

Legislative Appropriations Requests

For Fiscal Years 2014 and 2015

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

By

Texas State Board of Pharmacy

August 17, 2012

TABLE OF CONTENTS

ADMINISTRATOR'S STATEMENT	1
ORGANIZATIONAL CHART.....	8
SUMMARY OF REQUESTS.....	9
STRATEGY REQUEST	25
RIDER REVISIONS AND ADDITIONS.....	46
EXCEPTIONAL ITEM REQUEST	54
SUPPORTING SCHEDULES	
HISTORICALLY UNDERUTILIZED BUSINESS	80
ESTIMATED REVENUE COLLECTIONS	81
GENERAL REVENUE (GR) & GENERAL REVENUE DEDICATED (GR-D) BASELINE REPORT	84
10 PERCENT BIENNIAL BASE REDUCTION OPTIONS SCHEDULE	86
INDIRECT ADMINISTRATIVE AND SUPPORT COSTS.....	97

Administrator's Statement

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

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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 & the licensing of pharmacies engaged in dispensing or distribution of prescription drugs & devices.

One key factor that continues to affect the ability of the agency to serve & 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 FY03, the agency has experienced a 208% increases in the number of licensees/registrants (28,064 in FY03 and 86,308 in FY11). This increase is directly related to the registration of pharmacy technicians & pharmacy technician trainees that began in 2004 for pharmacy technicians and in 2006 for pharmacy technician trainees.

Enforcement – The increase in number of licensees has also caused the number of complaints received & resolved & the number of disciplinary orders entered to increase dramatically. In FY03, the agency received 1,893 complaints, resolved 1,850 complaints, & entered 213 disciplinary orders while in FY11 the agency received 5,662 complaints (a 199% increase), resolved 5,816 complaints (a 214% increase) & entered 706 disciplinary orders (a 231% increase).

Diversion of Controlled Substances from Pharmacies

Another key factor that has affected the agency's ability to serve & 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 & other prescription drugs. On July 17, 2010, the Center for Disease Control (CDC) & the Substance Abuse & Mental Health Services Administration (SAMHSA) co-released a study titled: Substance Abuse Treatment Admissions Involving Abuse of Pain Relievers: 1998 & 2008. This report compared emergency room admission data for non-medical use of narcotic pain relievers in 1998 & 2008. In the report, R. Gil Kerlikowske, Director of National Drug Control Policy stated that the "abuse of prescription drugs is our country's fastest growing drug problem."

515 Board of Pharmacy

A 2009 study highlights the problem in Texas. This study used data from the Harris County Medical Examiner's Office (HCME) and looked at deaths directly caused by either prescription drugs, illegal narcotics or both. This study indicated that in Houston, prescription drugs killed more people than cocaine (66% of the deaths from prescription drugs & only 44% of the deaths from cocaine). A July 19, 2010, Houston Chronicle article included an analysis of the HCME data. This analysis indicated that the drugs associated with the most deaths were: Hydrocodone (Vicodin®, Lorcet®, Narco®), Alprazolam (Xanax®) & Carisoprodol (Soma®). The cocktail of these three drugs is often called "The Trio" or "The Trinity." The problem is so bad in Houston the Director of the National Drug Control Policy, R. Gil Kerikowske, recently told a U.S. Senate committee that Houston, along with Los Angeles & South Florida, have been identified as one of three "major hubs" for drug prescription diversion in the US.

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 fills 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.

Due to the large number of prescribers and pharmacies involved in this type of illegal activity, primarily in the Houston area, TSBP has assigned one of its field investigators to work full-time with a Drug Enforcement Administration Task Force in the Houston area. TSBP has conducted eight (8) temporary suspension hearings over the course of the past two years (October 2010 through January 2012). These hearings have resulted in 13 suspensions (6 pharmacist licenses and 7 pharmacy licenses). However, because the problem in the Houston area is so immense, the agency is overwhelmed by the number of cases. TSBP is challenged not only by the large numbers of these types of cases, but also by the complexity of the cases, which increases the time to investigate and successfully prosecute the cases.

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 FY11 TSBP revoked the licenses/registrations of 92 individuals (9 pharmacists & 83 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 & recognize the huge impact they are having on this agency and on the citizens of Texas. The 5%, 2.5% and 10% budget reductions carried into the FY12 & FY13 biennium have hampered the agency's ability to investigate and prosecute cases in a timely manner; provide quality customer service & information; & protect the citizens of Texas.

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

I. RESTORE FUNDING REDUCTIONS (\$941,811)

- Restore Merit (\$425,523)

515 Board of Pharmacy

- Information Resource Technologies Replacement (\$162,649)
- Vehicle Replacement (\$156,000)
- Testing of Compounding Products (\$143,639)
- Scanning of Records (\$54,000)

This exceptional item request will restore only a portion of the budget cuts of FY2010-2013. Approximately \$1,340,533 of the budget cuts of these years resulted in across the board cuts operating costs. Examples of these cuts include: eliminating funded merit increases for agency employees; lowering or eliminating registration fees and training for agency personnel; board and staff travel reductions; delaying computer and other equipment replacement; and reduction of printing and postage expenses. This exceptional item requests funding for only the most critical items that were eliminated. Funding for this request is absolutely necessary for the agency to adequately protect the public and provide customer service.

Restore Merit: TSBP was appropriated funds by the 81st Leg Session to support a merit increase which rewards high-performing employees. 100% of these funds were cut during these budget cuts. Without this funding the agency will not be able to reward high performing employees which results in poor employee morale and in some cases we believe some will choose to seek employment elsewhere.

Information Resource Technologies Replacement: Aged & obsolete technology must be replaced. 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. IT replacement was not funded by the 82nd Legislative Session. If we are to do our job, we must have adequate IT equipment.

Vehicle Replacement: TSBP has the authority to purchase vehicles under the Occ. Code, Sec. 554.009. Vehicles are routinely purchased & replaced when necessary, generally at or above 100,000 miles. The agency currently has 16 vehicles & 8 of that number will reach between 100,000 & 171,000 in the next biennium. These vehicles must be replaced. The 82nd Legislature did not provide funding for replacement of agency vehicles.

Testing of Compounding Products: Testing of pharmacy compounded products was authorized by SB 492 passed by the 79th session. The agency was funded in FY08-09 & provided additional funding in FY10-11 to carry out the testing of compounded products. However, because of the cuts in FY2012-13 the agency was forced to reduce the funds for this important function by 72%. The term "compounding" means the preparation, mixing, assembling, packaging, or labeling of a drug or device. Pharmacies compound prescription drugs based upon the order of a physician for use by or for administration to patients. Products compounded by pharmacies include sterile products that are administered by injection. It is crucial that all of these compounded products are randomly tested to assure they contain the correct amount of drug and that the sterile compounded products are sterile and that they do not contain any contaminants that will harm patients. Any problem with these products, especially sterile compounded products could have a dramatic & potentially life threatening effects on the patient.

Scanning of Records: Included in the ordered reductions from the last session, the agency slowed the imaging of agency documents. If the agency is unable to image its anticipated documents, additional file and/or storage space will become necessary.

II. NEW BIENNIUM UNFUNDED MANDATES (\$76,845)

The 82nd Leg passed a provision in Article IX, which 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. This unfunded mandate was paid from agency existing appropriations in FY2012 by delaying the hiring of some of the new positions approved during the 82nd session and using the lapsed funds in FY2013. TSBP will not have these funds available in FY2014-2015 since

Administrator's Statement

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

we anticipate that all FTE positions will be filled and no funds will be available for the payroll health insurance contribution to ERS.

III. NEW APPROPRIATIONS REQUEST

(1) ADDITIONAL STAFF TO MAINTAIN SERVICES (\$2,061,813)

This exceptional item will fund the following 10 positions:

Assistant Chief of Compliance
Field Investigator (2)
Field Inspector
Litigation Managing Attorney
Litigation Analyst
Education Specialist
Systems Analyst
Licensing & Permit Specialist (2)

In order for TSBP to continue to protect the citizens of Texas, it must be adequately funded & staffed. As indicated in the opening statement, the agency has been dramatically affected by the investigation and prosecution of "Pill Mill Pharmacies" and the unprecedented growth of licensees/registrants. As indicated earlier the problem of drug diversion in the Houston area is so immense, the agency is overwhelmed by the number of cases. In addition, since FY03, the licensee population has increased 208%. Since FY03, the agency has experienced an explosive growth in the number of complaints received with a 199% increase in the number of complaints, and a 231% increase in the number of disciplinary orders.

To address this problem, we are requesting 10 FTE's,

Without these additional staff, & given the current & anticipated growth in the licensee population and increasing numbers of drug diversion cases, we expect the TSBP to experience critical slowdowns in the areas of complaint resolution/prosecution, issuance of licenses & a deterioration of services to our customers & the citizens of Texas. Ultimately, this will have a detrimental impact on the health & safety of the public.

Investigations/Disciplinary Actions

6 FTEs are requested in the Enforcement area (1 assistant chief of compliance, 2 field investigators, 1 field inspector, 1 litigation attorney, and 1 litigation analyst). As indicated in the opening of this Administrator's Statement, the agency has seen a drastic increase in criminal activity involving the illegal diversion of prescription drugs from pharmacies.

In addition, health care providers & insurers have forecasted that pharmacies will be dispensing more prescriptions each year given the large segment of the US population that take more prescriptions as they grow older. As a result, the state will continue to see an increase in the numbers of pharmacies, pharmacists & technicians. As the number of licensees increase, the number of complaints filed against these licensees will increase.

Administrator's Statement

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Education of Licensees

1 Education Specialist is requested to assist the agency in educating the Board's licensees and the public on important changes to laws and rules. Given the continuous increase in the number of licensees the Board regulates, an educational effort to this target population is critical to a successful regulatory program. In addition, the agency needs to be able to provide vital information that would protect or improve the health and safety of the citizens of Texas through a comprehensive public information service.

Technology Growth

1 Systems Analyst - The migration to a new regulatory database was completed during this biennium; however, the agency has discovered that the design of this system has resulted in agency IT personnel being more involved in ordering reports needed by agency staff and in resolving problems encountered by licensees when applying for or renewing licenses on-line. The additional Systems Analyst will allow the IT staff to perform these tasks and their other duties in a timely manner.

Licensing Growth

1 Licensing & Permit Specialist - The addition of the registration of pharmacy technicians and pharmacy technician trainees has more than doubled the number of persons/entities licensed by TSBP. The 49,346 pharmacy technicians and trainees the agency registers have had a dramatic effect on the agency's operations and the impact on the profession. Career opportunities for pharmacy technicians are expected to expand rapidly over the next few years. In fact, the Bureau of Labor Statistics' 2012-2013 Edition of the Occupation Outlook Handbook estimates employment for pharmacy technicians will increase by as much as 32% from 2010-2020, much faster than other occupations. This coupled with current and expanding duties delegated to pharmacy technicians will have a substantial impact on the number of pharmacy technician and technician trainee applications received and processed by TSBP. The additional Licensing & Permit Specialist will allow the agency to issue and renew licenses in a timely manner.

Criminal History Background Checks

1 Licensing & Permit Specialist - 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; & Gov't Code 411.084 - 411.087. TSBP conducts a Department of Public Safety criminal history background check and an FBI fingerprint check on all individual applicants for new licenses/registrations & all new owners of pharmacy licenses. In addition, a DPS criminal history check is conducted on a quarterly basis for all individual applicants for renewal of licenses/registrations. TSBP would like to expand the FBI fingerprint check to include all currently registered pharmacy technicians, beginning in FY2015. Unlike the DPS quarterly check, an FBI fingerprint check provides federal as well as Texas criminal history background. The additional Licensing & Permit Specialist will be responsible for conducting this FBI fingerprint check on all currently registered pharmacy technicians (approximately 28,000 individuals).

(2) HEALTH PROFESSIONS COUNCIL TRANSFER (\$51,364)

HPC is asking for funding for a web administrator that will be shared by 9 of the HPC agencies. This joint effort by the HPC agencies will fill multi-agency needs for web accessibility, functionality and design. This is a cost-effective way for 9 agencies to share a needed resource.

(3) EXECUTIVE DIRECTOR'S SALARY (\$67,000)

Administrator's Statement

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

The current executive director has indicated that she will retire in December 2013. The Texas Pharmacy Act requires that the executive director of TSBP be a pharmacist. One item that will make the process of finding a pharmacist to be the executive director of TSBP is the salary paid to this position. Currently the legislature has placed the salary of the executive director at the minimum salary level in exempt group 4 (\$106,500). The maximum salary for exempt group 4 is \$167,500 per year.

The current salary for the position is less than that paid to beginning pharmacists. A 2012 survey of pharmacist's salary conducted by "Drug Topics" reported the annual base salaries for staff pharmacists to be between \$116,000 and \$140,000 a year. Even the lower range of these salaries is \$9,500 less than the salary of the TSBP executive director.

For the last two legislative sessions, the Board has asked the legislature to give them the authority to set the salary within the Group 4 exempt salary range. With this authority, the Board will be able to pay the person who is the executive director a salary that is competitive to pharmacists' salaries and one that recognizes the experience of the executive director. The Board is asking the 2013 Legislature either give them the authority to set the salary within the Group 4 exempt salary range or raise the salary to \$140,000 per year.

(4) INCREASE TO THE PHARMACIST RECOVERY NETWORK (\$108,927)

A peer assistance program was established in the Texas Pharmacy Act in 1983. The Texas Pharmacy Association (TPA), with the support of the Texas State Board of Pharmacy (TSBP), developed the Professional Recovery Network (PRN) and it was one of the first peer assistance programs for pharmacists in the nation. As such, it has served as a model to other states. The PRN voluntary program and the TSBP mandatory program cover pharmacists and eligible pharmacy students for physical, mental and chemical impairments (alcohol and drugs).

The amount requested in this exceptional item includes additional funding to pay for increasing the costs PRN is required to pay for the initial evaluation of pharmacists suspected to be impaired and ordered to be evaluated by TSBP. Costs for these evaluations have increased over the last few years by approximately \$100 - \$300 per evaluation. In addition, this increase in funding will allow the PRN to continue to focus on peer assistance visibility and utilization. TSBP and PRN anticipate that additional outreach mechanisms and educational programs offered by PRN will increase participation in the program, which in turn, would protect the health, safety and welfare of the citizens of Texas from being served by potentially impaired pharmacists.

10% REDUCTION IMPACT

As mentioned above, TSBP has struggled to maintain current services due to the many budget reductions of the past 2 Leg sessions. If the Legislature again cuts the TSBP budget by 10%, the agency will be forced to make the following cuts.

- 7 FTE's (Licensing, Legal, Enforcement, Information Technology)
- All Board and staff training, education and non-service travel will be eliminated
- The great majority of funding for the testing of pharmacy compounded products will be cut
- An additional 10% cut to the funding for the Peer Assistance Program
- A 10% cut in the funding to the Health Professions Council
- All Board Per Diem will be eliminated

Administrator's Statement

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

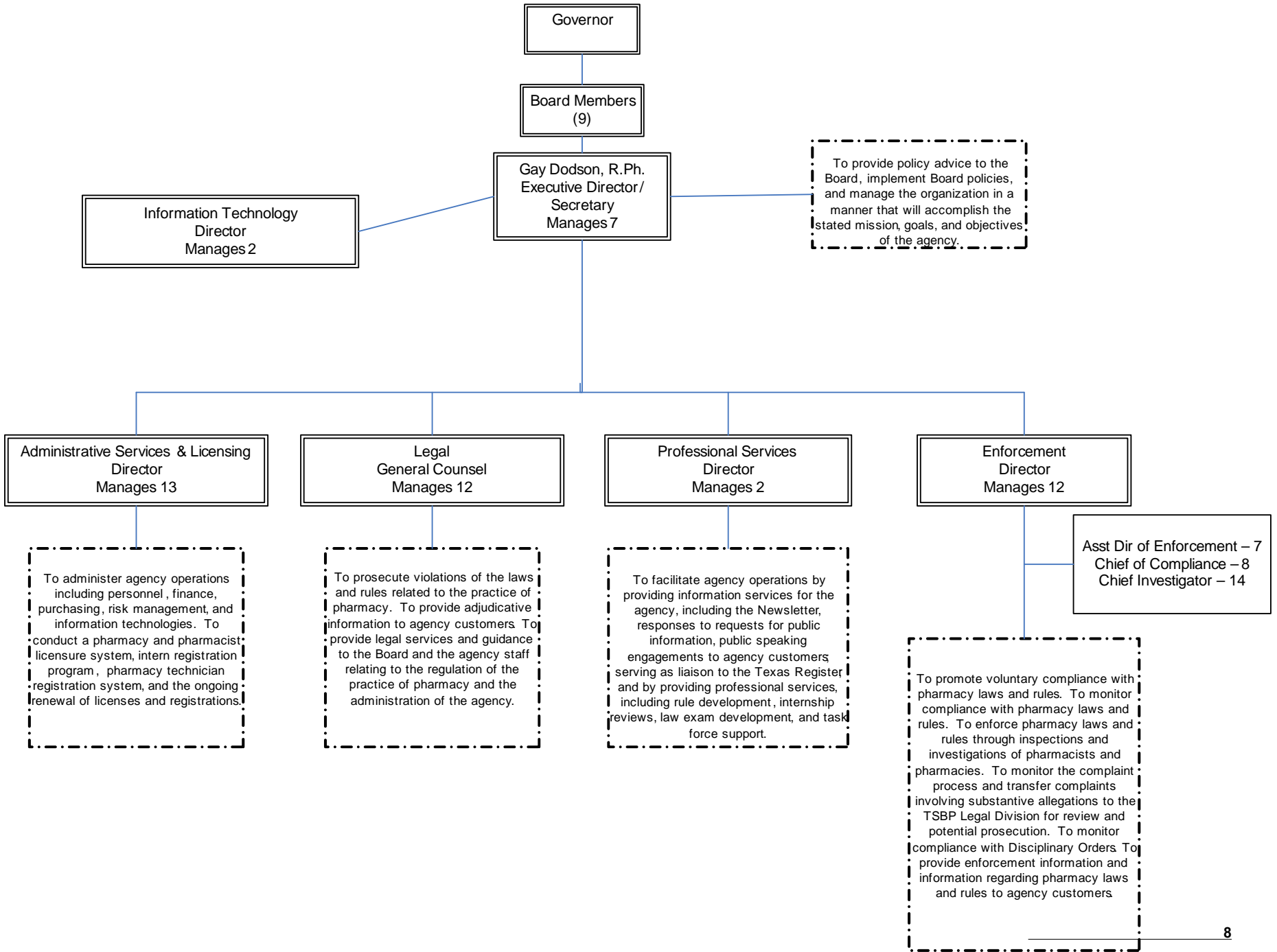
515 Board of Pharmacy

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. A reduction in number of inspections of pharmacies by 800 to 1,200 per year;
2. An increase in the average time to resolve a complaint by 50-100 days to 250-300 days;
3. A 30% decrease in the number of disciplinary orders entered from approximately 700 orders per year to 490 per year;
4. Critical slowdowns & backlog in the issuing & renewing of licenses/registrations;
5. Elimination of the ability to test pharmacy compounded products;
6. Reduction of the ability of Professional Recovery Network to provide the level and quality of monitoring needed to assure the public safety;
7. Elimination of critical staff training & education;
8. Elimination of electronic storage of new files which will result in inefficient storage of paper files & increased storage costs; and
9. Inadequate funding for the Health Professions Council

Texas State Board of Pharmacy

78 FTEs



2.A. Summary of Base Request by Strategy

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
1 Establish and Maintain Standards for Pharmacy Education and Practice					
1 Operate Licensure System to Ensure that Minimal Standards Are Met					
1 LICENSING	741,798	802,134	775,499	767,771	773,382
2 TEXAS.GOV	251,010	217,345	221,785	217,345	221,785
TOTAL, GOAL 1	\$992,808	\$1,019,479	\$997,284	\$985,116	\$995,167
2 Protect Public Health by Enforcing All Laws Relating to Practice					
1 Decrease Violations by Inspections, Education, Resolving Complaints					
1 ENFORCEMENT	3,143,686	3,318,563	3,335,491	3,444,947	3,274,491
2 PEER ASSISTANCE	189,044	179,199	179,199	179,199	179,199
TOTAL, GOAL 2	\$3,332,730	\$3,497,762	\$3,514,690	\$3,624,146	\$3,453,690
3 Indirect Administration					
1 Indirect Administration					
1 LICENSING - INDIRECT ADMINISTRATION	92,650	92,791	89,621	89,405	89,182

2.A. Summary of Base Request by Strategy

8/17/2012 2:20:45PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
2 ENFORCEMENT-INDIRECT ADMINISTRATION	569,009	620,996	599,737	598,637	597,017
TOTAL, GOAL 3	\$661,659	\$713,787	\$689,358	\$688,042	\$686,199
TOTAL, AGENCY STRATEGY REQUEST	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	4,978,993	5,223,298	5,193,602	5,289,574	5,127,326
SUBTOTAL	\$4,978,993	\$5,223,298	\$5,193,602	\$5,289,574	\$5,127,326
Other Funds:					
666 Appropriated Receipts	8,204	7,730	7,730	7,730	7,730
SUBTOTAL	\$8,204	\$7,730	\$7,730	\$7,730	\$7,730
TOTAL, METHOD OF FINANCING	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056

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

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2012 2:20:45PM

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

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2010-11 GAA)

\$5,089,109	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2012-13 GAA)

\$0	\$5,197,497	\$5,127,326	\$5,197,497	\$5,127,326
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RIDER APPROPRIATION

Art IX, Sec. 17.114, Contingency Approp for S.B. 1853 (2010-11 GAA)

\$44,231	\$0	\$0	\$0	\$0
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Art IX, Sec 14.03(j), Capital Budget UB (2010-11 GAA)

\$42,901	\$0	\$0	\$0	\$0
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Art VIII, Sec 3, Controlled Substance Forfeiture Prog. UB (2010-11 GAA)

\$99,197	\$0	\$0	\$0	\$0
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Art VIII, Sec 2, Controlled Substance Forfeiture Prog. UB (2012-13 GAA)

\$(79,607)	\$79,607	\$0	\$79,607	\$0
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2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2012 2:20:45PM

Agency code: 515		Agency name: Board of Pharmacy				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>						
Art IX, Sec 18.15, DIR Refunds (2012-13 Biennium)		\$0	\$12,470	\$0	\$12,470	\$0
Comments: FY2011 DIR Rebate Received in FY2012						
Art VIII, Sec 4, TexasOnline Authority Approp. (2010-11 GAA)		\$29,225	\$0	\$0	\$0	\$0
Art IX, Sec. 14.05, Unexpended Balance Authority Between Fiscal Years		\$0	\$(66,276)	\$66,276	\$0	\$0
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>						
HB 4, 82nd Leg., Regular Session, Sec 1(a) General Revenue Reductions		\$(212,929)	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2010-11 GAA)		\$(33,134)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$4,978,993	\$5,223,298	\$5,193,602	\$5,289,574	\$5,127,326

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2012 2:20:45PM

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

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
TOTAL, ALL GENERAL REVENUE	\$4,978,993	\$5,223,298	\$5,193,602	\$5,289,574	\$5,127,326

OTHER FUNDS

666 Appropriated Receipts

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2010-11 GAA)

\$7,730 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2012-13 GAA)

\$0 \$7,730 \$7,730 \$7,730 \$7,730

RIDER APPROPRIATION

Art IX, Sec 8.03, Reimbursements and Payments (2010-11 GAA)

\$2,396 \$0 \$0 \$0 \$0

Art IX, Sec 8.04, Surplus Property (2010-11 GAA)

\$2,138 \$0 \$0 \$0 \$0

Art VIII, Sec 3, Controlled Substance Forfeiture Prog. (2010-11 GAA)

\$11 \$0 \$0 \$0 \$0

LAPSED APPROPRIATIONS

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2012 2:20:45PM

Agency code: 515		Agency name: Board of Pharmacy				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>						
Regular Appropriations from MOF Table (2010-11 GAA)		\$ (4,071)	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL,	Appropriated Receipts	\$8,204	\$7,730	\$7,730	\$7,730	\$7,730
TOTAL, ALL	OTHER FUNDS	\$8,204	\$7,730	\$7,730	\$7,730	\$7,730
GRAND TOTAL		\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/17/2012 2:20:45PM

Agency code: 515	Agency name: Board of Pharmacy				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2010-11 GAA)	71.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2012-13 GAA)	0.0	78.0	78.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	0.0	0.0	78.0	78.0
RIDER APPROPRIATION					
Art. IX, Sec 17.114, Contingency Appropriation for SB 1853 (2010-11)	1.0	0.0	0.0	0.0	0.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2010-11 GAA)	(1.7)	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Regular Appropriations from MOF Table (2012-13 GAA)	0.0	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	70.3	78.0	78.0	78.0	78.0
NUMBER OF 100% FEDERALLY FUNDED FTEs					
	0.0	0.0	0.0	0.0	0.0

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

8/17/2012 2:20:46PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

515 Board of Pharmacy

OBJECT OF EXPENSE	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1001 SALARIES AND WAGES	\$3,584,853	\$3,620,756	\$3,891,492	\$3,891,492	\$3,891,492
1002 OTHER PERSONNEL COSTS	\$180,994	\$102,687	\$92,740	\$137,547	\$103,660
2001 PROFESSIONAL FEES AND SERVICES	\$173,919	\$243,688	\$188,584	\$200,429	\$144,945
2002 FUELS AND LUBRICANTS	\$41,434	\$41,434	\$49,116	\$49,116	\$49,116
2003 CONSUMABLE SUPPLIES	\$36,906	\$37,509	\$40,489	\$40,569	\$40,489
2004 UTILITIES	\$11,403	\$11,825	\$11,825	\$11,825	\$11,825
2005 TRAVEL	\$128,320	\$128,060	\$144,060	\$144,060	\$144,060
2006 RENT - BUILDING	\$2,756	\$3,500	\$3,500	\$3,500	\$3,500
2007 RENT - MACHINE AND OTHER	\$7,269	\$7,300	\$7,300	\$7,300	\$7,300
2009 OTHER OPERATING EXPENSE	\$768,968	\$905,769	\$772,226	\$811,466	\$738,669
5000 CAPITAL EXPENDITURES	\$50,375	\$128,500	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056
OOE Total (Riders)					
Grand Total	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056

2.D. Summary of Base Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/17/2012 2:20:46PM

515 Board of Pharmacy

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1 Establish and Maintain Standards for Pharmacy Education and Practice 1 Operate Licensure System to Ensure that Minimal Standards Are Met					
KEY 1 Percent of Licensees with No Recent Violations					
	95.19%	95.00%	95.00%	95.00 %	95.00 %
KEY 2 Percent of Licensees Who Renew Online					
	93.05%	93.00%	93.00%	93.00 %	93.00 %
 3 Percent of New Individual Licenses Issued Online					
	98.00	98.00	98.00	98.00	98.00
2 Protect Public Health by Enforcing All Laws Relating to Practice 1 Decrease Violations by Inspections, Education, Resolving Complaints					
KEY 1 Percent of Complaints Resulting in Disciplinary Action					
	12.38%	11.00%	11.00%	11.00 %	11.00 %
 2 Recidivism Rate of Those Receiving Disciplinary Action					
	4.40	6.00	6.00	6.00	6.00
 3 Percent of Documented Complaints Resolved within Six Months					
	64.08%	50.00%	50.00%	50.00 %	50.00 %
 4 Recidivism Rate for Peer Assistance Programs					
	30.30%	30.00%	30.00%	30.00 %	30.00 %
 5 One-year Completion Rate for Peer Assistance Programs					
	90.20%	75.00%	75.00%	75.00 %	75.00 %

2.E. Summary of Exceptional Items Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME : 2:20:46PM

Agency code: 515

Agency name: Board of Pharmacy

Priority	Item	2014			2015			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restore Funding Reduction	\$374,689	\$374,689		\$567,122	\$567,122		\$941,811	\$941,811
2	New Biennium Unfunded Mandates	\$38,914	\$38,914		\$38,914	\$38,914		\$77,828	\$77,828
3	New Appropriations Requests	\$1,180,422	\$1,180,422	10.0	\$1,108,681	\$1,108,681	10.0	\$2,289,103	\$2,289,103
Total, Exceptional Items Request		\$1,594,025	\$1,594,025	10.0	\$1,714,717	\$1,714,717	10.0	\$3,308,742	\$3,308,742
Method of Financing									
	General Revenue	\$1,594,025	\$1,594,025		\$1,714,717	\$1,714,717		\$3,308,742	\$3,308,742
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$1,594,025	\$1,594,025		\$1,714,717	\$1,714,717		\$3,308,742	\$3,308,742
Full Time Equivalent Positions				10.0				10.0	
Number of 100% Federally Funded FTEs				0.0				0.0	

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2012

TIME : 2:20:47PM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
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	\$767,771	\$773,382	\$187,368	\$208,610	\$955,139	\$981,992
2 TEXAS.GOV	217,345	221,785	0	0	217,345	221,785
TOTAL, GOAL 1	\$985,116	\$995,167	\$187,368	\$208,610	\$1,172,484	\$1,203,777
2 Protect Public Health by Enforcing All Laws Relating to Practice						
1 <i>Decrease Violations by Inspections, Education, Resolving Complaint</i>						
1 ENFORCEMENT	3,444,947	3,274,491	1,210,212	1,277,708	4,655,159	4,552,199
2 PEER ASSISTANCE	179,199	179,199	49,541	59,386	228,740	238,585
TOTAL, GOAL 2	\$3,624,146	\$3,453,690	\$1,259,753	\$1,337,094	\$4,883,899	\$4,790,784

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2012

TIME : 2:20:47PM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
3 Indirect Administration						
1 Indirect Administration						
1 LICENSING - INDIRECT ADMINISTRATION	\$89,405	\$89,182	\$19,147	\$22,022	\$108,552	\$111,204
2 ENFORCEMENT-INDIRECT ADMINISTRATION	598,637	597,017	127,757	146,991	726,394	744,008
TOTAL, GOAL 3	\$688,042	\$686,199	\$146,904	\$169,013	\$834,946	\$855,212
TOTAL, AGENCY STRATEGY REQUEST	\$5,297,304	\$5,135,056	\$1,594,025	\$1,714,717	\$6,891,329	\$6,849,773
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$5,297,304	\$5,135,056	\$1,594,025	\$1,714,717	\$6,891,329	\$6,849,773

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/17/2012

TIME : 2:20:47PM

Agency code: 515 Agency name: Board of Pharmacy

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
General Revenue Funds:						
1 General Revenue Fund	\$5,289,574	\$5,127,326	\$1,594,025	\$1,714,717	\$6,883,599	\$6,842,043
	\$5,289,574	\$5,127,326	\$1,594,025	\$1,714,717	\$6,883,599	\$6,842,043
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	\$5,297,304	\$5,135,056	\$1,594,025	\$1,714,717	\$6,891,329	\$6,849,773
FULL TIME EQUIVALENT POSITIONS	78.0	78.0	10.0	10.0	88.0	88.0

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/17/2012
 Time: 2:20:47PM

Agency code: 515

Agency name: Board of Pharmacy

Goal/ Objective / Outcome

		BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
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%	96.00%	96.00%	96.00%	96.00 %
KEY	2 Percent of Licensees Who Renew Online						
		93.00%	93.00%	95.00%	95.00%	95.00%	95.00 %
	3 Percent of New Individual Licenses Issued Online						
		98.00	98.00	98.00	98.00	98.00	98.00
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%	15.00%	15.00%	15.00%	15.00 %
	2 Recidivism Rate of Those Receiving Disciplinary Action						
		6.00	6.00	4.00	4.00	4.00	4.00
	3 Percent of Documented Complaints Resolved within Six Months						
		50.00%	50.00%	65.00%	65.00%	65.00%	65.00 %
	4 Recidivism Rate for Peer Assistance Programs						
		30.00%	30.00%	20.00%	20.00%	20.00%	20.00 %

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/17/2012
 Time: 2:20:47PM

Agency code: 515

Agency name: Board of Pharmacy

Goal/ Objective / Outcome

	BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
5 One-year Completion Rate for Peer Assistance Programs	75.00%	75.00%	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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of New Licenses Issued to Individuals	1,407.00	1,450.00	1,450.00	1,450.00	1,450.00
KEY 2	Number of Licenses Renewed (Individuals)	13,591.00	14,445.00	14,629.00	14,514.00	15,329.00
	3 Number of New Registrations Issued to Individuals	10,900.00	10,800.00	10,000.00	10,000.00	10,000.00
	4 Number of Registrations Renewed (Individuals)	14,117.00	14,384.00	14,384.00	14,384.00	14,384.00
Efficiency Measures:						
	1 Percent New Licenses Issued within Ten Days	95.00 %	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	27,329.00	28,080.00	28,852.00	29,645.00	30,460.00
KEY 2	Total Number of Business Facilities Licensed	6,964.00	7,100.00	7,200.00	7,200.00	7,200.00
	3 Total Number of Individuals Registered	49,346.00	50,000.00	50,000.00	50,000.00	50,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$419,923	\$402,322	\$403,098	\$403,098	\$403,098
1002	OTHER PERSONNEL COSTS	\$23,259	\$16,800	\$14,180	\$16,683	\$16,100
2001	PROFESSIONAL FEES AND SERVICES	\$3,127	\$20,695	\$518	\$518	\$518
2003	CONSUMABLE SUPPLIES	\$7,184	\$7,185	\$7,185	\$7,185	\$7,185

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2004	UTILITIES	\$737	\$737	\$737	\$737	\$737
2005	TRAVEL	\$1,502	\$2,612	\$2,612	\$2,612	\$2,612
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$892	\$892	\$892	\$892	\$892
2009	OTHER OPERATING EXPENSE	\$279,174	\$347,382	\$346,277	\$336,046	\$342,240
5000	CAPITAL EXPENDITURES	\$6,000	\$3,509	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$741,798	\$802,134	\$775,499	\$767,771	\$773,382
Method of Financing:						
1	General Revenue Fund	\$741,798	\$801,845	\$775,210	\$767,482	\$773,093
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$741,798	\$801,845	\$775,210	\$767,482	\$773,093
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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$767,771	\$773,382
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$741,798	\$802,134	\$775,499	\$767,771	\$773,382
FULL TIME EQUIVALENT POSITIONS:		8.7	8.9	8.9	8.9	8.9
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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 & 8 classes in FY10. As ways of providing pharmacy services continue to evolve, the number of & classes of pharmacies to 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 FY11, 37,507 pharmacy technicians were registered with TSBP. SB 540 passed in 2005, required the agency register pharmacy technician trainees. That project began in FY06, & by the end of the FY11, 11,839 trainees had registered with TSBP.

These new programs more than doubled the licensee population. In FY03, the agency licensed 28,064 – at year end FY11, this number increased 208%, to 86,308 (27,329 pharmacists, 2,669 pharmacist interns, 6,964 pharmacies, & 49,346 pharmacy technicians/trainees). The 47,346 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$251,010	\$217,345	\$221,785	\$217,345	\$221,785
TOTAL, OBJECT OF EXPENSE		\$251,010	\$217,345	\$221,785	\$217,345	\$221,785
Method of Financing:						
1	General Revenue Fund	\$251,010	\$217,345	\$221,785	\$217,345	\$221,785
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$251,010	\$217,345	\$221,785	\$217,345	\$221,785
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$217,345	\$221,785
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$251,010	\$217,345	\$221,785	\$217,345	\$221,785
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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 2010-11 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 Number of Inspections	2,492.00	1,800.00	1,800.00	2,000.00	2,000.00
KEY 2	Number of Complaints Resolved	5,816.00	4,980.00	4,980.00	5,000.00	5,000.00
Efficiency Measures:						
KEY 1	Average Time for Complaint Resolution	195.00	180.00	180.00	200.00	200.00
Explanatory/Input Measures:						
KEY 1	Number of Jurisdictional Complaints Received	5,662.00	5,000.00	5,000.00	5,000.00	5,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,569,044	\$2,625,082	\$2,850,715	\$2,860,560	\$2,850,715
1002	OTHER PERSONNEL COSTS	\$123,416	\$50,060	\$56,380	\$96,011	\$63,500
2001	PROFESSIONAL FEES AND SERVICES	\$29,228	\$60,564	\$52,844	\$54,844	\$9,205
2002	FUELS AND LUBRICANTS	\$41,434	\$41,434	\$49,116	\$49,116	\$49,116
2003	CONSUMABLE SUPPLIES	\$25,446	\$26,047	\$28,573	\$28,653	\$28,573
2004	UTILITIES	\$10,662	\$11,081	\$11,081	\$11,081	\$11,081
2005	TRAVEL	\$100,563	\$91,533	\$107,533	\$107,533	\$107,533
2006	RENT - BUILDING	\$1,335	\$2,080	\$2,080	\$2,080	\$2,080
2007	RENT - MACHINE AND OTHER	\$5,384	\$5,599	\$5,599	\$5,599	\$5,599
2009	OTHER OPERATING EXPENSE	\$193,532	\$284,397	\$171,570	\$229,470	\$147,089

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
5000	CAPITAL EXPENDITURES	\$43,642	\$120,686	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,143,686	\$3,318,563	\$3,335,491	\$3,444,947	\$3,274,491
Method of Financing:						
1	General Revenue Fund	\$3,137,482	\$3,311,122	\$3,328,050	\$3,437,506	\$3,267,050
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,137,482	\$3,311,122	\$3,328,050	\$3,437,506	\$3,267,050
Method of Financing:						
666	Appropriated Receipts	\$6,204	\$7,441	\$7,441	\$7,441	\$7,441
SUBTOTAL, MOF (OTHER FUNDS)		\$6,204	\$7,441	\$7,441	\$7,441	\$7,441
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,444,947	\$3,274,491
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,143,686	\$3,318,563	\$3,335,491	\$3,444,947	\$3,274,491
FULL TIME EQUIVALENT POSITIONS:		49.8	56.3	56.3	56.3	56.3
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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 TBSP.

Functional activities include: inspection of pharmacies including random 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 standards, 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 86,308 licensees in FY11 (208% 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 FY11 the agency received 5,662 complaints (199% increase), resolved 5,816 complaints (214% increase) & entered 706 disciplinary orders (231% increase).

The 2009 TX Leg approved appropriations that included all of the items requested by TSBP. However, due to a large shortfall of revenue for the state, TSBP implemented a 5% & 2.5% cut in FY2010-11 & an additional 10% cut in FY2012-2013. These actions have had a dramatic impact on TSBP's ability to properly do our job of protecting the public.

Without proper funding, & given the current & anticipated growth in the licensee population, we expect TSBP to experience critical slowdowns in the areas of complaint resolution, issuance of licenses, & deterioration of services to our customers & the citizens of Texas.

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Individuals Participating in a Peer Assistance Program	181.00	160.00	160.00	165.00	165.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$52,325	\$42,480	\$52,325	\$42,480	\$52,325
2001	PROFESSIONAL FEES AND SERVICES	\$136,719	\$136,719	\$126,874	\$136,719	\$126,874
TOTAL, OBJECT OF EXPENSE		\$189,044	\$179,199	\$179,199	\$179,199	\$179,199
Method of Financing:						
1	General Revenue Fund	\$189,044	\$179,199	\$179,199	\$179,199	\$179,199
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$189,044	\$179,199	\$179,199	\$179,199	\$179,199
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$179,199	\$179,199
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$189,044	\$179,199	\$179,199	\$179,199	\$179,199
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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 Order could result in as many as 16 different reports being submitted to TSBP each year of the 5 year probation period. Each report must be reviewed 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$76,124	\$71,613	\$76,096	\$76,096	\$76,096
1002	OTHER PERSONNEL COSTS	\$4,805	\$4,657	\$2,883	\$3,230	\$3,127
2001	PROFESSIONAL FEES AND SERVICES	\$678	\$3,343	\$1,086	\$1,086	\$1,086
2003	CONSUMABLE SUPPLIES	\$598	\$556	\$615	\$615	\$615
2004	UTILITIES	\$1	\$1	\$1	\$1	\$1
2005	TRAVEL	\$3,668	\$4,408	\$4,408	\$4,408	\$4,408
2006	RENT - BUILDING	\$199	\$185	\$185	\$185	\$185
2007	RENT - MACHINE AND OTHER	\$139	\$105	\$105	\$105	\$105
2009	OTHER OPERATING EXPENSE	\$6,335	\$7,363	\$4,242	\$3,679	\$3,559
5000	CAPITAL EXPENDITURES	\$103	\$560	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$92,650	\$92,791	\$89,621	\$89,405	\$89,182
Method of Financing:						
1	General Revenue Fund	\$92,370	\$92,791	\$89,621	\$89,405	\$89,182
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$92,370	\$92,791	\$89,621	\$89,405	\$89,182
Method of Financing:						
666	Appropriated Receipts	\$280	\$0	\$0	\$0	\$0

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (OTHER FUNDS)		\$280	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$89,405	\$89,182
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$92,650	\$92,791	\$89,621	\$89,405	\$89,182
FULL TIME EQUIVALENT POSITIONS:		1.3	1.4	1.4	1.4	1.4

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 86,308 licensees in FY11 (208% 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 FY11 the agency received 5,662 complaints (a 199% increase), resolved 5,816 complaints (a 214% increase) & entered 706 disciplinary orders (a 231% increase).

The 2009 TX Leg approved appropriations that included all of the items requested by TSBP. However, due to a large short fall of revenue for the state, TSBP implemented a 5% & 2.5% cut in FY2010-11 & an additional 10% cut in FY2012-2013. These actions have had a dramatic impact on TSBP's ability to properly do our job of protecting the public.

Without proper funding, & given the current & anticipated growth in the licensee population, we expect TSBP to experience critical slowdowns in the areas of complaint resolution, issuance of licenses, & deterioration of services to our customers & the citizens of Texas.

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$467,437	\$479,259	\$509,258	\$509,258	\$509,258
1002	OTHER PERSONNEL COSTS	\$29,514	\$31,170	\$19,297	\$21,623	\$20,933
2001	PROFESSIONAL FEES AND SERVICES	\$4,167	\$22,367	\$7,262	\$7,262	\$7,262
2003	CONSUMABLE SUPPLIES	\$3,678	\$3,721	\$4,116	\$4,116	\$4,116
2004	UTILITIES	\$3	\$6	\$6	\$6	\$6
2005	TRAVEL	\$22,587	\$29,507	\$29,507	\$29,507	\$29,507
2006	RENT - BUILDING	\$1,222	\$1,235	\$1,235	\$1,235	\$1,235
2007	RENT - MACHINE AND OTHER	\$854	\$704	\$704	\$704	\$704
2009	OTHER OPERATING EXPENSE	\$38,917	\$49,282	\$28,352	\$24,926	\$23,996
5000	CAPITAL EXPENDITURES	\$630	\$3,745	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$569,009	\$620,996	\$599,737	\$598,637	\$597,017
Method of Financing:						
1	General Revenue Fund	\$567,289	\$620,996	\$599,737	\$598,637	\$597,017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$567,289	\$620,996	\$599,737	\$598,637	\$597,017
Method of Financing:						
666	Appropriated Receipts	\$1,720	\$0	\$0	\$0	\$0

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (OTHER FUNDS)		\$1,720	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$598,637	\$597,017
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$569,009	\$620,996	\$599,737	\$598,637	\$597,017
FULL TIME EQUIVALENT POSITIONS:		8.5	9.4	9.4	9.4	9.4

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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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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 86,308 licensees in FY11 (208% 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 FY11 the agency received 5,662 complaints (a 199% increase), resolved 5,816 complaints (a 214% increase) & entered 706 disciplinary orders (a 231% increase).

The 2009 TX Leg approved appropriations that included all of the items requested by TSBP. However, due to a large short fall of revenue for the state, TSBP implemented a 5% & 2.5% cut in FY2010-11 & an additional 10% cut in FY2012-2013. These actions have had a dramatic impact on TSBP's ability to properly do our job of protecting the public.

Without proper funding, & given the current & anticipated growth in the licensee population, we expect TSBP to experience critical slowdowns in the areas of complaint resolution, issuance of licenses, & deterioration of services to our customers & the citizens of Texas.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056
METHODS OF FINANCE (INCLUDING RIDERS):				\$5,297,304	\$5,135,056
METHODS OF FINANCE (EXCLUDING RIDERS):	\$4,987,197	\$5,231,028	\$5,201,332	\$5,297,304	\$5,135,056
FULL TIME EQUIVALENT POSITIONS:	70.3	78.0	78.0	78.0	78.0

3.B. Rider Revisions and Additions Request

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2012	Request Level: BL
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Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language
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2

VIII-44

Controlled Substance Forfeiture Program. In addition to the amounts appropriated above, all forfeited money collected under federal or state forfeiture programs, proceeds from the sale of forfeited property or similar monetary awards related to the Board of Pharmacy’s participation in the seizure of controlled substances or other contraband, are hereby appropriated to the Board of Pharmacy to be used for enforcement purposes. Any funds unexpended at the close of fiscal year ~~2012~~ 2014 are appropriated for fiscal year ~~2013~~ 2015. Any unexpended funds at the close of fiscal year ~~2014~~ 2013 collected under federal or state forfeiture programs, proceeds from the sale of forfeited property or similar monetary awards related to the Board of Pharmacy’s participation in the seizure of controlled substances or other contraband are appropriated for fiscal year ~~2012~~ 2014.

Change in rider to reflect correct biennium dates

3.B. Rider Revisions and Additions Request (continued)

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2012	Request Level: BL
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Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language
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3

VIII-44

~~Contingent Revenue. Out of the amounts appropriated above to the Board of Pharmacy in Strategy B.1.1., Enforcement, the amounts of \$317,063 in fiscal year 2012 and \$253,518 in fiscal year 2013, in Strategy C.1.1., Licensing— Indirect Administration, the amounts of \$7,241 in fiscal year 2012 and \$6,481 in fiscal year 2013 and in Strategy C.1.2., Enforcement— Indirect Administration, the amount of \$44,486 in fiscal year 2012 and \$39,817 in fiscal year 2013 from General Revenue are contingent upon the Board of Pharmacy assessing or increasing fees sufficient to generate, during the 2012-2013 biennium, \$810,002 in excess of \$13,837,000 (Object Codes 3562 and 3570), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2012 and 2013. Also the number of "Full-Time Equivalents (FTE)" figure indicated above includes 6.0 FTEs in each fiscal year contingent upon the Board of Pharmacy generating the amount of revenue indicated above. The Board of Pharmacy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Pharmacy's minutes and other information supporting the estimated revenues to be generated for the 2012-13 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of \$668,606 and other direct and indirect costs (estimated to be \$141,396 for the 2012-13 biennium).~~

Contingent revenue rider can be deleted.

3.B. Rider Revisions and Additions Request (continued)

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2012	Request Level:
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Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language
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Sec. 3

VIII-60

Sec. 3 Funding for Health Professions Council.

a. An agency participating in the Health Professions Council or the Health Professions Council Shared Regulatory Database shall transfer funds through interagency contract to the Health Professions Council from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under Chapter 101, Occupations Code, and to maintain and update functions of the database. Included in the amounts appropriated above to the Health Professions Council, are funds transferred by the following participating agencies in the amounts noted below for each year of the ~~2012-13~~ 2014-2015 biennium.

2012	—————	2013
2014		2015

Department of State Health Services
 Board of Chiropractic Examiners
 Texas State Board of Dental Examiners
 Funeral Service Commission
 Board of Professional Land Surveying
 Texas Medical Board
 Texas Board Nursing
 Optometry Board
 Board of Pharmacy
 Executive Council of Physical Therapy and
 Occupational Therapy Examiners
 Board of Plumbing Examiners
 Board of Podiatric Medical Examiners
 Board of Examiners of Psychologists
 Board of Veterinary Medical Examiners

\$ 288,169	\$ <u>312,083</u>	\$ 285,727	\$ <u>313,175</u>
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3.B. Rider Revisions and Additions Request (continued)

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2012	Request Level:
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Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language
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Sec. 3
Continued

VIII-69

b. The following is an informational listing of appropriations made to agencies that are transferred to the Health Professions Council in subsection (a) above for the purpose of funding the Health Professions Council Shared Regulatory Database maintenance and upgrade costs:

2012	2013
<u>2014</u>	<u>2015</u>

Texas State Board of Dental Examiners
 Board of Professional Land Surveying
 Optometry Board
 Board of Pharmacy
 Board of Plumbing Examiners
 Board of Examiners of Psychologists

\$264,909	\$262,091	\$262,467	\$264,143
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This rider has been changed to reflect the 2014-15 amounts the agency will transfer to the Health Professions Council

3.B. Rider Revisions and Additions Request (continued)

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2012	Request Level:
Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language		

Sec. 4

VIII-70

Sec. 4 TexasOnline Authority Appropriation.

a. 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.

b. The following is an informational listing of appropriated fee revenue for each Article VIII licensing agency participating in TexasOnline for the purpose of paying TexasOnline Authority subscription fees.

~~FY2012~~ FY2014 ~~FY2013~~ FY2015

3.B. Rider Revisions and Additions Request (continued)

Board of Chiropractic Examiners	
Texas State Board of Dental Examiners	
Funeral Services Commission	
Board of Professional Geoscientists	
Department of Insurance	
Board of Professional Land Surveying	
Department of Licensing and Regulation	
Texas Medical Board	
Texas Board of Nursing	
Optometry Board	
Board of Pharmacy	\$217,345 \$173,463 ——— \$221,785 <u>\$173,463</u>

Executive Council of Physical Therapy & Occupational
Therapy Examiners
Board of Plumbing Examiners
Board of Podiatric Medical Examiners
Board of Examiners of Psychologists
Racing Commission
Board of Veterinary Medical Examiners

- c. In the event that actual and/or projected revenue collections from fee increases to cover the cost of TexasOnline subscription fees are insufficient to offset the costs identified above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to agencies participating in TexasOnline to be within the amount of fee revenue expected to be available.
- d. For new licensing applications, the Article VIII 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 ~~2012-2013~~ 2014-2015 for the sole purpose of payment to the TexasOnline Authority contractor of subscription fees for implementing and maintaining electronic services for the licensing agencies. Each agency, upon completion of necessary actions to access or increase fees, shall furnish copies of board meeting minutes, an annual schedule of the number of license issuances or renewals and associated annual fee total, and any other supporting documentation to the Comptroller. If the Comptroller finds the information sufficient to support the projection of increased revenues, a notification letter will be issued and the contingent appropriation made available for the intended purpose.
- e. Each Article VIII licensing agency participating in TexasOnline shall notify the Legislative Budget Board and the Comptroller of Public Accounts in writing upon receiving an exemption from participating in TexasOnline. Within 45 days of receiving an exemption, an agency shall provide the Legislative Budget Board and the Comptroller with a report of the effective date, the reason for exemption, and all estimated expenditures for TexasOnline costs in the fiscal year in which the exemption is made.

3.B. Rider Revisions and Additions Request (continued)

This rider has been changed to reflect the 2014-15 estimated amounts the agency will collect in subscription fees for all licensees.

3.B. Rider Revisions and Additions Request (continued)

Agency Code: 515	Agency Name: Texas State Board of Pharmacy	Prepared By: Cathy Stella	Date: 08/01/2011	Request Level:
Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language		

Sec 5

VIII-71

Sec. 5 Peer Assistance Program Funding Requirements. Funds collected during the biennium beginning September 1, ~~2011-2013~~ by the Board of Pharmacy pursuant to Chapter 564, Occupations Code, and by the Board of Nurse Examiners, the Board of Dental Examiners and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness, are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or Occupations Code, or Chapter 564, Occupations Code as appropriate. None of the appropriations identified by this section may be expended unless each agency with a peer assistance program has on file the following current documents:

- a. a request for proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;
- b. documentation for programs authorized under Chapter 467 of the Health and Safety code that the agency's peer assistance program has been certified by the Department of State Health Services (DSHS) as meeting all DSHS criteria for peer assistance programs;
- c. documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and
- d. documentation that the program has been approved by the agency governing board.

This rider has been changed to reflect the 2014/15 biennium.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME: 2:20:48PM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION		Excp 2014	Excp 2015
	Item Name:	Restore Funding Reduction		
	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		140,090	285,433
2001	PROFESSIONAL FEES AND SERVICES		50,000	93,639
2009	OTHER OPERATING EXPENSE		115,099	75,550
5000	CAPITAL EXPENDITURES		69,500	112,500
TOTAL, OBJECT OF EXPENSE			\$374,689	\$567,122
METHOD OF FINANCING:				
1	General Revenue Fund		374,689	567,122
TOTAL, METHOD OF FINANCING			\$374,689	\$567,122

DESCRIPTION / JUSTIFICATION:

This request will restore only a portion of the budget cuts of FY2010-2012. Approximately \$1,340,533 of these budget cuts, were made in operating costs such as registration fees and training; travel, computer expenses; printing; postage; equipment replacement. This exceptional item request only addresses the most critical items that were eliminated – and are absolutely necessary for the agency to provide customer service and protection.

Restore Merit: TSBP was appropriated funds by the 81st Leg Session to support a merit increase system which rewards high-performing employees. 100% of these funds were cut in the 82nd Leg Session.

Information Resource Technologies Replacement: Aged & obsolete technology must be replaced. The agency replacement schedule is in compliance with DIR’s life cycle guidelines.

Vehicle Replacement: 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 16 vehicles, & 8 of that number will reach estimated mileages between 100,000 & 171,000 miles in the next biennium and need to be replaced.

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,

Agency code: 515

Agency name:

Board of Pharmacy

CODE	DESCRIPTION	Excp 2014	Excp 2015
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field compliance staff will not be able to conduct inspections on a daily basis, resulting in fewer pharmacies in Texas being inspected.

Testing of Compounding Products: Testing of pharmacy compounded products was authorized by the SB 492 passed by the 79th session. The agency was appropriated funding in FY08-09 & additional funding in FY10-11 to carryout the legislation. However, the impact of a 10% in FY2012-13 reduced the amount necessary for the testing of compounded products by 72%.

Scanning of Records: This will restore the agency's contracted amount with its imaging document vendor.

EXTERNAL/INTERNAL FACTORS:

1. The elimination of merit increases will not allow the TSBP to fund a merit increase that increases an employee's salary within a salary group, based on the employee's performance.
2. Information Resource Technologies Replacement: Aged & obsolete technology must be replaced. 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. Without a timely refresh of this equipment, the Board of Pharmacy simply could not function.
3. Vehicle Replacement: 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).
4. Testing of Compounded Products - the term "compounding" means the preparation, mixing, assembling, packaging, or labeling of a drug or device. Drugs or devices are compounded pursuant to a prescription for administration to a patient. These products often include injectable sterile products – again, for the ultimate administration to a patient. The agency believes it is imperative that we test these compounded products for potency & that we test sterile compounded products for pyrogenicity & sterility. Any problem with these products could have a dramatic & potentially life threatening effects on the patient.
5. Scanning of Records: Scanning of records is critical to the risk and storage of paper documents. Without funding for scanning, it will be necessary to find storage for the paper documents. It is important to note that neither the agency or the WPHobby building has room for storage of documents.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME: 2:20:48PM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: New Biennium Unfunded Mandates		
	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:

2009	OTHER OPERATING EXPENSE	38,914	38,914
	TOTAL, OBJECT OF EXPENSE	\$38,914	\$38,914

METHOD OF FINANCING:

1	General Revenue Fund	38,914	38,914
	TOTAL, METHOD OF FINANCING	\$38,914	\$38,914

DESCRIPTION / JUSTIFICATION:

Unfunded mandates, coupled with the budget reductions of FY2010-2013, are crippling the agency. The 82nd Leg passed a contingency provision in Article IX, which 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. This unfunded mandate was paid from agency existing appropriations in FY2012 by lapsing the salaries of positions and using unexpended budget authority for those lapsed positions in FY2013. In the base budget of FY2014-2015, all FTE positions are filled and no amount is available or budgeted for the payroll health insurance contribution to ERS.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME: 2:20:48PM

Agency code: 515

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: New appropriations Requests		
	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		
	02-01-02 Provide a Peer Assistance Program for Licensed Individuals		
	03-01-01 Licensing - Indirect Administration		
	03-01-02 Enforcement-Indirect Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	549,233	549,233
2001	PROFESSIONAL FEES AND SERVICES	49,541	59,386
2002	FUELS AND LUBRICANTS	11,523	11,523
2003	CONSUMABLE SUPPLIES	7,940	7,940
2005	TRAVEL	24,500	24,500
2006	RENT - BUILDING	400,000	400,000
2009	OTHER OPERATING EXPENSE	79,185	56,099
5000	CAPITAL EXPENDITURES	58,500	0
TOTAL, OBJECT OF EXPENSE		\$1,180,422	\$1,108,681
 METHOD OF FINANCING:			
1	General Revenue Fund	1,180,422	1,108,681
TOTAL, METHOD OF FINANCING		\$1,180,422	\$1,108,681
 FULL-TIME EQUIVALENT POSITIONS (FTE):		 10.00	 10.00

DESCRIPTION / JUSTIFICATION:

6 FTE are requested in the Enforcement area primarily because TSBP has seen a drastic increase in criminal activity involving the illegal diversion of prescription drugs from pharmacies.

Health care providers & insurers have forecasted that pharmacies will be dispensing more prescriptions each year given the large segment of the US population that take more prescriptions as they grow older. As a result, the state will continue to see an increase in the numbers of pharmacies, pharmacists & technicians. As the number of licensees increase, the number of complaints filed against these licensees will increase.

1 FTE is requested to assist in educating the Board's licensees & public on important changes to laws & rules. Given the continuous increase in the number of licensees the Board regulates, an educational effort to this target population is critical to a successful regulatory program. In addition, TSBP needs to provide vital information that would protect or improve the health & safety of the citizens of Texas through a comprehensive public information service.

Agency code: **515**

Agency name:
Board of Pharmacy

CODE	DESCRIPTION	Excp 2014	Excp 2015
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1 FTE is requested in IT. The migration to a new regulatory database was completed during this biennium; however, the design of this system has resulted in TSBP IT personnel being more involved in resolving problems encountered by licensees when applying for or renewing licenses.

2 FTE are requested in Licensing. The addition of the registration of pharmacy technicians/trainees has more than doubled the number of entities licensed by TSBP. In addition, TSBP currently requires an FBI fingerprint check on all new applicants. We would like to expand the program to include all currently registered pharmacy technicians, beginning in FY2015.

The remainder of this request is increased funding to the Health Professions Council, increase to the Executive Director's Salary, & an increase to the PRN program.

EXTERNAL/INTERNAL FACTORS:

Additional Staff to Maintain Services: In order for TSBP to continue to protect the citizens of Texas, it must be adequately funded & staffed. The agency has been dramatically affected by the investigation & prosecution of "Pill Mill Pharmacies" & the unprecedented growth of licensees/registrants. The problem of drug diversion in the Houston area is so immense that the agency is overwhelmed by the number of cases. In addition, since FY03, the licensee population has increased 208%. In addition, since FY03, the agency has experienced an explosive growth in the number of complaints received with a 199% increase in the number of complaints, & a 231% increase in the number of disciplinary orders.

The Bureau of Labor Statistics' 2008-2009 report estimates employment for pharmacy technicians will increase by as much as 32% by 2016. Coupled with current & expanding duties being delegated to pharmacy technicians, it is likely there will be a substantial impact on the number of pharmacy technician/trainee applications processed by TSBP.

Health Professions Council Transfer: HPC is asking for funding for a web administrator that will be shared by 9 of the HPC agencies. This joint effort by the HPC agencies will fill multi-agency needs for web accessibility, functionality & design.

Executive Director Salary Increase: The current salary for the position is less than that paid to beginning pharmacists. A 2012 survey of pharmacist's salary conducted by "Drug Topics" reported the annual base salaries for staff pharmacists to be between \$116,000 & \$140,000 a year. Even the lower range of these salaries is \$9,500 less than the salary of the TSBP executive director.

Increase to PRN: TSBP & PRN anticipate that additional outreach mechanisms & educational programs offered by PRN will increase participation in the program, which in turn, would protect the health, safety & welfare of the citizens of Texas from being served by potentially impaired pharmacists.

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2012**

TIME: **2:20:48PM**

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

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Funding Reduction			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	15,859	32,311
2009	OTHER OPERATING EXPENSE	2,276	8,278
5000	CAPITAL EXPENDITURES	1,244	1,698
TOTAL, OBJECT OF EXPENSE		\$19,379	\$42,287
METHOD OF FINANCING:			
1 General Revenue Fund		19,379	42,287
TOTAL, METHOD OF FINANCING		\$19,379	\$42,287

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2012**

TIME: **2:20:48PM**

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

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Funding Reduction			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	104,773	213,475
2001	PROFESSIONAL FEES AND SERVICES	50,000	93,639
2009	OTHER OPERATING EXPENSE	98,633	49,117
5000	CAPITAL EXPENDITURES	66,727	108,718
TOTAL, OBJECT OF EXPENSE		\$320,133	\$464,949
METHOD OF FINANCING:			
1 General Revenue Fund		320,133	464,949
TOTAL, METHOD OF FINANCING		\$320,133	\$464,949

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

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Funding Reduction			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,529	5,154
2009	OTHER OPERATING EXPENSE	1,844	2,360
5000	CAPITAL EXPENDITURES	199	271
TOTAL, OBJECT OF EXPENSE		\$4,572	\$7,785
METHOD OF FINANCING:			
1 General Revenue Fund		4,572	7,785
TOTAL, METHOD OF FINANCING		\$4,572	\$7,785

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

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Funding Reduction			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	16,929	34,493
2009	OTHER OPERATING EXPENSE	12,346	15,795
5000	CAPITAL EXPENDITURES	1,330	1,813
TOTAL, OBJECT OF EXPENSE		\$30,605	\$52,101
METHOD OF FINANCING:			
1	General Revenue Fund	30,605	52,101
TOTAL, METHOD OF FINANCING		\$30,605	\$52,101

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

Code	Description	Excp 2014	Excp 2015
Item Name: New Biennium Unfunded Mandates			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	4,029	4,029
TOTAL, OBJECT OF EXPENSE		\$4,029	\$4,029
METHOD OF FINANCING:			
1	General Revenue Fund	4,029	4,029
TOTAL, METHOD OF FINANCING		\$4,029	\$4,029

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

Code	Description	Excp 2014	Excp 2015
Item Name: New Biennium Unfunded Mandates			
Allocation to Strategy: 2-1-1 Operate System of Inspection Assistance Education			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	29,031	29,031
TOTAL, OBJECT OF EXPENSE		\$29,031	\$29,031
METHOD OF FINANCING:			
1	General Revenue Fund	29,031	29,031
TOTAL, METHOD OF FINANCING		\$29,031	\$29,031

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

Code	Description	Excp 2014	Excp 2015
Item Name: New Biennium Unfunded Mandates			
Allocation to Strategy: 3-1-1 Licensing - Indirect Administration			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	761	761
TOTAL, OBJECT OF EXPENSE		\$761	\$761
METHOD OF FINANCING:			
1	General Revenue Fund	761	761
TOTAL, METHOD OF FINANCING		\$761	\$761

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

Code	Description	Excp 2014	Excp 2015
Item Name: New Biennium Unfunded Mandates			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	5,093	5,093
TOTAL, OBJECT OF EXPENSE		\$5,093	\$5,093
METHOD OF FINANCING:			
1	General Revenue Fund	5,093	5,093
TOTAL, METHOD OF FINANCING		\$5,093	\$5,093

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

Code	Description	Excp 2014	Excp 2015
Item Name: New appropriations Requests			
Allocation to Strategy: 1-1-1 Operate an Application and Renewal Licensure System			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	80,084	80,084
2003	CONSUMABLE SUPPLIES	1,588	1,588
2006	RENT - BUILDING	49,222	49,222
2009	OTHER OPERATING EXPENSE	33,066	31,400
TOTAL, OBJECT OF EXPENSE		\$163,960	\$162,294
METHOD OF FINANCING:			
1 General Revenue Fund		163,960	162,294
TOTAL, METHOD OF FINANCING		\$163,960	\$162,294
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.0	2.0

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

Code	Description	Excp 2014	Excp 2015
Item Name:		New appropriations Requests	
Allocation to Strategy:		2-1-1	Operate System of Inspection Assistance Education
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	422,496	422,496
2002	FUELS AND LUBRICANTS	11,523	11,523
2003	CONSUMABLE SUPPLIES	5,558	5,558
2005	TRAVEL	24,500	24,500
2006	RENT - BUILDING	296,966	296,966
2009	OTHER OPERATING EXPENSE	41,505	22,685
5000	CAPITAL EXPENDITURES	58,500	0
TOTAL, OBJECT OF EXPENSE		\$861,048	\$783,728
METHOD OF FINANCING:			
1 General Revenue Fund		861,048	783,728
TOTAL, METHOD OF FINANCING		\$861,048	\$783,728
FULL-TIME EQUIVALENT POSITIONS (FTE):		7.0	7.0

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

Code	Description	Excp 2014	Excp 2015
Item Name: New appropriations Requests			
Allocation to Strategy: 2-1-2 Provide a Peer Assistance Program for Licensed Individuals			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	49,541	59,386
TOTAL, OBJECT OF EXPENSE		\$49,541	\$59,386
METHOD OF FINANCING:			
1	General Revenue Fund	49,541	59,386
TOTAL, METHOD OF FINANCING		\$49,541	\$59,386

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

Code	Description	Excp 2014	Excp 2015
Item Name:		New appropriations Requests	
Allocation to Strategy:		3-1-1	Licensing - Indirect Administration
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	6,065	6,065
2003	CONSUMABLE SUPPLIES	103	103
2006	RENT - BUILDING	7,045	7,045
2009	OTHER OPERATING EXPENSE	601	263
TOTAL, OBJECT OF EXPENSE		\$13,814	\$13,476
METHOD OF FINANCING:			
1 General Revenue Fund		13,814	13,476
TOTAL, METHOD OF FINANCING		\$13,814	\$13,476
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.1	0.1

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/17/2012**

TIME: **2:20:48PM**

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

Code	Description	Excp 2014	Excp 2015
Item Name: New appropriations Requests			
Allocation to Strategy: 3-1-2 Enforcement-Indirect Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	40,588	40,588
2003	CONSUMABLE SUPPLIES	691	691
2006	RENT - BUILDING	46,767	46,767
2009	OTHER OPERATING EXPENSE	4,013	1,751
TOTAL, OBJECT OF EXPENSE		\$92,059	\$89,797
METHOD OF FINANCING:			
1 General Revenue Fund		92,059	89,797
TOTAL, METHOD OF FINANCING		\$92,059	\$89,797
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.9	0.9

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

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	Excp 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percent of Licensees with No Recent Violations	96.00 %	96.00 %
<u>2</u> Percent of Licensees Who Renew Online	93.00 %	93.00 %
<u>3</u> Percent of New Individual Licenses Issued Online	98.00	98.00

OUTPUT MEASURES:

<u>1</u> Number of New Licenses Issued to Individuals	1,450.00	1,450.00
<u>2</u> Number of Licenses Renewed (Individuals)	14,514.00	15,329.00
<u>3</u> Number of New Registrations Issued to Individuals	10,000.00	10,000.00
<u>4</u> Number of Registrations Renewed (Individuals)	14,384.00	14,384.00

EFFICIENCY MEASURES:

<u>1</u> Percent New Licenses Issued within Ten Days	95.00 %	95.00 %
<u>2</u> Percent of Individual License Renewals Issued within Seven Days	99.00 %	99.00 %

EXPLANATORY/INPUT MEASURES:

<u>1</u> Total Number of Individuals Licensed	29,645.00	30,460.00
<u>2</u> Total Number of Business Facilities Licensed	7,200.00	7,200.00
<u>3</u> Total Number of Individuals Registered	50,000.00	50,000.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	95,943	112,395
2003 CONSUMABLE SUPPLIES	1,588	1,588
2006 RENT - BUILDING	49,222	49,222
2009 OTHER OPERATING EXPENSE	39,371	43,707
5000 CAPITAL EXPENDITURES	1,244	1,698
Total, Objects of Expense	\$187,368	\$208,610

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

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	Excp 2014	Excp 2015
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METHOD OF FINANCING:

1 General Revenue Fund	187,368	208,610
Total, Method of Finance	\$187,368	\$208,610

FULL-TIME EQUIVALENT POSITIONS (FTE): 2.0 2.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Funding Reduction
 New Biennium Unfunded Mandates
 New appropriations Requests

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

Agency Code: **515** Agency name: **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	Excp 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u>	Percent of Licensees with No Recent Violations	96.00 %	96.00 %
<u>2</u>	Percent of Licensees Who Renew Online	95.00 %	95.00 %
<u>3</u>	Percent of New Individual Licenses Issued Online	98.00	98.00

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 2014	Excp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percent of Complaints Resulting in Disciplinary Action	15.00 %	15.00 %
<u>2</u> Recidivism Rate of Those Receiving Disciplinary Action	4.00	4.00
<u>3</u> Percent of Documented Complaints Resolved within Six Months	65.00 %	65.00 %
<u>4</u> Recidivism Rate for Peer Assistance Programs	20.00 %	20.00 %
<u>5</u> One-year Completion Rate for Peer Assistance Programs	85.00 %	85.00 %

OUTPUT MEASURES:

<u>1</u> Number of Inspections	2,400.00	2,400.00
<u>2</u> Number of Complaints Resolved	5,300.00	5,300.00

EFFICIENCY MEASURES:

<u>1</u> Average Time for Complaint Resolution	180.00	180.00
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EXPLANATORY/INPUT MEASURES:

<u>1</u> Number of Jurisdictional Complaints Received	5,500.00	5,500.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	527,269	635,971
2001 PROFESSIONAL FEES AND SERVICES	50,000	93,639
2002 FUELS AND LUBRICANTS	11,523	11,523
2003 CONSUMABLE SUPPLIES	5,558	5,558
2005 TRAVEL	24,500	24,500
2006 RENT - BUILDING	296,966	296,966
2009 OTHER OPERATING EXPENSE	169,169	100,833
5000 CAPITAL EXPENDITURES	125,227	108,718

Total, Objects of Expense

\$1,210,212	\$1,277,708
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4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

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	Exp 2014	Exp 2015
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METHOD OF FINANCING:

1 General Revenue Fund	1,210,212	1,277,708
Total, Method of Finance	\$1,210,212	\$1,277,708

FULL-TIME EQUIVALENT POSITIONS (FTE): 7.0 7.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Funding Reduction
 New Biennium Unfunded Mandates
 New appropriations Requests

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

Agency Code: **515** Agency name: **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 2014	Exp 2015
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percent of Complaints Resulting in Disciplinary Action	15.00 %	15.00 %
<u>2</u> Recidivism Rate of Those Receiving Disciplinary Action	4.00	4.00
<u>3</u> Percent of Documented Complaints Resolved within Six Months	65.00 %	65.00 %
<u>4</u> Recidivism Rate for Peer Assistance Programs	20.00 %	20.00 %
<u>5</u> One-year Completion Rate for Peer Assistance Programs	85.00 %	85.00 %

OUTPUT MEASURES:

<u>1</u> Number of Individuals Participating in a Peer Assistance Program	180.00	180.00
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OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES	49,541	59,386
Total, Objects of Expense	\$49,541	\$59,386

METHOD OF FINANCING:

1 General Revenue Fund	49,541	59,386
Total, Method of Finance	\$49,541	\$59,386

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New appropriations Requests

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

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 2014	Exp 2015
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	8,594	11,219
2003 CONSUMABLE SUPPLIES	103	103
2006 RENT - BUILDING	7,045	7,045
2009 OTHER OPERATING EXPENSE	3,206	3,384
5000 CAPITAL EXPENDITURES	199	271
Total, Objects of Expense	\$19,147	\$22,022

METHOD OF FINANCING:		
1 General Revenue Fund	19,147	22,022
Total, Method of Finance	\$19,147	\$22,022

FULL-TIME EQUIVALENT POSITIONS (FTE): 0.1 0.1

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Funding Reduction
 New Biennium Unfunded Mandates
 New appropriations Requests

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
TIME: 2:20:48PM

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 2014	Exp 2015
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	57,517	75,081
2003 CONSUMABLE SUPPLIES	691	691
2006 RENT - BUILDING	46,767	46,767
2009 OTHER OPERATING EXPENSE	21,452	22,639
5000 CAPITAL EXPENDITURES	1,330	1,813
Total, Objects of Expense	\$127,757	\$146,991

METHOD OF FINANCING:		
1 General Revenue Fund	127,757	146,991
Total, Method of Finance	\$127,757	\$146,991

FULL-TIME EQUIVALENT POSITIONS (FTE): 0.9 0.9

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Funding Reduction
 New Biennium Unfunded Mandates
 New appropriations Requests

6.A. Historically Underutilized Business Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
 Time: 2:20:49PM

Agency Code: 515 Agency: Board of Pharmacy

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2010 - 2011 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2010			Total Expenditures FY 2010			HUB Expenditures FY 2011			Total Expenditures FY 2011
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
20.0%	Professional Services	100.0 %	100.0%	0.0%	\$2,116	\$2,116	100.0 %	100.0%	0.0%	\$3,392	\$3,392	\$3,392
33.0%	Other Services	11.7 %	11.8%	0.1%	\$30,050	\$255,558	9.5 %	9.4%	-0.1%	\$24,033	\$254,434	\$254,434
12.6%	Commodities	66.7 %	66.7%	0.0%	\$86,550	\$129,726	29.6 %	29.6%	0.0%	\$23,928	\$80,721	\$80,721
	Total Expenditures		30.6%		\$118,716	\$387,400		15.2%		\$51,353	\$338,547	\$338,547

B. Assessment of Fiscal Year 2010 - 2011 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded two of three, or 66% of the applicable statewide HUB procurement HUB procurement goals in FY2010.

The agency attained or exceeded two of three, or 66% of the applicable statewide HUB procurement HUB procurement goals in FY2011.

Applicability:

The "Heavy Construction", "Building Construction", and "Special Trade Construction" categories are not applicable to agency operations in either fiscal year 2010 or fiscal year 2011.

Factors Affecting Attainment:

In both fiscal year 2010 and fiscal year 2011, 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.E. Estimated Revenue Collections Supporting Schedule
83rd 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 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3562 Health Related Profession Fees	8,574,221	7,406,080	7,035,270	6,957,196	7,054,781
3570 Peer Assistance Prog Fees	224,027	207,736	207,576	207,754	213,976
Subtotal: Actual/Estimated Revenue	8,798,248	7,613,816	7,242,846	7,164,950	7,268,757
Total Available	\$8,798,248	\$7,613,816	\$7,242,846	\$7,164,950	\$7,268,757
DEDUCTIONS:					
Expended/Budgeted/Requested	(4,978,993)	(5,223,298)	(5,193,602)	(5,289,574)	(5,127,326)
Office of Patient Protection	(141,273)	(125,169)	(115,454)	(107,496)	(108,704)
Other Indirect Cost	(951,309)	(992,120)	(1,040,915)	(1,040,915)	(1,040,915)
Total, Deductions	\$(6,071,575)	\$(6,340,587)	\$(6,349,971)	\$(6,437,985)	\$(6,276,945)
Ending Fund/Account Balance	\$2,726,673	\$1,273,229	\$892,875	\$726,965	\$991,812

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
 83rd 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 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
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I. ESTIMATES OF REVENUE COLLECTIONS

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

In preparing the estimates for the revenue collections for the coming years, two approaches were used.

- (1) Estimates were made regarding the projected change in the population of applicants, pharmacists, pharmacies and pharmacy technicians. The population of these applicants & licensees, & 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

The biennial revenue that is contained in this document is based on the current fee rates as shown below. This revenue estimate will sufficiently cover a 100% baseline funding level plus any additional appropriations not to exceed the ending fund/account balances in estimated 2013- 2015. If additional appropriations beyond these levels are authorized by the 83rd Texas Legislature, the board realizes that a fee increase may be necessary to produce the necessary revenue.

Pharmacist Biennial: \$233 [\$215 licensing fee + \$5 subscription fee + \$11 surcharge to fund Peer Assistance Program (PAP) + \$2 to fund the Office of Patient Protection (OPP)].
 Pharmacy Biennial: \$408 (\$381 licensing fee + \$12 subscription fee + \$13 surcharge to fund PAP + \$2 to fund the OPP)
 Technician Biennial: \$71 (\$67 licensing fee + \$2 subscription fee + \$2 surcharge to fund the OPP)
 Technician Trainee: \$47 (\$40 application fee + \$2 subscription fee + \$5 surcharge to fund the OPP)

III. AUTHORIZATION OF FEE RATE CHANGE

Occupations 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
 83rd 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 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	1,409	3,980	3,980	3,980	3,980
3752 Sale of Publications/Advertising	0	339	339	339	339
3767 Supply, Equip, Service - Fed/Other	2,250	3,411	3,411	3,411	3,411
3802 Reimbursements-Third Party	2,396	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	2,138	0	0	0	0
3852 Interest on Local Deposits-St Agy	11	0	0	0	0
Subtotal: Actual/Estimated Revenue	8,204	7,730	7,730	7,730	7,730
Total Available	\$8,204	\$7,730	\$7,730	\$7,730	\$7,730
Ending Fund/Account Balance	\$8,204	\$7,730	\$7,730	\$7,730	\$7,730

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Jane Bennett

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

DATE: 8/17/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 2:30:56PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$10,416,900

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider

2014 Funds

2015 Funds

**Biennial
Cumulative GR**

**Biennial
Cumulative Ded**

Page #

FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
Strategy: 1 - 1 - 1 Operate an Application and Renewal Licensure System										
8.9	767,771	767,482	0	8.9	773,382	773,093	0	1,540,575	0	_____
Strategy: 1 - 1 - 2 Texas.gov Estimated and Nontransferable										
0.0	217,345	217,345	0	0.0	221,785	221,785	0	1,979,705	0	_____
Strategy: 2 - 1 - 1 Operate System of Inspection Assistance Education										
56.3	3,444,947	3,437,506	0	56.3	3,274,491	3,267,050	0	8,684,261	0	_____
Strategy: 2 - 1 - 2 Provide a Peer Assistance Program for Licensed Individuals										
2.0	179,199	179,199	0	2.0	179,199	179,199	0	9,042,659	0	_____
Strategy: 3 - 1 - 1 Licensing - Indirect Administration										
1.4	89,405	89,405	0	1.4	89,182	89,182	0	9,221,246	0	_____
Strategy: 3 - 1 - 2 Enforcement-Indirect Administration										
9.4	598,637	598,637	0	9.4	597,017	597,017	0	10,416,900	0	_____

78.0				78.0				*****GR Baseline Request Limit=\$10,416,900*****		
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Excp Item: 1 Restore Funding Reduction										
0.0	374,689	374,689	0	0.0	567,122	567,122	0	11,358,711	0	_____

Strategy Detail for Excp Item: 1										
Strategy: 1 - 1 - 1 Operate an Application and Renewal Licensure System										
0.0	19,379	19,379	0	0.0	42,287	42,287	0			
Strategy: 2 - 1 - 1 Operate System of Inspection Assistance Education										
0.0	320,133	320,133	0	0.0	464,949	464,949	0			
Strategy: 3 - 1 - 1 Licensing - Indirect Administration										
0.0	4,572	4,572	0	0.0	7,785	7,785	0			
Strategy: 3 - 1 - 2 Enforcement-Indirect Administration										
0.0	30,605	30,605	0	0.0	52,101	52,101	0			

Excp Item: 2 New Biennium Unfunded Mandates

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

DATE: 8/17/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 2:30:56PM

Agency code:

Agency name: **Board of Pharmacy**

GR Baseline Request Limit = \$10,416,900

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider

2014 Funds

2015 Funds

**Biennial
Cumulative GR**

**Biennial
Cumulative Ded**

Page #

FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
0.0	38,914	38,914	0	0.0	38,914	38,914	0	11,436,539	0	_____

Strategy Detail for Excp Item: 2

Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
0.0	4,029	4,029	0	0.0	4,029	4,029	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
0.0	29,031	29,031	0	0.0	29,031	29,031	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.0	761	761	0	0.0	761	761	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.0	5,093	5,093	0	0.0	5,093	5,093	0			

Excp Item: 3 **New appropriations Requests**

10.0	1,180,422	1,180,422	0	10.0	1,108,681	1,108,681	0	13,725,642	0	_____
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Strategy Detail for Excp Item: 3

Strategy: 1 - 1 - 1	Operate an Application and Renewal Licensure System									
2.0	163,960	163,960	0	2.0	162,294	162,294	0			
Strategy: 2 - 1 - 1	Operate System of Inspection Assistance Education									
7.0	861,048	861,048	0	7.0	783,728	783,728	0			
Strategy: 2 - 1 - 2	Provide a Peer Assistance Program for Licensed Individuals									
0.0	49,541	49,541	0	0.0	59,386	59,386	0			
Strategy: 3 - 1 - 1	Licensing - Indirect Administration									
0.1	13,814	13,814	0	0.1	13,476	13,476	0			
Strategy: 3 - 1 - 2	Enforcement-Indirect Administration									
0.9	92,059	92,059	0	0.9	89,797	89,797	0			

88.0	\$6,891,329	\$6,883,599	\$0	88.0	\$6,849,773	\$6,842,043	0			
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

1 Non-Service Travel

Category: Administrative - Travel

Item Comment: Approximately \$1,340,533 of the budget cuts of FY2010-2013 were made in across the board operating costs. Examples of these included the replacement of technology and vehicles, merit increases, registration fees and training; non-service travel, computer expenses; printing; postage; equipment replacement.

If the Legislature again 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. In addition, 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	\$1,258	\$1,258	\$2,516
General Revenue Funds Total	\$0	\$0	\$0	\$1,258	\$1,258	\$2,516

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$8,572	\$8,572	\$17,144
General Revenue Funds Total	\$0	\$0	\$0	\$8,572	\$8,572	\$17,144

Strategy: 3-1-1 Licensing - Indirect Administration

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$1,537	\$1,537	\$3,074
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$1,537	\$1,537	\$3,074	
Strategy: 3-1-2 Enforcement-Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$10,293	\$10,293	\$20,586	
General Revenue Funds Total	\$0	\$0	\$0	\$10,293	\$10,293	\$20,586	
Item Total	\$0	\$0	\$0	\$21,660	\$21,660	\$43,320	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

2 Training & Registration Fees

Category: Programs - Service Reductions (Other)

Item Comment: If the Legislature again 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

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$9,974	\$9,974	\$19,948	
General Revenue Funds Total	\$0	\$0	\$0	\$9,974	\$9,974	\$19,948	
Strategy: 3-1-1 Licensing - Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$585	\$585	\$1,170	
General Revenue Funds Total	\$0	\$0	\$0	\$585	\$585	\$1,170	
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	\$14,720	\$14,720	\$29,440	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

3 Board 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 again cuts 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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$630	\$630	\$1,260	
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
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							
<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 2014 and FY 2015 Base Request)

4 Other Operating

Category: Programs - Service Reductions (Other)

Item Comment: To achieve the ordered reductions from the last session, the agency slowed the imaging of agency documents. If the Legislature again cuts the TSBP budget by an additional 10% this session, the agency will be forced to further decrease the scanning of records. If the agency is unable to image its anticipated documents, additional file and/or storage space will become necessary.

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
General Revenue Funds Total	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
Item Total	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

5 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.

Strategy: 2-1-2 Provide a Peer Assistance Program for Licensed Individuals

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$13,672	\$12,687	\$26,359
General Revenue Funds Total	\$0	\$0	\$0	\$13,672	\$12,687	\$26,359
Item Total	\$0	\$0	\$0	\$13,672	\$12,687	\$26,359

FTE Reductions (From FY 2014 and FY 2015 Base Request)

6 Health Professions Council

Category: Programs - Service Reductions (Contracted)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<p>Item Comment: The Health Professions Council (HPC) was created during the 1993 Texas Legislative Session. The HPC provides a unique solution for the multiple challenges of state regulation of health professions by providing a means for the various health care licensing boards represented to coordinate administrative and regulatory efforts.</p> <p>The HPC has made tremendous strides in accomplishing efficiency and effectiveness through administrative sharing and cooperative teamwork. It is funded entirely by funds transferred each year by the participating agencies in amounts shown in GAA, Article IX, Sec. 3.</p> <p>If the Legislature again cuts the TSBP budget by 10%, the agency will reduce its prorated assessment to the Health Professions Council (HPC) by 10%. This will result in inadequate funding for the HPC.</p> <p>Strategy: 1-1-1 Operate an Application and Renewal Licensure System</p>							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$2,326	\$2,326	\$4,652	
General Revenue Funds Total	\$0	\$0	\$0	\$2,326	\$2,326	\$4,652	
Item Total	\$0	\$0	\$0	\$2,326	\$2,326	\$4,652	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

7 Testing of Compounded Products

Category: Programs - Service Reductions (Contracted)

Item Comment: If the agency had to absorb another 10% budget reduction, the ability to test pharmacy compounded products would be eliminated.

Testing of pharmacy compounded products was authorized by the SB 492 passed by the 79th session. The agency was funded in FY08-09 & provided additional funding in FY10-11 to carry out the testing of compounded products. However, because of the cuts in FY2012-13 the agency was forced to reduce the funds for this important function by 72%. The term "compounding" means the preparation, mixing, assembling, packaging, or labeling of a drug or device. Pharmacies compound prescription drugs based on the order of a physician for use by or for administration to patients. Products compounded by pharmacies include sterile products that are injected into patients. It is crucial that all of these compounded products are randomly tested to assure they contain the correct amount of drug and that the sterile compounded products are sterile and that they do not contain any contaminants that will harm patients. Any problem with these products could have a dramatic & potentially life threatening effects on the patient.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Operate System of Inspection Assistance Education							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$43,639		\$43,639	
General Revenue Funds Total	\$0	\$0	\$0	\$43,639		\$43,639	
Item Total	\$0	\$0	\$0	\$43,639		\$43,639	
FTE Reductions (From FY 2014 and FY 2015 Base Request)							
8 Information Resources Staff & On-Going							
Category: Administrative - FTEs / Layoffs							
Item Comment:							
The 82nd Legislature approved 1 additional FTE (Network Specialist) for the information needs of the agency. If the Legislature again cuts the TSBP budget by 10%, this position will be eliminated. The reduction of this position would amount to a 33% reduction in technology staff, a 25% reduction in coverage hours and a workload increase of 50% for the remaining team members. All aspects of I.T. would be severely affected including end user support, desktop support, critical systems repair and replacement, disaster recovery preparedness and systems security. The remaining staff simply would not have adequate resources to keep the systems running in a secure, productive manner and would struggle to meet the computing needs of the agency.							
Strategy: 3-1-1 Licensing - Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$5,832	\$5,832	\$11,664	
General Revenue Funds Total	\$0	\$0	\$0	\$5,832	\$5,832	\$11,664	
Strategy: 3-1-2 Enforcement-Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$39,030	\$39,030	\$78,060	
General Revenue Funds Total	\$0	\$0	\$0	\$39,030	\$39,030	\$78,060	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Item Total	\$0	\$0	\$0	\$44,862	\$44,862	\$89,724	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				(1.0)	(1.0)		

9 Enforcement Services & On-Going

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: If the agency's budget were reduced by 5%, TSBP would be forced to eliminate 3 enforcement-related positions – 1 attorney, 1 investigator, & 1 administrative assistant. This reduction would have a devastating impact on the enforcement efforts of the agency.

As indicated in the Administrator's Statement, the agency has seen a drastic increase in criminal activity involving the illegal diversion of prescription drugs from pharmacies, particularly "Pill Mill Pharmacies" in the Houston area. The increased deaths from overdose of prescription medication in Harris County can be attributed to these types of rogue pharmacies. An immense amount of resources is needed to investigate & prosecute these types of diversion cases. The loss of one investigator would have a dramatic effect on the investigation of violations & cause an increase in the time it takes to resolve a case. TSBP is in need of more investigators, not less.

The elimination of an attorney position & administrative assistant position would decrease the number of cases handled by the legal division, which in turn, would result in fewer disciplinary orders entered & increase the time required to resolve a disciplinary case. TSBP estimates that if these positions are lost the agency will enter approximately 30% fewer disciplinary orders & will ultimately create a backlog of cases & seriously impair the agency's ability to regulate the practice of pharmacy. In addition, because the administrative assistant position is responsible for handling the agency's responses to open records requests the elimination of this position will greatly impact the response to these requests.

The elimination of these three enforcement positions will have a huge negative impact on the agency's ability to resolve complaints & enter disciplinary orders. TSBP estimates that the average complaint resolution time would potentially increase from 200 days to 300 days.

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$168,972	\$100,369	\$269,341
General Revenue Funds Total	\$0	\$0	\$0	\$168,972	\$100,369	\$269,341
Item Total	\$0	\$0	\$0	\$168,972	\$100,369	\$269,341

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				(3.0)	(2.0)		
10 Enforcement Services & On-Going							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: If the agency's budget were reduced by an additional 5%, the Enforcement Division would be forced to eliminate 2 Compliance Officer positions, which would reduce the number of field inspectors from 7 to 5. This reduction would result in 33% fewer pharmacies being inspected each year. The number of annual inspections would fall from 1,800 to 1,200. TSBP licenses 6,476 pharmacies located in Texas. The field staff's geographical regions are extremely large. If 2 field staff were eliminated, the geographical regions would be required to be further enlarged, which in turn, would mean more travel, fewer inspections, & higher costs per inspection. TSBP needs more inspectors, not less.							
Inspections are a key component to the agency's preventative enforcement activities. The Board is convinced that 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 ensure that the public is protected because a myriad of areas are checked, such as drug stock, security, practice standards, operational standards, & competency. If the pharmacy is compounding prescription drugs, including sterile pharmaceuticals (e.g., injectable drugs), Inspectors conduct numerous other checks. Inspections of pharmacies that compound high-risk sterile drugs are especially critical, in that improper training or procedures could result in contaminated products being dispensed to Texas patients, which, in turn, could be fatal to the patients receiving these drugs.							
If the agency's budget were reduced by a total of 10%, TSBP would be forced to cut 5 enforcement-related positions, which would have a huge negative impact on the agency's ability to resolve complaints, enter disciplinary orders, & conduct inspections. TSBP estimates that the average complaint resolution time would potentially increase from 200 to 350 days							
Strategy: 2-1-1 Operate System of Inspection Assistance Education							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$181,770	\$250,373	\$432,143	
General Revenue Funds Total	\$0	\$0	\$0	\$181,770	\$250,373	\$432,143	
Item Total	\$0	\$0	\$0	\$181,770	\$250,373	\$432,143	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				(2.0)	(3.0)		

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

11 Licensing Staff & On-Going

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment:

Since FY03, the agency has experienced a 208% increase in the number of licensees. This increase is directly related to the registration of pharmacy technicians & technician trainees as can be seen by comparing the number of licenses in FY03, the year before the agency began registration of pharmacy technicians (28,064), with the number in FY11 (86,308).

Career opportunities for pharmacy technicians are expected to expand rapidly over the next few years. The Bureau of Labor Statistics' 2008-2009 report estimates employment for pharmacy technicians will increase by as much as 32% by 2016. This coupled with current & expanding duties being delegated to pharmacy technicians, is likely to have a substantial impact on the number of pharmacy technician & technician trainee applications received & processed by TSBP.

At a 90% funding level, 1 licensing FTE will be eliminated. Given the above growth statistics & the associated increase in telephone calls & e-mail inquiries generated by the registration of pharmacy technician trainees, it is anticipated that with a reduction in licensing staff by 1 FTE, workload increases will immediately cause the following critical slowdowns:

1. Number of days to issue a pharmacist license or pharmacy technician renewal will increase from 4 to 10 working days. It is also expected that the continuing education audit programs will be eliminated.
2. During the peak months of pharmacist examination application periods (March - August), it will take approximately 16 weeks review applications and to notify an applicant that he or she is eligible to register for the licensing examinations.

Finally, customer service will deteriorate to the extent that telephone calls & e-mail inquiries will not be returned on a timely basis, causing further slowdowns in work performance.

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$42,586	\$42,586	\$85,172
General Revenue Funds Total	\$0	\$0	\$0	\$42,586	\$42,586	\$85,172

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/17/2012
Time: 2:34:54PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Item Total	\$0	\$0	\$0	\$42,586	\$42,586	\$85,172	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				(1.0)	(1.0)		
AGENCY TOTALS							
General Revenue Total				\$543,157	\$498,533	\$1,041,690	\$1,041,690
Agency Grand Total	\$0	\$0	\$0	\$543,157	\$498,533	\$1,041,690	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2014 and FY 2015 Base Request)				(7.0)	(7.0)		

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME : 2:20:49PM

Agency code: 515

Agency name: Board of Pharmacy

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-1-1 Operate an Application and Renewal Licensure System					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$76,124	\$ 71,613	\$ 76,096	\$ 76,096	\$ 76,096
1002 OTHER PERSONNEL COSTS	4,805	4,657	2,883	3,230	3,127
2001 PROFESSIONAL FEES AND SERVICES	678	3,343	1,086	1,086	1,086
2003 CONSUMABLE SUPPLIES	598	556	615	615	615
2004 UTILITIES	1	1	1	1	1
2005 TRAVEL	3,668	4,408	4,408	4,408	4,408
2006 RENT - BUILDING	199	185	185	185	185
2007 RENT - MACHINE AND OTHER	139	105	105	105	105
2009 OTHER OPERATING EXPENSE	6,335	7,923	4,242	3,679	3,559
5000 CAPITAL EXPENDITURES	103	0	0	0	0
Total, Objects of Expense	\$92,650	\$92,791	\$89,621	\$89,405	\$89,182
METHOD OF FINANCING:					
1 General Revenue Fund	92,650	92,791	89,621	89,405	89,182
Total, Method of Financing	\$92,650	\$92,791	\$89,621	\$89,405	\$89,182
FULL TIME EQUIVALENT POSITIONS	1.3	1.4	1.4	1.4	1.4
Method of Allocation					

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
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME : 2:20:49PM

Agency code: 515

Agency name: Board of Pharmacy

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2-1-1 Operate System of Inspection Assistance Education					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$451,130	\$ 462,733	\$ 491,697	\$ 491,697	\$ 491,697
1002 OTHER PERSONNEL COSTS	28,484	30,095	18,632	20,877	20,211
2001 PROFESSIONAL FEES AND SERVICES	4,022	21,596	7,012	7,012	7,012
2003 CONSUMABLE SUPPLIES	3,550	3,593	3,974	3,974	3,974
2004 UTILITIES	2	5	5	5	5
2005 TRAVEL	21,799	28,490	28,490	28,490	28,490
2006 RENT - BUILDING	1,179	1,192	1,192	1,192	1,192
2007 RENT - MACHINE AND OTHER	824	680	680	680	680
2009 OTHER OPERATING EXPENSE	37,559	51,198	27,374	24,068	23,169
5000 CAPITAL EXPENDITURES	608	0	0	0	0
Total, Objects of Expense	\$549,157	\$599,582	\$579,056	\$577,995	\$576,430
METHOD OF FINANCING:					
1 General Revenue Fund	549,157	599,582	579,056	577,995	576,430
Total, Method of Financing	\$549,157	\$599,582	\$579,056	\$577,995	\$576,430
FULL TIME EQUIVALENT POSITIONS	8.2	9.1	9.1	9.1	9.1

Method of Allocation

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
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME : 2:20:49PM

Agency code: 515

Agency name: Board of Pharmacy

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2-1-2 Provide a Peer Assistance Program for Licensed Individuals					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$16,307	\$ 16,526	\$ 17,561	\$ 17,561	\$ 17,561
1002 OTHER PERSONNEL COSTS	1,030	1,075	665	746	722
2001 PROFESSIONAL FEES AND SERVICES	145	771	250	250	250
2003 CONSUMABLE SUPPLIES	128	128	142	142	142
2004 UTILITIES	1	1	1	1	1
2005 TRAVEL	788	1,017	1,017	1,017	1,017
2006 RENT - BUILDING	43	43	43	43	43
2007 RENT - MACHINE AND OTHER	30	24	24	24	24
2009 OTHER OPERATING EXPENSE	1,358	1,829	978	858	827
5000 CAPITAL EXPENDITURES	22	0	0	0	0
Total, Objects of Expense	\$19,852	\$21,414	\$20,681	\$20,642	\$20,587
METHOD OF FINANCING:					
1 General Revenue Fund	19,852	21,414	20,681	20,642	20,587
Total, Method of Financing	\$19,852	\$21,414	\$20,681	\$20,642	\$20,587
FULL TIME EQUIVALENT POSITIONS	0.3	0.3	0.3	0.3	0.3
Method of Allocation					

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
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/17/2012
 TIME : 2:20:49PM

Agency code: 515

Agency name: Board of Pharmacy

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$543,561	\$550,872	\$585,354	\$585,354	\$585,354
1002 OTHER PERSONNEL COSTS	\$34,319	\$35,827	\$22,180	\$24,853	\$24,060
2001 PROFESSIONAL FEES AND SERVICES	\$4,845	\$25,710	\$8,348	\$8,348	\$8,348
2003 CONSUMABLE SUPPLIES	\$4,276	\$4,277	\$4,731	\$4,731	\$4,731
2004 UTILITIES	\$4	\$7	\$7	\$7	\$7
2005 TRAVEL	\$26,255	\$33,915	\$33,915	\$33,915	\$33,915
2006 RENT - BUILDING	\$1,421	\$1,420	\$1,420	\$1,420	\$1,420
2007 RENT - MACHINE AND OTHER	\$993	\$809	\$809	\$809	\$809
2009 OTHER OPERATING EXPENSE	\$45,252	\$60,950	\$32,594	\$28,605	\$27,555
5000 CAPITAL EXPENDITURES	\$733	\$0	\$0	\$0	\$0
Total, Objects of Expense	\$661,659	\$713,787	\$689,358	\$688,042	\$686,199
Method of Financing					
1 General Revenue Fund	\$661,659	\$713,787	\$689,358	\$688,042	\$686,199
Total, Method of Financing	\$661,659	\$713,787	\$689,358	\$688,042	\$686,199
Full-Time-Equivalent Positions (FTE)	9.8	10.8	10.8	10.8	10.8