



**California State Board of Pharmacy**  
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STATE AND CONSUMER SERVICES AGENCY  
DEPARTMENT OF CONSUMER AFFAIRS  
GOVERNOR EDMUND G. BROWN JR.

## **ORGANIZATIONAL DEVELOPMENT COMMITTEE**

Stan Weisser, RPh, Chairperson, Board President  
Randy Kajioka, PharmD, Board Vice-President

The Organizational Development Committee did not meet this quarter

### **a. FOR INFORMATION: Budget Update/Report**

#### **1. Budget Report for 2012/13**

#### **Attachment 1**

The budget year began July 1, 2012 and will end June 30, 2013. The board's spending authorization for the year is \$15,289,000. We have not received the line item authorizations for the year.

**Attachment 1** includes budget charts detailing the board's expenditures and revenue for the current fiscal year. Also included are budget charts detailing the board's expenditures and revenue for the prior fiscal year. These numbers were not available for the July 1012 Board Meeting.

The board has expended almost 20% of its budget in the first three months of the new fiscal year, primarily in personnel services. (It is important to note that these figures only include two months of billings from the Office of the Attorney General.) The board revenue thus far has come primarily from license fees, about 80%.

The year-end budget figures from 2011/12 show that 55% of the board's expenditures were to cover personnel services and 19% was attributed to enforcement related costs, primarily money to the Office of the Attorney General. Last year the board collected \$13,231,960 in revenue: 86% from licensing fees, 10% from citations and fines and 4% from cost recovery.

The last budget chart provided is an expenditure comparison for fiscal years 2010/11, 2011/12 and projections for 2012/13. As the chart details the board is projecting a 38% increase in overall expenditures from 2010/11 through this fiscal year, a 58% increase in personnel services from 2010/11 as well as about 60% increase in prorata. The prorata increase is attributed primarily to an increase in the number of staff.

## **2. Fund Condition Report**

### **Attachment 2**

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:

2011/12	\$13,577,000	10.8 months in reserve (actual)
2012/13	\$10,507,000	8.6 months in reserve
2013/14	\$7,809,000	6.2 months in reserve
2014/15	\$5,787,000	4.5 months in reserve

Board staff continues to watch the board's expenditures and revenue closely to monitor the board's fund condition.

## **3. Update on BreZE and DCA's Plans for a New Computer System**

### **Background**

As we have previously advised the board, for a number of years, the department has worked to replace and/or enhance its legacy licensing and enforcement tracking systems used by most DCA agencies that were developed in the 1980s. A few years ago, the department initiated an "I-Licensing" project which would have offered online application and renewal of licenses (a much needed relief from mail-in renewals).

Nearly two years ago, DCA's proposed Consumer Protection Enforcement Initiative also sought computer system upgrades with a new proposal for a department-wide computer system called BreZE. Once in place the new system would allow for online renewal and application processing, and will also replace the board's Consumer Affairs Systems and the Applicant Tracking System. BreZE will piggyback on the efforts of the initial I-Licensing system and will ultimately allow for improved services for applicants and licensees as well as provide for a more robust internal computer system.

This new system is vital to the board's operations as the current system limitations significantly impede our ability to perform efficiently. Based on the current timeline for implementation, the board will be in the second phase of programs transitioning to the new system. As such, the board is about 2 years away from changing to this new system.

### **Previous Board Discussion**

We continue to commit a significant amount of resources to this project to ensure the board's operational needs are met. The executive officer continues to serve as an executive sponsor of this project and was recently nominated to serve on a change control board, part of the established governance plan for this project. Two board staff have been working part-time for this project, assisting the department in documenting system requirements that meet the needs of our board as well as others through out the project. Further as the implementation date approached will be need to redirect other staff to ensure the necessary transition plans and data clean-up are in place to mitigate problems during the transition.

### Recent Update

As the board was advised during the last board meeting, the department and the vendor anticipated work would begin with boards transitioning to the new system in “Phase Two”. This process has not started yet, but several key staff has been identified to work on this and will be redirected when the process begins. The executive officer remains a member of the executive committee overseeing the process and continues to also serve as a member of the change control board. Her role, along with those subject matter experts working with the vendor and department will ensure the appropriate functionality of the system prior to implementation. This major commitment of board resources to BreEZe is justified by the board’s need for the system.

Because of some delays with the transition for those programs in “Phase One” of the implementation, the board’s transition date is extended out. We do not have an estimated date from the BreEZe team.

### **4. Reimbursement to Board Members**

#### **Attachment 3**

Expenses and per diem payments to board members 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.

### **b. FOR INFORMATION: Recognition Program of Pharmacists Who Have Been Licensed 50 Years in California**

Since July 2005, the board has acknowledged 1,271 pharmacists with 50 or more years of licensure as pharmacists in California. There were 9 pharmacists who reached this milestone between August and October 2012. When a pharmacist reaches this milestone, the board sends a certificate and an invitation to attend a future board meeting for public recognition.

### **c. FOR INFORMATION: Personnel Update**

#### **1. Board Member Vacancies**

Since the last board meeting, one new member was appointment to the board. Below is information from governor’s press release.

*Victor Law, 59, of Los Angeles, has been appointed to California Board of Pharmacy. Law has been chief pharmacist and president at Alpha Medical Pharmacy Inc. since 1987. He held multiple positions at Thrifty Corp. from 1982 to 1986, including pharmacy manager and staff pharmacist. Law was a staff pharmacist for Sav-On Pharmacy from 1979 to*

*1981. This position does not require Senate confirmation and the compensation is \$100 per diem. Law is a Democrat.*

Mr. Law replaces former board member Neil Badlani. The board currently has and one vacancy, which is a Governor Appointment and is for a professional member representing labor.

## **2. Staff Changes**

For the first time in several years, the board has a full inspector staff. In addition, we are filling in the process of filling several vacant licensing positions as well. Unfortunately in late August the governor directed all state agencies to stop using student assistants and retired annuitants. The governor did establish an exemption to allow mission critical retired annuitants to be retained on a short term basis if approved. The board was successful in maintaining two such staff for a period of time, but regrettably could not keep Hope Tamraz, who served as the board's newsletter editor since the early 1990s.

Below is an update on personnel changes.

### Promotions

- Raymond Flores accepted a promotion and is now an analyst in the board's complaint unit.
- Todd Clinton accepted a promotion and is now an analyst in the board's criminal conviction unit.
- Katrina Small accepted a part-time position serving as a board receptionist. Katrina was previously a student assistant for the board.

### New Board Inspectors

- Ijeoma Eleazu
- Antony Ngondara
- Cari Lee
- Jennifer Hall
- Patricia Peterson
- Suzy Patell
- Sandra Fasulo

### Departures

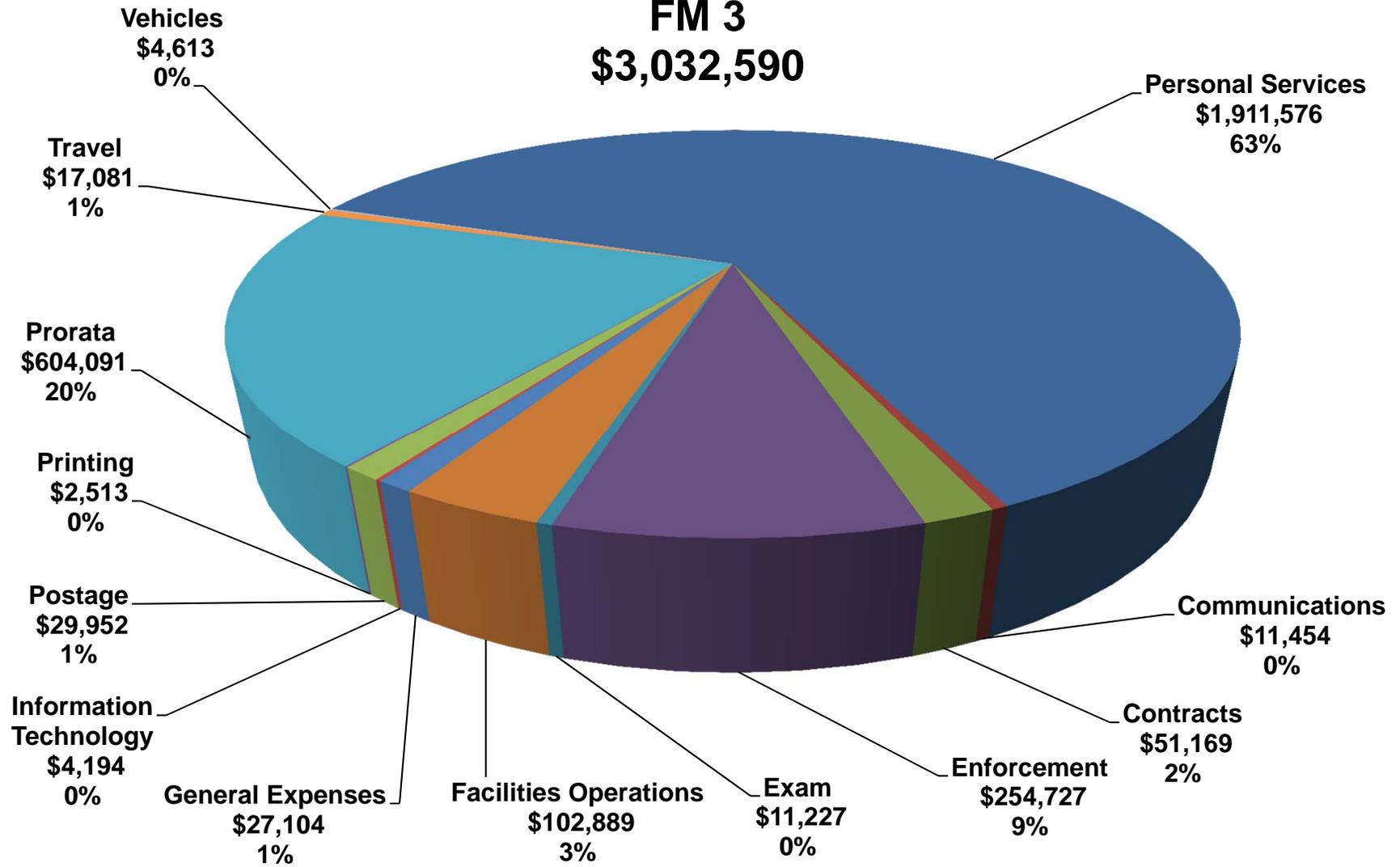
- Shelley Kidwell transferred to another department within the state.
- Hope Tamraz was a retired annuitant.
- Monica Ramos was a student assistant.
- Kaitlyn Raney was a student assistant.

Recruitment is ongoing for several key licensing positions and we hope to have positions filled by the end of the month.

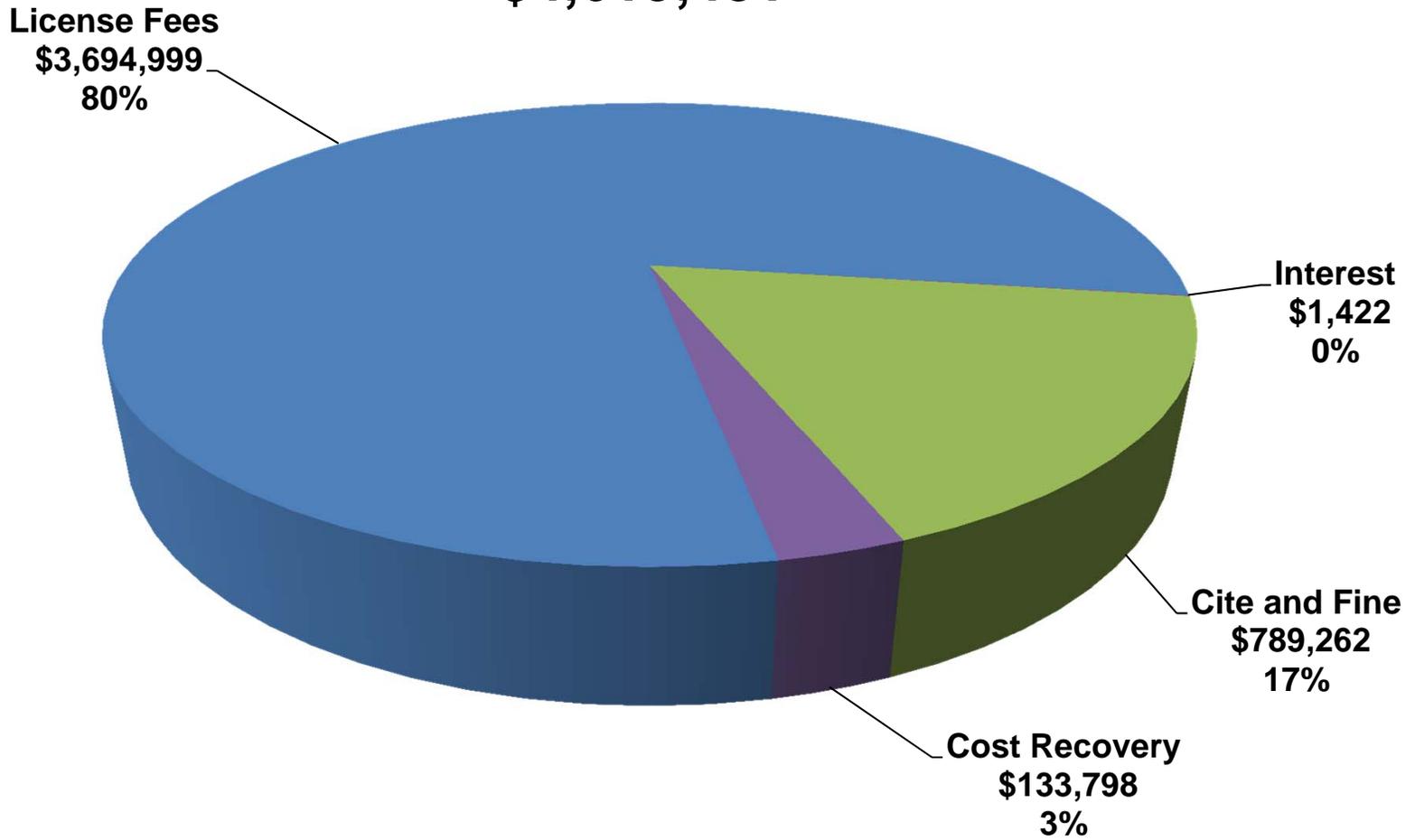
**d. FOR INFORMATION: First Quarterly Report on the Committee's Goals for 2012/13**

The strategic goals update for the Organizational Development Committee is under development by staff and will be reviewed by the committee in advance of the January 2013 Board Meeting.

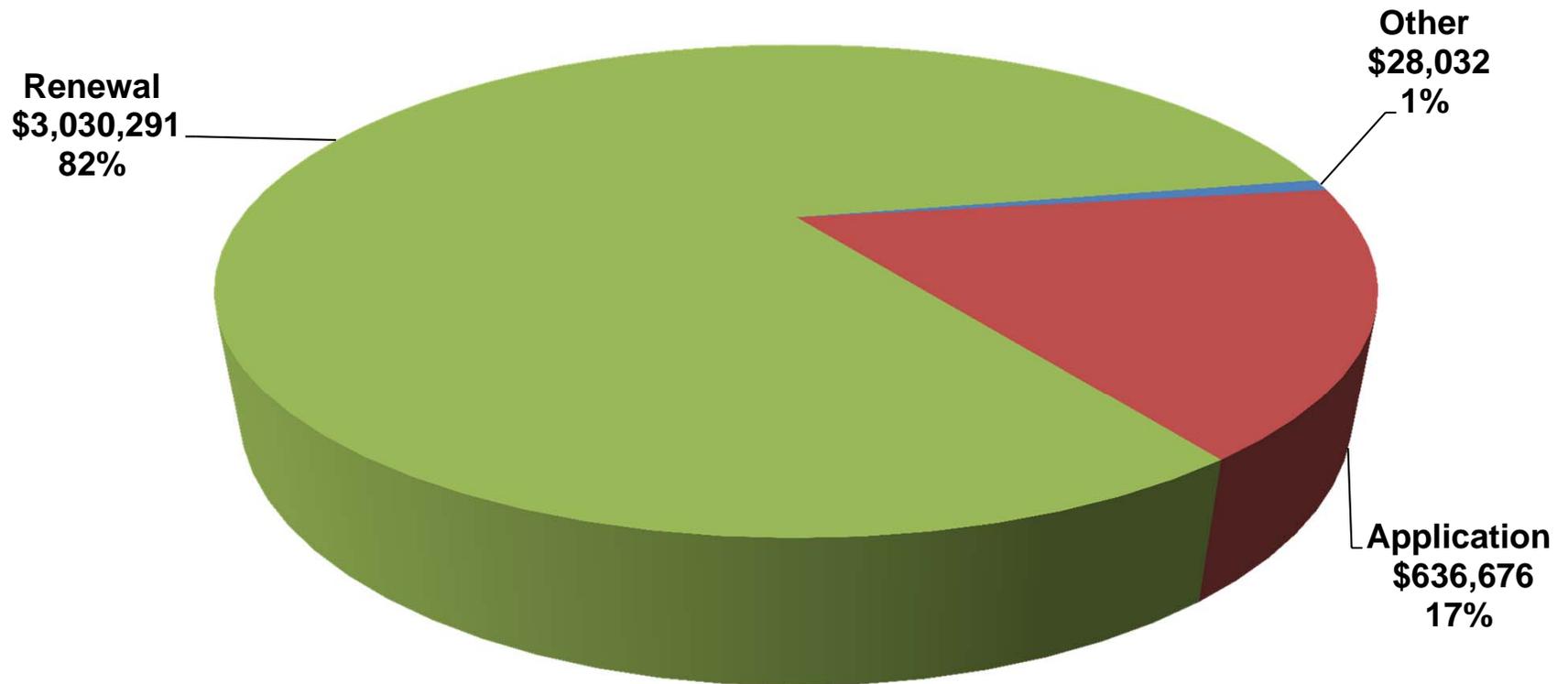
# Expenditures FY 2012/2013 FM 3 \$3,032,590



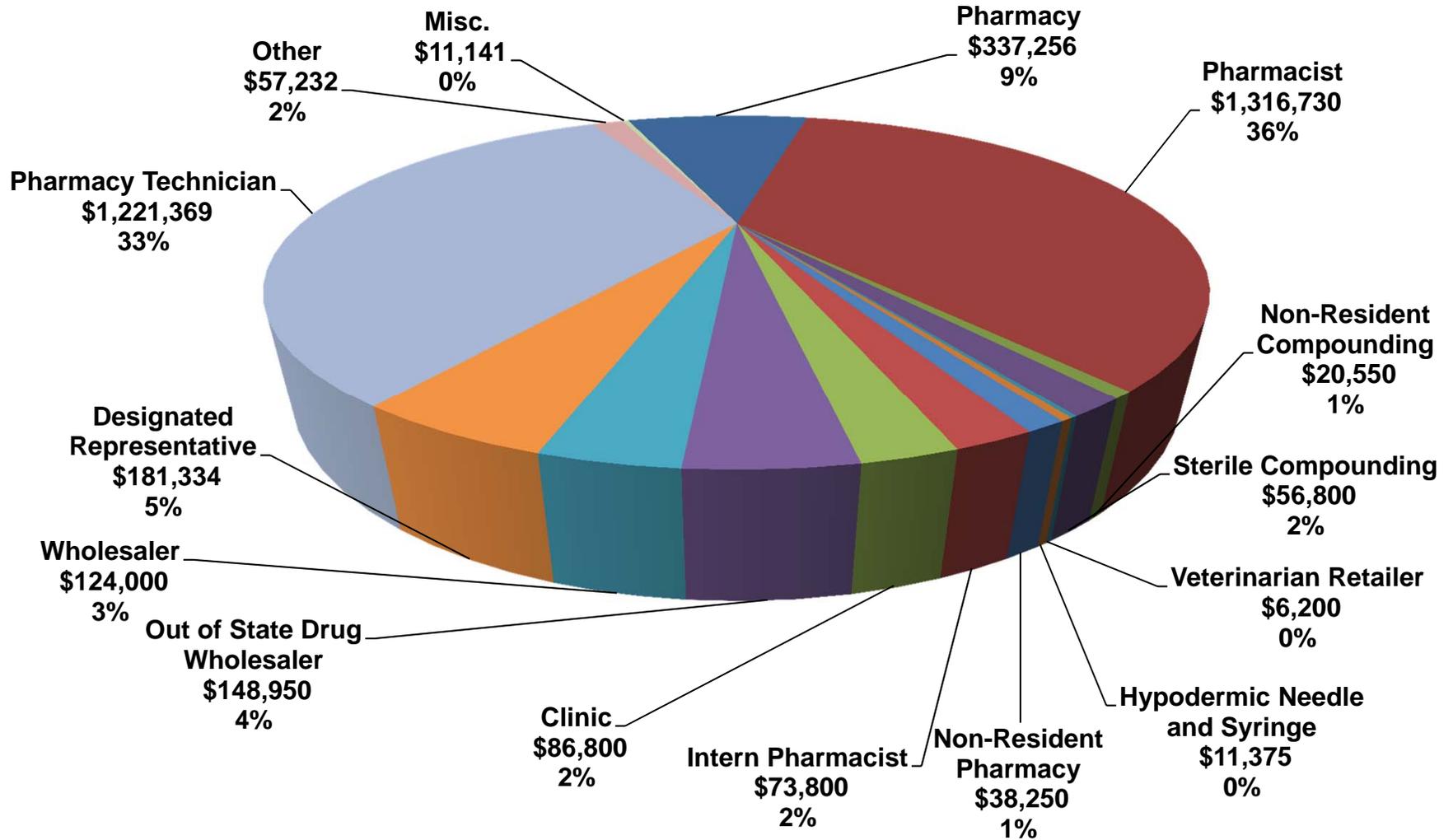
**Origin of Revenue  
FY 2012/2013  
FM 3  
\$4,619,481**



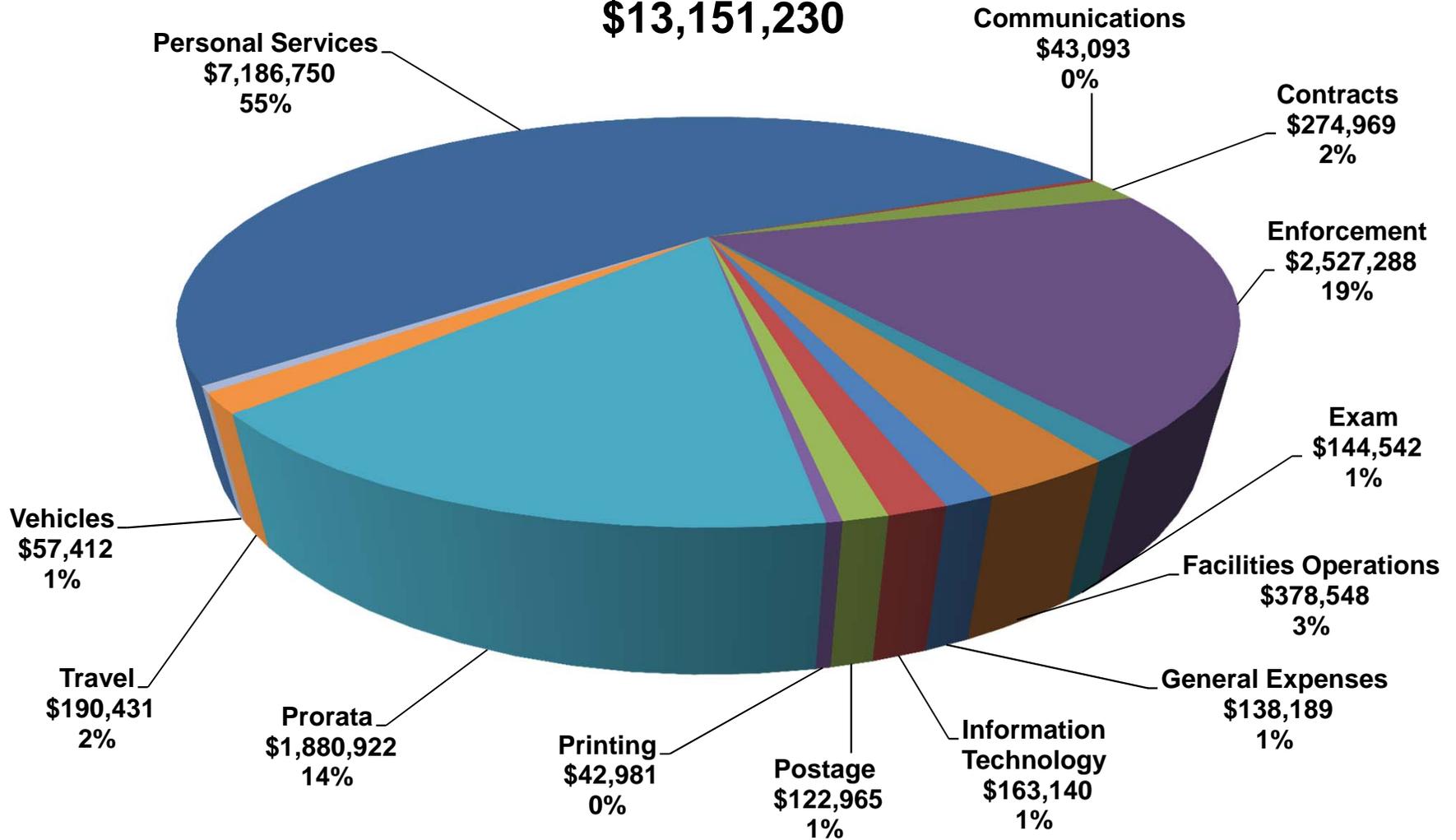
**Application vs. Renewal Fees  
FY 2012/2013  
FM 3  
\$3,694,999**



**Revenue By Program  
FY 2012/2013  
FM 3  
\$3,691,787**

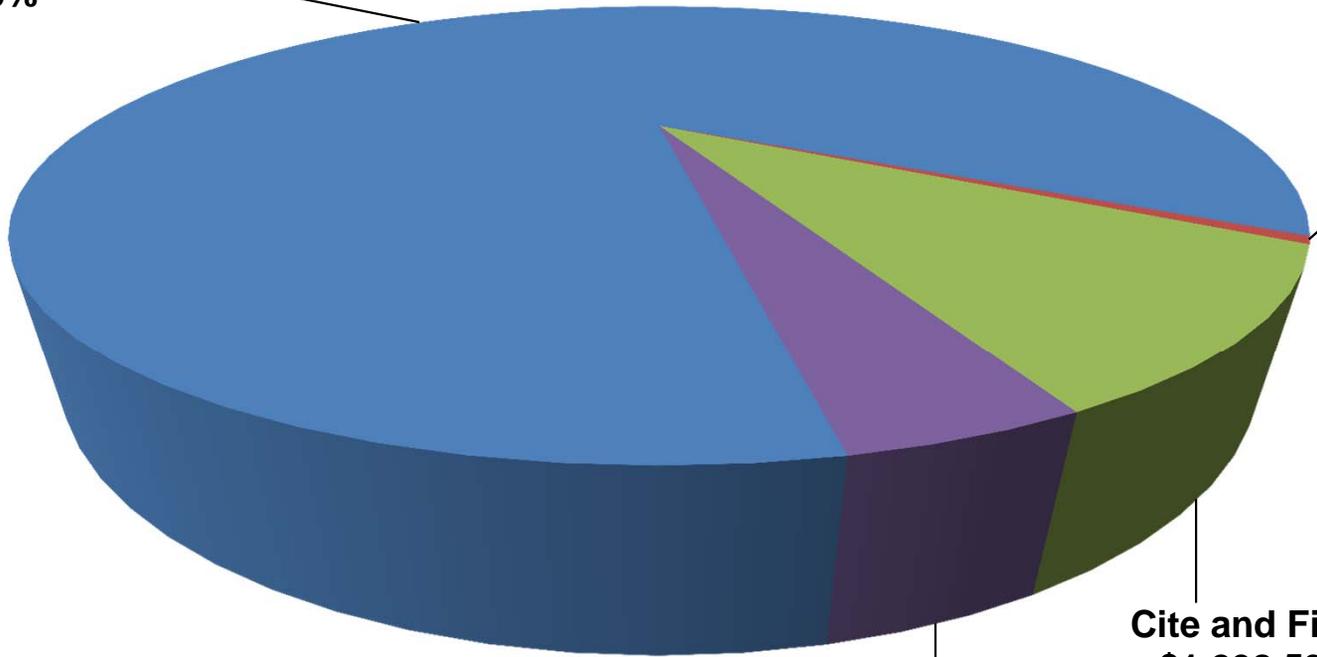


**Expenditures  
FY 2011/2012  
FM 13  
\$13,151,230**



**Origin of Revenue  
FY 2011/2012  
FM 13  
\$13,231,960**

**License Fees  
\$11,343,867  
86%**

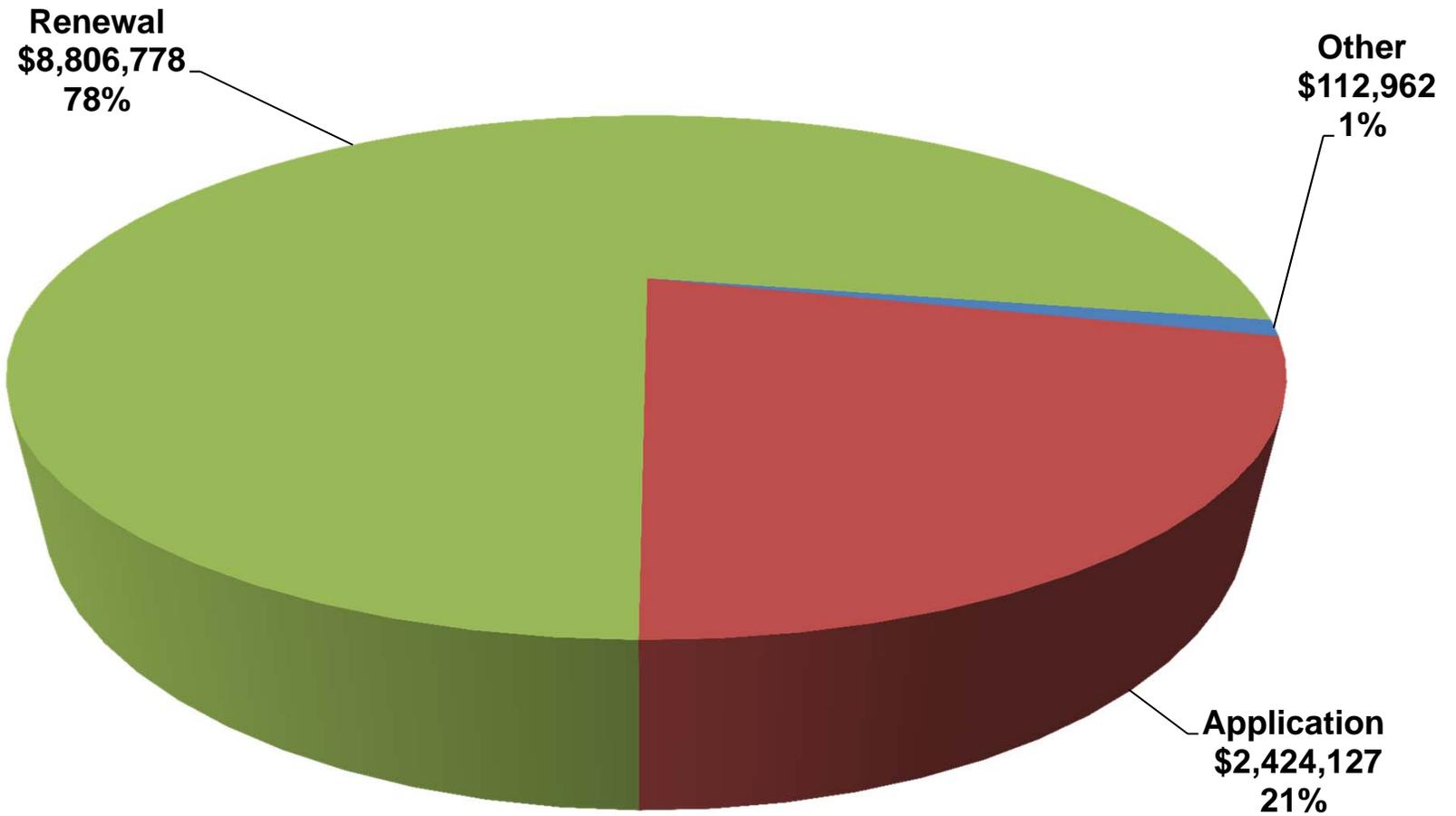


**Interest  
\$65,895  
0%**

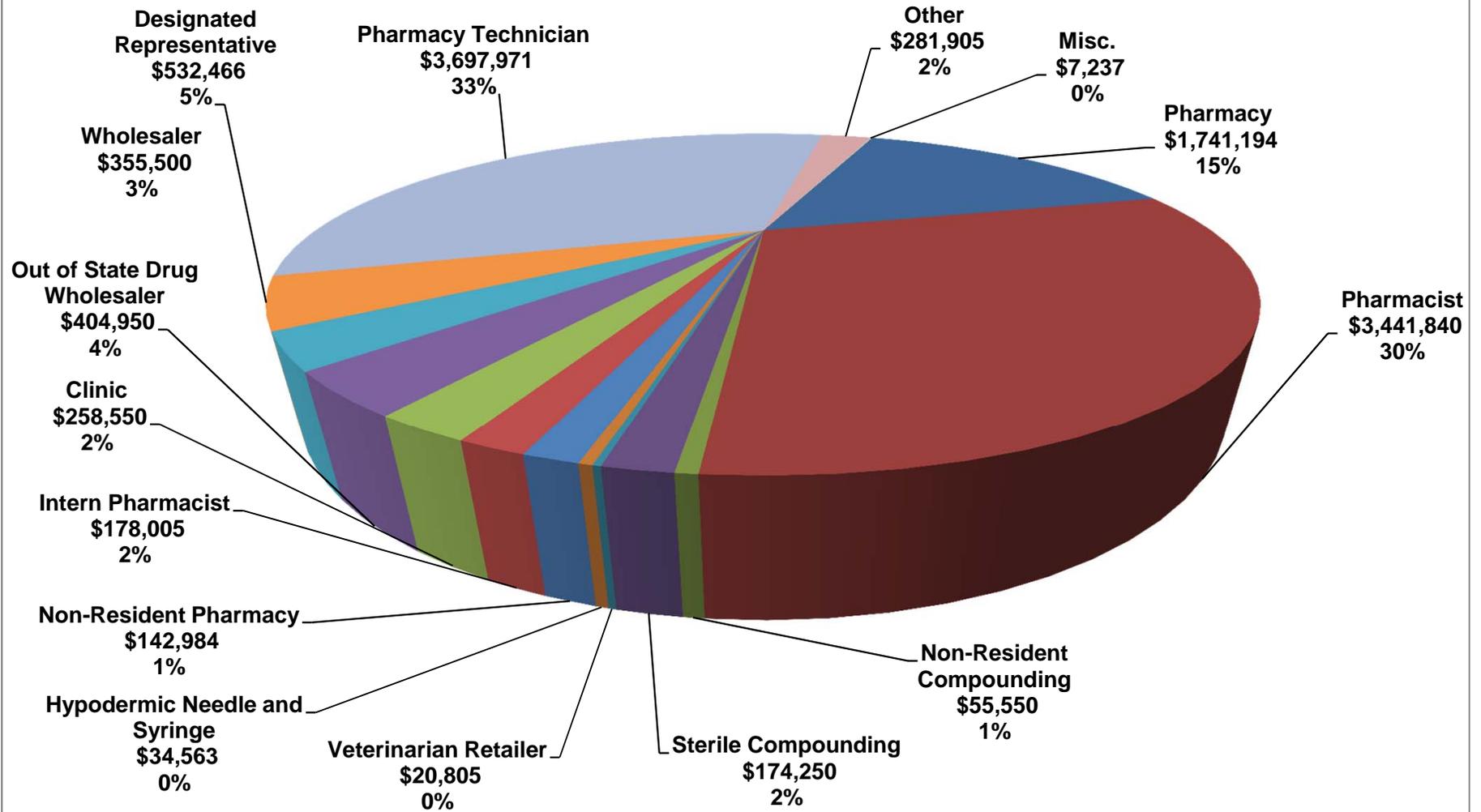
**Cost Recovery  
\$523,662  
4%**

**Cite and Fine  
\$1,298,536  
10%**

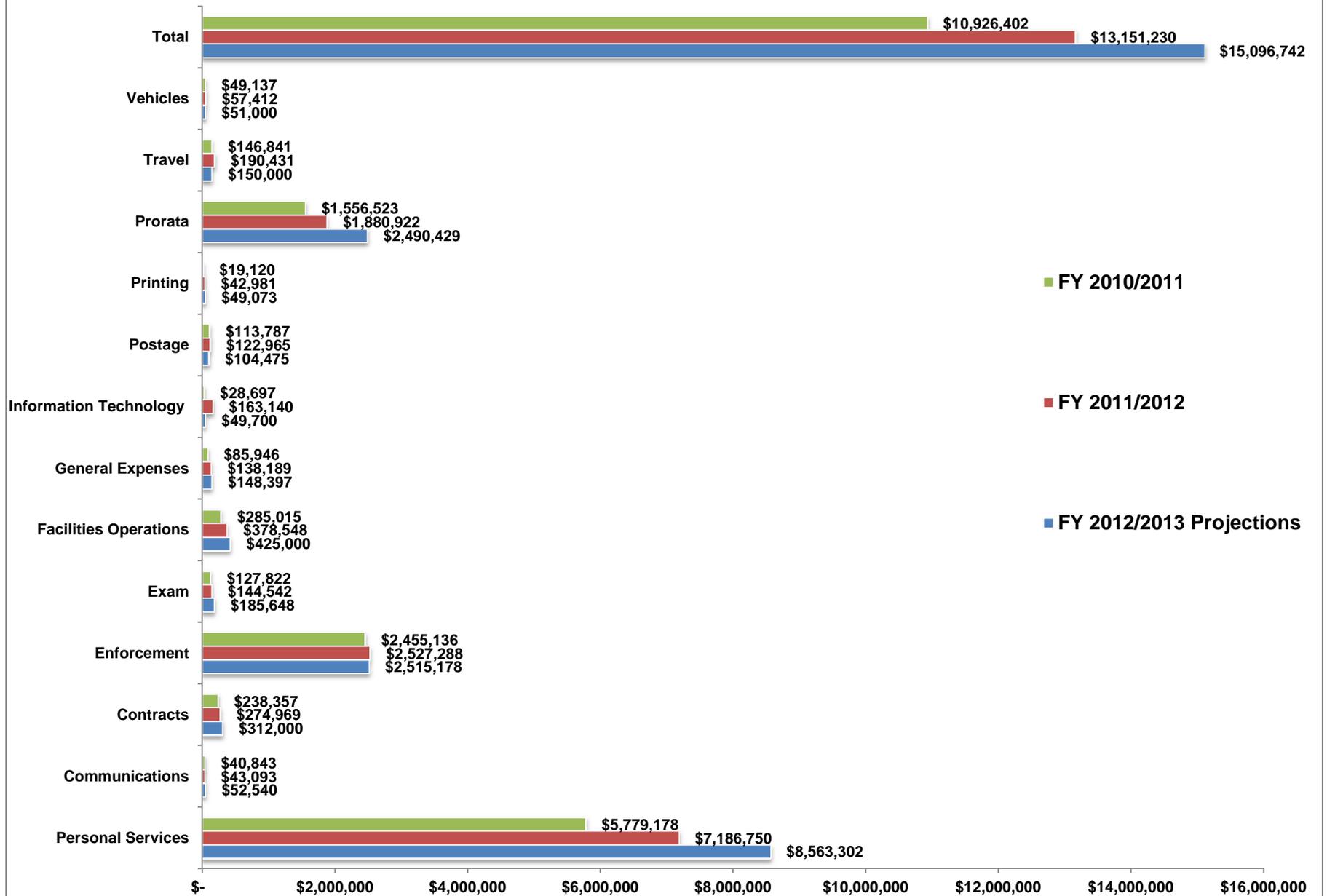
**Application vs. Renewal Fees  
FY 2011/2012  
FM 13  
\$11,343,867**



**Revenue By Program  
FY 2011/2012  
FM 13  
\$11,327,770**



# Expenditure Comparison



# 0767 - State Board of Pharmacy Analysis of Fund Condition

Prepared 10/9/2012

(Dollars in Thousands)

## FY 2011-12 FM 13 with updated revenue

	ACTUAL 2011-12	CY 2012-13	Governor's Budget BY 2013-14	BY +1 2014-15	BY +2 2015-16	BY +3 2016-17
<b>NOTE: \$1.0M GF Loan Repaid in 2014-15</b>						
<b>BEGINNING BALANCE</b>	\$ 13,678	\$ 13,557	\$ 10,507	\$ 7,809	\$ 5,787	\$ 2,442
Prior Year Adjustment	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 13,825	\$ 13,557	\$ 10,507	\$ 7,809	\$ 5,787	\$ 2,442
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
125600 Other regulatory fees	\$ 1,400	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789
125700 Other regulatory licenses and permits	\$ 2,424	\$ 2,166	\$ 2,166	\$ 2,166	\$ 2,166	\$ 2,166
125800 Renewal fees	\$ 8,660	\$ 8,841	\$ 8,841	\$ 8,841	\$ 8,841	\$ 8,841
125900 Delinquent fees	\$ 147	\$ 119	\$ 119	\$ 119	\$ 119	\$ 119
131700 Misc. revenue from local agencies	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
150300 Income from surplus money investments	\$ 52	\$ 104	\$ 77	\$ 47	\$ 24	\$ -
150500 Interest Income From Interfund Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
161400 Miscellaneous revenues	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Totals, Revenues	\$ 12,703	\$ 12,031	\$ 12,004	\$ 11,974	\$ 11,951	\$ 11,927
Transfers from Other Funds						
F00001 GF Loan Repayment (Budget Act of 2008)	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Transfers to Other Funds						
Totals, Revenues and Transfers	\$ 12,703	\$ 12,031	\$ 12,004	\$ 12,974	\$ 11,951	\$ 11,927
Totals, Resources	\$ 26,528	\$ 25,588	\$ 22,511	\$ 20,783	\$ 17,738	\$ 14,369
<b>EXPENDITURES</b>						
Disbursements:						
0840 State Operations	\$ 47	\$ 14	\$ -	\$ -	\$ -	\$ -
8880 FISC (State Operations)		\$ 29	\$ -	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 12,924	\$ 15,038	\$ 14,702	\$ 14,996	\$ 15,296	\$ 15,602
Total Disbursements	\$ 12,971	\$ 15,081	\$ 14,702	\$ 14,996	\$ 15,296	\$ 15,602
<b>FUND BALANCE</b>						
Reserve for economic uncertainties	\$ 13,557	\$ 10,507	\$ 7,809	\$ 5,787	\$ 2,442	\$ -1,233
<b>Months in Reserve</b>	10.8	8.6	6.2	4.5	1.9	-0.9

\*\* Reflects historical Cite and Fine revenue

### NOTES:

- THIS DOES NOT INCLUDE BreEZe EXPENDITURES
- ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR 2013-14 AND ON-GOING.
- ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR IN 2014-15 AND ONGOING
- ASSUMES INTEREST RATE OF 1%

## Board Member Reimbursement And Travel Expenses

**July 1, 2012 through September 30, 2012**

<b>Board Members</b>	<b>Attendance Hours*</b>	<b>Travel Expenses**</b>
Badlani, Neil	16	0
Brooks, Ryan	16	0
Castellblanch, Ramón	16	\$60
Gutierrez, Amy	16	0
Hackworth, Rosalyn	16	0
Kajioka, Randy	16	0
Law, Victor	0	0
Lippe, Gregory	16	0
Veale, Deborah	16	\$47.57
Weisser, Stanley	16	\$663.85
Wheat, Shirley	16	0
Wong, Albert	16	0
Zee, Tappan	16	0

**\*Board Member Attendance Hours reflects the number of hours for which board members have been reimbursed. Board members may choose not to seek reimbursement for work performed for the board.**

**\*\*Board Member Travel Expenses reflects the amount of expenses for which board members have been reimbursed. Board members may choose not to seek reimbursement for travel expenses related to board business.**