

FINANCE COMMITTEE MINUTES
Tuesday, March 23, 2021

PRESENT	Craig Neuenswander Bob Buehn Brian Halstead Debra Jackson J. Clarke Orzalli Douglas Ragland Hal Stearns Kyle Fairbairn	Committee Chair Maine Commissioner Nebraska Commissioner New York Commissioner Massachusetts Commissioner Alabama Commissioner Montana Commissioner Military Impacted Schools Association
EXCUSED	Chad Delbridge Greg Lynch	Wyoming Commissioner Washington Commissioner
STAFF	Cherise Imai Lindsey Dablow	Executive Director, MIC3 Training and Operations Associate, MIC3

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:03 AM EST by Committee Chair, Commissioner Craig Neuenswander (KS). Roll call was taken by Executive Director, Cherise Imai. Quorum was established.

ITEM 2 – APPROVAL OF THE AGENDA

2. Commissioner Tyler Backus (ME) moved to approve the agenda. The motion was seconded by Commissioner Bob Buehn (FL). Motion carried.

ITEM 3 – APPROVAL OF THE MINUTES FROM JANUARY 26, 2021

3. Commissioner Buehn moved to approve the minutes from January 26, 2021. The motion was seconded by Commissioner Hal Stearns (MT). Motion carried.

ITEM 4 – EXECUTIVE COMMITTEE REPORT

4. The Executive Committee (EXCOM) met on March 18th. ED Imai reported the EXCOM will meet virtually in April over two days. The EXCOM is working on a Commissioner Service Award Program based on years of service and approved the award pin designs. The Tier Groups Program is being restructured, with leads for each group.

5. ED Imai said the EXCOM hadn't determined whether the Annual Business Meeting format will be in-person or virtual, however this is on their agenda for April. A letter of introduction was sent to Dr. Jill Biden, the Secretary of Education, and the Secretary of Defense. MIC3 is a member of the Joining Forces 2.0 initiative, and ED Imai met virtually with

Dr. Biden and 4 other military family organizations last month. ED Imai highlighted April as Month of the Military Child and asked members to tag MIC3 on social media to widely share activities.

6. Commissioner Clarke Orzalli (MA) inquired as to whether EXCOM released further financial data on the National Guard and Reserve issue. She responded the same financial data disseminated in the Annual Business Meeting (ABM) Docket Books were released with the guidance developed by the Executive Committee. She stated she briefed at state council meetings on request.

ITEM 5 – REPORTS

7. **FY 2021 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Neuenswander updated the committee on the FY2021 Dues, Balance, Revenue and Expenses and the Vanguard Investment. Training and Operations Associate Lindsey Dablow noted several states have outstanding dues due to state vendor registration requirements. Additional documents must be processed prior to payment. She anticipated an uptick in payments once this is completed.

8. **FY 2022 Dues Invoices** – Chair Neuenswander reviewed the FY2022 Dues report, and noted the projected dues are \$2,200 less than the current fiscal year.

ITEM 6 – OLD BUSINESS

9. **Kentucky Retirement System (KERS)** – Chair Neuenswander reported Kentucky House Bill 8 would bring conclusion to this issue for MIC3 and said it reduces the employer contribution rate from 49.1% to 39.5%. Additionally, because MIC3 staff are Tier 1 employees, CSG offered to pay 29.35% and MIC3 will pay 10.1% of the cost – effectively lowering our rate substantially. Chair Neuenswander thanked the National Office for their work on this issue.

10. ED Imai expressed gratitude for CSG offering to lower MIC3's contribution. She said Kentucky's Governor is expected to sign the legislation by the end of March.

11. **CSG's PPP Loan Forgiveness** – ED Imai reported CSG's documents were filed and submitted to obtain loan forgiveness, however it will likely be in the next Fiscal Year when it is approved. CSG's Jason Moseley is tracking the forgiveness process for the organization, including the affiliates.

ITEM 7 – NEW BUSINESS

12. **Research State Support for Compact** – Ms. Dablow gave a summary on how activities of the State Council are funded. She reached out to states on additional funding sources outside of the annual dues to support compact activities. The information will be discussed at the next Finance Committee meeting.

13. **Operations Audit RFP** – The request for proposals was submitted to four companies for MIC3's operations audit. Two of the companies were recommended by CSG.

The National Office is interviewing the candidates. The proposals are due on April 7, 2021. ED Imai anticipated two or three proposals.

14. **National Guard and Reserve (NGR), Discuss Financial Impact – Chair**
Neuenschwander directed the committee to look at three documents detailing the potential financial implications of adding the NGR dependents to the Compact. ED Imai asked for feedback and thoughts on a dues for states. Commissioner Orzalli said the NGR Task Force said this affected a very small number of students who actually move interstate. ED Imai said the total NGR dependent numbers are included on the spreadsheet, which doesn't indicate the number that will move. Members were concerned about the increase of adding the NGR numbers to the Compact, and any costs to the Commission. Commissioner Orzalli said the only thing he saw as a possible increase in costs would be for a representative from the National Guard and Reserve to attend the ABM. Commissioner Buehn commented that some of these students are already included in the Compact because of the provision to include the National Guard when activated.

15. ED Imai said the EXCOM asked for a recommendation from the Finance Committee on whether dues should be increased if the NGR dependents are added to the Compact. ED Imai reviewed the five options for consideration. She noted there may be other options suggested by individual states in their report to the Commission due by end August. Thus far, ED Imai noted some states indicated they did not support an increase. She added the guidance provided to the Commission the financial impact is not included in the guidance and was tasked to the Finance Committee for a recommendation. She concluded this item was an entirely a separate decision by the Commission, outside of the options.

16. ED Imai asked for a recommendation from the Finance Committee on a dues increase be finalized at the May 24, 2021 meeting, which will be reviewed by the EXCOM in June.

ITEM 8 – OTHER BUSINESS

17. **Upcoming Webinars and Town Halls –** On April 7, 2021 MCEC will host a training webinar on Compact 101. Ms. Dablow invited everyone to participate if their schedules permitted.

18. **National Guard and Reserve Guidance –** The guidance and supportive documents are posted on the website and ED Imai is available to brief at meetings upon request.

19. **MIC3 Training Opportunities –** Ms. Dablow praised Commissioner Stearns for his work in requiring trainings for Purple Star Schools. The National Office conducted trainings in Montana. The National Office also provided Compact 101 and Compact 201 trainings for California school personnel, school liaisons, and other stakeholders.

20. Commissioner Buehn praised Ms. Dablow and the National Office for the Florida trainings, he highly recommended other states to conduct training. He reported he wrote an article for a military and veteran publication called Liberty Life about MIC3 which he will forward.

ITEM 9 – ITEMS FOR THE EXECUTIVE COMMITTEE

21. Commissioner Orzalli said he was approached by a regional representative for the Department of Defense with legislative priorities. He asked if anyone else received this call and asked for guidance on responding. Purple Star Schools was listed as a legislative priority, which is not an MIC3 program. ED Imai encouraged members to be familiar with the priorities.

22. Commissioner Orzalli asked if we could request the USDoD State Liaison Office, Bill Hampton, to brief all the commissioners on these DoD priorities rather than addressing it to the individual commissioners. ED Imai said Bill Hampton presents annually at ABM on this topic and the Military Representatives.

24. ED Imai stated a survey will be released shortly to Commissioners regarding the upcoming ABM. Feedback will guide the EXCOM in their decision regarding the Fall ABM.

ITEM 10 – ADJOURNMENT

25. With no further business to conduct, Commissioner Backus motioned to adjourn the meeting. Commissioner Stearns seconded the motion. Motion carried. Chair Neuenswander adjourned the meeting at 12:11 PM EST.