

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Clair Clark, Department of Administrative Services

Reviewed By: Kim To, Legislative Fiscal Office

Agency: Board of Pharmacy

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 5,957,609	\$ 6,164,443	\$ 6,892,573	\$ 934,964	15.7%
Total	\$ 5,957,609	\$ 6,164,443	\$ 6,892,573	\$ 934,964	15.7%

Position Summary

Authorized Positions	19	19	20	1
Full-time Equivalent (FTE) positions	19.00	19.00	20.00	1.00

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Oregon Board of Pharmacy receives revenue from fees charged to licensees, civil penalties and a small number of administrative “user” fees. With the adoption of the Subcommittee’s recommendation, the agency’s estimated 2015-17 ending fund balance is \$2,706,092, or the equivalent of approximately 9.4 months of operating expenses.

The Subcommittee approved the following recommendations:

- Package 801, Revenue Reduction, reduces \$806,548 Other Funds revenue to provide for the transition to biennial licensure for Pharmacists and Certified Pharmacy Technicians at a reduced rate. The reduced fee rate for Pharmacist renewal licenses will be \$120 and for Certified Pharmacy Technicians the reduced renewal license fee rate will be \$175. Transitioning to biennial licensure will allow the Board to reduce its large ending balance and achieve workload efficiencies by adjusting the renewal cycle to alternate years.

Summary of Education Subcommittee Action

The Board of Pharmacy promotes, preserves, and protects the health, safety and welfare of Oregon citizens through the control and regulation of the practice of pharmacy. The Board regulates the quality and distribution of drugs through outlets involved in the manufacture, production, sale and distribution of prescription drugs, over-the-counter drugs, controlled substance and devices and other materials as may be used in the diagnosis, cure, mitigation, prevention and treatment of injury, illness and disease.

The Subcommittee recommended a budget for the Board of Pharmacy of \$6,892,573 Other Funds and 20.00 full-time equivalent positions. This is a 15.7 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved the following recommendations:

- Package 100, Personnel Management, provides \$363,604 Other Funds expenditure limitation to fund: (1) a pay line exception approved by the Department of Administrative Services and, (2) establish one full-time Program Analyst 1 position (1.00 FTE) in the Licensing Division as recommended in a 2012 operational review.
- Package 101, Business Improvement Database Upgrade, provides \$316,756 Other Funds expenditure limitation, of which \$275,000 is a one-time cost, to fund the replacement of the Board's System Automation (SA) License 2000 software. This package will be funded using one-time revenues from a civil penalty of over \$500,000 collected by the Board.
- Package 102, IT Professional Services, provides \$25,000 Other Funds expenditure limitation for costs associated with an increase in Professional Liability Insurance.
- Package 103, Paperless Records Retention Part 2, provides \$22,770 Other Funds expenditure limitation to fund the continuation of the Board's Paperless Records Retention project that began in the 2013-15 biennium. This increase will fund usage-based fees charged by the Secretary of State's Archives Division for the use of the Oregon Records Management Solution.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5530-A

Board of Pharmacy
Clair Clark -- 503-378-3117

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ -	\$ -	\$ 5,957,609	\$ -	\$ -	\$ -	5,957,609	19	19.00
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ 6,164,443	\$ -	\$ -	\$ -	6,164,443	19	19.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Board of Pharmacy									
Package 100: Personnel Management									
Personal Services	\$ -	\$ -	\$ 274,664	\$ -	\$ -	\$ -	274,664	1	1.00
Services and Supplies	\$ -	\$ -	\$ 88,940	\$ -	\$ -	\$ -	88,940		
Package 101: Business Improv. Database Upgrade									
Services and Supplies	\$ -	\$ -	\$ 45,679	\$ -	\$ -	\$ -	45,679		
Capital Outlay	\$ -	\$ -	\$ 271,077	\$ -	\$ -	\$ -	271,077		
Package 102: IT Professional Services									
Services and Supplies	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	25,000		
Package 103: Paperless Record Retention Part 2									
Services and Supplies	\$ -	\$ -	\$ 22,770	\$ -	\$ -	\$ -	22,770		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 728,130	\$ -	\$ -	\$ -	728,130	1	1.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 6,892,573	\$ -	\$ -	\$ -	6,892,573	20	20.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	15.7%	0.0%	0.0%	0.0%	15.7%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	11.8%	0.0%	0.0%	0.0%	11.8%		

*Excludes Capital Construction Expenditures

Legislatively Approved 2015-2017 Key Performance Measures

Agency: PHARMACY, BOARD OF

Mission: The mission of the Oregon State Board of Pharmacy is to promote, preserve and protect the public health, safety and welfare by ensuring high standards in the practice of pharmacy and by regulating the quality, manufacture, sale and distribution of drugs.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Percent of inspected pharmacies that are in compliance annually.		Approved KPM	83.00	75.00	75.00
2 - Percent of audited pharmacists who complete continuing education on time.		Approved KPM	95.00	100.00	100.00
3 - Percent of pharmacies inspected annually.		Approved KPM	100.00	100.00	100.00
4 - Average number of days to complete an investigation from complaint to board presentation.		Approved KPM	97.00	100.00	100.00
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Accuracy	Approved KPM	92.00	85.00	85.00
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Availability of Information	Approved KPM	88.00	85.00	85.00
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Expertise	Approved KPM	95.00	85.00	85.00
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Helpfulness	Approved KPM	93.00	85.00	85.00
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Overall	Approved KPM	93.00	85.00	85.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	Timeliness	Approved KPM	90.00	85.00	85.00
6 - Board Best Practices - Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

Recommend approval of KPM and targets as presented.

Sub-Committee Action:

Approved LFO recommendation.