

# Agenda Book Executive Committee Meeting

June 6-7, 2022  
Omaha, NE



Nebraska Commissioners: John Cavanaugh, Randolph M. Ferlic, Deborah A. Frison,  
Susan M. Fritz, and Lynne Walz; Nebraska Alternate: Michael Baumgartner

Feature photo courtesy of [Visit Omaha](https://www.visitomaha.com/).

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# Midwestern Higher Education Compact

Executive Committee Meeting

June 6-7, 2022

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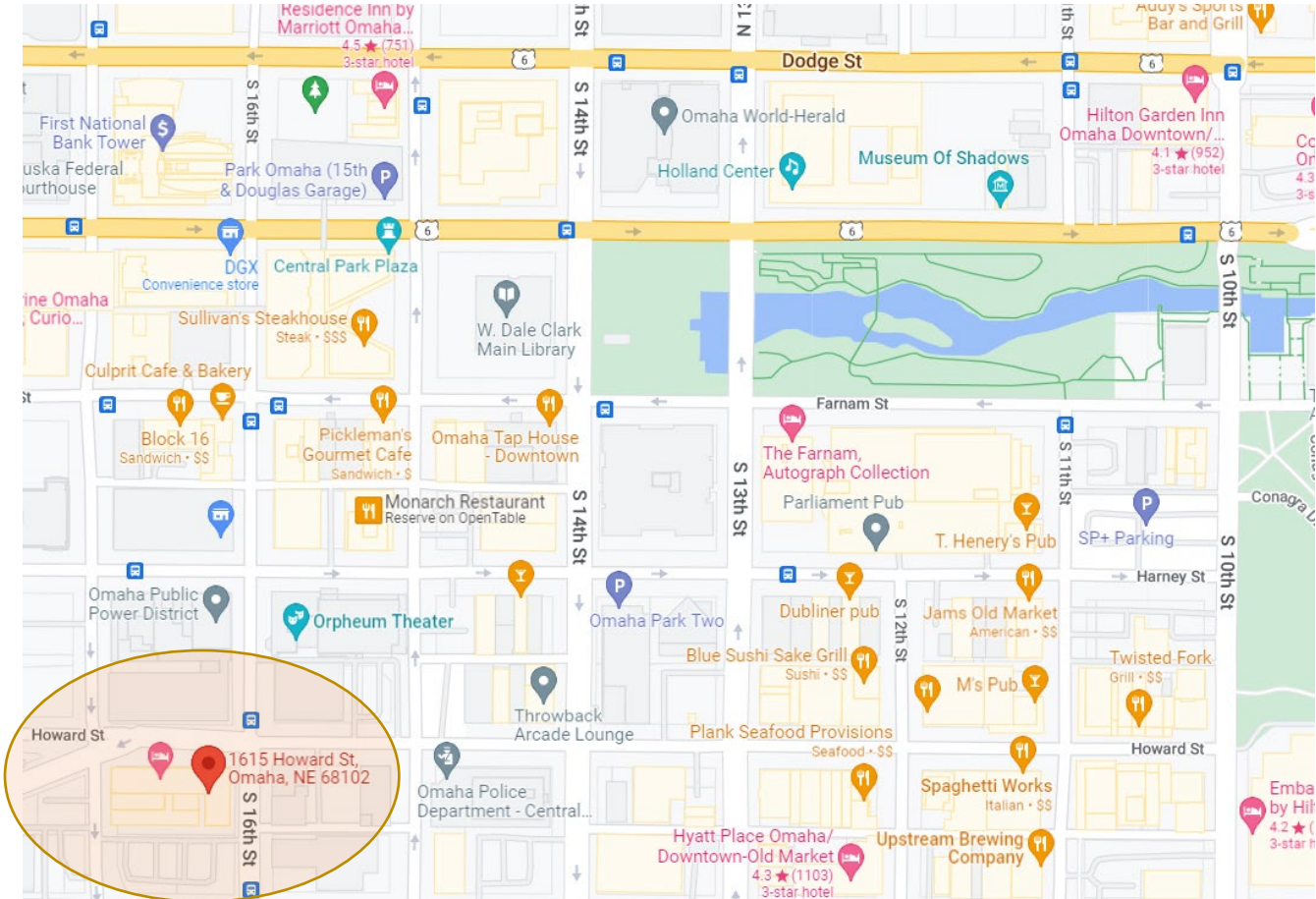
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# Meeting Details

## Meeting Location

Magnolia Hotel  
1615 Howard Street, Omaha  
(616) 242-1500

## Directions to Magnolia Hotel





## Airport Transportation

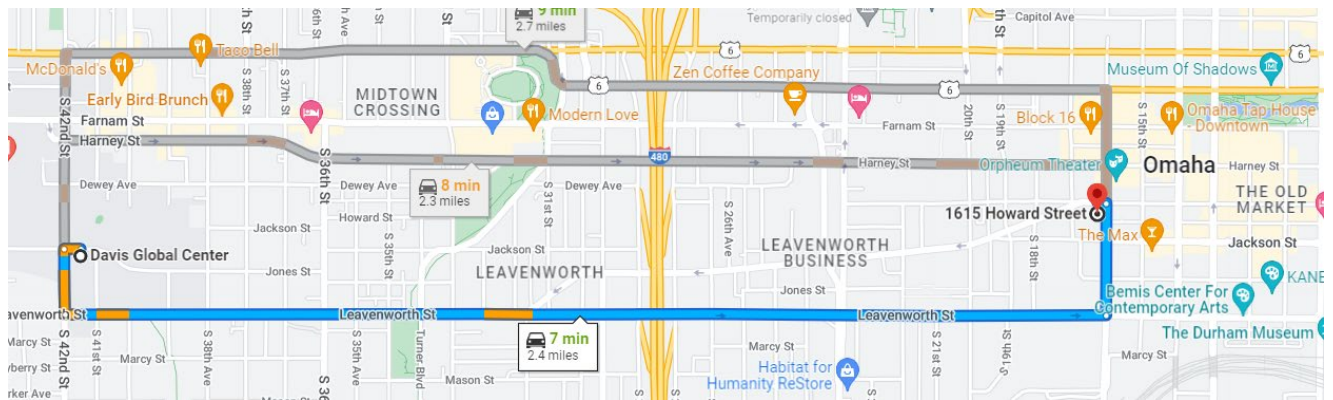
The Magnolia Hotel does offer a complimentary shuttle service from the Eppley Airfield (OMA). Upon arrival to the airport, call the shuttle cell phone at (402) 213-2832 to arrange a pickup.

## Parking

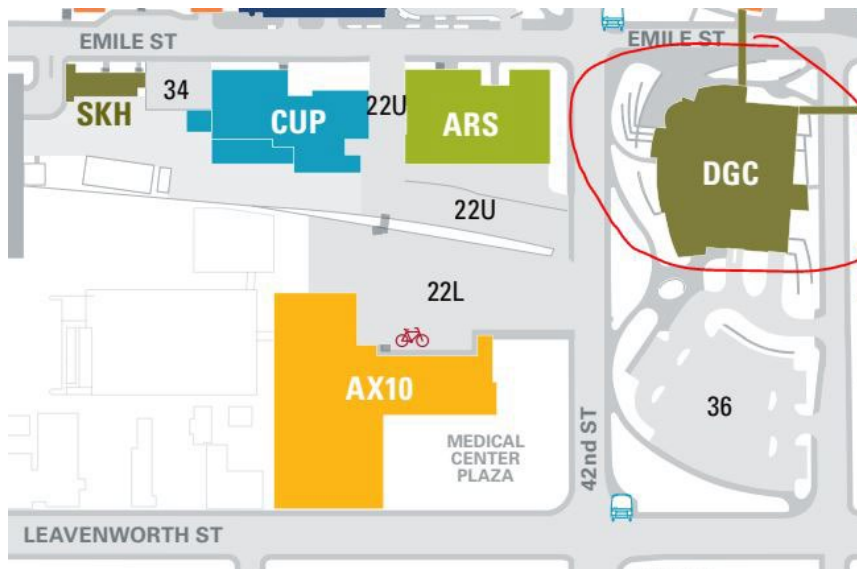
Please use the valet parking, located at the hotel entrance on Howard Street. Parking costs will be routed to the MHEC master bill.

## Monday, June 6 Offsite Events

### UNMC Davis Global Center

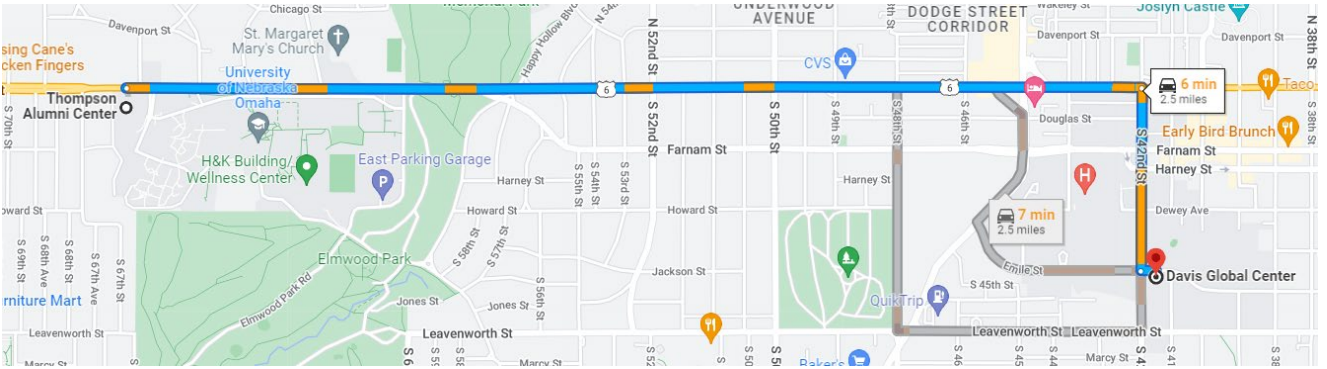


Magnolia Hotel to UNMC Davis Center, 4111 Emile St, Omaha, 2.4 miles



Attendees *not* riding the bus: As visitors of iEXCEL (Davis Global Center), you are allowed to park in any patient/visitor labeled parking. \*Please note that you are not allowed to park in any employee or student-labeled parking lots.

# UNO Thompson Alumni Center



UNMC Davis Center to UNO Thompson Alumni Center, 6705 Dodge St, Omaha, 2.5 miles

Attendees *not* riding the bus: Parking at the Thompson Alumni Center is located on both the North and the South sides of the building. A parking pass is required, please check your logistics email for a copy or see Katie Chock upon arrival. If the Thompson Center lot is full, there is a church parking lot across Dodge Street for overflow.



## Meeting Guidelines

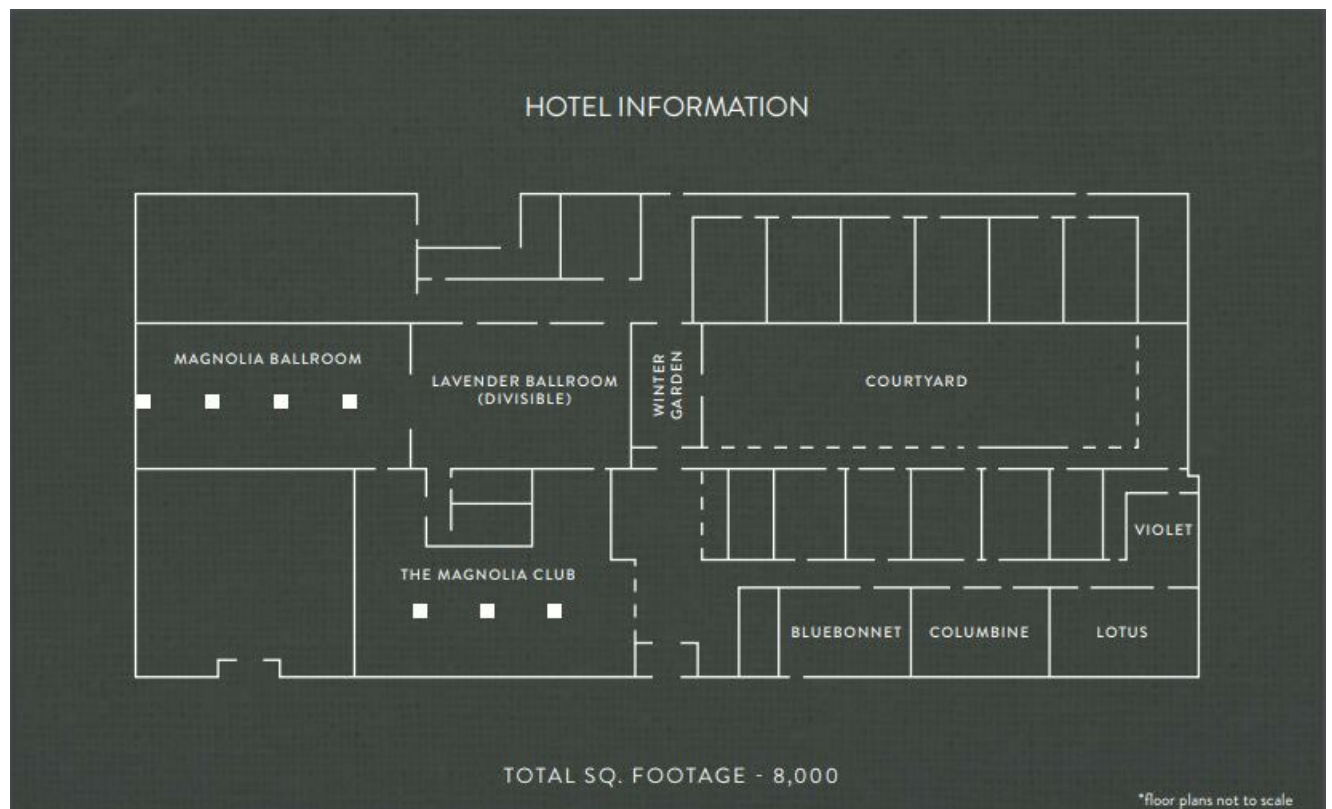
Our goal is to provide a safe experience for all participants. During our meeting, we will follow the Center for Disease Control and Prevention (CDC) guidelines. Please note, some of the [CDC's travel guidelines](#) differ for individuals up to date with their COVID-19 vaccines and individuals not up to date.

- [Per CDC guidance](#), individuals who are up to date with their COVID-19 vaccines do not need to get tested or self-quarantine prior to travel. Individuals who are **NOT up to date** should get tested before and after travel, engage in social distancing and, in some cases, self-quarantine.
- In addition, the CDC recommends that **both fully up to date and not up to date individuals** [wear masks indoors in public](#) in areas where the [COVID-19 Community Level](#) is high. Omaha, Nebraska is NOT currently an area of high transmission.

We encourage you to review the CDC guidance and follow these important safety measures to protect yourself and others. These safety measures will be updated as recommendations from the CDC and local health authorities change.

## Magnolia Hotel Meeting Room Floor Plan

Meeting: Lavender Room; Meals: Bluebonnet Room





## **ROLES & RESPONSIBILITIES OF THE MHEC COMMISSIONER**

- 1) The role of the commissioner is a two-fold responsibility:
  - a. To the compact as a whole; and
  - b. To the constituents served by the compact.
- 2) Commissioners are expected to attend the compact's annual meeting in November and other meetings of committees to which they are assigned. The location of annual meetings rotates among the twelve member states of the compact. Two commissioners from each state serve on the Executive Committee, which acts for the Commission in the interim between annual meetings and oversees the development of the compact's short-and long-range activities. The Executive Committee meets in June and November. Other committees are appointed to oversee programs or special initiatives and meet by conference call when possible.
- 3) Commissioners will have a general knowledge and understanding of public and private higher education trends in their state and in the Midwest.
- 4) Commissioners will develop an understanding of MHEC governance, programs, services, and policy.
- 5) Commissioners will work to build regional partnerships for effective and efficient access to, and quality of, higher education in their state and in the Midwest.
- 6) Commissioners are expected to act as an ambassador for MHEC and will identify opportunities to increase visibility for MHEC within their states, regionally and nationally and disseminate information about MHEC's programs and services wherever possible.
- 7) In conjunction with the MHEC president, commissioners will pursue annual meetings with their governor and other state leaders to report to them on MHEC programs and activities, and to solicit their ideas.
- 8) Commissioners will promote legislation and policies on a non-partisan basis to encourage use of MHEC programs and services within their state.
- 9) Commissioners will aid in ensuring timely payment of their state's annual commitment.
- 10) Commissioners will be available to compact staff for consultation.

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## Midwestern Higher Education Compact

### EXECUTIVE COMMITTEE MEETING

June 6-7, 2022 | Hybrid

Magnolia – Omaha, NE

All times are listed in Central Daylight Time CDT

## AGENDA

### Monday, June 6, 2022

- |                                |    |  |
|--------------------------------|----|--|
| 1:30 p.m.<br>Lavender Ballroom | 1) | Call to Order and Overview of Meeting Guidelines – Dr. David Eisler, Past MHEC Chair, and Ms. Susan Heegaard, MHEC President   |
| 1:40 p.m.                      | 2) | Roll Call of the States  |
| 1:45 p.m.                      | 3) | Welcome – Nebraska Governor Pete Ricketts  |
| 2:00 p.m.                      | 4) | Introduction of Commissioners and MHEC Staff   |
| 2:20 p.m.    Action Item 1     | 5) | Approval of Agenda (pp. 7-10)  |
| 2:25 p.m.    Action Item 2     | 6) | Approval Executive Committee Meeting Minutes, June 7-8, 2021 (pp. 11-21)   |
| 2:30 p.m.                      | 7) | Nebraska State College System: Growing Together Career Scholars Initiative – Dr. Marysz Rames, President, Wayne State College, and Dr. Michael Keibler, Executive Director of Cooperative Education and Industry Liaison, Wayne State College<br><br><i>The Growing Together Career Scholars initiative at Wayne State College is a cohort-based scholarship program that connects students to business partners throughout their first three years on campus. In their senior year, the students then complete an extensive 18-credit hour cooperative education experience over two semesters while living in a partner community.</i> |
| 3:15 p.m.                      |    | RECESS   |
| 3:45 p.m.                      | 8) | Board Bus/Depart from hotel lobby  |

- 4:00 p.m. 9) Arrive and Tour Davis Global Center, University of Nebraska Medical Center (UNMC)  
4111 Emile St., Omaha
- Welcome and Introduction to the Davis Global Center, Dr. Jeffrey P. Gold, Provost and Executive Vice President, University of Nebraska System, and Chancellor, University of Nebraska Medical Center
- The Davis Global Center houses the iEXCEL program: Interprofessional Experiential Center for Enduring Learning. This program was established as a public-private partnership between the State of Nebraska (Legislature & Governor) and private philanthropic partners*
- 5:30 p.m. 10) Transportation from UNMC to University of Nebraska Omaha (UNO) campus
- 5:45 p.m. 11) RECEPTION  
Thompson Alumni Center, UNO  
6705 Dodge St., Omaha
- 6:30 p.m. 12) DINNER  
Thompson Alumni Center, UNO
- 7:15 p.m. 13) Why Omaha? How our midwestern metropolitan university won a previously beltway-located Homeland Security consortium – Dr. Gina Ligon, Director, National Counterterrorism Innovation, Technology, and Education Center (NCITE), U.S. Department of Homeland Security Center of Excellence
- 7:45 p.m. 14) Board Bus
- 8:00 p.m. 15) Depart to Magnolia Hotel  
1615 Howard St., Omaha

**Tuesday, June 7, 2022**

7:30 a.m.  
Bluebonnet Room

BREAKFAST

8:15 a.m.  
Lavender Ballroom

16) Report of the MHEC President – Ms. Susan Heegaard (pp. 23-24)

17) Report of the MHEC Acting Chair – Dr. Devinder Malhotra (MN) (pp. 25-26)

18) Unfinished Business

9:00 a.m.

19) New Business

a) Treasurer’s Report and Finance and Audit Committee Report – Rep. Larry Tidemann (SD), Acting Committee Chair, and Mr. Daniel Moser, MHEC Chief Financial Officer

Action Item 3

i. Action on the Increase to the State Compact Commitment (pp. 27-28)

ii. Review of Budget Status (pp. 29-31)

iii. Presentation of FY23 Budget (pp. 32-26)

Action Item 4

iv. Action on FY23 Budget

v. Status of the Unrestricted Funds Balance (pp. 37-38)

Action Item 5

vi. Action on Funding the Opportunity Reserve and Capital Asset Reserve Funds (p. 39)

vii. Review of Form 990 (pp. 40-89)

9:40 a.m.

BREAK

9:55 a.m.  
Lavender Ballroom

b) Governance Report – Rep. Barbara Ballard (KS), Committee Chair

10:10 a.m. Action Item 6

c) Approve Master Property Program Contract Extension – Ms. Jennifer Dahlquist, MHEC Vice President (pp. 91-92)



- 10:25 a.m. Action Item 7 20) Strategic Plan Discussion and Approval - Ms. Kathy Graves, Parenteau Graves (pp. 93-94)
- 11:20 a.m. Action Item 8 21) Motion to go into Executive Session
- 11:20 a.m. 22) EXECUTIVE SESSION – Discussion and report from Dr. Devinder Malhotra (MN), MHEC Acting Chair, and the MHEC Officers (*Closed session: only MHEC commissioners remain in the room.*)
- a) Presidential Performance Report
- 11:50 p.m. Action Item 9 23) Motion for Commission to reconvene in open session.
- Action Item 10 24) Approve and Accept Presidential Performance Report – Dr. Devinder Malhotra (MN), MHEC Acting Chair
- 11:55 p.m. 25) Closing and Next Steps – Dr. Devinder Malhotra (MN), MHEC Acting Chair
- 12:00 p.m. ADJOURN  
Lunch buffet available in the Bluebonnet Room.

# Midwestern Higher Education Compact Executive Committee Meeting Minutes

Hybrid Meeting – Hilton Des Moines Downtown  
June 7-8, 2021

## Commissioners Present

- IL** Commissioner Suzanne Morris, Vice Chair, Illinois Community College Board  
Commissioner Katie Stuart, State Representative; Member, Education Committee, Illinois General Assembly
- IN** Commissioner Alternate Teresa Lubbers, Commissioner, Indiana Commission for Higher Education (Ex Officio) (virtual)  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education
- IA** Commissioner Nancy Boettger, Regent, Board of Regents, State of Iowa\*  
Commissioner Derrick Franck, Board Member, Iowa Association of Community College Trustees\*  
Commissioner Olivia Madison, Dean Emerita of Library Services, Iowa State University, and Iowa Governor's Designee  
Commissioner Sharon Steckman, State Representative; Member, Appropriations & Education Committees, Iowa Legislature\*
- KS** Commissioner Barbara Ballard, State Representative, Kansas Legislature\*  
Commissioner Blake Flanders, President and CEO, Kansas Board of Regents\*
- MI** Commissioner David Eisler, President, Ferris State University (virtual)  
Commissioner Brandy Johnson, Special Advisor, Office of Sixty By 30, Michigan Department of Labor and Economic Opportunity (virtual)
- MN** Commissioner Michael Goh, Vice President for Equity and Diversity, University of Minnesota\*  
Commissioner Dennis Olson, Commissioner, Minnesota office of Higher Education (virtual)
- MO** Commissioner Cindy O'Laughlin, State Senator; Chairwoman, Education Committee, Missouri General Assembly\*
- NE** Commissioner John Cavanaugh, Senator, Nebraska Legislature  
Randolph Ferlic, Nebraska Governor's Designee (Ex Officio)  
Commissioner Deborah A. Frison, Chair, Nebraska Coordinating Commission for Postsecondary Education (virtual)

- ND** Commissioner Tim Flakoll, North Dakota Governor’s Designee (Ex Officio) (virtual/in-person)  
 Commissioner Dennis Johnson, State Representative, and Member, Education Committee, North Dakota Legislature Assembly (virtual)  
 Commissioner Mark Hagerott, Chancellor, North Dakota University System (virtual)
- OH** Commissioner Rick Carfagna, State Representative; Assistant Majority Floor Leader, Ohio Legislature  
 Commissioner Gary Cates, Senior Vice Chancellor, Ohio Department of Higher Education
- SD** Commissioner Larry Tidemann, South Dakota Governor’s Designee  
 Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents (virtual)
- WI** Commissioner Connie Hutchison, Executive Secretary, Wisconsin Higher Educational Aids Board  
 Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities (virtual)

*\*Denotes non-member of MHEC Executive Committee*

**MHEC Staff**

- Carla Ahrens, Property Program Manager (virtual)  
 Sara Appel, Associate Director for Policy Initiatives (virtual)  
 Katie Chock, Meeting and Event Manager  
 Jennifer Dahlquist, Vice President (virtual)  
 Erin Frahm, Director of Finance and Administration (virtual)  
 Susan Heegaard, President  
 Aaron Horn, Associate Vice President of Research (virtual)  
 Emily Jacobson, Associate Director of M-SARA (virtual)  
 Daniel Moser, Chief Financial Officer (virtual)  
 Jenny Parks, Vice President (virtual)  
 Mary Roberson, Senior Director of Communications and Marketing  
 Nathan Sorensen, Director of Government Contracts (virtual)  
 JoEllen Spencer, Student Insurance Manager (virtual)  
 Rob Trembath, Chief Operating Officer and General Counsel  
 Shaun Williams-Wyche, Associate Director of Research and Data Analysis (virtual)

**Guests**

- Kathy Graves, Parenteau Graves  
 Kathy Leggett, Future Ready Iowa  
 Kathie Obradovich, *Iowa Capital Dispatch*  
 Brigitte Parenteau, Parenteau Graves  
 Steve Stuart  
 Gail Tidemann

## Monday, June 7, 2021

### 1. **Call to Order for the Hybrid MHEC Executive Committee Meeting on June 7-8, 2021.**

Vice Chair Carfagna (OH) called the meeting to order at 1:05 p.m. and welcomed commissioners and guests to Des Moines on behalf of Chair David Eisler (MI), who attended virtually. He shared his legislative background and thanked all of those able to participate both physically and virtually. He welcomed the opportunity to be in person and meet new people, share best practices, and understand the challenges for higher education across the Midwest. President Heegaard also welcomed commissioners and thanked in-person guests for compliance to the CDC guidelines. She also reviewed additional housekeeping items, including a reminder of one vote per state.

### 2. **Welcome from Iowa.**

Commissioners Boettger (IA) and Madison (IA) offered a welcome on behalf of Iowa with highlights about Des Moines, living in rural Iowa, and Iowa's commitment to higher education.

### 3. **Roll Call of the States.**

The roll call of the states was taken with representatives from all 12 member states present, thereby establishing a quorum.

### 4. **Introductions of Commissioners and MHEC Staff.**

All attendees briefly introduced themselves.

### 5. **Action Item 1 – Approval of the Executive Committee Meeting Agenda** (*revised e-mailed on 6/3/2021*).

*Commissioner Gary Cates (OH) moved and Commissioner Barbara Ballard (KS) seconded the motion to approve the revised Executive Committee Meeting agenda.*

*Motion carried by voice vote.*

### 6. **Action Item 2 – Approval of the Executive Committee Meeting Minutes, June 10, 2020** (*agenda book, pp 9-17*).

*Commissioner Larry Tidemann (SD) moved and Commissioner Suzanne Morris (IL) seconded the motion to approve the minutes of the Executive Committee Meeting held on June 10, 2020.*

*Motion carried by voice vote.*

### 7. **Report of the MHEC President.** (*agenda book, pp. 19-20*)

President Heegaard recognized all those present for choosing service, whether a higher education or community leader or policymaker. She focused on the importance of higher education and its connection and importance to success and quality of life in the Midwest region. She also referenced and read from her written report and highlighted the three presentations to take place during the meeting.

8. **Report of the MHEC Chair.** (*agenda book, pp. 21-22*)

Vice Chair Carfagna (OH) referred everyone to Chair Eisler's written report and then offered his own personal remarks. He acknowledged the impact of COVID-19 on MHEC member states and the disruption to the economy, families, and businesses. He highlighted the ingenuity of people pulling together to restore what has been lost and surge forward, especially in the higher education space and the resilience of institutions to transition to remote learning. He summarized recovery with one word: workforce! He acknowledged the transition of business to cloud-based technologies and revealing the technology disparities in our country. He expressed hope for the availability of broadband and digital literacy and opportunities and empowerment for students of all ages and backgrounds to address current and future needs. He acknowledged the work being done at MHEC despite the pandemic and closed by wishing all good health.

9. **Governance Committee Report.**

Governance Committee Chair Ballard (KS) expressed her gratefulness for serving as chair and to the committee for their work. She shared background on the committee noting the establishment in June 2019, and acknowledged Past Chair Madison (IA) for her previous leadership of the committee. The then Ad Hoc Governance Committee's charge was to explore approaches to organizational and governance considerations. They were tasked with taking a more deliberate and focused approach to the use of commissioners with a particular focus on governance, evaluation, and nomination. The committee has met several times over the year and a half and in November 2019 they recommended, and the Commission approved that the Commission take into consideration diversity broadly construed, in terms of legislator non-legislator, race, gender, experience, and geographic location when making officer and commission committee appointments. As well, they looked to strike a balance with the Executive Committee size to have the committee be nimbler and more inclusive. In November 2020 several proposals for restructuring the Executive Committee were referred back to the committee for further study and consideration.

The commission did approve the establishment of the standing Governance Committee. Under the direction of the commission, the ad hoc governance committee met one last time on February 25, to determine the composition and makeup of the standing Governance Committee. The committee shall have one representative from each state who shall serve two-year terms with the terms being renewable. Six members will initially serve a two-year term and six members will serve a one-year term, to avoid turnover challenges and keep continuity. Thereafter, each would serve a two-year term. The chair of the Governance Committee will be appointed by the MHEC chair. The president and chief operating officer of MHEC will serve as non-voting members. The appointments to the committee were made in spring of this year. Six commissioners from the ad hoc governance committee remained on the standing governance committee and six were new to the committee. The committee met on June 2, and had a productive discussion. They will report to the full commission at the November meeting.



10. **Unfinished Business.**

There was no unfinished business.

11. **New Business.**

a. **Action Item 3 – Approval of the SAS Contract Extension.** (*agenda book, p. 23*)

Rob Trembath, MHEC chief operating officer and general counsel, provided background on the SAS contract.

Mr. Trembath addressed a few concerns, confirming that the Executive Committee could act on behalf of the full commission to extend the contract one year longer than the term stated in the original RFP; that the contract does not bring any cost to MHEC that it is made available for institutions to use; and the number of the states estimated to use the contracts is six or seven out of the 12 states.

*Commissioner Barbara Ballard (KS) moved and Commissioner Larry Tidemann (SD) seconded the motion for the extension of MHEC's current contract with SAS Institute Inc. for one additional year terminating on November 30, 2022.*

*Motion carried by voice vote.*

b. **Treasurer's Report.**

Vice Chair Carfagna (OH) gave the Treasurer's Report on behalf of Treasurer Devinder Malhotra (MN) who was unable to attend. He was accompanied by Daniel Moser, MHEC CFO, and Rob Trembath, chief operating officer and general counsel, for questions.

i. **Budget Status.** (*agenda book, pp. 24-25*)

Vice Chair Carfagna (OH) highlighted the FY21 budget. He noted that all states have paid in full and thanked commissioners. He shared that MHEC is also setting aside \$140,000 for four one-time special projects for strategic communications, marketing technology support, a new MSEP database, and strategic planning and related activities.

Lower interest rates by the federal reserve have impacted financial markets being and as a result, MHEC has only hit 69% of its budgeted amount for interest income.

MHEC's three main programs revenues have exceeded the budgeted amount as of April 30. However, he noted the revenue was not final and that the other compacts would need to be paid at the close of quarter four. A reporting error was discovered by Dell, which resulted in over payment to Dell. Dell is responsible for the error and offered to take responsibility for half the cost. MHEC will be paying the other half, returning over \$172K to Dell over the next four quarters.

MHEC's expenses are exceeding budget for FY21, due to the majority of the Ascendium grant being paid out to Credential Engine for work to be done in several member

states. These funds are from the grant and not in the MHEC operations budget. The audited financial report will not show the funds coming from MHEC operations budget.

The Master Property Program also released \$25,000 from restriction that will also be shown on the audited financials as being released from restricted funds and not coming from MHEC's operations budget.

To date, MHEC's transportation, lodging, and meeting (meals) have used 23.22% of the budgeted amounts.

Commissioner concern was raised on the use of consultants, subscriptions, and the negotiation of a better rate for MHEC's lease based on the vacancy rates in Minneapolis. MHEC is using more and more technology which has meant the leveraging of more consultants, and some will continue going forward. There is a need for some memberships in order to be connected and address state, regional, and national issues. MHEC has discussed what kind of leverage it could have on the current lease.

**ii. Presentation of FY22 Budget.** (*agenda book, pp. 26-31*)

Vice Chair Carfagna (OH) presented MHEC's FY22 budget. He again highlighted the sources of MHEC revenue: state commitments (all states have paid); MHEC's insurance programs (accurate budget projections on revenue won't be made until after the budget has already been approved); NC-SARA (revenue is based on a percentage of the NC-SARA previous year's revenues); and technology contracts (based on a percentage of sales made from the contracts and shared with the other compacts). MHEC's net projected revenue is nearly \$1.14M. MHEC also received grand funding from Hewlett and Ascendium.

MHEC total salaries are projected to go up due to inflation but will appear lower overall due to a portion of some salaries being booked to the grants in the short-term. Increases have been seen in some areas including: legal fees due to increased work in highly regulated areas and updating MHEC employee-related documents; honoraria and lecture fees due to external research and program presenters; and computer services due to increased technology reliance; and consultants to support MHEC's work. MHEC's transportation, lodging, and meeting expenses are budgeted for operating under a pre-pandemic normal year with an adjustment for inflation.

Commissioners asked for a modified document at the close of the books to show an update and reflection of the savings received from travel costs not being incurred, as well as additional expenses related to the office and staff stipends during the pandemic. Savings occurred in FY21 and will be reflected in the carry forward.

iii. **Action Item 4 – Action on FY22 Budget.**

*Commissioner Randy Ferlic (NE) moved and Commissioner Barbara Ballard (KS) seconded the approval of the FY22 Budget.*

*Motion carried by voice vote.*

iv. **Status of the Unrestricted Fund Balance.** *(agenda book, pp. 32-33)*

Vice Chair Carfagna (OH) provided a status of the unrestricted fund balance, noting In FY21 that MHEC received a grant from Hewlett to conduct Open Educational Resources (OER) work. As part of the grant, MHEC has made an in-kind matching contribution of the remaining \$21K from the OER restricted funds account. MHEC also set aside and utilized \$20K to renovate the office in preparation toward bringing back staff post-COVID. This has been completed on time and on budget.

v. **Review of Form 990.** *(agenda book, p. 34)*

Vice Chair Carfagna (OH) provided a brief background on the Form 990's purpose and reported that the officers approved MHEC's Form 990 in April. MHEC submitted it and it was approved by the Minnesota Attorney General's office.

12. **Action Item 5 - Motion to Go into Executive Session.**

*Commissioner Cates (OH) moved and Commissioner Carfagna (OH) seconded the motion for the MHEC Executive Committee to go into Executive Session at 3:50 p.m. CDT for up to 45 minutes.*

*Motion carried by voice vote.*

13. **Executive Session.**

Commissioners participating virtually were moved into a breakout room for the Executive Session discussion.

14. **Action Item 6 – Reconvene in Open Session.**

*Commissioner Carfagna (OH) moved and Commissioner Cates (OH) seconded the motion to end the Executive Session and return the meeting to Open Session at 4:41 p.m. CDT.*

*Motion carried by voice vote.*

15. **Action Item 7 – Approve President Susan Heegaard's Contract.**

*Commissioner Olivia Madison (IA) moved and Commissioner Goh (MN) seconded the motion to extend President Heegaard's employment agreement to begin January 1, 2022, through June 30, 2023, thereafter any extension will be based on the contract year of July 1-June 30.*

*Motion carried by voice vote.*

*Commissioner Madison (IA) moved and Commissioner Cavanaugh (NE) seconded the*

*motion to provide a 4% salary increase for President Heegaard for the upcoming fiscal year (July 1, 2021, through June 30, 2022).*

*Motion carried by voice vote.*

President Heegaard expressed gratitude to the commissioners and noted that she's working on goals she'd originally started with Commissioner Sauer (IN) and continued with Commissioner Madison (IA). She is waiting to provide an update on them based on the strategic planning discussion in hopes for more clarity. She conveyed her love for the Midwest and the gratifying experience for working with a broad representation of leaders from the region and the recognition of MHEC's work.

**16. Approve and Accept Presidential Performance Report (delayed).**

**17. RECESS**

Vice Chair Carfagna (OH) noted details about the evening's events. Commissioners will hear from Kathie Obradovich, editor-in-chief of the *Iowa Capitol Dispatch*. He called for a motion to recess the meeting.

*At 4:48 p.m., Commissioner Carfagna (OH) moved and Commissioner Tidemann (SD) seconded the motion to recess the meeting until 8:30 a.m. Tuesday, June 8.*

*Motion carried by voice vote.*

**Tuesday, June 8, 2021**

**18. Call to Order.**

Vice Chair Carfagna (OH) called the meeting to order at 8:32 a.m.

**19. Strategic Planning 2021-2024.**

President Heegaard provided a background of work to-date and an introduction of Brigitte Parenteau and Kathy Graves of Parenteau Graves.

Ms. Graves provided a background on their planning process noting that MHEC has already gathered a lot of data. Parenteau Graves will be working with the Strategic Planning Committee and staff for review in order to bring a recommended plan to commissioners in November 2021. The deliverable will be an operational plan (for daily use by staff) and a dashboard.

Ms. Graves referred to the Summary of Planning Documents. (See Addendum A.) She also referred to the current MHEC Vision, Mission, and Strategic Priorities as well as MHEC's value proposition and key messages. Commissioners were asked to reflect on MHEC's vision, mission, and values and feedback was gathered from commissioners. Additional input, to-date, from the Strategic Planning Committee was also shared.

Parenteau Graves will synthesize the information received for the next Strategic Planning Committee Meeting which will meet monthly.

**20. Policy Presentation.**

Ms. Kathy Leggett, policy advisor for Future Ready Iowa, provided an overview of Future Ready Iowa's work and focus on closing Iowa's skills gap. This initiative across the state is projecting that Iowa's workforce will require 68% to have education and training beyond high school by 2025. Iowa's largest gap addresses middle-skills. She outlined their strategies and recommendations to providing a pathway for Iowans. She also addressed funding to continue their work.

**21. Closing and Next Steps.**

Vice Chair Carfagna (OH) offered closing remarks thanking staff and reminding commissioners of expected follow-up regarding the budget and strategic planning. He invited everyone to Grand Rapids, MI, on behalf of Chair Eisler (MI) for a planned in-person Annual Commission Meeting on November 8-10. He also thanked the Iowa delegation for hosting commissioners in Iowa and extended gratitude to all those that participated in the meeting either in-person or virtually.

Past Chair Madison (IA) offered her thanks to Vice Chair Carfagna (OH) for stepping in and leading the meeting.

**22. Adjournment.**

*Chair Carfagna (OH) adjourned the meeting at 11:00 a.m. CDT.*

Commissioners participated in an optional hour-long tour of the Iowa State Capitol at noon.



## Midwestern Higher Education Compact Summary of Planning Documents

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### MHEC Strategic Plan (2017–2021)

- **Articulated the purpose of MHEC:** To provide greater higher education opportunities and services in the Midwestern region, with the aim of furthering regional access to, research in and choice of higher education for the citizens residing in the several states which are parties to this Compact.
- **Articulated four themes to focus its efforts:**
  1. Shifting demographics – changing composition of the student body
  2. Evolving modes of packaging and delivering education
  3. Declining share of public investment in higher education
  4. Desire for collaboration beyond the institution

### Environmental Scan (2018–2019)

- **Conducted to help Susan Heegaard transition into her leadership role and to understand the current and future landscape of higher education and how/where MHEC fits into that landscape;** to identify value of MHEC's existing programs and accomplishments; to identify gaps in programs; to identify states' priorities; to consider MHEC's policy approach.
- **Projects identified have merit:**
  - Purchasing (contracts savings) – political power in demonstrating cost savings
  - MCMC (good policy/great politics) and OER (unique, innovative, efficiency, cost savings)
- **Recommendations**
  - Develop stronger external communication strategy (including social media)
  - Organize convenings with wider array of stakeholders
  - Utilize limited resources more effectively (staffing and financial)
  - Identify clear & actionable strategic priorities tied to strategic plan and stakeholder needs
  - Partner with appropriate organizations/associations
  - Secure funding for ongoing/new initiatives

### HCM Strategists Review of Strategic Plan (2019–2020)

- **Mission and vision need to be more clearly articulated.**
- **Focus priorities on:**
  - Increase access and improve outcomes for all of the region's students.
  - Better align workforce and higher education.
  - Lower costs for students, institutions and states, including leveraging cost-savings contracts, while advancing quality.
  - Articulate the value and return on investment of higher education.

### Strategic Framework, developed from HCM Review (2020-2021)

- **Revise vision, mission, target audiences, and priorities to improve implementation.**
  - **Vision:** MHEC members collaborate to address the region's most pressing challenges in higher education and transform educational opportunities so that people and communities thrive.
  - **Mission:** MHEC brings together midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

- o Four priority themes identified in the 2017-2021 Strategic Plan: 1) shifting demographics; 2) evolving modes of packaging and delivering education; 3) declining share of public investment in higher education; and 4) desire for collaboration beyond the institution.
- o Four strategic priorities identified in the 2020-2021 Strategic Framework:

Strategic Priority	Progress
Increase access, promote affordability, and improve outcomes for all of the region's learners, including the historically underserved.	<ul style="list-style-type: none"> <li>• Open Education Resources (OER) – deepened existing efforts, expanded new work supported by Hewlett Foundation Grant</li> <li>• Concurrent Enrollment – provided resources and support for teacher training through new database</li> <li>• MCMC – continued to offer support to states and institutions serving veterans education needs</li> </ul>
Foster a culture of continuous learning through increasingly aligned educational and workforce systems.	<ul style="list-style-type: none"> <li>• Credential Engine initiative – developing systemic approach to better credential access and comparisons across all twelve midwestern states supported by Ascendum Philanthropy grant</li> <li>• Produced research reports and offered remote webinars and presentations sharing best practices</li> </ul>
Sustain and advance affordable, high-quality educational opportunities through cost-savings initiatives.	<ul style="list-style-type: none"> <li>• Technology hardware, software, and service contracts – expanded use, support and access as remote learning increased during the pandemic</li> <li>• Property Insurance – developed a revised Captive program, continued to provide programs with strong customer support</li> <li>• Student Health Insurance – expanded student health insurance offerings and based on customer feedback and trends, developing complementary mental health services</li> </ul>
Understand and communicate the value of and return on investment in higher education.	<ul style="list-style-type: none"> <li>• Hosted multiple remote learning opportunities on topics ranging from budget and finance to credentialing</li> <li>• Produced research and reports tied to current demographic trends and pressing needs</li> <li>• Enhanced interactive data dashboard allowing comparisons on a wide range of data</li> </ul>

### Communications Review Recommendations (2021)

- MHEC's primary audience is its commissioners, with CIOs, risk managers, and CFOs also essential to MHEC's mission.
- There is a disconnect between how MHEC describes its purpose and value and how its commissioners perceive the organization. Commissioners value the cost savings MHEC delivers and believe those cost savings are the primary benefit to member states.
- Commissioners generally believe that research should only be done if it advances knowledge on topics prioritized by members.
- MHEC commissioners would like to engage with the organization in more interactive ways, leveraging the convening power of MHEC to learn from peers, advance ideas and solve problems collaboratively and quickly.
- MHEC commissioners would prefer to receive information and opportunities curated for their role.
- There is a need for better systems to ensure quality contact data, essential to reaching MHEC's key audiences.

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## **MHEC President Report**

### **Executive Committee Meeting**

#### **June 2022**

I am so glad that we will be together again in person for our Executive Committee meeting, this time in the great city and state - Omaha, Nebraska. We have an interesting and engaging meeting planned and are so grateful to our hosts, our MHEC Nebraska commissioners and the University of Nebraska Medical Center and Omaha campuses. We have many challenges behind us and while the road ahead is uncertain, the pandemic has presented us with many opportunities too. The new ways in which we're approaching student learning and access were just ideas even a few years ago, now offering students flexible and tailored ways to earn credentials. Place still matters but has taken on new meaning for students and workers across our country, as many people work seamlessly regardless of where they are located. Overall, we've had a good year, with a new strategic plan about to be launched, positive revenues, programs that are meeting regional needs, and all twelve member states generously paying their annual commitments.

Our staff, who have been working remotely for close to two years are now back in the office on a hybrid schedule. I hope you'll take some time to look through the agenda book at the summaries the staff have prepared to see what they have been up to. I am very proud of them and grateful to our Commission for your support and patience during this challenging time. From focusing on mental health or our new captive insurance program to thinking of new ways to address student learning, migration and cost, our staff continues to work hard, innovate, and serve our member states and region.

We've had some unexpected changes among our officers with the departure earlier this year of our chair Ohio Representative Rick Carfagna, who resigned from the legislature to become the Vice President of Government Affairs for the Ohio Chamber of Commerce. I really enjoyed working with Rick and know that he'll put his wisdom and energy to good use in his new role. We also said goodbye to our wonderful treasurer South Dakota Senator V.J. Smith who after a serious illness, chose not to run again and as a result, has stepped away from MHEC. We will miss both of these leaders and wish them the very best. We are grateful to Chancellor Devinder Malhotra who has agreed to serve as acting chair prior to assuming the chair role this fall, to Representative Larry Tidemann who has agreed to serve as acting chair of the Finance and Audit Committee assuming many of the treasurer's duties, and to President David Eisler who agreed to stay on as past chair during this time of transition. We have tried to be intentional regarding appointments to the Executive Committee, and our other committees, balancing elected officials with higher education leaders and focusing on diversity wherever possible.

After two years of virtual state visits we were happy to be back on the road again and had successful visits to all 12 midwestern states. Most often I was joined by COO and General Counsel Rob Trembath, where we had individual appointment with leaders and dinners in each state, learning a great deal about the pressing issues across the region and gathering input about how we can best serve our members. Based on issues raised during prior visits, we shared key data and trends regarding issues such as cost, demographics and migration patterns. We had the pleasure of being invited to testify in two states, North Dakota and South Dakota. What we heard across the Midwest was that for the first time in years, revenues were up and state coffers were healthy, allowing for important investment in higher education. However, concern was expressed that the fiscal situation will likely shift post pandemic. Other issues that were raised concerned declining enrollment, workforce needs, and student cost/debt.

While we know that having a credential beyond high school is key to obtaining a good job and career path (benefiting individuals as well states, regional, and national economies), however, recent enrollment trends and data indicate that not all are convinced. Through convening, research, and policy development, MHEC is well positioned to play a role throughout the region in developing understanding and more aligned approaches to issues such as earning credentials and sharing research and best practices regarding learning, cost and migration and other key issues. Remember that we have a great data dashboard where you can compare your state to your neighbors on a wide range of indicators!

We're looking forward to sharing our proposed strategic plan with you in Omaha and look forward to implementing it over the next four years. Led by the talented Kathy Graves and her firm Parenteau Graves, the process took about a year and involved a planning committee that included myself, two staff and eight commissioners. We hope that you'll be pleased. Thank you to Commissioners Molly Baumgardner, Rick Carfagna, Mike Duffey, David Eisler, Kayla Hahn, Devinder Malhotra, Bill Pink, and Janelle Toman and MHEC staff Jennifer Dahlquist and Jenny Parks.

Other organizational improvements involved continued work with the team from CliftonLarsonAllen (CLA) who are helping us, particularly Daniel Moser and Erin Frahm, update, streamline, and align our various accounting and finance practices. They are also making recommendations on the overall process and how to best present our budget information in a more transparent and understandable ways to our various internal and external audiences. Erin has been working hard on updating and better coordinating our human resources processes and is working with a new firm, Athena this fiscal year. We're taking a fresh look at some of our communications offerings with Parenteau Graves helping us to develop a new focused commissioner newsletter featuring commissioners, states, and initiatives in each edition. We hope you like it and will let us know how we can improve.

In terms of strategic partnerships, I continue to meet and collaborate with the other regional compact presidents regularly. NC-SARA has taken up a great deal of the four compacts' time as we work through roles and responsibilities between the organization's staff and board and the compacts. And the federal government has proposed some new policies which may create some new challenges for distance education. The four compacts work constructively together on a range of issues and are just completing a joint grant effort on open educational resources funded by Hewlett. Our relationship with the Midwestern Legislative Conference (MLC) and Council of State Governments (CSG) continues. I'll be in Wichita, Kansas, this July for their annual meeting and hope to see many of you there. Finally, other partners that we work with include the American Council on Education (ACE) and State Higher Education Executive Officers Association (SHEEO) as well as funders such as Lumina and Ascendium.

As I mentioned last year, this is such a unique organization where regardless of politics, higher education leaders, policymakers and other midwestern leaders can come together to focus on education and our region's overall health and well-being. I am deeply grateful to our staff and to each and every one of you. Whether you've given me frank feedback and advice individually or just showed up at a meeting on a call, your involvement, generous time, and support is what leads to our success. Thank you in particular to our officers: Devinder Malhotra, and David Eisler, and to Finance and Audit Committee Acting Chair Larry Tidemann for your guidance and support this past year.

## **MHEC Chair Report Executive Committee Meeting June 2022**

While this year has not presented the level of challenges of the past two, it has not been without its difficulties. On the positive side we have been back together, living and learning in person. We know that we can adapt and adjust in ways that many of us had only imagined before the pandemic. Hybrid learning and communicating is now a regular part of our lives, allowing us to seamlessly move from before a camera to in person with ease, as long as the Wi-Fi works! We've been innovative and responsive, keeping our campuses, offices and organizations open, working hard to keep our students and staff safe, throughout. While we've found ways to build and redefine community, many students and others on our campuses struggle to connect. Mental health challenges persist and we've seen shifts in enrollments and wonder whether some students are going to come back at all. This has an effect on our state and regional economies in ways we are just beginning to see.

At Minnesota State, a network of 26 two-year colleges and seven universities, we had the same goals which all higher education entities were pursuing: keeping our faculty, staff and students safe, while keeping colleges and universities open all through the pandemic, though mostly through hybrid and virtual modalities, to enable our students to continue on their educational journey. No doubt the pandemic was a challenging time for public higher education. Our colleges and universities were already pre-COVID, experiencing a decline in enrollment due to changing demographics. These trends were further accelerated during the pandemic as adult students, students from low-income families, and from historically marginalized groups, dropped out at much higher rates as their ability to continue their education was seriously degraded. Our institutions experienced higher cost structures and lower revenues. However, the pandemic also taught us many important lessons that will help us shape the post-COVID landscape of higher education.

First, the importance of networking with other institutions and systems and states became evident. The response to the pandemic had to be collective, coordinated, cohesive, and often unified across institutions.

Second, we blew to smithereens the myth that higher education institutions cannot change quickly. We had to pivot very quickly as we transitioned from traditional modes of instruction to hybrid and virtual modalities. It gave us the facility and comfort to be in a creative and innovative space, and we effectively aligned our teaching and learning paradigms to student needs and developed innovative student support structures.

Third, we figured out quickly ways to scale our pandemic responses not only within an institution but across the whole higher education sector within the state.

These lessons bode well for higher education in the long haul as we redesign teaching and learning for the 21<sup>st</sup> century, and at the same time rethink our business models to ensure both programmatic and financial sustainability of our institutions. The collective work across the Midwest region under MHEC will become even more important in the post-COVID arena. The strategic plan of MHEC will be incredibly helpful, once implemented, in assisting our institutions to find their footing in the post-COVID world.

I have been involved with the compact for many years and more so now, having moved from vice chair to acting chair when Ohio Representative Rick Carfagna resigned from the legislature this past January to take a new job as vice president of Government Affairs of the Ohio Chamber of Commerce. This was a great opportunity for Rick and we're grateful to the many contributions he made to MHEC during his tenure. We also say goodbye to Senator V. J. Smith of South Dakota, our treasurer, who unfortunately had to leave the South Dakota Senate and his appointment with MHEC, after struggling with a significant and unexpected illness from which he is recovering. We miss him and wish him well.

MHEC has matured as an organization and been through many changes, especially over the past couple of years. We held our last two commission related meetings in person in Des Moines and Grand Rapids and are together again in Omaha. Whether in person or online, the staff have been able to provide quality and timely information to stakeholders in the region, from topics including open educational resources to credentialing to Property Insurance. The strategic planning process, which I am part of, is well underway. Effectively led by Kathy Graves, the planning committee includes 3 MHEC staff (Jennifer Dahlquist, Susan Heegaard, and Jenny Parks) and 8 Commissioners (Molly Baumgardner, Rick Carfagna, Mike Duffey, David Eisler, Kayla Hahn, Devinder Malhotra, Bill Pink, and Janelle Toman) This new plan is included in your meeting materials, which you'll hear more about during our time together in Omaha, and will guide the Compact's work for the next four years. We have a clearer mission – the good we do and for whom, the vision – the impact we seek and values – what guides our decision making, and our strategic priorities - our focus for the next four years and principles. We hope you'll be pleased and support the work of the committee.

I have also participated in the Finance and Audit Committee again this year. A big thanks to South Dakota Representative Larry Tidemann who in Senator Smith's absence, has agreed to serve as acting chair of the Finance and Audit Committee. Last year as you may remember, CliftonLarsonAllen (CLA) was hired this past year to provide advice and counsel to us regarding best practices and approaches to updating and structuring MHEC's finances and budget, making sure there is clarity and alignment. They continue to provide support this year to ensure that updated approach MHEC is undertaking is working effectively. I'm pleased to report that our revenues are healthy, thanks to all 12 state paying their state commitments this fiscal year and to more robust than usual technology revenues.

Now more than ever, the value of convening is important, providing us with opportunities for sharing ideas and learning across the region and country. This, in my view, is one of MHEC's greatest strengths and whether this occurs through an in-person meeting or via a webinar, for a one-time occurrence or as a series of events, the Compact's role in bringing all 12 midwestern states together is of value to us all. Finally, I would like to acknowledge the hard work of the MHEC staff during these difficult times.

As we gather for the MHEC Executive Committee meeting in Omaha I am looking forward to seeing you and sharing time together.

Devinder Malhotra

May 25, 2022

### Action Item 3

#### Increase to the State Compact Commitment

In 1991 when MHEC was established, the annual state compact commitment was \$58,000. The state commitment remained at \$58,000 through 1999 when the Commission approved increasing it to \$75,000. The Commission again voted to increase the state commitment to \$82,500 in 2001, to \$90,000 in 2005, and to \$95,000 in 2008. In 2015 the Commission approved increasing the state compact commitment an additional \$20,000 to \$115,000 and then subsequently approved to keep it at \$115,000 through FY21.

In 2019 the Commission approved increasing the state compact commitment 1.5% annually beginning in FY22. The annual increase was an attempt to provide a more regular, modest, and predictable state commitment. However, in 2020, due to the pandemic and the uncertainty it caused, the Commission waived the 1.5% annual increase to the state compact commitment for FY22, instead having the annual increase become effective in FY23.

Given the continuing uncertainty caused by the pandemic, as well as the current healthy financial condition of MHEC, the Finance and Audit Committee recommends the Commission reconsider the 1.5% annual state compact commitment increase. Instead of increasing the state compact commitment 1.5% every year, the Finance and Audit Committee is recommending the Commission increase the state compact commitment 1.5% cumulatively over a four-year period beginning in FY23. Under this approach, the MHEC member states would see their state compact commitment increase to \$122,057 in FY26 and \$129,546 in FY30, and so on. (Please see table below.)

Year	Fiscal Year	State Dues	1.5 % Increase	State Dues with 1.5% Increase	Year Increase Goes into Effect	State's Actual Payment in that Fiscal Year
7/1/22-6/30/23	FY23	\$115,000	\$1,725	\$116,725	No	\$115,000
7/1/23-6/30/24	FY24	\$116,725	\$1,751	\$118,476	No	\$115,000
7/1/24-6/30/25	FY25	\$118,476	\$1,777	\$120,253	No	\$115,000
7/1/25-6/30/26	FY26	\$120,253	\$1,804	\$122,057	Yes	\$122,057
7/1/26-6/30/27	FY27	\$122,057	\$1,831	\$123,888	No	\$122,057
7/1/27-6/30/28	FY28	\$123,888	\$1,858	\$125,746	No	\$122,057
7/1/28-6/30/29	FY29	\$125,746	\$1,886	\$127,632	No	\$122,057
7/1/29-6/30/30	FY30	\$127,632	\$1,914	\$129,546	Yes	\$129,546



This would continue to provide MHEC member states with a more regular, modest, and predictable state compact commitment without the need to seek an increase every year.

**Proposed Action**

The commission approve an increase in the state compact commitment, effective FY26, that is a 1.5% cumulative increase over a four-year period beginning in FY23.

FY22 Actual vs. Budget thru 4/30/2022

	<u>Actual</u>	<u>Budget (10/12's of the budget)</u>	<u>Against Budget</u>
Revenues			
General Management & Operations	\$ 1,410,860.91	\$ 1,428,025.00	99%
Programs	\$ 980,911.83	\$ 1,179,800.00	83%
Technology	\$ 845,551.23	\$ 1,517,550.00	56%
Total Revenues:	<u>\$ 3,237,323.97</u>	<u>\$ 4,125,375.00</u>	<u>78%</u>
Expenses			
Personnel	\$ 1,958,225.74	\$ 2,515,656.40	78%
Professional Fees	\$ 152,158.78	\$ 118,750.00	128%
Consultant Fees	\$ 190,521.42	\$ 276,872.89	69%
Convenings	\$ 238,575.15	\$ 591,711.26	40%
Lease & Rental Fees	\$ 176,504.28	\$ 178,956.00	99%
Office Related Expenses	\$ 81,184.68	\$ 152,267.95	53%
Risk Management	\$ 22,841.82	\$ 27,850.00	82%
Strategic Planning Implementation	\$ 3.00	\$ -	0%
Other Organizational Expenses	\$ 30,845.59	\$ 12,979.00	238%
Total Expenses:	<u>\$ 2,850,860.46</u>	<u>\$ 3,875,043.50</u>	<u>74%</u>
Revenues over Expenses:	<u>\$ 386,463.51</u>	<u>\$ 250,331.50</u>	<u>154%</u>

## **FY21 Budget to Actual Update (as of 04/30/2022)**

- Revenues:
  - Year to date (Budget – through June 2022 and Actual – through April 30, 2022) all state dues have been paid. Technology revenues are on track to hit their projected amount. Currently 55 percent of the total technology revenues have been received with two full quarters having been collected and quarter three revenue trickling in and quarter four expected towards the end of July. A new category labeled organizational investment has been created that will become active in FY 2023. The program revenues are on track to meet and possibly exceed projections. Two of the four programs have exceeded their projected revenue budgets with MHECare still having two remaining payments outstanding.
    - Through the first two quarters Dell was paid back for an over payment that was made. That over payment has now been paid back in full. Quarter three is the first quarter where the revenues are back to normal. FY 2023 will see some changes to the revenues. A new Dell contract with a different administrative fee percentage will be introduced replacing the previous Dell agreement, and the Master Property Program is navigating its way through a difficult market. These will be areas to watch in FY 2023.
    - Over the past five years MHEC's revenues have grown 26.4 percent with continued projected growth in FY 2023. With administration fee increases on some renegotiated technology contracts, staff will have to closely monitor the revenues which may require budget adjustments, depending on the new technology contracts' performance.
  
- Expenses:
  - The salaries and benefits are on track to meeting the budgeted amount. During the year some changes were made to bring Deb Kidwell on as a full-time employee from her previous position as a consultant and the funding for three of four intern positions was transferred to consulting to support the policy and research unit.
  - Professional fees have gone over budget. In this category are the accounting services for the audit and 990 preparation, as well as the work done by Clifton Larson Allen to assist with some accounting and policy improvements. Legal fees have also exceeded budget, primarily as the result of the need to utilize outside counsel for retirement plan documentation consulting, and some Master Property Program work.
  - Convenings are significantly under budget. Travel just started to pick up at the end of FY 2022 with more meetings being in person; however, at the beginning of FY 2022 most everything was still virtual. There will be some savings in this area again for FY 2022.

- Office related expenses total will come in under budget, but buildings and facilities will be slightly over budget, mainly due to the unknown common area maintenance (CAM) amounts during the time the budget was created.
- Other organizational expenses is a new sub-category, with the main contributor to the over budget amount being the grant expense.
- Year to date (4/30/2022) we have expended 73 percent in total expenses with a remaining net income of approximately \$386,466.51.
- Over the past 5 years our expenses have increased 18 percent with growth that is related to increases in revenues, resulting in more work across the organization.

MHEC's Proposed FY23 Budget

	Approved Budget FY20	Approved Budget FY21	Approved Budget FY22	Proposed Budget FY23	Proposed Budget FY24
<b>REVENUES</b>					
1 General Management and Operations	\$ 1,448,100.00	\$ 1,428,300.00	\$ 1,458,100.00	\$ 1,395,125.00	\$ 1,395,175.00
2 State Commitments	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00
3 Other Revenues	\$ 68,100.00	\$ 48,300.00	\$ 48,100.00	\$ 15,125.00	\$ 15,175.00
4 Special Projects	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -
5 Indirect Costs	\$ -	\$ -	\$ -	\$ -	\$ -
6 Insurance Programs	\$ 580,000.00	\$ 715,800.00	\$ 715,800.00	\$ 630,000.00	\$ 630,000.00
7 Policy Programs	\$ 453,000.00	\$ 453,000.00	\$ 464,000.00	\$ 494,531.00	\$ 494,531.00
8 M-SARA	\$ 453,000.00	\$ 453,000.00	\$ 464,000.00	\$ 494,531.00	\$ 494,531.00
9 Technology (Contracts)	\$ 1,062,475.00	\$ 1,236,650.00	\$ 1,517,550.00	\$ 1,899,000.00	\$ 1,899,000.00
10 Dell	\$ 750,000.00	\$ 950,000.00	\$ 1,252,500.00	\$ 1,665,000.00	\$ 1,665,000.00
11 Oracle	\$ 100,000.00	\$ 100,000.00	\$ 125,000.00	\$ 112,500.00	\$ 112,500.00
12 MicroFocus	\$ 66,500.00	\$ 50,000.00	\$ 50,000.00	\$ 20,000.00	\$ 20,000.00
13 Other	\$ 145,975.00	\$ 136,650.00	\$ 90,050.00	\$ 101,500.00	\$ 101,500.00
14 Compact Revenue Sharing	\$ (200,000.00)	\$ (275,000.00)	\$ (380,000.00)	\$ (474,763.00)	\$ (474,763.00)
15 Organizational Investment	\$ -	\$ 135,694.38	\$ 110,000.00	\$ 400,000.00	\$ -
16 Strategic Projects	\$ -	\$ -	\$ -	\$ 400,000.00	\$ -
17 Board Designated Funds	\$ -	\$ 55,000.00	\$ 110,000.00	\$ -	\$ -
18 Prior Year Revenue Carry-Forward	\$ -	\$ 80,694.38	\$ -	\$ -	\$ -
19 Total Revenues	\$ 3,343,575.00	\$ 3,694,444.38	\$ 3,885,450.00	\$ 4,343,893.00	\$ 3,943,943.00
<b>EXPENSES</b>					
20 Salaries and Fringe Benefits	\$ 2,318,852.69	\$ 2,583,427.34	\$ 2,633,912.90	\$ 2,715,354.77	\$ 2,751,636.97
21 Professional Fees	\$ 46,097.50	\$ 93,500.00	\$ 153,750.00	\$ 145,400.00	\$ 145,400.00
22 Legal Fees	\$ 1,400.00	\$ 45,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
23 Honoraria and Lecture Fees	\$ 13,800.00	\$ 26,000.00	\$ 29,000.00	\$ 27,500.00	\$ 27,500.00
24 Other	\$ 30,897.50	\$ 22,500.00	\$ 74,750.00	\$ 67,900.00	\$ 67,900.00
25 Consultant Fees	\$ 109,230.23	\$ 180,005.00	\$ 239,872.89	\$ 176,101.94	\$ 176,101.94
26 Computer Service and Support	\$ 51,033.50	\$ 96,505.00	\$ 154,012.89	\$ 142,101.94	\$ 142,101.94
27 Consultant Fees - Other	\$ 37,800.00	\$ 50,000.00	\$ 81,500.00	\$ 29,000.00	\$ 29,000.00
28 Other	\$ 20,396.73	\$ 33,500.00	\$ 4,360.00	\$ 5,000.00	\$ 5,000.00
29 Long-Term Rents/Leases	\$ 162,645.55	\$ 189,156.00	\$ 178,956.00	\$ 168,176.00	\$ 168,176.00
30 Building & Facilities	\$ 159,570.55	\$ 186,000.00	\$ 175,800.00	\$ 164,676.00	\$ 164,676.00
31 Other Leases	\$ 3,075.00	\$ 3,156.00	\$ 3,156.00	\$ 3,500.00	\$ 3,500.00
32 Office Related Expenses	\$ 121,907.63	\$ 141,250.04	\$ 166,017.95	\$ 158,122.34	\$ 158,122.34
33 Dues, Subscriptions, and Memberships	\$ 10,539.50	\$ 15,000.00	\$ 30,200.00	\$ 15,970.40	\$ 15,970.40
34 Telephone/Fax/Internet	\$ 14,682.61	\$ 19,115.40	\$ 20,903.00	\$ 20,000.00	\$ 20,000.00
35 Computer Software Expenses	\$ 14,637.00	\$ 28,552.95	\$ 34,430.95	\$ 68,321.94	\$ 68,321.94
36 Other	\$ 82,048.52	\$ 78,581.69	\$ 80,484.00	\$ 53,830.00	\$ 53,830.00
37 Convening	\$ 544,067.40	\$ 477,990.00	\$ 585,411.26	\$ 616,676.99	\$ 627,032.99
38 Transportation	\$ 210,991.00	\$ 171,553.50	\$ 214,880.00	\$ 210,162.33	\$ 207,372.83
39 Lodging	\$ 173,468.00	\$ 150,817.50	\$ 177,477.00	\$ 195,814.33	\$ 189,894.83
40 Meeting Meals	\$ 143,009.00	\$ 135,616.50	\$ 145,012.00	\$ 132,023.33	\$ 143,393.33
41 Other	\$ 16,599.40	\$ 20,002.50	\$ 48,042.26	\$ 78,677.00	\$ 86,372.00
42 Risk Management	\$ 30,437.75	\$ 24,650.00	\$ 27,850.00	\$ 34,103.94	\$ 34,103.94
43 Errors & Omissions	\$ 8,500.00	\$ 6,500.00	\$ 7,000.00	\$ 7,167.52	\$ 7,167.52
44 Nonprofit Directors and Officers	\$ 9,000.00	\$ 9,000.00	\$ 9,500.00	\$ 11,013.88	\$ 11,013.88
45 Travel Accident Insurance	\$ 2,100.00	\$ 2,000.00	\$ 2,500.00	\$ 3,005.95	\$ 3,005.95
46 Other	\$ 10,837.75	\$ 7,150.00	\$ 8,850.00	\$ 12,916.59	\$ 12,916.59
47 Strategic Planning Implementation	\$ -	\$ -	\$ -	\$ 310,000.00	\$ -
48 Strategic Convening	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -
49 Strategic Planning Special Initiatives	\$ -	\$ -	\$ -	\$ 150,000.00	\$ -
50 Strategic Communications	\$ -	\$ -	\$ -	\$ 60,000.00	\$ -
51 Other	\$ 10,336.25	\$ 4,138.00	\$ (100,521.00)	\$ 9,425.00	\$ 44,845.00
52 Grant Expense	\$ -	\$ -	\$ -	\$ 55,000.00	\$ 55,000.00
53 Miscellaneous	\$ 9,050.00	\$ 3,000.00	\$ 8,129.00	\$ 9,795.00	\$ 9,795.00
54 Other	\$ 1,286.25	\$ 1,138.00	\$ (108,650.00)	\$ (55,370.00)	\$ (19,950.00)
55 Total Expenses	\$ 3,343,575.00	\$ 3,694,116.38	\$ 3,885,250.00	\$ 4,333,360.98	\$ 4,105,419.18
56 Surplus (Deficit)	\$ -	\$ 328.00	\$ 200.00	\$ 10,532.02	\$ (161,476.18)
57 Revenues Change Year-Over-Year:		8%	-7%	8%	-2%
58 Expenses Change Year-Over-Year:		3%	3%	8%	3%

## Budget Guidance and Assumptions

- MHEC's bylaws currently require the Commission to operate on an annual budget cycle. The proposed budget for FY23 was developed with a plan for a biennial approach (as has been the practice for the past few years). It also incorporates the actual spending (actuals) from two previous fiscal years FY20 and FY21. The inclusion of trend spending has been particularly important during the pandemic.
- During its May 10, 2022 meeting, the MHEC Finance and Audit Committee reviewed both FY23 and FY24 proposed budgets and recommended the Executive Committee approve the FY23 budget.
- Conservative assumptions were used across-the-board, specifically in regard to technology contract revenues and Master Property Program revenues. MHEC will not receive FY20 Q3 and Q4 contract sales reports until May (3<sup>rd</sup> quarter) and July (4<sup>th</sup> quarter). This lag makes it more difficult to accurately estimate contract usage in future years.
- State commitments were kept flat at \$115,000 for FY23 and not yet increased 1.5% annually as approved by the Commission three years ago effective FY22, and then subsequently waived by the Commission until FY23. A new proposal (see agenda book Action Item 3) will be presented, and action will be requested of the executive committee.
- For purposes of preparing this budget, a maximum 3% salary increase was assumed for FY23.
- MHEC budgeted as if operating under a normal pre-COVID year for its meeting and events related expenses (transportation, lodging and meals). MHEC staff used FY18 and FY19 actuals (the last full pre-COVID years) as a baseline to help arrive at these budgeted numbers with increases for inflation.
- MHEC has one remaining position open for an intern and one full time position remains open in place of the former CIO. All other positions have been filled and capacity is consistent with the current MHEC Strategic Framework.
- In FY22 MHEC is in the second year of the grant funds it received from Hewlett and Ascendium. The Hewlett grant work was completed in FY22 and the remaining work for the Ascendium grant will be completed mid-FY23. Staff will continue to look for additional grant opportunities that align with MHEC's almost finalized strategic plan. Care has been taken to use these funds wisely without creating unexpected future expenditures in the budget moving forward.

## MHEC FY23 Proposed Budget Highlights

- **Revenues**

- State Commitments: MHEC annual state commitment is slated for a 1.5% increase year over year starting in FY 2023. The Commission originally approved increasing the state compact commitment 1.5% annually beginning in FY22. Given the pandemic and the unexpected impact it could have on the MHEC states' economies, the Commission approved waiving the annual increase until FY23. After careful review and consideration of MHEC's operations and the unusually healthy carry-overs over the past two years, the Finance and Audit Committee proposes that instead of annually increasing the state compact commitment the Commission increase the dues 1.5% cumulatively every four years (see agenda book page XX). Under this approach the first state commitment increase would occur in FY26, 10 years since the organization last received an increase.
- Insurance Programs: MHEC revenues from its insurance programs (Master Property, Student Health and Cyber Liability) have changed from FY22 to FY23. Due to the nature of the programs and the timing with respect to when revenues are generated, an accurate projection of the revenue numbers for these programs will not be available until sometime after the budget process and executive committee meeting. Using past trends and the information that is available to date, the budgeted amount for student health will remain the same for FY 2023; however, there are no projected revenues for the cyber insurance program. Given the difficult insurance market, the Master Property Program budgeted revenues are slightly decreased from \$400,000 the previous year to a forecasted \$330,000 for FY 2023.
- Policy Programs: One MHEC Policy Program, The Midwestern State Authorization Reciprocity Agreement (M-SARA), generates revenues based on a percentage of the National Council of State Authorization Reciprocity Agreements' (NC-SARA's) previous year's revenues. MHEC is expected to receive \$494,531 from NC-SARA in FY23. This funding is used in large part to support staff work, travel and convenings associated with NC-SARA.
- Technology: MHEC receives revenues from its technology contracts based on a percentage of the sales made from the contracts. The contracts for Dell, Oracle and Microfocus have historically experienced the highest sales volumes. When sales are made in one of the other compact regions (NEBHE, SREB or WICHE) MHEC splits the revenues generated by that sale 50%-50% with the compact where the sale was generated. Accordingly, MHEC projects the total revenue generated by all of the sales made under the contracts, then estimates and subtracts out the amount it will need to share with the other compacts to arrive at a projected technology contracts net revenue. Using

conservative estimates, MHEC projects the total tech revenues across all four compacts in FY23 to be \$1,899,000. Removing the \$474,763 projected to be shared with the other compacts leaves a total projected technology net revenue for MHEC of \$1,424,237.

- **Organizational Investment:** These sub-categories are not new to the budget; however, they were separated out into a new category called organizational investment. The funds in this category originated from previous years' carry forwards and, instead of sitting idly in the bottom line, are used for strategic purposes and operations over the coming fiscal year. In years when there is a surplus, this could recur.
  - **Strategic Projects:** \$400,000 has been set aside from unrestricted funds to help implement the strategic plan and for efforts to better serve MHECs mission through both existing and new program operations.
  - **Board Designated Funds:** There are no funds budgeted in this sub-category.
  - **Prior Year Carry-Over Revenues:** There are no funds budgeted in this sub-category

- **Expenses**

- **Personnel:** Salaries and benefits are based on the number of employees and salaries are adjusted for up to a 3% average.
- **Professional Fees:** The overall amount is down \$8,350 with most accounts being comparable to FY 2022.
- **Consultant Fees:** Over the past several years consultants have been an increasingly significant and important way in which MHEC has expanded its capacity. For example, when the CIO and Data Analytics Officer left, some of his workload was replaced with consulting support from the entities A Couple of Gurus and Syvantis, who have taken over monitoring all MHEC technology services. Consulting support is also utilized in other areas of the organization, allowing MHEC to expand its capacity and be flexible depending on the program workload, as opposed to hiring permanent staff.
- **Long-Term Rents/Leases:** The base rent for the offices MHEC rents is a fixed cost. However, the Common Area Maintenance (CAM) portion of the rent changes from year to year, requiring an annual projection for what the CAM amount will be. Currently the CAM exceeds the base rent by roughly a \$1,000 a month. When the building makes improvements and repairs, the expenses are amortized and as it matures, it comes off the CAM. This will lower the CAM and resulting rent, but that occurs over a period of years. MHEC staff has met with building management in order to try and renegotiate the monthly and annual expense. However, because the building is in a highly desirable area as



opposed to downtown Minneapolis, they are unwilling to renegotiate. As the lease is up on May 31, 2026, a decision will need to be made over the next few years regarding the organization's space needs going forward.

- **Office Related Expenses:** These expenses keep the organization running e.g. daily supplies, shipping, office equipment, printing, telephone and fax, computer software, etc. The overall amount of this area that has gone up is due to less indirect costs from grants in the previous year.
- **Convening:** These accounts are not new accounts; instead this area was separated out from the other expenses, resulting in more clarity around convening expenses. This is typically MHEC's largest expense generating area as it consists of the four travel accounts (meals travel, transportation, lodging, and meeting meals). As mentioned, the budget estimates in these four accounts are returning to a pre-COVID travel years for MHEC staff, commissioners, vendors and customers.
- **Risk Management:** This grouping of accounts are all the insurance policies the organization carries. Like other organizations, MHEC has experienced an increase in premiums based on the current market rates.
- **Strategic Planning Implementation:** This area of the expenses is new to the budget and is intended to cover the cost of carrying out the new strategic plan. The funding source is a portion of the organizational investment funds.
  - **Strategic Convenings:** will be a set amount of funds set aside for convenings in addition to normal operations. Possibilities include several new webinars and meetings, including a policy conference.
  - **Strategic Planning Special Initiatives:** are funds set aside for MHEC staff to pursue new opportunities and programming.
  - **Strategic Communications:** these funds are specifically set aside for the current strategic consultants, Parenteau Graves, and others, to assist MHEC in the implementation of the new strategic plan.

## Unrestricted Funds Balance Worksheet

Unrestricted Funds	Committee Approved Amount	Expended Amount	PY(s) Adjustments	FY '22 Adjustments	Addtl FY22 Adjustments	Balance as of 4/29/2022
<b>Board Designated</b>						
Risk Management	25,000.00	-	-	-	-	25,000.00
Operations Reserve	1,005,121.00	-	665,879.00	-	-	1,671,000.00
<b>Opportunity Reserve</b>						-
Special Projects					500,000.00	500,000.00
Open Education Resources (OER)	110,000.00	-	(96,921.18)	-	-	13,078.82
Special Projects Total	110,000.00	-	(96,921.18)	-	500,000.00	513,078.82
Organizational Capacity						
Technology	413,936.00	(372,976.00)	(30,521.00)	-	-	10,439.00
Organizational Capacity Total	413,936.00	(372,976.00)	(30,521.00)	-	-	10,439.00
<b>Opportunity Reserve Total</b>	<b>523,936.00</b>	<b>(372,976.00)</b>	<b>(127,442.18)</b>	<b>-</b>	<b>-</b>	<b>523,517.82</b>
<b>Capital Assets Reserve</b>						
Future Lease Payments	450,000.00	(155,454.00)	(98,181.00)	(32,727.00)	286,362.00	450,000.00
Capital Investments	300,000.00	(262,709.00)	(20,000.00)	-	-	17,291.00
<b>Capital Asset Reserve Total</b>	<b>750,000.00</b>	<b>(418,163.00)</b>	<b>(118,181.00)</b>	<b>(32,727.00)</b>	<b>286,362.00</b>	<b>467,291.00</b>
<b>Board Designated Total</b>	<b>2,304,057.00</b>	<b>(791,139.00)</b>	<b>294,879.00</b>	<b>(32,727.00)</b>	<b>786,362.00</b>	<b>2,686,808.82</b>
<b>Undesignated Funds</b>	953,475.00	-	(566,430.85)	706,373.00	307,370.27	1,400,787.42
Strategic Plan Implementation - FY23					400,000.00	400,000.00
<b>Undesignated Funds Total</b>	<b>953,475.00</b>	<b>-</b>	<b>(566,430.85)</b>	<b>706,373.00</b>	<b>707,370.27</b>	<b>1,800,787.42</b>
<b>Total Unrestricted Funds</b>	<b>3,257,532.00</b>	<b>(791,139.00)</b>	<b>(271,551.85)</b>	<b>673,646.00</b>	<b>1,093,732.27</b>	<b>4,087,596.24</b>

Snapshot of FY '22 as of April 29th, 2022

\* We added a new area to the board designated worksheet as a sub-category of the undesignated funds called strategic plan implementation. These are carry forward funds from previous years that have accumulated over time and are available for MHEC to conduct further work on strategic planning and other program needs. We set aside \$400,000 for FY 2023 with \$310,000 to be used for strategic convening, initiatives, and communications. The remaining \$90,000 went back into the budget to add back in the amounts we had adjusted out to ensure a balanced budget.

## Board Unrestricted Fund Balance Worksheet Update

- MHEC's Unrestricted Funds consist of board designated funds and undesignated funds
- Under accounting practices (for audit purposes) board designated funds are not considered "restricted funds."
- Restricted funds are grants, donations, gifts, etc. that come with specific stipulations attached to them laid out by the grantor, donor, or the individual giving the funds to the organization.
- Board Designated Funds
  - The Open Education Resources (OER) funds will be depleted this fiscal year. MHEC contributed the remaining \$24,101.78 as an in-kind contribution to the Hewlett grant. These funds will be adjusted out during audit prep just after the books close on 7/1/2022.
  - Approximately \$32,000 of MHEC annual rent expense gets booked against the future lease payments at the end of every year prior to the audit.
- Undesignated Funds
  - In FY23 there are plans to utilize some of the undesignated total funds by moving some of the funds into the board designated funds and some of the funds into the operating budget. MHEC is setting aside \$1,186,362 for strategic work and one-time uses. The amounts breakdown as follows:
    - \$500,000 for special projects under the opportunity reserves to be used as one-time funds to explore new opportunities and special projects, subject to board approval.
    - \$286,362 for future lease payments under the capital assets reserves to bring the future lease payments back to its beginning balance of \$450,000, subject to board approval.
    - \$90,000 set aside in the FY23 budget to maximize the operations of the programs
    - \$310,000 set aside in the FY23 budget for strategic planning and related activities under the strategic planning implementation.
  - As a result of this movement of funds MHEC's undesignated total will be reduced from \$2,587,149.42 to \$1,400,787.42.

## **Action Item 5**

### **Recommendation to Fund the Board Designated Opportunity Reserve Fund and the Capital Asset Reserve Fund**

MHEC's unrestricted funds consist of (1) board designated funds and (2) undesignated funds. Within the board designated funds category the Commission has designated funds for the following purposes: (a) operations reserve funds-funds intended to cover shortfalls in the operations budget as a result of unanticipated loss in funding or greater than anticipated expenses; (b) opportunity reserve funds -funds intended to meet special targets of opportunity or needs that furthers the mission of the organization; and (c) capital asset reserve funds-funds intended for repair or acquisition of leaseholds, furniture, fixtures and equipment necessary for the effective operation of the organization and programs. These board designated funds are financed with unrestricted funds or some other source of funds as directed by the Commission. The undesignated fund account is primarily financed with a surplus of revenues over expenses from prior fiscal years (often referred to as carry forward).

Over the years MHEC has accumulated a growing amount of undesignated funds as a result of its operating revenues consistently exceeding its operating expenses. This was particularly true during the past two years when travel and convenings were very limited due to the pandemic, leaving most budgeted expenditures for travel and convenings unused and additionally, due to more robust than expected technology contract revenue during the pandemic. The result of these several years of positive carry forwards is an increase of MHEC's undesignated funds in an amount over \$2.5 million. The undesignated funds account currently sits at \$2,587,149.42.

Since MHEC is a not-for-profit entity, it is not accumulating money for the purposes of making a profit or to distribute to shareholders. Instead, MHEC should be reasonably investing those funds back into the organization to support its mission. Accordingly, MHEC staff are proposing to move \$786,362 from its undesignated funds into the board designated funds as follows: (1) \$500,000 into opportunity reserves under special projects to be used as one-time funds to explore new opportunities and special projects in support of the new strategic plan; and (2) \$286,362 into the capital asset reserves under future lease payments to return future lease payments back to its beginning balance of \$450,000. This will help MHEC meet its future space needs after its current lease expires in 2026. Spending in these categories would still require board agreement. With the removal of the \$786,362 from undesignated funds, the undesignated funds balance would sit at \$1,800,787.42.

#### **Proposed Action**

The Executive Committee direct the MHEC staff to transfer (1) \$500,000 from the undesignated funds balance into the board designated opportunity reserve funds under special projects and (2) \$286,362 from the undesignated funds balance into the board designated capital asset reserves under future lease payments.

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2021

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**Prepared For:**

Midwestern Higher Education Compact  
105 Fifth Avenue South, Suite 450  
Minneapolis, MN 55401

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**Prepared By:**

Eide Bailly LLP  
800 Nicollet Mall, Ste. 1300  
Minneapolis, MN 55402-7033

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**Amount Due or Refund:**

Not applicable

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**Make Check Payable To:**

Not applicable

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**Mail Tax Return and Check (if applicable) To:**

Not applicable

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**Return Must be Mailed On or Before:**

Not applicable

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**Special Instructions:**

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-EO to us by May 16, 2022

# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>Midwestern Higher Education Compact</b>	Taxpayer identification number (TIN) <b>38-3011476</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>105 Fifth Avenue South, Suite 450</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Minneapolis, MN 55401</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**Daniel Moser - 105 Fifth Avenue South, Suite 450 -**

- The books are in the care of ▶ **Minneapolis, MN 55401**  
Telephone No. ▶ **612-677-2764** Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and TINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until May 16, 2022, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning JUL 1, 2020, and ending JUN 30, 2021.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2020**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2020 calendar year, or tax year beginning **JUL 1, 2020** and ending **JUN 30, 2021**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Midwestern Higher Education Compact</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>105 Fifth Avenue South, Suite 450</b> City or town, state or province, country, and ZIP or foreign postal code <b>Minneapolis, MN 55401</b> <b>F</b> Name and address of principal officer: <b>Susan Heegaard</b> <b>same as C above</b>	<b>D</b> Employer identification number <b>38-3011476</b> <b>E</b> Telephone number <b>612-626-8292</b> <b>G</b> Gross receipts \$ <b>5,714,621.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>www.mhec.org</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1991</b> <b>M</b> State of legal domicile: <b>MN</b>

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>To bring together midwestern states to develop and support best practices, collaboration efforts,</b>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>71</b>
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>71</b>
<b>5</b>	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	<b>5</b>	<b>19</b>
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>200</b>
<b>7 a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b>	Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b>	<b>0.</b>
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>1,408,000.</b>	<b>2,910,400.</b>
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>2,545,283.</b>	<b>2,787,508.</b>
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>41,369.</b>	<b>16,713.</b>
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>0.</b>	<b>0.</b>
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>3,994,652.</b>	<b>5,714,621.</b>
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>2,285,354.</b>	<b>2,379,731.</b>
<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>3,227.</b>	<b>0.</b>	<b>0.</b>
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>1,309,184.</b>	<b>1,594,004.</b>
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>3,594,538.</b>	<b>3,973,735.</b>
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>400,114.</b>	<b>1,740,886.</b>
<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>21</b>	Total liabilities (Part X, line 26)	<b>5,203,437.</b>	<b>6,945,692.</b>
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>1,058,103.</b>	<b>1,059,472.</b>
		<b>4,145,334.</b>	<b>5,886,220.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>Daniel Moser, Chief Financial Officer</b> Type or print name and title	Date  			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Deb Nelson, CPA</b>	Preparer's signature <b>Deb Nelson, CPA</b>	Date <b>02/01/22</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P01264758</b>
	Firm's name ▶ <b>Eide Bailly LLP</b> Firm's address ▶ <b>800 Nicollet Mall, Ste. 1300</b> <b>Minneapolis, MN 55402-7033</b>	Firm's EIN ▶ <b>41-1765929</b>	Phone no. <b>612-253-6500</b>		

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:
Midwestern Higher Education Compact members collaborate to address the region's most pressing challenges in higher education and transform educational opportunities so that people and communities thrive.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [X] Yes [ ] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 2,770,831. including grants of \$ ) (Revenue \$ )
Convening

MHEC empowers the member states to connect for the purpose of exchanging expertise, sharing ideas and experiences, and collaboratively pursuing efforts that help further higher education. This convening and collaborating leads to many programs and activities that produce a variety of outcomes and results ranging from the dissemination of knowledge and expertise about practical solutions, to leveraging the collective purchasing power of the region to achieve efficiencies and savings.

Multi-State Collaborative on Military Credit

4b (Code: ) (Expenses \$ 255,021. including grants of \$ ) (Revenue \$ 1,504,968. )
Programs

MHEC programs are initiated in response to identified needs in one or more of the member states. Bringing together expertise from across the region, MHEC identifies activities needed to address the identified needs. Those problems best solved through ongoing interstate cooperation are then developed into MHEC programs. Each MHEC program provides the program participants with governance and leadership structures to guide and maintain programmatic outcomes.

Master Property Program

A premier property insurance program that broadens property insurance

4c (Code: ) (Expenses \$ 35,155. including grants of \$ ) (Revenue \$ 1,282,540. )
Contracts

MHEC contracts leverage the potential volume of the region's purchasing power, while saving entities time and money by simplifying the procurement process and negating the need to conduct a competitive sourcing event. By offering a turnkey solution with the ability to tailor the already negotiated contract to match the entity's specific needs and requirements, MHEC contracts shift some of the negotiating power back to the procuring entities. In addition to contracts available through the Master Property Program and MHECare Health Insurance Solutions, MHEC offers numerous contracts in Technology. The contracts are a product of a representative group of stakeholders from

4d Other program services (Describe on Schedule O.)
(Expenses \$ 32,227. including grants of \$ ) (Revenue \$ )

4e Total program service expenses 3,093,234.



**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<b>X</b>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		<b>X</b>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		<b>X</b>
<b>10</b> Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		<b>X</b>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	<b>X</b>	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		<b>X</b>
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		<b>X</b>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....		<b>X</b>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....		<b>X</b>
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	<b>X</b>	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	<b>X</b>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		<b>X</b>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		<b>X</b>
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		<b>X</b>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O .....	X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a	71	
<b>b</b>	Enter the number of voting members included on line 1a, above, who are independent		
	1b	71	
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?	X	
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>10b</b>			
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>12c</b>			
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?		X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
<b>15b</b>			
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
<b>16b</b>			

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **Daniel Moser - 612-677-2764**  
**105 Fifth Avenue South, Suite 450, Minneapolis, MN 55401**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Susan Heegaard President	40.00			X			250,188.	0.	67,282.	
(2) Robert Trembath COO & General Counsel	40.00					X	158,035.	0.	56,661.	
(3) Jennifer Dahlquist Vice President	40.00					X	146,339.	0.	29,582.	
(4) Jennifer Parks Vice President	40.00					X	116,098.	0.	50,089.	
(5) Mary Roberson Sr. Director of Comm. & Marketing	40.00					X	102,926.	0.	30,845.	
(6) Carla Ahrens Property Program Manager	40.00					X	108,895.	0.	12,623.	
(7) Daniel Moser Chief Financial Officer	40.00			X			95,457.	0.	29,216.	
(9) Olivia Madison Past Chair	3.00	X		X			0.	0.	0.	
(10) David Eisler Chair	3.00	X		X			0.	0.	0.	
(11) Rick Carfagna Vice Chair	3.00	X		X			0.	0.	0.	
(12) Devinder Maholtra Treasurer	3.00	X		X			0.	0.	0.	
(13) Ken Sauer Executive Commissioner	2.00	X					0.	0.	0.	
(14) Suzanne Morris Executive Commissioner	2.00	X					0.	0.	0.	
(15) Blake Flanders Executive Commissioner	2.00	X					0.	0.	0.	
(16) Connie Bernardy Executive Commissioner	2.00	X					0.	0.	0.	
(17) Kayla Hahn Executive Commissioner	2.00	X					0.	0.	0.	
(18) Deborah Frison Executive Commissioner	2.00	X					0.	0.	0.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(19) Mark Hagerott Executive Commissioner	2.00	X						0.	0.	0.
(20) Janelle Toman Executive Commissioner	2.00	X						0.	0.	0.
(21) Rolf Wegenke Executive Commissioner	2.00	X						0.	0.	0.
(22) Barbara Ballard Executive Commissioner	2.00	X						0.	0.	0.
(23) Brandy Johnson Executive Commissioner	2.00	X						0.	0.	0.
(24) Gary Cates Executive Commissioner	2.00	X						0.	0.	0.
(25) Larry Tidemann Executive Commissioner	2.00	X						0.	0.	0.
(26) Connie Hutchison Executive Commissioner	2.00	X						0.	0.	0.
(27) Katie Stuart Executive Commissioner (as of May)	2.00	X						0.	0.	0.
<b>1b Subtotal</b>								977,938.	0.	276,298.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								977,938.	0.	276,298.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **6**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

See Part VII, Section A Continuation sheets

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(28) John Cavanaugh Executive Commissioner (as of Jan.)	2.00	X						0.	0.	0.
(29) La Shawn Ford Commissioner	1.00	X						0.	0.	0.
(30) Rick Kolowski Commissioner	1.00	X						0.	0.	0.
(31) Dennis Johnson Commissioner	1.00	X						0.	0.	0.
(32) Stephanie Davidson Commissioner	1.00	X						0.	0.	0.
(33) Joan Ballweg Commissioner	1.00	X						0.	0.	0.
(34) Mollie Foust Commissioner	1.00	X						0.	0.	0.
(35) Alice Jacobs Commissioner	1.00	X						0.	0.	0.
(36) Pat McGuire Commissioner	1.00	X						0.	0.	0.
(37) Charles Johnson Jr. Commissioner	1.00	X						0.	0.	0.
(38) Jack Jordan Commissioner	1.00	X						0.	0.	0.
(39) David Wantz Commissioner	1.00	X						0.	0.	0.
(40) Andy Zay Commissioner	1.00	X						0.	0.	0.
(41) Nancy Boettger Commissioner	1.00	X						0.	0.	0.
(42) Derrick Franck Commissioner	1.00	X						0.	0.	0.
(43) Joe Mitchell Commissioner	1.00	X						0.	0.	0.
(44) Sharon Steckman Commissioner	1.00	X						0.	0.	0.
(45) Molly Baumgardner Commissioner	1.00	X						0.	0.	0.
(46) Aaron Otto Commissioner	1.00	X						0.	0.	0.
(47) Helen Van Etten Commissioner	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c .....										

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) Kimberly LaSata Commissioner	1.00	X						0.	0.	0.
(49) Bill Pink Commissioner	1.00	X						0.	0.	0.
(50) Scott VanSingel Commissioner	1.00	X						0.	0.	0.
(51) Paul Anderson Commissioner	1.00	X						0.	0.	0.
(52) Karen Hanson Commissioner	1.00	X						0.	0.	0.
(53) Dennis Olson Commissioner	1.00	X						0.	0.	0.
(54) Gary Romine Commissioner	1.00	X						0.	0.	0.
(55) Susan Thomas Commissioner	1.00	X						0.	0.	0.
(56) Randolph Ferlic Commissioner	1.00	X						0.	0.	0.
(57) Susan Fritz Commissioner	1.00	X						0.	0.	0.
(58) Julie Slama Commissioner	1.00	X						0.	0.	0.
(59) Kyle Davison Commissioner	1.00	X						0.	0.	0.
(60) Jack Hershey Commissioner	1.00	X						0.	0.	0.
(61) Stephanie Kunze Commissioner	1.00	X						0.	0.	0.
(62) Michael Cartney Commissioner	1.00	X						0.	0.	0.
(63) Erin Healy Commissioner	1.00	X						0.	0.	0.
(64) V.J. Smith Commissioner	1.00	X						0.	0.	0.
(65) Stephen Nass Commissioner	1.00	X						0.	0.	0.
(66) Julie Underwood Commissioner	1.00	X						0.	0.	0.
(67) Tim Flakoll Commissioner	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c .....										





**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>	1,380,000.				
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	1,530,400.				
	<b>g</b> Noncash contributions included in lines 1a-1f .....	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f .....			2,910,400.			
Program Service Revenue	<b>2 a</b> <u>Service Fees</u> .....	<b>Business Code</b>	900099	2,530,176.	2,530,176.		
	<b>b</b> <u>Master Property Progra</u> .....	<b>Business Code</b>	900099	257,332.	257,332.		
	<b>c</b> .....						
	<b>d</b> .....						
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....			2,787,508.			
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....			16,713.		16,713.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	<b>6a</b>	(i) Real				
			(ii) Personal				
	<b>b</b> Less: rental expenses ...	<b>6b</b>					
	<b>c</b> Rental income or (loss) .....	<b>6c</b>					
	<b>d</b> Net rental income or (loss) .....						
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	<b>7a</b>	(i) Securities				
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses .....	<b>7b</b>					
	<b>c</b> Gain or (loss) .....	<b>7c</b>					
<b>d</b> Net gain or (loss) .....							
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>8a</b>						
<b>b</b> Less: direct expenses .....	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>9a</b>						
<b>b</b> Less: direct expenses .....	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>10a</b>						
<b>b</b> Less: cost of goods sold .....	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory .....							
Miscellaneous Revenue	<b>11 a</b> .....	<b>Business Code</b>					
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....						
<b>12 Total revenue.</b> See instructions .....			5,714,621.	2,787,508.	0.	16,713.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....	403,101.	228,692.	171,509.	2,900.
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
<b>7</b> Other salaries and wages .....	1,378,241.	1,025,768.	352,473.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	170,865.	127,209.	43,656.	
<b>9</b> Other employee benefits .....	303,522.	215,920.	87,399.	203.
<b>10</b> Payroll taxes .....	124,002.	87,823.	36,055.	124.
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management .....				
<b>b</b> Legal .....	86,884.	79,705.	7,179.	
<b>c</b> Accounting .....	19,500.	17,889.	1,611.	
<b>d</b> Lobbying .....				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	791,067.	763,560.	27,507.	
<b>12</b> Advertising and promotion .....	610.	456.	154.	
<b>13</b> Office expenses .....	150,550.	111,474.	39,076.	
<b>14</b> Information technology .....	163,247.	133,487.	29,760.	
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	158,084.	110,792.	47,292.	
<b>17</b> Travel .....				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
<b>19</b> Conferences, conventions, and meetings .....	82,933.	82,679.	254.	
<b>20</b> Interest .....				
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	44,209.	30,984.	13,225.	
<b>23</b> Insurance .....	23,425.	16,417.	7,008.	
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a Subscriptions</b>	33,965.	30,831.	3,134.	
<b>b Training</b>	12,971.	9,694.	3,277.	
<b>c Transcription Services</b>	6,095.	4,555.	1,540.	
<b>d</b> _____				
<b>e</b> All other expenses _____	20,464.	15,299.	5,165.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	3,973,735.	3,093,234.	877,274.	3,227.
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	4,045,477.	<b>2</b>	5,263,746.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	728,403.	<b>4</b>	1,376,107.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	126,241.	<b>9</b>	123,935.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 889,708.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 707,804.	203,316.	<b>10c</b> 181,904.
	<b>11</b> Investments - publicly traded securities .....	100,000.	<b>11</b>	0.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....		<b>15</b>	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	5,203,437.	<b>16</b>	6,945,692.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	758,103.	<b>17</b>	858,228.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	201,244.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....	300,000.	<b>24</b>	0.
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	1,058,103.	<b>26</b>	1,059,472.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....	3,623,261.	<b>27</b>	4,329,634.
	<b>28</b> Net assets with donor restrictions .....	522,073.	<b>28</b>	1,556,586.
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	4,145,334.	<b>32</b>	5,886,220.
	<b>33</b> Total liabilities and net assets/fund balances .....	5,203,437.	<b>33</b>	6,945,692.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,714,621.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,973,735.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,740,886.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	4,145,334.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	5,886,220.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		X
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
▶ Attach to Form 990 or Form 990-EZ.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

Open to Public Inspection

Name of the organization **Midwestern Higher Education Compact** Employer identification number **38-3011476**

**Part I Reason for Public Charity Status.** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations \_\_\_\_\_
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	1609652.	1416000.	1412000.	1408000.	2910400.	8756052.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	1609652.	1416000.	1412000.	1408000.	2910400.	8756052.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						71,939.
<b>6 Public support.</b> Subtract line 5 from line 4.						8684113.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>7</b> Amounts from line 4 .....	1609652.	1416000.	1412000.	1408000.	2910400.	8756052.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....	10,901.	19,531.	57,681.	42,194.	16,713.	147,020.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						8903072.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	11,592,286.
<b>13 First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f)) .....	<b>14</b>	97.54 %
<b>15</b> Public support percentage from 2019 Schedule A, Part II, line 14 .....	<b>15</b>	95.36 %
<b>16a 33 1/3% support test - 2020.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input checked="" type="checkbox"/>
<b>b 33 1/3% support test - 2019.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2020.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2019.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2019 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2019 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2020.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2019.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in line 11a above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>1</b>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>1</b>		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>2</b>		
<b>3</b> By reason of the relationship described in line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
<b>2</b> Activities Test. Answer lines 2a and 2b below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	Yes	No
<b>2a</b>		
<b>b</b> Did the activities described in line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>2b</b>		
<b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>		
<b>3a</b>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
<b>3b</b>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 ( *explain in Part VI*). See instructions.  
 All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors ( <i>explain in detail in Part VI</i> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>		<b>Current Year</b>
<b>1</b>	Amounts paid to supported organizations to accomplish exempt purposes	<b>1</b>
<b>2</b>	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	<b>2</b>
<b>3</b>	Administrative expenses paid to accomplish exempt purposes of supported organizations	<b>3</b>
<b>4</b>	Amounts paid to acquire exempt-use assets	<b>4</b>
<b>5</b>	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i> )	<b>5</b>
<b>6</b>	Other distributions ( <i>describe in Part VI</i> ). See instructions.	<b>6</b>
<b>7</b>	<b>Total annual distributions.</b> Add lines 1 through 6.	<b>7</b>
<b>8</b>	Distributions to attentive supported organizations to which the organization is responsive ( <i>provide details in Part VI</i> ). See instructions.	<b>8</b>
<b>9</b>	Distributable amount for 2020 from Section C, line 6	<b>9</b>
<b>10</b>	Line 8 amount divided by line 9 amount	<b>10</b>

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2020</b>	<b>(iii) Distributable Amount for 2020</b>
<b>1</b> Distributable amount for 2020 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2020			
<b>a</b> From 2015			
<b>b</b> From 2016			
<b>c</b> From 2017			
<b>d</b> From 2018			
<b>e</b> From 2019			
<b>f</b> <b>Total</b> of lines 3a through 3e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2020 distributable amount			
<b>i</b> Carryover from 2015 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
<b>4</b> Distributions for 2020 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2020 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from line 4.			
<b>5</b> Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>6</b> Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>7</b> <b>Excess distributions carryover to 2021.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2016			
<b>b</b> Excess from 2017			
<b>c</b> Excess from 2018			
<b>d</b> Excess from 2019			
<b>e</b> Excess from 2020			

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

DRAFT



**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2020**

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Organization type (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization <b>Midwestern Higher Education Compact</b>	Employer identification number <b>38-3011476</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

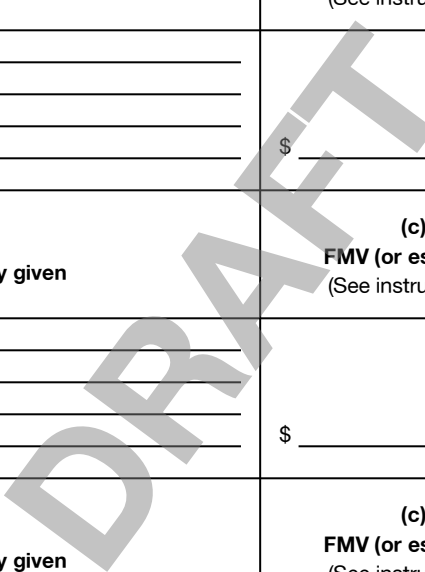
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<u>Ascendium Education Solutions Inc.</u> <u>2501 International Lane</u> <u>Madison, WI 53704</u>	\$ <u>1,280,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<u>William &amp; Flora Hewlett Foundation</u> <u>2121 Sand Hill Road</u> <u>Menlo Park, CA 94025</u>	\$ <u>250,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization  <b>Midwestern Higher Education Compact</b>	Employer identification number  <b>38-3011476</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

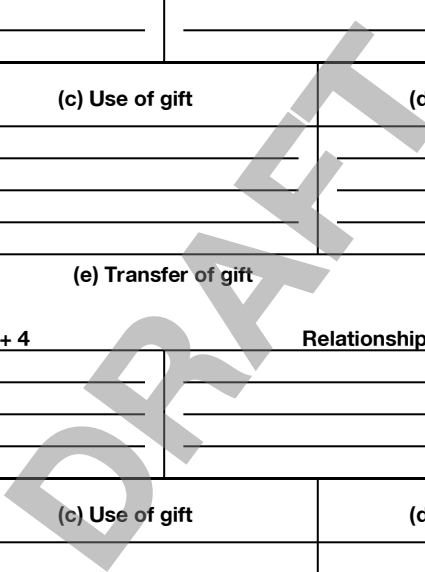
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____



Name of organization  <b>Midwestern Higher Education Compact</b>	Employer identification number  <b>38-3011476</b>
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**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	



**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2020**  
**Open to Public Inspection**

Name of the organization **Midwestern Higher Education Compact** Employer identification number **38-3011476**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 Preservation of land for public use (for example, recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange program
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Term endowment  \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |  | Yes    | No |
|--|--------|----|
| (i) Unrelated organizations  | 3a(i)  |    |
| (ii) Related organizations   | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		889,708.	707,804.	181,904.
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 181,904.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	5,714,621.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	5,714,621.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	5,714,621.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	3,973,735.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>		
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	3,973,735.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	3,973,735.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part X, Line 2:**

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2020**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **Midwestern Higher Education Compact**  
 Employer identification number: **38-3011476**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input checked="" type="checkbox"/> Travel for companions          | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....

**3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in or receive payment from a supplemental nonqualified retirement plan? .....
- c** Participate in or receive payment from an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>	X	
<b>2</b>	X	
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

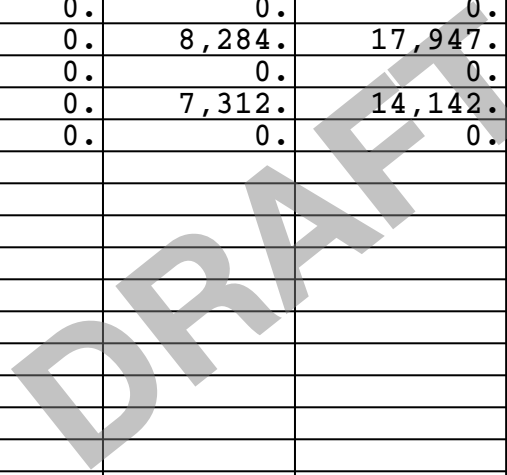
Schedule J (Form 990) 2020

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Susan Heegaard President	(i)	232,661.	0.	17,527.	30,246.	39,435.	319,869.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Robert Trembath COO & General Counsel	(i)	132,035.	0.	26,000.	20,719.	38,208.	216,962.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Jennifer Dahlquist Vice President	(i)	138,055.	0.	8,284.	17,947.	13,858.	178,144.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Jennifer Parks Vice President	(i)	108,786.	0.	7,312.	14,142.	37,742.	167,982.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							





**Part III** Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 1a:

As part of the President's employment contract, the President's spouse may accompany President at two meetings during the year. This is to be an expense of the Compact.

DRAFT

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2020**

Open to Public  
Inspection

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Form 990, Part I, Line 1, Description of Organization Mission:

and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

Form 990, Part III, Line 2, New Program Services:

January 2021: MHEC received a grant from Ascendium to collaborate with Credential Engine resulting in the Midwest Credential Transparency Alliance (MCTA). MCTA provides an opportunity for states to work together to create more transparent, open-source credential information to help meet the needs of students and workforce. The initiative has almost 200 participants from across the Midwest. Three webinars have been held with an average attendance rate of 66 with volunteers producing a brief on pathways work in October.

March 2021: MHEC and NEWERA launched the Graduate Credit Quest website. This site allows Midwestern teachers to search for online graduate courses that will help them qualify to teach concurrent enrollment classes. One webinar was held leading institutions to list over 550 graduate courses offered to secondary education teachers.

Form 990, Part III, Line 4a, Program Service Accomplishments:

MHEC's largest convening was the Multi-State Collaborative on Military Credit (MCMC), an interstate collaborative MHEC organizes the 13 states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin for

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

the purpose of advancing best practices that are designed to ease the transition of military-connected life to postsecondary education.

Emphasis is given to translating competencies acquired through military training and experiences into milestones toward completing a college degree or earning a certificate or license. This past year MCMC started concentrating on all forms of credentials and badges.

In FY 2021, MCMC produced 3 webinars with over 800 participants.

Two articles were released in FY 2021.

Form 990, Part III, Line 4b, Program Service Accomplishments:

coverage, reduces costs, and encourages improved asset protection strategies for colleges and universities. More than \$4.31 million in FY 2021 was saved by participating institutions in the MHEC region.

**MHECare Health Insurance Solutions**

Comprehensive health insurance solutions created in response to both increasing cost and concern for student health. 31 campuses offered MHECare health insurance solutions in FY 2021.

**Midwest Student Exchange Program**

A multi-state tuition reciprocity program that makes attending out-of-state colleges and universities more affordable for non-resident students.

- 8,450 students enrolled in the Midwest Student Exchange Program in 8 of the Compact states (Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin) during the FY

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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2021.

- MSEP students saved over \$61 million in the FY 2021, bringing the total program savings to \$796 million since 1994.

- On average, students in MSEP typically realize saving between \$500 and \$5,000 annually.

- A report was produced as part of a program assessment.

#### Midwestern State Authorization Reciprocity Agreement

A voluntary agreement among states that establishes nationwide standards for the offering of postsecondary distance education courses and programs. M-SARA saved institutions an estimated \$24.352 million in FY 2021.

#### Form 990, Part III, Line 4c, Program Service Accomplishments:

the higher education technology community conducting a competitive sourcing process that leverages the potential purchasing power of the 12 MHEC member states. Technology contracts saved entities in the MHEC region nearly \$34 million in FY 2021. In some cases, the Compact's cost savings initiatives may be utilized by city, county and state government as well as nonprofit organizations.

#### Form 990, Part III, Line 4d, Other Program Services:

##### Research

MHEC Research informs institutional and state efforts in improving postsecondary policies, practices, and outcomes in several ways: (a) maintaining a national repository of expertise, knowledge and best practices for guiding policy and practice; (b) conducting applied

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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research and analysis on critical topics in higher education; (c) developing innovative approaches to improve educational opportunity and effectiveness; and (d) providing public outreach and service to institutions and governments. Among its core outputs, MHEC Research maintains an online dashboard of educational performance indicators and produces timely briefs, reports, and technical papers in the most critical areas for facilitating progress towards state educational attainment goals, including College Readiness; Affordability and Finance; Student Success; and Performance, Value, and Accountability as well as other topics of importance to Midwestern states. Fourteen publications were released in FY 2021.

Expenses \$ 32,227. including grants of \$ 0. Revenue \$ 0.

Form 990, Part VI, Section A, line 1:

The Executive Committee has authority to act on behalf of the board. The Executive Committee is made up of commissioners chosen by the Board of Commissioners. Two executive board members are chosen from each state giving the states equal representation and equal authority and votes.

Form 990, Part VI, Section A, line 6:

Compact Members: The members of the Compact are the 12 Midwestern states identified in the compact statute: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. To become a member, the states must enact the compact statute. Once enacted, the appointing authorities in each of the compacting states shall forward the names of their appointees to the Compact staff. The Compact staff shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

the expiration of designated terms.

Affiliate Members: States not eligible to become a party to the Compact and/or Canadian Provinces may become affiliate members when mutual interests exist and when it would benefit the Compact to enter into such arrangements.

Associate Members: Entities not eligible to become members of the Compact may be afforded status as associates of the Commission in accordance with the policies and procedures approved by the Commission.

Form 990, Part VI, Section A, line 7a:

Each compact member may appoint five resident members of each state to the commission as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. All vacancies shall be filled in accordance with the laws of the appointed states.

Form 990, Part VI, Section B, line 11b:

A draft return is reviewed by the President, Chief Operating Officer, Chief Financial Officer and Director of Finance and Administration. The draft is then forwarded to a Finance and Audit Committee for their review. Once approved it is then forwarded to the organization's officers for their

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

approval."

Form 990, Part VI, Section B, Line 12c:

The conflict of interest policy covers the governing board and officers.

Annual statements are reviewed by the Director of Communications and

Marketing. If a conflict was known, that individual would be required to

refrain from voting on the matter.

Form 990, Part VI, Section B, Line 15a:

Compensation for the President is recommended by the Executive Committee.

The Executive Committee uses comparability data for similar organizations.

The final determination and discussion is documented in the minutes at the

full board meeting in June. This process is done on an annual basis.

Compensation for other officers is determined by the President on an annual basis.

Form 990, Part VI, Section C, Line 19:

Governing documents are currently available on the Compact's website.

Financial statements and the conflict of interest policy are made available upon request.

Form 990, Part IX, Line 11g, Other Fees:

Other Professional Fees:

Program service expenses	763,560.
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Management and general expenses	27,507.
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Fundraising expenses	0.
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Total expenses	791,067.
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# TAX RETURN FILING INSTRUCTIONS

MINNESOTA ANNUAL REPORT

FOR THE YEAR ENDING

June 30, 2021

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**Prepared For:**

Midwestern Higher Education Compact  
105 Fifth Avenue South, Suite 450  
Minneapolis, MN 55401

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**Prepared By:**

Eide Bailly LLP  
800 Nicollet Mall, Ste. 1300  
Minneapolis, MN 55402-7033

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**Amount of Tax:**

Balance due of \$25

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**Make Check Payable To:**

State of Minnesota

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**Mail Tax Return To:**

Minnesota Attorney Generals Office  
Charities Division  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130

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**Return Must Be Mailed On Or Before:**

May 16, 2022

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**Special Instructions:**

The report should be signed and dated by an authorized individual(s).

Include the organization's Federal Employer Identification Number and 2020 Annual Report on the check or money order.

**Mail To:**

Minnesota Attorney General's Office  
Charities Division  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130

**STATE OF MINNESOTA  
CHARITABLE ORGANIZATION  
ANNUAL REPORT FORM**

C2

**Website Address:**

www.ag.state.mn.us/charity

(Pursuant to Minn. Stat. ch. 309)

**SECTION A: Organization Information**

Legal Name of Organization Midwestern Higher Education Compact

Federal EIN: 38-3011476

Fiscal Year-End: 06302021  
mm/dd/yyyy

Did the organization's fiscal year-end change?  Yes  No

<b>Mailing Address:</b> <u>Susan Heegaard</u> Contact Person <u>105 Fifth Avenue South, Suite 450</u> Street Address <u>Minneapolis, MN 55401</u> City, State, and ZIP Code <u>612-677-2761</u> Phone Number <u>SusanH@mhec.org</u> Email Address	<b>Physical Address:</b> <u>Susan Heegaard</u> Contact Person <u>105 Fifth Avenue South, Suite 450</u> Street Address <u>Minneapolis, MN 55401</u> City, State, and ZIP Code <u>612-677-2761</u> Phone Number <u>SusanH@mhec.org</u> Email Address
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1. Organization's website: www.mhec.org

2. List all of the organization's alternate and former names (attach list if more space is needed).  
\_\_\_\_\_  
\_\_\_\_\_  Alternate  Former  
\_\_\_\_\_  Alternate  Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).  
Midwestern Higher Education Compact  
\_\_\_\_\_

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A?  Yes  No

5. Total amount of contributions the organization received from Minnesota donors: \$ 115,000.

6. Has the organization's tax-exempt status with the IRS changed?  
 Yes  No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?  
 Yes  No If yes, attach explanation.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

8. Has the organization been denied the right to solicit contributions by any court or government agency?  
 Yes  No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota?  Yes  No  
If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser Compensation

Street Address City, State, and ZIP Code

10. Is the organization a food shelf?  Yes  No  
If yes, is the organization required to file an audit?  Yes, audit attached  No

**Note:** An organization that has total revenue of more than \$750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation\* of more than \$100,000?  Yes  No  
If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation
Susan Heegaard President	250,188.	67,282.
Robert Trembath COO & General Counsel	158,035.	56,661.
Jennifer Dahlquist Vice President	146,339.	29,582.
Jennifer Parks Vice President	116,098.	50,089.
Mary Roberson Sr. Director of Comm. & M	102,926.	30,845.

\*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. See Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

**SECTION B: Financial Information**

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N.

Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

**INCOME**

1. Contributions Received	\$ _____	1
2. Government Grants	\$ _____	2
3. Program Service Revenue	\$ _____	3
4. Other Revenue	\$ _____	4
<b>5. TOTAL INCOME</b>	<b>\$ _____</b>	<b>5</b>

**EXPENSES**

6. Program Expenses	\$ _____	6
7. Management & General Expenses	\$ _____	7
8. Fund-raising Expenses	\$ _____	8
<b>9. TOTAL EXPENSES</b>	<b>\$ _____</b>	<b>9</b>
<b>10. EXCESS or DEFICIT</b>	<b>\$ _____</b>	<b>10</b>
(Line 5 minus Line 9)		

**ASSETS**

11. Cash	\$ _____	11
12. Land, Buildings & Equipment	\$ _____	12
13. Other Assets	\$ _____	13
<b>14. TOTAL ASSETS</b>	<b>\$ _____</b>	<b>14</b>

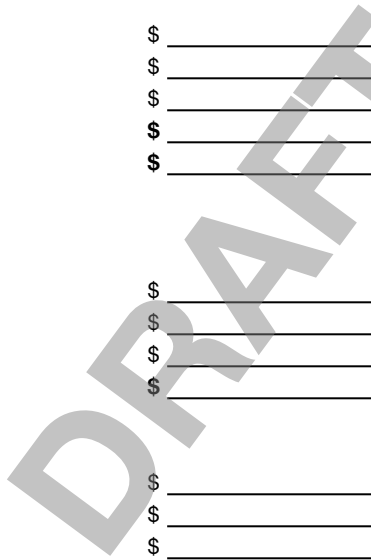
**LIABILITIES**

15. Accounts Payable	\$ _____	15
16. Grants Payable	\$ _____	16
17. Other Liabilities	\$ _____	17
<b>18. TOTAL LIABILITIES</b>	<b>\$ _____</b>	<b>18</b>

**FUND BALANCE/NET WORTH**

	\$ _____	
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(Line 14 minus Line 18)



**CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)**

**Section B (continued): Statement of Functional Expenses**

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
4. Benefits paid to or for members				
5. Compensation of current officers, directors, trustees, and key employees				
6. Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
7. Other salaries and wages				
8. Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a.				
b.				
c.				
d.				
25. Total functional expenses. Add lines 1 through 24d				
26. Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				

CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

**Section C: Board of Directors Signatures and Acknowledgment**

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. See Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

Chief Financial Officer (Title) and President (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

Board of Directors (Board of Directors, Trustees, or Managing Group) adopted on the \_\_\_\_\_

day of \_\_\_\_\_, 20 \_\_, approving the contents of the document, and do hereby certify that the

Board of Directors (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

Daniel Moser  
Name (Print)

Susan Heegaard  
Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Chief Financial Officer  
Title

President  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



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## Action Item 6

### **Extension of MHEC's Contract with Marsh for Up to Two Additional Years through No Later Than October 31, 2024**

The MHEC Executive Committee has delegated the authority to enter into contracts to the MHEC president. Consistent with its member states' requirements, MHEC follows a competitive sourcing event prior to awarding bids and entering into contracts with vendors. The competitive sourcing documents set forth the criteria of the solicitation, including the contract commencement and termination dates, plus any contract extension options. This is a request to extend the term of the Marsh contract for up to two additional years.

On January 11, 2012, MHEC conducted a competitive sourcing event for Program Administrative Services for MHEC's Programs of Insurance and any related services e.g., loss control and other engineering services. In addition, the RFP requested the winning vendor also serve as a consultant for any risk management product or service that MHEC may consider, noting that if that service required a "program administrator" that also may be subject to an additional RFP. In January 2012 the Master Property Program (MPP) was MHEC's sole program of insurance. On July 11, 2012, Marsh was selected as MHEC's Program Administrator and on October 1, 2012, MHEC entered into agreement with Marsh for an initial term of three years, with up to seven additional one-year renewals. The current Marsh agreement is scheduled to terminate on October 31, 2022.

Although it may feel cliched to say the world has changed significantly in the last 10 years, as it relates to the insurance market and the MPP, it most certainly has been the case. Looking back at the program's evolution, when the Program Administrative Services RFP was conducted, MPP was enjoying the benefits of a soft insurance market, and this corresponded to a period of rapid growth. Heavy emphasis was placed on recruiting new members and the structure of the program was relatively simple, with two carriers underwriting the majority of the risk. MPP was also supported by a rent-a-captive program managed by a third-party and this arrangement met the needs of the simple, straightforward MPP.

Beginning in late 2017 with the program's first major loss, compounded with additional shock losses in 2018 and 2019, the program entered what would become and still is an extremely difficult market, evolving from a single insurer to a complex panel of insurers across the globe. (See the MPP report for more information regarding the challenges the program has faced.) During this time MHEC was fortunate enough to be able to transition from the rent-a-captive to a MHEC-owned single-parent captive, Stone Arch Insurance Company, on July 1, 2022. This presented MHEC with greater transparency, flexibility, and control. (See the Stone Arch Insurance Company report for more details.)

Beyond the MPP, during this period MHEC's student health insurance program, which was still in the formation stage in January 2012, grew considerably and now provides health insurance to over 45,000 students. Marsh does not play a role with student health as their expertise are focused on property. However, MHEC also offers a Cyber Liability program, which has struggled, but is also serviced by Marsh. Today, MHEC's Programs of Insurance officially include property, cyber, and student health with Marsh providing support to property and cyber.

Historically, the MPP's Leadership Committee creates a subcommittee to conduct the Program Administrative Services RFP. With a relatively simple program structure, sole focus on property insurance, rent-a-captive support, and strong member retention, this model made sense.



However, now that MHEC has established its own captive insurance company, the expertise and services have grown considerably since 2012.

In order to move forward as an organization and to implement the new strategic plan which directs the organization to “collaborate to reduce risk” more intentionally, MHEC recommends re-envisioning the scope of this forthcoming RFP. Much work is needed to determine how MHEC will build out this risk management function, of which Stone Arch Insurance Company will play a critical role. While the support of the MPP Leadership as well as the Student Health Benefits Advisory Committee will be important, a new RFP evaluation team needs to be formed to manage this process. As with the last RFP, MHEC will require a partner that can serve as a consultant for any risk management product or service. This RFP will need to include MPP program administrative services, but also captive management services, and consulting expertise beyond property.

Much opportunity awaits Stone Arch and MHEC is eager to respond to future constituent risk management needs. Due to these complexities, as well as the time that will be required to work through strategy, MHEC recommends extending the current Marsh contract up to two additional years to allow sufficient time to scope the next solicitation. This extension will allow the Marsh team to continue to offer MPP members consistent support and service.

**Proposed Motion:**

The MHEC Commission approve the extension of MHEC’s current contract with Marsh for up to two additional years terminating no later than October 31, 2024.



## Strategic Plan | 2022 – 2025

final draft (for board approval), 2/16/22

### **MISSION** (what good we do and for whom)

MHEC brings together leaders from midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

### **VISION** (the impact we seek)

To improve individual career readiness and regional economic vitality through collective problem-solving and partnerships that strengthen postsecondary education.

### **VALUES** (what guides our decision making)

**Collaboration.** We believe working together in an open, respectful environment creates the foundation for cooperation and innovation that allows us to research, share, pilot, and scale ideas to improve our individual institutions, states and region.

**Innovation.** We believe that bringing creativity and tenacious problem solving to the challenges and opportunities in higher education helps produce excellent results for our states, institutions, and students.

**Diversity, Equity, Access, and Inclusion.** We believe that the diversity of our members is one of our greatest strengths and is a driving force in helping our region build access for all to a postsecondary education and inclusive environments that promote success.

**Excellence.** We believe that high standards together with effective and efficient use of our resources are at the core of producing exceptional outcomes for our member states and their respective institutions.

## **STRATEGIC PRIORITIES** (our focus for next 4 years)

### **Advance innovation, efficiency & effectiveness.**

- Serve as an incubator, conducting research, pursuing ideas, and piloting potential solutions in a low-risk environment.
- Study challenging topics (such as declining enrollment, learning gaps, affordability) and determine how MHEC could play a valuable role in addressing the issue.

### **Develop collaborative solutions to regional problems and opportunities.**

- Take on projects, issues and opportunities that are too big for one state to do alone, working jointly to improve higher education and to strengthen the Midwest region.
- Serve as a conduit, convening and connecting leaders to share successful models and actionable approaches that institutions and states can adopt and tailor.

### **Drive cost savings & business solutions.**

- Devise opportunities for institutions, states, and students to save money.
- Collaborate to reduce risk and take advantage of opportunities that solve business issues.

## **PRINCIPLES OF THE STRATEGIC PLAN**

- We will continually evaluate the purpose and impact of our work to provide the leadership, responsiveness, and value needed by our members.
- We will integrate diversity, equity, and inclusion into all aspects of our planning and operations.
- We will be intentional within each priority about articulating who is served, who we want to participate, and who benefits.

# Master Property Program (MPP)

Prepared by Jennifer Dahlquist, Vice President & Carla Ahrens, Associate Director of MPP

## Background

The [Master Property Program](#) (MPP), was developed in 1994 to broaden property insurance coverage, reduce program costs, and encourage improved asset protection strategies for Midwestern 2- and 4-year and not-for-profit colleges and universities. Because of its success, the MPP has developed a program mission to be the premier higher education-related property insurance program focused on strategic growth, program stability, and member value for institutions in the MHEC region, and the three other regional compacts (including the Western Interstate Commission for Higher Education (WICHE), the New England Board of Higher Education (NEBHE), and the Southern Regional Education Board (SREB)).

## Current Status

The MPP has experienced multiple challenges over the past few years and up until the 2021/22 renewal, was able to maintain excellent member retention. A combination of significant program losses in an abbreviated time, coupled with meaningful changes in the insurance industry outside of the program's control, now require a MPP redesign, rethinking the ways in which the program can continue to meet member needs successfully, building on the historical strength of MHEC's ability to deliver a premier property insurance program. With the July 1, 2022, renewal, the challenges reached the point where the program unfortunately witnessed the loss of primarily two key members, the Illinois Public Higher Education Cooperative (IPHEC which includes all the public 4-year institutions in Illinois) and the University of Nebraska System, among other institutions, which resulted in a loss of half of the previously insured institutions.

The MPP provides member institutions with a captive structure via a captive layer that covers losses up to the first \$2.5M subject to a program aggregate, and when losses exceed this level, traditional insurance kicks in. This was achieved by utilizing a rent-a-captive. In the early days of the MPP this provided many benefits but as the insurance market changed and member needs became less homogenous, the rent-a-captive did not allow MPP to tailor the captive layer in a manner that supported the diverse member needs such as members with significant catastrophic (or CAT) risk, members in distinct geographic locations, members with varying loss histories, etc. In addition, the previous rent-a-captive was managed by a third party and MHEC and the MPP members were not part of the captive management decisions. MHEC has transitioned to a MHEC-owned captive, Stone Arch Insurance Company, that will address many of these needs.

## Next Steps

As a response to continued difficulties in the property insurance market, 22 out of 38 members provided the MPP with official "Intent to Market" notices. This dynamic certainly presents additional challenges for the program. The reality is that until the market conditions improve, the program must continue to evolve and will not look the same as the MPP of the past. These challenges, which are significant, present the MPP Team with an opportunity to examine all options on the table. Marsh is actively engaged in strategic conversations with the insurance markets regarding renewal options. Starting May 19, the MPP Leadership will hold weekly virtual meetings for renewal updates. The team communicated to all members on May 12 that pricing projections will be shared by June 6. Given the timing of the renewal, updates on the MPP are limited until members make their final determinations. MHEC anticipates being able to share more meaningful updates in mid-July.

# Stone Arch Insurance Company

Prepared by Jennifer Dahlquist, Vice President

## Background

Since 1994, the Master Property Program (MPP) has provided member institutions with comprehensive property coverage, tailored to their needs, reducing insurance costs, and improving asset protection. Two of MPP's greatest strengths, stability, and member commitment, are due in part to the MPP's responsiveness to member needs. The hardening property insurance market has presented the MPP with numerous challenges and as a result, MHEC underwent a multi-year strategic examination of the program's structure. MHEC focused this examination on the loss fund, or captive layer, with the assistance of expertise from the MPP Program Administrator Marsh's captive group.

The MPP offers institutions access to a loss fund, paying losses subject to an annual limit, creating distance from the insurance market. MHEC's loss fund, developed in the early 90s, is a rent-a-captive structure managed by Captive Resources, housed in an entity named Everest Property Insurance Company (EPIC). Funded by MPP member institutions, the loss fund returns 100% of this contribution back to members in the form of dividends or paid claims. The results of the multi-year examination recommended that MHEC replace this rent-a-captive with a MHEC-owned single parent captive to best serve current and future risk management needs of MPP member institutions.

On March 23, 2021, MHEC recommended, with the support of the MPP Leadership Committee, that the MHEC Officers approve establishing a MHEC-owned captive to replace the current rent-a-captive structure. The MHEC officers provided their unanimous approval, solidifying MHEC's commitment to the MPP. This new captive, named Stone Arch Insurance Company, began supporting the MPP effective July 1, 2021, domiciled in Vermont, a leading state for captive programs.

## Current Status

With Stone Arch Insurance Company up and running, the former program with EPIC has now been officially novated, or "sold off" to a third party, thus transferring all the liabilities to this new entity, DARAG. MPP anticipates being able to issue members' dividends from the former program in the early fall. Dividends will be phased in as collateral needs to be held to support an IRS letter of credit until the IRS releases these funds, in approximately 18 months.

## Next Steps

Stone Arch Insurance Company will afford numerous benefits to the MPP, including, but not limited to; providing the MPP with independence to develop its own specialized property program specifications based on its size and complexity; opening access to a wide variety of global insurance and reinsurance providers; providing choice for service providers, ensuring the best service at economical cost; creating freedom to develop insurance offerings beyond property to continue to meet the needs of Compact member states; bringing more control over the amount and cost of capital allocated to securitization; and reducing operating costs over time. It also opens the door to develop additional insurance programs down the road and enables MHEC the opportunity to respond to new and emerging risk management needs beyond just property insurance.

# Cyber Insurance

Prepared by Carla Ahrens, Associate Director of MPP

## Background

The MHEC [Cyber Insurance](#) program was established in 2018 to provide an option to institutions in the MHEC region as well as sister compacts-- the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE)--to purchase cyber insurance coverage. This cyber insurance solution is tailored to deliver the right mix of risk transfer and advisory solutions for institutions to assess, manage, and respond to their risk. Higher education Institutions, like other key business and government entities, continue to face significant and increasing cyber threats due to the valuable information stored on their networks and the ability for threat actors to use network infrastructure to launch operations against other targets. College and university networks can be difficult for administrators to effectively secure because of their size and sharing of information. According to Marsh's cyber team, the loss environment has resulted in accelerating pricing pressure even on loss-free accounts that have good controls. Rate increases are continuing to rise.

## Current Status

The MHEC Cyber Insurance approach analyzes the institution's threat environment, assesses the significance of the vulnerabilities in security controls and determines how much financial exposure the institution faces. MHEC's approach can also provide benchmarking on how much cyber coverage institutions of similar risk are buying.

Cyber risks are growing in frequency and severity, making them one of the biggest threats facing higher education institutions today. MHEC has had several member institutions request quotes for coverage but meeting the IT requirements of the insurance carriers has been difficult and the cost of the insurance coverage in the current market has significantly increased.

This past fall MHEC and Marsh presented a webinar, [Increasing Ransomware Attacks Trigger Major Shifts in Cyber Insurance](#), that was well attended and received great reviews.

## Next Steps

Many large institutions have already, or are currently purchasing cyber liability insurance, therefore the MHEC Cyber Liability market for this program focuses on mid-size and smaller institutions that are not currently purchasing cyber liability insurance and are experiencing funding obstacles to obtaining additional insurance protection.

As we move forward with the MHEC Cyber Insurance we plan to shift resources available to Higher Education institutions to services on cyber insurance trends and risk controls. MHEC will continue to monitor the market with Marsh's assistance and keep institutions informed of any changes.

# MHECare Student Health Solutions

Prepared by Jennifer Dahlquist, Vice President

## Background

Created in conjunction with MHEC's Student Health Benefits Advisory Committee (SHBAC), MHECare was established through requests from key higher education and legislative leaders seeking a collaborative region-wide approach to supporting student health. The committee consists of a broad cross section of experts in student health benefits from campuses across the MHEC states and beyond. In 2012-13 MHECare began providing institutions of higher education access to an array of insurance solutions that assist campuses in supporting student health. MHEC offers institutions access to programmatic options for fully insured school-sponsored plans and virtual mental health services. Campuses can leverage MHECare knowing that MHEC has performed its due diligence through a comprehensive and extensive RFP process, enabling student health administrators the opportunity to spend their time focused on efforts that will directly impact students. The program is also available to postsecondary institutions of MHEC's sister compact regions in the [New England Board of Higher Education](#), the [Southern Regional Education Board](#), and the [Western Interstate Commission for Higher Education](#).

## Current Status

On September 3, 2020, the Student Health Benefits Advisory Committee issued the MHECare Student Insurance Solutions RFP. MHEC has completed contract negotiations with UnitedHealthcare StudentResources, META Teletherapy, and TAO Connect. One additional agreement is still in contract negotiations for a private health insurance exchange.

Twenty-eight campuses from across the U.S. participated during the 2021-22 school year through the option with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance, providing coverage to over 45,000 students. Three campuses, Cleveland State University, Ohio University, and Southern Illinois University Edwardsville will join MHECare beginning in the 2022-23 academic year. MHEC began offering institutions options for virtual mental health services through META and TAO Connect this past academic year. The MHEC agreement with META provides institutions affordable access to a mental health provider marketplace where students can choose to connect with school counselors or META teletherapists through a mobile app for private, secure video, audio, and chat therapy. TAO Connect provides institutions with a platform of self-serve mental health modules for students to leverage independently, or in conjunction with campus counseling.

## Next Steps

MHEC is working closely with META and TAO Connect to generate proposals for prospective participants. MHEC continues to work with its outside counsel, with expertise in healthcare law, to assist with the remaining agreements for a private student health insurance exchange and anticipates this agreement will be finalized prior to the June Executive Committee meeting.

## Midwest Student Exchange Program (MSEP)

Prepared by Sara Appel, Associate Director for Policy Initiatives

### Background

The [Midwest Student Exchange Program \(MSEP\)](#) is an interstate tuition reciprocity program offering reduced tuition rates to students in the states of Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. MSEP is a voluntary program and although the Compact has 12 member states, not all participate. Illinois and Michigan have moved to an inactive status, and Iowa and South Dakota have elected not to participate. All four regions of the country have student exchange programs with some variation among them.

Since 1994, through MSEP, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. MSEP serves as the Midwest's largest multi-state tuition reciprocity program, sitting alongside other state-to-state reciprocity programs. Eighty-six campuses from the nine participating states in the MHEC region have received students at reduced rates. Public institutions enrolling students under the program agree to charge no more than 150% of the in-state resident tuition rate while private institutions offer a 10% reduction on their tuition rates. Students benefit because of expanded choice while institutions enrolling them (as well as states) realize gains from the additional students attending postsecondary education there. Recent elimination by some institutions of out-of-state tuition has affected institutional participation in the program as have changes in student demographics and credentialing.

### Current Status

According to the forthcoming 2021-22 MSEP Data Report, eight states participated in the program with over 55 institutions submitting data from two- and four-year public and private not-for-profit institutions. Colleges and universities reported that approximately 8,111 students saved \$57M in tuition. Additional data that MHEC would like to collect for FY23 includes more institutions who charge non-differential tuition, and the gender, race, and ethnicity of participating MSEP students.

MHEC staff and members of the MSEP Council along with an outside consultant, continue with program review to determine what changes need to be made to maintain relevance and value of MSEP, updating the program as appropriate. Recommended changes will be based on the outside consultant's analysis and report on the data collection and reporting process, focus groups conducted with data collectors and admissions staff, and other stakeholders. Changes under consideration include: a data collection platform to streamline and standardize the institutional reporting process; updates to current outreach/marketing materials and sources of information, including the MSEP website; development of new materials and state-specific data for admissions and financial aid officers to support communications with students and families. This year, program goals were clarified, the other three regional compacts presented each of their regional student exchange programs, and policies are currently undergoing analysis and review.

### Next Steps

The MSEP Council recommended the [MSEP website](#) be updated to allow all MHEC states' public and private not-for-profit institutions' programs and tuition information be voluntarily included in an enhanced searchable manner. By doing so, this would identify postsecondary education opportunities in the region, provide access and affordability information to students and families, as well as assist the institutions with enrollment management.



# Midwestern-State Authorization Reciprocity Agreement (M-SARA)

Prepared by Emily Jacobson, Associate Director of M-SARA

## Background

The **State Authorization Reciprocity Agreements (SARA)** program provides a voluntary approach to state oversight of postsecondary distance education. When states voluntarily join SARA, they agree to follow uniform processes for approving eligible institutions' participation in SARA. Prior to SARA, an institution serving online students had to register with and meet authorization guidelines in every other state other than their own, where students were located. This involved countless hours of compliance research, information gathering, and the payment of very expensive fees. Now, with SARA, the approach has streamlined and added consistency to the compliance efforts of institutions offering distance education programs or courses across state lines and throughout the country, except for California.

Per the Unified Agreement (UA), the National Council for State Authorization Reciprocity Agreements (NC-SARA) exist to coordinate the SARA work of the regional compacts, ensure SARA has consistent nationwide coverage, and maximize efficient operations of the SARA initiative. NC-SARA collects data about national SARA participation and distance education enrollments, collects participation fees, creates and updates SARA policies, and maintains connections with the U.S. Department of Education and regional accreditors. The Presidents of the four regional compacts, including MHEC, sit on the board of NC SARA.

## Current Status

Currently, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are members of SARA. Within SARA 2,357 institutions participate, of which 656 institutions are in MHEC states. California is the only state that is not a member, but discussions continue to encourage their joining.

M-SARA (Midwestern-State Authorization Reciprocity Agreement) is an integral way in which MHEC is involved with both NC-SARA and the other regional compacts. M-SARA hosts its own set of annual meetings for the M-SARA Regional Steering Committee (RSC) members and M-SARA state portal entities (SPEs), the individuals in each state who review and approve institutions for SARA participation and monitor institutional compliance. A portion of each meeting is dedicated to a joint meeting between both groups. Over the last year, the SARA work has picked up, including significant work with the other regional compacts and their RSCs to develop a policy modification process. SARA work at the regional and national level continues to be a complex, delicate balancing act. Federal regulations, state requirements, institutional needs, and, of course most of all, students' needs must all be considered and optimally addressed.

Roles and responsibilities and policy and modifications discussions between the regional compacts and the NC-SARA board and staff continue as we work toward a clear understanding and more transparent collaboration.

## Next Steps

Work continues with supporting our states' M-SARA work and with NC-SARA and other partners in the agreement to gain role clarity and more transparency in SARA policy creation and related processes.

# Research

Prepared by Aaron Horn, Associate Vice President of Research

## Background

MHEC's approach to higher education research and policy analysis informs institutional and state efforts in improving postsecondary policies, practices, and outcomes, particularly in the Midwest. MHEC supports the work of commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education administrators and researchers in several ways: (1) Maintaining a repository of expertise, knowledge, and best practices for guiding policy and practice; (2) Conducting applied research and analysis on critical topics in higher education; (3) Developing innovative approaches to improve educational opportunity and effectiveness; and (4) Providing public outreach and service to institutions and governments. Some projects are one-time and short-term while others are more comprehensive. We welcome ideas and suggestions from our stakeholders in the region. Some of the recent work completed for legislators includes research on funding formulas; college student migration; postsecondary attainment rates; state grant aid programs; indicators of public postsecondary funding; higher education governance; cost, price, and revenue of online education; college student recruitment and enrollment initiatives; indicators of college affordability; and state loan programs. Status of selected projects follows below.

## Current Status

*2021 State Performance Update:* A performance update for each MHEC member state was completed to supplement the periodic [Higher Education in Focus](#) report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy.

*Interactive Dashboard:* Indicators on MHEC's interactive dashboard have been updated with the most recent data available. Indicators are organized within seven categories: Context, Preparation, Participation, Affordability, Completion, Finance, and Benefits. A stakeholder feedback survey will be administered in June to identify potential avenues of improvement, including additional indicators and interaction features.

*Improving FAFSA Filing Among High School Seniors.* This report estimates rates of FAFSA completion among high school seniors within each MHEC state; reviews research on methods for increasing FAFSA completion; and provides state policy considerations, such as a FAFSA completion high school graduation requirement. The report will be released in August of 2022.

*The Effect of State Appropriations on College Completion Rates of Diverse Students:* This was the first national study to estimate the effect of state appropriations on the college graduation rates of underrepresented students over a 12-year period. The report and research brief are currently being updated to include an additional analysis of the effect of public funding on total bachelor's degree production (including full-time, part-time, and transfer students). The updated report will be available in September of 2022.

*Out-of-State Tuition Premiums at Public Four-Year Institutions: Trends and Impact:* This report explores the Midwestern and national prevalence of residency-based tuition, including attributes of institutions that have the same tuition rate for in-state and out-of-state students. The report will be released in October of 2022.

## Next Steps

*College Student Mental Health Research Initiative:* MHEC is collaborating with the University of Michigan Healthy Minds research team to document trends in the mental and behavioral health of college students in the Midwest and nation. The first report will be released in November of 2022.

# Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by Jenny Parks, Vice President

## Background

[Concurrent enrollment](#) provides high school students the opportunity to take college credit-bearing courses in their high school classrooms. Research indicates that such programs enhance educational outcomes for students, particularly those from underserved populations. In 2015 the [Higher Learning Commission \(HLC\)](#), regional accreditor for Midwestern states, clarified its expectations for the credentials of postsecondary faculty, including concurrent enrollment instructors in high schools. The new policy language stated that postsecondary instructors for undergraduate courses must possess a master's degree in the field they teach or hold a master's degree in another field and at least 18 graduate credits in the field they teach. This clarification highlighted a longstanding concern in the world of concurrent enrollment: many high school teachers without full credentials as defined by HLC were serving as concurrent enrollment instructors. Ever since, states across the Midwest have struggled to help teachers gain the credentials needed to teach concurrent enrollment courses and meet the high demand for such courses. The shortage of fully credentialed concurrent enrollment teachers is particularly acute in rural and distressed urban areas. HLC developed an extension plan which provided a seven-year (2015-2022) window for instructors to earn the additional academic credentials they needed to teach in their respective disciplines and subsequently extended that deadline until September 1, 2023, considering the pandemic.

MHEC's past work includes a [research brief authored in collaboration with the Education Commission of the States \(ECS\)](#); a MHEC hosted [Concurrent Enrollment Teacher Credentialing Summit](#) in May 2018; advisory groups to address various aspects of the teacher shortage; and strategic partnerships with regional and national entities that are also working to address the concurrent enrollment teacher shortage.

## Current Status

In spring 2021, MHEC and the [Northeast Wisconsin Educational Resource Alliance \(NEWERA\)](#) launched an interactive web-based search tool, [Graduate Credit Quest \(GCQ\)](#), which allows teachers from MHEC states to search for online graduate courses designed to help them meet HLC's credentialing expectations offered by Midwestern universities. MHEC started to host conversations about the concurrent enrollment teacher supply crisis with the College in the High School Alliance ([CHSA](#)), and the National Alliance of Concurrent Enrollment Partnerships ([NACEP](#)). The Dual Enrollment Teacher Pipeline Working Group met through summer 2021 and published, [Building a Concurrent Enrollment Teacher Pipeline: Opportunities, Challenges, and Lessons](#), in October 2021 that addressed the complexities and suggested strategies to increase the supply of concurrent enrollment teachers. The [Southern Regional Education Board \(SREB\)](#) and MHEC supported research into the use of Open Educational Resources (OER) in dual enrollment settings, culminating in, [OER in Dual Enrollment](#) and [webinar](#) on that topic.

## Next Steps

MHEC continues to build state and institutional participation on the GCQ site and enhance the site with the goal of it becoming a central source of information for teachers, graduate schools, and concurrent enrollment stakeholders. Collaborations with national concurrent enrollment organizations will also continue as MHEC seeks ways to help its member states provide concurrent enrollment opportunities to students. Finally, as the 2023 HLC deadline approaches, MHEC staff will continue to keep closely in touch with HLC to make sure regional stakeholders have the information they need and that HLC is aware of the challenges still facing concurrent enrollment providers and instructors.

## Midwest Credential Transparency Alliance (MCTA)

Prepared by Sara Appel, Associate Director for Policy Initiatives

### Background

A credential is a verification (e.g., certificate, diploma) by a third party (e.g., high school, college) that an individual has met specific qualifications and competencies for a particular job or activity. The need for a better way to understand and evaluate credentials leading to employment is growing rapidly for both students and employers. To further this work in the Midwest, MHEC and Credential Engine received a grant from the Ascendium Foundation in April 2020. Credential Engine is a non-profit whose mission is to map the credential landscape with clear and consistent information, helping create resources that assist people to find education and employment pathways that are a good fit. This collaboration's mission is to work with all 12 Midwest states, meeting them where they are and supporting their movement toward credential transparency for their residents. Credential transparency refers to making public, in formats people can understand and systems can act upon, essential information about credentials, such as their quality, costs, pathways, stackability, transfer value, competencies, and connections to jobs.

This work involving MHEC and Credential Engine, is guided by the Midwest Credential Transparency Alliance (MCTA). Each participating MHEC state has an opportunity to create a team of representatives from higher education agencies and systems, K-12 agencies, workforce development agencies, and governor's offices to help lead the work in their respective states and share best practices with other. The goal is to allow institutions and organizations within states an opportunity to publish their credentials to the [Credential Registry](#), providing a free, open access tool for students, educators, and employers to search for and learn about all the credentials offered throughout the Midwest. MCTA's intention is not to duplicate efforts, but instead tailor each approach to help align and extend value to the work Midwest states are already doing or are planning to do.

### Current Status

Over the past year, the MCTA focused on the role of pathways for connecting credentials that lead to a particular job and career path. The Pathways Action Team began by identifying and analyzing existing Midwest pathways. Their findings are detailed in an [October 2021 brief](#) documenting close to 700 unique pathways across the Midwest region. These pathways primarily consist of credentials along other pathway components including assessments, courses, jobs, competencies, and additional pathways. The action team committed to the five action areas, to advance credential transparency across the Midwest region. The MCTA meets quarterly, with [resources from these convenings](#) available on the MHEC website. Several resources have recently been published, including a [Career Pathways and Credentials Project Report](#) produced in collaboration with the Cybersecurity Pathways Action Team, which documented credentials and pathways aligned to the National Initiative for Cybersecurity Education (NICE). MHEC is also working on a policy brief related to Career and Technical Education pathways.

### Next Steps

In October 2022, the MCTA will hold an in-person convening to bring together all the members for rich discussion, learning, and networking in service of credential transparency. MHEC has committed to continue work in credentialing and has included it in several areas of its Operating Plan tied to MHEC's strategic plan through 2025.

# Multi-State Collaborative on Military Credit (MCMC)

Prepared by Sara Appel, Associate Director for Policy Initiatives

## Background

The mission of the [Multi-State Collaborative on Military Credit](#) (MCMC) is to facilitate an interstate partnership of the 12 Midwestern Higher Education Compact (MHEC) states plus Kentucky. MCMC works to translate competencies acquired by military-connected students and veterans through military training and experiences to college credentials that lead to employment in the civilian workforce. States exchange information and share best practices in the areas of articulation of academic credit; communication and outreach; data, technology, and systems; and licensure and certification. Grants were awarded to MHEC by the Lumina Foundation and the Strada Education Network in 2015 to address barriers for military-connected students in accessing, participating, and completing postsecondary education. This was accomplished through a comprehensive review and advancement of effective policy and practice within and among institutions, states, federal agencies, and not-for-profit organizations.

## Current Status

The demand for information on how to better assist military-connected students in higher education saw an increase in FY22. MHEC has served as a convener, hosting three webinars with nationwide participation including over 700 registered attendees in total. The playback of these posted videos totals nearly 600 views. This is the second highest number of participants for military-related webinars at MHEC, to date. Colleges, universities, state, and federal government agencies as well as other not-for-profit organizations continue to see MHEC as a leader in providing resources to stay up to date, implement policies and a source for navigating higher education benefit portals for military-connected students. Many changes discussed in the 2021-2022 U.S. Department of Education's Negotiated Rulemaking affect military-connected student such as the 90/10 Rule and additional oversight of colleges and universities for consumer protection. Legislators and advocates addressed crucial gaps in higher education which were filled with the passing of the [REMOTE](#) Act and the National Defense Authorization Act. Army IgnitED, the new portal for tuition assistance program for active-duty Army, Army Reserve, and Army National Guard soldiers, was and has been complicated for colleges, universities, and students. MHEC hosted a webinar specifically to assist in the navigation of Army IgnitED, allowing participants to ask questions of the presenters in real time. It was highly attended and a second online seminar on this topic is being planned for July.

## Next Steps

As the higher education landscape has seen dramatic changes since the inception of MCMC in 2014, MHEC is considering an update to this program to meet the current and new needs of colleges and universities assisting military-connected students. MHEC looks to provide an expanded scope of work that is not limiting to the awarding of meaningful academic credit stemming from military training, experience, and transfer credit, but rather to address additional focus areas such as the timely completion of higher education credentials and employment by military-connected students through addressing barriers to access, participation, and completion at the higher education level by providing educational webinars, list server updates, and periodic newsletters.

# Open Educational Resources

Prepared by Jenny Parks, Vice President

## Background

[Open Educational Resources](#) (OER) are textbooks and ancillary learning materials accessible via the Internet at little or no cost to students or institutions and openly licensed so that users can modify, share, and retain them. The use of such resources addresses the rapid increase in the cost of textbooks and other learning materials in the last two decades and supports more innovative ways for faculty and students to engage with and co-create course contents. MHEC seeks to support its member states as they increase their capacity to implement OER and establish the means to sustain their creation and use at the institutional, system, and state levels.

This work at MHEC started in 2018 with a kick-off at the [OER Implementation and Policy Summit for the MHEC States](#). In 2020, the four regional compacts formed a nationwide network of OER support known as the National Consortium for Open Educational Resources ([NCOER](#)). Each regional compact received an 18-month, \$250,000 grant from the [Hewlett Foundation](#) to increase OER capacity and implementation in its member states, to share best practices, scale successful efforts, and leverage collective resources to enhance OER implementation across the county.

## Current Status

MHEC's work with OER includes: 1) An OER List Server and monthly OER newsletter to keep Midwestern OER stakeholders informed and connected to regional and national OER efforts; 2) Regular virtual meetings of state OER action teams and support for their work to build OER capacity in their respective states; 3) [OER-related webinars](#) that reach a wide range of stakeholders and inform them of the work of the 12 state action teams and other nationwide OER-related work; 4) Support for statewide OER summits throughout 2021-22 in Missouri, Michigan, Iowa, Kansas, Minnesota, and Wisconsin and senior leadership trainings in Indiana, Illinois, and North Dakota, support for membership in the Open Education Network in South Dakota and Nebraska, and a faculty grant pilot program in Ohio; 5) Support for three career and technical education OER creation projects, in partnership with the [Rebus Textbook Success](#) program; and 6) Convening of an OER Technology Working Group that has been jointly exploring technology providers and services to support the use of OER.

In April 2022 MHEC released [Toward Convergence Creating Clarity to Drive More Consistency in Understanding the Benefits and Costs of OER](#). Informed by institutional, state, and national leaders, the MHEC report, which received national coverage, is part of the partnership with NCOER describes six principles to help define efforts to identify savings and returns from OER investments and offers two frameworks for making those calculations. MHEC also completed research with the Southern Regional Education Board (SREB) to produce the report, [OER in Dual Enrollment](#), published in October 2021.

## Next Steps

Along with its sister compacts, MHEC will submit a final report to the Hewlett Foundation regarding the work the Foundation funded to increase OER implementation capacity in the Midwestern states. Also, as part of NCOER, MHEC will submit a proposal by July 1, 2022, for continued funding from the Hewlett Foundation.



# MHEC Technologies Community

Prepared by Debra Kidwell, Director of Technology Initiatives

## Background

The [Technologies Community](#) is composed of college, system, and university chief information officers, telecommunications directors, computing service directors, procurement officers, and educational planners representing both individual campuses and systems in the MHEC member states. Like other MHEC voluntary advisory groups, their participation, input, advice, and counsel are critical to developing and sustaining an effective approach to technology solutions throughout the region and beyond. The Technologies Executive Committee oversees the activity of the community.

## Current Status

Five standing [advisory groups](#) support the Technologies Community:

1. Academic Technologies Advisory Group
2. Comprehensive Learner Records Advisory Group
3. Emerging Perspectives Advisory Group
4. Information Security Advisory Group
5. Technology Contracts Advisory Group (planned)

The February [2022 Technologies Community annual convening](#) was held February 24-25, at the Big Ten Conference Center in Chicago. The theme *Are we Evolving or Revolving?* resonated strongly with the community as they tackled technology issues around mental health, learning spaces, communication, broadband, and more.

## Next Steps

Over the past six months, the Technologies Executive Committee has engaged in strategic planning work in tandem with the MHEC strategic planning initiatives. The group is exploring possibilities in the following areas, and will refine the possibilities into tactical actions this summer:

Take a leading role in the following three issues:

1. Higher education access and affordability: broadband, Hyflex classroom technology, models, and vendor partner models.
2. Retention of vital IT (Information Technology) staff in a fiercely competitive marketplace: share approaches, encourage MHEC leadership to establish a “Midwestern Talent Retention Zone” initiative, research talent gap issues and economic impact, and host commission convening to discuss solutions.
3. Cyber risk management: MHEC Exchange for institutional talent sharing, sharing best practices, and investigate ways to limit risk regionally.

Play a supporting role in the following issues:

Mental health, The “New Normal,” and Economic development forecasting

The Technologies Community would like to recognize John Dunning’s service as chair of the Community since 2011. Dirk Huggett, assistant chief information officer, administration for the North Dakota University System will chair the Technology Executive Committee going forward.

# MHEC Academic Contracts

Prepared by Debra Kidwell, Director of Technology Initiatives and Jenny Parks, Vice President

## Background

MHEC's academic contracts are the outcome of changes occurring within MHEC and higher education institutions. As MHEC staff consider inputs from institutional stakeholders, they have identified opportunities in academic contracting. Such contracts will focus on outcomes as a measure of success, such as the ability to use solutions within higher education, efficiency, competency, or shared knowledge. Academic contracts will be created in a manner consistent with statutory procurement requirements of the Compact member states.

The work to develop academic contracts reflects the directives outlined in the new MHEC strategic plan. The work:

- advances innovation, efficiency, and effectiveness by piloting potential solutions in a low-risk environment;
- develops collaborative solutions to regional problems and opportunities by working jointly to improve higher education and to strengthen the Midwest region; and
- drives cost savings and business solutions by devising opportunities for institutions, states, and students to save money while collaborating to reduce risk and take advantage of opportunities that solve business issues.

## Current Status

***Creative Commons – Contract Renewal.*** In 2021, MHEC's academic contract was completed with [Creative Commons](#). This was a publicly-posted, single feasible source procurement. In May, the contract was extended through June 30, 2023. This contract supports work and recommendations arising from MHEC's OER (Open Educational Resources) initiative.

Creative Commons (CC) is a nonprofit organization that provides Creative Commons licenses and public domain tools that provide a free, simple, and standardized way to grant copyright permissions for creative and academic works; ensure proper attribution; and allow others to copy, distribute, and make use of those works. CC offers professional development and training programs for individuals seeking expertise creating and engaging with openly licensed works. Under their agreement with MHEC, Creative Commons offers a discount on all training to stakeholders in states serviced by MHEC, the New England Board of Higher Education (NEBHE), the Southern Regional Education Board, (SREB), and the Western Interstate Commission for Higher Education (WICHE).

***MCTA Credential Transparency Request for Information (RFI).*** The [Midwest Credential Transparency Alliance](#) (MCTA), acting through MHEC and [Credential Engine](#), will solicit information on education technology products on May 30 focused on the credentialing life cycle to guide further discussions on the capabilities and tools in use now and in the future.

## Next Steps

As MHEC staff work in FY23 on various projects in alignment with the strategic plan, more ideas and opportunities for academic contracts will arise. A process for determining which ideas move forward to a procurement process is being developed. This process will optimize the use of staff time to develop contracts and maximize the benefit contracts hold for MHEC's stakeholders.



# Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

## Background

MHEC's technology contracts are rooted in delivering timely, effective, and cost-efficient technology solutions. Technology in its many different forms, and its connection to student access and learning, has become increasingly important. MHEC contracts are awarded based on competitive bid requirements that are consistent with statutory procurement requirements of the Compact member states. By entering into agreements for the benefit of its member states, MHEC provides institutions with a contract framework that allows flexibility and ease of use, while still maintaining compliance with applicable procurement statutes. Consistent with the Compact's solicitation approach, a representative group of MHEC technology stakeholders including staff and volunteers, conduct a competitive sourcing process that leverages the potential purchasing power of the MHEC region. The result is a master agreement that facilitates a direct relationship between the technology provider and institutions with guaranteed discount pricing as well as terms and conditions that are better than most users can negotiate individually. This process is designed to minimize the burden on administrative resources for institutions in the region, saving both time and money. Additionally, it allows both the institution and the technology provider to focus most of its energy on finding the technology solution that best fits the institution's needs and negotiating the technology provider's order, instead of the contract itself.

## Current Status

An institution's information technology (IT) investment is needed to support student success, faculty, and staff functions, which is no small matter to a college campus, large or small. Top areas of investment to date include cybersecurity, smart campus, predictive analytics, student engagement, network connectivity, and hybrid cloud computing. On October 28, 2021, the MHEC published a public solicitation for [End User Computing & Peripherals, Device Lifecycle Management, and Associated Services MHEC-RFP-10282021](#). Upon meeting all of the requirements of the request for proposal, MHEC has awarded contracts to Connection, Dell, HP Inc., and Lenovo (Global and U.S.). MHEC now offers 24 technology contracts for computers, data and networking, printers, services, and software. All awarded contracts have a term of up to seven years and are available for use by all public and private not-for-profit institutions of higher education in the MHEC region and include the other regional compacts – the New England Board of Higher Education (NEBHE); the Southern Regional Education Board (SREB); and the Western Interstate Commission for Higher Education (WICHE) – member states. Some of the contracts extend eligibility for use by K-12 districts, local governments, and states. Nationally, usage has steadily grown 10% each of the last five years and sales total over \$2.5B. In FY 2021, the estimated savings in the MHEC region was over \$34M.

## Next Steps

MHEC is continuously developing strategic contracts, with guidance from MHEC's Technologies Community. Over the next year MHEC anticipates conducting a solicitation for data analytics and corresponding integration solutions, focused on student success and institutional efficiencies. Solicitation announcements are formally published in the [Minnesota State Register](#) and on [MHEC's news page](#). Once a contract is awarded, the Technologies Community assists MHEC with managing the vendor relationships.

## MHEC Annual Estimated Savings for Entities and Citizens

MHEC Member States	2020-2021 Annual State Commitment	Technology <sup>1</sup>	Master Property Program <sup>2</sup>	Midwestern-State Authorization Reciprocity Agreement <sup>3</sup>	State Contract and Programs Total Savings	Citizen Savings through the Midwest Student Exchange Program <sup>4</sup>	Total Annual Savings
<b>Illinois</b> Member Since 8/20/1991	115,000	8,725,836	NP <sup>5</sup>	3,928,476	12,654,312	34,143,482	46,797,794
<b>Indiana</b> Member Since 3/14/1996	115,000	4,384,954	NP <sup>5</sup>	1,520,097	5,905,051	840,247	6,745,298
<b>Iowa</b> Member Since 6/6/2005	115,000	778,207	-	2,349,061	3,127,268	NP <sup>5</sup>	3,127,268
<b>Kansas</b> Member Since 4/25/1990	115,000	1,711,231	2,161,931	1,110,084	4,983,246	3,518,075	8,501,321
<b>Michigan</b> Member Since 7/24/1990	115,000	4,605,621	545,384	3,061,458	8,212,463	2,673,553	10,886,016
<b>Minnesota</b> Member Since 4/26/1990	115,000	2,551,262	NP <sup>5</sup>	2,830,955	5,382,217	2,679,921	8,062,138
<b>Missouri</b> Member Since 5/9/1990	115,000	3,568,714	1,518,288	2,292,136	7,379,138	6,119,175	13,498,313
<b>Nebraska</b> Member Since 6/5/1991	115,000	1,262,748	93,936	719,896	2,076,580	5,846,034	7,922,614
<b>North Dakota</b> Member Since 4/22/1999	115,000	754,234	NP <sup>5</sup>	352,995	1,107,229	287,387	1,394,616
<b>Ohio</b> Member Since 1/9/1991	115,000	3,194,342	NP <sup>5</sup>	4,850,487	8,044,829	2,765,577	10,810,406
<b>South Dakota</b> Member Since 3/13/2008	115,000	182,713	NP <sup>5</sup>	NP <sup>5</sup>	182,713	NP <sup>5</sup>	182,713
<b>Wisconsin</b> Member Since 4/18/1994	115,000	2,471,788	NP <sup>5</sup>	1,337,142	3,808,930	2,096,353	5,905,283
<b>Program Totals</b>	<b>\$1,380,000</b>	<b>\$34,191,650</b>	<b>\$4,319,539</b>	<b>\$24,352,787</b>	<b>\$62,863,976</b>	<b>\$60,969,804</b>	<b>\$123,833,780</b>

**FOOTNOTES:**

1. Arrow/Commvault, Corel, Dell, HP, Info-Tech, Lenovo, Microfocus, Oracle, Parchment, SAS, Walker and Associates, and Xerox.
2. Based on premium and loss information as of June 30, 2021.
3. As of FY21, M-SARA savings are based on NCHEMS' methodology as explained on NC-SARA Cost Savings website. See <https://nc-sara.org/sara-cost-savings>.

4. Student tuition savings for the academic year 2020-2021.
5. Non-participating state for 2020-2021.

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## Presenters



### **Governor Pete Ricketts**

Governor Pete Ricketts was sworn in as Nebraska's 40<sup>th</sup> Governor on January 8, 2015, and reelected to a second term in November 2018.

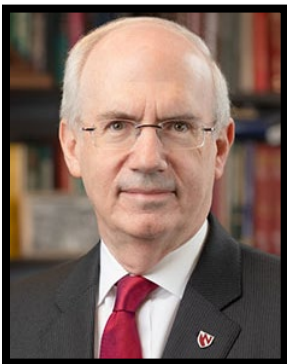
Over the past seven years, Governor Ricketts has worked with the Legislature to deliver \$3 billion in direct property tax relief, dramatically reduce the rate of state spending growth, develop Nebraska's workforce, improve operations, cut red tape, and expand international markets for Nebraska's farmers and ranchers. Thanks in part to the Governor's leadership, Nebraska won the Governor's Cup for the most economic development projects per capita three years in a row from 2016 to 2018.

Born in Nebraska City and raised in Omaha, Governor Ricketts is the son of an entrepreneur and a school teacher. He and his wife, First Lady Susanne Shore, have been married for 24 years and live in Omaha. They have three children: Roscoe, Margot, and Eleanor.

Governor Ricketts graduated from Westside High School before attending the University of Chicago where he earned his bachelor's degree in biology and an MBA in marketing and finance. After graduate school, he returned to Omaha and worked for Union Pacific before eventually becoming the President and COO of his family's business, Ameritrade.

Prior to his election as governor, he worked to support Nebraska entrepreneurs and startup companies. He is the founder of Drakon, LLC that supports local entrepreneurs and startup companies. He is also a past board member of TD Ameritrade's Board of Directors and the Chicago Cubs baseball team.

Governor Ricketts has taken on leadership roles in local and state associations and organizations. Currently, he serves on the board of directors of Jobs for America's Graduates, as a director of the Nebraska Game and Parks Foundation, as a member of the Board of Advisors of Opportunity Education Foundation, on the board of the Mid-American Council of the Boy Scouts, as a member of the Archbishop's Committee for Development, as a member of the Knights of Columbus, and as a Knight of the Holy Sepulchre. Governor Ricketts and his family attend St. Margaret Mary's church.



### **Dr. Jeffrey Gold, M.D.**

Provost and Executive Vice President, University of Nebraska System  
Chancellor, University of Nebraska Medical Center

Dr. Jeffrey P. Gold is a nationally recognized leader and tireless advocate for transforming higher education, academic medicine and health care delivery.

He became the eighth chancellor of the University of Nebraska Medical Center, vice president of the University of Nebraska System and chair of the board of UNMC's principal clinical care academic health system partner, Nebraska Medicine, in early 2014.

In July 2021, Dr. Gold also was named provost and executive vice president of the University of Nebraska System, in addition to his ongoing UNMC/Nebraska Medicine responsibilities. In this

role, Dr. Gold is the chief academic officer of the University of Nebraska System and liaison to the Board of Regents for Academic Affairs.

As UNMC's chief executive officer, Dr. Gold is responsible for all aspects of campus leadership, program quality and operations, including seven colleges, numerous institutes, a staff and faculty of about 7,000 and 4,300 health professions students. Additionally, Nebraska Medicine has more than 8,500 employees and an operating budget of well more than \$1.9 billion. The combined economic impact of the "500-mile campus" academic health center exceeds \$5.9 billion.

From May 2017 to June 2021, Dr. Gold also served as chancellor of the University of Nebraska Omaha, the state's public metropolitan university. UNO has an enrollment of more than 13,000 undergraduate students and 3,000 graduate students, a broad public service mission, and an NCAA Division I athletic program.

Dr. Gold holds a health professions academic appointment at the rank of professor in the UNMC College of Medicine, as well as in the UNMC College of Public Health, where his research interests in population health are concentrated.



**Michael Keibler, Ed.D.**

Executive Director, Cooperative Education and Industry Liaison  
Wayne State College

Dr. Michael Keibler is the Executive Director, Cooperative Education and Industry Liaison at Wayne State College. He has been in this position since July 2020, moving from Indiana where he spent over a decade working with medical, international, and engineering students at the University of Louisville. Michael currently oversees the development and implementation of the Growing Together Career Scholars program, a cohort-based cooperative education program that is directed at workforce development. He received his

undergraduate and graduate degrees in Organizational Development and Leadership from the University of Louisville, and his Doctor of Education in Higher Education from Morehead State University. Prior to working in higher education, Michael spent almost two decades in sales management, and two tours in the U.S. Air Force in Texas and Germany. He has traveled extensively, coordinating faculty-led medical and service-learning trips with students to Ecuador, Peru, and China. Michael enjoys golf, exploring rural Nebraska, and time on the beach. His greatest passion is spending time with family, which includes a son and daughter.



**Gina Ligon, Ed.D.**

Center Director  
National Counterterrorism Innovation, Technology, and Education  
(NCITE) Center

NCITE is led by Gina Ligon, who has a distinguished career as a researcher and educator. She is an industrial-organizational psychologist with proven terrorism expertise and serves as the point of contact for all critical center functions.

As a professor of management in the College of Business Administration, she holds the Jack and Stephanie Koraleski Chair of Collaboration Science at the University of Nebraska at Omaha. She is a research fellow at the

Program on Extremism at George Washington University and has served on Office of the Director of National Intelligence panels for the National Academy of Science, Engineering, and Medicine.

Dr. Ligon has published over 80 peer-reviewed articles related to violent extremist organizations, leadership, and collaboration and has been awarded over \$40 million in grants and contracts since coming to UNO in 2011. As the former editor of the journal *Dynamics of Asymmetric Conflict: Pathways toward Terrorism and Genocide*, she also serves on the editorial board of four academic journals devoted to terrorism studies, leadership, and innovation. She has worked with DHS academic centers of excellence since 2010 as part of three different consortia. She briefs to NCTC, DoD, DHS, NMEC, and other federal agencies on international and domestic terrorist organizations.

She has been featured by The Washington Post and appeared in publications including The Hill, The Independent, and in Nebraska news media outlets.

She received her Ph.D. in industrial and organizational psychology and minor in quantitative psychology from the University of Oklahoma.



**Marysz Rames, Ed.D.**

President  
Wayne State College

Dr. Marysz Rames was appointed the 13th president of Wayne State College in 2015. Her tenure has been marked by a strong focus on the future of the college's academic programs, partnerships, Strategic Enrollment Planning, fundraising, raising the College's visibility, and constructing and renovating facilities to enhance student learning. Under President Rames' leadership, Wayne State's total enrollment has increased by 20% and academic programs have grown from 90 to 130 with a focus on degrees that align with the changing work force needs. Additionally, there has been a focus on building relationships and solidifying partnerships with the University of Nebraska system, community colleges, and school districts to provide students with seamless pathways to reaching their goal of earning a degree.

Dr. Rames earned her doctorate in adult and higher education from the University of South Dakota. She earned her bachelor of science degree in business administration and communication studies, with a minor in economics and her master's degree in educational administration from University of Northern Colorado.

She came to Wayne State from Dakota State University in S.D., where she had served as interim president since Aug. 15, 2014. Prior to her interim appointment, Dr. Rames served as the vice president for student affairs from 2000 to 2015 at South Dakota State University.

## Strategic Planning Consultant



**Kathy Graves**

Parenteau Graves

Kathy Graves heads the firm's strategic and communications planning. She is the recipient of a Minnesota Newspaper Award for feature writing, a Minnesota Magazine & Publishing Association Excellence Award, The Minneapolis Award, and the ARC Changemaker Award. She also is the co-author and editor of *Indians in Minnesota* (University of Minnesota Press) and teaches writing at Metropolitan State University. Prior to forming Parenteau Graves in 1994, Kathy served as marketing and public relations director for The Minnesota and Virginia Operas and on the staff of U.S. Senator Gary Hart. She also was the arts writer for the *Southwest Journal* for seven years and a Mondale Policy Fellow at the Humphrey School of Public Affairs. Her board service includes the Friends of the Hennepin County Library, PACER Center, Mayflower Church, and Mind Body Solutions. Kathy has a degree in political science and English from Colorado College.



## MHEC Commissioners

### Executive Officers

Acting Chair: Devinder Malhotra, Minnesota  
Vice Chair: Devinder Malhotra, Minnesota  
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Indiana: Jon Ford, Ken Sauer  
Iowa: Olivia Madison, Sharon Steckman  
Kansas: Barbara Ballard, Blake Flanders  
Michigan: David Eisler, Brandy Johnson  
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Missouri: Kayla Hahn, *TBD*  
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Ohio: Gary Cates, Jerry Cirino  
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### ILLINOIS



<https://www.mhec.org/states/illinois>

#### **Scott Bennett**

State Senator; Chair, Higher Education  
Illinois General Assembly



#### **Katie Stuart**

State Representative; Member, Higher Education Committee  
Illinois General Assembly

#### **VACANCY**

Appointing Authority: Illinois Governor's Office (Designee)

#### **VACANCY**

Appointing Authority: Illinois Board of Higher Education

#### **VACANCY**

Appointing Authority: Illinois Community College Board



## INDIANA

<https://www.mhec.org/states/indiana>



**Jon Ford**

State Senator; Member, Appropriations Committee  
Indiana General Assembly



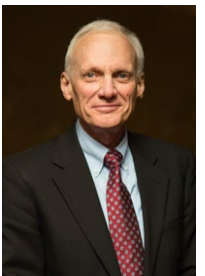
**Jack Jordan**

State Representative; Vice Chair, Education Committee  
Indiana General Assembly



**Ronald S. Rochon**

President  
University of Southern Indiana



**Ken Sauer**

Indiana Governor's Designee; and Senior Associate Commissioner and Chief  
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Indiana Commission for Higher Education



**David W. Wantz**

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Independent Colleges of Indiana

## IOWA

<https://www.mhec.org/states/iowa>



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Regent  
Board of Regents, State of Iowa



**Derrick R. Franck**  
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Iowa Association of Community College Trustees



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Iowa Governor's Designee; and Professor Emerita and  
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**Sharon S. Steckman**  
State Representative; Ranking Member, Education Committees  
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**Andrew J. Baumert** (Commissioner Alternate)  
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**Jacob Bossman** (Commissioner Alternate)  
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Iowa Governor's Designee; and Senior Vice President  
First National Bank



**Herman Quirnbach** (Commissioner Alternate)  
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Iowa Legislature



**Mark Wiederspan** (Commissioner Alternate)  
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Associate Director, Robert J. Dole Institute



**Molly Baumgardner**  
State Senator; Chair, Senate Education Committee  
Kansas Legislature



**Blake Flanders**  
President and CEO  
Kansas Board of Regents



**Aaron A. Otto**  
Kansas Governor's Designee



**Allen Schmidt**  
Board Member  
Kansas Board of Regents



**Marci Francisco** (Commissioner Alternate)  
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Kansas Legislature



**Ken Rahjes** (Commissioner Alternate)  
State Representative; Chair, Higher Education Budget  
Kansas Legislature

## **MICHIGAN**

<https://www.mhec.org/states/michigan>



**David L. Eisler**  
President  
Ferris State University



**Ben Frederick**  
State Representative; Majority Floor Leader  
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**Brandy M. Johnson**  
Michigan Governor's Designee; and President  
Michigan Community College Association



**Kim LaSata**  
State Senator; Chair, Appropriations Subcommittee on Universities and  
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Michigan Legislature



**Bill Pink**  
President  
Grand Rapids Community College  
*(Incoming President of Ferris State University, July 11, 2022)*



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Michigan Association of State Universities



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President  
State Board of Education

**MINNESOTA**

<https://www.mhec.org/states/minnesota>



**Connie Bernardy**  
State Representative; Chair, Higher Education Finance and Policy Division  
Minnesota Legislature



**Michael Goh**  
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**Devinder Malhotra**  
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**Dennis Olson**  
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**David Tomassoni**  
State Senator; President Pro Tem & Chair, Higher Education Finance &  
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## MISSOURI

<https://www.mhec.org/states/missouri>



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State Representative; Vice Chairman, Higher Education Committee  
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**NEBRASKA**

<https://www.mhec.org/states/nebraska>



**John Cavanaugh**  
State Senator  
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**Randolph M. Ferlic**  
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Commission Member  
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**Susan M. Fritz**  
Executive Vice President and Provost Emerita  
University of Nebraska System



**Lynne Walz**  
State Senator; Member, Education Committee  
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**Mike Baumgartner** (Commissioner Alternate)  
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**NORTH DAKOTA**

<https://www.mhec.org/states/north-dakota>



**Kyle Davison**  
State Senator; Member, Appropriations Committee  
North Dakota Legislative Assembly



**Tim Flakoll**  
North Dakota Governor's Designee



**Mark Hagerott**  
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**Tim Mihalick**

Board Member, State Board of Higher Education  
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**OHIO**

<https://www.mhec.org/states/ohio>



**Gary Cates**

Senior Vice Chancellor  
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**Jerry Cirino**

State Senator; Vice Chair, Senate Workforce & Higher Education Committee  
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**Jon Cross**  
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**Mike Duffey**  
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**SOUTH DAKOTA**

<https://www.mhec.org/states/south-dakota>



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**VACANCY**

Appointing Authority  
Executive Board of the South Dakota Legislative Research Council (Senate)

**VACANCY**

Appointing Authority  
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**Reynold Nesiba** (Commissioner Alternate)

State Senator; Member, Joint Committee on Appropriations  
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State Representative; Majority Whip  
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## WISCONSIN

<https://www.mhec.org/states/wisconsin>



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**Julie Underwood**  
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**Morna K. Foy** (Commissioner Alternate)  
President  
Wisconsin Technical College System



**Sean P. Nelson** (Commissioner Alternate)  
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University of Wisconsin System

## **MHEC Committees**

<https://www.mhec.org/about/committees>

M-SARA Regional Steering Committee  
Master Property Program Leadership Committee  
Master Property Program Loss Control Workshop Subcommittee  
Midwest Student Exchange Program Council  
Multi-State Collaborative on Military Credit Steering Committee  
Review Panel for State Policy and Performance Data  
Student Health Benefits Advisory Committee  
Technologies Executive Committee  
Technologies Community



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OER & MCTA  
Policy & Research

**Fiona Yung**

MSEP  
Policy & Research



# MHEC STRATEGIC FRAMEWORK

## PRIORITIES 2020–2021

### VISION:

MHEC members collaborate to address the region's most pressing challenges in higher education and transform educational opportunities so that people and communities thrive.

### MISSION:

MHEC brings together midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

### WHO MHEC SERVES:

MHEC is comprised of member states from the midwestern United States. MHEC works with and for a variety of stakeholders within and across member states, including higher education system leaders, state policymakers, legislators, and institutional leaders, while always maintaining a focus on students and their success.

### HOW MHEC WORKS:

MHEC's strategic approach highlights member states' strong desire for collaboration, effectiveness, and efficiency. MHEC believes that collaborative actions informed by research and best practices are the catalyst for improving quality, accessibility, relevance, and affordability of postsecondary educational opportunities. MHEC does this primarily through the following approaches: convenings, programs, research, and cost-savings contracts. Increasingly, MHEC looks to leverage these approaches in conjunction with each other to serve its strategic priorities.

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## STRATEGIC PRIORITIES, 2020–2021:

The current MHEC strategic plan highlights three challenges for higher education in midwestern states: 1) shifting demographics; 2) evolving modes of packaging and delivering education; and 3) declining share of public investment in higher education. MHEC will continue supporting states' responses to these pressures by shaping its focus around the following strategic priorities:

1. *Increase access, promote affordability, and improve outcomes for all of the region's learners, including the historically underserved.*
2. *Foster a culture of continuous learning through increasingly aligned educational and workforce systems.*
3. *Sustain and advance affordable, high-quality educational opportunities through cost-savings initiatives.*
4. *Understand and communicate the value of and return on investment in higher education.*

Focusing on these priorities will allow MHEC to continue serving, supporting, and adding value to states in the near future, while also paving the way for the years beyond.

## STRATEGIC PRIORITY 1:

### **Increase access, promote affordability, and improve outcomes for all of the region's learners, including the historically underserved.**

The goal of this priority is to recognize that the diversity of today's learners and the changing demographics of the Midwest necessitate new ways of thinking about engaging and supporting students in the region. It also recognizes there are groups of students, including students of color, adults, low-income, first-generation, and students from rural communities, for whom barriers to equitable access and outcomes remain. Affordability, in particular, creates access issues. MHEC provides value for member states by facilitating the sharing of best practices in policies and programs that support the success of all students, with attention to underserved populations.

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#### STRATEGIES:

- Work with states to better understand the needs of and serve military-connected students. MHEC will continue to work with interested members and leaders in this field to identify

challenges, share best practices, and support the development of policies and practices that better serve military-connected students.

- Support states to better serve nontraditional students. MHEC will share research to better understand the specific challenges facing nontraditional students and share best practices on policies and programs to serve them (e.g. credit for prior learning, competency-based education).
- Further efforts to support concurrent enrollment opportunities for midwestern students, including addressing instructor qualification concerns, by collaborating with partners to gather, develop, and disseminate best practices, and leveraging research expertise to better understand challenges.
- Further develop opportunities for Open Educational Resources (OER) and access to other lower-cost learning materials via collaboration with other compacts. In addition, explore other potential strategies for increasing the usage and effectiveness of alternate learning materials within midwestern states.

## STRATEGIC PRIORITY 2:

### **Foster a culture of continuous learning through increasingly aligned educational and workforce systems.**

The goal of this priority is to support states in advancing a culture of continuous learning, recognizing that technology and other factors create continuous demand for new skills and new modes of educational delivery. Building a more adaptive, responsive system to meet learner and workforce needs requires ever-stronger relationships between education and workforce. This priority recognizes that communication and partnerships between K-12, higher education, and workforce forms the foundation for meaningful policy and programmatic changes.

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#### STRATEGIES:

- Highlight effective practices in K12, higher education, and workforce alignment, and identify and support opportunities that foster such partnerships in the region.
- Support states in efforts to define and catalog high-quality nondegree credentials in their states and provide credit for learning outside of the classroom, and seek opportunities to partner with other national organizations and regional compacts to further this work.
- Develop additional support for states interested in furthering workforce-aligned educational opportunities, such as apprenticeships and partnerships with local chambers of commerce.
- In harmony with Strategic Priority 1, further the work to facilitate access to concurrent enrollment for students in the Midwest region.

## STRATEGIC PRIORITY 3:

### **Sustain and advance affordable, high-quality educational opportunities through cost-savings initiatives.**

This priority recognizes that the midwestern region faces ongoing challenges with the costs of higher education: institutions grappling with sustainability in the face of declining enrollment and declining public funding, state budgets with limited room to increase funding due to economic decline and tax capacity, and debt-burdened students. Approaching these challenges creatively and collaboratively can help ensure higher education remains a strong thread in the midwestern fabric and that students have access to affordable educational opportunities that provide a strong return on investment.

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#### **STRATEGIES:**

- Continue building on the success of purchasing contracts and programs, such as technology contracts and property insurance, by exploring new opportunities. MHEC will look for ways to incorporate process improvements into contracts work to continually advance effectiveness.
- Provide opportunities for states to learn about strategies for lowering costs, including:
  - Examining the overall higher education “business model”;
  - Strategies to better serve students resulting in less cost to the student and institution; and
  - New models for funding student education.
- Intentionally align MHEC cost-savings contract and program work with opportunities to improve student success, such as in student health insurance work. Explore opportunities for more contracts impacting academic and student support work at institutions.
- Continue supporting lower-cost, high-quality opportunities for students to broaden their educational options through ongoing work with the National Council for State Authorization Reciprocity Agreements (NC-SARA).
- Use social media to elevate the leadership role of MHEC and midwestern states in cost management and control.
- In harmony with Strategic Priority 1, further support opportunities to lower costs for students, including the Multi-State Collaborative on Military Credit (MCMC), concurrent enrollment, Open Educational Resources (OER) and access to other learning materials, and the Midwest Student Exchange Program (MSEP).

## STRATEGIC PRIORITY 4:

### **Understand and communicate the value of and return on investment in higher education.**

The goal of this priority is to support students in assessing the value of postsecondary paths, to support institutions in articulating their value within their states, and to support policymakers in accessing relevant data.

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#### **STRATEGIES:**

- Host national experts and showcase practices from states on communicating and promoting the value of higher education at one or more convenings. The insights will inform policymakers and system and campus leaders.
- Assess the viability of a MHEC-led social media and communications strategy to convey a data-driven message on the clear value proposition of higher education and return on investment for states and their economies, institutions, industry, communities, and students.
- Develop, publish, and support the higher education community in using an interactive data dashboard that highlights higher education outcomes and linked quality of life outcomes across the midwestern region and nation.
- In harmony with Strategic Priority 2, explore ways to support states in gaining a better understanding of credentials of value and in communicating that information to students and families.

## ABOUT THE STRATEGIC PLANNING PROCESS:

The Midwestern Higher Education Compact (MHEC) operates under a four-year strategic plan, with the current plan guiding 2017-2021. At this mid-point of the strategic plan, MHEC partnered with HCM Strategists (HCM), a public policy and advocacy consulting firm focused on reducing disparities in education and health, to support a strategic positioning process and midpoint reflection.

The work began by seeking to answer the following questions: (1) What is MHEC's purpose? (2) Where has MHEC experienced the most success? (3) What are the broad topics of interest to commissioners and in which of MHEC's offerings (convenings, research, programs, contracts) do they find most value? (4) What are some of the distinctive concerns of MHEC's member states? (5) What areas of interest will best advance MHEC's mission over the next few years?

In order to answer those questions, HCM undertook a multi-step process that drew upon the 2019 Environmental Scan performed by the Academic Search firm and additional complementary research. After the research HCM engaged with MHEC staff, officers, and commissioners to further define priorities and strategies. HCM surveyed MHEC commissioners, which then informed a discussion and planning process with MHEC staff and officers in November 2019. This resulted in a draft strategic midpoint plan shared with commissioners for feedback at the November 2019 Annual Commission Meeting. The final result was a Strategic Framework to complement the existing strategic plan.

Thank you to the many who contributed to the development of this Strategic Framework, including MHEC staff, officers, and commissioners, as well as to the leaders at national and regional organizations who provided insight and feedback as part of the environmental scan that established the groundwork for this framework.

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# The Midwestern Regional Higher Education *Compact*

*Entered into by and between the States signatory hereto, to advance higher education through interstate cooperation to meet the needs of the Midwestern Region of the United States of America.*

## **ARTICLE I. PURPOSE**

The purpose of the Midwestern Higher Education Compact shall be to provide greater higher education opportunities and services in the Midwestern region, with the aim of furthering regional access to, research in and choice of higher education for the citizens residing in the several states which are parties to this Compact.

## **ARTICLE II. THE COMMISSION**

The compacting states hereby create the Midwestern Higher Education Commission, hereinafter called the Commission. The Commission shall be a body corporate of each compacting state. The Commission shall have all the responsibilities, powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this Compact.

The Commission shall consist of five resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the

legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One of the two at-large members initially appointed in each state shall serve a two-year term. The other, and any regularly appointed successor to either at-large member, shall serve a four-year term. All vacancies shall be filled in accordance with the laws of the appointed states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

The Commission shall select annually, from among its members, a chairperson, a vice chairperson and a treasurer.

The Commission shall appoint an executive director who shall serve at its pleasure and who shall act as secretary to the Commission. The treasurer, the executive director and such other personnel as the Commission may determine, shall be bonded in such amounts as the Commission may require.

The Commission shall meet at least once each calendar year. The chairperson may call additional meetings and upon the request of a majority of the Commission members of three or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.



Each compacting state represented at any meeting of the Commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Commission.

### **ARTICLE III. POWERS AND DUTIES OF THE COMMISSION**

The Commission shall adopt a seal and suitable bylaws governing its management and operations.

Irrespective of the civil service, personnel or other merit system laws of any of the compacting states, the Commission in its bylaws shall provide for the personnel policies and programs of the Compact.

The Commission shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

The Commission shall report annually to the legislatures and governors of the compacting states, to the Midwestern Governors' Conference and to the Midwestern Legislative Conference of the Council of State Governments concerning the activities of the Commission during the preceding year. Such reports shall also embody any recommendations that may have been adopted by the Commission.

The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency, from any interstate

agency, or from any institution, foundation, person, firm or corporation.

The Commission may accept for any of its purposes and functions under the Compact any and all donations and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize and dispose of the same.

The Commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in non-member states and with any of the various states of these United States to provide adequate programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and inter-state organizations or agencies, determine the cost of providing the programs and services in higher education for use of these agreements.

The Commission may establish and maintain offices, which shall be located within one or more of the compacting states.

The Commission may establish committees and hire staff as it deems necessary for the carrying out of its functions.

The Commission may provide for actual and necessary expenses for attendance of its members at official meetings of the Commission or its designated committees.

#### **ARTICLE IV. ACTIVITIES OF THE COMMISSION**

The Commission shall collect data on the long-range effects of the Compact on higher education. By the end of the fourth year from the effective date of the Compact and every two years thereafter, the Commission shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the compact.

The Commission shall study issues in higher education of particular concern to the Midwestern region. The Commission shall also study the needs for higher education programs and services in the compacting states and the resources for meeting such needs. The Commission shall from time to time prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the Commission may confer with any national or regional planning body. The Commission may redraft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

The Commission shall study the need for provision of adequate programs and services in higher education, such as undergraduate, graduate or professional student exchanges in the region. If a need for exchange in a field is apparent, the Commission may enter into such agreements with any higher education institution and with any of the compacting states to provide programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and the compacting states, determine the costs of providing the

programs and services in higher education for use in its agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the Commission, for carrying out the agreements. The Commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education's programs and services.

The Commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

In addition to the activities of the Commission previously noted, the Commission may provide services and research in other areas of regional concern.

#### **ARTICLE V. FINANCE**

The monies necessary to finance the general operations of the Commission not otherwise provided for in carrying forth its duties, responsibilities and powers as stated herein shall be appropriated to the Commission by the compacting states, when authorized by the respective legislatures by equal apportionment among the compacting states.

The Commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its

bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

The accounts of the Commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the Commission.

#### **ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE**

The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin shall be eligible to become party to this Compact. Additional states will be eligible if approved by a majority of the compacting states.

As to any eligible party state, this Compact shall become effective when its legislature shall have enacted the same into law; provided that it shall not become initially effective until enacted into law by five states prior to the 31st day of December 1995.

Amendments to the Compact shall become effective upon their enactment by the legislatures of all compacting states.

#### **ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION**

Any compacting state may withdraw from this Compact by enacting a statute repealing the Compact, but such withdrawal shall not become effective until two years

after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this Compact, all rights, privileges and benefits conferred by this Compact or agreements here-under shall be suspended from the effective date of such default as fixed by the Commission, and the Commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default shall be remedied under the stipulations and within the time period set forth by the Commission, this Compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as stipulated by the Commission.

#### **ARTICLE VIII. SEVERABILITY AND CONSTRUCTION**

The provisions of this Compact entered into hereunder shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of

the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact entered into hereunder shall be held contrary to the constitution of any compacting state, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this Compact entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

*This compact is now in full force and effect, having been approved by the governors and legislatures of more than five of the eligible states.*

**MEMBER STATES**

State of Illinois  
By Jim Edgar  
August 20, 1991

State of Michigan  
By James A. Blanchard  
July 24, 1990

State of North Dakota  
By Edward T. Schafer  
April 22, 1999

State of Indiana  
By Evan Bayh  
March 14, 1996

State of Minnesota  
By Rudolph Perpich  
April 26, 1990

State of Ohio  
By Richard F. Celeste  
January 9, 1991

State of Iowa  
By Tom Vilsack  
June 6, 2005

State of Missouri  
By John D. Ashcroft  
May 9, 1990

State of South Dakota  
By Mike Rounds  
March 13, 2008

State of Kansas  
By Michael Hayden  
April 25, 1990

State of Nebraska  
By Ben Nelson  
June 5, 1991

State of Wisconsin  
By Tommy Thompson  
April 18, 1994

# Midwestern Higher Education Commission

## Bylaws

### Article I. Commission Purpose, Functions and Bylaws

#### Section 1. Purpose.

Pursuant to the terms of the Midwestern Higher Education Compact (hereinafter referred to as "the compact"), the Midwestern Higher Education Commission (hereinafter referred to as "the commission") is established to fulfill the objectives of the compact, including the development and promotion within the compacting states, of new and more efficient opportunities in higher education.

#### Section 2. Functions.

In pursuit of the fundamental objectives set forth in the compact, the commission shall, as necessary or required, exercise all of the powers and fulfill all of the duties delegated to it by the compacting states. The commission's activities shall include the preparation of reports, studies and recommendations, the provision of information and consulting services, the facilitation of resource sharing and exchanges, and the promotion and implementation of other initiatives related to the improvement of higher education in the compacting states, as provided by the compact, or as determined by the commission to be warranted by, and consistent with, the objectives and provisions of the compact.

The president (referred to as executive director in the compact statute) serves as the commission's principal administrator.

#### Section 3. Bylaws.

As required by the compact, these bylaws shall govern the management and operations of the commission. As adopted and subsequently amended, these bylaws shall remain at all times subject to, and limited by, the terms of the compact.

### Article II. Membership

#### Section 1. Commission Members.

The commission membership shall be comprised as provided in the compact. The appointing authorities in each of the compacting states shall forward the names of their appointees to the commission chair. After verifying compliance with the compact provisions governing commission appointments, the commission chair shall promptly acknowledge the receipt of all qualified appointments by letter to both the appropriate appointing authorities and the designated appointees. The commission chair shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon the expiration of designated terms of the occurrence of mid-term vacancies.

## Section 2. Affiliate Members.

States not eligible to become a party to the compact and/or Canadian Provinces may become affiliate members of the commission when mutual interests exist and when it would benefit the compact to enter into such arrangements. Such other states and/or Canadian Provinces may be afforded status as affiliate members to the commission in accordance with policies and procedures approved by the commission.

The compact legislation must be approved by affiliate member states or provinces prior to being afforded affiliate member status.

## Section 3. Associate Members.

Entities not eligible to become members of the compact may be afforded status as associate members of the commission in accordance with the policies and procedures approved by the commission.

## Section 4. Compact Participation in MHEC Programs.

For the 12 states identified in Article VI of the MHEC compact statute, the MHEC compact statute must remain in effect in order for those states to participate in MHEC programs and services

## Article III. Officers

### Section 1. Election and Succession.

As provided by the compact, the officers of the commission shall include a chair, vice chair, past chair, and a treasurer, all of whom shall be duly appointed commission members.

Officers shall be elected by the commission at any meeting at which a quorum is present. The chair, vice chair and treasurer shall serve one-year terms or until their successors are elected by the commission. The vice chair shall succeed to the office of chair upon completion of the chairperson's term of office. The treasurer shall succeed to the office of vice chair upon completion of the vice chair's term of office.

### Section 2. Duties.

The four officers shall perform all duties of their respective offices as provided by the compact and these bylaws. Such duties shall include, but are not limited to, the following:

- a. Chair. The chair shall call and preside at all meetings of the commission, shall prepare agendas for such meetings, shall make appointments to all committees of the commission, and, in accordance with the commission's directions, or subject to ratification by the commission, shall act on the commission's behalf during the interims between commission meetings.
- b. Vice Chair. The vice chair shall, in the absence or at the direction of the chair, perform any or all of the duties of the chair. In the event of a vacancy in the office of chair, the vice chair shall serve as acting chair until a new chair is elected by the commission.
- c. Treasurer. The treasurer, with the assistance of the commission's president, shall act as custodian of all commission funds and shall be responsible for monitoring the

administration of all fiscal policies and procedures set forth in the compact or adopted by the commission. Pursuant to the compact, the treasurer shall execute such bond as may be required by the commission covering the treasurer, the president and any other officers, commission members and commission personnel, as determined by the commission, who may be responsible for the receipt, disbursement, or management of commission funds.

- d. Past Chair. Commencing upon completion of the term of office of chair, the past chair, if still a duly appointed commissioner, shall serve one year in the position of past chair. The past chair shall, in the absence or at the discretion of the chair and vice chair, perform any or all of the duties of the chair. In the event of a vacancy in the office of the chair and vice chair, the past chair shall serve as acting chair until a new chair or vice chair is elected by the commission.

## **Article IV. Commission Personnel**

### **Section 1. Commission Staff and Offices**

The commission shall appoint a president, who shall serve at its pleasure and who shall act as chief executive officer and secretary to the commission. The president shall hire and supervise such other staff as may be authorized by the commission. The president shall establish and manage the commission's office or offices, which shall be located in one or more of the compacting states as determined by the commission.

### **Section 2. Duties of the President.**

The president serves as the commission's principal administrator and secretary.

1. Principal Administrator. As the commission's principal administrator, the president shall perform such duties as may be delegated by the commission or required by the compact and these bylaws, including, but not limited to, the following:
  - a. Recommend general policies and program initiatives for the commission's consideration.
  - b. Recommend for the commission's consideration administrative and personnel policies governing the recruitment, hiring, management, compensation and dismissal of commission staff.
  - c. Implement and monitor the administration of all policies and program initiatives adopted by the commission.
  - d. Prepare draft annual budgets for the commission's consideration.
  - e. Monitor all commission expenditures for compliance with approved budgets and maintain accurate records of account.
  - f. Assist commission members as directed in securing required appropriations from the compacting states;
  - g. Execute contracts on behalf of the commission as directed.
  - h. Receive service of process on behalf of the commission.



- i. Prepare and disseminate all required reports and notices as directed by the commission.
2. Secretary. As the commission's secretary, the president shall keep minutes of all commission and executive committee meetings and shall act as the custodian of all documents and records pertaining to the status of the compact and business of the commission.

### Section 3. Policy and Programmatic Committees.

In functioning as the commission's principal administrator, the president may establish committees to help explore and implement commission policies and program initiatives. The president shall appoint the members of the committees and shall determine the composition, procedures, duties, budget and tenure of such committees.

At the discretion of the president, the positions of chair and vice chair may be established for each committee. If a chair and vice chair is established, the president shall appoint the chair and vice chair following nominations from members of the respective committees. The term of office for the chair and vice chair shall be two years. The vice chair shall succeed the chair upon the expiration of the chair's term. The chair and vice chair shall serve at the pleasure of the president. The duties of the chair and vice chair shall include, but not be limited to, the following:

- a. Chair: The chair shall call and preside at all meetings of the committee, shall prepare agendas for such meetings, and in accordance with the committee's directions and subject to the president's approval, shall act on the committee's behalf during the interim between committee meetings.
- b. Vice Chair: The vice chair shall, in the absence or at the direction of the chair, perform any or all of the duties of the chair. In the event of a vacancy in the office of the chair, the vice chair shall serve as acting chair until the president appoints a new chair.

## Article V. Meetings of the Commission.

### Section 1. Meetings and Notice.

The commission shall meet at least once each calendar year at a time and place to be determined by the commission. Additional meetings may be scheduled at the discretion of the chair and must be called upon the request of a qualified number of commission members, as provided in the compact. All commission members shall be given written notice of commission meetings at least 30 days prior to their scheduled dates.

Final agendas shall be provided to all commission members no later than 10 days prior to any meeting of the commission. Thereafter, additional agenda items requiring commission action may not be added to the final agenda, except by a vote of the commission in which two-thirds of the compacting states vote aye. All commission meetings, except executive sessions limited to personnel matters, shall be open to the public and prior public notice shall be provided in a manner consistent with the customs and practices of the compacting states.

## Section 2. Quorum.

Commission members representing a majority of the compacting states and affiliate members shall constitute a quorum for the transaction of business, except as otherwise required in these bylaws. The presence of one or more commission members from a compacting state is sufficient to constitute the presence of that state for purposes of determining the existence of a quorum, provided the delegation present is entitled to vote on behalf of the state represented. The presence of a quorum must be established before any vote of the commission can be taken.

## Section 3. Voting.

Each compacting state represented at any meeting of the commission is entitled to one vote. Fractional voting is prohibited. Each affiliate member represented at any meeting of the commission is entitled to one vote. The commission members representing a single compacting state may, subject to applicable state laws, employ the means of their choice for determining their state's vote.

In the event that a minimum number of commission members is required by a compacting state to be present at a commission meeting in order to vote on behalf of such state, the presence of that number of commission members shall also be required by the commission for purposes of determining the existence of a quorum. Except as otherwise required by the compact or these bylaws, any question submitted to a vote of the commission shall be determined by a simple majority.

## Section 4. Procedure.

Matters of parliamentary procedure not covered by these bylaws shall be governed by Robert's Rules of Order.

## Article VI. Commission Committees

### Section 1. Executive Committee.

The commission shall establish an executive committee, which shall be empowered to act on behalf of the commission during the interims between commission meetings. The composition, procedures, duties, budget, and tenure of such an executive committee shall be determined by the commission, except that each compacting state shall be entitled to equal representation and voting rights on the committee.

Past chairs of the commission that remain duly appointed commission members or that serve as alternate commission members shall serve on the executive committee as ex officio members. The power of such an executive committee to act on behalf of the commission shall at all times be subject to any limitations imposed by the commission, the compact or these bylaws.

### Section 2. Finance and Audit Committee.

The Finance and Audit Committee acts as an advisory committee to the commission and is charged with reviewing and providing guidance on all compact financial matters.

### Section 3. Other Committees.

The commission may establish such other committees as it deems necessary to carry out its objectives. The composition, procedures, duties, budget and tenure of such committees shall be determined by the commission.

## Article VII. Finance

### Section 1. Fiscal Year.

The commission's fiscal year shall begin on July 1 and end on June 30.

### Section 2. Budget.

The commission shall operate on an annual budget cycle and shall, in any given year, adopt budgets for the following fiscal year or years by such time as may be necessary to allow legislative appropriations from the compacting states to be secured. Commission budgets shall be submitted to the compacting states as required by the compact.

### Section 3. Accounting and Audit.

The commission, with the assistance of the president, shall keep accurate and timely accounts of all receipts and disbursements of commission funds. The treasurer, through the president, shall cause the commission's records of account to be audited annually by a certified or licensed public accountant, and, as required by the compact, the report of such audit shall be made a part of the commission's annual report.

### Section 4. Debt Limitations.

The commission shall monitor its own and its committees' affairs for compliance with all provisions of the compact and these bylaws governing the incursion of debt and the pledging of credit.

### Section 5. Travel Reimbursement.

Subject to the availability of budgeted funds, and unless otherwise provided by the commission, commission members shall be reimbursed for any actual and necessary expenses incurred pursuant to their attendance at all duly convened meetings of the commission or its committees.

## Article VIII. Required Reports

In addition to such other reports as may from time to time be required by the compact, these bylaws, or any action of the commission, the commission shall prepare and disseminate the following reports as required by the compact:

- a. An annual report documenting the commission's activities during the preceding year and including the annual audit report and any recommendations that may have been adopted by the commission.

- b. A biannual compact evaluation report, analyzing the effects of the compact on higher education in the compacting states and including recommendations concerning the continuance of the compact.

## **Article IX. Adoption and Amendment of Bylaws**

Any bylaw may be adopted, amended or repealed by a majority vote of the compacting states, provided that written notice and the full text of the proposed action is provided to all commission members at least 30 days prior to the meeting at which the action is to be considered. Failing the required notice, a two-thirds majority of the compacting states shall be required for such action.

*As adopted by the Midwestern Higher Education Commission on March 10, 1991; May 20, 1995; June 20, 2003; November 18, 2004; November 14, 2006; November 14, 2011; June 3, 2019; and November 19, 2019*

## **Upcoming Meeting Save-the-Dates**

### **2022 Annual Commission Meeting**

Monday, November 14 – Wednesday, November 16, 2022

Blackwell Inn at The Ohio State University  
2110 Tuttle Park Place  
Columbus, OH

More information will be posted at [MHEC.org/events](https://mhec.org/events) as it becomes available.

May 2022

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