



Report of the Treasurer

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Presented by:

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Good morning, fellow members of NABP!

Today, I'm honored to address you as NABP treasurer. From a financial point of view, the last

year has been adventurous.

We've had some headwinds and tailwinds that have shaped our journey, but we've successfully navigated through periods of uncertainty, including inflation and economic downturns, thanks to diligent management and collective optimism.

As the treasurer, I'm here to provide a cross-section of the Association's finances in 2023 by taking a high-level look at nearly every part of NABP.

To kick things off, let's shine a spotlight on NABP's flagship offerings – our programs and services – with a special focus on our examinations. These examinations have been instrumental in fueling the Association's revenue streams, albeit accompanied by notable expenditures.

For 2023, North American Pharmacist Licensure Examination® (NAPLEX®) administrations decreased by about 3% when compared with the previous year, while Multistate Pharmacy Jurisprudence Examination® (MPJE®) administrations decreased by 6%. Despite these declines,

the overall volume of examinations remains higher than it was at the height of the pandemic in 2020.

The Pre-NAPLEX® has continued to grow in popularity. In 2023, the number of purchases increased by 3% compared to 2022, with 13,731 administrations. Meanwhile, the number of Pre-MPJE® purchases declined by 4% compared to the previous year.

Figures for Foreign Pharmacy Graduate Equivalency Examination® (FPGEE®) and Pre-FPGEE® are also shown on screen.

Overall, the examination programs performed well amid some significant headwinds in the form of declining enrollment in pharmacy programs. NABP remains committed to providing these exams as a crucial resource to the boards of pharmacy in assessing licensure candidates' competency.

Another key cornerstone of NABP's services is Electronic Licensure Transfer Program® (eLTP), particularly as license portability continues to be so essential to pharmacists' ability to practice. As staffing shortages have continued to pose problems in many parts of the country, this service is as important as it has ever been.

In 2023, licensure transfer requests decreased by 5% compared with the previous year. The program received 17,692 applications from 12,772 applicants.

An additional tool for boards to utilize when making licensure decisions is the NABP Clearinghouse. Each member

board's contributions strengthen the usefulness of the Clearinghouse, ensuring it remains an accurate source of disciplinary information. I would ask that you each make sure to continue reporting disciplinary actions to the Clearinghouse in a timely manner to support our shared mission to protect public health and your fellow boards of pharmacy.

During 2023, overall submissions increased by about 18% compared to 2022. NABP Member Relations and Government Affairs may be able to assist if you are interested in finding ways to streamline this process with an automated data exchange.

The Association's accreditation and inspection programs also help keep medication delivery and pharmacy practice safe for patients. After many severe restrictions during the pandemic, these programs have been able to resume, and steps have been taken to ensure the safety of inspectors and pharmacy staff.

In 2023, NABP accreditation programs continued to offer vital services to customers, while also helping safeguard patients from unsafe pharmacy business practices.

Now, I'd like to take a moment to delve into how NABP allocates its revenue. The funds collected from examination and eLTP fees, along with those from the Association's accreditation programs, are consistently reinvested into a diverse array of services aimed at enhancing

patient safety and supporting the boards of pharmacy. These include vital initiatives such as NABP's RogueRx Investigations Team and the NABP e-Profile® system, as well as the essential committee and task force work that underpins the Association's strategic objectives and responses to emerging challenges.

Next, let's unpack our general and administrative expenses. These encompass crucial Association services facilitated by departments such as Member Relations and Government Affairs, Federal Affairs, Legal Affairs, and Professional Affairs. Working hand in hand with our member boards, these departments play a vital role in spearheading numerous collaborative projects.

This category also covers administrative support expenses, which encompass assorted items such as information technology, accounting, and customer engagement. These investments are crucial for ongoing enhancements and upgrades to our e-Profile system, alongside rigorous efforts to safeguard all NABP data with state-of-the-art security systems.

Considering the enduring financial obstacles confronted by our member boards, especially amidst today's uncertainties, the Executive Committee remains vigilant. Through prudent fiscal management, our Association can offer NABP PMP InterConnect® to member boards at no expense, allowing them to concentrate their resources on bolstering PMP operations. Since its introduction in 2010, our Association has dedicated \$1.85 million to software development and \$7.4 million to operating PMP InterConnect.

The fiscal strength of the Association can be seen in both its overall assets and the reserve funds it maintains for various purposes. In 2023, total NABP assets increased 9.1% due

to investment in new software and services, including Pulse by NABP™.

NABP reserve funds increased by 9.6% in 2023. Those reserve funds include:

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

These reserves provide an important support system that enables the Association to respond promptly to crises or public health threats on behalf of our member boards, cover unforeseen program expenses, and ensure the continual enhancement of our programs over time.

NABP Foundation® (NABPF®), our research and development arm, supports two cornerstone programs: **NABPLAW®** Online and the State Newsletter Program. Pharmacy boards participating in the State Newsletter Program commend its effectiveness in disseminating critical updates and information to licensees. The program's top-notch editorial services and adaptable production schedules offer added value, particularly amid increased demands for board staff and resources. This year the program has been expanded to include even more options and flexibility for participating boards, and more information is available on the NABP website.

NABPF's financial health remained stable in 2023, once again underscoring how careful administration of its programs and investments has helped to create stability.

Disciplined management of funds and dedication to sound long-term planning means NABPF can and will continue to provide research and development funding to programs and services that support our member boards of pharmacy in many endeavors.

I am particularly proud that, in 2023, the Association provided \$2.1 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 17 board of pharmacy inspectors; and
- forums for our member boards' executive officers, compliance officers, legal counsel, and members.

NABP has also continued offering support in the form of charitable activities. This includes the armed forces discount for NAPLEX, MPJE, and eLTP, which accounted for \$287,000.

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

Before concluding, I want to extend my heartfelt thanks to everyone who's played a pivotal role this past year. It is your steadfast commitment and hard work that empower our success. Reflecting on the challenges we faced, I'm proud to say that, together, we've not only sustained but also advanced the mission of our organization. Despite the uncertainties, we've managed to support our member boards effectively and keep the momentum positive. This progress shows the strength and resilience of our community.

The challenges the Association and the world face can be daunting. But as we navigate these stormy seas, I am confident that the competence of this group will see us through safely to calm waters.

Once again, thank you for the opportunity to serve as your treasurer this year. I look forward to many years of continued collaboration.



NABP Operating Budget 2024

	2024 Annual Budget	2023 Annual Budget
Revenue		
Examination, Licensure, and Accreditation Programs	\$ 40,454,173	\$ 38,780,873
Membership Dues	16,250	16,250
Publications and Subscriptions	1,520,059	517,476
Convention/Conference Registrations and Contributions	301,425	250,525
Other Program Services	3,107,711	2,830,690
Investment Income	2,119,998	1,655,777
Total Revenues	\$ 47,519,616	\$ 44,051,592
Program Related		
Program Expenses	\$ 33,534,867	\$ 28,530,659
Total Program Related	33,534,867	28,530,659
General and Administrative		
General & Administrative Expenses	15,651,895	15,757,580
Total General and Administrative	15,651,895	15,757,580
Total Operating Expenses	\$ 49,186,762	\$ 44,288,239
Net Budgeted Revenue and Expenses from Operator	(1,667,146)	(236,648)
Capital Improvements and System Upgrades	2,841,200	722,480
Net Budgeted Revenue and Expenses	\$ (4,508,346)	\$ (959,128)