



# November 2023 Annual Commission Meeting

November 13-15, 2023

The Saint Paul Hotel

350 N Market Street | Saint Paul, MN 55102

Thank you to our Minnesota Commissioners.

Dr. Rachel Croson, Sen. Omar Fatah, Dennis Olson, Dr. Scott Olson,  
Rep. Gene Pelowski, and Paul Cerkvenik (alternate)



## Agenda Book - November 2023 Annual Commission Meeting

### Agenda

#### Meeting Details

Zoom link, hotel & parking info, and offsite venues

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(Central Time)	Monday, November 13, 2023	Location
1:00 p.m. to 2:30 p.m.	<b>Finance and Audit Committee Meeting</b> (for committee members only)	Cedar (Lower Level)
1:00 p.m. to 2:30 p.m.	<b>Governance Committee Meeting</b> (for committee members only)	Lexington (Lower Level)
3:30 p.m.	<b>Board Bus for Optional Tour of the Minnesota State Capitol</b> Meet in hotel lobby	Hotel Lobby
3:35 p.m.	<b>BUS DEPARTS - Optional Tour of the Minnesota State Capitol</b>	75 Rev. Dr. Martin Luther King, Jr. Blvd, St. Paul (1.3 miles)
3:50 p.m.	<b>SECURITY CHECK - Minnesota State Capitol</b>	
4:00 p.m.	<b>OPTIONAL TOUR - Minnesota State Capitol</b> Please wear comfortable shoes. There are elevators available for those who do not wish to climb stairs.  Highlights -The second-largest self-supported marble dome in the world -Exterior marble cleaned and repaired -Decorative art, murals and paintings restored to original 1905 patterns and colors -Exposed limestone foundation walls and new public spaces in basement -Stories about the Capitol's history, art and architecture -The chambers where government decisions are made  <a href="#">View the Minnesota State Capitol Website</a>	
5:00 p.m.	<b>Depart for The Saint Paul Hotel from Capitol</b>	
5:15 p.m.	<b>RECEPTION</b>	Saint Paul Hotel - Drake Landing (Lower Level)
6:00 p.m.	<b>WELCOME</b> Ms. Susan Heegaard, MHEC President	
6:15 p.m.	<b>DINNER</b> A meal card will be provided, based on the entrée option you selected during registration.	
7:00 p.m.	<b>PRESENTATION - Social and Economic Realities of Demographic Shifts in the Midwest</b> Dr. Susan Brower, Minnesota State Demographer, Minnesota State Demographic Center Introduced by: Ms. Susan Heegaard, MHEC President  <a href="#">Learn more about Dr. Susan Brower.</a>	Drake Landing (Lower Level)
7:45 p.m.	<b>CLOSING REMARKS</b> Ms. Susan Heegaard, MHEC President	
(Central Time)	Tuesday, November 14, 2023	Location
7:30 a.m.	<b>BREAKFAST</b>	Summit (Lower Level)
8:30 a.m.	<b>1) Call to Order</b>	Promenade Ballroom (Main Level)

Rep. Barbara Ballard (KS), MHEC Acting Chair

**2) Minnesota Welcome**

Minnesota Governor Tim Walz (Invited); Mr. Dennis Olson,  
Commissioner, Minnesota Office of Higher Education and Governor's  
Designee

[Learn more about Governor Tim Walz.](#)

[Learn more about Commissioner Dennis Olson.](#)

8:50 a.m.

**3) Overview of Hybrid Meeting Guidelines**

Ms. Susan Heegaard, MHEC President

**4) Roll Call of States -**

Ms. Mary Roberson, MHEC Senior Director of Communications and  
Marketing

When the commissioners' member state is called, please indicate  
your presence.

**5) Introductions of Commissioners, Guests, and Staff**

9:15 a.m.

**6) Approval of Agenda - ACTION ITEM 1**

Rep. Barbara Ballard (KS), MHEC Acting Chair

**7) Approval of Annual Commission Meeting Minutes, November  
14-16, 2022 - ACTION ITEM 2**

Rep. Barbara Ballard (KS), MHEC Acting Chair

Approval of November 2022 Minutes

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November 2023 Draft Annual Commission Meeting Minutes

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9:20 a.m.

**8) Report of the MHEC Chair**

Rep. Barbara Ballard (KS), MHEC Acting Chair

November 2023 Acting Chair Report

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9:30 a.m.

**9) Report of the MHEC President**

Ms. Susan Heegaard, MHEC President

November 2023 President Report

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9:40 a.m.

**BREAK**

15-minutes

9:55 a.m.

**10) Federal Update**

Dr. Thomas Harnisch, Vice President of Government Relations, State  
Higher Education Executive Officers

Introduction: Dr. Daniel J. Hurley, CEO, Michigan Association of  
State Universities

Promenade Ballroom  
(Main Level)

[Learn more about Dr. Tom Harnisch.](#)

10:30 a.m.

**11) Perspective from the Midwest: A Legislative Recap and 2024  
Session Preview**

Ms. Laura Tomaka, Director, Council of State Governments, Midwest  
Office

Introduction: Rep. Tyler Tordsen, State Representative; Member,  
House Education Committee, South Dakota Legislature

[Learn more about Laura Tomaka.](#)

11:00 a.m.

**BREAK**

15-minutes

11:15 a.m.

**12) Unfinished Business**

Promenade Ballroom  
(Main Level)

**a) Contract and Program Updates**

Ms. Susan Heegaard, MHEC President; and Mr. Rob  
Trembath, Chief Operating Officer and General Counsel

1. Master Property Program/Stone Arch Captive

2. Technology Contract Payments

3. National Council for State Authorization Reciprocity  
Agreements (NC-SARA)

**13) New Business**

**a) BoardEffect – Board portal introduction**

Mary Roberson, MHEC Sr. Dir. of Communications and Marketing

**Board Portal Introduction**

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Noon

**LUNCH**

Summit (Lower Level)

1:00 p.m.

**14) New Business (continued)**

Promenade Ballroom (Main Level)

**b) Finance and Audit Committee Report**

Mr. Larry Tidemann (SD), Treasurer and Committee Chair

**Finance and Audit Committee Section**

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**Finance and Audit Committee Report - Guiding Notes**

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**Management Report: For the period ended September 30, 2023**

38

**1. CliftonLarsonAllen Update and Report on Budget Support and Process Improvements**

Ms. Nancy Fuchs, Executive Consultant, Clifton Larson Allen; and Ms. Leah Lindstrom, Executive Consultant, Clifton Larson Allen

**2. Budget Highlights for FY23 and FY24 year-to-date**

Mr. Larry Tidemann (SD), Treasurer and Committee Chair

**3. FY23 Audit Report – Moss Adams**

Ms. Melissa Harman, Partner, Moss Adams; and Ms. Ashlee Lent, Senior Manager, Moss Adams

2:00 p.m.

**c) Governance Committee Report**

Dr. Julie Underwood (WI), Committee Chair

**1. Roles and Responsibilities of the MHEC Commissioner - ACTION ITEM 3**

Dr. Julie Underwood (WI), Committee Chair

**Governance Committee Section**

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**Roles & Responsibilities - Action Item 3**

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**Accompanying document to Action Item 3 - edits to Roles & Responsibilities**

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**2. Guidelines for MHEC Officer Nomination Process - ACTION ITEM 4**

Dr. Julie Underwood (WI), Committee Chair

**Officer Nomination and Guidelines - Action Item 4**

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**3. Increasing the Size of the Finance and Audit Committee - ACTION ITEM 5**

Dr. Julie Underwood (WI), Committee Chair

**Finance and Audit Committee size - Action Item 5**

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**4. Awards Report**

Dr. Julie Underwood (WI), Committee Chair

2:30 p.m.

**d) Nominations and Elections of Officers, Chair, Vice Chair, Past Chair, and Treasurer - ACTION ITEMS 6-9**

Rep. Barbara Ballard (KS), MHEC Acting Chair

**Election of Officers - Action Items 6-9**

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2:40 p.m.

**BREAK**

15-minutes break

2:55 p.m.

**15) PRESENTATION - AI and its Impact on Higher Education**

Mr. Daniel Schwarcz, Fredrickson & Byron Professor of Law, University of Minnesota Law School

Introduction: Sen. John Cavanaugh (NE), State Senator, Nebraska

Promenade Ballroom (Main Level)

Legislature

[Learn more about Daniel Schwarcz.](#)

3:40 p.m.

**Wrap Up**

Rep. Barbara Ballard (KS), MHEC Acting Chair

3:45 p.m.

**RECESS**

4:40 p.m.

**BOARD BUS**

Depart from The Saint Paul Hotel Lobby

Hotel Lobby

4:45 p.m.

**BUS DEPARTS - Bell Museum, University of Minnesota**

2088 Larpenteur Ave  
W, Saint Paul (8.7  
miles)  
MN Journeys

5:00 p.m.

**RECEPTION & EXHIBIT VIEWING - Bell Museum, University of Minnesota**

The new Bell Museum brings together science, art, and the environment with a unique Minnesota perspective. It features a digital planetarium, high-tech exhibits, our famous wildlife dioramas, outdoor learning experiences and more.

[Learn more about the Bell Museum](#)

5:15 p.m.

**PLANETARIUM SHOW - Bell Museum, University of Minnesota**  
(20 minutes) (Optional) There will only be one show.

Planetarium

Planetarium shows are an immersive experience, with loud sounds and lowered/very dark lighting. Due to safety reasons, once you have exited the planetarium, you may not re-enter.

[Explore Astronomy & Space at the Bell Museum!](#)

6:30 p.m.

**16) WELCOME**

Dr. Rachel Croson, Executive Vice President and Provost, University of Minnesota

Horizon Hall

[Learn more about Dr. Rachel Croson](#)

6:45 p.m.

**DINNER**

A meal card will be provided, based on the entrée option you selected during registration.

7:30 p.m.

**17) PRESENTATION - Higher Education and Workforce, How Does the Midwest Respond**

Mr. Kurt Zellers, CEO, Minnesota Business Partnership  
Introduction: Rep. Jacob Bossman (IA); State Representative and Member Appropriations Committee; Iowa Legislature

[Learn more about Kurt Zellers.](#)

8:05 p.m.

**18) MHEC Award Presentations**

Ms. Susan Heegaard, MHEC President

8:45 p.m.

**DEPART for The Saint Paul Hotel**

(Central Time)

**Wednesday, November 15, 2023**

Location

7:30 a.m.

**BREAKFAST**

Summit (Lower Level)

8:30 a.m.

**19) Reconvene**

Rep. Barbara Ballard (KS), MHEC Acting Chair

Promenade Ballroom  
(Main Level)

**20) PRESENTATION - Facing Change: How can Higher Education Adapt and Move Forward in our Midwest Region**

Dr. Nathan Grawe, Professor of Economics, Carleton College  
Introduction: Dr. Eric Fulcomer, President, Wisconsin Association of Independent Colleges and Universities

[Learn more about Dr. Nathan Grawe.](#)

9:20 a.m.

**21) PRESENTATION - What's Coming Next with the FASFA**

Dr. Thomas Harnisch, Vice President of Government Relations, State Higher Education Executive Officers  
Introduction: Ms. Susan Heegaard, MHEC President

[Learn more about Dr. Tom Harnisch.](#)

10:05 a.m.

22) Closing Comments  
Rep. Barbara Ballard (KS), MHEC Acting Chair

23) Passing of the Gavel

10:15 a.m.

**ADJOURN**

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## Meeting Details

### Join Zoom Meeting

Virtual participants will use the same Zoom details for both days.

<https://us06web.zoom.us/j/87934091734?pwd=Qc3mEi3N6gD6a3lhFlkDiwi11AAcQk.1>

Meeting ID: 879 3409 1734

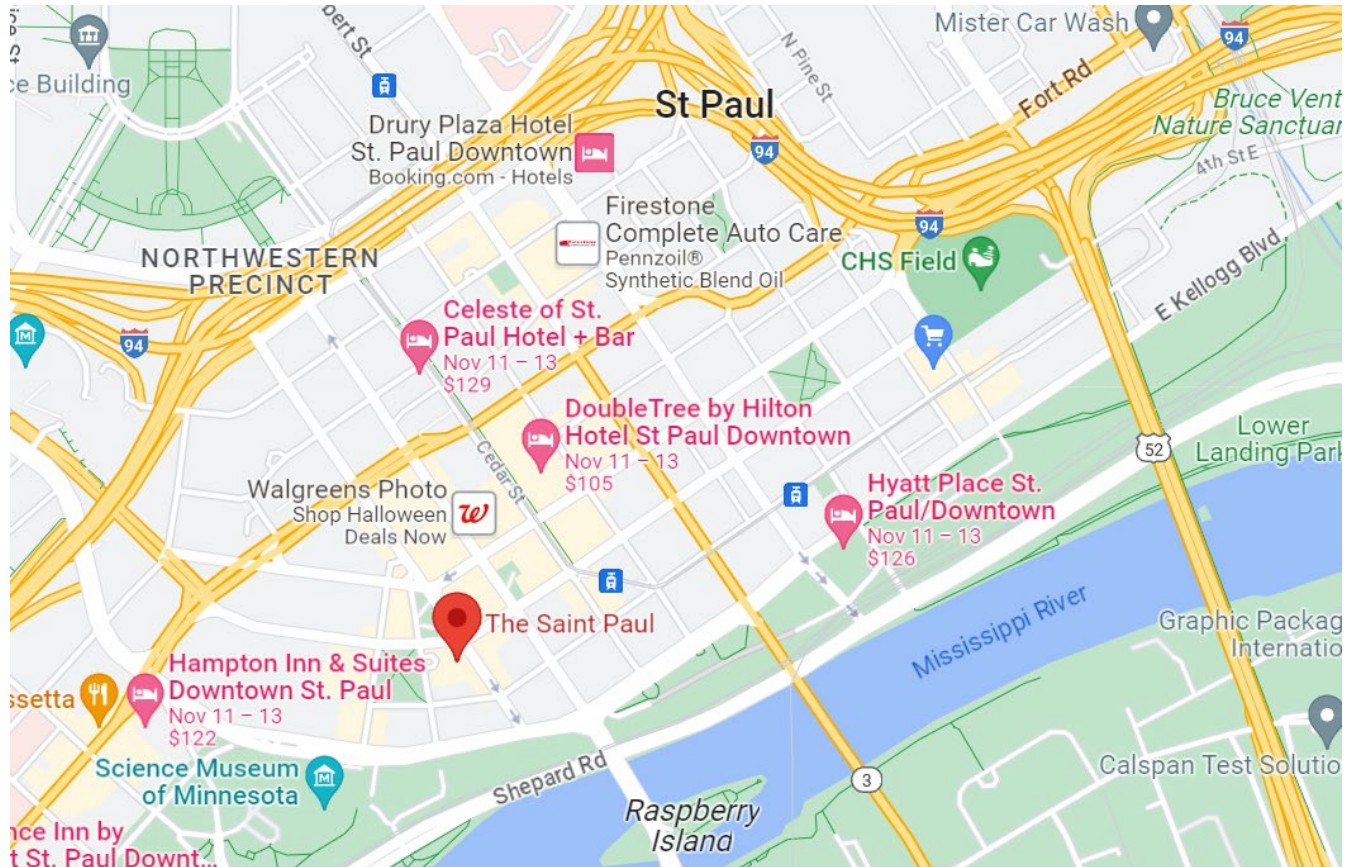
Passcode: 215906

Call-in #: 1-312-626-6799

### Meeting Location

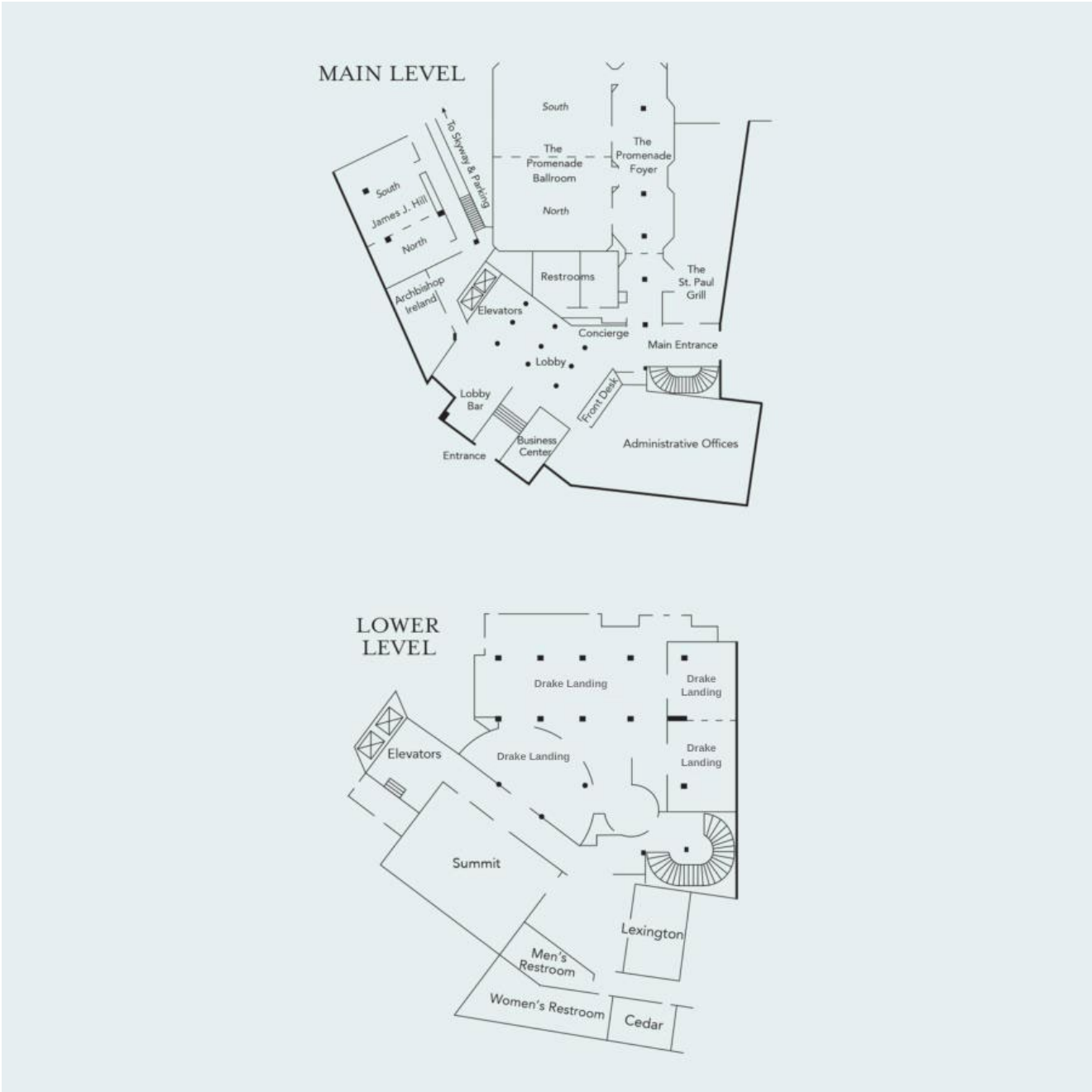
The Saint Paul Hotel

350 N Market St, Saint Paul, MN 55102



# The Saint Paul Hotel Meeting Room Locations

- Finance and Audit Committee Meeting – Cedar, Lower Level
- Governance Committee Meeting – Lexington, Lower Level
- Monday Reception/Dinner – Drake Landing, Lower Level
- Breakfast & Lunch – Summit, Lower Level
- Commission Meeting – Promenade Ballroom, Main Level





## **Airport Transportation**

Please note that there is no complimentary airport shuttle service from the Minneapolis-Saint Paul International Airport to The Saint Paul Hotel. You may choose to take a taxi or use transportation services like Lyft or Uber.

## **Parking at The Saint Paul Hotel**

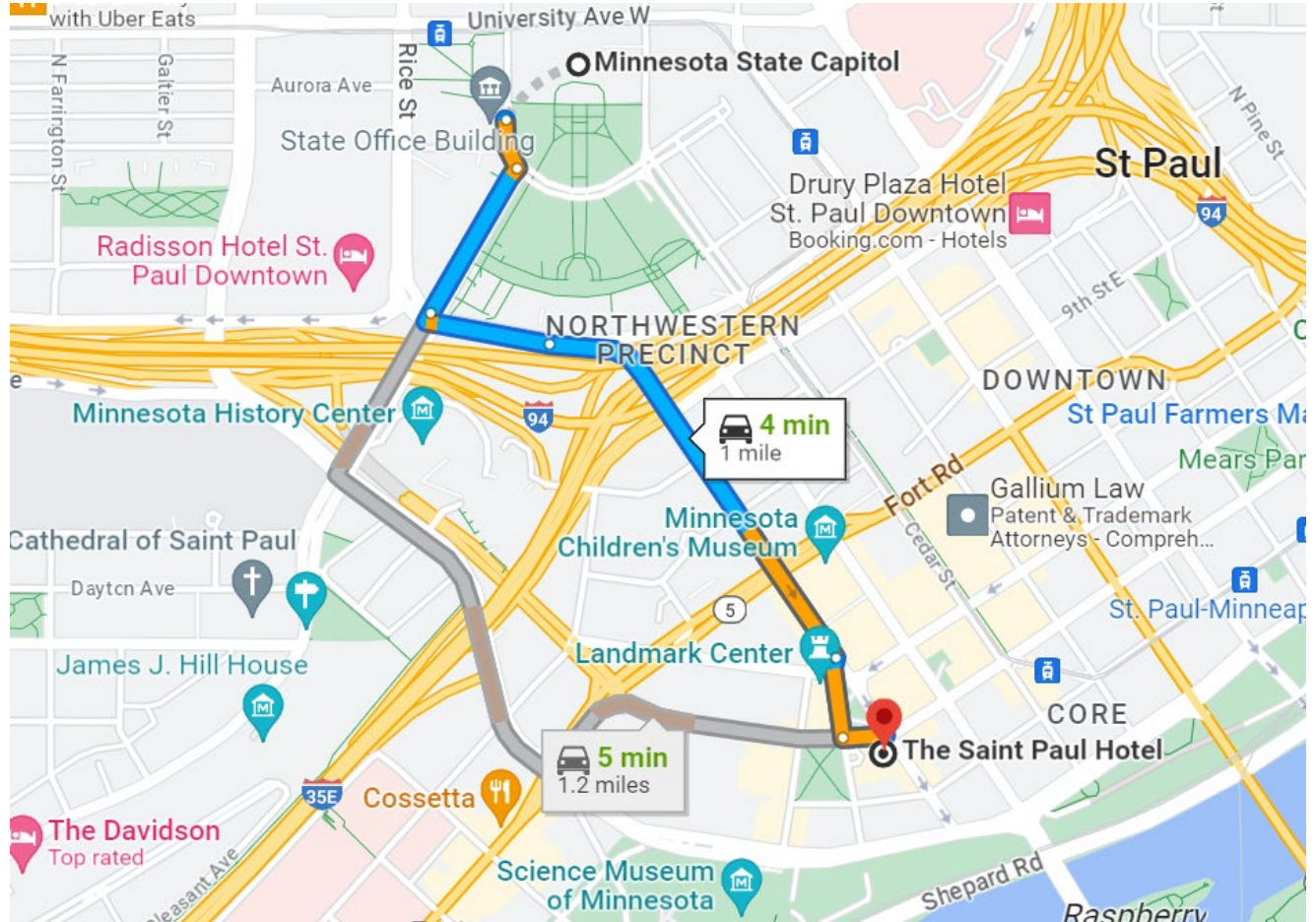
Please use valet parking. Valet parking is available for \$35 per night. Enter the circle-drive entrance off of North Market Street and the valet team will take care of you. Parking costs will be routed to the MHEC bill. Locals should also use the valet parking. Please let them know you are here for the MHEC meeting when you park.

## Monday, November 13 Offsite Event

### Minnesota State Capitol Tour

75 Rev Dr Martin Luther King Jr Boulevard., Saint Paul  
MHEC will provide bus transportation.

Attendees **not** riding the bus: Metered street parking is available.



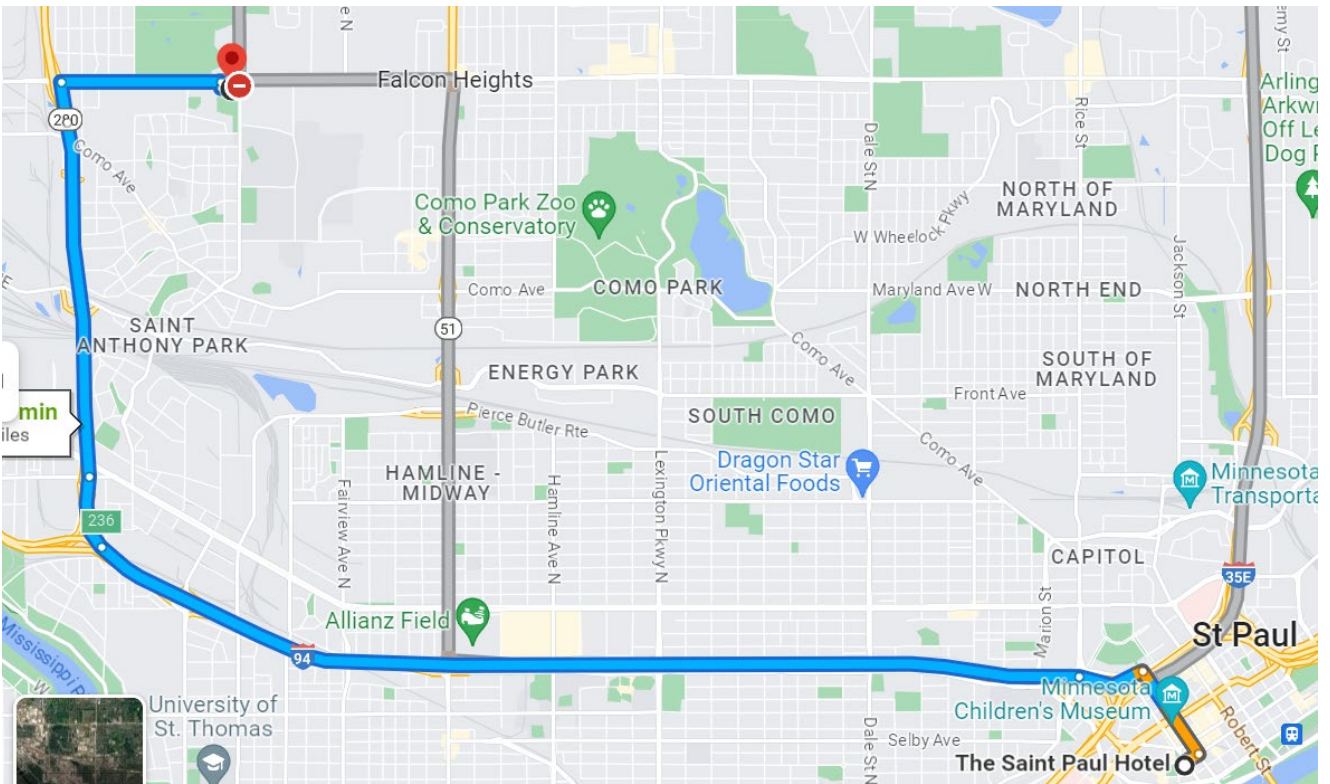
## Tuesday, November 14 Offsite Event

### Bell Museum, University of Minnesota

2088 Larpenteur Ave W, Saint Paul (8.7 miles)

MHEC will provide bus transportation.

Attendees **not** riding the bus: Parking is available in the lot directly in front of the Bell Museum. See Katie Chock for a parking voucher.



## Meeting Guidelines

Our goal is to provide a safe experience for all participants. During our meeting, we will abide by all local requirements as well as follow the [Center for Disease Control and Prevention \(CDC\) guidelines](#) as much as we are able.

Per CDC guidance, please do not attend if you have COVID-19 symptoms, tested positive for COVID-19, are waiting for results of a COVID-19 test, or had close contact with a person with COVID-19 and are recommended to quarantine.

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

## **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.

## **Draft Commission Meeting Minutes – November 2022**

**Action Item 2: Approval of Annual Commission Meeting Minutes,  
November 14-16, 2022**

**Midwestern Higher Education Compact**  
**Annual Commission Meeting Minutes**  
**Hybrid Meeting/Columbus, OH**  
**November 14-16, 2022**

**Commissioners Present**

- IL** Commissioner Katie Stuart, Member, Higher Education Committee, Illinois General Assembly (virtual)
- IN** Commissioner Kurt Dykstra, President, Independent Colleges of Indiana  
Commissioner Jon Ford, Senator, Indiana General Assembly  
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 Jacob Bossman, State Representative; Member, Appropriations & Education Committees  
Commissioner Tim Fitzgibbon, Senior Vice President, First National Bank  
Commissioner Derrick Franck, Board Member, Iowa Association of Community College Trustees (virtual)  
Commissioner Olivia Madison, Iowa Governor's Designee and Dean Emerita of Library Services, Iowa State University  
Commissioner Alternate, Mark Wiederspan, Executive Director, Iowa College Aid (virtual)
- KS** Commissioner Barbara Ballard, State Representative, Kansas Legislature  
Commissioner Blake Flanders, President & CEO, Kansas Board of Regents (virtual)  
Commissioner Cynthia Lane, Board Member, Kansas Board of Regents (virtual)  
Commissioner Aaron Otto, Governor's Designee; Executive Director, Johnson County Airport Commission  
Commissioner Alternate Marci Francisco, State Senator (virtual)
- MI** Commissioner David Eisler, Past President, Ferris State University  
Commissioner Brandy Johnson, President, Michigan Community College Association  
Commissioner Bill Pink, President, Ferris State University (virtual)  
Commissioner Alternate Daniel Hurley, CEO, Michigan Association of State Universities
- MN** Commissioner Connie Bernardy, Chair, House Higher Education Finance and Policy Committee, Minnesota State Legislature  
Commissioner Michael Goh, Vice President for Equity and Diversity, University of Minnesota  
Commissioner Dennis Olson, Commissioner, Minnesota Office of Higher Education  
Commissioner Devinder Malhotra, Chancellor, Minnesota State (virtual)
- MO** Commissioner John Black, State Representative; Vice Chairman, Higher Education Committee, Missouri General Assembly (virtual)  
Commissioner Kayla Hahn, Policy Director, State of Missouri  
Commissioner David Pearce, Executive Director for Governmental Relations, University of Central Missouri  
Commissioner Susan Thomas, President, Truman State University (virtual)

- NE** Commissioner Randolph Ferlic, Governor's Appointee (virtual)  
Commissioner Deb Frison, Chair, Coordinating Commission for Postsecondary Education  
Commissioner Heath Mello, Vice President for External Relations, University of Nebraska System  
Nebraska Legislature  
Commissioner Alternate Michael Baumgartner, Executive Director, Coordinating Commission for  
Postsecondary Education
- ND** Commissioner Tim Flakoll, Governor's Designee; Provost, Tri-College University (virtual)
- OH** Commissioner Gary Cates, Senior Vice Chancellor, Innovation and Enterprise Development, Ohio  
Department of Higher Education  
Commissioner Jerry Cirino, State Senator; Vice Chair of the Workforce and Higher Education Committee,  
Ohio Legislature  
Commissioner Jon Cross, State Representative; Chair of the Finance Subcommittee on Higher Education,  
Ohio Legislature  
Commissioner Mike Duffey, Senior Vice Chancellor, Ohio Department of Higher Education  
Commissioner Jack Hershey, President & CEO, Ohio Association of Community Colleges  
Commissioner Bruce Johnson, President, Inter-University Council of Ohio
- SD** Commissioner Michael Cartney, President, Lake Area Technical College  
Commissioner Larry Tidemann, State Representative, South Dakota Legislature and Governor's  
Appointee
- WI** Commissioner Connie Hutchison, Executive Secretary, Wisconsin Higher Educational Aids Board  
Commissioner Rebecca Larson, President, Senior Vice President for Advocacy, Wisconsin Association of  
Independent Colleges and Universities  
Commissioner David Murphy, State Representative; Chair, Committee on Colleges and Universities  
(virtual)  
Commissioner Julie Underwood, Dean Emerita, University of Wisconsin  
Commissioner Alternate Sean Nelson, Vice President of Finance, University of Wisconsin

## **Presenters**

Dr. Kenneth Browner, Psychologist, Lakeland Community College  
Mr. Rick Carfagna, Senior Vice President, Ohio Chamber of Commerce  
Ms. Nancy Fuchs, CliftonLarsonAllen  
Mr. Randy Gardner, Chancellor, Ohio Department of Higher Education  
Dr. Melissa L. Gilliam, Executive Vice President and Provost, The Ohio State University  
Dr. Thomas Harnisch, Vice President of Government Relations, State Higher Education Executive Officers Association (SHEEO)  
Mr. Kevin Hoggatt, Director of State Government Affairs for Ohio, Intel Corporation  
Ms. Dayna Jalkanen, Deputy Director of Museum and Education, Ohio Statehouse Museum  
Rep. Dontavius L. Jarrells, Ranking Member, Finance Subcommittee on Higher Education  
Mr. Mike McCabe, Director, Council of State Governments-Midwest Office  
Mrs. Lydia Mihalik, Director, Ohio Department of Development  
Mr. J.P. Nauseef, J.P., President and CEO, JobsOhio  
Ms. Markie Pasternak, Senior Manager, Higher Education, Active Minds  
Ms. Stacy Rastauskas Bretherton, Vice President for Government Affairs, The Ohio State University  
Dr. Nance Roy, Chief Clinical Officer, Jed Foundation  
Dr. LaTasha Sullivan, Director of the Counseling Center, University of Toledo  
Ms. Monica Thiesen, Eide Bailly, LLP

## **Guests**

Mr. Jim Bennett, Chief of Staff, Ohio Department of Higher Education  
Mr. David Boettger  
Ms. Michelle Chavanne, General Counsel, Ohio Department of Higher Education  
Mr. Bo Davis, Executive Aid, JobsOhio  
Mr. Nick Derksen, Director, Legislative Affairs, Ohio Department of Higher Education  
Mrs. Patsy Eisler  
Dr. Kevin Gwaltney, Executive Director, Joint Committee on Education, Missouri General Assembly  
Sen. Jay Hottinger, President Pro Tempore, Ohio Senate  
Ms. Jayme Hottinger  
Ms. Hannah Lewis, Photographer, Lewis Marketing Co.  
Mr. Joel Lewis, Photographer, Lewis Marketing Co.  
Mr. Brian Perera, Vice President for State Relations, The Ohio State University  
Mr. Joseph Rayzor, Director of Risk Management, University of Northern Iowa  
Dr. Cheryl Rice, Vice Chancellor, Ohio Department of Higher Education  
Mr. Jeff Robinson, Director of Communications, Ohio Department of Higher Education  
Mr. Charles See, Vice Chancellor, External Relations & Education Technology, Ohio Department of Higher Education  
Mr. Jared Shank, Senior Director of Military & Apprenticeship Initiatives & Special Projects, Ohio Department of Higher Education  
Mr. Sam Smith, Associate, OSU Office of Government Affairs  
Dr. Thomas Sudkamp, Vice Chancellor, Academic Affairs, Ohio Department of Higher Education  
Mr. Zach Waymer, Government Affairs Officer, Higher Learning Commission  
Mr. Drew White, Director of Human Resources, Ohio Department of Higher Education



## **MHEC Staff**

Ms. Sara Appel, Director of M-SARA  
Ms. Katie Chock, Senior Meeting, Event, and Operations Manager  
Ms. Jennifer Dahlquist, Vice President  
Ms. Erin Frahm, Director of Finance and Administration  
Ms. Susan Heegaard, President  
Dr. Aaron Horn, Associate Vice President of Research  
Ms. Deb Kidwell, Director of Technology Initiatives  
Ms. Jenny Parks, Vice President  
Dr. Leah Reinert, Policy and Research Manager  
Ms. Mary Roberson, Senior Director of Communications and Marketing  
Mr. Nathan Sorensen, Director of Government Contracts  
Mr. Rob Trembath, Chief Operating Officer and General Counsel  
Dr. Shaun Williams-Wyche, Associate Director of Research and Data Analysis

**Note: Meeting materials and presentations can be found on the [MHEC website](#).**

### **Monday, November 14, 2022**

MHEC Commissioners participated in optional tours of the Ohio Stadium at The Ohio State University and the Ohio Statehouse.

MHEC President Heegaard welcomed commissioners to Columbus, Ohio, and the Ohio Statehouse. She acknowledged the Ohio delegation of commissioners and former chair, Mr. Carfagna. She introduced Ms. Jalkanen who provided a brief history of the Ohio Statehouse.

After dinner, Commissioner Cates introduced Chancellor Gardner and Mr. Hoggatt who provided a brief overview about Intel Corporation's investment of more than \$20 billion in the construction of two new leading-edge chip factories in Ohio to boost production to meet demand for advanced semiconductors.

### **Tuesday, November 15, 2022**

#### **1. Call to Order.**

Acting Chair Malhotra (MN) called the meeting to order at 8:37 a.m. ET and welcomed commissioners and guests to the meeting.

#### **2. Ohio Welcome.**

Mr. Perera introduced Ms. Rastauskas Bretherton, who welcomed commissioners to The Ohio State University campus.

#### **3. Overview of Hybrid Meeting Guidelines.**

President Heegaard outlined the meeting guidelines for virtual and in-person attendees.

4. **Roll Call of States.**

The roll call of the states was taken with representatives from ten member states present, thereby establishing a quorum. (Note: commissioners from the two missing states were acknowledged as present after the first break of the morning after additional commissioners joined virtually.)

5. **Introductions.**

Commissioners, staff, and guests introduced themselves both in-person and virtually.

6. **Action Item 1 – Approval of the Agenda.** (emailed/printed materials)

Commissioner Ballard (KS) moved and Commissioner Boettger (IA) seconded the motion to approve the revised Commission Meeting agenda dated 11/7/2022.

**ADDED Action Item - Amendment to the Agenda to Add an Action Item on the Master Property Program (MPP)**

Commissioner Ballard (KS) moved and Commissioner Tidemann (SD) seconded the motion to amend the agenda in order to take action item on the Master Property Program. Due to the commission not receiving the required 10-day notice, 2/3 of the compacting states need to approve adding it to the agenda.

Motion carried by voice vote.

Motion to approve the amended agenda carried by voice vote.

7. **Action Item 2 – Approval of the Annual Commission Meeting Minutes** (pp. 17-29) in the agenda book)

Commissioner Cartney (SD) moved and Commissioner Madison (IA) seconded the motion to approve the minutes of the commission meeting held November 8-10, 2021.

Motion carried by voice vote.

8. **Report of the MHEC Chair.** (written report in the agenda book p. 31-32)

Acting Chair Malhotra thanked Commissioner Eisler (MI) for stepping in to run the meeting due to his board meetings commitments in Minnesota. He also shared with the commission the announcement of his upcoming retirement at the conclusion of his contract in August 2023. He acknowledged the challenges brought on by Covid over the last three years and higher education's quick and adaptive response. During Covid, he noted the increase in collective work and fundamental changes to address how students learn on the role technology has played. He shared that MHEC has also gone through changes with positive steps in addressing the organization's maturation with organizational effectiveness and a new strategic plan.

9. **Report of the MHEC President.** (written report in the agenda book pp. 33-35)

President Heegaard acknowledged her delight in being able to host the MHEC meeting on a campus. She thanked commissioners for their attendance despite lingering post-election challenges. Commissioners were asked to be sure and read the staff reports in the agenda book. She was appreciative of the Statehouse venue for the Monday night dinner and shared the great example set by Ohio in their work with Intel, of higher education, policymakers, and employers aligning to leverage opportunities in their state. She also acknowledged the officer leadership gaps over the course of the year and thanked Commissioners Malhotra (MN) and Eisler (MI). She shared how MHEC is addressing recent staffing changes, working with consultants to address organizational needs, completing the strategic plan with

measurements, completing member state visits and preparing for these important meetings in the new year, and building out MHEC's June meeting to be more inclusive of all commissioners.

10. ***The Midterm Elections are (Almost) Over. What's Next for Federal Higher Education Policy.***

Introduced by Commissioner Hershey (OH), Dr. Harnisch gave a brief background on the work of the State Higher Education Executive Officers (SHEEO). He shared the latest election results and slim majority projections of the U.S. House and Senate and resulting expectations of who will be committee chairs of the Senate Health, Education, Labor, and Pensions (HELP) Committee and House Higher Education and Workforce Committee along with their respective key policy positions. He updated commissioners on the Student Loan Debt Relief plan that has been blocked by federal courts and is expected to be on hold for a few months. The Appropriations Committee is currently on a continuing resolution until December 16, and key retirements of leaders are believed to inspire incentives to make a deal. He also outlined key programs that SHEEO is watching. Updates were provided on final regulations including the 90/10 rule, prison education programs, changes in institutional ownership, and various targeted loan relief programs. He wrapped up sharing updates on policy implementation including FAFSA simplification, the Chips and Science Act, Bipartisan Infrastructure Law, and the Inflation Reduction Act.

11. ***Perspective from the Midwest: A Legislative Recap and 2022 Session Preview.***

Introduced by Commissioner Duffey, Mr. McCabe highlighted the significance of the Council of State Governments (CSG) and specifically CSG's Midwestern Legislative Conference that developed and secured passage of legislation to establish MHEC more than 30 years ago. He highlighted the mixed-signals on the economic front, however indicated a strong fiscal landscape for the Midwest despite the impact of inflation, supply-chain issues, and a possible economic recession. Taxes, education, social issues, and other select issues were key issues during the 2022 legislative session. He shared results of the 2022 regional and national mid-term elections noting gubernatorial and legislative partisan changes and ballot measure results. Insight on upcoming topics for the 2023 legislative session included budgets/taxes, education funding, teachers, and content; criminal justice and public safety; health care and Medicaid, and abortion protections and restrictions.

President Heegaard recognized Mr. McCabe for his 31+ years of service to MHEC.

12. **Unfinished Business.** (written report in the agenda book pp. 73-75)

Commissioner Eisler (MI) provided some history about the Master Property Program (MPP) and concerns of the officers and committee chairs on the long-term health of the MPP. While the program has a long successful history for MHEC and member institutions, it has sustained three large losses, been impacted by weather factors that have challenged the insurance structure of the program over time, and the program has lost a considerable number of participating institutions.

Ms. Dahlquist provided additional context about the program's history of providing comprehensive property insurance coverage for higher education, not only within the MHEC region but for the other compacts. and MHEC's leadership in this area has provided stability and value for the participating institutions since it was established in 1994. She shared the program's leveraging of a rent-a-captive for over 20 years has offered institutions a loss fund subject to an annual limit. This loss fund put meaningful distance between the insurer and the insured which allowed members to take on larger deductibles. Over the program's history MPP has given back \$20M to participating program members. A year and a half ago the MPP shifted to a MHEC-owned single parent captive (Stone Arch Insurance Company) which was

designed to provide more flexibility. The three large losses that occurred over a short period of time have caused the MPP to lose its competitiveness. Additionally, there is significant underwriting scrutiny going on for higher education risk overall as a result of Midwest severe convective storm risks. This has led to the program becoming more complex and challenging to manage. There is increased competition from other insurers and institutions conducting due diligence in going to market for insurance coverage. In 2017-18, the program was at its peak, and the number of institutions in the program has continued to be reduced by half annually. There is a reasonable expectation that membership decline will continue to occur. The financial impact to MHEC is limited as the revenue generated is leveraged to support program operations. MHEC would create a transitional path forward for the current members and dividends from the prior rent-a-captive will be distributed in the near future.

President Heegaard also shared how ending the program connects to the current strategic plan. Ms. Dahlquist presented additional ways to collaborate and reduce risk through MHEC's captive, Stone Arch Insurance Company, to respond to emerging risk management needs.

It was noted that the program is financially strong and will continue business as usual with policies in place through July 1, 2023, with claims management and ongoing support by both the MHEC and Marsh team. There are no concerns with program solvency. Ms. Dahlquist addressed commissioner questions on communications and shared more insight on the institutional process for obtaining an insurance quote.

*Commissioner Ferlic (NE) Commissioner Madison (IA) seconded the commission approve the MHEC staff ending the Master Property Program and helping the current Master Property Program members transition away from the program and assist where feasible in securing insurance coverage for the forthcoming policy year.*

*Motion carried by a roll call vote by state.*

### 13. New Business.

#### a. **Update on MHEC's Policy & Research.**

Ms. Parks introduced herself and the policy and research team and each of their roles. Dr. Horn and Dr. Williams-Wyche provided background on MHEC research functions; an overview and update of key performance indicators in the Midwest; and some highlights of the Interactive Dashboard survey. Commissioners also participated in a live polling exercise to assist MHEC's policy and research team in identifying priorities for their future work. President Heegaard thanked the policy and research team for their work on reports that have evolved out of commissioner requests.

#### b. **Discussion on Opportunity Reserve Fund.**

President Heegaard referred commissioners to the agenda book for reference regarding this one-time money that allows the staff to come up with ideas on investments in programs and indicated more would be shared during the financial report.

#### c. **Finance and Audit Committee Report.**

##### 1) **CLA Update and Report on Budget Support and Process Improvements.**

Commissioner Tidemann (SD), acting chair of the Finance and Audit Committee,

explained his service as acting chair due to Sen. V.J. Smith stepping away from MHEC for health reasons. He acknowledged the committee members serving: Commissioner Ferlic (NE), Baumgardner (KS), Ford (IN), and staffing change (CFO Daniel Moser leaving MHEC). MHEC continues to seek assistance from CliftonLarsonAllen (CLA) to assist Ms. Frahm. He introduced Ms. Fuchs who shared CLA's broad assessment of MHEC from an operational viewpoint along with CLA's recommendations. In this assessment it was determined that many of MHEC's processes are manual, and many of them can be automated with technology to provide efficiency and more productivity. A timeline has been put together for these technology investments and process improvements to provide better workflows that will also result in assisting staff in making decisions on behalf of MHEC with better information, especially as it relates to budget. Some of the same items identified by CLA were also identified by an internal team that was also examining processes. MHEC will also be considering hiring a part-time or full-time CFO position.

- 2) **Budget Highlights for FY22.** Commissioner Tidemann (SD) reviewed the FY22 financial documents confirming MHEC's sound financial status. He shared that MHEC's technology revenue is strong and travel expenses are not yet back to normal due to the impact of covid on travel. He shared that MHEC's financials were switched from Financial Accounting Standards Board (FASB) to Governmental Accounting Standards Board (GASB) this year. MHEC brought in \$4.78M in revenue, \$780,000 over what was budgeted. Professional fees were higher than usual. MHEC plans to fill a cross-organizational position, however at this time salaries are \$193,000 less than budgeted.
- 3) **FY22 Audit Report.** Ms. Thiesen confirmed an unmodified (clean) opinion from EideBailley on the FY22 audit. There were no material misstatements. The largest change was the switch from FASB to GASB standards. Due to the adoption of GASB accounting standards, there is a different approach to record existing leases or operating leases, which are now reflected on the financial statements along with any corresponding debt. Two internal control deficiencies were reported. Financials were prepared by management with CLA's assistance. One material audit adjustment was noted with the lease standard due to errors with the conversion. MHEC's small staff impacts the segregation of duties for reviews and controls. MHEC did have a restatement this year which adjusted as of June 30, 2021. It was previously reported that MHEC had \$5.9M in net position (previously known as net assets). This was restated to \$5.2M as items recorded as revenue under FASB were adjusted for the rules of GASB. This was more of a timing issue of how GASB records revenue. Additional adjustments resulted from the accounting of assets and the lease liability on the balance sheet. The single year of financials was presented as determined by management due to conversion issues. Ms. Thiesen also reviewed required communication with auditors and noted there are no difficulties working with the internal team. A 2020-2022 performance review was shared. The net position is strong despite increased expenses and reduced revenue. There continues to be a healthy margin between revenue and expenses.

**Action Item 3: FY22 Audit Report.**

Commissioner Tidemann (SD) moved, and Commissioner Mello (NE) seconded the motion to accept and approve the FY22 audited financials.

*Motion carried by a roll call vote by state.*

**d. Governance Committee Report.**

Committee Chair Ballard (KS) gave the Governance Committee report. She recognized the members of the committee: Commissioners Cartney (SD), Davison (ND), Hahn (MO), Hershey (OH), Madison (IA), Pink (MI), Underwood (WI), and Walz (NE). Chair Ballard presented two action items. Commissioner Ferlic (NE) was also recognized by Commissioner Ballard (KS) and President Heegaard.

- 1) Action Item 4: Commissioner Alternates to the Full Commission.** (agenda book p. 71)  
At the November 2021 Commission Meeting the commission approved a motion stating that “in the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, and in consultation with the states, may appoint commissioner alternates to the commission with a term of three years with no term limits unless limited by a change in their current status. These MHEC appointed commissioner alternates shall not have voting rights but in all other respects shall have full participation rights.”

*Committee Chair Ballard (KS) moved, and Commissioner Hershey (OH) seconded that when making MHEC commissioner alternate appointments to the commission, consideration should be given to the differing perspectives the commissioner alternate would bring to the commission, including:*

- *Legislator/Higher Education Leader/Governor’s Office/Other*
- *Male/Female/Other*
- *Underrepresented Minority*
- *Under Age of 40*
- *Urban/Rural/Other*
- *Public Institution/Private Institution*
- *2-Year Institution/4-Year Institution/Higher Education System*
- *Minority Serving Institution/Tribal College/Historically Black Colleges and Universities*

*Motion carried by voice vote.*

- 2) Action Item 5: Bylaw Amendment: Article III, Section 1.** (agenda book p. 72)  
The Governance Committee recommends the Commission amend the bylaws to remove the requirement that the treasurer succeed to the office of the vice chair. This will give the Commission more flexibility when selecting its officers. There is nothing preventing the treasurer from moving into the office of vice chair when the treasurer’s term of office is complete. It just will not be a requirement.

*Committee Chair Ballard (KS) moved and Commissioner Sauer (IN) seconded that the commission approve the following amendment to Article III Section 1 of the MHEC bylaws:*

*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 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.~~*

*Motion carried by a roll call vote by state. North Dakota did not vote.*

3) Awards Report.

Commissioner Ballard (KS) reported that the Governance Committee met and reviewed the nominations. A call for nominations was sent to commissioners on September 1, strong nominations were received, and a vote was taken. The Sirotkin Award will be awarded to one recipient, and the Outstanding Service Award will be given to two individuals at the evening event.

e. **Nominations and Elections of Officers.** (agenda book, pp. 73-74)

**Action Item 6: MHEC Chair election.**

*Commissioner Bernardy (MN) moved, and Commissioner Olson (MN) seconded the motion that consistent with the MHEC bylaws the commission approve Devinder Malhotra (MN) for the position of MHEC chair.*

*Motion carried by voice vote.*

**Action Item 7: MHEC Vice Chair election.**

*Commissioner Otto (KS) moved, and Commissioner Madison (IA) seconded the motion that consistent with MHEC bylaws the commission approve Barbara Ballard (KS) for the position of MHEC vice chair.*

*Motion carried by voice vote.*

**Action Item 8: MHEC Past Chair election.**

*Commissioner Johnson (MI) moved, and Commissioner Underwood (WI) seconded the motion that consistent with the MHEC bylaws the commission approve David Eisler (MI) for the position of MHEC past chair.*

*Motion carried by voice vote.*

**Action Item 9: MHEC Treasurer election.**

*Commissioner Cartney (SD) moved, and Commissioner Ballard (KS) seconded the motion that consistent with the MHEC bylaws the commission approve Commissioner Tidemann (SD) for the position of MHEC treasurer.*

*Motion carried by voice vote.*

#### 14. Midwest Student Exchange Program (MSEP)

Ms. Parks provided a background on MHEC's Midwest Student Exchange Program (MSEP), shared how it is performing and MHEC's evaluation, and asked about guidance for the program's future. She explained tuition reciprocity agreements (state-to-state, border counties, and regional which includes MHEC's and the 3 other regional compacts). MSEP has eight states that volunteer to participate in MSEP and currently only 55 institutions in the Midwest choose to participate. Historically, Illinois and Michigan participated and are in an inactive status. Iowa and South Dakota have never participated. The institutions agree to charge students no more than 150% of the in-state tuition rate, or 10% off at private institutions. The program's goals have accumulated organically over the years and have not been clearly delineated. A comprehensive report about the program was produced in July 2021. The overarching goals have been distilled down to increase postsecondary education opportunities throughout the Midwest, provide cost savings for students and families within the region, and assist the two- and four-year public and not-for-profit institutions with an enrollment management tool. MSEP receives the most inquiries, passion from stakeholders, and is MHEC's highest source of website traffic. However, the program is not performing well and has had a significant decline in participation, and therefore fewer savings to students and families. Ms. Parks referred to the chart comparing MSEP to the other compacts' student exchange programs.

Ms. Parks acknowledged name recognition as a challenge and acknowledged that institutions in the West are aware of and want to participate in the Western Interstate Commission for Higher Education's (WICHE) Western Undergraduate Exchange (WUE) cost savings finder. Additional challenges include staffing and lack of a revenue source to run the program. Commissioner Alternate Nelson (WI) acknowledged that they could attract students to Wisconsin at 160, 170, or 180 percent of the non-resident rate. Wisconsin is likely to withdraw from MSEP and the issue could be before their board in December.

She presented commissioners with options of staying the course, investing in the program and improving it, or sunseting the program. Times have changed and the context for the program's needs has changed.

#### **Bi-partisan legislative panel discussion on workforce and higher education policy.**

Ohio legislators Sen. Cirino, Sen. Craig, Rep. Cross, and Rep Jarrells talked about the competitive spirit in the Midwest and the work happening in the Ohio House and Senate to address higher education, workforce, and economic development.

Highlighted were:

- Material conditions students faced as they continue to navigate Covid;
- Ohio Legislature has made about a \$3B big investment in higher education in Ohio, with SB135 higher education bill that passed on a bi-partisan basis. It encourages and motivates those who stop-out after at least three semesters – Second Chance Grant Program evolved;
- Nursing shortage;
- Credit-transfer pathways streamlined between community colleges and four-year institutions;
- Transcript releases even if students owe money;
- Free speech maintained;
- Guidance counselor to student ratios examined and exposure of students to career counseling much earlier on;



- Discussions addressed what it means to increase these funds to ensure that students have access to higher education opportunities;
- HB415 pushed for in-state tuition for veterans and their spouses;
- HB410 “Hand-up Bill” addresses public assistance benefits and provides opportunities and incentives to independence and help with Ohio’s workforce.
- Tech Cred a way for employees to help employers train and skill-up their existing workforce and invest in Ohio’s workforce; GROW (Graduating and Retaining Ohio’s Workforce) Act focuses on retention and recruitment to get students into colleges and universities and retention to keep them in Ohio. Encourage higher education institutions that are not currently partnered-up to do so with their economic development state agencies

**15. Wrap-up and Recess.**

Past Chair Eisler (MI) provided closing remarks for the day and previewed the evening’s events.

The meeting recessed at 3:57 p.m.

**Evening Events – Wexner Center for the Arts and Faculty Club, OSU**

Commissioners participated in an optional tour of the Wexner Center for the Arts, followed by a reception and dinner at the Faculty Club, both located on campus at The Ohio State University. Commissioners were also greeted by OSU’s mascot Brutus.

**16. Welcome.**

Dr. Gilliam greeted guests to the OSU campus. She noted that when you change the life of a student you change the life of a family.

**17. Rebranding the Midwest.**

Commissioner Cates (OH) introduced panelists: Mr. Carfagna, Ms. Mihalik, and Mr. Nauseef. The focus of their presentation centered around the need to free the Midwest of its rustbelt image to the silicon heartland.

Workforce, access to childcare and housing, and transportation options to get to work are investments needed across the board. The Chamber’s perspective is a need for a more technology proficient workforce, starting with computer science classes to prepare K-12 for the high-level computer jobs yet to be invented but also to inspire innovation and creativity.

Ohio fiscal strength is strong which has allowed an investment back into its communities. It has also created environments that are conducive for private capital, and this has been noticed. Ohio has been aggressive in marketing the state. Ohio has looked to have a more affordable and diverse workforce, and provide a more balanced way of life, and conversations are happening across all the different layers of government and private enterprise and public partners in Ohio.

**18. MHEC Awards Presentation.**

President Heegaard acknowledged Mr. Perera, Mr. Smith, and the Ohio commissioners for their assistance in planning the meeting in Columbus She also acknowledged guests from the Ohio Department of Higher Education attending the event.

### **Commissioner Acknowledgment for Service**

- Rep. Ben Frederick (MI), term-limited
- Sen. Kim LaSata (MI), concludes Senate term 1/1/2023
- Rep. Connie Bernardy (MN), did not seek re-election
- Rep. Marli Wiese (SD), did not seek re-election
- Ms. Nancy Boettger (IA), done with the Board of Regents in April, also former Iowa Senator
- Mr. Michael Cartney (SD), retires from Lake Area Tech 12/31/2022

### **2022 Outstanding Service Award Recipients**

- Mr. Joseph Rayzor, Director of Risk Management, University of Northern Iowa
- Mr. Jared Shank, Senior Director of Military & Apprenticeship Initiatives & Special Projects, Ohio Department of Higher Education

### **2022 Phillip Sirotkin Award**

- Commissioner Eisler (MI) has served as a MHEC commissioner since 2004, reappointed five times by three different governors. He has also served on all of the officer positions, and many of MHEC's committees.
- Commissioner Eisler (MI) expressed his gratefulness and thanked those that have supported him as a leader. He acknowledged his parents and appreciation for their support to pursue higher education. He expressed the need as commissioners to help others find access to a college education and to make it affordable.

### **Wednesday, November 16, 2022**

#### **19. Reconvene.**

The meeting was reconvened at 8:35 a.m. ET.

President Heegaard acknowledged the three award recipients, again, and thanked all those that were instrumental in the previous evening's events. She also emphasized to the commission that the Master Property Program is a healthy and solvent program. She reinforced that MHEC is working to support and give program members fair notice and that any further questions or clarity needed can be asked of her or Ms. Dahlquist.

#### **20. Strategic Planning Discussion.**

President Heegaard and Past Chair Eisler (MI) presented background on the strategic plan, reviewing the agreed upon mission, vision, and values, and the three strategic priorities. President Heegaard addressed the need to pin our work to the plan and how do we measure progress in terms of advancing innovation; efficiency and effectiveness in developing collaborative solutions to regional problems and opportunities; or driving cost savings and business solutions. Dr. Eisler encouraged the use of existing measurements for assessment of the strategic plan.

Three groups of commissioners (two in-person, one virtual) were formed to consider potential benchmarks and measurements for the strategic plan. Summaries of the three discussions included:

- Generally, assessment of what works, what doesn't work, and what should be done differently. What quantitative measures could be used: tracking cost savings, recognizing this is already done. It's an important thing to track because the measurement is clear, and it helps sell MHEC to the legislature and state government. A second area was

awareness of MHEC programs, projects, initiatives, grants, and understanding of MHEC's acronyms. A survey was also suggested. Third, they talked about measuring how many institutions, states, or students use or benefit from the programs, the initiatives, the projects, the grants, and how many times we used those data in making reports in discussions and decision making. Finally, they discussed how commissioners could communicate as advocates for MHEC projects, programs, initiatives, and grants.

- How does MHEC track the impact on policy? How many "seeds were planted" or new skills acquired at a MHEC meeting that are taken back to a state. Due to MHEC relationships the value in the data (not just number of uses) and how can this be quantified, e.g. use of the MHEC dashboard to convince legislation or legislature
- Should MHEC have some level of a lane when it comes to the conversation about community colleges in alignment with universities. Historically, MHEC has been more focused on the university, and sometimes the research ones. With what has been seen happening across the nation, MHEC may need to think more about what it means to have a stronger focus, push, and voice when it comes to community colleges and the audiences they serve, especially related to 2- and 4-year pathways.

## **21. Supporting Student Mental Health and Wellness Across Campus: Successful Models and Actionable Approaches.**

President Heegaard moderated a panel that highlighted the increased need for awareness about student mental health challenges on campuses. Perspectives represented on the panel included Dr. Sullivan, University of Toledo, a four-year institution; Dr. Browner, Lakeland Community College a two-year institution; Ms. Pasternak, Active Minds a non-profit organization serving youth and young adults mental health in both K-12 and higher education; Ms. Dahlquist, who works with MHEC's student health programs (MHECare); and Ms. Roy, Jed Foundation, a non-profit promoting positive mental health among teens and young adults. Ms. Dahlquist shared details on the background of MHEC's work in student health. Ms. Roy provided an overarching landscape of the current student mental health status. Differences were shared between the different populations of two- and four-year institutions; adaptation of services to students in order to provide services effectively and quickly to students; alternative therapy sessions, preparation for crisis with after hour services; making decisions across the board with multiple voices including student input; and the leveraging of community relationships. Active Minds shared a video from a Midwest campus ambassador demonstrating how they help mobilize students to be active through awareness campaigns and advocating for policy change on campuses.

## **22. Closing Comments.**

Past Chair Eisler (MI) thanked everyone for being present. He announced the upcoming Executive Committee Meeting: June 11-13, 2023, in Madison, and the Annual Commission Meeting in Minnesota on November 13-15, 2023. He thanked President Heegaard.

President Heegaard noted the importance of the annual meeting and appreciation for the input on the strategic plan, as well as staff's work in putting the annual meeting together. She reminded commissioners that she and Mr. Trembath would be traveling to member states during the 2023 legislative session.

## **23. Passing of the Gavel.**

An image of Commissioner Malhotra (MN) receiving the gavel was presented on the screen.

## **Adjournment.**

The meeting was adjourned at 11:07 a.m. ET.

**MHEC Acting Chair Report**  
**Executive Committee Meeting**  
**October 2023**

I am grateful for the dedication and outstanding work of MHEC Chair Devinder Malhotra. I wish him a happy and healthy retirement. It was a pleasure to serve with him as a MHEC executive officer. He officially retired on August 1st. I wanted to bring attention to his report from the June meeting which immediately follows this note.

As we all work together as commissioners to realize MHEC's mission of bringing together our midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities, I am appreciative to all of you and the work that you do.

It also has truly been an honor to serve as chair of the MHEC Governance Committee and I look forward to working with our commissioners as we continue to provide innovative and exemplary service to the member states.

MHEC will continue to provide opportunities for commissioners to become more involved in the Compact. As time permits, please let us know that you are interested.

Best Regards,  
Barbara W. Ballard, Ph.D.

## **MHEC Chair Report Executive Committee Meeting June 2023**

We have many reasons to celebrate this year. We're now well out of the pandemic with the global virus emergency officially declared over both nationally and globally. While COVID lingers, we've now learned how to manage and live with it. Across the region, there was long awaited progress on increased resources allocated to education. For the first time in many years, state revenues were up, providing an opportunity for investment and much needed resources to support students, campuses, and systems. There is an important opportunity before us to invest wisely with an eye to leveraging strategically for the future. It will be critical for us to continue to effectively convey the value proposition of post-secondary education throughout our communities, states, region, and country so that a broad cross section of stakeholders will listen. Higher education in general and public higher education paves the way to make the American Dream a reality for ALL and be the catalyst for upward economic vitality and provide the talent and workforce our country needs.

This is my last report to you as MHEC Chair as I'll be retiring in August, after spending many years in higher education leadership living and working in several states including Maine, Ohio, and Minnesota. I've been a part of MHEC for quite some time and I'm proud of and pleased with the progress that has been made in the past few years. The pandemic inspired and at times forced us, to take a fresh look at our approach to the Compact's work. Not surprisingly, there were both challenges and opportunities.

One such challenge involved the difficult decision by the officers and full commission last fall to wind down the Master Property Program (MPP). The program enjoyed many years of success with members across the country getting great service and saving money. Unfortunately, due to volatility in the insurance market, weather change and several significant losses, it became apparent that it was no longer sustainable. We've ensured that those currently in the program are well served through the transition and continue to return dividends to many member institutions.

The willingness to try new things, test them out, leverage, expand or pull back and sunset is an important part of MHEC's approach. I'm excited that the Strategic Plan provides more opportunities to continue this approach, try new things and build out what works. As we wrap up the planning stage and begin implementation, I once again want to thank the committee as well as Kathy Graves who facilitated the process, for their time commitment and excellent work. The staff are beginning to develop workplans and we now have a budget that aligns with the overall plan. You will hear more about the plan during our meeting, but I am particularly excited about the leadership initiative. The funds requested by staff are to explore what a program might look like and what it would take to take it to scale. As I've said before, we now 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 as well as guiding principles. You will find some of the relevant strategic plan materials in your agenda book.

The MHEC officers currently include Kansas Representative Barbara Ballard, Vice Chair and Dr. David Eisler who is continuing to serve as past chair. As a member of the Finance and Audit Committee again this year, I want to extend my thanks to former South Dakota Representative Larry Tidemann who agreed to serve again as chair of the Finance and Audit Committee. And we're grateful that Senator Jon Ford from Indiana has volunteered to serve as Treasurer beginning this

fall. I'm pleased to report that all 12 states have paid their state commitments this past fiscal year. This support, coupled with revenue generated by our contract and program revenues, position us well for the future. For the first time in several years, we are able to strategically invest in infrastructure, staff capacity, best practices to make MHEC more efficient and responsive and also undoubtedly increased our reserves.

Another area that I'd like to highlight concerns the ongoing work conducted by Clifton Larsen Allen (CLA) who have helped us become more efficient and less paper dependent. We now have state of the art, yet affordable and simple approaches to reimbursement, bill paying, budgeting, payroll and human resources. This has been an organization wide effort that has involved the entire organization with staff now having access to and more accountability for their budgets. The use of the consultants in this area has helped MHEC to build capacity in a measured way that allow staff to identify in a measured way, what is really needed to get the job done.

MHEC and higher education is at crossroads. Who our students are and how they learn has changed. The cognitive base of knowledge of every profession is increasing; nationally 70% of the current and future jobs will require some post-secondary credentials. As we come out of the pandemic, labor shortages emerged, policy makers are asking higher education institutions to adapt and pivot to substantially increase the number of individuals with post-secondary credentials so that we have the talent and the workforce to sustain economic prosperity. In short, another era of higher education expansion is needed, after the changing demographics are causing enrollment to decline. It is clear that higher education has to rethink its teaching and learning strategies and redesign its business models. Substantial policy changes at both the state and federal level will be needed to prioritize higher education and make historic investments to expand post-secondary education. MHEC can facilitate this process by:

- First by increasing networking among institutions and skills to foster collective work that leads to efficiency and greater effectiveness.
- Second, increase adaptability to change and enhance the nimbleness and responsiveness of higher education to meet the changing needs of the day.
- Third, scaling student success, and providing our states the talent and workforce they need.

Through all these changes and uncertainties, the MHEC staff has remained committed and kept us on track as we pursued our collective work. I hope you will find an opportunity to personally thank them for all that they do for the Compact. 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 bodes well for enhancement of the value proposition of higher education across the midwestern region.

Devinder Malhotra  
May 12, 2022

## **MHEC President Report 2023 Annual Meeting**

Welcome to the Twin Cities and the lovely Saint Paul Hotel. We have a good turnout with many long-time and new commissioners attending, most in person and some hybrid. Thank you all for taking the time to join us. I was born in the larger of the twins, Minneapolis and now live here in Saint Paul. The cities are quite different, one leaning more West in its structure and culture and the other, Saint Paul, more like the East, graced by the state capitol and cathedral. Both cities have changed and benefited much from their location in the upper Midwest with a very diverse economy and increasing, population. This makes me think about the importance of place, how much it matters, and the extent to which Covid has impacted it, presenting challenges and opportunities. Gathering together like this still matters, giving us a chance to connect and learn from and with one another.

We have a great meeting planned and the staff has worked hard to make this be an interesting, meaningful, and engaging experience for you. We'll hear from speakers with regional and national expertise in Artificial Intelligence, business, economics, demographics as well as state and federal relations. Please take an opportunity to review the reports the staff prepared and follow up with them if you have questions. I also hope that you'll take the time to connect with and get to know one another, especially because we have some terrific new commissioners.

This past June we had a good, albeit chilly, Executive Committee meeting in Madison, Wisconsin. We changed it up a little, inviting all commissioners to attend the meeting, a practice that we intend to continue. While we love every season in our region, June is a great time to enjoy and showcase the Midwest. When I reflect on the past year, we've been busy and successful, having completed our strategic plan, including operational and internal plans to guide the work as well as a screen we'll use to identify when to start, adjust or end our initiatives. At this meeting, you'll hear updates on programs like property insurance, where we had to make a difficult but necessary decision last fall to wind down and sunset the program. We still have a Captive insurance asset which we plan to keep and let that rest for a few years while we decide what's next.

Our budget is in good shape and we have had an uptick in revenue due to an increase in one of our administrative vendor fees. A big thank you to all twelve midwestern states for paying their annual commitments on time and to the majority of states that already paid this year before our December 31 deadline. The \$115,000 commitment is lowest among the compacts and has not increased for a decade.

We've said goodbye to Chancellor Devinder Malhotra our past chair and longtime colleague and friend, who finally after a number of attempts, retired in August to be close to his family on the West Coast. I've had the opportunity to know and work with Devinder for close to fifteen years, through a range of different positions we've both held. He is one of the most effective and thoughtful leaders that I've ever worked with. Humble and wise, with a dry wit that I really appreciate, he developed meaningful relationships with trustees, administrators, faculty, staff and most importantly, students. We welcome Barbara Ballard our acting chair to lead MHEC. Barbara is the minority caucus chair and longest-serving legislator in Kansas and is the senior associate director of the Robert J. Dole Institute of

Politics. We'll be in Kansas for our annual meeting next fall and in Saint Louis this coming June. We're also deeply grateful to Larry Tidemann who will continue as treasurer and David Eisler as our past chair.

In terms of appointments, we have tried to be intentional regarding appointments to the Executive Committee, and our other two – Governance Committee and the Finance and Audit Committee, balancing elected officials with higher education leaders and focusing on diversity broadly construed. We welcome any of you to let us know if you'd like to serve on any of these committees as we grow them a bit to be more inclusive. I am also looking for volunteers to serve on a new ad hoc committee which will generate and recommend ideas about how to invest our increasing funds generated by technology contracts and services revenue.

In addition to commission leadership changes, we've also had some staffing changes including hiring Beth Ellie from the Wisconsin Technical Colleges, who joined the policy and research team as the associate director of policy initiatives, and we will fill a couple more positions later this year. We were sad to say goodbye to Vice President Jennifer Dahlquist, who started with MHEC close to 25 years ago and left us in August to put her talent and experience in the insurance space to work with EPIC, a Captive insurance company.

Once again, we traveled to all twelve Midwestern states this past January through April. These visits are one of the most rigorous but favorite parts of my job. Rob Trembath our chief operating officer and general counsel joined me for all of the visits, where we had individual appointments with state and higher education leaders and dinners with commissioners 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. We again shared key data and trends on issues such as cost, demographics, and migration patterns tailored to each state. Similar to last year, we heard that across the Midwest revenues were up and state coffers were healthy, allowing for an opportunity to invest in higher education and other priorities. Concern remains about the future fiscal situation and whether investments could and should be sustained. Other issues were raised concerning declining enrollment, connecting higher education and workforce needs, campus safety, cyber threats, student cost/debt, and the overall value proposition of higher education. A great deal of interest was expressed about the FAFSA with questions ranging from the impact of the federal changes to how to pass and implement legislation once adopted. You'll hear more about that work at our meeting and we plan to hold a broader convening in the near future.

A big focus continues to be on organizational improvements with support from the team from CliftonLarsonAllen (CLA) who work with us, particularly Erin Frahm, our director of finance and administration, to update, streamline, and align our various accounting and finance practices. Specifically, we've adopted a number of new tools and platforms for our reimbursement, billing, payroll, and budgeting functions, resulting in greater efficiencies and effective processes. We'll provide an update for you and hope that you'll let us know what you think of these new budget approaches and whether we're meeting your expectations of providing more transparent and understandable information. Our engagement with the firm, Athena Resource continues to support the updating and better coordinating our human resources processes and offerings. You'll also hear more about our new board portal that we hope you'll use and find useful.



With respect to strategic partnerships, I continue to meet and collaborate with the other regional compact presidents regularly. For me, those relationships are really valuable as we share with one another some of the common challenges and opportunities we all face. On a positive note, things regarding NC-SARA are much improved with a change in leadership and the choice of Marianne Boeke as president. As a board member of NC-SARA, we're constructively focusing on roles and responsibilities between the organization's staff, board and the compacts as well as engaging in a new policy review process. We've found new allies in unexpected places and are attempting to work productively with the federal government to address proposed policies that may create some new challenges for distance education. Our relationship with the Midwest Legislative Conference and Council of State Governments continues. We said goodbye to our longtime friend Mike McCabe and welcome new President Laura Tomaka who you'll hear from at our meeting. I joined them in Detroit this past July for their annual meeting and provided an update during their business meeting. The following week I traveled to Portland, Oregon, to represent the Compact and attend the annual SHEEO meeting.

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 shown up at a meeting, webinar, or on a call, giving generous time and support by serving on a committee or offering me honest feedback and advice, your engagement is what leads to our success. My hope is that when you think of the value we bring, it's not just the actual cost savings you think of but also the many convening and learning opportunities provided by MHEC.

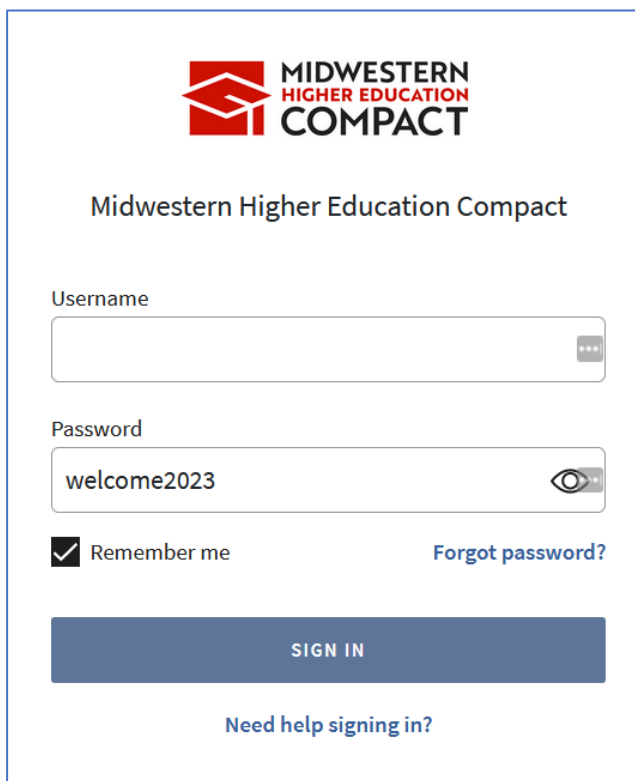
## Board Portal Introduction - BoardEffect

### BoardEffect Enables Modern Governance

The BoardEffect platform supports a modern approach to governance by offering a secure, online solution that allows collaboration with board members, sharing of documents, annotating of meeting materials, and more.

### Log-in:

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HIGHER EDUCATION  
COMPACT

Midwestern Higher Education Compact

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Password

welcome2023

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Your Username is your first initial and last name. E.g. mroberson

Your password is welcome2023

Everything is in lowercase letters. You will be asked to change your password upon log-in.

### App Access

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BoardEffect

### Assistance

Please reach out to Mary Roberson ([maryr@mhec.org](mailto:maryr@mhec.org)) or Katie Chock ([katiec@mhec.org](mailto:katiec@mhec.org)) with any questions. Once logged in, you may access the library for additional BoardEffect training materials. BoardEffect also offers an Online Knowledge Base. We look forward to sharing more information during the Annual Commission Meeting.

# **Finance and Audit Committee**

Finance & Audit Committee Report Guiding Notes

Management Report: For the period ended September 30, 2023

# Finance & Audit Committee Report Guiding Notes

## Next Steps with Clifton Larson Allen (CLA) - Nancy Fuchs & Leah Lindstrom

- CLA team to present what has happened so far with MHEC and what the next steps will be.
- Introduce the new CLA people who will be working with MHEC going forward.

## Review of FY23 Budget to Actuals draft and FY24 YTD Financial Statements draft – Treasurer Larry Tidemann

FY23 Budget to Actuals draft\*

\*FY23 is not officially closed due to the audit still being in progress. Numbers may change.

- *Revenues*
  - Technology contracts revenues came in over 4 times higher than originally budgeted and are expected to continue at that amount due to an increased administrative fee for the Dell contract (0.1% – 1.5%) that is more in line with industry standards. Policy and Program revenues came in slightly higher than budgeted. All 12 states paid state commitments on time in FY23.
- *Expenses*
  - There are four main categories within MHEC's expenses: salaries and benefits, professional fees, consultant fees, and general operations (which consists of long-term rents/leases, office related expenses, convening, risk management, and other).
    - *Salaries and Benefits* – Came in almost \$300k under budget in this category. This is mostly due to the unplanned departure of the CFO at the beginning of the fiscal year along with a budgeted data position that was not yet filled.
    - *Professional Fees* – This area of the budget came in almost \$200k over budget. The main contributor to that increase is the use of CLA accounting consultants after the CFO departed. HR & payroll support fees are up due to MHEC switching payroll providers mid-year and utilizing HR consultants to help with organizational HR needs.
    - *Consultant Fees* – This is usually a large area for MHEC, however budgeting for these expenses has become more accurate. Consulting Costs came in under budget due to lower-than-expected use of Strategic Initiative consultants.
    - *General Operations* – Overall MHEC's general operations actual vs. budget came out under budget by almost \$190,000. This is because while travel started up again in FY23, MHEC still saw significant savings in all the main travel accounts (Transportation, Lodging, Catering).
- *Preliminary Carryforward*
  - Our preliminary carryforward is \$4,547,384. This will be added to the undesignated organizational equity funds.

## **FY24 YTD Financial Statements draft\***

\*Financials are not complete and are in rough draft form. Numbers may change until Financials go through final review.

- *Financials*
  - This is the new format that the financial statements will be presented in going forward.
- *Revenues*
  - 9 of 12 states have paid their state commitment this fiscal year.
  - Tech revenue reports have not been fully received and entered but are expected to continue at the pace of last year.
- *Expenses*
  - Salaries - MHEC brought on an Assoc. Dir. Of Policy Initiatives at the start of the fiscal year and is currently in the process of hiring several more staff, including a VP position and an assistant manager position.

## **Overview of Current Audit Progress with Moss Adams - Ashlee Lent & Melissa Harman**

- Moss Adams is MHEC's new audit firm, recommended by Nancy Fuchs at CLA. They will provide an update to the Commission on the progress of the FY23 audit and items that have come up during the audit to date.
- The FY23 audit started on September 18, 2023, and is being conducted virtually.
- This is the second year that MHEC is being audited under GASB standards instead of FASB standards.
- The audit thus far has gone relatively smoothly; however, the audit is not quite ready for this meeting due to changes in presentation.
- CLA has helped MHEC staff prepare for the audit and navigate a number of financial issues, including the new GASB audit practices, and the new Lease Standard change.

# Management Report

Midwestern Higher Education Compact  
For the period ended September 30, 2023



Prepared by  
**MHEC Finance**

Prepared on  
**November 3, 2023**

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# Budget vs. Actuals - YTD Total Agency

July - September, 2023

	Actual	Budget	Total over Budget
<b>INCOME</b>			
4100 Grants	48,944.12	76,253.49	-27,309.37
4200 Contract Revenue	2,153,071.59	1,559,506.00	593,565.59
4010 Microfocus Collaborative Fees	11,372.03	5,000.01	6,372.02
4230 Compact Revenue Sharing	-534,404.71	-389,876.50	-144,528.21
<b>Total 4200 Contract Revenue</b>	<b>1,630,038.91</b>	<b>1,174,629.51</b>	<b>455,409.40</b>
4400 State Obligations Revenue	345,000.00	345,000.00	0.00
4603 Miscellaneous Other Income	85.00		85.00
<b>Total Income</b>	<b>2,024,068.03</b>	<b>1,595,883.00</b>	<b>428,185.03</b>
<b>GROSS PROFIT</b>			
	<b>2,024,068.03</b>	<b>1,595,883.00</b>	<b>428,185.03</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	323,595.75	430,074.36	-106,478.61
5101 Health Insurance	64,355.15	67,205.37	-2,850.22
5102 Dental Insurance	3,114.76	3,072.87	41.89
5103 Life/ LTD/ STD Insurance	2,848.92	2,826.24	22.68
5105 Vision Insurance	363.91	356.40	7.51
5107 Employer 403(b)	39,726.25	55,909.71	-16,183.46
5108 Section 125 Plan		249.99	-249.99
5109 Employee Parking	5,467.50	9,495.00	-4,027.50
5110 Other Benefits	1,625.00	1,950.00	-325.00
5112 SUTA	33.03	43.30	-10.27
5114 Payroll Tax Expense	22,261.03	30,737.27	-8,476.24
5115 Cell Phone	2,053.53	2,400.00	-346.47
5116 Employee Development Funds	5,914.08	6,000.00	-85.92
6305 Workers Compensation Insurance	1,002.75	1,290.27	-287.52
<b>Total 5000 All Personnel Costs</b>	<b>472,361.66</b>	<b>611,610.78</b>	<b>-139,249.12</b>
5200 All Professional Fees			
5201 Accounting Services	78,012.83	56,749.99	21,262.84
5202 Legal Fees	8,590.50	14,999.97	-6,409.47
5204 Honoraria and Lecture Fees		7,760.01	-7,760.01
5207 HR & Payroll Support	31,689.00	16,350.00	15,339.00
5210 Professional Fees - Other	100.00	0.00	100.00
5301 Communications Consultant	468.75	47,499.99	-47,031.24
<b>Total 5200 All Professional Fees</b>	<b>118,861.08</b>	<b>143,359.96</b>	<b>-24,498.88</b>
5300 Consultants			
5302 Computer Services & Support	15,586.10	116,755.02	-101,168.92
5302A Allocation account Computer Svcs & Support	9,942.08	11,124.81	-1,182.73
<b>Total 5302 Computer Services &amp; Support</b>	<b>25,528.18</b>	<b>127,879.83</b>	<b>-102,351.65</b>



			<b>Total</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>
5304 General Consultant Fees	82,775.00	121,874.97	-39,099.97
<b>Total 5300 Consultants</b>	<b>108,303.18</b>	<b>249,754.80</b>	<b>-141,451.62</b>
6000 Office Costs			
5405 Advertising Expense	155.00		155.00
6001 Supplies	929.18	874.86	54.32
6002 Office & Computer Equipment	124.78	8,750.94	-8,626.16
6004 Publications		1,100.01	-1,100.01
6005 Dues, Subscriptions & Memberships	9,052.27	13,750.00	-4,697.73
6006 License	289.95	699.99	-410.04
6007 Postage and Shipping	833.97	575.01	258.96
6009 Printing and Duplicating	560.97	999.93	-438.96
6010 Telephone/Fax/Internet	2,398.71	5,599.89	-3,201.18
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	24,702.60	27,000.00	-2,297.40
6103 Rental Equipment	-52.56	125.01	-177.57
6405 Amortization Expense	15,882.42	15,882.12	0.30
<b>Total 6100 Long Term Rents/Leases</b>	<b>40,532.46</b>	<b>43,007.13</b>	<b>-2,474.67</b>
6105 Meeting Room Rental Fees	2,925.00	400.00	2,525.00
6108 Computer Software Expense	12,322.96	14,072.19	-1,749.23
6109 Repairs and Maintenance	303.33	999.78	-696.45
6206 Conference Registration Fees	7,507.35	18,987.48	-11,480.13
6304 Risk Management-General Agency Insurance	7,215.83	9,749.94	-2,534.11
6315 Promotional and Award Items	1,356.25	823.64	532.61
<b>Total 6000 Office Costs</b>	<b>86,508.01</b>	<b>120,390.79</b>	<b>-33,882.78</b>
6200 Convening Expenses			
6207 Meals	2,819.18	15,439.26	-12,620.08
6208 Transportation	27,565.85	72,466.25	-44,900.40
6209 Lodging	18,775.50	55,666.24	-36,890.74
6210 Meeting Catering and Food	15,511.13	22,433.58	-6,922.45
6211 Conference Tech Services (AV)	60.60	8,750.00	-8,689.40
<b>Total 6200 Convening Expenses</b>	<b>64,732.26</b>	<b>174,755.33</b>	<b>-110,023.07</b>
6400 Other Operating Expenses			
5305 Sub-Grant Expense	13,000.00	24,999.99	-11,999.99
6300 Operating Interest Charges & Service Fees		249.99	-249.99
6402 Depreciation Expense	6,862.95	6,863.37	-0.42
6404 Miscellaneous	602.99	2,250.00	-1,647.01
<b>Total 6400 Other Operating Expenses</b>	<b>20,465.94</b>	<b>34,363.35</b>	<b>-13,897.41</b>
<b>Total Expenses</b>	<b>871,232.13</b>	<b>1,334,235.01</b>	<b>-463,002.88</b>
<b>NET OPERATING INCOME</b>	<b>1,152,835.90</b>	<b>261,647.99</b>	<b>891,187.91</b>
<b>OTHER INCOME</b>			
4601 Interest Income	55,189.04	5,400.00	49,789.04

	Actual	Budget	Total over Budget
<b>Total Other Income</b>	<b>55,189.04</b>	<b>5,400.00</b>	<b>49,789.04</b>
<b>OTHER EXPENSES</b>			
7200 Nonoperating Interest Expense	3,390.99	906.75	2,484.24
<b>Total Other Expenses</b>	<b>3,390.99</b>	<b>906.75</b>	<b>2,484.24</b>
<b>NET OTHER INCOME</b>	<b>51,798.05</b>	<b>4,493.25</b>	<b>47,304.80</b>
<b>NET INCOME</b>	<b>\$1,204,633.95</b>	<b>\$266,141.24</b>	<b>\$938,492.71</b>

# Balance Sheet

As of September 30, 2023

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1000 MHEC - American National Bank (Checking)	4,413,643.38
1001 MHEC - American National Bank (Savings)	246,848.29
1003 Grant - American National Bank (Checking)	87,804.00
1004 MPP - American National Bank (Savings)	20,100.46
1005 Ascendium Grant Checking	0.00
1072 Bill.com Money Out Clearing	0.00
1102 American National Bank (ICS)	7,087,466.12
1195 FNC Brokerage	0.00
<b>Total Bank Accounts</b>	<b>11,855,862.25</b>
<b>Accounts Receivable</b>	
1210 MHEC - Receivables	2,858,640.87
<b>Total Accounts Receivable</b>	<b>2,858,640.87</b>
<b>Other Current Assets</b>	
1240 Other Accounts Receivable	41.53
1301 Undeposited Funds	0.00
1303 Prepaid Expenses	32,433.70
<b>Total Other Current Assets</b>	<b>32,475.23</b>
<b>Total Current Assets</b>	<b>14,746,978.35</b>
<b>Fixed Assets</b>	
1400 Fixed Assets	530,821.35
1404 Office Leasehold Improvements	375,877.06
1413 Right of Use Lease Asset	312,007.90
1497 Accumulated Amortization	-142,941.78
1498 Accumulated Depreciation	-793,809.24
<b>Total Fixed Assets</b>	<b>281,955.29</b>
<b>Other Assets</b>	
1499 Allowance for Doubtful Accounts	0.00
<b>Total Other Assets</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>\$15,028,933.64</b>

## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

##### Accounts Payable

2000 Accounts Payable	1,568,434.32
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<b>Total Accounts Payable</b>	<b>1,568,434.32</b>
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##### Credit Cards

	<b>Total</b>
2066 Control Account Western bank MC	0.00
2067 Divvy Credit Card	8,497.78
<b>Total Credit Cards</b>	<b>8,497.78</b>
<b>Other Current Liabilities</b>	
2101 Payroll Tax Withholding	0.00
2102 Other Payables	534,404.71
2105 Healthcare Reimburse	39.71
2106 Daycare Reimbursement	0.00
2107 HSA Reimbursement	0.00
2108 AFLAC	0.00
2110 403(b) Withholding	65.33
2114 Other Payroll Withholdings	0.00
2117 Accrued Vacation	124,438.75
2120 Accrued Payroll	0.00
2206 Short Term Lease Liability	65,866.79
2215 Deferred Revenue	1,315,934.88
<b>Total Other Current Liabilities</b>	<b>2,040,750.17</b>
<b>Total Current Liabilities</b>	<b>3,617,682.27</b>
<b>Long-Term Liabilities</b>	
2300 Long Term Lease Liability	178,334.50
<b>Total Long-Term Liabilities</b>	<b>178,334.50</b>
<b>Total Liabilities</b>	<b>3,796,016.77</b>
<b>Equity</b>	
3000 Undesignated Organizational Equity	6,839,948.84
3005 Opening Bal Equity	0.00
3010 Board Designated Funds	
3100 Risk Management	25,000.00
3110 Operations Reserve	1,671,000.00
3130 Opportunity Reserve	
3120 Special Projects	500,000.00
3121 Special Projects - OER	0.00
<b>Total 3120 Special Projects</b>	<b>500,000.00</b>
3133 Organizational Capacity	
3131 Organizational Capacity - Technology	10,439.00
<b>Total 3133 Organizational Capacity</b>	<b>10,439.00</b>
<b>Total 3130 Opportunity Reserve</b>	<b>510,439.00</b>
3135 Capital Asset Reserve	
3140 Future Lease Payment	450,000.00
3150 Capital Investments	17,291.00
<b>Total 3135 Capital Asset Reserve</b>	<b>467,291.00</b>
3307 SARA Reserve Funds	494,531.00
<b>Total 3010 Board Designated Funds</b>	<b>3,168,261.00</b>

	<b>Total</b>
3200 Temporarily Restricted	0.00
3206 Grant Funds	0.00
<b>Total 3200 Temporarily Restricted</b>	<b>0.00</b>
3300 Restricted Net Assets	0.00
3308 Master Property Program	20,073.08
<b>Total 3300 Restricted Net Assets</b>	<b>20,073.08</b>
Net Income	1,204,633.95
<b>Total Equity</b>	<b>11,232,916.87</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$15,028,933.64</b>

# Statement of Cash Flows

July - September, 2023

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	1,204,633.95
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1210 MHEC - Receivables	155,606.26
1240 Other Accounts Receivable	-41.53
1303 Prepaid Expenses	10,040.77
1497 Accumulated Amortization	15,882.42
1498 Accumulated Depreciation	6,862.95
2000 Accounts Payable	-158,075.77
2067 Divvy Credit Card	4,214.48
2101 Payroll Tax Withholding	0.00
2102 Other Payables	534,404.71
2105 Healthcare Reimburse	-653.01
2106 Daycare Reimbursement	-192.30
2107 HSA Reimbursement	0.00
2108 AFLAC	-139.95
2110 403(b) Withholding	-12,278.39
2114 Other Payroll Withholdings	0.00
2117 Accrued Vacation	-17,754.12
2120 Accrued Payroll	-76,648.67
2206 Short Term Lease Liability	-21,342.05
2215 Deferred Revenue	1,228,130.88
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>1,668,016.68</b>
<b>Net cash provided by operating activities</b>	<b>2,872,650.63</b>
<b>INVESTING ACTIVITIES</b>	
1400 Fixed Assets	-16,991.20
<b>Net cash provided by investing activities</b>	<b>-16,991.20</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>2,855,659.43</b>
Cash at beginning of period	9,000,202.82

	<b>Total</b>
CASH AT END OF PERIOD	<b>\$11,855,862.25</b>

# Budget vs. Actuals YTD - Insurance Programs

July - October, 2023

	Actual	Budget	Total over Budget
<b>INCOME</b>			
<b>Total Income</b>			<b>0.00</b>
<b>GROSS PROFIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	11,026.19		11,026.19
5114 Payroll Tax Expense	1,893.83		1,893.83
<b>Total 5000 All Personnel Costs</b>	<b>12,920.02</b>		<b>12,920.02</b>
5300 Consultants			
5304 General Consultant Fees	45,000.00		45,000.00
<b>Total 5300 Consultants</b>	<b>45,000.00</b>		<b>45,000.00</b>
6000 Office Costs			
6005 Dues, Subscriptions & Memberships	410.01		410.01
<b>Total 6000 Office Costs</b>	<b>410.01</b>		<b>410.01</b>
<b>Total Expenses</b>	<b>58,330.03</b>	<b>0.00</b>	<b>58,330.03</b>
<b>NET OPERATING INCOME</b>	<b>-58,330.03</b>	<b>0.00</b>	<b>-58,330.03</b>
<b>NET INCOME</b>	<b>\$ -58,330.03</b>	<b>\$0.00</b>	<b>\$ -58,330.03</b>



# Budget vs. Actuals YTD - MHEC Convenings

July - October, 2023

	Actual	Budget	Total over Budget
<b>INCOME</b>			
<b>Total Income</b>			<b>0.00</b>
<b>GROSS PROFIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	84,674.60		84,674.60
5114 Payroll Tax Expense	5,474.01		5,474.01
5115 Cell Phone	450.00		450.00
5116 Employee Development Funds	710.00		710.00
<b>Total 5000 All Personnel Costs</b>	<b>91,308.61</b>		<b>91,308.61</b>
5200 All Professional Fees			
5210 Professional Fees - Other	100.00		100.00
<b>Total 5200 All Professional Fees</b>	<b>100.00</b>		<b>100.00</b>
6000 Office Costs			
6001 Supplies	121.00		121.00
6005 Dues, Subscriptions & Memberships	4,280.00		4,280.00
6007 Postage and Shipping	168.50		168.50
6105 Meeting Room Rental Fees	2,925.00		2,925.00
6108 Computer Software Expense	2,478.77		2,478.77
6206 Conference Registration Fees	1,454.00		1,454.00
6315 Promotional and Award Items	67.89		67.89
<b>Total 6000 Office Costs</b>	<b>11,495.16</b>		<b>11,495.16</b>
6200 Convening Expenses			
6207 Meals	375.11		375.11
6208 Transportation	15,029.52		15,029.52
6209 Lodging	1,918.91		1,918.91
6210 Meeting Catering and Food	12,064.62		12,064.62
6211 Conference Tech Services (AV)	2,011.25		2,011.25
<b>Total 6200 Convening Expenses</b>	<b>31,399.41</b>		<b>31,399.41</b>
<b>Total Expenses</b>	<b>134,303.18</b>	<b>0.00</b>	<b>134,303.18</b>
<b>NET OPERATING INCOME</b>	<b>-134,303.18</b>	<b>0.00</b>	<b>-134,303.18</b>
<b>NET INCOME</b>	<b>\$ -134,303.18</b>	<b>\$0.00</b>	<b>\$ -134,303.18</b>

# Budget vs. Actuals YTD - Policy and Research

July - October, 2023

	Actual	Budget	Total over Budget
<b>INCOME</b>			
4100 Grants	48,944.12		48,944.12
4300 Program Revenue	325,035.69		325,035.69
<b>Total Income</b>	<b>373,979.81</b>	<b>0.00</b>	<b>373,979.81</b>
<b>GROSS PROFIT</b>	<b>373,979.81</b>	<b>0.00</b>	<b>373,979.81</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	208,834.94		208,834.94
5112 SUTA	14.74		14.74
5114 Payroll Tax Expense	13,558.82		13,558.82
5115 Cell Phone	1,500.00		1,500.00
5116 Employee Development Funds	2,479.74		2,479.74
<b>Total 5000 All Personnel Costs</b>	<b>226,388.24</b>		<b>226,388.24</b>
5300 Consultants			
5302 Computer Services & Support	8,580.00		8,580.00
5304 General Consultant Fees	45,275.00		45,275.00
<b>Total 5300 Consultants</b>	<b>53,855.00</b>		<b>53,855.00</b>
6000 Office Costs			
6001 Supplies	531.72		531.72
6005 Dues, Subscriptions & Memberships	1,912.71		1,912.71
6007 Postage and Shipping	172.85		172.85
6009 Printing and Duplicating	124.05		124.05
6108 Computer Software Expense	8,576.12		8,576.12
6206 Conference Registration Fees	5,174.35		5,174.35
<b>Total 6000 Office Costs</b>	<b>16,491.80</b>		<b>16,491.80</b>
6200 Convening Expenses			
6207 Meals	2,434.77		2,434.77
6208 Transportation	14,872.42		14,872.42
6209 Lodging	17,282.52		17,282.52
6210 Meeting Catering and Food	8,097.23		8,097.23
6211 Conference Tech Services (AV)	60.60		60.60
<b>Total 6200 Convening Expenses</b>	<b>42,747.54</b>		<b>42,747.54</b>
6400 Other Operating Expenses			
5305 Sub-Grant Expense	27,000.00		27,000.00
6404 Miscellaneous	371.43		371.43

			<b>Total</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>
<b>Total 6400 Other Operating Expenses</b>	<b>27,371.43</b>		<b>27,371.43</b>
<b>Total Expenses</b>	<b>366,854.01</b>	<b>0.00</b>	<b>366,854.01</b>
<b>NET OPERATING INCOME</b>	<b>7,125.80</b>	<b>0.00</b>	<b>7,125.80</b>
<b>OTHER EXPENSES</b>			
7000 Indirect Cost Allocation	6,384.02		6,384.02
<b>Total Other Expenses</b>	<b>6,384.02</b>	<b>0.00</b>	<b>6,384.02</b>
<b>NET OTHER INCOME</b>	<b>-6,384.02</b>	<b>0.00</b>	<b>-6,384.02</b>
<b>NET INCOME</b>	<b>\$741.78</b>	<b>\$0.00</b>	<b>\$741.78</b>

# Budget vs. Actuals YTD - Technology

July - October, 2023

			Total
	Actual	Budget	over Budget
<b>INCOME</b>			
4200 Contract Revenue	2,153,071.59		2,153,071.59
4010 Microfocus Collaborative Fees	11,372.03		11,372.03
4230 Compact Revenue Sharing	-534,404.71		-534,404.71
<b>Total 4200 Contract Revenue</b>	<b>1,630,038.91</b>		<b>1,630,038.91</b>
<b>Total Income</b>	<b>1,630,038.91</b>	<b>0.00</b>	<b>1,630,038.91</b>
<b>GROSS PROFIT</b>	<b>1,630,038.91</b>	<b>0.00</b>	<b>1,630,038.91</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	60,663.92		60,663.92
5114 Payroll Tax Expense	3,922.63		3,922.63
5115 Cell Phone	150.00		150.00
<b>Total 5000 All Personnel Costs</b>	<b>64,736.55</b>		<b>64,736.55</b>
6000 Office Costs			
6001 Supplies	1.15		1.15
6005 Dues, Subscriptions & Memberships	200.01		200.01
6007 Postage and Shipping	163.50		163.50
6206 Conference Registration Fees	1,154.00		1,154.00
<b>Total 6000 Office Costs</b>	<b>1,518.66</b>		<b>1,518.66</b>
6200 Convening Expenses			
6207 Meals	336.96		336.96
6208 Transportation	2,735.31		2,735.31
6209 Lodging	3,445.52		3,445.52
6210 Meeting Catering and Food	8,412.62		8,412.62
6211 Conference Tech Services (AV)	2,011.25		2,011.25
<b>Total 6200 Convening Expenses</b>	<b>16,941.66</b>		<b>16,941.66</b>
<b>Total Expenses</b>	<b>83,196.87</b>	<b>0.00</b>	<b>83,196.87</b>
<b>NET OPERATING INCOME</b>	<b>1,546,842.04</b>	<b>0.00</b>	<b>1,546,842.04</b>
<b>NET INCOME</b>	<b>\$1,546,842.04</b>	<b>\$0.00</b>	<b>\$1,546,842.04</b>

# Budget vs. Actuals YTD FY23 - GM & O

July - October, 2023

	Actual	Budget	Total over Budget
<b>INCOME</b>			
4400 State Obligations Revenue	460,000.00		460,000.00
4603 Miscellaneous Other Income	85.00		85.00
<b>Total Income</b>	<b>460,085.00</b>	<b>0.00</b>	<b>460,085.00</b>
<b>GROSS PROFIT</b>	<b>460,085.00</b>	<b>0.00</b>	<b>460,085.00</b>
<b>EXPENSES</b>			
5000 All Personnel Costs			
5001 Salary	75,818.23		75,818.23
5101 Health Insurance	83,835.72		83,835.72
5102 Dental Insurance	4,092.69		4,092.69
5103 Life/ LTD/ STD Insurance	3,650.02		3,650.02
5105 Vision Insurance	450.34		450.34
5107 Employer 403(b)	54,795.67		54,795.67
5109 Employee Parking	7,170.00		7,170.00
5110 Other Benefits	2,275.00		2,275.00
5112 SUTA	18.29		18.29
5114 Payroll Tax Expense	4,876.73		4,876.73
5115 Cell Phone	953.53		953.53
5116 Employee Development Funds	3,069.34		3,069.34
6305 Workers Compensation Insurance	1,002.75		1,002.75
<b>Total 5000 All Personnel Costs</b>	<b>242,008.31</b>		<b>242,008.31</b>
5200 All Professional Fees			
5201 Accounting Services	114,234.65		114,234.65
5202 Legal Fees	8,590.50		8,590.50
5207 HR & Payroll Support	37,732.00		37,732.00
5301 Communications Consultant	468.75		468.75
<b>Total 5200 All Professional Fees</b>	<b>161,025.90</b>		<b>161,025.90</b>
5300 Consultants			
5302 Computer Services & Support	18,076.10		18,076.10
5302A Allocation account Computer Svcs & Support	13,430.36		13,430.36
<b>Total 5302 Computer Services &amp; Support</b>	<b>31,506.46</b>		<b>31,506.46</b>
<b>Total 5300 Consultants</b>	<b>31,506.46</b>		<b>31,506.46</b>
6000 Office Costs			
5405 Advertising Expense	155.00		155.00
6001 Supplies	712.65		712.65

			<b>Total</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>
6002 Office & Computer Equipment	124.78		124.78
6005 Dues, Subscriptions & Memberships	5,468.54		5,468.54
6006 License	274.00		274.00
6007 Postage and Shipping	711.46		711.46
6009 Printing and Duplicating	704.63		704.63
6010 Telephone/Fax/Internet	2,739.77		2,739.77
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	40,836.32		40,836.32
6103 Rental Equipment	130.62		130.62
6405 Amortization Expense	15,882.42		15,882.42
<b>Total 6100 Long Term Rents/Leases</b>	<b>56,849.36</b>		<b>56,849.36</b>
6108 Computer Software Expense	3,465.21		3,465.21
6109 Repairs and Maintenance	303.33		303.33
6206 Conference Registration Fees	1,079.00		1,079.00
6304 Risk Management-General Agency Insurance	7,215.83		7,215.83
6315 Promotional and Award Items	1,356.25		1,356.25
<b>Total 6000 Office Costs</b>	<b>81,159.81</b>		<b>81,159.81</b>
6200 Convening Expenses			
6207 Meals	226.74		226.74
6208 Transportation	3,155.81		3,155.81
6209 Lodging	2,190.99		2,190.99
6210 Meeting Catering and Food	673.84		673.84
<b>Total 6200 Convening Expenses</b>	<b>6,247.38</b>		<b>6,247.38</b>
6400 Other Operating Expenses			
6402 Depreciation Expense	9,150.60		9,150.60
6404 Miscellaneous	359.90		359.90
<b>Total 6400 Other Operating Expenses</b>	<b>9,510.50</b>		<b>9,510.50</b>
<b>Total Expenses</b>	<b>531,458.36</b>	<b>0.00</b>	<b>531,458.36</b>
<b>NET OPERATING INCOME</b>	<b>-71,373.36</b>	<b>0.00</b>	<b>-71,373.36</b>
<b>OTHER INCOME</b>			
4601 Interest Income	56,314.20		56,314.20
<b>Total Other Income</b>	<b>56,314.20</b>	<b>0.00</b>	<b>56,314.20</b>
<b>OTHER EXPENSES</b>			
7000 Indirect Cost Allocation	-6,384.02		-6,384.02
7200 Nonoperating Interest Expense	3,390.99		3,390.99
<b>Total Other Expenses</b>	<b>-2,993.03</b>	<b>0.00</b>	<b>-2,993.03</b>
<b>NET OTHER INCOME</b>	<b>59,307.23</b>	<b>0.00</b>	<b>59,307.23</b>

			<b>Total</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>
<b>NET INCOME</b>	<b>\$ -12,066.13</b>	<b>\$0.00</b>	<b>\$ -12,066.13</b>

## **Governance Committee**

**Action Item 3:** Roles and Responsibilities of the MHEC Commissioner  
Edits to the Roles and Responsibilities of the MHEC Commissioner

**Action Item 4:** Officer Nomination Process  
Guidelines for MHEC Officer Nomination Process

**Action Item 5:** Increasing the Size of the Finance and Audit Committee



### **Action Item 3**

#### **Roles and Responsibilities of the MHEC Commissioner**

In 2005, the MHEC Executive Committee approved the creation of a subcommittee on commissioner roles and responsibilities. The subcommittee prepared a report which included a document that laid out the roles and responsibilities of the MHEC Commissioner. At its 2005 November annual commission meeting, the Commission voted to adopt the report of the subcommittee, including the roles and responsibilities of the MHEC Commissioner. This past summer the Governance Committee reviewed the roles and responsibilities of the MHEC Commissioner to see if they were still relevant. The committee found the roles and responsibilities as outlined in 2005 to still be relevant and ended up recommending only a few minor edits. The Governance Committee now recommends the Commission once again approve the roles and responsibilities of the MHEC Commissioner, this time as slightly modified by the committee, and that the roles and responsibilities be reviewed annually by Commissioners during the full Commission meeting as well as during commissioner orientations.

#### **Proposed Motion**

The Commission formally approve the modified MHEC commissioner roles and responsibilities, and that the roles and responsibilities be reviewed annually by Commissioners during the full Commission meeting and during commissioner orientation.

*See the accompanying document on next page.*

## **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~~virtually when ~~possible~~necessary.
  
- 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's mission, 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 member obligations.
  
- 10) Commissioners will be available to Compact staff for consultation.

*Adopted Tuesday, November 15, 2005  
Annual Commission Meeting*

## **Action Item 4**

### **Officer Nomination Process**

It is the commission's policy to take into consideration diversity broadly construed when electing its officers. Additionally, the commission looks at rotating the position of chair between commissioners from each of the 12 member states. There is also an attempt to rotate the offices between legislators and not legislators when practicable. Other than these broad guidelines, there is very little guidance around selection of officers. The Governance Committee recommends the officer nomination process be articulated in writing in the form of guidelines but that the guidelines not be rigid but be written to allow for flexibility to permit them to account for many different scenarios. The Governance Committee drafted Guidelines for MHEC Officer Nomination Process and recommends that the Commission approve it.

#### **Proposed Motion**

The Commission formally approve the Guidelines for MHEC Officer Nomination Process.

*See the accompanying document on next page.*

## **Guidelines for MHEC Officer Nomination Process**

Within the nomination process and where practicable, the Commission should attempt to rotate the position of chair between commissioners from each of the 12 member states. Additionally, the Commission shall take into consideration diversity, broadly construed, in its nomination of officers. The Commission should also attempt to maintain a balance within its officers between legislators and non-legislators when possible.

## **Action Item 5**

### **Increasing the Size of the Finance and Audit Committee**

The composition of the Finance and Audit Committee, as approved by the Commission, currently consists of seven to nine members: (1) the MHEC treasurer (chair); (2) the immediate past chair; (3-6) two to four commissioners at large; (7) the MHEC President; (8) MHEC CFO (position eliminated); and (9) MHEC Director of Finance and Administration. In an effort to get more commissioner engagement and to include representation on the committee from all of the MHEC states, the Governance Committee recommends changing the Finance and Audit Committee composition to one commissioner from each state, inclusive of the treasurer. The Finance and Audit Committee would then consist of 12 commissioners plus two MHEC staff (in an ex officio capacity).

#### **Proposed Motion**

The Commission formally approve increasing the size of the Finance and Audit Committee to include one member from each compact state.

## Action Items 6-9

### Nominations and Elections of Officers

MHEC's Bylaws state:

***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.*

This past year MHEC experienced the departure from the Commission of its chair when Chancellor Devinder Malhotra of the Minnesota State College and University System retired. The result of this departure meant the position of MHEC chair was vacant. Pursuant to MHEC's bylaws, Vice Chair Representative Barbara Ballard stepped in as acting chair.

The commission is being asked to elect from its members individuals for the office of chair, vice chair, treasurer, and immediate past chair. The MHEC bylaws state that Representative Barbara Ballard, as vice chair, shall succeed to the office of the chair if elected by the commission. Since the office of the chair is open, there is no chair to step into the office of the immediate past chair.

It is the Commission's policy to take into consideration diversity broadly construed when electing its officers. Additionally, the Commission looks at rotating the position of chair between commissioners from each of the 12 member states, and when possible, maintains a balance between legislators and non-legislators within its officers. Upon consultation with the current MHEC officers, it is recommended that Representative Barbara Ballard (KS) be elected to the office of chair, Senator Joan Ballweg (WI) be elected to the office of vice chair, Larry Tidemann (SD) be re-elected to the office of treasurer, and Dr. David Eisler (MI) be re-elected to the office of past chair. All four individuals have graciously agreed to serve if nominated and approved.

#### **Proposal**

##### **Action Item 6: MHEC Chair Election**

That consistent with the MHEC bylaws the commission approve Barbara Ballard (KS) for the position of MHEC chair.

##### **Action Item 7: MHEC Vice Chair Election**

That the commission approve Joan Ballweg (WI) for the position of MHEC vice chair.

**Action Item 8: MHEC Past Chair Election**

That the commission approve David Eisler (MI) for the position of MHEC past chair.

**Action Item 9: MHEC Treasurer Election**

That the commission approve Larry Tidemann (SD) for the position of MHEC treasurer.

## **Programs**

Master Property Program

Stone Arch Insurance Company

MHECare Student Health Solutions

Midwest Student Exchange Program (MSEP)

Midwestern-State Authorization Reciprocity Agreement (M-SARA)



# Master Property Program (MPP)

Prepared by Rob Trembath, Chief Operating Officer and General Counsel

## 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 not-for-profit colleges and universities. Because of its success, the MPP developed a program mission to be the premier higher education-related property insurance program with a focus 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). Marsh served as the program administrator.

## Current Status

At its November 2022 meeting, the MHEC Commission made the decision to sunset the current MPP effective July 1, 2023. This was a very difficult message to make and communicate especially given MHEC's legacy of creating member programs that are viable and strategically meet emerging needs of its constituents. The Commission decision was rooted in three challenges pressing upon the program – a series of three large losses in a relatively short period of time, changes in underwriting perspectives and weather patterns around severe convective storm risk, and increased program competition and member marketing. Although the decision was made to sunset the program, it remained financially strong and continued business as usual with policies in place through July 1, 2023, with claims management and ongoing support by both the MHEC and Marsh team.

As part of the transition, and under the provisions of the MHEC contract with Marsh, any members who wished to do so were able to work directly with Marsh to obtain their property coverage for the July 1, 2023-June 30, 2024, policy year. Two MPP participants utilized this option. MHEC will continue to retain Marsh's services to unwind the program while also servicing members (answering coverage questions, fielding claims, loss control support, finalizing and balancing accounting). Marsh's assistance will be required to support the unwinding of the MPP until all open claims are closed which may take several years, but as time progresses, the support required will diminish.

In addition, MHEC rented a cell in a rent-a-captive, EPIC, for the MPP members for over 20 years before launching Stone Arch Insurance Company on July 1, 2021. EPIC decided to novate (replace with a new contract) this cell to a third party (thereby transferring the liabilities to a new entity) and the remaining member equity was distributed to participants in the form of an additional dividend payment. These dividends were distributed in accordance with the MPP's dividend policy that was created and adopted by MPP Leadership. Approximately \$2M was distributed to current and former members in early 2023. When the IRS releases a final letter of credit hold, an additional EPIC distribution of roughly \$1M will occur (which may take up to 18 months). MHEC communicated this information to all current and former MPP members eligible for dividends.

## Next Steps

Although MPP was sunset, MHEC is continuing to explore ways in which it can help institutions lower their insurance costs. Currently, MHEC is working with Marsh in piloting a way to help institutions obtain their fine arts and terrorism coverage at reduced costs.

# Master Property Program - Stone Arch Insurance Company

Prepared by Rob Trembath, Chief Operating Officer and General Counsel

## Background

The MHEC Master Property Program (MPP) offered institutions access to a loss fund, or captive, which paid out smaller, or attritional losses, subject to an annual limit, that the insurance market would otherwise need to cover, thereby creating distance from the insurance market. The MPP's loss fund, developed in the early 90s, was 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 returned 100% of the members' contribution back to the members in the form of dividends or paid claims. Facing numerous challenges resulting from a hardening property insurance market, MHEC underwent a multi-year strategic examination of MPP's structure. With the assistance of expertise from the MPP Program Administrator Marsh's captive group, the examination focused on the loss fund. The results of this multi-year examination recommended that MHEC replace the rent-a-captive with a MHEC-owned single-parent captive to best serve the 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. 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

Although the MPP officially sunset on July 1, 2023, Stone Arch Insurance Company will continue to support the MPP's loss fund layer until all open claims have been paid and settled. As there are no plans to write any insurance coverage after July 1, 2023, this will effectively send Stone Arch Insurance Company into what is called "run-off." "Run-off" occurs when an insurance company ceases to sell new insurance policies. During this period, Stone Arch will continue to conduct its duties as a captive, paying claims, and filing necessary reports. MHEC will continue to retain the services of Marsh Captive Management to operate Stone Arch Insurance Company, which includes paying claims and providing regular reporting to the Vermont Department of Financial Regulation. Marsh Captive will also work with outside providers that support captive operations such as audit, tax, and actuarial services.

## Next Steps

During this "run-off" period MHEC may find additional uses for the captive and begin to write new lines of insurance, but if it does not, at the conclusion of the "run-off" period (which can take several years) MHEC will need to determine if it dissolves Stone Arch or places it in dormancy. At this point, MHEC staff recommends dormancy--which can occur for renewable five-year time frames--but will continue to monitor the landscape and be prepared to make a formal recommendation as the decision point nears.

# MHECare Student Health Solutions

Prepared by Rob Trembath, Chief Operating Officer and General Counsel

## 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. Upon completing its due diligence, the committee made awards to four vendors: UnitedHealthcare StudentResources, HealthMarkets, META Teletherapy, and TAO Connect. Contracts have been successfully negotiated with each of these vendors.

## Next Steps

With the addition this fall of Western Illinois University and the University of Illinois-Springfield, 25 institutions from across the U.S. participate in MHECare for the 2022-23 school year through the option with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance, providing coverage to over 56,000 students.

For those institutions not offering a fully insured school-sponsored health insurance plan, HealthMarkets provides an easy avenue for students and their dependents to find health insurance and connects students searching for insurance with licensed insurance agents on their online shopping portal. MHEC is working with several pilot institutions in the region to slowly roll out the service and then plans to leverage the potential success stories with the pilot institutions as it promotes the product more broadly.

MHEC is also offering institutions options for virtual mental health services through META and TAO Connect. 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.

MHEC will keep on working with its contract vendors to make institutions aware of these MHECare contracts while continuing to explore other opportunities to help institutions support their students' health.

# Midwest Student Exchange Program (MSEP)

Prepared by Beth Ellie, Associate Director of 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 2022-23 MSEP Data Report, eight states participated in the program with over 70 institutions submitting data from two- and four-year public and private not-for-profit institutions. Colleges and universities reported that approximately 5,828 students saved almost \$44M in tuition in FY23.

Given the changes in enrollment trends and out of state tuition across the country, MHEC staff and members of the MSEP Council along with an outside consultant, will review the program to determine changes needed to maintain the relevance and value of MSEP. An advisory group of MSEP stakeholders will be convened in FY24 to help MHEC interpret the trends evident in MSEP participation data from the last several years. This group will recommend changes to the program which will be presented to the MSEP Council which will keep the Commission informed and involved in this process. Changes under consideration include a data collection platform to streamline and standardize the institutional reporting process; the development of new materials and state-specific data for admissions and financial aid officers to support communications with students and families; and changes to MSEP policies that are needed now that the program has been in existence nearly 30 years. This past year, the MSEP website was updated for enhanced utility and appeal for institutional and student users, and MHEC staff have led a series of conversations about regional reciprocity programs among staff at all the regional compacts.

## Next Steps

In spring 2022, the MSEP Council recommended the development of a website to allow all MHEC states' public and private not-for-profit institutions' programs and tuition information be voluntarily included in an enhanced searchable manner. Such a site would allow students and families to search and compare the costs and programs available at institutions across the Midwest, providing access and affordability information to students and families, as well as assisting institutions with enrollment management.

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

Prepared by Sara Appel, 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. Institutions pay a fee based on a formula, in order to participate. Prior to SARA, an institution serving online students had to register with and meet authorization guidelines in every state other than their own, where students were located. With SARA, the approach has streamlined and added consistency to the standards institutions must follow that offer distance education programs or courses across state lines and throughout the country. SARA also supports quality assurance and consumer protections for students and increases the value of credits through distance education. California is the only state that does not participate however discussions continue to encourage their joining.

Through the Unified Agreement (UA), the National Council for State Authorization Reciprocity Agreements (NC-SARA) exists 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 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, 2,413 institutions participate, of which 663 (333 private non-profit, 291 public, 31 private for-profit, and 8 tribal) institutions are in MHEC states. M-SARA (Midwestern-State Authorization Reciprocity Agreement) is integral in that 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. Jennifer Armour, associate director for academic affairs at the Kansas Board of Regents, serves as chair.

This past year a new policy review process was developed, offering more participation and transparency. M-SARA RSC members wrote 27 new policy modification proposals (PMPs) to improve SARA and reviewed and voted upon additional PMPs from stakeholders throughout the country. In the end, there were 44 PMPs, with only [six](#) that garnered approval from all four regional compacts for a vote by the NC-SARA board. The board unanimously approved all three of those PMPs from M-SARA.

In September, following a comprehensive national search the NC-SARA board of directors announced their selection of Dr. Marianne Boeke as the new president, after serving as interim for just over a year. Prior to this role, she served as the vice president of research and state partnerships at NC-SARA.

## Next Steps

Through the next policy modification process, the M-SARA RSC will be working with the other regional compacts' RSCs and other stakeholders to amend, align, and vote for approval on additional policy modification proposals that will go to the board.

## **Policy & Research**

Research

Dual Credit/Concurrent Enrollment Teacher Credentialing

Midwest Credential Transparency Alliance (MCTA)

Open Educational Resources (OER)

Technologies Community

# 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 MHEC stakeholders includes research and feedback on math and science academies; K-12 enrollment; promise programs; the effect of net price on completion rates; administrative staff trends; state appropriations and tuition revenue; trends in campus closures; conditional grant programs; operational efficiencies and cost-savings; and transcript holds.

## Current Status

- *2023 State Performance Update*: A performance update for each MHEC member state is being 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. The reports will be available during the spring of 2024.
- *Interactive Dashboard*: Based on a stakeholder feedback survey administered in July of 2022, dashboard indicators continue to be updated with the most recent data. In addition, several new indicators have been added, including college enrollment by sex, FAFSA completion rates, full-time equivalent student enrollment, and total number of credentials conferred.
- *Higher Education Governance in the Midwest*: MHEC is collaborating with the State Higher Education Executive Officers Association (SHEEO) to develop a report that examines the different types of higher education governance structures; primary functions and activities of governing bodies; and types of constitutional provisions for higher education in each state.
- *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 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. The report was updated to include an additional analysis of how the effect of public funding depends on an institution's degree of subsidy reliance.

## Next Steps

*Collecting and Reporting Data for Improving Dual Enrollment Programs*: This project draws on literature reviews and stakeholder interviews to guide state efforts to assess and improve dual enrollment data.

*Midwest College Student Mental Health Initiative*: MHEC is collaborating with various regional and national organizations to identify areas in which MHEC can advance policy and research in student mental health.

# Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by Beth Ellie, Associate Director of Policy Initiatives and Jenny Parks, Vice President

## Background

[Concurrent enrollment](#) provides high school students the opportunity to take college credit-bearing courses in their high school classrooms and on partnered college campuses. Research indicates that such programs enhance educational outcomes for students; provide recruitment channels for postsecondary institutions; enhance college student outcomes; and save students money. Dual and concurrent enrollment courses are offered in all fifty states, with demand for such courses increasing rapidly. The programs vary greatly across the country and there are several challenges states face as they try to meet the growing demand. Challenges include funding the costs of dual credit course offerings and in a way that is equitable for all students, especially those in rural and low-income school districts. Recruiting and maintaining a qualified and fully credentialed concurrent enrollment teaching force is another major challenge. MHEC's dual/concurrent enrollment initiatives address all these challenges from a regional perspective.

In 2015 the [Higher Learning Commission \(HLC\)](#), the major accreditor for Midwestern states, clarified its expectations for the teaching 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 along with at least 18 graduate credits in the field they teach. This policy change raised concerns in many midwestern states, namely around access issues.

This HLC 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 deadline for institutions to have all their instructors meet expectations was extended to September 1, 2025. However, in 2023, HLC has [shared new proposed language](#) pertaining to instructor qualifications. Depending upon if and how this new policy language is adopted, institutions will need to develop additional new methods for tracking the credentials of their faculty, including those who teach on their behalf in high schools. The tentative timeline is June 2023 for the first HLC Board reading, followed by a public comment period (not less than 60 days), with a second HLC Board reading in November 2023, and an effective date to be determined.

## Current Status/Next Steps

Regarding concurrent enrollment faculty credentialing, in FY24 MHEC will engage in the following work:

- Continue to recruit participation in [Graduate Credit Quest](#) (GCQ);
- Continue close collaborations with HLC and ensure that HLC and the midwestern dual/concurrent enrollment community are well informed;
- Rekindle an advisory group of stakeholders from MHEC states who can advise on needed actions and resources pertaining to instructor credentials; and
- Create an advisory group of stakeholders from MHEC states who can advise on ways to improve and enhance GCQ.

Regarding concurrent enrollment participation and funding, in FY24 MHEC will engage in the following work:

- Research on data collection and reporting pertaining to dual and concurrent enrollment in the twelve MHEC states; and
- Create an advisory group of stakeholders from MHEC states who can advise on additional areas of dual and concurrent enrollment research needed in the Midwest.



# Credentialing and the Midwest Credential Transparency Alliance (MCTA)

Prepared by Jenny Parks, Vice President

## 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, evaluate and compare 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 two-year 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 (from students to employers) 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 was guided by the Midwest Credential Transparency Alliance (MCTA), a group of representatives from MHEC states who work to organize and align the credential ecosystem within their states. Each participating MHEC state had an opportunity to create a team of representatives from higher education agencies and systems, K-12, and workforce development agencies, and governor's offices to help lead the work in their respective states and share best practices with others. The goal was 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. The first phase of work under the MCTA ended in December 2022. One of the projects initiated by the MCTA, a Midwest postsecondary pathway inventory, has now been used to create a tool to help students and educational professionals identify pathways. A webinar showcasing and demonstrating the Pathway Finder will be co-presented by MHEC and Credential Engine in late 2023.

## Current Status/Next Steps

MHEC will continue work with MCTA and in the area of Credentialing in FY24. Members of the MCTA will be reconvened and their work with Credential Engine reviewed and supported with a renewed set of group meetings that will take place alongside other working groups addressing and sharing ideas pertaining to other aspects of the rapidly expanding set of credentials in the nation. Groups in which stakeholders have expressed interest include:

- learner records/transcripting, and transcript holds
- microcredentials/badging, and
- credential pathways.

The working groups will produce a set of recommendations for credentialing-related initiatives MHEC can pursue as early as FY25.

# Open Educational Resources (OER)

Prepared by Jenny Parks, Vice President

## Background

[Open Educational Resources](#) (OER) are teaching, learning, or research resources that are offered freely to users in at least one form and that either reside in the public domain or have been released under an open copyright license that allows for its free use, reuse, modification, and sharing with attribution. (As defined by [SPARC](#).) 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 instructional innovation. MHEC supports its member states as they increase their capacity to implement OER and establish sustainable use of them 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, share best practices, scale successful efforts, and leverage collective resources to enhance OER implementation across the country. In September 2022, MHEC received an additional \$432,400 grant from the Hewlett Foundation to continue the work with the Midwestern states and the collaboration with the NCOER across the country.

## Current Status

Under this grant to date, MHEC has been meeting regularly with state OER action teams to plan their activities for the year. Each state will receive a \$5,000 subgrant to help augment state capacity for OER. Teams are deciding this spring what activities will have the most impact on their state capacity.

MHEC communicates regularly with the OER community, including through development of a newsletter which has grown in interest by 61% since it was first sent in 2019.

A yearlong research project was launched to understand how institutions are using course marking to communicate and track which courses use OER. The first steps of this project were the distribution this past summer of a national survey to better understand current practices and challenges. A paper detailing the findings of the survey will be published in late 2023, and a webinar will accompany its launch. During fall 2023 and spring 2024, an advisory group will identify obstacles to and solutions for the development of course marking processes.

## Next Steps

MHEC will host the Midwestern OER Summit on January 24-25, 2024, at the Big Ten Conference Center in Rosemont, IL. This invitation-only, two-day convening will bring together our MHEC OER State Action Teams from across the Midwest to share in learning, strategic planning, and networking.

A report will be published detailing the results of the course marking survey in late fall 2023 and will follow up with a report from our assembled national working group with recommendations on how best to engage with course marking in support of OER and affordability initiatives in Spring 2024.

# 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

### The Value We Bring

Earlier this year, the community shared an IT (Information Technology) Talent Retention paper. It focused on the challenges higher education faces in retaining needed talent, as well as the strategies IT leaders can adopt to mitigate these challenges. Feedback showed this raised awareness of IT leaders' serious concerns.

Now the Community is tackling another critical priority: fortifying IT. Our 2024 project will showcase how IT underpins everything institutions do - from data security to online learning. Strong, healthy IT services bolster institutional missions. However, frequent cyber threats and budget cuts threaten IT capacity. The Technologies Community report will provide techniques and solutions to properly resource these foundational services. The Community engaged national IT leaders at EDUCAUSE through an informal 'braindate' and were selected to present on IT's value proposition.

The community also created an educational webinar series for regional institutions and provided curated vendor programming such as collaboration with [SAS](#). Contract partnerships like this complement campus analytics capabilities and maximize data's value for students, preparing them to harness data in their careers. They also complement campus analytics capabilities and maximize data's value for students, preparing them to harness data in their careers.

Finally, regional community members convened at an EDUCAUSE networking breakfast to share MHEC's story and allow engagement between current and prospective community members.

## Next Steps

Over the next year, we will complete the IT fortification project, convene the full community in February, and strategically plan needs for the coming year.

In summary, we provide insights guiding strategic changes that support institutional missions and equip graduates for modern workplaces. We hope this update demonstrates our ongoing commitment to supporting higher education.

# Contracts

Academic

Technology

# MHEC Academic Contracts

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

## Background

MHEC has a long history of supporting institutions via its technology contracts. Those contracts primarily address the IT and infrastructure needs of institutions. In recent years, under the name “Academic Contracts,” MHEC has begun to explore additional contracting opportunities that more directly meet the needs of students and faculty at institutions. MHEC's academic contracts are a response to changes unfolding at MHEC and in the broader higher education landscape. With inputs from institutional stakeholders, MHEC staff have identified opportunities in contracting that 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 consistent with the 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:*** This contract, which has now evolved into a letter of intent, was developed in response to recommendations and needs arising from MHEC's OER (Open Educational Resources) initiative. Creative Commons (CC) is a nonprofit organization that provides open licenses so content creators have a free, simple, and standardized way to designate copyright permissions for creative and academic works. Under this letter of intent with MHEC, Creative Commons offers a 15% discount on all training to stakeholders in states serviced by MHEC and its sister compacts.

## Potential RFPs (Request for Proposals):

A process for assessing the viability of potential RFPs in the academic space has been implemented, and multiple projects are being assessed through that process such as:

- Career Navigation for Adult Learners: seek digital tools that can potentially help adult learners navigate from education to their career (market not ready until at least 2024)
- Professional Licensure: identify resources that systematically investigate and collect data about professional licensure disclosure compliance. Consulting services: identify firms that offer consulting services in specific areas such as transcript automation and credential processing, virtual reality, and/or staffing services.

## Next Steps

As MHEC staff work on various projects in alignment with the strategic plan, more ideas and opportunities for academic contracts will arise. The process that has been implemented has helped streamline decision-making; ensuring that the most feasible ideas for potential academic RFPs are brought forward.

# Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

## Background

MHEC's technology contracts aim to provide timely, effective, and cost-efficient technology solutions through a fair and open competitive bid process that adheres to statutory procurement requirements of Compact member states in the Midwest. The sourcing process is conducted by subject matter experts representing Midwest technology stakeholders and MHEC staff, who leverage the potential purchasing power of the region. The resulting technology contracts provide institutions with a contract framework that allows flexibility and ease of use while complying with applicable laws and best practices. This approach minimizes the administrative burden on institutions, saving them time and money. MHEC is a legislatively established interstate compact with broad contracting authority, serves as a lead public agency on behalf of member states and collaborates with stakeholders to ensure the best outcomes for education and government entities.

## Current Status

Higher education institutions have had to adapt to the post-pandemic era by creating IT infrastructures that support the changing digital landscape. However, many of these institutions have limited budgets and staffing to (on their own), acquire the necessary technology solutions. To address this issue, MHEC provides 22 technology contracts for various solutions, including computers, data and networking, printers and peripherals, security services, and software. Several are new in end-user computing including Connection, Dell, HP Inc., and Lenovo.

A Technologies Community workgroup conducted a solicitation for Data Analytics for Student Success, Institutional Efficiencies, and Integration, recommending awards to Resultant and SAS Institute. These new contracts have a term of up to seven years. As with all MHEC technology contracts, they are available for use by all public and private not-for-profit institutions of higher education in the MHEC region, other [regional compacts](#), as well as K-12 districts, local governments, and states, and are designed to save time, money, and resources on acquiring critical hardware, software, and support.

For the last full reporting period, fiscal year 2023, entities in all 12 of the member states have leveraged MHEC technology contracts, resulting in over \$31.59 million in savings. Over the last five years, national usage of MHEC technology contracts has grown steadily by 11% year over year, with over \$2.7 billion invested in technology. MHEC anticipated and realized an 8% decrease in usage with the new end-user computing contracts for FY23, however, increased usage is anticipated each year thereafter through the contract lifecycle until fiscal year 2029. All of the new end-user contracts have an administration fee of 1.5%, increasing MHEC's revenue by over 325% of its overall technology contract revenue from the previous year.

## Next Steps

Over the next year, MHEC plans to facilitate initiatives for Next-Generation Higher Education Enterprise Resource Planning (ERP) System of Systems; and Managed Document Services (MDS) and Enterprise Document Management Solutions (EDMS). Over the next few months, MHEC will seek a diverse group of individuals who are knowledgeable about technology and its impact on higher education to provide insights on a regional approach, evaluate proposals, and make award recommendations. Formal solicitation announcements will be published on MHEC's [news page](#) and in the [Minnesota State Register](#). MHEC is committed to continuously developing new technology contracts to meet the changing needs of higher education institutions, with the guidance from its Technologies Community.

## MHEC Annual Estimated Savings for Entities and Citizens

MHEC Member States	2022-2023 Annual State Commitment	Technology <sup>1</sup>	Midwestern-State Authorization Reciprocity Agreement <sup>2</sup>	State Contract and Programs Total Savings	Citizen Savings through the Midwest Student Exchange Program <sup>3</sup>	Total Annual Savings
<b>Illinois</b> Member Since 8/20/1991	115,000	8,670,307	6,066,925	14,737,232	22,070,259	36,807,491
<b>Indiana</b> Member Since 3/14/1996	115,000	4,133,026	2,295,800	6,428,826	896,209	7,325,035
<b>Iowa</b> Member Since 6/6/2005	115,000	379,273	3,515,600	3,894,873	NP <sup>4</sup>	3,894,873
<b>Kansas</b> Member Since 4/25/1990	115,000	2,247,862	1,634,200	3,882,062	2,028,332	5,910,394
<b>Michigan</b> Member Since 7/24/1990	115,000	4,551,317	4,548,800	9,100,117	1,735,664	10,835,781
<b>Minnesota</b> Member Since 4/26/1990	115,000	2,217,651	3,973,925	6,191,576	3,341,377	9,532,953
<b>Missouri</b> Member Since 5/9/1990	115,000	3,000,109	3,146,900	6,147,009	4,240,438	10,387,447
<b>Nebraska</b> Member Since 6/5/1991	115,000	509,503	1,070,305	1,579,808	4,189,518	5,769,326
<b>North Dakota</b> Member Since 4/22/1999	115,000	294,592	498,200	792,792	348,611	1,141,403
<b>Ohio</b> Member Since 1/9/1991	115,000	3,090,142	7,549,200	10,639,342	3,263,278	13,902,620
<b>South Dakota</b> Member Since 3/13/2008	115,000	354,880	-	354,880	NP <sup>4</sup>	354,880
<b>Wisconsin</b> Member Since 4/18/1994	115,000	2,144,082	1,985,400	4,129,482	1,778,015	5,907,497
<b>Program Totals</b>	<b>\$1,380,000</b>	<b>\$31,592,744</b>	<b>\$36,285,255</b>	<b>\$67,877,999</b>	<b>\$43,891,701</b>	<b>\$111,769,700</b>

**FY23 FOOTNOTES:**

- Arrow/Commvault, Campus Guard, Dell, Ease Learning, HP, Infosec, Info-Tech, Lenovo, Microfocus, Oracle, Parchment, SAS, Walker and Associates, and Xerox.
- As of FY23, M-SARA savings are based on NCHEMS' methodology as explained on NC-SARA Cost Savings website. See <https://nc-sara.org/sara-cost-savings>.
- Student tuition savings for the academic year 2022-2023.
- Non-participating state for 2022-2023.

As of 11/2/2023

# Appendices

## Presenters

Susan Brower  
Nathan Grawe  
Tom Harnisch  
Daniel Schwarcz  
Laura Tomaka  
Kurt Zellers

## Commissioners

Illinois  
Indiana  
Iowa  
Kansas  
Michigan  
Minnesota  
Missouri  
Nebraska  
North Dakota  
Ohio  
South Dakota  
Wisconsin

## Committees

MHEC Staff

Compact Language

Bylaws

Upcoming Meetings



## Presenters



### **Susan Brower**

State Demographer  
Minnesota State Demographic Center

Susan Brower is the Minnesota State Demographer and directs the MN State Demographic Center. Susan became the State Demographer in February 2012. In that capacity, she travels the state talking with Minnesotans about the new social and economic realities that are brought about by recent demographic shifts. Susan's work applies an understanding of demographic trends to changes in a range of areas including the state's economy and workforce, education, health, immigration and rural population changes.

Susan joined the State Demographic Center after working as a researcher on the Minnesota Compass project at Wilder Research in St. Paul. Prior to that, she worked at the Population Studies Center at the University of Michigan.

Susan earned her Ph.D. in sociology at the University of Michigan, specializing in demography and family sociology. She also holds a master's degree in public policy from Humphrey School of Public Affairs at the University of Minnesota.



### **Nathan Grawe**

Professor of Economics  
Carleton College

Dr. Nathan Grawe is a Professor of Economics at Carleton College where he has served on the faculty since 1999. Nathan earned his BA from St. Olaf College and his MA and PhD in Economics from the University of Chicago. His work as a labor economist studies the connections between family background and educational and labor market outcomes. Nathan's 2018 book, [\*Demographics and The Demand for Higher Education\*](#) (Johns Hopkins University Press) examines how recent demographic shifts are likely to affect demand for higher education and explores how colleges and policymakers

may respond to meet institutional and national goals. In a follow-up project, [\*The Agile College\*](#) (Johns Hopkins University Press, 2021), Nathan draws on interviews with higher education leaders to provide examples of how proactive institutions are grappling with demographic change.



### **Tom Harnisch**

Vice President for Government Relations  
State Higher Education Executive Officers Association

Dr. Tom Harnisch joined SHEEO in January 2020. As vice president for government relations, Dr. Harnisch is located in Washington, D.C., where his primary leadership responsibility is planning, implementing, and coordinating SHEEO's portfolio of federal relations, policy, communication, and advocacy work. He monitors new and potential federal action (legislation, rules, and other policies and actions) that have relevance for our membership. Dr. Harnisch is responsible for bringing these issues to the attention of SHEEO staff

and SHEEO's membership and for articulating their potential impact on our members and the institutions and students they serve.

From 2007 to 2019, Dr. Harnisch worked in a series of roles at the American Association of State Colleges and Universities (AASCU), including as director of state relations and policy analysis. In his role at AASCU, his roles included policy research, analysis, and communication to the AASCU membership and other external stakeholder groups. He helped craft the AASCU Public Policy Agenda and planned the Higher Education Government Relations Conference. His research interests and commentary on higher education finance, access, affordability, and other topics have been cited in over 200 articles, including *The New York Times*, *The Washington Post*, *Politico*, *Inside Higher Ed*, and *The Chronicle of Higher Education*. He is also an adjunct faculty member at Georgetown University and The George Washington University. Dr. Harnisch earned a bachelor's degree from the University of Wisconsin-Madison, a master's from the University of Minnesota, and a doctorate from The George Washington University.



**Daniel Schwarcz**

Fredrickson & Byron Professor of Law  
University of Minnesota

Professor Daniel Schwarcz is an award-winning teacher and scholar. His research explores the impact of Artificial Intelligence on legal practice, consumer protection, and insurance regulation. Schwarcz's scholarship has received numerous accolades, including the American Law Institute's highly selective Early Career Scholars Medal. Schwarcz is a co-author of the leading insurance law casebook in the country, *Insurance Law and Regulation*, which has been used as the principal text in courses on insurance law in more than 100 American law schools. Media outlets such as the New York

Times, Wall Street Journal, and National Public Radio have covered Schwarcz's scholarship. He has testified to U.S. Congressional committees on more than a half-dozen occasions and regularly serves as an expert witness in insurance-oriented disputes. Schwarcz has also won the University of Minnesota Law School's Stanley V. Kinyon teaching award on three separate occasions since joining the law school in 2008, most recently in 2023.



**Laura Tomaka**

Director  
Council of State Governments, Midwest Office

Laura A. Tomaka is director of the CSG Midwest office. She is responsible for managing the staff and providing secretariat services to the Midwestern Legislative Conference, along with various other association duties. Before serving as director, Laura served as CSG Midwest director of policy and professional development. She served many years as CSG Midwest's lead staff person for the Midwestern Legislative Conference Economic Development Committee and as program coordinator for the Bowhay Institute for Legislative Leadership Development (BILLD).

Laura holds a bachelor's degree in political science from Old Dominion University and a master's degree in political science from Loyola University in Chicago.



## **Kurt Zellers**

CEO

Minnesota Business Partnership

Kurt Zellers was named CEO of the Minnesota Business Partnership in August 2023, taking the reins of the influential civil and policy advocacy organization comprised of the CEOs and top executives of Minnesota's largest companies.

Previously, he served as Vice President of Communications and Public Affairs for Primacy Strategy Group in St. Paul. Kurt is a strategic public relations and public affairs expert with 25+ years of experience in the industry, working with many of Minnesota's leading Fortune 500 companies, as well as the University of

Minnesota, Minnesota AgriGrowth Council, and the Center for Rural Policy & Development.

Kurt served six terms in the Minnesota House of Representatives from 2003 to 2015, including as the state of Minnesota's 57th Speaker of the House from 2011-2012. He also served as House Minority Leader and Assistant Majority and Minority Leader. During his tenure in the Minnesota House, Kurt authored legislation on key initiatives including public safety issues, mental health treatment for adolescents, and building a new hospital for his local community in Maple Grove. Kurt is a member of the Citizens League board of directors and previously served on the Maple Grove Youth Lacrosse Association and Osseo/Maple Grove Hockey Association.

Kurt received a Bachelor of Science in political science from the University of North Dakota. He and his wife reside in Maple Grove with their three children.

## MHEC Commissioners

### Executive Officers

Acting Chair: Barbara Ballard, Kansas  
Vice Chair: Barbara Ballard, Kansas  
Treasurer: Larry Tidemann  
Past Chair: David Eisler, Michigan

### Executive Committee

Illinois: Maureen Banks, Katie Stuart  
Indiana: Ken Sauer, **TBD**  
Iowa: Olivia Madison, Sharon Steckman  
Kansas: Barbara Ballard, Blake Flanders  
Michigan: David Eisler, Brandy Johnson  
Minnesota: Dennis Olson, **TBD**  
Missouri: **TBD**  
Nebraska: John Cavanaugh, Deborah Frison  
North Dakota: Mark Hagerott, Brandy Pyle  
Ohio: Gary Cates, Jerry Cirino  
South Dakota: Michael Cartney, Larry Tidemann  
Wisconsin: Connie Hutchison, David Murphy  
Ex Officios: Tim Flakoll (ND), David Pearce (MO)

### ILLINOIS

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



**Maureen Banks**  
Board Member  
Illinois Community College Board



**Michael Halpin**  
State Senator; Co-chair, Higher Education Committee  
Illinois General Assembly



**Pranav Kothari**  
Board Chair  
Illinois Board of Higher Education



**Katie Stuart**  
State Representative; Chair, Higher Education Committee  
Illinois General Assembly

**VACANCY**

Appointing Authority: Illinois Governor's Office (Designee)

**INDIANA**



**Bob Behning**

State Representative; Chair, Education Committee  
Indiana General Assembly

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



**Jodie Ferise**

Vice President & General Counsel  
Independent Colleges of Indiana



**Ronald S. Rochon**

President  
University of Southern Indiana



**Ken Sauer**

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

**Vacancy**

Appointing Authority: President Pro Tempore of the Senate

## IOWA



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

### **Jacob Bossman**

State Representative; Member, Appropriations Committee  
Iowa Legislature



### **Joanna Hofer**

Past Board Chair  
Iowa Association of Community College Trustees



### **Olivia M.A. Madison**

Iowa Governor's Designee; and Professor Emerita and  
Dean Emerita of Library Services  
Iowa State University



### **Greta Rouse**

Regent  
Board of Regents, State of Iowa



### **Cindy Winckler**

State Senator; Ranking Member, Education Appropriations Subcommittee  
Iowa Legislature



**Andrew J. Baumert** (Commissioner Alternate)  
Vice President for Marketing and Outreach  
Iowa Association of Independent Colleges and Universities



**Timothy Fitzgibbon** (Commissioner Alternate)  
Iowa Governor's Designee; and Senior Vice President  
First National Bank



**Sharon S. Steckman** (Commissioner Alternate)  
State Representative; Ranking Member, Education Committees  
Iowa Legislature



**Jeff Taylor** (Commissioner Alternate)  
State Senator; Chair, Education Appropriations Subcommittee  
Iowa Legislature

**Vacancy**  
Appointing Authority: Iowa College Aid

## KANSAS



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

**Barbara W. Ballard**

State Representative; Minority Caucus Chair, Kansas Legislature  
Associate Director, Robert J. Dole Institute



**Molly Baumgardner**

State Senator; Chair, Senate Committee on Education  
Kansas Legislature



**Blake Flanders**

President and CEO  
Kansas Board of Regents



**Aaron A. Otto**

Kansas Governor's Designee



**Wint Winter**

Board Member  
Kansas Board of Regents





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



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

## **MICHIGAN**



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

**David L. Eisler**  
Former President; Professor, Community College Leadership Studies  
Ferris State University



**Carol Glanville**  
State Representative; Chair, Higher Education Committee  
Michigan Legislature



**Brandy M. Johnson**  
Michigan Governor's Designee; and President  
Michigan Community College Association



**Sean McCann**  
State Senator; Chair, Universities and Community Colleges Appropriations  
Subcommittee  
Michigan Legislature

**VACANCY**

Appointing Authority: Michigan Governor



**Daniel J. Hurley** (Commissioner Alternate)  
Chief Executive Officer  
Michigan Association of State Universities

**VACANCY** (Commissioner Alternate)

Appointing Authority: Michigan Governor Designee of State Board of Education

**MINNESOTA**

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



**Rachel Croson**  
Executive Vice President and Provost  
University of Minnesota – Twin Cities



**Omar Fetah**  
State Senator; Chair, Higher Education Committee  
Minnesota Legislature



**Dennis Olson**  
Minnesota Governor's Designee; and Commissioner  
Minnesota Office of Higher Education



**Scott Olson**  
Chancellor  
Minnesota State



**Gene Pelowski, Jr.**  
State Representative; Chair, Higher Education Finance and Policy  
Minnesota Legislature



**Paul Cerkvenik** (Commissioner Alternate)  
President  
Minnesota Private College Council

## MISSOURI



<https://www.mhec.org/states/missouri>  
**Brad Christ**  
State Representative; Member, Budget Committee  
Missouri General Assembly



**Samantha Dickey**  
Interim Assistant Commissioner for Postsecondary Policy  
Missouri Department of Higher Education & Workforce Development



**Karla Eslinger**  
State Senator; Majority Caucus Whip  
Missouri General Assembly



**David Pearce**  
Executive Director for Government Relations  
University of Central Missouri



**Susan L. Thomas**  
President  
Truman State University

**NEBRASKA**

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



**John Cavanaugh**  
State Senator  
Nebraska Legislature



**Deborah A. Frison**  
Commission Member  
Coordinating Commission for Postsecondary Education



**Chris Kabourek**  
Senior Vice President for Business & Finance, CFO & Chief Sustainability Officer  
University of Nebraska System



**Grant Latimer**  
Nebraska Governor's Designee; Policy Advisor to Governor Jim Pillen  
State of Nebraska



**Lynne Walz**  
State Senator; Member, Education Committee  
Nebraska Legislature



**Mike Baumgartner** (Commissioner Alternate)  
Executive Director  
Coordinating Commission for Postsecondary Education

## **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**  
Chancellor  
North Dakota University System



**Tim Mihalick**  
Chair, State Board of Higher Education  
North Dakota University System



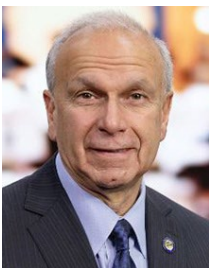
**Brandy Pyle**  
State Representative; Member, Higher Education Committee  
North Dakota Legislative Assembly

## OHIO



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

**Gary Cates**  
Senior Vice Chancellor  
Ohio Department of Higher Education



**Jerry Cirino**  
State Senator; Chair, Senate Workforce & Higher Education Committee  
Ohio Legislature



**Mike Duffey**  
Ohio Governor's Designee; and Senior Vice Chancellor  
Ohio Department of Higher Education



**Jack Hershey**  
President and CEO  
Ohio Association of Community Colleges



**Tom Young**  
State Representative; Chair, Higher Education Committee  
Ohio Legislature

## SOUTH DAKOTA



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

**Michael Cartney**  
President Emeritus  
Lake Area Technical College



**Steve Kolbeck**  
State Senator; Vice Chair, Senate Education Committee  
South Dakota Legislature



**Nathan Lukkes**  
Executive Director and CEO  
South Dakota Board of Regents



**Larry J. Tidemann**  
South Dakota Governor's Designee



**Tyler Tordsen**  
State Representative; Member, House Education Committee  
South Dakota Legislature



**Erin Healy** (Commissioner Alternate)  
State Representative; Assistant Minority Leader  
South Dakota Legislature



**Reynold Nesiba** (Commissioner Alternate)  
State Senator; Minority Leader  
South Dakota Legislature

**WISCONSIN**

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



**Joan Ballweg**  
State Senator; Majority Caucus Vice-Chair  
Wisconsin State Legislature



**Eric Fulcomer**  
President  
Wisconsin Association of Independent Colleges and Universities (WAICU)



**Connie Hutchison**  
Executive Secretary  
State of Wisconsin Higher Educational Aids Board



**David Murphy**  
State Representative; Chair, Committee on Colleges and Universities  
Wisconsin State Legislature



**Julie Underwood**  
Wisconsin Governor's Designee; and Professor Emeritus  
University of Wisconsin-Madison





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



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

## **MHEC Committees**

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

M-SARA Regional Steering Committee  
Midwest Student Exchange Program Council  
Review Panel for State Policy and Performance Data  
Student Health Benefits Advisory Committee  
Technologies Executive Committee

## MHEC Staff



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**MHEC Consultants**

**Annika Many, edBridge Partners**

OER, M-SARA, MSEP  
Policy & Research

**Jerry Murphy**

Graduate Credit Quest  
Policy & Research

# 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.

### 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; November 19, 2019, and November 15, 2022.*

## Upcoming Meetings Save-the-Dates

### 2024 MHEC COMMISSION MEETING

June 3-4, 2024  
Saint Louis, MO

November 18-20, 2024  
Overland Park, KS

### 2024 Midwest FAFSA Summit

June 18-20, 2024  
Chicago, IL

*MHEC is collaborating with other organizations to host the first FAFSA policy summit in the Midwest, which will provide a forum for showcasing and discussing state-level approaches to FAFSA completion policy, practice, and programming. The summit is tentatively scheduled to be held in Chicago, Illinois, during June of 2024.*

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

November 2023

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