

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Pharmacy

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Board of Pharmacy (PRX), which includes the following four sections.

1. **Overview:** Provides a brief description of the Board's existing functions and staffing, and an overview of the Board's executive recommended budget for the FY 2010-FY 2011 biennium, and notes other matters that will or could affect the Board's duties and responsibilities, for example, legislation enacted by the 127th General Assembly.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the Board's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. **Requests Not Recommended:** Provides a description of any notable components of the Board's budget request that are not included in the executive recommended budget.
4. **Attachments:** Includes the LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

State Board of Pharmacy

- Non-GRF fee and fine-driven budget
- Flat funding proposed
- OARRS operational

OVERVIEW

Duties and Responsibilities

The State Board of Pharmacy, first created in 1884, is responsible for administering and enforcing the Pharmacy Practice Act and Dangerous Drug Distribution Act (Chapter 4729. of the Revised Code), the Controlled Substances Act (Chapter 3719. of the Revised Code), the Pure Food and Drug Act (Chapter 3715. of the Revised Code), and the Criminal Drug Law (Chapter 2925. of the Revised Code).

The Board is a nine-member panel composed of eight pharmacists and one person representing the public who is at least 60 years old. Each member serves a four-year term and may be reappointed one time at the Governor's discretion. The Board currently meets three days each month. In addition to the panel, the Board's expenses include 50 full-time equivalent (FTE) staff positions whose activities can be divided into two distinct programs: (1) licensure and regulation and (2) drug law enforcement and investigation.

Appropriation Overview

Table 1 immediately below compares, by fund group, the Board's FY 2009-FY 2011 appropriations. Highlights include the following:

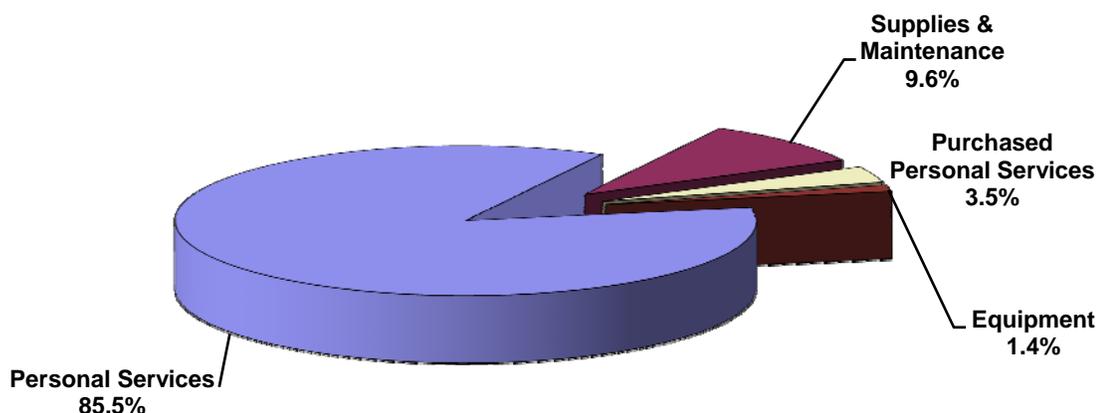
- The Board receives no GRF funding;
- The executive recommended FY 2010 and FY 2011 appropriations are virtually identical to the Board's adjusted total FY 2009 appropriation of \$5,817,987; and
- Federal money is less than 10% of the Board's total annual appropriation.

Table 1. Executive Budget Recommendations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Services	\$5,326,582	\$5,326,532	0.00%	\$5,326,532	0.00%
Federal Special Revenue	\$491,405	\$493,164	0.36%	\$500,891	1.57%
TOTALS	\$5,817,987	\$5,819,696	0.03%	\$5,827,423	0.13%

*FY 2009 figures represent adjusted appropriations.

Objects of expense. Chart 1 immediately below summarizes the manner in which the Board plans to allocate its executive recommended appropriations for the FY 2010-FY 2011 biennium. Nearly 86% of the appropriation will be allocated for personal services, specifically an estimated \$4.98 million in annual payroll expenses associated with 50 full-time equivalent (FTE) staff positions. The remainder will be allocated, in order of magnitude, as follows: supplies and maintenance (\$561,000), purchased personal services (\$202,500), and equipment purchases (\$79,000).

Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2010-FY 2011



Staffing

In addition to the nine Board members, 50 full-time equivalent (FTE) staff are employed to perform licensure and enforcement activities. As Table 2 below indicates the total number of staff employed by the Board over the course of FY 2003 projected through FY 2011 has been relatively stable.

Table 2. Pharmacy Staffing Levels, FYs 2003-2011*								
2003	2004	2005	2006	2007	2008	2009	2010	2011
47	47	47	47	47	50	50	50	50

*FYs 2010 and 2011 are estimates.

Cash Flow Activity

Fund 4K90

History. The State Board of Pharmacy is one of 20-plus independent professional and occupational licensing boards that draw their primary source of funding from the Occupational Licensing and Regulatory Fund (Fund 4K90). The fund was originally established by Am. Sub. H.B. 152 of the 120th General Assembly and serves as a repository for license fees and other assessments collected by those boards.

Prior to the creation of the fund, appropriations for each of the affected boards were drawn from the GRF. This created a problem, as some boards generated revenues that exceeded their expenditures, while other boards had to be subsidized by the GRF since their expenditures exceeded their generated revenue. Fund 4K90 was designed to eliminate that cash-flow problem. Each board is expected to generate enough revenues to cover its expenses and to subsequently raise fees if there is a shortfall. Since it is quite common for the boards to develop a surplus in the fund, the general rule of thumb is that such surpluses should not exceed an amount equal to one-half of a board's current-year appropriation. Pharmacy Board staff have indicated that, due to the conversion to the new OAKS accounting system, tracking their Fund 4K90 cash balance is problematic and the Board is dependent upon the Office of Budget and Management (OBM) to provide such information.

Revenue and expenditures. Table 3 below, based on information provided by the Board, displays the amount of revenue that has been deposited to the credit of Fund 4K90 from FYs 1996 through 2008, as well as the amount of funding that the Board has drawn from the fund over the same period of time. The table indicates that the Board has historically deposited more revenue to the credit of Fund 4K90 annually than it has drawn from the fund to support annual operating expenses. The "Net" amounts in the table's last column do not reflect Board moneys removed from Fund 4K90 by OBM for administrative purposes. Thus, the "Net" amounts do not exactly equal the Board's cash balance in Fund 4K90.

Fiscal Year	Revenues*	Expenditures	Net
1996	\$3,131,677	\$2,762,321	\$369,356
1997	\$3,214,543	\$3,060,104	\$154,439
1998	\$4,369,170	\$3,254,336	\$1,114,834
1999	\$4,225,210	\$3,364,074	\$861,136
2000	\$4,282,302	\$3,815,769	\$466,533
2001	\$4,288,827	\$3,837,911	\$450,916
2002	\$4,265,201	\$4,176,816	\$88,385
2003	\$4,458,368	\$4,490,725	\$(32,357)
2004	\$4,484,926	\$4,369,323	\$115,603
2005	\$4,510,488	\$4,513,155	\$(2,667)
2006	\$4,578,206	\$4,525,101	\$53,105
2007	\$4,768,372	\$5,073,717	\$(305,345)
2008	\$5,233,863	\$5,223,813	\$10,050
TOTALS	\$55,811,153	\$52,467,165	\$3,343,988

*Includes all sources of revenue, both from fees and fines.

Fee schedule. Table 4 immediately below displays the current schedule of licensing and miscellaneous other fees paid by pharmacists, pharmacy interns, and drug distributors. The Board last raised fees in FY 1997.

Table 4. Pharmacy Licensing and Miscellaneous Other Service Fees	
Fee Type	Amount
Pharmacists	
Initial License by Examination – Ohio Application	\$110.50
NAPLEX/MPJE Only Exam – Ohio Application	\$110.00
Ohio's Initial License by Reciprocity – Ohio Application	\$337.50
Pharmacist License Renewal – Annual	\$97.50
Pharmacist License Renewal – if lapsed > 60 days but < 3 years	\$135.00
Pharmacist License Renewal – if lapsed > 3 years	\$337.50
Duplicate Identification Card	\$37.50
Duplicate Wall Certificate	\$22.50
Pharmacy Interns	
Pharmacy Intern Initial License Application	\$22.50
Pharmacy Intern License Renewal	\$22.50
Duplicate Identification Card	\$7.50
Duplicate Wall Certificate	\$7.50
Drug Distributors	
TDDD* Category I or Limited Category I	\$45.00
TDDD* Category II or Limited Category II	\$112.50
TDDD* Category III or Limited Category III	\$150.00
Revised Limited Addendum	\$15.00
Professional Assoc., Corporation, Partnership, or Limited Liability Company Organized for the Purpose of Practicing Veterinary Medicine	\$40.00
Wholesale Distributor of Dangerous Drugs (WDD) License	\$150.00
Manufacturer of Controlled Substances License	\$37.50
Issuing Certificate of Free Sale	\$150.00

*TDDD refers to Terminal Distributor of Dangerous Drugs.

Fines, bonds, and bail. Certain fines and forfeited bonds and bails collected by the Board are deposited into Fund 4K90. Generally, this money constitutes approximately 20% of the total revenue deposited annually by the Board to the credit of Fund 4K90.

Fiscal Year	Revenues*
2003	\$1,019,249
2004	\$1,001,874
2005	\$1,026,266
2006	\$993,580
2007	\$974,128
2008	\$1,040,155
2009 as of 1/27/09	\$541,246

*Moneys are collected by local courts and then remitted to the state.

Fund 4A50

Fund 4A50 consists of revenues from certain criminal fines, bail, or property forfeitures collected as a result of the Board's drug law enforcement efforts. If the Board acted as the lead investigative agent in the prosecution of the criminal offense, 100% of the revenues are deposited to the credit of the fund. The Board is restricted to using the revenue in the fund for drug law enforcement purposes only, which in practice means providing the Board's compliance and enforcement staff with current technology and training. As seen in Table 6 immediately below the fund's annual revenues vary greatly from year to year. The Board estimates that the fund's cash balance will be approximately \$550,000 by the end of FY 2009.

Fiscal Year	Beginning Cash	Revenues	Expenditures	Net Cash Available
2004	\$505,946	\$23,326	\$72,977	\$456,296
2005	\$456,296	\$201,515	\$272,755	\$385,056
2006	\$385,056	\$297,219	\$115,727	\$566,547
2007	\$566,547	\$76,570	\$42,894	\$600,224
2008	\$600,224	\$22,491	\$70,958	\$551,756

Notable Legislation of the 127th General Assembly

Discussed briefly below are two bills enacted by the 127th General Assembly that affect, in some manner, the duties and responsibilities and related annual operating expenses of the State Board of Pharmacy

Pharmacy Technician Prohibitions

Sub. S.B. 203 of the 127th General Assembly, effective April 2009, defines "qualified pharmacy technician" and provides certain standards for those professionals, prohibits anyone not a pharmacist, pharmacy intern, or qualified pharmacy technician from performing certain activities, and prohibits certain persons from "permitting unauthorized pharmacy-related drug conduct. The Act does not require the Board to issue a certificate or license to pharmacy technicians; however, the Board is required to develop and pass rules regarding the examination requirements of these individuals.

Exemption from License Requirement

Portions of Sub. H.B. 283 (effective September 2008) permits certain corporations, limited liability companies, and professional associations to purchase and distribute dangerous drugs without obtaining a terminal distributor of dangerous drugs license from the State Board of Pharmacy. To be eligible for this exemption, all owners or members of the entities must be required to be licensed health professionals who are authorized to prescribe drugs. Fees for terminal distributor of dangerous drugs licenses range from \$40 to \$150 per year. At the time the bill was enacted, the Board estimated that fee revenues could decrease by approximately \$400,000 per year due to the bill's license exemption. The bill also requires that if one of these exempted entities is found guilty or pleads guilty to a criminal offense that has been investigated by the Board, the entity is responsible for reimbursing any investigative costs related to the offense that are incurred by the Board. These reimbursements could offset some of the revenue lost due to the license exemptions. In addition, it is also possible that licensing enforcement may become easier due to clarifying language changes made by the bill.

ANALYSIS OF EXECUTIVE PROPOSAL

The table immediately below shows the line items that are used to fund the Board of Pharmacy, as well as the Governor's recommended funding levels. It is then followed by a narrative describing how each appropriated amount will be used, and as appropriate, the implications of the Governor's recommended funding levels. The Board's operations are funded by three line items.

Table 7. Governor's Recommended Funding for Board of Pharmacy				
Fund		ALI and Name	FY 2010	FY 2011
General Services Fund (GSF) Group				
4A50	887605	Drug Law Enforcement	\$75,500	\$75,500
4K90	887609	Operating	\$5,251,032	\$5,251,032
General Services Fund Group Subtotal			\$5,326,532	\$5,326,532
Federal Special Revenue Fund (FED) Group				
3BC0	887604	Dangerous Drugs Database	\$493,164	\$500,891
Federal Special Revenue Fund Group Subtotal			\$493,164	\$500,891
Total Funding: Board of Pharmacy			\$5,819,696	\$5,827,423

Licensing and Enforcement

Licensing

The licensure activities of the Board include the testing and certification of pharmacists and pharmacy interns entering the profession in Ohio, as well as renewing the licenses of practicing pharmacists annually. In addition, the Board licenses sites where dangerous drugs (primarily those requiring a prescription) are purchased and stored prior to the delivery to a patient. The site licenses are issued by the Board as either a terminal distributor of dangerous drugs (mainly retail-type settings) or a wholesale distributor of dangerous drugs. Terminal distributor sites include, but are not limited to, retail pharmacies, hospitals, nursing homes, prisons and jails, emergency medical squads, clinics, and medical gas distributors.

The Board's licensing activity for FYs 2001 through 2008 is summarized in Table 8 below. Over the course of that eight-year span, the number of licensees/registrants has steadily grown from 26,902 in FY 2001 to 33,431 in FY 2008, an increase of 6,529, or 24.3%.

Table 8. Number of Licensees/Registrants, FYs 2001-2008								
License/Registrant Type	2001	2002	2003	2004	2005	2006	2007	2008
Registered Pharmacists	13,597	14,056	14,540	14,682	14,953	15,308	15,484	15,853
Pharmacy Interns	1,434	1,510	1,634	2,076	1,906	2,158	2,311	2,461
Terminal Distributors	10,329	9,958	10,485	11,117	11,453	11,994	12,204	13,100
Wholesale Distributors	1,080	1,119	1,144	1,251	1,305	1,386	1,290	1,452
Controlled Substance Wholesalers	462	489	511	525	535	550	517	565
TOTALS	26,902	27,132	28,314	29,651	30,152	31,396	31,806	33,431

Enforcement

The Board is the only state agency that has statewide jurisdiction to enforce the laws related to the legal distribution of drugs and, as a result, is sometimes responsible for criminal investigations and prosecutions of doctors, nurses, dentists, veterinarians, or other individuals. By enforcing the laws and rules regulating drugs and pharmacists, the Board may deny, suspend, or revoke a license and place a pharmacist or pharmacy intern on probation. Such action may be taken for reasons that include: conviction of a misdemeanor committed in the practice of pharmacy or any felony, dishonesty or unprofessional conduct in the practice of pharmacy, drug or alcohol addiction that causes a practitioner to be unfit for practice, and any violation of provisions under Chapters 2925., 3719., or 4729. of the Revised Code.

The Board's investigations are classified as either criminal (involving drug trafficking, forging prescriptions, fraud, etc.), or administrative (involving errors in dispensing, administrative code violations, etc.). With the exception of a matter that involves the dispensing of an incorrect drug, an investigation can be closed due to a lack of time to fully investigate a case. This is usually what happens to cases that take longer than 45 days to investigate. These cases are illustrated in Table 9 below under the column heading "Investigations Closed for No Time."

From 1998 through 2008, the Board has averaged around 1,220 investigations annually and the percentage of those investigations that had to be "closed for no time" was cut by more than two-thirds, from 31.2% to 9.6%. From the Board's perspective, this is an indicator that its ability to fully investigate cases has been greatly enhanced by the hiring of additional field staff.

Table 9. Board Investigations			
Calendar Year	Number of Investigations	Investigations Closed for No Time*	Percent Closed for No Time*
1998	1,198	374	31.2%
1999	1,309	397	30.3%
2000	1,404	424	30.2%
2001	1,692	370	21.9%
2002	1,421	252	17.7%
2003-2004	2,526	308	12.2%
2005-2006	2,083	231	11.1%
2007-2008	1,807	173	9.6%

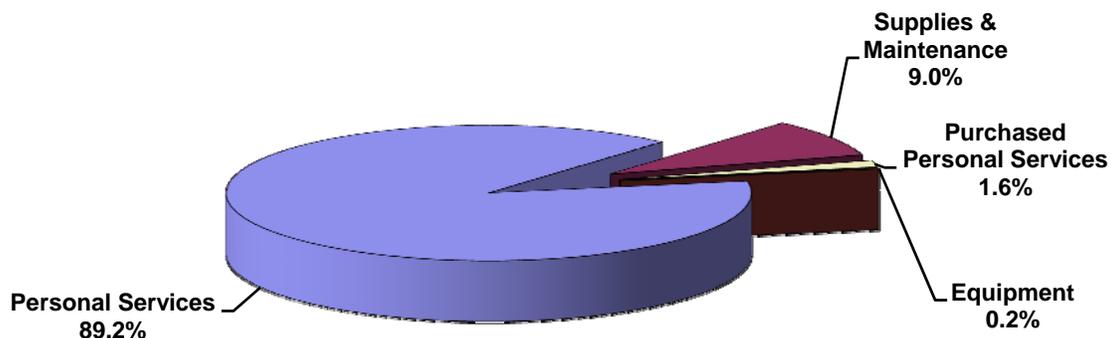
*"No Time" is a decision made by a Board field agent.

Operating Expenses (GSF line item 887609)

This GSF line item, which draws its appropriation from fees and fines deposited in Fund 4K90, is used by the Board to administer and enforce laws governing the legal distribution of dangerous drugs and the practice of pharmacy. The executive recommended appropriation for this line item is \$5,251,032 per year, an amount that is less than the Board requested by \$56,640 in FY 2010 and by \$149,508 in FY 2011. From the Board's perspective, those amounts requested but not recommended were to be allocated for costs over which it has no control: mandated step and longevity increases, health benefits, and ancillary payroll charges.

The manner in which the line item's recommended biennial appropriation will be allocated is shown in Chart 2 immediately below. Close to 90% of the appropriation will be allocated for personal services, specifically an estimated \$4.7 million in annual payroll expenses. Considerably smaller amounts will be allocated annually for: supplies and maintenance (\$475,000), purchased personal services (\$82,500), and equipment purchases (\$9,542).

Chart 2: Biennial Executive Budget Recommendation by Expense Category for Line Item 887609, FY 2010-FY 2011



CAVU Licensing

A notable element of the Board's operating expenses is its involvement in the state's licensing system for certain boards and commissions operated by CAVU, a provider of licensing, permitting, and enforcement software solutions for eGovernment. In the summer of 2008, the Board became the last licensing entity with the state of Ohio to contract with CAVU for on-line licensing services. From the Board's perspective, this was due to the time and effort necessary to implement the complex nature of the Board's fee structure. Pharmacists were licensed on-line in August 2008.

The Ohio Department of Administrative Services (DAS) administers the CAVU agreements. As each licensing board came on-line, costs of the contracts were administratively removed from Fund 4K90. The costs are distributed amongst the boards annually according to the degree of licensing activity by each entity. During FY 2008, DAS assessed the Board \$20,776 for its share of the licensing system's cost allocation. The Board's cost for FYs 2010 and 2011 is estimated at \$23,166 annually.

Central Service Agency Support Services

The executive budget proposes to require the Central Service Agency (CSA) within the Department of Administrative Services, in consultation with the Director of Budget and Management, to examine the support services it provides to 20-plus boards, and to make recommendations regarding sharing resources, reducing duplicative administrative functions, and implementing standardized rules and procedures in a range of administrative functions (finance, human resources, procurement). Presumably, subject to the approval of the Director of Budget and Management, CSA would implement those recommendations as appropriate and necessary.

The executive budget adds the State Board of Pharmacy to the list of boards and commissions for which CSA is required to perform and provide certain support services. CSA charges a fee to boards and commissions that is in proportion to the services performed or provided to each board or commission. The fiscal effect of this proposal on the Board is, as of this writing, uncertain.

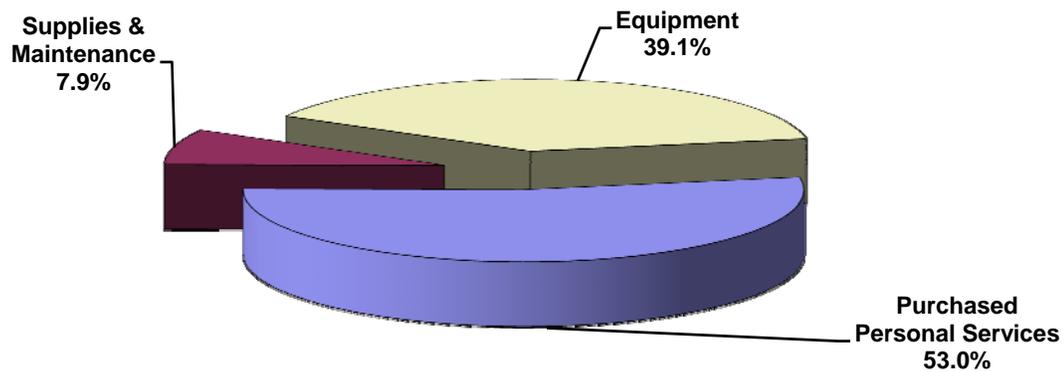
Drug Law Enforcement (GSF line item 887605)

This GSF line item draws its appropriation from the Board's share of certain fines and forfeited bonds and bail collected as a result of its drug law enforcement efforts. Moneys deposited to the fund are statutorily restricted and may only be used for drug law enforcement purposes. The Board uses this money to provide its compliance and enforcement staff with current technology and training for the purpose of increasing their productivity and ability to obtain evidence of pharmacy and drug law violations.

The executive recommends the Board requested amount for this line item is \$75,500 per year. The manner in which the line item's recommended biennial appropriation is planned to be allocated is shown in Chart 3 immediately below.

Slightly over 50% of the appropriation will be allocated for purchased personal services (\$40,000 per year). Smaller amounts will be allocated annually for: equipment purchases (\$29,500) and supplies and maintenance (\$6,000) per year. It should be noted that due to the unpredictable nature of the deposits made to the fund and the stringent restrictions on its use, the fund typically receives appropriation increases via the Controlling Board process.

**Chart 3: Biennial Executive Budget Recommendations
by Expense Category for Line Item 887605, FY 2010-FY 2011**



Prescription Monitoring Program (OARRS)

Ohio's prescription monitoring program, known as the Ohio Automated Rx Reporting System (OARRS) was first authorized by Sub. H.B. 377 of the 125th General Assembly. The Act, which became effective May 2005, permitted the Board to establish and maintain an electronic database to monitor the misuse and diversion of controlled substances and certain dangerous drugs, but was silent on how the drug database and its related costs would be funded. The program began full operation in October 2006.

Under OARRS, each pharmacy licensed as a terminal distributor of dangerous drugs that dispenses drugs to patients in the state and each wholesale distributor of dangerous drugs that delivers drugs to prescribers in the state are required to submit certain prescription and purchase information to the Board for entry into the database. As of December 2008, the database included approximately 39 million prescription records for 8.6 million patients.¹ Since the program's inception, law enforcement officers have made almost 17,000 requests for database information. Prescribers and

¹ Records are deleted weekly so that only two years of data is in the database at any one time. Records are added twice a month, which is the frequency that pharmacies are required to report.

pharmacists have also submitted more than 456,000 requests for information from the database relating to client patients.

Funding. To date, the Board has received five federal grants totaling \$1.73 million that have been restricted for purposes of OARRS planning, implementing, and improvements. Federal grants have not been made available for what might be termed routine operating or maintenance expenses. As the Board's annual costs to operate and maintain OARRS have exceeded available federal funding, the difference has been covered by the utilization of moneys appropriated from Fund 4K90. The distribution of the payment of those annual OARRS operating costs between federal and state revenue sources is pictured in Table 10 immediately below. According to the Board, preliminary information conveyed by the current federal grant administrators seems to suggest that future federal funding for the program may be coming to an end.

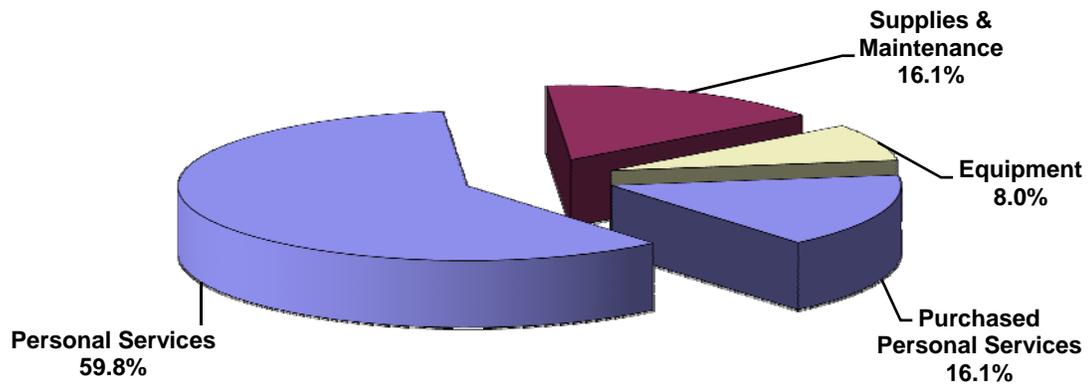
Fiscal Year	Federal Fund 3BCO	% of Total	State Fund 4K90	% of Total	Totals
2006	\$318,577	84.7%	\$57,7078	15.3%	\$376,285
2007	\$194,621	32.8%	\$397,988	67.2%	\$592,609
2008	\$359,006	60.6%	\$233,492	39.4%	\$592,799

Dangerous Drugs Database (FED line item 887604)

Moneys deposited to the credit of Fund 3BC0 consist of federal grants awarded to the Board for the purpose of planning, implementing, and enhancing the above-described prescription drug monitoring program.

The executive recommends the Board requested amount for this line item is \$493,164 for FY 2010 and \$500,891 for FY 2011. The manner in which the line item's recommended biennial appropriation is planned to be allocated is shown in Chart 4 below. Close to 60% of the appropriation will be allocated for personal services, specifically between \$290,000 and \$300,000 in annual payroll expenses. Smaller amounts will be allocated annually for: purchased personal services (\$80,000), supplies and maintenance (\$80,000), and equipment purchases (\$40,000).

**Chart 4: Biennial Executive Budget Recommendations
by Expense Category for Line Item 887604, FY 2010-FY 2011**



REQUESTS NOT RECOMMENDED

This section addresses two components of the Board's budget request that are not recommended as part of the executive budget: (1) a non-GRF funding requested but not recommended for FYs 2010 and 2011 and (2) a language request to amend permanent law by repealing the statutory requirement that its fees and certain fines be deposited in Fund 4K90.

Funding

Based on its anticipated revenues and expenditures, the Board estimates it will spend approximately \$350,000 more than it deposits in revenue to the credit of Fund 4K90 over the course of FYs 2010 and 2011. The Board will be able to in effect finance this "deficit" by tapping into its remaining cash balance in Fund 4K90. However, if this cash balance becomes unavailable, or is in fact less than what it is currently estimated to be, it may be necessary for the Board to increase fees.

While the Board built the projected deficit into their budget request, additional funding was requested for personal services (\$58,363 in FY 2010 and \$158,994 in FY 2011) in line items 887609 and 887604. These increases were dedicated to support mandated payroll step increases and longevity increases, health benefits, and increasing nondiscretionary ancillary costs. As summarized in Table 11 immediately below, the amount of requested funding that the Board requested and is not part of the executive recommendation equals the Board's supplemental request to cover certain personal services expenses in line item 887609. How the Board will alter its planned operating expenses to work within the level of funding made available by the executive budget is uncertain.

Fund/Line Item	FY 2010			FY 2011		
	Requested	Recommended	Difference	Requested	Recommended	Difference
4K90/887609	\$5,307,636	\$5,251,032	(\$56,604)	\$5,400,540	\$5,251,032	(\$149,508)

Disposition of Revenues

The Pharmacy Board requested to be removed from Fund 4K90 and that a new fund be created to receive the fees and fines that would otherwise have been deposited in the state treasury to the credit of Fund 4K90. This request was motivated by the Board's desire to gain more oversight and control of its financial resources. Currently, the fund is under the control of the Office of Budget and Management. It also appears that accessing certain financial information may not be as straightforward under OAKS, the state's recently implemented central administrative services computer system, than

was the case with its predecessor the central accounting system known as CAS. The Board is able to estimate its cash flow activity, in particular revenue receipts, but due to the number of administrative withdrawals made from the fund, calculating precise fund balances is imprecise. As a result, justifying future fee increases on its licensees would appear too problematic.

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General Services Fund Group

4A50 887605 Drug Law Enforcement

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$115,727	\$42,894	\$70,959	\$75,550	\$75,500	\$75,500
	-62.9%	65.4%	6.5%	-0.1%	0.0%

Source: GSF: State Board of Pharmacy's share of certain fines and bail or property forfeitures collected as a result of its drug law enforcement efforts

Legal Basis: ORC 4729.65(B)(1); Section 361.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: The fund is used by the Board to provide its compliance and enforcement staff with current technology and training for the purpose of increasing their productivity and ability to obtain evidence of pharmacy and drug law violations. By law, the moneys in the fund must be segregated from the Board's other sources of revenue. The Board is restricted to using the revenue in the fund for drug law enforcement purposes only.

4K90 887609 Operating Expenses

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$4,525,101	\$5,073,717	\$5,223,813	\$5,251,032	\$5,251,032	\$5,251,032
	12.1%	3.0%	0.5%	0.0%	0.0%

Source: GSF: Moneys appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90), which consists of license fees and other assessments collected by certain independent professional and occupational boards, as well as various fines and forfeited bonds and bails collected by the State Board of Pharmacy and not credited to its Fund 4A50

Legal Basis: ORC 4729.65(A); Section 361.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A., the main operating appropriations act covering FYs 1994 and 1995)

Purpose: Funds appropriated to the line item are used by the State Board of Pharmacy to administer and enforce laws governing the legal distribution of dangerous drugs and the practice of pharmacy.

Federal Special Revenue Fund Group

3BC0 887604 Dangerous Drugs Database

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$318,577	\$337,695	\$371,375	\$491,405	\$493,164	\$500,891
	6.0%	10.0%	32.3%	0.4%	1.6%

Source: FED: Harold Rogers Prescription Drug Monitoring Program grants distributed from the Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program (CFDA 16.580)

Legal Basis: Section 361.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on August 15, 2005)

Purpose: Moneys deposited to the credit of the fund consist of federal grants awarded to the State Board of Pharmacy for the purpose of planning, implementing, and enhancing the prescription drug monitoring program authorized by Sub. H.B. 377 of the 125th G.A. The program is a system in which controlled substance prescription data are submitted to a centralized database administered by the Board and is designed for the purpose of helping prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level. By law, the Board cannot impose a charge on any terminal distributor, pharmacist, or prescriber for establishment or maintenance of the database.

LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
<i>PRX State Board of Pharmacy</i>								
4A50	887605	Drug Law Enforcement	\$ 70,959	\$ 75,550	\$ 75,500	-0.1%	\$ 75,500	0.0%
4K90	887609	Operating Expenses	\$ 5,223,813	\$ 5,251,032	\$ 5,251,032	0.0%	\$ 5,251,032	0.0%
General Services Fund Group Total			\$ 5,294,772	\$ 5,326,582	\$ 5,326,532	0.0%	\$ 5,326,532	0.0%
3BC0	887604	Dangerous Drugs Database	\$ 371,375	\$ 491,405	\$ 493,164	0.4%	\$ 500,891	1.6%
Federal Special Revenue Fund Group Total			\$ 371,375	\$ 491,405	\$ 493,164	0.4%	\$ 500,891	1.6%
<i>Total All Budget Fund Groups</i>			\$ 5,666,147	\$ 5,817,987	\$ 5,819,696	0.0%	\$ 5,827,423	0.1%