

Interstate Medical Licensure Compact

Memo

To: IMLCC Commissioners

From: Marschall S. Smith, Executive Director

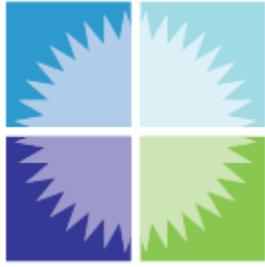
Date: April 15, 2022

RE: FY2023 Budget highlights and major assumptions

The Budget Committee used the following assumptions to develop the FY2023 Budget:

- An IT Projects Budget that was separated from the Operational Budget is an important and fiscally responsible step. The IT Projects Budget will be funded from revenues generated after operational expenses have been paid. This change creates the capital necessary to fund projects based on a contract cycle not a fiscal year cycle and allows for projects to be developed and funded for terms longer than 12 months. Once a project is implemented, the on-going maintenance costs are accounted in the Operational Budget.
- In order to create an adequate revenue stream to fund the IT Projects Budget, operating expenses needed to be stabilized to current spending levels even with increased revenue projections.
 - The proposed FY2023 Operational Budget is approximately 1% less than the FY2022 projected Operational Budget expenditures (approximately \$12,000 less), inclusive of Personnel costs and exclusive of STRIPE Processing fees.
 - Revenue projections are supported by the fiscal model.
- Revenue projections are significantly increased and based on the model developed under the direction of the Budget Committee rather than a fixed increase over historical revenues. The model is a more reliable predictor of revenue.
- Personnel costs are increased by 8% to reflect the average salary adjustments for current staff. All approved staff positions are filled and will be refilled should a vacancy be created. At this time there are no indications that staff size will need to be increased in FY2023.

Continued on Page 2



Interstate Medical Licensure Compact

- The expenses for the IMLCC Annual meeting in November 2022 have been increased significantly based on the expectation that more commissioners will be attending the meeting in-person as COVID related travel restrictions are eased.
- Legal & Professional Services are reduced to reflect the need for a single audit of FY2022 in the fiscal year vs. the 3 audits performed in the current fiscal year. However, legal services are expected to increase. The offset between these 2 situations is a resulting 38% decrease in this expense category.
- Staff travel and official functions are expected to increase due as COVID related travel restrictions are eased.
- Insurance coverage will be increased to protect against the anticipated risk of the implementation of an API process with member boards. API is an Application Programming Interface where two or more computers or computer programs interact through a software interface.
- Rent has been significantly reduced as a decision was finalized in December regarding the location of the IMLCC offices and space was consolidated.