

# INTERSTATE COMMISSION FOR JUVENILES

## Finance Committee Meeting Minutes

August 18, 2022  
2:00 p.m. ET  
Via Zoom



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### **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. Francis "Mike" Casey (DE), Commissioner
6. Nate Lawson (OH), Commissioner
7. Nina Belli (OR), Commissioner
8. Natalie Dalton (VA), Commissioner

### **Members Not in Attendance:**

1. Summer Foxworth (CO), Commissioner

### **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
4. Jenny Adkins, Operations and Policy Specialist
5. Joe Johnson, Project Manager

### **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**

- D. Dodd (NM) made a motion to approve the July 21, 2022 meeting minutes as presented. P. Pendergast (AL) seconded. The motion carried.**

### **Treasurer's Report**

- Treasurer S. Jones (MD) reported the FY 2022 Budget completed seven percent (7%) below budget.
- Verizon Wireless reimbursement was refunded electronically as a credit to the Verizon account, however a check for the balance has not yet been received.

- The investment accounts have started to gain money in the investment accounts.

## Discussion

### FY 24-28 Dues

#### Recalculated Tiers (based on FY 20 – 22 data)

- Director Underwood, presented a draft “ICJ Dues Assessment & Recalculation” document prepared to assist the Finance Committee’s discussion today regarding tiers and dues.
  - The first section of the document provided a reference to the ICJ Rule and Administrative Policy regarding ICJ Dues and Enforcement.
  - The second section briefed on the history of the dues and the impact of inflation since the Interstate Commission for Juveniles was established in 2008.
  - Next was the ICJ Tier Structure and information which included the seven (7) tiers and corresponding dues amounts. Also included was the number of states that fall into each of the tiers currently and after recalculation.
- Director Underwood updated that the Commission agreed to perform a recalculation of dues every five years. The 2020 U.S. Census and the average number of cases over a three-year period were entered into the formula. The results revealed that forty-five (45) of the fifty-two (52) members will remain in their current tiers. Four (4) members will shift to lower rate tiers and three (3) members will shift to higher rate tiers.
- P. Pendergast (AL) inquired if any additional information is needed to finalized the tier structure. Director Underwood affirmed all had been gathered and triple checked at the National Office. She shared the formula spreadsheet (without any states listed) used to calculate the ratio that corresponds to tiers.
- N. Lawson (OH) asked when the information would be shared with the members. Director Underwood replied a mass email would go to the 45 members that remained in the same tiers. Individual emails will be sent to the remaining seven and follow-up calls will be made to the three states who shifted to higher tiers. Chair C. Copeland (TN) asked Director Underwood to privately chat the present committee members that will shift tiers.

#### Recommendation for Dues Rate Adjustment

- Chair Copeland moved to the second section of the document which described two possible options for an increase for FY24-28 Dues. The two options were introduced in the July meeting and discussion table to today’s meeting. The two options charted in the document were: progressive increase option and one-time increase option.
- P. Pendergast (AL) updated that he met with his state’s fiscal department. The preference was the one-time increase upfront to have the same figure year after year in the budget.
- D. Dodd (NM) spoke to his state’s director and the head of finance. Both preferred the progressive approach.
- F. Casey (DE) reported Delaware’s preference to be the one-time upfront increase.
- C. Copeland (TN) reported Tennessee’s preference was the progressive increase.

- N. Lawson (OH) reported a one-time increase to be easier for budgeting.
- S. Jones (MD) supported the progressive increase to ensure stability beyond the next five years based on the estimated five-year budget forecast.
- N. Belli (OR) reiterated the reasons for both and stated that she prefers the one-time increase for state budgeting.
- N. Dalton (VA) updated she shared her concerns about the budget expenditures in the last meeting and does not support either option.
- Chair Copeland (TN) asked about “Recommendation 2: Long-term Planning for Future Inflation,” which proposed recommended a three percent (3%) increase each year beginning in FY 29. Director Underwood explained the proposed recommendation is not related to either option. The recommendation was included as a separate conversation point for consideration about putting something in place beyond the next five years. D. Dodd (NM) and N. Lawson (OH) suggested the recommendation be considered in the future. Others concurred.
- **P. Pendergast (AL) made a motion to recommend to the Commission during the 2022 Annual Business Meeting the option for the up-front 35 percent increase for the ICJ Dues FY24-28. N. Lawson (OH) seconded. N. Dalton (VA) and S. Jones (MD) opposed. The motion passed.**

#### Plan for Educating Members Before and During the Annual Business Meeting

- The Finance Committee discussed the best method(s) to share the recommended dues rate adjustment with the full Commission prior to the Annual Business Meeting and agreed with the actions outlined below.
- August –
  - Email all states explaining the five-year recalculations tiers and dues recommendation.
  - The email should include a document to share with their fiscal departments prior to the ABM.
  - P. Pendergast (AL) suggested that the email should also encourage questions be submitted for the Q&A Session.
  - P. Pendergast (AL) suggested Director Underwood personally contact direct the three states seeing an increase in their tiers.
- September –
  - September 21 @ 2 p.m. ET via Zoom host a live Q&A Session.
  - P. Pendergast (AL) and D. Dodd (NM) will lead the session with support from Vice Chair N. Belli (OR), Treasurer S. Jones (MD), and Committee Chair Corrie Copeland (TN). Other Finance Committee members are encouraged to attend for support.
  - P. Pendergast (AL) suggested the bullets and narrative include the history of the dues. There are many new Commissioners that do not understanding the ICJ Dues structure and calculations.
- October -
  - October 4, 2022, during the Region Meeting at the Annual Business Meeting, four representatives of the Finance Committee will present a unified message with uniform bullet points and answer questions.
  - The region representatives will be asked to include the presentation as the first discussion item on their agendas. Finance Committee members assigned by region:
    - S. Jones (MD) - South Region

- N. Lawson (OH) [N. Belli (OR) Alternate] – Midwest Region
- C. Copeland (TN) – East Region
- D. Dodd (NM) – West Region

{Chair Copeland left the meeting early and asked Vice Chair Dodd to preside over the remainder of the meeting. A quorum was retained.}

### **FY 2024 Budget Recommendation**

- Director Underwood presented the proposed FY24 Budget. The detailed expenditures in the budget were discussed in the July meeting when the Finance Committee tabled the discussion awaiting a decision on the recommended dues increase option.
- The proposed FY24 Budget included an income of \$1,313,550 with the proposed upfront increase option and a total of \$1,211,250 in expenditures. Additionally, Director Underwood provided an overview of a projected five-year forecast with the recommended dues increase
- **P. Pendergast (AL) made a motion to recommend for approval the proposed FY24 ICJ Budget as presented to the full Commission for vote during the 2022 Annual Business Meeting. N. Lawson (OH) seconded. N. Dalton (VA) opposed. The motion passed.**

### **Old Business**

- N. Dalton (VA) asked the stocks vs. bonds ratio of the Commission's long-term investment fund. N. Lawson (OH) explained that the Commission selected the risk level and Vanguard oversees the investment. P. Pendergast (AL) added that the Commission took a conservative approach to the investments.
- Director Underwood shared the Vanguard Statement overview as of July 31, 2022, which included the following investments breakdown:
  - 43.2% Stocks
  - 28.8% Bonds
  - 28.0% Short-term reserves
- Director Underwood updated that the Finance Committee made a decision a few years ago to keep \$500,000 in the short-term reserve in anticipation of vendor payments during the development of UNITY.
- N. Dalton (VA) asked how often the investments are reviewed to make determinations of the best investments for the Commission. N. Lawson (OH) replied the Commission selected the risk level and relies on Vanguard to maintain the ratio based on that selection. There are no specifics on the frequency of review of the account.
- Director Underwood explained percentage on the monthly statement are misleading, since they include both short-term reserves and long-term investments. The long-term investment is a Vanguard LifeStrategy® Moderate Growth Fund (VSMGX) with 40% stock and 60% bonds investment. D. Dodd (NM) added that this type of long-term investment is not considered a daily managed account.
- N. Dalton (VA) commented that her questions were related to the volatility of today's market.
- P. Pendergast (AL) commented on the UNITY enhancement packages approved in the FY 23 Budget expenditures would not be a recurring expenditure.

- Director Underwood shared information about the UNITY Enhancements process, including that the vendor maintenance fee percentage was negotiated from 20% to 12%. Future proposals for ICJ Rule amendments will include quotes for any UNITY impact.

#### **New Business**

- S. Jones (MD) reminded members that it is time for nominations for the 2023 Officers.
- Director Underwood updated that the Leadership Award nominees were received and the Executive Committee will vote soon.

#### **Adjourn**

**Vice Chair Dodd (NM) adjourned the meeting by unanimous consent without objection at 3:28 p.m. ET.**