

SB 5529 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Kim To, Legislative Fiscal Office

**Board of Pharmacy
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 7,464,610	\$ 7,698,155	\$ 8,855,623	\$ 1,391,013	18.6%
Total	\$ 7,464,610	\$ 7,698,155	\$ 8,855,623	\$ 1,391,013	18.6%

Position Summary

Authorized Positions	20	20	22	2
Full-time Equivalent (FTE) positions	20.00	20.00	22.00	2.00

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Board of Pharmacy is primarily supported by Other Funds revenues generated from examination, licensing, and renewal application fees charged to pharmacists, pharmacy technicians, pharmacy interns, and various types of drug outlets. The Subcommittee approved Package 101, which updates the Board's fee schedule and increases Other Funds revenues by \$2,411,800. With the adoption of the Subcommittee recommendations, the Board's estimated 2019-21 ending fund balance is \$1,369,096, or the equivalent of approximately 3.7 months of operating expenses.

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, manufacture, sale, and distribution of prescription drugs, over-the-counter drugs, controlled substances and devices, and other materials 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 \$8,855,623 Other Funds and 22.00 full-time equivalent positions. This is an 18.6 percent increase from the 2017-19 Legislatively Approved Budget.

The Subcommittee approved the following recommendations:

- Package 102: DOJ Expenditure Increase – increases Other Funds expenditure limitation by \$174,862 to cover Department of Justice fees.
- Package 103: Database Cloud Hosting – increases Other Funds expenditure limitation by \$279,021 for ongoing technology support services including database administration, maintenance, operation, and hosting services.
- Package 104: Compliance and Licensing Staff – increases Other Funds expenditure limitation by \$468,403 and authorizes the establishment of one Healthcare Investigator position as well as one Public Service Representative 3 position (2.00 FTE) to address a growing workload associated with the increased number of applicants, licensees, and growing number of complex outlet license categories.
- Package 105: Formulary Per Diem & Expense Funding – increases Other Funds expenditure limitation by \$16,027 to provide per diem and travel reimbursement for the seven members of the Public Health and Pharmacy Formulary Advisory Committee established by House Bill 2397 (2017).
- Package 106: Suspend Pacific Fellowship Program – reduces Other Funds expenditure limitation by (\$69,260) phasing out funds to support a partnership with Pacific University School of Pharmacy to offer a one-year fellowship designed to transition the fellow from a general practitioner to a regulatory pharmaceutical specialist. After one year of offering this fellowship, and one failed search for a fellow, the LFO analyst recommends the agency suspend the fellowship in order to reassess.
- Package 801: LFO Analyst Adjustments – increases Other Funds expenditure limitation by \$288,415, carrying forward funds from the 2017-19 biennium for the agency to complete the implementation of its licensing and compliance database upgrades.

Summary of Performance Measure Action

See attached Legislatively Adopted 2019-21 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Board of Pharmacy
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ -	\$ -	\$ 7,464,610	\$ -	\$ -	\$ -	7,464,610	20	20.00	
2019-21 Current Service Level (CSL)*	\$ -	\$ -	\$ 7,698,155	\$ -	\$ -	\$ -	7,698,155	20	20.00	
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>										
Package 102: DOJ Expenditure Increase										
Services and Supplies	\$ -	\$ -	\$ 174,862	\$ -	\$ -	\$ -	174,862			
Package 103: Database Cloud Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Services and Supplies	\$ -	\$ -	\$ 279,021	\$ -	\$ -	\$ -	279,021			
Package 104: Compliance & Licensing Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Personal Services	\$ -	\$ -	\$ 430,578	\$ -	\$ -	\$ -	430,578	2	2.00	
Services and Supplies	\$ -	\$ -	\$ 37,825	\$ -	\$ -	\$ -	37,825			
Package 105: Formulary Per Diem & Expense Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Personal Services	\$ -	\$ -	\$ 6,027	\$ -	\$ -	\$ -	6,027	0	0.00	
Services and Supplies	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	10,000			
Package 106: Suspend Pacific Fellowship Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Services and Supplies	\$ -	\$ -	\$ (69,260)	\$ -	\$ -	\$ -	(69,260)			
Package 801: LFO Analyst Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Services and Supplies	\$ -	\$ -	\$ 288,415	\$ -	\$ -	\$ -	288,415			
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,157,468	\$ -	\$ -	\$ -	1,157,468	2	2.00	
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 8,855,623	\$ -	\$ -	\$ -	8,855,623	22	22.00	
% Change from 2017-19 Leg Approved Budget	0.0%	0.0%	18.6%	0.0%	0.0%	0.0%	18.6%	10.0%	10.0%	
% Change from 2019-21 Current Service Level	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	15.0%	10.0%	10.0%	

*Excludes Capital Construction Expenditures

Legislatively Approved 2019 - 2021 Key Performance Measures

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Agency: Pharmacy, Board of

Mission Statement:

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 Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Percent of inspected pharmacies that are in compliance annually.		Approved	82%	85%	85%
2. Percent of audited pharmacists who complete continuing education on time.		Approved	96.40%	0%	95%
3. Percent of pharmacies inspected annually.		Approved	100%	100%	100%
4. Average number of days to complete an investigation from complaint to board presentation.		Approved	106	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.	Timeliness	Approved	82%	90%	90%
	Expertise		95%	95%	95%
	Accuracy		91%	90%	90%
	Helpfulness		91%	90%	90%
	Overall		91%	90%	90%
	Availability of Information		88%	90%	90%
6. Board Best Practices - Percent of total best practices met by the Board.		Approved	100%	100%	100%

LFO Recommendation:

For KPM #2, LFO recommends the agency reports information only in odd number years when pharmacists renew their license and are audited.

For the remaining KPMs, LFO recommends approval of KPMs and targets as presented.

SubCommittee Action:

Approved LFO recommendation.