

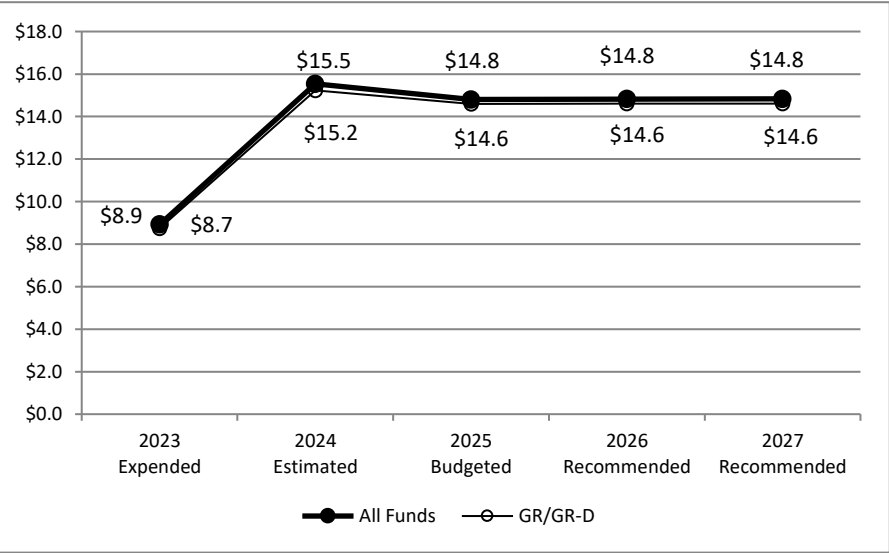
**Board of Pharmacy
Summary of Budget Recommendations - House**

Page VIII-40
Daniel Carroll, Executive Director
David Petit, LBB Analyst

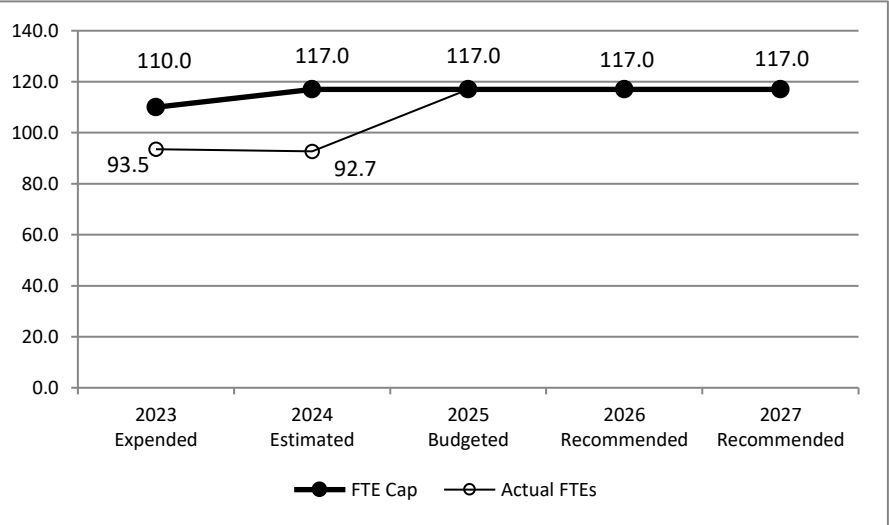
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$29,819,775	\$29,218,091	(\$601,684)	(2.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$29,819,775</i>	<i>\$29,218,091</i>	<i>(\$601,684)</i>	<i>(2.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$521,633	\$428,030	(\$93,603)	(17.9%)
All Funds	\$30,341,408	\$29,646,121	(\$695,287)	(2.3%)

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	117.0	117.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Board of Pharmacy
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
---	--------------------	--------------	------------------	-------------	-----------	---------------------------

<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>
--

A)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations	\$330,001	\$0.0	\$0.0	\$0.0	\$330,001	A.1.1, B.1.1, B.1.3, C.1.1
B)	Increase in funding to cover the agency's share of cost increases at the Health Professions Council, of which the agency is a member	\$151,259	\$0.0	\$0.0	\$0.0	\$151,259	A.1.1, B.1.1
C)	Removal of one-time funding related to IT modernization projects and the onboarding of new employees	(\$1,082,944)	\$0.0	\$0.0	\$0.0	(\$1,082,944)	B.1.3
D)	Decrease in Appropriated Receipts due to Controlled Substance Forfeiture Program revenues that the agency no longer receives	\$0.0	\$0.0	\$0.0	(\$93,603)	(\$93,603)	B.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations		(\$601,684)	\$0.0	\$0.0	(\$93,603)	(\$695,287)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$481,260	\$0.0	\$0.0	\$0.0	\$481,260	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$1,082,944)	\$0.0	\$0.0	(\$93,603)	(\$1,176,547)	As Listed

**Board of Pharmacy
Selected Fiscal and Policy Issues - House**

1. **Update on Exceptional Items Funded in the 88th Regular Session.** The Board of Pharmacy was appropriated \$10.24 million in General Revenue and 7.0 additional FTEs in the 88th Regular Session related to four Exceptional Item requests. Of this amount, \$1.08 million was removed from the agency's base as one-time funding, and recommendations maintain the remaining \$9.16 million. Below are implementation updates for these four items.

Statewide Integration & NarxCare

The agency was provided \$7,401,500 in General Revenue for Statewide Integration and NarxCare upgrades to the Prescription Monitoring Program (PMP). The PMP collects and monitors prescription data for all Schedule II, III, IV, and V Controlled Substances dispensed by a pharmacy in Texas or to a Texas resident from a pharmacy located in another state. NarxCare is an additional module that can be added on to the PMP software that offers a clinical decision analytics tool, through scores and visualizations, to help practitioners avoid harmful drug interactions and accidental overdoses, particularly with regard to narcotics, sedatives, and stimulants.

Prior to the statewide integration effort, which came into effect at the beginning of fiscal year 2024, healthcare providers had to login separately to the PMP and manually submit queries, in addition to working in other portals such as Prescription Management Systems (PMS) and Electronic Health Records (EHR) systems. With Statewide Integration, the state is covering the costs for an outside vendor to integrate the PMP into healthcare providers' PMS and EHR portals, which enables automatic querying of a patient's controlled substance prescription records. The agency reports that over 3100 entities (pharmacies, medical practitioner offices, et cetera) are now enrolled in Statewide Integration, and 83% of all PMP queries are now obtained through Integrated access, rather than manual queries. NarxCare is now fully integrated into the PMP in Texas.

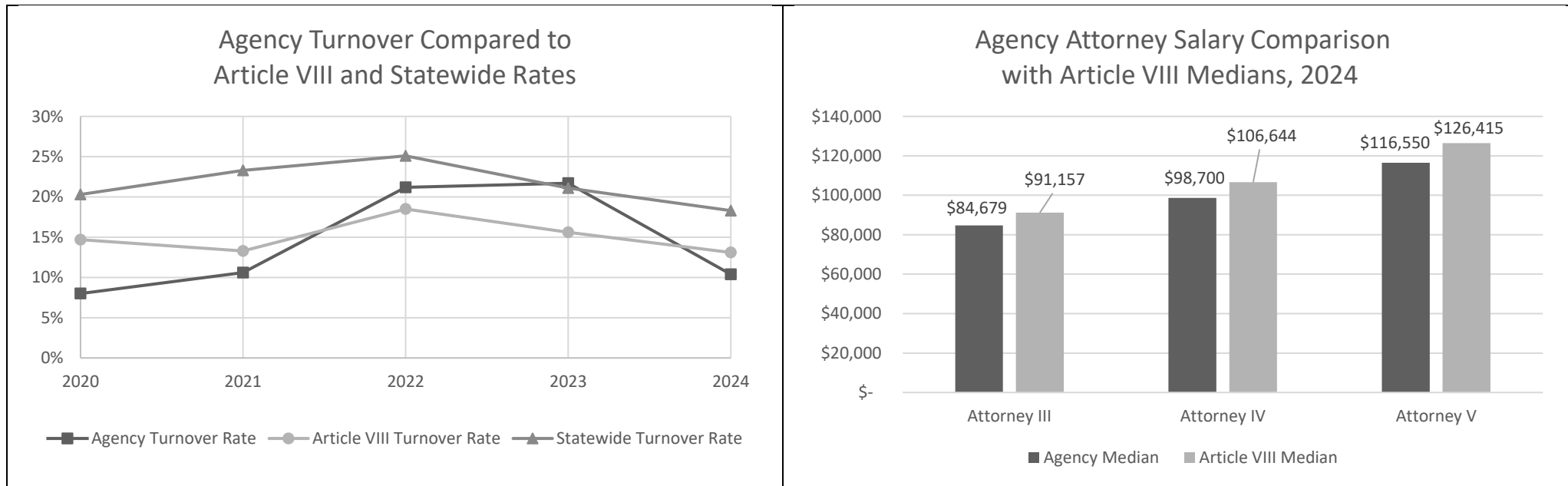
Texas Wholesale Distributor Database and RxPad Upgrades

The agency was provided \$1,413,944 in General Revenue for software and systems updates to the Texas Wholesale Distributor Database (TWDD) and the RxPad system. The TWDD allows agency investigators and inspectors to view reports on a pharmacy's controlled substance purchases from a drug distributor (e.g., helps identify pharmacies with potentially problematic or illegal practices, such as "pill mills"). The RxPad system allows prescribers to order official prescription pads for Schedule II Controlled Substances and verifies Drug Enforcement Administration information for registrants. Both of these systems were operating on legacy software and were in danger of becoming obsolete. The agency reports that both systems have been fully updated. The TWDD updates have streamlined data collection and have virtually eliminated the need for manual data reporting and compilation.

Staffing & Compensation

The third and fourth funded exceptional items will be covered together, as they relate to staffing and compensation. In addition to the statewide salary adjustment, the agency was appropriated: \$120,000 for targeted salary increases; \$226,000 to fill vacant positions; and \$1.08 million and 7.0 FTEs for new positions (all amounts are General Revenue). The agency’s actual FTE count increased from 93.5 in fiscal year 2023 to 113.0 in fiscal year 2024, indicating that the funding to fill vacant positions had a positive effect on staffing. Of the 7.0 additional FTEs, six of the positions have been and remain filled. The agency reports that a Data Officer position was posted but not filled in fiscal year 2024. The position will be reposted with updated requirements in fiscal year 2025.

Not included in Recommendations is an agency request for \$922,000 in General Revenue appropriations to provide equity and merit salary increases, citing turnover and retention issues. The agency reports that they experience two distinct retention and turnover trends: consistent and repeated turnover in entry-level, lower paying positions, and difficulty hiring replacements when more specialized and senior staff leave. The agency pointed to two attorney positions that it has been unable to fill for over a year. The line graph below compares overall agency turnover rates from fiscal year 2020 to fiscal year 2024 with the Article VIII and statewide rates. The agency had a higher turnover rate than the statewide average in 2023, but otherwise experienced lower rates. The agency had higher turnover rates than the Article VIII average in 2022 and 2023, but otherwise experienced lower rates. The agency’s turnover rate dropped considerably from fiscal year 2023 to fiscal year 2024 (from 21.7% to 10.4%), most likely reflecting the impact of increased funding for salaries. The bar chart below compares median agency attorney salaries with the overall Article VIII medians in 2024. The agency’s medians were lower for every job classification.



**Board of Pharmacy
Rider Highlights - House**

Deleted Riders

3. **Contingency for Behavioral Health Funds.** Recommendations delete this rider as all provisions are currently covered in Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

**Board of Pharmacy
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Request General Revenue appropriations with authority for an additional 11.0 FTEs to address increased agency workloads within the following agency functions: a) <u>Information Technology</u> : Programmer IV (\$110,000 per year), Programmer V (\$125,000 per year), Network Specialist IV (\$90,000 per year), Web Administrator III (\$90,000 per year), Program Specialist III (\$62,136 per year), Database Administrator III (\$95,000 per year). b) <u>Finance</u> : Accountant VII (\$102,980 per year) c) <u>Licensing</u> : Programmer Supervisor VII (\$91,836 per year), 2.0 Program Specialist III (\$62,136 per year each) d) <u>Prescription Monitoring Program</u> : Epidemiologist IV (\$95,000).	\$2,104,659	\$2,104,659	11.0	No	No	\$2,032,176
2)	Request General Revenue appropriations for one-time costs for the replacement of eight vehicles that are over 10 years old and over approximately 100,000 miles.	\$320,000	\$320,000	0.0	No	No	\$0
3)	Request General Revenue appropriations to fund the purchase of Adobe licenses and additional Tableau license subscriptions. a) <u>Adobe licenses</u> : \$53,340 in fiscal year 2026 in one-time costs. b) <u>Tableau subscriptions</u> : \$12,495 each year of the biennium to fund an additional 15 license subscriptions.	\$78,330	\$78,330	0.0	Yes	Yes	\$24,990
4)	Request General Revenue appropriations for ongoing costs for staff equity increases for select positions and staff merit increases. a) <u>Staff equity increases</u> : \$291,665 in each year of the biennium for annual costs to increase salaries of select positions to increase retention of staff and make positions competitive. b) <u>Staff merit increases</u> : \$162,500 in each year of the biennium for annual costs to provide merit increases based on performance to provide incentives for high performing staff.	\$921,956	\$921,956	0.0	No	No	\$921,954

**Board of Pharmacy
Items Not Included in Recommendations - House**

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
5)	Request General Revenue appropriations and authority to increase the Executive Director salary cap by \$25,000 annually plus benefits, from \$156,336 to \$181,336 (from Group 4 to Group 5) to improve the competitiveness of the position.	\$50,750	\$50,750	0.0	No	No	\$50,000
6)	Request General Revenue appropriations to fund \$50,000 in annual costs for staff attendance of conferences and \$29,259 in annual costs for staff trainings in each year of the biennium.	\$158,500	\$158,500	0.0	No	No	\$158,500
7)	Request General Revenue appropriations of \$5,616 in fiscal year 2026 and \$7,520 in fiscal year 2027 for Department of Information Resources (DIR) cloud services cost increases, based on DIR estimates, and \$35,000 in annual costs for Texas.gov fees to reflect current revenue collection and expenditure totals.	\$83,136	\$83,136	0.0	No	No	\$85,040

Agency Rider Requests Not Included

8)	Request a new rider that would provide unexpended balance authority between fiscal years and between biennia for the Prescription Monitoring Program.	\$0.0	\$0.0	0.0	No	No	\$0.0
9)	Request a new rider that would appropriate \$300,000 in General Revenue and provide authority for an additional 3.0 FTEs in each year of the biennium, contingent upon a finding of fact by the Board of Pharmacy that the agency needs additional resources due to a cybersecurity attack affecting prescribers. The Legislative Budget Board and the Office of the Governor would each have an opportunity to disapprove the finding of fact. Request that the \$300,000 appropriation be exempt from Appropriations Limited to Revenue Collections (ALRC) requirement.	\$300,000	\$300,000	3.0	No	No	\$0.0

TOTAL Items Not Included in Recommendations

\$4,017,331

\$4,017,331

14.0

\$3,272,660

**Board of Pharmacy
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	9
B	Summary of Federal Funds	*
C	FTE Highlights	11

* Appendix is not included - no significant information to report

**Board of Pharmacy
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$2,276,564	\$2,430,420	\$153,856	6.8%	Recommendations include changes to General Revenue appropriations as follows: a) Increase of \$90,756 to cover a portion of the agency's share of cost increases at the Health Professions Council, of which the agency is a member (see also B.1.1). b) Increase of \$63,100 to biennialize the statewide salary adjustments that were included in the 2024-25 appropriations as well as to provide targeted salary increases.
TEXAS.GOV A.1.2	\$502,212	\$502,212	\$0	0.0%	
Total, Goal A, MAINTAIN STANDARDS	\$2,778,776	\$2,932,632	\$153,856	5.5%	
ENFORCEMENT B.1.1	\$12,284,491	\$12,416,935	\$132,444	1.1%	Recommendations include changes to General Revenue and Appropriated Receipts appropriations as follows: a) Increase of \$165,544 in General Revenue to biennialize the statewide salary adjustments that were included in the 2024-25 appropriations as well as to provide targeted salary increases. b) Increase of \$60,503 in General Revenue to cover a portion of the agency's share of cost increases at the Health Professions Council, of which the agency is a member (see also A.1.1). c) Decrease of \$93,603 in Appropriated Receipts due to controlled substance forfeiture program revenues that are no longer a revenue stream for the agency.
PEER ASSISTANCE B.1.2	\$718,362	\$718,362	\$0	0.0%	
PRESCRIPTION MONITORING PROGRAM B.1.3	\$12,536,809	\$11,496,786	(\$1,040,023)	(8.3%)	Recommendations include changes to General Revenue appropriations as follows: a) Increase of \$42,921 to biennialize the statewide salary adjustments that were included in the 2024-25 appropriations as well as to provide targeted salary increases. b) Decrease of \$1,082,944 for removal of one-time costs associated with modernization of Prescription Monitoring Program software and onboarding of new FTEs.
Total, Goal B, ENFORCE REGULATIONS	\$25,539,662	\$24,632,083	(\$907,579)	(3.6%)	

**Board of Pharmacy
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION C.1.1	\$2,022,970	\$2,081,406	\$58,436	2.9%	Increase of \$58,436 in General Revenue to biennialize the statewide salary adjustments that were included in the 2024-25 appropriations as well as to provide targeted salary increases.
Total, Goal C, INDIRECT ADMINISTRATION	\$2,022,970	\$2,081,406	\$58,436	2.9%	
Grand Total, All Strategies	\$30,341,408	\$29,646,121	(\$695,287)	(2.3%)	

**Board of Pharmacy
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	110.0	117.0	117.0	117.0	117.0
Actual/Budgeted	93.5	92.7	117.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$141,510	\$148,923	\$156,336	\$156,336	\$156,336

Notes:
 a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024) indicates a market average salary of \$165,077 for the Executive Director position at the Board of Pharmacy. The agency is requesting to increase the authorized annual salary amount for the Executive Director position to \$181,336, an increase from Group 4 to Group 5. See also, Items Not Included in Recommendations #5.