

FINANCE COMMITTEE MINUTES
Wednesday, November 20, 2024

PRESENT	Greg Lynch	Washington Commissioner	Chair
	Dale Brungardt	Kansas 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 Assn.	Ex-officio
	Davis Whitfield	National Fed. of State High School Assns.	Ex-officio
EXCUSED	Brian Halstead	Nebraska Commissioner	
	Debra Jackson	New York Commissioner	
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 11:00 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 Rosemarie Kraeger (RI) motioned to approve the agenda. The motion was seconded by Commissioner Nickolas Sojka (NC). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Sojka motioned to approve the minutes from September 25, 2024, seconded by Commissioner Brian Henry (MO). The motion carried.**

ITEM 4 – NEW BUSINESS

4. **FY2024 Audit** – Chair Lynch reviewed the annual audit report provided by Blue & Co., and reported the audit was clean. ED Imai stated that additional testing measures and documents were reviewed this year. Commissioner J. Clare Orzalli (MA) asked if the company rotated the auditor who completed the analysis each year. ED Imai confirmed that the audit was completed by a different auditor each year. Chair Lynch stated extra scrutiny was ordered for this assessment.

5. **Commissioner Dale Brungardt (KS) motioned to accept the FY2024 Audit. Commissioner Henry seconded the motion. The motion carried.**

6. **2024 Annual Business Meeting (ABM) Items** – ED Imai reported that all ABM expense reimbursements were received by the November 15, 2024, deadline from Commissioners and Ex-

officio Representatives. California was the only state that did not submit a reimbursement or statement of non-submittal. No reimbursement issues were found to require the Committee's attention.

7. Chair Lynch reviewed the Dues Increase Guidance for States document that was handed out at the 2024 ABM. ED Imai reported the document would be dispersed to the full Commission for the states to share with their state council members if the Committee approved. Commissioner Kraeger stated she thought the items presented at the ABM were great materials for introducing dues increase discussions. Commissioner Sojka agreed and added that he used slides from the ABM and the one-pager at the latest North Carolina State Council meeting, where he had a good discussion with his state legislatures about dues increases. His state council members agreed that a dues increase was needed and supported the proposed materials.

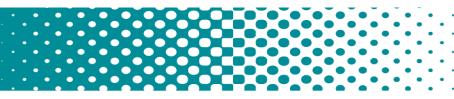
8. Commissioner Brungardt asked if it would be possible to include a list of all the state dues amounts from the last five years. Chair Lynch stated that the requested information could be added to the documents and ED Imai confirmed that the national office would put that together. The Committee members agreed to release the document to the Commission for dissemination.

9. Chair Lynch reviewed the results from the Finance Poll that was completed at the ABM. He was happy to report that 50 members had completed the survey, 48 of which were Commissioners, Designees, and ABM Proxies, and 2 Ex-officio Representatives. He commented on a discussion he had with Commissioner Orzalli regarding legal fees spent tracking states with compliance issues. Commissioner Orzalli stated the Committee could scrutinize the costs of the Commission and look at driving expenses and individual behaviors, including Ex-officio reimbursements and holding in-person ABMs. He commented that Ex-officio members were larger organizations that could afford to reimburse their representatives for travel expenses. Ex-officio Representative Kyle Fairbairn of Military Impacted Schools Association (MISA) responded that he was acting as a one-man operation, and that the Ex-officio members did a lot to support the organization without a huge budget behind them. Ex-officio Representative David Whitfield of the National Federation of High School Associations (NFHS) commented that he does not submit a travel reimbursement for the ABM, however, his hotel was the only thing paid for by the Commission. He stated that he is happy to continue the current practice or absorb all expenses if necessary, depending on what the Committee decided, and that it may be a simple request of the other large organizations involved to absorb these expenses if able.

10. Commissioner Kraeger stated she liked how each standing committee report at the ABM included financial summaries, and that it was important for the full Commission to understand how the committees used financial resources. Chair Lynch agreed that the transparency was vital at this ABM and it helped to legitimize the Finance Committee's effort to show the impact that the Commission has towards helping military-connected students.

11. Chair Lynch reported that 78% of the survey responders indicated that they would continue to plan and budget for in-person ABMs following the 2025 ABM if a dues increase was approved, with 14% indicating that they would not and 8% indicating that they were not sure. Commissioner Deanna McLaughlin (TN) stated the question language about holding in-person ABMs was misleading and unclear, and she was not sure if the 78% who approved fully understood the question. Chair Lynch stated the survey was a datapoint to bring forward to the Executive Committee (EXCOM) to assist in deciding the format of future ABMs but it was not absolute, and that multiple discussions after the ABM lead him to believe that most Commissioners were still in favor of in-person meetings.

12. Chair Lynch reported that 80% of the survey responders predicted their state would support a dues increase in FY2027, 2% indicated their state would not, and 18% stated they were not sure. Commissioner Kraeger stated that the comment from one of the Commissioners about their state



council not having a budget was typical for most states, including Rhode Island. She briefed her state council on the potential dues increase, and one of her members stated they were willing to bring the discussion back to the Department of Education to incorporate the Compact into their budget. Commissioner Sojka and Commissioner Henry commented that their state budgets did not have line items for their state councils either. Chair Lynch responded that Washington did have a line item in the state budget, because he made that recommendation to his state legislatures while he was on the Task Force that got all 50 states plus the District of Columbia to sign onto the Compact.

13. Commissioner McLaughlin asked who absorbed the cost of the members for their role as Commissioner if their state did not have it in the budget. She stated she was one of the only Commissioners who did not fall under her state Department of Education and that she was a stand-alone volunteer. Commissioner Kraeger responded that her state Department of Education incorporated the Compact into their budget, but she funded her state council meeting expenses, such as providing beverages for her members, through her school district. Commissioner Henry commented that he pays for his state council meeting expenses individually, and Commissioner Sojka stated that his school district absorbed the costs of his state council meetings. Commissioner Orzalli stated he was like Commissioner McLaughlin as a volunteer for his state and that he absorbed most of the costs himself, with the administration costs of his state council meetings being covered by the Massachusetts Department of Veteran Services and the state dues taken from the Superintendents Discretionary Fund.

14. Chair Lynch thanked the members for their input and stated that Compact expenses will always increase in cost, so it is best practice to plan and project for those needs early on. He stated that he would review the survey results with the EXCOM at their next meeting and would touch back with the members afterwards.

15. **2025 Focus Areas** – Chair Lynch reviewed the Committee’s focus and goals for the new year, including the dues increase considerations for in-person ABMs and adjustments to the floor and ceiling, considering additional fees for training and compliance matters, and continuous cost saving analysis.

ITEM 5 – OTHER BUSINESS AND ANNOUNCEMENTS

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

17. Chair Lynch reminded members the next meeting date was January 22, 2025, and wished the members a happy holiday season.

ITEM 6 – ADJOURNMENT

18. **Commissioner Kraeger motioned to adjourn the meeting. Commissioner Sojka seconded the motion. The motion carried.** The meeting was adjourned at 11:52 AM ET.