



MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

FINANCE COMMITTEE MINUTES

FISCAL YEAR 2023

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FINANCE COMMITTEE MINUTES
Wednesday, July 27, 2022

PRESENT	Brian Henry	Missouri Commissioner	Committee Chair
	Bob Buehn	Florida Commissioner	
	Brian Halstead	Nebraska Commissioner	
	Debra Jackson	New York Commissioner	
	Greg Lynch	Washington Commissioner	
	Craig Neuenswander	Kansas Commissioner	
	J. Clarke Orzalli	Massachusetts Commissioner	
	Douglas Ragland	Alabama Commissioner	
	Kyle Fairbairn	Military Impacted Schools Association	
EXCUSED	Darcy Benway	Illinois Commissioner	
	Rosemarie Kraeger	Rhode Island Commissioner	
STAFF	Lindsey Dablow	Training and Operations Associate, MIC3	
	Stephanie Ramsey	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 30th.

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 15th, 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.

FINANCE COMMITTEE MINUTES
Wednesday, August 24, 2022

PRESENT	Brian Henry Darcy Benway Brian Halstead Debra Jackson Rosemarie Kraeger Greg Lynch Craig Neuenswander J. Clarke Orzalli Douglas Ragland Kyle Fairbairn	Missouri Commissioner Illinois Commissioner Nebraska Commissioner New York Commissioner Rhode Island Commissioner Washington Commissioner Kansas Commissioner Massachusetts Commissioner Alabama Commissioner Military Impacted Schools Association	Committee Chair
EXCUSED	Bob Buehn	Florida 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 11:05 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 Greg Lynch (WA) moved to approve the agenda. The motion was seconded by Commissioner Rosemarie Kraeger (RI). Motion carried.

ITEM 3 – APPROVAL OF THE MINUTES

3. Commissioner Craig Neuenswander (KS) motioned to approve the minutes from July 27, 2022. The motion was seconded by Commissioner Lynch. Motion carried.

ITEM 4 – EXECUTIVE COMMITTEE (EXCOM) REPORT

4. Treasurer Henry reported the recent EXCOM meeting was focused on reports and general business of the Commission.

5. ED Imai said the EXCOM reviewed and approved three rule proposals by the Rules Committee, and an Open Records policy which would be brought forth to the Commission at the upcoming Annual Business Meeting (ABM) for decision-making; the Compliance Committee was tracking end-of-year reports and the status of state council meetings. ED Imai also stated the Tier group meetings were ongoing to discuss and answer questions regarding the National Guard and Reserve and the Citation Correction issues.

6. She notes the Leadership Nomination Committee met on the Monday the 18th and approved the Election Guide for dissemination to the Commission in September. The Committee will reconvene in November to debrief the ABM electoral process.

7. ED Imai said Ms. Dianna Ganote, the DOD Representative to the Commission, provided an update on the School Liaison program. They facilitated a panel at the summer Military Child Education Coalition (MCEC) seminar, which was well-received and attended. They are preparing a year-long calendar of podcasts and will share the topics once it is finalized. She stated a study on DSLO initiatives will be conducted on the effectiveness of the program related to military child education initiatives. It will consist of a literary review, analysis of initiatives and issues, locale surveys and interviews.

ITEM 5 – REPORTS

8. **FY2022 Balance; Revenue and Expenses** – Chair Henry reported the final reports were provided for review.

9. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported as of July 31, the total amount in dues for FY23 is \$672,687. To date, 25 of 51 members (49%) have paid \$281,808 (42%). The remaining balance was \$390,879 (26 states). The deadline is June 30, 2023.

10. Chair Henry noted as of July 31st, the fund balance is 1,999,350. He reviewed Revenue and Expenses. Total budget expenditures were \$41,423 (5.6%) of the Commission's \$672,681 budget.

11. 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 July 31, 2022, was \$520,122. Good news was at end June, it was \$489,792, so this was a net gain of \$30,330 over last month. However, it was still a loss of \$91,162.36 (15.6%) since December 2021 (\$580.857).

ITEM 6 – OLD BUSINESS

12. **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.

13. **FY2022 Audit** – Treasurer Henry reported the audit was conducted by Blue & Co, a firm located in Lexington, KY. Commenced on July 26th and ended yesterday. No material findings were found again this year.

14. Commissioner Lynch motioned to approve the audit. The motion was seconded by Commissioner Kraeger. The motion carried.

15. **Blue & Company Agreement** – Chair Henry reported feedback was received by a Finance member on why Blue & Co conducts our audit - if it was through an RFP or if they were connected through the Council of State Governments (CSG). ED Imai inquired with CSG Finance on the history. Three years ago, on KS Commissioner Craig Neuenswander's direction, we obtained a three-year agreement for services at a rate of \$6,300/year. We will discuss if we should seek another agreement.

16. He noted Blue & Co was the auditor for CSG and 10 other affiliates and was familiar with CSG's financial practices and processes. Blue IS able to rely on testing and work from the CSG audit that crosses over on affiliate audits, so it creates an efficiency for the actual work as well as providing lower fees. Should MIC3 use a new firm it would require significant additional work from both MIC3 and CSG. There was a cost savings since the same firm WAS used throughout. ED Imai stated if the Commission wished to pursue an RFP, CSG could provide some support to seek other bids, however it would likely be more than Blue's fees. In addition, if a new firm was used, there would be significantly more work as they will not have the knowledge of CSG's practices.

17. The Committee discussed the background and rationale to retain Blue & Co. They agreed the consistent cost for three years was a benefit. While it was noted there was value and satisfaction with the work by the current auditor, concern was expressed about transparency and the value in switching to a new firm. Several members expressed that school districts are required to seek new firms to ensure the audits avoided complacency - a new firm may prove to be helpful and ensure the same for the Commission.

18. Members directed ED Imai to seek a new three-year agreement with Blue & Co. They agreed the Committee would revisit the discussion to seek a new auditor after the next agreement expires. **(OPEN ITEM)**

ITEM 7 – NEW BUSINESS

19. **FY2023 Employee Benefits Rate** – ED Imai reported CSG Human Resources negotiated with Anthem and employee premiums would remain the same again for benefits in 2023. This is the third year in which we have been able to do this. While we received no cost changes across all coverages, with the exception of medical, for which we received a 2.5% reduction.

20. **2024 Annual Dues and Budget Proposal** – Chair Henry reviewed the proposed budget and dues proposal for FY2024. The line-item increases included: the Annual Business Meeting dues to cost increases in food and beverage, and air travel costs; consultant and legal fee due to utilization of legal counsel for both general advisory and litigation business; and travel costs for staff due to increased requests for in-person training by states on the Compact. Dues decreased due to decrease in the number of dependents which has been a trend over the past several years.

21. Commissioner Jackson motioned to approve the dues and audit. The motion was seconded by Commissioner Lynch. The motion carried.

22. **Compact Citation Correction** – ED Imai reviewed the item and referenced the memorandum provided by General Counsel. She noted Tier Groups met in May, and two of the four met this month to discuss the way ahead and to prepare members for the vote at upcoming ABM. Members were encouraged to attend their Tier Group meeting and/or view the recordings which are posted on the website and disseminated via Constant Contact.

23. Due to time constraints, the following agenda items were tabled to the September meeting: Investment Policy and Withdrawal; and Operational Reserve Policy. **(OPEN ITEM)**

ITEM 8 – OTHER BUSINESS AND ANNOUNCEMENTS

24. **2022 ABM** – Chair Henry reminded members to register for the ABM and book their hotel room.

He stated the webinar on the travel policy and reimbursements is posted on the website for review. He highly recommended members to review the webinar prior to making their arrangements to ensure they are compliant and are aware of commission requirements.

25. **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 9 – ITEMS FOR THE EXECUTIVE COMMITTEE

26. No items for the EXCOM were received.

ITEM 10 – ADJOURNMENT

27. With no further business to conduct, Commission Kraeger motioned to adjourn the meeting. Commissioner Neuenswander seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:04 PM ET.

FINANCE COMMITTEE MINUTES
Wednesday, September 28, 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.

FINANCE COMMITTEE MINUTES
Wednesday, November 16, 2022

PRESENT	Brian Henry Bob Buehn Debra Jackson Greg Lynch J. Clarke Orzalli Douglas Ragland	Missouri Commissioner Florida Commissioner New York Commissioner Washington Commissioner Massachusetts Commissioner Alabama Commissioner	Committee Chair
EXCUSED	Brian Halstead Rosemarie Kraeger Craig Neuenswander Kyle Fairbairn	Nebraska Commissioner Rhode Island Commissioner Kansas 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 11:10 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 Greg Lynch (WA) moved to approve the agenda. The motion was seconded by Commissioner Debra Jackson (NY). 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 Douglas Ragland (AL). Motion carried.**

ITEM 4 – 2023 ANNUAL BUSINESS MEETING (ABM)

4. **Commissioner Reimbursements Summary** – The Committee reviewed three Commissioner expense reimbursements and documentation from Vermont, North Dakota, and Wisconsin. ED Imai reported the submittals did not meet the travel reimbursement policy and were presented for review by the Committee. The Committee agreed the policy was fair, and supported transparency and accountability of funds when members travelled for the Annual Business Meeting. They confirmed the submittals did not meet the Commission requirements and enforcing the policy was important. They directed ED Imai to inform the Commissioners of the outcome. **(OPEN ITEM)**

5. **Cost Analysis** – Lindsey Dablow, Training and Operations Associate briefed the Committee on the expenses incurred from the 2022 ABM, which included a comparative of the previous in person meetings held prior to the pandemic. ED Imai added the information would be pertinent to the Committees discussion in 2023 regarding if the ABM format.

ITEM 5 – ITEMS FOR THE EXECUTIVE COMMITTEE

6. No items were received.

ITEM 6 – OTHER BUSINESS AND ANNOUNCEMENTS

7. No items were discussed.

ITEM 7 – ADJOURNMENT

8. **With no further business to conduct, Commissioner Bob Buehn (FL) motioned to adjourn the meeting. Commissioner Lynch seconded the motion. The motion carried. Chair Henry adjourned the meeting at 11:35 PM ET.**

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.

FINANCE COMMITTEE MINUTES
Wednesday, March 22, 2023

PRESENT	Brian Henry Dale Brungardt Brian Halstead Debra Jackson Greg Lynch Deanna McLaughlin J. Clarke Orzalli Douglas Ragland Kyle Fairbairn	Missouri Commissioner Kansas Commissioner Nebraska Commissioner New York Commissioner Washington Commissioner Tennessee Commissioner Massachusetts Commissioner Alabama Commissioner Military Impacted Schools Association Ex-officio	Committee Chair
EXCUSED	Bob Buehn Rosemarie Kraeger	Florida Commissioner Rhode Island Commissioner	
STAFF	Cherise Imai Lindsey Dablow Christina King	Executive Director, MIC3 Training and Operations Associate, MIC3 Communications Associate, MIC3	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:00 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.**

FINANCE COMMITTEE MINUTES
Wednesday, May 24, 2023

PRESENT	Brian Henry Dale Brungardt Bob Buehn Brian Halstead Debra Jackson Rosemarie Kraeger Greg Lynch Deanna McLaughlin J. Clarke Orzalli Douglas Ragland Kyle Fairbairn	Missouri Commissioner Kansas Commissioner Florida Commissioner Nebraska Commissioner New York Commissioner Rhode Island Commissioner Washington Commissioner Tennessee Commissioner Massachusetts Commissioner Alabama Commissioner Military Impacted Schools Association Ex-officio	Committee Chair
STAFF	Cherise Imai Lindsey Dablow Christina King	Executive Director, MIC3 Training and Operations Associate, MIC3 Communications Associate, MIC3	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:00 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 with amendments. The motion was seconded by Commissioner Greg Lynch (WA). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Halstead motioned to approve the minutes from March 22, 2023. The motion was seconded by Commissioner Dale Brungardt (KS). The motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee (EXCOM)** – ED Imai reported the EXCOM met for their retreat on April 19-20, 2023. They received updates on Commission activities, training, and the Annual Business Meeting (ABM), and the status of finances. The EXCOM reviewed General Counsel’s memo featured on Compliance’s March agenda as well as today’s agenda under VI. C. The Rules Committee was reviewing General Counsel’s memo as a review of the Commission’s policies was assigned to several committees through the current strategic plan. Finally, headquarters worked with Commissioner Designee Dan Dunham of Virginia and Commissioner Don Kaminar of Arkansas to educate and support state legislators wishing to pass external statutes that would have conflicted with the respective state’s Compact statute. In both instances, the state amended their external statute to maintain their state’s compliance with the Commission.

5. **FY2023 Dues, Balance, Revenue and Expenses, Vanguard Investment** – Chair Henry reported the total amount in dues for FY23 is \$672,687. To date, 47 out of 51 members (92%) have

paid \$591,964 (88%). The (7) states: CA, DC, ID, IL, NJ, RI have a remaining Balance of \$80,723. The deadline is June 30, 2023.

6. Chair Henry noted as of the March statement, the fund balance is \$1,866,913. He reviewed Revenue and Expenses. Total budget expenditures were \$543,457 (75%) of the Commission's \$727,000 budget.

7. Chair Henry reported on the Vanguard Investment statement as of April 30, which shows the initial investment was \$350,000. That amount was invested into an asset mix among Stocks (61.6%) and Bond (38.4%). The total value of the portfolio was \$526,130, a \$15,945 increase over February.

ITEM 5 – OLD BUSINESS

8. **State Fiscal Support Memorandum and Guidance** – The item was deferred to the next meeting. ED Imai reported the Committee developed the guidance based on feedback from Members, the need to seek funding for their Compact programs. The document was released at the fall Annual Business Meeting (ABM), and through Constant Contact 4 times as well as the newsletter, however no inquiries have been received to date.

9. **Commissioner McLaughlin (TN) Concern Regarding Budget Line Item: Staff Travel** – Commissioner McLaughlin expressed concern about the increase in staff travel and frequency of staff travel overall and wondered if there should be a maximum ceiling for this spending item. Specifically, she pointed to the Military Impacted Schools Association (MISA) summer meeting in June, in which she heard three staffers attended the meeting. She asked why did the entire staff need to attend the event? ED Imai replied this event was in June of 2022, under the FY2022 budget. As this was during the period of which the nation was coming out of the pandemic, the expense for this line item was under budget as staff was not travelling for training. In addition, it was a great training opportunity for staff to make connections with school district superintendents and their staff. Commissioner Debra Jackson (NY) stated she felt investing in staff travel was important as it supports states and training. Recently, her state inquired about training for districts and parents, however due to her personal commitments, she was unable to conduct the training. She said the National Office was able to cover the event for her and did an exceptional job. She expressed appreciation for the ability of the National Office to do this and felt if the need was there, the National Office should step in and assist if necessary. Commissioner McLaughlin asked if there was an approval process for travel. ED Imai explained she met weekly with the Chair of the Commission, which includes informing her of any upcoming staff travel. She noted the Executive Committee is informed at their monthly meetings – of upcoming and a debrief of travel taken. Treasurer Henry asked Commissioner McLaughlin if the explanation was sufficient. Commissioner McLaughlin replied in the affirmative.

ITEM 6 – NEW BUSINESS

10. **Travel Policy: Proposed Amendment** – Chair Henry reported based on last year's issues with commissioner reimbursement submittals, there was a strong need to clarify the policy. Therefore, revisions and additional language was added to help make clear what is allowable when and if a Member State travels for Commission business. ED Imai reviewed the amendments with the Committee. She stated as the Commission was a quasi-government organization, we were stewards of public funding. The changes would help clarify the process for making travel arrangements and providing the necessary documentation to meet the policy requirements.

11. **Commissioner Lynch motioned to approve the policy. The motion was seconded by Commissioner Halstead. The motion carried.**

12. **Data Collection** – The Committee discussed the topic, as specified in the Commission regulations, at length. They noted the inability to collect data on the number of dependents that transition from state to state at the school level; that Impact Aid data was collected, however the data included federally connected students, which includes civilian students. They also noted the availability of the military identifier data, however the parameters differed by state.

13. **Ex-Officio Application** – ED Imai reported Blue Star Families (BSF) approached the EXCOM regarding joining the Commission as an ex-officio organization. This request is being considered by the EXCOM. The National Association of State High Schools (NFHS) was the last organization to join the Commission in 2015 as an ex-officio organization and the EXCOM followed the same process. However, they were developing a policy which defines the process formally. Commissioner McLaughlin expressed strong support to add BSF as ex-officio to the Commission. She had worked with the organization prior and BSF was an advocate for families.

14. **NDA Report on MIC3** – ED Imai reported the Military Liaison to the Commission, Dianna Ganote, stated additional language in the NDA was added which asks the Department of Defense to identify improvements to the Compact. This report is due to Congress in December. More information would be provided when available.

15. **Annual Business Meeting** – Ms. Lindsey Dablow, Training and Operations Associate, reported the registration and information webpage was under development and targeted launch was in during June or July. She noted members should save the November date on their calendars.

16. **Upcoming Webinars** – Ms. Dablow reported two new webinars were forthcoming: Travel Policy and Rules Promulgation.

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

17. ED reminded Members to contact the National Office on the Citation Correction in their states, and if they have a technical amendment process. Ms. Dablow stated the next online Zoom Compact 101 training would be held on June 21 at 3:00 PM ET and encouraged sharing the session information with stakeholders. Finally, ED Imai reported the deadline for State Council meetings and End-of-Year Report submittals was June 30th.

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

18. No items of concern were received.

ITEM 9 – ADJOURNMENT

19. **With no further business to conduct, Commissioner Jackson motioned to adjourn the meeting. Commissioner Rosemarie Kraeger (RI) seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:17 PM ET.**