



**California State Board of Pharmacy**

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STATE AND CONSUMER SERVICES  
DEPARTMENT OF CONSUMER AFF,  
ARNOLD SCHWARZENEGGER, GOV

ORGANIZATIONAL DEVELOPMENT COMMITTEE  
Chairperson's Report to the Board and  
Meeting Summary of the April 9, 2007 Meeting  
(a non-public meeting)  
via teleconference  
9-10:15 a.m.

Attendees: Stan Goldenberg, Board Member and Chair  
Bill Powers, Board President  
Virginia Herold, Executive Officer  
Karen Cates, Assistant Executive Officer  
Anne Sodergren, Legislative Coordinator

The Organizational Development Committee met April 9, 2007, in a teleconference meeting. This was a non-public meeting. The report of this committee to the board, which summarizes the committee's actions, is provided below.

1. **Proposed Regulation Change to Increase Fees Effective January 1, 2008**

**FOR ACTION: Move to regulation hearing for the July Board Meeting amendments to 16 CCR section 1749 to increase fees to the statutory limits effective January 1, 2008.**

For several years, the board has been carefully watching its fund condition to assure that the board maintains a prudent reserve. A report of the board's fund condition has been made at each board meeting for a number of years.

Part of the reason for careful monitoring of the board's fund condition is that for a number of years, the board has spent more than it has collected in revenue. This has been possible because the board has had a reserve in its fund that could be used to fund expenses that exceed revenue collection.

This year (2006-07), the state will repay all money borrowed from the board in 2001 to offset the state's fiscal crisis.

In July 2007, the board hopes to begin paying its inspectors a \$2,000 monthly recruitment and retention differential above their normal salary. The aggregate of this expense will be \$576,000.

Without funding for the differential, the board's fund condition over the next few years is projected as:

- 2006-07: A reserve of 10.3 months is projected.
- 2007-08: A reserve of 5.9 months is projected.
- 2008-09: A reserve of 1.3 months is projected.

However, when the \$576,000 funding for the differential is added to the spending for 2007-08, it triggers the need to increase fees about six months sooner than the board would have otherwise needed.

The board's fees for most licensing classifications are at the same levels as they were in the mid 1980s. By increasing fees to the statutory maximum, the board is expected to generate about \$1.4 million in additional revenue.

**Attachment 1** contains budget materials used by the committee in making this recommendation. It also contains a list of all fees that are proposed to be increased. Some fees will not be increased as they are already at their statutory maximum (these are shaded on the fee listing).

For example:	<u>Current Fee</u>	<u>Proposed Fee</u>
Pharmacists (Biennial)	\$115	\$150
Pharmacies (Annual)	\$175	\$250
Pharmacy Technicians (Biennial) no change	\$ 50	\$ 50

If the fees are increased for all classifications to their statutory maximum on 1/1/08 AND the differential is established effective 7/1/07, the board's fund condition on June 30<sup>th</sup> of each ending fiscal year will be:

- 2007-08: 6.8 months
- 2008-09: 4.1 months
- 2009-10: 1.1 months
- 2010-11: -2 months

The board is not able to increase fees higher than the statutory maximum without the Legislature approving the increase via legislation. The board will need to seek a fee increase in 2008 to become effective in 2009 or 2010.

**2. Update of Committee's Strategic Plan for 2007-08**

**FOR INFORMATION:**

At the April Organizational Development Committee, the committee reviewed its strategic plan and has no recommendations for change to the plan for 2007-08

**3. Approval of the Board's Strategic Plan for 2007-08**

**FOR ACTION:** Approve the Board's Strategic Plan for 2007-08, incorporating the changes in committee activities approved during this board meeting.

During each committee report at the board meeting, the board reviewed and acted upon modifications suggested for the board's strategic plan. The committee requests that the board make a final approval on the strategic plan as modified throughout the board meeting.

#### 4. **Proposed Meeting Dates for 2008**

At the April Board Meeting, the board typically sets its meeting dates for the next year. Here are the proposed meeting dates for the rest of 2006 and 2007.

##### **2007**

- July 24, 25 – Los Angeles
- October 24 and 25 -- San Francisco/Bay Area (*CSHP's Seminar is October 18-21 in Palm Springs*)

##### **2008**

- January 23 and 24 – San Diego (*CPhA's Outlook is February 7 –10 in Sacramento*)
- April 23 and 24 – Sacramento (*NABP's Annual Meeting is May 17-20 in Baltimore*)
- July 23 and 24 – Orange County
- October 29 and 30 – San Francisco (*CSHP's Seminar is October 12-19 in Anaheim*)

#### 5. **Recognition of Pharmacists Who Have Been Licensed 50 Years**

##### **FOR INFORMATION:**

There have 13 addition pharmacists who have reached the milestone of being licensed in California for 50 years as a pharmacist.

Since July 2005, the board has acknowledged 616 pharmacists who have been licensed 50 years.

#### 6. **Development of a Recognition Program for Pharmacists**

##### **FOR INFORMATION:**

The committee discussed parameters for board acknowledgment of high-functioning or particularly noteworthy licensees who could and should be commended by the board.

At prior board meetings, the committee has led the discussion involving several options for recognizing pharmacists.

The committee is now moving ahead with a trial program to recognize preceptors who have contributed significantly to the training and development of new pharmacists. An article will be printed in the next *The Script*, encouraging those who have a preceptor who has made a significant difference in training interns,

including a number of interns, over a period of time, to nominate the preceptor for board recognition.

The committee will review the nominations and consider whether any or all warrant recognition. Three letters of recommendation will be required.

7. **Personnel Update Personnel Update and Training Report**

**FOR INFORMATION:**

Ms. Herold updated the committee on the status of board vacancies.

The board has all Sacramento-based positions filled – there are no vacancies except for the assistant executive officer position for which a reclassification request is being developed for approval by the Departments of Consumer Affairs, Personnel Administration and State Personnel Board.

The board does have four inspector and one supervising inspector positions vacant. Development of new civil service hiring lists is underway (this requires a civil service examination) so a list of eligible pharmacists is available from which the board can hire the most qualified. The board was able to recruit for this classification with a statement that a \$2,000 monthly recruitment and retention differential was pending approval. The result was an enormous increase in the number of applications – more than 60 for the inspector classification. This is greatest number of inspector applicants Ms. Herold remembers in her 17 years with the board.

Interviews are expected to be held in late May.

Meanwhile, the board is continuing to work to secure the \$2,000 differential for all inspectors. The budget proposal to authorize this expenditure is undergoing review by the Senate.

At the beginning of this Board Meeting, all board staff will be introduced. This is a board tradition for our Sacramento Meeting.

8. **CURES Feasibility Study**

**FOR INFORMATION:**

California Health and Safety Code section 11165.5 requires the board to contract for a feasibility study report to evaluate the feasibility of real time reporting and access to data on prescriptions submitted to CURES. (New California law requires this data to be reported weekly, before 2007, the data was required to be reported monthly.)

The law requires the board to work with DOJ and the Medical Board to contract with a vendor to develop the feasibility study report, using money voluntarily contributed to the board specifically for this purpose.

Board staff has developed a draft version of the proposed work for the feasibility study report (FSR). However, the DCA's Administration and Information Technology offices have concerns about whether the board is the correct entity to be contracting for this FSR for a computer system that is in the DOJ.

There have been two meetings with the DOJ on this subject. The Department of Justice is moving to amend section 11165.5 to require the FSR to evaluate the "near real time access" instead of the currently required "real time access." According to the DOJ and the sponsor, this section of the Health and Safety Code was intended to create a web-based access system for pharmacists and prescribers to access reported CURES data more timely than the current system which requires a request to the DOJ staff. On-line, real-time access to data was never intended to be part of the FSR (although the current Health and Safety Code is in conflict with this).

Meanwhile a committee is being created of Board of Pharmacy, DCA, DOJ, Medical Board staff and several other individuals to review the proposals that will be sought.

With these changes implemented, the board should be able to productively work to comply with the amended requirements of H&S Code section 11165.5.

**9. DCA Audit of the Board of Pharmacy's Case Receipt Cycle**

**FOR INFORMATION:**

The committee reviewed and discussed an audit report of the Board of Pharmacy's cash handling processes. The overall procedures were fine, but there were some fine-tuning adjustments directed by the auditors. All but two of the recommendations have been implemented, and the board has requested action on these recommendations and is awaiting the action of vendors to perform the work.

A follow up report to the auditors is due in 180 and 365 days.

**10. Budget Update and Report**

**FOR INFORMATION:**

Current Year's Budget 2006/07

- *Revenue Projected: \$9,569,203*

Revenue for this next fiscal year has estimated to be comprised of \$5,791,000 in fees and \$157,000 in interest on money in the board's contingency fund.

The board is currently projected to receive the final repayment of \$3 million from the 2001 loan of \$6 million from the board's fund to the state's General Fund during a period of California's budget crisis. There is also an additional \$233,000 in interest that will be paid linked to the loan.

Final revenue for the year also includes additional amounts for cost recovery and citations and fines. During the two quarters of this fiscal year, the board collected \$298,427 in citations and fines and \$89,776 in cost recovery.

- *Expenditures Projected: \$8,522,000*

#### 2007-08 Budget

##### Budget Change Proposals Approved and in Governor's Budget

The Governor's Budget that was released on January 10, 2007 for 2007-08 contains two augments to the board's budget:

- \$576,000 increase for a recruitment and retention differential for board inspectors
- restoration of 3 positions (licensing expediter, enforcement analyst, receptionist); the positions are being restored without an increase in the board's expenditure authority. This means that the board will have to find funding for the positions within its budget. The Department of Finance would not approve an increase in funding for these positions because the board lacks sufficient money in its fund to sustain an increase in expenditures in the future (again, why the board needs to increase fees).

##### I-Licensing Project Update

Ms. Herold updated the committee on the I-Licensing project that will offer online application and renewal of licenses. A feasibility study report has been approved by the Department of Finance, and the board is in the first tier of new agencies that may be able to offer this service in the future.

The board is projected to spend \$50,000 this fiscal year on programming specifications needed for its programs. In the next two years, the board will spend \$143,000 (2007-08) and \$199,000 (2008-09) as its share of costs to implement this system department-wide.

Ms. Herold stated that on January 8<sup>th</sup> the board transitioned all its pending applicants to the department's applicant tracking system. This is a streamlined "platform" upon which transition to the new I-Licensing system will be made simpler. (In other words, we did the transition only because it will aid us in implementing I-Licensing; applicants will not see any difference.)

Delays in securing vendors and new staff overseeing the project at the Department of Consumer Affairs has probably delayed the project six to nine months, so we are about 2+ years away from implementing I-Licensing.

Reimbursement to Board Members

The board's quarterly report on reimburse to board members is provided in **Attachment 2.**

Adjournment

There being no additional business, the meeting was adjourned at 10:15.

# Attachment 1

## *Budget Documents*

# 0767 - State Board of Pharmacy Analysis of Fund Condition

(Dollars in Thousands)

2007-08 Governor's Budget

**Maximum Fees eff 1/1/08**  
 Includes Pay Differential (\$576,000 in FY 07-08 and ongoing)

	ACTUAL					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>BEGINNING BALANCE</b>	\$ 4,111	\$ 7,285	\$ 8,077	\$ 5,448	\$ 3,297	\$ 907
Prior Year Adjustment	\$ 278	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 4,389	\$ 7,285	\$ 8,077	\$ 5,448	\$ 3,297	\$ 907
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125600 Other regulatory fees	\$ 426	\$ 36	\$ 35	\$ 41	\$ 41	\$ 41
125700 Other regulatory licenses and permits	\$ 1,618	\$ 1,277	\$ 1,407	\$ 1,531	\$ 1,531	\$ 1,531
125800 Renewal fees	\$ 4,591	\$ 4,462	\$ 5,115	\$ 5,699	\$ 5,699	\$ 5,699
125900 Delinquent fees	\$ 89	\$ 78	\$ 84	\$ 90	\$ 90	\$ 90
131700 Misc. revenue from local agencies	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 262	\$ 158	\$ 119	\$ 65	\$ 18	\$ -
150500 Interest Income From Interfund Loans	\$ 233	\$ 303	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 7,231	\$ 6,314	\$ 6,760	\$ 7,426	\$ 7,379	\$ 7,361
Transfers from Other Funds						
F00001 GF loan per Item 1490-011-0767, BA of 2002	\$ 3,000	\$ 3,000				
F00683 Teale Data Center (CS 15.00, Bud Act of 2005)						
Transfers to Other Funds						
T00001 GF loan per Item 1490-011-0767, BA of 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues and Transfers	\$ 10,231	\$ 9,314	\$ 6,760	\$ 7,426	\$ 7,379	\$ 7,361
Totals, Resources	\$ 14,620	\$ 16,599	\$ 14,837	\$ 12,874	\$ 10,676	\$ 8,268
<b>EXPENDITURES</b>						
Disbursements:						
0840 State Controller (State Operations)	\$ -	\$ 5	\$ 6	\$ -	\$ -	\$ -
Budget Act of 2006						
1110 Program Expenditures (State Operations) - Galley 2	\$ 7,335	\$ 8,517	\$ 9,383	\$ 9,577	\$ 9,768	\$ 9,964
9670 Equity Claims / Board of Control (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 7,335	\$ 8,522	\$ 9,389	\$ 9,577	\$ 9,768	\$ 9,964
<b>FUND BALANCE</b>						
Reserve for economic uncertainties	\$ 7,285	\$ 8,077	\$ 5,448	\$ 3,297	\$ 907	\$ (1,695)
<b>Months in Reserve</b>	10.3	10.3	6.8	4.1	1.1	-2.0

**NOTES:**

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED
- B. EXPENDITURE GROWTH PROJECTED AT 2% BEGINNING FY 2008-09

**0767 - State Board of Pharmacy  
Analysis of Fund Condition**

(Dollars in Thousands)

2007-08 Governor's Budget

Current budget  
no fee increase  
no inspector R & R.

	ACTUAL 2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>BEGINNING BALANCE</b>	\$ 4,111	\$ 7,285	\$ 8,077	\$ 4,732	\$ 1,027	\$ (2,816)
Prior Year Adjustment	\$ 278	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 4,389	\$ 7,285	\$ 8,077	\$ 4,732	\$ 1,027	\$ (2,816)
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125600 Other regulatory fees	\$ 426	\$ 36	\$ 35	\$ 35	\$ 35	\$ 35
125700 Other regulatory licenses and permits	\$ 1,618	\$ 1,277	\$ 1,283	\$ 1,277	\$ 1,283	\$ 1,277
125800 Renewal fees	\$ 4,591	\$ 4,462	\$ 4,529	\$ 4,462	\$ 4,529	\$ 4,462
125900 Delinquent fees	\$ 89	\$ 78	\$ 78	\$ 78	\$ 78	\$ 78
131700 Misc. revenue from local agencies	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 262	\$ 158	\$ 119	\$ 20	\$ -	\$ -
150500 Interest Income From Interfund Loans	\$ 233	\$ 303	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 7,231	\$ 6,314	\$ 6,044	\$ 5,872	\$ 5,925	\$ 5,852
Transfers from Other Funds						
F00001 GF loan per Item 1490-011-0767, BA of 2002	\$ 3,000	\$ 3,000				
F00683 Teale Data Center (CS 15.00, Bud Act of 2005)						
Transfers to Other Funds						
T00001 GF loan per Item 1490-011-0767, BA of 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues and Transfers	\$ 10,231	\$ 9,314	\$ 6,044	\$ 5,872	\$ 5,925	\$ 5,852
Totals, Resources	\$ 14,620	\$ 16,599	\$ 14,121	\$ 10,604	\$ 6,952	\$ 3,036
<b>EXPENDITURES</b>						
Disbursements:						
0840 State Controller (State Operations) Budget Act of 2006	\$ -	\$ 5	\$ 6	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations) - Galley 2	\$ 7,335	\$ 8,517	\$ 9,383	\$ 9,577	\$ 9,768	\$ 9,964
9670 Equity Claims / Board of Control (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 7,335	\$ 8,522	\$ 9,389	\$ 9,577	\$ 9,768	\$ 9,964
<b>FUND BALANCE</b>						
Reserve for economic uncertainties	\$ 7,285	\$ 8,077	\$ 4,732	\$ 1,027	\$ (2,816)	\$ (6,928)
Months in Reserve	10.3	10.3	5.9	1.3	-3.5	-8.3

NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED
- B. EXPENDITURE GROWTH PROJECTED AT 2% BEGINNING FY 2008-09

*Proposed fee Increase  
Effective 1/1/08*

**Workload and Revenue - Statutory Maximum**

Account Number	Revenue Category	Fee	Estimated Workload			Est. Revenue		
			6/7	7/8	8/9	06/07	07/08	08/09
125700 UC	App-Intern	\$75.00	1600	1600	1600	\$104,000.00	\$112,000.00	\$120,000.00
125700 UB	App-Pharmacists	\$185.00	1750	1750	1750	\$271,250.00	\$297,500.00	\$323,750.00
125700 AN	Orig Lic/Cert-Pharmacists	\$150.00	1200	1200	1200	\$138,000.00	\$159,000.00	\$180,000.00
125700 A7	Regrades	\$85.00	30	30	30	\$2,250.00	\$2,400.00	\$2,550.00
125700 AM	Orig App/Pharmacy Technician	\$50.00	6500	6500	6500	\$325,000.00	\$325,000.00	\$325,000.00
125700 A5	Orig App/Permit-Exemptions	\$140.00	400	400	400	\$30,000.00	\$43,000.00	\$56,000.00
125700 A6	Certification-Exemption	\$110.00	400	400	400	\$44,000.00	\$44,000.00	\$44,000.00
125700 DX	Orig App/Vet Food Animal Drug DR	\$100.00	5	5	5	\$500.00	\$500.00	\$500.00
125700 DY	Certification-Vet Food Animal Dr DR	\$150.00	4	4	4	\$600.00	\$600.00	\$600.00
125700 R9	Retired Registered Pharmacists	\$30.00	20	20	20	\$600.00	\$600.00	\$600.00
125700 95	Change of Permit	\$30.00	100	100	100	\$3,000.00	\$3,000.00	\$3,000.00
125700 96	Change of Permit-Reissuance	\$100.00	530	530	530	\$31,800.00	\$42,400.00	\$53,000.00
125700 Q2	Change of Pharmacist-in-Charge	\$100.00	1300	1300	1300	\$78,000.00	\$104,000.00	\$130,000.00
125700 AF	Orig App/Permit-Pharmacy	\$400.00	250	250	250	\$85,000.00	\$92,500.00	\$100,000.00
125700 8Z	Orig App/Permit-Non-Res Pharmacy	\$400.00	60	60	60	\$20,400.00	\$22,200.00	\$24,000.00
125700 AB	Orig App/Sterile Compounding	\$600.00	50	50	50	\$25,000.00	\$27,500.00	\$30,000.00
125700 AS	Orig App/Non-Res Sterile Compounding	\$600.00	15	15	15	\$7,500.00	\$8,250.00	\$9,000.00
125700 AG	Orig App/Permit-Clinic	\$400.00	60	60	60	\$20,400.00	\$22,200.00	\$24,000.00
125700 UH	Orig App/Permit Pharmacy Chain (varies)							
125700 AL	Orig App/Permit-Wholesaler/Manufacturer	\$600.00	60	70	70	\$33,000.00	\$40,250.00	\$42,000.00
125700 U8	Orig App/Permit - Out-of-State Distributors	\$600.00	100	100	100	\$55,000.00	\$57,500.00	\$60,000.00
125700 DW	Orig App/Permit-Vet Food Animal Drug Ret.	\$400.00	2	2	2	\$800.00	\$800.00	\$800.00
125700 AD	Orig App/Permit-Hypodermics	\$125.00	15	15	15	\$1,350.00	\$1,612.50	\$1,875.00
					sub total	\$1,277,450.00	\$1,406,812.50	\$1,530,675.00
125800 UV	Biennial Renewal - Pharmacists	\$150.00	14400	15000	15000	\$1,656,000.00	\$1,987,500.00	\$2,250,000.00
125800 QS	Biennial Renewal - Pharmacy Technician	\$50.00	18400	18400	18400	\$920,000.00	\$920,000.00	\$920,000.00
125800 UF	Annual Renewal - Exemption	\$150.00	1700	1700	1700	\$187,000.00	\$221,000.00	\$255,000.00
125800 AY	Annual Renewal - Vet Ret. Exemption	\$110.00	37	37	37	\$4,070.00	\$4,070.00	\$4,070.00
125800 UW	Annual Renewal - Pharmacy	\$250.00	5900	5900	5900	\$1,032,500.00	\$1,253,750.00	\$1,475,000.00
125800 U6	Annual Renewal - Non Res Pharmacy	\$250.00	200	200	200	\$35,000.00	\$42,500.00	\$50,000.00
125800 AP	Annual Renewal - Sterile Compounding	\$600.00	150	150	150	\$75,000.00	\$82,500.00	\$90,000.00

125800 AQ	Annual Renewal - Non Res Sterile Comp.	\$600.00	20	20	20	\$10,000.00	\$11,000.00	\$12,000.00
125800 U3	Annual Renewal - Clinic	\$250.00	750	750	750	\$131,250.00	\$159,375.00	\$187,500.00
125800 UB	Annual Renewal - Wholesaler	\$600.00	400	400	400	\$220,000.00	\$230,000.00	\$240,000.00
125800 UD	Annual Renewal - Non Res Wholesaler	\$600.00	300	300	300	\$165,000.00	\$172,500.00	\$180,000.00
125800 AX	Annual Renewal - Vet Food-Animal Drug	\$250.00	15	15	15	\$3,750.00	\$3,750.00	\$3,750.00
125800 UH	Annual Renewal - Hypodermics	\$125.00	250	250	250	\$22,500.00	\$26,875.00	\$31,250.00
					sub total	\$4,462,070.00	\$5,114,820.00	\$5,698,570.00
125900 US	Delinquent Renewal - Pharmacists	\$75.00	330	330	330	\$18,975.00	\$21,862.50	\$24,750.00
125900 QT	Delinquent Renewal - Pharmacy Technician	\$25.00	1500	1500	1500	\$37,500.00	\$37,500.00	\$37,500.00
125900 UU	Delinquent Renewal - Exemption	\$75.00	100	100	100	\$5,500.00	\$6,500.00	\$7,500.00
125900 JT	Delinquent Renewal - Vet Exemption	\$55.00	1	1	1	\$55.00	\$55.00	\$55.00
125900 UT	Delinquent Renewal - Pharmacy	\$125.00	50	50	50	\$4,375.00	\$5,312.50	\$6,250.00
125900 QF	Delinquent Renewal - Non Res Pharmacy	\$125.00	13	13	13	\$1,137.50	\$1,381.25	\$1,625.00
125900 AM	Delinquent Renewal - Sterile Compounding	\$150.00	1	1	1	\$150.00	\$150.00	\$150.00
125900 AN	Delinquent Renewal - Non Res Sterile Com	\$150.00	1	1	1	\$150.00	\$150.00	\$150.00
125900 UZ	Delinquent Renewal - Clinic	\$125.00	40	40	40	\$3,500.00	\$4,250.00	\$5,000.00
125900 UW	Delinquent Renewal - Wholesaler	\$150.00	15	15	15	\$2,250.00	\$2,250.00	\$2,250.00
125900 UX	Delinquent Renewal - Non Res Wholesaler	\$150.00	20	20	20	\$3,000.00	\$3,000.00	\$3,000.00
125900 JS	Delinquent Renewal - Vet Food-Animal Drug	\$125.00	2	2	2	\$250.00	\$250.00	\$250.00
125900 UV	Delinquent Renewal - Hypodermics	\$62.50	25	25	25	\$1,125.00	\$1,343.75	\$1,562.50
					sub total	\$77,967.50	\$84,005.00	\$90,042.50
125600 UC	Duplicate Certificate	\$30.00	100	100	100	\$3,000.00	\$3,000.00	\$3,000.00
125600 UG	Trans of Intern Hrs/Lic Verification	\$25.00	800	800	800	\$8,000.00	\$14,000.00	\$20,000.00
125600 UH	CE App Evaluation	var						
125600 UJ	Temporary Permit - Pharmacy	\$175.00	100	100	100	\$17,500.00	\$17,500.00	\$17,500.00
					sub total	\$28,500.00	\$34,500.00	\$40,500.00
					<b>Total</b>	<b>\$5,845,987.50</b>	<b>\$6,640,137.50</b>	<b>\$7,359,787.50</b>

**Workload and Revenue - Current Fees**

Account Number	Revenue Category	Fee	Estimated Workload			Est. Revenue		
			6/7	7/8	8/9	06/07	07/08	08/09
125700 UC	App-Intern	\$65.00	1600	1600	1600	\$104,000.00	\$104,000.00	\$104,000.00
125700 UB	App-Pharmacists	\$155.00	1750	1750	1750	\$271,250.00	\$271,250.00	\$271,250.00
125700 AN	Orig Lic/Cert-Pharmacists )	\$115.00	1200	1200	1200	\$138,000.00	\$138,000.00	\$138,000.00
125700 A7	Regrades	\$75.00	30	30	30	\$2,250.00	\$2,250.00	\$2,250.00
125700 AM	Orig App/Pharmacy Technician	\$50.00	6500	6500	6500	\$325,000.00	\$325,000.00	\$325,000.00
125700 A5	Orig App/Permit-Exemptions	\$75.00	400	400	400	\$30,000.00	\$30,000.00	\$30,000.00
125700 A6	Certification-Exemption	\$110.00	400	400	400	\$44,000.00	\$44,000.00	\$44,000.00
125700 DX	Orig App/Vet Food Animal Drug DR	\$100.00	5	5	5	\$500.00	\$500.00	\$500.00
125700 DY	Certification-Vet Food Animal Dr DR	\$150.00	4	4	4	\$600.00	\$600.00	\$600.00
125700 R9	Retired Registered Pharmacists	\$30.00	20	20	20	\$600.00	\$600.00	\$600.00
125700 95	Change of Permit	\$30.00	100	100	100	\$3,000.00	\$3,000.00	\$3,000.00
125700 96	Change of Permit-Reissuance	\$60.00	530	530	530	\$31,800.00	\$31,800.00	\$31,800.00
125700 Q2	Change of Pharmacist-in-Charge	\$60.00	1300	1300	1300	\$78,000.00	\$78,000.00	\$78,000.00
125700 AF	Orig App/Permit-Pharmacy	\$340.00	250	250	250	\$85,000.00	\$85,000.00	\$85,000.00
125700 8Z	Orig App/Permit-Non-Res Pharmacy	\$340.00	60	60	60	\$20,400.00	\$20,400.00	\$20,400.00
125700 AB	Orig App/Sterile Compounding	\$500.00	50	50	50	\$25,000.00	\$25,000.00	\$25,000.00
125700 AS	Orig App/Non-Res Sterile Compounding	\$500.00	15	15	15	\$7,500.00	\$7,500.00	\$7,500.00
125700 AG	Orig App/Permit-Clinic	\$340.00	60	60	60	\$20,400.00	\$20,400.00	\$20,400.00
125700 UH	Orig App/Permit Pharmacy Chain (varies)							
125700 AL	Orig App/Permit-Wholesaler/Manufacturer	\$550.00	60	70	70	\$33,000.00	\$38,500.00	\$38,500.00
125700 U8	Orig App/Permit - Out-of-State Distributors	\$550.00	100	100	100	\$55,000.00	\$55,000.00	\$55,000.00
125700 DW	Orig App/Permit-Vet Food Animal Drug Ret.	\$400.00	2	2	2	\$800.00	\$800.00	\$800.00
125700 AD	Orig App/Permit-Hypodermics	\$90.00	15	15	15	\$1,350.00	\$1,350.00	\$1,350.00
					Subtotal	\$1,277,450.00	\$1,282,950.00	\$1,282,950.00
125800 UV	Biennial Renewal - Pharmacists	\$115.00	14400	15000	15000	\$1,656,000.00	\$1,725,000.00	\$1,725,000.00
125800 QS	Biennial Renewal - Pharmacy Technician	\$50.00	18400	18400	18400	\$920,000.00	\$920,000.00	\$920,000.00
125800 UF	Annual Renewal - Exemption	\$110.00	1700	1700	1700	\$187,000.00	\$187,000.00	\$187,000.00
125800 AY	Annual Renewal - Vet Ret. Exemption	\$110.00	37	37	37	\$4,070.00	\$4,070.00	\$4,070.00
125800 UW	Annual Renewal - Pharmacy	\$175.00	5900	5900	5900	\$1,032,500.00	\$1,032,500.00	\$1,032,500.00
125800 U6	Annual Renewal - Non Res Pharmacy	\$175.00	200	200	200	\$35,000.00	\$35,000.00	\$35,000.00
125800 AP	Annual Renewal - Sterile Compounding	\$500.00	150	150	150	\$75,000.00	\$75,000.00	\$75,000.00
125800 AQ	Annual Renewal - Non Res Sterile Comp.	\$500.00	20	20	20	\$10,000.00	\$10,000.00	\$10,000.00

125800 U3	Annual Renewal - Clinic	\$175.00	750	750	750	\$131,250.00	\$131,250.00	\$131,250.00
125800 UB	Annual Renewal - Wholesaler	\$550.00	400	400	400	\$220,000.00	\$220,000.00	\$220,000.00
125800 UD	Annual Renewal - Non Res Wholesaler	\$550.00	300	300	300	\$165,000.00	\$165,000.00	\$165,000.00
125800 AX	Annual Renewal - Vet Food-Animal Drug	\$250.00	15	15	15	\$3,750.00	\$3,750.00	\$3,750.00
125800 UH	Annual Renewal - Hypodermics	\$90.00	250	250	250	\$22,500.00	\$22,500.00	\$22,500.00
					Sub total	\$4,462,070.00	\$4,531,070.00	\$4,531,070.00
125900 US	Delinquent Renewal - Pharmacists	\$57.50	330	330	330	\$18,975.00	\$18,975.00	\$18,975.00
125900 QT	Delinquent Renewal - Pharmacy Technician	\$25.00	1500	1500	1500	\$37,500.00	\$37,500.00	\$37,500.00
125900 UU	Delinquent Renewal - Exemption	\$55.00	100	100	100	\$5,500.00	\$5,500.00	\$5,500.00
125900 JT	Delinquent Renewal - Vet Exemption	\$55.00	1	1	1	\$55.00	\$55.00	\$55.00
125900 UT	Delinquent Renewal - Pharmacy	\$87.50	50	50	50	\$4,375.00	\$4,375.00	\$4,375.00
125900 QF	Delinquent Renewal - Non Res Pharmacy	\$87.50	13	13	13	\$1,137.50	\$1,137.50	\$1,137.50
125900 AM	Delinquent Renewal - Sterile Compounding	\$150.00	1	1	1	\$150.00	\$150.00	\$150.00
125900 AN	Delinquent Renewal - Non Res Sterile Com	\$150.00	1	1	1	\$150.00	\$150.00	\$150.00
125900 UZ	Delinquent Renewal - Clinic	\$87.50	40	40	40	\$3,500.00	\$3,500.00	\$3,500.00
125900 UW	Delinquent Renewal - Wholesaler	\$150.00	15	15	15	\$2,250.00	\$2,250.00	\$2,250.00
125900 UX	Delinquent Renewal - Non Res Wholesaler	\$150.00	20	20	20	\$3,000.00	\$3,000.00	\$3,000.00
125900 JS	Delinquent Renewal - Vet Food-Animal Drug	\$125.00	2	2	2	\$250.00	\$250.00	\$250.00
125900 UV	Delinquent Renewal - Hypodermics	\$45.00	25	25	25	\$1,125.00	\$1,125.00	\$1,125.00
					Sub total	\$77,967.50	\$77,967.50	\$77,967.50
125600 UC	Duplicate Certificate	\$30.00	100	100	100	\$3,000.00	\$3,000.00	\$3,000.00
125600 UG	Trans of Intern Hrs/Lic Verification	\$10.00	800	800	800	\$8,000.00	\$8,000.00	\$8,000.00
125600 UH	CE App Evaluation							
125600 UJ	Temporary Permit - Pharmacy	\$175.00	100	100	100	\$1,750.00	\$1,750.00	\$1,750.00
					Sub total	\$12,750.00	\$12,750.00	\$12,750.00

**Total      \$5,830,237.50    \$5,904,737.50    \$5,904,737.50**

# Attachment 2

## *Reimbursement to Board Members*

**Board Member Reimbursement and Expenses  
2006/2007 Fiscal Year to Date\***

<b>Board Member</b>	<b>Hours</b>		<b>Travel</b>
	<b>Meeting</b>	<b>Other</b>	<b>Expense</b>
Ruth Conroy	91	0	\$1,010.64
Tim Dazé	48.25	22.75	\$967.60
Stanley Goldenberg	59.5	36	\$339.00
Robert Graul	0	0	\$35.64
Clarence Hiura	54	40.16	\$1,694.31
Henry Hough	34.75	50.25	\$1,409.33
William Powers	64.5	41	\$1,569.48
Susan Ravnán	32	9	\$557.53
Kenneth Schell	58	0	\$453.26
Robert Swart	66	14.5	\$1,537.31
Andrea Zinder	26.5	6	\$1,090.96

\*Reflects hours submitted and expenses paid as of March 31, 2007

# ORGANIZATIONAL DEVELOPMENT COMMITTEE

Goal 5: Achieve the board's mission and goals.

Outcome: An effective organization.

Objective 5.1	Obtain 100 percent approval for identified program needs by June 30, 2011.
Measure:	Percentage approved for identified program needs.
Tasks:	<ol style="list-style-type: none"> <li>1. Review workload and resources to streamline operations, target backlogs and maximize services.               <ul style="list-style-type: none"> <li><i>1st Qtr 06/07: Monthly statistics of workload reviewed to identify backlogs.</i></li> <li><i>Sept. 2006: Supervising Inspector Meeting where management reviews all cases under investigation.</i></li> <li><i>Dec. 2006: Licensing processes converted to department's applicant tracking system (ATS).</i></li> <li><i>2nd Qtr 06/07: Monthly statistics of workload reviewed to identify backlogs.</i></li> <li><i>Feb. 2007: Inspectors Meeting convened to prioritize investigation cases.</i></li> <li><i>April 2007: Inspectors Meeting convened to prioritize investigation cases.</i></li> <li><i>3rd Qtr 06/07: Licensing and Enforcement office staff meet with Supervisors to reduce emerging workload issues.</i></li> </ul> </li> <li>2. Develop budget change proposals to secure funding for needed resources.               <ul style="list-style-type: none"> <li><i>July 2006: Budget Change Proposals submitted for Administration review.</i></li> <li><i>Jan. 2007: Governor's proposed budget for 2007/08 contains two BCPs:</i> <ul style="list-style-type: none"> <li><i>(1) \$576,000 for recruitment and retention differential of \$2,000 per month for each board inspector/pharmacist.</i></li> <li><i>(2) restoration of three positions lost during the hiring freezes of the early 2000s (receptionist, complaint analyst, licensing technician).</i></li> </ul> </li> <li><i>Mar. &amp; Apr. 07: Legislature begins review of Governor's 2007/08 proposed budget.</i></li> </ul> </li> <li>3. Perform strategic management of the board through all committees and board activities.               <ul style="list-style-type: none"> <li><i>Aug. 2006: Strategic plan approved at July 2006 Board Meeting. Staff redesigns quarterly reporting format for committee reports to the board.</i></li> <li><i>Oct. 2006: Quarterly report of each committee's progress toward strategic goals reported to board.</i></li> <li><i>Jan. 2007: Quarterly report of each committee's progress toward strategic goals reported to board.</i></li> <li><i>Mar.-Apr. 2007: Each board committee reviews strategic plan for 2007/08. Board acts on 2007/08 Strategic Plan.</i></li> <li><i>April 2007: Quarterly report of each committee's progress toward strategic goals made during board meeting.</i></li> </ul> </li> </ol>

	<p>4. Manage the board's financial resources to ensure fiscal viability and program integrity.</p> <p>Oct. 2006: <i>Committee and board review budget figures for revenue and expenditures for 2005/06 and 2006/07. A fund condition report is also reviewed; possible fee increase is possibly needed to take effect July 1, 2008.</i></p> <p>Oct. 2006: <i>Committee and board review budget figures for revenue and expenditures for 2005/06 and 2006/07. New BCPs and salary adjustments for all staff continue to increase annual expenditures. A fund condition report is also reviewed; possible fee increase is possibly needed to take effect July 1, 2008.</i></p> <p>Jan. 2007: <i>Board reviews, revenue, expenditures, and budget forecast for 2007/08 and future years. Fee increase may be needed by January 2008 if inspector salary differential is approved.</i></p> <p>April 2007: <i>Committee recommends board act to increase fees to statutory maximum levels effective January 1, 2008 to secure board operations and staffing.</i></p>
Objective 5.2	Maintain 100 percent staffing of all board positions.
Measure:	Percentage staffing of board positions.
Tasks:	<p>1. Continue active recruitment of pharmacists for inspector positions.</p> <p>Oct. 2006: <i>Board has four inspectors and one supervising inspector vacancies. Staff is working with DCA on new civil service exams, and job analyses for both classifications have been done by incumbent board staff. Efforts to secure a \$2,000 monthly recruitment and retention differential for inspectors is required before release of examination announcement. Meetings held with the Department of Finance, DCA and Department of Personnel Administration to secure the differential, which will provide parity with salaries paid to other state-employed pharmacists.</i></p> <p>Jan. 2007: <i>Board has four inspector and one supervising inspector vacancies. Exam announcement for inspector and supervising inspector classes, results in more than 60 applicants for the inspector classification and 18 for supervising inspector, which are record numbers of applicants for both classifications.</i> <i>Efforts continue to secure \$2,000 monthly salary differential for inspectors before 2007/08.</i></p> <p>April 2007: <i>Board has four inspector and one supervising inspector vacancies. Exam announcement for inspector and supervising inspector classes, results in more than 60 applicants for the inspector classification and 18 for supervising inspector, which are record numbers of applicants for both classifications.</i> <i>Efforts continue to secure \$2,000 monthly salary differential for inspectors before 2007/08.</i></p> <p>2. Vigorously recruit for any vacant positions.</p> <p>July-Oct. 2006: <i>Board vacancies filled for: Enforcement Technician, Office Technician, Filing Clerk, and Public Records Request Analyst.</i></p> <p>Jan. 2007: <i>Board vacancies filled for: Receptionist, Enforcement Technician, Enforcement Analyst, Budget Analyst, Cashier, Executive Office Technician, Business Services Analyst, Public Outreach Analyst.</i></p> <p>April 2007: <i>All Board staff positions filled except for inspector, supervising inspector and assistant executive officer (where a reclassification request is underway).</i></p>

	<p>3. Perform annual performance and training assessments of all staff. <i>2nd Qtr 06/07: All probationary employees receive assessments.</i></p>
Objective 5.3	Implement 10 strategic initiatives to automate board processes by June 30, 2011.
Measure:	Number of strategic initiatives implemented to automate board processes.
Tasks:	<ol style="list-style-type: none"> <li>1. Implement automated applicant tracking (ATS). <i>Oct. 2006: Progress continues on reviewing scenarios and pilot testing the system. DCA staff assigned to project leave and momentum is slowed. Anticipated completion date remains as December 2006.</i> <i>Jan. 2007: ATS activated for all board licensing programs.</i></li> <li>2. Implement online license renewal and application submission features (I-Licensing). <i>July 2006: Interim Executive Officer Herold put on DCA's executive sponsor committee for this project.</i> <i>Oct. 2006: The board meets with design staff to assure necessary program components are part of system specifications. The state's budget allocates \$50,000 this year for development activities.</i> <i>Jan. 2007: Board executive officer continues as a member of the department's Executive Steering Committee as an executive sponsor. Work is focused on securing vendors for the project.</i> <i>April 2007: Board executive officer continues as a member of the department's Executive Steering Committee as an executive sponsor. Work is focused on securing vendors for the project. Project delayed due to contracting issues for service vendors six to nine months.</i></li> <li>3. Integrate telephone features to improve board services without adding staff resources.</li> <li>5. <i>July 2006: Phone system modified to allow "zeroing out" early in telephone message so consumers can reach a live operator more quickly.</i></li> <li>4. Use the department's newly created "ad hoc" system to generate data for reports.</li> <li>5. <i>Dec. 2006: Deployed upgraded all-in-one printer/scanner/fax/copiers to all inspectors, along with Lotus Notes email upgrades.</i></li> <li>6. <i>April 2007: Inspectors get upgraded Blackberries to allow Internet connection through their laptop computers.</i></li> </ol>
Objective 5.4	Provide for communication venues to communicate within the board by June 30, 2011.
Measure:	Number of communication venues to communicate within the board.
Tasks:	<ol style="list-style-type: none"> <li>1. Continue the Communication Team to improve communication among staff and host quarterly staff meetings. <i>Dec. 2006: TCT hosts staff meeting.</i></li> <li>2. Continue Enforcement Team meetings with board members and enforcement staff. <i>Dec. 2006: Inspector meeting convened to discuss new laws for 2007 and to review workload statistics.</i></li> <li>3. Convene annual inspector meetings to ensure standardized investigation and inspection processes, law and practice updates and earn continuing education credit. <i>Dec. 2006: Inspectors have day-long meeting with pharmaceutical consultants of the Department of Health Services Licensing and Certification staff; first such joint meeting of these pharmacists who perform similar duties. Also, board inspectors receive new equipment and software upgrades.</i></li> </ol>

Objective 5.5	Annually conduct at least 2 outreach programs where public policy issues on health care are being discussed.
Measure:	Number of outreach programs conducted in one year.
Tasks:	<ol style="list-style-type: none"> <li>1. Convene the Subcommittee on Medicare Part D Implementation. <ul style="list-style-type: none"> <li>Nov. 2006: Subcommittee meets, discusses on going problems impeding patient care.</li> <li>Feb. 2007: Public forum held in conjunction with Board Meeting with stakeholders, policymakers and patient advocates to problem solve issues impeding patient care.</li> <li>March 2007: Board holds second forum on Medicare Prescription Plans, a six-hour session following February's meeting, which was too short.</li> </ul> </li> <li>2. Convene the Workgroup to Implement the e-pedigree. <ul style="list-style-type: none"> <li>Sept. 28 2006: Meeting convened in Sacramento, about 80 people attend. Presentations by EPCglobal, Supervising Inspector Nurse, McKesson and Johnson &amp; Johnson.</li> <li>Dec. 2006: Meeting convened in Sacramento at least 80 people attended. Presentations made by EPCglobal, AmerisourceBergen, Cardinal Health and a technology vendor. Pilots now conducted or underway at largest 3 wholesalers testing electronic pedigrees from manufacturers through wholesalers.</li> <li>Jan. 2007: EPCglobal completes work on electronic messaging standards for electronic pedigrees.</li> <li>Feb. 2007: Attend EPCglobal's regional summit on hospital implementation issues involving electronic pedigrees.</li> <li>March 2007: EPCglobal meets with two board members and executive staff to walk through messaging standards and scenarios to ensure the standard meets California's requirements. Public Meeting convened in Sacramento at least 80 people attend. Presentations are made by EPCglobal, AmerisourceBergen and SupplyScope.</li> </ul> </li> <li>3. Host the National Association of Boards of Pharmacy District 7 and 8 Meeting in California. <ul style="list-style-type: none"> <li>Oct. 2006: Meeting hosted by the board; nearly 100 individuals attended.</li> </ul> </li> <li>4. Attend outreach programs. <ul style="list-style-type: none"> <li>1st Qtr 06/07: Presented information on e-pedigree requirements in California at the LogiPharma National Conference in Austin, Texas. Staffed a booth at the San Mateo Senior Fest where approximately 600 people attended.</li> <li>2nd Qtr 06/07: Provided information about California's pending changes to electronic pedigree requirements at the National EPCglobal conference in Los Angeles. Attended and presented information at the California Association of Health Facilities Convention in Palm Springs. Hosted an information booth at a AARP event for Seniors in Sacramento. Provided information about California's electronic pedigree requirements at Secure Pharma 2007, a national pharmaceutical supply chain security conference in Philadelphia.</li> </ul> </li> </ol>

*3rd Qtr 06/07: Provided information about the board and its priorities to pharmacists at CPhA's annual meeting. The board provided information about California's electronic pedigree requirements at the Generic Manufacturers Association Annual Meeting. The board staffed two booths, one for pharmacists at CPhA's annual meeting and one for the public at the 2007 Consumer Protection Day Forum in San Diego.*

5. Provide outreach programs.

*1st Qtr 06/07: Provided five CE presentations to pharmacist groups and associations statewide.*

*2nd Qtr 06/07: Provided four CE presentations to pharmacist groups and associations statewide.*

*3rd Qtr 06/07: Provided six presentations to pharmacist groups and associations statewide.*

Objective 5.6	Respond to all public record requests within 10 days.									
Measure:	Percentage response to public record requests within 10 days.									
Tasks:	1. Respond to public records requests within 10 days (e.g., license verifications, investigative/disciplinary information, licensing information).									
		Qtr 1		Qtr 2		Qtr 3		Qtr 4		
a) License Verifications	N	%	N	%	N	%	N	%		
≤ 10 days	91	45%	170	51%	178	90%				
11-30 days	76	37%	139	42%	17	8%				
31 + days	38	18%	25	7%	4	2%				
b) Disciplinary Information	N	%	N	%	N	%	N	%		
≤ 10 days	14	54%	49	73%	105	97%				
11-30 days	6	23%	7	11%	3	3%				
31 + days	6	23%	11	16%	0	0%				
c) Licensing Information	N	%	N	%	N	%	N	%		
≤ 10 days	52	70%	4	33%	84	50%				
11-30 days	12	16%	5	42%	62	37%				
31 + days	10	14%	3	25%	21	13%				
	2. Respond to subpoenas within the timeline specified.									
		Qtr 1		Qtr 2		Qtr 3		Qtr 4		
Subpoenas Received		1		6		2				
Responded within required time		1		4		1				
Not responded to within required time		0		2		1				
	3. Respond to specific requests for data reports list.									
	1st Qtr 06/07: Submit agency statistical profile summarizing data for 2005-2006. Submit monthly report to director's office that highlights major activities of board licensing and enforcement statistics.									
	Sept. 2006: Submitted the Board's emergency response disaster recovery and business continuity plans to the Department of Consumer Affairs as required annually by Executive order May 4, 2006.									
	2nd Qtr 06/07: Submit monthly report to director's office that highlights major activities of board licensing and enforcement statistics.									
	3rd Qtr 06/07: Submit monthly report to director's office that highlights major activities of board licensing and enforcement statistics.									
	Dec. 2006: Submitted revised software management plan and compliance certification to the Department of Consumer Affairs.									