

FINANCE COMMITTEE MINUTES
Wednesday, August 23, 2023

PRESENT	Brian Henry Dale Brungardt Debra Jackson Rosemarie Kraeger Greg Lynch Deanna McLaughlin Douglas Ragland	Missouri Commissioner Kansas Commissioner New York Commissioner Rhode Island Commissioner Washington Commissioner Tennessee Commissioner Alabama Commissioner	Committee Chair
EXCUSED	Brian Halstead J. Clarke Orzalli Kyle Fairbairn	Nebraska Commissioner Massachusetts Commissioner Military Impacted Schools Association Ex-officio	
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 11:01 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 Deanna McLaughlin (TN) moved to approve the agenda with amendments. The motion was seconded by Commissioner Greg Lynch (WA). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Lynch motioned to approve the minutes from March 24, 2023. The motion was seconded by Commissioner Douglas Ragland (AL). The motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee (EXCOM)** – ED Imai reported the EXCOM met on August 17th. Vice Chair Ernise Singleton reported the Ex-officio met July 6th to provide updates from their organizations and discuss their presentation during the Annual Business Meeting (ABM). ED Imai said the Commission Chair, Laura Anastasio would attend the National Federally Impacted Schools (NAFIS) conference in September to participate on a panel on supports for military students; meet with new military impacted superintendents, board members, and school personnel; and brief MISA superintendents at their meeting. The Rules committee reported, during the Commission’s 30-day comment period, no official comments were submitted regarding the five (5) proposed rules. The rules were approved by the EXCOM and passed out of the Committee. The Commission will vote on them at the Annual Business Meeting (ABM). The Compliance Chair, Steve Bullard, reported the Committee is working with states who have not submitted their FY23 dues, End-of-Year Reports, or held a state council meeting in FY23. Compliance also passed policy, 1-2023 Monitoring Compact Statute and State Legislation. The intent of the policy is to establish a procedure for the review of anticipated or proposed

legislative changes to a Member State's laws to allow for the transparent and timely analysis of such changes. A timely review of these changes would facilitate internal discussions to determine what steps the Commission may or may not need to take to address any resulting issues. Chair Bullard emphasized the intention was to preserve the integrity of the Compact and the membership of the Commission. This item will be voted on by the full Commission during ABM.

5. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount in dues for FY23 was \$672,687. To date, 49 out of 51 members (96%) have paid \$662,525 (98%) and two states, the District of Columbia, and Illinois, are outstanding.

6. Chair Henry noted as of the June statement, the fund balance was \$1,846,254. He reviewed Revenue and Expenses. Total budget expenditures were \$685,731 (94%) of the Commission's \$727,000 budget. He highlighted the year closed with 6% under budget. ED Imai noted this year's expenditures were closer to pre-pandemic levels, except for the ABM - the event costs continue to increase exponentially, primarily in the food and audio-visual areas.

7. Chair Henry reported on the Vanguard Investment statement as of June 30, which shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks, 63.4%, and Bonds, 36.6%). The total value of the portfolio was \$548,199, a net gain for FY2023 was \$198,199, or an increase of \$58,406 over June last year.

8. **FY2024 Dues** – Chair Henry reported the total amount in dues for FY24 was \$655,952. To date, 18 out of 51 members (35%) have paid \$196,186 (30%). The deadline for payment is June 30, 2024.

ITEM 5 – OLD BUSINESS

9. **State Fiscal Support Memorandum and Guidance** – ED Imai reported to date, no interest from a member state has been received on the guidance released by the Committee in October 2022. The document was released at the fall Annual Business Meeting (ABM) and communicated to members throughout the year through Constant Contact 4 times as well as the newsletter. ED Imai asked members to provide feedback at the next meeting on next steps. **(OPEN ITEM)**

10. **#5-2014 Travel Policy** – ED Imai reported the amended policy was passed by the EXCOM with amendments. She highlighted the amendments for the Committee which further clarifies the type of airfare purchase allowed under the Commission regulations. No further questions were received.

ITEM 6 – NEW BUSINESS

11. **FY2023 Audit** – Chair Henry referenced the previous meeting, in which ED Imai reported the Council of State Governments (CSG) Accounting would be integrating a new financial system over the summer, therefore there was a delay in the end-of-year closing procedures. Due to this, Accounting has notified ED Imai the audit by Blue & Co will take place at the end of August or early September. The Committee will review the final audit report at our September 27th meeting.

12. **FY2025 Dues Proposal** – Chair Henry reported the USDOD Representative to the Commission notified the Commission they were unable to provide the annual data on the number of school-aged military students for active-duty services, including the USCG, commissioned officer dependents for NOAA, and USPHS this year. It was agreed the Commission would use the same data for FY2024 to calculate the member state dues for FY2025.

13. **Commissioner Debra Jackson (NY) motioned to approve the FY2025 Dues Proposal. The motion was seconded by Commissioner Rosemarie Kraeger (RI). The motion carried.**

14. **FY2025 Budget Proposal** – ED Imai reviewed the FY2025 Budget, she noted the highlighting the projected increases based on the FY2023 expenditures, and rising costs of holding an in-person ABM event.

15. **Commissioner Jackson motioned to approve the FY2025 Budget Proposal. The motion was seconded by Commissioner Kraeger.**

16. Commissioner McLaughlin expressed concern on the rising budget. She questioned the rising cost of the staff benefits, and asked if the Commission could secure their own benefits separate from CSG. ED Imai responded as the Commission is an affiliate of the CSG, and under our agreement, benefits are negotiated under CSG - the rate secured is more reasonable as it was negotiated for 300 CSG employees instead of just 2 employees.

17. Commissioner McLaughlin suggested member states assist the commission by absorbing some of the cost at the commissioner level. For example, instead of increasing the budget line-item cost of the collaterals and postage, she suggested schools and other organizations could produce their own materials.

18. **The votes: Aye: Henry, Kraeger, Jackson, Brungardt, Lynch, Ragland; Nay: McLaughlin; Abstentions: None. The motion carried. Excused: Orzalli, Halstead, and Fairbairn.**

19. The Committee asked Commissioner McLaughlin to provide her concerns regarding the Budget to the Committee at the next meeting. **(OPEN ITEM)**

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

20. **Annual Business Meeting** – Ms. Lindsey Dablow, Training and Operations Associate, reminded members to register for the upcoming meeting though the official attendee portal on the website.

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

21. No items of concern were received.

ITEM 9 – ADJOURNMENT

22. **With no further business to conduct, Commissioner Kraeger motioned to adjourn the meeting. Commissioner Dale Brungardt (KS) seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:03 PM ET.**