

**ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1999 - 2001**

The Arkansas State Board of Pharmacy is asking for the fees for both Wholesalers and Retailers of Contraceptives to be deleted. The Board feels that the registrations of these facilities is no longer necessary and is not in the best interest of the public. When the registrations were enacted, the environment and public sentiment made it necessary to have the outlets registered; however, this is not so in today's climate. The decrease in fees will have little or no impact on the daily operations of the agency.

The agency is not seeking to exceed the Governor's recommendation for salaries. Although, we believe that the employees of this agency are exemplary, we were granted exceptions in the last legislative session to bring the salaries in line with other State Employees doing similar jobs. We would ask that the employees of this agency be granted raises that are in line with other state employees.

The Board of Pharmacy's first priority for the biennium is to increase the maintenance and general operations budget. We requested an increase in the Budget for the current biennium; however, this was not granted. The rent was raised for that biennium, and many other expense items were increased. We have been notified that the rent, for the next biennium, will be raised approximately \$5,000 per year by State Building Services. We have also been notified that postage will increase. In the 1995-1997 biennium, the Board of Pharmacy was charged with the responsibility of registering pharmacy technicians and Wholesalers of Durable Medical Equipment and Medical Gas. We did not get an increase in the appropriation, at that time. Nor has it been increased since that time. In fact, we have operated on a decreasing budget. We are having problems maintaining the level of service that the public deserves when we do not have the budget to maintain the office.

The second priority for the agency, in the next biennium, is to establish an appropriation for Capitol Outlay. The agency has furniture that is over 20 years old. Some of this furniture is falling apart, and it needs to be replaced. We anticipate that our copy machine will be replaced in the biennium. The repairs on the machine are becoming a problem. We will also have to add equipment to the mailing machine because of new mailing regulations. Other machinery and equipment will need to be upgraded during the biennium.

The third priority for the agency is the Travel Expenses for staff and the reimbursements that the agency has to make for overpayments. The Travel Expenses have increased because of hotel expenses and expenses for traveling by air. The agency spends between \$16,000 and \$18,000 per year. We do not anticipate this changing a great deal; however, because of deferrals, this character has been decreased each year to the point that the staff could not keep up with trends in pharmacy, which is changing rapidly. If the people of the state are to be best served and protected, the staff must stay abreast of this changing area of health care.

The agency must accept renewals and other funds as they come into the office. We find that many registrants and licensees pay two times, or are not eligible for renewal for one reason or another. In these cases, we must refund or reimburse the receipt. We have trouble estimating this. Therefore, an increase is being requested so that timely reimbursement can be made.

AGENCY  ARKANSAS STATE BOARD OF PHARMACY	DIRECTOR  JOHN T. DOUGLAS, P.D. <i>John T. Douglas, P.D.</i>	AGENCY PROGRAM COMMENTARY BR21	PAGE  174
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ARKANSAS STATE BOARD OF PHARMACY  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1996

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 420,398	\$ 93,029	\$ 29,135	\$ 542,562	\$ 2,072	\$ 25,053	\$ 27,125	\$ 515,437

Revenues				Expenditures						Other Sour
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	(Uses)
\$ 0	\$ 0	\$ 420,670	\$ 26,999	\$ 447,669	\$ 343,271	\$ 0	\$ 9,708	\$ 124,594	\$ 477,573	\$

Findings

None

Recommendations

None

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993  
 (A.C.A 19-4-307)

AGENCY TITLE      283 - STATE BOARD OF PHARMACY

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	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>4</u>	<u>3</u>	<u>7</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF			<u>0</u>	<u>0%</u>
08/08/98				
<u>DATE</u>			<u>TOTAL MINORITIES</u>	
			<u>7</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	

  
 \_\_\_\_\_  
 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION  
AS OF JUNE 30, 1998**

**AGENCY:**

<b>ACCOUNT INFORMATION</b>				<b>STATUTORY/OTHER RESTRICTIONS ON USE:</b>
<b>FUND ACCT.</b>	<b>BALANCE</b>	<b>TYPE</b>	<b>LOCATION</b>	
321	\$ 27,088.86	Checking	1st Commercial Bank, L.R.	<p>Ark. Code 17-92-208 establishes that the agency can use funds collected to reimburses expenses, pay salaries, and otherwise carry on the functions of the agency.</p> <p><b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b> Arkansas Cole 17-92-108 lists the maximum fees that may be charged by the Board of Pharmacy. Regulation 59 establishes the actual fees to be charged by the Board of Pharmacy. Arkansas Code 17-92-315 gives the Board of Pharmacy authority to impose fines.</p> <p><b>REVENUE RECEIPTS CYCLE:</b> The majority of the fees are collected during the renewal cycle which begins in late November and ends on April 1 of the following year. All licenses and permits are voided on April 1--if not paid in full. There are a few other fees that are collected throughout the year.</p> <p><b>FUND BALANCE UTILIZATION:</b> Funds come in on a cyclical basis. The funds are at their highest in April, May, and June. We deposit the funds in various C.D.'s around the state. As funds are needed for the on-going expenses of the agency, the C.D.'s are cashed and used. We depend on the interest earned on the accounts for revenue to pay expenses. We utilize the AHRMS System for Payroll. We periodically deposit funds in the State Treasury to cover payroll expenses.</p>
321	\$ 40,872.26	Savings	1st Commercial Bank, L.R.	
321	\$ 50,000.00	C.D.	Union Bank of Bryant	
321	\$ 10,000.00	C.D.	1st Commercial Bank, L.R.	
321	\$ 10,000.00	C.D.	Bank of Cabot	
321	\$ 50,000.00	C.D.	Pulaski Bank--Little Rock	
321	\$ 30,000.00	C.D.	Boatmans Bank--Little Rock	
321	\$ 50,000.00	C.D.	1st Financial Bank--El Dorado	
321	\$ 30,000.00	C.D.	Citizens 1st Bank--Arkadelphia	
321	\$ 30,000.00	C.D.	1st National Bank--Mena	
321	\$ 30,000.00	C.D.	1st National Bank--Searcy	
321	\$ 50,000.00	C.D.	One National Bank--Little Rock	
321	\$ 30,000.00	C.D.	1st National Bank--DeQueen	
321	\$ 50,000.00	C.D.	1st Bank of Ark., Jonesboro	
<b>ACCOUNT INFORMATION</b>				
<b>FUND ACCT.</b>	<b>BALANCE</b>	<b>TYPE</b>	<b>LOCATION</b>	
				<p><b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b></p> <p><b>REVENUE RECEIPTS CYCLE:</b></p> <p><b>FUND BALANCE UTILIZATION:</b></p>

**REQUEST FOR CHANGE IN FEE SCHEDULE**  
**1999-2001 BIENNIUM**

**AGENCY NAME:** Ark. State Board of Pharmacy

**AGENCY CODE:** 283

**CURRENT FEE STRUCTURE**

**PROPOSED CHANGE**

DESCRIPTION	FEE AMOUNT	EST. RECEIPTS 1998-99	AUTHORIZING ACT/ CODE CITE	FEE AMOUNT	EST. RECEIPTS		REASON FOR CHANGE
					1999-2000	2000-2001	
Contraceptive/Wholesale Renewal	\$35.00	\$315.00	§17-92-108	∅	∅	∅	This fee is being deleted because it is being charged to only 9 companies. It is felt that the fee is no longer necessary.
Contraceptive/Wholesale Late Penalty	\$20.00	\$ 20.00	§17-92-108	∅	∅	∅	If there is no charge, there will be no penalty for late payment.
Contraceptive/Retail Original & Renewal	\$5.00	\$345.00	§17-92-108	∅	∅	∅	The fee is no longer necessary. The Board feels it is not in the best interest of the public.
Contraceptive/Retail Late Penalty	\$20.00	\$60.00	§17-92-108	∅	∅	∅	If there is no charge, there will be no penalty for late payment.

**ARKANSAS BUDGET SYSTEM**  
**ANALYSIS OF BUDGET REQUEST**  
**1999 - 2001**

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The State Board of Pharmacy is funded from the receipt of fees charged by the Agency, as authorized by Arkansas Code §17-92-108. Base Level of \$603,487 for FY00 and \$615,445 for FY01 includes salaries and personal services matching for seven positions and supporting maintenance and operating expenses. Base Level includes a pay increase of 2.8% each year over the FY99 salary levels, and related Personnel Services Matching costs. Changes totaling \$38,471 each year have been requested to maintain the service that the Board provides to the public including the new responsibility of registering pharmacy technicians and Wholesalers of Durable Medical Equipment and Medical Gas. The Operating Expense additional request of \$19,000 each year will provide for an increase in rent of office space, postage, printing, and other related expenses. Additional expenses of \$7,000 each year relating to Conference Fees and Travel are for staff training. An increase of \$1,471 each year is requested in Professional Fees and Services to enable the Board to establish a contract for a court reporter and a hearing officer. Capital Outlay of \$10,000 each year is requested for furniture and office machines including a copier, two desks, and one executive chair. The Board's request also includes an additional \$1,000 each year for Refunds and Reimbursement for flexibility to refund fees.

The Executive Recommendation provides for the Base Level request, as well as an increase in Operating Expenses of \$10,649 each year, an increase in Conference Fees and Travel of \$7,000 each year, an increase in Professional Fees and Services of \$1,471 each year, and Capital Outlay of \$10,000 each year for furniture and office machines.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Bd of Pharmacy  Code: 283	Name: State Bd of Pharmacy  Code: A32	Name: Pharmacy Board - Cash  Code: 321	BR20	179

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
REGULAR SALARIES	321,398	331,772	330,485	347,666	0	347,666	357,397	0	357,397	347,666	357,397		
NUMBER OF POSITIONS	7	7	7	7	0	7	7	0	7	7	7		
EXTRA HELP	3,773	8,000	8,000	8,000	0	8,000	8,000	0	8,000	8,000	8,000		
NUMBER OF POSITIONS	2	4	4	4	0	4	4	0	4	4	4		
PERSONAL SERV MATCHING	94,716	99,158	83,774	101,529	0	101,529	103,756	0	103,756	101,529	103,756		
OPERATING EXPENSES	124,488	141,692	134,851	131,043	19,000	150,043	131,043	19,000	150,043	141,692	141,692		
CONF FEES & TRAVEL	16,070	18,000	12,220	10,220	7,000	17,220	10,220	7,000	17,220	17,220	17,220		
PROF FEES & SERVICES	5,662	5,500	10,029	4,029	1,471	5,500	4,029	1,471	5,500	5,500	5,500		
CAPITAL OUTLAY	9,440	10,000	10,000	0	10,000	10,000	0	10,000	10,000	10,000	10,000		
REFUNDS/REIMBURSEMENTS	485	1,000	1,000	1,000	1,000	2,000	1,000	1,000	2,000	1,000	1,000		
<b>TOTAL</b>	<b>576,032</b>	<b>615,122</b>	<b>590,359</b>	<b>603,487</b>	<b>38,471</b>	<b>641,958</b>	<b>615,445</b>	<b>38,471</b>	<b>653,916</b>	<b>632,607</b>	<b>644,565</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	364,105	487,961	*****	552,839		552,839	605,881		605,881	552,839	615,232		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	699,888	680,000	*****	656,529	38,471	695,000	656,529	38,471	695,000	695,000	695,000		
OTHER			*****										
<b>TOTAL FUNDING</b>	<b>1,063,993</b>	<b>1,167,961</b>	<b>*****</b>	<b>1,209,368</b>	<b>38,471</b>	<b>1,247,839</b>	<b>1,262,410</b>	<b>38,471</b>	<b>1,300,881</b>	<b>1,247,839</b>	<b>1,310,232</b>		
EXCESS APPRO/ (FUNDING)	( 487,961)	( 552,839)	*****	( 605,881)		( 605,881)	( 646,965)		( 646,965)	( 615,232)	( 665,667)		
<b>TOTAL</b>	<b>576,032</b>	<b>615,122</b>	<b>*****</b>	<b>603,487</b>	<b>38,471</b>	<b>641,958</b>	<b>615,445</b>	<b>38,471</b>	<b>653,916</b>	<b>632,607</b>	<b>644,565</b>		

DEPT 008 BOARDS AND COMMISSIONS - MEDICALLY RELATED  
 AGY 283 STATE BOARD OF PHARMACY  
 APPRO A32 CASH OPERATIONS  
 FUND 321 PHARMACY BOARD CASH(283)

The FY99 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1997-99 biennium.

APPROPRIATION SUMMARY

BR 215

Budgeted exceeds Authorized in Various Line Items due a transfer from Cash Fund Holding Account.

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1999 - 01 BIENNIAL REQUESTS				RECOMMENDATIONS								
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE						
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01							
000		321	283 A32	B	576,032 7	615,122 7	603,487 7			615,445 7				603,487 7	615,445 7				
001		321	283 A32	C01			19,000 0			19,000 0				10,649	10,649				
<p>The Arkansas State Board of Pharmacy is requesting, as the first priority, that the appropriation for Maintenance and General Operations be increased. The Board asked for an increase in this area last legislative session and it was not granted. We had been notified then, that State Building Services would increase our rent and it was increased. We have again been notified of an increase of approximately \$5,000 per year for rent. This is an increase of about \$9,000 for the four-year period. We have also received notification that postage will be increased. It has become apparent that the costs for inspections will increase because of increased costs for hotels and food. The inspectors must travel more because of the increased number of licensees of this agency.</p>																			
001		321	283 A32	C04			1,471 0			1,471 0				1,471	1,471				
<p>The Arkansas State Board of Pharmacy is requesting, as the fourth priority, that the appropriation for Professional Fees be increased. The Board will need to hire court reporters for licensure hearings during the course of the year. It is hard to predict the extent of these expenses. Further, we will be in need of a system analyst's services to maintain our computer system. Many times, it is necessary to hire a hearing officer for hearings. Finally, we pay expenses for our Pharmacy Support Group out of this character. These expenses are paid as authorized by the Arkansas Code. We anticipate that these expenditures will be approximately \$5,500 each of the two years in the biennium.</p>																			

DEPT 008 BOARDS AND COMMISSIONS - MEDICALLY RELATED  
 AGY 283 STATE BOARD OF PHARMACY  
 APPRO A32 CASH OPERATIONS  
 FUND 321 PHARMACY BOARD CASH(283)

RANK BY APPROPRIATION  
 BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	---BUDGETED---	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
							97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
002		321	283 A32	C02			10,000				10,000			10,000	10,000			
<p>The Arkansas State Board of Pharmacy is asking for an appropriation for Capitol Outlay. The agency anticipates that a new copy machine will have to be purchased in this blennium. The copy machine, currently being used, is getting old and repairs are becoming a problem. We also anticipate the need to replace two desks that are falling apart and at least one executive chair. Some items are more than 25 years old. Other machinery is getting old. We anticipate that several items will have to be updated during the two years of the biennium.</p>																		
003		321	283 A32	C03			8,000				8,000			7,000	7,000			
<p>The Arkansas State Board of Pharmacy requests that the appropriation for Travel and for Refunds be increased. The Agency spends between \$16,000 and \$18,000 for travel expenses per year. The expenses have increased slightly because of the increase in hotel and air travel expenses. However, we anticipate that the if the total budget is \$18,000 we can continue to attend the meetings that are necessary to insure that the staff is adequately trained and informed so that the public can be best served. The refund object needs to be increased because \$1,000 might not cover this if we had several reimbursements to make. We can not really anticipate this area.</p>																		

DEPT 008 BOARDS AND COMMISSIONS - MEDICALLY RELATED  
 AGY 283 STATE BOARD OF PHARMACY  
 APPRO A32 CASH OPERATIONS  
 FUND 321 PHARMACY BOARD CASH(283)

RANK BY APPROPRIATION  
 BR 264