

HB 5028 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Sollman

Joint Committee On Ways and Means

Action Date: 05/16/25

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 8 - Anderson, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, Sollman

Nays: 3 - Bonham, McLane, Smith DB

House Vote

Yeas: 7 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Valderrama

Nays: 3 - Breese-Iverson, Cate, Drazan

Exc: 2 - Owens, Smith G

Prepared By: Benjamin DeYoung, Department of Administrative Services

Reviewed By: Haylee Morse-Miller, Legislative Fiscal Office

Board of Pharmacy

2025-27

Budget Summary*

| | 2023-25 Legislatively Approved Budget ⁽¹⁾ | 2025-27 Current Service Level | 2025-27 Committee Recommendation | Committee Change from 2023-25 Leg. Approved | |
|---------------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| Other Funds Limited | \$ 11,391,000 | \$ 12,594,688 | \$ 14,259,298 | \$ 2,868,298 | 25.2% |
| Total | \$ 11,391,000 | \$ 12,594,688 | \$ 14,259,298 | \$ 2,868,298 | 25.2% |

Position Summary

| | | | | |
|--------------------------------------|-------|-------|-------|------|
| Authorized Positions | 24 | 24 | 24 | 0 |
| Full-time Equivalent (FTE) positions | 23.63 | 24.00 | 24.00 | 0.37 |

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Board of Pharmacy (OBOP) is supported by Other Funds revenues primarily generated from examination, licensing and renewal application fees charged to pharmacists, pharmacy technicians, pharmacy interns, and various types of drug outlets. The Subcommittee recommended budget includes fee increases that will increase revenues by \$3.5 million in the 2025-27 biennium. With the adoption of the Subcommittee recommendation, the agency's estimated 2025-27 ending fund balance will increase to the equivalent of approximately six months of operating reserves.

Summary of Education Subcommittee Action

The Board of Pharmacy promotes, preserves, and protects the health, safety, and welfare of Oregonians through the control and regulation of the practice of pharmacy. OBOP 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 substances 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 OBOP of \$14,259,298 Other Funds expenditure limitation and 24 positions (24.00 FTE). This is a 25.2% increase from the 2023-25 legislatively approved budget. The Subcommittee recommended the following packages:

- **Package 101: Licensing Fee Increase:** Increases licensing fees by 40% to allow the agency to raise enough revenue for the costs of inflation and to continue current programs. This 40% fee increase may only last the agency through the 2027-29 biennium. Fees were last increased in 2019.

- Package 102: Licensing Database Maintenance: Increases Other Funds expenditure limitation by \$1,500,000 to modernize OBOP's licensing database. The agency's current system will no longer be supported by the vendor as of 2026. This is a one-time increase for the 2025-27 biennium.
- Package 103: HPSP Ongoing Services: Increases Other Funds expenditure limitation by \$126,441 to cover the estimated cost of participating in the Health Professionals' Services Program (HPSP). HPSP allows the Board to refer licensees for monitoring of drug testing as part of disciplinary orders.
- Package 104: Staffing Reclasses: Increases Other Funds expenditure limitation by \$38,169 to reclassify a Business Operations Supervisor 1 to a Licensing and Permitting Manager 1. This package originally reclassified two positions but was amended by the Subcommittee, at the request of the agency, to only reclassify one position.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Board of Pharmacy
Benjamin DeYoung -- (503) 931-6249

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|-----------------|------------------|---------------|------------|---------------|------------|-----------------------|------|-------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2023-25 Legislatively Approved Budget at Jan 2025 * | \$ - | \$ - | \$ 11,391,000 | \$ - | \$ - | \$ - | \$ 11,391,000 | 24 | 23.63 |
| 2025-27 Current Service Level (CSL)* | \$ - | \$ - | \$ 12,594,688 | \$ - | \$ - | \$ - | \$ 12,594,688 | 24 | 24.00 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 85500-001 - Board of Pharmacy | | | | | | | | | |
| Package 102: Licensing Database Maintenance Services and Supplies | \$ - | \$ - | \$ 1,500,000 | \$ - | \$ - | \$ - | \$ 1,500,000 | | |
| Package 103: HPSP Ongoing Services Services and Supplies | \$ - | \$ - | \$ 126,441 | \$ - | \$ - | \$ - | \$ 126,441 | | |
| Package 104: Staffing Reclasses Personal Services | \$ - | \$ - | \$ 38,169 | \$ - | \$ - | \$ - | \$ 38,169 | 0 | 0.00 |
| TOTAL ADJUSTMENTS | \$ - | \$ - | \$ 1,664,610 | \$ - | \$ - | \$ - | \$ 1,664,610 | 0 | 0.00 |
| SUBCOMMITTEE RECOMMENDATION * | \$ - | \$ - | \$ 14,259,298 | \$ - | \$ - | \$ - | \$ 14,259,298 | 24 | 24.00 |
| | | | | | | | | | |
| % Change from 2023-25 Leg Approved Budget | 0.0% | 0.0% | 25.2% | 0.0% | 0.0% | 0.0% | 25.2% | 0.0% | 1.6% |
| % Change from 2025-27 Current Service Level | 0.0% | 0.0% | 13.2% | 0.0% | 0.0% | 0.0% | 13.2% | 0.0% | 0.0% |

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

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Agency: Board of Pharmacy

Mission Statement:

The Oregon Board of Pharmacy serves to promote and protect public health, safety, and welfare by ensuring high standards in the practice of pharmacy and through effective regulation of the manufacture and distribution of drugs.

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2026 | Target 2027 |
|---|--------------------------------|----------------|----------------------|-------------|-------------|
| 1. Percent of inspected pharmacies that are in compliance annually. | | Approved | 64% | 85% | 85% |
| 2. Percentage of individual and facility licenses that are issued within 30 days. | | Approved | 74% | 75% | 75% |
| 3. Percent of pharmacies inspected every two years. | | Approved | 63% | 50% | 50% |
| 4. Average number of days to complete an investigation from complaint to board presentation. | | Approved | 138.25 | 100 | 100 |
| 5. Customer Service - 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. | a) Timeliness | Approved | 75% | 90% | 90% |
| | b) Expertise | | 91% | 90% | 90% |
| | c) Accuracy | | 85% | 90% | 90% |
| | d) Helpfulness | | 84% | 90% | 90% |
| | e) Overall | | 83% | 90% | 90% |
| | f) Availability of Information | | 77% | 90% | 90% |
| 6. Board Best Practices - Percent of total best practices met by the Board. | | Approved | 70% | 100% | 100% |

LFO Recommendation:

LFO recommends approval of the KPMs and targets as presented.

SubCommittee Action:

The Education Subcommittee approved the Key Performance Measures and targets.