

FINANCE COMMITTEE MINUTES
Wednesday, August 24, 2022

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

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:03 AM ET by Treasurer and Chair Brian Henry (MO). Roll call was conducted by Executive Director Cherise Imai. A quorum was established.

ITEM 2 – APPROVAL OF THE AGENDA

2. **Commissioner Rosemarie Kraeger (RI) moved to approve the agenda. The motion was seconded by Commissioner Brian Halstead (NE). Motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Halstead motioned to approve the minutes from August 24, 2022. The motion was seconded by Commissioner Kraeger. Motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee** – Treasurer Henry provided an update on the recent EXCOM meeting. He noted the meeting focused final planning and business for the upcoming Annual Business Meeting (ABM).

5. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount for FY23 dues is \$672,687. As of September 9, 30 of 51 members (59%) have paid \$325,244 (48%). The remaining balance was \$347,443, and 21 states are outstanding.

6. Chair Henry noted as of July 31st, the fund balance is 1,999,350. He reviewed Revenue and Expenses and noted total budget expenditures was \$41,423 or 5.6% of the Commission's \$727,000 budget.

7. Chair Henry reported the Vanguard Investment statement as of July 31, 2022, shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks (61.5%) and Bond (38.5%). The total value of the portfolio on August 31 was \$505,577.82.

ITEM 5 – OLD BUSINESS

8. **State Fiscal Support Memorandum** – Treasurer Henry reminded Members the document was developed by the Committee to provide 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 in July, late August, and earlier this month. At this time, no interest has been expressed, however feedback was received from the Tennessee Commissioner. A copy of her email was provided for review. The Tennessee Commissioner's email was written in capitals to emphasize the points made; and identified how the memorandum did not apply to or in her state.

9. Treasurer Henry noted the memorandum and guidance was drafted based on the model language of the Compact. Members agreed while several states differed in the composition of their state council and overall processes/systems from the model compact statute, the main point of the guidance was missed - which was to provide the opportunity for states that were interested in seeking funds for their Compact program to connect with the national office. In the case of Tennessee they did not seem to be seeking assistance from the Committee, for funding. Members they did not feel a revised memorandum should be disseminated. And agreed for future memorandums, acknowledgement of differences between states could be added, if appropriate.

10. Members agreed Treasurer Henry would notify the Commissioner from Tennessee of the Committee's decision. **(OPEN ITEM)**

11. **National Guard & Reserve; Compact Citation Correction Amendment** – ED Imai reviewed the General Counsel memorandums and encouraged members to review their Tier Group meeting recordings and documentation posted on the ABM webpage. She also encouraged Members to discuss the items with their state councils and other stakeholders if appropriate. She provided a projected cost for the Council of State Governments (CSG) to assist the Commission with these initiatives at up to \$1.2M, depending on if states could assist with the efforts.

ITEM 6 – NEW BUSINESS

12. **CSG Impacts to the Budget** – ED Imai reported increases to Employee Liability Insurance and CSG has proposed new memorandum of agreements with all affiliates to bring indirect costs up to 13.5%. Currently, MIC3 pays 10%, which the rate was lowered to 5% during the pandemic.

13. **Investment Policy** – Chair Henry reviewed the policy. He stated the Committee annually reviews the fund and has option to withdraw funds. Members agreed at this time they would not withdraw funds from the account.

14. **Commissioner Bob Buehn (FL) motioned to keep the funds in the account, seconded by Commissioner Douglas Ragland (AL). Motion carried.**

15. **Operating Reserve Policy** – ED Imai reviewed the policy and presented a proposal for the Headquarters to utilize up to \$150K in the reserve funds for the National Guard and Reserve (NGR); & the Citation Correction initiative associated costs such as legal fees, etc. She noted this item was contingent on the decision by the Commission at the ABM to move forward on the issues.

16. Members agreed to discuss this policy further next year to clarify the intent and utilization of the reserve for future initiatives. (OPEN ITEM)

17. **Commissioner Greg Lynch motioned to allow the Headquarters to utilize up to \$150K for the National Guard and Reserve (NGR); & the Citation Correction initiative associated costs to assist states which was contingent on the decision by the Commission at the ABM. The motion was seconded by Commissioner Buehn. Motion carried.**

18. **ABM Finance Slides** – The Committee reviewed the draft slides.

19. **Commissioner Buehn motioned to approve the slides with amendments, seconded by Commissioner Ragland. Motion carried.**

ITEM 7 – ITEMS FOR THE EXECUTIVE COMMITTEE

20. No items were received.

ITEM 8 – OTHER BUSINESS AND ANNOUNCEMENTS

21. Commissioner Kraeger recognized the Headquarters for their excellent work. She recently attended the National Association of Federally Impacted Schools meeting in Washington, DC. During the conference, the Compact and Commissioner were referenced numerous times by speakers and presenters; and MIC3 is recognized for the work and support we provide. She attributed this to the partnerships and relationships built by the staff; and leadership.

ITEM 9 – ADJOURNMENT

22. With no further business to conduct, Commission Buehn motioned to adjourn the meeting. Commissioner Ragland seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:05 PM ET.