



FINANCE COMMITTEE MINUTES
Wednesday, March 22, 2023

Table with 3 columns: Category (PRESENT, EXCUSED, STAFF), Name, and Title. Lists attendees like Brian Henry (Missouri Commissioner) and staff members like Cherise Imai (Executive Director).

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:00 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 Brian Halstead (NE) 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 Debra Jackson (NY) motioned to approve the minutes from January 25, 2023. The motion was seconded by Commissioner Greg Lynch (WA). The motion carried.

ITEM 4 – THE COUNCIL OF STATE GOVERNMENTS (CSG) FINANCIAL INSTITUTION SELECTION PROCESS AND SERVICES

4. Treasurer Henry reported at the January Finance meeting, Commissioner Deanna McLaughlin (TN) questioned CSG's process of selecting a financial banking institution and their accounting practices in relation to managing the Commission's finances. CSG's Assistant Director of Finance, Heath Huddleston, and Finance Manager, Julie Leininger provided an overview of CSG's process and practices. ED Imai stated as briefed annually at the national annual business meeting, the Commission is one of 11 CSG affiliate organizations with a signed memorandum of agreement, CSG provides a several administrative function support in the areas such as: accounting; human resources; legal advisement; IT and technical support. Ms. Leininger reported CSG selected Traditional Bank through a request for proposal process in 2008. She expressed CSG's satisfaction with the service and support Traditional Bank provides as CSG was considered a large client.

5. Commissioner McLaughlin asked if the Commission could seek their own financial institution/bank on our own. Mr. Huddleston referred to the agreement and replied that action would likely be outside its scope – he said the Commission would likely need to leave CSG. He added that action would require CSG to interface with a secondary financial institution and manage two separate systems which was not feasible for their staff, nor cost effective.

6. Treasurer Henry asked if there was further questions or concerns regarding the topic. Members were satisfied with the responses and did not have further items. Treasurer Henry thanked Mr. Huddleston and Ms. Leininger for their time and report.

ITEM 5 – REPORTS

7. **Executive Committee (EXCOM)** – ED Imai reported the EXCOM met February 16th, she noted she provided updated on the Defense State Liaison Office (DSLO) and the Compact Statute and their initiative to update every state statute that references military definitions to include Space Force. The Commission has a legal advisory stating Space Force is included in the Compact statute because they are a division of the Air Force. Unfortunately, the language of the DSLO's proposed legislation does not differentiate the Compact statute from other statutes so headquarters and leadership are working with the newly appointed DSLO Director to educate on the Commission's process and determine a way forward. She noted the *National Guard and Reserve Legislative Toolkit* was distributed to Commissioners through the Commission's newsletter on January 20th and stated it also available on the National Guard and Reserve page on mic3.net. Finally, ED Imai informed the EXCOM of House Bill 1929 in the Virginia Legislature. HB 1929 is an external statute that references Virginia's compact statute and seeks to extend the protections of the Compact to members of foreign services and civilian employees. However, the statute specifically states federal civilian employees cannot be covered by the Compact. General Counsel and headquarters were working with their General Assembly legal counsel and department of education representatives to address the issue.

8. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount in dues for FY23 is \$672,687. To date, 44 out of 51 members (88%) have paid \$584,392 (87%). The (7) states: CA, DC, ID, IL, NJ, RI have a remaining Balance of \$88,295. The deadline is June 30, 2023.

9. Chair Henry noted as of December 31st, the fund balance is \$1,890,052. He reviewed Revenue and Expenses. Total budget expenditures were \$443,473 (61%) of the Commission's \$727,000 budget.

10. Chair Henry reported the Vanguard Investment statement as of February 28, shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks (61.2%) and Bond (38.8%). The total value of the portfolio was \$496,350, or 3% increase over last month.

ITEM 6 – OLD BUSINESS

11. **Annual Business Meeting (ABM) Cost Analysis** – Training and Operations Associate, Lindsey Dablow reviewed the historical event expenses and projected costs for the 2023 event. She added the increased overall cost for travel, hotel, and food and beverage was identified as a concern. ED Imai stated at this past year's event, the commission eliminated snacks to reduce the food costs, she also noted a full breakfast in 2022 was \$45 per person in comparison with \$25 per person at the pre-pandemic rate. She did not anticipate costs to decrease. Members expressed appreciation for the analysis, as concerns regarding the cost continue to be expressed by members. ED Imai stated the Tier Group meetings would be convened in May or June, and the format of the ABM (to hold it in

person, hybrid, or virtually) would be discussed. Commissioner Orzalli suggested in the past the event be held every other year.

12. **State Fiscal Support Memorandum and Guidance** – ED Imai reminded members this was a strategic plan initiative of the Committee last year. She reported the memorandum was disseminated via Constant Contact in January and February to the Commission. She added no inquiries were received by states, nor have been received to date. (OPEN ITEM)

ITEM 7 – NEW BUSINESS

13. **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.

14. **Amended Travel Policy** – Due to time constraints, this item was tabled until the next meeting. (OPEN ITEM)

15. **Data Collection** – Due to time constraints, this item was tabled until the next meeting. (OPEN ITEM)

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

16. No items were received.

ITEM 9 – OTHER BUSINESS AND ANNOUNCEMENTS

17. **Purple Up! Toolkit** – ED Imai reminded members the Toolkit developed by the Communications Committee was disseminated and available on mic3.net. She encouraged sharing the resource with stakeholders.

18. **State Citation Correction** – ED Imai reminded members to contact the National Office if they were working on a bill or technical amendment in the current legislative session.

19. **Leadership Nomination Committee: Annual Election Application Deadlines** – ED Imai announced the timeframe for filing applications will be June 1 through July 5. She added the applications and guidance documents will be released by the Committee on June 1.

ITEM 10 – ADJOURNMENT

20. **With no further business to conduct, Commissioner McLaughlin motioned to adjourn the meeting. Commissioner Greg Lynch (WA) seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:13 PM ET.**