



Organizational Development Committee

Gregory Lippe, Public Member, President
 Debbie Veale, Licensee Member, Vice-President

a. Budget Report/Update

Fiscal Year 2017/2018 and 2018/2019

As previously reported, because of a transition to a new accounting system, FI\$CAL, final budget figures are not available for fiscal years 2017/18 and 2018/19. It was originally anticipated that such information would be available after June 2019. Regrettably this timeframe was not met and to date, the neither fiscal year 2017/18 nor fiscal year 2018/19 are final. Final budget reports for these two fiscal years will be provided when available.

Fiscal Year 2019/2020

On June 28, 2018, the Governor signed the budget for FY 2019/20. The new budget year began July 1, 2019. The board’s spending authorization for the year is \$26,007,000, which is an 11.3% increase from the prior year.

As previously noted there continues to be a delay in receiving budget information due to the problems with the FI\$CAL accounting system. Based on the preliminary reporting the board believes it has received \$13,230,600 in revenue originating from the following:

Revenue Sources Table

Source	Amount	Percentage
Licensing	\$12,009,600	91%
Cost Recovery	\$274,400	7%
Citation Fines	\$158,500	2%
Interest	\$3,100	0%

Further, the board estimates it has expended \$10,492,299 through November 2019. The largest expenditure categories are detailed below.

Expenditures Table

Source	Amount	Percentage
Personnel	\$4,181,877	79%
Enforcement	\$583,662	11%
Facilities Operations	\$176,823	3%
Exam	\$170,725	3%

Below is a summary of the fund condition report prepared by the department with the available budget reports. The fund condition assumes that the new fees will be in place by April 1, 2020. As indicated, the board's fund is projected to restore gradually.

Fund Condition Table

Fiscal Year	Fund Balance	Months in Reserve
2018/2019	\$4,444,000	1.9
2019/2020	\$2,856,000	1.2
2020/2021	\$7,222,000	3.0
2021/2022	\$11,773,000	4.8

Attachment 1 includes the fund condition prepared by the department and detailed budget charts.

b. Board Member Attendance Information

Attachment 2 includes a summary of board member attendance at committee and board meetings this fiscal year.

c. Personnel Update

The board currently has 14 vacant positions detailed below.

- Executive Officer
- Six Inspector positions
- Four Licensing positions
- Four Enforcement positions
- Two Administrative part-time positions

d. Board and Committee Meeting Calendar for 2020

Attachment 3 includes the schedule of meeting dates for the remainder of the calendar year. The dates in bold indicate a change. Board staff is working to secure meeting locations. Where a location has been secured, the location is also provided.

Attachment 1

0767 - Pharmacy Board Contingent Fund Analysis of Fund Condition

Prepared 11.18.2019

(Dollars in Thousands)

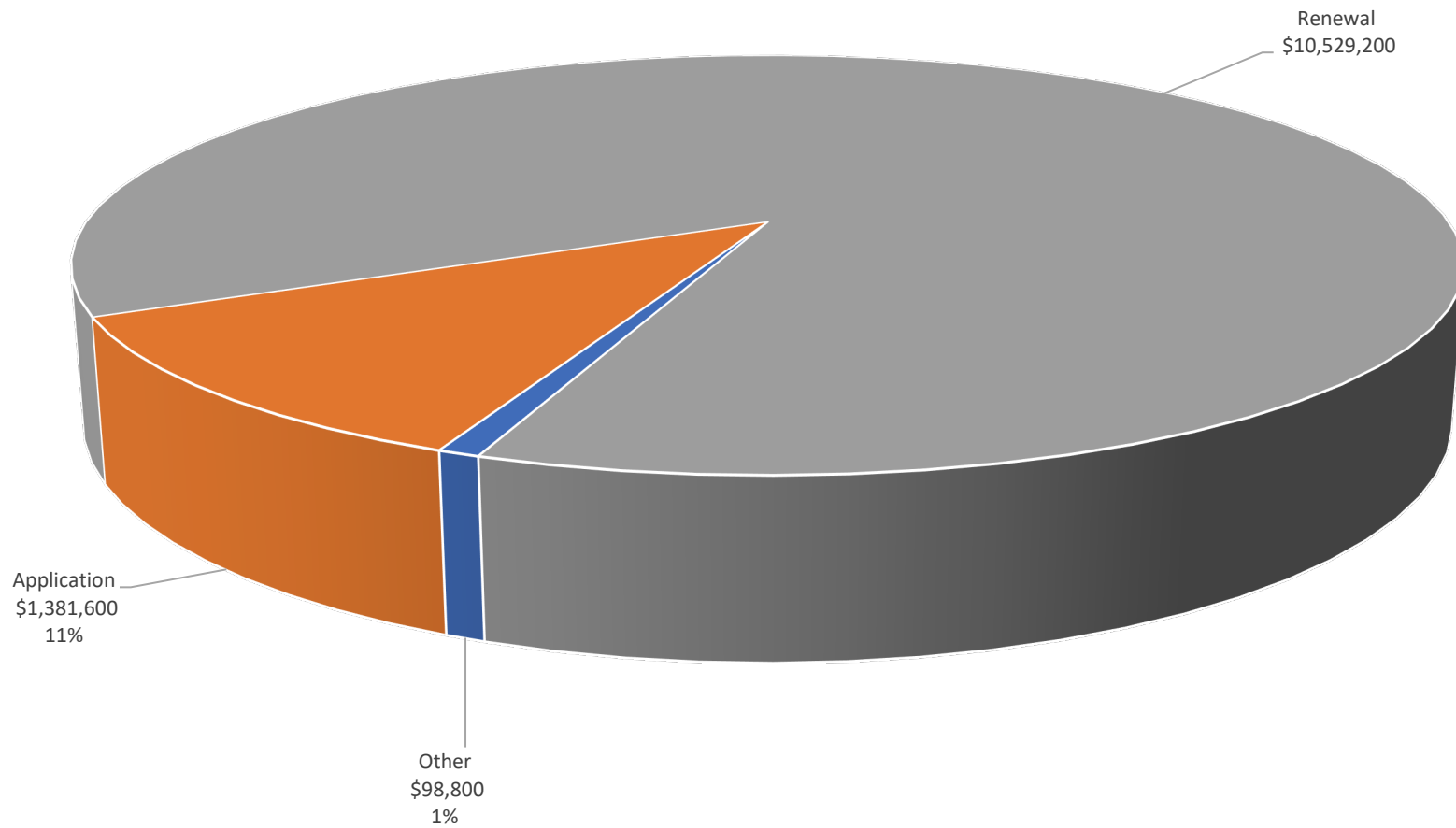
2019 Budget Act w/ proposed fee increase effective 4.1.2020

	PY 2018-19	Budget Act CY 2019-20	BY 2020-21	BY +1 2021-22	BY +2 2022-23	BY +3 2023-24
BEGINNING BALANCE	\$ 8,614	\$ 4,444	\$ 2,856	\$ 7,222	\$ 11,773	\$ 15,842
Prior Year Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 8,614	\$ 4,444	\$ 2,856	\$ 7,222	\$ 11,773	\$ 15,842
REVENUES AND TRANSFERS						
Revenues:						
4121200 Delinquent fees	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195
4127400 Renewal fees	\$ 18,982	\$ 19,649	\$ 19,649	\$ 19,649	\$ 19,649	\$ 19,649
4129200 Other regulatory fees	\$ 929	\$ 929	\$ 929	\$ 929	\$ 929	\$ 929
4129400 Other regulatory licenses and permits	\$ 3,786	\$ 3,850	\$ 3,850	\$ 3,850	\$ 3,850	\$ 3,850
Proposed Fee Increase (effective 4.1.2020)		\$ 2,028	\$ 8,110	\$ 8,760	\$ 8,760	\$ 8,760
4135000 Misc. revenue from local agencies	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
4163000 Income from surplus money investments	\$ 49	\$ -	\$ 107	\$ 174	\$ 234	\$ 287
4172500 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 23,942	\$ 26,652	\$ 32,841	\$ 33,558	\$ 33,618	\$ 33,671
Totals, Revenues and Transfers	\$ 23,942	\$ 26,652	\$ 32,841	\$ 33,558	\$ 33,618	\$ 33,671
Totals, Resources	\$ 32,556	\$ 31,096	\$ 35,697	\$ 40,780	\$ 45,391	\$ 49,513
EXPENDITURES						
Disbursements:						
1111 Department of Consumer Affairs Program Expenditures (State Operations)	\$ 26,560	\$ 26,056	\$ 26,577	\$ 27,109	\$ 27,651	\$ 28,204
8880 Financial Information System for California (State Operations)	\$ 2	\$ -2	\$ -2	\$ -2	\$ -2	\$ -2
9892 Supplemental Pension Payments (State Operations)	\$ 309	\$ 659	\$ 659	\$ 659	\$ 659	\$ 659
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 1,241	\$ 1,527	\$ 1,241	\$ 1,241	\$ 1,241	\$ 1,241
Total Disbursements	\$ 28,112	\$ 28,240	\$ 28,475	\$ 29,007	\$ 29,549	\$ 30,102
FUND BALANCE						
Reserve for economic uncertainties	\$ 4,444	\$ 2,856	\$ 7,222	\$ 11,773	\$ 15,842	\$ 19,411
Months in Reserve	1.9	1.2	3.0	4.8	6.3	7.6

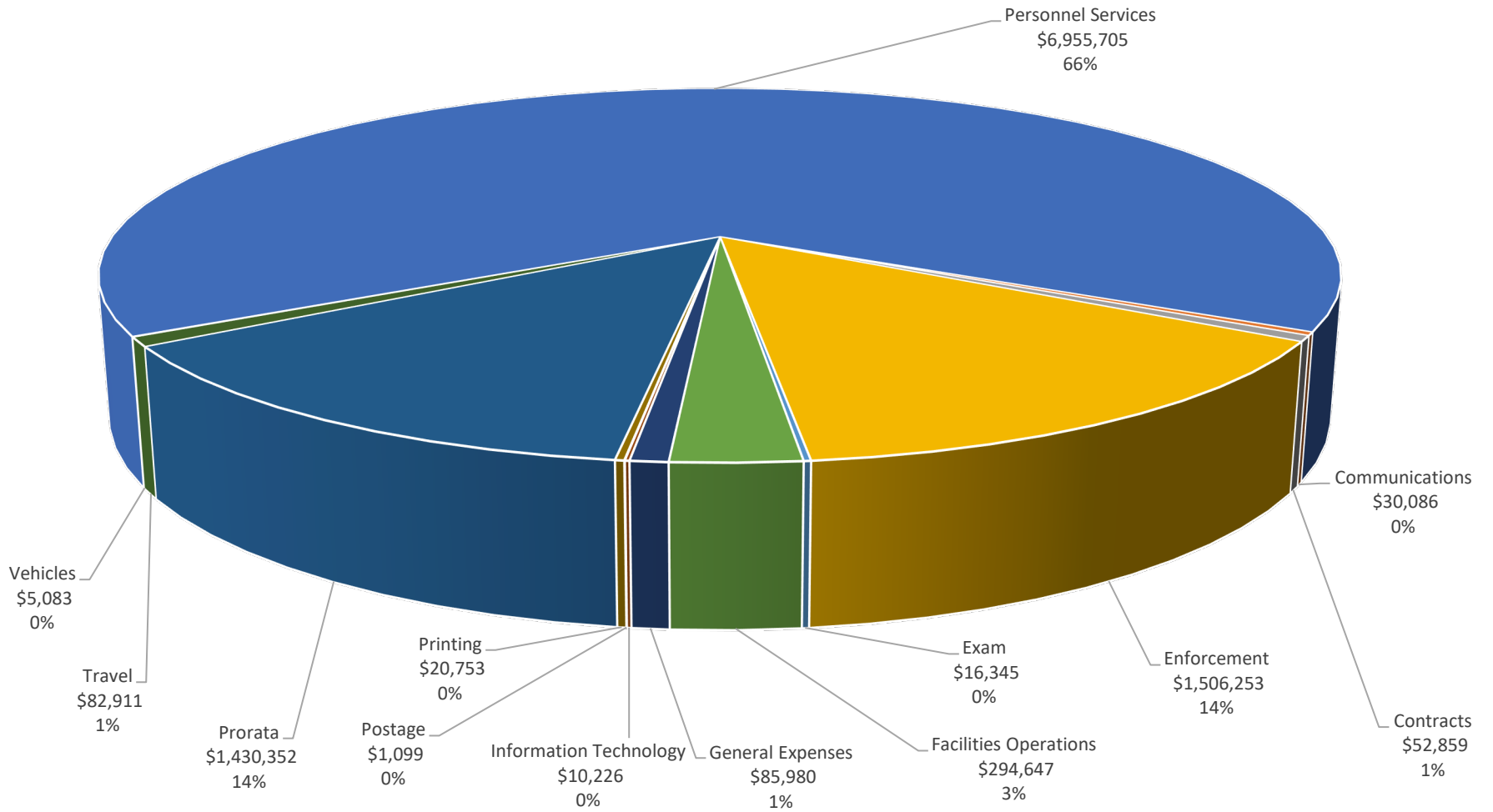
NOTES:

- ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR BY+1 AND ON-GOING.
- ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR IN BY+1 AND ON-GOING..
- ASSUMES INTEREST RATE OF 1.5%

Applications vs. Renewal
FY 2019-2020
FM 5
\$12,009,600



Expenditures
FY 2019-20
FM 5
\$10,492,299

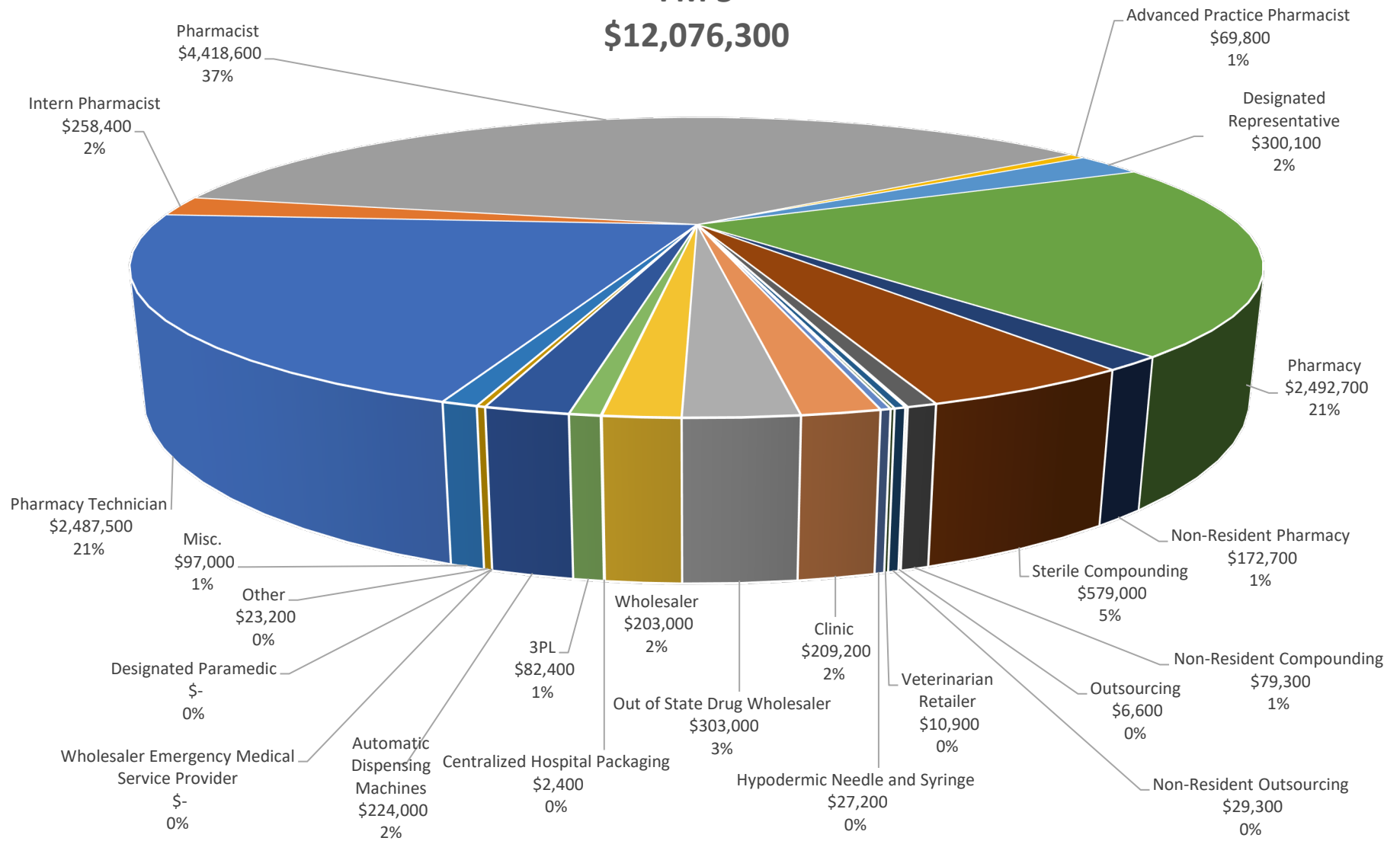


Origin of Revenue

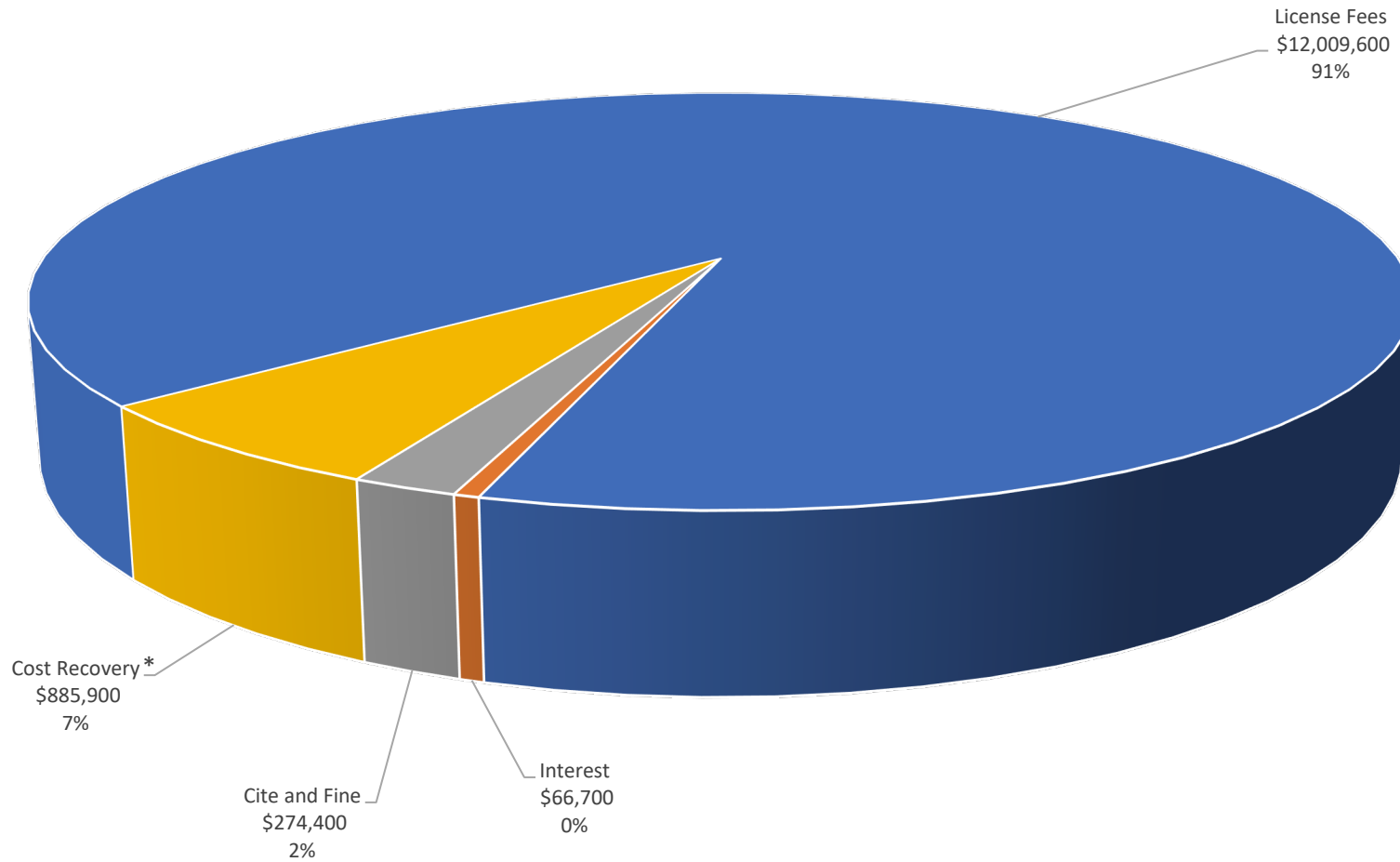
FY 2019-2020

FM 5

\$12,076,300



Origin of Revenue
FY 2019-2020
FM 5
\$13,236,600



* Total includes a large one-time payment.

Attachment 2

Full Board Meetings – FY 2019/2020

Board Member	7/24/19	7/25/19	9/13/19	11/5/19	11/6/19	12/13/19
Brooks			X	x	x	x
Butler	X	X				
Kim	X		X	x	x	
Lippe	X	X	X	x	x	x
Muñoz						
Sanchez	X	X		x	x	x
Schaad	X	X	X	x	x	x
Serpa	X	X	X	x	x	x
Veale	X	X	X	x	x	x
Wong	X	X		x	x	x

Committee Meetings 2019/2020

Enforcement Committee Meetings – FY 2019/2020

Board Member	7/10/19	11/5/19
Lippe	X	x
Sanchez	X	x
Schaad	X	x
Serpa	N/A	x
Wong	X	x

N/A denotes not appointed to the committee at the time

Compounding Committee Meetings – FY 2019/2020

Board Member	7/11/19	9/5/19	9/24/19	11/5/19
Lippe	N/A	X	X	x
Schaad	X	X	X	x
Serpa	X	X	X	x

Legislation and Regulation Committee Meetings – FY 2019/2020

Board Member	7/24/19	11/5/19
Brooks		x
Butler	X	
Kim	X	x
Lippe	X	x
Serpa	X	x

Licensing Committee Meetings – FY 2019/2020

Board Member	9/25/19	11/5/19	12/12/19	1/9/20
Butler				
Schaad	X	x	x	x
Veale	X	x	x	x
Wong	X	x	x	x

Communication and Public Education Committee Meetings – 2019/2020

Board Member	7/24
Brooks	
Kim	X
Muñoz	
Sanchez	X
Veale	X

N/A denotes not appointed to the committee at the time

Attachment 3

Committee and Board Meeting Locations Calendar Year 2020

Date	Type of Meeting	Location
January 29-30, 2020	Committee and Board Meeting	Embassy Suites by Hilton Los Angeles – Glendale 800 North Central Avenue Glendale, CA 91203
March 12, 2020	Petitioner Board Meeting	Keck Graduate Institute, School of Pharmacy 517 Watson Drive Founders Room #165 Claremont, CA 91711
May 6-7, 2020	Committee and Board Meeting	Department of Consumer Affairs 1625 N. Market Blvd. 1st Floor Hearing Room Sacramento, CA 95834
June 18, 2020	Petitioner Meeting	TBD
July 8, 2020	Licensing, Communication & Public Education Committee Meetings	Board of Pharmacy 2720 Gateway Oaks Drive 1st Floor Hearing Room Sacramento, CA 95833
July 9, 2020	Enforcement, and Legislation and Regulation Committee Meeting	Department of Consumer Affairs 1625 N. Market Blvd. 1st Floor Hearing Room Sacramento, CA 95834
July 29-30, 2020	Board Meeting	TBD
September 17, 2020	Petitioner Meeting	Board of Pharmacy 2720 Gateway Oaks Drive 1st Floor Hearing Room Sacramento, CA 95833
October 27-28, 2020	Committee and Board Meeting	Department of Consumer Affairs 1625 N. Market Blvd. 1st Floor Hearing Room Sacramento, CA 95834
December 3, 2020	Petitioner Meeting	TBD