



Interstate Commission for Adult Offender Supervision

VIRTUAL ABM 2021

TREASURER REPORT

To: Commissioners of the Interstate Commission for Adult Offender Supervision

From: Gary Roberge, Treasurer and Commissioner, State of Connecticut

In fiscal year 2021, the Coronavirus pandemic and the resulting economic crisis remained dominant. Amidst added responsibilities, the Commission maintained its focus on Compact operations, resulting in a successful financial conclusion to FY 2021 that will support the one-time 30% dues reduction for all member states in FY 2022.

The Commission finished FY 2021 7.05% under budget carrying \$186,853.55 into reserves. At the close of the fiscal year, the balance in the Commission's cash reserves was \$1,295,018.94, which is maintained in a savings account earning .05% interest annually. The Finance Committee recommended to the Executive Committee, allowing a withdrawal from the Vanguard accounts as a preventative measure to assure that the Commission's savings account not drop below the requisite \$500,000 account balance and to maintain a \$750,000 balance as a result of the dues reduction this fiscal year. The Executive Committee approved this recommendation.

As you all know, in addition to our checking and savings accounts, the Commission maintains investments in two long-term Vanguard investment accounts that include an investment grade bond fund and a total stock market index fund. The Commission's investment accounts showed remarkable growth this year. The balance in the Vanguard funds as of June 30, 2021 totaled \$2,399,908.59, a 23.92% increase over the previous year.

The Commission has not needed to increase membership dues since 2008 and no dues increase is recommended for FY 2022. However, the 2020 decennial Census provided the Commission with an opportunity to update state populations and evaluate any resulting change in individual, as well as Commission-wide funding totals. Accordingly, the Finance Committee recommends maintaining the six-tiered structure utilizing the existing funding formula and relative dues ratio ranges.

Under the proposed FY 2023 dues scenario using the newest decennial Census figures, total revenue increases to \$1,532,298.30, a change of slightly more than one percent. Using this structure resulted in the following individual state tier changes:

- Idaho increases from Tier 2 to Tier 3;
- Tennessee increases from Tier 3 to Tier 4;
- Michigan decreases from Tier 4 to Tier 3; and,
- Florida increases from Tier 5 to Tier 6.

In FY 2022, the Commission will collect \$1,061,377.28 in dues assessments and spend an estimated \$1,529,533, resulting in a potential \$460,000 withdrawal from our Vanguard account.

Respectfully submitted,

Gary Roberge

Gary Roberge, Treasurer
Chair, Finance Committee
Commissioner, State of Connecticut