

**BOARD OF PHARMACY**

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 or 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.

BOARD OF PHARMACY	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
Other Funds	4,478,980	5,111,603	5,530,936	5,817,527	0	8.2%
<b>TOTAL FUNDS</b>	<b>\$4,478,980</b>	<b>\$5,111,603</b>	<b>\$5,530,936</b>	<b>\$5,817,527</b>	<b>\$0</b>	<b>8.2%</b>
Positions	20	18	18	19	0	0.0%
FTE	19.00	17.75	17.75	19.00	0.00	0.0%

Major Revenues	Budget Environment	Comparison by Fund Type																								
<ul style="list-style-type: none"> <li>The Board of Pharmacy is funded entirely from Other Fund revenues.</li> <li>Other Funds include:                             <ul style="list-style-type: none"> <li>Licensure and renewal fees</li> <li>Charges for services</li> <li>Fines and forfeitures</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Increasing regulatory and advisory duties</li> <li>Continued growth in licensees</li> <li>Complexity of industry</li> </ul>	<p><b>BOARD OF PHARMACY</b></p> <table border="1"> <caption>Revenue Comparison by Fund Type (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$0.0</td> <td>\$4.5</td> <td>\$0.0</td> </tr> <tr> <td>2011-13</td> <td>\$0.0</td> <td>\$5.1</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$0.0</td> <td>\$5.5</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 GB</td> <td>\$0.0</td> <td>\$5.8</td> <td>\$0.0</td> </tr> <tr> <td>2013-15</td> <td>\$0.0</td> <td>\$0.0</td> <td>\$0.0</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$0.0	\$4.5	\$0.0	2011-13	\$0.0	\$5.1	\$0.0	2013-15 CSL	\$0.0	\$5.5	\$0.0	2013-15 GB	\$0.0	\$5.8	\$0.0	2013-15	\$0.0	\$0.0	\$0.0
Year	General Fund/Lottery	Other Funds	Federal Funds																							
2009-11	\$0.0	\$4.5	\$0.0																							
2011-13	\$0.0	\$5.1	\$0.0																							
2013-15 CSL	\$0.0	\$5.5	\$0.0																							
2013-15 GB	\$0.0	\$5.8	\$0.0																							
2013-15	\$0.0	\$0.0	\$0.0																							

**MAJOR CHALLENGES AND DECISION POINTS**

<ol style="list-style-type: none"> <li>1. Addition/reinstatement of positions that were eliminated in prior budget.</li> <li>2. Allow move to electronic records retention</li> <li>3. Fee Increases. The agency increased fees for a portion of their licensees during the prior biennium and plan to increase fees for their remaining licensees in the upcoming biennium. However, there does not appear to be a direct budgetary reason to increase these fees, since the requested expenditure amounts (including all policy option package expenditures) are well under the projected revenues of the agency without the increased fees.</li> <li>4. Beginning balance adjustment. During the 2009-11 biennium, an accounting error was made that resulted in an understatement of the agency’s projected fund balance. In response, a negative adjustment of \$423,475 was included by the agency in the budgeted beginning fund balance for the 2011-13 biennium. Once the error was discovered, the actual ending balance for the 2009-11 biennium was corrected and was in fact \$845,355 higher than the original budgeted ending balance. These two items created an understatement of the agency’s total available revenues for the 2011-13 biennium of \$1,268,830. For the upcoming 2013-15 biennium, the Governor’s budget includes an adjustment to the agency’s beginning balance of \$1,268,830 to correct the error. This is a technical error, but it accounts for about 22% of the agency’s biennial budget and may result in a significant increase in the agency’s ending fund balance.</li> <li>5. Proposed legislation would allow the Board to set fees by rule and free the agency from the statutory limits currently in place. The proposed legislation has been filed as SB 106.</li> </ol>	
--	--