



**California State Board of Pharmacy**  
1625 N. Market Blvd, Suite N 219, Sacramento, CA 95834  
Phone (916) 574-7900  
Fax (916) 574-8618  
www.pharmacy.ca.gov

STATE AND CONSUMERS AFFAIRS AGENCY  
DEPARTMENT OF CONSUMER AFFAIRS  
ARNOLD SCHWARZENEGGER, GOVERNOR

## ORGANIZATIONAL DEVELOPMENT COMMITTEE

Ken Schell, PharmD, Chairperson, Board President  
D. Timothy Dazé, Esq., Board Vice President

Report of the Committee and  
Summary of the Meeting of  
January 8, 2009  
(a non-public meeting)

The Organizational Development Committee met via teleconference on January 8, 2009, from 3:30-4:30 p.m. Also present were Executive Officer Herold and Assistant Executive Officer Sodergren. A summary of this meeting is provided in the context of this report.

### **A. FOR INFORMATION: Governor's Executive Order to Furlough State Employees and Close the Board's Office Twice Monthly on Current Business Days**

The worsening condition of the state's economy and the state's budget are at the forefront of legislative and executive branch activity. Currently over the next 18 months, forecasts are for a deficit of up to \$42 billion. While no resolution to the budget deficit has been established at this point, a number of reductions have been initiated or proposed by the Governor affecting state agencies.

There have been several activities initiated or proposed by the Governor that will affect the board and other entities in the Department of Consumer Affairs:

1. All state employees will undergo a 10 percent cut in salary.
2. Offsetting the salary reduction is a reduction in the time base of employees. The Governor has directed that two days per month, all state agencies (with minimal exceptions) must close their offices on the first and third Fridays of the month. This will begin February 6, and this will result in the board closing its offices on these dates.
3. Various boards and bureaus in the Department of Consumer Affairs have been targeted for elimination or consolidation. The Board of Pharmacy is not one of these agencies.

**Attachment 1** contains several of these executive orders or directions to state administrators implementing the reductions.

Board staff is very dedicated and work hard, but this 10 percent reduction will result in a decrease in our timelines to review applications, issue licenses, conduct routine inspections, and investigate and discipline licenses. However, as we have in the past

when faced with staff reductions implemented in response to budget reductions, our key business processes will be left intact and the focus of our activities will remain doing the most important activities first. Fortunately, we are nearly at full staff, and we hope that future budget restrictions will not result in layoffs of staff or longer furloughs. I also know that many of the board's salaried staff will continue to work longer hours than the expected 40 hours per week to provide support to staff and consumer protection to the public.

We will notify our applicants, licensees and the public with notices in *The Script*, telephone messages, and on our Web site. We also will work with our stakeholder associations to advise their applicants.

**2. FOR INFORMATION: Presentation of the 2008 Audit Report Regarding the Independent Review of the Board's Fee Structure by Sjoberg Evashenck Consulting, Inc.**

The board is solely self-funded from the fees it collects from its applicants and licensees.

At every board meeting for at least the last four years, the board has discussed that it is nearing the time when it will need to seek a statutory increase in its fees that were last set in statute in the mid-1980s.

Monitoring the fund condition report prepared by the Department of Consumer Affairs has been integral to measuring the fiscal condition of the board and is done at every board meeting. Over the years, despite increasing workload and a substantial salary increase granted 18 months ago to the board's pharmacist inspectors (to enable recruitment of quality applicants), the board has waited to seek an increase in any of its fees until absolutely necessary.

Last January (2008), principally to help finance the salary increase to inspectors (\$576,000), the board promulgated regulations to increase all fees to the statutory maximum. Projections for the board's budget indicate a serious problem in 2010/11 and a deficit in 2011/12.

Recognizing that a fee increase was looming in the board's future, in 2008 the board commissioned an independent audit of the board's fees. This audit was undertaken as part of the background for any fee increase, to ensure that fees are set at the appropriate levels with respect to the expenses of providing services. This audit involved a cost allocation of all duties to ensure that fees are appropriately allocated to the time and cost required to provide the service. The final audit report was submitted at the end of December, and the audit report was mailed to you in early January 2009.

At this meeting, Lynda McCallum of Sjoberg Evashenck Consulting will present the fee audit report to the board, and respond to questions.

**3. FOR ACTION: Possible Recommendation to Sponsor Legislation to Increase All Board Licensing Fees**

The board will very shortly need to seek a statutory increase in fees to take effect, possibly sometime in 2010. While the timing is bad given the economic conditions of the state, several other regulatory boards in the Department of Consumer Affairs also will be seeking statutory increases in the Legislature this year.

The board's fees are very low. A pharmacist is charged \$150 to renew the license every two years.

As we have done over the last few years, staff will continue to monitor the fund condition and provide a report to the board at each meeting. However, the Department of Consumer Affairs agrees that the board will need to sponsor legislation to increase fees either this or next year and recommends that we initiate the process this year.

One component we will institute immediately is that for purposes of cost recovery, the hourly reimbursement cost for Board of Pharmacy inspectors' investigation time, currently \$65 per hour, will be increased to the auditor's recommended level of \$102 per hour, effective July 2007 when the inspectors' salaries were increased by \$2,000 per month.

Materials providing current fees, and the proposed fee ranges indicated in the audit report, will be provided to you at the Board Meeting. A comparison of other fees charged by different regulatory boards will be provided.

**D. FOR INFORMATION: Report of the Meeting of January 8, 2009**

**(1) Budget Update and Report**

**a. 2008-09 Budget**

*Estimated budget figures are provided below from DCA's estimates.*

- *Revenue: \$8,396,000*
- *Expenditures: \$9,800,000*

The new fiscal year started July 1, 2008, without a state budget being in place until mid September. The enacted budget contained a \$1 million loan from the board's fund to the state's General Fund. This loan will be repaid to the board in the future, in advance of any need for the board to increase fees because of a deficit in the board's fund.

During August and September, the board underwent budget cutbacks that included loss of temporary staff and contracted services. However, the Governor's Office

allowed the board to restore these positions in October after the budget was signed, although the board has been directed to conserve as much as possible without harming our public protection mandate.

b. Fund Condition Report

According to a fund condition report prepared by the department (**Attachment 2**): the board will have the following fund conditions at the end of the identified fiscal years:

2007/08	\$10,833,000	13.3 months in reserve (actual)
2008/09	\$8,479,000	9.6 months in reserve
2009/10	\$6,109,000	6.8 months in reserve
2010/11	\$3,410,000	3.7 months in reserve (\$1 million repayment will likely occur this year)

c. Reimbursement to Board Members

Expenses and per diem payments to board members will be reported to the board are provided in **Attachment 3**. These are hours and expenses claimed by board members during the indicated periods. Board members are paid for each day of a board meeting, but in accordance with board policy, may also submit hours for work performed doing additional board business.

d. Ethics Course for Board Members

Most board members were required to take the two-hour ethics course required by California law before the end of 2008. This course must be taken every two years and most members were due to repeat it before the end of 2008. This course is available online. The board's executive officer sent follow up notices in early November and December to remind board members of their obligation to complete this course.

e. Sexual Harassment Prevention Training Course for Board Members

Also, most board members needed to take a two-hour sexual harassment prevention training course required by the California law. This course also must be taken every two years. This course is available online, and those board members who needed to complete it before the end of the year were notified by the Department of Consumer Affairs and the board's executive officer.

(2) I-Licensing Update

The I-Licensing project will offer online application and renewal of licenses (a much needed relief from mail-in renewals). A feasibility study report was approved by the Department of Finance several years ago, and the board is in the first tier of

new agencies that may be able to offer this service in the future. Nevertheless, the board is still a long way from implementing this system for its licensees.

The board spent \$50,000 in 2006/07 on programming specifications needed for its programs. In the next three years, the board will spend \$342,000 as its share of costs to implement this system department-wide.

Recently, the department changed the name of the program from I-Licensing to BreZE. A new logo has also been designed. Meanwhile delays in securing vendors and hiring of new staff overseeing the project at the Department of Consumer Affairs have delayed the project. In the last few months, new staff have been hired to lead the project. The board is about 2 years away from implementing I-Licensing according to current estimates and timelines. The department hopes to award the contract for the system this year.

This priority project for the board potentially means additional delays before the board can achieve on-line renewals of licenses. The executive officer has been an executive sponsor of this project, and routine meetings have just been resumed due to staff changes.

**(3) Recognition of Pharmacists Who Have Been Licensed 50 Years**

Since July 2005, the board has acknowledged 750 pharmacists with 50 or more years of licensure as pharmacists in California. Twenty pharmacists reached this milestone between August 2008 and January 2009. Each was sent a certificate and invited to a future board meeting for public recognition. There have been no additional pharmacists reaching this milestone since July.

**(4) Personnel Update and Training Report**

**(a). Staff Changes**

Board managers have been working very hard to fill all vacant positions. A number of staff have been hired or promoted and most of the board's positions have been filled.

A brief overview of the changes are provided below. An organization chart is provided in **Attachment 4**.

- First, Manager Karen Cates will retire from state service at the end of this month after more than 22 years with the board. The board's staff will celebrate this achievement with a retirement party. Ms. Cates has been a strong contributor to the board's operations over the years, and was manager of the board's Enforcement Program and acting assistant executive officer for 18 months.
- Carolyn Klein has been hired as the board's legislative and regulation coordinator. She also will manage the central services staff of the board (budget,

admin). Ms. Klein has come from the Department of Public Health, where she was a manager.

- Tina Thomas has shifted into an enforcement analyst position doing drug audits and undercover buys off the Internet.
- Tessa Fraga has been hired as the new administrative analyst. She will provide support to board members and the executive office, and will work overseeing the Pharmacists Recovery Program.
- Pamela Martinez, an enforcement technician, has retired from state service.
- Michelle Gallagher has transferred into Ms. Martinez' prior position.
- Bridgette McFarland, who has processed examination applications for pharmacists for one year is leaving the board at the end of the month.
- Maria Arriaga and Raymond Flores are the board's new receptionists. The prior receptionists have transferred to other positions with the board. Juanita Balinski is now the budget analyst for the board, and Jessica Liu is now a board cashier.
- Amber Crosby, prior board cashier, is now the board's examination analyst (replacing Debbie Anderson who was promoted to the Licensing Unit manager).
- Helen Meeks Lawson has been hired to perform administrative case tracking and mail votes processing (replacing Veronica Hagen)

The board is recruiting for:

- Enforcement Unit manager (Karen Cates' current position)
- Executive office support (Michelle Gallagher's prior position)
- Examination technician (Bridgette McFarland's prior position)

The board has also moved to establish and recruit to fill 6.5 positions for a new unit to review background checks involving conviction and arrest information on applicants and licensees. The positions will be filled in the next few months on a temporary basis while permanent authority to establish these positions has been sought in a budget change proposal recently added to the Governor's 2009-10 budget, at an annual expense of \$638,0000 annually to the board. These positions are needed to allow the board to thoroughly research and take action against licensees and applicants with criminal backgrounds. This is part of the department's initiative to improve the ability of healing arts boards to take action against health care licensees with serious criminal convictions.

Supervising Inspector Janice Dang will attend the winter management academy training provided by the Department of Consumer Affairs. This course is a six-day intensive session in developing future leaders.

All board staff attended the full staff meeting on December 10. The meeting was hosted by The Communications Team (now called the Totally Cool Team), which is a group of six staff-elected employees who plan these meetings and coordinate team-building activities. All staff attended a two-hour presentation provided by DCA's Training Office on the traits of Baby Boomers, Gen Xers and Gen Ys.

On December 11, board inspectors met with pharmaceutical consultants of the Department of Public Health regarding our joint heparin inspections of California health care facilities this spring, and other items of mutual interest.

**E. FOR INFORMATION: Second Quarterly Report on the Committee's Goals for 2008/09**

The second quarterly report on the Organizational Development Committee's goals is provided at the back of the tab session.

# Attachment 1

Governor's Executive Orders to  
Respond to California State  
Government's Fiscal Deficit



GOVERNOR ARNOLD SCHWARZENEGGER

December 19, 2008

Dear State Worker,

Our state's fiscal crisis has worsened dramatically in the past few weeks without legislative action to address our budget crisis. We face an approximately \$15 billion General Fund deficit this fiscal year, and that number is estimated to grow to \$42 billion over the next 18 months. Without immediate action, the state will not have enough cash to meet its obligations starting in February.

Californians can be proud of the services you provide day in and day out, and I appreciate your dedication and work. But it is imperative that state government look inside itself and be part of the solution. We simply have no other choice. The emergency steps I am announcing will require sacrifices from everyone, including those in my own office. As difficult as these measures are, I know you will maintain your high standards of public service.

Please bear in mind that the actions outlined below are just part of a larger response we're initiating to address the state's imminent cash and budget crisis. I have made many difficult proposals to cut government services and raise revenues to resolve our financial problems beyond those impacting state workers. I am now compelled to take the following steps beginning next year:

- **Furloughs:** Beginning February 1, 2009, and lasting through June 30, 2010, rank-and-file employees will be furloughed two days per month. For employees who are not part of a bargaining unit (*i.e.*, exempt appointees, career executive assignment employees, supervisors and managers), we will implement an equivalent furlough or salary reduction plan effective February 1, 2009. We intend to implement these measures in a way that does not affect your retirement.
- **Layoffs:** I have instructed the Department of Personnel Administration to work with state agencies to initiate layoffs, reductions and other efficiencies to achieve General Fund savings of up to 10 percent starting February 1, 2009. This is in addition to reductions that I have already ordered for the current fiscal year. Employees in General Fund positions in the bottom 20 percent of seniority will receive "surplus" notices within the next month. Employees who receive these notices will not necessarily be laid off, and they will have hiring preference for non-General Fund positions for which they qualify.

Furloughs and the issuance of surplus notices are intended to minimize the impacts of layoffs to be phased in next year. I regret having to take these steps, but I wanted you to hear directly from me about them so you know what to expect.

December 19, 2008  
Page two

The nation's economy has left many families vulnerable and worried. The last thing we wanted was to compound these worries for our own employees. Nevertheless, we have an obligation to the people we serve to make whatever sacrifices are necessary to maintain essential services and programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger". The signature is written in a cursive, somewhat stylized font with a large initial "A".

Arnold Schwarzenegger



MEMORANDUM



**DATE:** January 9, 2009

**TO:** Agency Secretaries  
Undersecretaries  
Directors

**FROM:** **David A. Gilb**  
**Director**  
**Office of the Director**  
**(916) 322-5193; FAX (916) 322-8376**

**SUBJECT:** State Employee Furlough per Governor's Executive Order S-16-08

To reduce current spending to ensure that essential services of the State are not jeopardized and the public health and safety is preserved, the Department of Personnel Administration, under the Governor's authority and at the direction of the Governor, has developed a furlough plan that will result in the closing of general government operations on the first and third Fridays of each month, beginning this February. As such, these unpaid furlough days are not work days and employees shall not report to work. The first furlough day under this plan will be February 6, 2009.

DPA will post details on its website early next week and send a memo to personnel offices with additional information.

For operations that cannot close, Agency Secretaries (and Directors who do not report to an agency) may request approval from DPA to use a "self-directed" furlough for specific positions. There will be two types of self-directed furlough:

- Employees take two furlough days each month but on days chosen by the employee and approved by the supervisor. For example, revenue-generating positions may be considered for this type of furlough.
- Employees accrue two furlough days per month to be taken when feasible. Furlough days that cannot be used within the same month must be taken within two years following the end of the furlough program. Furlough days will not be cashed out. Posted positions in 24/7 facilities such as prisons and hospitals automatically qualify for this self-directed furlough and do not require prior approval from DPA.

Salaries will be adjusted to reflect the unpaid furlough days, but benefits will remain the same (i.e., the furlough will not affect payouts for unused leave, service credit, health and retirement benefits, etc.)

***Please note: The state continues to meet with representatives for state employees about the impact of this program and will notify you of any further developments.***



# Office of the Governor

ARNOLD SCHWARZENEGGER  
THE PEOPLE'S GOVERNOR

[Home](#) [About Arnold](#) [About Maria](#) [Newsroom](#) [Multimedia](#) [Issues](#) [Blog](#) [Interact](#)

## Fact Sheet

REL

### The Governor's Roadmap For More Efficient Government

1/16/2009

#### *18 Ways to Make Government Work Better for the People*

**"If I ask the people to go and to pay and to raise their taxes ... in return we're going to make government more efficient and we're going to get rid of that waste and abuse and fraud and all of those kind of things."** (Gov. Arnold Schwarzenegger, [1/7/09](#))

Governor Schwarzenegger is continuing with his commitment to make government more efficient for the people of California. In these especially difficult budget times, the Governor believes that if we are to ask the people of California to give more of their paychecks and endure spending reductions to balance our budget, then state government must do its part as well - we must become more efficient. In his first round of government efficiency proposals, the Governor has named 18 ways to consolidate, eliminate, and reorganize government that will streamline responsibilities, improve efficiency and save billions of dollars. This will increase government efficiency while maintaining exceptional service in all areas.

**1. IT Reorganization** - *Would result in a central IT organization for increased coordination and efficiency, reduced costs and improved energy efficiency through statewide IT shared services - saving approximately \$1.5 billion over five years*

- The plan would integrate four agencies - the Office of the State Chief Information Officer (OCIO), Office of Information Security and Privacy Protection, Department of Technology Services and the Department of General Services - Telecommunications Division - into an expanded OCIO.
- This plan would also provide the State Chief Information Officer with authority for IT procurement policy and enterprise IT management.
- Consolidation of software contracts, office automation tools, data centers/computer rooms, servers, storage and networks over the course of five years is estimated to save and avoid costs amounting to \$1.5 billion.
- This plan preserves program-specific IT systems and budget responsibility at the Agency level.
- Using a similar model, California's CIO Teri Takai, in her previous role as chief information officer in Michigan, was able to save and avoid costs amounting to 25 percent on that state's IT budget.

**2. Strengthen and Streamline Energy Functions** - *Would create a new Department of Energy (CDOE) with a cabinet-level secretary to help California focus on energy stability and ensure coordination across agencies that deal with our state's energy needs*

- The energy-related responsibilities of nine entities would be consolidated into one, CDOE - consolidating fragmented energy functions, reducing overlap, cutting waste, and holding government more accountable.

- Those entities are the California Energy Commission, the California Power Authority, the Electricity Oversight Board, the California Energy Resources Scheduling Division (CERS), the Department of General Services, the Office of Planning and Research, the Office of the State Architect, the Public Utilities Commission, and the Cal ISO.
- Eliminates the California Energy Commission, placing its structure for siting large (50 MW or greater) thermal power generation, appliance efficiency standards and building efficiency standards within the CDOE. Additionally, the CDOE would assume siting authority - from the Public Utilities Commission - for large renewable generation and transmission infrastructure.
- Greater coordination and focus of the state's energy actions should produce ratepayer benefits over time.

**3. Consolidate Waste and Recycling Functions / Eliminate the Integrated Waste Management Board -**  
*By consolidating fragmented recycling and waste management efforts, a more efficient and effective waste management program could save roughly \$2-\$3 million per fiscal year*

- Would eliminate the California Integrated Waste Management Board.
- Non-recycling aspects of the Board would be transferred to the Department of the Toxic Substances Control (DTSC), which would then be renamed the "Department of Toxics and Waste Management (DTWM)"
- The recycling aspects of the CIWMB would become the responsibility of the Division of Recycling (DOR) at the Department of Conservation (DOC) within the Natural Resources Agency.

**4. Eliminate Department of Boating and Waterways -**  
*Elimination of this department would result in a saving of \$600,000 per fiscal year*

- This department would be moved into the Department of Parks and Recreation and allow for better coordination and management of projects and grants relating to boating access and safety programs.

**5. Consolidate the Postsecondary Education Commission and the Student Aid Commission -**  
*This consolidation would result in a partial year savings of \$2 million.*

**6. Realign the California Conservation Corps -**  
*This would result in a savings of \$17 million in 2009-10 and grow to \$24 million in the out years.*

**7. Eliminate Inspection and Maintenance Review Committee -**  
*This would result in saving of up to \$165,000.*

**8. Eliminate Landscape Architects Technical Committee (LATC) -**  
*This elimination would result in a saving of up to \$1.1 million.*

**9. Eliminate Bureau of Naturopathic Medicine -**  
*This elimination would result in a savings of up to \$130,000.*

**10. Eliminate Telephone Medical Advice Services Bureau -**  
*This elimination would result in a savings of up to \$157,000.*

**11. Eliminate Court Reporter Board -**  
*This elimination would result in a savings of up to \$862,000.*

- Eliminating the board would allow the market to regulate this mostly independent contractor business.

**12. Consolidate the Board of Geologists and the Geophysicists to the State Mining and Geology Board -**  
*This consolidation would result in a savings of up to \$714,000.*

**13. Consolidate the Professional Fiduciaries Bureau under the board of Accountancy -**  
*This consolidation would result in a savings of up to \$102,000.*

**14. Consolidate the Board of Behavioral Sciences and Psychiatric Technicians under the Board of Psychology into a new board of mental health -**  
*This consolidation would result in a savings of up to \$113,000.*

- This would allow for more consistent regulations and procedures in these interrelated boards.

**15. Consolidate the Hearing Aid Dispensers Bureau under the Speech-Language Pathology and Audiology Bureau -**  
*This consolidation would result in a savings of up to \$6,000.*

- This would reduce duplication and allow for more streamlined and efficient processing.

**16. Consolidate the Board of Vocational Nursing and Psychiatric Technicians with the Board of Registered Nursing** - *This consolidation would result in a savings of up to \$123,000.*

- These boards already share enforcement staff, stakeholders and many consumer protection issues. Consolidation would ensure consistent regulations and consumer protections.

**17. Move the California Accidental Release Prevention Program (CalARP) from the Office of Emergency Services (OES) to the Department of Toxic Substances Control (DTSC) within CalEPA** - *This would improve function, consistency and efficiency.*

- This proposal would better achieve the desire statutory intent by having consistent application for local implementing agencies and the regulatory community, and hazardous materials management programs essential for the protection of the environment and public safety.

**18. Eliminate the Permitting of Child Actors** - *This consolidation would result in a savings of up to \$436,000.*

- Permitting would be continued through local school districts - which issue other child labor permits.

---

[Text Version](#) | [Email the Governor](#) | [Email Alerts](#) | [Internship Program](#) | [Technical Contact](#) | [RSS Feeds](#) | [Site Map](#) | [Privacy Policy](#) | [Conditions of Use](#)

**CA State Homepage**

© 2008 State of California

# Attachment 2

## *Fund Condition Report*

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

(Dollars in Thousands)

	Actual 2007-08	CY 2008-09	BY 2009-10	BY+1 2010-11	BY+2 2011-12	BY+3 2012-13
<b>BEGINNING BALANCE</b>	\$ 10,914	\$ 10,883	\$ 8,479	\$ 6,109	\$ 3,410	\$ 362
Prior Year Adjustment	\$ 170	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 11,084	\$ 10,883	\$ 8,479	\$ 6,109	\$ 3,410	\$ 362
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125600 Other regulatory fees	\$ 907	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
125700 Other regulatory licenses and permits	\$ 1,590	\$ 1,545	\$ 1,530	\$ 1,530	\$ 1,530	\$ 1,530
125800 Renewal fees	\$ 5,638	\$ 5,699	\$ 5,699	\$ 5,699	\$ 5,699	\$ 5,699
125900 Delinquent fees	\$ 104	\$ 90	\$ 147	\$ 147	\$ 147	\$ 147
131700 Misc. revenue from local agencies	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 460	\$ 451	\$ 291	\$ 162	\$ 17	\$ -
150500 Interest Income From Interfund Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
161400 Miscellaneous revenues	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Totals, Revenues	\$ 8,721	\$ 8,396	\$ 8,278	\$ 8,149	\$ 8,004	\$ 7,987
Transfers from Other Funds						
F00001 GF loan per Item 1490-011-0767, BA of 2002						
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GF LOAN		\$ (1,000)				
Totals, Revenues and Transfers	\$ 8,721	\$ 7,396	\$ 8,278	\$ 8,149	\$ 8,004	\$ 7,987
Totals, Resources	\$ 19,805	\$ 18,279	\$ 16,757	\$ 14,259	\$ 11,415	\$ 8,349
<b>EXPENDITURES</b>						
Disbursements:						
0840 State Controller (State Operations)	\$ 8	\$ 7	\$ -	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations) - Galley 3	\$ 8,914	\$ 9,793	\$ 10,020	\$ 10,220	\$ 10,425	\$ 10,633
Fingerprinting BCP		\$ -	\$ 628	\$ 628	\$ 628	\$ 628
9670 Equity Claims / Board of Control (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 8,922	\$ 9,800	\$ 10,648	\$ 10,848	\$ 11,053	\$ 11,261
<b>FUND BALANCE</b>						
Reserve for economic uncertainties	\$ 10,883	\$ 8,479	\$ 6,109	\$ 3,410	\$ 362	\$ (2,913)
Months in Reserve	13.3	9.6	6.8	3.7	0.4	-3.0

**NOTES:**

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2008-09 AND 2009-10
- B. ASSUMES 2% GROWTH IN EXPENDITURES IN FY 2010-11
- C. REIMBURSEMENTS IN 07-08 TOTALED \$221 AND ARE REMOVED FROM PROGRAM EXPENDITURES

# Attachment 3

## *Reimbursement to Board Members*

## Board Member Reimbursement And Expenses

July 1, 2008 through December 31, 2008

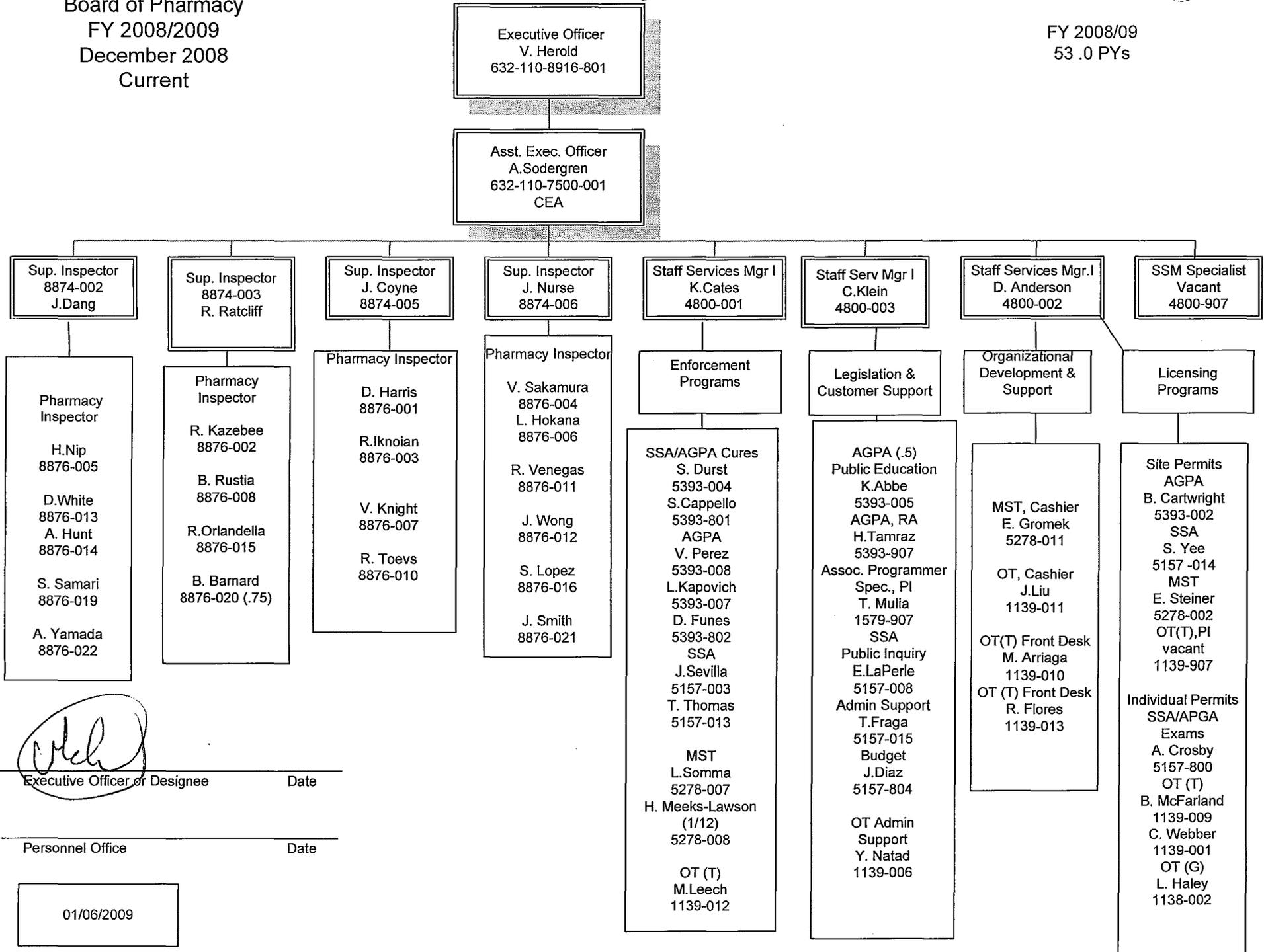
<b>Board Members</b>	<b>Attendance Hours</b>	<b>Travel Expenses</b>
James Burgard	101	\$2752.81
Ruth Conroy	0	\$1257.63
Tim Dazé	56.75	\$1189.79
Stanley Goldenberg	33	\$840.76
Robert Graul	32	0
Henry Hough	85.5	\$1076.87
William Powers	63.25	\$1199.42
Susan Ravnar	40.5	\$630.33
Kenneth Schell	36.5	\$445.42
Robert Swart	83	0
Stan Weisser	117.5	\$2003.81
Shirley Wheat	66.75	\$655.83
Andrea Zinder	31.5	\$156.34

# Attachment 4

## *Board of Pharmacy Organizational Chart*

Department of Consumer Affairs  
 Board of Pharmacy  
 FY 2008/2009  
 December 2008  
 Current

FY 2008/09  
 53 .0 PYs



*[Handwritten Signature]*

Executive Officer or Designee \_\_\_\_\_ Date \_\_\_\_\_

Personnel Office \_\_\_\_\_ Date \_\_\_\_\_

01/06/2009

## 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 data-bbox="370 457 1524 821">1. <b>Review workload and resources to streamline operations, target backlogs and maximize services.</b>  <i>1st Qtr 08/09: State government without budget and then facing severe deficit triggers layoffs, hiring freezes, contract suspensions that impact board operations</i> <ul style="list-style-type: none"> <li data-bbox="558 604 1524 636">• <i>Loss of six staff</i></li> <li data-bbox="558 642 1524 674">• <i>Suspension of all contracts for two months</i></li> <li data-bbox="558 680 1524 743">• <i>Inability to hire for three vacant positions, including two manager positions and three enforcement positions.</i></li> <li data-bbox="558 749 1524 812">• <i>Suspend response to all status inquiries in Licensing Unit to focus on application processing.</i></li> </ul> <i>3rd Qtr 08/09: Board undergoes 10 percent reduction in staff salaries and two working days furlough each month, effective February 2009 to reduce state expenses.</i> </li> <li data-bbox="370 905 1524 1297">2. <b>Develop budget change proposals to secure funding for needed resources.</b>  <i>1st Qtr 08/09: Board staff prepare legislative Budget Change Proposal to secure one half-time manager position to address workload associated with SB 1441 (Ridley-Thomas) Healing Arts Rehabilitation Program.</i>  <i>2nd Qtr 08/09: Budget Change Proposal on SB 1441 denied due to language in bill preventing staff augmentations.</i>  <i>Board submits Criminal Convictions Unit proposal for 6.5 staff positions to strengthen and expedite review of arrest and conviction notices involving board applicants and licensees, \$600,000 annually.</i>  <i>3rd Qtr 08/09: Criminal Conviction Unit approved and inserted into 2009/2010 Governor's Budget.</i> </li> <li data-bbox="370 1310 1524 1524">3. <b>Perform strategic management of the board through all committees and board activities.</b>  <i>1st Qtr 08/09: Strategic Plan approved at the July 2008 Board Meeting. Staff initiates redesign of quarterly reporting format and incorporates changes to plan.</i>  <i>2nd Qtr 08/09: Quarterly reports provided at board meeting updating Strategic Plan.</i>  <i>3rd Qtr 08/09: Quarterly reports provided at board meeting updating Strategic Plan.</i> </li> <li data-bbox="370 1537 1524 1787">4. <b>Manage the board's financial resources to ensure fiscal viability and program integrity.</b>  <i>1st Qtr 08/09: Fee audit initiated then suspended by state budget impasse. Staff successful in seeking exemption and work resumed</i>  <i>Staff complete budget forecast for 2009/2010 workload and revenue.</i>  <i>2nd Qtr 08/09: Fee audit completed.</i>  <i>3rd Qtr 08/09: Fee audit submitted to Board at January Meeting.</i> </li> </ol>

Objective 5.2	Maintain 100 percent staffing of all board positions.
Measure:	Percentage staffing of board positions.
Tasks:	<ol style="list-style-type: none"> <li>1. Continue active recruitment of pharmacists for inspector positions. <i>1st Qtr 08/09: Board inspectors positions at full staffing.</i></li> <li>2. Vigorously recruit for any vacant positions. <i>1st Qtr 08/09: Initiate recruitment for enforcement analyst and legislation and regulation manager. Recruitment suspended on vacant positions pursuant to the Executive Order. Board seeks exemptions to rehire key staff. All exemptions denied. 2nd Qtr 08/09: Three staff vacancies exist.</i></li> <li>3. Perform annual performance and training assessments of all staff. <i>1st Qtr 08/09: Complete annual performance review on 25% of staff.</i></li> </ol>
Objective 5.3	Succession planning and workforce retention.
Measure:	Secure enhanced training of staff to improve job proficiency
Tasks:	<ol style="list-style-type: none"> <li>1. Identify training for staff development. <i>1st Qtr 08/09: Supervising Inspector Nurse and Assistant Executive Officer accepted into Department of Consumer Affairs Management Academy. Both complete course. 2nd Qtr 08/09: Supervising Inspector Dang accepted into Department of Consumer Affairs Management Academy.</i></li> </ol>

Objective 5.4	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 data-bbox="370 218 1495 323">1. <b>Implement automated applicant tracking (ATS).</b>  <i>1st Qtr 08/09: Full implementation of ATS achieved in 2007/2008. Staff continue to seek program changes as necessary.</i> </li> <li data-bbox="370 323 1495 1398">2. <b>Implement online license renewal and application submission features (I-Licensing).</b> <ul style="list-style-type: none"> <li data-bbox="440 365 1471 432"><i>1st Qtr 06/07: Interim Executive Officer Herold put on DCA's executive sponsor committee for this project.</i></li> <li data-bbox="440 443 1487 548"><i>2nd Qtr 06/07: 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></li> <li data-bbox="440 558 1495 663"><i>3rd Qtr 06/07: 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. Staff changes at DCA may delay implementation.</i></li> <li data-bbox="440 674 1495 842"><i>4th Qtr 06/07: 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. DCA hires additional staff for I-Licensing project. Implementation for board programs delayed until mid-2009.</i></li> <li data-bbox="440 852 1495 999"><i>1st Qtr 07/08: 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 due to loss of all key DCA staff.</i></li> <li data-bbox="440 1010 1463 1178"><i>2nd Qtr 07/08: Licensing staff review all board applications to conform to system requirements. Integrated work team formed of board staff to work closely with I-Licensing conversion, a major workload. DCA's new staff in place, work on securing I-Licensing vendor resumes. Executive Officer continues on executive steering committee.</i></li> <li data-bbox="440 1188 1349 1255"><i>3rd Qtr. 07/08: Department works on securing vendors. Board is up to date in performing implementation components.</i></li> <li data-bbox="440 1266 1235 1333"><i>4th Qtr 07/08: Delays continue to plague I-Licensing. New implementation date for board is now mid 2010.</i></li> <li data-bbox="440 1344 1471 1398"><i>1st Qtr 08/09: Board Executive Officer attends Steering Committee Meeting and conveyed boards concerns about continued delays of implementation.</i></li> </ul> </li> <li data-bbox="370 1409 1495 1732">3. <b>Integrate telephone features to improve board services without adding staff resources.</b> <ul style="list-style-type: none"> <li data-bbox="440 1482 1487 1549"><i>1st Qtr 06/07: Phone system modified to allow "zeroing out" early in telephone message so consumers can reach a live operator more quickly.</i></li> <li data-bbox="440 1560 1487 1665"><i>3rd Qtr 07/08: Added Call Pilot feature to licensing and renewal phone lines that automatically places a copy of the call log into the appropriate staff's email. This saves time and improves customer service.</i></li> <li data-bbox="440 1675 1487 1732"><i>4th Qtr 07/08: Conference line used to coordinate inspector staff meetings without need to travel to meeting.</i></li> </ul> </li> </ol>

	<p>4. Use the department's newly created "ad hoc" system to generate data for reports.</p> <p><i>1st Qtr 07/08: Three staff trained in using enforcement or licensing reports.</i></p> <p><i>2nd Qtr 07/08: Board begins to use reports for management.</i></p> <p><i>4th Qtr 07/08: Staff use reports to ???.</i></p> <p>5. Secure equipment needed to perform staff duties optimally.</p> <ul style="list-style-type: none"> <li>• Deploy upgraded all-in-one printer/scanner/fax/copiers to all inspectors, along with Lotus Notes e-mail upgrades. (Completed December 2006)</li> <li>• Inspectors get upgraded Blackberries to allow Internet connection through their laptop computers. (Completed April 2007)</li> <li>• New photocopier purchased with improved scanning features. (Completed July 2007 and June 2008)</li> <li>• Printer for poster-sized prints installed. (Completed December 2007)</li> <li>• New laptop computers selected and purchased for inspectors. (New laptops distributed April 2008)</li> <li>• Software to allow the board's IT staff to trouble shoot and fix field inspectors' computer issues remotely is installed. (Completed April 2008)</li> <li>• "Hands-free" headsets purchased for all Blackberry users. (Completed June 2008)</li> <li>• New desktop computers purchased for all office staff</li> </ul> <p><i>4th Qtr 07/08: Equipment received and IT request submitted to department to create image.</i></p> <p><i>1st Qtr 08/09: Staff follow up with department on request and advised of delay resulting from staff shortages in departments IT.</i></p> <p><i>2nd Qtr 08/09: Completed rollout of new computers. (Completed December 2008)</i></p> <p>6. Implement automated program for staff conducted drug audits.</p> <p><i>4th Qtr 07/08: Automated program developed for drug audits initiated by inspectors.</i></p> <p><i>1st Qtr 08/09: Automated program deployed to office staff assisting with drug audits.</i></p> <p>7. Implement template for drug audits completed by pharmacies.</p> <p>8. Develop template for hospital inspections to identify recalled heparin. (Completed April 2008)</p>
Objective 5.5	Provide for communication venues to communicate within the board by June 30, 2011.
Measure:	Number of communication venues to communicate within the board.
Tasks:	<p>1. Continue the Communication Team to improve communication among staff and host quarterly staff meetings.</p> <p><i>4th Qtr 07/08: TCT hosts staff meeting and picnic. Interest in revitalizing team results in competitive elections of new members and a change in name to "The Totally Cool Team".</i></p> <p>2. Continue Enforcement Team meetings with board members and enforcement staff.</p> <p>3. Convene annual inspector meetings to ensure standardized investigation and inspection processes, law and practice updates and earn continuing education credit.</p> <p><i>4th Qtr 07/08: Inspectors training includes discussion of focused heparin recall inspections of hospitals, gray areas in law, and computer training.</i></p> <p><i>1st Qtr 08/09: Inspector workshop scheduled.</i></p>

Objective 5.6	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. <b>Outreach programs 2006/2007.</b>  <i>Convene subcommittee on Medicare Part D implementation.  Convene Workgroup to implement e-pedigree.  Host the National Association of Boards of Pharmacy District 7 &amp; 8 Meeting in California.  Attends and presents at annual association meetings.</i> </li> <li>2. <b>Outreach programs 2007/2008.</b>  <i>Continue subcommittee on Medicare Part D implementation.  Continue workgroup to implement e-pedigree.  Initiates public campaign on SB 472 (Corbett) - Standardization of the prescription label.  Attends and presents at annual association meetings.</i> </li> <li>3. <b>Outreach programs 2008/2009.</b>  <i>July 2008 Board Meeting focuses on medication errors and prevention.  Presentation on sharps disposal before the California Integrated Waste Management Board to a statewide audience.  Nationwide presentations on implementation of e-pedigree.</i> </li> </ol>
Objective 5.7	Perform succession planning to ensure continuity for board operations during staff retirements.
Measure:	Number of staff trained for advanced duties and promoted.
Tasks:	<i>1st Qtr 08/09: Assistant Executive Officer Anne Sodergren and Supervising Judi Nurse complete Department of Consumer Affairs first Management Academy.</i>

Objective 5.8	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).																																																																																																																														
	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Qtr 1</th> <th colspan="2">Qtr 2</th> <th colspan="2">Qtr 3</th> <th colspan="2">Qtr 4</th> </tr> <tr> <th></th> <th>N</th> <th>%</th> <th>N</th> <th>%</th> <th>N</th> <th>%</th> <th>N</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>a) License Verifications</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    ≤ 10 days</td> <td>131</td> <td>62%</td> <td>101</td> <td>73%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    11-30 days</td> <td>69</td> <td>32%</td> <td>35</td> <td>25%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    31 + days</td> <td>12</td> <td>6%</td> <td>3</td> <td>2%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b) Disciplinary Information</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    ≤ 10 days</td> <td>23</td> <td>66%</td> <td>13</td> <td>72%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    11-30 days</td> <td>10</td> <td>28%</td> <td>5</td> <td>28%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    31 + days</td> <td>2</td> <td>6%</td> <td>0</td> <td>0%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>c) Other Information</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    ≤ 10 days</td> <td>47</td> <td>39%</td> <td>22</td> <td>29%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    11-30 days</td> <td>50</td> <td>41%</td> <td>48</td> <td>63%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    31 + days</td> <td>24</td> <td>20%</td> <td>6</td> <td>8%</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Qtr 1		Qtr 2		Qtr 3		Qtr 4			N	%	N	%	N	%	N	%	a) License Verifications									≤ 10 days	131	62%	101	73%					11-30 days	69	32%	35	25%					31 + days	12	6%	3	2%					b) Disciplinary Information									≤ 10 days	23	66%	13	72%					11-30 days	10	28%	5	28%					31 + days	2	6%	0	0%					c) Other Information									≤ 10 days	47	39%	22	29%					11-30 days	50	41%	48	63%					31 + days	24	20%	6	8%				
		Qtr 1		Qtr 2		Qtr 3		Qtr 4																																																																																																																							
		N	%	N	%	N	%	N	%																																																																																																																						
	a) License Verifications																																																																																																																														
	≤ 10 days	131	62%	101	73%																																																																																																																										
	11-30 days	69	32%	35	25%																																																																																																																										
	31 + days	12	6%	3	2%																																																																																																																										
	b) Disciplinary Information																																																																																																																														
	≤ 10 days	23	66%	13	72%																																																																																																																										
11-30 days	10	28%	5	28%																																																																																																																											
31 + days	2	6%	0	0%																																																																																																																											
c) Other Information																																																																																																																															
≤ 10 days	47	39%	22	29%																																																																																																																											
11-30 days	50	41%	48	63%																																																																																																																											
31 + days	24	20%	6	8%																																																																																																																											
2. Respond to subpoenas within the timeline specified.																																																																																																																															
<table border="1"> <thead> <tr> <th></th> <th>Qtr 1</th> <th>Qtr 2</th> <th>Qtr 3</th> <th>Qtr 4</th> </tr> </thead> <tbody> <tr> <td>Subpoenas Received</td> <td>9</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td>Responded within required time</td> <td>7</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td>Not responded to within required time</td> <td>2</td> <td>0</td> <td></td> <td></td> </tr> </tbody> </table>		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Subpoenas Received	9	4			Responded within required time	7	4			Not responded to within required time	2	0																																																																																																													
	Qtr 1	Qtr 2	Qtr 3	Qtr 4																																																																																																																											
Subpoenas Received	9	4																																																																																																																													
Responded within required time	7	4																																																																																																																													
Not responded to within required time	2	0																																																																																																																													
3. Respond to specific requests for data reports list. <i>1st Qtr 08/09: Submit agency statistical profile summarizing data for 2007-2008. Submit monthly report to director's office that highlights major activities of board licensing and enforcement statistics.</i>																																																																																																																															