



Interstate Medical Licensure Compact

May 18, 2018 - DRAFT

TO: Members of the Interstate Medical Licensure Compact Commission

FR: Blake Maresh, Treasurer, and
Marschall Smith, Executive Director

RE: Transmittal of Fiscal Year 2019 Budget Documents

On behalf of the Interstate Medical Licensure Compact (IMLC) Commission Budget Committee, we respectfully submit the proposed Fiscal Year 2019 Budget, and related documents, to the IMLC Commission for its review and action.

We are pleased to provide a set of documents that, we believe, clearly depict conservative and reasonable estimates of the Commission's anticipated financial activities over the next 12 months. Further, our intention in formulating this budget is to be conscious of the Commission's mission and strategic goals; this budget is, and should be, a reflection of its priorities in the coming year.

Concurrently, it has been our goal to begin to "regularize" the IMLC Commission budget setting process through development of budget documents and information gathering processes that will, hopefully, become routine. While the Budget Committee plans to continue to refine the budget development process, including documenting our work in IMLC Commission policy, we are confident we have taken positive steps forward in this regard in the 2019 cycle.

Specifically, you will find three documents attached to this memo:

1. A spreadsheet that details the DRAFT proposed FY 2019 budget, including categories of revenue, expense and capital expenditures. The spreadsheet also includes a column that provides preliminary estimates of anticipated 2020 revenues and expenditures.
2. A budget narrative and chart of accounts document that provides additional detail by revenue or expense type.
3. A draft IMLC Policy #5 – Policy on Reserve Funds

Please note that, while the proposed budget document includes early estimates for FY 2020, the Budget Committee is specifically NOT asking for the Commission's adoption of the preliminary estimates for FY 2020 as "final" numbers, but for planning purposes only. We strongly recommend that the Budget Committee begin a planning process later this year for developing the FY 2020 budget.

In addition, the Budget Committee is recommending that the IMLC Commission formally adopt, by motion and vote, policy statements related to retaining the IMLC's existing fee structure without changes and to not imposing member state assessments. Both policy statements would apply to the FY 2019 budget cycle. Again, it may be helpful, as part of the annual budget setting process, for the IMLC



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Commission to routinely revisit these topics. We believe that, FY 2019 being the final year of the Commission's HRSA grant notwithstanding, sufficient fee revenues will exist to cover operating expenses and to create a reserve fund for future budget needs. Finally, while this budget proposal does not anticipate any new states or territories entering the compact, the addition of other states may result in greater than anticipated revenue and expenses. The Budget Committee's view is that retaining the existing fees and embargo on member state assessments may positively incentivize new states to join the Compact.

Recommendations:

1. The Budget Committee, with concurrence of the Executive Committee, moves that the Commission adopt the proposed FY 2019 IMLC Commission budget and the accompanying FY 2019 budget narrative/chart of accounts.
2. The Budget Committee, with concurrence of the Executive Committee, moves that the Commission adopt the preliminary estimates for the FY 2020 budget for planning purposes only. The actual FY 2020 budget shall be approved by the IMLC Commission only after a subsequent planning process.
3. The Budget Committee, with concurrence of the Executive Committee, moves that the Commission retain, for the FY 2019 budget year, its existing structure for IMLC fees, as provided for in Sections 6 and 7 of the Interstate Medical Licensure Compact.
4. The Budget Committee, with concurrence of the Executive Committee, moves that the Commission retain, for the FY 2019 budget year, its previously stated position against the imposition of member state assessments, as provided for in Section 13 of the Interstate Medical Licensure Compact.

Thank you for your review, consideration, and approval of these important IMLC Commission documents. The Budget Committee welcomes the opportunity to support and assist the Commission and its committees in their work.

Attachments: DRAFT proposed FY 2019 budget and FY 2020 preliminary estimates
DRAFT FY 2019 budget narrative and chart of accounts
DRAFT IMLC Policy #5 – Policy on Reserve Funds