**2019 MHCA Budget Notes**

**OVERVIEW**

The Finance Committee and I are pleased to present a balanced 2019 budget for approval! Although there are a few variables, much of the positive change came from an increase in membership dues and a decreased use of the nurse consultants. I have provided a high-level overview below and am happy to address questions that you may have.

**DUES REVENUE**

One year with the new dues structure allows us to more accurately forecast the 2019 dues. You will note that the 2019 budget includes a $15,000 increase in dues revenue from the 2018 budget and includes an increase of 13 members from the 2018 budget.

**EXPENSES**

**Membership/Education**

The region meeting budget has been increased to accommodate additional speaker fees. Members have responded positively to this low-cost education option and desire external presenters that are not available pro bono. We will continue to encourage member engagement through the region meetings.

Overall, the education budget reflects an increase of nearly 10%. Although our attendance has been down, we are ahead of budget YTD and are implementing some cost-effective measures (venues, sponsored speaker, etc).

**Staffing**

* The Nurse Consultant services (contract staff) is under budget in 2018. The budget has been adjusted to reflect our anticipated use in 2019.
* While I continue to believe that additional regulatory staffing would be valuable, I recommend no additions be made until we have better information regarding the potential affiliation with LAMN.
* Minimal temporary staffing is included for 2019 (e.g. Annual Meeting). Also, of note, the temporary/contract staffing in 2018 is not reflected in the payroll line item (thus, our 2018 salaries look lower than they were).

**OTHER 2018 ADJUSTMENTS**

**Income**

* Investment Income: I have conservatively budgeted $10,000 for 2019.
* The budget includes credit card fee of 3.5%, up from 3% in 2018. This increase was made to better cover the expense incurred.

**Expense**

* The lease with LeadingAge Minnesota/MCCA indicates that our rent discount will expire April 1, 2019. The estimated increase is $10,000 per year. We are withholding negotiations on the lease until we have further clarification regarding our affiliation, so the anticipated amount is budgeted in full. It is also possible that they will incur an increase in operational costs which will be passed along to MHCA.
* With the use of Zoom, we can transition to a free conference call service. We have not utilized this in the past as members would have incurred the cost of long-distance phone calls. With phone service plans changing, we anticipate that very few, in any, members would have to pay for long-distance charges. This change will save the association nearly $2,000.
* Conferences:
  + I have included the *Your Membership* (our database) conference, with a plan to send staff every other year (Mandy went in 2017).
  + Home Care 100 is the preeminent leadership conference for C-level executives from large home care and hospice providers plus a select group of product/service companies who support providers as they move towards a value-based future. They began inviting state association executives for a discounted rate and my peers have highly recommended it as an important learning opportunity.
  + Home Care Association of Florida hosts what is considered the premier state association home care conference. They have offered Exec Director’s the opportunity to attend at no cost, allowing us the opportunity to experience their conference and bring back ideas for our state conferences. Travel for one person is included.
* NGS – State Association meetings: one meeting will be via conference call and the 2nd meeting will be combined with the Policy Summit. I believe the Medicare Nurse Consultant can join that meeting via phone and my travel is included for the Summit, so I have removed this expense from the budget.

**Reserves**

* We currently have $633,000 in our reserve account.
* The 2019 proposed budget does not include funding for the MHCA 50th Celebration preparation, although I do expect some costs to be incurred, such as video creation, event designs and more. I am recommending that the Anniversary Celebration expenses be expenses from our reserve accounts as it is a one-time special occasion and we have more than sufficient funds available. A more detailed budget would be presented to the board for approval next year.
* The legal line item includes our standard of $2,000 per year. I recommend that any legal costs related to an affiliation come from the reserve account also.