

BOARD MEETING MINUTES

**Oregon Board of Pharmacy
800 NE Oregon Street
Portland, OR 97232
June 25, 2010**

FRIDAY, June 25, 2010

Ann Zweber, Board President, called the meeting to order at 9:00 AM.

The following Board Members were present for all or part of the meeting via teleconference/in person:

Ann Zweber, President
Dianna Pimlott, Vice President
Linda Howrey
Bernie Foster

Larry Cartier
Lee Howard
Ken Wells

The following staffs were present:

Gary Schnabel, Executive Director
Karen MacLean, Administrative Director
Gary Miner, Compliance Director

Chrisy Hennigan, Office Manager
Gregg Hyman, Inspector
Loretta Glenn, Management Secretary

Agenda Review and Approval

MOTION

Motion to approve the agenda was made as amended and unanimously carried (Motion by Howrey, second by Foster).

2011-13 Budget Development

Executive Director Gary Schnabel and Administrative Director Karen MacLean provided the staff recommendation for the 2011-13 Agency Request Budget (ARB). Gary advised the presentation would give the Board a sense of the numbers that will be submitted this week and to bring the Board current information on budget development, no action is necessary at this time. Note these numbers are not entirely finalized.

Karen explained where the figures started with this budget cycle. Because the 2009-11 fee increase was denied by the legislature, the Board's starting point for currently projected revenue and expenses for 2011-13 is a negative \$1,087,225. The Department of Administrative Services (DAS) budget process requires the agency to submit a budget that restores this negative figure. This may include any combination of personnel / expense reductions and fee increases to cover the costs.

The Board of Pharmacy has not raised licensing fees since 2001, and those fees raised in 2001 had not been raised for ten years (one increase in 20 years). During that time, the cost of inflation, increases in salaries and benefits, and increases in the number of licensees and administrative costs has significantly impacted Agency expenses.

The staff's proposed Policy Packages, that will increase and cover expenses for the Board, include raising fees, increasing resources for Attorney General, Administrative Hearings online credit card expenses associated with the new payment option and making approximately a 10% or 1.5 FTE reduction in personnel. The following is staff's proposed total summary for policy packages to restore Agency resources.

#1 - Total request for increased licensing fee revenue	\$1,381,348
#2 - Total reduction of personnel expenses (1.5 FTE)	\$474,670
#3 - Total request for new limitation for Attorney General, Hearings and Credit Card Banking	\$143,370

This proposal will leave the agency with approximately 5 months of ending balance at the end of the 2011-13 biennium, (June 30, 2013). Licensing fee increases range from 33-300% increases depending on the category. This plan also includes raising other fees possibly later in the biennium or in 2013-15 if necessary.

This proposal does not factor in the Board's need for additional resources in the current 2009-11 biennium due to several reasons. First, the Legislature denied our policy package in the 2009-11 budget for increased AG and Hearing Officer resources and instructed the Board to return to the Emergency Board if additional resources for Attorney General or Hearings is necessary. Projecting our current average spending will require an additional \$116,000 to cover the remainder of the biennium. Second, transition to the State's new Health Professional's Service Program (HPSP) for impaired professionals will cost \$104,000 for the next year. Third, implementation of the online credit card payment option will cost the Agency an estimated increase in banking fees of approximately \$22,000. We will make a request to appear before the September 2010 Emergency Board to increase our current spending limitation.

The Board is concerned about the impact of fee increases for licensees in these challenging economic times, the reduction of staff and corresponding workload needs, as well as the potential for fund sweeps by the Legislature. They also emphasized the need to communicate with licensees through the newsletter and associations and recommended including information on the Board's website.

Staff will continue to work with our accountant to finalize figures for the Agency Request Budget. These numbers are due by June 30th.

Update on Marijuana Rescheduling

Ann asked Executive Director Gary Schnabel to provide an update on comments received since the Board's June 16th decision to reschedule marijuana as a Controlled Substance II. Gary reported that the original press release inadvertently included additional information in the definition of a CII which is not actually part of the definition. This resulted in confusion to the readers. He intends to prepare a clarification piece and updated press release regarding the Board's action.

Gary advised that we have received threats to appeal the Board's rulemaking decision. Board Counsel is looking into this.

Adjourn

MOTION to adjourn at 10:02 AM was made and unanimously carried (Motion by Howard, second by Foster).

Minutes accepted by:



Gary A. Schnabel, R.Ph., R.N.
Executive Director