

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5532-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. D. Edwards
Carrier – Senate: Sen. Devlin**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 18 – 0 – 3

- House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields
– Nays:
– Exc:
- Senate – Yeas: Carter, Devlin, Gordly, Johnson, Morse, Schrader, Verger, Westlund, Whitsett
– Nays:
– Exc: Bates, Nelson, Winters

Prepared By: Erica Kleiner, Department of Administrative Services

Reviewed By: Deborah Manthe, Legislative Fiscal Office

Meeting Date: 3/2/07

Agency
Board of Pharmacy

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Biennium
2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Representative Bob Jenson, General Government Subcommittee Chair

Budget Summary*

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
Other Funds	3,714,707	4,134,117	4,007,195	-126,922	-3.1%
Federal Funds	50,000	340,000	340,000	0	0.0%
Total	\$ 3,764,707	\$ 4,474,117	\$ 4,347,195	\$ -126,922	-2.8%

Position Summary

Authorized Positions	18	22	22	0
Full-time Equivalent (FTE) Positions	17.50	20.50	20.50	0.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Board of Pharmacy is funded by revenue generated from license, registration, and examination fees. Other Funds revenue in 2007-09 is projected to be 18 percent greater than current biennium estimates and the projected ending cash balance of \$1.1 million equals approximately seven months of operating costs, or 29 percent of projected revenue. The approved budget also includes \$340,000 of U.S. Department of Justice grant funds to develop a prescription drug monitoring program.

Summary of Subcommittee Action

The mission of the 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. The agency licenses pharmacists by examination of through reciprocity with other states; registers and inspects hospital and retail pharmacies, drug wholesalers and manufacturers, and over-the-counter drug outlets; investigates drug diversion and rule violations; and regulates the quality and distribution of controlled substances, prescription, and over-the-counter drugs within the state. The seven-member board is appointed by the Governor and composed of five pharmacists and two public members.

The Subcommittee approved a budget of \$4,347,195 total funds consisting of \$4,007,195 Other Funds, and \$340,000 Federal Funds, including 22 positions (20.50 full-time equivalents). The approved budget is 10.2 percent greater than the Essential Budget Level (EBL). The increase addresses increased workload and provides expenditure limitation to spend U.S. Department of Justice grant funds should Senate Bill 34 become law.

Package 100: Establish Board of Pharmacy as an Agency, was approved by the Subcommittee in the amount of \$4,047,195 Total Funds and 18.50 full-time equivalent positions. This package includes the agency's Essential Budget Level (EBL) and an Other Funds policy package that establishes two half-time Office Specialist 2 positions to address the increased workload associated with implementing SB 512B (2005) and the reclassification of the Administrative Director's position. The Subcommittee modified the package to include a \$22,848 reduction to the system generated flexible benefits budget and a \$104,074 reduction to remove 2005-07 one-time office relocation costs.

Package 101: Prescription Drug Monitoring Program was approved by the Subcommittee in the amount of \$300,000 Federal Funds and 2.00 full-time equivalent limited-duration positions to develop a prescription drug monitoring program should Senate Bill 34 become law. Senate Bill 34 provides the enabling legislation required to spend the grant funds. The package was approved with the understanding that the Department of Administrative Services will unschedule the limitation if Senate Bill 34 fails.

Summary of Performance Measure Action

See attached Legislatively Adopted 2007-09 Key Performance Measures form.