

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5536

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Sprenger
Carrier – Senate: Sen. Monroe**

Action: Do Pass

Vote: 18 – 5 – 2

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith
– Nays: Thatcher, Whisnant
– Exc: Freeman

Senate – Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Verger
– Nays: Thomsen, Whitsett, Winters
– Exc: Bates

Prepared By: D.J. Vogt, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

Meeting Date: May 6, 2011

Agency
Board of Pharmacy

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Biennium
2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
Other Funds	\$ 5,105,407	\$ 5,757,096	\$ 5,109,140	\$ 5,109,140	\$ 3,733	0.1%

Position Summary

Authorized positions	20	20	18	18	(2)
Full-time equivalent positions (FTE)	19.00	19.00	17.75	17.75	(1.25)

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Board of Pharmacy is funded by revenue generated from license, registration and examination fees. The Subcommittee approved increases in various license and registration fees to ensure adequate revenues to meet operational requirements for 2011-13. The Board last increased fees in 2001. This budget will leave a projected ending cash balance of \$924,331, or four months of operating expenses.

Summary of Education Subcommittee Action

The Subcommittee approved a budget for the Board of Pharmacy of \$5,109,140 Other Funds and 17.75 full-time equivalents. This is a 0.1 percent increase from the 2009-11 Legislatively Approved Budget.

The Subcommittee approved package 070, Revenue Shortfall. The package eliminates six positions to adjust expenditures to available revenues.

The Subcommittee approved package 086 and package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved package 101, Position Restoration/Fee Increases/Reductions, at a cost of \$585,281 Other Funds. The package restores four positions that were eliminated in package 070 and increases license and registration fees to meet anticipated operational requirements for 2011-13.

The Subcommittee approved package 102, Contested Case Hearings Costs, at a cost of \$100,470 Other Funds. The package funds the increased costs of contested case hearings.

The Subcommittee approved package 103, Banking Fees for E-government, at a cost of \$31,349 Other Funds. The package funds the cost of banking fees associated with the Board's new online license renewal process.

The Subcommittee discussed the operational management of the Board and approved the following budget note:

Budget Note:

The Subcommittee expressed concern about the overall operational management of the Board of Pharmacy. The Board was directed to work with the Department of Administrative Services to contract for a review of its operations including, but not limited to, the delegation of duties by position, the processes by which the Board conducts its administrative functions, how the revenues derived relate to the costs of doing business, management principles and policies, and efficient use of resources. The review should include specific findings on the gaps in operational policies, procedures and directives, allocation of resources, and cost allocation by license type and recommendations on how to address these gaps. The Board is directed to report on the operational review to the Joint Ways and Means during the February 2012 Legislative Session on the findings and the Board's plans on implementing the specific recommendations.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form. The Subcommittee approved the existing KPMs and rejected a replacement KPM proposed by the Board of Pharmacy. The proposed KPM follows:

“Percent of investigations of complaints reported to Board within 120 days.”

The Subcommittee approved keeping the following KPM, which the Board proposed eliminating.

4 - “Average number of days to complete an investigation from complaint to board presentation.”

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5536

**Board of Pharmacy
D.J. Vogt -- (503) 378-3117**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$0	\$0	\$5,105,407	\$0	\$0	\$0	\$5,105,407	20	19.00
2011-13 ORBITS printed Current Service Level (CSL)*	\$0	\$0	\$5,757,096	\$0	\$0	\$0	\$5,757,096	20	19.00
2011-13 Governor's Recommended Budget *	\$0	\$0	\$5,109,140	\$0	\$0	\$0	\$5,109,140	18	17.75
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
No changes									
SUBCOMMITTEE RECOMMENDATION *	<u>\$0</u>	<u>\$0</u>	<u>\$5,109,140</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,109,140</u>	<u>18</u>	<u>17.75</u>
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	-10.0%	-6.6%
% Change from 2011-13 Current Service Level	0.0%	0.0%	-11.3%	0.0%	0.0%	0.0%	-11.3%	-10.0%	-6.6%
% Change from 2011-13 Governor's Recommended Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Excludes Capital Construction Expenditures

Legislatively Adopted 2011-2013 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 Adopted KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - Percent of inspected pharmacies that are in compliance annually.		Approved KPM	71.00	75.00	75.00
2 - Percent of audited pharmacists who complete continuing education on time.		Approved KPM	96.00	100.00	100.00
3 - Percent of pharmacies inspected annually.		Approved KPM	98.00	95.00	95.00
4 - Average number of days to complete an investigation from complaint to board presentation.		Approved KPM	100.00	75.00	75.00
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	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.	Accuracy	Approved KPM	96.00	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	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.	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	94.00	85.00	85.00

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Legislatively Adopted KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
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	94.00	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:

The LFO recommends the adoption of all of the current key performance measures and the rejection of the proposed new measure.

Sub-Committee Action:

The Subcommittee on Education approved the key performance measures as recommended by the LFO