

FINANCE COMMITTEE MINUTES
Tuesday, August 31, 2021

PRESENT	Craig Neuenswander Bob Buehn Debra Jackson J. Clarke Orzalli Douglas Ragland Hal Stearns Chad Delbridge Tyler Backus Kyle Fairbairn	Kansas Commissioner Florida Commissioner New York Commissioner Massachusetts Commissioner Alabama Commissioner Montana Commissioner Wyoming Commissioner Maine Commissioner Military Impacted Schools Association	Committee Chair
EXCUSED	Brian Halstead Greg Lynch	Nebraska 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 11:00 AM ET by Committee Chair, Commissioner Craig Neuenswander (KS). Roll call was taken by Executive Director (ED), 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 Debra Jackson (NY). Motion carried.

ITEM 3 – APPROVAL OF THE MINUTES FROM JULY 20, 2021

3. Commissioner Chad Delbridge (WY) moved to approve the minutes from July 20, 2021. The motion was seconded by Commissioner Douglas Ragland (AL). Motion carried.

ITEM 4 – EXECUTIVE COMMITTEE REPORT

4. ED Imai reported the National Office is working with the audiovisual company and the hotel in Little Rock, AR regarding the virtual Annual Business Meeting. She reported the time was adjusted to accommodate all time zones and to allow for a more reasonable meeting time. She asked members to calendar from 12:00-5:00 PM ET on November 4th and 5th. She noted the Training Committee is working on videos regarding graduation that will be released at ABM. The Communications Committee will relaunch the Successful Compact Transitions video program at ABM. She said the Rules Committee discussed employee benefits at their meeting. ED Imai noted the Executive Committee approved several awards for outgoing commissioners and state council members.

ITEM 5 – REPORTS

5. **FY2021 Dues, Balance, Revenue and Expenses, Vanguard Expenses – Chair**
Neuenschwander reviewed the MIC3 financial documents. He referenced the FY21 dues balance sheet which showed 3 states outstanding which equated to \$16,406. Chair Neuenschwander reviewed the FY21 Balance, Revenue and Expenditures. The expenditures were less due to a position vacancy at the National Office and the virtual ABM. He reported the organization is in a very good financial position.
6. **FY2022 Dues, Balance, Revenue and Expenses, Vanguard Expenses – Chair**
Neuenschwander reported 33 states have paid their FY22 dues. He summarized the Balance Sheet, Revenue and Expenses, and Vanguard Investment report for the committee.

ITEM 6 – OLD BUSINESS

7. **Medical Benefits Renewal – Chair Neuenschwander** reported CSG negotiated the projected medical benefit increase for staff from 15% to 5% which will be paid for by employers. He noted CSG said keeping the cost of benefits down for employees helps to retain and attract employees.
8. **State Fiscal Support for the Compact – ED Imai** referenced the matrix the National Office created detailing how the Compact is funded from state to state. She noted the commissioners employed by a government or school district agency generally have more resources and support. States' dues are primarily paid for by the State Department of Education. She summarized that many of the resources come from the general departments the Commissioners work for, not necessarily line items in the state's budget. She then shared some suggestions commissioners had on how to obtain funding for Compact related activities. Two comments from commissioners suggested the National Office provide funding for the states' activities.
9. A commissioner pointed out some states are in multiple data fields, ED Imai said she would check the data and report back. ED Imai said moving forward the committee could look at the document and see the suggestions and how to implement them. Additionally, she said the committee could discuss whether funding be dispersed to the states if necessary. ED Imai mentioned the challenge of distributing funds would be overseeing it and how it could be audited. Commissioner Clarke Orzalli (MA) said he has no access to state funds since he is a volunteer, and it would be beneficial to have guidelines on what is expected from each state when seeking funding. Specifically, he requested a document to present to his state detailing what is expected.
10. Commissioner Backus suggested a survey for the Commissioners seeking how much they spend on Compact related duties and activities. Other commissioners stated guidelines would be helpful as they seek funding. ED Imai offered the National Office's services to write a letter of support for funding if needed. She said the National Office provides support for some states with their State Council meetings and their minutes. ED Imai said the National Office would draft a list of state expectations and what a budget may look like. She said they would check in with Commissioner Jackson and Commissioner Orzalli for review before presenting to the committee.
11. **Operations Audit – ED Imai** said Brian Riggs and his staff are currently reviewing the financial information and are interviewing the Executive Committee. She noted the projected date for the report is the end of September. Chair Neuenschwander noted the Operations Audit was part of the Strategic Plan tasked to the Finance Committee.
12. **FY2021 Draft Audit – Chair Neuenschwander** reviewed the FY21 draft audit. He noted there was an increase in revenue due to the Paycheck Protection loan being granted. ED Imai said there

were no significant findings by the auditor. She noted there were three states that were asked to produce an intent to pay confirmation for FY21 dues: Missouri, New Hampshire, and New Jersey. Once the states' confirmations to pay are received, the auditor will release the full audit. Commissioner Backus noted the administrative resources CSG provides ensure a clean audit.

13. **Investments Analysis** – Chair Neuenswander reported the Executive (EXCOM) and Finance Committees are authorized to withdraw up to 5% of the total market value of the investments if necessary for operations. He noted this is not currently necessary. ED Imai noted the 5% amount is \$21,734 should the Finance Committee recommended this amount be withdrawn from the investment account. ED Imai said the committee needs to make a recommendation on this issue at a future meeting.

ITEM 7 – NEW BUSINESS

14. **FY2023 Proposed Dues and Budget** – ED Imai said she is waiting for data from the U.S. Department of Defense to draft the FY23 Dues and Budget proposals. ED Imai said she will be able to prepare the budget once the data is received.

15. **ABM Finance Presentation Slides** – Chair Neuenswander referenced the Finance Committee's presentation slides for the 2021 ABM. ED Imai noted slides include general information, how dues are calculated, the FY21 statement, investment reports, and the FY21 audit. Additionally, the slides include the FY22 statement and the FY23 budget projections and dues projections. ED Imai noted it is difficult to budget for the future not knowing when the COVID-19 pandemic will end. ED Imai said the slides will be updated when outstanding dues are received, and other documents are provided by Accounting.

ITEM 8 – OTHER BUSINESS

16. **2021 ABM** – ED Imai reminded commissioners to register for the ABM. She noted the National Office will change attendees' status from in-person to virtual. Training and Operations Associate Lindsey Dablow noted the platform for the ABM will be Zoom.

ITEM 9 – ITEMS FOR THE EXECUTIVE COMMITTEE

17. Commissioner Orzalli reminded members the National Guard and Reserve report from the states is due to the National Office by close of business today. ED Imai noted the Compliance Committee extended the deadline for states to submit their End-of-Year reports to the National Office by August 31, 2021, as well. She asked commissioners to contact the National Office if they need assistance.

ITEM 10 – ADJOURNMENT

18. With no further business to conduct, Commissioner Tyler Backus (ME) motioned to adjourn the meeting. Commissioner Orzalli seconded the motion. Motion carried. Chair Neuenswander adjourned the meeting at 11:58 AM ET.