



NCSBN
Leading Regulatory Excellence

Past Event: 2024 NCSBN Annual Meeting - Committee Forums: Finance Forum
Video Transcript

©2024 National Council of State Boards of Nursing, Inc.

Event

2024 NCSBN Annual Meeting

More info: <https://www.ncsbn.org/past-event/2024-ncsbn-annual-meeting>

Presenter

Lori Scheidt, MBA-HCM, Treasurer, NCSBN Board of Directors; Executive Director, Missouri State Board of Nursing

Good afternoon. My name is Lori Scheidt and it's my pleasure to serve as your treasurer. On the stage with me is CFO Rob Clayborne and Gloria Evans-Melton, Director of Finance. You have a well-qualified and experienced finance committee comprised of Chris Archuleta and if you're in the room, I should say, if you please stand for a moment, Chris Archuleta, Peggy Benson, Isonel Brown, Sarah Cecil, Jeremy Cummins and Michael Starchman.

Please join me in thanking them for doing a stellar job as your finance committee. These committee members are detail-oriented and always well-prepared. Monitoring the finances of this organization is done in collaboration with your CEO, the chiefs, board of directors, investment experts and the entire finance team.

The finance committee is guided by Article 10 of the bylaws which require the committee to review the annual budget, monitor income and expenditures against projections, present quarterly financial statements to the board, oversee the financial reporting process and financial controls, recommend and work with an independent audit firm and make investment policy recommendations to the board of directors.

Remember that as delegates, you vote on strategic initiatives. Tactics are derived from the delegate-approved strategic initiatives. Department chiefs who have extensive knowledge of operational and resource needs to carry out new tactics and deliver core services present budgets to the CEO. The finance committee ensures there are adequate financial resources to fund the tactical plans necessary to execute strategic initiatives that support nursing regulatory bodies' public protection mandates and allow NCSBN to lead regulatory excellence worldwide.

Our current tactics include leadership development, borderless healthcare delivery, remote proctoring and licensure reform. A total of 65% of total revenue comes from NCLEX licensure in the United States and 6% from NCLEX in Canada.

7% of revenue comes from nurses' license verification fees. A total of 13% of the revenue comes from earnings on investments. All other sources of operating revenue combined total less than 1% of the income. Other income includes meeting registration fees, associate membership fees, ICRS courses and publication sales revenue.

9% comes from our financial reserves. NCLEX, stands to reason, is our largest expenditure at 63%. Program services is 15% of the budget and these expenditures include things that support the boards such as committees, meetings, research, NLC legislative support and ICRS. NURSYS and ORBs is 3% of the budget.

IT infrastructure equals 9% and keep in mind that we all feel the pain of increase. IT cost have increased significantly due to cloud computing services that come with digital transformation and cyber security threats. Support services include governance, marketing, advocacy, finance and HR.

Office space 1%. NCSBN is not immune to the impact of inflation which results in higher operational cost. We project that we will continue to use reserve funds to support operations, resulting in a decline in the reserve balance.

As noted on page 70 of the business book, you will see that the board has designated \$125 million in reserves. Careful attention is paid to ensure the reserve is never below that threshold. The finance committee will be reviewing the financial forecast in the coming year. In summary, the committee uses outcome measurements to assess the financial performance.

Those measurements include maintaining adequate funds and operating budgets that support the delivery of core services and strategic initiatives, utilizing financial experts and your expert finance team to carefully monitor financial investments within the risk tolerance of NCSBN.

I'm delighted to report that we received an unqualified audit opinion known as a clean opinion that the financial statements present fairly in all material respects the financial position of the organization and you can find that complete report starting on page 68 of the business book. NCSBN is in good hands with an expert CEO, Director of Finance, Chief, CEO, Board of Directors and Finance Committee who all work in synergy to monitor the financial health of our organization so we can lead regulatory excellence worldwide while ensuring sustainability of the organization.

I would like to thank your immediate past treasurer and my neighbor to the west, Adrian Guerrero from Kansas for his mentorship to the treasurer role. And special thanks to CFO Rob Clayborne, Gloria Evans-Melton, Director of Finance and the five other finance department team members for their knowledge, expertise, professionalism and work ethic. Thank you.