

INTERSTATE COMMISSION FOR JUVENILES

Finance Committee Meeting Minutes

June 8, 2022

2:00 p.m. ET

Via Zoom



Voting Members in Attendance:

1. Corrie Copeland (TN), Commissioner, Chair
2. Dale Dodd (NM), Commissioner, Vice-Chair
3. Sherry Jones (MD), Commissioner, Treasurer
4. Pat Pendergast (AL), Designee
5. Summer Foxworth (CO), Commissioner
6. Francis "Mike" Casey (DE), Commissioner
7. Nate Lawson (OH), Commissioner
8. Nina Belli (OR), Commissioner
9. Natalie Dalton (VA), Commissioner

Members Not in Attendance:

None

Guests in Attendance:

None

National Office Staff in Attendance:

1. MaryLee Underwood, Executive Director
2. Emma Goode, Logistics and Administrative Specialist
3. Amanee Cabbagestalk, Training and Administrative Specialist

Call to Order

Chair Copeland (TN) called the meeting to order at 2:00 p.m. ET.

Roll Call

Director Underwood called the roll and a quorum was established.

Agenda

N. Belli (OR) made a motion to approve the agenda as presented.
N. Dalton (VA) seconded. The motion carried.

Minutes

S. Jones (MD) made a motion to approve the March 9, 2022 meeting minutes as presented. S. Foxworth (CO) seconded. The motion carried.

Discussion

- Director Underwood shared a summary of the Commission's financial accounts which included operations, short-term investments, and long-term investments from Fiscal Year 2017 through April 30, 2022. Overall, the Commission's assets grew

from 2017 to 2021. As of April 2022, the long-term investments have experienced a downward trend in the year to date due to recent trends in the stock market.

FY 22 Budget Update

- Director Underwood provided a thorough review of income and expense line items in the Fiscal Year 2022 Profit and Loss Budget Performance Report.
- Fiscal Year (FY) 2022 will close with the new UNITY data system development completed without any withdrawals from the ICJ long-term investment funds. This was made possible by the cancelation of in-person meetings due to the ongoing COVID-19 pandemic. Savings were re-appropriated for other programs, such as the second year of the leadership series.
- Director Underwood presented the actual expenses through April 2022 and projected expenses through year end FY 22.
- As of April 30, 2022, the total expenses were on target at 82% of budget with only two months remaining in the fiscal year at the time of the report.
- Chair Copeland (TN) inquired as to the amount available to withdraw from the long-term investment account. Director Underwood shared a chart of all of the ICJ accounts, which included the operations and short-term reserves and explained how these monies are available to use prior to any necessary withdrawals from the long-term investment account.
- There were no additional questions or comments regarding the FY 22 Budget.

FY 23 Dues Update

- Director Underwood reported that nine (9) states have paid their FY 23 Dues. The majority of Commission members operate on a July 1 fiscal year; therefore, the bulk of dues are paid in the summer months.

2022 Travel Reimbursement Policy

- Chair Copeland updated that the Finance Committee previously tabled a review the ICJ Travel Reimbursement Policy until next year. However, with rising fuel costs and related price increases, airline tickets have substantially increased. To be proactive and ensure costs are covered by the Commission rather than states, she requested that the Finance Committee reconsider the issue. She suggested making a recommendation for a one-year exception to the policy setting the limit for reimbursement at \$550.
- **S. Jones (MD) made a motion to reconsider the issue of tabling discussion of the reimbursement rate for airline tickets. P. Pendergast (AL) seconded. The motion passed.**
- P. Pendergast (AL) commented that if tickets to the 2022 Annual Business Meeting will be approximately \$700 for most states, the cap should be raised to \$800. Summer Foxworth (CO), Nina Belli (OR), and Dale Dodd (NM) agreed. Director Underwood shared an estimated 2022 Annual Business Meeting Budget with travel costs projected at \$800 rather than \$550.
- **P. Pendergast (AL) made a motion to recommend to the Executive Committee that reimbursement rate for airline ticket be raised to \$800 for one-year to cover the projected higher travel costs to attend the 2022 Annual Business Meeting (ABM) in Burlington, Vermont. S. Jones (MD) seconded. The motion passed.**
- D. Dodd (NM) suggested that the 2022 ABM invitation explain that the expectation remains the same as years past, i.e., that members should find the

lowest fare. P. Pendergast (AL) asked if the Commission could save money by using a travel agent, who might locate less expensive fares. Director Underwood replied the Commission does not get less expensive fares by using the travel agent. Instead, the Commission pays an addition \$30 per ticket purchased for the travel agent's services.

FY 23 Budget Amendments and FY 24 Proposed Budget

- Director Underwood commented that the fiscal year annual budgets are approved each year by the full Commission during the annual business meeting. Approved budgets are then amended near the beginning of the relevant fiscal year, to address unanticipated changes.

FY 23 Budget Amendments

- Director Underwood advised that planning for FY 2023 includes the costs for first round of UNITY Enhancements and transitioning back to in-person meetings. Director Underwood provided a summary of proposed amendments to the FY 23 Budget.
- The annual appropriations (dues) remain constant, with a recommended increase in funds to be carried over from reserves. Funds will only be withdrawn from the long-term investments account if adequate funds cannot be leveraged from operations and short-terms investments accounts.
- Regarding expenses, the following recommended amendments were noted.
 - The budget for Administrative expenses can be decreased, due to downsizing the National Office and reduction of printed materials.
 - The budget for Communications expenses can be decreased due to use of Zoom for meetings and telephone services, rather than a more expensive provider.
 - The budget for Computer and Information Tech expenses can be decreased due to efforts to reduce costs for training software and computer equipment.
 - The budget for Meetings and Conferences should be increased due to the return to returning to in-person meetings. Furthermore, there have been substantial increases in costs for travel, food, and other meeting-related expenses.
 - The increase in budget for the National Data System should be considered in order to fund development and maintenance of the first group of UNITY Enhancements.
 - The budget for Payroll should be increased, as salaries are increased each year in accordance with the Commission's salary longevity plan and a cost-of-living increase approved by the Executive Committee for FY23.
 - An increase in the budget for Professional Services should be considered to fund the continuation work related to leadership development and racial justice, as planned by the Executive Committee.

FY 24 Proposed Budget

- Director Underwood explained the proposed FY 24 Budget, compared to the amended FY 23 Budget line items.
- As previously planned, dues will be recalculated soon and new rates will take effect in FY 24. The dues rate needs to be calculated so that dues are adequate to cover expenses in the future.

- Director Underwood presented projected expenses for FY 24, which included three (3) 5% increases in several lines to allow for inflation and \$50,000 to develop an evaluation partnership with a university, as planned by the Executive Committee.
- Chair Copeland opened the floor for discussion of the FY 23 Budget Amendments and FY 24 Proposed Budget as presented.

Enhancements to the UNITY data management system

- Director Underwood noted that a large number of enhancement requests were submitted. The UNITY Enhancements Subcommittee thoroughly reviewed all submissions and identified priorities to pursue. Quotes were received from the vendor this week. Of the \$312,000 in the FY 23 Budget for UNITY, \$84,000 is for the annual maintenance fee and \$228,000 would be used for enhancements.
- P. Pendergast (AL) commented that it is typical for new data systems to require adjustments and enhancements in the first two years, and asked if the \$84,000 maintenance would continue. Director Underwood explained that the recently received quote included a maintenance fee increase related to the enhancements. N. Lawson (OH) commented that with the maintenance costs proposed after all the enhancements tallies around \$130,000. N. Dalton (VA) added that the Optimum Technology contract included an \$84,000 per year maintenance fee for four-years. Director Underwood added that she and Joe Johnson would be in contact with the vendor regarding the quote, and expect to negotiate regarding this point.
- N. Dalton (VA) spoke to the work performed by the UNITY Enhancements Subcommittee, which met frequently over the last several months. All enhancement requests were reviewed line-by-line. First, submissions were sorted into functional areas, such as master task list item; event-related items; and workflow modifications. Next, submissions were sorted as critical; important; or to be retained for future consideration. Some less critical enhancements were included in the first round because they could be done for a lesser cost, as part of a package with more critical enhancements. The Enhancements Subcommittee will present its recommendations for the first round of enhancements to the Technology Committee on June 14.
- The Finance Committee agreed that the maintenance fees costs should be addressed before making a final decision on the data system line item in the proposed FY 24 Budget.

ICJ Annual Dues

- Director Underwood updated that according to the [ICJ Dues and Enforcement Policy](#), the recalculation of dues was to occur in FY 23; however, was extended to FY 24 due to the COVID-19 pandemic.
- N. Lawson (OH) commented that the dues rate was set in 2008 and inflation has risen 33 percent since then. He asked if the proposed increase in dues reflected in the proposed FY 24 Budget was derived by first projecting the expenses.
- Director Underwood confirmed she first projected expenses for FY 24 – FY28, and then developed options for how to increase dues to cover expenses for a balanced budget. Options include increasing dues by 35-40% in FY 24, which would remain unchanged the next four years; and progressively increasing dues with a large increase the first year (perhaps 20%) followed by smaller increases each year the following four years (perhaps 5% per year). P. Pendergast (AL)

commented that perhaps the Finance Committee could re-visit the succeeding years to determine if additional increases were necessary.

- P. Pendergast (AL) affirmed that there has never been an annual dues increase across the board since the Commission was established in 2008. He also noted that, with the recalculation of the dues, a few states may move up or down a tier level, and then the percentage increase would be applied. He asked if the long-term investment reserves funded UNITY, as that was the original intent.
- Director Underwood agreed the Commission planned to use invested funds for UNITY development. However, due to the pandemic-related savings and earnings on investments, it was not necessary to use funds from the long-term investment account for UNITY development. Consequently, the funds remain available for future projects.
- P. Pendergast (AL) commented that the annual business meeting is a large budget item, which consumes approximately 19% of the budget.
- Chair Copeland (TN) agreed that a dues increase is imminent. However, she suggested minimizing the annual business meeting line item by hosting virtually in years when amendments to the ICJ Rules were not being considered. Director Underwood noted it could be a recommendation to the Executive Committee. N. Belli (OR) asked how much could be saved by holding virtual meetings, as compared to in-person. Director Underwood suggested a quick comparison between the FY 22 virtual ABM and Executive Committee meeting and the FY 23 in-person ABM and Executive Committee meetings, and estimated the \$100,000 savings to host meetings virtually. N. Belli (OR) advocated for meeting in person, stating the collaboration is invaluable to the work of unique work of the Commission.
- P. Pendergast (AL) requested Director Underwood speak with the Interstate Commission for Adult Offender Supervision (ICAOS) and update the Finance Committee at the July meeting on their experiences with raising annual dues.
- S. Foxworth (CO) suggested pursuing one rate increase in the first year sufficient to cover the projected five years rather than increasing every year, so that states can correctly forecast their budgets. N. Dalton (VA) voiced concern about a 30-35 percent increase for smaller states. Director Underwood shared a spreadsheet that projected different percentages and calculations for each of the seven (7) tiers. Examples shared include:
 - For a state currently paying \$12,000 annually,
 - an upfront 35% increase would be \$16,200; and
 - an upfront 20% increase the first year would be \$14,400, plus 5% for each four years thereafter. The total amount of dues would be \$17,503 in the fifth year.
 - For a state currently paying \$22,000 annually,
 - an upfront 35% increase would be \$29,700; and
 - an upfront 20% increase the first year would be \$26,400 plus 5% for each four years thereafter. The total amount of dues would be \$32,089 in the fifth year.
- The members were polled during the meeting and were split on the best method to increase the dues.

Meetings and Professional Services

- Director Underwood explained that, during the pandemic, funds initially budgeted for in-person meeting were reallocated for projects related to leadership

development and racial justice. As the plans are made to return to in-person meetings, funding must be provided again for related costs.

- The Executive Committee is making plans to continue work related to leadership development and racial justice, as well as a new evaluation partnership with a university. Funding for these projects is included in the Professional Services section of the budget.

Old Business

S. Jones (MD) reminded members interested in an ICJ leadership position next year to submit their names.

New Business

S. Jones (MD) updated that the Maryland ICJ Office has a new Executive Director and new a supervisor will be appointed soon.

Adjourn

N. Belli (OR) made a motion to adjourn. D. Dodd (NM) seconded. Chair Copeland adjourned by acclamation at 3:36 p.m. ET.