

KANSAS BOARD OF PHARMACY

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,196,113	742,394	742,394	166,161	166,161
All Other Funds	2,295,176	3,578,261	3,578,261	3,892,553	3,892,053
<i>Subtotal</i>	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	4.9 %	23.8 %	23.8 %	(6.1) %	(6.1) %
FTE Positions	19.0	19.0	19.0	20.0	20.0

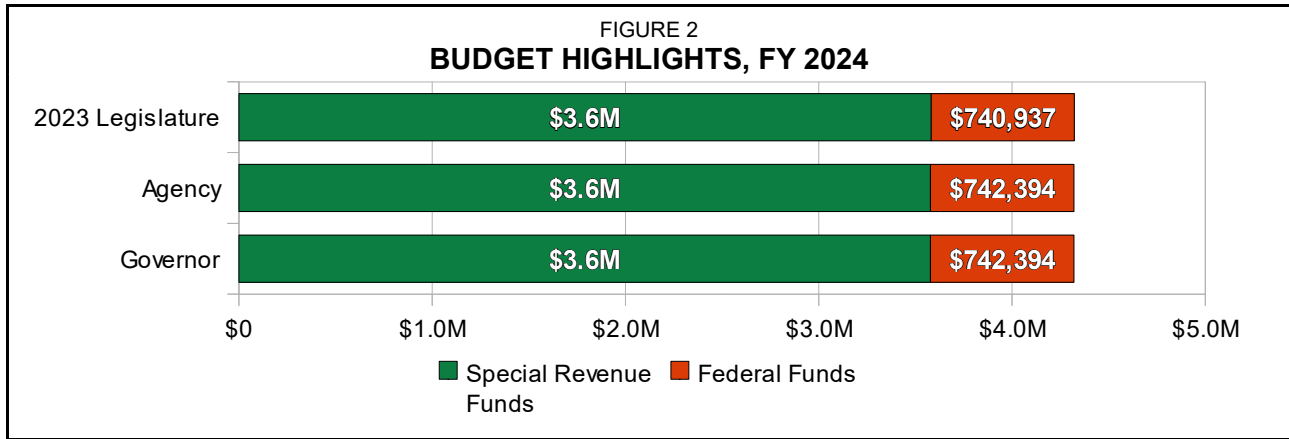
The Kansas Board of Pharmacy is responsible for the enforcement of the Pharmacy Act and the Controlled Substances Act. The mission of the Kansas Board of Pharmacy is to ensure all persons and entities conducting business relating to the practice of pharmacy in Kansas are properly licensed and registered to protect public health, safety, and welfare, and to promote understanding of pharmacy-related practices. The seven-member board is appointed by the Governor for overlapping four-year terms and is composed of six licensed pharmacists and one public member.

STATUTORY BASIS: • KSA 65-1625 *et seq.*

- AGENCY GOALS:**
- Track prescriber, dispenser, and patient information for all scheduled substances and drugs of concern dispensed in Kansas.
 - Licenses of pharmacies and pharmacists.
 - Compliance with drugs and regulations regarding the practice of pharmacy.

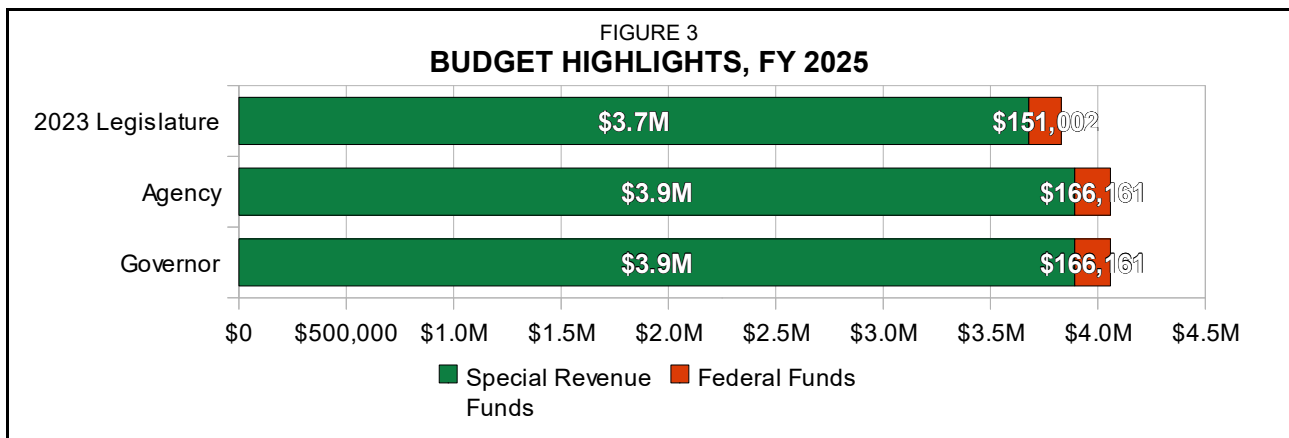
EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$4.3 million, all from special revenue funds, in expenditures and 19.0 FTE positions for the Kansas Board of Pharmacy in FY 2024.



The agency requests a revised estimate of \$4.3 million, all from special revenue funds, in expenditures and 19.0 FTE positions in FY 2024. This is a decrease of \$2,048, or less than 0.1 percent, below the FY 2024 approved amount. The decrease is attributable to a decrease in expected expenditures for attorney fees and computer maintenance and services. In addition, the FY 2024 approved amount included funds for a new passenger vehicle that are no longer needed in FY 2024. These decreases were partially offset by an increase in salary and wages expenditures to bring the salaries of pharmacists employed in the agency's investigation program closer to the national average. The agency's 2024 revised estimate has no change in FTE positions.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests a revised estimate of \$4.1 million, all from special revenue funds, in expenditures and 20.0 FTE positions for FY 2025. This is an all funds increase of \$228,867, or 6.0 percent, above the FY 2025 approved amount, but a decrease of \$261,941, or 6.1 percent, below the FY 2024 revised estimate. The increase is primarily attributable to the agency's enhancement requests for funds to continue the pay increase implemented by the 2023 legislature (\$74,739), a new FTE position in the compliance division (\$151,715), and an increase in the agency's hospitality fund (\$500).

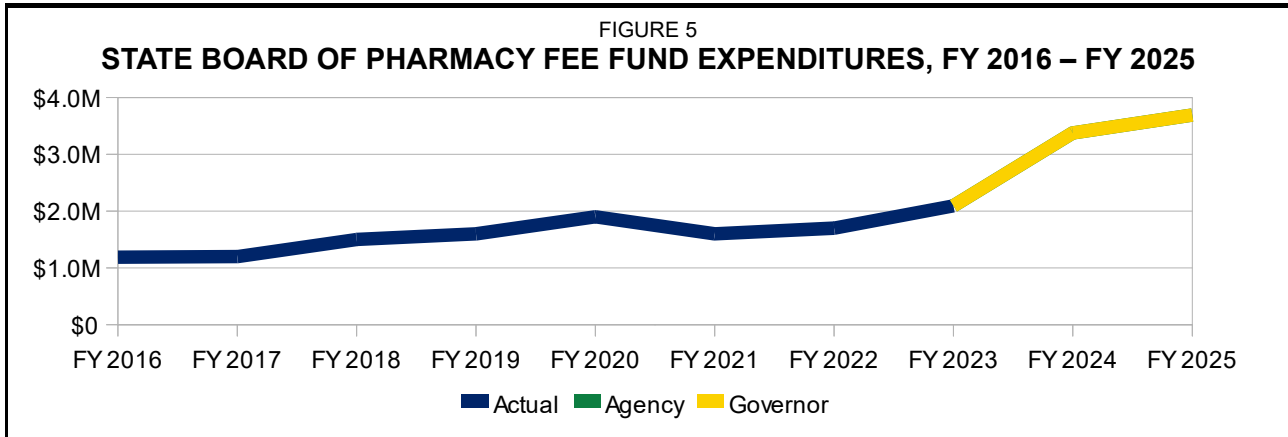
The **Governor** recommends expenditures of \$4.1 million, all from special revenue funds, for FY 2025. This is a decrease of \$500 below the agency's revised request, due to the Governor not recommending an increase of \$500 for hospitality expenditures.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

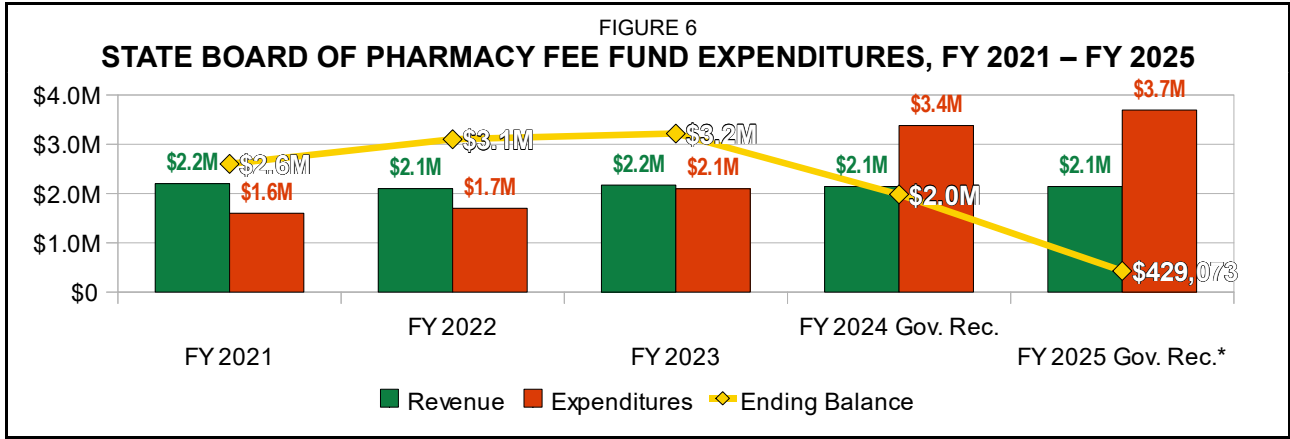
Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 1,682,014	\$ 1,876,927	\$ 1,876,927	\$ 2,025,210	\$ 2,025,210
Contractual Services	1,712,787	2,370,828	2,370,828	1,927,404	1,926,904
Commodities	22,253	44,300	44,300	45,000	45,000
Capital Outlay	74,235	28,600	28,600	61,100	61,100
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,196,113	742,394	742,394	166,161	166,161
All Other Funds	2,295,176	3,578,261	3,578,261	3,892,553	3,892,053
TOTAL	<u>\$ 3,491,289</u>	<u>\$ 4,320,655</u>	<u>\$ 4,320,655</u>	<u>\$ 4,058,714</u>	<u>\$ 4,058,214</u>
FTE Positions	19.0	19.0	19.0	20.0	20.0

STATE BOARD OF PHARMACY FEE FUND



The State Board of Pharmacy Fee Fund receives fee revenue from the licensing of pharmacists, pharmacy technicians, pharmacies, drug manufacturers and distributors, and retail dealers, as well as the administration of pharmacist licensing examinations. Licenses and permits are renewed on a biennial basis. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

The increased expenditures in the FY 2024 and FY 2025 Governor recommendations are largely due to the agency budgeting for expenditures from the fee fund that have previously been covered by federal grants. These expenditures will likely be fully or partially covered by federal grants in the upcoming years, but until the availability of the grant funding is solidified, the agency is budgeting to fund these expenditures using the fee fund.



* For FY 2023, the lowest month ending balance for the State Board of Pharmacy Fee Fund will occur in April with a balance of \$2.1 million.

FIGURE 7
LICENSE FEES, FY 2024

License	Current Fee	Statutory Limit	Authority
Pharmacists by Exam	\$ 100	\$ 350	KSA 74-1609
Pharmacists by Reciprocity	125	250	<i>Id.</i>
Pharmacy Renewal	150	200	<i>Id.</i>
Pharmacy Intern	20	25	<i>Id.</i>
Pharmacy Technician	20	50	<i>Id.</i>
Pharmacy Registration	150	150	<i>Id.</i>
Pharmacy Renewal	125	125	<i>Id.</i>
Manufacturer Registration	350	500	<i>Id.</i>
Manufacturer Renewal	350	400	<i>Id.</i>
Wholesale Distributor Registration	350	500	<i>Id.</i>
Wholesale Distributor Renewal	350	400	<i>Id.</i>
Non-prescription Drug Wholesaler	50	50	<i>Id.</i>
Non-prescription Drug Wholesaler Renewal	50	50	<i>Id.</i>
Retailer Dealer Permit	10	12	<i>Id.</i>
Retailer Dealer Permit Renewal	10	12	<i>Id.</i>
Sample Distribution Permit	30	50	<i>Id.</i>
Sample Distribution Permit Renewal	30	50	<i>Id.</i>
Durable Medical Equipment Provider	300	300	<i>Id.</i>
Durable Medical Equipment Provider Renewal	300	300	<i>Id.</i>
Third-party Logistics Provider	350	500	<i>Id.</i>
Third-party Logistics Provider Renewal	350	400	<i>Id.</i>
Non-prescription Third-party Logistics Provider	50	50	<i>Id.</i>
Non-prescription Third-party Logistics Provider Renewal	50	50	<i>Id.</i>
Outsourcing Facility	350	500	<i>Id.</i>
Outsourcing Facility Renewal	350	400	<i>Id.</i>
Repackager	350	500	<i>Id.</i>
Repackager Renewal	350	400	<i>Id.</i>
Automated Dispensing System	20	40	<i>Id.</i>
Automated Dispensing System Renewal	20	35	<i>Id.</i>

FY 2024 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ -	\$ 4,322,703	19.0
1. No Changes	-	-	--
<i>Amount Approved by 2023 Legislature</i>	\$ -	\$ 4,322,703	19.0
Agency Revised Estimate:			
2. Salaries and Wages	\$ -	\$ 83,464	--
3. Contractual Services	-	(40,362)	--
4. Capital Outlay	-	(41,300)	--
5. Commodities	-	(3,850)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 4,320,655	19.0
Governor's Recommendation:			
6. No Changes	-	-	--
TOTAL	\$ -	\$ 4,320,655	19.0

LEGISLATIVE APPROVED

- NO CHANGES.** Subsequent to the 2023 Session, no adjustments were made to the \$4.3 million appropriated to the Kansas Board of Pharmacy for FY 2024.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$4.3 million, all from special revenue funds, in expenditures and 19.0 FTE positions in FY 2024. This is an all funds decrease of \$2,048, or less than 0.1 percent, below the FY 2024 approved amount. The revised estimate includes the following adjustments:

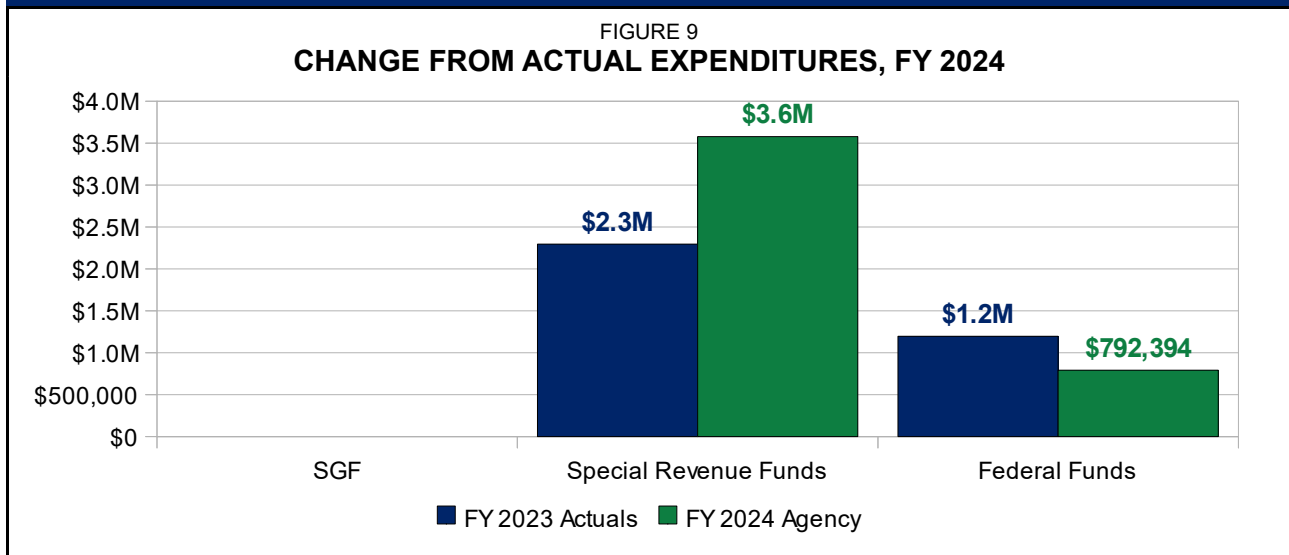
- SALARIES AND WAGES.** The agency's revised estimate includes a salaries and wages increase of \$83,464, or 4.7 percent, in FY 2024. This includes expenditures to bring the salaries of pharmacists in the agency's investigation program closer to the national average, and increased expenditures for employer contributions for social security and KPERS. These increases were partially offset by decreased employer contributions for Medicare.
- CONTRACTUAL SERVICES.** The agency's revised estimate includes a decrease of \$40,362, largely due to decreased expenditures for attorney fees and computer programming and software services.
- CAPITAL OUTLAY.** The agency's revised estimate includes a decrease of \$41,300, largely due to expenditures budgeted for a passenger vehicle that were not spent in FY 2024 and decreased expenditures for computer software.
- COMMODITIES.** The agency's revised estimate includes a decrease of \$3,850, largely due to decreased costs for office and other supplies.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request in FY 2024.

- NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 revised estimate.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$4.3 million, all from special revenue funds, in FY 2024. This is an increase of \$829,366, or 23.8 percent, above the FY 2023 actual amount. There is an increase in salaries and wages of \$194,913, an increase in contractual services of \$658,041, an increase in commodities of \$22,047, and a capital outlay decrease of \$45,635.

The increase in salaries and wages is largely due to the 5.0 percent salary adjustment for employees in FY 2024 added by the FY 2023 Legislature, as well as increased expenditures for employer contributions to group health insurance. The contractual services increase is due to lower-than-anticipated expenditures for computer software maintenance services and attorney fees in FY 2023, as well as an anticipated increase in computer software maintenance services in FY 2024. Commodity expenditure increases are due to gasoline and materials. Decreases for capital outlay include funds for a passenger car that went unused in FY 2024.

FY 2025 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Revised Estimate*:			
Revised Estimate without Major Changes	\$ -	\$ 3,831,760	19.0
Enhancement Requests:			
1. New FTE position	\$ -	\$ 151,715	1.0
2. Pay Plan Shortfall	-	74,739	--
3. Hospitality Fund Increase	-	500	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 4,058,714	20.0
Governor’s Recommendation:			
4. Enhancements Not Recommended	-	(500)	--
TOTAL	\$ -	\$ 4,058,214	20.0

* Staff note: The 2023 Legislature approved a budget of \$3,829,847, all from special revenue funds, and 19.0 FTE positions for FY 2025.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$4.1 million, all from special revenue funds, in expenditures and 20.0 FTE positions in FY 2024. This is an all funds increase of \$228,867, or 6.0 percent, and an increase of 1.0 FTE position, above the FY 2025 approved amount, but a decrease of \$261,941, or 6.1 percent, below the FY 2024 revised estimate.

The request includes \$226,954 for the following enhancement requests:

1. **NEW FTE POSITION.** The agency is requesting \$151,715 to fund an Assistant Director position within the compliance division for FY 2025. The agency reports that the volume of work assigned to the compliance team has increased over the past ten years due, in part, to an increase in complaints, investigations, impaired practitioners, and complex investigations that often require multiple inspectors. The position will support the Director of Compliance, relieve certain specialized duties from inspectors to improve their workload, and provide training to inspectors and staff.
2. **PAY PLAN SHORTFALL.** The request includes \$74,739 from the Board of Pharmacy Fee Fund for FY 2025 to account for an increase in expenditure limitations that was inadvertently left out of the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.
3. **HOSPITALITY FUND INCREASE.** The agency is requesting \$500 to increase the expenditure limitation of the hospitality fund. The board uses this fund to pay for lunches during regular in-person meetings in Topeka and quarterly staff in-service meetings. The agency reports that the current amount does not cover increased food costs due to inflation. The last increase to this fund was in FY 2020.

GOVERNOR’S RECOMMENDATION

The **Governor** recommends expenditures of \$4.1 million, all from special revenue funds, for FY 2025. This is a decrease of \$500 below the agency's revised request for FY 2025.

The **Governor’s** recommendation includes the following adjustments:

4. **ENHANCEMENT NOT RECOMMENDED.** The Governor does not recommend the agency's enhancement request to add \$500 for hospitality expenditures.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 11
ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2025 Enhancements:						
1. New FTE Position	\$ -	\$ 151,715	1.0	\$ -	\$ 151,715	1.0
2. Pay Plan Shortfall	-	74,739	-	-	74,739	-
3. Hospitality Fund Increase	-	500	-	-	-	-
TOTAL	\$ -	\$ 226,954	1.0	\$ -	\$ 226,454	1.0

- NEW FTE POSITION.** The agency is requesting \$151,715 to fund an Assistant Director position within the compliance division for FY 2025. The agency reports that the volume of work assigned to the compliance team has increased over the past ten years due, in part, to an increase in complaints, investigations, impaired practitioners, and complex investigations that often require multiple inspectors. The position will support the Director of Compliance, relieve certain specialized duties from inspectors to improve their workload, and provide training to inspectors and staff.

The Governor recommends adoption of this request.

- PAY PLAN SHORTFALL.** The request includes \$74,739 from the Board of Pharmacy Fee Fund for FY 2025 to account for an increase in expenditure limitations that was inadvertently left out of the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.

The Governor recommends adoption of this request.

- HOSPITALITY FUND INCREASE.** The agency is requesting \$500 to increase the expenditure limitation of the hospitality fund. The board uses this fund to pay for lunches during regular in-person meetings in Topeka and quarterly staff in-service meetings. The agency reports that the current amount does not cover increased food costs due to inflation. The last increase to this fund was in FY 2020.

The Governor does not recommend adoption of this request.