

**Board of Pharmacy
Summary of Recommendations - Senate**

Page VIII-42

Allison Vordenbaumen Benz, Executive Director

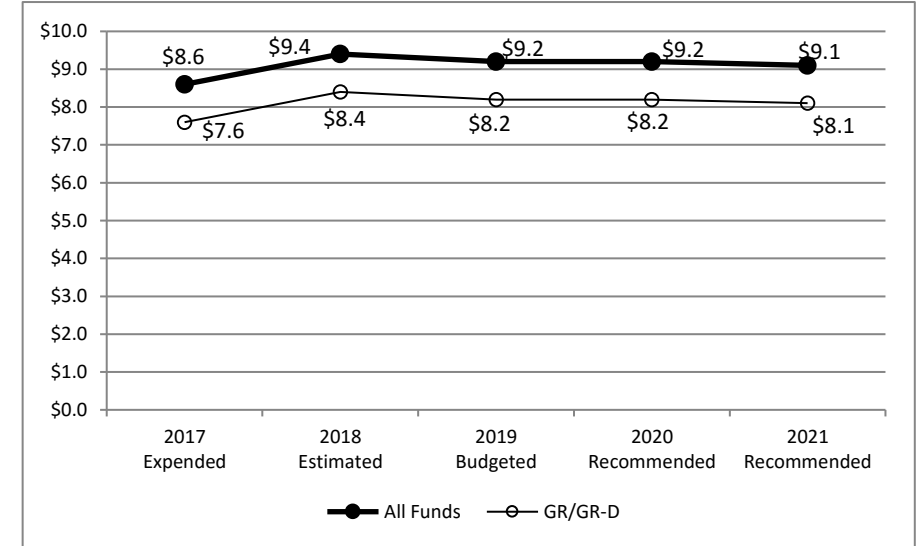
Ellen Stein, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$16,649,897	\$16,265,876	(\$384,021)	(2.3%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$16,649,897</i>	<i>\$16,265,876</i>	<i>(\$384,021)</i>	<i>(2.3%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$2,028,030	\$2,028,030	\$0	0.0%
All Funds	\$18,677,927	\$18,293,906	(\$384,021)	(2.1%)

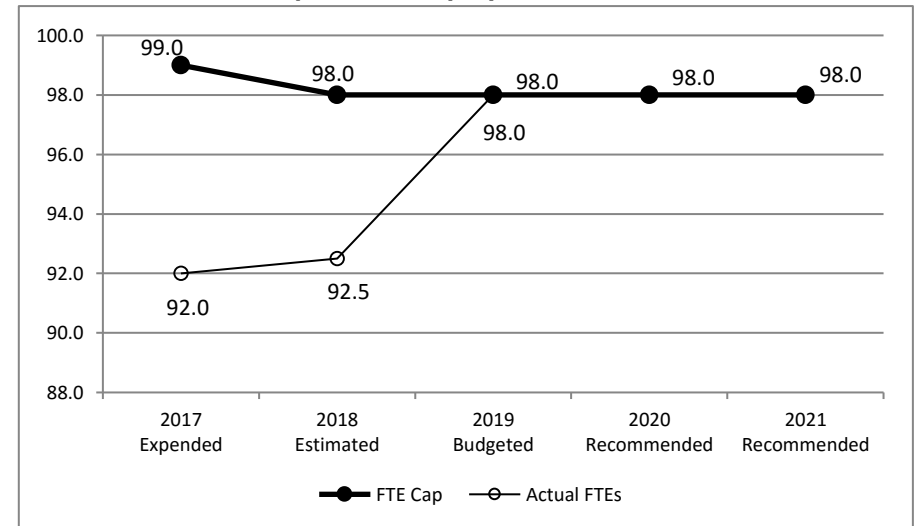
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	98.0	98.0	0.0	0.0%

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Board of Pharmacy
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Decrease funding for a one-time expenditure received in the 2018-19 biennium for lump sum annual leave payouts to retiring employees (see Fiscal and Policy Issues #2 and Rider Highlights #7)	(\$20,036)	\$0	\$0	\$0	(\$20,036)	B.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Decrease funding for PC Replacement received in the 2018-19 biennium	(\$32,395)	\$0	\$0	\$0	(\$32,395)	A.1.1, B.1.1
C)	Decrease funding for Replacement and Acquisition of New Computer Hardware received in the 2018-19 biennium	(\$200,000)	\$0	\$0	\$0	(\$200,000)	B.1.1
D)	Decrease funding for Voice over Internet Protocol received in the 2018-19 biennium	(\$29,000)	\$0	\$0	\$0	(\$29,000)	B.1.1
E)	Decrease funding for Replacement Vehicles received in the 2018-19 biennium	(\$36,000)	\$0	\$0	\$0	(\$36,000)	B.1.1
F)	Decrease funding for one-time start-up costs for additional FTEs the agency received in the 2018-19 biennium upon passage of HB 2561 in 85R	(\$8,190)	\$0	\$0	\$0	(\$8,190)	B.1.3
G)	Decrease funding for one-time IT costs the agency received in the 2018-19 biennium upon passage of HB 2561 in 85R	(\$58,400)	\$0	\$0	\$0	(\$58,400)	B.1.3
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations		(\$384,021)	\$0	\$0	\$0	(\$384,021)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0	\$0	\$0	\$0	\$0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0	\$0	\$0	\$0	\$0	As Listed

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

1. **Prescription Monitoring Program.** During the 2016-17 biennium, the agency implemented the Prescription Monitoring Program (PMP), a program transferred from the Department of Public Safety to the Board of Pharmacy on September 1, 2016 by SB 195 passed in 84(R). The PMP is funded by seven participating agencies whose appropriations are limited to revenue collection. Article IX, Sec. 18.49 of the 2018-19 General Appropriations Act includes a contingency rider for \$153,701 in the 2018-19 biennium for the implementation of SB 316 or similar legislation (similar language passed in HB 2561, the agency's Sunset legislation), contingent on the seven participating agencies generating sufficient revenue to cover the appropriation. The agency was unable to access contingent revenue of \$100,598 until May of fiscal year 2018 due to a delay in participating agencies increasing fees and generating sufficient revenue, and the Board of Pharmacy delayed implementation of the bill until fiscal year 2019. The agency requested and received unexpended balance authority during the interim to use fiscal year 2018 funds in fiscal year 2019. Recommendations continue funding for the PMP at 2018-19 levels, remove an informational rider for the PMP from the agency's bill pattern, and add an informational rider to Special Provisions Relating to all Regulatory Agencies (see Rider Highlights #6).
2. **Lump Sum Annual Leave Payout.** The agency received \$162,774 in 2018-19 for anticipated lump sum annual leave payments, and the agency requests \$142,468 in the agency's base request for the same purpose for ten employees eligible to retire in the 2020-21 biennium. Board recommendations include continuing \$142,468 in the agency's base for retiring employees, contingent on their retirement. Recommendations also include removal of the remaining one-time funding from the agency's base of \$20,306 for lump sum annual leave payments (see Summary of Funding Changes and Recommendations A and Rider Highlights #7).

**Board of Pharmacy
Rider Highlights - Senate**

Modification of Existing Riders

4. **Lump Sum Annual Leave Payout.** Recommendations continue this rider and change the appropriated amount to \$142,468 for the purpose of lump sum payment of accrued annual leave to retiring employees. The rider includes unexpended balance authority for these funds between fiscal years of the biennium and a provision requiring that unspent funds dedicated for this purpose would lapse at the end of the biennium (see Summary of Funding Changes and Recommendations A and Selected Fiscal and Policy Issues #2).

New Riders

5. **Appropriation of Official Prescription Form Fees.** Recommendations add a rider to clarify the appropriation of official prescription form fees. The agency is statutorily required to issue the forms and authorized to collect a cost recovery fee, pursuant to Health and Safety Code §481.075. The rider clarifies the agency's statutory authority to collect these fees and use this appropriation for the cost of producing official prescription forms.

Deleted Riders

2. **Capital Budget Rider.** The agency completed all projects in the 2018-19 biennium.
5. **Informational Listing: Prescription Monitoring Program Funding.** Recommendations delete this rider from the agency's bill pattern and add a similar informational rider to Special Provisions Relating to all Regulatory Agencies (see Selected Fiscal and Policy Issues #1).
6. **Sunset Contingency Rider.** The agency is no longer under Sunset review.

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

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items (in agency priority order)

1)	Prescription Monitoring Program funding request for system enhancements to the database and an additional FTE to hire an epidemiologist.	\$5,168,986	\$5,168,986	1.0	Yes	No	\$5,158,056
2)	Services & Subscriptions including additional funding for subscriptions and upgrades to services for testing of compound products, Texas Rules liaison service, scanning services, case management software, and an email communication system.	\$358,800	\$358,800	0.0	Yes	Yes	\$358,800
3)	Merit Pay Salary Increase includes 3.4% increase to approximately 75% of agency staff.	\$414,986	\$414,986	0.0	No	No	\$414,986
4)	Vehicle Replacement to replace one vehicle in fiscal year 2021.	\$22,000	\$22,000	0.0	No	No	\$0
5)	New Positions includes 5 FTEs including two Field Compliance Inspectors, a Field Investigator for the Prescription Monitoring Program, an Administrative Assistance for Open Records, and a Legal Assistant.	\$728,060	\$728,060	5.0	No	No	\$646,940
6)	Information Technology including: 1) additional subscriptions to Office 365 SPE G3, off-site Cloud storage, off-site user account authentication services, and off-site agency documentation and collaboration service.	\$80,200	\$80,200	0.0	Yes	No	\$80,200
7)	The agency requests funding for the Health Professions Council's exceptional item request for increased administration and support and database costs.	\$26,579	\$26,579	0.0	No	No	\$33,300

TOTAL Items Not Included in Recommendations		\$6,799,611	\$6,799,611	6.0			\$6,692,282
--	--	--------------------	--------------------	------------	--	--	--------------------

**Board of Pharmacy
Appendices - Senate**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	7
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	8

* Appendix is not included - no significant information to report

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$1,986,902	\$1,975,322	(\$11,580)	(0.6%)	Decrease in funding for PC Replacement
TEXAS.GOV A.1.2	\$502,212	\$502,212	\$0	0.0%	
Total, Goal A, MAINTAIN STANDARDS	\$2,489,114	\$2,477,534	(\$11,580)	(0.5%)	
ENFORCEMENT B.1.1	\$9,658,996	\$9,353,145	(\$305,851)	(3.2%)	Decrease in funding for lump sum annual leave payouts, PC Replacement, Replacement and Acquisition of New Computer Hardware, transitioning to Voice over Internet Protocol, and Replacement Vehicles
PEER ASSISTANCE B.1.2	\$486,009	\$486,009	\$0	0.0%	
PRESCRIPTION MONITORING PROGRAM B.1.3	\$4,352,527	\$4,285,937	(\$66,590)	(1.5%)	Decrease in one-time costs associated with HB 2561 passed in 85R
Total, Goal B, ENFORCE REGULATIONS	\$14,497,532	\$14,125,091	(\$372,441)	(2.6%)	
LICENSING - INDIRECT ADMINISTRATION C.1.1	\$251,742	\$251,742	\$0	0.0%	
ENFORCEMENT-INDIRECT ADMINISTRATION C.1.2	\$1,439,539	\$1,439,539	\$0	0.0%	
Total, Goal C, INDIRECT ADMINISTRATION	\$1,691,281	\$1,691,281	\$0	0.0%	
Grand Total, All Strategies	\$18,677,927	\$18,293,906	(\$384,021)	(2.1%)	

**Board of Pharmacy
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Enforcement Service Reductions	Service Reduction in Enforcement would include a reduction in 90% of the funding for Testing of Pharmacy Compounded Products, 18% of staff travel (conferences and field positions), 26% of postage, 100% of HB 2562 TWDD (wholesale distributor database) funding, 100% of SB 316 PMP (veterinary prescription information) funding, 47% of imaging of records, 33% of registration fees (education and training).	\$404,100	\$404,100	0.0	\$0	4%	\$9,323,145	No
2)	FTEs and Vehicle	The agency would reduce two FTEs (Field Compliance Inspector and Field Compliance Officer) and would delay replacing an enforcement vehicle. Recommendations remove funding of \$22,000 from the agency's base for replacing an enforcement vehicle, and the agency included that funding in this ten percent reduction schedule item.	\$434,014	\$434,014	2.0	\$0	5%	\$9,323,145	Partial
3)	FTEs	The agency would reduce additional enforcement FTEs. (Field Investigator and Enforcement Specialist).	\$368,024	\$368,024	4.0	\$0	4%	\$9,323,145	No
4)	Multiple Strategy FTEs	The agency would reduce additional licensing, administration, and enforcement staff.	\$410,260	\$410,260	3.0	\$0	3%	\$12,989,748	No
TOTAL, 10% Reduction Options			\$1,616,398	\$1,616,398	9.0	\$0			