

Executive Director: Hal Wand

JLBC Analyst: Jenna Goad

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	17.0	17.0	18.0	18.0
Personal Services	897,400	916,400	1,105,600	1,073,500
Employee Related Expenditures	229,700	305,900	370,400	348,300
Professional and Outside Services	108,500	104,000	134,800	129,700
Travel - In State	40,600	46,000	53,000	53,000
Travel - Out of State	6,900	7,000	8,000	8,000
Other Operating Expenditures	250,100	175,900	823,000	223,000
Equipment	11,300	11,000	26,000	11,000
<b>AGENCY TOTAL</b>	<b>1,544,500</b>	<b>1,566,200</b>	<b>2,520,800<sup>1/2/</sup></b>	<b>1,846,500<sup>2/</sup></b>

**FUND SOURCES**

<u>Other Appropriated Funds</u>				
Arizona State Board of Pharmacy Fund	1,544,500	1,566,200	2,520,800	1,846,500
SUBTOTAL - Other Appropriated Funds	1,544,500	1,566,200	2,520,800	1,846,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>1,544,500</b>	<b>1,566,200</b>	<b>2,520,800</b>	<b>1,846,500</b>
<b>TOTAL - ALL SOURCES</b>	<b>1,544,500</b>	<b>1,566,200</b>	<b>2,520,800</b>	<b>1,846,500</b>

**AGENCY DESCRIPTION** — The board licenses, regulates, and conducts examinations of pharmacists and issues permits to distributors of approved medications. The board also educates pharmacists and the general public on the proper distribution and use of these medications.

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 Approved
<b>PERFORMANCE MEASURES</b>				
• Average calendar days to resolve a complaint	100	90	55	55
Comments: The agency attributes the FY 2006 decrease to the prioritizing of resolving complaints in a timely manner.				
• Customer satisfaction rating (Scale 1-8)	7.7	NA	7.9	7.8

**Operating Budget**

The budget provides \$2,520,800 and 18 FTE Positions from the Board of Pharmacy Fund for the operating budget in FY 2008 and \$1,846,500 and 18 FTE Positions in FY 2009. These amounts fund the following adjustments:

**Statewide Adjustments**

The budget provides an increase of \$70,500 from the Board of Pharmacy Fund in FY 2008 and \$5,100 in FY 2009 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)*

**U of A School of Pharmacy in Phoenix**

The budget provides an increase of \$600,000 from the Board of Pharmacy Fund in FY 2008 for the University of Arizona College of Pharmacy Phoenix Campus. This appropriation represents one-time funding that will be used to assist the College of Pharmacy in establishing an additional campus in Phoenix. The University anticipates that approximately \$368,000 will be used for telecommunication equipment, \$110,000 will be used for software, and \$122,000 will be used for Personal Services and Employee Related Expenses.

**New Compliance Officer**

The budget provides an increase of \$116,700 and 1 FTE Position from the Board of Pharmacy Fund in FY 2008 and an increase of \$101,700 and 1 FTE Position in FY 2009 to hire an additional compliance officer. From

<sup>1/</sup> This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2009. (General Appropriation Act footnote)

<sup>2/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Agency.

FY 2005 to FY 2006 the number of complaints received increased by 37% and the number of licensees increased by 56%. With the increasing number of licensed pharmacies in the state, each compliance officer is now responsible for over 240 pharmacies. The addition of a new compliance officer will lower the number of pharmacies per officer to approximately 200. This amount also includes one-time funding of \$15,000 for the purchase of a vehicle for the additional compliance officer.

#### **Compliance Officer Salaries**

The budget provides an increase of \$101,500 from the Board of Pharmacy Fund in FY 2008 and FY 2009 to provide raises for the agency's compliance officers. The appropriation will increase the average compliance officer salary from \$72,000 to \$90,000.

#### **PAPA Funding**

The budget provides an increase of \$46,300 from the Board of Pharmacy Fund in FY 2008 and FY 2009 to double the agency's contribution to the Pharmacists Assisting Pharmacists of Arizona (PAPA) substance abuse program. This will double the agency's current contribution to the program, bringing the total contribution to \$92,600. A.R.S. § 32-1932.01 allows the board to contribute up to \$20 from each license renewal fee to a substance abuse treatment and rehabilitation program. This appropriation will increase the per renewal contribution to \$12.42. Although the agency contributes to the administration of the PAPA program, participating pharmacists must pay the cost of their treatment.

#### **Attorney General IGA**

The budget provides an increase of \$19,600 from the Board of Pharmacy Fund in FY 2008 and an increase of \$25,700 in FY 2009 to provide for the increased costs of an Inter-Governmental Agreement (IGA) with the Attorney General's Office for legal services. This is due to both increased fees imposed by the Attorney General's Office as a result of scheduled attorney pay raises and increased utilization. The agency now plans to utilize 100% of an assistant Attorney General versus 75% utilization in FY 2007.