



California State Board of Pharmacy
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BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF CONSUMER AFFAIRS
GOVERNOR EDMUND G. BROWN JR.

ORGANIZATIONAL DEVELOPMENT COMMITTEE

Amy Gutierrez, PharmD, Board President
Debbie Veale, RPh, Board Vice-President

a. Future Board Meeting Dates

Board Meeting dates include the following:

October 28-29, 2015

February 2-3, 2016

April 27-28, 2016

July 27-28, 2016

October 26-27, 2015

b. New Committee Assignments

Attachment 1 includes the new committee assignments.

c. NABP 112th Annual Meeting

Next year the NABP will hold its 112th Annual Meeting in San Diego. The meeting is scheduled for May 14-17, 2016 and will be held at the Hilton San Diego Bayfront Hotel. Additional information will be provided as it becomes available.

d. Budget Update/Report

Attachment 2

1. **Budget Report for 2015/16**

The new budget year began July 1, 2016. The board's spending authorization for the year is \$19,770,000, which is a 3 percent increase from the prior year.

Also, included in **Attachment 2** is expenditure data for the last three years which illustrates the growth in various expenditure categories.

2. **Budget Report for 2014/15**

Fiscal Year 2014/15 ended June 30, 2014. However, the final FY 2014/15 numbers will not be available until the beginning of August 2015. Provided in **Attachment 2** is information on the most recent budget figures available. A final budget report will be provided during the October Board Meeting.

Expenditures (as of June 2015): \$18,979,606

Maximum spending authority for year: \$20,598,708 (includes \$1.4 million Attorney General augmentation)

Revenue Collected (as of June 2015): \$18,682,200

As the expenditure charts illustrate, 60 percent of the board's expenditures was attributed to personnel; and 16 percent was related to enforcement and 14 percent was attributed to prorata. Revenue for the year came primarily from application and renewal fees, 87 percent; with citation and fines accounting for approximately 9 percent. Cost recovery only accounted for about two percent of the board's revenue.

Based on projections through the end of the year, the board identified that it would exceed its authorized enforcement related expenditures including Attorney General and Office of Administrative Hearings expenditures. Budget bill language allowed programs within the Department of Consumer Affairs to submit a deficiency request to increase authorized expenditures for enforcement related costs. (Redirection from other budget line items was not possible.) Board staff, in collaboration with the AG's Office and the DCA budget office, prepared the deficiency notice seeking an additional \$1.4million in authorized expenditures which was approved in Executive Order No. E 14/15-83 was issued on April 30, 2015.

Board staff does not anticipate a decrease in enforcement related costs and may need to again pursue an augmentation if necessary. The board and committee will receive updates through the year.

3. Fund Condition Report

Attachment 3

Attachment 3 includes the fund condition report prepared by the Department. The information below reflects the estimated fund condition with the additional revenue from the approved fee increase:

2013/14	\$12,770,000	7.6 months in reserve
2014/15	\$10,788,000	6.5
2015/16	\$7,615,000	4.6
2016/17	\$4,421,000	2.6

As our fund condition reflects, the board may need to pursue another fee increase to sustain operations. Should this be required, it would need to be done through legislation. One of the precursors to making such a determination will be completion of a few audit, similar to the one completed several years ago in advance of our 2008 fee bill. Board staff will begin working with an outside firm to determine the true costs to deliver application and renewal services, which will serve as the foundation for any changes to the board's current fee schedule.

4. Fee Audit Update

Background

As previously discussed, the board secured a contract with a company to conduct an independent audit of the board's fee structure to determine the costs to deliver services. The intent of the audit was to address the structural imbalance of the board's current budget and to determine the appropriate fees that should be assessed for various application and renewal fees. As part of this audit, the board also hoped to determine the appropriate fee it should be assessing for inspector investigation and inspection time. Unfortunately, after consultation with the DCA's budget office, it is clear that the board is unable to use the draft information provided by the contractor. The board has severed its contractual relationship with the vendor.

During the June Board meeting, members were advised that the DCA's budget office would complete the necessary independent assessment and provide written recommendations on the appropriate fees necessary to ensure the board receives full recovery for the costs it incurs to deliver services.

Recent Update

Board staff is working with the budget office to evaluate the current fee structure based upon the cost to deliver the services. We anticipate that the necessary work will be completed in advance of the October Board Meeting. It is the intent to bring draft legislation to the October Board Meeting for members to consider restructuring our fees and addressing the current structural imbalance in our budget.

5. Updates on Board Member Attendance, Reimbursement and Mail Votes

Attachment 4

Based on discussion with committee members, Organization Committee reports will now include two additional elements: board member attendance and mail votes. As both activities are key to the success of the board, it was decided that reporting on both items is appropriate because the board is a public agency. This information is provided in **Attachment 4**.

The third item reported is expenses and per diem payments to board members. 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. It is important to note that these figures only represent hours where reimbursement was sought. It is not uncommon for board members to waive their per diem payments. This information will be provided at the board meeting.

e. Personnel Update

1. Board Member Update

On June 9, 2015, Allen Schaad and Stan Weisser were reappointment to the board. Below is an excerpt from Governor Brown's Press Release.

Allen Schaad, 66, of Sacramento, has been reappointed to the California State Board of Pharmacy, where he has served since 2014. Schaad has been a staff pharmacist at Rx relief since 2013. He was director of pharmacy at Mercy General Hospital from 2012 to 2013 and from 1999 to 2007. Schaad was director of pharmacy at Woodland Memorial Hospital from 2007 to 2012, where he was pharmacy supervisor from 1997 to 1999 and an acute care pharmacist at Mercy San Juan Medical Center from 1975 to 1997. Schaad earned a Master of Arts degree in counseling psychology from the University of San Francisco. This position does not require Senate confirmation and the compensation is \$100 per diem. Schaad is a Democrat.

Stanley Weisser, 73, of Redlands, has been reappointed to the California State Board of Pharmacy, where he has served since 2011. Weisser has been an associate clinical professor at the Loma Linda University School of Pharmacy since 2007. He was president and chief executive officer at Network Pharmaceuticals Incorporated from 1969 to 2000. Weisser is a member of the California Pharmacists Association, Redlands Community Hospital Board of Trustees and University of Redlands Board of Trustees. This position does not require Senate confirmation and the compensation is \$100 per diem. Weisser is a Republican.

2. Board Staff Update

Recent Hires/Transfers/Promotions

- Kelli Williams joined the board as the Staff Services Manager of the Complaint Unit.
- Marcie Stratton is the new Sterile Compounding analyst in Licensing.
- Midori Iwata joined the board as a Staff Services Analyst doing criminal conviction investigations in the Criminal Conviction unit.
- Anita Von Aesch was hired as a Seasonal Clerk assisting in reception.

Departures

- Inspector Sang Sang Ma resigned in May.
- Joyia Emard transferred to the Public Affairs Office within DCA.
- Supervising Inspector Judi Nurse retired July 7, 2015.

Recruitments

- One Inspector for the Compliance / Routine Inspection team.
- One Supervising Inspector for the Compliance / Routine Inspection team.
- One Supervising Inspector for the Drug Diversion and Fraud Team.
- One Information Officer I responsible for Public Relations / Media functions.
- One permanent, intermittent, Office Technician to assist with processing pharmacy technician applications.

The following recruitment is for a 2-yr limited term position.

- One 2-year limited term Inspector for the Sterile Compounding team.

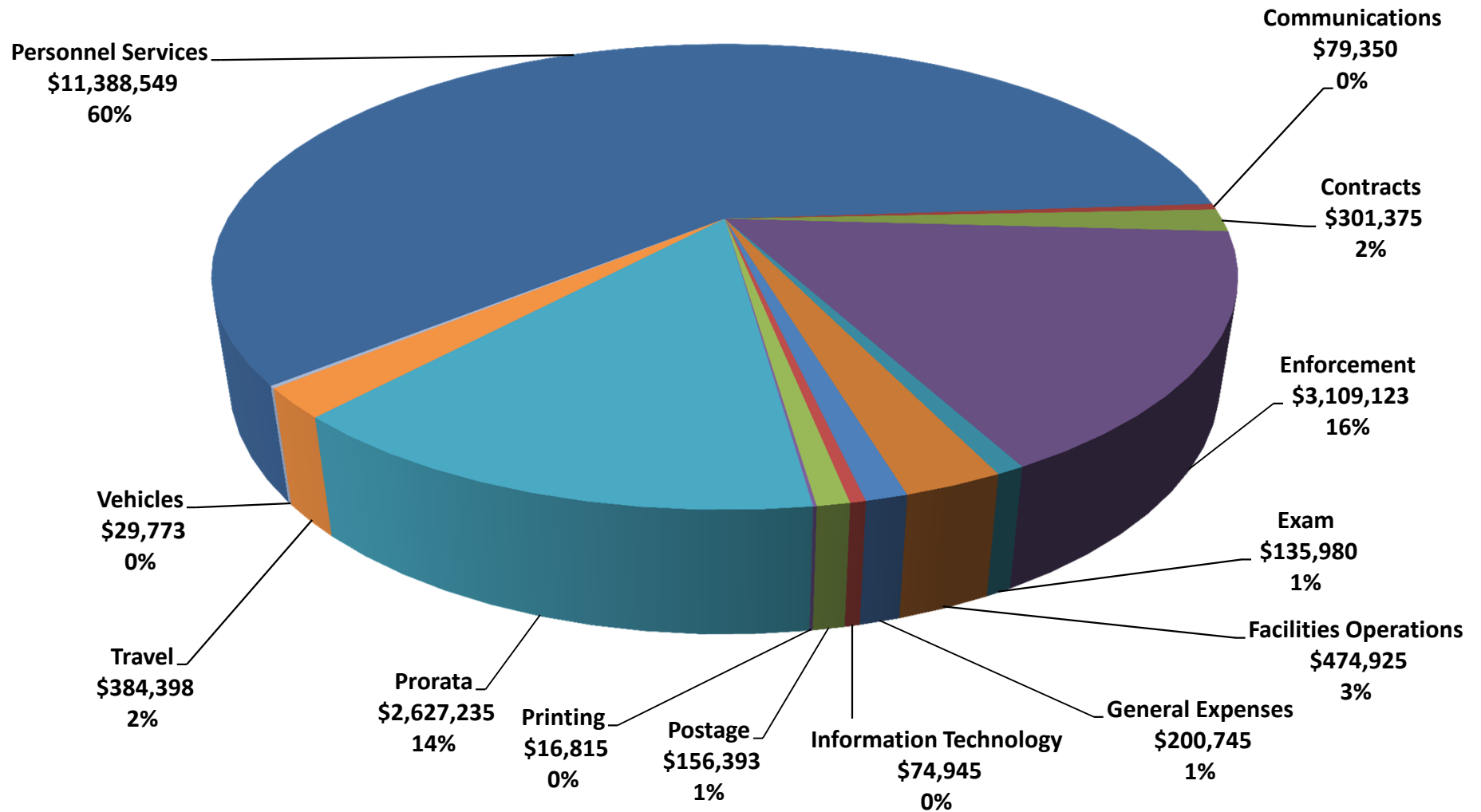
Attachment 1

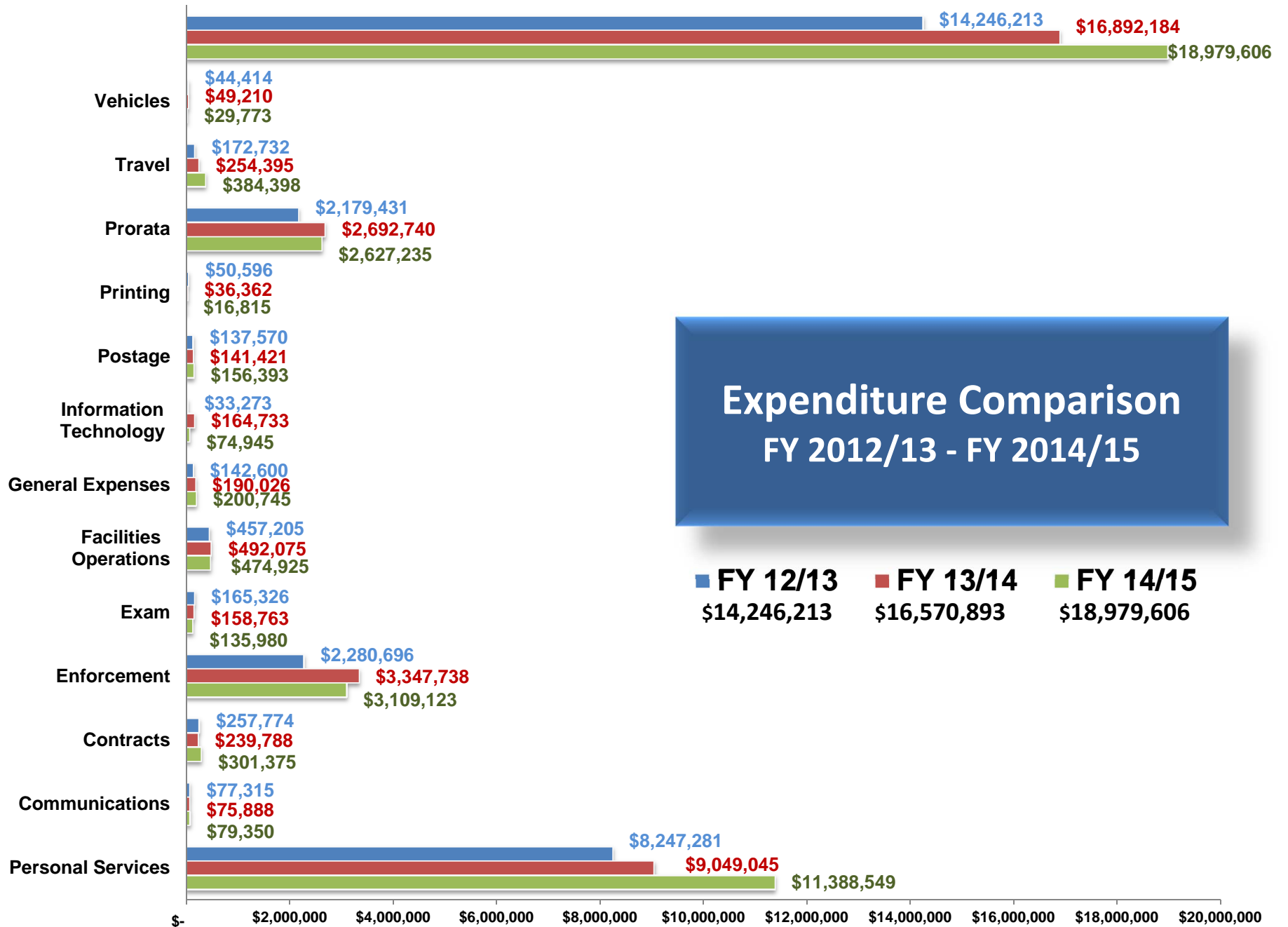
Board of Pharmacy Committees- Revised June 2015

		Permanent Committees						Temporary Committees	
Board Member	Member Type	Org Development-Sunset	Enforcement Compounding	Legislation Regulation	Licensing	Communication Public Ed	Competency	SB 493	SB 1441-Disciplinary
Amy Gutierrez	Professional	Member	Chair					Member	Member
Debbie Veale	Professional	Member		Member		Chair		Member	
Victor Law	Professional				Member		Member	Member	Member
Stan Weisser	Professional		Member		Chair			Chair	Chair
Allen Schaad	Professional		Member		Member			Member	
Albert Wong	Professional			Member	Member				
Lavana Butler	Professional			Member		Member			
Rosalyn Hackworth	Public		Member			Member			
Greg Lippe	Public		Vice-Chair	Chair					
Ryan Brooks	Public					Member			
Ramon Castellblanch	Public			Member		Vice Chair			
Greg Murphy	Public		Member		Vice Chair				
Ricardo Sanchez	Public				Member	Member			Member
Total		2	6	5	6	6	1	5	4

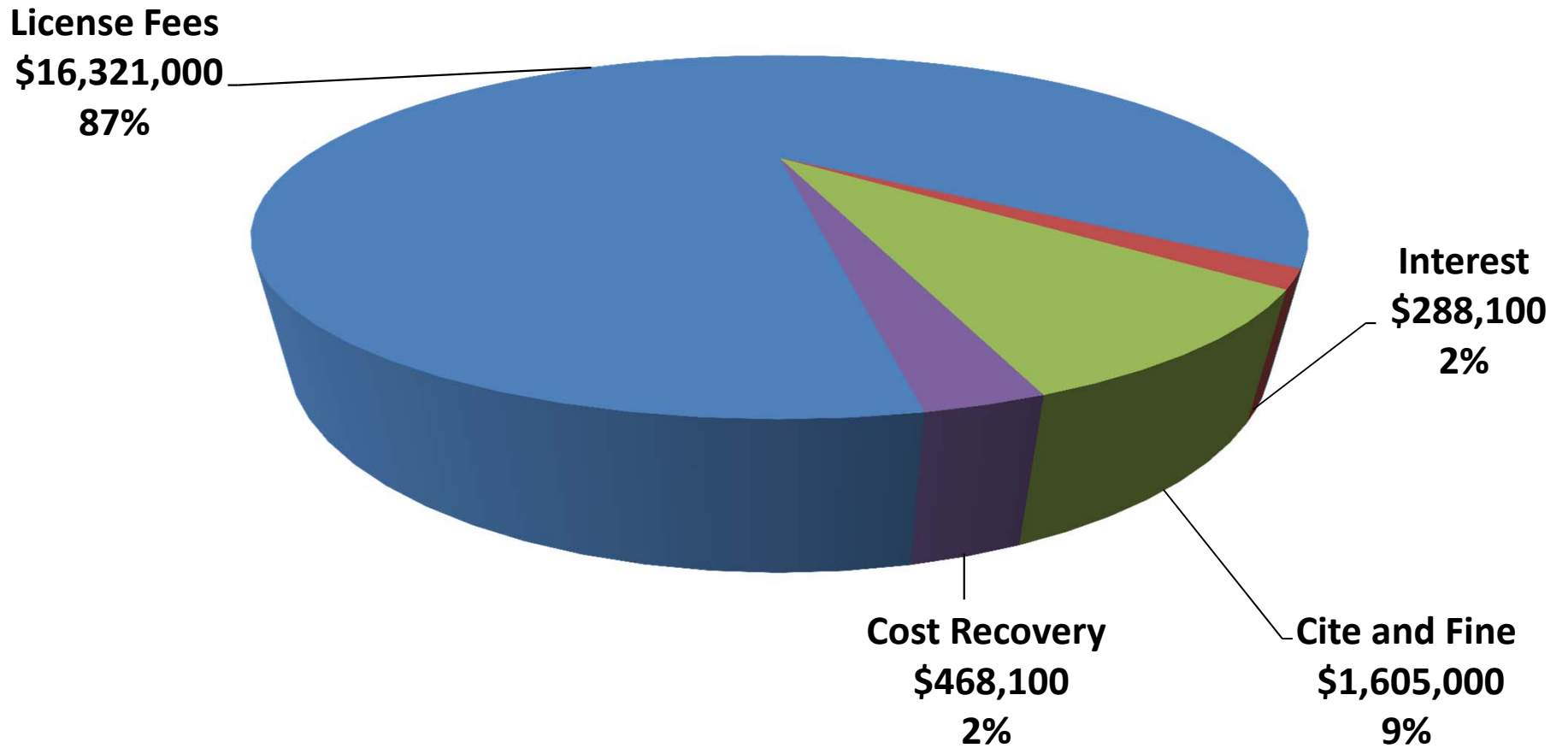
Attachment 2

**Expenditures
FY 2014/2015
FM 12
\$18,979,606**

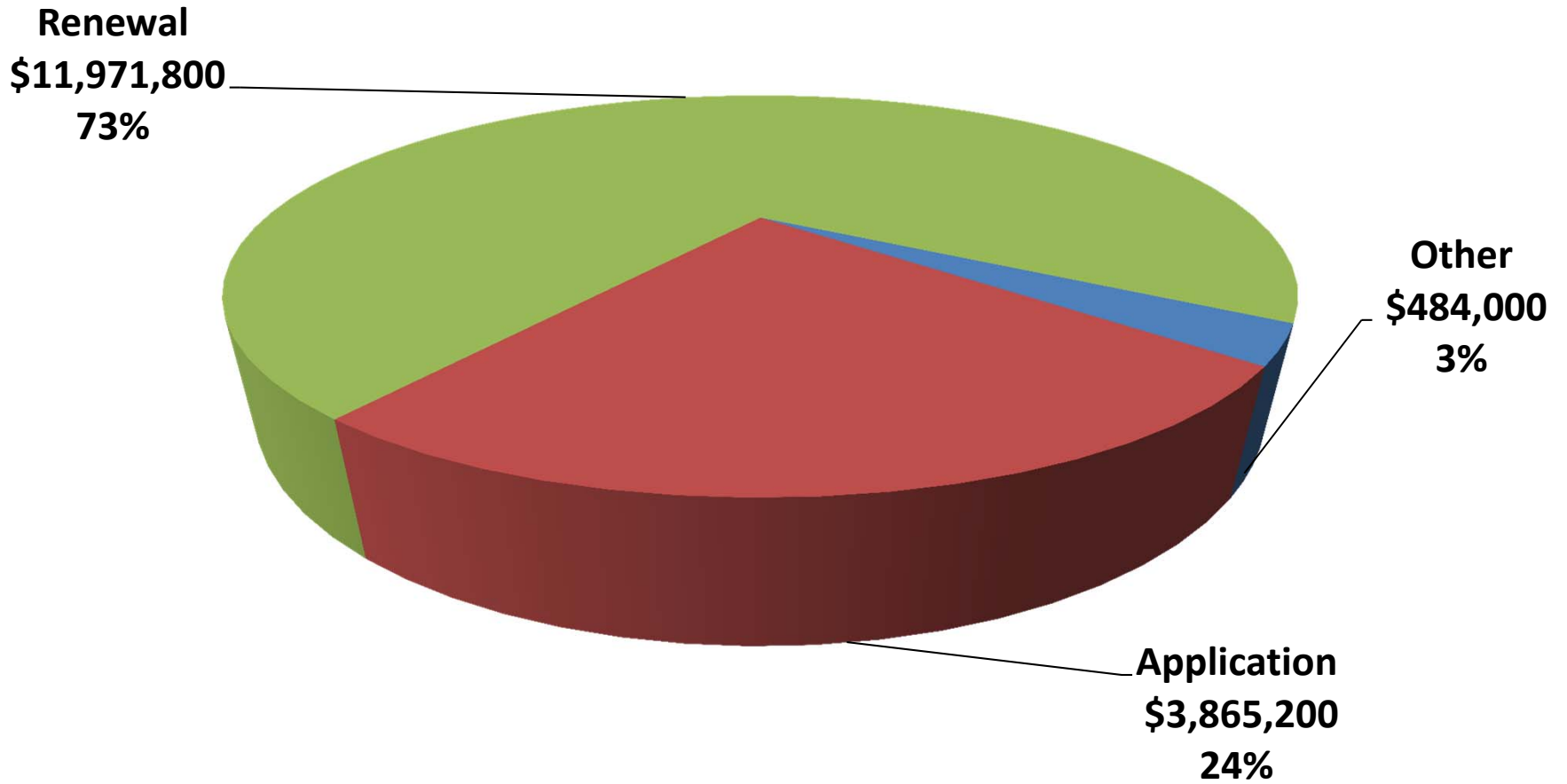




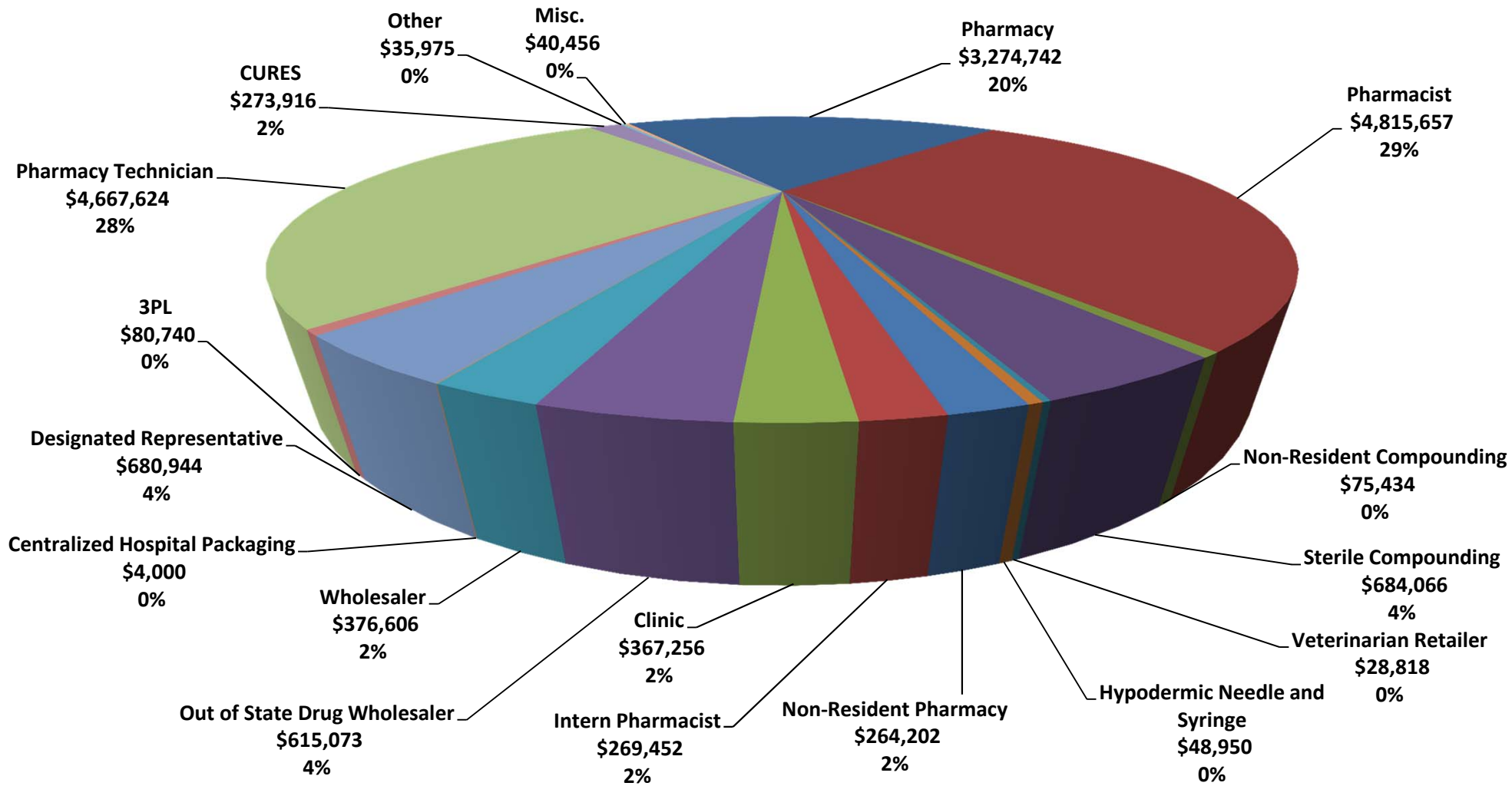
**Origin of Revenue
FY 2014/2015
FM 12
\$18,682,200**



**Application vs. Renewal
FY 2014/2015
FM 12
\$16,321,000**



**Revenue By Program
FY 2014/2015
FM 12
\$16,603,911**



Attachment 3

0767 - State Board of Pharmacy Analysis of Fund Condition

7/17/2015

(Dollars in Thousands)

2015-16 Budget Act w/ FM 12 Projections	ACTUAL 2013-14	FM 12 Projections CY 2014-15	Budget Act BY 2015-16	BY +1 2016-17
BEGINNING BALANCE	\$ 13,595	\$ 12,770	\$ 10,788	\$ 7,615
Prior Year Adjustment	\$ 290	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 13,885	\$ 12,770	\$ 10,788	\$ 7,615
REVENUES AND TRANSFERS				
Revenues:				
125600 Other regulatory fees	\$ 2,308	\$ 2,073	\$ 831	\$ 831
125700 Other regulatory licenses and permits	\$ 2,848	\$ 3,865	\$ 4,278	\$ 4,278
125800 Renewal fees	\$ 9,162	\$ 11,788	\$ 11,317	\$ 11,317
125900 Delinquent fees	\$ 149	\$ 183	\$ 185	\$ 185
131700 Misc. revenue from local agencies	\$ 6	\$ 262	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 1	\$ 1	\$ -	\$ -
150300 Income from surplus money investments	\$ 32	\$ 25	\$ 21	\$ 13
150500 Interest Income From Interfund Loans	\$ 152	\$ -	\$ -	\$ -
160100 Attorney General Proceeds of Anti-Trust	\$ -	\$ 4	\$ -	\$ -
160400 Sale of fixed assets	\$ 2	\$ -	\$ -	\$ -
160800 Escheat of Unclaimed Property	\$ -	\$ 14	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 8	\$ 7	\$ -	\$ -
161400 Miscellaneous revenues	\$ 6	\$ 8	\$ -	\$ -
Totals, Revenues	\$ 14,674	\$ 18,230	\$ 16,632	\$ 16,624
Transfers from Other Funds:				
FO0001 GF loan repay per item 1110-011-0767, BA of 2008	\$ 1,000	\$ -	\$ -	\$ -
Transfers to Other Funds:				
Totals, Revenues and Transfers	\$ 15,674	\$ 18,230	\$ 16,632	\$ 16,624
Totals, Resources	\$ 29,559	\$ 31,000	\$ 27,420	\$ 24,239
EXPENDITURES				
Disbursements:				
0840 State Operations	\$ 1	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 16,719	\$ 20,199	\$ 19,770	\$ 19,818
8880 FISC (State Operations)	\$ 69	\$ 13	\$ 35	\$ -
Total Disbursements	\$ 16,789	\$ 20,212	\$ 19,805	\$ 19,818
FUND BALANCE				
Reserve for economic uncertainties	\$ 12,770	\$ 10,788	\$ 7,615	\$ 4,421
Months in Reserve	7.6	6.5	4.6	2.6

Attachment 4

Summary of Mail Votes FY 2014/2015

Background: The board must approve any decision or stipulation before the formal discipline becomes final and the penalty can take effect. Proposed stipulations and decisions are securely emailed to each board member for his or her vote. A two-week deadline generally is given for the mail ballots for stipulations and proposed decisions to be completed and returned to the board's office. After the deadline of 15 days and after seven votes from board members have been received, a decision has been reached.

In FY 2014/2015 the board received 396 mail votes for consideration. The table below summarizes each board member's participation in the mail voting process. The supporting data immediately follows.

Board Member	Total Number of Mail Votes Submitted	Percentage
Brooks	196	49%
Butler	345	87%
Castellblanch	1	0%
Gutierrez	231	58%
Hackworth	304	77%
Law	394	99%
Lippe	370	93%
Murphy	393	99%
Sanchez	200	97%
Schaad	393	99%
Veale	387	98%
Weisser	388	98%
Wong	321	81%

*Note: Ricardo Sanchez was appointed to the board in November, 2014. His percentage is calculated based on the 206 mail votes that have occurred since his appointment.

Due Date of Votes	7/7/14	7/11/14	7/16/14	7/18/14	7/25/14	8/1/14	8/8/14	8/12/14	8/15/14	8/22/14	8/29/14	9/5/14
Number of Cases Up For Vote	6	10	1	10	6	8	6	1	10	8	11	6
Brooks	0	0	0	9	0	7	0	0	0	8	11	3
Butler	6	9	1	10	5	8	6	1	10	8	11	6
Castellblanch	0	0	1	0	0	0	0	0	0	0	0	0
Gutierrez	0	2	0	0	0	0	1	1	10	8	7	4
Hackworth	4	8	1	9	6	8	5	1	10	8	11	6
Law	6	10	1	10	6	8	6	1	10	8	11	6
Lippe	6	9	1	8	6	8	6	1	10	7	11	6
Murphy	6	10	1	10	6	8	6	0	10	8	11	6
Sanchez												
Schaad	6	10	1	10	6	8	6	1	10	8	11	6
Veale	6	10	1	10	6	8	6	1	10	5	11	6
Weisser	6	9	1	10	6	8	6	1	10	8	11	5
Wong	6	10	1	10	6	8	6	1	10	8	6	4

Due Date of Votes	9/12/14	9/19/14	9/26/14	10/3/14	10/10/14	10/17/14	10/27/14	10/31/14	11/7/14
Number of Cases Up For Vote	16	9	8	11	9	10	9	6	9
Brooks	1	0	4	0	7	9	9	6	0
Butler	16	8	8	11	9	10	9	6	8
Castellblanch	0	0	0	0	0	0	0	0	0
Gutierrez	2	0	4	0	0	0	0	0	9
Hackworth	15	9	7	9	9	10	9	6	9
Law	16	9	7	10	9	10	9	6	9
Lippe	16	9	8	11	9	10	9	6	9
Murphy	16	9	8	11	9	10	9	6	9
Sanchez									
Schaad	16	9	8	10	9	9	9	6	9
Veale	16	9	7	11	9	9	9	6	9
Weisser	16	9	8	11	9	10	9	6	9
Wong	0	0	3	11	7	10	9	0	9

Due Date of Votes	11/7/14	11/14/14	11/21/14	12/1/14	12/5/14	12/19/14	12/29/14	1/13/2015	1/16/15	1/23/15	1/30/15	2/6/15
Number of Cases Up For Vote	1	10	9	15	5	6	14	12	1	8	5	3
Brooks	0	0	5	14	0	0	0	7	0	7	0	0
Butler	0	10	9	0	5	6	0	10	1	8	5	2
Castellblanch	0	0	0	0	0	0	0	0	0	0	0	0
Gutierrez	1	10	9	4	0	6	14	12	1	8	5	3
Hackworth	1	10	9	0	4	6	14	0	1	8	5	3
Law	1	10	9	15	5	6	14	12	1	8	5	3
Lippe	1	9	9	8	5	6	14	12	1	8	5	3
Murphy	1	10	9	14	5	6	14	12	1	8	5	3
Sanchez				15	5	6	14	12	1	8	5	3
Schaad	1	10	9	15	5	6	14	12	1	8	5	3
Veale	1	10	9	15	5	6	14	12	1	8	5	3
Weisser	1	10	9	15	0	6	14	12	1	8	5	3
Wong	1	10	9	15	0	6	14	12	0	8	5	3

Due Date of Votes	2/13/15	2/20/15	2/27/15	3/6/15	3/13/15	3/20/15	3/27/15	3/30/15	4/10/15	4/17/15	4/24/15
Number of Cases Up For Vote	10	5	6	9	7	11	10	1	4	7	6
Brooks	0	5	6	5	5	7	0	0	1	7	5
Butler	9	5	6	9	7	11	9	1	3	7	5
Castellblanch	0	0	0	0	0	0	0	0	0	0	0
Gutierrez	10	5	6	8	7	11	10	1	0	7	6
Hackworth	10	5	6	9	7	11	10	0	0	0	0
Law	10	5	6	9	7	11	10	1	4	7	6
Lippe	10	0	6	9	7	11	10	1	3	7	6
Murphy	10	5	6	9	7	11	10	1	4	7	6
Sanchez	10	5	6	9	7	11	10	1	4	7	6
Schaad	10	5	6	9	7	11	10	1	4	7	6
Veale	10	5	6	9	7	11	10	1	4	6	6
Weisser	10	5	6	9	7	11	10	1	4	7	6
Wong	10	5	6	9	7	1	10	1	4	7	6

Due Date of Votes	5/1/15	5/8/15	5/15/15	5/22/15	5/29/15	6/12/15	6/17/15	6/19/15	6/26/15
Number of Cases Up For Vote	6	7	5	9	8	8	1	7	10
Brooks	5	4	3	7	5	7	1	7	9
Butler	6	7	5	9	0	8	0	7	9
Castellblanch	0	0	0	0	0	0	0	0	0
Gutierrez	3	7	5	8	1	8	1	6	0
Hackworth	0	0	0	0	0	8	1	7	9
Law	6	7	5	9	8	8	1	7	10
Lippe	5	7	5	9	8	8	1	0	10
Murphy	6	6	5	9	8	8	1	7	10
Sanchez	6	6	5	9	8	5	1	6	9
Schaad	6	6	5	9	8	8	1	7	10
Veale	6	7	5	9	5	8	1	7	10
Weisser	6	6	5	9	8	8	1	7	10
Wong	0	7	5	9	0	8	1	7	10

Summary Meeting Attendance FY 2014/2015

Background: The board is required by law to meet at least once every four months and may meet more often as it determines necessary. The board’s strategic plan directs four full board meetings annually.

The board’s strategic plan establishes five standing committees through which the board establishes its goals and organizes its activities in pursuit of ensuring the public health, safety and welfare, and to assure the provision of quality pharmacist’s care. These five committees develop policy related to a board mission-related goal. The five committees are: Licensing, Enforcement, Communication and Public Education, Legislation and Regulation, and Organizational Development. In addition to the five standing committees the board has established a Prescription Drug Abuse Subcommittee, SB 1441 Uniform Standards Committee, and a SB 493 Implementation Committee. Each committee typically meets once before a quarterly board meeting. Committee assignment is at the discretion of the board president.

Note: Each board member is assigned to a different number of committees and committee assignments can change throughout the year. The chart below illustrates the number of meetings each member should have attended based on their individual committee assignments.

Board Member	Total Number of Board and Committee Meetings	Total Number of Board and Committee Meetings ATTENDED	Percentage
Brooks	12	6	50
Butler	16	14	88%
Castellblanch	19	12	63%
Gutierrez	22	22	100%
Hackworth	23	11	48%
Law	19	17	89%
Lippe	16	16	100%
Murphy	16	11	69%
Sanchez*	9	6	67%
Schaad	21	17	81%
Veale	18	14	78%
Weisser	23	23	100%
Wong	17	13	76%

*Ricardo Sanchez was appointed to the board in November, 2014.

FY 2014 15 Board Meetings

	July 30, 2014	July 31, 2014	October 28, 2014	October 29, 2014	December 17, 2014	January 27, 2015	January 28, 2015	March 9, 2015	April 21, 2015	April 22, 2015	June 3, 2015	June 4, 2015	Percentage
Brooks			x	x	x	x			x	x			50%
Butler	x	x		x		x	x		x	x	x	x	83%
Castellblanch	x	x				x			x			x	42%
Gutierrez	x	x	x	x	x	x	x	x	x	x	x	x	100%
Hackworth	x	x		x	x	x							42%
Law	x	x	x	x		x	x	x	x	x	x	x	92%
Lippe	x	x	x	x	x	x	x	x	x	x	x	x	100%
Murphy	x	x	x	x	x			x	x	x			67%
Sanchez						x	x	x			x	x	71%
Schaad	x	x	x	x	x	x	x	x	x	x			83%
Veale	x	x	x	x		x			x	x	x	x	75%
Weisser	x	x	x	x	x	x	x	x	x	x	x	x	100%
Wong	x	x	x	x		x	x				x	x	67%

FY 2014 15 Prescription Drug Abuse Subcommittee Meetings

	August 26, 2014	November 12, 2014	March 19, 2015	Percentage
Butler	x	x	x	100%
Castellblanch	x	x	x	100%
Hackworth			x	33%
Murphy		x		33%

FY 2014 15 Enforcement Committee Meetings

	September 16, 2014	December 17, 2014	March 26, 2015	June 24, 2015	Percentage
Gutierrez	x	x	x	x	100%
Hackworth	x	x			50%
Lippe	x	x	x	x	100%
Murphy		x		x	50%
Schaad	x	x		x	75%
Weisser				x	100%

FY 2014 15 Legislation and Regulation Committee Meetings			
			Percentage
Brooks	No meetings		
Lippe			
Veale			
Wong			

FY 2014 15 Licensing Committee Meetings			
		April 7, 2015	Percentage
Butler		x	100%
Law		x	100%
Sanchez		x	100%
Veale		x	100%
Weisser*		x	100%
Wong		x	100%

*Weisser temporarily appointed himself to the committee.

FY 2014 15 Communication and Public Education Committee Meetings					
	September 18, 2014	December 10, 2014	January 13, 2015	March 23, 2015	Percentage
Castellbianch	x	x	x	x	100%
Hackworth	x	x	x		75%
Schaad	x	x	x	x	100%
Weisser*	x	x	x		100%
Wong	x	x	x	x	100%

*Weisser temporarily appointed himself to the committee.

FY 2014 15 SB 493 Implementaiton Committee						
	August 6, 2014	November 5, 2014	December 16, 2014	February 25, 2015	April 13, 2015	Percentage
Gutierrez	x	x	x	x	x	100%
Law	x	x		x	x	80%
Veale	x		x	x	x	80%
Weisser	x	x	x	x	x	100%

FY 2014 15 SB 1441 Uniform Standards Implemenation Committee		
	June 19, 2015	Percentage
Law	x	100%
Sanchez		0%
Weisser	x	100%
Gutierrez	x	100%

*Gutierrez temporarily appointed herself to the committee.