



Finance 101 October 23, 2019

**Commissioner Bob Buehn (FL)
Treasurer and Finance Chair**

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Annual Dues – History

- 2009 – Adoption of Commission Rules at the Annual Business Meeting.
- 2011 – Dues formula amended from duty station to residing state of the military family.
- 2018 – Dues formula amended from \$1.00 to \$1.15 per military child.

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Compact Rules: SEC. 2.103 Dues Formula

- (a) The Commission shall determine the formula to be used in calculating the annual assessments to be paid by States. Public notice of any proposed revision to the approved dues formula shall be given at least 30 days prior to the Commission meeting at which the proposed revision will be considered.
- (b) The Commission may consider the population of the States, the number of students subject to the compact within each State, and the volume of student transfers between States in determining and adjusting the assessment formula.
- (c) The approved formula and resulting assessments for all member States shall be distributed by the Commission to each member State annually.
- (d) Beginning with FY 2020, the dues formula shall be based on the figure of one dollar and fifteen cents per child (\$1.15) of military families eligible for transfer under this compact, and this calculation shall be based upon the State in which each military family resides, except that no State dues assessment shall exceed the sum of sixty-nine thousand dollars (\$69,000.00) per year or shall be less than two thousand three hundred dollars (\$2,300.00).

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MIC3 FY20 Dues and Active Duty Military Dependents (Ages 5-18)

STATE/TERRITORY	Army	Navy	Marines	Air Force	Coast Guard	USPS	NOAA	Total	DUES
ALASKA	4,189	50	23	2,271	993	209	1	8,838	\$ 10,264
ALABAMA	5,987	580	270	2,106	681	14	0	9,638	\$ 11,084
ARKANSAS	530	171	116	1,703	28	10	0	2,558	\$ 2,942
ARIZONA	3,168	722	1,400	4,755	50	437	0	10,532	\$ 12,112
CALIFORNIA	6,650	28,426	13,145	7,758	2,275	204	5	57,863	\$ 66,542
COLORADO	12,159	781	237	5,484	65	114	1	18,842	\$ 21,668
CONNECTICUT	276	2,279	82	91	432	12	0	3,172	\$ 3,648
DIST OF COLUMBIA	280	150	60	213	73	38	0	914	\$ 2,200
DELAWARE	156	85	27	1,355	82	11	0	1,716	\$ 2,300
FLORIDA	8,078	13,834	1,975	12,508	2,771	103	24	39,293	\$ 45,187
GEORGIA	21,016	3,627	883	4,899	311	557	0	31,292	\$ 35,986
HAWAII	9,464	4,704	1,762	2,717	569	24	0	19,240	\$ 22,126
IOWA	568	148	118	1,88	20	22	0	1,064	\$ 2,300
IDAHO	220	183	74	1,381	37	29	0	2,014	\$ 2,316
ILLINOIS	1,466	1,989	427	1,251	165	44	2	7,261	\$ 8,448
INDIANA	1,310	400	220	332	65	16	0	2,343	\$ 2,694
KANSAS	8,251	215	166	1,570	50	35	0	10,287	\$ 11,830
KENTUCKY	7,540	234	164	235	139	63	0	8,150	\$ 9,383
LOUISIANA	3,525	620	398	2,693	672	27	0	7,935	\$ 9,225
MASSACHUSETTS	597	318	157	631	706	55	5	2,469	\$ 2,839
MARYLAND	6,235	5,871	1,188	3,968	1,005	1,187	44	19,998	\$ 22,998
MAINE	223	371	51	96	398	4	0	1,143	\$ 2,300
MICHIGAN	1,226	567	309	364	632	33	0	3,131	\$ 3,601
MINNESOTA	473	184	134	195	71	118	0	1,175	\$ 2,300
MISSOURI	4,580	451	448	2,052	77	65	3	7,676	\$ 8,827
MISSISSIPPI	851	1,794	179	1,904	193	6	4	4,931	\$ 5,671
MONTANA	202	68	48	1,139	10	76	0	1,543	\$ 2,300
NORTH CAROLINA	23,549	3,254	11,687	3,657	1,350	173	2	43,672	\$ 50,223
NORTH DAKOTA	80	20	18	2,269	3	31	0	2,421	\$ 2,784
NEBRASKA	393	428	118	2,347	13	39	0	3,241	\$ 4,437
NEW HAMPSHIRE	159	137	58	145	175	24	2	700	\$ 2,300
NEW JERSEY	1,020	522	265	2,053	601	50	0	4,511	\$ 5,188
NEW MEXICO	630	187	114	4,238	18	198	0	5,381	\$ 6,188
NEVADA	550	569	137	4,596	31	8	0	5,891	\$ 6,775
NEW YORK	7,865	1,169	478	514	540	71	0	10,638	\$ 12,234
OHIO	1,542	765	401	3,737	364	45	2	6,856	\$ 7,884
OKLAHOMA	4,605	945	254	3,087	51	340	0	9,082	\$ 10,444
OREGON	460	286	147	233	549	55	3	1,703	\$ 2,300
PENNSYLVANIA	1,853	871	457	629	204	92	4	4,110	\$ 4,727
RHODE ISLAND	193	841	122	97	175	2	2	1,406	\$ 2,300
SOUTH CAROLINA	4,923	2,108	1,876	3,913	522	26	0	13,368	\$ 15,373
SOUTH DAKOTA	135	32	16	1,321	5	94	0	1,603	\$ 2,300
TENNESSEE	8,212	1,721	216	388	164	25	0	11,566	\$ 13,203
TEXAS	36,538	4,811	1,856	15,300	1,227	274	0	60,006	\$ 69,000
UTAH	542	163	130	2,355	23	34	0	3,247	\$ 3,734
VIRGINIA	16,506	13,696	5,961	9,775	3,545	315	13	70,213	\$ 69,000
VERMONT	79	33	14	39	17	3	0	185	\$ 2,300
WASHINGTON	12,826	9,171	367	3,019	1,055	107	11	26,656	\$ 30,654
WISCONSIN	613	423	122	323	183	39	0	1,811	\$ 2,300
WEST VIRGINIA	222	123	59	119	69	57	2	651	\$ 2,300
WYOMING	90	39	18	1,194	4	24	0	1,369	\$ 2,300
TOTAL	233,318	131,144	48,883	332,818	35,438	5,799	130	575,900	\$ 663,319

Data prepared by the Defense Manpower Data Center on September 7, 2018, DPMR 112420
Source: Active Duty Master Personnel File, Active Duty Family File (Children Ages 5-18)
Based on: \$1.15 per dependent (Min \$2,300 to Max \$69,000)



Calculating Dues

Annual data provided by the U.S. Department of Defense Manpower Data Center

Military dependents, aged 5-18)

Based on: \$1.15 per dependent

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Dues Collection – Timeline

- July-August
 - Data requested from U.S. Department of Defense
 - Dues calculated & proposed budget developed by the national office
 - Budget proposal approved by the Finance and Executive Committees
- October
 - Budget proposal approved by the Commission
- May
 - Invoices emailed to states (POC & Commissioner. (i.e. May 2020)
 - Invoices paid by end of the following fiscal year (i.e. June 2021)

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Current Budget

- 2007: Initial annual budget estimate = \$630K
- FY20 and FY21 budgets = \$665K

Financial Impacts

- Commission Membership Growth (50+1)
- Kentucky Employee Retirement System (KERS)
- Employee Benefits (up 12% this year)

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Accountability

- MIC3 is a Council of State Governments (CSG) affiliate organization
- Administrative functions under CSG (Human Resources, Accounting, Policy Alignment) = 5-8% indirect cost
- Monthly accounting statements sent by CSG directly to the Executive Director and Treasurer
- Annual audit (July/August) conducted by an independent accounting firm

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2016-2019 Strategic Plan Key Accomplishments

Strategy 4: Establish a sustainable culture that supports members and ensures organizational continuity.

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MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

2016-2019 Strategic Plan Key Accomplishments

Goal #1: *Ensure sustainability to: identify external impacts on the MIC3 mission and fiscal outlook (e.g. ESAA, BRAC).*

- In contact with the USDoD to track administration's priorities and budget to identify population trends.
- An annual report on number of military dependents is provided by the USDoD.
- At the 2018 ABM a dues increase of 15% was approved by the Commission and implemented as of FY2020. An increase to the min/max was also passed.

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MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

2016-2019 Strategic Plan Key Accomplishments

#2: *Identify opportunities to increase support and sponsorship of MIC3 (e.g. vendors, supporters, affiliates, associations and states).*

- In 2017, the Finance Committee invested a portion of the reserve fund continues to be monitored.
- The committee tracks potential partners with the capacity to support the MIC3 mission.

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Looking Forward

- Seek viable outside funding sources
- Continue transparent reporting of the budget and fiscal operations
- Educate Commissioners
- Audit operations and programs to identify needs and areas of improvement
- Establish fiscal principles and policies (i.e. reserve policy) to support a stable organization

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Finance Committee Members

- Bob Buehn (FL)*
- Greg Lynch (WA)
- Steven Bullard (KY)
- Craig Neunswander (KS)
- Chad Delbridge (WY)
- Clarke Orzalli (MA)
- Brian Halstead (NE)
- Hal Stearns (MT)
- Debra Jackson (NY)

*Treasurer and Committee Chair

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