

**FINANCE COMMITTEE MINUTES**  
**Wednesday, July 27, 2022**

PRESENT	Brian Henry Bob Buehn Brian Halstead Debra Jackson Greg Lynch Craig Neuenswander J. Clarke Orzalli Douglas Ragland Kyle Fairbairn	Missouri Commissioner Florida Commissioner Nebraska Commissioner New York Commissioner Washington Commissioner Kansas Commissioner Massachusetts Commissioner Alabama Commissioner Military Impacted Schools Association	Committee Chair
EXCUSED	Darcy Benway Rosemarie Kraeger	Illinois Commissioner Rhode Island Commissioner	
STAFF	Lindsey Dablow Stephanie Ramsey	Training and Operations Associate, MIC3 Communications Associate, MIC3	

**ITEM 1 – CALL TO ORDER**

1. The meeting was called to order at 11:00 AM ET by Commission Treasurer and Chair Brian Henry (MO). Roll call was taken by MIC3 Training and Operations Associate Lindsey Dablow. A quorum was established.

**ITEM 2 – APPROVAL OF THE AGENDA**

2. Commissioner Brian Halstead (NE) moved to approve the agenda. The motion was seconded by Commissioner Greg Lynch (WA). Motion carried.

**ITEM 3 – APPROVAL OF THE MINUTES FROM JANUARY 26, 2022**

3. Commissioner Halstead motioned to approve the minutes from May 25, 2022. The motion was seconded by Commissioner Craig Neuenswander (KS). Motion carried.

**ITEM 4 – EXECUTIVE COMMITTEE (EXCOM) REPORT**

4. Treasurer Henry informed the Committee that the EXCOM meeting focused on reports and then referred to Ms. Dablow. She noted leadership voted to open registration for the 2022 Annual Business Meeting (ABM) in Baton Rouge, Louisiana on October 19-20, 2022. The EXCOM voted to host the 2023 ABM in Richmond, Virginia.

5. Ms. Dablow informed the Committee that two Compact-related cases were brought before the EXCOM for referral to legal counsel. The first dealt with participation in extracurricular activities and the other was related to recognizing credits on a student's transcript. Both cases have been resolved.

6. She informed the Members that several Rules proposals are being considered and that information would be disseminated once it is passed through the appropriate committees and ahead of ABM. She concluded the report noting the awards approved by the EXCOM at their last meeting.

7. Ex-officio Representative for the Military Impacted School Association (MISA) Kyle Fairbairn asked which airport ABM attendees are supposed to fly into, and Ms. Dablow responded the Baton Rouge Metropolitan Airport is the designated airport for the ABM. Commissioner Debra Jackson (NY) commented that she had reviewed the flights available leaving New York for Baton Rouge, Louisiana and the options were limited, especially on the last day of the meeting. Commissioner Jackson noted that she would need to either stay a third night or miss most of the second day of the ABM. Ms. Dablow responded that the EXCOM and Headquarters have considered this issue and will allow a third night of lodging for those individuals who need it. She also informed the Members that EXCOM has increased the approved amount for airline tickets outlined in the *1-2014 Travel Policy and Reimbursement* from \$700 to \$1,200 for the 2022 ABM only.

## ITEM 5 – REPORTS

8. **FY2022 Outstanding Dues** – Chair Henry reported total dues for FY22 was \$672,687; 49 of 51 members (96%) have paid \$578,109 (89%). Outstanding states were California and Illinois, and staff continues to follow up with both states. The deadline is June 30<sup>th</sup>.

9. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount in dues for FY23 is \$672,687. To date, 16 out of 51 members (31%) have paid \$222,352 (33%). The remaining Balance is \$450,335. The deadline is June 30, 2023.

10. Chair Henry noted as of July 15<sup>th</sup>, the fund balance is 1,622,940.55. He reviewed Revenue and Expenses. Total budget expenditures, as of July 15, 2022, were \$582,158 (83%) of the Commission's \$731,900 budget. He reported the Commission ended the year under budget by \$132,000, primarily due to the pandemic.

11. Chair Henry reported the final FY22 General Counsel invoices were received on Friday; those invoices will be applied to FY23 as FY22 has closed. He noted the total budget amount for Legal Consultant/Advisement is \$21,000 and \$9,000 has been paid in FY23. Legal Fees were \$7,000 of that.

12. Chair Henry reported the Vanguard Investment statement as of June 30, 2022, shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks (59.7%) and Bond (49.3%). The total value of the portfolio on June 31, 2022 was \$489,792.75, reflecting a decrease of \$91,162.36 or 15.6% since December 2021 when the balance was \$580,857.11.

## ITEM 7 – NEW BUSINESS

13. **FY2022 Annual Audit** – Chair Henry updated the Committee on the annual audit. He reported Executive Director Cherise Imai is working with CSG accounting and our auditor, Blue & Co, on the audit, pending the final reports for FY2022. Hopefully the audit will be completed by the end of August, but the Committee will continue to be updated until it is completed.

## ITEM 8 – OLD BUSINESS

14. **State Fiscal Support Memorandum** – Treasurer Henry informed the Members The document provides guidance for member states who are interested in working with headquarters on funding for oversight and implementation of their Compact programs. The memorandum was released to the Commission last week. The Chair reported that at this time no interest has been expressed. A

reminder will be sent through Constant Contact next week, and Headquarters will keep the committee apprised on any interest.

15. **Strategic Plan: Committee Goals Review** – Treasurer Henry explained the matrix was provided for the Committee's reference. He noted all the goals and action items assigned to the Committee under the second Strategic Plan were met. He thanked the Committee for their hard work over the past few years and recognized their efforts to make the Commission financially sound.

#### ITEM 9 – NEXT MEETING

16. **2024 Dues & Budget Proposal and ABM Slides** – The Chair stated that during the Committee's August meeting the Members would review and approve the 2024 Dues and Budget Proposal. The Committee would also review the Finance Committee's slides that will be presented during the 2022 ABM.

#### ITEM 10 – OTHER BUSINESS & ANNOUNCEMENTS

17. Treasurer Henry opened the floor for comments or questions. Commissioner Greg Lynch asked if any of the Rule's proposals coming through the Standing Committees would impact the Finance Committee. The Chair noted the EXCOM reviewed three Rules' proposals. Ms. Dablow provided some additional information and noted that all three proposals were referred to the Rules Committee for review. Chair Henry noted per the Commission's Promulgation of Rules document the proposals would need to pass out of the Rules Committee back to EXCOM before the Commission's 30-day public posting requirement or they would not be on the Consent Agenda at ABM.

18. Commissioner Lynch noted the shortened timeframe before ABM, to inform the Commission of proposed Rules amendments, and he suggested consideration be given to increasing the time from when a Rule is proposed, passed, and then finally heard at ABM so Commissioners have time to consider them and discuss them with their State Council. Chair Henry agreed with Commissioner Lynch and stated he would bring this to the EXCOM.

19. Mr. Fairbairn asked Ms. Dablow if all 50 States and the District of Columbia would have to go in and change their language for National Guard and Reserve (NGR). Ms. Dablow explained legal counsel is working on a matrix but at this point it would be at least 49 states that would need to change their statute regarding NGR. Chair Henry noted the goal is to fix the statute language to reflect the original intent to cover the children of National Guard and Reserve under Title 10 Orders but in a manner that does not allow additional changes to the Compact language.

20. Commissioner Douglas Ragland (AL) asked if the technical change to the statute language was to correct language or increase coverage for NGR. Ms. Dablow clarified that the technical amendment was only to address a scrivener's error in the original Compact statute language. There is an incorrect citation in the model language of the Compact in Article II(A) and in Article III(A)(1), both of which refer to "members of the National Guard and Reserve on active-duty orders pursuant to 10 U.S.C. Section 1209 and 1211." These provisions should both cite instead to 10 U.S.C. "Chapter" 1209 and 1211.

21. Commissioner Ragland requested information on the NGR issue before the Commission and the options available to Commission for consideration at the ABM. Ms. Dablow referred to the legal memorandum issued by the Commission's legal counsel and briefly outlined the options. Commissioner Ragland asked if this item would be voted on at ABM and Ms. Dablow responded it is Headquarters' goal to have the Commission vote on this item at ABM barring the Commission adopting a motion to table the issue for another year.

22. Commissioner Bob Buehn (FL) asked if the member states submitted their state's position on the NGR issue in 2021. Mr. Dablow responded that those responses were captured in a booklet and published on the website but not every state submitted a report.

**ITEM 11 – ADJOURNMENT**

22. With no further business to conduct, Commission Buehn motioned to adjourn the meeting. Commissioner Jackson seconded the motion. Motion carried. Chair Henry adjourned the meeting at 11:43 AM ET.