



MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

FINANCE
COMMITTEE MINUTES
FISCAL YEAR 2024

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.**

FINANCE COMMITTEE MINUTES
Wednesday, September 27, 2023

PRESENT	Brian Henry Dale Brungardt Brian Halstead Debra Jackson Greg Lynch Terrance McCaffrey Deanna McLaughlin Douglas Ragland Kyle Fairbairn	Missouri Commissioner Kansas Commissioner Nebraska Commissioner New York Commissioner Washington Commissioner Florida Commissioner Tennessee Commissioner Alabama Commissioner Military Impacted Schools Association Ex-officio	Committee Chair
EXCUSED	Rosemarie Kraeger J. Clarke Orzalli	Rhode Island Commissioner Massachusetts Commissioner	
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 11:00 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 Greg Lynch (WA). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Debra Jackson (NY) motioned to approve the minutes from August 23, 2023. The motion was seconded by Commissioner Dale Brungardt (KS).**

4. Commissioner Deanna McLaughlin (TN) said she did not state “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 commissioners could produce their own materials and mail them out to requestors themselves. “She asked for the minutes to be amended to reflect that schools and other outside organizations to print their own materials and absorb the cost for printing.

5. **Commissioner Jackson amended her motion to reflect the minutes to be adopted with an amendment. The motion was seconded by Commissioner Brungardt. The motion carried with one abstention from Commissioner Halstead.**

ITEM 4 – COUNCIL OF STATE GOVERNMENT (CSG) BRIEFS

6. **Employee Benefits** – Mr. Tim Hall, CSG Human Resources Director, stated as MIC3 are CSG employees, CSG negotiates the terms of health benefits on behalf of the Commission. Mr. Hall

reported there was a proposed 12% increase to employee health benefits coverage for both the employee and the employer, according to the healthcare provider, Anthem Blue Cross. Based on MIC3 staff current coverage, the annual cost to MIC3 for medical coverage as estimated at \$25,495. With the 12% increase applied to both the employee and employer contributions and a small increase in the organization's HSA funding due to a rising deductible, the estimated projected annual cost would be \$28,395. The CSG decision is not yet final and CSG's 11 affiliates and 7 regional offices provided input on the matter. He would inform ED Imai once a decision has been made.

7. Members noted the importance of providing benefits for employees, in terms of employee retention, and stated the personnel costs were in-line with expenditures in school districts and other organizations.

8. **FY2023 Audit** – Mr. Jason Mosely, CSG Deputy Director and General Counsel, reported CSG has migrated to a new accounting system, and due to transition challenges, they would not be able to work on the audit until December. He noted this delay was not at the fault of the MIC3 staff. CSG Accounting has suggested two options for the Commission to consider: deferral on the audit report vote; or to move the June-July fiscal year to a January-December calendar year.

9. Members agreed moving the fiscal year to a calendar year was not feasible. They agreed a delay on the approval was the best option. They directed the national office to release the report once it was completed and posted online. They also asked for a webinar with the Accounting Firm to be scheduled to address member concerns.

10. **Reports – Executive Committee (EXCOM)** – ED Imai reported the EXCOM met on September 21, 2023. Executive Director Cherise Imai provided an update on National Office activities, including the National Association of Federally Impacted Schools (NAFIS) conference that she and Chair Anastasio attended. The conference included participation on the Supports for Military Connected Children panel and hill visits to inform on the Compact. The Communications and Outreach (C&O) committee reported a memorandum was released to the Commission on Sept. 12th outlining resources that were updated or created in 2023 that are available for distribution or use by the Commission. The EXCOM adopted the amended Code of Conduct policy proposed by C&O that outlines the acceptable use of Commissioner emails. This will be on the consent agenda at ABM for the full Commission's review and vote. ED Imai reminded members the Docket Book had been released and to review the agenda and handouts for the upcoming meeting.

11. **FY2023** – Chair Henry reported the Commission received Illinois and the District of Columbia's dues earlier this month. Currently, all 51 members have paid their dues. Last month, he reported on the final reports for the fiscal year. Therefore, the fiscal year is closed, pending the annual audit which will be discussed under new business.

12. **FY2024** – The 2024 Reports have not been made available to the Commission and are pending release from CSG Accounting.

ITEM 5 – OLD BUSINESS

13. **2022 NDAA: MIC3 Report by Penn State** – ED Imai reported the 2022 NDAA included a request by Congress to the USDOD on a report on several projects passed by the Defense State Liaison Office (DSLO), including the Compact. The House Armed Services Sub-Committee on QOL was briefed on the Compact by the Defense State Liaison Office earlier this month. The National Office provided information for the brief. In addition, The National Office is working on a congressional

resolution on the Compact – specifically in April during the Month of the Military Child. The National Office has met with Senator Hirono (HI) and Congressman Joe Courtney's (CT) offices to date.

14. **FY2023 Audit** – ED Imai reported as it was noted earlier, CSG was migrating to a new accounting system, therefore, the audit would also be delayed this year. The Members agreed once the audit was completed, the report would be released and posted on the website. And as there is a concern about cost savings, a hard copy would not be provided as in years past. Members may download and print a copy from the website at mic3.net.

15. **State Fiscal Support Memorandum** – ED Imai reported the Committee developed and released the memorandum last year, and to date, no submission or interest has been received by member states. Therefore, she recommended the item be: posted on the website on the Commissioner webpage; included in the new commissioner onboarding process; and to schedule the item in the newsletter twice annually. Members agreed with the way forward.

ITEM 6 – NEW BUSINESS

16. **FY2023 Training Data** – Training and Operations Associate, Lindsey Dablow, reviewed the training data for the past year. The total number of trainings offered by the Commission increased 172% over 2022. The Compact 101 Training course was provided or requested 68 times in 2023 compared to 25 times in 2022. The number of times the Compact 201 Training course was provided or requested increased but was not a focus in 2023. This will change in 2024 with the launch of the Commission's online virtual training platform. The Commission will shift focus to the Compact 201 training sessions. For new members and first-time attendees, the Compact 201 Training focuses on learning through case studies and real-life application of the Compact.

17. She noted the number of in-person trainings remained less than 25% of the total number of trainings. The Commission offered 51 virtual sessions in 2023, accounting for 75% of total training which was an increase over 2022. She added 37% of individuals attending the training sessions were U.S. DoD personnel – which includes school liaisons and Department of Defense Education Activity (DoDEA) personnel; 32% by District & School-level personnel. However, military families are still the hardest demographic for the Commission to reach. This will continue to be a focus of the Training Committee in 2024.

18. **Comparable Compact Commissions** – ED Imai presented information on the Interstate Compact for Juveniles (ICJ), and the Interstate Compact for Adult Offenders (ICAOS), both located in Lexington, Kentucky. The documents included the budgets and staffing for the organizations. She noted the staffing for ICJ was 5 while ICAOS was 6 and the budgets were in-line with MIC3 expenditures. She noted both organizations had established dues increases and guidance to maintain alignment with the consumer price index and cost of living.

19. **Open Records Request: State of Tennessee** – In accordance with the Commission processes, open records requests and their documentation are provided to the appropriate committee(s). In addition, the National Office submits the requests to General Counsel for review and approval prior to responding to the request. ED reported a request was received by Commissioner McLaughlin on the following:

- "FY2021 Approved Budget, FY2022 Approved Budget, FY2023 Approved Budget, FY2024 Approved Budget, & FY2025 Draft Budget.

- Detailed income statements with expense descriptions, dates, and dollar amounts for every expense under each budget line item for the following fiscal years FY2024 YTD, FY2023, FY2022, and FY2021.
- Details on any staff expenses paid for by any of the MIC3 ex-officio organizations for the same fiscal years.
- A list of the current services provided by CSG and the cost for each service provided to include office space.
- List of base salary and benefit expenses for all four paid MIC3 National Staff members.
- Record of base salary and benefit increases for FY2024 YTD, FY2023, FY2022, and FY2021.
- Projected staff & excomm non-ABM travel for the remainder of CY 2023 (CY=Calendar Year), CY 2024, & CY2025 with the location name, reason for travel, name of the organization to be trained or spoken to, the number of staff members and excomm members attending and the breakout of costs for each person.”

20. **Point of View on the Commission Budget** – Commissioner McLaughlin presented her budget reduction proposal. She was concerned about the decrease in revenue and the budget which is at 25% in deficit. In cities, budgets come from taxes and if it is over, that usually means a tax increase. In the cities, if the budget is over the amount, they will go back to the budget and decrease the line items. In government and schools, there is governance to manage expenses. Although the Commission is managed by the Council of State Governments, they are in the state of Kentucky and are bound by Kentucky state policies regarding purchasing which requires a 3-bid minimum. All governments require this type of procedure and policy. She put together a quick google search of documents for review for the Committee to consider. She added the staff travel and are remote, and sometimes work remotely, therefore do they need as much office space at CSG? She had no intention of doing anything with the report, however, she put it together so she can better understand, and the Committee could see her concerns. She stated after the last Finance Committee meeting, she wanted to better understand where the increase in expenditures was trending, and she felt the only way to do that was to request the information ED Imai shared with the Committee. She created a big spreadsheet that includes FY2021 vs FY2023.

21. Commissioner Halstead said the single largest expenditure of the budget is the Annual Business Meeting. He also noted when he was first a member of the Compact, how long could the commission sustain operations with the current budget without raising revenue. He noted the issue was how long can we keep the dues at a fixed rate, and how often does the commission need to come together to discuss business – clearly there was low years, such as during COVID – however it does cost to meet in-person. He noted the staff provides excellent information annually to help guide the Committee and budget-making. Commissioner Lynch said the information provided was good, however we need to continue the discussion to help states if there are conversations on dues increases – and we need to stick to our current process.

22. Chair Henry said the organization and the committee needs to be proactive to design a dues increase - and the metrics to do this, and it should be reported on annually. Regarding budgets and needs, he noted he did the same process when he was in the school district – but it is a challenging conversation. Regarding staff, it is very difficult to find people, and we have good people. We can't keep good people if we don't pay them well and provide benefits. When ED Imai was brought in, the biggest issue was people didn't know about the Compact or what we do. Her charge, by the Executive Committee, was to build awareness of the Commission as we were not known widely. She was also charged with building our programs, resources, and communications on the Compact. We have made huge strides to expand and are successful, and we can see the results. Commissioner Henry stated he cared a great deal about the Commission; however, he emphasized the need to focus on the kids and how we are helping them through the Compact. He understood the need to be good stewards of

taxpayer dollars – and we are good stewards, however, the Commission requires resources to support our strategic plan goals to achieve our mission.

23. Commissioner McLaughlin wanted to know if the decision to not hold ABM was in the Executive Committee area, she also stated that Albuquerque is not a good in-and-out location as far as air travel. Several years ago, the Commission discussed holding the meeting at bigger hubs, and she thought the Executive Committee could look into that. She was in favor of every other year. She felt every other year was better than not in-person at all.

24. ED Imai stated the vote on the meeting frequency was on the Docket for the upcoming ABM.

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

25. **2023 State End-of-Year Reports Guide** – ED Imai reported the guide was released and posted on the website.

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

26. No items of concern were received.

ITEM 9 – ADJOURNMENT

27. **With no further business to conduct, Commissioner Brungardt motioned to adjourn the meeting. Commissioner Lynch seconded the motion. The motion carried. Chair Henry adjourned the meeting at 12:15 PM ET.**

FINANCE COMMITTEE MINUTES
Wednesday, December 6, 2023

PRESENT	Brian Henry Brian Halstead Debra Jackson Rosemarie Kraeger Greg Lynch Deanna McLaughlin J. Clarke Orzalli Kyle Fairbairn	Missouri Commissioner Nebraska Commissioner New York Commissioner Rhode Island Commissioner Washington Commissioner Tennessee Commissioner Massachusetts Commissioner Military Impacted Schools Association Ex-officio	Committee Chair
EXCUSED	Dale Brungardt Terrance McCaffrey Douglas Ragland	Kansas Commissioner Florida Commissioner Alabama Commissioner	
STAFF	Cherise Imai Lindsey Dablow Darren Embry Samantha Nance Jordan Artrip	Executive Director, MIC3 Training and Operations Associate, MIC3 General Counsel General Counsel General Counsel	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:02 AM ET by Treasurer and Chair Brian Henry (MO). Roll call was conducted by Executive Director Cherise Imai. A quorum was established.
2. Chair Henry stated he would commence the meeting however he would turn the agenda over to Chair-Elect Greg Lynch under New Business and to adjourn the meeting.

ITEM 2 – APPROVAL OF THE AGENDA

3. **Commissioner Rosemarie Kraeger (RI) moved to approve the agenda. The motion was seconded by Char-Elect Greg Lynch (WA). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Brian Halstead (NE) motioned to approve the minutes from September 27, 2023. The motion was seconded by Commissioner Kraeger. The motion carried.**
4. Commissioner Deanna McLaughlin (TN) asked for the minutes, item #20, to be amended from “In counties, budgets come from taxes, and it is over, that usually means a tax increase. In the county, if the budget is over the amount, they will go back to the budget and decrease the line items,” to “In cities, budgets come from taxes and if it is over, that usually means a tax increase. In the county, if the budget is over the amount, they will go back to the budget and decrease the line items.”
5. **Commissioner Halstead amended his motion to reflect the minutes to be adopted with the amendments. The motion was seconded by Commissioner Kraeger. The motion carried.**

ITEM 4 – REPORTS

6. **Annual Business Meeting (ABM) Reimbursements** – ED Imai reported most reimbursements have been processed and there weren't any unique submittals that required the Committee's review at this time.
7. **Open Records Requests** – ED Imai reported an Open Records request was received in early September by Commissioner Deanna McLaughlin (TN). All items were provided except for one item, "Detailed Reports from FY2021-2024", which required additional processing time by CSG Accounting. Once the 105-page report was received from accounting, the document was sent to the state on September 27th. This closes this item request. ED Imai reported a second request was received from Commissioner McLaughlin on November 20th requesting the 2024 Annual Business Meeting hotel contract. As part of the review process, the request was sent to General Counsel for review. Once approved, a cover letter and the document were provided to the state on November 27th. This closes this item request. Copies of the requested documents were provided, according to Commission protocol, to the Finance Committee for their awareness.

ITEM 5 – NEW BUSINESS

8. **2024 ABM Discussion** – Chair Henry stated the Committee was asked by the Commission at the recent ABM to discuss and make a recommendation on whether the 2024 meeting should continue to be held in-person or in a different format. He stated the Commission was required to hold an annual meeting Training and Operations Associate Lindsey Dablow reviewed the 2019-2023 cost analysis which included budget and expense data.
9. Several Members expressed holding the meeting in person was important as it allowed interaction amongst new and seasoned commissioners– especially as nearly half the commission was comprised of new Members. They highlighted the ability to share information and seek feedback from colleagues was valuable. A virtual format, while it was cost-effective, did not allow for interactions, and it was agreed engagement was less than ideal online. Commissioner McLaughlin expressed while she valued the in-person meetings, it was important to ensure the organization adhere to the budget, and moving to every other year should be considered.
10. A majority of Members were in favor of holding the 2024 Annual Business Meeting in person. Chair Henry thanked Members for the good discussion and stated Chair-Elect Lynch would present the recommendation to the Executive Committee at their meeting on the 8th.
11. **Chair Henry relinquished the meeting to Chair-Elect Lynch.**
12. **Potential Finance Committee Goals & Operating Principles** – Commissioner Lynch reviewed the potential Committee Goals and Operating Principles, which included obtaining data on the committee on a general understanding of budgets and finance, and CSG/the Commission's financial practices. Due to time constraints, the Committee did not have ample time to provide feedback, and Chair-Elect Lynch noted all Members were not present. Therefore, he asked staff to administer the survey to the Finance Committee and the results would be shared at the next meeting.

ITEM 6 – OLD BUSINESS

11. **FY2023 Audit** – ED Imai reported auditor Blue & Co has commenced the audit. Under the current process, the final report would be provided to the Committee for review and approval once it is received.

ITEM 7 – ITEMS FOR THE EXECUTIVE COMMITTEE

12. **Items for the Executive Committee** – Members did not bring forth any items for the Executive Committee.

ITEM 8 – OTHER BUSINESS AND ANNOUNCEMENTS

13. **2024 Committee Assignments and Meeting Dates** – ED Imai thanked Members for completing the annual committee preference survey which closed on November 21st. The data was provided to Chair Singleton who will appoint commissioners and ex-officio members to their committee assignments.

14. ED Imai reported the next Compact 101 training was scheduled for December 15, 2023, at 2:00 PM ET.

ITEM 9 – ADJOURNMENT

15. **With no further business to conduct, Commissioner Kraeger motioned to adjourn the meeting. Commissioner Henry seconded the motion. The motion carried. Chair-Elect Lynch adjourned the meeting at 12:15 PM ET.**

FINANCE COMMITTEE MINUTES
Wednesday, January 24, 2024

PRESENT	Greg Lynch Dale Brungardt Brian Halstead Brian Henry Debra Jackson Rosemarie Kraeger Deanna McLaughlin Clarke Orzalli Kyle Fairbairn Davis Whitfield	Washington Commissioner Kansas Commissioner Nebraska Commissioner Missouri Commissioner New York Commissioner Rhode Island Commissioner Tennessee Commissioner Massachusetts Commissioner Military Impacted Schools Association, Ex-officio National Fed. of State High School Assn., Ex-officio	Committee Chair
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 11:05 AM EST by Treasurer and Committee Chair Greg Lynch (WA).

ITEM 2 – ROLL CALL AND WELCOME

2. The roll call was conducted by Executive Director (ED) Cherise Imai. A quorum was established. Chair Lynch introduced Davis Whitfield from the National Federation of State High School Associations as one of two ex-officio representatives on the Committee.

ITEM 3 – APPROVAL OF THE AGENDA

3. **Commissioner Dale Brungardt (KS) motioned to approve the agenda, seconded by Commissioner Debra Jackson (NY) The motion carried.**

ITEM 4 – APPROVAL OF THE MINUTES

4. **Chair Lynch moved to approve the minutes from December 6, 2023. The motion was approved by Commissioner Jackson and seconded by Commissioner Brungardt. The motion carried.**

ITEM 5 – REPORTS

5. **Executive Committee (EXCOM)** – Chair Lynch reported former commissioner Susan Haberstroh (DE) is to continue her work under contract for the commission this upcoming year.
6. Chair Lynch reported a question regarding the NDAA and Penn State report had been discussed, with concerns regarding inconsistencies and how the information would be presented. Commissioner Clarke Orzalli (MA) stated the report was passive rather than active and asked if the commission could voice a formal opinion about the information and data being incomplete. Chair Lynch and Commissioner Deanna McLaughlin (TN) agreed with this suggestion. ED Imai announced that the

report had since been released nationally prior to the meeting and that the EXCOM had concerns about inaccuracies.

7. Chair Lynch reported Mississippi and New Jersey are still out of compliance and have not hosted their state council meetings for the year. Next steps will be discussed at the upcoming EXCOM meeting.

8. Chair Lynch stated the EXCOM was scheduled to meet in person in April 2024 in Lexington, Kentucky.

9. **Dues, Balances, Revenue/Income** – ED Imai reported dues payments are due by June 30, 2024, and that initial invoices were sent May 1, 2023, for Fiscal Year 2024 (FY24.) Thirty-seven state dues have been collected and fourteen states have been sent follow up reminders. Commissioner Orzalli brought it to attention that he was listed as the commissioner of New Jersey on the Dues Report document, which has been corrected to Tony Trongone.

10. ED Imai reported the balance sheet is pulled through a new data system. Two years of budget are reserved in coffers and the current collections are going well. Expenditures are on target for the fiscal year with the only expenditures currently over budget being for ABM. Staff travel is currently under budget with plans being reserved for later meetings and conferences.

11. **Open Records Request Summary** – ED Imai reported the Open Records Request policy had been developed according to Kentucky's statute and the policy was approved in 2022. Six requests for Commission records have been fulfilled and responded to online for FY23 and FY24 at no charge to the requester. These requests incur costs for administrative fees, legal counsel service fees, and hard copy fees when applicable, which are estimated by total minutes worked per request. Digital copies are emailed at no charge.

ITEM 6 – OLD BUSINESS

12. **2024 Annual Business Meeting (ABM) Status** – Chair Lynch reported after much forethought and discussion and based on the Finance Committee's recommendation to hold the meeting in person, the EXCOM determined the ABM would be held in person in Albuquerque, New Mexico. More information will be released in the summer.

13. **Survey Results** – Chair Lynch reviewed the Finance Budgeting and Reserve Fund Balance survey with the EXCOM and opened the meeting up for discussion. Commissioner Orzalli stated there needed to be clarity regarding some of the survey questions and how to make them less confusing for the members, regarding reserves and how those funds could be used to clean up the budget. Members agreed to review the survey and goals before discussing dues increases and reserves.

14. **Potential Finance Committee Goals** – Chair Lynch requested feedback from the EXCOM for potential Finance Committee Goals for FY24 and asked the committee whether they agreed with the goals set in place. Commissioner Orzalli recommended structuring the agenda to include less recurrent reporting and more discussion about current issues; Chair Lynch and Commissioner Jackson agreed. Chair Lynch recommended that more discussion regarding the reserve should be scheduled for the next meeting. Kyle Fairbairn (MISA) advised that there are policies in place already that could be modified rather than starting with new plans.

15. **Operating Principles** – Chair Lynch shared the Operating Principles slides and explained how the principles would be implemented. Chair Lynch requested that committee members maintain

confidentiality regarding committee meeting topics and discussions as applicable. Going forward, the target date for the publication of the Committee Meeting agenda would be one week before the next scheduled meeting.

ITEM 7 – NEW BUSINESS

16. **Annual Business (ABM) Expense Reimbursements** – ED Imai reported Commissioner Michael Price (MI) had purchased his airfare in advance and under the travel policy guidance. One day prior to his departure, he made a change to his flight tickets without notifying the national office. The difference of an increase of \$555 was found when he submitted his reimbursements. The national office requested an explanation and was informed by his office the change was for personal reasons. As they did not elaborate, the national office reimbursed the amount for the initial air ticket purchase and declined to reimburse for the balance of the second ticket change fees. Commissioner Price was appealing to the Finance Committee to reimburse the full balance due to his circumstances and reason for the change. Commissioner McLaughlin stated the travel policy was not followed and recommended the balance not be reimbursed. Committee members agreed with her assessment.

17. **Commissioner Jackson motioned to uphold the reimbursement policy and declined Commissioner Price's appeal for the balance of the airfare purchase. The motion was seconded by Commissioner Rosemarie Kraeger (RI.) The motion carried.**

18. **FY2023 Audit** – ED Imai brought to attention that the FY23 Audit, concluded in December 2023, needed to be approved by the Finance Committee before it could be sent to the EXCOM. The audit was clean with no significant findings. She also noted we ended the year 6% under budget, and in FY22, we ended the year 21% under budget.

19. **Commissioner Kraeger motioned to approve the FY23 Audit, seconded by Commissioner Brungardt. The motion carried.**

ITEM 8 – OTHER BUSINESS AND ANNOUNCEMENTS

20. Chair Lynch reported the next Compact 101 Training was scheduled for February 12, 2024, at 2:00 PM EST. He encouraged members to attend and share the information with stakeholders. ED Imai noted the training schedule could be found on the website under the "Interactive Calendar".

21. Chair Lynch advised that the online Code of Conduct and Conflict of Interest forms are due to the national office by January 31, 2024.

ITEM 9 – ITEMS FOR THE EXECUTIVE COMMITTEE

22. No items of concern were received.

ITEM 10 – ADJOURNMENT

23. **Chair Lynch called for adjournment; Commissioner Brungardt moved, and Commissioner Kraeger seconded. The motion carried.** The meeting was adjourned at 12:10 PM EST.

FINANCE COMMITTEE MINUTES
Wednesday, March 27, 2024

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

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:02 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 minutes and seconded by Commissioner Debra Jackson (NY). The motion carried.**

ITEM 3 – APPROVAL OF THE MINUTES

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

ITEM 4 – REPORTS

4. **Executive Committee (EXCOM)** – ED Imai reviewed the written EXCOM report briefly and reminded Members the reports would be provided prior to the meeting via email moving forward to allow the committee time to address the agenda items. Materials were sent to Members before the meeting and clarifying questions could be submitted to the Chair if necessary.

ITEM 5 – OLD BUSINESS

5. **2023 Annual Business Meeting (ABM) Expense Reimbursements** – ED Imai reported the expense reimbursement request from Michigan Commissioner Michael Price was denied by the Finance Committee at the previous meeting and the Commissioner was informed. The Commissioner

did not have any questions. This business item is closed.

6. **FY2023 Audit Webinar** – Chair Lynch reminded Members to register for the FY23 Audit Webinar that would be held on Wednesday, April 3, 2024, at 2:00 PM ET.

ITEM 6 – NEW BUSINESS

7. **Budget Analysis** – Chair Lynch reviewed the Budget Analysis presentation outlining the Commission's current revenue, reserves, and future budget planning items. The Chair stated the current revenue streams are not sustainable and reductions in expenditures would need to be assessed for future years. Chair Lynch advised it would take a full fiscal year to identify, review, and validate future fiscal requirements before considering dues increases. The question of holding in-person ABM every other year and waiting to increase dues until FY27 was addressed.

8. Chair Lynch suggested holding ABM 2025 virtually. Commissioner Deanna McLaughlin (TN) asked if the decision had been approved at the 2023 ABM to hold virtual meetings every other year. ED Imai explained that during the 2023 ABM the Commission did not make a determination but chose to refer the matter back to the EXCOM for consideration. Chair Lynch opened the floor for discussion and feedback.

9. Commissioner McLaughlin requested that the Committee review the cost of ex-officio representatives attending ABM and how their roles affect Commission expenditures. Commissioner Jackson recommended looking into the Rules and by-laws to determine the requirements for ex-officio attendance at meetings. Chair Lynch agreed to discuss the topic of ex-officio affiliates and their roles within the Commission at the EXCOM Spring Retreat meeting in April.

10. Commissioner Brian Halstead (NE) asked Chair Lynch about the EXCOM's next steps for FY25 and Finance's involvement with those decisions. Commissioner Halstead stated the fiscal items that fall under the purview of the Finance Committee and those that fall under the EXCOM needed to be clarified. The Chair and other Members agreed with Commissioner Halstead's statement. The Chair noted other topics the Committee would need clarification on including the dues structure and military dependent data and the requirements outlined in the Commission's guidance documents. Chair Lynch suggested incorporating inflation and organization costs into the formulas when a dues increase is required. Chair Lynch discussed the need to review training practices and cost of living expenses to determine what is expected from staff and what the commission requires. Commissioner Jackson agreed that the Commission's practices and duties should be reviewed to determine the minimum fiscal requirements.

11. Chair Lynch presented examples of the Commission's requirements and identified the sources for each duty. Commissioner Kraeger and Commissioner Jackson discussed the importance of training and whether training should be restricted. Commissioner Jackson advised that it was the Finance Committee's duty to evaluate the cost of training and determine how they can be held in cost-efficient ways without restricting or eliminating them.

12. Chair Lynch reviewed key questions regarding the commission's revenue and budget. A timeline was presented to outline the Committee's work in FY24 and what the focus would be for FY25 and ABM planning. Commissioner Halstead suggested that the Committee review the Reserve policy and the duties of the national office staff before presenting recommendations to the EXCOM for budget development.

13. **Sub-committee** – Chair Lynch suggested a sub-committee be created to further discuss the

reserve, review the Commission's expenditure requirements, and craft a plan to review commission staffing before making recommendations to the EXCOM. Commissioners Halstead, Jackson, Kraeger, McLaughlin, and Sojka volunteered to join the sub-committee.

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

14. No items were presented.

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

15. No items of concern were received.

ITEM 9 – ADJOURNMENT

16. **Commissioner Kraeger motioned to adjourn the meeting, seconded by Commissioner Jackson. The meeting was adjourned at 12:05 PM ET.**

FINANCE COMMITTEE MINUTES
Wednesday, May 22, 2024

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

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:02 AM ET by Treasurer and Committee Chair Greg Lynch (WA). The roll call was conducted by Training and Operations Associate Lindsey Dablow. A quorum was established. Ms. Dablow introduced Mr. Jordan Artrip representing General Counsel for the meeting.

ITEM 2 – APPROVAL OF THE AGENDA

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

ITEM 3 – APPROVAL OF THE MINUTES

3. **Commissioner Dale Brungardt (KS) motioned to approve the minutes from March 27, 2024, seconded by Commissioner Debra Jackson (NY). The motion carried.**

ITEM 4 – REPORTS

4. **Executive Committee (EXCOM)** – No reports were made regarding the EXCOM and no questions were received.

5. **FY24 Dues, Balance-Revenue/Income, Vanguard Investments** – The reports were sent to Members before the meeting and clarifying questions could be submitted to the Chair if necessary. No questions were submitted by the Members.

ITEM 5 – OLD BUSINESS

6. **Fiscal Year (FY) 2023 Audit Webinar** – Ms. Dablow reported the FY23 Audit Webinar was held on April 3, 2024. Eleven Commissioners attended and no questions were received.

ITEM 6 – NEW BUSINESS

7. **2025 Annual Business Meeting (ABM)** – Ms. Dablow reviewed the 2025 Site Comparison report of the three proposed cities to host the ABM in 2025: Indianapolis, Raleigh, and Charlotte. The cost of hosting the ABM in Indianapolis, Indiana was significantly lower than both cities in North Carolina. Sponsorship from the National Federation of State High School Associations (NFHS) would allow for the meeting to be held at the National Collegiate Athletics Association (NCAA) headquarters and would eliminate expenses for audio/visual and facility fees. The EXCOM approved Indianapolis as the host city for 2025.

8. Commissioner Nickolas Sojka (NC) stated he understood the decision and agreed financially Indianapolis presented the most cost savings compared to the other cities, and that he hoped North Carolina would be considered to host the ABM in another year. Commissioner Deanna McLaughlin (TN) mentioned Indianapolis is a short travel distance for the national office staff and would eliminate shipping and airfare costs. The members agreed that Indianapolis, Indiana was the most cost-effective city to host ABM 2025 in person.

9. **Counsel of State Governments (CSG) Personnel Expense Allocations** – Ms. Dablow reviewed the CSG Personnel Expense Allocations Report, which outlined the services that CSG provides to affiliates and the associated costs. The main cost increasing for 2025 was for Information Technology (IT), which was not incorporated into the FY25 budget.. Ms. Dablow stated the report was released after the budget was approved for FY25, but it could be explained during the 2024 audit if the costs exceed the planned budget amount for IT services.

10. **Travel Policy** – Ms. Dablow introduced a consideration discussed by the EXCOM to move the Commission reimbursement policy to per diem. Eliminating the requirement for itemized receipts would reduce processing time for the national office and would implement uniform reimbursement documentation. Commissioner Sojka reported North Carolina used the federal rate for per diem reimbursements. Ex-officio Representative Kyle Fairburn, Military Impacted Schools Association (MISA), stated that MISA switched to per diem reimbursements as well and it made sense for the Commission. The item will be discussed at the next meeting.

11. **FY2026 Draft Dues and Budget Review** – Ms. Dablow introduced the Proposed Dues Draft for FY26, which outlined how many children were in each state by age group and the total amount of dues owed by each state with and without the threshold. The age group of children aged zero to five years old was calculated at twenty-five percent the total number of children in that age range to account for the Compact covering children aged five and up.

Commissioner McLaughlin inquired about the data used to calculate the state-specific dues. Previously, the data used to calculate the state dues by branch of service was obtained from the Department of Defense (DoD) Defense Manpower Data Center (DMDC). In 2024, the Commission was directed to use the DMDC data provided in the current demographic report, the 2022 Demographics: Interactive Profile of the Military Community. Commissioner McLaughlin asked whether the formula was based on where the military children were assigned or where they were residing, using Fort Campbell, Kentucky children residing in Tennessee as an example. Chair Lynch responded that he was unsure of that

answer and that it would need to be clarified by the DoD. Mr. Fairburn confirmed that not many states used the military identifier and stated the current data was the best that could be used to determine the numbers.

12. Commissioner Halstead requested historical information related to establishing the dues formula. The dues formula was adopted at the Commission's first ABM held in October 2008. SEC. 2.103 *Dues Formula* was amended at the 2018 ABM in Cleveland, Ohio, raising the dues rate from \$1.00 to \$1.15 per military dependent residing in a member state.

13. Ms. Dablow introduced the FY26 Budget Draft and reviewed each line item. No questions were received regarding the proposed budget.

14. **Reserve Subcommittee Meeting Summary** – Chair Lynch reviewed the Budget Development Timeline and budget requirement buckets from the first subcommittee meeting to explain the goals of implementing new budget plans for FY26 and FY27. Commissioner Sojka inquired about the length of the timeline and suggested three years might be too long to wait for a dues increase when inflation is an immediate factor to consider. Chair Lynch responded with a plan to discuss the timeline more in depth at the next meeting.

15. Commissioner McLaughlin suggested looking at what could be reduced from the requirement buckets, such as staff travel for in-person trainings and renting office space. Mr. Fairburn, Commissioner Halstead, Commissioner Henry, and Commissioner Jackson emphasized how important training is to keep the organization moving forward and that in-person training is a vital investment for the Compact.

ITEM 7 – OTHER BUSINESS AND ANNOUNCEMENTS

16. Chair Lynch reminded members the next meeting date was July 24, 2024.

ITEM 8 – ITEMS FOR THE EXECUTIVE COMMITTEE

17. No items of concern were received for the EXCOM.

ITEM 9 – ADJOURNMENT

18. **Commissioner Halstead motioned to adjourn the meeting, seconded by Commissioner Henry. The meeting was adjourned at 12:03 PM ET.**