

OPTN Finance Committee

Meeting Summary

June 12, 2023

WebEx Meeting

Brad Kornfeld, Chair

Dale Smith, Chief Financial Officer

Introduction

The OPTN Finance Committee met via WebEx teleconference on 6/12/2023 to discuss the following agenda items:

1. Opening Remarks
2. Discussion of FY24 Proposed OPTN Budget

The following is a summary of the Committee's discussions.

1. Opening Remarks

Brad Kornfeld, Finance Committee Chair and OPTN Treasurer, started the meeting by welcoming committee members. He emphasized the importance of utilizing time efficiently and focusing on the additional information provided for the Fiscal Year 2024 (FY24) OPTN budget proposal.

2. Discussion of FY24 Proposed OPTN Budget

Dale Smith, CFO, began the presentation by discussing the agenda and encouraging questions and discussions to ensure alignment with the budget goals. The timeline and budget forecast slides were presented, showing the proposed Fiscal Year 2024 budget and forecasted expenses for the remainder of Fiscal Year 2023 (FY23).

Mr. Smith presented the roll forward which illustrates notable proposed changes to the FY24 budget in comparison to the FY23 budget. The roll forward accounts for a 5% merit increase and factors in the addition of new headcount, as well as vacancy rates. Mr. Smith explained that the personnel costs are expected to increase from \$44.8 million to \$46.1 million dollars for FY24. Mr. Kornfeld asked about the impact of labor market trends. Tony Ponsiglione, Chief People Officer, discussed that the contractor was continuing to fill jobs as turnover has increased. The proposal of a 5% merit to be included in the budget is to be able to increase salaries in alignment with retention trends in the market.

A committee member asked if the increase in FY23's budget also included expansion of IT staffing resources. Mr. Smith confirmed that is correct and explained that it is an ongoing ramp up period so that an additional 20 staff were not added all at once, and noted additional information will be shared later in the slidedeck. HRSA Representative, Mr. Chris McLaughlin, asked about the number of additional IT teams included in last year's approved budget and requested clarification on whether those positions have been filled and why additional positions are needed. Mr. Smith presented the slide outlining the additional 7 new roles requested to be included in the FY24 budget as well as the workstreams requiring the need for additional headcount. The committee discussed the different work streams including the IT member security project, growth and complexity of technical operations, cloud readiness, and the bandwidth to proactively manage and address incidents of OPTN IT services access. Dr. Ryan Ehrensberger, Chief Growth Officer, presented detailed information on anticipated Policy Oversight

Committee (POC) projects, timelines, and the need for Software Engineering personnel. Dr. Ehrensberger showed the Policy Oversight Committee proposed project map for the next 3 years by public comment cycle. The project map includes estimates for IT work hours by project. Dr. Ehrensberger also highlighted the new employee onboarding and ramp up time in order to be prepared when the proposals are approved. Dr. Ehrensberger provided the committee with the context that they are providing the committee with as much information and estimations as possible for what is known about the workload in the next 12-24 months for them to be able to make an informed decision. A committee member suggested that the decision about including the new headcount in the budget may be better made six months into the fiscal year when there is more clarity about the contract. The committee discussed how to approach the budget and the need for flexibility in adapting to changing circumstances. A committee member expressed the importance of focusing on the budget justification and having a shared vision of what needs to be accomplished. They stated that the staff should be allowed to respond to changes and complexities within the organization. Mr. Kornfeld explained that a vote will be taken, indicating that the committee will be making a decision today.

Mr. Smith then presented a detailed view of proposed purchased services. There was discussion about member security and FedRAMP readiness. Mr. McLaughlin expressed the need for clarity on the plan to move into the cloud and the associated resources. Mr. Smith acknowledged the importance of improving system controls and performance, especially in the context of the upcoming changes. He emphasized the proposal to spend money on enhancing and improving various aspects of the system. The committee discussed moving to FedRAMP readiness and member tech support. Mr. Smith emphasized the importance of operating the system at peak potential and mentioned the challenge of providing 24/7 member support, noting the need for staffing the service desk at all times.

The discussion then shifted to facilities, IT, and telecom expenses. Mr. Smith mentioned requests for expense transfers and adjustments in software and hardware maintenance. The majority of the IT and telecom budget is allocated to software subscriptions. Mr. Smith provided a quick description of the top 20 software subscriptions and mentioned reductions in office supplies and other expenses due to remote working.

Mr. Smith presented an overview of the tasks and budget for FY23 and FY24, highlighting the similarity between the budgets and how they align closely. Mr. Smith explained the breakdown of costs, including wages, fringe benefits, travel, purchased services, and indirect costs. The total cost for FY24 is \$73.8 million. The discussion then shifted to a slide showing a summary of budget tasks that amount to the proposed OPTN registration fee of \$915. The presentation concluded with Mr. Smith directing the committee to an executive summary document and a crosswalk that provides a detailed breakdown of the budget. The purpose of these documents is to provide a roadmap and share the annual financial plan.

Vote:

Mr. Kornfeld asked if there were any last questions and moved forward with the resolution slide. Mr. Goodman moves to recommend the budget to the board as presented, with Mr. Kornfeld seconding his motion. Mr. Kornfeld asked for a voice vote and the budget was unanimously recommended by the committee.

The meeting was adjourned.

Attendance

- **Committee Members**
 - Andrea Tietjen
 - Brad Kornfeld
 - Jeff Orlovski
 - Renee Bennett
 - Robert Goodman
 - Stuart Sweet
- **HRSA Representatives**
 - Christopher McLaughlin
 - Frank Holloman
 - Mesmin Germain
- **UNOS Staff**
 - Anna Messmer
 - Dale Smith
 - Florence Yuan
 - Jacquelyn Flannagan
 - Julie Nolan
 - Kasey Darnes
 - Liz Robbins Callahan
 - Maureen McBride
 - Micheal Ghaffari
 - Michael Letson
 - Morgan Jupe
 - Ryan Ehrensberger
 - Tiwan Nicholson
 - Tony Ponsiglione