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2. New Executive Committee Members

3. Approval of the June 2020 Minutes

4. Remarks by the NCSL Executive Director

5. Committee Reports
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   - Subcommittee on the Legislative Institution
   - Subcommittee on State/Federal Policy


7. Legislative Staff Coordinating Committee Report

8. NCSL Foundation for State Legislatures Report

9. Closing Remarks by Speaker Robin Vos
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# BUDGET, FINANCE AND RULES COMMITTEE

## OFFICERS

<table>
<thead>
<tr>
<th>Speaker Scott Saiki</th>
<th>Senator Ralph Alvarado</th>
<th>Martha Wigton</th>
<th>Lonnie Edgar</th>
</tr>
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<tr>
<td>Hawaii</td>
<td>Kentucky</td>
<td>Georgia</td>
<td>Mississippi</td>
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<tr>
<td>Chair</td>
<td>Vice Chair</td>
<td>Staff Chair</td>
<td>Staff Vice Chair</td>
</tr>
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</table>

## LEGISLATOR MEMBERS

- Representative Marvin Abney, Rhode Island
- Representative Barbara Ballard, Kansas
- Representative Megan Blanksma, Idaho
- Senator David Blount, Mississippi
- Representative Giovanni Capriglione, Texas
- Representative Sarah Copeland-Hanzas, Vermont
- Representative Kurt Daudt, Minnesota
- Senator Bill Hansell, Oregon
- Senator Matt Huffman, Ohio
- Senator Greg Leding, Arkansas
- MNA Mathieu Lemay, Quebec
- Senator Eddie Melton, Indiana
- Senator Ann Millner, Utah
- Senator Sue Rezin, Illinois
- Senator Greg Treat, Oklahoma

## STAFF MEMBERS

- Charlotte Carter-Yamauchi, Hawaii
- Jon Courtney, New Mexico
- Matt Gehring, Minnesota
- Jon Heining, Texas
- Scott Kaiser, Illinois
- Susan Kannarr, Kansas
- Othni Latham, Alabama
- Sabrina Lewellen, Arkansas
- Natalie Mullis, Colorado

---

# COMMITTEE ON OUTREACH AND MEMBER SERVICES

## OFFICERS

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<th>Speaker Scott Bedke</th>
<th>Representative Angelo Puppolo</th>
<th>J.J. Gentry</th>
<th>Jennifer Jones</th>
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<tr>
<td>Idaho</td>
<td>Massachusetts</td>
<td>South Carolina</td>
<td>Texas</td>
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<td>Vice Chair</td>
<td>Staff Chair</td>
<td>Staff Vice Chair</td>
</tr>
</tbody>
</table>

## LEGISLATOR MEMBERS

- Representative Joan Ballweg, Wisconsin
- Senator Eric Bassler, Indiana
- Representative Gilda Cobb-Hunter, South Carolina
- Representative Marcus Evans, Illinois
- Senator Leroy Garcia, Colorado
- Senator Wayne Harper, Utah
- Senator Jean Hunhoff, South Dakota
- Representative John Kavanagh, Arizona
- Senator Ron Kouchi, Hawaii
- Assemblywoman Carol Murphy, New Jersey
- Speaker David Ralston, Georgia
- Senator Carmelo Rios Santiago, Puerto Rico
- Representative Kevin Ryan, Connecticut
- Assemblywoman Michaelle Solages, New York
- Senator Trey Stewart, Maine
- Representative Barry Usher, Montana

## STAFF MEMBERS

- Tim Bommel, Missouri
- Aurora Hauge, Alaska
- Jennifer Jackson, Texas
- Steve Pike, Virginia
- Connie Ridley, Tennessee
- Anne Sappenfield, Wisconsin
- John Snyder, Kentucky
## SUBCOMMITTEE ON STATE/FEDERAL POLICY

### OFFICERS

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<tr>
<th>Senator Greg Treat</th>
<th>Representative Marvin Abney</th>
<th>Jon Heining</th>
<th>John Snyder</th>
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<tr>
<td>Oklahoma Co-Chair</td>
<td>Rhode Island Co-Chair</td>
<td>Texas Staff Chair</td>
<td>Kentucky Staff Vice Chair</td>
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- Senator Ron Kouchi, Hawaii
- Senator Ann Millner, Utah
- Representative Angelo Puppolo, Massachusetts
- Speaker David Ralston, Georgia
- Senator Carmelo Rios Santiago, Puerto Rico
- Senator Trey Stewart, Maine
- Representative Barry Usher, Montana

### STAFF MEMBERS

- Lonnie Edgar, Mississippi
- Matt Gehring, Minnesota
- J.J. Gentry, South Carolina
- Jennifer Jones, Texas
- Natalie Mullis, Colorado
- Anne Sappenfield, Wisconsin

## SUBCOMMITTEE ON THE LEGISLATIVE INSTITUTION

### OFFICERS

<table>
<thead>
<tr>
<th>Speaker Scott Bedke</th>
<th>Senator Greg Leding</th>
<th>Susan Kannarr</th>
<th>Charlotte Carter-Yamauchi</th>
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<tr>
<td>Idaho Chair</td>
<td>Arkansas Vice Chair</td>
<td>Kansas Staff Chair</td>
<td>Hawaii Staff Vice Chair</td>
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### LEGISLATOR MEMBERS

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- Representative Kurt Daudt, Minnesota
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- Representative John Kavanagh, Arizona
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- Sabrina Lewellen, Arkansas
- Steve Pike, Virginia
- Connie Ridley, Tennessee
## SUBCOMMITTEE ON AUDIT AND COMPLIANCE

### OFFICERS

<table>
<thead>
<tr>
<th>Senator Bill Hansell</th>
<th>Senator Greg Leding</th>
<th>Matt Gehring</th>
</tr>
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<td>Arkansas</td>
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### LEGISLATOR MEMBERS

- Senator David Blount, Mississippi
- Representative Sarah Copeland-Hanzas, Vermont
- Senator Ann Millner, Utah
- Senator Greg Treat, Oklahoma

### STAFF MEMBERS

- Jon Courtney, New Mexico
- J.J. Gentry, South Carolina
- Natalie Mullis, Colorado
To: Members of the NCSL Executive Committee
From: Tim Storey, NCSL Executive Director
Date: Jan. 30, 2021
Re: Executive Director’s Report

Let me begin with gratitude. I am grateful for the time and support you share with NCSL and that you have set aside a few hours of your weekend to offer your guidance and governance insights. This is our second all-virtual Executive Committee, and I hope it will be the last. My optimism remains strong in large measure because of my continued confidence in you, and your colleagues, who are leading the nation through this historic challenge.

Much has happened at NCSL since the last official convening of the Executive Committee in June 2020. Almost all the NCSL staff continue to work remotely. They have been exceedingly productive, and seemingly busier than ever. I should not be surprised because I truly believe in the talent and dedication of the NCSL staff. It seems noteworthy to mention that legislative demands for NCSL services have not diminished even though we are not holding traditional meetings. In fact, the complete shift in legislative operations has increased the need for NCSL’s expertise.

In this board book and during the committee meetings on Saturday, you will see metrics on how much NCSL has done in the past six months to support legislators and legislative staff. There are too many highlights to list here. The centerpiece was NCSL Base Camp 2020. It was clearly a success, attended by over 1200 legislators, staff and others. We are studying how to do a version of Base Camp to complement the Summit moving forward, even after the pandemic fades into history.

In addition to the success of Base Camp, over 10,000 legislators, staff and others attended one of our 99 webinars, and another 6,000-plus participated in training and other online meetings held by NCSL. The capstone was a hugely successful redistricting seminar earlier this month attended by well over 500 people. I expect this engagement to continue given the extensive efforts we made to contact new legislators and the innovative creation of an extensive policy 101 series starting next week that is looking very strong.

The NCSL general fund budget you adopted last June remains on track to finish “in the black” despite major unexpected declines in revenue from indirect cost recovery from grants and contracts. The budget is trending positively because of additional savings in expenses, increases in revenue from online meetings, and stronger than expected revenue from publication sales. Our executive committee meeting in May will be an interesting one as we try to discern how the economy will affect state budgets and NCSL operations in developing the FY 2022 budget.

One key looming decision is how to proceed with the 2021 Legislative Summit. We are exploring various options and gathering information about the probability of being able to convene as scheduled in Chicago in August. Planning future events in COVID’s world of uncertainty is a significant challenge.

The next few months will be very interesting in the life of the nation, in legislatures and at NCSL. The NCSL staff in Washington are working hard to connect with the new administration and express the concerns of states. The change in Senate leadership is also a new dynamic, and our staff are working to highlight key state/federal issues to all parties in Congress.
We have interesting work ahead, and I am buoyed by the fact that you are helping us navigate the journey. The mission of NCSL remains clear: do everything we can to help you and your colleagues be effective leaders with access to each other’s ideas and up-to-date, credible information to inform policymaking. I close as I began, with abundant gratitude for your guidance and service.

Thank you,
To: Members of the NCSL Executive Committee
From: Speaker Robin Vos, NCSL President
               Speaker Scott Saiki, NCSL President-Elect
               Speaker Scott Bedke, NCSL Vice President
Subject: Executive Committee – Legislator Vacancy

Pursuant to Article VIII, Section 2 of the NCSL Bylaws, the NCSL Officers select Representative Megan Blanksma, House Majority Caucus Chair of the Idaho Legislature; Representative Giovanni Capriglione of the Texas Legislature; Assemblywoman Carol Murphy, General Assembly Deputy Majority Leader of the New Jersey Legislature; Assemblywoman Michaelle Solages, Assembly Deputy Majority Leader of the New York Legislature, and Representative Barry Usher of the Montana Legislature, to fill the five legislator vacancies on the NCSL Executive Committee and request your approval to these selections.

The NCSL Officers also select Senator Leroy Garcia, Senate President of the Colorado General Assembly to fill the vacancy of the Immediate Past President.
To: Members of the NCSL Executive Committee  
From: Martha Wigton, Staff Chair  
Subject: Executive Committee – Staff Vacancy

Pursuant to Article VIII, Section 2 of the NCSL Bylaws, I select Jon Courtney, Deputy Director for Program Evaluators, New Mexico Legislative Finance Committee and Natalie Mullis, Director, Colorado Legislative Council to fill the two legislative staff vacancies on the NCSL Executive Committee and request your consent to these selections.
1. Welcome and Introductions

2. Audit Committee Report
   - Audited financial statements as of June 30, 2020
   - Federal awards supplemental information
   - Required communication from Plante Moran

3. FY2021 Appropriations Update

4. FY 2021 Budget Update
   - Revenues and expenses by conference program as of December 31, 2020
   - Comparative statements of revenues, expenses and changes in net position on December 31, 2020
   - Comparative statements of net position on December 31, 2020

5. Other Business
National Conference of State Legislatures

Financial Report
with Supplemental Information
June 30, 2020
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Independent Auditor's Report

To the Executive Committee
National Conference of State Legislatures

Report on the Financial Statements

We have audited the accompanying financial statements of National Conference of State Legislatures (the "Conference") as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Conference's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of National Conference of State Legislatures as of June 30, 2020 and 2019 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 14 to the financial statements, on March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic, which has had a significant impact on the Conference. The future impact of the pandemic on the Conference's net position, cash flows, and financial condition is unknown. Our opinion is not modified with respect to this matter.
To the Executive Committee  
National Conference of State Legislatures

**Other Matters**

**Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise National Conference of State Legislatures' basic financial statements. The schedule of appropriations by entity is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of appropriations by entity is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of appropriations by entity is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2020 on our consideration of National Conference of State Legislatures' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering National Conference of State Legislatures' internal control over financial reporting and compliance.

December 8, 2020
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor’s Report

To Management and the Executive Committee
National Conference of State Legislatures

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of National Conference of State Legislatures (the "Conference") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Conference's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Conference's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conference's internal control. Accordingly, we do not express an opinion on the effectiveness of the Conference's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Conference’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conference’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
To Management and the Executive Committee  
National Conference of State Legislatures  

Purpose of This Report  
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conference's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Conference's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 8, 2020
Overview

This discussion and analysis of the financial performance of the National Conference of State Legislatures (the “Conference” or “NCSL”) offers readers an overall review and analysis of the financial activities as of and for the fiscal year ended June 30, 2020. NCSL is a bipartisan organization that serves legislators and legislative staff of all 50 U.S. states, as well as the District of Columbia, U.S. territories and the Canadian Province of Quebec. The legislative bodies are members of NCSL. The Conference fundamentally operates at a break-even level; that is, revenue received from its members is to be utilized for the benefit of its members. The Conference's financial performance is focused on providing the best possible service to its members and preserving its assets and capital. There is no focus on maximizing either revenue or operating income.

Financial Information and Analysis

Financial Highlights

- NCSL completed the year ended June 30, 2020 with an increase in net position of $948,520 on total operating revenue of approximately $35,125,000. Operating revenue increased approximately $1,104,000 from the prior year. Contributors to the change in operating revenue include increases in state appropriations, grant and contracts revenue, and meeting registration fees. Operating expense decreased by $67,000, primarily due to freezes in non-essential spending due to COVID-19.

- State appropriations revenue increased by approximately $276,000 from the prior year and reflects a collection rate of 89.6%, a slight decrease compared to a 90.1% collection rate in fiscal year 2019. The increase in the state appropriations revenue was primarily due to a 3% increase in the two factor dues formula used for the 2020 fiscal year as compared to 2019. Nine states paid less than their full dues amount in fiscal year 2020 compared to sixteen partial payments by states in fiscal year 2019.

- Total grant and contract revenue increased by approximately $122,000 in fiscal year 2020 compared to 2019, driven largely by work performed under federal cooperative agreements and awards. Activity for federal grantors increased by 3.5% while private foundation revenue was even with 2019.

- The annual Legislative Summit held in Nashville in August 2019 was exceptionally successful and attracted 6,550 attendees, resulting in an increase in meeting registration revenue of approximately $1,057,000 over the prior year’s event. This increase was in part due to higher fundraising by the Nashville Host Committee, which raised approximately $1,450,000 in support of the activities for the event, and normal fluctuations based on the geographic location of the Summit.

- During June 2020, the Conference entered into certain agreements to defease existing bond obligations, originally used to fund the construction of the NCSL headquarters building. Using existing resources set aside for this purpose, the Conference transferred funds, as more fully described below, to an irrevocable trust whose purpose is to fund all future debt service payments. As a result of this transaction, the bonds are considered to be defeased and the liability and related balances for these bonds has been removed from the Conference’s statement of assets, liabilities, and net position. This transaction resulted in a net decrease of approximately $2,879,000 to the Conference’s total liabilities compared to the prior year.

- Although the financial results during fiscal year 2020 were minimally affected, NCSL expects significant changes in its operations and financial performance during fiscal year 2021 due to the coronavirus pandemic, now known as COVID-19. The most significant of these impacts is related to the cancellation of the August 2020 Legislative Summit and the December 2020 Capitol Forum. Although certain events have been shifted to a virtual format, the Conference expects approximately $2,750,000 in lost revenue due to these cancellations during the year ended June 30, 2021. In order to mitigate these losses in revenue, as well as maintain its current workforce amid the ongoing economic uncertainty related to the COVID-19 pandemic, the Conference received a loan under the Paycheck Protection Program (PPP) for $3,145,200.
Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to NCSL's financial statements, which are comprised of two components: 1) the financial statements and 2) notes to the financial statements that provide enhanced disclosure of some of the information in the financial statements.

The statement of financial position presents information on all NCSL assets and liabilities, with the difference between the two reported as net position. This statement provides information about the nature and the amounts of investments in resources (assets) and the obligations to NCSL's creditors (liabilities). It provides one way to measure the financial health of NCSL by providing the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of NCSL. This information should be considered along with other non-financial factors such as the change in economic conditions, particularly in state governments; the change in demand for public policy research; and new or modified government legislation.

All of the current year's revenue and expense are accounted for in the statement of revenue, expenses, and changes in net position. This statement measures operations over the year and can help determine whether NCSL has recovered all of its costs through its various revenue sources.

The statement of cash flows reports cash receipts, cash disbursements, and net changes in cash resulting from operating, investing, and capital and non-capital activities. This statement provides answers to such questions as where cash came from, how cash was used, and how the cash balance changed during the period.

Financial Analysis of the Conference

Statement of Net Position Overview

As previously noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of NCSL, assets and deferred outflows of resources exceeded liabilities by $4,213,000, $3,264,000, and $3,266,000 at June 30, 2020, 2019, and 2018, respectively.

As noted in Exhibit 1, NCSL's total assets were approximately $18,344,000, $19,170,000, and $20,676,000 on June 30, 2020, 2019, and 2018. The largest portion of NCSL's total assets was its investment in capital assets (net of accumulated depreciation), of approximately $8,233,000, $8,275,000, and $8,561,000 on June 30, 2020, 2019, and 2018, respectively. NCSL's capital assets primarily consist of its headquarters building and related land which had an original cost basis of approximately $10,123,000 and $1,405,000, and a net book value of $7,834,000, $8,037,000, and $8,241,000 on June 30, 2020, 2019 and 2018, respectively.
Exhibit 1: Condensed Summary of Assets, Liabilities, and Net Position

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
<th>Increase/ Decrease</th>
<th>Percentage Increase/ Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$10,110,319</td>
<td>$9,768,784</td>
<td>$10,995,437</td>
<td>$341,535</td>
<td>3.5%</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>-</td>
<td>1,126,257</td>
<td>1,120,385</td>
<td>(1,126,257)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Capital assets - Net</td>
<td>8,233,453</td>
<td>8,275,438</td>
<td>8,560,648</td>
<td>(41,985)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Total assets</td>
<td>18,343,772</td>
<td>19,170,479</td>
<td>20,676,470</td>
<td>(826,707)</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Deferred outflows of resources -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization on refundings</td>
<td>-</td>
<td>31,156</td>
<td>56,416</td>
<td>(31,156)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>10,985,871</td>
<td>13,983,774</td>
<td>14,532,927</td>
<td>(2,997,903)</td>
<td>-21.4%</td>
</tr>
<tr>
<td>Long-term debt outstanding - Net</td>
<td>3,145,200</td>
<td>1,953,680</td>
<td>2,934,364</td>
<td>1,191,520</td>
<td>61.0%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>14,131,071</td>
<td>15,937,454</td>
<td>17,467,291</td>
<td>(1,806,383)</td>
<td>-11.3%</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>8,233,453</td>
<td>5,427,914</td>
<td>4,802,700</td>
<td>2,805,539</td>
<td>51.7%</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>-</td>
<td>1,126,257</td>
<td>1,120,385</td>
<td>(1,126,257)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(4,020,752)</td>
<td>(3,289,990)</td>
<td>(2,657,490)</td>
<td>(730,762)</td>
<td>22.2%</td>
</tr>
<tr>
<td>Total net position</td>
<td>$4,212,701</td>
<td>$3,264,181</td>
<td>$3,265,595</td>
<td>$948,520</td>
<td>29.1%</td>
</tr>
</tbody>
</table>

2020 Summary

During the year ended June 30, 2020 total current assets increased by approximately $342,000. Major contributors to this change include an increase in cash, cash equivalents, and short-term investments of $2,767,600, offset by a decrease in accounts receivable $1,029,000, prepaid expenses $1,058,000, and deposits $338,000. Cash, cash equivalents, and short-term investments increased due to larger appropriations receipts for fiscal year 2020 (an increase of $276,000 compared to 2019), improved collections on receivables, and decreases in prepaid expenses and deposits due to cancellations of the 2020 Legislative Summit. Proceeds from long-term debt under the PPP were offset by payments on bonds payable coming due. Offsetting these items was lower revenue collected in advance due to the cancellation of the August 2020 Indianapolis Legislative Summit.

Changes in non-current assets other than capital assets were minimal.

During the year ended June 30, 2020, there was a write-off of deferred outflows related to the amortization on bond refundings due to bond defeasance transaction, as discussed further below.

Current liabilities decreased by $148,000 compared to the previous year, and while the overall change is minimal, there were significant changes in the individual components of this category. Accounts payable decreased by $1,828,000 due to the cancellation of all in person invitational meetings between April and June due to the COVID-19 pandemic. NCSL normally holds between 15 and 20 meetings in the fourth quarter of any given fiscal year, giving rise to more significant accounts payable balances as of June 30. Additionally, as previously discussed above, a significant portion of revenue collected in advance as of June 30 is typically related to the annual Legislative Summit held in August of each year, which was cancelled for August 2020 due to impacts of the pandemic.
The final component of significance in the current liability category is a reduction due to the defeasance of the existing bonds payable, as further described below, included in short-term debt in the prior year.

Long-term debt was reduced due to the defeasance of the existing bonds payable during June 2020. This transaction is discussed in further detail below. Additional changes in long-term liabilities were due to that, in April 2020, the Conference received $3,145,200 in funding under the PPP, and the full amount of these proceeds is included in current liabilities as of June 30. The proceeds of this loan are being used to help sustain the normal course of business operations as allowable under the terms of the program. Under the provisions of the PPP, this loan may be eligible for forgiveness up to the full principal amount. The Conference expects to apply for forgiveness of the full amount of the loan subsequent to June 30, 2020.

2019 Summary

During the year ended June 30, 2019, total current assets decreased by approximately $1,227,000. Major contributors to this change include decreases in cash and short-term investments and deposits of approximately $1,725,000 and $116,000, respectively, offset by an increase in grant receivables and prepaid expenses of approximately $347,000 and $261,000, respectively. Cash and short-term investments decreased due to fewer appropriations receipts for fiscal year 2020 received by June 30, 2019 (a decrease of $923,000 compared to 2018) and fewer grant revenues received for fiscal year 2020 by June 30, 2019 (a decrease of $546,000 compared to 2018), offset by stronger Nashville Summit (which will take place in August 2019) deferred registration fees of $375,000 greater than collected for the Los Angeles Summit at June 30, 2018. Prepaid expenses were up due to higher upfront cash outlays required in advance of the Nashville Summit compared to the Los Angeles Summit.

Changes in non-current assets other than capital assets were minimal.

Current liabilities decreased by $549,000 compared to the previous year, driven largely by the decrease in deferred revenue mentioned above.

Long-term debt was reduced by payment of bond principal in June 2019, leaving a non-current balance in bonds payable of $1,885,000. The current portion of bonds payable at the end of the fiscal year was $925,000.

2018 Summary

During the year ended June 30, 2018, total current assets increased by approximately $1,102,000. Major contributors to this change include increases in cash and short-term investments, appropriations receivable, and deposits of approximately $1,157,000, $179,000 and $158,000, respectively, offset by a decrease in prepaid expenses of approximately $385,000. Cash and short-term investments were up due to increased appropriations receipts for fiscal year 2019 received shortly before the end of the 2018 fiscal year. Deposits increased as NCSL purchased a new association management system expected to be placed into service during fiscal year 2019. Prepaid expenses were down due to lower upfront cash outlays required in advance of the Los Angeles Summit held in August 2018 versus the previous year.

Changes in non-current assets other than capital assets were minimal.

Current liabilities increased by $1,416,000 compared to the previous year, driven largely by the increase in deferred revenue mentioned above.

Long-term debt was reduced by payment of bond principal in June 2018, leaving a non-current balance in bonds payable of $2,810,000. The current portion of bonds payable at the end of the fiscal year was $880,000.

Capital Assets

NCSL had approximately $8,344,000, $8,275,000, and $8,752,000 of capital assets, net of accumulated depreciation, invested in capital assets as detailed below at June 30, 2020, 2019 and 2018. Of that amount, the most significant capital asset is the headquarters building in Denver, Colorado. The detail of capital assets is included in Exhibit 2 below.
Exhibit 2: Capital Assets

Capital assets, net of related accumulated depreciation as of June 30, 2020 was:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$10,123,111</td>
<td>$(3,693,888)</td>
<td>$6,429,223</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,870,355</td>
<td>(3,863,304)</td>
<td>7,051</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,691,618</td>
<td>(1,451,192)</td>
<td>239,726</td>
</tr>
<tr>
<td>Land</td>
<td>1,404,920</td>
<td>-</td>
<td>1,404,920</td>
</tr>
<tr>
<td>Other</td>
<td>1,082,065</td>
<td>(958,875)</td>
<td>123,190</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>569,495</td>
<td>(540,152)</td>
<td>29,343</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td><strong>18,741,564</strong></td>
<td><strong>(10,508,111)</strong></td>
<td><strong>8,233,453</strong></td>
</tr>
</tbody>
</table>

Capital assets, net of related accumulated depreciation as of June 30, 2019 was:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$10,123,111</td>
<td>$(3,491,070)</td>
<td>$6,632,041</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,865,226</td>
<td>(3,825,745)</td>
<td>39,481</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,632,374</td>
<td>(1,551,798)</td>
<td>80,576</td>
</tr>
<tr>
<td>Land</td>
<td>1,404,920</td>
<td>-</td>
<td>1,404,920</td>
</tr>
<tr>
<td>Other</td>
<td>1,030,736</td>
<td>(912,316)</td>
<td>118,420</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>(537,935)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td><strong>18,594,302</strong></td>
<td><strong>(10,318,864)</strong></td>
<td><strong>8,275,438</strong></td>
</tr>
</tbody>
</table>

Capital assets, net of related accumulated depreciation as of June 30, 2018 was:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$10,123,111</td>
<td>$(3,287,531)</td>
<td>$6,835,580</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,851,953</td>
<td>(3,782,840)</td>
<td>69,113</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,599,753</td>
<td>(1,513,007)</td>
<td>86,746</td>
</tr>
<tr>
<td>Land</td>
<td>1,404,920</td>
<td>-</td>
<td>1,404,920</td>
</tr>
<tr>
<td>Other</td>
<td>1,030,736</td>
<td>(866,447)</td>
<td>164,289</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>(537,935)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td><strong>18,548,408</strong></td>
<td><strong>(9,987,760)</strong></td>
<td><strong>8,560,648</strong></td>
</tr>
</tbody>
</table>
NCSL’s customized association management software which was placed in service in 2005 was replaced by a more robust cloud-based system in November 2019. The previous software is fully depreciated but still active and is expected to be retired in December 2020. Purchases of computer hardware and software during fiscal year 2020 included audio visual and related telecommunications equipment for the headquarters building’s main conference room, and software associated with the transition of payroll software and services to a new third-party service provider. Fully depreciated hardware was retired in the amount of $115,000. Additionally, lighting in the headquarters building was upgraded to more efficient fixtures and the overall costs were offset by rebates from the local utility. During the year ended June 30, 2019, office furniture and fixtures increased due to furniture purchases for the headquarters building. There were no other major purchases or disposals of capital equipment for the years ended June 30, 2019 and 2018.

Note Payable

The PPP was established by Congress as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), under which the Small Business Administration (SBA) was authorized to fund loans to qualifying entities to be used for coronavirus relief. The SBA will forgive up to the full amount of the loans issued if it deems certain employee retention and salary level criteria are met, and the funds are used for eligible expenses. In May 2020, the Conference utilized this loan program and received $3,145,200 in funding. The Conference recognized significant uncertainty at the time of the receipt of these funds, including, but not limited to known cancellation of the August 2020 Legislative Summit, expected cancellations of future 2020 and 2021 meetings, uncertainty surrounding the liquidity of the Conference’s state and local government member base, and expected decreases in grant and contract funding.

This loan bears interest at 1.00% per annum, and is due in monthly payments of principal and interest beginning in September 2021 in the estimated amount of $355,000. All outstanding principal and interest is due in May 2022. Under the provisions of the PPP, this loan may be eligible for forgiveness up to the full principal amount. The Conference utilized the funds received in accordance with all available provisions of the PPP, and expects to apply for forgiveness of the full amount of the loan subsequent to the financial statement date, however, the application for forgiveness is subject to approval by both the bank and the SBA.

Bonds Payable and Debt Administration

During June 2020, the Conference entered into certain agreements in order to defease all outstanding bonds payable. The outstanding bonds at time of defeasance were originally issued in 2001, which were subsequently refunded in 2010 through the issuance of revenue bonds by the Colorado Educational and Cultural Facilities Authority. The Conference utilized existing resources including established bond reserves and other cash and cash equivalents on hand to fully satisfy future obligations related to the existing bonds by placing these funds in an irrevocable trust to provide for all future debt service payments on the bond obligation. As a result of this defeasance transaction, the bonds are considered to be defeased, and the liability for the bonds, and all related balances, have been removed from the statement of net position as of June 30, 2020.

At June 30, 2019 and 2018, NCSL had $2,810,000 and $3,690,000 in bonds payable. The Series 2010 bonds as of June 30, 2019 and 2018 bore interest at face rates ranging from 3.0% to 5.0% with equivalent yields ranging from 1.0% to 3.7%. These rates were a significant decrease from those of the Series 2001 bonds (4.0% to 6.0%).

Prior to defeasance, Moody's and Standard & Poor's periodically rated the bonds. With the defeasance of the bonds on June 15, 2020, Moody's withdrew their rating in June 2020 and Standard & Poor's in September 2020. The rating of "A3 Stable" from Moody's was most recently affirmed in February 2020 and was in place prior to defeasance. Standard & Poor's performed a formal review of NCSL's financial condition in November 2019 and affirmed its rating of "A Stable" previously issued in August 2018, which is the rating in place prior to defeasance.
Statement of Revenue, Expenses, and Changes in Net Position Overview

As previously noted, the statement of revenue, expenses, and changes in net position measures operations over the year and can help determine whether NCSL has recovered all of its costs through its various revenue sources. NCSL does not endeavor to meet any specific targets in relation to its change in net position, rather focuses its effort on providing services to its members at a cost-efficient and fiscally responsible manner. For the years ended June 30, 2020, 2019, and 2018, the Conference had a change in net position of $948,520, ($1,414), and $414,551, respectively.

Exhibit 3: Summary of Revenue, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th>For the Years Ended June 30,</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>$10,600,618</td>
<td>$10,324,355</td>
<td>$10,615,025</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>16,416,497</td>
<td>16,294,941</td>
<td>14,428,629</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>3,627,309</td>
<td>2,569,872</td>
<td>2,952,791</td>
</tr>
<tr>
<td>Private contributions</td>
<td>3,373,713</td>
<td>3,888,582</td>
<td>4,798,267</td>
</tr>
<tr>
<td>Other</td>
<td>1,106,605</td>
<td>1,168,622</td>
<td>1,237,078</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>35,124,742</td>
<td>34,246,372</td>
<td>34,031,790</td>
</tr>
</tbody>
</table>

| **Operating Expenses**      |             |             |             |
| Salaries and benefits       | 18,966,596  | 17,987,632  | 17,189,971  |
| Travel and conferences      | 6,220,350   | 6,545,945   | 6,907,466   |
| Consultants and contract services | 5,435,540 | 6,123,191   | 6,059,437   |
| Occupancy                   | 1,367,257   | 1,307,439   | 1,328,071   |
| Office expenses             | 550,874     | 594,487     | 653,238     |
| Other                       | 1,502,316   | 1,642,631   | 1,376,742   |
| **Total Expenses**          | 34,042,933  | 34,201,325  | 33,514,925  |

| **Operating Income**        | 1,081,809   | 45,047      | 516,865     |

| **Nonoperating Expense**    | (133,289)   | (46,461)    | (102,314)   |

| **Change in Net Position**  | 948,520     | (1,414)     | 414,551     |
| **Net Position - Beginning of year** | 3,264,181 | 3,265,595   | 2,851,044   |

| **Net Position - End of year** | $ 4,212,701 | $ 3,264,181 | $ 3,265,595 |

Revenues

State Appropriations

The largest source of General Fund revenue and the second largest source of total revenue is appropriations (dues) from member entities, which accounted for 30.2% of NCSL’s total revenue for the fiscal year ended June 30, 2020, 30.1% for the year ended June 30, 2019, and 31.2% for the year ended June 30, 2018. Dues amounts for each member are calculated using a formula that includes a flat base amount plus a variable amount based on the population of the member. This formula is reviewed and updated periodically by NCSL’s Budget, Finance and Rules Committee. Based on the formula, scheduled dues were $11,830,000, $11,444,600, and $11,295,000 for the years ended June 30, 2020, 2019, and 2018. Actual dues revenue for fiscal year 2020 reflects an 89.6% collection rate for the current year dues compared to 90.1% for the year ended June 30, 2019 and 90.8% for the year ended June 30, 2018.
Grants and Contracts

Total grant and contract revenue increased by approximately $122,000 or 0.7%, in fiscal year 2020 compared to the prior year. During the years ended June 30, 2019 and 2018, grants and contract revenue increased by approximately $1,641,000 and $1,257,000. Grant and contract revenue comprised 46.7% of NCSL’s operating revenue in fiscal year 2020 compared to 47.6% in fiscal year 2019 and 42.5% in fiscal year 2018. Grants and contracts typically require NCSL to perform research related to matters of public policy and implementation of state and federal laws. They also often require NCSL to host meetings of groups of legislators and legislative staff; therefore, overall NCSL revenues and expenses associated with meetings, conferences, and travel tend to move with the level of grant and contract activity.

The Conference recognizes that many federal and private grants may have changing objectives, activities, reporting, and timeliness in situations where the COVID-19 pandemic has impacted capabilities or priorities, and has assessed these impacts on a grant by grant basis to ensure compliance with the grant agreements.

Revenues from federal grant programs increased by approximately $254,000, $783,000, and $1,335,000 during the years ended June 30, 2020, 2019, and 2018 over the previous year. The increase in 2019 and 2018 is due to the higher level of effort associated with the large award from the Department of Labor and the Centers for Disease Control. In January 2019, in association with The Council of State Governments and the National Governors Association Center for Best Practices, NCSL was awarded $7.5 million from the US Department of Labor’s Employment and Training Administration to examine state occupational licensing laws over a three-year period. This award accounted for approximately $2,300,000, $2,500,000, and $2,000,000 of revenue for the years ended June 30, 2020, 2019, and 2018, respectively.

Revenue from private foundations for the year ended June 30, 2020 decreased approximately $132,000 compared to the year ended June 30, 2019 primarily due to normal fluctuations and timing of contributions, however the makeup of the Conferences grantors changed significantly. Notable increases in revenue include additions from the NCSL Foundation for State Legislatures and the Tennessee Department of Economic & Community Development whose funding was directed to the Nashville Legislative Summit. Decreases in revenue occurred across several sponsors, including the W.K. Kellogg Foundation, The Pew Charitable Trust, and The MacArthur Foundation.

Revenue from private foundations increased by approximately $860,000 during the year ended June 30, 2019. Notable increases include additions from the NCSL Foundation for State Legislatures and The Pew Charitable Trusts. Decreases in revenue occurred from the W.K. Kellogg Foundation and the Annie E. Casey Foundation.

Revenue from private foundations decreased by approximately $78,000 during the year ended June 30, 2018. Notable increases in revenue include additions from the W.K. Kellogg Foundation and the Annie E. Casey Foundation. Decreases in revenue occurred across several sponsors, including The Pew Charitable Trusts.

NCSL’s grant and contract revenue sources for the years ended June 30, 2020, 2019, and 2018 are detailed in Exhibit 4.
### Exhibit 4: Primary Grant and Contract Activity - Source of Funds

#### For the Years Ended June 30,

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal grants and contracts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Labor (awards)</td>
<td>$2,321,742</td>
<td>14.1%</td>
<td>$2,538,882</td>
</tr>
<tr>
<td>Department of Energy (awards)</td>
<td>2,127,920</td>
<td>13.0%</td>
<td>1,860,518</td>
</tr>
<tr>
<td>Department of Health and Human Services (awards)</td>
<td>993,971</td>
<td>6.1%</td>
<td>1,029,211</td>
</tr>
<tr>
<td>Centers for Disease Control (awards)</td>
<td>1,058,080</td>
<td>6.4%</td>
<td>725,224</td>
</tr>
<tr>
<td>Department of Labor (contracts)</td>
<td>250,000</td>
<td>1.5%</td>
<td>300,000</td>
</tr>
<tr>
<td>Department of Justice (awards)</td>
<td>4,828</td>
<td>0.0%</td>
<td>214,958</td>
</tr>
<tr>
<td>Department of Transportation (awards)</td>
<td>262,572</td>
<td>1.6%</td>
<td>210,908</td>
</tr>
<tr>
<td>Department of Health and Human Services (contracts)</td>
<td>122,924</td>
<td>0.7%</td>
<td>95,834</td>
</tr>
<tr>
<td>Department of Defense (contracts)</td>
<td>90,804</td>
<td>0.6%</td>
<td>81,027</td>
</tr>
<tr>
<td>Department of Transportation (contracts)</td>
<td>40,532</td>
<td>0.2%</td>
<td>53,633</td>
</tr>
<tr>
<td>Department of Commerce (contracts)</td>
<td>557</td>
<td>0.0%</td>
<td>1,903</td>
</tr>
<tr>
<td>Centers for Disease Control (contracts)</td>
<td>18,983</td>
<td>0.1%</td>
<td>24,017</td>
</tr>
<tr>
<td>Department of Homeland Security (contracts)</td>
<td>54,150</td>
<td>0.3%</td>
<td>-</td>
</tr>
<tr>
<td>Department of State (awards)</td>
<td>42,778</td>
<td>0.3%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total - federal grants and contracts</strong></td>
<td>7,414,841</td>
<td>45.2%</td>
<td>7,161,115</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Foundations</strong></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCSL Foundation for State Legislatures</td>
<td>2,452,444</td>
<td>14.9%</td>
<td>1,911,065</td>
</tr>
<tr>
<td>The Pew Charitable Trust</td>
<td>1,142,011</td>
<td>7.0%</td>
<td>1,657,350</td>
</tr>
<tr>
<td>Tennessee Department of Economic &amp; Community Development</td>
<td>900,000</td>
<td>5.5%</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous foundations less than $100,000</td>
<td>865,836</td>
<td>5.3%</td>
<td>528,551</td>
</tr>
<tr>
<td>Annie E. Casey Foundation</td>
<td>556,336</td>
<td>3.4%</td>
<td>503,872</td>
</tr>
<tr>
<td>Laura and John Arnold Foundation</td>
<td>536,961</td>
<td>3.3%</td>
<td>351,106</td>
</tr>
<tr>
<td>John D. and Catherine T. MacArthur Foundation</td>
<td>317,319</td>
<td>1.9%</td>
<td>534,757</td>
</tr>
<tr>
<td>Alliance for Early Success</td>
<td>274,206</td>
<td>1.7%</td>
<td>258,905</td>
</tr>
<tr>
<td>Casey Family Programs</td>
<td>223,999</td>
<td>1.4%</td>
<td>136,683</td>
</tr>
<tr>
<td>Lumina Foundation</td>
<td>222,792</td>
<td>1.4%</td>
<td>226,767</td>
</tr>
<tr>
<td>Charles Stewart Mott Foundation</td>
<td>215,254</td>
<td>1.3%</td>
<td>254,375</td>
</tr>
<tr>
<td>Heising-Simons Foundation</td>
<td>209,596</td>
<td>1.3%</td>
<td>166,505</td>
</tr>
<tr>
<td>Learning Policy Institute</td>
<td>203,607</td>
<td>1.2%</td>
<td>-</td>
</tr>
<tr>
<td>Wallace Foundation</td>
<td>140,316</td>
<td>0.9%</td>
<td>255,408</td>
</tr>
<tr>
<td>Nellie Mae Education Foundation</td>
<td>129,337</td>
<td>0.8%</td>
<td>244,971</td>
</tr>
<tr>
<td>Democracy Fund</td>
<td>126,882</td>
<td>0.8%</td>
<td>143,950</td>
</tr>
<tr>
<td>Commonwealth Fund</td>
<td>122,770</td>
<td>0.7%</td>
<td>299,822</td>
</tr>
<tr>
<td>Robert Wood Johnson Foundation</td>
<td>122,496</td>
<td>0.7%</td>
<td>-</td>
</tr>
<tr>
<td>Bill and Melinda Gates Foundation</td>
<td>117,303</td>
<td>0.7%</td>
<td>280,868</td>
</tr>
<tr>
<td>Carnegie Corporation of New York</td>
<td>112,291</td>
<td>0.7%</td>
<td>148,336</td>
</tr>
<tr>
<td>Pritzker Children’s Initiative</td>
<td>-</td>
<td>0.0%</td>
<td>166,474</td>
</tr>
<tr>
<td>The William and Flora Hewlett Foundation</td>
<td>-</td>
<td>0.0%</td>
<td>160,588</td>
</tr>
<tr>
<td>Ballmer Group</td>
<td>-</td>
<td>0.0%</td>
<td>158,419</td>
</tr>
<tr>
<td>New Venture Fund</td>
<td>-</td>
<td>0.0%</td>
<td>100,935</td>
</tr>
<tr>
<td>DentaQuest Foundation</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Walton Family Foundation</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>W.K. Kellogg Foundation</td>
<td>-</td>
<td>0.0%</td>
<td>604,208</td>
</tr>
<tr>
<td><strong>Total - foundations</strong></td>
<td>9,001,656</td>
<td>54.8%</td>
<td>9,133,826</td>
</tr>
</tbody>
</table>

**Total grants and contracts revenue** $16,416,497 100.0% $16,294,941 100.0% $14,428,629 100.0%
Meetings and Conferences

NCSL conducts meetings and conferences to educate and inform its members and other parties interested in public policy issues. Revenues from these meetings accounted for 10.3% of NCSL’s revenues in the year ended June 30, 2020, compared to 7.5% in 2019 and 8.7% in 2018. Revenue associated with NCSL’s annual Legislative Summit, held in Nashville in August 2019, was approximately $3,400,000 and had the second largest attendance in the history of the Conference with 6,500 attendees. The Legislative Summit held Los Angeles in August 2018 included 5,100 attendees with approximately $2,600,000 in revenue. The Boston Legislative Summit in August 2017 had 6,400 attendees and produced approximately $3,000,000 in revenue.

The Conference expects significant fluctuations in both its meetings and conferences revenues and expenses in the coming fiscal year ending June 30, 2021 due to the impacts of COVID-19. The Conference has cancelled numerous meetings and conferences extending into 2021, as well as transitioning certain events to a virtual environment.

Publications and Exhibits

NCSL produces various publications about public policy both in written and electronic form. It publishes a periodic magazine that focuses on state legislatures and public policy. NCSL also generates revenues from exhibitors at the annual Legislative Summit. Revenues for the year ending June 30, 2020 were approximately $26,000 lower than those in 2019 due to decreases in advertising revenues, primarily attributed to the cancellation of the August 2020 Legislative Summit. Revenues generated from publications and exhibits were consistent with 2019 and 2018.

Operating Budgets

NCSL’s activities are traditionally split between the General Fund and the Restricted Fund. The Restricted Fund is a composite of all individual grants and contracts. Each award is given a budget that reflects the agreement between NCSL and the funding source. Budget performance is monitored at the award level. At award end and as allowed by grantor agreements, any overage or shortage is transferred to the corresponding general fund program.

Expenses

Salaries and Benefits

As a professional services organization, NCSL’s primary resource is its employees. Salaries and benefits account for 55.7% of total operating costs in the year ended June 30, 2020, 52.5% in the year ended June 30, 2019, and 50.5% in the year ended June 30, 2018. The increase in salaries and benefits year to year is primarily due to staff salary increases that are effective as of October 1. Salaries and benefits for the year ended June 30, 2020 for both grant and general fund staff increased by 6% versus the prior year. For 2019 and 2018, this category increased by approximately 4% annually.

Travel and Conferences

NCSL incurs meeting-related expenses (food services, audio and visual, and other) as well as travel for NCSL staff. These costs account for 18.3% of operating expenses this year compared to 19.1% in 2019 and 20.3% in 2018. During the year ended June 30, 2020, total travel and conference expenses decreased approximately $326,000 compared to the prior year, primarily due to impacts of the COVID-19 pandemic, and cancellations of meetings and conferences for the health and safety of the Conference’s constituents and staff, as well as due to state and local government restrictions.
Consultants and Contractual Services

NCSL routinely performs work where a component of the work is performed by outside parties. In other instances, NCSL operates in partnership with other organizations to accomplish a common goal. These costs constitute approximately 16.0% of operating expenses in the year ended June 30, 2020, a decrease from 17.9% in 2019 and a decrease from 17.8% in 2018. Consultant and contract service costs decreased in part due to certain of those services being performed in-house by NCSL staff, as evidenced by higher salary costs in the year ended June 30, 2020.

Occupancy Cost - Repairs and Property Maintenance

NCSL owns its headquarters in Denver, Colorado. Occupancy cost at this facility consists of utilities, management expense, landscaping, property insurance, repairs, and maintenance. Costs increased by approximately $60,000 in the year ended June 30, 2020 compared to 2019 due to certain additional expenses related to the bond defeasance transaction, as well as normal inflationary cost increases. In addition, the Conference leases space in Washington DC. In the year ended June 30, 2020 occupancy represents 4.0% of total expenses while 2019 was 3.8% and 2018 was 3.9%.

Office Expense

NCSL maintains offices in Washington, D.C., and Denver, Colorado. Costs of operating these offices was 1.6%, 1.7%, and 1.9% of operating expenses at June 30, 2020, 2019 and 2018 and include items such as office equipment, supplies, postage & freight, maintenance of office equipment, and communications.

Statement of Cash Flows Overview

As previously noted, the statement of cash flows reports cash receipts, cash disbursements, and net changes in cash resulting from operating, investing, and capital and non-capital activities. As of June 30, 2020, 2019, and 2018, the Conference held cash and cash equivalents in the amount of $882,289, $2,018,858, and $1,582,877, respectively.

Exhibit 5: Summary of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$1,739,192</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(191,203)</td>
</tr>
<tr>
<td>Net cash (used) provided by investing activities</td>
<td>(2,684,558)</td>
</tr>
<tr>
<td></td>
<td>(1,136,569)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning of year</td>
<td>2,018,858</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - End of year</td>
<td>$882,289</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities for the year ended June 30, 2020 totaled approximately $1,739,000, compared to net cash used by operating activities for the year ended June 30, 2019 of approximately ($716,000) and net cash provided by operating activities for the year ended June 30, 2018 of approximately $2,310,000. The increase in cash provided by operations during fiscal year 2020 was primarily due to reduced payments for employees and suppliers due to the cancellation of in person meetings in the fourth quarter of the year due to the impacts of COVID-19, and deposits not made due to the cancellation of the August 2020 Indianapolis Legislative Summit. Dues collections in fiscal year 2020 were higher than the prior year, but receipts for private contributions were lower than the previous year. Components of the decrease in cash provided by operating activities during 2019 included a decrease in prepaid state dues and an increase in employee and supplier payments compared to 2018.
Cash used in capital and related financing activities consists of bond principal and interest payments of approximately $3,074,000, $1,095,000, and $1,088,000 in the years ended June 30, 2020, 2019, and 2018. During the years ended June 30, 2020, 2019, and 2018, NCSL purchased and replaced capital assets through purchases in the amounts of approximately $263,000, $46,000 and $175,000. During the year ended June 30, 2020 the Conference received funds from the PPP as described above in the amount of $3,145,200.

Cash was used by investing activities in the amount of $2,775,000 offset by the receipt of interest income in the amount of $92,000 during the year ended June 30, 2020. During the year ended June 30, 2019 cash was provided by investing activities in the amount of $2,300,000 while during the year ended June 30, 2018 cash was used by investing activities in the amount of $885,000. Interest income of $138,000 and $114,000 was earned during the years ended June 30, 2019 and 2018, respectively.

In summary, the Conference’s cash and cash equivalents decreased by approximately $1,137,000 for the year ended June 30, 2020 and increased by $436,000 and $162,000 for the years ended June 30, 2019 and 2018.

Economic Factors

The Conference traditionally divides its operations into two budgetary units: the General Fund, which is funded by dues from the states, meeting registration fees, sales of publications, investment income, and other sources; and the Restricted Fund, which is comprised of grant and contract revenue that funds work performed for various federal agencies and foundations.

The Conference is the only national organization whose purpose is to provide non-partisan public policy research and technical assistance directed specifically to the 50 state legislatures. Since it is governed by representatives of those legislatures, it is likely that its focus will remain on service to the legislatures. The management of the Conference believe that its diverse and stable revenue sources, along with the Conference’s work in the grant and contract area, enable NCSL to continue its mission throughout all economic cycles.

NCSL management monitors the collections of membership dues, which are potentially affected by changes in state tax revenues influenced by economic conditions at the individual state member level. The Conference periodically makes necessary adjustments in expenditures to balance any decrease in dues revenues.

The Conference relies on a significant portion of federal grants and contracts in order to support its members and carry out its objectives. With continuing pressure on the federal budget that could adversely affect future grant revenues from this source, management continues to diversify its sources of grant funding, from both federal and private sources, to mitigate any changes in the grant revenue mix.

COVID-19 Impacts and Economic Uncertainty

NCSL management continues to monitor the ongoing economic impacts of the COVID-19 pandemic, and their potential affects on operations. While the Conference recognizes the significant macro-economic risks that could impact the Conference, including recessions and other economic downturns, it believes the most significant risks are more isolated to specific areas of its operations. The most significant impacts to the Conference to date have been related to cancellations and transitions to virtual conferences and meetings. Additionally, the Conference has conservatively budgeted for the fiscal year 2021 in order to mitigate future cancellations and uncertainty. The Conference relies on appropriations from state governments, which are subject to approval by each state legislature. Due to the COVID-19 pandemic, the Conference continues to monitor and evaluate the liquidity of state and local governments to ensure minimal interruptions to its funding model. Lastly, the Conference recognizes that federal, state, and local government restrictions could have continuing impacts on the Conference’s ability to carry out its future programmatic goals. Management reviews, plans, and responds to these risks as they arise.
Requests for Information

This financial report was designed to provide a general overview of NCSL’s finances for those with an interest in NCSL. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Mary Wild, Chief Financial Officer
National Conference of State Legislatures
7700 East First Place
Denver, Colorado 80230
Telephone: 303-856-1342
## Statement of Net Position

**June 30, 2020 and 2019**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$882,289</td>
<td>$892,601</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>7,728,082</td>
<td>4,951,144</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables from grants and contracts - Net of allowance of $97,539 (2020 and 2019)</td>
<td>835,565</td>
<td>1,722,863</td>
</tr>
<tr>
<td>Appropriations receivable</td>
<td>87,182</td>
<td>179,326</td>
</tr>
<tr>
<td>Trade receivables - Net of allowance of $5,000 (2020 and 2019)</td>
<td>97,297</td>
<td>149,051</td>
</tr>
<tr>
<td>Other receivables</td>
<td>30,975</td>
<td>28,609</td>
</tr>
<tr>
<td>Receivables</td>
<td>835,565</td>
<td>1,722,863</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>378,632</td>
<td>1,437,113</td>
</tr>
<tr>
<td>Deposits</td>
<td>70,297</td>
<td>408,077</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>10,110,319</td>
<td>9,768,784</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets - Net</td>
<td>8,233,453</td>
<td>8,275,438</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>8,233,453</td>
<td>9,401,695</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>18,343,772</td>
<td>19,170,479</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong> - Bond refunding loss being amortized</td>
<td>-</td>
<td>31,156</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>239,517</td>
<td>2,067,239</td>
</tr>
<tr>
<td>Due to NCSL Foundation for State Legislatures</td>
<td>58,703</td>
<td>50,289</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>2,050,648</td>
<td>1,220,443</td>
</tr>
<tr>
<td>Revenue collected in advance</td>
<td>8,297,202</td>
<td>9,398,975</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>339,801</td>
<td>321,828</td>
</tr>
<tr>
<td>Current portion of bonds payable</td>
<td>-</td>
<td>925,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>10,985,871</td>
<td>13,983,774</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note payable</td>
<td>3,145,200</td>
<td>-</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>-</td>
<td>1,885,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>68,680</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>3,145,200</td>
<td>1,953,680</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,131,071</td>
<td>15,937,454</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>8,233,453</td>
<td>5,427,914</td>
</tr>
<tr>
<td>Restricted - Debt service</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(4,020,752)</td>
<td>(3,289,990)</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$4,212,701</td>
<td>$3,264,181</td>
</tr>
</tbody>
</table>

See notes to financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>$10,600,618</td>
<td>$10,324,355</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>16,416,497</td>
<td>16,294,941</td>
</tr>
<tr>
<td>Annual meeting, seminar, and committee registration</td>
<td>3,627,309</td>
<td>2,569,872</td>
</tr>
<tr>
<td>Private contributions</td>
<td>3,373,713</td>
<td>3,888,582</td>
</tr>
<tr>
<td>Sales of publications and exhibits</td>
<td>749,156</td>
<td>775,049</td>
</tr>
<tr>
<td>Data processing services</td>
<td>112,031</td>
<td>167,668</td>
</tr>
<tr>
<td>Other</td>
<td>245,418</td>
<td>225,905</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>35,124,742</td>
<td>34,246,372</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>14,381,438</td>
<td>13,489,227</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>6,220,350</td>
<td>6,545,945</td>
</tr>
<tr>
<td>Consultants and contract services</td>
<td>5,435,540</td>
<td>6,123,191</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>4,585,158</td>
<td>4,498,405</td>
</tr>
<tr>
<td>Rent and property maintenance</td>
<td>1,367,257</td>
<td>1,307,439</td>
</tr>
<tr>
<td>Office expenses</td>
<td>550,874</td>
<td>594,487</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>305,037</td>
<td>502,404</td>
</tr>
<tr>
<td>Information technology services</td>
<td>871,344</td>
<td>788,773</td>
</tr>
<tr>
<td>Depreciation</td>
<td>305,195</td>
<td>331,104</td>
</tr>
<tr>
<td>Other</td>
<td>20,740</td>
<td>20,350</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>34,042,933</td>
<td>34,201,325</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>1,081,809</td>
<td>45,047</td>
</tr>
<tr>
<td><strong>Nonoperating Revenue (Expense)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend revenue</td>
<td>92,380</td>
<td>138,241</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(225,669)</td>
<td>(184,702)</td>
</tr>
<tr>
<td><strong>Total nonoperating expense</strong></td>
<td>(133,289)</td>
<td>(46,461)</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>948,520</td>
<td>(1,414)</td>
</tr>
<tr>
<td><strong>Net Position - Beginning of year</strong></td>
<td>3,264,181</td>
<td>3,265,595</td>
</tr>
<tr>
<td><strong>Net Position - End of year</strong></td>
<td>$4,212,701</td>
<td>$3,264,181</td>
</tr>
</tbody>
</table>

See notes to financial statements.
### National Conference of State Legislatures

**Statement of Cash Flows**

**Years Ended June 30, 2020 and 2019**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from appropriations</td>
<td>$10,961,043</td>
<td>$9,400,482</td>
</tr>
<tr>
<td>Cash received from grants and contracts</td>
<td>13,454,646</td>
<td>14,282,587</td>
</tr>
<tr>
<td>Cash received from NCSL Foundation for State Legislatures</td>
<td>3,967,208</td>
<td>3,865,149</td>
</tr>
<tr>
<td>Cash received from contributions, commissions, honorariums, and customers</td>
<td>6,626,469</td>
<td>7,860,074</td>
</tr>
<tr>
<td>Payments to and for employees</td>
<td>(18,136,239)</td>
<td>(19,086,683)</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(15,133,441)</td>
<td>(16,746,605)</td>
</tr>
<tr>
<td>Other payments</td>
<td>(494)</td>
<td>(291,026)</td>
</tr>
<tr>
<td><strong>Net cash and cash equivalents provided by (used in) operating activities</strong></td>
<td>1,739,192</td>
<td>(716,022)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Capital and Related Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(263,210)</td>
<td>(45,894)</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>3,145,200</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(925,000)</td>
<td>(880,000)</td>
</tr>
<tr>
<td>Cash flows required to service the defeased debt</td>
<td>(1,976,246)</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments</td>
<td>(171,947)</td>
<td>(215,126)</td>
</tr>
<tr>
<td><strong>Net cash and cash equivalents used in capital and related financing activities</strong></td>
<td>(191,203)</td>
<td>(1,141,020)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(9,926,938)</td>
<td>(7,473,242)</td>
</tr>
<tr>
<td>Sales of investments</td>
<td>7,150,000</td>
<td>9,628,024</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>92,380</td>
<td>138,241</td>
</tr>
<tr>
<td><strong>Net cash and cash equivalents (used in) provided by investing activities</strong></td>
<td>(2,684,558)</td>
<td>2,293,023</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net (Decrease) Increase in Cash and Cash Equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,136,569)</td>
<td>435,981</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong> - Beginning of year</td>
<td>2,018,858</td>
<td>1,582,877</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong> - End of year</td>
<td>$882,289</td>
<td>$2,018,858</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classification of Cash and Cash Equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents in current assets</td>
<td>$882,289</td>
<td>892,601</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td>$882,289</td>
<td>$2,018,858</td>
</tr>
</tbody>
</table>

See notes to financial statements.
Reconciliation of Operating Income to Net Cash from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$1,081,809</td>
<td>$45,047</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>305,195</td>
<td>331,104</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables from grants and contracts</td>
<td>887,298</td>
<td>(346,730)</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>51,754</td>
<td>(56,238)</td>
</tr>
<tr>
<td>Appropriations receivable</td>
<td>92,144</td>
<td>(403)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(2,366)</td>
<td>50,564</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,058,481</td>
<td>(261,276)</td>
</tr>
<tr>
<td>Deposits</td>
<td>337,780</td>
<td>116,063</td>
</tr>
<tr>
<td>Due to NCSL Foundation for State Legislatures</td>
<td>8,414</td>
<td>23,143</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,827,722)</td>
<td>533,046</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>830,205</td>
<td>(157,199)</td>
</tr>
<tr>
<td>Revenue collected in advance</td>
<td>(1,101,773)</td>
<td>(1,023,713)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>17,973</td>
<td>30,570</td>
</tr>
<tr>
<td><strong>Total adjustments</strong></td>
<td><strong>657,383</strong></td>
<td><strong>(761,069)</strong></td>
</tr>
<tr>
<td>Net cash and cash equivalents provided by (used in) operating activities</td>
<td><strong>$1,739,192</strong></td>
<td><strong>$716,022</strong></td>
</tr>
</tbody>
</table>
Note 1 - Nature of Organization

National Conference of State Legislatures (the "Conference" or NCSL) was established in 1975 as an instrumentality of the 50 states and territories to provide research, technical assistance, and a forum for members of state legislatures and their staff to exchange information on state policy issues.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Conference follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. In accordance with the Governmental Accounting Standards Board, the Conference is a business-type activity for financial reporting purposes. The following is a summary of the significant accounting policies used by the Conference:

Basis of Accounting

The Conference uses the economic resources measurement focus and the full accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Conference considers all investments with an original maturity of three months or less when purchased to be cash equivalents. For the purpose of the statement of cash flows, the Conference includes restricted cash as part of cash and cash equivalents. As of June 30, 2020, and periodically throughout the year, the Conference’s cash balances exceeded FDIC limits.

Restricted Cash Held by Trustee

Restricted cash held by trustee as of June 30, 2019 consists of deposits held by a trustee in connection with the issuance of the 2010 revenue bonds. The Conference did not have restricted cash as of June 30, 2020.

Short-term Investments

Short-term investments consisted of money market and certificates of deposit at June 30, 2020 and 2019, which are recorded at cost and approximate fair value due to their short-term maturities.

Accounts Receivable

Accounts receivable represent amounts due from grants and contracts and trade receivables from registrations and exhibits. The allowance for uncollectible accounts is management's best estimate of uncollectible amounts and is based on past experience and current economic conditions.

Prepaid Expenses

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid expenses.
Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Property and equipment are recorded at cost. The Conference capitalizes all property and equipment with a cost of $5,000 or greater. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

The estimated useful lives of capital assets range from 3 to 12 years for furniture, machines, computer equipment, and leasehold improvements. The building is depreciated over its estimated useful life of 50 years.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until then.

Deferred Amortization on Refundings

For bond refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as deferred outflows of resources and amortized using the effective interest rate method over the shorter of the life of the old debt or the life of the new debt.

Compensated Absences

Conference employees earn paid vacation each month based upon their years of service. Vacation time accrues and vests proportionately during the fiscal year. Earned vacation in any fiscal year is available to be taken prior to vesting; however, if an employee leaves the Conference during the year, any vacation taken in advance of vesting will be recaptured from his or her final paycheck. Employees can carry a maximum of 50 days to the next calendar year. An accrual has been made for earned vacation time.

The Conference has a sick leave plan covering substantially all employees. The Conference provides employees one day of paid sick leave per month. Accumulated unused sick leave is carried over to the next year and is cumulative to a maximum of 130 days. Unused sick pay is forfeited by employees when they cease to be employed by the Conference. Therefore, it is recorded as an expense only when utilized by an employee.

Net Position

The Conference's net position is classified as follows:

Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the balance of any outstanding debt used to finance the purchase or construction of those assets net of deferred amortization on refunding and bond premiums.

Restricted net position consists of deposits held by a trustee in connection with the issuance of the 2010 revenue bonds as of June 30, 2019. The Conference did not have a restricted net position as of June 30, 2020.

Unrestricted net position consists of the remaining net position that is available for unrestricted use.
Note 2 - Significant Accounting Policies (Continued)

*Net Position Flow Assumption*

The Conference will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Conference’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

*Revenue and Expenses*

The Conference's statement of revenue, expenses, and changes in net position distinguishes between operating and nonoperating income and expenses. Operating revenue results from exchange transactions associated with performing research and providing technical assistance and includes annual dues (appropriations) from member legislatures, grants and contracts revenue, revenue from the annual meeting and other seminars, sales of publications and subscriptions, and other related services. Nonexchange income includes interest and dividend income and is reported as nonoperating. Operating expenses are all expenses incurred to provide research and technical assistance. Nonoperating expenses include interest expense.

*Revenue Recognition*

Appropriations consist of annual dues from member legislatures and are recognized as revenue in the period earned rather than when assessed. Appropriations received prior to being earned are reported in the accompanying financial statements as revenue collected in advance.

Grants and contracts revenue, deemed to be exchange transactions, are recognized when services have been provided in accordance with the agreement. Amounts received before being earned are reported in the accompanying financial statements as revenue collected in advance.

Revenue from the annual meeting, seminars, and committees is recognized in the period in which the event takes place. Amounts received in advance of the event are reported in the accompanying financial statements as revenue collected in advance.

*Income Taxes*

As an instrumentality of the various states, the income generated by the Conference in the exercise of its essential governmental functions is excluded from federal income taxes under Section 115 of the Internal Revenue Code. Contributions to the Conference are deductible by donors, as provided under Section 170 of the Internal Revenue Code. The Conference had no unrelated business income tax liability recorded as of June 30, 2020 and 2019. The Conference has evaluated tax positions taken, and none are considered to be uncertain; therefore, no amounts have been recognized.

*Upcoming Accounting Pronouncements*

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Conference is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Conference's financial statements for the year ending June 30, 2021.
Note 2 - Significant Accounting Policies (Continued)

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Conference is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Conference's financial statements for the year ending June 30, 2022.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governmental organizations. This statement requires such organizations to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Conference is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Conference's financial statements for the year ending June 30, 2023.

Reclassification

Certain 2019 amounts related to grants and contracts revenue and other revenue have been reclassified to conform to the 2020 presentation.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 8, 2020, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

The Conference follows a defined investment policy. Accordingly, all cash deposits at June 30, 2020 and 2019 were insured or collateralized with securities held by either the Conference or its agent in its name. The bank balance of deposits was $965,945 and $2,140,949 at June 30, 2020 and 2019, respectively.

<table>
<thead>
<tr>
<th>2020</th>
<th>Deposits</th>
<th>Investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$882,289</td>
<td>-</td>
<td>$882,289</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>$7,728,082</td>
<td>-</td>
<td>$7,728,082</td>
</tr>
<tr>
<td>Total</td>
<td>$8,610,371</td>
<td>-</td>
<td>$8,610,371</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019</th>
<th>Deposits</th>
<th>Investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$892,601</td>
<td>-</td>
<td>$892,601</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>1,126,257</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>$4,951,144</td>
<td>-</td>
<td>$4,951,144</td>
</tr>
<tr>
<td>Total</td>
<td>$6,970,002</td>
<td>-</td>
<td>$6,970,002</td>
</tr>
</tbody>
</table>
Note 3 - Deposits and Investments (Continued)

Short-term investments are classified into the following investment categories:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2020 Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$3,978,082</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>3,750,000</td>
</tr>
<tr>
<td>Total</td>
<td>$7,728,082</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2019 Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$4,951,144</td>
</tr>
</tbody>
</table>

Note 4 - Grants and Contracts

The Conference has entered into agreements with various agencies of the U.S. government and other organizations to perform research and related projects or to assist in defraying expenses for projects undertaken by the Conference. The grants and contracts are subject to various expenditure restrictions, and some require matching or in-kind contributions. The grants and contracts are also subject to audit to determine compliance with the agreements. Should any expenditures, including required matching or in-kind contributions, be disallowed, the Conference could be required to refund disallowed amounts. The Conference maintains an allowance for unrecoverable costs, excess cost recoveries, and disallowances, which totaled $(97,539) at June 30, 2020 and 2019. Management of the Conference believes that the allowance is adequate to provide for any over-recovered or disallowed amounts.

Some grants contain provisions that require the Conference to contribute matching funds to the grant-sponsored project. The Conference expensed $954 and $7,234 as matching amounts during the years ended June 30, 2020 and 2019, respectively.
Note 5 - Capital Assets

Capital asset activity of the Conference was as follows:

<table>
<thead>
<tr>
<th>Capital assets not being depreciated - Land</th>
<th>Balance</th>
<th>Additions</th>
<th>Disposals and Adjustments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2019</td>
<td></td>
<td></td>
<td>June 30, 2020</td>
</tr>
<tr>
<td>Capital assets not being depreciated - Land</td>
<td>$1,404,920</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,404,920</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,123,111</td>
<td>-</td>
<td>-</td>
<td>10,123,111</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,632,374</td>
<td>173,999</td>
<td>(114,755)</td>
<td>1,691,618</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,865,226</td>
<td>6,322</td>
<td>(1,193)</td>
<td>3,870,355</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>31,560</td>
<td>-</td>
<td>569,495</td>
</tr>
<tr>
<td>Other</td>
<td>1,030,736</td>
<td>51,329</td>
<td>-</td>
<td>1,082,065</td>
</tr>
<tr>
<td>Subtotal</td>
<td>17,189,382</td>
<td>263,210</td>
<td>(115,948)</td>
<td>17,336,644</td>
</tr>
<tr>
<td>Accumulated depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>3,491,070</td>
<td>202,818</td>
<td>-</td>
<td>3,693,888</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,551,798</td>
<td>14,849</td>
<td>(114,755)</td>
<td>1,451,892</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,825,745</td>
<td>38,752</td>
<td>(1,193)</td>
<td>3,863,304</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>2,217</td>
<td>-</td>
<td>540,152</td>
</tr>
<tr>
<td>Other</td>
<td>912,316</td>
<td>46,559</td>
<td>-</td>
<td>958,875</td>
</tr>
<tr>
<td>Subtotal</td>
<td>10,318,864</td>
<td>305,195</td>
<td>(115,948)</td>
<td>10,508,111</td>
</tr>
<tr>
<td>Net capital assets being depreciated</td>
<td>6,870,518</td>
<td>(41,985)</td>
<td>-</td>
<td>6,828,533</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$8,275,438</td>
<td>$(41,985)</td>
<td>-</td>
<td>$8,233,453</td>
</tr>
</tbody>
</table>
Note 5 - Capital Assets (Continued)

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance July 1, 2018</th>
<th>Additions</th>
<th>Disposals and Adjustments</th>
<th>Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated - Land</td>
<td>$1,404,920</td>
<td>$-</td>
<td>$-</td>
<td>$1,404,920</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,123,111</td>
<td>$-</td>
<td>$-</td>
<td>10,123,111</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,599,753</td>
<td>32,621</td>
<td>$-</td>
<td>1,632,374</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,851,953</td>
<td>13,273</td>
<td>$-</td>
<td>3,865,226</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>$-</td>
<td>$-</td>
<td>537,935</td>
</tr>
<tr>
<td>Other</td>
<td>1,030,736</td>
<td>$-</td>
<td>$-</td>
<td>1,030,736</td>
</tr>
<tr>
<td>Subtotal</td>
<td>17,143,488</td>
<td>45,894</td>
<td>$-</td>
<td>17,189,382</td>
</tr>
<tr>
<td>Accumulated depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>3,287,531</td>
<td>203,539</td>
<td>$-</td>
<td>3,491,070</td>
</tr>
<tr>
<td>Office furniture and fixtures</td>
<td>1,513,007</td>
<td>38,791</td>
<td>$-</td>
<td>1,551,798</td>
</tr>
<tr>
<td>Computers, software, and equipment</td>
<td>3,782,840</td>
<td>42,905</td>
<td>$-</td>
<td>3,825,745</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>537,935</td>
<td>$-</td>
<td>$-</td>
<td>537,935</td>
</tr>
<tr>
<td>Other</td>
<td>866,447</td>
<td>45,869</td>
<td>$-</td>
<td>912,316</td>
</tr>
<tr>
<td>Subtotal</td>
<td>9,987,760</td>
<td>331,104</td>
<td>$-</td>
<td>10,318,864</td>
</tr>
<tr>
<td>Net capital assets being depreciated</td>
<td>7,155,728</td>
<td>(285,210)</td>
<td>$-</td>
<td>6,870,518</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$8,560,648</td>
<td>$ (285,210)</td>
<td>$-</td>
<td>$8,275,438</td>
</tr>
</tbody>
</table>

Note 6 - Line of Credit

Under a line of credit agreement with a bank, the Conference has available borrowings of approximately $1,500,000. The credit agreement, as originally entered into on March 9, 2016, was amended to mature on March 9, 2021. No draws were made during the year, and no borrowings were outstanding at June 30, 2020 and 2019. Any borrowings under the agreement will bear interest at the lending bank’s prime rate (3.25 percent and 5.5 percent at June 30, 2020 and 2019, respectively).

Note 7 - Revenue Collected in Advance

Revenue collected in advance consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private grants paid in advance</td>
<td>$5,678,872</td>
<td>$4,974,302</td>
</tr>
<tr>
<td>Advance registration fees</td>
<td>22,000</td>
<td>1,938,262</td>
</tr>
<tr>
<td>Passed-through grants</td>
<td>1,773,696</td>
<td>1,430,111</td>
</tr>
<tr>
<td>State appropriations paid in advance</td>
<td>569,298</td>
<td>301,018</td>
</tr>
<tr>
<td>Advance exhibit fees</td>
<td>208,400</td>
<td>541,386</td>
</tr>
<tr>
<td>Other</td>
<td>38,050</td>
<td>172,305</td>
</tr>
<tr>
<td>Government awards/contracts paid in advance</td>
<td>6,886</td>
<td>41,591</td>
</tr>
<tr>
<td>Total</td>
<td>$8,297,202</td>
<td>$9,398,975</td>
</tr>
</tbody>
</table>
Note 8 - Note Payable

Paycheck Protection Program

The Paycheck Protection Program (PPP) was established by Congress as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under this relief program, the legislation authorized the Treasury to use the Small Business Administration (SBA) to fund loans to qualifying entities. The SBA will review forgiveness applications and will forgive up to the full amount of the loan issued if it deems all employee retention and salary level criteria are met and the funds are used for eligible expenses.

During May 2020, the Conference received $3,145,200 in funding under the PPP. The proceeds of this loan are being used to maintain workforce and fund certain other allowable expenses under the terms of the program. The loan received under the PPP bears interest at 1.00 percent per annum and is due in monthly payments of principal and interest beginning in September 2021 in the approximate amount of $355,000. All outstanding principal and interest is due in May 2022. Under the provisions of the PPP, this loan may be eligible for forgiveness up to the full principal amount. The Conference expects to apply for forgiveness of the full amount of the loan subsequent to the financial statement date.

Note 9 - Bonds Payable

Long-term debt activity for the years ended June 30, 2020 and 2019 can be summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance</td>
<td>Additions</td>
<td>Reductions</td>
<td>Ending Balance</td>
<td>Due within One Year</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$2,810,000</td>
<td>-</td>
<td>$ (2,810,000)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Deferred amount</td>
<td>(31,156)</td>
<td>-</td>
<td>31,156</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,778,844</td>
<td>-</td>
<td>$ (2,778,844)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance</td>
<td>Additions</td>
<td>Reductions</td>
<td>Ending Balance</td>
<td>Due within One Year</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$3,690,000</td>
<td>-</td>
<td>$ (880,000)</td>
<td>2,810,000</td>
<td>$925,000</td>
<td></td>
</tr>
<tr>
<td>Deferred amount</td>
<td>(56,416)</td>
<td>-</td>
<td>25,260</td>
<td>(31,156)</td>
<td>19,626</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,633,584</td>
<td>-</td>
<td>$ (854,740)</td>
<td>2,778,844</td>
<td>$944,626</td>
<td></td>
</tr>
</tbody>
</table>

Revenue Bonds

During 2010, the Conference refunded the Series 2001 bonds by issuing $9,175,000 in revenue bonds through the Colorado Educational and Cultural Facilities Authority through a direct borrowing instrument. The bonds mature at various dates through June 2021 and bear interest at rates ranging from 3 percent to 5 percent. The Conference's obligations under the bonds are secured by a mortgage on the land and building, including equipment therein, if any, purchased with the 2001 and 2010 bond proceeds and a pledge of all revenue. Upon completion of the bond defeasance transaction described below, the Conference was released from these obligations.

The 2010 refunding resulted in a difference between the reacquisition price and the net carrying amount of the debt of approximately $421,000. This difference, which is reported in the accompanying financial statements as deferred outflows of resources, is being charged through fiscal year 2021 using the interest method. The Conference completed the advance refunding in order to save approximately $1,200,000 over the 11-year life of the refunding and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $780,000.
Note 9 - Bonds Payable (Continued)

The amount of the premium related to the bonds, net of accumulated amortization, totaled $68,680 at June 30, 2019. There was no premium related to the bonds as of June 30, 2020 due to the bond defeasance transaction noted below. Amortization of the premium is offset against interest on the accompanying statement of revenue, expenses, and changes in net position.

**Bond Defeasance**

During June 2020, the Conference entered into certain agreements in order to defease the 2010 revenue bonds described above. The Conference utilized existing resources, including established bond reserve, repair and replacement, interest, and principal funds, as well as cash on hand in the amount of $1,993,247, to fully satisfy future obligations related to these bonds. These funds were used to advance refund $1,885,000 of outstanding revenue bonds with an average interest rate of 5.00 percent. The net cash of $1,993,247, less approximately $17,000 of funds used for legal and other costs related to the transaction, was used to purchase U.S. state and local government series securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the revenue bonds.

As a result of this transaction, the bonds are considered to be defeased, and the liability for the bonds has been removed from the statement of net position as of June 30, 2020. The Conference recorded a gain of $15,856 on the statement of revenue, expenses, and changes in net position for the year ended June 30, 2020 related to the transaction. As of June 30, 2020, approximately $1,885,000 of defeased debt remains outstanding and matures in June 2021.

Note 10 - Leases

**Operating Leases**

The Conference leases office space in Washington, D.C. under a noncancelable operating lease with the State Services Organization (SSO) (see Note 13). The lease expires in December 2026. Rent expense, excluding separate annual charges, totaled $784,638 and $774,836 for the years ended June 30, 2020 and 2019, respectively.

During the year ended June 30, 2020, the Conference entered into a lease agreement for office equipment. The lease requires monthly payments of $1,461 and expires in June 2023. Rent expense totaled $17,532 for the year ended June 30, 2020.

Future minimum lease payments under the noncancelable Washington, D.C. operating lease, excluding separate annual charges, and office equipment lease are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 768,411</td>
</tr>
<tr>
<td>2022</td>
<td>785,306</td>
</tr>
<tr>
<td>2023</td>
<td>802,581</td>
</tr>
<tr>
<td>2024</td>
<td>855,308</td>
</tr>
<tr>
<td>2025</td>
<td>820,773</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,263,529</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,295,908</td>
</tr>
</tbody>
</table>
Note 11 - Retirement Plan

The Conference maintains a qualified defined contribution pension plan (the "Pension Plan") in which substantially all employees are eligible to participate. Contributions of the Conference and those of participating employees are made to the Teachers Insurance and Annuity Association and College Retirement Equities Fund, which administers the individual contracts for each employee. Participating employees contribute 5 percent of their gross salaries, and the Conference contributes 10 percent of each participating employee's salary to the Pension Plan.

Note 12 - Affiliation with the NCSL Foundation for State Legislatures

The Conference is affiliated with the NCSL Foundation for State Legislatures (the "Foundation") and provides certain management and administrative services to the Foundation. The Conference received administrative fees from the Foundation in the amount of $26,500 during the years ended June 30, 2020 and 2019, respectively, for these management and administrative services. In addition, the Conference was reimbursed by the Foundation for personnel, office space, and facilities costs totaling $826,922 and $1,478,425 during the years ended June 30, 2020 and 2019, respectively. Such costs include salaries, employee benefits, office expenses, rent, and property maintenance.

The Foundation awarded contributions to the Conference in the amount of $2,050,000 and $1,495,000 and subcontracts in the amount of $1,273,537 and $842,081 during the years ended June 30, 2020 and 2019, respectively. Of these amounts, $1,773,696 and $1,430,111 have been reflected as revenue collected in advance at June 30, 2020 and 2019, respectively. In addition, as of June 30, 2020 and 2019, the Conference had a balance due to the Foundation of $58,703 and $50,289, respectively, representing the amount of cash invested on the Foundation's behalf via the Conference's investment pool in excess of expenses paid on behalf of the Foundation by the Conference.

Note 13 - Jointly Governed Organizations

Pursuant to a 1983 operating agreement, the Conference and the National Governors Association (NGA) established the Federal Funds Information for States (FFIS) system for the purpose of providing states with federal budget and appropriation information. FFIS is governed by a board of directors, and board membership is controlled equally by the Conference and NGA. As FFIS is a jointly governed organization, the Conference does not have an equity interest in FFIS. Accordingly, FFIS' results of operations are not included in the accompanying financial statements.

Pursuant to its bylaws, The State and Local Legal Center (SLLC) was established to file amicus curiae briefs in support of states and local governments in the U.S. Supreme Court, conduct moot courts for attorneys arguing before the Supreme Court, and be a resource to states and local governments on the Supreme Court. SLLC is governed by a board of directors, and board membership is controlled equally by seven national organizations that represent state and local elected and appointed officials, including the Conference. As SLLC is a jointly governed organization, the Conference does not have an equity interest in SLLC. Accordingly, SLLC's results of operations are not included in the accompanying financial statements. The Conference paid a management fee of $20,000 to SLLC during the years ended June 30, 2020 and 2019.

Pursuant to an agreement, the Conference, NGA, and the Council of State Governments (CSG) established SSO for the purpose of providing services to and office space for the Conference, NGA, CSG, state governments, and associations. SSO is governed by a board of directors, and board membership is controlled equally by the Conference, NGA, and CSG. As SSO is a jointly governed organization, the Conference does not have an equity interest in SSO. Accordingly, SSO's results of operations are not included in the accompanying financial statements of the Conference.

During the years ended June 30, 2020 and 2019, rent and fees charged by SSO to the Conference were $821,595 and $812,083, respectively.
Note 14 - Contingencies

COVID-19 Impacts

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries, states, and localities have implemented measures to combat the outbreak that have impacted the global business operations.

Due to the coronavirus pandemic, the Conference has experienced a significant impact on its operations. The most significant impact was related to cancellation of its annual meeting in August 2020, conferences, and other in-person seminars. Additionally, the Conference has shifted certain events to a virtual environment. The Conference has worked with its vendors and grantors to mitigate the financial impact of these cancellations, but it anticipates approximately $2,750,000 in lost revenue subsequent to June 30, 2020 due to these cancellations. The Conference additionally generates a significant portion of its revenue from state appropriations, which have not been significantly impacted by the pandemic to date; however, the Conference continues to monitor the liquidity of the state governments it serves to ensure continued ability to collect.

The Conference generates a significant amount of its revenue and support from federal and private grants and contracts, which have not been significantly impacted by the pandemic. The Conference recognizes that many federal and private grants may have changing objectives, activities, reporting, and timeliness in situations where the pandemic has impacted capabilities or priorities and has assessed these impacts on a grant-by-grant basis to ensure compliance with the grant agreements.

In order to continue operations, the Conference has adopted significant additional health and safety precautions for its staff, including work-from-home measures, and limitations on all nonessential travel. Further, as described in Note 8, the Conference received a loan under the PPP in the amount of $3,145,200 in order to maintain current workforce and certain other allowable expenses under the terms of the program due to the negative impacts of the coronavirus pandemic.

Management has assessed the impact the pandemic has had on operations during the period from July 1, 2019 to June 30, 2020 and through the date of issuance of the financial statements. No impairments were recorded as of the statement of net position date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Conference's results of operations, cash flows, and financial condition could be further negatively impacted by the pandemic in the future, the extent of any additional potential impact cannot be reasonably estimated at this time.

Contingencies in the Ordinary Course of Business

The Conference is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Conference believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.
Other Supplemental Information
### Schedule of Appropriations by Entity

**Year Ended June 30, 2020**

<table>
<thead>
<tr>
<th>State</th>
<th>Appropriations Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$200,924</td>
</tr>
<tr>
<td>Alaska</td>
<td>129,410</td>
</tr>
<tr>
<td>Arizona</td>
<td>237,914</td>
</tr>
<tr>
<td>Arkansas</td>
<td>168,615</td>
</tr>
<tr>
<td>California</td>
<td>525,000</td>
</tr>
<tr>
<td>Colorado</td>
<td>213,575</td>
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</tr>
<tr>
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<tr>
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<td>Pennsylvania</td>
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<td>Entity</td>
<td>Appropriations</td>
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<td>------------------------</td>
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<tr>
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<td>216,828</td>
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<tr>
<td>Wyoming</td>
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Total fiscal year 2020 appropriations $10,600,618
### Schedule of Appropriations by Entity

Year Ended June 30, 2019

Fiscal year 2019 appropriations received

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<tr>
<th>Entity</th>
<th>Appropriations Received</th>
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<td>Delaware</td>
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<td>75,000</td>
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<td>141,078</td>
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<td>Illinois</td>
<td>329,010</td>
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<td>Indiana</td>
<td>224,347</td>
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<td>Iowa</td>
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<td>Kansas</td>
<td>162,156</td>
</tr>
<tr>
<td>Kentucky</td>
<td>187,540</td>
</tr>
<tr>
<td>Louisiana</td>
<td>191,659</td>
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<td>Maine</td>
<td>121,751</td>
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<td>New Mexico</td>
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<td>Puerto Rico</td>
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(Continued on the following page)
<table>
<thead>
<tr>
<th>State/Region</th>
<th>Appropriations</th>
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<tbody>
<tr>
<td>Quebec, Canada</td>
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<tr>
<td>Rhode Island</td>
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<td>Wisconsin</td>
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<td>36,788</td>
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<tr>
<td>Rhode Island</td>
<td>131,038</td>
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</tbody>
</table>

Total fiscal year 2019 appropriations  $10,324,355
National Conference of State Legislatures

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Independent Auditor’s Report

To the Executive Committee
National Conference of State Legislatures

We have audited the financial statements of National Conference of State Legislatures (the "Conference") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Conference’s basic financial statements. We issued our report thereon dated December 8, 2020, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 8, 2020.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 8, 2020
Independent Auditor's Report

To Management and the Executive Committee
National Conference of State Legislatures

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of National Conference of State Legislatures (the "Conference") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Conference's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Conference's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conference's internal control. Accordingly, we do not express an opinion on the effectiveness of the Conference's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Conference's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conference's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
To Management and the Executive Committee
National Conference of State Legislatures

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conference’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Conference’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 8, 2020
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Executive Committee
National Conference of State Legislatures

Report on Compliance for Each Major Federal Program

We have audited National Conference of State Legislatures' (the “Conference”) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Conference's major federal programs for the year ended June 30, 2020. The Conference's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Conference's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Conference's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Conference’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Conference complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Conference is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Conference's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Conference’s internal control over compliance.
To the Executive Committee
National Conference of State Legislatures

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 8, 2020
### National Conference of State Legislatures

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2020**

<table>
<thead>
<tr>
<th>Federal Agency/Pass-through Agency/Program Title</th>
<th>CFDA Number</th>
<th>Grant/Contract Number</th>
<th>Award Amount</th>
<th>Amounts Provided to Subrecipients</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clusters:</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Research and Development Cluster</strong></td>
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<td><strong>Department of Energy</strong></td>
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<td>Total Research and Development Cluster</td>
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<tr>
<td><strong>Employment Services Cluster</strong></td>
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<tr>
<td><strong>Department of Labor</strong></td>
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<tr>
<td><strong>Other federal awards:</strong></td>
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<td><strong>Department of Transportation</strong></td>
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<td>Total Department of Transportation</td>
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<tr>
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</table>

See notes to schedule of expenditures of federal awards.
## Schedule of Expenditures of Federal Awards (Continued)

**Year Ended June 30, 2020**

<table>
<thead>
<tr>
<th>Federal Agency/Pass-through Agency/Program Title</th>
<th>CFDA Number</th>
<th>Grant/Contract Number</th>
<th>Award Amount</th>
<th>Amounts Provided to Subrecipients</th>
<th>Federal Expenditures</th>
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<td><strong>Total Centers for Disease Control and Prevention - Injury Prevention and Control Research and State and Community Based Programs</strong></td>
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<td></td>
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<tr>
<td>Centers for Disease Control and Prevention - Educating State-level Stakeholders on Strategies to Address Winnable Battles in Public Health</td>
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<td>NU98SO000576</td>
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<td><strong>Total Department of Health and Human Services</strong></td>
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<td></td>
<td>34,557</td>
<td>2,052,051</td>
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</tbody>
</table>

| **Department of Justice** | 16.582 | 2017-VF-GX-K026 OVC | 35,000 | - | 4,629 |
| Office for Victims of Crime - Crime Victim Assistance | | | | - | 4,629 |
| **Total Department of Justice** | | | | - | 4,629 |

| **Department of State** | 19.000 | S-BE200-18-GR-025A | 145,881 | - | 54,150 |
| U.S. Belgian Exchange Renewable Energy | | | | - | 54,150 |
| **Total Department of State** | | | | - | 54,150 |
| **Total Federal Awards** | | | | $945,819 | $6,823,262 |

See notes to schedule of expenditures of federal awards.
Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of National Conference of State Legislatures (the "Conference") under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Conference, it is not intended to and does not present the net position, changes in net position, or cash flows of the Conference.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Conference has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.
National Conference of State Legislatures

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- **Material weakness(es) identified?**
  - Yes  No

- **Significant deficiency(ies) identified that are not considered to be material weaknesses?**
  - Yes  None reported

Noncompliance material to financial statements noted?

- Yes  None reported

Federal Awards

Internal control over major programs:

- **Material weakness(es) identified?**
  - Yes  No

- **Significant deficiency(ies) identified that are not considered to be material weaknesses?**
  - Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

- Yes  No

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.207</td>
<td>Employment Services Cluster</td>
</tr>
<tr>
<td>93.421</td>
<td>Centers for Disease Control and Prevention - Strengthening Public Health Systems and Services</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee?

- Yes  No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None
National Conference of State Legislatures
End of Audit Communications

Year ended June 30, 2020
Contents

73 Summary of Required Communications
75 Cover Letter
76 Other Required Communications
79 Other Recommendations and Related Information
Summary of Required Communications

Planned Scope and Timing of the Audit

- Our audit procedures were performed in accordance with auditing standards generally accepted in the United States of America and have also been conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

- We performed the audit according to the planned scope and timing previously communicated to you.

Our Responsibilities Under U.S. GAAS and Government Auditing Standards

- Management is responsible for the financial reporting of NCSL.

- Our responsibility is to provide an opinion that management’s financial statements are in accordance with accounting principles generally accepted in the United States of America.

- We considered the internal controls to the extent required to render our opinion on the financial statements and not to express an opinion on internal controls.

- Under Government Auditing Standards, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of Insert Client Short Name, including compliance with certain provisions of laws, regulations, contracts and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit.

Independent Auditor’s Report

- We have issued an unmodified opinion.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

- We noted no transactions entered into by NCSL during the year for which there is a lack of authoritative guidance or consensus.

- There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Management’s Judgments and Accounting Estimates

- Accounting estimates are an integral part of the financial statements and are based on management’s judgment.

- We performed specific testing of these accounting estimates and concluded they were reasonable in relation to the financial statements as a whole.

- Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most significant financial statement disclosures included:
  - The disclosure of significant uncertainty in financial markets, and the related impacts on NCSL related to the COVID-19 pandemic in Note 14.

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in dealing with management in performing the audit.
Disagreements with Management
- We had no disagreements with management.

Corrected and Uncorrected Misstatements
- As a result of our audit, no material adjustments were made to the financial statements.
- Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such adjustments were identified.

Significant Findings or Issues
- We had discussions with management about a variety of matters in the normal course of business, and our responses to management inquiries were not a condition of our retention as auditors.

Management Representations
- We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants
- To our knowledge, management had no consultations with other accountants about financial reporting and accounting matters.
To the Executive Committee
National Conference of State Legislatures

We have audited the financial statements of National Conference of State Legislatures (NCSL) as of and for the year ended June 30, 2020 and have issued our report thereon dated December 8, 2020. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Recommendations and Related Information

Sections I includes information that we are required to communicate to those individuals charged with governance of NCSL. Section I communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping NCSL in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

We would like to take this opportunity to thank NCSL’s staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the executive committee and management of NCSL and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Lisa Meacham, CPA
Partner
Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 16, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of NCSL. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of NCSL’s financial statements has also been conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. Under Government Auditing Standards, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of NCSL, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated December 8, 2020 regarding our consideration of NCSL’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 16, 2020.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by NCSL are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2020.

We noted no transactions entered into by NCSL during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.
Section I - Required Communications with Those Charged with Governance  
(Continued)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of COVID-19 impacts on NCSL during the year ended June 30, 2020 and subsequently through the date of the audit report in Note 14 to the financial statements. The information in this footnote was provided by management based on actual, known, and predictions of future events.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting NCSL, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as NCSL’s auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 8, 2020.
Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to NCSL’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.
Section II - Other Recommendations and Related Information

During our audit, we noted areas where we believe there are opportunities for NCSL to further strengthen internal control or to increase operating efficiencies. Our observations on those areas are presented below for your consideration:

**Cybersecurity**

Many companies mistakenly assume that evaluating cybersecurity is included in its annual financial audit, but it is actually not in the scope of a financial statement audit. Aside from protecting financial information, NCSL should evaluate the types of data it stores, processes, and transmits to ensure that reasonable measures are taken to protect this data. Management should consider evaluating the controls in place over security of its information. Outside of financial information, many companies store, process, and transmit data, such as credit card information, personally identifiable information, and other data, that should be protected based on legal requirements and good business practice. In order to be proactive and provide assurance to management, NCSL donors, and other stakeholders, management should consider having a third-party evaluation of their control environment related to information security.

As the rate of IT security incidents continues to escalate, the magnitude of related brand, reputation, and fiscal impact is driving organizations to address cybersecurity risk. Managing cybersecurity risk can be a complicated task, but assessing NCSL’s data and system security in order to understand where vulnerabilities exist is critical to minimizing risk. Ultimately, NCSL will need to decide for itself which risks to mitigate, transfer, and accept, but first, an analysis conducted by both executive and IT resources is necessary to ensure NCSL is aware of all potential IT security risks and is poised to respond should an incident occur.
## National Conference of State Legislatures
### Appropriations Schedule
#### FY2021

Current as of January 25, 2021

<table>
<thead>
<tr>
<th>State</th>
<th>Scheduled / Billed</th>
<th>Received to Date</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$200,924</td>
<td>$200,924</td>
<td>$0</td>
</tr>
<tr>
<td>Alaska</td>
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<td>129,500</td>
<td>-</td>
</tr>
<tr>
<td>Arizona</td>
<td>237,914</td>
<td>237,914</td>
<td>-</td>
</tr>
<tr>
<td>Arkansas</td>
<td>168,615</td>
<td>168,615</td>
<td>-</td>
</tr>
<tr>
<td>California</td>
<td>650,000</td>
<td>-</td>
<td>650,000</td>
</tr>
<tr>
<td>Colorado</td>
<td>213,575</td>
<td>213,575</td>
<td>-</td>
</tr>
<tr>
<td>Connecticut</td>
<td>178,701</td>
<td>178,701</td>
<td>-</td>
</tr>
<tr>
<td>Delaware</td>
<td>133,337</td>
<td>133,337</td>
<td>-</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>128,709</td>
<td>128,709</td>
<td>-</td>
</tr>
<tr>
<td>Florida</td>
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<td>-</td>
<td>479,187</td>
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<tr>
<td>Georgia</td>
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<td>296,869</td>
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</tr>
<tr>
<td>Hawaii</td>
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<td>141,380</td>
<td>-</td>
</tr>
<tr>
<td>Idaho</td>
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<tr>
<td>Illinois</td>
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<td>337,852</td>
<td>-</td>
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<tr>
<td>Indiana</td>
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<td>231,878</td>
<td>-</td>
</tr>
<tr>
<td>Iowa</td>
<td>171,058</td>
<td>-</td>
<td>171,058</td>
</tr>
<tr>
<td>Kansas</td>
<td>167,040</td>
<td>167,040</td>
<td>-</td>
</tr>
<tr>
<td>Kentucky</td>
<td>193,659</td>
<td>193,659</td>
<td>-</td>
</tr>
<tr>
<td>Louisiana</td>
<td>197,635</td>
<td>197,635</td>
<td>-</td>
</tr>
<tr>
<td>Maine</td>
<td>139,797</td>
<td>121,751</td>
<td>18,046</td>
</tr>
<tr>
<td>Maryland</td>
<td>221,262</td>
<td>221,262</td>
<td>-</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>235,212</td>
<td>-</td>
<td>235,212</td>
</tr>
<tr>
<td>Michigan</td>
<td>288,802</td>
<td>288,802</td>
<td>-</td>
</tr>
<tr>
<td>Minnesota</td>
<td>213,047</td>
<td>213,047</td>
<td>-</td>
</tr>
<tr>
<td>Mississippi</td>
<td>168,266</td>
<td>168,266</td>
<td>-</td>
</tr>
<tr>
<td>Missouri</td>
<td>222,321</td>
<td>-</td>
<td>222,321</td>
</tr>
<tr>
<td>Montana</td>
<td>134,867</td>
<td>134,867</td>
<td>-</td>
</tr>
<tr>
<td>Nebraska</td>
<td>149,887</td>
<td>149,887</td>
<td>-</td>
</tr>
<tr>
<td>Nevada</td>
<td>168,507</td>
<td>168,507</td>
<td>-</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>139,916</td>
<td>139,916</td>
<td>-</td>
</tr>
<tr>
<td>New Jersey</td>
<td>272,277</td>
<td>244,000</td>
<td>28,277</td>
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<tr>
<td>New Mexico</td>
<td>152,789</td>
<td>152,789</td>
<td>-</td>
</tr>
<tr>
<td>New York</td>
<td>459,582</td>
<td>459,582</td>
<td>-</td>
</tr>
<tr>
<td>North Carolina</td>
<td>294,175</td>
<td>294,175</td>
<td>-</td>
</tr>
<tr>
<td>North Dakota</td>
<td>129,770</td>
<td>129,770</td>
<td>-</td>
</tr>
<tr>
<td>Ohio</td>
<td>318,102</td>
<td>80,000</td>
<td>238,102</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>184,620</td>
<td>-</td>
<td>184,620</td>
</tr>
<tr>
<td>Oregon</td>
<td>188,280</td>
<td>188,280</td>
<td>-</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>337,913</td>
<td>337,913</td>
<td>-</td>
</tr>
</tbody>
</table>
### National Conference of State Legislatures
### Appropriations Schedule
### FY2021

Current as of January 25, 2021

<table>
<thead>
<tr>
<th>State</th>
<th>Scheduled / Billed</th>
<th>Received to Date</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puerto Rico</td>
<td>174,365</td>
<td>-</td>
<td>174,365</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>135,025</td>
<td>135,025</td>
<td>-</td>
</tr>
<tr>
<td>South Carolina</td>
<td>203,508</td>
<td>203,508</td>
<td>-</td>
</tr>
<tr>
<td>South Dakota</td>
<td>131,743</td>
<td>131,743</td>
<td>-</td>
</tr>
<tr>
<td>Tennessee</td>
<td>232,728</td>
<td>232,728</td>
<td>-</td>
</tr>
<tr>
<td>Texas</td>
<td>605,630</td>
<td>-</td>
<td>605,630</td>
</tr>
<tr>
<td>Utah</td>
<td>170,300</td>
<td>149,864</td>
<td>20,436</td>
</tr>
<tr>
<td>Vermont</td>
<td>127,494</td>
<td>127,494</td>
<td>-</td>
</tr>
<tr>
<td>Virgin Islands</td>
<td>118,534</td>
<td>118,534</td>
<td>-</td>
</tr>
<tr>
<td>Virginia</td>
<td>263,025</td>
<td>263,025</td>
<td>-</td>
</tr>
<tr>
<td>Washington</td>
<td>244,642</td>
<td>30,000</td>
<td>214,642</td>
</tr>
<tr>
<td>West Virginia</td>
<td>148,087</td>
<td>148,087</td>
<td>-</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>216,828</td>
<td>216,828</td>
<td>-</td>
</tr>
<tr>
<td>Wyoming</td>
<td>126,728</td>
<td>117,477</td>
<td>9,251</td>
</tr>
<tr>
<td>American Samoa</td>
<td>22,617</td>
<td>-</td>
<td>22,617</td>
</tr>
<tr>
<td>Guam</td>
<td>24,345</td>
<td>24,345</td>
<td>-</td>
</tr>
<tr>
<td>Northern Marianas</td>
<td>22,534</td>
<td>-</td>
<td>22,534</td>
</tr>
<tr>
<td>Quebec</td>
<td>37,892</td>
<td>37,892</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>11,829,629</strong></td>
<td><strong>8,533,331</strong></td>
<td><strong>3,296,298</strong></td>
</tr>
</tbody>
</table>

**per cent of total Billed**

|                | 100.0%  | 72.1%  | 27.9%   |

### Prior Year's Payment:

- **Virgin Islands FY2020**: 29,634 29,634 -

**Grand Total with Prior Year Payment**

|                | $11,859,263 | $8,562,965 | $3,296,298 |
# National Conference of State Legislatures

## General Fund

### Revenues and Expenses by Conference Program

**For the period ending 12/31/2020**

<table>
<thead>
<tr>
<th></th>
<th>FY21 BUDGET</th>
<th>YTD NOV’20 ACTUAL</th>
<th>DEC’20 ACTUAL</th>
<th>YTD DEC’20 ACTUAL</th>
<th>YTD PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>$10,528,370</td>
<td>$7,915,235</td>
<td>$572,436</td>
<td>$8,487,670</td>
<td>80.6%</td>
</tr>
<tr>
<td>Base Camp</td>
<td>-</td>
<td>120,105</td>
<td>-</td>
<td>120,105</td>
<td>0.0%</td>
</tr>
<tr>
<td>Legislative Summit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legislative Summit Exhibit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publications Revenue</td>
<td>175,000</td>
<td>167,645</td>
<td>67,679</td>
<td>235,325</td>
<td>134.5%</td>
</tr>
<tr>
<td>Podcast &amp; Blog Post Revenue</td>
<td>31,500</td>
<td>-</td>
<td>-</td>
<td>31,500</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capitol Forum</td>
<td>190,000</td>
<td>(400)</td>
<td>(400)</td>
<td>(400)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Seminars &amp; Meetings</td>
<td>55,000</td>
<td>34,662</td>
<td>75,120</td>
<td>109,762</td>
<td>199.6%</td>
</tr>
<tr>
<td>PSA PDS Meetings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interest Income</td>
<td>50,000</td>
<td>1,906</td>
<td>807</td>
<td>2,713</td>
<td>5.4%</td>
</tr>
<tr>
<td>Central Services</td>
<td>134,480</td>
<td>18,788</td>
<td>4,224</td>
<td>23,012</td>
<td>17.1%</td>
</tr>
<tr>
<td>Information Technology/Online Services</td>
<td>1,888,710</td>
<td>752,144</td>
<td>167,965</td>
<td>920,109</td>
<td>48.7%</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>1,600,000</td>
<td>582,030</td>
<td>131,004</td>
<td>713,034</td>
<td>44.6%</td>
</tr>
<tr>
<td>Occupancy Cost Allocation</td>
<td>1,037,959</td>
<td>335,013</td>
<td>53,412</td>
<td>388,424</td>
<td>37.4%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>120,000</td>
<td>114,239</td>
<td>14,708</td>
<td>128,947</td>
<td>107.5%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$15,779,519</td>
<td>$10,072,866</td>
<td>$1,087,355</td>
<td>$11,160,221</td>
<td>70.7%</td>
</tr>
</tbody>
</table>

### State Policy Research

<table>
<thead>
<tr>
<th>Program</th>
<th>FY21</th>
<th>YTD NOV’20 ACTUAL</th>
<th>DEC’20 ACTUAL</th>
<th>YTD DEC’20 ACTUAL</th>
<th>YTD PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children, Youth &amp; Families</td>
<td>174,895</td>
<td>40,973</td>
<td>8,198</td>
<td>49,172</td>
<td>28.1%</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>167,762</td>
<td>67,328</td>
<td>(17,924)</td>
<td>49,404</td>
<td>29.4%</td>
</tr>
<tr>
<td>Environment, Energy &amp; Transportation</td>
<td>197,690</td>
<td>65,218</td>
<td>37,266</td>
<td>102,484</td>
<td>51.8%</td>
</tr>
<tr>
<td>Education</td>
<td>114,358</td>
<td>50,236</td>
<td>20,544</td>
<td>70,780</td>
<td>61.9%</td>
</tr>
<tr>
<td>Health Services</td>
<td>129,264</td>
<td>8,236</td>
<td>13,495</td>
<td>21,731</td>
<td>16.8%</td>
</tr>
<tr>
<td>Employment, Labor &amp; Retirement</td>
<td>149,608</td>
<td>55,892</td>
<td>(35,739)</td>
<td>20,152</td>
<td>13.5%</td>
</tr>
<tr>
<td>Elections &amp; Redistricting</td>
<td>168,972</td>
<td>15,199</td>
<td>6,462</td>
<td>21,661</td>
<td>12.8%</td>
</tr>
<tr>
<td>Director of State Policy Research</td>
<td>413,946</td>
<td>132,538</td>
<td>19,107</td>
<td>151,645</td>
<td>36.6%</td>
</tr>
<tr>
<td><strong>Division Totals</strong></td>
<td>1,516,494</td>
<td>435,622</td>
<td>51,407</td>
<td>487,029</td>
<td>32.1%</td>
</tr>
</tbody>
</table>

### State Services

<table>
<thead>
<tr>
<th>Program</th>
<th>FY21</th>
<th>YTD NOV’20 ACTUAL</th>
<th>DEC’20 ACTUAL</th>
<th>YTD DEC’20 ACTUAL</th>
<th>YTD PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Affairs</td>
<td>572,337</td>
<td>219,597</td>
<td>33,826</td>
<td>253,422</td>
<td>44.3%</td>
</tr>
<tr>
<td>Legislative Staff Services</td>
<td>622,375</td>
<td>256,835</td>
<td>46,961</td>
<td>303,795</td>
<td>48.8%</td>
</tr>
<tr>
<td>PSA PDS Meetings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Center for Legislative Strengthening</td>
<td>312,215</td>
<td>122,532</td>
<td>22,671</td>
<td>145,203</td>
<td>48.5%</td>
</tr>
<tr>
<td>Director of State Services</td>
<td>314,163</td>
<td>130,018</td>
<td>36,221</td>
<td>166,239</td>
<td>52.9%</td>
</tr>
<tr>
<td><strong>Division Totals</strong></td>
<td>1,821,090</td>
<td>728,981</td>
<td>139,678</td>
<td>888,660</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

### Communications

<table>
<thead>
<tr>
<th>Program</th>
<th>FY21</th>
<th>YTD NOV’20 ACTUAL</th>
<th>DEC’20 ACTUAL</th>
<th>YTD DEC’20 ACTUAL</th>
<th>YTD PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach &amp; Engagement</td>
<td>918,417</td>
<td>306,110</td>
<td>72,923</td>
<td>370,033</td>
<td>41.3%</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>534,286</td>
<td>214,436</td>
<td>48,507</td>
<td>262,943</td>
<td>49.2%</td>
</tr>
<tr>
<td>Stipends/Strategic Initiatives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td>Digital Content</td>
<td>925,606</td>
<td>325,468</td>
<td>67,213</td>
<td>392,682</td>
<td>42.4%</td>
</tr>
<tr>
<td>Legislative Summit</td>
<td>313,447</td>
<td>109,027</td>
<td>16,238</td>
<td>125,265</td>
<td>40.0%</td>
</tr>
<tr>
<td>Base Camp 2020</td>
<td>76,000</td>
<td>45,759</td>
<td>3,797</td>
<td>49,556</td>
<td>65.2%</td>
</tr>
<tr>
<td>Exhibits</td>
<td>101,943</td>
<td>35,491</td>
<td>9,622</td>
<td>45,113</td>
<td>44.3%</td>
</tr>
<tr>
<td>NCSL Capitol Forum</td>
<td>172,150</td>
<td>13</td>
<td>-</td>
<td>13</td>
<td>0.0%</td>
</tr>
<tr>
<td>Meetings</td>
<td>329,229</td>
<td>113,357</td>
<td>25,437</td>
<td>138,794</td>
<td>42.2%</td>
</tr>
<tr>
<td>Publications and Magazine</td>
<td>409,935</td>
<td>195,172</td>
<td>76,496</td>
<td>271,668</td>
<td>66.3%</td>
</tr>
<tr>
<td><strong>Division Totals</strong></td>
<td>3,781,014</td>
<td>1,344,833</td>
<td>320,234</td>
<td>1,665,067</td>
<td>44.0%</td>
</tr>
</tbody>
</table>
## GENERAL FUND

### REVENUES AND EXPENSES BY CONFERENCE PROGRAM

**FOR THE PERIOD ENDING 12/31/2020**

<table>
<thead>
<tr>
<th>Program</th>
<th>FY21 Budget</th>
<th>YTD Nov'20 ACTUAL</th>
<th>DEC'20 ACTUAL</th>
<th>YTD Dec'20 ACTUAL</th>
<th>YTD PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEADERSHIP &amp; INTERNATIONAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Programs</td>
<td>21,325</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Leaders' Center &amp; Legislative Training</td>
<td>219,518</td>
<td>97,877</td>
<td>19,898</td>
<td>117,775</td>
<td>53.7%</td>
</tr>
<tr>
<td></td>
<td>240,843</td>
<td>97,877</td>
<td>19,898</td>
<td>117,775</td>
<td>48.9%</td>
</tr>
<tr>
<td>EXECUTIVE MANAGEMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Executive Director</td>
<td>690,691</td>
<td>255,377</td>
<td>26,531</td>
<td>281,908</td>
<td>40.8%</td>
</tr>
<tr>
<td>Officers &amp; Executive Committee</td>
<td>186,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Division Totals</td>
<td>876,691</td>
<td>255,377</td>
<td>26,531</td>
<td>281,908</td>
<td>32.2%</td>
</tr>
<tr>
<td>OPERATIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Services</td>
<td>149,579</td>
<td>23,839</td>
<td>1,757</td>
<td>25,596</td>
<td>17.1%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,888,710</td>
<td>752,182</td>
<td>167,993</td>
<td>920,175</td>
<td>48.7%</td>
</tr>
<tr>
<td>Building Operating Account</td>
<td>1,037,959</td>
<td>335,013</td>
<td>53,412</td>
<td>388,424</td>
<td>37.4%</td>
</tr>
<tr>
<td>Professional Development &amp; Travel</td>
<td>20,000</td>
<td>20,412</td>
<td>355</td>
<td>20,767</td>
<td>103.8%</td>
</tr>
<tr>
<td>Director of Operations and Human Resources</td>
<td>668,514</td>
<td>295,398</td>
<td>62,901</td>
<td>358,299</td>
<td>53.6%</td>
</tr>
<tr>
<td>Division Totals</td>
<td>3,764,762</td>
<td>1,426,843</td>
<td>286,418</td>
<td>1,713,262</td>
<td>45.5%</td>
</tr>
<tr>
<td>FINANCE &amp; ACCOUNTING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance &amp; Accounting</td>
<td>1,142,875</td>
<td>508,879</td>
<td>94,869</td>
<td>603,748</td>
<td>52.8%</td>
</tr>
<tr>
<td>STATE-FEDERAL RELATIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director of State-Federal Relations</td>
<td>2,591,356</td>
<td>1,130,549</td>
<td>220,742</td>
<td>1,351,291</td>
<td>52.1%</td>
</tr>
<tr>
<td>Division Totals</td>
<td>2,591,356</td>
<td>1,130,549</td>
<td>220,742</td>
<td>1,351,291</td>
<td>52.1%</td>
</tr>
<tr>
<td>MERIT POOL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>15,735,124</td>
<td>5,928,961</td>
<td>1,159,778</td>
<td>7,088,739</td>
<td>45.1%</td>
</tr>
<tr>
<td>REVENUE OVER EXPENDITURES</td>
<td>$ 44,395</td>
<td>4,143,906</td>
<td>(72,424)</td>
<td>4,071,482</td>
<td>nm</td>
</tr>
</tbody>
</table>
National Conference of State Legislatures
Comparative Statement of Revenues, Expenses and Change in Net Position

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2020 (Unaudited)</th>
<th>June 30, 2020 Audited</th>
<th>June 30, 2019 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$8,487,670</td>
<td>$10,600,618</td>
<td>$10,324,355</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>5,878,070</td>
<td>16,312,694</td>
<td>16,289,320</td>
</tr>
<tr>
<td>Meeting registration fees</td>
<td>228,737</td>
<td>3,627,309</td>
<td>2,569,872</td>
</tr>
<tr>
<td>Private contributions</td>
<td>384,920</td>
<td>3,373,714</td>
<td>4,141,984</td>
</tr>
<tr>
<td>Sales of publications and exhibits</td>
<td>225,895</td>
<td>749,156</td>
<td>775,049</td>
</tr>
<tr>
<td>NCSL Foundation service fees</td>
<td>40,100</td>
<td>112,031</td>
<td>167,667</td>
</tr>
<tr>
<td>Other revenue</td>
<td>38,043</td>
<td>349,219</td>
<td>273,214</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>15,283,435</strong></td>
<td><strong>35,124,742</strong></td>
<td><strong>34,541,461</strong></td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>6,879,011</td>
<td>14,381,438</td>
<td>13,489,227</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>69,675</td>
<td>6,220,350</td>
<td>6,578,116</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2,143,957</td>
<td>4,585,158</td>
<td>4,498,404</td>
</tr>
<tr>
<td>Consultants and contract services</td>
<td>684,140</td>
<td>5,435,540</td>
<td>6,010,023</td>
</tr>
<tr>
<td>Rent and property maintenance</td>
<td>553,587</td>
<td>1,367,257</td>
<td>1,299,019</td>
</tr>
<tr>
<td>Office expenses</td>
<td>238,432</td>
<td>550,874</td>
<td>876,454</td>
</tr>
<tr>
<td>Printing, publications and film</td>
<td>91,257</td>
<td>305,037</td>
<td>309,853</td>
</tr>
<tr>
<td>Information technology services</td>
<td>373,471</td>
<td>871,341</td>
<td>788,772</td>
</tr>
<tr>
<td>Depreciation</td>
<td>153,679</td>
<td>305,198</td>
<td>331,105</td>
</tr>
<tr>
<td>Other</td>
<td>15,575</td>
<td>20,739</td>
<td>315,442</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>11,202,784</strong></td>
<td><strong>34,042,933</strong></td>
<td><strong>34,496,415</strong></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>4,080,651</td>
<td><strong>1,081,809</strong></td>
<td><strong>45,046</strong></td>
</tr>
<tr>
<td><strong>Non-operating Income and Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>2,713</td>
<td>92,380</td>
<td>138,241</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(11,882)</td>
<td>(225,669)</td>
<td>(184,702)</td>
</tr>
<tr>
<td><strong>Total Non-operating Income and Expenses</strong></td>
<td>(9,170)</td>
<td>(133,290)</td>
<td>(46,460)</td>
</tr>
<tr>
<td><strong>Increase in Net Assets</strong></td>
<td>4,071,482</td>
<td><strong>948,520</strong></td>
<td>(<strong>1,414</strong>)</td>
</tr>
<tr>
<td><strong>Total Net Assets, beginning of period</strong></td>
<td>4,212,701</td>
<td>3,264,181</td>
<td>3,265,596</td>
</tr>
<tr>
<td><strong>Total Net Assets, end of period</strong></td>
<td><strong>$8,284,183</strong></td>
<td><strong>$4,212,701</strong></td>
<td><strong>$3,264,181</strong></td>
</tr>
</tbody>
</table>
## National Conference of State Legislatures
### Comparative Statements of Net Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$792,611</td>
<td>$882,289</td>
<td>$892,601</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>11,508,224</td>
<td>7,728,082</td>
<td>4,951,144</td>
</tr>
<tr>
<td>Receivables from grants and contracts, net</td>
<td>731,410</td>
<td>835,565</td>
<td>1,722,863</td>
</tr>
<tr>
<td>Trade receivables, net</td>
<td>152,617</td>
<td>97,297</td>
<td>149,051</td>
</tr>
<tr>
<td>Appropriations receivable</td>
<td>-</td>
<td>87,182</td>
<td>179,326</td>
</tr>
<tr>
<td>Due from the NCSL Foundation</td>
<td>906,213</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>25,570</td>
<td>30,975</td>
<td>28,609</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>349,360</td>
<td>378,631</td>
<td>1,437,113</td>
</tr>
<tr>
<td>Deposits</td>
<td>84,477</td>
<td>70,297</td>
<td>408,077</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>14,550,481</td>
<td>10,110,319</td>
<td>9,768,784</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>-</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>8,091,826</td>
<td>8,233,453</td>
<td>8,275,439</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>8,091,826</td>
<td>8,233,453</td>
<td>9,401,695</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>22,642,308</td>
<td>18,343,772</td>
<td>19,170,479</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other assets - amortizable issuance costs</td>
<td>-</td>
<td>-</td>
<td>31,156</td>
</tr>
<tr>
<td><strong>Total Assets and amortizable issuance costs</strong></td>
<td>$22,642,308</td>
<td>$18,343,772</td>
<td>$19,201,635</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of bonds payable</td>
<td>-</td>
<td>-</td>
<td>925,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>91,957</td>
<td>239,517</td>
<td>2,067,238</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>1,526,833</td>
<td>2,050,648</td>
<td>1,220,443</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>9,252,751</td>
<td>8,297,202</td>
<td>9,398,975</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>341,384</td>
<td>339,801</td>
<td>321,828</td>
</tr>
<tr>
<td>Due to the NCSL Foundation</td>
<td>-</td>
<td>58,703</td>
<td>50,289</td>
</tr>
<tr>
<td>Short term debt</td>
<td>3,145,200</td>
<td>3,145,200</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>14,358,125</td>
<td>14,131,071</td>
<td>13,983,774</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>1,953,680</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,358,125</td>
<td>14,131,071</td>
<td>15,937,454</td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>8,091,826</td>
<td>8,233,453</td>
<td>5,427,914</td>
</tr>
<tr>
<td>Restricted cash held by trustee</td>
<td>-</td>
<td>-</td>
<td>1,126,257</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>192,357</td>
<td>(4,020,752)</td>
<td>(3,289,990)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>8,284,183</td>
<td>4,212,701</td>
<td>3,264,181</td>
</tr>
</tbody>
</table>

### Total Liabilities and Net Assets

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$22,642,308</td>
<td>$18,343,772</td>
<td>$19,201,635</td>
</tr>
</tbody>
</table>
1. Welcome and Introductions

2. Outreach Efforts
   a. New Members
   b. Legislative Staff

3. Virtual Meetings
   a. NCSL Base Camp 2020 Review
   b. Review of Other 2020 Online Meetings

4. Elections: 2020 Outreach and Analysis

5. Grants and Contracts
   a. Approval and Review

6. Legislative Summit Update

7. Communications Division Activity

8. Other Business
NCSL GRANT SOLICITATION GUIDELINES

1. NCSL’s primary objective in fundraising is to pursue grants on issues that are important to legislators and staff. Among the measures of importance are information requests, requests for technical assistance, currently filed legislation, a federal initiative to which states must respond, priorities set by the Executive Committee, or a topic that NCSL staff foresee coming to center stage.

2. NCSL will consider topics that enhance established strengths of the organization to provide greater depth to legislators and staff as they consider increasingly complex facets of an issue.

3. Where the issue is new to the organization, staff will consider how quickly it can develop expertise to ensure sustainability should future grant funding end.

4. NCSL will focus its fund raising on topics where reliable and impartial sources of information are not readily available to legislators and staff to avoid duplication of efforts. Where credible resources exist, NCSL will serve as a broker to facilitate access to information.

5. NCSL will not accept funding from a source unless it agrees that:

   • NCSL will not advocate the funder’s position on an issue (unless it is consistent with NCSL policy adopted under NCSL bylaws); and
   • NCSL will maintain total direction and editorial control over the operation and work produced under the grant.

Despite being able to ensure that these guarantees are in place, NCSL understands that there may be a perceived conflict of interest in pursuing grant funding from certain sources. Staff must thoroughly assess these risks and be confident that it can justify any such funding to NCSL’s Executive Committee, which retains final authority to approve or reject any grant proposal, before proceeding with negotiations.

6. In negotiating final grant conditions, NCSL and the funder must agree to the scope and timing of the proposal, project deliverables and budget.
NEW PROJECTS REQUIRING EXECUTIVE COMMITTEE APPROVAL

1. National Organizations of State and Local Officials (NOSLO): Health Legislation and Governance
   Source: Health Resources and Services Administration (HRSA)
   Amount: $853,466 – FUNDED AT $853,466
   Direct/Indirect Costs: $697,968 – Direct Costs; $155,498 – Indirect Costs (@ 45.14% of salaries)
   Description: A new three-year cooperative agreement for a project to increase state legislators’ and legislative staff members’ knowledge, awareness and capacity around issues related to the health care safety net, public health and other health-related priority issues.
   Time Period: September 1, 2020 to August 31, 2021
   Deliverables: Four databases; five web resources; eleven publications; and seven meetings/sessions.
   Submitted to EC: January 30, 2021

2. Facilitate State and Tribal Engagement in U.S. Department of Energy Office of Nuclear Energy (DOE-NE) Activities
   Source: U.S. Department of Energy and Office of Nuclear Energy (DOE-NE)
   Amount: $800,000
   Direct/Indirect Costs: $653,799 – Direct Costs; $146,201 – Indirect Costs (@ 45.14% of salaries)
   Description: A new four-year cooperative agreement with the Department of Energy will expand NCSL’s support of two working groups on nuclear energy, one made up of state legislators and one made up of tribal representatives.
   Time Period: December 15, 2020 to December 13, 2024
   Deliverables: Three to four policy research publications; three to four meetings/webinars; four technical assistance; and one legislative tracking.
   Submitted to EC: January 30, 2021

3. Educating State Legislators about State Policy Options Related to Economic Mobility
   Source: Rockefeller Foundation
   Amount: $475,000 – FUNDED AT $475,000
   Direct/Indirect Costs: $431,818 – Direct Costs; $43,182 – Indirect Costs (@ 10% of direct)
   Description: Create resources and educational outreach for members that address state policy options related to economic mobility for low-income and historically marginalized individuals and families.
Time Period: January 1, 2021 to December 31, 2023
Deliverables: One legislative database; one policy reference guide; five convenings; and six multimedia.
Submitted to EC: January 30, 2021

4. Enhancing Legislative Capacity for State Level Police Accountability
Source: Arnold Ventures / Laura and John Arnold Foundation
Amount: $261,590 – FUNDED AT $275,772
Direct/Indirect Costs: $229,728 – Direct Costs; $46,044 – Indirect Costs (@ 20% of salaries)
Description: Create a statutory database and publicly accessible tools to help inform legislative actions and interest, conduct research and publish reports that outline state efforts to promote police accountability.
Time Period: September 1, 2020 to August 31, 2021
Deliverables: One statutory scan and companion analysis; one legislative tracking and trends report; and two virtual legislator roundtables.
Submitted to EC: January 30, 2021

5. Occupational Licensing: Improving State Policy and Practice
Source: Council of State Governments (CSG) (Subaward from U.S. Dept. of Labor)
Amount: $250,000 – FUNDED AT $250,000
Direct/Indirect Costs: $202,956 – Direct Costs; $47,044 – Indirect Costs (@ 45.14% of salaries)
Description: The funds NCSL and CSG received will help to expand the National Occupational Licensing Database, add more states to the Consortium and provide additional resources to all states.
Time Period: July 1, 2020 to June 30, 2021 (extension requested and likely)
Deliverables: Create a Joint Center for Excellence on State Occupational Licensing; and expand the National Occupational Licensing Database.
Submitted to EC: January 30, 2021

6. Health Equity
Source: Amgen
Amount: $173,000 – FUNDED AT $173,000
Direct/Indirect Costs: $158,749 – Direct Costs; $14,251 – Indirect Costs (@ 12% of salaries)
Description: Provide resources and educational opportunities to members on health equity. Activities will be tailored to members on health and human services issues and members of the Quad Caucus.
Time Period: August 1, 2020 to August 31, 2021
7. Road Usage Charge Project
Source: Federal Highway Administration (FHWA)
Amount: $159,222 – **FUNDED AT $159,222**
Direct/Indirect Costs: $128,511 – Direct Costs; $30,711 – Indirect Costs (@ 45.14% of salaries)
Description: This federal contract allows NCSL to produce fact sheets on the states that have received federal grants for road usage charges, update an NCSL web page and develop other written materials. NCSL will also convene an in-person meeting regarding road usage charges.
Time Period: August 7, 2020 to February 6, 2022
Deliverables: Twenty-one fact sheets; one web page; and one in-person meeting.
Submitted to EC: January 30, 2021

8. Creating and Supporting State Legislative Champions for Health System Reforms
Source: Commonwealth Fund
Amount: $115,000 – **FUNDED AT $115,000**
Direct/Indirect Costs: $104,545 – Direct Costs; $10,455 – Indirect Costs (@ 10% of direct costs)
Description: This project will support state legislatures to strengthen their capacity to adopt and implement policies that help achieve a high-performance health system through a combination of web publications and resources, technical assistance and virtual learning opportunities.
Time Period: August 15, 2020 to August 14, 2021
Deliverables: Four virtual workshops; six web resources; four policy snapshots; and one meeting session.
Submitted to EC: January 30, 2021

9. Legislative Operations and Procedures
Source: Democracy Fund
Amount: $100,000 – **FUNDED AT $100,000**
Direct/Indirect Costs: $100,000 – Direct Costs; $0 – Indirect Costs (@ 0% of salaries)
Description: This grant provides general operating funding to enhance the Center for Legislative Strengthening’s capacity to provide research, analysis and consultation on legislative operations broadly and continuity of government in an emergency specifically, including legislative rules and procedures.
Time Period: December 1, 2020 to November 30, 2021
Submitted to EC: January 30, 2021
10. Early Learning Fellows Advanced Learning Series
Source: Buffett Early Childhood Fund
Amount: $100,000 – FUNDED AT $100,000
Direct/Indirect Costs: $92,318 – Direct Costs; $7,682 – Indirect Costs (@ 10% of salaries)
Description: Creates an opportunity for alumni of NCSL’s Early Learning Fellows project to continue learning from leading experts, while sharing their legislative successes and challenges.
Time Period: July 1, 2020 to June 30, 2021
Deliverables: Early Learning Fellows Alumni Program – Advanced Learning Series; and Early Learning Fellows – Level 1 Program Improvements.
Submitted to EC: January 30, 2021

STATUS OF PREVIOUSLY APPROVED PROJECTS
Changes in status since the last reports are shown in BOLD CAPITALS.

11. Building State Legislative Awareness of Competency-Based Postsecondary Education
Source: Western Governors University
Amount: $100,000 – FUNDED AT $100,000
Direct/Indirect Costs: $90,910 – Direct Costs; $9,090 – Indirect Costs (@ 10% of direct costs)
Description: Highlight competency-based postsecondary options, including state policy opportunities and challenges for NCSL members.
Time Period: October 1, 2020 to September 30, 2021
Deliverables: One workshop; one LegisBrief; and one blog post.
EC Approval Date: June 12, 2020

STATUS OF RENEWALS

12. Strengthening Public Health Systems and Services
Source: Centers for Disease Control and Prevention (CDC)
Amount: $1,133,000 -FUNDED AT $1,383,000 which includes funding for COVID-19, vaccine education, injury prevention, behavioral health, infectious disease and public health projects.
Direct/Indirect Costs: $115,810 – Direct Costs; $224,905 – Indirect Costs (@ 42.1% of salaries)
Time Period: August 1, 2020 to July 31, 2021
Deliverables: Six publications; four legislative tracking/webpages; seven meetings; and four webinars.
Reported to EC: June 12, 2020
13. Improving Early Learning Outcomes for ALL Students: Legislators Leading

Source: Heising-Simons Family Foundation
Amount: $600,000
Direct/Indirect Costs: $545,455 – Direct Costs; $54,545 – Indirect Costs (@ 10% of direct costs)
Time Period: March 1, 2021 to March 1, 2024
Deliverables: Six State Policy and Research for Early Education Workgroup meetings and one summit meeting; one rural pre-kindergarten workgroup meeting and report; and general support.
Reported to EC: January 30, 2021

14. Engaging State Legislators Around Afterschool’s Role in Promoting Student Wellbeing and Success

Source: C.S. Mott Foundation
Amount: $510,000 – FUNDED AT $510,000
Direct/Indirect Costs: $370,158 – Direct Costs; $59,842 – Indirect Costs (@ 16% of direct costs) This grant includes $80K in subgrants.
Time Period: November 1, 2020 to October 31, 2022
Deliverables: Two LegisBriefs; one Legislative Summit preconference; two cohorts of data grantees; and two virtual meeting sessions.
Reported to EC: January 30, 2021

15. Assistance to State Legislatures on Critical Policy Issues

Source: The Pew Charitable Trusts
Amount: $275,147 – FUNDED AT $275,147
Direct/Indirect Costs: $252,736 – Direct Costs; $22,411 – Indirect Costs (@ 10% of personnel costs)
Time Period: January 1, 2021 to June 30, 2021
Deliverables: Four focus groups; one LegisBrief; five short articles; two blog posts; three web resources; one report; and one quarterly newsletter.
Reported to EC: January 30, 2021

16. State Exchange on Employment and Disability

Source: Concepts, Inc. (subcontract on Department of Labor grant)
Amount: $305,466 – FUNDED AT $281,602
Direct/Indirect Costs: $222,025 – Direct Costs; $59,577 – Indirect Costs (@ 45.14% of salaries)
Time Period: June 22, 2020 to June 21, 2021
Deliverables: Two virtual meetings; four reports; four webinars; one State Legislatures magazine article.
Reported to EC: January 30, 2021

17. Building Legislative Leadership on Early Childhood Policy
Source: Alliance for Early Success
Amount: $280,000 – FUNDED AT $280,000
Direct/Indirect Costs: $261,019 – Direct Costs; $18,981 – Indirect Costs (@ 7% of direct costs)
Time Period: September 1, 2020 to August 31, 2021
Deliverables: Building legislative leadership; track and monitor legislative and budget activity; and sustain contact through outreach and publications.
Reported to EC: January 30, 2021

18. Democracy Fund Program Grant 2020 – 2022
Source: Democracy Fund
Amount: $240,000 – FUNDED AT $280,000
Direct/Indirect Costs: $254,546 – Direct Costs; $25,454 – Indirect Costs (@ 10% of direct costs)
Time Period: October 1, 2020 to September 30, 2022
Deliverables: Operational support for our elections and redistricting work.
Reported to EC: January 30, 2021

19. Education and Outreach to State Legislators and Legislative Staff on Energy Policy (TPTA)
Source: U.S. Department of Energy (DOE)
Amount: $181,000 – FUNDED AT $181,000
Direct/Indirect Costs: $150,814 – Direct Costs; $31,087 – Indirect Costs (@ 45.14% of salaries)
Description: Education and outreach to state legislators on electricity policy issues.
Time Period: October 1, 2020 to September 30, 2021
Deliverables: One database tracking; three publications; two webinars/meeting sessions; and one Legislative Energy Horizon Institute.
Reported to EC: January 30, 2021

20. Voting Outside the Polling Place Renewal
Source: National Vote at Home Institute
Amount: $145,000
Direct/Indirect Costs: $132,000 – Direct Costs; $13,200 – Indirect Costs (@ 10% of direct costs)
Description: This grant will allow NCSL to maintain its documents on absentee/mail voting, work that has been particularly helpful in the time of COVID-19.

Time Period: October 1, 2020 to September 30, 2021

Deliverables: Maintain webpage; create a database and one preconference at Legislative Summit.

Reported to EC: January 30, 2021

21. Informing Whole Child Policy: A Legislative Advisory Group and Other Resources
Source: Learning Policy Institute
Amount: $100,000 – FUNDED AT $100,000
Direct/Indirect Costs: $89,830 – Direct Costs; $10,170 – Indirect Costs (@ 11.3% of direct costs)
Time Period: September 1, 2020 to August 31, 2021
Deliverables: One virtual youth forum; one whole child policy advisory group; one policy snapshot and one whole child policy roundtable.

Reported to EC: January 30, 2021

22. Child Support Enforcement State Legislative Support Project
Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement
Amount: $495,044 – FUNDED AT $495,044
Direct/Indirect Costs: $408,774 – Direct Costs; $86,270 – Indirect Costs (@ 45.14% of salaries)
Time Period: October 1, 2020 to September 30, 2025
Deliverables: One database; one web page and research requests; three publications; and one meeting session.

Reported to EC: January 30, 2021

PROPOSALS UNDER $100,000

23. Legislative Tracking on Energy Efficiency, Legislative Outreach on Energy Storage Technology
Source: U.S. Department of Energy
Amount: $93,000 – FUNDED AT $93,000
Description: Legislative tracking, outreach and education on energy efficiency, energy storage policy and technology.
Time Period: October 1, 2020 to September 30, 2021
24. Fiscal Opportunities for Transportation in a Shifting Energy Landscape: The Role of State Legislators

Source: University of Texas
Amount: $55,000 – FUNDED AT $55,000
Description: Discover lawmakers’ knowledge of and opinions about legislative opportunities available to address shifting energy sources in transportation and to minimize the impacts of such shifts on transportation funding.
Time Period: July 21, 2020 to August 31, 2021
Reported to EC: January 30, 2021

25. Long Term Care Services and Supports State Scorecard and Pacesetter Prize

Source: The SCAN Foundation
Amount: $55,000 – FUNDED AT $55,000
Description: Strengthen the capacity of state legislatures to address health policy issues related to long term care services and supports.
Time Period: September 1, 2020 to August 31, 2021
Reported to EC: January 30, 2021

26. Tools and Resources for State Outdoor Recreation Offices

Source: PeopleforBikes
Amount: $55,000
Description: Support state efforts to define, organize and manage the substantial contributions that outdoor recreation opportunities bring to their citizens and their economies.
Time Period: October 1, 2020 to October 31, 2021
Reported to EC: January 30, 2021

27. Women’s Health and Chronic Conditions

Source: Amgen
Amount: $50,000 – FUNDED AT $50,000
Description: Work with state legislators and legislative staff who are interested in women’s health and chronic conditions issues, especially as they are exacerbated by COVID-19.
Time Period: January 1, 2021 to December 31, 2021
Reported to EC: January 30, 2021
28. Voting is for Everyone
Source: Microsoft
Amount: $25,000 – FUNDED AT $25,000
Description: This is a “seed money” grant from Microsoft to pursue a larger project that will provide educational products and activities for state legislators and legislative staff about policies to improve the voting experience for a wide variety of groups.
Time Period: July 1, 2020 to June 30, 2021
Reported to EC: January 30, 2021

29. Traffic Safety Online Meeting Series
Source: Responsibility.org
Amount: $25,000 – FUNDED AT $25,000
Description: Convene two Traffic Safety Online Meetings in December 2020. The first session will focus on poly-substance impaired driving. The second meeting will be a roundtable discussion with three traffic safety thought leaders.
Time Period: November 13, 2020 to May 31, 2021
Reported to EC: January 30, 2021

30. Manufacturing Extension Partnership Cooperative Agreement
Source: State Science and Technology Institute on behalf of MEP
Amount: $25,000 – FUNDED AT $25,000
Description: This project is a cooperative agreement between NCSL and the State Science and Technology Institute and the Manufacturing Extension Partnership in $25,000 increments over five years. The funds sponsor two NCSL Jobs Summits as well as various sessions and products on manufacturing.
Time Period: December 1, 2020 to November 30, 2021
Reported to EC: January 30, 2021

31. Cancer Care Project 2021
Source: Foundation for State Legislatures through sponsorship from Amgen
Amount: $20,000 – FUNDED AT $20,000
Description: Provide education and background information for NCSL’s members about the use of precision medicine and new technologies.
Time Period: January 1, 2021 to June 30, 2021
Reported to EC: January 30, 2021
32. **NCSL-SCAN: Master Plans for Aging**
   
   **Source:** The SCAN Foundation  
   **Amount:** $20,000  
   **Description:** Education, awareness and information dissemination among state legislators and staff around master plans for aging.  
   **Time Period:** September 1, 2021 to February 28, 2022  
   **Reported to EC:** January 30, 2021

33. **IT Modernization and Cybersecurity Public Sector Survey and Focus Group**
   
   **Source:** ITI via Mercury LLC  
   **Amount:** $15,275 – **FUNDED AT $15,275**  
   **Description:** A research project to learn policymakers understanding of technology and related needs during the pandemic. The research project will consist of an online survey and focus groups.  
   **Time Period:** November 22, 2020 to December 31, 2021  
   **Reported to EC:** January 30, 2021

34. **Legislative Representation in Justice Mental Health**
   
   **Source:** Council of State Governments (CSG)  
   **Amount:** $14,959 – **FUNDED AT $14,959**  
   **Description:** Sub-grant on a Justice and Mental Health Collaboration Project. NCSL will advise the CSG Justice Center on strategic direction for state technical assistance and resource development.  
   **Time Period:** March 1, 2020 to September 30, 2021  
   **Reported to EC:** January 30, 2021

35. **DORA Mental Health Sunset Facilitation**
   
   **Source:** Colorado Department of Regulatory Agencies  
   **Amount:** $8,500 – **FUNDED AT $8,500**  
   **Description:** Serve as an unbiased, third-party facilitator for a work group on licensing of addiction counselors and assist with the drafting of the report to the General Assembly.  
   **Time Period:** August 1, 2020 to January 1, 2021  
   **Reported to EC:** January 30, 2021

36. **2020 Peer Review for Utah Office of Legislative Auditor General**
   
   **Source:** Utah Office of Legislative Auditor General  
   **Amount:** $3,000 – **FUNDED AT $3,000**
**Description:** The Utah Office of Legislative Auditor General requested that NCSL/NLPES conduct another peer review for the office.

**Time Period:** December 14, 2020 to January 29, 2021

**Reported to EC:** January 30, 2021

### 37. Promoting Adolescent Health through School-Based HIV Prevention

**Source:** National Coalition of STD Directors (subcontract under CDC grant)

**Amount:** $3,000 – **FUNDED AT $3,000**

**Description:** NCSL will support NCSD’s work on school-based STD prevention in an advisory capacity.

**Time Period:** August 1, 2020 to July 31, 2021

**Reported to EC:** January 30, 2021
2020 Member Engagement Highlights

The extraordinary events of 2020 called for NCSL to support members in an unparalleled manner.

COVID-19

When impacts of the pandemic hit the states and territories, NCSL responded immediately with a new COVID-19 resources webpage providing essential knowledge to guide state action in many policy areas.

The main COVID-19 web page received 106,367 visits.

- Associated Press
- CNN
- The New York Times
- The Washington Post
- MSN News

NCSL staff wrote 152 COVID-19-related blogs.

- CARES Act Gives State Education Funding Flexibility in Wake of COVID-19
- Coronavirus: A Federal and State Rundown

"Our American States" produced 18 COVID-19-specific podcasts receiving 18,225 downloads.

Additional 2020 Highlights

Legislative Staff Week

Legislative Staff Week was in May and staff across the states working to overcome the challenges presented by the COVID-19 pandemic. To thank legislative staff for their tireless efforts, the week was themed “You Deserve a Hand” and 387+ “Standing Ovations” were submitted by legislators and staff. NCSL also published blogs, hosted a webinar and a dedicated Living Room Townhall to legislative staff.

- 23 Sessions
- 1,200+ Attendees
- 50 States
- 7 Countries

NCSL Base Camp

When it was clear NCSL’s Legislative Summit 2020 would not take place, the organization quickly conceptualized and launched NCSL Base Camp 2020, a three-day online meeting that brought experts from across critical sectors to discuss COVID-19, the upcoming elections, the economy, policing, education and more. NCSL Base Camp 2020 provided a way to feel connected and learn together.

- 387+

State Elections

Immediately following Base Camp, NCSL shifted into 2020 State Elections mode. In all, the main NCSL State Elections web page received 47,599 visits. The most-sought resources with page views:

- The Electoral College
- 2020 State Primary Election Dates
- State Laws Governing Early Voting

NCSL staff wrote 74 elections-specific blogs. The top three with page views:

- 2020 Legislative Elections Results: It’s Status Quo in the States
- 2020 Legislative Elections Results: It’s Status Quo in the States
- What If an Absentee Voter Dies Before Election Day?

Nearly 1,000 newly elected legislators were contacted and welcomed to NCSL within eight days of the election.

- Double Trouble: How States Keep People From Voting Twice

Additional 2020 Highlights

In response to the challenge of the new virtual world, NCSL staff quickly shifted to supporting members via webinars and online meetings.

- 10,039 attendees participated in 99 policy webinars reflecting a 350% increase in webinar attendees and a 100% increase in webinars over 2019.

NCSL staff conducted 1,200+ online meetings with legislators and staff and assisted 5,870+ members during 156 in-person and virtual visits, many including policy testimony.

NCSL staff answered 2,256 policy research requests from legislators and staff, providing trusted information at the most crucial times.

In all, the NCSL website received 30.8+M page views (112% increase over 2019).

- 101 reports and LegisBriefs
- 485,000 views of 300+ blogs

- 38,472 downloads of 39 episodes of the “Our American States,” a 34% increase in podcast episodes and 23% increase in downloads over 2019.

25,012 Twitter followers (12% increase over 2019) and 71,300 direct engagements (98% increase over 2019). Top Tweet was about NCSL’s 2020 elections night coverage which resulted in interaction with Jake Tapper from CNN and reached 2.9M users.

- Introduced NCSL Living Room Town Halls with 38 live interviews conducted and available on Facebook.

61,000 media mentions, a 38% increase over 2019. The top five media outlets using NCSL content in 2020 include:

- Associated Press
- The Washington Post
- The New York Times
- CNN
- MSNBC

1,021 Episode 88: COVID-19: Communicating in a Crisis


152 Episode 86: COVID-19: Contingency of State Government and Elections

14,353 2020 Legislative Elections Results: It’s Status Quo in the States
1. Welcome and Introductions

   
   Lisa Meacham, Partner, Plante Moran
   
   Jeff Savage, Manager, Plante Moran
   
   Audited Financial Statements as of June 30, 2020
   
   Federal Awards Supplemental Information
   
   Audit Committee Letter – Required Communication
JANUARY 30, 2021  |  NOON ET  |  ONLINE

1. Welcome and Introductions

2. Priority Setting Exercise
   • State-Federal Priorities
   • Major State Issues

3. Update on NCSL in D.C. Activities (*time permitting*)

4. Other Business
To: NCSL Executive Committee
From: Molly Ramsdell, Director, Washington Office
Date: Jan. 30, 2021
Subject: Update on State-Federal Activities

This report provides highlights NCSL activities in Washington, D.C. since the June 12, 2020 virtual Executive Committee meeting.

**Working with a New Administration and Congress**

NCSL staff in D.C. are busy engaging with officials from President Joe Biden’s administration—White House and agency intergovernmental affairs staff—and members and staff of the 117th Congress. NCSL Executive Committee member Senator Ann Millner (R) had the opportunity to participate in one of those activities. NCSL arranged for a bipartisan group of legislators to have a roundtable discussion with the education transition team on issues related to assessments and standards. NCSL staff also met virtually with members of President Biden’s immigration transition team to discuss a path forward on federal immigration proposals, and with members of the census transition team to ensure accurate census data is transmitted to the states.

NCSL developed and is sharing [policy papers](#) with the new administration and Congress on more than two dozen issues. Each of these papers provides an overview of the issue and a summary of NCSL’s position.

NCSL is kicking of a series of virtual briefings on Feb. 12, with the first focusing on K-12 and higher education. Senator Millner from Utah and Delaware Senate President Pro Tempore David Sokola (D) will discuss everything from getting kids back to school and the digital divide, to assessments, college affordability and post-secondary system alignment. The audience is both Congress and the administration. Future briefing topics tentatively include immigration, health care, occupational licensing and a 101 on working with state legislatures.

The eight NCSL Standing Committees held virtual meetings in November and December to identify their top state-federal priorities for the coming year. The State-Federal Subcommittee will review the combined list of more than 25 plus topics and make recommendations on a Top 10 for consideration by the full Executive Committee during the Jan. 30 meeting. The Top 10 will be shared with all members of Congress and the new administration in early February.

**Briefings for State Legislatures**

NCSL in D.C. continues to provide briefings on federal actions, upon request, for chambers, caucuses and staff. Please do not hesitate to reach out if you are interested.
June – December 2020
NCSL continued its advocacy efforts on COIVD-19 relief—working with coalitions including the other national organization representing state and local governments; virtually meeting with key staff from the administration and congressional leaders’ offices; issuing numerous letters and statements; and hosting several virtual briefings and townhalls that featured state legislators. Below are a few highlights of those virtual events.

July 29: NCSL, NGA and other national organizations representing state and local groups hosted a briefing that highlighted the need for an additional 6.2% increase in the Federal Medical Assistance Percentage in a COVID-19 response bill. The briefing was a follow-up to a letter the Big 7, joined by over 160 other groups, sent to congressional leadership earlier this summer advocating for an FMAP increase and requesting the Medicaid Fiscal Accountability Rule be rescinded. Watch recording

Aug. 3-5: NCSL Hosted a three-part Relief and Revenues Facebook video series to discuss the effects of COIVD-1 pandemic on state finances.

Aug. 3: Mandy Rafool, director of NCSL’s fiscal program and Shelby Kerns from the National Association of State Budget Officers discussed the condition of state budgets and COVID-19 spending. watch recording

Aug. 4: Senator Blake Tillery (R), chair of the Georgia Senate Appropriations Committee and Georgia Representative Terry England (R), chair of the Georgia House Appropriations Committee provided an update on the Georgia budget. watch recording

Aug. 5: Nevada Senator Mo Denis (D), president pro tem, provided an update on Nevada budget and the need for additional flexible federal relief to combat COIVD-19. watch recording

Dec. 7: NCSL, NGA, the National League of Cities and the National Association of Counties joined forces in a virtual Capitol Hill briefing to highlight the use of the Coronavirus Relief Funds (CRF) by state and local governments and the need for additional flexible funding. Senator Bo Watson (R), chair of the Tennessee Senate Finance, Ways and Means Committee, shared how Tennessee allocated its share of the CRF to provide unemployment relief, workforce development and PPE supplies (watch recording).
At the same time, NCSL and the other organizations involved in the briefing pushed out examples on Twitter of states uses of CRF dollars.

**Dec. 9:** NCSL, along with the National Governors Association (NGA) and U.S. Chamber of Commerce, organized a congressional briefing to discuss the importance of addressing unemployment insurance and trust fund solvency in a stimulus package. Senator Blake Tillery (R), chair of the Georgia Senate Appropriations Committee was a featured speaker. [watch recording]

**REAL ID**
NCSL was instrumental in passage of the Real ID Modernization Act, which makes needed improvements to the 2005 Act. **NCSL also pushed for a one-year extension—from Oct. 1, 2020 to Oct. 1, 2021**—of the full enforcement date of the REAL ID, the 2005 law that required states to established federal standards for state-issued drivers licenses for the license to be accepted for certain federal purposes, including boarding a commercial aircraft. The bill was included in the year-end COIVD-19 and FY 2021 funding bill.

**Great American Outdoors Act**
NCSL successfully advocated for permanent full funding of the Land and Water Conservation Fund in the passage of the Great American Outdoors Act, which was signed into law on Aug. 4.

**Water Resources Development Act (WRDA)**
NCSL successfully advocated for the passage of WRDA, which funds our nation’s systems of ports and inland waterways and included increased levels of federal infrastructure funding and specific steps to manage Asian Carp and other invasive species.

**Program Extensions**
NCSL also successfully pushed for extensions of the Fixing America's Surface Transportation (FAST) Act and the Temporary Assistance for Needy Families until later in 2021.

**Letters and Comments to Congress and the Administration: June 1, 2020 – January 25, 2021**
NCSL issued more than 15 letters/statements to either Congress or the administration since June 1, 2020. Although the majority are related to the federal response to COVID-19, an extension of TANF and the current surface transportation law, FEMA assistance and the REAL ID are also issues addressed.

**Supreme Court Update**
Since the last Executive Committee meeting, NCSL, working through the State and Local Legal Center, prevailed in *Carney v. Adams*, in which the Supreme Court held unanimously that James Adams lacked standing to challenge a Delaware constitutional provision that requires that appointments to Delaware’s major courts reflect a partisan balance.
1. Welcome and Introductions

2. Overview and Review of NCSL’s Institutional Work in 2020

3. Priorities, Goals and Programming Ideas for 2021

4. Legislative Oversight of the Executive in an Emergency
   a. Overview of NCSL Resources
   b. Discussion: What’s Happening in Your State?

5. Other Business
MEMO TO: NCSL EXECUTIVE COMMITTEE
FROM: Senate President Leroy Garcia, NCSL Foundation President
SUBJECT: Status Report as of January 25, 2021
DATE: January 30, 2021

The Foundation's Revenues - FY 2021

The Foundation Board approved an unrestricted fundraising goal of $2,050,000 for fiscal year 2021. As of Jan. 25, the Foundation raised $1,039,500 in unrestricted giving. This amount compares to $1,082,500 in unrestricted contributions at the same time last year.

We are pleased to report that we have four sponsors at the new Capitol Circle level. Three of these are upgrades from platinum while Amazon upgraded from gold.

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We have 44 platinum sponsors, combined with the Capitol Circle level we have 48 top sponsors up from 46 at this time last year. To date in fiscal year 2021 we’ve recruited two new platinum sponsors—Curriculum Associates and the Mentor Network—and secured two platinum upgrades—the American Kratom Association and HP, Inc.

1-800 CONTACTS  
America’s Credit Unions  
**American Kratom Association**  
Amgen  
Apple  
The Carpet and Rug Institute  
Charter Communications  
Comcast Cable Communications  
Conrad N. Hilton Foundation  
**Curriculum Associates**  
Entertainment Software Association  
Esri  
Fresenius Medical Care  
Genentech  
Gilead Sciences  
GlaxoSmithKline  
Google  
**HP, Inc.**  
Institute of Scrap Recycling Industries, Inc.  
International Paper  
Juul Labs  
MAXIMUS  
**The Mentor Network**  
National Beer Wholesalers Association  
NCTA – The Internet & Television Association  
Netflix  
Novartis  
Nuclear Energy Institute  
Online Lenders Alliance  
PepsiCo  
PhRMA  
Qualtrics  
RELEX  
Reynolds American Inc.  
State & Federal Communications, Inc.  
State Farm Insurance Companies  
State Government Affairs Council  
TIAA  
Turo  
Verizon  
Viatris  
Visa  
Vistra Corp.  
Western Governors University
In FY 2021, the NCSL Foundation welcomed four new gold sponsors and four new silver sponsors.

**Gold Sponsors**—the Information Technology Industry Council (ITI), Sage Therapeutics, Share our Strength and Waymo.

**Silver Sponsors**—the American Heart Association, the Campaign for Transformative Therapies, Ernst & Young and Horizon Therapeutics.

Additionally, the National Association of State Procurement Officials upgraded to Gold while Purpose Financial and Southern California Edison have downgraded from Platinum to Gold.

We have six new commitments: Biogen, Door Dash and Smile Direct Club at Platinum, and the American Traffic Safety Services Association, Exxon Mobil and Lyft at Silver.

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### Fundraising Activities

The Foundation has continued to offer opportunities to bring value to new and renewing sponsors. Outreach efforts include:

**NCSL Base Camp, Sept. 15-17**
Adapting to a year like any other, NCSL hosted its first NCSL Base Camp online learning experience for legislators, legislative staff and Foundation sponsors. When possible, Foundation sponsors were tapped for presentations and keynotes. Sponsors were highlighted in the Foundation Hall and included in networking opportunities. Special thanks to AT&T, Intuit, Maximus and Western Governors University as Banner Sponsors of the event, and to the American Heart Association and the State Government Affairs Council for supporting ancillary events!

**NCSL Foundation Election Recap, Nov. 10**
Tim Storey and the NCSL Elections team hosted a special presentation for Foundation sponsors and offered an in-depth analysis of the election’s impact on state legislatures. NCSL Elections staff provided more than a dozen presentations to sponsor organizations leading up to and following election day.

**NCSL Standing Committee Priority Setting Calls, Various Dates**
Foundation sponsors were invited to participate in Zoom meetings to observe each NCSL Standing Committee’s biennium priority setting exercise. The results of the calls will be presented to the NCSL Executive Committee on Jan. 30 to help establish NCSL’s overall priorities for the upcoming biennium.

**NCSL Leaders Symposium, Key Biscayne, Florida, Dec. 14-16**
Capitol Circle and Platinum sponsors were invited to attend NCSL’s first in-person meeting during the pandemic. The Leaders Symposium brought together more than 20 legislative leaders from across the country to learn from each other and experts on how to best navigate the upcoming year.

**NCSL Officers Roundtable, Dec. 21**
The NCSL Officers joined sponsors for a virtual discussion about lobbying in the pandemic era. Sponsors had the opportunity to hear from the officers about 2021 priorities, strategies for engaging in their state, and participated in small group discussions with the officers.
Sponsor Spotlights in the NCSL Today daily news docket
Foundation Sponsors have been highlighted in NCSL Today which is distributed daily to more than 27,000 individuals including all U.S. state legislators.

Board of Directors, Capitol Circle, Platinum and Gold Thank You Gifts
Keep an eye out at your home residence for a special gift from NCSL!

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**Foundation Partnership**

**Disaster Mitigation and Recovery Partnership**
The partnership recently published its third written deliverable, the *2019-2020 State Legislative Report on Natural Disasters*. After postponing its planned May and August in-person meetings, NCSL staff have continued to host regular briefings for the steering committee. NCSL staff are exploring plans for a final in-person meeting in the Spring or Summer of 2021.

Many thanks to our partners: American Electric Power, the American Property Casualty Insurers Association, the American Society of Civil Engineers, Facebook, the International Code Council, the Pew Charitable Trusts and Wells Fargo.

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**Foundation Operating Expenses for FY 2021**

The Board of Directors approved an operating budget of $628,000 and $1,422,000 for awards to NCSL, down from $1,003,514 and $2,010,000 in FY 2020. Currently, our operating expenses are reduced due to travel cuts, limited events and the cancellation of NCSL 2020 national meetings.
Capitol Circle Sponsors

- Amazon
- AT&T
- Intuit
- Walmart

Platinum Sponsors

- 1-800 CONTACTS, Inc.
- America’s Credit Unions
- Amazon
- American Kratom Association
- Amgen
- Apple
- The Carpet & Rug Institute
- Charter Communications
- Comcast Cable Communications
- Conrad N. Hilton Foundation
- Curriculum Associates
- Entertainment Software Association
- Esri
- Fresenius Medical Care
- Genentech
- Gilead Sciences
- GlaxoSmithKline
- Google
- HP Inc.
- Institute of Scrap Recycling Industries, Inc.
- International Paper
- Juul Labs
- MAXIMUS
- The Mentor Network
- National Beer Wholesalers Association
- NCTA—The Internet & Television Association
- Netflix
- Novartis
- Nuclear Energy Institute
- Online Lenders Alliance
- PepsiCo
- PhRMA
- Qualtrics
- RELX Inc.
- Reynolds American Inc.
- Roche Diagnostics
- State & Federal Communications, Inc.
- State Farm Insurance Companies

Gold Sponsors

- AARP
- AbbVie
- ADM
- The Advocacy Group (TAG)/FOCUS, a Leonine Business*
- Alkermes
- Alzheimer’s Association
- American Association for Justice
- American Association of Nurse Practitioners
- American Bankers Association
- American College of Cardiology
- American Council of Life Insurers
- American Dental Association
- American Express
- American Federation of State, County & Municipal Employees
- American Federation of Teachers
- American Fuel & Petrochemical Manufacturers
- American Gas Association
- American Hotel & Lodging Association
- American Institute of CPAs
- American Institutes for Research
- American Optometric Association
- American Physical Therapy Association
- American Property Casualty Insurance Association*
- American Public Power Association
- American Society of Civil Engineers
- Ancestry.com
- Associated Builders and Contractors
- Association for Accessible Medicines
- Bank of America
- Bayer HealthCare Pharmaceuticals
- Best Buy
- Biotechnology Innovation Organization (BIO)*
- BlueCross BlueShield Association
- Boehringer Ingelheim Capital One
- Catalyst
- Center for Growth and Opportunity
- Coalition of State Rheumatology Organizations
- The College Board
- Consumer Data Industry Association
- Consumer Technology Association
- Cox Communications, Inc.
- CTIA-The Wireless Association
- CVS Health
- Darden Restaurants, Inc
- Deloitte
- Design-Build Institute of America
- EdChoice
- Edison Electric Institute
- Everytown for Gun Safety
- Facebook
- FedEx
- Foundation for Individual Rights in Education
- Fox Corporation
- goPuff
- HIMSS
- IBM
- Information Technology Industry Council (ITI)*
- International Code Council*

*Level based on total contributions—unrestricted and restricted  **In-kind contribution
Gold Sponsors (continued)

- International Council of Shopping Centers
- Johnson & Johnson
- LexisNexis State Net**
- Lockridge Grindal
- Mallinckrodt Pharmaceuticals
- MasterCard Worldwide
- McKesson Specialty Health
- Merck
- Microsoft
- MultiState Associates
- National Association of Convenience Stores
- National Association of State Procurement Officials
- National Rural Electric Cooperative Association
- NEC Corporation of America
- NWEA
- PayPal
- Pearson
- The Pew Charitable Trusts
- Pharmaceutical Care Management Association (PCMA)
- Professional Beauty Association
- Purpose Financial
- Rare Access Action Project
- Reason Foundation
- Red Bull
- Sage Therapeutics
- SAIL Coalition
- Salesforce
- Salt River Project
- Sanofi
- SAS Institute
- Sazerac
- Share Our Strength
- Siemens
- Society for Human Resource Management
- Sodexo
- Sourcewell
- Southern California Edison
- Sprint
- Stateside
- Target
- T-Mobile
- Ulta
- UPS
- Walgreens
- Waymo
- Weedmaps
- Wells Fargo
- West, A Thomson Reuters Business**

Silver Sponsors

- AAA
- Advantage Capital
- Aflac
- Agrium
- Air-Conditioning, Heating, and Refrigeration Institute
- America’s Health Insurance Plans
- American Chemistry Council
- American Electric Power
- American Federation for Children
- American Financial Services Association
- American Forest & Paper Association
- American Heart Association
- American Hospital Association
- American Medical Association
- AmerisourceBergen
- Aqua America
- Association of American Railroads
- Association of National Advertisers
- Axon
- Boston Scientific
- Bristol-Myers Squibb
- BSA | The Software Alliance
- Campaign for Transformative Therapies
- CEDIA
- Change Healthcare
- CompTIA
- Consumer Healthcare Products Association
- Cummins
- Diageo
- Dominion Energy, Inc.
- eBay Inc.
- Educational Testing Service
- Enterprise Holdings
- Epstein Becker Green
- Ernst & Young
- Gulfstream Aerospace Corporation
- Hallmark Cards
- Helicopter Association International
- Hewlett Packard Enterprises
- Horizon Therapeutics
- The Humane Society of the United States
- International Association of Amusement Parks
- International Bottled Water Association
- Johnson Controls
- JPMorgan Chase & Co.
- MAGNA International
- McGuireWoods Consulting
- McLane Company, Inc.
- Molina Healthcare
- Motorola Solutions
- National Association of Chain Drug Stores
- National Association of Home Builders
- National Community Pharmacists Association
- National Marine Manufacturers Association
- National Retail Federation
- New York Life Insurance Company
- Nike
- Northrop Grumman
- Novo Nordisk
- Philips Healthcare
- Responsibility.org
- Satellite Broadcasting and Communications Association
- Securities Industry and Financial Markets Association
- Service Employees International Union
- Tucson Electric Power
- University of Phoenix
- U.S. Tire Manufacturers Association

*Level based on total contributions—unrestricted and restricted **In-kind contribution
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National Beer Wholesalers Association
Alexandria, Virginia

Mr. Dave Howell
Wells Fargo
Phoenix, Arizona

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Madison, Wisconsin

Mr. Rick Cimerman
NCTA – The Internet & Television Association
Washington, D.C.

Ms. Jennifer Jones
Sunset Advisory Commission
Austin, Texas

Ms. Danielle Waterfield
Institute of Scrap Recycling Industries, Inc.
Washington, D.C.

Mr. Joe Jaso
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Institute of Scrap Recycling Industries, Inc.
Washington, D.C.

Mr. Joe Jaso
Mylan
Washington, D.C.
The following officers and members were present:

### OFFICERS

- Speaker Robin Vos, Wisconsin
- Speaker Scott Saiki, Hawaii
- Speaker Scott Bedke, Wyoming
- Martha Wigton, Director, House Budget and Research Office, Georgia
- JJ Gentry, Counsel, Ethics Committee—Senate, South Carolina
- Jon Heining, General Counsel, Legislative Council, Texas

### EXECUTIVE COMMITTEE MEMBERS

- Senator Ralph Alvarado, Kentucky
- Representative Barbara Ballard, Kansas
- Senator Eric Bassler, Indiana
- Tim Bommel, Missouri
- Senator David Carlucci, New York
- Charlotte Carter-Yamauchi, Hawaii
- Representative Sarah Copeland Hanzas, Vermont
- Lonnie Edgar, Mississippi
- Representative Marcus C. Evans Jr., Illinois
- Matt Gehring, Minnesota
- Senator Wayne Harper, Utah
- Aurora Hauke, Alaska
- Senator Bill Hansell, Oregon
- Representative Jean Hunhoff, South Dakota
- Jennifer Jackson, Texas
- Jennifer Jones, Texas
- Scott Kaiser, Illinois
- Susan Kannarr, Kansas
- Representative John Kavanagh, Arizona
- Othni Lathram, Alabama
- Senator Greg Leding, Arkansas
- MNA Mathieu Lemay, Quebec
- Sabrina Lewellen, Arkansas
- Senator Ann Millner, Utah
- Representative Angelo Puppollo Jr., Massachusetts
- Senator Sue Rezin, Illinois
- Representative Kevin Ryan, Connecticut
- Representative Marilyn Ryan, Montana
- Anne Sappenfield, Wisconsin
- John Snyder, Kentucky
- Representative Trey Stewart, Maine
- Senator Greg Treat, Oklahoma
- Linda Triplett, Mississippi
- Representative Linda Upmeyer, Iowa

A quorum was present with 40 members in attendance.

### OPENING REMARKS

Wisconsin Assembly Speaker and NCSL President Robin Vos thanked everyone for participating in the Zoom meeting and recognized the work of NCSL staff. He acknowledged legislatures’ work on the CARES Act and activities in Washington, D.C. He led a moment of silence for the death of George Floyd.

### APPROVAL OF MINUTES AND VACANCIES

The minutes of the Jan. 18 meeting in Austin, Texas, were unanimously approved.

### REMARKS BY THE NCSL EXECUTIVE DIRECTOR

Tim Storey noted it was almost a year ago when the Executive Committee selected him as executive director, and how NCSL has had to change and adapt to the pandemic, including significant cuts in the NCSL budget. However, with a generally new executive leadership team in place, he believes it has been a successful year for the organization.
The shift to telework on March 15, 2020, has been seamless. He said staff have stepped up in phenomenal ways in terms of productivity and response to meet NCSL’s mission.

NCSL staff have been deeply affected by the killing of George Floyd and the nation’s response. Internally, the organization is looking at how to address these issues, as well as diversity and inclusion policies. He said NCSL staff, legislators and legislative staff are at the forefront of efforts to find solutions to all our problems, including the issues of racism in America, as well as the coronavirus and economic crises.

**BUDGET, FINANCE AND RULES COMMITTEE**

Hawaii House Speaker and NCSL President-Elect Scott Saiki brought two items up for Executive Committee approval: a resolution governing some of NCSL’s procedural matters, and the fiscal year 2021 budget. He noted Martha Wigton and Jon Heining took the lead on drafting a resolution on NCSL Governance, as a result of the pandemic cancelling the 2020 Legislative Summit.

NCSL Staff Chair Martha Wigton from Georgia said that in 45 years, NCSL has never missed having an annual meeting. The bylaws do not provide for missing an annual meeting, where votes are taken on the budget, policies and positions on Executive Committee and new officers. After discussion with parliamentarians and staff, a resolution was created calling for the current slate of officers to remain in place for another year.

The resolution was unanimously adopted.

Saiki added that a process would soon begin to evaluate all NCSL bylaws.

Saiki turned the committee’s attention to the proposed FY 2021 NCSL budget. He said it was proactive and realistic, looking at vacancies, restrictions and reduction in capital costs. Saiki said the proposed FY 2021 budget of $20.6 million will be reduced to $15.7 million. Expenses originally budgeted at $23 million will be reduced to $15.7 million. This FY 2021 budget does not include the 3% increase in dues that was approved last year. The budget has a $44,000 surplus at the end of the year. NCSL benefited from a Paycheck Protection Program loan.

Storey added the FY 2021 budget is $4.5 million less than the budget approved one year ago. This reflects a reduction of general fund FTEs by 12.9% due to vacancies, and a significant reduction in travel costs. Foundation support allowed a shift of some employees to grant-supported positions. There is no merit pool for staff. He said the cancellation of the Legislative Summit and other meetings, such as the popular redistricting meetings, will have a negative impact on the budget. Hiring was frozen. Revenue has been saved with lower costs for the building and reducing the printing of *State Legislatures* magazine to two times from six times per year.

In terms of the FY 2020 budget, appropriations were very strong. Storey anticipates NCSL will get dues from all 50 states. The success of the Nashville Legislative Summit also helped make FY 2020 a successful budget year. NCSL will end its year with a budget surplus.

The budget was unanimously approved.

Saiki noted that the on June 15, NCSL will pay off the Denver headquarters building with a $940,000 payment.

**COMMITTEE ON OUTREACH AND MEMBER SERVICES**

Massachusetts Representative Angelo Puppolo thanked NCSL staff for its work during the pandemic. He noted the NCSL Public Affairs team earned more than 22,000 media mentions from Jan. 1 to the end of May, which is an internal record. The team created a new online product called “Living Room Town Halls,” broadcasting six
episodes. The weekly events have reached more than 150,000 people across all platforms.

NCSL has been a national resource for COVID-19 policy information. Between when the crisis hit in mid-March through the end of May, the organization’s COVID-19 webpages were viewed more than 1.8 million times. Already in June, they have passed 2 million page views, a record. NCSL pivoted quickly to produce a record number of webinars, blog posts, podcasts and a special digital edition of *State Legislatures* magazine.

Puppolo discussed the cancellation of the 2020 Legislative Summit. He called on Indiana Senator Eric Bassler, who shared how he and his team addressed the cancellation. The meeting is rescheduled for Indianapolis in 2023. Puppolo thanked the Indiana host committee leads, Senator Bassler and House Speaker Todd Huston, for their work on the meeting. The upcoming 2021 Legislative Summit will be next August in Chicago, Denver in 2022, Indianapolis in 2023 and Louisville in 2024.

The meetings program cancelled around 35 meetings during the year, which had a potential financial impact of $675,000. As a result of the pandemic, NCSL is doing a record number of webinars. A three-day meeting called NCSL Base Camp 2020 is scheduled for Sept. 15-17. The committee provided NCSL staff with comments and ideas.

With *State Legislatures* magazine going to two issues from six a year, NCSL will save about $100,000 in printing and distribution costs.

Puppolo asked the Executive Committee to approve three contract and grant proposals:

- Providing State Legislators with Accurate Information on Vaccines ($300,000 from the Centers for Disease Control and Prevention).
- Early Learning Fellows Advanced Learning Series and Other Program Improvements ($100,000 from the Buffett Early Childhood Fund).
- Building State Legislative Awareness of Competency-Based Postsecondary Education ($100,000 from the Western Governors University).

The proposals received unanimous approval.

**STATE-FEDERAL ACTIVITIES REPORT**

Oklahoma Senator Greg Treat reported that NCSL continues to be a premier resource for state legislatures during the COVID-19 global pandemic. In addition to all the resources and analysis available on the website, NCSL has participated in 19 briefings on the federal response to COVID-19 for individual state chambers, legislative committees and caucuses, as well as Zoom discussions with fiscal, education, labor and workforce chairs, fiscal officers and NCSL standing committee members.

NCSL hosted its first virtual Capitol Hill briefing on June 5 for the select Senate staff. Mississippi Senator W. Briggs Hopson and Rhode Island Representative Marvin Abney discussed fiscal conditions in their states brought on by COVID-19 and the need for additional flexible funding for states in the next stimulus package. NCSL is advocating for $300 billion in flexible assistance, as well as an FMAP increase and infrastructure funding.

In early March, New York Senator David Carlucci visited Washington, D.C., to discuss privacy and consumer protection with both majority and minority Capitol Hill staff. Other non-COVID-19 activities included working on reauthorization of federal surface transportation, federal water infrastructure programs, federal broadband investment, funding for the National Guard, and issues related to the census. NCSL submitted more than 20
letters to Capitol Hill and the administration since our last meeting.

**LEGISLATIVE STAFF COORDINATING COMMITTEE**

Staff Chair Martha Wigton reported the Legislative Staff Coordinating Committee met virtually last week to discuss priorities, training and programming as legislatures adjust to the pandemic. More online training opportunities are being presented. The Staff Hub that was cancelled will be moved to 2022.

The Legislative Staff Management Institute will continue as an online program this year, over a course of several weeks. This will allow staff who could not commit to a weeklong in-person training to attend. More than 50 people have applied.

Starting on Fridays in October, a legislative staff certificate program will be launched. This training focuses on different components of the legislative institution, including fiscal, communications and a model code of conduct.

Jon Heining’s project to create the “NCSL Guide to Writing a Personnel Manual” is finished. This guidebook is designed to serve the personnel needs of legislatures. Legislative Staff Week, held during the last week of May, recognized staff, celebrated the work they do and shared some of our best practices. More than 400 “standing ovations” were posted from legislative staff and legislators who praised staff online for a job well done or recognized something special they had accomplished.

Wigton praised NCSL staff for doing a “pirouette” and supporting legislative staff on policy and federal issues.

Since March, NCSL answered over 500 requests on policy matters. She drew attention to the platforms NCSL provides that allow legislative staff to work during the pandemic.

**NCSL FOUNDATION FOR STATE LEGISLATURES REPORT**

Caroline Carlson gave a special thanks to the Foundation sponsors. Revenue is at $2,580,000, which is $50,000 more than previously reported. There are still 47 platinum sponsors. Carlson recognized four brand-new sponsors: Netflix, Online Lenders Alliance, Qualtrics and the State Government Affairs Council. Three partners upgraded to platinum: America’s Credit Unions, Google and Vistra Energy. Carlson reported the Foundation is following NCSL’s lead by delaying a dues increase.

Vos thanked all Foundation members who continue to provide support during a challenging time.

**CLOSING REMARKS BY TIM STOREY**

Storey recognized Indiana House Speaker Huston and Senator Bassler for their work on the 2020 Legislative Summit and their willingness to move the meeting to 2023.

**CLOSING REMARKS BY SPEAKER ROBIN VOS**

Vos thanked his fellow officers and the executive director and said he believed legislatures and the organization will come out stronger. He noted the strategic planning process has been put on hold but will continue when appropriate.
RULE I
RULES OF PROCEDURE

A) These rules of procedure shall be construed in conformity with the Bylaws of the National Conference of State Legislatures.
B) On any issue not covered by these rules of procedure or by the Bylaws, Mason’s Manual of Parliamentary Procedure shall be the standard authority, when applicable.

RULE II
INTRODUCTION, REFERRAL AND DISSEMINATION OF POLICY DIRECTIVES, RESOLUTIONS AND AMENDMENTS

A) Any legislator may file a policy directive, resolution or amendments to an existing policy directive or resolution designed for consideration at the Forum Business Meeting or the Annual Business Meeting.
B) Policy directives and resolutions developed by the Standing Committees shall be directed at Congress, the Administration, or the federal courts, and shall be related to issues that affect the states and shall be consistent with support of state sovereignty and state flexibility and protection from unfunded federal mandates and unwarranted federal preemption.
C) Resolutions shall be used to (1) bolster a lobbying position; (2) clarify a question of ambiguity in current policy; (3) provide guidance about the specifics of pending regulatory federal decisions; or (4) provide guidance about strategy or tactics regarding a lobbying matter.
D) There shall be a Memorial Calendar for resolutions that do not comply with Rule II [B]. Members shall file memorial resolutions with the Executive Director in accordance with other provisions of these Rules. The legislator co-chairs of the standing committees shall refer such resolutions to the appropriate standing committee or the Executive Committee. Memorial resolutions adopted by the Forum business meetings, or Executive Committee shall be placed on the memorial calendar of the Annual Business Meeting.
E) Policy directives, resolutions or amendments to existing policy directives or resolutions shall be filed with the Executive Director or designee at least thirty days prior to the Forum Business Meeting or Annual Business Meeting. The overall legislator Co-Chairs of the Standing Committees, in consultation with the Co-Chairs of the appropriate standing committee, may waive the thirty-day deadline under extraordinary circumstances. The legislator Co-Chairs of the Standing Committees shall refer such policy directives, resolutions and amendments to existing policy directives or resolutions promptly to the appropriate standing committee or committees. Each policy directive, resolution and amendment to an existing policy directive or resolutions shall be reviewed and acted upon by the committee to which it is referred.
F) Policy directives, resolutions and amendments to existing policy directives or resolutions originating in the standing committees shall be submitted to the Executive Director or designee for referral by the legislator Co-Chairs of the Standing Committees at least thirty days prior to the Forum Business Meeting or Annual Business Meeting. The legislator Co-Chairs of the Standing Committees, in consultation with the Co-Chairs of the appropriate standing committee, may waive the thirty-day deadline under extraordinary circumstances. The legislator Co-Chairs of the Standing Committees shall refer such policy directives, resolutions and amendments to existing policy directives or resolutions promptly to the appropriate standing committee or committees.

G) Standing committees shall disseminate draft policy directives, resolutions and amendments to existing policy directives or resolutions at least twenty days prior to the Forum Business Meeting or Annual Business Meetings. Distribution shall be to all standing committee members, members of the NCSL Executive Committee, legislative leaders of the member jurisdictions and others as determined by the legislator Co-Chairs of the Standing Committees. The legislator Co-Chairs of the Standing Committees, in consultation with the appropriate committee Co-Chairs, may waive this deadline under extraordinary circumstances.

RULE III
POLICY DIRECTIVES AND RESOLUTIONS, AND AMICUS BRIEF ADOPTION PROCESS

A) All policy directives and resolutions produced by an NCSL standing committee shall be submitted to the Forum Business Meetings or the Annual Business Meeting for adoption. All policy directives and resolutions produced by the NCSL standing committees and the Forum Business Meetings shall be submitted to the Annual Business Meeting for final adoption. In the interim between Legislative Summits, policy directives and resolutions may be adopted by Committees, but they shall clearly indicate that they are the policy directives and resolutions of that Committee, and not of the Conference as a whole.

B) In emergency circumstances, when there is insufficient time to consider a new policy directive or resolution under normal processes, policy directives or resolutions having the same force and effect as policy directives and resolutions adopted by the full Conference may be established by either of the following means: (1) majority vote of the legislator members, present and voting, of the Executive Committee in meeting assembled; or (2) the unanimous agreement by conference call of the NCSL President, the NCSL President-Elect, the NCSL Vice President, the NCSL Immediate Past President, the legislator Co-Chairs or a legislator Vice Chair of the NCSL Standing Committees, and the Co-Chairs or Vice Chair of the appropriate standing committee or committees.

C) All policy directives of the Conference shall not expire but must be reviewed by the standing committee of jurisdiction at least once every four years and can be updated or amended by a standing committee at any time, adhering to the NCSL By-Laws and Rules of Procedure. All
executive committee

rules of procedure

resolutions of the Conference shall automatically terminate one year after the Annual Business Meeting at which they are adopted, unless reaffirmed in the normal policy process.

D) The decision to name NCSL as an amicus curiae on briefs filed before the U.S. Supreme Court shall be by unanimous agreement of the NCSL President, the NCSL Immediate Past President, the NCSL President-Elect, the NCSL Vice President, the legislator Co-Chairs of the NCSL Standing Committees, the legislator Co-Chairs of the Law, Criminal Justice and Public Safety Committee and legislator Co-Chairs of other standing committees that have jurisdiction over the question to be resolved by the amicus brief. In the event any person voting indicates a veto, the President may initiate a conference call to allow for discussion and to confirm each person’s vote.

rule iv

standing committee procedures

A) There shall be standing committees and task forces of NCSL whose number and jurisdictions are determined by the Executive Committee. The standing committees and task forces (1) consider federal issues that affect states; (2) formulate policy positions on federal issues; (3) exchange information about state and federal policy matters; (4) consider and evaluate innovative approaches to state issues; (5) develop policy options and recommendations regarding state issues and legislative organization, management and procedures.

B) There shall be overall legislator Co-Chairs and overall legislative staff Co-Chairs of the Standing Committees. The legislator Co-Chairs shall be appointed for a term of two years by the NCSL President and President-elect. There shall be at least two overall legislator vice chairs balanced by political party who shall be appointed by the NCSL President and President-elect for a term of two years. The overall legislative staff Co-Chairs and the overall legislative staff vice chairs serve staggered terms of two years. Each year, the Staff Chair appoints one staff Co-Chair and at least one staff vice chair to a two-year term.

C) A quorum for the adoption of policy directives and resolutions in Standing Committees shall consist of representation of appointed legislator members, or in their absence, legislator substitutes designated in writing by appointed members’ presiding officers, from at least ten (10) member jurisdictions. Letters designating substitutes or new appointments shall be delivered to the appropriate legislator committee Co-Chairs no later than the beginning of the committee session at which a vote on public policy will occur. The Legislator Co-Chairs of each standing committee shall, prior to a committee vote(s) on a matter of public policy, establish the presence of a quorum.

D) All voting in standing committees, subcommittees or task forces shall be by voice, except when a roll call vote is requested by two (2) member jurisdictions or is called by the legislator Co-Chairs.

E) On matters of public policy that place the standing committees, subcommittees, and task forces on public record, an affirmative vote of three-fourths (3/4) of the member jurisdictions who respond to the most recent quorum call is required. A state not present for the most recent quorum call can before the start of the next roll call vote request recognition from the presiding legislator chair and be recorded as present for purposes of the quorum. New quorum calls shall be conducted at the
request of five (5) member jurisdictions. On all other matters, a quorum being present, action is final by majority vote of the member jurisdictions who responded to the most recent quorum call.

F) Votes on matters of public policy shall be cast by appointed legislator members, or in their absence, by legislator substitutes designated in writing by appointed members’ presiding officers. All legislators duly registered for the fall and spring meetings shall be entitled to vote at the business meeting. Legislative staff shall not be entitled to vote on matters of public policy. In the event of a roll call vote, each member jurisdiction shall be entitled to cast one undivided vote. Each member jurisdiction shall select a spokesperson who will announce the vote of the delegation. Disputes on the presence of a quorum or voting procedures shall be settled by ruling of the legislator chair.

G) Co-Chairs of the standing committees have authority to preserve order and decorum and have charge of the rooms in which the committees meet.

H) Each standing committee, subcommittee and task force shall produce a summary of each of its meetings. Included in the summary shall be a record of its roll call votes by member jurisdiction.

I) Standing committees, shall approve, approve with amendment, postpone, table or defeat each policy directive and resolution submitted to it.

**RULE V**

**STEERING COMMITTEE PROCEDURES**

A) There shall be a Steering Committee of the Standing Committees, which shall be composed of the overall legislator and legislative staff Co-Chairs of the Standing Committees, the overall legislator and legislative staff vice chairs of the Standing Committees, and the legislator and legislative staff Co-Chairs of each standing committee. The committee Co-Chairs shall designate a legislator committee vice chair and the legislative staff Co-Chairs shall designate a legislative staff vice chair to represent the committee with the Steering Committee in their absence. Only legislator members of the Steering Committee shall vote on policy directives and resolutions, amendments to policy directives and resolutions, and procedural motions related thereto, except legislative staff shall be allowed to vote on joint and re-referrals of policy directives and resolutions.

B) The Steering Committee at its meeting prior to the standing committee meetings shall review policy directives, resolutions and amendments to policy directives and resolutions filed under Rule II for inconsistencies to Rule II [B] and omissions. Policy directives, resolutions or amendments to policy directives and resolutions that are determined by a majority vote of the legislator members of the Steering Committee to be inconsistent with Rule II [B] shall not be considered by the standing committee to which such policy directive, resolution or amendment was referred.

C) The Steering Committee at its meeting prior to the standing committees’ meetings shall determine, by majority vote, policy directives, resolutions and amendments to policy directives and resolutions to be considered by more than one committee. The Steering Committee shall designate one standing committee as the lead committee on each jointly referred resolution. Any standing committee to which the resolution is referred may report the resolution on the floor. If the lead committee adopts a version of the resolution, it shall be considered first at the Forum Business
Meeting or Annual Business Meeting; other committees shall offer their versions and amendments from the floor.

D) In its meeting following the meetings of the standing committees, the Steering Committee shall establish the order of business and calendars for the business meetings; and designate policy directives and resolutions to be re-referred to one or more other committees. The policy directives or resolutions approved by the committee with original jurisdiction automatically shall be placed on the debate calendar at the next Forum Business Meeting or Annual Business Meeting. If the committee to which the policy directive or resolution is re-referred approves changes to it, it shall offer its version as an amendment on the floor. The Steering Committee shall also identify emerging state and federal issues; coordinate outreach to legislators and staff regarding the standing committees; coordinate planning of the Forum meetings; and consider the use of innovative technologies and communications devices for conducting meetings, increasing participation and informing legislators and staff about the work of the Standing Committees.

RULE VI
QUORUM AND PROXIES – FORUM AND ANNUAL BUSINESS MEETINGS

A) As required by the Bylaws, a quorum for the transaction of business at the Annual Meeting shall consist of representation from at least twenty (20) member jurisdictions.

B) As required by the Bylaws, voting rights of a member may not be delegated to any other person nor exercised by proxy.

RULE VII
VOTING IN FORUM AND ANNUAL BUSINESS MEETINGS

A) All action in the Forum Business Meeting or Annual Business Meeting shall be by voice vote except when a roll call vote is requested by not less than five member jurisdictions or is ordered by the chair.

B) As provided in the Bylaws, on any vote that places the Conference on record in a matter of public policy, an affirmative vote of three quarters (3/4) of the member jurisdictions who respond to the most recent quorum call shall be required. A state not present for the most recent quorum call can, before the start of the next roll call vote, request recognition from the presiding legislator chair and be recorded as present for purposes of the quorum. New quorum calls shall be conducted at the request of not less than five (5) member jurisdictions. On all other matters, action is final by majority vote of the member jurisdictions who responded to the most recent quorum call. On any vote that places the Conference on record in a matter of public policy, legislative staff shall not be entitled to vote.
C) In the event of a roll call vote, each member jurisdiction shall be entitled to cast one undivided vote. Prior to the Forum Business Meeting and the Annual Business Meeting, each member jurisdiction shall select the spokesperson who will announce the vote.

D) When a roll call is being taken, the member jurisdictions shall be called in alphabetical order by the Executive Director. The spokesperson for the delegation shall reply by giving his or her name and then announcing the vote of the delegation.

E) If there is a challenge by a member of a delegation as to who shall be its spokesperson or as to the announced vote, the jurisdiction shall be called upon again. If the challenger continues the challenge, the chair shall poll the delegation and shall declare that the majority of said delegation prevails.

F) Until the chair announces the results of a vote, a jurisdiction has the right to change its vote, or to have its vote recorded if it was not recorded during the initial call of the vote, based on the most recent quorum call.

G) Consideration of policy directives and resolutions shall be by calendar. The consent calendar shall be limited to policy directives and resolutions approved previously at the Forum Business Meetings or reported unanimously by an NCSL standing committee at the annual meeting. The debate calendar shall include all policy directives and resolutions passed by the NCSL standing committees without unanimity; policy directives and resolutions removed from the consent calendar by majority vote of the Steering Committee; and policy directives and resolutions removed from the consent calendar at the Annual Business Meeting at the request of three (3) member jurisdictions. The memorial calendar shall include all resolutions that do not comply with Rule II [D] and approved according to rules governing consideration of policy directives and resolutions.

H) All policy directives, resolutions and amendments shall be submitted in writing, adhering to the NCSL By-Laws and Rules of Procedure, and available prior to the vote of member jurisdictions.

I) Policy directives and resolutions that have been tabled or postponed by a committee may be brought for consideration following disposition of the debate calendar by a vote of two thirds (2/3) of the member jurisdictions who respond to the most recent quorum call on a motion to discharge the committee from further consideration. If thus brought up for consideration, the policy directives and proposed resolutions shall be voted upon under the rules governing consideration of policy directives and resolutions.

RULE VIII
RECOMMENDATIONS REGARDING STATE ISSUES AND LEGISLATIVE MANAGEMENT

A) Standing committees, subcommittees, and task forces are authorized to issue reports, recommendations, and findings regarding state issues and legislative management. All such work products shall be approved by a majority of the member jurisdictions who responded to the most recent quorum call, and shall be clearly identified only as the work of that committee,
subcommittee or task force. These work products shall be reported to the Executive Committee for any appropriate further action.

**RULE IX**

**ADOPTION, AMENDMENT AND SUSPENSION OF RULES**

These rules shall remain in effect until such time as they are amended at an Annual Meeting of the Conference. Any amendment or suspension of such rules shall require a three-fifths (3/5) vote of the member jurisdictions who respond to the most recent quorum call. New quorum calls shall be conducted at the request of not less than five (5) member jurisdictions. Any motion to suspend shall be clear with respect to the rule or rules to which it applies.

ARTICLE I

Name

Section 1. Name. The name of this organization shall be the National Conference of State Legislatures ("the Conference").

Section 2. Offices. Offices of the Conference shall be in such localities as shall be determined by the Executive Committee.

ARTICLE II

Purpose

Section 1. Purposes. The purposes and objectives of the Conference shall be:

1) To advance the effectiveness, independence, and integrity of legislatures in the states, territories, and commonwealths of the United States.
2) To foster interstate cooperation and to facilitate information exchange among state legislatures.
3) To represent the states and their legislatures in the American federal system of government consistent with support of state sovereignty and state flexibility and protection from unfunded federal mandates and unwarranted federal preemption.
4) To improve the operations and management of state legislatures; to improve the effectiveness of legislators and legislative staff; and to encourage the practice of high standards of conduct by legislators and legislative staff.
5) To promote cooperation between state legislatures in the United States and legislatures in other countries.

ARTICLE III

Membership and Divisions

Section 1. Membership. The membership of the Conference shall consist of the legislatures of the states, the District of Columbia, and the territories and commonwealths of the United States. Payment of properly established membership dues shall be a condition of participation by legislators and legislative staff within each of the member jurisdictions.

Section 2. Divisions. The Conference shall have at least two participant divisions: a Legislator Division and a Staff Division. Other divisions may be established by the Executive Committee. Sections and committees may be established by the Executive Committee or by the divisions with the approval of the Executive Committee. The Legislator Division shall have a section for legislative leaders.
ARTICLE IV
Other Organizations

Section 1. Cooperation with other organizations. The Conference may cooperate with or establish relationships with such other groups, public or private, as may seem most likely to advance the purposes of the Conference, directing special effort toward cooperative work with those bodies that represent local and state governments. In order to more effectively promote state interests, the Conference shall seek a working association with the Council of State Governments and its regional conferences, while reserving and maintaining complete autonomy and independence of budget, staff and operations.

Section 2. International affiliates. The state or provincial legislatures of other countries may affiliate with the Conference. International affiliates shall not be entitled to vote, but may have members serve on NCSL standing committees and the Executive Committee subject to conditions established by the Executive Committee.

ARTICLE V
Meetings and Rules

Section 1. Annual meetings. The Conference shall meet annually at such time and place as may be determined by the Executive Committee.

Section 2. Special meetings. Special meetings of the Conference may be called by the Executive Committee at any time; or shall be called by the President upon request of at least 26 member jurisdictions. The meeting shall be held within forty-five days after filing of the request with the Executive Director. The notice of the meeting shall state its purpose. No other business shall be considered.

Section 3. Notice of meetings. The Executive Director shall provide timely written notice of Annual and special meetings of the Conference not less than thirty days prior to the opening of the meeting.

Section 4. Voting at annual meeting. Roll call voting at the Annual Meeting shall be by member jurisdiction, and each member jurisdiction in good standing shall be entitled to cast one vote regardless of the number of delegates present from that jurisdiction. A quorum for the transaction of business shall consist of representation from at least twenty member jurisdictions. On any vote that places the Conference on record in a matter of public policy, an affirmative vote of three-fourths of the jurisdictions who respond to the most recent quorum call shall be required to adopt the motion. A state not present for the most recent quorum call can, before the start of the next roll call vote, request recognition from the presiding legislator Chair and be recorded as present for purposes of the quorum. New quorum calls shall be conducted at the request of five (5) member jurisdictions. The determination
of the vote within each jurisdiction shall be by the members present from that jurisdiction. On any vote that places the Conference on record in a matter of public policy, legislative staff shall not be entitled to vote.

Section 5. Rules. Rules governing the conduct of meetings shall be recommended by the Executive Committee and adopted by the Conference. Mason’s Manual of Legislative Procedure shall govern the proceedings of the Conference in all cases not covered by these Bylaws or the Conference Rules of Procedure.

Section 6. Proxy voting. There shall be no proxy voting during any proceedings of the Conference.

ARTICLE VI
Officers and Executive Committee

Section 1. Officers. The officers of the Conference shall be a President, a President-Elect, a Vice President, and the Immediate Past President; and a Staff Chair, a Staff Vice Chair, and the Immediate Past Staff Chair.

Section 2. Executive Committee Composition and Voting Privileges. The Executive Committee shall be composed of forty-one legislators, twenty-one legislative staff and one nonvoting ex officio legislator member representing international affiliates. The legislator member representing international affiliates is nominated by the Nominating Committee.

1) The legislator members shall be:
   a. The President;
   b. The Immediate Past President;
   c. The President-Elect;
   d. The Vice President;
   e. Twenty-seven at-large members;
   f. One ex officio member representing the state hosting the annual meeting at the time of that member’s election;
   g. Two ex officio members representing the states hosting the next two annual meetings;
   h. The Co-Chairs of the NCSL Standing Committees, who serve ex officio, appointed by the President and President-Elect; and
   i. Five ex officio members representing the Council of State Governments, including the Chair of the Council and one member or alternative member elected from each of the four regional conferences of the Council, as provided by Subsection (4) of Section 2.

2) The legislative staff members shall be:
   a. The Staff Chair;
b. The Staff Vice Chair;
c. The Immediate Past Staff Chair;
d. Sixteen at-large members; and
e. The Staff Co-Chairs of the NCSL Standing Committees, who serve ex officio, appointed by the Staff Chair.

3) Ex officio members are voting members of the Executive Committee, unless otherwise provided.
4) Following the NCSL Annual Meeting, the CSG Regional Conference Members and Alternates shall be elected from states not having at-large legislator representation on the Executive Committee.

ARTICLE VII
Nomination and Election Procedures

Section 1. Legislator Nominating Committee. The President shall appoint a Legislator Nominating Committee of twelve members at least sixty days prior to the next Annual Meeting. The Nominating Committee shall consist of an equal number of Republicans and Democrats. It shall include at least one Democrat and one Republican from each region and no more than four members from the same region. The President shall select members with the advice and consent of the legislator members of the Executive Committee. The President shall appoint the chair of the Legislator Nominating Committee, who shall be a legislative leader.

Section 2. Legislative Staff Nominating Committee. The Staff Chair shall select a Legislative Staff Nominating Committee consisting of seven legislative staff at least sixty days prior to the next Annual Meeting. The Staff Chair shall select members with the advice and consent of staff members of the Executive Committee. The Staff Chair shall appoint the chair of the Legislative Staff Nominating Committee.

Section 3. Nominating procedures for legislator officers. The Legislator Nominating Committee shall present to the Annual Meeting a slate of candidates for the offices of President-Elect and Vice President. The President succeeds automatically from the office of President-Elect; the Immediate Past President succeeds automatically from the office of President. No officer who has served one full term shall be eligible for reelection to the same office until at least one intervening term has elapsed. The President-Elect and Vice President shall be legislative leaders from a member jurisdiction at the time of their election. The offices of President, President-Elect and Vice President shall alternate between the two major political parties. For the office of Vice President and President-Elect, the Legislator Nominating Committee may submit more than one name.

Section 4. Nominating procedures for legislators on the Executive Committee. The Legislator Nominating Committee shall present to the Annual Meeting a slate of candidates for the at-large positions, the member representing international affiliates and the annual meeting host state positions.
on the Executive Committee. In nominating members for the Executive Committee, the Legislator Nominating Committee shall, insofar as possible, consider geographic balance. At least ten of the at-large members of the Executive Committee shall be legislative leaders at the time of their election. No more than two legislator members other than ex officio members shall come from the same state.

Section 5. Legislative Staff Nominating Committee duties. The Legislative Staff Nominating Committee shall present to the Annual Meeting a slate of candidates for the Executive Committee and the office of Staff Vice Chair. The Staff Chair succeeds automatically from the office of Staff Vice Chair. The Immediate Past Staff Chair succeeds automatically from the office of Staff Chair. All nominees of the Legislative Staff Nominating Committee shall be full-time professional legislative staff from member jurisdictions. In nominating legislative staff for the Executive Committee, the Legislative Staff Nominating Committee shall, insofar as possible, consider geographic balance. No more than one legislative staff member shall come from the same state, except that states represented by an officer or ex officio member may have two members.

Section 6. State representation on the Executive Committee. Each state shall have the opportunity to be represented on the Executive Committee at least once every five years.

Section 7. Consecutive terms. No member of the Executive Committee other than an officer or ex officio member may serve for more than three consecutive terms. A member of the Executive Committee who is appointed or elected to be an officer or ex officio member before completing three consecutive terms on the Executive Committee may, upon completion of service as an officer or ex officio member, serve each remaining full one-year term not yet served.

Section 8. Floor nominations. Additional nominations may be made from the floor for the offices of Vice President and President-Elect. Such candidates shall be qualified under Article VII, Section 3.

Section 9. Voting procedures. Voting on the reports of the nominating committees shall be by member jurisdiction, and each member jurisdiction in good standing shall be entitled to cast one vote regardless of the number of delegates present from that jurisdiction. A majority of the member jurisdictions who respond to the most recent quorum call shall be required to adopt the reports of the nominating committees. If no nominee receives a majority of the member jurisdictions who respond to the most recent quorum call on the first ballot, there shall be a runoff ballot among the two nominees receiving the highest vote. The nominee who receives a majority of votes on the runoff ballot shall be elected.

ARTICLE VIII
Terms of Office and Vacancies

Section 1. Terms. The term of office for the officers and other members of the Executive Committee shall be from the close of the annual meeting through the next following annual meeting.
Section 2. Vacancies. In the event of a vacancy in the office of President, the Executive Committee shall elect a past President of the Conference or a member of the Executive Committee to serve the remainder of the term. Such person shall be of the same political party as the person vacating the office. In the event of a vacancy in the office of Staff Chair, the Staff Vice Chair shall succeed to the office of Staff Chair. The Executive Committee shall fill other elected offices, if vacant, at any regular or special meeting.

ARTICLE IX
Duties of Officers

Section 1. President. The President shall serve as chair of the Executive Committee and as a member, ex officio, with the right to vote, on all committees and subcommittees of the Executive Committee except the Nominating Committee. The President, with the approval or authorization of the Executive Committee, shall appoint the legislator officers and members of all appropriate committees and subcommittees of the Executive Committee. The President shall preside at all meetings of the Executive Committee. The President shall perform such other duties as are incidental to the office of President or as may be prescribed by the Executive Committee.

Section 2. President-Elect. The President-Elect shall perform the duties of the President in the event of the President's absence or inability to serve. Other duties may be delegated to the President-Elect by the Executive Committee or the President.

Section 3. Vice President. The Vice President shall perform the duties of the President-Elect in the event of the absence or inability of the President-Elect to serve. Other duties may be delegated to the Vice President by the Executive Committee or the President.

Section 4. Immediate Past President. The Immediate Past President shall serve as the President of the Foundation for State Legislatures and shall perform other duties as assigned by the Executive Committee and the President.

Section 5. Staff Chair. The Staff Chair shall serve as the chair of the Staff Division of the Conference and perform such other duties delegated by the Executive Committee or the President. The Staff Chair, with the approval or authorization of the Executive Committee, shall appoint the legislative staff officers and members of all appropriate committees and subcommittees of the Executive Committee.

Section 6. Staff Vice Chair. The Staff Vice Chair shall serve as Vice Chair of the Staff Division and shall perform the duties of the Staff Chair in the event of the officer's absence or inability to serve, and perform such other duties as may be delegated to the Staff Vice Chair by the Staff Chair or the Executive Committee.
**ARTICLE X**

**Powers of the Executive Committee**

**Section 1.** Executive Committee powers. The Executive Committee is the governing body of this Conference. The Executive Committee shall supervise, control and direct the affairs of the Conference; shall implement the policies of the Conference; shall actively prosecute its objectives; and supervise the disbursement of its funds. The Committee may adopt rules and regulations for the conduct of its business and may delegate certain of its authority and responsibility to committees, divisions, sections, officers, and the Executive Director.

**ARTICLE XI**

**Executive Committee Procedures**

**Section 1.** Quorum and voting. A majority of the Executive Committee's membership shall comprise a quorum. On any vote not otherwise specified, a simple majority of the members present and voting is required for passage. Each member shall be entitled to vote on any matter coming before the Committee. On any vote that places the Conference on record in a matter of public policy, legislative staff shall not be entitled to vote. All decisions on voting eligibility of staff members shall be made by the President, subject to appeal to the Executive Committee.

**Section 2.** Meetings of the Executive Committee. The Executive Committee shall meet at least three times each year at such time and place as the Committee shall decide. No more than one meeting during the Annual Meeting of the Conference shall be used to satisfy this requirement.

**Section 3.** Absences from Executive Committee meetings. Absence from two Executive Committee meetings within a year without cause shall be grounds for removal.

**Section 4.** Reimbursement. Upon authorization of the President, Executive Committee members may be reimbursed for actual and necessary expenses for travel directly related to official NCSL activities. The officers may receive a per diem in addition to actual and necessary expenses if their home state does not pay such per diem.
Section 5. Executive Committee meetings open. All meetings of the Executive Committee shall be open to the public.

Section 6. Setting the Conference’s Priorities and Issues. At the start of the biennium, the Executive Committee shall establish the state federal priorities and major state issues with input from the standing committees, task forces of the Executive Committee, the Conference’s officers, members of the Executive Committee and the Executive Director. These state federal priorities and major state issues shall serve to guide the Conference’s representation before the federal government, in standing committees and meeting programming and grant funded research.

Section 7. Adopting policy directives and resolutions under emergency circumstances. In emergency circumstances, when there is insufficient time to consider a new policy directive and resolution under normal processes, policy directives and resolutions having the same force and effect as policy directives and resolutions adopted by the full Conference may be established by either of the following means: (1) majority vote of the legislator members, present and voting, of the Executive Committee in meeting assembled; or (2) the unanimous agreement by conference call of the President, the President-Elect, the Vice President, the Immediate Past President, the Legislator Co-Chairs or a legislator Vice Chair of the NCSL Standing Committees, and the Legislator Co-Chairs or a legislator Vice Chair of the appropriate standing committee. Proposed policy directives and resolutions must be provided to the NCSL Executive Director by 4:00 p.m. of the day before the NCSL Executive Committee meeting.

ARTICLE XII
Committees and Subcommittees of the Executive Committee
Section 1. Committees and subcommittees. There shall be a Budget, Finance and Rules Committee, and such other committees and subcommittees as the Executive Committee may authorize. Membership on committees and subcommittees shall be divided between legislator and staff members in accord with voting eligibility on the Executive Committee, unless otherwise provided by the Executive Committee. The Legislator and Staff Chairs and members of these committees and subcommittees shall be appointed by the President and Staff Chair, respectively, with the approval of the Executive Committee.

ARTICLE XIII
Executive and Staff
Section 1. Executive Director. The Executive Committee shall appoint an Executive Director and determine the terms and conditions of employment.

Section 2. Duties of Executive Director. The Executive Director shall be the chief administrator of the Conference, responsible for all management functions under the direction of the officers and Executive Committee. The Executive Director shall manage and direct all activities of the Conference as prescribed
by the Executive Committee and shall be responsible to the Committee. The Executive Director shall employ members of the staff necessary to carry on the work of the Conference, shall fix their compensation within the approved budget, subject to the direction and approval of the officers and Executive Committee, supervise them in the conduct of their duties, and terminate them as necessary.

Section 3. Deputy Executive Director. There shall be a Deputy Executive Director who shall perform duties as assigned by the Executive Director.

Section 4. Acting Executive Director. In the event of an unanticipated vacancy in the position of Executive Director, the Deputy Executive Director shall be the Acting Executive Director for a designated period until the Executive Director returns or a permanent successor is named.

ARTICLE XIV
Finance

Section 1. Funding. The Executive Committee shall determine the funding of the Conference, which shall include but not be limited to membership dues. Population of each jurisdiction shall be a factor in the determination of the amount of dues.

Section 2. Financial Rules. The Budget and Finance Committee shall present to the Executive Committee a set of "Financial Rules," which, when adopted, shall govern the fiscal affairs of the Conference without re-adoption except that they may be amended from time to time. These Financial Rules shall establish the fiscal year of the Conference, set forth the extent of surety bonding required, provide for the annual audit, specify the way grants in aid are to be solicited and handled, and such other items of fiscal management as are deemed necessary.

Section 3. Conference Budget. The Budget and Finance Committee shall make budget recommendations to the Executive Committee. The Executive Committee shall submit to the Conference at its Annual Meeting a proposed budget for the coming fiscal year for consideration and adoption by the Conference. The Executive Committee may approve transfers of funds within the budget adopted by the Conference or amend the budget during the course of the fiscal year by a two-thirds vote of the entire Executive Committee.

Section 4. Financial audit. The accounts of the Conference shall be audited annually by a certified public accountant retained by the President with the approval of the Executive Committee. Such audit shall be reported to the Executive Committee and to the Conference at its Annual Meeting.

ARTICLE XV
Miscellaneous
Section 1. Political Activities. The Conference shall not, at any time, directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE XVI

Dissolution

Section 1. Dissolution. Upon dissolution of this Conference for any reason such funds remaining after the satisfaction of all obligations shall be returned to the member jurisdictions in the proportion to which they were received during the prior fiscal year.

ARTICLE XVII

Definitions

For the purposes of these bylaws and other instruments of the Conference, certain terms shall be defined as follows:

Section 1. Legislative leaders. “Legislative leaders” are those members of each legislature who are elected by the body in which they serve or by its respective political caucuses to be presiding officer, majority or minority leaders, and any other officers elected by the body as a whole; and any other legislator so designated by the presiding officer of either house.

Section 2. Regions. “Regions” refers to states and territories grouped together as prescribed by the bylaws of the Council of State Governments for the purpose of defining its regional legislative conferences.

ARTICLE XVIII

Amendments

Section 1. Amendments. The Conference at any meeting may amend these Bylaws by a three-fifths majority vote of the member jurisdictions who respond to the most recent quorum call. A state not present for the most recent quorum call can, before the start of the next roll call vote, request recognition from the presiding legislator Chair and be recorded for purposes of the quorum. New quorum calls shall be conducted at the request of five (5) member jurisdictions. A notice of such amendments shall be filed with the Executive Director at least thirty days prior to the meeting. Upon receipt of a copy of the proposed amendments, the Executive Director shall forward copies thereof to the presiding officers of each house of every member legislature and to the members of the Conference Executive Committee.
ARTICLE XIX
Effective Date

Section 1. Effective date. These Bylaws shall take effect on January 1, 1975, provided that they are adopted by the governing bodies of the National Legislative Conference, National Conference of State Legislative Leaders, and the National Society of State Legislators.