

FINANCE COMMITTEE MINUTES
Wednesday, August 28, 2024

PRESENT	Greg Lynch	Washington Commissioner	Chair
	Dale Brungardt	Kansas Commissioner	
	Brian Halstead	Nebraska Commissioner	
	Brian Henry	Missouri Commissioner	
	Rosemarie Kraeger	Rhode Island Commissioner	
	Deanna McLaughlin	Tennessee Commissioner	
	J. Clarke Orzalli	Massachusetts Commissioner	
	Nickolas Sojka	North Carolina Commissioner	
	Kyle Fairbairn	Military Impacted Schools Association	Ex-officio
EXCUSED	Debra Jackson	New York Commissioner	
	Davis Whitfield	National Fed. of State High School Assns	Ex-officio
STAFF	Cherise Imai	Executive Director	
	Lindsey Dablow	Training and Operations Associate	
	Allie Thomas	Operations Coordinator	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:01 AM ET by Treasurer and Committee Chair Greg Lynch (WA). The roll call was conducted by Executive Director (ED) Cherise Imai. A quorum was established.

ITEM 2 – APPROVAL OF THE AGENDA

2. **Commissioner Brian Halstead (NE) motioned to approve the agenda, seconded by Commissioner Dale Brungardt (KS). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Nickolas Sojka (NC) motioned to approve the minutes from July 24, 2024, seconded by Commissioner Brungardt. The motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee (EXCOM)** – Chair Lynch reported the EXCOM report was emailed to the members for review prior to the meeting. No questions or comments were received regarding the reports.

5. **Fiscal Year (FY) 2024 Audit** – ED Imai reported the FY2024 audit was underway. The notice of completion from Blue & Company would be sent to the Committee members in mid-September.

ITEM 5 – OLD BUSINESS

6. **Future Annual Business Meeting (ABM) Format** – Chair Lynch reported the EXCOM is waiting for the Finance Committee’s recommendation on holding the ABM in person every year or

moving to meeting in person every other year with virtual meetings in-between.

7. Training and Operations Coordinator Lindsey Dablow reviewed the 2025 ABM Cost Analysis for Indianapolis, Indiana. The cost of holding the ABM in Indiana with sponsorship from the National Federation of State High School Associations (NFHS) would be close to \$127,600, as opposed to the average cost of \$220,000 from previous years. Commissioner Brian Halstead (NE) asked if the cost of holding the ABM in Indiana was unique. Chair Lynch responded that it was unique in terms of being the lowest cost compared to other states. Commissioner Brungardt stated the cost savings for Indiana were easy to see and that meeting in person was beneficial to new Commissioners. He commented that holding the ABM consistently in Indiana would be ideal for traveling and would help keep up teamwork and networking among the Commissioners. Ex-officio Representative Kyle Fairbairn of Military Impacted Schools Association (MISA) stated he would be on board with the Committee's decision if they chose to hold in-person meetings every other year, but he would rather hold them annually when possible.

8. Commissioner Deanna McLaughlin (TN) suggested finding ways to increase revenue from the ABM, such as having Ex-officio Representatives cover their own registration and travel expenses, and she asked if Indiana was guaranteed to host every year following 2025. Chair Lynch stated Indiana was not guaranteed for after 2025 but the national office and the EXCOM were working to determine if contracts could be extended or reserved for future years. Commissioner Rosemarie Kraeger (RI) stated she was also comfortable going either way but she would be fine with virtual meetings if they were extensive and new Commissioners could easily follow.

9. **FY2026 Dues and Budget** – ED Imai reported the Department of Defense (DoD) was able to pull new data from the Defense Enrollment Eligibility Reporting System (DEERS) to calculate the number of military-connected students in each state for the FY2026 dues. The 2022 numbers for the Coast Guard, United States Public Health Service (USPHS), and National Oceanic and Atmospheric Administration (NOAA) remained the same, and the national office was working with those organizations to collect newer data. The dues for FY2026 were calculated using the current formula of \$1.15 per child with the minimum and maximum threshold applied.

10. Commissioner Halstead asked why the Commission had decided to put a cap on the membership dues. He understood the reason for a minimum amount but not the maximum. ED Imai responded that the floor and ceiling had been set in place since the Commission was founded and that they were raised in 2018 when the last dues increase was implemented. She stated the Committee could decide to raise the floor and ceiling to match the dues increase. Commissioner Halstead expressed his interest in removing the cap to see if that would assist the issue of maintaining operations while the numbers of students in each state declined. Chair Lynch responded that the Commission had a more relaxed strategic plan and less training initiatives at the time the original dues formula was created, and the structure needed to be realigned with the programs and services that are now provided while also adding inflation factors. Mr. Fairbairn stated he believed the floor needed to be raised and felt that the current minimum did not cover the operations and travel expenses of the smaller states. He was comfortable with raising both the floor and ceiling.

11. Commissioner Kraeger stated she receives no pushback from her state when it comes to the dues amount, and that the cost of living and services provided to military-connected students have both increased a lot in twelve years. She agreed that the floor and ceiling needed to be increased. Chair Lynch provided two options to discuss at the next meeting: applying a 5% escalator to the floor and ceiling to determine new amounts or removing the cap entirely to see where the dues would fall without a maximum.

12. ED Imai introduced the draft budget for FY2026-2030 that showed the Commission's expenses increasing annually at 3%, 4%, 5%, and 18% Consumer Price Index (CPI) rates as suggested by the Committee. Five percent was the rate the Committee had decided would be the most beneficial to accommodate rising inflation over a span of five years. ED Imai stated the numbers were kept on the high side to account for in-person ABMs but each year could be adjusted to reflect the ABM format and expenses. Chair Lynch stated the CPI rate could also be scaled down to 3% or 4% if the applied 5% was found to be too high for any given year.

13. No questions or comments were received regarding the FY2026-2030 budget draft. The Committee agreed to forward the drafted dues and budget to the EXCOM for approval before introducing them to the full Commission at ABM.

14. **Travel Policy** – ED Imai introduced the updated Travel Policy draft with the Committee's recommendation to move to per diem for reimbursements at the federal rate. Mr. Fairbairn stated he was in total support of switching to per diem because it would eliminate receipt tracking and minimize processing time for reimbursements. Commissioner Kraeger and Commissioner Sojka agreed. **The Committee approved the per diem travel policy by consensus and passed it on to the EXCOM for review.**

15. **Reserve Policy Amendments** – ED Imai reviewed the annotated draft of the Reserve Policy with the Committee's recommended amendments and stated the Commission's auditor had approved the amended policy. Commissioner Sojka stated his appreciation of the auditor's review and asked if the Committee could lean on the auditor's expertise and recommendations when presenting the amended policy at the ABM. Chair Lynch agreed that the third-party review would provide more credibility to the Committee's recommendations.

16. **Commissioner Sojka motioned to approve the Reserve Policy amendments. Commissioner Halstead seconded the motion. The motion carried.** The Reserve Policy would be sent to the EXCOM for final approval before the ABM.

ITEM 6 – OTHER BUSINESS AND ANNOUNCEMENTS

17. **Items for the Executive Committee** – No items were received for the EXCOM.

18. Chair Lynch reminded members the next meeting date was September 25, 2024.

ITEM 7 – ADJOURNMENT

19. **Commissioner Kraeger motioned to adjourn the meeting. Commissioner Clarke Orzalli (MA) seconded the motion. The motion carried.** The meeting adjourned at 11:45 AM ET.