

Interstate Medical Licensure Compact

April 2, 2018

TO: Mark Bowden, Chair
Diana Shepard, Vice-Chair
Members of the Interstate Medical Licensure Compact Commission Executive Committee

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

RE: DRAFT Fiscal Year 2019 Budget Documents

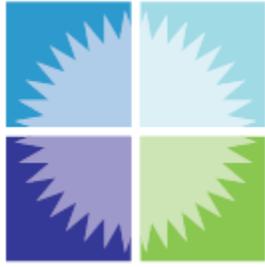
On behalf of the Interstate Medical Licensure Compact (IMLC) Commission Budget Committee, please find enclosed the DRAFT proposed Fiscal Year 2019 Budget, and related documents, for the IMLC Commission. As we have discussed in our Executive Committee meetings in January and February of this year, our plan has been to submit a substantial final draft of the budget materials in order to allow time for the Executive Committee's initial review and comment. Our hope is to incorporate any feedback, questions, or concerns into the document during the month of April, so that we may have a finalized product to present to the full IMLC Commission at our May 18 business meeting.

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 several documents attached to this memo:

1. A DRAFT transmittal memo for the packet to the IMLC Commission membership.
2. 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.
3. A budget narrative and chart of accounts document that provides additional detail by revenue or expense type.
4. A DRAFT IMLC Policy #5 – Policy on Reserve Funds



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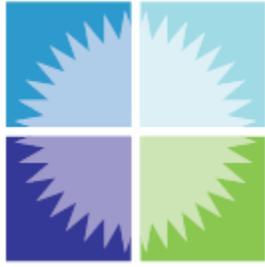
Please note that, while the proposed budget document includes early estimates for FY 2020, the Budget Committee is specifically NOT asking for the Executive Committee's concurrence with the preliminary estimates for FY 2020 as "final" numbers, but for planning purposes only. We strongly recommend that 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 Executive Committee concur, and 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 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. 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 requests the formal concurrence, by motion and vote of the Executive Committee, with the proposed FY 2019 IMLC Commission budget and the accompanying FY 2019 budget narrative/chart of accounts. We also request that the Executive Committee concur with 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.
2. The Budget Committee requests the formal concurrence, by motion and vote, of the Executive Committee with the proposals to retain the existing IMLCC fee structure, and to not impose member state assessments, through the FYI budget year.
3. The Budget Committee requests that the matter of adoption of the FY 2019 budget, the accompanying budget documentation, and policy positions on fees and member assessments, be placed on the agenda of the May 18, 2018 IMLC Commission business meeting for adoption by the full IMLCC Commission.
4. The Budget Committee requests that the Executive Committee take action regarding the DRAFT IMLC Policy #5 – Policy on Reserve Funds.

Thank you for your review and consideration of these important IMLC Commission documents. We look forward to working cooperatively with the Executive Committee in completing the FY 2019 budget. We request the Executive Committee's feedback by **Tuesday, April 24**, and for final Executive Committee action by **May 8**, so that we can transmit the finalized packet to the full Commission for action on May 18. If you have any questions, please do not hesitate to contact either of us for additional information.



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