



ORGANIZATIONAL DEVELOPMENT COMMITTEE

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

a. Budget Update/Report

1. Fund Condition Report

Attachment 1

Attachment 1 includes the fund condition reports prepared by the Department. The information below reflects the estimated fund condition with the additional revenue from the approved fee increase signed by the Governor:

Fund Condition: With Fee Increase		
Fiscal Year	Fund Balance	Months in Reserve
2015/2016	\$10,518,000	6.1
2016/2017	\$7,725,000	4.0
2017/2018	\$10,093,000	5.2
2018/19	\$12,055,000	6.1

2. Budget for Fiscal Year 2016/2017

Attachment 2

On June 27, 2016, the Governor signed the budget for FY 2016/17. The new budget year began July 1, 2016. The board’s spending authorization for the year was adjusted from \$20,652,000 to \$19,464,000 in the Governor’s final budget released on January 10, 2017.

This reduction reflects a change in how statewide pro rata payment is billed. The statewide pro rata of \$1,165,000 will no longer be reflected as an expenditure line item on the budget and will now be a direct withdrawal from the Board’s reserve fund. The budget includes about \$12.9 million in salary & wages and benefits, about \$2.5 million in pro rata to the DCA as well as \$1.9 million in enforcement costs (including Office of the Attorney General and Office of Administrative Hearings).

Budget information for the current fiscal year is only available through November 30, 2016. During the first five months of the fiscal year the board received \$9,722,100 in revenue originating from the following:

Revenue Sources		
Source	Amount	Percentage
Licensing	\$8,578,800	88%
Citation Fines	\$744,800	8%
Cost Recovery	\$369,500	4%
Interest	\$29,000	<1%

The board has expended \$7,979,829 about 41% of its authorized budget during the first five months of the fiscal year. The largest expenditure categories are detailed below.

Expenditures		
Source	Amount	Percentage
Personnel	\$5,335,086	67%
Enforcement	\$1,031,828	13%
Prorata	\$1,044,109	13%

Attachment 2 includes detailed budget charts for board revenue and expenditures.

3. DCA Distributed Cost Allocations, Including BreEZe Costs

Attachment 3

The board closely monitors its budget and receives quarterly budget reports. As the board is aware, the board pays about \$2.75 million in pro rata to the state, a portion of which is for services provided by DCA including the development and maintenance of the department's new BreEZe system. During the October 2016 members requested that information about the board's share of the BreEZe system be provided in the future.

Based on information provided by the DCA budget office, the board contributed over \$1.2 million in BreEZe costs through June 30, 2016. The department projects that the board could contribute another almost \$1.2 million between July 1, 2016 and June 30, 2019.

Attachment 2 includes the DCA BreEZe cost and funding that details our board's portion. It is important to note that all out-year numbers are current estimates and are not official until approved in the Governor's Budget.

b. Board Member Reimbursement Information

Attachment 4

Board members may seek reimbursement for expenses and per diem payments. These are hours and expenses claimed by board members during the indicated periods are reported during each quarterly board meeting. 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. The reimbursements have been updated through January 2017 and are provided in **Attachment 4**.

c. Personnel Update

Board Member Updates

The board currently has two vacant positions. The positions are both public member appointments and were formerly held by Rosalyn Hackworth and Greg Murphy.

Staff Updates

Recent Hires/Transfers/Promotions

- Elham Delune and Julia Krumer were hired in October 2016 as Inspectors.
- Trish Rodriguez was hired in November 2016 as the Staff Services Manager II for the Licensing and Administration Units.
- Jeff Morrison was hired in December 2016 as the CURES Associate Governmental Program Analyst (AGPA) in the Complaint Unit.
- Lisa Esquivel transferred from the Enforcement Unit to the Criminal Conviction Unit.
- Genisa Wingfield was hired as a Seasonal employee in the Complaint Unit.
- Arazoo Ardalan was hired as a Seasonal employee in the Administration Unit B.
- Sandra Rodriguez was hired as Seasonal employee in the Licensing Unit B.
- Julia Soto has accepted a permanent position as an Office Technician (OT) in the Administration Unit A.
- Marcie Stratton has accepted a permanent AGPA position in the Licensing Unit A.
- AGPA Taydene Dalrymple transferred from the Complaint Unit to the Enforcement Unit.
- AGPA Tina Rojas transferred to the Resource Analyst position within the Complaint Unit.
- Anita Von Aesch promoted to an OT in the Licensing Unit B.

Departures

- Gagan Mahl's last day was January 12, 2017. He accepted a promotion as an SSA with the Board of Occupational Therapy.

Recruitments

- One Program Technician III to process intern pharmacist applications in Licensing.
- One AGPA for the Prescription Drug Abuse Prevention Team in the Complaint Unit.
- One OT for the Reception and Front Desk, filling vacancy behind Gagan Mahl.
- One Seasonal employee for the Administration Unit A, filling vacancy behind Anita Von Aesch.
- One Inspector for the Compliance/Routine Inspection teams.
- One CEA to serve as Chief of Enforcement over two Drug Diversion and Fraud teams, the Prescription Drug Abuse team and the Probation/Drug Diversion for Self-Use team.

d. Future Board Meeting Dates

1. Future Board Meeting Dates
 - May 3-4, 2017, *Location to be determined.*
 - July 25-26, 2017, *Location to be determined.*
 - November 7-8, 2017, *Location to be determined.*
2. Automated Drug Delivery Device Demonstration Summit

As part of the January 2017 Enforcement Committee Meeting, the committee heard very brief presentations from some vendors discussing automated drug delivery devices. It was determined at that meeting that the board should convene a special one day board meet to allow for demonstrations and education about such devices. As part of this meeting, members will hear presentations on various devices as well as the legal requirements for use and current settings where such devices may be used.

The committee expressed concern that pharmacy law may not be keeping pace with technology and as such requested that this summit occur early in 2017. The date of the summit is being determined. An update will be provided at the board meeting.

Vendors that are interested in presenting will be advised to limit the presentation to brief demonstration or overview of the device, highlighting inventory controls and security as well as proposals they would like the board to consider changing pharmacy law to more appropriately provide for use to such technology.

Attachment 1

0767 - State Board of Pharmacy

Analysis of Fund Condition

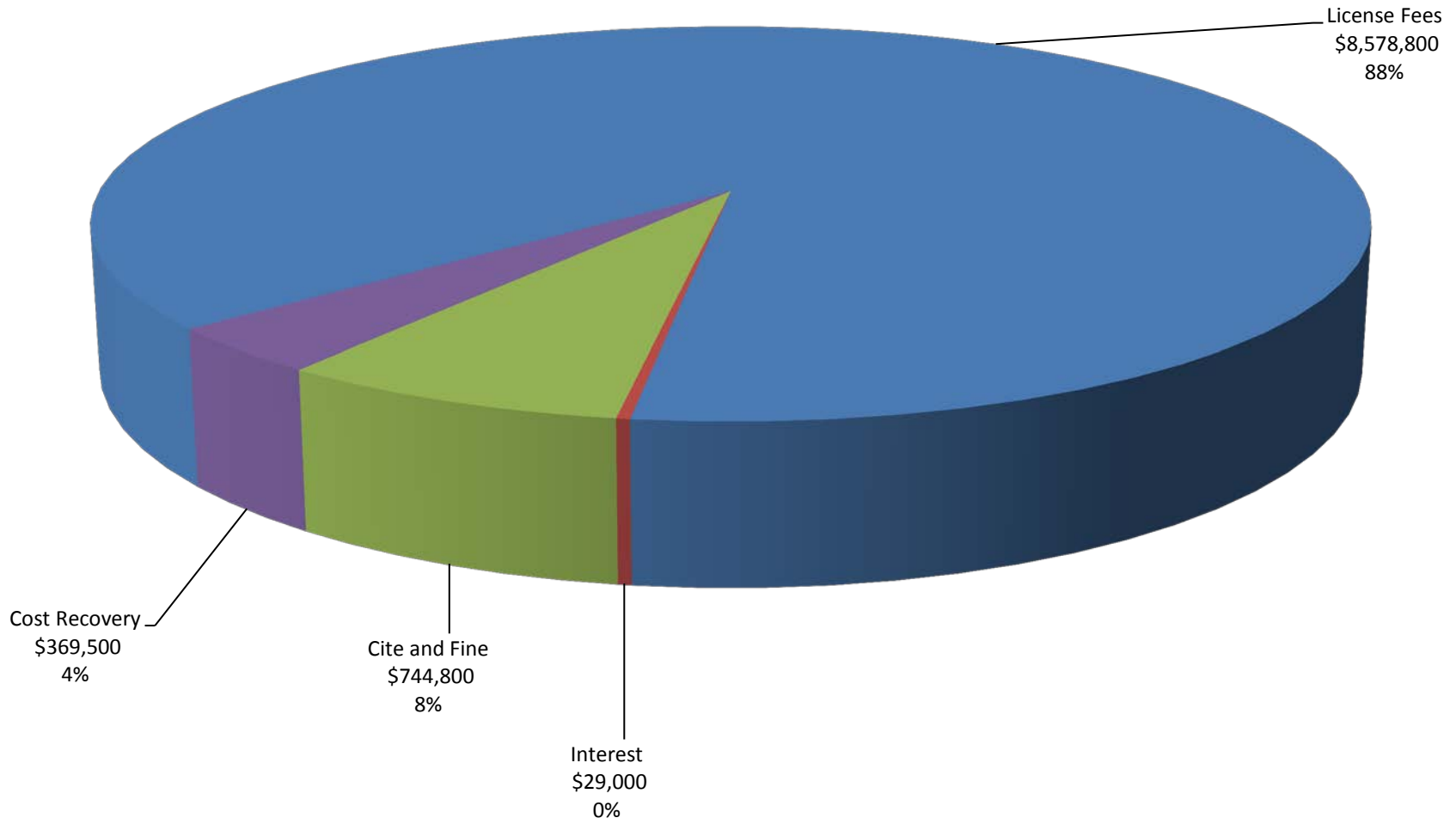
01.03.17

(Dollars in Thousands)

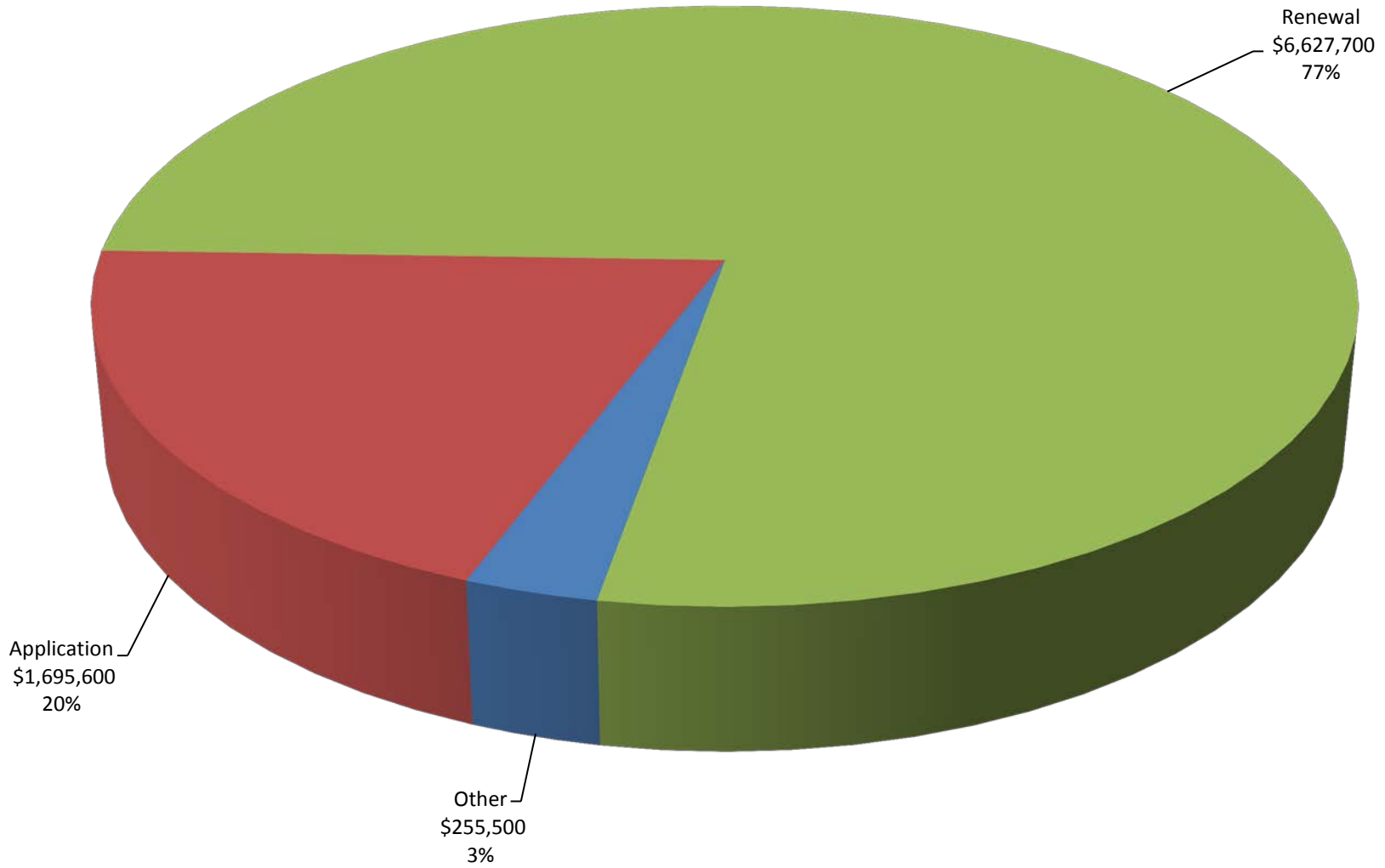
	ACTUAL 2015-16	Budget Act CY 2016-17	Governor's Budget BY 2017-18	BY +1 2018-19
2017-18 Governor's Budget				
BEGINNING BALANCE	\$ 11,742	\$ 10,518	\$ 7,725	\$ 10,093
Prior Year Adjustment	\$ 26	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 11,768	\$ 10,518	\$ 7,725	\$ 10,093
REVENUES AND TRANSFERS				
Revenues:				
125600 Other regulatory fees	\$ 2,288	\$ 1,841	\$ 1,666	\$ 1,666
125700 Other regulatory licenses and permits	\$ 3,529	\$ 3,547	\$ 4,819	\$ 4,819
125800 Renewal fees	\$ 12,748	\$ 12,283	\$ 18,726	\$ 18,726
125900 Delinquent fees	\$ 193	\$ 191	\$ 205	\$ 205
131700 Misc. revenue from local agencies	\$ 4	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 49	\$ -	\$ -	\$ -
160100 Settlements and Judgements - Anti Trust Actions	\$ -	\$ -	\$ -	\$ -
150500 Interest Income From Interfund Loans	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ 1	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 13	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 10	\$ -	\$ -	\$ -
Totals, Revenues	\$ 18,835	\$ 17,862	\$ 25,416	\$ 25,416
Transfers to Other Funds:				
Totals, Revenues and Transfers	\$ 18,835	\$ 17,862	\$ 25,416	\$ 25,416
Totals, Resources	\$ 30,603	\$ 28,380	\$ 33,141	\$ 35,509
EXPENDITURES				
Disbursements:				
1110 Program Expenditures (State Operations)	\$ 20,050	\$ -	\$ -	\$ -
1111 Program Expenditures (State Operations)	\$ -	\$ 19,464	\$ 21,674	\$ 22,107
8880 FISC (State Operations)	\$ 35	\$ 26	\$ 27	\$ -
9900 Statewide Pro Rata	\$ -	\$ 1,165	\$ 1,347	\$ 1,347
Total Disbursements	\$ 20,085	\$ 20,655	\$ 23,048	\$ 23,454
FUND BALANCE				
Reserve for economic uncertainties	\$ 10,518	\$ 7,725	\$ 10,093	\$ 12,055
Months in Reserve	6.1	4.0	5.2	6.1

Attachment 2

Origin of Revenue
FY 2016-2017
FM 5
\$ 9,722,100



Application vs. Renewals
FY 2016-2017
FM 5
\$ 8,578,800

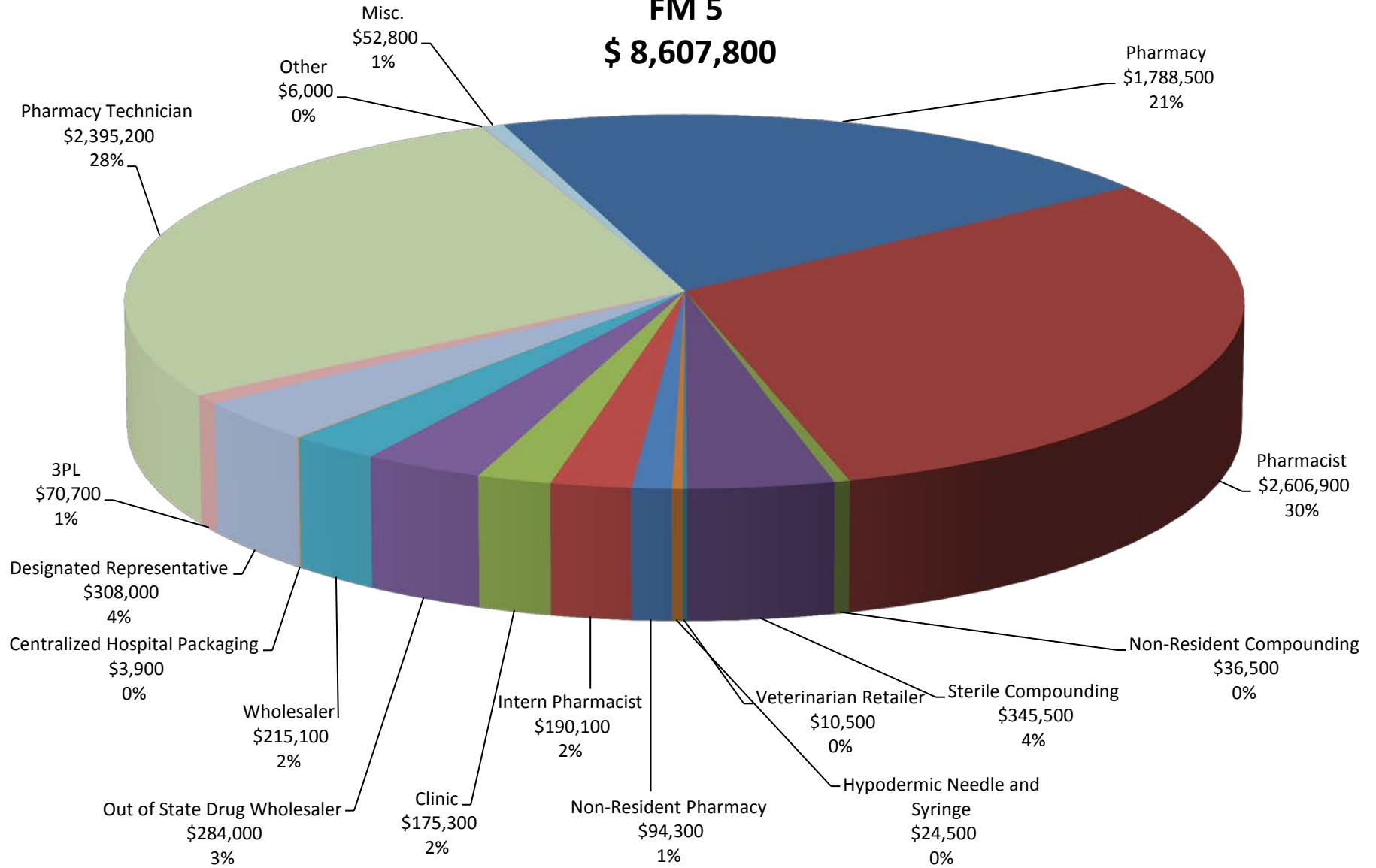


Revenue by Program

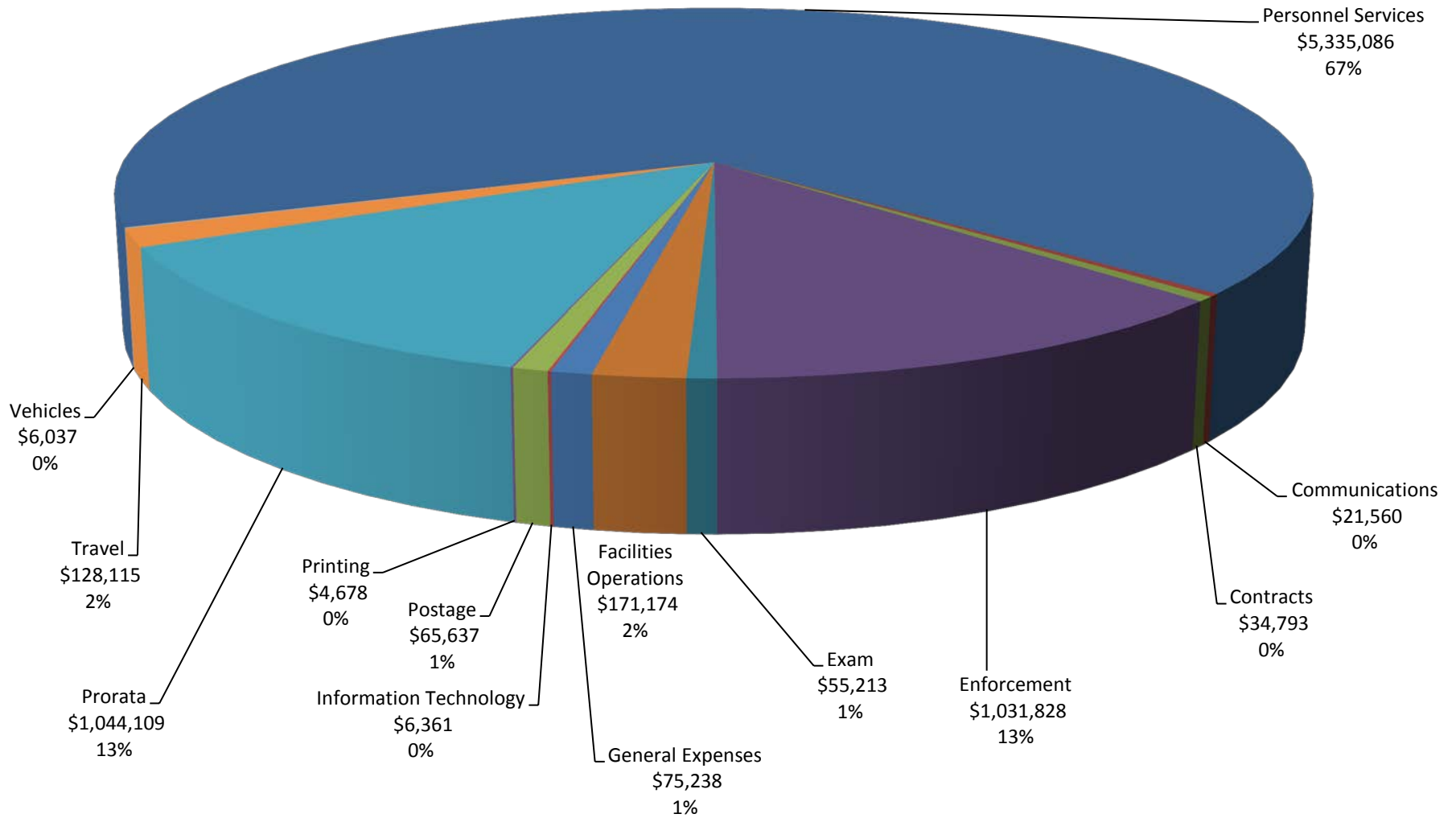
FY 2016-2017

FM 5

\$ 8,607,800



**Expenditures
FY 2016-2017
FM 5
\$ 7,979,829**



Attachment 3

Department of Consumer Affairs
BreEZe Costs and Funding
FY 2009-10 through FY 2018-19
(amounts in whole \$s)

	PROJECT							MAINTENANCE		
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget
BreEZe Costs										
Solution Vendor - Accenture LLP*	-	-	869,926	387,607	4,478,770	4,136,552	12,380,258	11,750,441	14,683,000	14,559,000
DCA Staff and OE&E**	372,732	1,096,247	3,199,363	4,655,450	7,979,320	9,506,388	11,904,786	7,046,014	6,882,000	6,749,000
Data Center Services**	-	-	147,645	138,410	137,472	156,096	182,610	156,096	164,000	172,000
Other Contracts	44,151	53,169	645,011	1,178,588	1,751,269	2,383,841	2,635,696	4,544,449	727,000	50,000
Oversight	10,168	345,993	488,034	393,232	478,328	475,033	364,804	-	-	-
Total Costs	427,051	1,495,409	5,349,979	6,753,287	14,825,159	16,657,910	27,468,154	23,497,000	22,456,000	21,530,000
BreEZe Funding Needs										
Total Costs	427,051	1,495,409	5,349,979	6,753,287	14,825,159	16,657,910	27,468,154	23,497,000	22,456,000	21,531,000
Redirected Resources	427,051	1,495,409	3,198,486	4,818,002	5,806,881	7,405,427	7,430,456	2,080,000	2,080,000	2,080,000
Total BreEZe BCP	-	-	2,151,493	1,935,285	9,018,278	9,252,483	20,037,698	21,417,000	20,376,000	19,451,000
Board / Bureau Name	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget
Pharmacy Board	16,998	55,158	214,509	134,555	396,747	203,760	199,655	474,747	371,000	334,000

* Includes maintenance and financing costs. Financing payments will continue through 2022

** Staff and data center costs will be permanent and ongoing

Attachment 4

**Board Member Reimbursement
And Travel Expense Expenses
FY 2016/17 FM 7**

Board Members	Attendance Hours* <small>Reflects reimbursements received during the current fiscal year.</small>	Travel Expenses <small>Reflects reimbursements received during the current fiscal year.</small>
Brooks, Ryan	32	\$99.36
Butler, Lavanza	64	\$616.56
Gutierrez, Amy	0	\$479.68
Law, Victor	72	\$442.42
Lippe, Gregory	72	\$508.80
Munoz, Valerie	16	\$0.00
Sanchez, Ricardo	40	\$0.00
Schaad, Allen	56	\$619.34
Veale, Deborah	80	\$624.68
Weisser, Stanley	64	\$773.79
Wong, Albert	56	\$356.03

***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.**