



118<sup>th</sup> NABP Annual Meeting  
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# Report of the Treasurer

**Presented by:**

Lenora S. Newsome, PD



Hello, and good morning.

The opportunity to network with all of you while enjoying the beautiful Arizona sunshine has been a revitalizing

experience. After three years, we are finally able to meet again in person, and I am honored to have the opportunity to address you as your treasurer and to share information about the Association's finances and other important 2021 numbers. The last few years have been challenging for a variety of reasons, but through it all, National Association of Board of Pharmacy® (NABP®) and the member boards of pharmacy have remained dedicated to our shared vision and goal of protecting public health.

I'm pleased to be able to report that the Association's fiscal position remains strong and stable, despite the continued national and worldwide challenges of 2021.

To begin our breakdown of that fiscal strength, we'll start by taking a bird's eye tour through NABP's programs and services.

Let's start by talking about the status of NABP's examinations. First, North American Pharmacist Licensure Examination® (NAPLEX®) administrations increased by 5.1% in 2021 when compared with the previous year. And

Multistate Pharmacy Jurisprudence Examination® (MPJE®) administrations increased by 4.9%. Part of the increase may be a result of some exams being delayed from 2020 to 2021 due to coronavirus disease 2019 (COVID-19)-related restrictions that impacted test takers in 2020.

Although the Pre-North American Pharmacist Licensure Examination™ (Pre-NAPLEX®) has grown in popularity in recent years, with 13,715 administrations, 2021 saw a decrease of about 1.5% compared to 2020, despite the increase in NAPLEX administrations. On the other hand, the Pre-Multistate Pharmacy Jurisprudence Examination™ (Pre-MPJE®) had 9,875 administrations in 2021, representing an increase of 10.4% compared to 2020, which was the first full year in which this pre-exam was offered.

Figures for Foreign Pharmacy Graduate Equivalency Examination® (FPGEE®) administrations, now administered once per year, and the Pre-Foreign Pharmacy Graduate Equivalency Examination™ (Pre-FPGEE®) are also on the screen.

Pharmacy Curriculum Outcomes Assessment® (PCOA®) administrations increased slightly in 2021. The PCOA has been mandatory for pharmacy students nearing the end of their didactic curricula. However, because of the pandemic, the PCOA was made optional for the 2020-2021 and 2021-2022 academic years. Given

the option, 65% of schools elected to participate in 2021.

Electronic Licensure Transfer Program® (e-LTP™) also remains a vital program, particularly as license portability continues to be essential to pharmacists' ability to practice. While the pandemic took its toll on e-LTP as well, the program seems to have largely recovered in 2021, with licensure transfer requests increasing by 18.8% compared with the previous year. This year, the program received a total number of requests of 17,921.

The NABP Clearinghouse continues to serve a critical role in the e-LTP process, a role that has only been enhanced since the new NABP e-Profile system launch in 2018. We greatly appreciate our members' continued commitment to maintaining the Clearinghouse as a robust data source. Diligent reporting of disciplinary actions to the Clearinghouse is crucial to our shared mission to protect public health. During 2021, we saw an 11% increase in records submitted compared to 2020. We encourage all states to continue participating in the Clearinghouse and to submit records in a timely manner to maximize the effectiveness of this program.

The Association's accreditation and inspection programs play a significant role in helping to keep medication delivery and pharmacy practice safe for patients. As a result of continued travel restrictions and safety considerations, accreditation surveys remained limited in 2021.

NABP accreditation programs continued to offer vital services to customers, while also serving as a method to help safeguard consumers from unsafe pharmacy business practices.

As a reminder, revenue from our examinations and e-LTP, as well as from our accreditation programs, are reinvested into a wide array of other Association programs and services that are not themselves revenue-producing. Among them are NABP's Rogue Rx Activity Reports and NABP e-Profile system, as well as critical committee and task force work.

General and administrative costs include core Association services provided by departments such as Member Relations and Government Affairs, Legal Affairs, and Professional Affairs. These departments work directly with our member boards to assist with numerous projects.

This category also includes administrative support expenses, which break down further to items such as information technology, accounting, and customer engagement. Among those investments are continued improvement and upgrades to the e-Profile system and efforts to ensure all NABP data is protected by robust cybersecurity systems.

As always, the Executive Committee is aware of the financial challenges our member boards often face. Financial management by the Executive Committee has allowed our Association to provide NABP PMP InterConnect at no cost to our member boards, so they can focus their resources on supporting

PMP operations. Since PMP InterConnect's launch in 2010, our Association has invested \$1.85 million in its software development and \$6.9 million in its operation.

The fiscal strength of the Association can be seen in both its overall assets and the reserve funds it maintains for various purposes. In 2021, total NABP assets increased 10%, thanks to strong return on investments. NABP reserve funds increased by 14% in 2021. Those reserve funds include:

- undesignated reserves;
- examination program reserves;
- accreditation program reserves; and
- self-insurance reserves.

These strong reserves are the safety net that allows the Association to move quickly on behalf of our member boards to manage crises or threats to public health, to cover unexpected program expenses, and to ensure programs are maintained and improved over time.

The NABP Foundation® – the Association's vehicle for research and development projects – includes two key programs: NABPLAW® Online and the State Newsletter Program. During the COVID-19 pandemic, boards of pharmacy participating in the State Newsletter Program found the service to be extremely helpful in communicating important news and other information to their licensees. The service's high level of editorial service and flexible production dates provided even more value as board staff and resources were under even more strain throughout the pandemic.

The Foundation's financials remained strong in 2021, due to the

prudent management of its programs and investments.

Foundation expenses decreased by 19% in 2021.

Careful management of funds and dedication to sound long-term planning means the Foundation will continue to provide research and development funding to programs and services that will support our member boards.

We are proud to say that in 2021, the Association provided \$1.7 million in services and support, which included educational and charitable activities, as well as activities undertaken to alleviate government burden. Those educational outreach efforts included:

- sterile compounding inspection training for 25 board of pharmacy inspectors;
- conducting inspection services for one member board; and
- interactive forums for our member boards' executive officers, members, compliance officers, and legal counsel.

NABP has also continued offering support in the form of charitable activities. This includes the armed forces discount for NAPLEX, MPJE, and e-LTP, which accounted for \$307,000.

Each year, our Association undergoes a comprehensive financial audit. Our auditors, Calibre CPA Group, PLLC, found NABP and the NABP Foundation to be in sound financial order.

Thank you again for the opportunity to serve as your treasurer this year. It has been a positive experience and my privilege.

## NABP 2022 Operating Budget

### Revenue

Examination, Licensure, and Accreditation Programs	\$ 41,723,416
State Membership Dues	16,250
Publication Fees	50,014
Convention/Conference Registrations and Contributions	227,500
Investment Income	3,385,780

**Total Revenue** **\$ 45,402,960**

### Operating Expenses

**Program Expenses** \$ 28,942,124

Consulting, Convention/Conferences Program/Speaker Expense, Examination Content Expenses, Honoraria, Licensure Program Expense, Photographs, Printing, Salaries and Benefits, Seminars, and Testing Examination Fees

**General & Administrative Expenses** \$ 16,022,499

Accounting/Audit Fees, Building Maintenance, Contributions, Copying, Equipment Rental and Maintenance, Insurance, Investment Fees, Legal Fees, Library, Memberships and Dues, Postage, Printing, Public Relations, Salaries and Benefits, Shipping, Supplies, Telephone, Temporary Help, and Utilities

**Total Operating Expense** **\$ 44,964,623**

**Net Budgeted Revenue and Expenses from Operations** \$ 438,337

**Capital Improvements and Systems Upgrades** \$ 600,980

Computers, Computer Software, Building Equipment, Office Equipment, and Furniture

**Net Budgeted Revenue and Expenses** **\$ (162,643)**