

FINANCE COMMITTEE MINUTES
Wednesday, January 25, 2023

PRESENT	Brian Henry Dale Brungardt Bob Buehn Debra Jackson Greg Lynch Deanna McLaughlin Douglas Ragland	Missouri Commissioner Kansas Commissioner Florida Commissioner New York Commissioner Washington Commissioner Tennessee Commissioner Alabama Commissioner	Committee Chair
EXCUSED	Brian Halstead Rosemarie Kraeger J. Clarke Orzalli Kyle Fairbairn	Nebraska Commissioner Rhode Island Commissioner Massachusetts Commissioner Military Impacted Schools Association Ex-officio	
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 Debra Jackson (NY) moved to approve the agenda. The motion was seconded by Commissioner Douglas Ragland (AL). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Jackson motioned to approve the minutes from September 28, 2022. The motion was seconded by Commissioner Greg Lynch (WA). The motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee** – ED Imai reported on the last Executive Committee meeting held on the 19th of January. She said monthly training updates with monthly Compact 101s have been scheduled for the year and attendance continues to increase. In addition, with the pandemic behind us, requests for in-person training by states has increased as well. The U.S. Department of Defense representative, Dianna Ganote, provided an overview on their 2023 Key Issues. ED noted the new Communications Plan the Purple Up! Toolkit for April's Month of the Military Child was approved by the Communications and Outreach Committee. Compliance provided updates on State Council meetings and the status of the Code of Conduct and Conflict of Interest form submittals. ED Imai reported the National Guard and Reserve Legislative Toolkit was released and disseminated to commissioners and stakeholders. Updates were given on in addition, the Headquarters is following up with states on the status of their Citation Correction. Awards were approved for outgoing Commissioner Craig Neuenswander from Kansas in addition to 3 Community awards. The Committee discussed developing

an Ex-Officio Process as Blue Star Families has reached out about becoming an ex-officio member. Lastly, they reviewed the Results and Recommendations given by Blue Star Families from their 2022 Military Family Survey.

5. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount in dues for FY23 is \$672,687. To date, 34 out of 51 members (37%) have paid \$499,202 (73%). The remaining Balance is \$173,485. The deadline is June 30, 2023.
6. Chair Henry noted as of December 31st, the fund balance is \$1,878,9145. He reviewed Revenue and Expenses. Total budget expenditures were \$408,519 (56%) of the Commission's \$727,000 budget.
7. Chair Henry reported the Vanguard Investment statement as of December 31, shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks (60.3%) and Bond (39.7%). The total value of the portfolio was \$496,350.13.
8. Commissioner Deanna McLaughlin (TN) asked how the bank the Commission is with is selected and how often do we change banks – and why don't we shop around for the best rates? ED Imai responded that as an affiliate organization of the Council of State Governments (CSG), the bank is selected by CSG and falls under their processes. Commissioner McLaughlin expressed high concern if the Commission was getting the best rate and services and asked for more detailed information on this be provided to the Committee. **(OPEN ITEM)**

ITEM 5 – OLD BUSINESS

9. **Annual Business Meeting (ABM) Commissioner Reimbursements** – ED Imai reported based on the Committee's review in November, she notified the three commissioners from Vermont, North Dakota, and Wisconsin that the expenses identified in their submittal that did not meet the Travel Policy would not be reimbursed. Two states, Vermont and Wisconsin, asked to file an appeal to the Executive Committee, which was granted by Chair Laura Anastasio. The two states filed an appeal letter and documentation which was reviewed at the December meeting. The Executive Committee upheld the Finance Committee's ruling that the identified items for appeal did not meet the policy and directed ED Imai to inform the Vermont and Wisconsin Commissioners of the ruling. She noted the third state, North Dakota, did not respond to her prior email or notification. With this, she reported this outcome for the record and concluded the matter was now closed.
10. **Updates to the Travel Policy** – Due to the recent submittals for 2022, and prior year issues, ED Imai noted clarity in the Travel Policy was needed to ensure a clear understanding by all members. Based on the past years' issues, she recommended updates to the Travel Policy be made. The Committee agreed and directed staff to draft an amended policy for review by the Committee. **(OPEN ITEM)**
11. **State Fiscal Support Memorandum and Guidance** – ED Imai reported the memorandum and guidance, developed by the Committee last year, was re-released to the Commission and stakeholders. She noted no responses had been received to date.
12. **Annual Audit Blue & Co Engagement Proposal** – Chair Henry presented the proposal for the Committee's review. He noted we typically sign a three year-engagement contract with the firm, which conducts our audits, as well as the CSG and the other affiliates. As requested by the Committee in September, we contacted Blue and Co to negotiate fees for the annual audit. Over the past 3 years, we

paid \$6,300 for each year. In their new proposal, they quoted \$7,200/\$7,600/\$8,000 – over the next 3 years. For context, the next lowest fee for any CSG affiliate is \$9,750 with no multiyear discount.

13. **Commissioner Lynch motioned to approve the proposal. The motion was seconded by Commissioner Jackson. The motion carried with one abstention by Commissioner McLaughlin.**

14. **National Guard and Reserve Toolkit** – Chair Henry reported the Toolkit, developed by the General Counsel and staff, and approved by the Executive Committee, was released this month, and disseminated to the Commission. ED Imai noted if members had questions or needed assistance to contact her office.

15. **Strategic Plan** – Chair Henry stated the third plan of the Commission was adopted at the recent ABM. ED Imai reviewed the plan and goals with the Committee. The action items over the next three years are:

- a. Invest in a management database; staff development and coaching.
- b. Continue transparent reporting of Commission budget and develop opportunities for stakeholders to understand the fiscal operations of the Commission.
- c. Identify opportunities to evaluate the impact of the Compact: establish a baseline, define measurables, and develop a reporting apparatus for states to demonstrate impact.
- d. Receive and disseminate reports on the President's and DOD, and Dept of Ed priorities, as well as other factors that may impact the Commission; Review budget and assess revenue to ensure finances meet the need.

ITEM 6 – ITEMS FOR THE EXECUTIVE COMMITTEE

16. No items were received.

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

17. **Staffing Changes** – ED Imai announced Communications and Outreach Associate, Stephanie Ramsey has accepted a new position as the social media coordinator at the University of Kentucky. Ms. Ramsey will leave the Commission in mid-February. ED Imai commended her hard work and efforts to support the Commission and wished her well. Stephanie thanked members for their support and said she will miss working with everyone.

18. **Purple Up! Toolkit** – Ms. Ramsey reported the Communications and Outreach Committee approved the 2023 toolkit which is available on the website and will be promoted to stakeholders. She reminded members to send their proclamations and events to the Headquarters for promotion. She added prior year submittals were highlighted at the ABM.

19. **Committee Meetings and Establishing a Quorum** – ED Imai reminded members to confirm their attendance at meetings to ensure we have quorum.

ITEM 8 – ADJOURNMENT

20. **With no further business to conduct, Commissioner Ragland motioned to adjourn the meeting. Commissioner Lynch seconded the motion. The motion carried. Chair Henry adjourned the meeting at 11:43 PM ET.**