

NOTICE OF PROPOSED BY-LAWS CHANGE

In accordance with MIC3 Rules, Article X, Adoption and Amendment of By-laws, “*any By-law may be adopted, amended or repealed by a majority vote of the Members, provided that written notice and the full text of the proposed action is provided to all Commission Members at least thirty (30) days prior to the meeting at which the action is to be considered.*”

A change to **Chapter 200 – GENERAL PROVISIONS - SEC. 2.104 Dues formula** is scheduled for vote at the 2018 Annual Business Meeting on October 17-18, 2018.

Members will be asked to vote on the proposed By-laws amendment during the Commission’s Annual Business Meeting scheduled for:

Date: Thursday, October 18, 2017
Time: 8:30 AM EDT
Location: The Westin Cleveland Hotel
Address: 777 St. Clair Avenue NE
Cleveland, OH 44114
Room: Orchid East

The full text of the proposed By-laws amendment may be found below.

Questions may be submitted to:

Cherise Imai, Executive Director
Military Interstate Children’s Compact Commission
1776 Avenue of the States
Lexington, KY 40511
Email: cimai@csg.org
Phone (859) 244-8069

PROPOSED AMENDMENT

MIC 3 Rules: Chapter 200- General Provisions SEC. 2.104 Dues formula

- (a) The commission shall determine the formula to be used in calculating the annual assessments to be paid by states. Public notice of any proposed revision to the approved dues formula shall be given at least 30 days prior to the Commission meeting at which the proposed revision will be considered.
- (b) The Commission may consider the population of the states, the number of students subject to the compact within each state, and the volume of student transfers between states in determining and adjusting the assessment formula.
- (c) The approved formula and resulting assessments for all member states shall be distributed by the commission to each member state annually.
- (d) Beginning with FY 2020, the dues formula shall be based on the figure of one dollar and fifteen cents per child of military families eligible for transfer under this compact, and beginning in FY 2014 this calculation shall be based upon the State in which each military family resides, except that effective FY 2013, and each year thereafter, except that no state dues assessment shall exceed the sum of

sixty-nine thousand dollars (\$69,000.00 ~~60,000.00~~) per year ~~and effective FY 2014, and each year thereafter, no state dues assessment or~~ shall be less than two thousand three hundred dollars (\$2,300.00 ~~2,000.00~~).

LEGAL RATIONALE

Pursuant to MIC3 Rules, Section 2.104(a), the dues formula may be revised by the Commission upon public notice given at least thirty (30) days prior to the Commission meeting at which the proposed revision will be considered. Under Section 2.104(b), variables that may be considered when revising the dues formula include:

- (1) The population of the states;
- (2) The number of students subject to the compact within each state; and
- (3) The volume of student transfers between states.

Based on the most recent information available to staff, the number of students subject to the compact within each state is steadily decreasing. An analysis of MIC3 dues from fiscal years 2017, 2018 and 2019 indicate that the number of dependents has decreased 2-3% annually. This results in a 2-3% decrease in the Commission's overall revenue during those years.

While revenue has decreased, the Commission membership has more than doubled and the requests for support have increased. In 2009, the Commission had twenty-four (24) member states. By 2014, the Commission membership increased to all 50 states plus the District of Columbia. The Commission also now includes five Ex-Officio (non-voting) members. Travel expenses for Commissioners to the Annual Business Meetings are paid by the Commission. Requests for resources, marketing collaterals, and training costs have also increased. At the same time, the Consumer Price Index indicates an increase of 14.5% from 2008 to 2018, reducing the purchasing power of Commission funds during the same period.