,320	\$15,120	\$12,320
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Art IX, Sec 18.43 Contingency for SB 1100 (2014-15 GAA)

\$0	\$177,367	\$147,517	\$177,367	\$147,517
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Art VIII, Rider 3, Controlled Substance Forfeiture Program, UB(2014-15 GAA)

\$0	\$6,214	\$0	\$6,214	\$0
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Comments: New Controlled Substance Forfeiture Revenue Funds received in FY2014.

2.B. Summary of Base Request by Method of Finance
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Agency code: 515		Agency name: Board of Pharmacy				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>						
<i>TRANSFERS</i>						
Art IX, Sec 17.06, Salary Increase for General State Employees (2014-15 GAA)						
		\$0	\$59,846	\$166,588	\$166,588	\$166,588
<i>LAPSED APPROPRIATIONS</i>						
Art VIII, Rider 5, Contingent Revenue: Work Space Response (2014-15 GAA)						
		\$0	\$(200,000)	\$(400,000)	\$(200,000)	\$(400,000)
Comments: Comptroller did not certify - Agency found space within the Hobby Building; therefore, space outside Hobby Building was not needed.						
Regular Appropriations from MOF Table (2012-13 GAA)						
		\$(50,148)	\$0	\$0	\$0	\$0
Art VIII, Sec 4, TexasOnline Authority Appropriation (2012-13 GAA)						
		\$(21,719)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$5,174,487	\$6,891,379	\$6,484,187	\$6,909,476	\$6,572,832
TOTAL, ALL	GENERAL REVENUE	\$5,174,487	\$6,891,379	\$6,484,187	\$6,909,476	\$6,572,832

OTHER FUNDS

2.B. Summary of Base Request by Method of Finance
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Agency code: **515** Agency name: **Board of Pharmacy**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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OTHER FUNDS

666 Appropriated Receipts

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$7,730	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$7,730	\$7,730	\$7,730	\$7,730
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RIDER APPROPRIATION

Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)

\$4,021	\$0	\$0	\$0	\$0
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Art IX, Sec 8.04, Surplus Property (2012-13 GAA)

\$4,568	\$0	\$0	\$0	\$0
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Art IX, Sec 12.02, Publications or Sales of Records (2012-13 GAA)

\$500	\$0	\$0	\$0	\$0
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Art VIII, Rider 2, Controlled Substance forfeiture Program (2012-13 GAA)

\$15	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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Agency code: 515		Agency name: Board of Pharmacy				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>						
TOTAL,	Appropriated Receipts	\$16,834	\$7,730	\$7,730	\$7,730	\$7,730
TOTAL, ALL	OTHER FUNDS	\$16,834	\$7,730	\$7,730	\$7,730	\$7,730
GRAND TOTAL		\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
	Regular Appropriations from MOF Table (2012-13 GAA)	78.0	0.0	0.0	0.0	0.0
	Regular Appropriations from MOF Table (2014-15 GAA)	0.0	90.0	90.0	92.0	92.0
RIDER APPROPRIATION						
	Article IX, Sec. 18.43 Contingency for SB 1100 (2014-15 GAA)	0.0	2.0	2.0	0.0	0.0
LAPSED APPROPRIATIONS						
	Regular Appropriations from MOF Table (2012-13 GAA)	(3.4)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES		74.6	92.0	92.0	92.0	92.0

2.B. Summary of Base Request by Method of Finance
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Agency code: **515**

Agency name: **Board of Pharmacy**

METHOD OF FINANCING

Exp 2013

Est 2014

Bud 2015

Req 2016

Req 2017

**NUMBER OF 100% FEDERALLY
FUNDED FTEs**

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: Agency:

BASE REQUEST STRATEGY: --

Code Type of Expense

Total, Operating Costs

2.C. Summary of Base Request by Object of Expense

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OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$3,744,717	\$4,446,662	\$4,835,384	\$4,835,384	\$4,835,384
1002 OTHER PERSONNEL COSTS	\$267,567	\$179,063	\$127,084	\$137,439	\$149,779
2001 PROFESSIONAL FEES AND SERVICES	\$218,022	\$474,538	\$299,761	\$301,134	\$299,206
2002 FUELS AND LUBRICANTS	\$42,842	\$45,000	\$57,000	\$57,000	\$57,000
2003 CONSUMABLE SUPPLIES	\$39,050	\$44,344	\$44,344	\$44,344	\$44,344
2004 UTILITIES	\$14,362	\$18,647	\$18,647	\$18,647	\$18,647
2005 TRAVEL	\$100,436	\$167,275	\$196,326	\$210,141	\$210,141
2006 RENT - BUILDING	\$4,843	\$4,126	\$3,920	\$3,920	\$3,920
2007 RENT - MACHINE AND OTHER	\$6,784	\$7,300	\$7,300	\$7,300	\$7,300
2009 OTHER OPERATING EXPENSE	\$752,698	\$1,117,154	\$843,651	\$998,897	\$896,341
5000 CAPITAL EXPENDITURES	\$0	\$395,000	\$58,500	\$303,000	\$58,500
OOE Total (Excluding Riders)	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
OOE Total (Riders)					
Grand Total	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562

2.D. Summary of Base Request Objective Outcomes
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Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Establish and Maintain Standards for Pharmacy Education and Practice <i>1 Operate Licensure System to Ensure that Minimal Standards Are Met</i>					
KEY 1 Percent of Licensees with No Recent Violations	95.60%	96.00%	95.00%	95.00%	95.00%
KEY 2 Percent of Licensees Who Renew Online	94.90%	94.00%	94.00%	94.00%	94.00%
3 Percent of New Individual Licenses Issued Online	96.94	96.00	96.00	96.00	96.00
2 Protect Public Health by Enforcing All Laws Relating to Practice <i>1 Decrease Violations by Inspections, Education, Resolving Complaints</i>					
KEY 1 Percent of Complaints Resulting in Disciplinary Action	11.32%	15.00%	11.00%	11.00%	11.00%
2 Recidivism Rate of Those Receiving Disciplinary Action	4.70	4.00	4.00	4.00	4.00
3 Percent of Documented Complaints Resolved within Six Months	66.34%	65.00%	65.00%	65.00%	65.00%
4 Recidivism Rate for Peer Assistance Programs	21.21%	20.00%	20.00%	20.00%	20.00%
5 One-year Completion Rate for Peer Assistance Programs	90.57%	85.00%	85.00%	85.00%	85.00%

2.E. Summary of Exceptional Items Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME : 11:20:33AM

Agency code: 515

Agency name: Board of Pharmacy

Priority	Item	2016			2017			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Increase Executive Director Salary	\$57,784	\$57,784		\$57,784	\$57,784		\$115,568	\$115,568
2	Merit Increases	\$143,898	\$143,898		\$292,110	\$292,110		\$436,008	\$436,008
3	Unfunded Mandate	\$22,661	\$22,661		\$22,813	\$22,813		\$45,474	\$45,474
4	Reclassification and Equity Adj	\$144,611	\$144,611		\$144,611	\$144,611		\$289,222	\$289,222
5	Technology and Imaging	\$58,914	\$58,914		\$58,003	\$58,003		\$116,917	\$116,917
6	New FTE's	\$140,177	\$140,177	2.0	\$134,977	\$134,977	2.0	\$275,154	\$275,154
7	Lump Sum Termination Pay - ED	\$29,544	\$29,544		\$0	\$0		\$29,544	\$29,544
Total, Exceptional Items Request		\$597,589	\$597,589	2.0	\$710,298	\$710,298	2.0	\$1,307,887	\$1,307,887

Method of Financing

General Revenue	\$597,589	\$597,589		\$710,298	\$710,298		\$1,307,887	\$1,307,887
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$597,589	\$597,589		\$710,298	\$710,298		\$1,307,887	\$1,307,887

Full Time Equivalent Positions

2.0

2.0

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/14/2014
 TIME : 11:20:34AM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Establish and Maintain Standards for Pharmacy Education and Practice						
1 <i>Operate Licensure System to Ensure that Minimal Standards Are Met</i>						
1 LICENSING	\$1,086,979	\$937,097	\$71,110	\$84,740	\$1,158,089	\$1,021,837
2 TEXAS.GOV	173,463	173,463	0	0	173,463	173,463
TOTAL, GOAL 1	\$1,260,442	\$1,110,560	\$71,110	\$84,740	\$1,331,552	\$1,195,300
2 Protect Public Health by Enforcing All Laws Relating to Practice						
1 <i>Decrease Violations by Inspections, Education, Resolving Complaint</i>						
1 ENFORCEMENT	4,573,689	4,441,749	377,341	461,053	4,951,030	4,902,802
2 PEER ASSISTANCE	228,740	238,585	0	0	228,740	238,585
TOTAL, GOAL 2	\$4,802,429	\$4,680,334	\$377,341	\$461,053	\$5,179,770	\$5,141,387

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/14/2014
 TIME : 11:20:34AM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
3 Indirect Administration						
1 Indirect Administration						
1 LICENSING - INDIRECT ADMINISTRATION	\$128,147	\$118,449	\$22,416	\$24,719	\$150,563	\$143,168
2 ENFORCEMENT-INDIRECT ADMINISTRATION	726,188	671,219	126,722	139,786	852,910	811,005
TOTAL, GOAL 3	\$854,335	\$789,668	\$149,138	\$164,505	\$1,003,473	\$954,173
TOTAL, AGENCY STRATEGY REQUEST	\$6,917,206	\$6,580,562	\$597,589	\$710,298	\$7,514,795	\$7,290,860
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$6,917,206	\$6,580,562	\$597,589	\$710,298	\$7,514,795	\$7,290,860

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/14/2014
 TIME : 11:20:34AM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Funds:						
1 General Revenue Fund	\$6,909,476	\$6,572,832	\$597,589	\$710,298	\$7,507,065	\$7,283,130
	\$6,909,476	\$6,572,832	\$597,589	\$710,298	\$7,507,065	\$7,283,130
Other Funds:						
666 Appropriated Receipts	7,730	7,730	0	0	7,730	7,730
	\$7,730	\$7,730	\$0	\$0	\$7,730	\$7,730
TOTAL, METHOD OF FINANCING	\$6,917,206	\$6,580,562	\$597,589	\$710,298	\$7,514,795	\$7,290,860
FULL TIME EQUIVALENT POSITIONS	92.0	92.0	2.0	2.0	94.0	94.0

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/14/2014
 Time: 11:20:36AM

Agency code: **515** Agency name: **Board of Pharmacy**

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1	Establish and Maintain Standards for Pharmacy Education and Practice						
1	<i>Operate Licensure System to Ensure that Minimal Standards Are Met</i>						
KEY	1 Percent of Licensees with No Recent Violations						
		95.00%	95.00%			95.00%	95.00%
KEY	2 Percent of Licensees Who Renew Online						
		94.00%	94.00%			94.00%	94.00%
	3 Percent of New Individual Licenses Issued Online						
		96.00	96.00			96.00	96.00
2	Protect Public Health by Enforcing All Laws Relating to Practice						
1	<i>Decrease Violations by Inspections, Education, Resolving Complaints</i>						
KEY	1 Percent of Complaints Resulting in Disciplinary Action						
		11.00%	11.00%	12.00%	12.00%	12.00%	12.00%
	2 Recidivism Rate of Those Receiving Disciplinary Action						
		4.00	4.00			4.00	4.00
	3 Percent of Documented Complaints Resolved within Six Months						
		65.00%	65.00%			65.00%	65.00%
	4 Recidivism Rate for Peer Assistance Programs						
		20.00%	20.00%			20.00%	20.00%

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/14/2014
 Time: 11:20:36AM

Agency code: **515**

Agency name: **Board of Pharmacy**

Goal/ Objective / Outcome

	BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
5 One-year Completion Rate for Peer Assistance Programs						
	85.00%	85.00%			85.00%	85.00%

515 Board of Pharmacy

GOAL: 1 Establish and Maintain Standards for Pharmacy Education and Practice Statewide Goal/Benchmark: 7 2
 OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met Service Categories:
 STRATEGY: 1 Operate an Application and Renewal Licensure System Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of New Licenses Issued to Individuals	1,625.00	1,500.00	1,500.00	1,500.00	1,500.00
KEY 2	Number of Licenses Renewed (Individuals)	15,877.00	15,034.00	16,545.00	15,447.00	17,000.00
	3 Number of New Registrations Issued to Individuals	13,910.00	12,500.00	12,500.00	12,500.00	13,000.00
	4 Number of Registrations Renewed (Individuals)	15,051.00	15,000.00	15,000.00	16,000.00	16,000.00
Efficiency Measures:						
	1 Percent New Licenses Issued within Ten Days	100.00 %	95.00 %	95.00 %	95.00 %	95.00 %
	2 Percent of Individual License Renewals Issued within Seven Days	100.00 %	99.00 %	99.00 %	99.00 %	99.00 %
Explanatory/Input Measures:						
	1 Total Number of Individuals Licensed	29,498.00	29,645.00	30,460.00	31,297.00	32,157.00
KEY 2	Total Number of Business Facilities Licensed	7,350.00	7,500.00	7,500.00	7,500.00	7,500.00
	3 Total Number of Individuals Registered	56,684.00	55,000.00	55,000.00	57,000.00	57,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$444,373	\$474,407	\$530,432	\$530,432	\$530,432
1002	OTHER PERSONNEL COSTS	\$40,118	\$18,118	\$15,696	\$17,289	\$19,216
2001	PROFESSIONAL FEES AND SERVICES	\$5,683	\$19,803	\$817	\$817	\$817
2003	CONSUMABLE SUPPLIES	\$8,088	\$8,773	\$8,773	\$8,773	\$8,773

515 Board of Pharmacy

GOAL: 1 Establish and Maintain Standards for Pharmacy Education and Practice Statewide Goal/Benchmark: 7 2
 OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met Service Categories:
 STRATEGY: 1 Operate an Application and Renewal Licensure System Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2004	UTILITIES	\$872	\$1,411	\$1,411	\$1,411	\$1,411
2005	TRAVEL	\$2,041	\$2,112	\$2,112	\$2,112	\$2,112
2007	RENT - MACHINE AND OTHER	\$768	\$892	\$892	\$892	\$892
2009	OTHER OPERATING EXPENSE	\$342,315	\$440,876	\$362,781	\$382,396	\$373,444
5000	CAPITAL EXPENDITURES	\$0	\$142,857	\$0	\$142,857	\$0
TOTAL, OBJECT OF EXPENSE		\$844,258	\$1,109,249	\$922,914	\$1,086,979	\$937,097
Method of Financing:						
1	General Revenue Fund	\$844,258	\$1,108,960	\$922,625	\$1,086,690	\$936,808
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$844,258	\$1,108,960	\$922,625	\$1,086,690	\$936,808
Method of Financing:						
666	Appropriated Receipts	\$0	\$289	\$289	\$289	\$289
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$289	\$289	\$289	\$289

515 Board of Pharmacy

GOAL: 1 Establish and Maintain Standards for Pharmacy Education and Practice Statewide Goal/Benchmark: 7 2
 OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met Service Categories:
 STRATEGY: 1 Operate an Application and Renewal Licensure System Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,086,979	\$937,097
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$844,258	\$1,109,249	\$922,914	\$1,086,979	\$937,097
FULL TIME EQUIVALENT POSITIONS:		9.6	11.8	11.8	11.8	11.8
STRATEGY DESCRIPTION AND JUSTIFICATION:						

515 Board of Pharmacy

GOAL:	1	Establish and Maintain Standards for Pharmacy Education and Practice	Statewide Goal/Benchmark:	7	2
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met	Service Categories:		
STRATEGY:	1	Operate an Application and Renewal Licensure System	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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TSBP is solely responsible for the regulation of the practice of pharmacy under the Texas Pharmacy Act (Occ Code, Sec 551-569) & Texas Dangerous Drug Act (Health & Safety Code, Chap 483).

Strategy 01 contributes directly to the statewide goal to ensure that communities are served by high quality professionals & businesses & in fact, licensure of pharmacists & pharmacies by TSBP is a prerequisite to other agencies' jurisdiction & regulation. This strategy, as well as strategies 02-01-01 & 02-01-02, are critical to TSBP's mission to promote, preserve, & protect the public health, safety, & welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas, through the regulation of the practice of pharmacy, the operation of pharmacies & the distribution of prescription drugs in the public interest.

Key services include:

Issuing:

- licenses to qualified applicants for initial pharmacist licensure;
- registrations to qualified applicants for pharmacy technician & technician trainee registration;
- licenses to qualified applicants for initial licensure of pharmacies;
- registrations to qualified applicants to provide remote pharmacy services;
- registrations to qualified pharmacist-interns;
- certifications to qualified pharmacist-preceptors;

Renewing:

- licenses of pharmacists & pharmacies;
- registrations of pharmacy technicians;
- certifications of qualified pharmacist-preceptors;
- monitoring compliance with continuing education requirements; &
- providing information to the public relating to the licensure & registration systems.

515 Board of Pharmacy

GOAL:	1	Establish and Maintain Standards for Pharmacy Education and Practice	Statewide Goal/Benchmark:	7	2
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met	Service Categories:		
STRATEGY:	1	Operate an Application and Renewal Licensure System	Service:	16	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Pharmacist Licenses

The licensee population continues to grow resulting in increased workload in licensing functions including telephone calls & correspondence.

Pharmacy Licenses

The number of pharmacies has increased at a slower pace but the numbers do not reflect the complexity of regulating pharmacies. The agency licensed 4 different classes of pharmacy during FY88-91, increasing to 5 classes in FY92 & 11 classes in FY14. As ways of providing pharmacy services continue to evolve, the number of & classes of pharmacies will also increase.

Pharmacy Technician Registration

SB 730 passed in 1999, required TSBP to register pharmacy technicians effective 9/01/01. However, the program was not funded until FY04. By the end of FY13, 41,496 pharmacy technicians were registered with TSBP. SB 540 passed in 2005, required the agency register pharmacy technician trainees. That project began in 10/06, & by the end of the FY13, 15,187 trainees had registered with TSBP.

These new programs more than doubled the licensee population. In FY05, the agency licensed 56,236 – at year end FY13, this number increased 71.54%, to 96,470 (29,498 pharmacists, 2,938 pharmacist interns, 7,350 pharmacies, & 56,684 pharmacy technicians/trainees). The 56,684 pharmacy technicians have had a dramatic effect on the agency’s operations & the number of technicians is expected to grow. The Bureau of Labor Statistics expects employment of pharmacy technicians to increase by 32% from 2006 to 2016, much faster than the average for all occupations.

515 Board of Pharmacy

GOAL:	1	Establish and Maintain Standards for Pharmacy Education and Practice	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met	Service Categories:		
STRATEGY:	2	Texas.gov. Estimated and Nontransferable	Service:	16	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$200,066	\$173,463	\$173,463	\$173,463	\$173,463
TOTAL, OBJECT OF EXPENSE		\$200,066	\$173,463	\$173,463	\$173,463	\$173,463
Method of Financing:						
1	General Revenue Fund	\$200,066	\$173,463	\$173,463	\$173,463	\$173,463
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$200,066	\$173,463	\$173,463	\$173,463	\$173,463
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$173,463	\$173,463
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$200,066	\$173,463	\$173,463	\$173,463	\$173,463
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

515 Board of Pharmacy

GOAL:	1	Establish and Maintain Standards for Pharmacy Education and Practice	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	1	Operate Licensure System to Ensure that Minimal Standards Are Met	Service Categories:		
STRATEGY:	2	Texas.gov. Estimated and Nontransferable	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Sec 4, Article VIII of the GAA states that each Article VIII licensing agency participating in the TexasOnline Authority is authorized in accordance with §2054.252 of the Government Code to increase the occupational license, permit, and registration fees imposed on the licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority. The estimated amounts to fund this subscription fee for the agency's license holders (applicants for licensure, pharmacists, pharmacy and pharmacy technician) are based on projections of the number of licenses or registrations that will be issued and renew. The actual amount may be more or less than this estimated amount.

Sec 4 also provides, among other things, "licensing agencies participating in TexasOnline are hereby appropriated the additional revenue generated from occupational license, permit or registration fees in excess of the Comptroller's biennial revenue estimate 2014-15 for the sole purpose of payment to the TexasOnline Authority contractor of subscription fees for implementing and maintaining electronic services for licensing agencies."

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

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

It is important to note that this appropriation is contingent upon the number of licenses that pay a revenue fee. Therefore, since this appropriation is estimated and contingent upon additional revenue collections, such additional fees must be appropriated to the agency in order to expend the funds to the Texas OnLine Authority.

515 Board of Pharmacy

GOAL: 2 Protect Public Health by Enforcing All Laws Relating to Practice Statewide Goal/Benchmark: 7 4
 OBJECTIVE: 1 Decrease Violations by Inspections, Education, Resolving Complaints Service Categories:
 STRATEGY: 1 Operate System of Inspection Assistance Education Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Inspections	1,698.00	2,400.00	2,400.00	2,800.00	2,800.00
KEY 2	Number of Complaints Resolved	6,504.00	5,420.00	5,420.00	5,420.00	5,420.00
Efficiency Measures:						
KEY 1	Average Time for Complaint Resolution	187.00	180.00	180.00	180.00	180.00
Explanatory/Input Measures:						
KEY 1	Number of Jurisdictional Complaints Received	5,891.00	5,620.00	5,620.00	5,620.00	5,620.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,683,748	\$3,297,089	\$3,607,264	\$3,617,110	\$3,607,265
1002	OTHER PERSONNEL COSTS	\$189,500	\$131,728	\$84,338	\$91,842	\$101,318
2001	PROFESSIONAL FEES AND SERVICES	\$80,741	\$260,127	\$107,928	\$109,301	\$107,373
2002	FUELS AND LUBRICANTS	\$42,798	\$45,000	\$57,000	\$57,000	\$57,000
2003	CONSUMABLE SUPPLIES	\$26,149	\$30,840	\$30,840	\$30,840	\$30,840
2004	UTILITIES	\$13,455	\$17,229	\$17,229	\$17,229	\$17,229
2005	TRAVEL	\$74,231	\$120,648	\$149,699	\$163,514	\$163,514
2006	RENT - BUILDING	\$2,475	\$2,706	\$2,500	\$2,500	\$2,500
2007	RENT - MACHINE AND OTHER	\$5,074	\$5,599	\$5,599	\$5,599	\$5,599
2009	OTHER OPERATING EXPENSE	\$175,269	\$451,947	\$246,389	\$375,754	\$290,611

515 Board of Pharmacy

GOAL: 2 Protect Public Health by Enforcing All Laws Relating to Practice Statewide Goal/Benchmark: 7 4
 OBJECTIVE: 1 Decrease Violations by Inspections, Education, Resolving Complaints Service Categories:
 STRATEGY: 1 Operate System of Inspection Assistance Education Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
5000	CAPITAL EXPENDITURES	\$0	\$195,000	\$58,500	\$103,000	\$58,500
TOTAL, OBJECT OF EXPENSE		\$3,293,440	\$4,557,913	\$4,367,286	\$4,573,689	\$4,441,749
Method of Financing:						
1	General Revenue Fund	\$3,276,606	\$4,550,472	\$4,359,845	\$4,566,248	\$4,434,308
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,276,606	\$4,550,472	\$4,359,845	\$4,566,248	\$4,434,308
Method of Financing:						
666	Appropriated Receipts	\$16,834	\$7,441	\$7,441	\$7,441	\$7,441
SUBTOTAL, MOF (OTHER FUNDS)		\$16,834	\$7,441	\$7,441	\$7,441	\$7,441
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,573,689	\$4,441,749
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,293,440	\$4,557,913	\$4,367,286	\$4,573,689	\$4,441,749
FULL TIME EQUIVALENT POSITIONS:		52.2	66.3	66.3	66.3	66.3
STRATEGY DESCRIPTION AND JUSTIFICATION:						

515 Board of Pharmacy

GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice	Statewide Goal/Benchmark:	7	4
OBJECTIVE:	1	Decrease Violations by Inspections, Education, Resolving Complaints	Service Categories:		
STRATEGY:	1	Operate System of Inspection Assistance Education	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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TSBP is an independent state health regulatory agency, operating under the authority of its enabling legislation, the Texas Pharmacy Act (Occ.Code, Sec. 551 569) & the Texas Dangerous Drug Act (Health & Safety Code, Chapter 483). There are other state & federal laws & rules governing the practice of pharmacy also enforced by TSBP.

Functional activities include: inspection of pharmacies including r&om sampling & testing of compounded products; investigation of complaints; discipline of licensees that violate the law; & monitoring compliance with disciplinary orders.

02 01 01 contributes to the statewide functional goal to ensure that communities are served by quality professionals & businesses by setting clear st&ards, maintaining compliance & disciplining violators. This Strategy also contributes to goals/objectives by fostering the provision of quality pharmaceutical care to all Texans, & regulating the practice of pharmacy, operation of pharmacies & distribution of prescription drugs to consumers.

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

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

515 Board of Pharmacy

GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice	Statewide Goal/Benchmark:	7	4
OBJECTIVE:	1	Decrease Violations by Inspections, Education, Resolving Complaints	Service Categories:		
STRATEGY:	1	Operate System of Inspection Assistance Education	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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- TSBP has seen an unprecedented growth in the number of "pill mill" pharmacies who dispense controlled substances outside the course of professional practice. These prescriptions generally end up in the hands of either individuals who are addicted to the drugs or drug dealers who sell the drugs "on the street" for a large profit. According to the CDC, deaths from drug overdose is the leading cause of injury death in the US. In 2011, 55% of 41,340 drug overdose deaths were related to prescription drugs.

- TSBP continues to receive a large number of reports involving the theft/loss of controlled substances, generally involving employee pilferage by pharmacy technicians & technician trainees. In FY13, the agency entered disciplinary orders which revoked 78 technician registrations.

- TSBP continues to receive a large number of applications for licenses & registrations which require a criminal background investigation to be conducted; complaints are opened on the applicants who have a criminal history record, primarily pharmacy technicians & trainees; this contributes to the large number of complaints the agency handles each year (approx 6,000 complaints/year).

The 83rd Leg passed SB 1100 which required a pharmacy that compounded sterile preparations to be inspected before a new license would be issued or renewed. TSBP was funded for additional staff, including 5 inspectors, which will assist TSBP to accomplish this challenging goal. However, inspecting the pharmacies in a timely manner in order to avoid non-renewal problems will be an ongoing problem.

515 Board of Pharmacy

GOAL: 2 Protect Public Health by Enforcing All Laws Relating to Practice Statewide Goal/Benchmark: 7 0
 OBJECTIVE: 1 Decrease Violations by Inspections, Education, Resolving Complaints Service Categories:
 STRATEGY: 2 Provide a Peer Assistance Program for Licensed Individuals Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Individuals Participating in a Peer Assistance Program	189.00	180.00	180.00	180.00	180.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$52,325	\$42,480	\$52,325	\$42,480	\$52,325
2001	PROFESSIONAL FEES AND SERVICES	\$126,874	\$186,260	\$186,260	\$186,260	\$186,260
TOTAL, OBJECT OF EXPENSE		\$179,199	\$228,740	\$238,585	\$228,740	\$238,585
Method of Financing:						
1	General Revenue Fund	\$179,199	\$228,740	\$238,585	\$228,740	\$238,585
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$179,199	\$228,740	\$238,585	\$228,740	\$238,585
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$228,740	\$238,585
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$179,199	\$228,740	\$238,585	\$228,740	\$238,585
FULL TIME EQUIVALENT POSITIONS:		2.0	2.0	2.0	2.0	2.0

515 Board of Pharmacy

GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Decrease Violations by Inspections, Education, Resolving Complaints	Service Categories:		
STRATEGY:	2	Provide a Peer Assistance Program for Licensed Individuals	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

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

Strategy 02-01-02 contributes directly to the statewide functional goal to ensure that communities are served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions. Without Licensure and Examination of pharmacists and pharmacies, Enforcement and Peer Assistance, the health of Texans would be at risk because their prescription drugs and drug information would be dispensed or provided by incompetent, unlicensed individuals, and the safety of Texans would be at risk due to the unregulated distribution of prescription drugs. Therefore, all strategies are interwoven with one another and are critical to the mission of the State and the agency.

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

515 Board of Pharmacy

GOAL:	2	Protect Public Health by Enforcing All Laws Relating to Practice	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Decrease Violations by Inspections, Education, Resolving Complaints	Service Categories:		
STRATEGY:	2	Provide a Peer Assistance Program for Licensed Individuals	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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External factors are the number of individuals licensed & complaints filed. TSBP must contend with the growing problem of alcoholism & chemical dependence.

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

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

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

One Disciplinary Order could result in as many as 12 different reports being submitted to TSBP by each licensee each year of the 5 year probation period. Each report must be reviewed and evaluated by agency staff.

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

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Licensing - Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$72,778	\$94,904	\$96,804	\$96,804	\$96,804
1002	OTHER PERSONNEL COSTS	\$4,933	\$4,382	\$4,059	\$4,244	\$4,384
2001	PROFESSIONAL FEES AND SERVICES	\$614	\$1,252	\$713	\$713	\$713
2002	FUELS AND LUBRICANTS	\$6	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$626	\$710	\$710	\$710	\$710
2004	UTILITIES	\$5	\$1	\$1	\$1	\$1
2005	TRAVEL	\$3,141	\$6,677	\$6,677	\$6,677	\$6,677
2006	RENT - BUILDING	\$308	\$213	\$213	\$213	\$213
2007	RENT - MACHINE AND OTHER	\$122	\$121	\$121	\$121	\$121
2009	OTHER OPERATING EXPENSE	\$4,528	\$7,630	\$9,152	\$10,093	\$8,826
5000	CAPITAL EXPENDITURES	\$0	\$8,571	\$0	\$8,571	\$0
TOTAL, OBJECT OF EXPENSE		\$87,061	\$124,461	\$118,450	\$128,147	\$118,449
Method of Financing:						
1	General Revenue Fund	\$87,061	\$124,461	\$118,450	\$128,147	\$118,449
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$87,061	\$124,461	\$118,450	\$128,147	\$118,449

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Licensing - Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$128,147	\$118,449
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$87,061	\$124,461	\$118,450	\$128,147	\$118,449
FULL TIME EQUIVALENT POSITIONS:		1.8	1.8	1.8	1.8	1.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

TSBP is solely responsible for the regulation of the practice of pharmacy under the Texas Pharmacy Act (Occ Code, Sec 551-569) & Texas Dangerous Drug Act (Health & Safety Code, Chap 483). Specific statutory provisions that relate to this strategy include Chapter 553 of the Texas Pharmacy Act.

Strategy 03 contributes directly to the statewide goal to ensure that communities are served by high quality professionals & businesses. This Strategy, along with the Strategies of Licensing, Enforcement and Peer Assistance, are interwoven with one another and are critical to the mission of the State and the agency.

The administrative functions are an essential part of the Texas State Board of Pharmacy. This function serves all of the TSBP employees and Board Members. Functions are: daily operations of the agency, human resources, purchasing, budgeting, accounting, cash receipts, payroll, record management, property management, risk management, and information technologies.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Licensing - Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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In order for the Board to continue to protect the citizens of Texas, it must be adequately funded & staffed. Operation of the agency has been dramatically affected by the unprecedented growth of registrants as a result of legislation requiring the registration of pharmacy technicians in 2004 & pharmacy technician trainees in 2006. Since FY03, the licensee population exploded from 28,064 licensees to 96,470 licensees in FY13 (244% cumulative increase). Of particular concern to the agency is the explosive growth in the number of complaints received, which has a direct impact on the protection of the health & safety of the citizens of Texas. In FY03, the agency received 1,893 complaints, resolved 1,850 complaints, & entered 213 disciplinary orders while in FY13 the agency received 5,891 complaints (a 211% increase), resolved 6,504 complaints (a 252% increase) & entered 683 disciplinary orders (a 221% increase). Each area of growth is directly attributed to the increase in registrants.

The successful accomplishment of TSBP's mission is dependent on funding. Without proper funding, the laws/rules governing the practice of pharmacy will be severely compromised.

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Enforcement-Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$491,493	\$537,782	\$548,559	\$548,558	\$548,558
1002	OTHER PERSONNEL COSTS	\$33,016	\$24,835	\$22,991	\$24,064	\$24,861
2001	PROFESSIONAL FEES AND SERVICES	\$4,110	\$7,096	\$4,043	\$4,043	\$4,043
2002	FUELS AND LUBRICANTS	\$38	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$4,187	\$4,021	\$4,021	\$4,021	\$4,021
2004	UTILITIES	\$30	\$6	\$6	\$6	\$6
2005	TRAVEL	\$21,023	\$37,838	\$37,838	\$37,838	\$37,838
2006	RENT - BUILDING	\$2,060	\$1,207	\$1,207	\$1,207	\$1,207
2007	RENT - MACHINE AND OTHER	\$820	\$688	\$688	\$688	\$688
2009	OTHER OPERATING EXPENSE	\$30,520	\$43,238	\$51,866	\$57,191	\$49,997
5000	CAPITAL EXPENDITURES	\$0	\$48,572	\$0	\$48,572	\$0
TOTAL, OBJECT OF EXPENSE		\$587,297	\$705,283	\$671,219	\$726,188	\$671,219
Method of Financing:						
1	General Revenue Fund	\$587,297	\$705,283	\$671,219	\$726,188	\$671,219
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$587,297	\$705,283	\$671,219	\$726,188	\$671,219

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Enforcement-Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017	
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)						\$726,188	\$671,219
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$587,297	\$705,283	\$671,219	\$726,188	\$671,219	
FULL TIME EQUIVALENT POSITIONS:		9.0	10.1	10.1	10.1	10.1	

STRATEGY DESCRIPTION AND JUSTIFICATION:

TSBP is solely responsible for the regulation of the practice of pharmacy under the Texas Pharmacy Act (Occ Code, Sec 551-569) & Texas Dangerous Drug Act (Health & Safety Code, Chap 483). Specific statutory provisions that relate to this strategy include Chapter 553 of the Texas Pharmacy Act.

Strategy 03 contributes directly to the statewide goal to ensure that communities are served by high quality professionals & businesses. This Strategy, along with the Strategies of Licensing, Enforcement and Peer Assistance, are interwoven with one another and are critical to the mission of the State and the agency.

The administrative functions are an essential part of the Texas State Board of Pharmacy. This function serves all of the TSBP employees and Board Members. Functions are: daily operations of the agency, human resources, purchasing, budgeting, accounting, cash receipts, payroll, record management, property management, risk management, and information technologies.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

515 Board of Pharmacy

GOAL:	3	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Enforcement-Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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In order for the Board to continue to protect the citizens of Texas, it must be adequately funded & staffed. Operation of the agency has been dramatically affected by the unprecedented growth of registrants as a result of legislation requiring the registration of pharmacy technicians in 2004 & pharmacy technician trainees in 2006. Since FY03, the licensee population exploded from 28,064 licensees to 96,470 licensees in FY13 (244% cumulative increase). Of particular concern to the agency is the explosive growth in the number of complaints received, which has a direct impact on the protection of the health & safety of the citizens of Texas. In FY03, the agency received 1,893 complaints, resolved 1,850 complaints, & entered 213 disciplinary orders while in FY13 the agency received 5,891 complaints (a 211% increase), resolved 6,504 complaints (a 252% increase) & entered 683 disciplinary orders (a 221% increase). Each area of growth is directly attributed to the increase in registrants.

The successful accomplishment of TSBP's mission is dependent on funding. Without proper funding, the laws/rules governing the practice of pharmacy will be severely compromised.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
METHODS OF FINANCE (INCLUDING RIDERS):				\$6,917,206	\$6,580,562
METHODS OF FINANCE (EXCLUDING RIDERS):	\$5,191,321	\$6,899,109	\$6,491,917	\$6,917,206	\$6,580,562
FULL TIME EQUIVALENT POSITIONS:	74.6	92.0	92.0	92.0	92.0

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Increase Executive Director's Salary		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Operate an Application and Renewal Licensure System		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	57,784	57,784
	TOTAL, OBJECT OF EXPENSE	\$57,784	\$57,784
 METHOD OF FINANCING:			
1	General Revenue Fund	57,784	57,784
	TOTAL, METHOD OF FINANCING	\$57,784	\$57,784

DESCRIPTION / JUSTIFICATION:

Currently the legislature has placed the salary of the executive director in exempt group 4, which has a minimum salary of approximately \$106,500 and a maximum salary of \$167,500 per year. However, the legislature has specified that the executive director's salary be set at \$107,565 for FY2014 and \$109,716 for FY2015.

The Board is requesting the 2015 Legislature to raise the salary specified in the Appropriations Act to the top of the Group 4 (\$167,500 per year). With this additional appropriation, the Board will be able to set the salary of the person who is the executive director a salary at a level that is competitive to pharmacists' salaries and one that recognizes the experience of the individual.

EXTERNAL/INTERNAL FACTORS:

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
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The current executive director has indicated that she will retire in December 2015. The Board will establish a plan for hiring a new executive director. The Texas Pharmacy Act requires that the executive director of TSBP be a pharmacist. The process of finding a pharmacist to be the Executive Director of TSBP may be difficult due to the salary paid to this position. Currently the legislature has placed the salary of the executive director in exempt group 4, which has a minimum salary of \$106,500 and a maximum salary of \$167,500 per year. However, the legislature has specified that the executive director's salary be set at \$107,565 for FY2014 and \$109,716 for FY2015.

The current salary for the position results in the executive director being paid less than new pharmacists hired straight out of college. A 2013 survey of pharmacist's salary conducted by "Drug Topics" reported the annual base salaries for staff pharmacists between \$116,000 and \$140,000 a year. The lower range of these salaries is \$6,000 more than the salary of the TSBP executive director. In addition, a survey of the salaries of the Executive Director of Oklahoma, Arkansas, and Louisiana show that the average salary for these individuals is \$140,000 or \$30,000 more than that of the Executive Director in Texas.

The Board is requesting the 2015 Legislature to raise the salary specified in the Appropriations Act to the top of the Group 4 (\$167,500 per year). With this additional appropriation, the Board will be able to set the salary of the person who is the executive director at a level that is competitive with pharmacists' salaries and one that recognizes the experience of the individual.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Merit Increases for Eligible Classified Employees		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Operate an Application and Renewal Licensure System		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	143,898	292,110
	TOTAL, OBJECT OF EXPENSE	\$143,898	\$292,110

METHOD OF FINANCING:

1	General Revenue Fund	143,898	292,110
	TOTAL, METHOD OF FINANCING	\$143,898	\$292,110

DESCRIPTION / JUSTIFICATION:

TSBP has not been able to give employees a merit increase since FY2009. The 81st Legislative Session appropriated funds to support merit increases to reward high-performing employees; however, these funds were cut during the budget cuts of FY2010. Being able to reward high performing employees is crucial to allowing the agency to keep high performing employees.

EXTERNAL/INTERNAL FACTORS:

TSBP has not been able to give employees a merit increase since FY2009. The 81st Legislative Session appropriated funds to support merit increases to reward high-performing employees; however, these funds were cut during the budget cuts of FY2010. Being able to reward high performing employees is crucial to allowing the agency to keep high performing employees.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Unfunded Mandate - Additional Payroll Retirement Contribution		
	Item Priority: 3		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Operate an Application and Renewal Licensure System		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		

OBJECTS OF EXPENSE:

1002	OTHER PERSONNEL COSTS	22,661	22,813
	TOTAL, OBJECT OF EXPENSE	\$22,661	\$22,813

METHOD OF FINANCING:

1	General Revenue Fund	22,661	22,813
	TOTAL, METHOD OF FINANCING	\$22,661	\$22,813

DESCRIPTION / JUSTIFICATION:

During the 82nd Legislative Session, the legislature passed a contingency provision that requires state agencies to contribute 1.0% of the total base wages and salaries for each employee of an agency, to the Employees Retirement System's Group Benefits Program for Payroll Contribution for Health Insurance. This provision was continued by the 83rd Legislature with an additional 0.05% payment for additional Payroll Contribution for Retirement. The agency has had to pay for these provisions from the agency's existing appropriations, primarily salaries for vacated positions and using unexpended budget authority for those lapsed positions in the next fiscal year. In the base budget of FY2016-2017, all FTE positions are filled and no amount is available or budgeted for the Payroll Contribution for Retirement.

EXTERNAL/INTERNAL FACTORS:

The TSBP generates all of its revenue through fees and we have the authority and mechanisms necessary to generate the revenue needed to support this mandate. The agency must however, be given the additional appropriation authority for this mandate. Without the additional appropriation authority, the agency will be forced to absorb this increased appropriation by cutting critical staff services.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION		Excp 2016	Excp 2017
	Item Name:	Reclassification and Equity Adjustments		
	Item Priority:	4		
	Includes Funding for the Following Strategy or Strategies:	01-01-01 Operate an Application and Renewal Licensure System		
		02-01-01 Operate System of Inspection Assistance Education		
		03-01-01 Licensing - Indirect Administration		
		03-01-02 Enforcement-Indirect Administration		

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES		144,611	144,611
	TOTAL, OBJECT OF EXPENSE		\$144,611	\$144,611

METHOD OF FINANCING:

1	General Revenue Fund		144,611	144,611
	TOTAL, METHOD OF FINANCING		\$144,611	\$144,611

DESCRIPTION / JUSTIFICATION:

This item adjusts the salary rate of a number of classified employees to maintain a desirable salary level among agency employees and between employees of the agency and employees who hold similar positions in the relevant labor market. This exceptional item reclasses some employee positions and awards a one-time equity increase to others (approximately 4%).

EXTERNAL/INTERNAL FACTORS:

Consideration is given to the education, skills, related work experience, length of service and job performance of agency employees in determining desirable salary relationships.

A great number of employees are represented – from accountants, to license specialists, to inspectors, to investigators and management. We’ve identified several classes of employees that are still paid at an entry level (basic skills) salary and some classes of employees that are paid a lower rate than their counterparts within the state of Texas, given their experience. The complexity of the pharmacy profession has simply outpaced the salary that we are paying many of our employees.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Technology and Imaging		
	Item Priority: 5		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Operate an Application and Renewal Licensure System		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		
 OBJECTS OF EXPENSE:			
2004	UTILITIES	6,128	4,128
2009	OTHER OPERATING EXPENSE	52,786	53,875
	TOTAL, OBJECT OF EXPENSE	\$58,914	\$58,003
 METHOD OF FINANCING:			
1	General Revenue Fund	58,914	58,003
	TOTAL, METHOD OF FINANCING	\$58,914	\$58,003

DESCRIPTION / JUSTIFICATION:

- 1) This exceptional item replaces aged and obsolete information resource technologies. New ventures also include devices to allow for mobile inspections by the field inspectors.
- 2) Scanning of Records: The agency requires additional funding to image agency documents.

EXTERNAL/INTERNAL FACTORS:

- 1) Information Resource Technology: The agency replacement schedule is in compliance with DIR's life cycle guidelines. Technology that is not replaced at the end of its life cycle becomes a liability to the agency due to frequent down time, increased support requirements & compatibility issues.
- 2) Scanning of Records: Space is at a premium in the William P. Hobby Building. There is no additional space to file documents. If the agency is unable to image its anticipated documents, additional file and/or offsite storage space will become necessary.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: New FTE's		
	Item Priority: 6		
	Includes Funding for the Following Strategy or Strategies:		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	130,201	130,201
2003	CONSUMABLE SUPPLIES	1,588	1,588
2004	UTILITIES	674	674
2009	OTHER OPERATING EXPENSE	7,714	2,514
TOTAL, OBJECT OF EXPENSE		\$140,177	\$134,977
 METHOD OF FINANCING:			
1	General Revenue Fund	140,177	134,977
TOTAL, METHOD OF FINANCING		\$140,177	\$134,977
 FULL-TIME EQUIVALENT POSITIONS (FTE):		2.00	2.00

DESCRIPTION / JUSTIFICATION:

This exceptional item will fund the following 2 positions:

Litigation Managing Attorney: The Legal Division has seen a significant increase in the number of cases requiring litigation at the State Office of Administrative Hearings. Between FY2012 and FY2013, the number of case filed at SOAH increased by 25% and an increasing backlog of cases requiring litigation resulted. Previously, three attorneys contributed to the drafting of Preliminary Notice Letters. However, based on the SOAH workload, an additional attorney was reassigned to handling SOAH cases along with the Assistant General Counsel. One Staff Attorney (Attorney IV – B25) is needed in relation to this increased workload to work on cases at the informal conference level and fill in with SOAH cases as needed.

Network Specialist IV: A full time position is required to support the additional workload created by the new Versa system, increased reporting requirements, increase security efforts and an increasingly mobile staff. The position would perform the network administration duties allowing the Director to focus on the Versa system needs, Business Continuity, Project management and reporting requirements. This position will also allow the existing network admin to focus on network security and the support of our remote users.

The IT component is 1 personal computer for the new FTE.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
TIME: 11:20:38AM

Agency code: 515

Agency name:

Board of Pharmacy

CODE DESCRIPTION

Excp 2016

Excp 2017

This exceptional item will fund the following 2 positions:

Litigation Managing Attorney: The Legal Division has seen a significant increase in the number of cases requiring litigation at the State Office of Administrative Hearings. Between FY2012 and FY2013, the number of case filed at SOAH increased by 25% and an increasing backlog of cases requiring litigation resulted. Previously, three attorneys contributed to the drafting of Preliminary Notice Letters. However, based on the SOAH workload, an additional attorney was reassigned to handling SOAH cases along with the Assistant General Counsel. One Staff Attorney (Attorney IV – B25) is needed in relation to this increased workload to work on cases at the informal conference level and fill in with SOAH cases as needed.

Network Specialist IV: A full time position is required to support the additional workload created by the new Versa system, increased reporting requirements, increase security efforts and an increasingly mobile staff. The position would perform the network administration duties allowing the Director to focus on the Versa system needs, Business Continuity, Project management and reporting requirements. This position will also allow the existing network admin to focus on network security and the support of our remote users.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:38AM

Agency code: 515

Agency name: Board of Pharmacy

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Lump Sum Termination Pay - Executive Director		
	Item Priority: 7		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Operate an Application and Renewal Licensure System		
	02-01-01 Operate System of Inspection Assistance Education		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		

OBJECTS OF EXPENSE:

1002	OTHER PERSONNEL COSTS	29,544	0
	TOTAL, OBJECT OF EXPENSE	\$29,544	\$0

METHOD OF FINANCING:

1	General Revenue Fund	29,544	0
	TOTAL, METHOD OF FINANCING	\$29,544	\$0

DESCRIPTION / JUSTIFICATION:

The current executive director has indicated that she will retire in December 2015. This amount represents the amount of annual leave that has accrued and must be paid upon termination of employment.

EXTERNAL/INTERNAL FACTORS:

Lump sum annual leave is generally expensed by lapsing the salary of the vacating position. In the case of the Executive Director/Secretary, this key position cannot be lapsed for the projected 3 months it will take to fund this leave.

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Increase Executive Director's Salary			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	19,242	19,242
TOTAL, OBJECT OF EXPENSE		\$19,242	\$19,242
METHOD OF FINANCING:			
1	General Revenue Fund	19,242	19,242
TOTAL, METHOD OF FINANCING		\$19,242	\$19,242

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Increase Executive Director's Salary			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	19,242	19,242
TOTAL, OBJECT OF EXPENSE		\$19,242	\$19,242
METHOD OF FINANCING:			
1	General Revenue Fund	19,242	19,242
TOTAL, METHOD OF FINANCING		\$19,242	\$19,242

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Increase Executive Director's Salary			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,947	2,947
TOTAL, OBJECT OF EXPENSE		\$2,947	\$2,947
METHOD OF FINANCING:			
1	General Revenue Fund	2,947	2,947
TOTAL, METHOD OF FINANCING		\$2,947	\$2,947

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Increase Executive Director's Salary			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	16,353	16,353
TOTAL, OBJECT OF EXPENSE		\$16,353	\$16,353
METHOD OF FINANCING:			
1	General Revenue Fund	16,353	16,353
TOTAL, METHOD OF FINANCING		\$16,353	\$16,353

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Merit Increases for Eligible Classified Employees			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	15,570	31,606
TOTAL, OBJECT OF EXPENSE		\$15,570	\$31,606
METHOD OF FINANCING:			
1	General Revenue Fund	15,570	31,606
TOTAL, METHOD OF FINANCING		\$15,570	\$31,606

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Merit Increases for Eligible Classified Employees			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	107,966	219,170
TOTAL, OBJECT OF EXPENSE		\$107,966	\$219,170
METHOD OF FINANCING:			
1	General Revenue Fund	107,966	219,170
TOTAL, METHOD OF FINANCING		\$107,966	\$219,170

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Merit Increases for Eligible Classified Employees			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	3,051	6,193
TOTAL, OBJECT OF EXPENSE		\$3,051	\$6,193
METHOD OF FINANCING:			
1	General Revenue Fund	3,051	6,193
TOTAL, METHOD OF FINANCING		\$3,051	\$6,193

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Merit Increases for Eligible Classified Employees			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	17,311	35,141
TOTAL, OBJECT OF EXPENSE		\$17,311	\$35,141
METHOD OF FINANCING:			
1	General Revenue Fund	17,311	35,141
TOTAL, METHOD OF FINANCING		\$17,311	\$35,141

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Unfunded Mandate - Additional Payroll Retirement Contribution			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	2,452	2,468
TOTAL, OBJECT OF EXPENSE		\$2,452	\$2,468
METHOD OF FINANCING:			
1	General Revenue Fund	2,452	2,468
TOTAL, METHOD OF FINANCING		\$2,452	\$2,468

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Unfunded Mandate - Additional Payroll Retirement Contribution			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	17,003	17,117
TOTAL, OBJECT OF EXPENSE		\$17,003	\$17,117
METHOD OF FINANCING:			
1	General Revenue Fund	17,003	17,117
TOTAL, METHOD OF FINANCING		\$17,003	\$17,117

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Unfunded Mandate - Additional Payroll Retirement Contribution			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	480	484
TOTAL, OBJECT OF EXPENSE		\$480	\$484
METHOD OF FINANCING:			
1	General Revenue Fund	480	484
TOTAL, METHOD OF FINANCING		\$480	\$484

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Unfunded Mandate - Additional Payroll Retirement Contribution			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	2,726	2,744
TOTAL, OBJECT OF EXPENSE		\$2,726	\$2,744
METHOD OF FINANCING:			
1	General Revenue Fund	2,726	2,744
TOTAL, METHOD OF FINANCING		\$2,726	\$2,744

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Reclassification and Equity Adjustments			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	27,947	27,947
TOTAL, OBJECT OF EXPENSE		\$27,947	\$27,947
METHOD OF FINANCING:			
1	General Revenue Fund	27,947	27,947
TOTAL, METHOD OF FINANCING		\$27,947	\$27,947

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Reclassification and Equity Adjustments			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	87,795	87,795
TOTAL, OBJECT OF EXPENSE		\$87,795	\$87,795
METHOD OF FINANCING:			
1	General Revenue Fund	87,795	87,795
TOTAL, METHOD OF FINANCING		\$87,795	\$87,795

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Reclassification and Equity Adjustments			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	4,330	4,330
TOTAL, OBJECT OF EXPENSE		\$4,330	\$4,330
METHOD OF FINANCING:			
1	General Revenue Fund	4,330	4,330
TOTAL, METHOD OF FINANCING		\$4,330	\$4,330

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Reclassification and Equity Adjustments			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	24,539	24,539
TOTAL, OBJECT OF EXPENSE		\$24,539	\$24,539
METHOD OF FINANCING:			
1	General Revenue Fund	24,539	24,539
TOTAL, METHOD OF FINANCING		\$24,539	\$24,539

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Technology and Imaging			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
2004	UTILITIES	380	380
2009	OTHER OPERATING EXPENSE	2,322	3,097
TOTAL, OBJECT OF EXPENSE		\$2,702	\$3,477
METHOD OF FINANCING:			
1	General Revenue Fund	2,702	3,477
TOTAL, METHOD OF FINANCING		\$2,702	\$3,477

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Technology and Imaging			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
2004	UTILITIES	4,912	2,912
2009	OTHER OPERATING EXPENSE	43,967	43,128
TOTAL, OBJECT OF EXPENSE		\$48,879	\$46,040
METHOD OF FINANCING:			
1	General Revenue Fund	48,879	46,040
TOTAL, METHOD OF FINANCING		\$48,879	\$46,040

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Technology and Imaging			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
2004	UTILITIES	125	125
2009	OTHER OPERATING EXPENSE	974	1,147
TOTAL, OBJECT OF EXPENSE		\$1,099	\$1,272
METHOD OF FINANCING:			
1	General Revenue Fund	1,099	1,272
TOTAL, METHOD OF FINANCING		\$1,099	\$1,272

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Technology and Imaging			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
2004	UTILITIES	711	711
2009	OTHER OPERATING EXPENSE	5,523	6,503
TOTAL, OBJECT OF EXPENSE		\$6,234	\$7,214
METHOD OF FINANCING:			
1	General Revenue Fund	6,234	7,214
TOTAL, METHOD OF FINANCING		\$6,234	\$7,214

Agency code: 515 Agency name: Board of Pharmacy

Code	Description	Excp 2016	Excp 2017
Item Name:	New FTE's		
Allocation to Strategy:	2-1-1 Operate System of Inspection Assistance Education		
STRATEGY IMPACT ON OUTCOME MEASURES:			
	<u>1</u> Percent of Complaints Resulting in Disciplinary Action	12.00%	12.00%
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	69,301	69,301
2003	CONSUMABLE SUPPLIES	794	794
2004	UTILITIES	337	337
2009	OTHER OPERATING EXPENSE	3,857	1,257
TOTAL, OBJECT OF EXPENSE		\$74,289	\$71,689
METHOD OF FINANCING:			
	1 General Revenue Fund	74,289	71,689
TOTAL, METHOD OF FINANCING		\$74,289	\$71,689
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name:			
	New FTE's		
Allocation to Strategy:	3-1-1	Licensing - Indirect Administration	
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	9,135	9,135
2003	CONSUMABLE SUPPLIES	119	119
2004	UTILITIES	51	51
2009	OTHER OPERATING EXPENSE	578	188
TOTAL, OBJECT OF EXPENSE		\$9,883	\$9,493
METHOD OF FINANCING:			
	1 General Revenue Fund	9,883	9,493
TOTAL, METHOD OF FINANCING		\$9,883	\$9,493
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.2	0.2

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description		Excp 2016	Excp 2017
Item Name:		New FTE's		
Allocation to Strategy:		3-1-2	Enforcement-Indirect Administration	
OBJECTS OF EXPENSE:				
1001	SALARIES AND WAGES		51,765	51,765
2003	CONSUMABLE SUPPLIES		675	675
2004	UTILITIES		286	286
2009	OTHER OPERATING EXPENSE		3,279	1,069
TOTAL, OBJECT OF EXPENSE			\$56,005	\$53,795
METHOD OF FINANCING:				
1 General Revenue Fund			56,005	53,795
TOTAL, METHOD OF FINANCING			\$56,005	\$53,795
FULL-TIME EQUIVALENT POSITIONS (FTE):			0.8	0.8

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Lump Sum Termination Pay - Executive Director			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	3,197	0
TOTAL, OBJECT OF EXPENSE		\$3,197	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	3,197	0
TOTAL, METHOD OF FINANCING		\$3,197	\$0

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Lump Sum Termination Pay - Executive Director			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	22,167	0
TOTAL, OBJECT OF EXPENSE		\$22,167	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	22,167	0
TOTAL, METHOD OF FINANCING		\$22,167	\$0

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Lump Sum Termination Pay - Executive Director			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	626	0
TOTAL, OBJECT OF EXPENSE		\$626	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	626	0
TOTAL, METHOD OF FINANCING		\$626	\$0

Agency code: **515** Agency name: **Board of Pharmacy**

Code	Description	Excp 2016	Excp 2017
Item Name: Lump Sum Termination Pay - Executive Director			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	3,554	0
TOTAL, OBJECT OF EXPENSE		\$3,554	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	3,554	0
TOTAL, METHOD OF FINANCING		\$3,554	\$0

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
TIME: 11:20:42AM

Agency Code: **515** Agency name: **Board of Pharmacy**

GOAL: 1 Establish and Maintain Standards for Pharmacy Education and Practice Statewide Goal/Benchmark: 7 - 2
 OBJECTIVE: 1 Operate Licensure System to Ensure that Minimal Standards Are Met Service Categories:
 STRATEGY: 1 Operate an Application and Renewal Licensure System Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	62,759	78,795
1002 OTHER PERSONNEL COSTS	5,649	2,468
2004 UTILITIES	380	380
2009 OTHER OPERATING EXPENSE	2,322	3,097
Total, Objects of Expense	\$71,110	\$84,740

METHOD OF FINANCING:

1 General Revenue Fund	71,110	84,740
Total, Method of Finance	\$71,110	\$84,740

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Increase Executive Director's Salary
 Merit Increases for Eligible Classified Employees
 Unfunded Mandate - Additional Payroll Retirement Contribution
 Reclassification and Equity Adjustments
 Technology and Imaging
 Lump Sum Termination Pay - Executive Director

Agency Code: **515** Agency name: **Board of Pharmacy**

GOAL: 2 Protect Public Health by Enforcing All Laws Relating to Practice Statewide Goal/Benchmark: 7 - 4

OBJECTIVE: 1 Decrease Violations by Inspections, Education, Resolving Complaints Service Categories:

STRATEGY: 1 Operate System of Inspection Assistance Education Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2016	Excp 2017
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STRATEGY IMPACT ON OUTCOME MEASURES:

1 Percent of Complaints Resulting in Disciplinary Action	12.00 %	12.00 %
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	284,304	395,508
1002 OTHER PERSONNEL COSTS	39,170	17,117
2003 CONSUMABLE SUPPLIES	794	794
2004 UTILITIES	5,249	3,249
2009 OTHER OPERATING EXPENSE	47,824	44,385
Total, Objects of Expense	\$377,341	\$461,053

METHOD OF FINANCING:

1 General Revenue Fund	377,341	461,053
Total, Method of Finance	\$377,341	\$461,053

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.0	1.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Increase Executive Director's Salary
 Merit Increases for Eligible Classified Employees
 Unfunded Mandate - Additional Payroll Retirement Contribution
 Reclassification and Equity Adjustments
 Technology and Imaging
 New FTE's
 Lump Sum Termination Pay - Executive Director

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
TIME: 11:20:42AM

Agency Code: **515** Agency name: **Board of Pharmacy**

GOAL: 3 Indirect Administration Statewide Goal/Benchmark: 7 - 0

OBJECTIVE: 1 Indirect Administration Service Categories:

STRATEGY: 1 Licensing - Indirect Administration Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	19,463	22,605
1002 OTHER PERSONNEL COSTS	1,106	484
2003 CONSUMABLE SUPPLIES	119	119
2004 UTILITIES	176	176
2009 OTHER OPERATING EXPENSE	1,552	1,335
Total, Objects of Expense	\$22,416	\$24,719

METHOD OF FINANCING:

1 General Revenue Fund	22,416	24,719
Total, Method of Finance	\$22,416	\$24,719

FULL-TIME EQUIVALENT POSITIONS (FTE): 0.2 0.2

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

- Increase Executive Director's Salary
- Merit Increases for Eligible Classified Employees
- Unfunded Mandate - Additional Payroll Retirement Contribution
- Reclassification and Equity Adjustments
- Technology and Imaging
- New FTE's
- Lump Sum Termination Pay - Executive Director

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
TIME: 11:20:42AM

Agency Code: **515** Agency name: **Board of Pharmacy**

GOAL: 3 Indirect Administration Statewide Goal/Benchmark: 7 - 0

OBJECTIVE: 1 Indirect Administration Service Categories:

STRATEGY: 2 Enforcement-Indirect Administration Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	109,968	127,798
1002 OTHER PERSONNEL COSTS	6,280	2,744
2003 CONSUMABLE SUPPLIES	675	675
2004 UTILITIES	997	997
2009 OTHER OPERATING EXPENSE	8,802	7,572
Total, Objects of Expense	\$126,722	\$139,786

METHOD OF FINANCING:

1 General Revenue Fund	126,722	139,786
Total, Method of Finance	\$126,722	\$139,786

FULL-TIME EQUIVALENT POSITIONS (FTE):

0.8	0.8
-----	-----

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Increase Executive Director's Salary
 Merit Increases for Eligible Classified Employees
 Unfunded Mandate - Additional Payroll Retirement Contribution
 Reclassification and Equity Adjustments
 Technology and Imaging
 New FTE's
 Lump Sum Termination Pay - Executive Director

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2014**
 TIME : **11:20:43AM**

Agency code: **515**

Agency name: **Board of Pharmacy**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
5003 Repair or Rehabilitation of Buildings and Facilities					
<i>1/1 Remodeling completed in FY2014</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$200,000	\$0	\$0	\$0
	Capital Subtotal OOE, Project	1	\$200,000	\$0	\$0
	Subtotal OOE, Project	1	\$200,000	\$0	\$0
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$200,000	\$0	\$0	\$0
	Capital Subtotal TOF, Project	1	\$200,000	\$0	\$0
	Subtotal TOF, Project	1	\$200,000	\$0	\$0
	Capital Subtotal, Category	5003	\$200,000	\$0	\$0
	Informational Subtotal, Category	5003			
	Total, Category	5003	\$200,000	\$0	\$0

5006 Transportation Items

2/2 Transportation Vehicles Replacement

OBJECTS OF EXPENSE

Capital

General	5000 CAPITAL EXPENDITURES	\$195,000	\$58,500	\$103,000	\$58,500
	Capital Subtotal OOE, Project	2	\$195,000	\$103,000	\$58,500

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2014**
 TIME : **11:20:43AM**

Agency code: **515**

Agency name: **Board of Pharmacy**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
Subtotal OOE, Project 2		\$195,000	\$58,500	\$103,000	\$58,500
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$195,000	\$58,500	\$103,000	\$58,500
Capital Subtotal TOF, Project 2		\$195,000	\$58,500	\$103,000	\$58,500
Subtotal TOF, Project 2		\$195,000	\$58,500	\$103,000	\$58,500
Capital Subtotal, Category 5006		\$195,000	\$58,500	\$103,000	\$58,500
Informational Subtotal, Category 5006					
Total, Category 5006		\$195,000	\$58,500	\$103,000	\$58,500
AGENCY TOTAL -CAPITAL		\$395,000	\$58,500	\$103,000	\$58,500
AGENCY TOTAL -INFORMATIONAL					
AGENCY TOTAL		\$395,000	\$58,500	\$103,000	\$58,500
METHOD OF FINANCING:					
<u>Capital</u>					
General	1 General Revenue Fund	\$395,000	\$58,500	\$103,000	\$58,500
Total, Method of Financing-Capital		\$395,000	\$58,500	\$103,000	\$58,500
Total, Method of Financing		\$395,000	\$58,500	\$103,000	\$58,500

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2014**
 TIME : **11:20:43AM**

Agency code: **515**

Agency name: **Board of Pharmacy**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2014

Bud 2015

BL 2016

BL 2017

TYPE OF FINANCING:

Capital

General CA CURRENT APPROPRIATIONS

\$395,000

\$58,500

\$103,000

\$58,500

Total, Type of Financing-Capital

\$395,000

\$58,500

\$103,000

\$58,500

Total, Type of Financing

\$395,000

\$58,500

\$103,000

\$58,500

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:45AM

Agency Code:	515	Agency name:	Board of Pharmacy
Category Number:	5003	Category Name:	REPAIR OR REHABILITATION
Project number:	1	Project Name:	Remodeling

PROJECT DESCRIPTION

General Information

This one-time expenditure of remodeling of office space occurred in FY2014.

Number of Units / Average Unit Cost \$200,000

Estimated Completion Date FY2014

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life 0

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period 0

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2016	2017	2018	2019	Total over project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This one-time expenditure of remodeling of office space occurred in FY2014.

Project Location: This one-time expenditure of remodeling of office space occurred in FY2014.

Beneficiaries: Citizens of Texas

Frequency of Use and External Factors Affecting Use:

This one-time expenditure of remodeling of office space occurred in FY2014.

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2014
 TIME: 11:20:45AM

Agency Code:	515	Agency name:	Board of Pharmacy
Category Number:	5006	Category Name:	TRANSPORTATION ITEMS
Project number:	2	Project Name:	Transportation Vehicles Replacement

PROJECT DESCRIPTION

General Information

TSBP has the authority to purchase vehicles under the Occ. Code, Sec. 554.009. Vehicles are routinely purchased & replaced when necessary, generally at 100,000 miles. The agency currently has 22 vehicles, and 8 of that number will reach estimated mileages between 111,000 & 161,000 if not replaced in the next biennium.

If the vehicles are not replaced, field investigators would not be able to conduct investigations of complaints alleging serious violations of pharmacy laws & rules, such as diversion of controlled substances & dispensing errors causing harm or injury to Texas patients.

In addition, if the vehicles are not replaced, field compliance staff will not be able to conduct inspections on a daily basis, resulting in fewer pharmacies in Texas being inspected. Having inoperable vehicles will decrease the number of inspections and lengthen the time between inspections.

Number of Units / Average Unit Cost	Between \$19,500 and \$20,600 each						
Estimated Completion Date	08/31/2017						
Additional Capital Expenditure Amounts Required	<table border="0"> <tr> <td></td> <td align="center">2018</td> <td align="center">2019</td> </tr> <tr> <td></td> <td align="center">0</td> <td align="center">0</td> </tr> </table>		2018	2019		0	0
	2018	2019					
	0	0					
Type of Financing	CA CURRENT APPROPRIATIONS						
Projected Useful Life	0						
Estimated/Actual Project Cost	\$0						
Length of Financing/ Lease Period	0						

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2016	2017	2018	2019		
0	0	0	0		0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: It is anticipated that if these vehicles are not replaced in a timely manner, either: (1) significant repairs will be required (which will incur additional costs & may not be cost-beneficial) or (2) the vehicle will simply not be operable (resulting in personnel assigned to the vehicle not being able to perform primary job duties).

Project Location: Vehicles are assigned to field investigators for use through Texas and field compliance staff (i.e., employees who conduct inspections of the 6,835 pharmacies located in Texas).

Beneficiaries: It is critical to the health and safety of Texas citizens that investigations of alleged violations of pharmacy laws & rules continue, and that the inspections of pharmacies be conducted in a timely manner.

Frequency of Use and External Factors Affecting Use:

Vehicles are assigned to full time field investigators and compliance inspectors who primary functions are to (1) conduct investigations of complaints alleging serious violations of pharmacy laws and rules, such as diversion of controlled substances and dispensing errors causing harm or injury to Texas patients, and (2) conduct daily inspections of the 6,835 pharmacies located in Texas for compliance with the laws and rules governing the practice of pharmacy.

Agency code: **515** Agency name: **Board of Pharmacy**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
5003 Repair or Rehabilitation of Buildings and Facilities					
<i>1/1</i>	<i>Remodeling</i>				
<u>GENERAL BUDGET</u>					
Capital	3-1-1 LICENSING - INDIRECT ADMINISTRATION	8,571	0	\$0	\$0
	3-1-2 ENFORCEMENT-INDIRECT ADMINISTRATION	48,572	0	0	0
	1-1-1 LICENSING	142,857	0	0	0
	TOTAL, PROJECT	\$200,000	\$0	\$0	\$0

5006 Transportation Items

2/2 Transportation Vehicles Replacement

GENERAL BUDGET

Capital	2-1-1 ENFORCEMENT	195,000	58,500	103,000	58,500
	TOTAL, PROJECT	\$195,000	\$58,500	\$103,000	\$58,500
	TOTAL CAPITAL, ALL PROJECTS	\$395,000	\$58,500	\$103,000	\$58,500
	TOTAL INFORMATIONAL, ALL PROJECTS				
	TOTAL, ALL PROJECTS	\$395,000	\$58,500	\$103,000	\$58,500

515 Board of Pharmacy

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
5003 Repair or Rehabilitation of Buildings and Facilities					
1 Remodeling					
OOE					
Capital					
1-1-1 LICENSING					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	142,857	0	0	0
3-1-1 LICENSING - INDIRECT ADMINISTRATION					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	8,571	0	0	0
3-1-2 ENFORCEMENT-INDIRECT ADMINISTRATION					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	48,572	0	0	0
	TOTAL, OOE's	\$200,000	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 LICENSING					
<u>General Budget</u>					
1	General Revenue Fund	142,857	0	0	0
3-1-1 LICENSING - INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	8,571	0	0	0

515 Board of Pharmacy

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
1 Remodeling					
3-1-2 ENFORCEMENT-INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	48,572	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$200,000	\$0	0	0
TOTAL, MOFs		\$200,000	\$0	0	0
5006 Transportation Items					
2 Transportation Vehicles Replacement					
OOE					
Capital					
2-1-1 ENFORCEMENT					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	195,000	58,500	103,000	58,500
TOTAL, OOE's		\$195,000	\$58,500	103,000	58,500
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-1 ENFORCEMENT					
<u>General Budget</u>					
1	General Revenue Fund	195,000	58,500	103,000	58,500
TOTAL, GENERAL REVENUE FUNDS		\$195,000	\$58,500	103,000	58,500
TOTAL, MOFs		\$195,000	\$58,500	103,000	58,500

515 Board of Pharmacy

	Est 2014	Bud 2015	BL 2016	BL 2017
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS				
TOTAL, GENERAL BUDGET	\$395,000	\$58,500	103,000	58,500
TOTAL, ALL PROJECTS	395,000	58,500	103,000	58,500
	\$395,000	\$58,500	103,000	58,500

6.A. Historically Underutilized Business Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/14/2014**
 Time: **11:20:46AM**

Agency Code: **515** Agency: **Board of Pharmacy**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$		
23.6%	Professional Services	20.0 %	100.0%	80.0%	\$3,095	\$3,095	23.6 %	100.0%	76.4%	\$2,218	\$2,218
24.6%	Other Services	33.0 %	12.4%	-20.6%	\$32,955	\$266,079	24.6 %	7.7%	-16.9%	\$17,409	\$225,878
21.0%	Commodities	12.6 %	66.5%	53.9%	\$118,698	\$178,401	21.0 %	45.7%	24.7%	\$62,709	\$137,209
	Total Expenditures		34.6%		\$154,748	\$447,575		22.5%		\$82,336	\$365,305

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded two of three, or 66%, of applicable statewide HUB procurement goals in FY2012.

The agency attained or exceeded two of three, or 66%, of applicable statewide HUB procurement goals in FY2013.

Applicability:

The "Heavy Construction", "Building Construction", and "Special Trade Construction" categories are not applicable to agency operations in either fiscal year 2012 or fiscal year 2013.

Factors Affecting Attainment:

In both fiscal year 2012 and fiscal year 2013, the goal of the "Other Services" category was not met due to our contract for the Peer Assistance Program that limited the agency to contracting with one non-HUB vendor.

"Good-Faith" Efforts:

The agency made the following good faith efforts to comply with the statewide HUB procurement goal per 1 TAC Section 111.13(c):

- * ensured that contract specifications, terms, and conditions reflected the agency's actual requirements, were clearly stated, and did not impose unreasonable or unnecessary contract requirements.
- * prepared and distributed information on procurement procedures in a manner that encouraged participation in agency contracts by all businesses.

6.B. Current Biennium One-time Expenditure Schedule

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cstella		Date: 7/16/2014
Item	2014-2015 Est/Bud		2016-17 Baseline Request	
	Amount	MOF	Amount	MOF
Remodeling Hobby Building Space	200,000	GR	0	GR

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **515** Agency name: **Board of Pharmacy**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3562 Health Related Profession Fees	7,710,592	8,655,703	9,768,324	8,529,289	8,771,364
3570 Peer Assistance Prog Fees	212,102	242,610	267,585	272,811	293,000
3583 Controlled Subst Act Forft Money	5,051	6,214	0	0	0
Subtotal: Actual/Estimated Revenue	7,927,745	8,904,527	10,035,909	8,802,100	9,064,364
Total Available	\$7,927,745	\$8,904,527	\$10,035,909	\$8,802,100	\$9,064,364
DEDUCTIONS:					
Expended/Budgeted/Revenue	(5,174,487)	(6,891,379)	(6,484,187)	(6,909,476)	(6,572,832)
Office of Patient Protection	(155,689)	(135,268)	(138,290)	(143,594)	(146,700)
Other Indirect Cost	(1,040,915)	(1,166,850)	(1,257,020)	(1,257,020)	(1,257,020)
Total, Deductions	\$(6,371,091)	\$(8,193,497)	\$(7,879,497)	\$(8,310,090)	\$(7,976,552)
Ending Fund/Account Balance	\$1,556,654	\$711,030	\$2,156,412	\$492,010	\$1,087,812

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **515** Agency name: **Board of Pharmacy**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
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I. ESTIMATES OF REVENUE COLLECTIONS

Sources of Revenue: 99.0% = Licenses, Fees & Permits
 1.0% = Sale of Goods

1. Estimates were made regarding the projected change in the population of applicants, pharmacists, pharmacies & pharmacy technicians. This population & their resulting license fees, make up the majority of the agencies collected revenue.
2. Historical trends of actual revenue received for Health Related Fees, were analyzed.

II. CURRENT FEE RATES

Pharmacist Biennial: \$301 [\$281 application fee + \$5 Texas online fee + \$13 to fund Peer Assistance Program (PAP) + \$2 to fund the Office of Patient Protection (OPP)].
 Pharmacy Biennial: \$532 (\$500 application fee + \$15 online fee + \$15 PAP + \$2 OPP)
 Technician Biennial: \$96 (\$91 application fee + \$3 online fee + \$2 OPP)
 Technician Trainee Initial: \$62 (\$55 application fee + \$2 online fee + \$5 OPP)

III. FUTURE FEE RATES

The biennial revenue that is contained in this document is based on the adopted fee rates, effective October 2015, as shown below:

Pharmacist Biennial: \$255 (\$235 application fee + \$5 online fee + \$13 PAP + \$2 OPP)
 Pharmacy Biennial: \$430 (\$401 application fee + \$12 online fee + \$15 PAP + \$2 OPP)
 Technician Biennial: \$ 77 (\$72 application fee + \$2 online fee + \$3 OPP)
 Technician Trainee Initial: \$52 (\$45 application fee + \$2 online fee + \$5 OPP)

This revenue estimate will sufficiently cover a 100% baseline biennium funding level. If additional appropriations beyond this level are authorized by the TX Leg, the Board realizes that a fee increase may be necessary.

III. AUTHORIZATION OF FEE RATE CHANGE

OCC Code, Subtitle J, Sec. 554.006 allows the board by rule, to establish reasonable & necessary fees so that the fees, in the aggregate, produce sufficient revenue to cover the cost of administering the Act.

CONTACT PERSON:

Jane Bennett

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **515** Agency name: **Board of Pharmacy**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	500	3,980	3,980	3,980	3,980
3752 Sale of Publications/Advertising	0	0	0	0	0
3767 Supply, Equip, Service - Fed/Other	0	3,750	3,750	3,750	3,750
3802 Reimbursements-Third Party	11,751	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	4,568	0	0	0	0
3852 Interest on Local Deposits-St Agy	15	0	0	0	0
Subtotal: Actual/Estimated Revenue	16,834	7,730	7,730	7,730	7,730
Total Available	\$16,834	\$7,730	\$7,730	\$7,730	\$7,730
DEDUCTIONS:					
Expended/Budgeted/Revenue	(16,834)	(7,730)	(7,730)	(7,730)	(7,730)
Total, Deductions	\$(16,834)	\$(7,730)	\$(7,730)	\$(7,730)	\$(7,730)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Jane Bennett

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

DATE: 8/4/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 3:07:21PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$13,482,308

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider

2016 Funds

2017 Funds

**Biennial
Cumulative GR**

**Biennial
Cumulative Ded**

Page #

FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Biennial Cumulative GR	Biennial Cumulative Ded	Page #
Strategy: 1 - 1 - 1 Operate an Application and Renewal Licensure System										
11.8	1,086,979	1,086,690	0	11.8	937,097	936,808	0	2,023,498	0	_____
Strategy: 1 - 1 - 2 Texas.gov. Estimated and Nontransferable										
0.0	173,463	173,463	0	0.0	173,463	173,463	0	2,370,424	0	_____
Strategy: 2 - 1 - 1 Operate System of Inspection Assistance Education										
66.3	4,573,689	4,566,248	0	66.3	4,441,749	4,434,308	0	11,370,980	0	_____
Strategy: 2 - 1 - 2 Provide a Peer Assistance Program for Licensed Individuals										
2.0	228,740	228,740	0	2.0	238,585	238,585	0	11,838,305	0	_____
Strategy: 3 - 1 - 1 Licensing - Indirect Administration										
1.8	128,147	128,147	0	1.8	118,449	118,449	0	12,084,901	0	_____
Strategy: 3 - 1 - 2 Enforcement-Indirect Administration										
10.1	726,188	726,188	0	10.1	671,219	671,219	0	13,482,308	0	_____

92.0				92.0				*****GR Baseline Request Limit=\$13,482,308*****		
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Excp Item: 1 Increase Executive Director's Salary										
0.0	57,784	57,784	0	0.0	57,784	57,784	0	13,597,876	0	_____

Strategy Detail for Excp Item: 1										
Strategy: 1 - 1 - 1 Operate an Application and Renewal Licensure System										
0.0	19,242	19,242	0	0.0	19,242	19,242	0			
Strategy: 2 - 1 - 1 Operate System of Inspection Assistance Education										
0.0	19,242	19,242	0	0.0	19,242	19,242	0			
Strategy: 3 - 1 - 1 Licensing - Indirect Administration										
0.0	2,947	2,947	0	0.0	2,947	2,947	0			
Strategy: 3 - 1 - 2 Enforcement-Indirect Administration										
0.0	16,353	16,353	0	0.0	16,353	16,353	0			

Excp Item: 2 Merit Increases for Eligible Classified Employees

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

DATE: 8/4/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 3:07:21PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$13,482,308

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider								Biennial	Biennial	
2016 Funds				2017 Funds				Cumulative GR	Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
0.0	143,898	143,898	0	0.0	292,110	292,110	0	14,033,884	0	_____
Strategy Detail for Excp Item: 2										
Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
0.0	15,570	15,570	0	0.0	31,606	31,606	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
0.0	107,966	107,966	0	0.0	219,170	219,170	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.0	3,051	3,051	0	0.0	6,193	6,193	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.0	17,311	17,311	0	0.0	35,141	35,141	0			
Excp Item: 3	Unfunded Mandate - Additional Payroll Retirement Contribution									
0.0	22,661	22,661	0	0.0	22,813	22,813	0	14,079,358	0	_____
Strategy Detail for Excp Item: 3										
Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
0.0	2,452	2,452	0	0.0	2,468	2,468	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
0.0	17,003	17,003	0	0.0	17,117	17,117	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.0	480	480	0	0.0	484	484	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.0	2,726	2,726	0	0.0	2,744	2,744	0			
Excp Item: 4	Reclassification and Equity Adjustments									
0.0	144,611	144,611	0	0.0	144,611	144,611	0	14,368,580	0	_____

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

DATE: 8/4/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 3:07:21PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$13,482,308

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider

2016 Funds

2017 Funds

**Biennial
Cumulative GR**

**Biennial
Cumulative Ded**

Page #

FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
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Strategy Detail for Excp Item: 4										
Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
0.0	27,947	27,947	0	0.0	27,947	27,947	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
0.0	87,795	87,795	0	0.0	87,795	87,795	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.0	4,330	4,330	0	0.0	4,330	4,330	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.0	24,539	24,539	0	0.0	24,539	24,539	0			

Excp Item: 5	Technology and Imaging									
0.0	58,914	58,914	0	0.0	58,003	58,003	0	14,485,497	0	_____

Strategy Detail for Excp Item: 5										
Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
0.0	2,702	2,702	0	0.0	3,477	3,477	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
0.0	48,879	48,879	0	0.0	46,040	46,040	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.0	1,099	1,099	0	0.0	1,272	1,272	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.0	6,234	6,234	0	0.0	7,214	7,214	0			

Excp Item: 6	New FTE's									
2.0	140,177	140,177	0	2.0	134,977	134,977	0	14,760,651	0	_____

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

DATE: 8/4/2014

84th Regular Session, Agency Submission, Version 1
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TIME: 3:07:21PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$13,482,308

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider

2016 Funds

2017 Funds

**Biennial
Cumulative GR**

**Biennial
Cumulative Ded**

Page #

FTEs Total GR Ded FTEs Total GR Ded

Strategy Detail for Excp Item: 6			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education		
1.0	74,289	74,289	0
Strategy: 3 - 1 - 1	Licensing - Indirect Administration		
0.2	9,883	9,883	0
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration		
0.8	56,005	56,005	0

Excp Item: 7	Lump Sum Termination Pay - Executive Director		
0.0	29,544	29,544	0

14,790,195 0 _____

Strategy Detail for Excp Item: 7			
Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System		
0.0	3,197	3,197	0
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education		
0.0	22,167	22,167	0
Strategy: 3 - 1 - 1	Licensing - Indirect Administration		
0.0	626	626	0
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration		
0.0	3,554	3,554	0

94.0 \$7,514,795 \$7,507,065 \$0 94.0 \$7,290,860 \$7,283,130 0

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

1 10% Board & Staff Conference Travel

Category: Administrative - Travel

Item Comment: If the Legislature cuts the TSBP budget by 10%, the agency will be forced to completely eliminate all Board and staff non-service travel.

The impact will be a reduction in required continuing education for staff pharmacists, attorneys, and pharmacy technicians obtained at professional meetings. Not attending pharmacy conferences will eliminate Board forums and educational presentations to licensees at these meetings. These presentations allow the Board to present information to licensees regarding changes to pharmacy laws and rules. This cut will also not allow Board members and staff to attend regional and national meetings with members and staff of other state Boards of pharmacy. These meetings are extremely valuable in that they allow us to share information and successes with other state boards of pharmacy and to learn from their experiences.

Strategy: 1-1-1 Operate an Application and Renewal Licensure System

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$758	\$758	\$1,516
General Revenue Funds Total	\$0	\$0	\$0	\$758	\$758	\$1,516

Strategy: 2-1-1 Operate System of Inspection Assistance Education

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$9,072	\$9,072	\$18,144
General Revenue Funds Total	\$0	\$0	\$0	\$9,072	\$9,072	\$18,144

Strategy: 3-1-1 Licensing - Indirect Administration

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$2,323	\$2,323	\$4,646
General Revenue Funds Total	\$0	\$0	\$0	\$2,323	\$2,323	\$4,646

Strategy: 3-1-2 Enforcement-Indirect Administration

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
1 General Revenue Fund	\$0	\$0	\$0	\$13,507	\$13,507	\$27,014	
General Revenue Funds Total	\$0	\$0	\$0	\$13,507	\$13,507	\$27,014	
Item Total	\$0	\$0	\$0	\$25,660	\$25,660	\$51,320	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

2 Registration Fees

Category: Programs - Service Reductions (Other)

Item Comment: If the Legislature cuts the TSBP budget by 10%, the agency will be forced to completely eliminate all board and staff registration fees for training.

One key factor influencing employee motivation & retention is the opportunity to continue to grow and develop job and career enhancing skills. As a result, staff would not be able to receive the necessary ongoing training &/or education needed to help them improve their skills.

This reduction would also have a negative effect on the agency's enforcement activities, because all education and training would be eliminated. As a result, field inspection staff would not be able to get the training needed to inspect pharmacies that compound pharmaceuticals and investigators would not be able to attend training to help them improve their skills and stay current with drug diversion trends.

Strategy: 1-1-1 Operate an Application and Renewal Licensure System

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$245	\$245	\$490
General Revenue Funds Total	\$0	\$0	\$0	\$245	\$245	\$490

Strategy: 2-1-1 Operate System of Inspection Assistance Education

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$19,776	\$19,776	\$39,552
General Revenue Funds Total	\$0	\$0	\$0	\$19,776	\$19,776	\$39,552

Strategy: 3-1-1 Licensing - Indirect Administration

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$719	\$719	\$1,438	
General Revenue Funds Total	\$0	\$0	\$0	\$719	\$719	\$1,438	
Strategy: 3-1-2 Enforcement-Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$3,916	\$3,916	\$7,832	
General Revenue Funds Total	\$0	\$0	\$0	\$3,916	\$3,916	\$7,832	
Item Total	\$0	\$0	\$0	\$24,656	\$24,656	\$49,312	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

3 Pharmacist Recovery Network

Category: Programs - Service Reductions (Other)

Item Comment: The establishment of a peer assistance program is authorized by Chapter 564 of the Texas Pharmacy Act. Currently, TSBP contracts with the Professional Recovery Network (PRN) to provide program services to pharmacists & eligible pharmacy students who are impaired by chemical abuse, or mental or physical illness.

It is estimated that approximately 10% to 15% of all healthcare professionals will misuse drugs or alcohol at some time during their career. Although the rates of substance abuse and dependence are similar to those of the general population, the prevalence is disturbing because healthcare professionals are the caregivers responsible for the general health and well-being of the general population.

A reduction in the amount of funds provided to the peer assistance program will lessen PRN's ability to provide intervention, monitor recovering pharmacists, and provide support to individuals in the program since staff resources will be further stretched. A cut to the budget might also mean a reduction in the quality of care provided and a less intensive level of evaluations by addiction professionals. The cost of evaluations is increasing due to the added expenses the practitioners are incurring. The ability to provide skilled, highly qualified clinicians is one of the assurances that participants are receiving not only the best evaluations to address their issues but also protecting the public by recognizing subtleties which might go unrecognized by less expensive & less qualified practitioners. Put very simply, this budget reduction would reduce the ability of PRN to provide the level and quality of monitoring needed to assure the public safety is protected.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 2-1-2 Provide a Peer Assistance Program for Licensed Individuals							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$18,626	\$18,626	\$37,252	
General Revenue Funds Total	\$0	\$0	\$0	\$18,626	\$18,626	\$37,252	
Item Total	\$0	\$0	\$0	\$18,626	\$18,626	\$37,252	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
4 Board Member Per Diem							
Category: Programs - Service Reductions (Other)							
Item Comment: Government Code §659.032 authorizes compensatory per diem at \$30 per day to state board and commission members to conduct the business of the board.							
If the Legislature uts the TSBP budget by 10%, the agency will be forced to completely eliminate all board per diem.							
Strategy: 2-1-1 Operate System of Inspection Assistance Education							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$630	\$630	\$1,260	
General Revenue Funds Total	\$0	\$0	\$0	\$630	\$630	\$1,260	
Strategy: 3-1-1 Licensing - Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$756	\$756	\$1,512	
General Revenue Funds Total	\$0	\$0	\$0	\$756	\$756	\$1,512	
Strategy: 3-1-2 Enforcement-Indirect Administration							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$5,064	\$5,064	\$10,128	
General Revenue Funds Total	\$0	\$0	\$0	\$5,064	\$5,064	\$10,128	
Item Total	\$0	\$0	\$0	\$6,450	\$6,450	\$12,900	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

5 Remodeling of Office Space

Category: Programs - Service Reductions (Other)

Item Comment: A 10% cut will eliminate the one-time expenditure of remodeling of office space that occurred in FY2014.

No impact is anticipated.

Strategy: 1-1-1 Operate an Application and Renewal Licensure System

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$200,000		\$200,000	
General Revenue Funds Total	\$0	\$0	\$0	\$200,000		\$200,000	
Item Total	\$0	\$0	\$0	\$200,000		\$200,000	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

6 Vehicles

Category: Programs - Service Reductions (Other)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

Item Comment: The impact of a budget cut in vehicle replacement will result in replacing only 3 of the needed 8 vehicles in the coming biennium. TSBP has the authority to purchase vehicles under the Occ. Code, Sec. 554.009. Vehicles are routinely purchased & replaced when necessary, generally at 100,000 miles. The agency currently has 22 vehicles, & 8 of that number will reach estimated mileages between 111,000 & 161,000 miles in the next biennium and need to be replaced.

It is anticipated that if these vehicles are not replaced in a timely manner, either: (1) significant repairs will be required (which will incur additional costs & may not be cost-beneficial) or (2) the vehicle will simply not be operable (resulting in personnel assigned to the vehicle not being able to perform primary job duties).

If the vehicles are not replaced, field investigators would not be able to conduct investigations of complaints alleging serious violations of pharmacy laws & rules. In addition, field compliance staff will not be able to conduct inspections on a daily basis, resulting in fewer pharmacies in Texas being inspected.

Strategy: 2-1-1 Operate System of Inspection Assistance Education

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$103,000		\$103,000
General Revenue Funds Total	\$0	\$0	\$0	\$103,000		\$103,000
Item Total	\$0	\$0	\$0	\$103,000		\$103,000

FTE Reductions (From FY 2016 and FY 2017 Base Request)

7 FTE Cuts & Ongoing

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/14/2014
Time: 11:22:29AM

Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

Item Comment: A 10% cut would result in 7 FTEs being eliminated. 2 of these FTEs are licensing-related. Given the 200% growth in the number of licensees over the past 10 years, with the associated increase in telephone calls and e-mails, a staff reduction in this area would cause a critical slowdown in the renewal and issuance of a license, as well as dramatic workload increases for the remaining licensing staff.

4 of the FTEs to be eliminated are enforcement-related (1 attorney, 1 field investigator, 1 pharmacist inspector, and 1 staff pharmacist). Cutting these 4 positions would seriously impair the agency's ability to regulate the practice of pharmacy, in that TSBP would resolve fewer complaints and enter fewer disciplinary orders, which in turn, would ultimately create a backlog of cases and lengthen the average complaint resolution time for all complaints, including the time required to resolve a disciplinary case.

The elimination of 2 pharmacist positions would have a devastating impact on the quality and quantity of compliance inspections that could be conducted. Such inspections ensure that the public is protected because a myriad of areas are checked (e.g., drug stock, security, practice/operational standards). In addition, a strong & active inspection program is cost-effective because it increases compliance, which in turn, decreases the need to conduct more expensive enforcement activities (e.g., field investigations & disciplinary action). Inspections of pharmacies that compound sterile pharmaceuticals (e.g., injectable drugs) are especially critical, in that improper training or procedures could result in contaminated products being dispensed to Texas patients, which could be fatal to the patients receiving these drugs.

Strategy: 1-1-1 Operate an Application and Renewal Licensure System

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$75,666	\$75,666	\$151,332
General Revenue Funds Total	\$0	\$0	\$0	\$75,666	\$75,666	\$151,332

Strategy: 2-1-1 Operate System of Inspection Assistance Education

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$344,513	\$277,668	\$622,181
General Revenue Funds Total	\$0	\$0	\$0	\$344,513	\$277,668	\$622,181

Strategy: 3-1-1 Licensing - Indirect Administration

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/14/2014
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Agency code: **515** Agency name: **Board of Pharmacy**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
1 General Revenue Fund	\$0	\$0	\$0	\$6,571	\$6,571	\$13,142	
General Revenue Funds Total	\$0	\$0	\$0	\$6,571	\$6,571	\$13,142	
Strategy: 3-1-2 Enforcement-Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$37,237	\$37,237	\$74,474	
General Revenue Funds Total	\$0	\$0	\$0	\$37,237	\$37,237	\$74,474	
Item Total	\$0	\$0	\$0	\$463,987	\$397,142	\$861,129	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				7.0	7.0		
AGENCY TOTALS							
General Revenue Total				\$842,379	\$472,534	\$1,314,913	\$1,314,913
Agency Grand Total	\$0	\$0	\$0	\$842,379	\$472,534	\$1,314,913	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)				7.0	7.0		

7.A. Indirect Administrative and Support Costs

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515 Board of Pharmacy

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Operate an Application and Renewal Licensure System					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$72,778	\$ 94,904	\$ 96,804	\$ 96,804	\$ 96,804
1002	OTHER PERSONNEL COSTS	4,933	4,382	4,059	4,244	4,384
2001	PROFESSIONAL FEES AND SERVICES	614	1,252	713	713	713
2002	FUELS AND LUBRICANTS	6	0	0	0	0
2003	CONSUMABLE SUPPLIES	626	710	710	710	710
2004	UTILITIES	5	1	1	1	1
2005	TRAVEL	3,141	6,677	6,677	6,677	6,677
2006	RENT - BUILDING	308	213	213	213	213
2007	RENT - MACHINE AND OTHER	122	121	121	121	121
2009	OTHER OPERATING EXPENSE	4,528	7,630	9,152	10,093	8,826
5000	CAPITAL EXPENDITURES	0	8,571	0	8,571	0
Total, Objects of Expense		\$87,061	\$124,461	\$118,450	\$128,147	\$118,449
METHOD OF FINANCING:						
1	General Revenue Fund	87,061	124,461	118,450	128,147	118,449
Total, Method of Financing		\$87,061	\$124,461	\$118,450	\$128,147	\$118,449

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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The Texas State Board of Pharmacy is service oriented; therefore, the method of allocation for Indirect Administration and Support Costs is FTE allocation.

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1	Operate System of Inspection Assistance Education					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$476,749	\$ 521,649	\$ 532,103	\$ 532,102	\$ 532,102
1002	OTHER PERSONNEL COSTS	32,026	24,090	22,302	23,343	24,116
2001	PROFESSIONAL FEES AND SERVICES	3,987	6,884	3,921	3,922	3,922
2002	FUELS AND LUBRICANTS	37	0	0	0	0
2003	CONSUMABLE SUPPLIES	4,062	3,901	3,901	3,901	3,901
2004	UTILITIES	29	5	5	5	5
2005	TRAVEL	20,393	36,703	36,703	36,703	36,703
2006	RENT - BUILDING	1,999	1,171	1,171	1,171	1,171
2007	RENT - MACHINE AND OTHER	795	668	668	668	668
2009	OTHER OPERATING EXPENSE	29,605	41,941	50,311	55,476	48,498
5000	CAPITAL EXPENDITURES	0	47,115	0	47,115	0
Total, Objects of Expense		\$569,682	\$684,127	\$651,085	\$704,406	\$651,086
METHOD OF FINANCING:						
1	General Revenue Fund	569,682	684,127	651,085	704,406	651,086
Total, Method of Financing		\$569,682	\$684,127	\$651,085	\$704,406	\$651,086

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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The Texas State Board of Pharmacy is service oriented; therefore, the method of allocation for Indirect Administration and Support Costs is FTE allocation.

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-2	Provide a Peer Assistance Program for Licensed Individuals					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$14,744	\$ 16,133	\$ 16,456	\$ 16,456	\$ 16,456
1002	OTHER PERSONNEL COSTS	990	745	689	721	745
2001	PROFESSIONAL FEES AND SERVICES	123	212	121	121	121
2002	FUELS AND LUBRICANTS	1	0	0	0	0
2003	CONSUMABLE SUPPLIES	125	120	120	120	120
2004	UTILITIES	1	1	1	1	1
2005	TRAVEL	630	1,135	1,135	1,135	1,135
2006	RENT - BUILDING	61	36	36	36	36
2007	RENT - MACHINE AND OTHER	25	20	20	20	20
2009	OTHER OPERATING EXPENSE	915	1,297	1,556	1,715	1,499
5000	CAPITAL EXPENDITURES	0	1,457	0	1,457	0
Total, Objects of Expense		\$17,615	\$21,156	\$20,134	\$21,782	\$20,133
METHOD OF FINANCING:						
1	General Revenue Fund	17,615	21,156	20,134	21,782	20,133
Total, Method of Financing		\$17,615	\$21,156	\$20,134	\$21,782	\$20,133

Method of Allocation

7.A. Indirect Administrative and Support Costs

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Exp 2013

Est 2014

Bud 2015

BL 2016

BL 2017

The Texas State Board of Pharmacy is service oriented; therefore, the method of allocation for Indirect Administration and Support Costs is FTE allocation.

7.A. Indirect Administrative and Support Costs

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	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$564,271	\$632,686	\$645,363	\$645,362	\$645,362
1002 OTHER PERSONNEL COSTS	\$37,949	\$29,217	\$27,050	\$28,308	\$29,245
2001 PROFESSIONAL FEES AND SERVICES	\$4,724	\$8,348	\$4,755	\$4,756	\$4,756
2002 FUELS AND LUBRICANTS	\$44	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$4,813	\$4,731	\$4,731	\$4,731	\$4,731
2004 UTILITIES	\$35	\$7	\$7	\$7	\$7
2005 TRAVEL	\$24,164	\$44,515	\$44,515	\$44,515	\$44,515
2006 RENT - BUILDING	\$2,368	\$1,420	\$1,420	\$1,420	\$1,420
2007 RENT - MACHINE AND OTHER	\$942	\$809	\$809	\$809	\$809
2009 OTHER OPERATING EXPENSE	\$35,048	\$50,868	\$61,019	\$67,284	\$58,823
5000 CAPITAL EXPENDITURES	\$0	\$57,143	\$0	\$57,143	\$0
Total, Objects of Expense	\$674,358	\$829,744	\$789,669	\$854,335	\$789,668
Method of Financing					
1 General Revenue Fund	\$674,358	\$829,744	\$789,669	\$854,335	\$789,668
Total, Method of Financing	\$674,358	\$829,744	\$789,669	\$854,335	\$789,668
Full-Time-Equivalent Positions (FTE)					