



June 2024 MHEC Executive Committee Meeting

The Westin St. Louis

811 Spruce Street

St. Louis, MO, 63102

Thank you to our Missouri Commissioners!

Rep. Brad Christ, Samantha Dickey, David Pearce, Dr. Sue Thomas & Sen. Curtis Trent



Meeting Book - June 2024 MHEC Executive Committee Meeting

Meeting Agenda

Meeting Details

Zoom link, hotel & parking info, and offsite venues

Meeting Details

6

(Central Time)

Monday, June 3, 2024

Location

10:00 a.m. to
11:30 a.m.

Finance and Audit Committee Meeting

Mr. Larry Tidemann (SD), Treasurer and Committee Chair
(for committee members only)

Century

10:00 a.m. to
11:30 a.m.

Ad Hoc Committee Meeting

Facilitated by: Ms. Breanne Hegg, MHEC Vice President, Programs and Contracts; Dr. Jenny Parks, MHEC Vice President, Policy & Research
(for committee members only)

Plaza A

11:00 a.m. to
Noon

Governance Committee Meeting

Dr. Julie Underwood (WI), Committee Chair
(for committee members only)

Landmark

Noon

LUNCH

Promenade A

1:00 p.m.

1) Call to Order and Overview of Meeting Guidelines

Rep. Barbara Ballard (KS), MHEC Chair, and Ms. Susan Heegaard, MHEC President

Cupples Ballroom

1:10 p.m.

2) Roll Call of the States

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

1:15 p.m.

3) Missouri Welcome

1:30 p.m.

4) Introduction of Commissioners, MHEC Staff, and Guests

1:45 p.m.

5) Approval of Agenda - ACTION ITEM 1

1:50 p.m.

6) Approval Executive Committee Meeting Minutes, June 12-13, 2023 - ACTION ITEM 2

Action Item 2 - 2023 Executive Committee Meeting Minutes

12

Executive Committee Meeting Minutes - June 12-13, 2024

13

1:55 p.m.

7) Report of the MHEC President

Ms. Susan Heegaard, MHEC President

President Susan Heegaard Report - May 2024

25

2:05 p.m.

8) Report of the MHEC Chair

Rep. Barbara Ballard (KS), MHEC Chair

Chair Barbara Ballard Report - May 2024

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2:15 p.m.

BREAK

2:30 p.m.

9) State Updates

One spokesperson per state (3 minutes each)

Cupples Ballroom

3:15 p.m.	10) Compact Membership	
4:00 p.m.	11) Recess - ACTION ITEM 3	
4:25 p.m.	BOARD BUS for Missouri Botanical Garden	Westin Hotel Lobby
4:30 p.m.	BUS DEPART for Missouri Botanical Garden	Westin Hotel Lobby
4:45 p.m.	Explore the Missouri Botanical Gardens Bus transportation will be provided.	4344 Shaw Blvd, St. Louis
	Learn more about the Missouri Botanical Garden.	
5:45 p.m.	BOARD BUS for Washington University in St. Louis	Missouri Botanical Garden Main Entrance 6445 Forsyth Blvd, St. Louis
6:00 p.m.	Arrive at Washington University in St. Louis	
6:00 p.m.	RECEPTION	WashU, Umrath Lounge
	Learn more about the Umrath Lounge at WashU.	
6:30 p.m.	12) Welcome from Washington University in St. Louis Mr. J.D. Burton, Vice Chancellor of Government and Community Relations, Washington University in St. Louis	WashU, Umrath Lounge
	Learn more about J.D. Burton.	
6:40 p.m.	DINNER	WashU, Umrath Lounge
7:20 p.m.	13) Merging Two Departments into One: The Transformation of Missouri's Department of Higher Education and Workforce Development Dr. Ben Boggs, Commissioner of Higher Education, Missouri Department of Higher Education and Workforce Development	WashU, Umrath Lounge
8:15 p.m.	BOARD BUS for Westin St. Louis	
8:30 p.m.	ARRIVE at Westin St. Louis	811 Spruce Street, St. Louis, MO
(Central Time)	Tuesday, June 4, 2024	Location
7:30 a.m.	BREAKFAST	Promenade Ballroom A
8:30 a.m.	14) Unfinished Business	Cupples Ballroom
	a) Strategic Plan Review Ms. Breanne Hegg, MHEC Vice President	
	b) Risk Management Update - ACTION ITEM 4 Ms. Breanne Hegg, MHEC Vice President	
	Extension of MHEC's Contract with Marsh through June 30, 2025	30
	c) Midwest Student Exchange Program Update - ACTION ITEM 5 Dr. Beth Ellie, MHEC Associate Director of Policy Initiatives	
	Midwest Student Exchange Program Recommendations	32
9:15 a.m.	15) New Business	
	a) M-SARA Update and Composition of Regional Steering Committee Ms. Sara Appel, MHEC Director of M-SARA	
	b) Investment in MHEC Programs and Operation Ms. Susan Heegaard, MHEC President	
	c) MHEC Data Analysis Ms. Susan Heegaard, MHEC President; and Dr. Patrick Connally, Director of Data Analytics, CLA	
9:45 a.m.	BREAK	

10:00 a.m.	d) Treasurer's Report/Finance and Audit Committee Report Mr. Larry Tidemann (SD), Treasurer and Committee Chair	Cupples Ballroom
	i. Review of FY24 YTD Financial Reports	
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	iv. Review of Form 990	
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	v. Update on Investment Policy	
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10:50 a.m.	e) Governance Committee Report Dr. Julie Underwood (WI), Committee Chair	
11:15 a.m.	16) Motion to go into Executive Session - ACTION ITEM 7	
11:15 a.m.	17) Executive Session Rep. Barbara Ballard (KS), MHEC Chair and MHEC Officers (Closed session: only MHEC Executive Committee Members remain in the room.)	
	a) Presidential Performance Report	
11:50 a.m.	18) Motion to Reconvene in Open Session - ACTION ITEM 8	Cupples Ballroom
	19) Approve and Accept Presidential Performance Report - ACTION ITEM 9 Rep. Barbara Ballard (KS), MHEC Chair	
11:55 a.m.	20) Closing and Next Steps Rep. Barbara Ballard (KS), MHEC Acting Chair	
Noon	21) Adjourn - ACTION ITEM 10	
	Optional Tour of St. Louis Gateway Arch	
1:00 p.m.	Depart for St. Louis Gateway Arch This is a 0.6 mile walk from the hotel. If you need transportation arranged, please let a staff member know. Learn more about the Gateway Arch.	Westin Hotel Lobby

1:15 p.m.	Visit the Museum at the Gateway Arch Optional	
	Learn more about the Museum at the Gateway Arch.	
2:00 p.m.	Take the Tram to the Top of the Gateway Arch Optional	
2:45 p.m.	Walk back to the Westin Hotel	811 Spruce Street, St. Louis, MO

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Meeting Details

Join Zoom Meeting

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

<https://mhec-org.zoom.us/j/86858928605>

Meeting ID: 868 5892 8605

Passcode: 937968

Meeting Location

The Westin St. Louis

811 Spruce Street | St. Louis, MO 63102

(314) 621-2000

The Westin Meeting Room Locations – Lobby Level

Finance and Audit Committee Meeting – Century

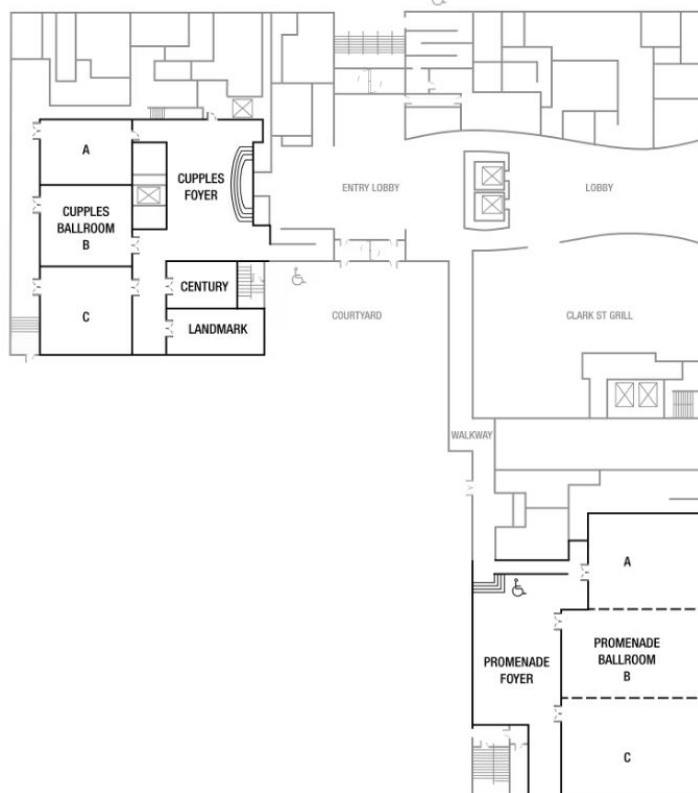
Governance Committee Meeting – Landmark Room

Ad Hoc Committee Meeting – Plaza Room

Monday Reception/Dinner – Umrath Lounge, Washington University in St. Louis

Breakfast & Lunch – Promenade Ballroom A

Executive Committee Meeting – Cupples Ballroom

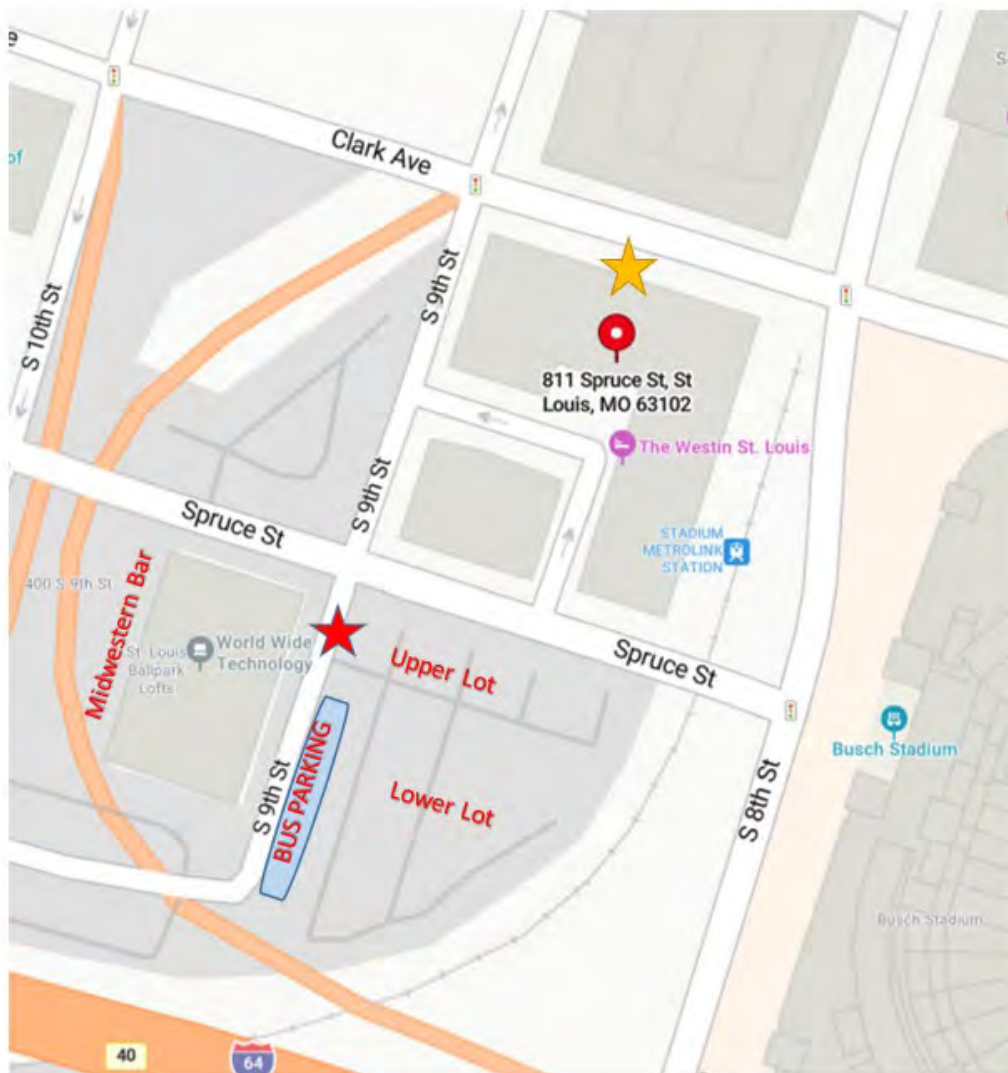


Airport Transportation

The Westin St. Louis does not offer a complimentary shuttle service from the St. Louis Lambert International Airport (STL) in St. Louis. Please take a taxi or rideshare to the hotel. It is about a 20-25 minute drive.

Parking at The Westin

Please use the self-parking ground lot, located across from the hotel ([400 S 9th Street Parking](#)). The entrance to the lot is off 9th Street S, see red star on the map. Please park in the upper lot (lower lot if upper lot is full) and receive a parking pass. Upon check-in, please tell the front desk you have parked in the lot. Parking costs will be routed to the MHEC bill.



Monday, November 13 Offsite Event

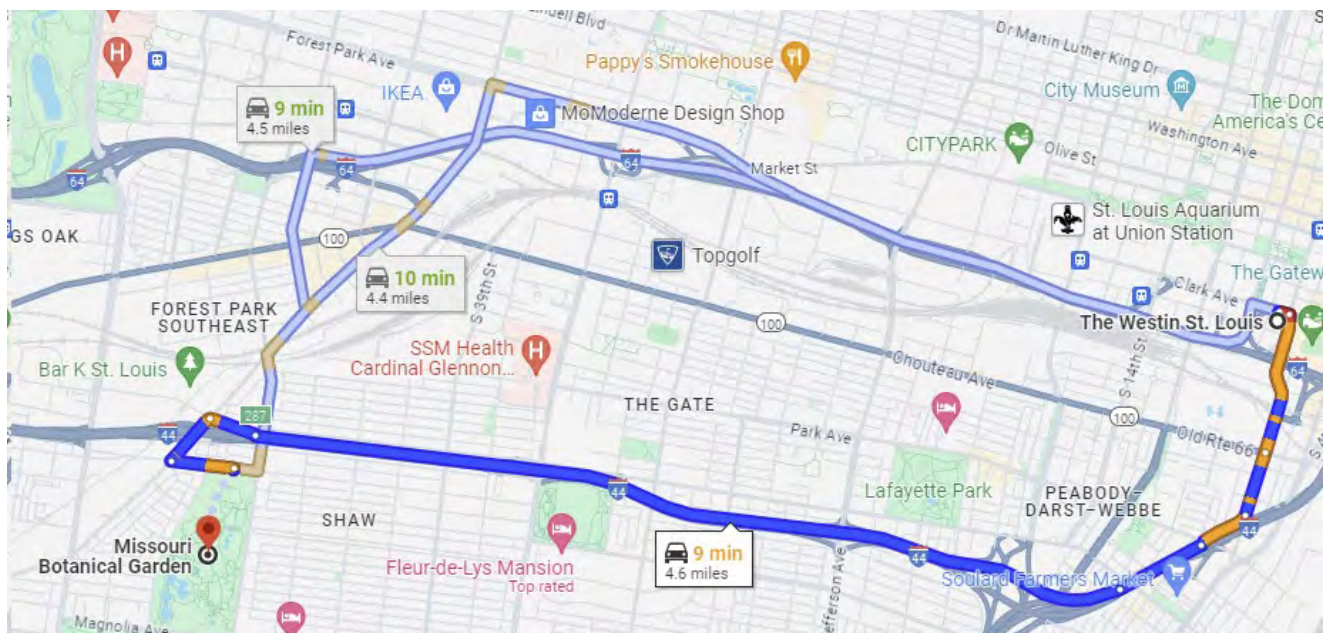
Missouri Botanical Garden

4344 Shaw Blvd, St. Louis, MO 63110

4.6 miles from the Westin

MHEC will provide bus transportation.

Attendees **not** riding the bus: The Missouri Botanical Garden offer a group parking lot directly in front of the main entrance.



Monday, November 13 Offsite Event

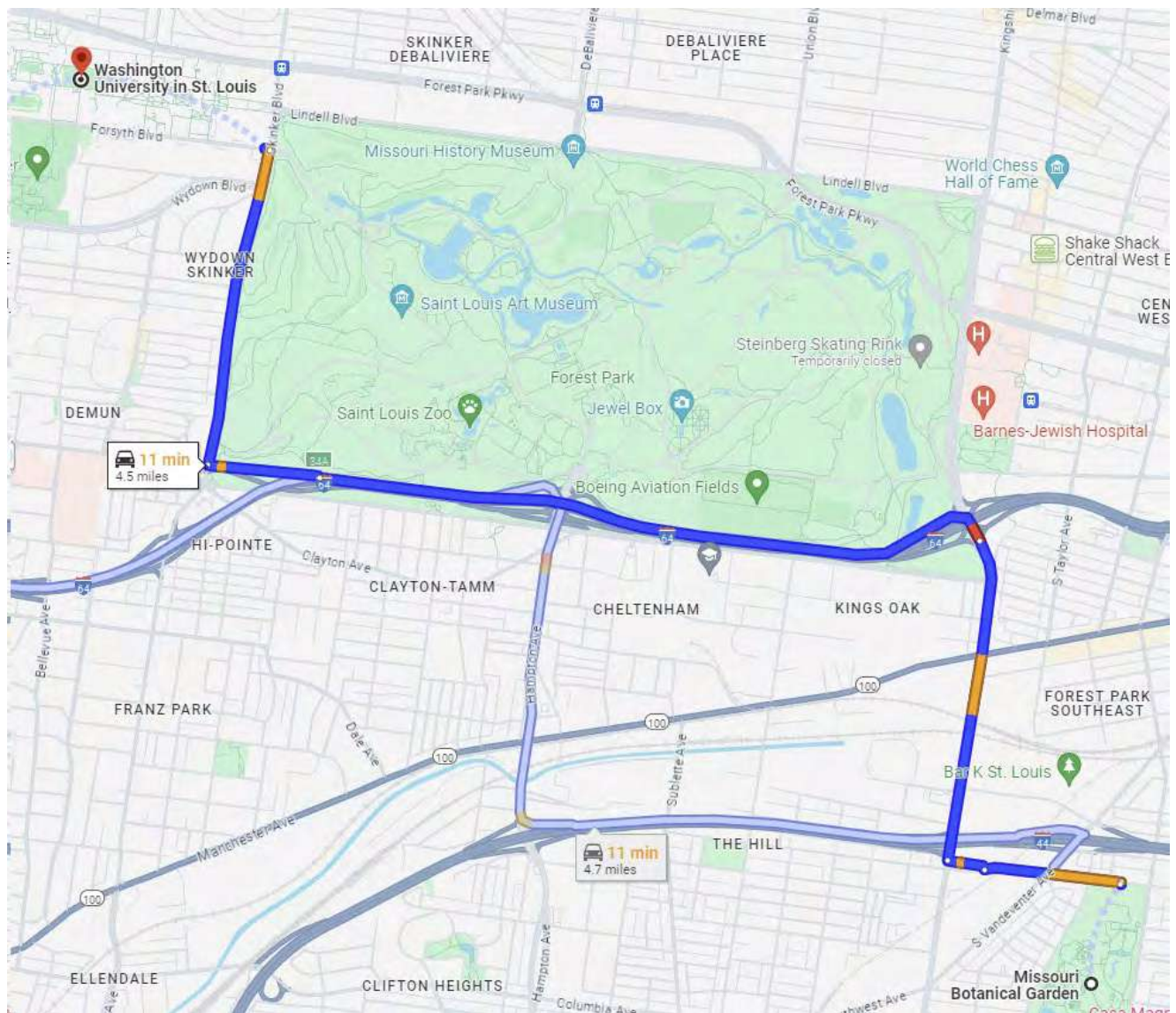
Washington University in St. Louis

Umrath Lounge is located on the main level of Umrath Hall on the Danforth Campus.

4.5 miles from the Missouri Botanical Gardens

MHEC will provide bus transportation.

Attendees **not** riding the bus:



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. Other committees are appointed to oversee programs or special initiatives and meet virtually when 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 14, 2023
Annual Commission Meeting*

Action Item 2

Draft Commission Meeting Minutes – June 2023

See following pages.

Proposed Motion:

The MHEC Executive Committee approve the Executive Committee Meeting Minutes on June 12-13, 2023, in Madison, Wisconsin.

Midwestern Higher Education Compact Executive Committee Meeting Minutes

Edgewater Hotel, Madison, WI

June 12-13, 2023

Commissioners Present

- IL** Commissioner Maureen Banks, Member, Illinois Community College Board
Commissioner Michael Halpin, State Senator; Co-Chair, Higher Education Committee, Illinois General Assembly*
Commissioner Pranav Kothari, Public Member, Illinois Board of Higher Education*
Commissioner Katie Stuart, State Representative; Member, Education Committee, Illinois General Assembly
- IN** Commissioner Jon Ford, State Senator; Member, Appropriations Committee, Indiana General Assembly
- IA** Commissioner Alternate Timothy Fitzgibbon, Senior Vice President, First National Bank, and Iowa Governor's Designee* (virtual)
Commissioner Olivia Madison, Dean Emerita of Library Services, Iowa State University, and Iowa Governor's Designee
Commissioner Alternate Sharon Steckman, State Representative; Ranking Member, Education Committee, Iowa Legislature
Commissioner Alternate Jeff Taylor, State Senator; Vice Chair, Education Committee; Chair, Ed Appropriations Subcommittee, Iowa Legislature* (virtual)
- KS** Commissioner Barbara Ballard, State Representative and Minority Caucus Chair, Kansas Legislature
Commissioner Blake Flanders, President and CEO, Kansas Board of Regents (virtual)
Commissioner Cynthia Lane, Regent, Kansas Board of Regents (virtual)
- MI** Commissioner David Eisler, Former President, Professor of Music and Community College Leadership Studies, Ferris State University
Commissioner Brandy Johnson, President, Michigan Community College Association
- MN** Commissioner Michael Goh, Professor & Campbell Leadership Chair in Education and Human Development, University of Minnesota*
Commissioner Devinder Malhotra, Chancellor, Minnesota State
Commissioner Dennis Olson, Commissioner, Minnesota Office of Higher Education
- MO** Commissioner David Pearce, Director Governmental Relations, University of Central Missouri (Ex Officio)

- NE** Commissioner Alternate Michael Baumgartner, Executive Director, Nebraska Coordinating Commission for Postsecondary Education*
Commissioner John Cavanaugh, State Senator, Nebraska Legislature
Commissioner Randolph Ferlic, Nebraska Governor's Designee (Ex Officio)
Commissioner Deborah A. Frison, Commission Member, Nebraska Coordinating Commission for Postsecondary Education
Commissioner Heath Mello, Vice President for External Relations, University of Nebraska System* (virtual)
- ND** Commissioner Tim Flakoll, North Dakota Governor's Designee (Ex Officio)
Commissioner Brandy Pyle, State Representative; Member, Appropriations Committee, North Dakota Legislative Assembly
- OH** Commissioner Gary Cates, Senior Vice Chancellor, Ohio Department of Higher Education
Commissioner Tom Young, State Representative; Chair, Higher Education Committee (virtual)*
- SD** Commissioner Michael Cartney, President Emeritus, Lake Area Technical College
Commissioner Alternate Steve Kolbeck, State Senator; Vice Chair, Senate Education Committee, South Dakota Legislature*
Commissioner Larry Tidemann, South Dakota Governor's Designee
Commissioner Tyler Tordsen, South Dakota, State Representative; Member, House, Education Committee, South Dakota Legislature* (virtual)
- WI** Commissioner Alternate Morna Foy, President, Wisconsin Technical College System*
Commissioner Connie Hutchison, Executive Secretary, Wisconsin Higher Educational Aids Board
Commissioner David Murphy, State Representative; Chair, Committee on Colleges and Universities, Wisconsin State Legislature
Commissioner Alternate Sean Nelson, Vice President, Finance & Administration, University of Wisconsin System*
Commissioner Julie Underwood, Dean Emerita, University of Wisconsin-Madison*

**Denotes non-member of MHEC Executive Committee*

MHEC Staff

Sara Appel, Director of M-SARA (virtual)
Katie Chock, Senior Meeting, Event, and Operations Manager
Jennifer Dahlquist, Vice President
Susan Heegaard, President
Dr. Aaron Horn, Associate Vice President of Research
Deb Kidwell, Director of Technology Initiatives
Jenny Parks, Vice President
Dr. Leah Reinert, Policy and Research Manager (virtual)

Mary Roberson, Senior Director of Communications and Marketing
Nathan Sorensen, Director of Government Contracts
Rob Trembath, Chief Operating Officer and General Counsel
Dr. Shaun Williams-Wyche, Associate Director of Research and Data Analysis

Guests

Ms. Bernell Buchanan, CliftonLarsonAllen
Mr. Jeff Buhrandt, Vice President for University Relations, University of Wisconsin System
Mrs. Patsy Eisler
Ms. Beth Ellie, Director of Institutional Effectiveness, Accreditation, and Quality, Mid-State Technical College
Mrs. Kimberly Ernstmeyer, Open RN Project Director, Chippewa Valley Technical College
Ms. Nancy Fuchs, CliftonLarsonAllen
Dr. Eric Fulcomer, President, Wisconsin Association of Independent Colleges and Universities (WAICU)
Mrs. Andrea Fulcomer
Dr. Colleen McCabe, Provost and Vice President, Wisconsin Technical College System
Mr. Vincent Mussehl, Director of Library Services, Chippewa Valley Technical College
Mrs. Gina Petrie, Dean of Nursing, Chippewa Valley Technical College
Dr. Jason Pontius, Chief Academic Officer, Board of Regents, State of Iowa
Mr. Alan Steckman

Monday, June 12, 2023

1. Call to Order and Overview of Meeting Guidelines.

Commissioner Devinder Malhotra (MN) called the meeting to order at 1:05 p.m. and welcomed commissioners and guests to Madison.

President Heegaard also welcomed commissioners and reviewed additional housekeeping items, including a reminder of one vote per state.

2. Roll Call of the States.

The roll call of the states was taken with representatives from 11 of the 12 member states present, thereby establishing a quorum.

3. Wisconsin Welcome

Commissioner Murphy (WI) welcomed everyone to Madison and highlighted the majestic capitol city and the nearby University of Wisconsin campus. Wisconsin's technical and private colleges were also noted for their significance. He noted the inability of the governor to join the meeting was likely to being in the middle of the budget process.

4. Introductions of Commissioners and MHEC Staff.

All attendees briefly introduced themselves.

5. Action Item 1 – Approval of the Executive Committee Meeting Agenda. (June 7, 2023 version).

Commissioner Underwood (WI) moved and Commissioner Flakoll (ND) seconded the motion to approve the revised Executive Committee Meeting agenda, dated June 7, 2023.

Motion carried by voice vote.

6. Action Item 2 – Approval of the Executive Committee Meeting Minutes, June 6-7, 2022 (agenda book, pp 11-20).

Commissioner Ferlic (NE) moved and Commissioner Ford (IN) seconded the motion to approve the minutes of the Executive Committee Meeting held on June 6-7, 2022, in Omaha.

Motion carried by voice vote.

7. **Report of the MHEC President.** (*agenda book, pp. 21-22*)

President Heegaard recognized the Wisconsin commissioners for hosting the meeting and acknowledged staff for their preparation for the meeting and the gratitude to the officers. She expressed excitement for the turnout to the meeting and the expansion to include all commissioners, especially so many new commissioners. She provided a brief review of her time with MHEC over the past five years and the ability to persevere and flourish despite covid challenges. She shared states' optimism and concern for what is next and learning about their pressing issues from her state visits and expressed the value MHEC brings of convening key leaders in the states. President Heegaard acknowledged the difficult decision to sunset MHEC's Master Property Program and welcomed the opportunity to explore new things, including new internal systems for MHEC to improve budgeting, human resources, billing, and payroll. She thanked all states for paying their member state commitment and also acknowledged Chair Malhotra for his service.

8. **Report of the MHEC Chair.** (*agenda book, pp. 23-24*)

Chair Malhotra (MN) confirmed his upcoming retirement on August 1, and this being his last report to the commission. He emphasized the power of MHEC to convene policymakers, higher education leaders across its member states and collectively work as a region. He expressed that the pandemic had inspired a new opportunity and approach to higher education, positioning it for national, regional, and state level competitiveness despite external interruptions that occur. Meanwhile, institutions are being forced to be smaller. He also challenged that there needs to be a new business model for higher education and the sense of urgency to do so in order to address the segments of the population that have not typically had access to higher education. He shared his belief that this will require creative and innovative space, a move away from calendars, and instead precision, just-in-time, and relevant education. Noting that support structures need to be in place to keep students persisting and completing their education. He also challenged the relevance of work and recognition that not all learning occurs in the classroom and increasing work-based learning and ensuring employers are part of the conversation. He closed with noting MHEC provides the opportunity to scale the work of student success as a region.

9. **Wisconsin Technical Colleges: Promoting Student Success with Open Educational Resources (OER)**

Dr. Morna Foy, president of the Wisconsin Technical College System, provided introductions of Ms. Ernstmeyer, Dr. Livingston, Mr. Mussehl, and Mrs. Petrie of Chippewa Valley Technical College (CVTC). The Open RN project is funded by a \$2.5 million dollar grant from the Department of Education to create five Open Educational Resources (OER) nursing textbooks with 25 associated virtual reality scenarios. CVTC's OER and dual enrollment work within their 11-county region, has allowed the college to be relevant and innovative and fulfill their college's mission. They also shared how CVTC has scaled this initiative not only for their institution but for the Wisconsin Technical College System and nationally. They addressed how CVTC is helping to meet workforce needs. Finally, they noted their spin-off project of Next Gen RN which is to improve the preparedness of pre-licensure nurses entering the

workforce.

10. RECESS

Commissioner Malhotra (MN) called upon commissioners and guests not present during introductions to introduce themselves, then noted some details about the afternoon and evening events. He called for a motion to recess the meeting.

At 3:32 p.m., Commissioner Cartney (SD) moved and Cavanaugh (NE) seconded the motion to recess the meeting until 8:30 a.m. Tuesday, June 13.

Motion carried by voice vote.

11. Tour of Wisconsin State Capitol.

Commissioners, guests, and staff were given a tour of the Wisconsin State Capitol building.

12. Reception/Dinner Presenter: Tracking Outcomes of College Graduates using U.S. Census Data.

President Heegaard offered a welcome to everyone. She also introduced Mr. Nelson expressing gratitude to him for his assistance in planning the meeting. Mr. Nelson introduced Mr. Buhrandt who has been an asset to the institution for his relationship with legislators and for his advocacy. Mr. Buhrandt offered a welcome to the University of Wisconsin Memorial Union on behalf of President Jay Rothman. He shared the shared vision of the UW-System and MHEC highlighting MHEC's work on M-SARA and student health and work to serve students more effectively.

After dinner, President Heegaard introduced Dr. Pontius. He presented his research on how the U.S. Census Bureau's Post-Secondary Employment Outcomes Explorer (PSEO) can be used to track the earnings, migration, and employer industry of college graduates. He discussed the value of a college degree and noted the increased pressure for colleges to report outcomes (wage and debt) data, noting Iowa House File 135. He shared numerous findings as well as the barriers to tracking data through states' workforce data and via the U.S. Department of Education's College Scorecard based on IRS wage data. In 2018, data became available through PSEO, with 27 states now participating. While the rapidly expanding grassroots effort allows the states to work with the U.S. Census to improve upon the data, it still has some limitations and is being improved all the time. Data focused on the Iowa Regent institutions demonstrated their ability to show graduate wages, industry, and location over time, and the percent employed in the state. He emphasized that jobs retain graduates and indicated that incentives to get graduates to stay in the state also help.

Tuesday, June 13, 2023

13. Call to Order.

Chair Malhotra (MN) called the meeting to order at 8:33 a.m. He acknowledged the wonderful capitol tour and evening the day before. Additional commissioners, who joined the meeting, introduced themselves. Missouri was noted as being present. He noted that during the Executive Session only Executive commissioners would remain in the room.

14. Unfinished Business. (*agenda book, pp. 25-30*)

- a. **Strategic Plan Review.** President Heegaard and Chair Malhotra updated commissioners on MHEC's Strategic Plan by providing a history of the plan and the committee members who helped make the document realistic and measurable. She noted the new mission, vision, values, and strategic priorities, principles – and how these impact MHEC's work. She stressed the significance of equity in MHEC's planning. It is important to understand who MHEC works for and to align internally to address the plan. She reviewed the screening worksheet tool and how it will be used to identify possible programming. It was noted that this evaluation would be done by the MHEC team. In addition, another column exists to show how the initiative will be measured and also its alignment with budget.

She highlighted some of the challenges of getting the plan operational. MHEC continues to work on building up capacity. Beyond MHEC's traditional emphasis on cost efficiencies, it is important to consider how MHEC's convening can enable states to work together. A communication plan is in process, looking at engagement and how to communicate effectively back to commissioners. She addressed committee engagement and welcomed ad hoc advising from commissioners. The plan offers the opportunity to be more focused and prioritize.

- b. **Master Property Program and Risk Management Update.** Ms. Dahlquist provided a program update on the Master Property Program (MPP) giving a high-level overview of the actions taken by the commission beginning with the Executive Committee's approval last June for a two-year extension of the Marsh contract. She also acknowledged last November's difficult decision by commissioners to sunset the MPP. MHEC staff were then charged to transition away from the program and assist current members where feasible in securing additional coverage for their campuses. This allowed campuses to leverage the contract to work with Marsh (MPP program administrator) to place their July 1 renewals. One campus did exercise this option and chose to leverage this Marsh contract.

MHEC and the Marsh team did take a step back and looked at ways that the program was successful and other ways that there might be options to continue in a limited and tailored basis. Three areas available where MHEC has been successful were fine arts, terrorism, and builder's risk. These ancillary options were examined with the officers and positive feedback was also solicited from constituents during MHEC state visits. Based on communications from several institutions, Marsh has requested the continuation of

MHEC's fine arts and terrorism programs. Eight former MPP institutions would like to augment their upcoming renewals by continuing to pool their risk together under MHEC and purchase these coverages as a group. It is likely that this option might be appealing to more institutions.

Commissioner Ballard (KS) moved and Commissioner Ford (IN) seconded the motion to approve the MHEC Executive Committee, acting on behalf of the MHEC Commission to, (1) approve the extension of MHEC's contract with Marsh for one additional year ending October 31, 2024, to enable the Nevada System of Higher Education to work with Marsh for the purpose of obtaining property insurance coverage; and (2) reaffirm the extension of MHEC's contract with Marsh for one additional year ending October 31, 2024, to enable Marsh, in its capacity as program administrator, to continue offering the stand-alone coverages of fine arts and terrorism, both of which were components of MHEC's former comprehensive Master Property Program.

Discussion – Commissioner Pearce (MO) shared Missouri's challenges around getting insurance in the current market. Commissioner Goh (MN) inquired about the history of working with the other compacts on the MPP.

Motion carried by voice vote.

- c. **Midwest Student Exchange Program.** Ms. Parks provided a history of the Midwest Student Exchange Program's (MSEP) original purpose and the changes in higher education due to declining enrollment and nature of shorter-term credentials. These together with covid and online education are negatively impacting participation in MSEP. The MSEP Council met on June 8, and the draft data report was made available to them. While the program has been very important for students and families it is no longer meeting the original goals set forth when it was formed in 1994. MHEC is embarking on a refresh of the program – an "MSEP 2.0" – in FY24.

MHEC will be reaching out to its states and welcomes feedback from commissioners regarding what the new goals of the program might entail, e.g. providing more access to students in rural areas. MHEC is in conversation with the other compacts and taking inspiration from the Western compact to explore providing a cost savings finder for students. Tuition models are changing along with student demographics and the program going forward will need to be more innovative and provide more value. It is worth a considerable amount for to a state to bring a student in and to keep them as a resident after graduation, as well there should be consideration for all reciprocity programs. Commissioner Flanders (KS) provided context from the Kansas perspective, that the program will need to be more aggressive to be relevant.

15. New Business.

a. **Treasurer's Report.**

Commissioner Tidemann (SD), chair of the Finance and Audit Committee, provided the Treasurer's Report. He acknowledged MHEC staff and the CliftonLarsonAllen consultants who support MHEC, and the Finance and Audit Committee. He noted that the committee is looking to expand to include all states.

i. **Review of FY23 YTD Financial Reports.** (*agenda book, pp. 231-61*)

Commissioner Tidemann (SD) confirmed that MHEC is financially sound. He reminded commissioners of MHEC's switch from FASB to GASB and the new budgeting systems which provide regular reports. Grant revenue will be recognized all at once, MHEC's contract revenue is expected to be four times what was originally budgeted, this is mostly due to the Dell contract fee was increased. He noted the opportunity for states to take advantage of MHEC's technology contracts. MPP is sunseting but there will be some revenue that will come in. MHECare is waiting for dollars to come in towards the end of the year. M-SARA revenue is up. All member states have paid their commitment and this amount will not go up until 2026.

Salaries are lower than budget because of positions unfilled. Professional fees are under budget because of funds not accounted for with the CLA work and MHEC's CFO leaving. Convening is still not showing us back at 100% due to covid. The M-SARA subgrants are typically in the final four months of the year. The projected net income is \$3.225M. The Finance and Audit Committee recommended putting \$1.67M of this into reserves increasing this amount from a 6-month to a 9-month reserve. He reminded commissioners that fees will be paid to the other compacts for their share in MHEC's programs and services.

MHEC has a lease that will come due in May of 2026 and steps will need to begin on the next phase but there is no way to negotiate right now. The increase in liabilities is due to the change in FASB to GASB.

MHEC has an investment policy and is looking to refresh it and it will be presented to the Finance and Audit Committee. The language in the policy allows the Finance and Audit Committee to act on investments. Nothing has been done recently given that CDs did not provide much interest.

Commissioners requested, given biennial budgets, to have the actual numbers.

ii. **Presentation of FY24 Budget** (*agenda book, pp. 62-74*)

Commissioner Tidemann (SD), MHEC treasurer, presented the FY24 budget.

He shared that budget software implementation has allowed more control of budget areas by staff, other factors and change are underway; New staff positions are to be filled in policy and convening and event planning; Cost of living continues to go up; Contract revenues are expected to provide significant growth; State commitments will be again \$115,000; The MPP and cyber will decrease; Salaries are by far the highest portion of any budget, including MHEC's, with a 5% pool for staff for salary increases at the president's discretion; Consultant fees are significantly increased. Convening will increase slightly due to return to more in-person meetings; Insurance also increases; Funds of \$740,000 are proposed for strategic initiatives in MSEP, communications, a benefits consulting firm, institutional leadership program exploration, and a refresh of MHEC's website.

iii. **Action Item 4 – Action on FY24 Budget.** (*agenda book, p. 68*)

Commissioner Tidemann (SD) moved and Commissioner Ballard (KS) seconded the approval of the FY24 Budget.

Discussion: Commissioner Pearce (MO) stated that it would be great to highlight tech contracts in more detail on state visits in the future and that it is a great sell to the member states. Ms. Fuchs offered an acknowledgment of her colleague Ms. Buchanan and the implementation of many new software systems.

Commissioner Cartney (SD) offered a friendly amendment to the motion to amend the staff pool from 5 percent to a 6 percent pool and Commissioner Ballard (KS) seconded the motion. Commissioner Tidemann (SD) accepted the amendment.

Discussion: Commissioner Banks (IL) asked for the number of employees. Commissioner Murphy (WI) asked if there was trouble filling positions specific to MHEC.

Motion carried by voice vote.

Motion carried as amended by voice vote.

iv. **Review of Form 990.** (*agenda book, p. 75-115*)

Commissioner Tidemann (SD) provided a brief background on the Form 990's purpose and reported that the officers approved MHEC's Form 990 in May. MHEC submitted it and it was approved by the Minnesota Attorney General's office. He reported this is Eide Bailly's last year doing the audit due to capacity issues. CLA has helped confirm that Moss Adams will be the new auditor. There was a question regarding 501c3 status. Outside counsel has been consulted and recommended that state commitments not to

be reduced in order to maintain MHEC's 501c3 status. A commissioner questioned how MHEC addresses diversity in vetting consultants and MHEC shared its process and consideration for diverse contracts and consultants.

b. Governance Committee Report.

Commissioner Ballard (KS), Governance Committee Chair, expressed her gratefulness for serving as chair and to the committee members for their work. The committee, which met on Monday, will be working on:

- A goal to have representation from each state.
- Reviewing the Commissioner Roles and Responsibilities written in 2005. She reviewed the current roles and responsibilities and will work to make them more visible going forward.
- Increasing the size of the Finance and Audit Committee and the inclusion of one commissioner from each state.
- The nomination process of officers.

More information will be available this November.

16. Acknowledgment of Commissioner Ferlic (NE).

President Heegaard and Commissioner Ballard (KS) acknowledged Commissioner Ferlic (NE) for his 32 years of service.

17. Action Item 5 - Motion to Go into Executive Session.

Commissioner Murphy (WI) moved and Commissioner Cartney (SD) seconded to go into executive session for a half hour beginning at 10:56 a.m. returning at 11:23 a.m.

Motion carried by voice vote.

18. Executive Session.

Commissioners participated in a closed Executive Session discussion.

19. Action Item 6 – Reconvene in Open Session.

Commissioners reconvened in open session prior to staff coming back to the room.

20. Action Item 7 – Approve and Accept Presidential Performance Report.

Commissioner Cartney (SD) moved and Commissioner Ferlic (NE) seconded a motion to approve and accept the presidential performance report.

Motion carried by voice vote.

Commissioner Ballard (KS) moved and Commissioner Tidemann (SD) seconded a motion for a 6% raise and a 6% bonus to the President Heegaard.

Motion carried by voice vote.

21. Closing and Next Steps

Chair Malhotra (MN) thanked commissioners for the opportunity to serve as chair and for their service to MHEC and representation of their states. He reminded commissioners of the Annual Commission Meeting on November 13-15, 2023, in St. Paul, MN.

President Heegaard acknowledged Chair Malhotra for his service to MHEC as Acting Chair in 2022 and for his service as chair since this will be his last meeting. He received a crystal gavel plaque engraved with his name, and service to the Compact.

11. Action Item 8 - Adjournment.

Chair Malhotra (MN) called for a motion to adjourn the meeting at 11:32 a.m. CDT.

Commissioner Flakoll (ND) moved and Commissioner Tidemann (SD) made a motion to adjourn the meeting.

Motion carried by voice vote.

MHEC President Report

2024 Executive Committee Meeting

Welcome to Saint Louis, known for excellent sports, music, food and so much more. We know this is a busy time of year with graduations and special sessions and appreciate you taking the time to join us. Whether you're with us in person or online, we're glad you're here. All of the commissioners who serve on any of our three standing and ad hoc committees were invited to attend. A special thanks to Katie Chock and Mary Roberson for organizing this meeting and leading preparation of the meeting materials.

We have a good meeting planned and while the focus is on commission business, we have some fun things in store for you. We hope you'll enjoy touring the botanical garden and our dinner at Washington University where we'll hear from a member of the chancellor's team and from Missouri Commissioner Ben Boggs about his efforts to drive alignment and effectiveness at Missouri's merged education and employment agency. After our meeting, you'll have a chance to tour the museum at the Gateway Arch National Park and travel up to the top in one of the pods. I will not be traveling to the top in one of the pods but rather keeping my feet firmly planted on the ground enjoying the wonderful museum. Please take an opportunity to review the reports the staff prepared in the agenda book 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 and staff.

Two weeks ago we finished annual travel to all twelve Midwestern state capitols. As you all well know, the only predictable thing about midwestern weather and traveling January-May, is that it's unpredictable. These visits are one of the most rigorous and favorite parts of my job. Rob Trembath, our chief operating officer and general counsel, joined me for most of the visits and Breanne Hegg, Samra Asghedom, Jenny Parks, Beth Ellie, Sara Appel, Deb Kidwell, and Jonathan McNichols for others, except in Minnesota where we had the entire Minnesota-based staff present. During these visits, we had individual appointments with state and higher education leaders and dinners with commissioners and other leaders. In North Dakota, where the legislature only meets every other year, we had a dinner in Fargo and then traveled to visit North Dakota State University in Fargo and University of North Dakota in Grand Forks. This is a practice I think we'll build into our future visits, meeting with the president's institutional leadership team was a great learning opportunity for all. Of course, we also shared consistent annual key data and trends on issues such as cost, demographics, and migration patterns tailored to each state. Thanks to our research team, Aaron Horn and Shaun Wyche for preparing us well.

Three staff are new to MHEC this year. Breanne is our vice president for contracts and programs, bringing a fresh perspective to this important work. She is also leading our strategic plan implementation and operating plan along with Kathy Graves who, from the beginning, has been helping our staff in a consultative role. Samra comes to us with experience working in the Minnesota office for a U.S. senator and has brought new approaches and improvements to our state visits. Jonathan has jumped right in working on partnerships and stakeholder engagement with a key role in planning our Midwest FAFSA Summit.

The top issues that we heard across the region concerned declining enrollment, changing populations, and campus closures. Similar to years past, we heard about workforce shortages and how to better connect higher education and workforce needs, cyber threats, and the overall value proposition of higher education. The FAFSA is on the front burner, with worries across the board about how the federal government has caused massive confusion about the new FAFSA rollout. There's continued interest in the merits of requiring the FAFSA and how to support students filling out the FAFSA. In mid-June we are holding a Midwest FAFSA Summit in Chicago. We've partnered with the State Higher Education Executive Officers Association (SHEEO) and the National College Attainment Network with a compelling agenda and support from Strada Education Foundation. Having filled out the FAFSA eight times, I look forward to having two college graduates the week after our meeting. Several programmatic areas I'd like to highlight include: continued work on open educational resources (OER), with Jenny successfully securing a second round of funding from the Hewlett Foundation to provide more support to our states, concurrent enrollment, where we also continue to provide support to states as they navigate new requirements directed by the Higher Learning Commission, the Midwest Student Exchange Program (MSEP) is getting a fresh review and potential overhaul and property insurance, where we are exploring some tailored offerings for the future.

Our budget is in terrific shape thanks in large part to Erin Frahm who leads our finance and human resources-related work—supported by the team at CliftonLarsonAllen (CLA)—and continues to improve in approach and function. We will experience growth in revenue for the next several years, given an uptick in technology revenue because of an increased administrative vendor fee. This increase has spurred us to develop an investment policy as well as establish an ad hoc committee of commissioners who will meet over the summer and early fall to propose innovative programmatic ways to spend/invest some of the increased revenue. Nathan Sorensen, who leads the government contracts work, has helped with both vendors and committees to steer the revenue in a very positive direction. Deb Kidwell, who also works on technology-related issues affecting higher education, works closely with our Technologies Community and the Technologies Executive Committee who oversee this work.

A big thank you to all twelve member 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 the lowest among the regional compacts and has not increased for a decade. One question for you to consider in the near future is whether we should proceed with the scheduled increase in our annual commitment given the increased revenues.

It has been a pleasure to work with our chair, Representative Barbara Ballard (KS), since Devinder Malhotra's retirement last summer. Barbara is the minority caucus chair, the longest-serving legislator in Kansas, and the senior associate director of the Robert J. Dole Institute of Politics. We'll be in Barbara's home state of Kansas for our annual meeting next fall. We're also deeply grateful to our vice chair, Representative Joan Ballweg (WI), and to Larry Tidemann (SD) and David Eisler (MI) who have served for several years as treasurer, and past chair, respectively.

Again, in terms of appointments, we have tried to be intentional regarding appointments to our three standing committees - Executive, Governance, Finance and Audit- and our Ad Hoc Programmatic Investment Committee by balancing elected officials with higher education leaders and focusing on diversity broadly construed. As the commission approved to have each member state represented on the Governance and Finance and Audit, we welcome any of you to let us know if you'd like to serve on any of these committees as we have a few states that are not yet represented and want to grow them a bit to be more inclusive.

A big focus remains on organizational improvements with support from the team from CLA to update, streamline, and align our various accounting and finance practices. In addition to new, more efficient, and effective tools for our reimbursement, billing, payroll, and budgeting functions they're now helping us analyze our data capacity and platforms to see where we can eliminate duplication and improve efficiency. Our engagement with the firm, Athena Resource, continues to support the updating and better coordinating of our human resources processes and offerings.

With respect to strategic partnerships, I continue to regularly meet and collaborate with the other regional compact presidents. For me, those relationships are really valuable as we share with one another some of the common challenges and opportunities we all face. While things regarding NC-SARA (celebrating a 10-year anniversary) are much improved with the choice of Marianne Boeke as president, we're now facing challenges as the federal government is engaging in negotiated rulemaking proposals that will make distance education more challenging for states and institutions. Our relationship with SHEEO and the Midwestern Legislative Conference (MLC) and the Council of State Governments (CSG) continues to be strong. I am in regular contact with SHEEO President Rob Anderson and CSG-Midwest Office Executive Director Laura Tomaka and will attend both of their annual meetings this summer.

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. It is so clear during our visits that you care deeply about your states, the people there and how to help position the region positively for the future. 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. I'm excited as we move forward with implementing our strategic plan and looking forward to what's next.

MHEC Chair Report

Executive Committee Meeting

May 2024

As Midwesterners, we often talk about the weather and this past weekend's severe weather impacted my home state of Kansas and other surrounding MHEC states – Missouri, Iowa, and Nebraska – each with some life-impacting, damaging tornados. Kansas wrapped up its legislative session in the midst of this and we worked through tornado sirens hunkering down in the basement until the early morning of May 3, adjourning at 1:00 a.m. We are also currently in anticipation of being called back for a special session by the governor.

While we weather the physical storms in our states, many of us have also been weathering various other types of 'storms' that continue to linger and impact our students and states. I am a member of the faculty and staff at the University of Kansas. Daily, we hear about the impact of the new FAFSA form, college protests and encampments, and the broad restructuring or banning of diversity, equity, and inclusion.

MHEC has many reasons to be proud of the work we are doing to impact change and the value of postsecondary degrees or credentials in the Midwest. As a MHEC commissioner and legislator appointed by the Speaker of the House for many years, I continue to see great progress and want to acknowledge the exemplary work of Susan Heegaard, Rob Trembath, and the MHEC staff. Susan and Rob visited Kansas in January for the annual MHEC state visit and while they were here Susan addressed the House Appropriations Committee and was able to update them on MHEC's work. We also hosted a successful dinner for legislators and Kansas commissioners and enjoyed a lively discussion. We are grateful for the enthusiastic engagement of our governing board. Together we accomplish the mission and goals of MHEC.

You will recall that we voted to increase the size of MHEC's Finance and Audit Committee and our Governance Committee to include commissioner representation from each state. Additionally, we have established an ad hoc committee tasked with exploring options for investing in the development of new MHEC programmatic activities. Due to the result of some unexpected revenue, primarily derived from MHEC's technology contracts, MHEC has realized additional funds for the coming year. We are pleased to be able to bring a group of commissioners to our June meeting to explore ways in which to utilize those funds in a manner that would best further MHEC's mission.

This ad hoc committee is only advisory and is charged with exploring options for investing MHEC funds such as (1) expanding existing MHEC programs, contracts, and research, and/or (2) developing one or more new programs, contracts, research, or other activities. Our goal is to have this new committee present its findings and recommendations to the Commission at our Commission Meeting this November.

We are still connecting with a few states to round out representation from each state on our Finance & Audit Committee and Governance Committee, but I am happy to report that I have appointed many new commissioners to these respective committees to increase engagement on all committees from our member states significantly.

Since November we have had five new commissioners. Thank you to Senator Spencer Deery who was appointed to replace former Sen. Jon Ford in Indiana. Also, new in Indiana, is Dr. Dottie King, president and CEO, of the Independent Colleges of Indiana. New Commissioner Alternate Dr. David Ford is the new Bureau Chief for Iowa College Aid, part of the Iowa Department of Education. Emma Young is also newly appointed as the governor's designee in Michigan. Ms. Young serves as the policy analyst for Michigan Governor Gretchen Whitmer. Finally, MHEC's Governance Committee, you'll recall allows for MHEC President Susan Heegaard to appoint commissioners where we can help balance the perspectives of our member states. We welcome Dr. Paul Turman, chancellor of the Nebraska State College System, as a new commissioner alternate from Nebraska. Dr. Dan Hurley, CEO of the Michigan Association of State Universities, is not "new" as a commissioner to MHEC, however, he is no longer an alternate and is an appointment of the governor.

Our Governance Committee reviewed and the Commission adopted the modified Roles and Responsibilities of a MHEC Commissioner last November. I encourage you to please review this information and reach out to the MHEC office to see where you might help make an impact for your state by being an ambassador for MHEC.

You will receive an invitation from me later this summer, but I want to be sure you have the dates of our fall meeting on your calendar. Please be sure to hold November 18-20 on your calendar. I and my fellow Kansas commissioners look forward to hosting you in Overland Park, Kansas. I also anticipate the opportunity for all of you to visit the University of Kansas Robert J. Dole Institute of Politics.

I am grateful to serve with the current MHEC officers of Sen. Joan Ballweg (WI), vice chair and Larry Tidemann (SD), treasurer. I am more than happy and pleased that Dr. David Eisler (MI), will continue to serve as past chair. It is an honor to serve as MHEC's chair and work with each of you.

Thank you,

Barbara W. Ballard, Ph.D.

MHEC Chair, 2023-2024

Minority Caucus Chair, Kansas House of Representatives

Senior Associate Director, Robert J. Dole Institute of Politics, The University of Kansas

Action Item 4

Extension of MHEC's Contract with Marsh through October 31, 2025

The MHEC Executive Committee has delegated the authority to enter into contracts to the MHEC president. Consistent with its member states' requirements, MHEC follows a competitive sourcing event prior to awarding bids and entering into contracts with vendors. The competitive sourcing documents set forth the criteria of the solicitation, including the contract commencement and termination dates. The MHEC Commission has the authority to extend the term of the contract beyond the contract's stated term.

This is a request to extend the term of the Marsh contract for one additional year to continue to support for institutions transitioning away from the Master Property Program and enable them access to the benefits of MHEC's fine arts and terrorism insurance policies while MHEC works to establish a more tailored and comprehensive approach to its risk management programs.

On January 11, 2012, MHEC conducted a competitive sourcing event for Program Administrative Services for MHEC's Programs of Insurance and any related services e.g., loss control and other engineering services. In addition, the RFP requested the winning vendor also serve as a consultant for any risk management product or service that MHEC may consider, noting that if that service required a "program administrator" that also may be subject to an additional RFP. In January 2012 the Master Property Program (MPP) was MHEC's sole program of insurance. On July 11, 2012, Marsh was selected as MHEC's Program Administrator and on October 1, 2012, MHEC entered into agreement with Marsh for an initial term of three years, with up to seven additional one-year renewals. In June 2022 the Commission approved MHEC's ability to extend the Marsh contract for up to two additional years through October 31, 2024. MHEC exercised the first extension in the fall of 2022, and the second year of the extension last fall. Accordingly, the current contract ends on October 31, 2024.

Shortly after the contract was extended in the fall of 2022, the MHEC Commission made the difficult decision to sunset the Master Property Program. The official action stated, "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." As part of this transition under the provisions of the MHEC contract with Marsh, any member who wished to do so was able to use Marsh to obtain their property coverage for the forthcoming policy year. The University of Northern Iowa and the Nevada System of Higher Education (NSHE) requested to exercise the final available extension to enable them to work with Marsh under the provisions of the MHEC contract for one additional year (through October 31, 2024).

Additionally, eight institutions who were getting their fine arts and terrorism coverage through MPP, but would lose that coverage on July 1, 2023, when the Master Property Program would no longer exist, inquired whether they could continue to get those coverages through MHEC. In response to these requests, the Commission approved extending the Marsh contract an additional year through October 31, 2024, at its June 2023 Executive Committee meeting.

MHEC is an organization that is continually learning and seeking the best ways to serve its member states. Often this requires the organization to make difficult decisions based on the information known at the time, such as the decision to end MPP. Winding down MPP includes helping the MPP participating institutions in their transition away from the program. Winding down also includes learning from and building upon the program's successes. As MHEC continues to explore the best structure and makeup of any future possible risk management program, pilot programs such as the fine arts and terrorism coverage help MHEC better understand the areas where it is best suited to bring value to its member

institutions. The process of defining the scope of any future possible program and the ways MHEC's captive, Stone Arch Insurance Company, can be leveraged to benefit the program, is ongoing. While MHEC works on the development of new risk management programs, an extension of MHEC's contract with Marsh is requested to help the Nevada System of Higher Education transition from MPP, and to continue the fine arts and terrorism pilot program currently being utilized by eight institutions.

Proposed Motion:

The MHEC Executive Committee, acting on behalf of the MHEC Commission, approve the extension of MHEC's contract with Marsh for one additional year ending October 31, 2025, to (1) enable the Nevada System of Higher Education to work with Marsh for the purpose of obtaining property insurance coverage; and (2) to enable Marsh, in its capacity as program administrator, to continue offering the stand-alone coverages of fine arts and terrorism, both of which were components of MHEC's former comprehensive Master Property Program.

Action Item 5

Midwest Student Exchange Program

The Midwest Student Exchange Program (MSEP), a pivotal initiative of the Midwestern Higher Education Compact (MHEC) since 1994, has annually facilitated substantial cost savings for families throughout the region. MSEP continues to be an essential element of MHEC's mission. Nonetheless, given the changing dynamics of higher education and the decreasing prevalence of out-of-state tuition models, it is critical that MSEP be transformed to maintain its relevance and efficacy.

MHEC has closely monitored the MSEP and, in July 2021, released a comprehensive report titled "Student Reciprocity Programs and MSEP in the 21st Century." This report outlined various challenges, including diminished student participation, a drop in institutional involvement, reduced state engagement, and shrinking cost savings. Although program improvements such as an updated website were implemented, MSEP continued to struggle. In FY23 MHEC initiated an evaluation of MSEP's effectiveness. A 23-member evaluation team—comprising representatives from both MSEP and non-MSEP institutions, along with state higher education officials from 11 states—was assembled. The team, after reviewing previous evaluations, current exchange models, program performance data, and feedback from participating institutions, identified a pressing need for strategic adjustments to realign MSEP with the diverse needs of the 12-state MHEC region.

The FY24 MSEP Data Report indicated that 4,322 students saved nearly \$30 million in tuition costs during fiscal year 2024. However, between FY19 and FY24, the program saw a 68% reduction in tuition savings and a 67% decline in enrollment. These downturns were attributed to fewer traditional-aged college students, changes in residential college experiences, an increase in students from traditionally underserved populations, and the diminishing appeal of out-of-state tuition models.

To adapt to these changing market conditions, the MSEP 2.0 Advisory Committee and MSEP Council proposed three key improvements: enhancing MSEP Communication & Outreach; refining procedural elements; and launching the Midwest College Cost Savings Finder.

The proposed Midwest College Cost Savings Finder online tool would enable families from the Midwest to identify tuition cost-saving opportunities at public institutions across MHEC states. By incorporating a variety of discounts—such as those from MSEP, local reciprocity agreements, and independent institutional offers—this tool aims to present prospective students with tailored information on the net cost of attendance, thereby helping them make informed decisions about their education options. This tool would also fulfill MHEC's mission statement of strengthening postsecondary education in member states through cost-savings initiatives and uphold MHEC's value to embrace innovation and seek continuous improvement.

Proposed Motion:

The MHEC Executive Committee, acting on behalf of the MHEC Commission, supports the recommendations of the MSEP 2.0 Advisory Committee and MSEP Council in implementing three program improvement recommendations: Investing in MSEP Communication & Outreach; Perform Procedural Improvements; and Implement Midwest College Cost Savings Finder.

April Monthly Financial Reports

Midwestern Higher Education Compact



Prepared on
May 20, 2024

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Statement of Activities

For the Ten Months Ended April 30, 2024

	Actual	Budget	Total over Budget
REVENUE			
4100 Grants	218,938.62	254,178.30	(35,239.68)
4200 Contract Revenue	5,788,191.01	5,198,353.00	589,838.01
4010 Microfocus Collaborative Fees	11,372.03	16,666.70	(5,294.67)
4230 Compact Revenue Sharing	(1,443,290.45)	(1,299,589.00)	(143,701.45)
Total 4200 Contract Revenue	4,356,272.59	3,915,430.70	440,841.89
4300 Program Revenue	818,847.99	914,530.00	(95,682.01)
4400 State Obligations Revenue	1,150,000.00	1,150,000.00	0.00
4603 Miscellaneous Other Income	85.00		85.00
Total Revenue	6,544,144.20	6,234,139.00	310,005.20
TOTAL REVENUE	6,544,144.20	6,234,139.00	310,005.20
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	1,363,699.34	1,505,260.27	(141,560.93)
5101 Health Insurance	200,420.70	224,017.90	(23,597.20)
5102 Dental Insurance	9,605.08	10,242.90	(637.82)
5103 Life/ LTD/ STD Insurance	9,055.49	9,420.80	(365.31)
5105 Vision Insurance	1,042.68	1,188.00	(145.32)
5107 Employer 403(b)	159,848.71	195,683.96	(35,835.25)
5108 Section 125 Plan	2,087.94	833.30	1,254.64
5109 Employee Parking	19,401.00	31,650.00	(12,249.00)
5110 Other Benefits	6,402.50	6,500.00	(97.50)
5112 SUTA	2,881.20	480.29	2,400.91
5114 Payroll Tax Expense	94,770.72	107,372.77	(12,602.05)
5115 Cell Phone	6,499.90	7,200.00	(700.10)
5116 Employee Development Funds	9,777.68	20,000.00	(10,222.32)
6305 Workers Compensation Insurance	2,075.50	4,515.92	(2,440.42)
Total 5000 All Personnel Costs	1,887,568.44	2,124,366.11	(236,797.67)
5200 All Professional Fees			
5201 Accounting Services	204,149.37	123,833.30	80,316.07

			Total
	Actual	Budget	over Budget
5202 Legal Fees	12,465.50	49,999.90	(37,534.40)
5204 Honoraria and Lecture Fees	6,500.00	27,866.70	(21,366.70)
5207 HR & Payroll Support	110,323.00	54,500.00	55,823.00
5210 Professional Fees - Other	1,954.00	2,000.00	(46.00)
Total 5200 All Professional Fees	335,391.87	258,199.90	77,191.97
5300 Consultants			
5301 Communications Consultant	812.50	158,333.30	(157,520.80)
5302 Computer Services & Support	80,799.21	389,183.40	(308,384.19)
5302A Allocation account Computer Svcs & Support	3,500.85	37,082.70	(33,581.85)
Total 5302 Computer Services & Support	84,300.06	426,266.10	(341,966.04)
5304 General Consultant Fees	192,212.25	406,849.90	(214,637.65)
Total 5300 Consultants	277,324.81	991,449.30	(714,124.49)
6000 Office Costs			
6001 Supplies	6,999.28	2,991.20	4,008.08
6002 Office & Computer Equipment	11,042.10	29,169.80	(18,127.70)
6004 Publications	243.00	3,666.70	(3,423.70)
6005 Dues, Subscriptions & Memberships	31,185.90	30,906.00	279.90
6006 License	289.95	1,283.30	(993.35)
6007 Postage and Shipping	3,933.74	3,091.70	842.04
6009 Printing and Duplicating	3,274.00	3,333.10	(59.10)
6010 Telephone/Fax/Internet	8,606.53	18,666.30	(10,059.77)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	87,567.75	90,000.00	(2,432.25)
6103 Rental Equipment	(158.22)	416.70	(574.92)
6405 Amortization Expense	52,941.40	52,940.40	1.00
Total 6100 Long Term Rents/Leases	140,350.93	143,357.10	(3,006.17)
6108 Computer Software Expense	29,280.67	47,507.30	(18,226.63)
6109 Repairs and Maintenance	1,065.48	3,332.60	(2,267.12)
6304 Risk Management-General Agency Insurance	24,989.47	32,499.80	(7,510.33)
6315 Promotional and Award Items	3,691.73	3,503.80	187.93
Total 6000 Office Costs	264,952.78	323,308.70	(58,355.92)
6200 Convening Expenses			

			Total
	Actual	Budget	over Budget
6105 Meeting Room Rental Fees	9,789.57	8,000.00	1,789.57
6206 Conference Registration Fees	26,774.55	55,341.60	(28,567.05)
6207 Meals	15,103.50	49,747.70	(34,644.20)
6208 Transportation	125,914.16	267,487.50	(141,573.34)
6209 Lodging	90,866.51	200,070.80	(109,204.29)
6210 Meeting Catering and Food	165,768.03	125,578.60	40,189.43
6211 Conference Tech Services (AV)	28,162.34	35,550.00	(7,387.66)
Total 6200 Convening Expenses	462,378.66	741,776.20	(279,397.54)
6400 Other Operating Expenses			
5305 Sub-Grant Expense	34,125.00	83,333.30	(49,208.30)
6300 Operating Interest Charges & Service Fees	21.16	833.30	(812.14)
6402 Depreciation Expense	24,746.37	22,877.90	1,868.47
6404 Miscellaneous	6,545.29	7,500.00	(954.71)
Total 6400 Other Operating Expenses	65,437.82	114,544.50	(49,106.68)
Total Expenditures	3,293,054.38	4,553,644.71	(1,260,590.33)
NET OPERATING REVENUE	3,251,089.82	1,680,494.29	1,570,595.53
OTHER REVENUE			
4601 Interest Income	278,861.51	18,000.00	260,861.51
Total Other Revenue	278,861.51	18,000.00	260,861.51
OTHER EXPENDITURES			
7200 Nonoperating Interest Expense	3,133.62	3,022.50	111.12
Total Other Expenditures	3,133.62	3,022.50	111.12
NET OTHER REVENUE	275,727.89	14,977.50	260,750.39
CHANGE IN NET ASSETS	\$3,526,817.71	\$1,695,471.79	\$1,831,345.92

Statement of Financial Position

As of April 30, 2024 and 2023

	As of Apr 30, 2024	As of Apr 30, 2023 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1000 MHEC - American National Bank (Checking)	1,123,198.87	1,787,450.32
1001 MHEC - American National Bank (Savings)	249,114.27	245,678.82
1003 Grant - American National Bank (Checking)	87,804.00	183,540.88
1004 MPP - American National Bank (Savings)	20,158.78	20,076.22
1005 Ascendium Grant Checking	0.00	47.01
1102 American National Bank (ICS)	11,806,148.85	7,029,570.30
Total Bank Accounts	13,286,424.77	9,266,363.55
Accounts Receivable		
1210 MHEC - Receivables	1,616,355.63	3,949.78
Total Accounts Receivable	1,616,355.63	3,949.78
Other Current Assets		
1240 Other Accounts Receivable	519,835.00	462.21
1303 Prepaid Expenses	58,682.67	9,290.47
Total Other Current Assets	578,517.67	9,752.68
Total Current Assets	15,481,298.07	9,280,066.01
Fixed Assets		
1400 Fixed Assets	535,410.58	513,830.15
1404 Office Leasehold Improvements	375,877.06	375,877.06
1413 Right of Use Lease Asset	312,007.90	312,007.90
1497 Accumulated Amortization	(180,000.76)	(111,176.94)
1498 Accumulated Depreciation	(811,692.66)	(781,391.39)
Total Fixed Assets	231,602.12	309,146.78
TOTAL ASSETS	\$15,712,900.19	\$9,589,212.79

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts Payable

2000 Accounts Payable	2,686.80	18,529.45
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Total Accounts Payable	2,686.80	18,529.45
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Credit Cards

2066 Control Account Western bank MC	0.00	88.94
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2067 Divvy Credit Card	1,528.61	6,363.32
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Total Credit Cards	1,528.61	6,452.26
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Other Current Liabilities

2102 Other Payables	1,441,219.31	
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2105 Healthcare Reimburse	503.96	0.00
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2107 HSA Reimbursement	254.10	0.00
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2108 AFLAC	89.60	0.00
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	Total	
	As of Apr 30, 2024	As of Apr 30, 2023 (PY)
2110 403(b) Withholding	3,930.65	0.00
2114 Other Payroll Withholdings	0.00	(555.24)
2117 Accrued Vacation	124,438.75	162,616.03
2120 Accrued Payroll	49,164.99	0.00
2206 Short Term Lease Liability	14,707.91	21,038.08
2215 Deferred Revenue	340,940.38	408,993.64
Total Other Current Liabilities	1,975,249.65	592,092.51
Total Current Liabilities	1,979,465.06	617,074.22
Long-Term Liabilities		
2300 Long Term Lease Liability	178,334.50	265,543.40
Total Long-Term Liabilities	178,334.50	265,543.40
Total Liabilities	2,157,799.56	882,617.62
Net Assets		
3000 Undesignated Organizational Net Assets	5,510,948.84	2,292,789.66
3010 Board Designated Funds		
3100 Risk Management	25,000.00	25,000.00
3110 Operations Reserve	3,000,000.00	1,671,000.00
3130 Opportunity Reserve		
3120 Special Projects	500,000.00	500,000.00
3133 Organizational Capacity		
3131 Organizational Capacity - Technology	10,439.00	10,439.00
Total 3133 Organizational Capacity	10,439.00	10,439.00
Total 3130 Opportunity Reserve	510,439.00	510,439.00
3135 Capital Asset Reserve		
3140 Future Lease Payment	450,000.00	450,000.00
3150 Capital Investments	17,291.00	17,291.00
Total 3135 Capital Asset Reserve	467,291.00	467,291.00
3307 SARA Reserve Funds	494,531.00	494,531.00
Total 3010 Board Designated Funds	4,497,261.00	3,168,261.00
3300 Restricted Net Assets	0.00	0.00
3308 Master Property Program	20,073.08	20,073.08
Total 3300 Restricted Net Assets	20,073.08	20,073.08
Change in Net Assets	3,526,817.71	3,225,471.43
Total Net Assets	13,555,100.63	8,706,595.17
TOTAL LIABILITIES AND NET ASSETS	\$15,712,900.19	\$9,589,212.79

Statement of Cash Flows

For the Ten Months Ended April 30, 2024

	Total
OPERATING ACTIVITIES	
Change in Net Assets	3,526,817.71
Adjustments to reconcile Change in Net Assets to Net Cash provided by operations:	
1210 MHEC - Receivables	1,397,891.50
1240 Other Accounts Receivable	(519,835.00)
1303 Prepaid Expenses	(16,208.20)
1497 Accumulated Amortization	52,941.40
1498 Accumulated Depreciation	24,746.37
2000 Accounts Payable	(1,723,823.29)
2067 Divvy Credit Card	(2,754.69)
2102 Other Payables	1,441,219.31
2105 Healthcare Reimburse	(188.76)
2106 Daycare Reimbursement	(192.30)
2107 HSA Reimbursement	254.10
2108 AFLAC	(50.35)
2110 403(b) Withholding	(8,413.07)
2117 Accrued Vacation	(17,754.12)
2120 Accrued Payroll	(27,483.68)
2206 Short Term Lease Liability	(72,500.93)
2215 Deferred Revenue	253,136.38
Total Adjustments to reconcile Change in Net Assets to Net Cash provided by operations:	780,984.67
Net cash provided by operating activities	4,307,802.38
INVESTING ACTIVITIES	
1400 Fixed Assets	(21,580.43)
Net cash provided by investing activities	(21,580.43)
FINANCING ACTIVITIES	
3000 Undesignated Organizational Net Assets	(1,329,000.00)
3110 Board Designated Funds:Operations Reserve	1,329,000.00
Net cash provided by financing activities	0.00
NET CASH INCREASE FOR PERIOD	4,286,221.95
Cash at beginning of period	9,000,202.82

	Total
CASH AT END OF PERIOD	\$13,286,424.77

Statement of Activities - Contract Services

For the Ten Months Ended April 30, 2024

	Actual	Budget	Total over Budget
REVENUE			
4200 Contract Revenue	5,788,191.01	5,198,353.00	589,838.01
4010 Microfocus Collaborative Fees	11,372.03	16,666.70	(5,294.67)
4230 Compact Revenue Sharing	(1,443,290.45)	(1,299,589.00)	(143,701.45)
Total 4200 Contract Revenue	4,356,272.59	3,915,430.70	440,841.89
Total Revenue	4,356,272.59	3,915,430.70	440,841.89
TOTAL REVENUE	4,356,272.59	3,915,430.70	440,841.89
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	205,608.35	185,590.55	20,017.80
5101 Health Insurance		22,917.10	(22,917.10)
5102 Dental Insurance		1,219.30	(1,219.30)
5103 Life/ LTD/ STD Insurance		1,135.90	(1,135.90)
5105 Vision Insurance		110.90	(110.90)
5107 Employer 403(b)		24,126.79	(24,126.79)
5109 Employee Parking		3,380.00	(3,380.00)
5112 SUTA	657.98	49.40	608.58
5114 Payroll Tax Expense	14,277.92	12,641.74	1,636.18
5115 Cell Phone	535.50	450.00	85.50
5116 Employee Development Funds		1,250.00	(1,250.00)
6305 Workers Compensation Insurance		556.81	(556.81)
Total 5000 All Personnel Costs	221,079.75	253,428.49	(32,348.74)
5300 Consultants			
5302 Computer Services & Support			
5302A Allocation account Computer Svcs & Support		3,712.00	(3,712.00)
Total 5302 Computer Services & Support		3,712.00	(3,712.00)
Total 5300 Consultants		3,712.00	(3,712.00)
6000 Office Costs			
6001 Supplies		291.90	(291.90)
6002 Office & Computer Equipment		1,251.20	(1,251.20)

			Total
	Actual	Budget	over Budget
6004 Publications	243.00	416.70	(173.70)
6005 Dues, Subscriptions & Memberships	1,470.01	3,500.00	(2,029.99)
6009 Printing and Duplicating		250.20	(250.20)
6010 Telephone/Fax/Internet		1,668.30	(1,668.30)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities		9,009.00	(9,009.00)
6405 Amortization Expense		5,299.30	(5,299.30)
Total 6100 Long Term Rents/Leases		14,308.30	(14,308.30)
6108 Computer Software Expense	120.00	416.70	(296.70)
6109 Repairs and Maintenance		333.60	(333.60)
6304 Risk Management-General Agency Insurance		3,253.20	(3,253.20)
Total 6000 Office Costs	1,833.01	25,690.10	(23,857.09)
6200 Convening Expenses			
6206 Conference Registration Fees	6,344.00		6,344.00
6207 Meals	1,125.83	13,561.70	(12,435.87)
6208 Transportation	6,987.47	24,375.00	(17,387.53)
6209 Lodging	6,858.55	27,025.00	(20,166.45)
6210 Meeting Catering and Food	3,471.73	8,333.30	(4,861.57)
6211 Conference Tech Services (AV)	1,895.00		1,895.00
Total 6200 Convening Expenses	26,682.58	73,295.00	(46,612.42)
6400 Other Operating Expenses			
6402 Depreciation Expense		2,290.10	(2,290.10)
Total 6400 Other Operating Expenses		2,290.10	(2,290.10)
Total Expenditures	249,595.34	358,415.69	(108,820.35)
NET OPERATING REVENUE	4,106,677.25	3,557,015.01	549,662.24
CHANGE IN NET ASSETS	\$4,106,677.25	\$3,557,015.01	\$549,662.24

Statement of Activities - Risk Management

For the Ten Months Ended April 30, 2024

			Total
	Actual	Budget	over Budget
REVENUE			
4300 Program Revenue	295,386.99	365,000.00	(69,613.01)
Total Revenue	295,386.99	365,000.00	(69,613.01)
TOTAL REVENUE	295,386.99	365,000.00	(69,613.01)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	21,760.70	115,865.80	(94,105.10)
5101 Health Insurance		11,849.10	(11,849.10)
5102 Dental Insurance		703.30	(703.30)
5103 Life/ LTD/ STD Insurance		766.20	(766.20)
5105 Vision Insurance		63.30	(63.30)
5107 Employer 403(b)		15,062.56	(15,062.56)
5108 Section 125 Plan		0.00	0.00
5109 Employee Parking		1,584.00	(1,584.00)
5112 SUTA	23.33	35.21	(11.88)
5114 Payroll Tax Expense	2,632.01	8,709.79	(6,077.78)
5115 Cell Phone	145.80	450.00	(304.20)
5116 Employee Development Funds	11.98	1,250.00	(1,238.02)
6305 Workers Compensation Insurance		347.65	(347.65)
Total 5000 All Personnel Costs	24,573.82	156,686.91	(132,113.09)
5200 All Professional Fees			
5202 Legal Fees	622.50	29,166.60	(28,544.10)
Total 5200 All Professional Fees	622.50	29,166.60	(28,544.10)
5300 Consultants			
5302 Computer Services & Support			
5302A Allocation account Computer Svcs & Support		2,039.40	(2,039.40)
Total 5302 Computer Services & Support		2,039.40	(2,039.40)
5304 General Consultant Fees	49,125.00	100,000.00	(50,875.00)
Total 5300 Consultants	49,125.00	102,039.40	(52,914.40)
6000 Office Costs			
6001 Supplies		160.40	(160.40)
6002 Office & Computer Equipment		687.50	(687.50)
6005 Dues, Subscriptions & Memberships	1,200.01	1,925.00	(724.99)
6006 License	15.95	833.30	(817.35)
6007 Postage and Shipping	222.66	83.30	139.36
6009 Printing and Duplicating		137.50	(137.50)
6010 Telephone/Fax/Internet		916.60	(916.60)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities		4,950.00	(4,950.00)
6103 Rental Equipment		0.00	0.00
6405 Amortization Expense		2,911.60	(2,911.60)

			Total
	Actual	Budget	over Budget
Total 6100 Long Term Rents/Leases		7,861.60	(7,861.60)
6109 Repairs and Maintenance		183.20	(183.20)
6304 Risk Management-General Agency Insurance		1,787.50	(1,787.50)
Total 6000 Office Costs	1,438.62	14,575.90	(13,137.28)
6200 Convening Expenses			
6206 Conference Registration Fees	858.00	2,100.00	(1,242.00)
6207 Meals		3,243.00	(3,243.00)
6208 Transportation	2,633.18	17,550.00	(14,916.82)
6209 Lodging		9,700.00	(9,700.00)
6210 Meeting Catering and Food		3,000.00	(3,000.00)
6211 Conference Tech Services (AV)		5,000.00	(5,000.00)
Total 6200 Convening Expenses	3,491.18	40,593.00	(37,101.82)
6400 Other Operating Expenses			
6402 Depreciation Expense		1,258.30	(1,258.30)
Total 6400 Other Operating Expenses		1,258.30	(1,258.30)
Total Expenditures	79,251.12	344,320.11	(265,068.99)
NET OPERATING REVENUE	216,135.87	20,679.89	195,455.98
CHANGE IN NET ASSETS	\$216,135.87	\$20,679.89	\$195,455.98

Revenue and Expenses by Class - Risk Management Programs

For the Ten Months Ended April 30, 2024

	Risk Management Programs	Master Property Program	MHECare	Total Risk Management Programs	TOTAL
REVENUE					
4300 Program Revenue			295,386.99	295,386.99	295,386.99
Total Revenue	0.00	0.00	295,386.99	295,386.99	295,386.99
TOTAL REVENUE	0.00	0.00	295,386.99	295,386.99	295,386.99
EXPENDITURES					
5000 All Personnel Costs					
5001 Salary	3,592.97	(6,978.86)	25,146.59	21,760.70	21,760.70
5112 SUTA		15.59	7.74	23.33	23.33
5114 Payroll Tax Expense	236.87	728.33	1,666.81	2,632.01	2,632.01
5115 Cell Phone	145.80			145.80	145.80
5116 Employee Development Funds	11.98			11.98	11.98
Total 5000 All Personnel Costs	3,987.62	(6,234.94)	26,821.14	24,573.82	24,573.82
5200 All Professional Fees					
5202 Legal Fees	622.50			622.50	622.50
Total 5200 All Professional Fees	622.50			622.50	622.50
5300 Consultants					
5304 General Consultant Fees		45,000.00	4,125.00	49,125.00	49,125.00
Total 5300 Consultants		45,000.00	4,125.00	49,125.00	49,125.00
6000 Office Costs					
6005 Dues, Subscriptions & Memberships	380.00	570.00	250.01	1,200.01	1,200.01
6006 License	15.95			15.95	15.95
6007 Postage and Shipping	146.93	75.73		222.66	222.66
Total 6000 Office Costs	542.88	645.73	250.01	1,438.62	1,438.62
6200 Convening Expenses					
6206 Conference Registration Fees			858.00	858.00	858.00
6208 Transportation	1,870.78	762.40		2,633.18	2,633.18
Total 6200 Convening Expenses	1,870.78	762.40	858.00	3,491.18	3,491.18
Total Expenditures	7,023.78	40,173.19	32,054.15	79,251.12	79,251.12
NET OPERATING REVENUE	(7,023.78)	(40,173.19)	263,332.84	216,135.87	216,135.87

	Risk Management Programs	Master Property Program	MHECare	Total Risk Management Programs	TOTAL
CHANGE IN NET ASSETS	\$ (7,023.78)	\$ (40,173.19)	\$263,332.84	\$216,135.87	\$216,135.87

Statement of Activities - M-SARA

For the Ten Months Ended April 30, 2024

			Total
	Actual	Budget	over Budget
REVENUE			
4300 Program Revenue	523,461.00	549,530.00	(26,069.00)
Total Revenue	523,461.00	549,530.00	(26,069.00)
TOTAL REVENUE	523,461.00	549,530.00	(26,069.00)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	203,686.03	204,090.71	(404.68)
5101 Health Insurance		31,075.60	(31,075.60)
5102 Dental Insurance		1,577.80	(1,577.80)
5103 Life/ LTD/ STD Insurance		1,222.90	(1,222.90)
5105 Vision Insurance		186.10	(186.10)
5107 Employer 403(b)		26,531.82	(26,531.82)
5109 Employee Parking		4,820.00	(4,820.00)
5112 SUTA	292.11	61.57	230.54
5114 Payroll Tax Expense	13,954.14	14,235.28	(281.14)
5115 Cell Phone	300.00	900.00	(600.00)
5116 Employee Development Funds	259.79	2,500.00	(2,240.21)
6305 Workers Compensation Insurance		612.26	(612.26)
Total 5000 All Personnel Costs	218,492.07	287,814.04	(69,321.97)
5300 Consultants			
5302 Computer Services & Support			
5302A Allocation account Computer Svcs & Support		5,562.40	(5,562.40)
Total 5302 Computer Services & Support		5,562.40	(5,562.40)
5304 General Consultant Fees	23,000.00	20,000.00	3,000.00
Total 5300 Consultants	23,000.00	25,562.40	(2,562.40)
6000 Office Costs			
6001 Supplies	869.97	437.50	432.47
6002 Office & Computer Equipment		1,875.00	(1,875.00)
6005 Dues, Subscriptions & Memberships	3,333.30	4,200.00	(866.70)
6007 Postage and Shipping	162.95	116.70	46.25
6009 Printing and Duplicating	201.07	375.00	(173.93)
6010 Telephone/Fax/Internet		2,500.00	(2,500.00)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities		13,500.00	(13,500.00)
6405 Amortization Expense		7,941.10	(7,941.10)
Total 6100 Long Term Rents/Leases		21,441.10	(21,441.10)
6108 Computer Software Expense		600.00	(600.00)
6109 Repairs and Maintenance		499.90	(499.90)
6304 Risk Management-General Agency Insurance		4,875.00	(4,875.00)
6315 Promotional and Award Items		128.80	(128.80)
Total 6000 Office Costs	4,567.29	37,049.00	(32,481.71)

			Total
	Actual	Budget	over Budget
6200 Convening Expenses			
6206 Conference Registration Fees	2,840.00	4,600.00	(1,760.00)
6207 Meals	1,794.70	2,570.00	(775.30)
6208 Transportation	10,824.35	26,250.00	(15,425.65)
6209 Lodging	12,728.82	20,000.00	(7,271.18)
6210 Meeting Catering and Food	8,692.88	8,000.00	692.88
6211 Conference Tech Services (AV)	60.60		60.60
Total 6200 Convening Expenses	36,941.35	61,420.00	(24,478.65)
6400 Other Operating Expenses			
5305 Sub-Grant Expense		45,833.30	(45,833.30)
6402 Depreciation Expense		3,431.70	(3,431.70)
6404 Miscellaneous	992.36		992.36
Total 6400 Other Operating Expenses	992.36	49,265.00	(48,272.64)
Total Expenditures	283,993.07	461,110.44	(177,117.37)
NET OPERATING REVENUE	239,467.93	88,419.56	151,048.37
CHANGE IN NET ASSETS	\$239,467.93	\$88,419.56	\$151,048.37

Statement of Activities - Policy and Research

For the Ten Months Ended April 30, 2024

	Actual	Budget	Total over Budget
REVENUE			
4100 Grants	218,938.62	254,178.30	(35,239.68)
Total Revenue	218,938.62	254,178.30	(35,239.68)
TOTAL REVENUE	218,938.62	254,178.30	(35,239.68)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	413,491.83	406,695.36	6,796.47
5101 Health Insurance		55,953.60	(55,953.60)
5102 Dental Insurance		3,158.10	(3,158.10)
5103 Life/ LTD/ STD Insurance		2,561.40	(2,561.40)
5105 Vision Insurance		324.80	(324.80)
5107 Employer 403(b)		52,870.43	(52,870.43)
5108 Section 125 Plan		0.00	0.00
5109 Employee Parking		8,446.00	(8,446.00)
5110 Other Benefits		0.00	0.00
5112 SUTA	608.58	120.42	488.16
5114 Payroll Tax Expense	28,266.02	29,659.28	(1,393.26)
5115 Cell Phone	1,827.03	1,800.00	27.03
5116 Employee Development Funds	3,772.88	5,000.00	(1,227.12)
6305 Workers Compensation Insurance		1,220.10	(1,220.10)
Total 5000 All Personnel Costs	447,966.34	567,809.49	(119,843.15)
5200 All Professional Fees			
5204 Honoraria and Lecture Fees		25,866.70	(25,866.70)
Total 5200 All Professional Fees		25,866.70	(25,866.70)
5300 Consultants			
5302 Computer Services & Support	8,878.00	24,166.70	(15,288.70)
5302A Allocation account Computer Svcs & Support		9,315.10	(9,315.10)
Total 5302 Computer Services & Support	8,878.00	33,481.80	(24,603.80)
5304 General Consultant Fees	119,527.25	193,333.30	(73,806.05)
Total 5300 Consultants	128,405.25	226,815.10	(98,409.85)

	Actual	Budget	Total over Budget
6000 Office Costs			
6001 Supplies	394.72	732.40	(337.68)
6002 Office & Computer Equipment		3,139.90	(3,139.90)
6004 Publications		3,250.00	(3,250.00)
6005 Dues, Subscriptions & Memberships	4,929.09	5,066.70	(137.61)
6007 Postage and Shipping	654.78	375.00	279.78
6009 Printing and Duplicating	813.67	627.90	185.77
6010 Telephone/Fax/Internet		4,186.50	(4,186.50)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities		22,608.00	(22,608.00)
6405 Amortization Expense		13,298.60	(13,298.60)
Total 6100 Long Term Rents/Leases		35,906.60	(35,906.60)
6108 Computer Software Expense	10,145.75	14,000.00	(3,854.25)
6109 Repairs and Maintenance		837.00	(837.00)
6304 Risk Management-General Agency Insurance		8,163.90	(8,163.90)
Total 6000 Office Costs	16,938.01	76,285.90	(59,347.89)
6200 Convening Expenses			
6206 Conference Registration Fees	10,573.35	16,850.00	(6,276.65)
6207 Meals	2,584.55	16,957.20	(14,372.65)
6208 Transportation	27,237.20	87,666.70	(60,429.50)
6209 Lodging	34,711.98	69,945.80	(35,233.82)
6210 Meeting Catering and Food	86,411.43	28,945.30	57,466.13
6211 Conference Tech Services (AV)		9,700.00	(9,700.00)
Total 6200 Convening Expenses	161,518.51	230,065.00	(68,546.49)
6400 Other Operating Expenses			
5305 Sub-Grant Expense	34,125.00	37,500.00	(3,375.00)
6402 Depreciation Expense		5,746.80	(5,746.80)
6404 Miscellaneous	83.22		83.22
Total 6400 Other Operating Expenses	34,208.22	43,246.80	(9,038.58)
Total Expenditures	789,036.33	1,170,088.99	(381,052.66)
NET OPERATING REVENUE	(570,097.71)	(915,910.69)	345,812.98
OTHER EXPENDITURES			

			Total
	Actual	Budget	over Budget
7000 Indirect Cost Allocation	28,557.21		28,557.21
Total Other Expenditures	28,557.21	0.00	28,557.21
NET OTHER REVENUE	(28,557.21)	0.00	(28,557.21)
CHANGE IN NET ASSETS	\$ (598,654.92)	\$ (915,910.69)	\$317,255.77

Revenue and Expenses by Class - Policy and Research

For the Ten Months Ended April 30, 2024

	Policy & Research	Concurrent Enrollment	Credentialing	MCMC	MSEP	Open Education Resources (OER)	Research	Total Policy & Research	TOTAL
REVENUE									
4100 Grants						218,938.62		218,938.62	218,938.62
Total Revenue	0.00	0.00	0.00	0.00	0.00	218,938.62	0.00	218,938.62	218,938.62
TOTAL REVENUE	0.00	0.00	0.00	0.00	0.00	218,938.62	0.00	218,938.62	218,938.62
EXPENDITURES									
5000 All Personnel Costs									
5001 Salary	91,261.97	42,400.24		4,159.37	70,688.83	36,211.08	168,770.34	413,491.83	413,491.83
5112 SUTA	93.27				7.67		507.64	608.58	608.58
5114 Payroll Tax Expense	6,220.91	2,901.40		284.57	4,836.97	2,477.85	11,544.32	28,266.02	28,266.02
5115 Cell Phone	1,077.03						750.00	1,827.03	1,827.03
5116 Employee Development Funds	3,772.88							3,772.88	3,772.88
Total 5000 All Personnel Costs	102,426.06	45,301.64		4,443.94	75,533.47	38,688.93	181,572.30	447,966.34	447,966.34
5300 Consultants									
5302 Computer Services & Support		8,878.00						8,878.00	8,878.00
5304 General Consultant Fees		27,250.00				92,277.25		119,527.25	119,527.25
Total 5300 Consultants		36,128.00				92,277.25		128,405.25	128,405.25
6000 Office Costs									
6001 Supplies	242.34	50.00				102.38		394.72	394.72
6005 Dues, Subscriptions & Memberships	4,307.90						621.19	4,929.09	4,929.09
6007 Postage and Shipping	29.99					624.79		654.78	654.78
6009 Printing and Duplicating						813.67		813.67	813.67
6108 Computer Software Expense	8,595.78				60.00		1,489.97	10,145.75	10,145.75
Total 6000 Office Costs	13,176.01	50.00			60.00	1,540.84	2,111.16	16,938.01	16,938.01
6200 Convening Expenses									
6206 Conference Registration Fees	8,859.00	685.00				79.35	950.00	10,573.35	10,573.35
6207 Meals	1,573.04	196.82	223.98			420.16	170.55	2,584.55	2,584.55
6208 Transportation	10,894.44	1,700.51	129.71			14,355.86	156.68	27,237.20	27,237.20
6209 Lodging	10,641.50	810.18	577.44			22,682.86		34,711.98	34,711.98
6210 Meeting Catering and Food	67,229.35					19,182.08		86,411.43	86,411.43
Total 6200 Convening Expenses	99,197.33	3,392.51	931.13			56,720.31	1,277.23	161,518.51	161,518.51
6400 Other Operating Expenses									
5305 Sub-Grant Expense						34,125.00		34,125.00	34,125.00
6404 Miscellaneous	83.22							83.22	83.22
Total 6400 Other Operating Expenses	83.22					34,125.00		34,208.22	34,208.22
Total Expenditures	214,882.62	84,872.15	931.13	4,443.94	75,593.47	223,352.33	184,960.69	789,036.33	789,036.33
NET OPERATING REVENUE	(214,882.62)	(84,872.15)	(931.13)	(4,443.94)	(75,593.47)	(4,413.71)	(184,960.69)	(570,097.71)	(570,097.71)
OTHER EXPENDITURES									
7000 Indirect Cost Allocation						28,557.21		28,557.21	28,557.21
Total Other Expenditures	0.00	0.00	0.00	0.00	0.00	28,557.21	0.00	28,557.21	28,557.21
NET OTHER REVENUE	0.00	0.00	0.00	0.00	0.00	(28,557.21)	0.00	(28,557.21)	(28,557.21)
CHANGE IN NET ASSETS	\$ (214,882.62)	\$ (84,872.15)	\$ (931.13)	\$ (4,443.94)	\$ (75,593.47)	\$ (32,970.92)	\$ (184,960.69)	\$ (598,654.92)	\$ (598,654.92)

Statement of Activities - Convening

For the Ten Months Ended April 30, 2024

	Actual	Budget	Total over Budget
REVENUE			
Total Revenue			0.00
TOTAL REVENUE	0.00	0.00	0.00
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	251,846.00	301,381.61	(49,535.61)
5101 Health Insurance		59,474.00	(59,474.00)
5102 Dental Insurance		1,989.70	(1,989.70)
5103 Life/ LTD/ STD Insurance		1,930.10	(1,930.10)
5105 Vision Insurance		265.30	(265.30)
5107 Employer 403(b)		39,179.60	(39,179.60)
5109 Employee Parking		7,070.00	(7,070.00)
5112 SUTA	425.71	127.23	298.48
5114 Payroll Tax Expense	17,206.39	21,409.22	(4,202.83)
5115 Cell Phone	900.00	1,350.00	(450.00)
5116 Employee Development Funds	1,045.00	3,750.00	(2,705.00)
6305 Workers Compensation Insurance		904.15	(904.15)
Total 5000 All Personnel Costs	271,423.10	438,830.91	(167,407.81)
5200 All Professional Fees			
5204 Honoraria and Lecture Fees	6,500.00	2,000.00	4,500.00
5210 Professional Fees - Other	914.00	2,000.00	(1,086.00)
Total 5200 All Professional Fees	7,414.00	4,000.00	3,414.00
5300 Consultants			
5302 Computer Services & Support		33,333.30	(33,333.30)
5302A Allocation account Computer Svcs & Support		8,458.70	(8,458.70)
Total 5302 Computer Services & Support		41,792.00	(41,792.00)
Total 5300 Consultants		41,792.00	(41,792.00)
6000 Office Costs			
5405 Advertising Expense	0.00		0.00
6001 Supplies	121.00	740.20	(619.20)

			Total
	Actual	Budget	over Budget
6002 Office & Computer Equipment		2,851.20	(2,851.20)
6005 Dues, Subscriptions & Memberships	4,760.00	4,250.00	510.00
6007 Postage and Shipping	1,866.30	1,350.00	516.30
6009 Printing and Duplicating	27.22	570.20	(542.98)
6010 Telephone/Fax/Internet		3,801.60	(3,801.60)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities		20,529.00	(20,529.00)
6405 Amortization Expense		12,075.80	(12,075.80)
Total 6100 Long Term Rents/Leases		32,604.80	(32,604.80)
6108 Computer Software Expense	10,554.54	10,083.30	471.24
6109 Repairs and Maintenance		760.30	(760.30)
6304 Risk Management-General Agency Insurance		7,413.20	(7,413.20)
6315 Promotional and Award Items	2,335.48	875.00	1,460.48
Total 6000 Office Costs	19,664.54	65,299.80	(45,635.26)
6200 Convening Expenses			
6105 Meeting Room Rental Fees	9,789.57	8,000.00	1,789.57
6206 Conference Registration Fees	4,114.00	11,375.00	(7,261.00)
6207 Meals	8,276.53	7,445.80	830.73
6208 Transportation	74,053.79	92,212.50	(18,158.71)
6209 Lodging	33,679.47	55,983.30	(22,303.83)
6210 Meeting Catering and Food	63,999.17	71,200.00	(7,200.83)
6211 Conference Tech Services (AV)	26,206.74	20,850.00	5,356.74
Total 6200 Convening Expenses	220,119.27	267,066.60	(46,947.33)
6400 Other Operating Expenses			
6402 Depreciation Expense		5,218.50	(5,218.50)
6404 Miscellaneous	1,250.00		1,250.00
Total 6400 Other Operating Expenses	1,250.00	5,218.50	(3,968.50)
Total Expenditures	519,870.91	822,207.81	(302,336.90)
NET OPERATING REVENUE	(519,870.91)	(822,207.81)	302,336.90
CHANGE IN NET ASSETS	\$ (519,870.91)	\$ (822,207.81)	\$302,336.90

Revenue and Expenses by Class - Convening

For the Ten Months Ended April 30, 2024

	Convening	Commission Meeting (Annual)	Commission Meeting (Executive)	MHEC State Visits	Officers Meeting	Tech Community-Annual Meeting	Tech Community-Exec Meeting	Tech Community-Other Meetings	Total Convening	TOTAL
REVENUE										
Total Revenue									0.00	0.00
TOTAL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EXPENDITURES										
5000 All Personnel Costs										
5001 Salary	251,846.00								251,846.00	251,846.00
5112 SUTA	425.71								425.71	425.71
5114 Payroll Tax Expense	17,206.39								17,206.39	17,206.39
5115 Cell Phone	900.00								900.00	900.00
5116 Employee Development Funds	1,045.00								1,045.00	1,045.00
Total 5000 All Personnel Costs	271,423.10								271,423.10	271,423.10
5200 All Professional Fees										
5204 Honoraria and Lecture Fees		3,000.00				3,500.00			6,500.00	6,500.00
5210 Professional Fees - Other		894.00		20.00					914.00	914.00
Total 5200 All Professional Fees		3,894.00		20.00		3,500.00			7,414.00	7,414.00
6000 Office Costs										0
5405 Advertising Expense				0.00					0.00	0.00
6001 Supplies	119.85							1.15	121.00	121.00
6005 Dues, Subscriptions & Memberships	4,741.00					19.00			4,760.00	4,760.00
6007 Postage and Shipping	32.26	302.75		214.00		1,101.73		215.56	1,866.30	1,866.30
6009 Printing and Duplicating		27.22							27.22	27.22
6108 Computer Software Expense	10,554.54								10,554.54	10,554.54
6315 Promotional and Award Items		2,000.90		167.48		167.10			2,335.48	2,335.48
Total 6000 Office Costs	15,447.65	2,330.87		381.48		1,287.83		216.71	19,664.54	19,664.54
6200 Convening Expenses										
6105 Meeting Room Rental Fees		7,725.00		1,780.75		283.82			9,789.57	9,789.57
6206 Conference Registration Fees	3,604.00							510.00	4,114.00	4,114.00
6207 Meals	892.76	729.91	221.36	3,826.99		2,570.62	34.89		8,276.53	8,276.53
6208 Transportation	7,333.42	23,954.65	6,461.53	15,701.05	1,439.53	18,501.00	65.00	597.61	74,053.79	74,053.79
6209 Lodging	5,648.23	7,847.00	8.00	6,798.74	691.70	12,685.80			33,679.47	33,679.47
6210 Meeting Catering and Food	20.32	31,006.19		15,737.94	714.08	12,579.75		3,940.89	63,999.17	63,999.17
6211 Conference Tech Services (AV)		22,823.10				1,372.39		2,011.25	26,206.74	26,206.74
Total 6200 Convening Expenses	17,498.73	94,085.85	6,690.89	43,845.47	2,845.31	47,993.38	99.89	7,059.75	220,119.27	220,119.27
6400 Other Operating Expenses										
6404 Miscellaneous		250.00	1,000.00						1,250.00	1,250.00
Total 6400 Other Operating Expenses		250.00	1,000.00						1,250.00	1,250.00
Total Expenditures	304,369.48	100,560.72	7,690.89	44,246.95	2,845.31	52,781.21	99.89	7,276.46	519,870.91	519,870.91
NET OPERATING REVENUE	(304,369.48)	(100,560.72)	(7,690.89)	(44,246.95)	(2,845.31)	(52,781.21)	(99.89)	(7,276.46)	(519,870.91)	(519,870.91)
	\$									\$
CHANGE IN NET ASSETS	(304,369.48)	\$ (100,560.72)	\$ (7,690.89)	\$ (44,246.95)	\$ (2,845.31)	\$ (52,781.21)	\$ (99.89)	\$ (7,276.46)	\$ (519,870.91)	(519,870.91)

Statement of Activities - General & Administrative

For the Ten Months Ended April 30, 2024

	Actual	Budget	Total over Budget
REVENUE			
4400 State Obligations Revenue	1,150,000.00	1,150,000.00	0.00
4603 Miscellaneous Other Income	85.00		85.00
Total Revenue	1,150,085.00	1,150,000.00	85.00
TOTAL REVENUE	1,150,085.00	1,150,000.00	85.00
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	267,306.43	291,636.24	(24,329.81)
5101 Health Insurance	200,420.70	42,748.50	157,672.20
5102 Dental Insurance	9,605.08	1,594.70	8,010.38
5103 Life/ LTD/ STD Insurance	9,055.49	1,804.30	7,251.19
5105 Vision Insurance	1,042.68	237.60	805.08
5107 Employer 403(b)	159,848.71	37,912.76	121,935.95
5108 Section 125 Plan	2,087.94	833.30	1,254.64
5109 Employee Parking	19,401.00	6,350.00	13,051.00
5110 Other Benefits	6,402.50	6,500.00	(97.50)
5112 SUTA	873.49	86.46	787.03
5114 Payroll Tax Expense	18,434.24	20,717.46	(2,283.22)
5115 Cell Phone	2,791.57	2,250.00	541.57
5116 Employee Development Funds	4,688.03	6,250.00	(1,561.97)
6305 Workers Compensation Insurance	2,075.50	874.95	1,200.55
Total 5000 All Personnel Costs	704,033.36	419,796.27	284,237.09
5200 All Professional Fees			
5201 Accounting Services	204,149.37	123,833.30	80,316.07
5202 Legal Fees	11,843.00	20,833.30	(8,990.30)
5204 Honoraria and Lecture Fees		0.00	0.00
5207 HR & Payroll Support	58,023.00	4,500.00	53,523.00
5210 Professional Fees - Other	1,040.00		1,040.00
Total 5200 All Professional Fees	275,055.37	149,166.60	125,888.77
5300 Consultants			

			Total
	Actual	Budget	over Budget
5301 Communications Consultant	812.50	33,333.30	(32,520.80)
5302 Computer Services & Support	71,921.21	15,016.70	56,904.51
5302A Allocation account Computer Svcs & Support	3,500.85	7,995.10	(4,494.25)
Total 5302 Computer Services & Support	75,422.06	23,011.80	52,410.26
5304 General Consultant Fees	560.00	10,183.30	(9,623.30)
Total 5300 Consultants	76,794.56	66,528.40	10,266.16
6000 Office Costs			
5405 Advertising Expense	0.00		0.00
6001 Supplies	5,613.59	628.80	4,984.79
6002 Office & Computer Equipment	11,042.10	19,365.00	(8,322.90)
6005 Dues, Subscriptions & Memberships	15,493.49	11,964.30	3,529.19
6006 License	274.00	450.00	(176.00)
6007 Postage and Shipping	1,027.05	1,166.70	(139.65)
6009 Printing and Duplicating	2,232.04	1,372.30	859.74
6010 Telephone/Fax/Internet	8,606.53	5,593.30	3,013.23
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	87,567.75	19,404.00	68,163.75
6103 Rental Equipment	(158.22)	416.70	(574.92)
6405 Amortization Expense	52,941.40	11,414.00	41,527.40
Total 6100 Long Term Rents/Leases	140,350.93	31,234.70	109,116.23
6108 Computer Software Expense	8,460.38	22,407.30	(13,946.92)
6109 Repairs and Maintenance	1,065.48	718.60	346.88
6304 Risk Management-General Agency Insurance	24,989.47	7,007.00	17,982.47
6315 Promotional and Award Items	1,356.25	2,500.00	(1,143.75)
Total 6000 Office Costs	220,511.31	104,408.00	116,103.31
6200 Convening Expenses			
6206 Conference Registration Fees	2,045.20	5,416.60	(3,371.40)
6207 Meals	1,269.12	1,002.00	267.12
6208 Transportation	4,178.17	3,833.30	344.87
6209 Lodging	2,887.69	3,016.70	(129.01)
6210 Meeting Catering and Food	3,192.82	6,100.00	(2,907.18)
Total 6200 Convening Expenses	13,573.00	19,368.60	(5,795.60)

			Total
	Actual	Budget	over Budget
6400 Other Operating Expenses			
6300 Operating Interest Charges & Service Fees	21.16	833.30	(812.14)
6402 Depreciation Expense	24,746.72	4,932.50	19,814.22
6404 Miscellaneous	4,219.71	7,500.00	(3,280.29)
Total 6400 Other Operating Expenses	28,987.59	13,265.80	15,721.79
Total Expenditures	1,318,955.19	772,533.67	546,421.52
NET OPERATING REVENUE	(168,870.19)	377,466.33	(546,336.52)
OTHER REVENUE			
4601 Interest Income	278,861.51	18,000.00	260,861.51
Total Other Revenue	278,861.51	18,000.00	260,861.51
OTHER EXPENDITURES			
7000 Indirect Cost Allocation	(28,557.21)		(28,557.21)
7200 Nonoperating Interest Expense	3,133.62	3,022.50	111.12
Total Other Expenditures	(25,423.59)	3,022.50	(28,446.09)
NET OTHER REVENUE	304,285.10	14,977.50	289,307.60
CHANGE IN NET ASSETS	\$135,414.91	\$392,443.83	\$ (257,028.92)

Statement of Activities - Strategic Initiatives

For the Ten Months Ended April 30, 2024

			Total
	Actual	Budget	over Budget
REVENUE			
Total Revenue			0.00
TOTAL REVENUE	0.00	0.00	0.00
EXPENDITURES			
5200 All Professional Fees			
5207 HR & Payroll Support	52,300.00	50,000.00	2,300.00
Total 5200 All Professional Fees	52,300.00	50,000.00	2,300.00
5300 Consultants			
5301 Communications Consultant		125,000.00	(125,000.00)
5302 Computer Services & Support		316,666.70	(316,666.70)
5304 General Consultant Fees		83,333.30	(83,333.30)
Total 5300 Consultants		525,000.00	(525,000.00)
6200 Convening Expenses			
6206 Conference Registration Fees		15,000.00	(15,000.00)
6207 Meals		4,968.00	(4,968.00)
6208 Transportation		15,600.00	(15,600.00)
6209 Lodging		14,400.00	(14,400.00)
Total 6200 Convening Expenses		49,968.00	(49,968.00)
Total Expenditures	52,300.00	624,968.00	(572,668.00)
NET OPERATING REVENUE	(52,300.00)	(624,968.00)	572,668.00
CHANGE IN NET ASSETS	\$ (52,300.00)	\$ (624,968.00)	\$572,668.00

Midwestern Higher Education Compact
Historical and Budgeted Financial Statements
For the Ten Months Ended April 30, 2024 and Year Ending June 30, 2024

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

Historical

- The financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- Allowance for losses is updated on an annual basis.
- Accrued vacation is updated on an annual basis.
- The financial statements do not reflect bonuses accrued at year-end.
- The entity reports expenses by natural classification and omits reporting expenses by functional classification in accordance with GAAP.
- The Statement of Activities does not report changes in Net Assets between restrictions on an interim basis. These accounts are adjusted at year end.

Forecast

- The forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America
- The forecasted financial information omits the summary of significant accounting principals.
- The Statement of Activities does not report changes in Net Assets between restrictions.

The effects of these departures have not been determined.

Statement of Activities' Assumptions - Budget

1. Budgeted Technology Contract Revenues increased by ~15% due to an increased administrative fee more in line with industry standards. State Obligation Revenue the other large source of MHEC revenue is projected to stay flat at \$1,380,000 due to set state obligations.
2. Personnel Cost are budgeted to increase 8.6% due to market adjustments.
3. Budgeted Personal Expenses include employee benefits such as health insurance, dental insurance, group life insurance, supplemental life insurance, short/long-term disability, employer 403(b), Section 125 Plan, Employee Parking, Car Rental Allowance, SUTA, Employee FICA, Cell Phone, and Training/Professional Development.
4. Non-Personnel Expenses include professional fees, consultants, long term rents/leases, office costs, and convening expenses. These expenses are projected to increase \$1.2M. This budget increase is driven by Communication Consultants, Computer Service & Support, and General Consultant Fees relating to efforts to continue to grow and improve the organization. The increase in budget expenses matches the increase in revenue that MHEC has experienced from FY22 to FY23 due to an increased administrative fee more in line with industry standards. Another part of the projected \$1.2M increase relates to convening expenses due to MHEC being able to hold more meetings and do more travel in FY2024.
5. Technology contract revenue sharing estimates are based on an agreed upon administration fee under each contract.

No assurance is provided.

FY24 Financial Statement Notes

as of April 2024

Overview

This financial update reflects the year-to-date (YTD) Budget and Actuals as of April 30, 2024.

Going forward, the financial statements will be submitted in this format and include the YTD Budget versus Actual Statement of Activities (Income Statement) and the Statement of Financial Position (Balance Sheet). These financial statements are reviewed and generated by CliftonLarsonAllen (CLA).

Revenues:

- State Revenue –All states have paid their dues as of April 2024. State revenue is now recognized throughout the fiscal year to represent the usage of these funds more accurately across the months.
- Program Revenue – This consists of MHEC’s student healthcare program (MHECare) and revenue from the Midwestern State Authorization Reciprocity Agreement (M-SARA) program. MHEC received one MHECare payment in May that is not reflected in these financials and there is one final FY24 payment that is expected to come in August of the following fiscal year.
- Grant Revenue – MHEC now follows GASB guidelines for financial reporting purposes. This means grant revenue is recognized as expended for its intended purpose, as compared to recognizing grant revenue all at once when following FASB. Grant revenue is slightly under budget as the second and current Hewlett Foundation grant winds down. MHEC is expected to receive a grant of a similar size, in FY25.
- Technology Contract Revenue – Revenue from the technology contracts is forecast to be slightly higher than budgeted. There is one more quarter’s worth of tech contract payments that will happen at the end of the fiscal year. Per agreements with the three other regional higher education compacts, MHEC shares a portion of the technology contract revenue generated in the other compact states with the other compacts.
- Total revenue as of April 30, 2024, is slightly over budget, at approximately \$6.5 million.

Expenses:

- Salaries – Salaries and benefits are slightly lower than budgeted due to positions budgeted but not yet filled and a gap in the vice president position.
- Professional Fees – Accounting Fees and human resources support are over budget due to MHEC utilizing search firms to find a new vice president of programs and contracts and two other staff, and MHEC unexpectedly needing to hire a new accounting/audit firm at the beginning of FY24. With a new audit firm coming in to do their first audit of MHEC, there were more costs associated with the extra work needed. Additionally, the audit discovered the need to recognize a subsidiary component (Stone Arch Captive), which also contributed to the accounting costs being higher than originally budgeted. Legal fees and honoraria fees came under budget due to less than expected need for them in FY24.
- Consultant Fees – The actual costs reflect mostly grant consultant costs. Consultants relating to strategic initiatives were budgeted for but not fully utilized in FY24, which

accounts for most of the approximately \$714,000 under budget. Strategic initiative-related projects are expected to ramp up in FY25.

- Office-Related – Office-related expenses are mostly on par with the FY24 budget or are lower than budgeted due to lower-than-expected office costs.
- Convening – The budget expected attendance would return to 100% pre-COVID participation, though that has not yet occurred. Some meetings are still being held virtually and hybrid.
- Other Operating Expenses – Sub-grants (M-SARA mini-grants) typically occur in the final two months of the year.

Projections:

- If the last part of the year continues as projected, the surplus carry-forward will be \$3.5 million.

Statement of Financial Position (Balance Sheet) Highlights:

- This statement is a standard part of a complete set of financial statements as is seen in our annual year-end audit.
- Current Assets - are predominantly made up of cash, accounts receivable, and prepaid expenses.
- Long-term Fixed Assets - includes items like Leasehold Improvements and the Right of Use account that was created when we capitalized our leases in FY22, due to a change in accounting standards.
- MHEC has an office lease at the Crown Roller Mill Building that expires May of 2026.
- Liabilities - includes routine accounts payable, accrued vacation liability, liabilities associated with capitalizing our lease in FY22, and deferred revenue.
- Deferred Revenue - captures the unearned portions of revenues, which allows the spreading of state revenues across the 12-month fiscal year to match expenditures. This also allows for the spreading of grant revenues over the course of the grant period to match expenditures.
- Net Assets - This section reflects the ending period balance of net asset accounts and includes M-SARA reserve funds, board-designated funds, and undesignated funds.
- With a beginning balance of \$5.5 million in undesignated organizational equity funds, plus the projected \$3.5 million addition this fiscal year, undesignated funds are projected to be \$9 million. With \$9 million in undesignated funds plus \$4.5 million in board designated funds, total net assets come in at \$13.5 million.
- MHEC is in the process of creating an investment policy to better utilize the undesignated funds.

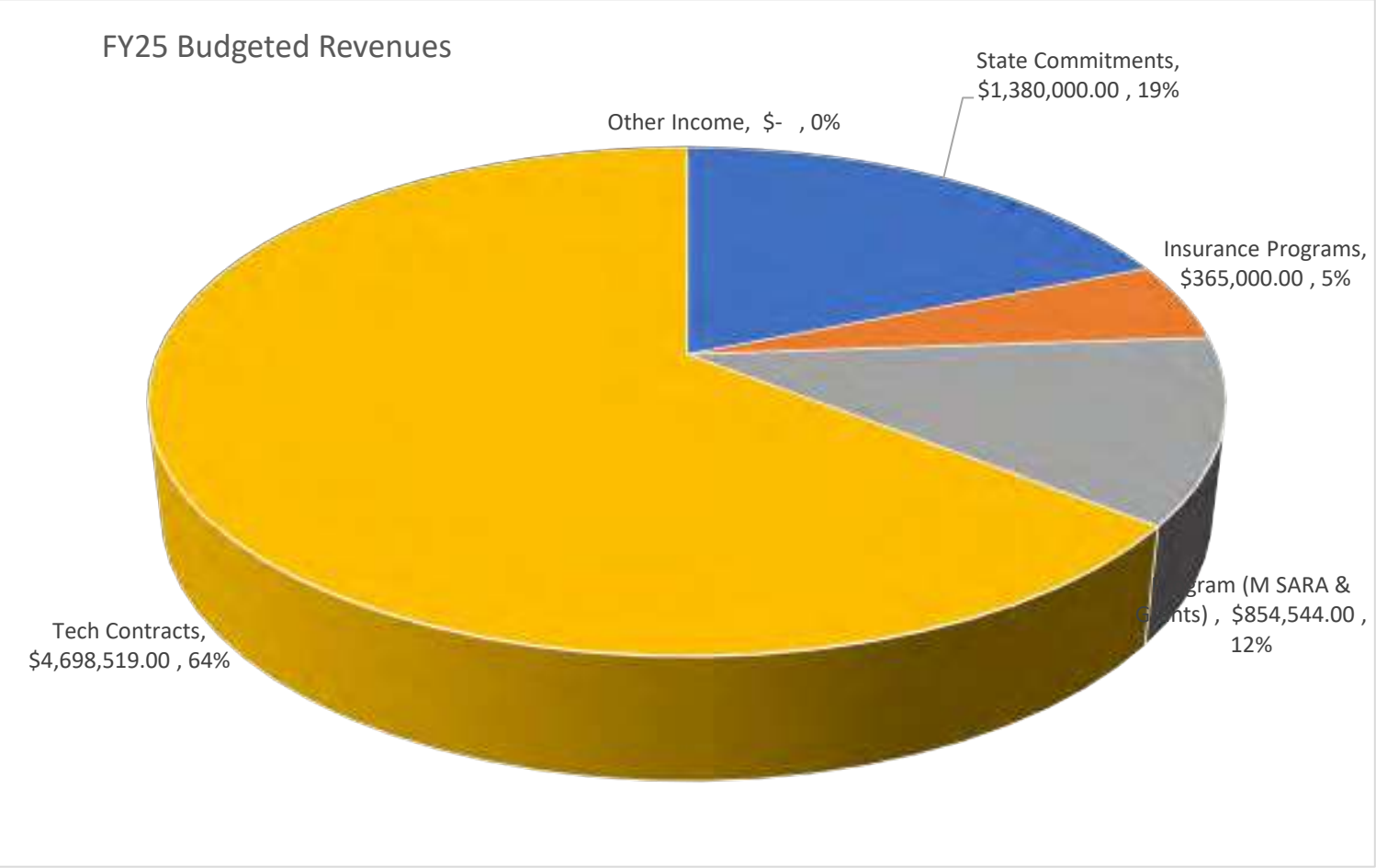
Proposed FY25 Budget Presentation

Figures Presented:

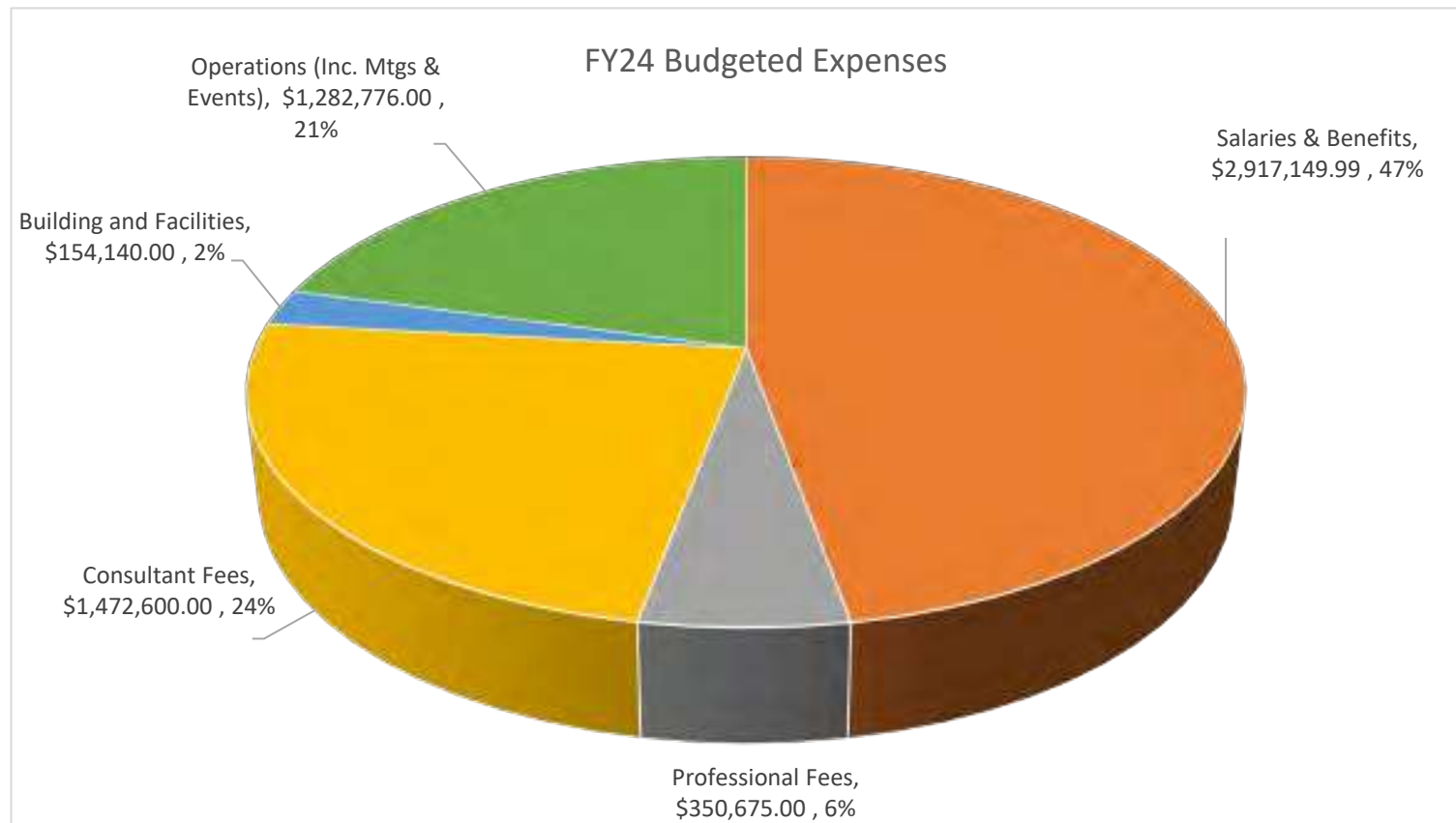
- FY25 Budgeted Revenues
- FY25 Budgeted Expenses
- FY25 Budgeted Revenues vs. Expenses
- Revenue Trends
- Expense Trends
- Prior 2-Year Comparison
- FY25 Budget by Program

FY25 Budget Notes:

- FY25 Budget Guidance and Assumptions
- FY25 Proposed Budget Highlights



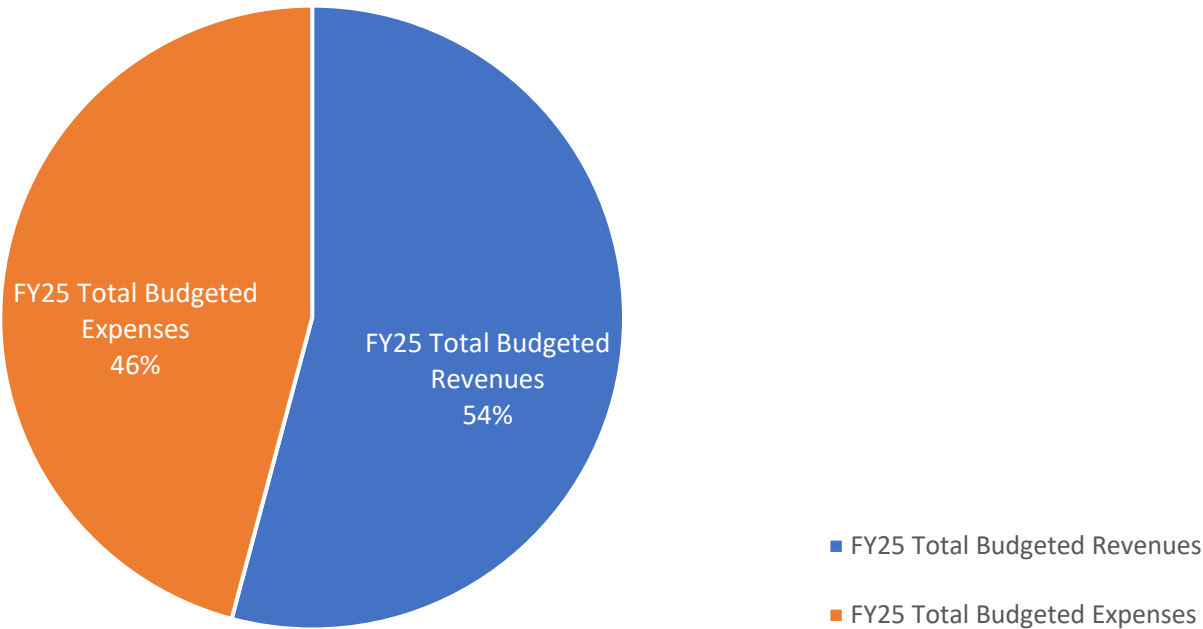
FY25 Budgeted Revenues		
State Commitments	\$ 1,380,000.00	19%
Insurance Programs	\$ 365,000.00	5%
Program (M SARA & Grants)	\$ 854,544.00	12%
Tech Contracts	\$ 4,698,519.00	64%
Other Income	\$ -	0%
Total Budgeted Revenue:	\$ 7,298,063.00	100%



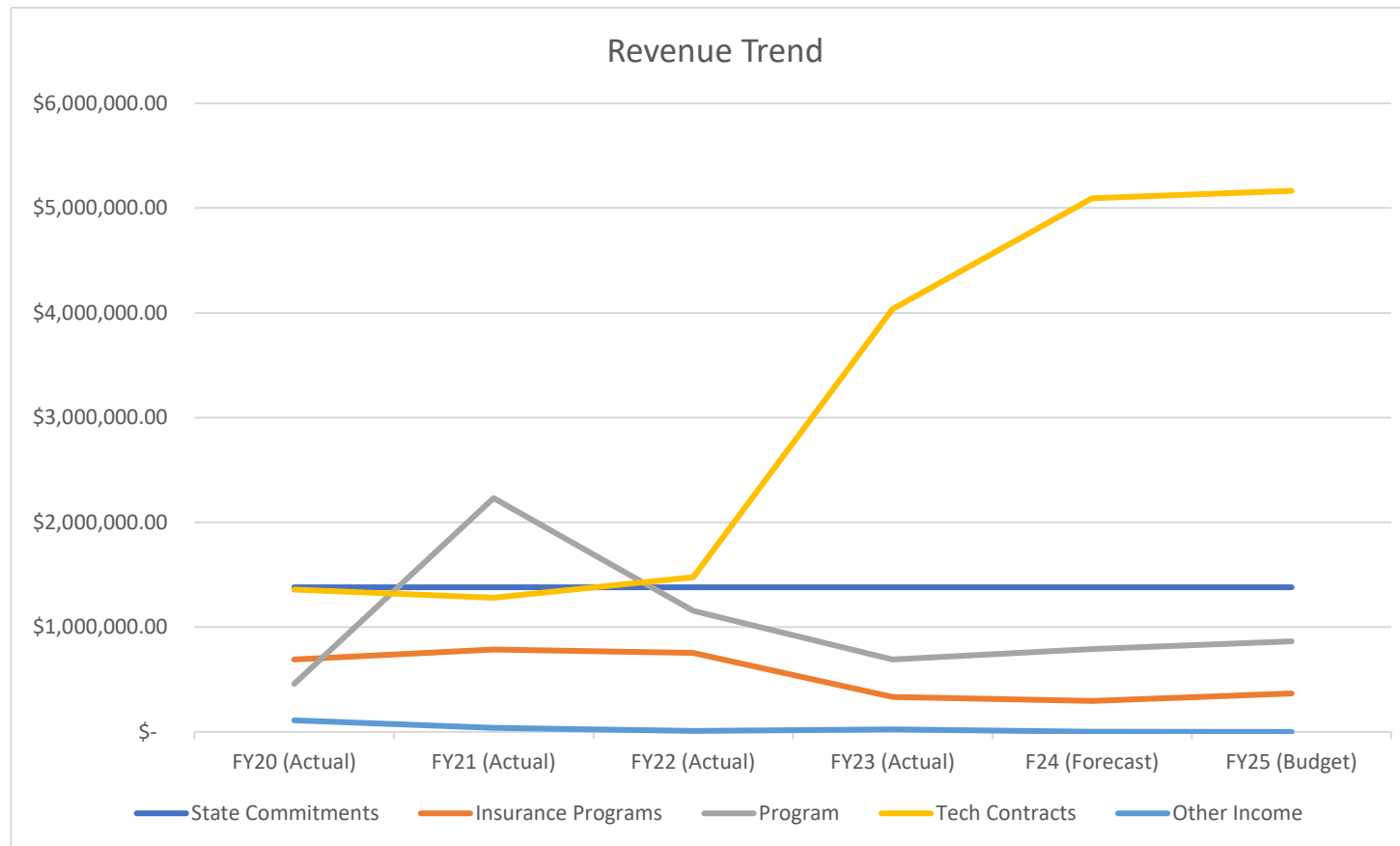
FY25 Budgeted Expenses		
Salaries & Benefits	\$ 2,917,149.99	47%
Professional Fees	\$ 350,675.00	6%
Consultant Fees	\$ 1,472,600.00	24%
Building and Facilities	\$ 154,140.00	2%
Operations (Inc. Mtgs & Events)	\$ 1,282,776.00	21%
Total Budgeted Expenses	\$ 6,177,340.99	100%

FY25 Budget Revenues Over Expenses		
Revenues Over Expenses	\$ 1,120,722.01	118%

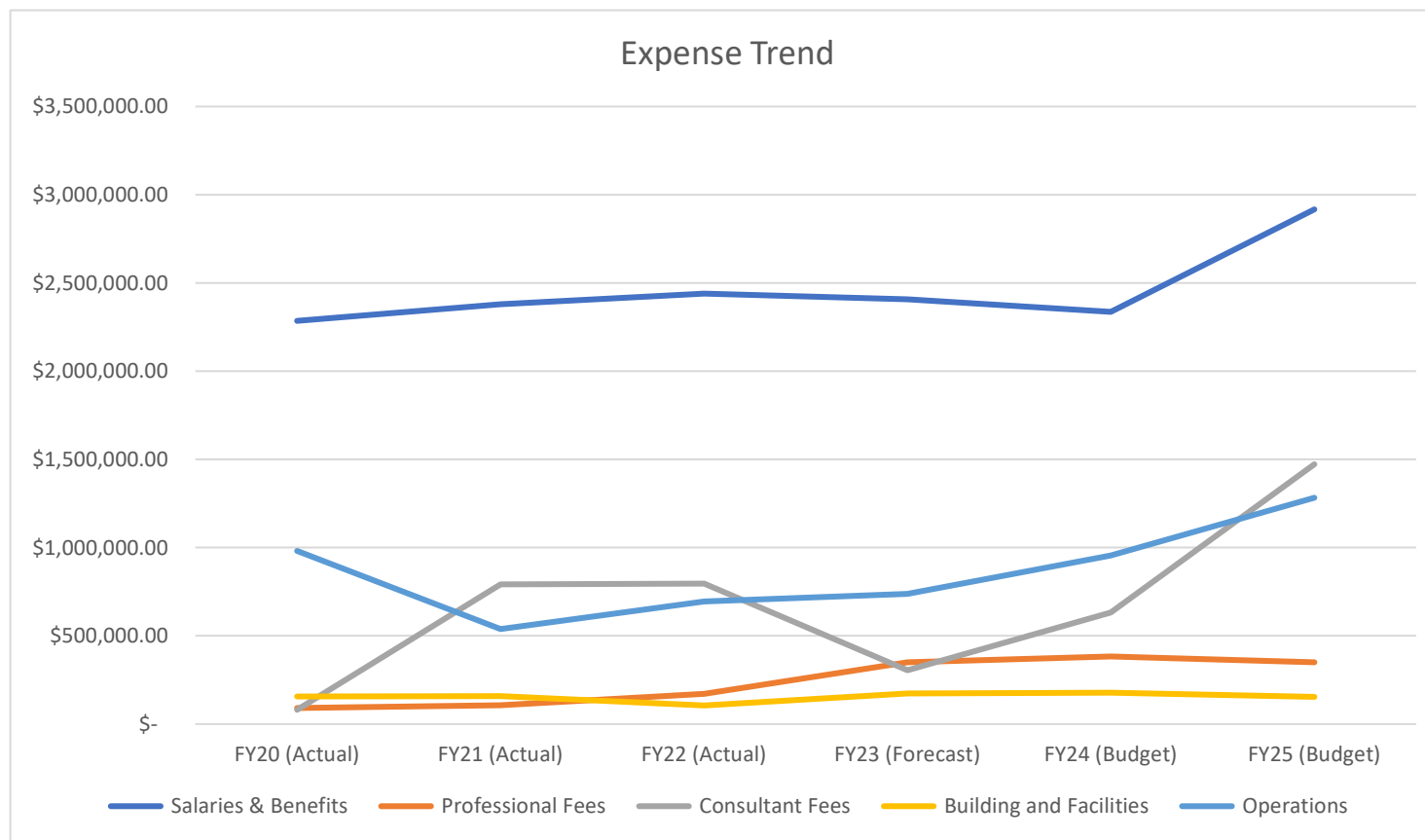
FY25 Budgeted Revenues vs. Expenses



FY25 Forecast Revenues vs. Expenses		
FY25 Total Budgeted Revenues	\$	7,298,063.00
FY25 Total Budgeted Expenses	\$	6,177,340.99



Revenue Trends						
	FY20 (Actual)	FY21 (Actual)	FY22 (Actual)	FY23 (Actual)	F24 (Forecast)	FY25 (Budget)
State Commitments	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00
Insurance Programs	\$ 689,521.00	\$ 785,968.00	\$ 754,054.00	\$ 332,361.00	\$ 295,387.00	\$ 365,000.00
Program	\$ 458,000.00	\$ 2,231,400.00	\$ 1,154,230.00	\$ 689,911.00	\$ 791,607.00	\$ 863,097.00
Tech Contracts	\$ 1,356,777.00	\$ 1,280,415.00	\$ 1,476,315.00	\$ 4,035,265.00	\$ 5,093,937.00	\$ 5,163,955.00
Other Income	\$ 110,354.00	\$ 36,838.00	\$ 9,000.00	\$ 23,074.00	\$ 85.00	\$ -



Expense Trends						
	FY20 (Actual)	FY21 (Actual)	FY22 (Actual)	FY23 (Forecast)	FY24 (Budget)	FY25 (Budget)
Salaries & Benefits	\$ 2,285,355.00	\$ 2,379,732.00	\$ 2,440,059.00	\$ 2,407,527.00	\$ 2,337,268.60	\$ 2,917,149.99
Professional Fees	\$ 90,986.00	\$ 106,384.00	\$ 171,137.00	\$ 350,123.00	\$ 383,068.00	\$ 350,675.00
Consultant Fees	\$ 80,939.00	\$ 791,067.00	\$ 795,364.00	\$ 304,212.00	\$ 631,683.94	\$ 1,472,600.00
Building and Facilities	\$ 155,937.00	\$ 158,084.00	\$ 105,347.00	\$ 172,512.00	\$ 177,807.86	\$ 154,140.00
Operations	\$ 981,321.00	\$ 538,468.00	\$ 695,054.00	\$ 738,184.00	\$ 954,827.06	\$ 1,282,776.00

Prior 2 Year Comparison

Account	FY23 Actual	FY24 Approved Budget	FY24 Forecast Actuals	FY25 Proposed Budget	FY25 Budget to FY24 Forecast Actuals - Diff	Diff %	FY26 Draft Budget
Income							
4010 Microfocus Collaborative Fees	26,023	20,000	18,039	12,500	(5,539)	-30.7%	20,000
4100 Grants	203,928	305,014	268,146	320,267	52,121	19.44%	305,014
4200 Contract Revenue	7,236,559	6,238,025	6,764,072	6,872,775	108,703	1.61%	6,872,775
4230 Compact Revenue Sharing	(1,525,330)	(1,559,506)	(1,688,174)	(1,721,320)	(33,146)	1.96%	(1,721,320)
4300 Program Revenue	1,171,564	914,530	818,848	907,830	88,982	10.87%	888,461
4400 State Obligations Revenue	1,380,000	1,380,000	1,380,000	1,380,000	-	0%	1,464,684
4603 Miscellaneous Other Income	4,559	-	85	-	(85)	-100.0%	-
Total Income	8,497,304	7,298,063	7,561,016	7,772,052	211,036	(1)	7,829,614
Expense							
5001 Salary	1,762,302	1,863,656	1,694,617	2,112,537	417,920	24.66%	2,218,164
5101 Health Insurance	254,564	268,822	248,969	314,504	65,535	26.32%	345,954
5102 Dental Insurance	10,044	12,292	12,034	15,400	3,366	27.97%	16,170
5103 Life/ LTD/ STD Insurance	12,078	11,305	10,804	14,169	3,365	31.14%	14,877
5105 Vision Insurance	1,236	1,425	1,305	1,616	311	23.81%	1,697
5107 Employer 403(b)	211,249	242,275	208,168	274,630	66,462	31.93%	288,362
5108 Section 125 Plan	-	1,000	2,421	1,000	(1,421)	0%	1,050
5109 Employee Parking	25,441	37,980	27,576	21,600	(5,976)	-21.67%	22,680
5110 Other Benefits	7,833	7,800	7,475	7,800	325	4.35%	8,190
5112 SUTA	2,748	607	2,298	674	(1,624)	-70.67%	708
5114 Payroll Tax Expense	122,097	134,790	121,602	153,220	31,618	26%	160,881
5115 Cell Phone	6,101	9,600	9,722	10,200	478	4.92%	10,200
5116 Employee Development Funds	10,164	24,000	17,446	34,000	16,554	94.89%	34,000
5201 Accounting Services	281,500	143,000	213,602	171,000	(42,602)	-19.94%	171,000
5202 Legal Fees	34,442	60,000	29,966	60,000	30,034	100.23%	55,000
5204 Honoraria and Lecture Fees	1,111	33,040	16,847	39,147	22,300	132.37%	39,147
5207 HR & Payroll Support	15,136	65,400	120,875	78,528	(42,347)	-35.03%	98,528
5210 Professional Fees - Other	4,628	2,000	1,779	2,000	221	12.42%	2,000
5301 Communications Consultant	10,156	190,000	64,146	190,000	125,854	196.2%	190,000
5302 Computer Services & Support	127,503	511,519	246,228	676,475	430,247	174.74%	446,475
5304 General Consultant Fees	222,267	488,100	321,310	606,125	284,815	88.64%	536,431
5305 Sub-Grant Expense	33,400	100,000	67,458	102,250	34,792	51.57%	100,000
6001 Supplies	2,608	3,575	6,732	7,927	1,195	17.75%	8,323
6002 Office & Computer Equipment	29,178	35,004	20,538	34,728	14,190	69.09%	36,464
6004 Publications	508	4,400	1,467	17,893	16,426	1120.0%	18,788
6005 Dues, Subscriptions & Memberships	34,241	35,356	31,485	48,925	17,440	55.39%	51,371
6006 License	927	1,450	623	450	(173)	-27.8%	473
6007 Postage and Shipping	3,052	3,775	4,191	5,920	1,729	41.24%	6,216
6009 Printing and Duplicating	2,131	4,000	3,445	3,944	499	14.48%	4,141
6010 Telephone/Fax/Internet	15,288	22,400	15,717	6,920	(8,797)	-55.97%	7,266
6102 Buildings and Facilities	107,129	108,000	130,161	91,779	(38,382)	-29.49%	96,368
6103 Rental Equipment	308	500	794	-	(794)	-100.0%	-
6105 Meeting Room Rental Fees	8,657	9,000	10,806	8,600	(2,206)	-20.41%	9,030
6108 Computer Software Expense	37,210	56,889	40,192	40,355	163	0.41%	42,373
6109 Repairs and Maintenance	4,215	3,999	2,088	5,908	3,820	183.0%	6,203
6206 Conference Registration Fees	27,496	59,400	34,096	69,010	34,914	102.4%	72,461
6207 Meals travel	13,004	56,249	27,960	53,176	25,216	90.19%	55,835
6208 Transportation	166,662	310,065	217,329	277,679	60,350	27.77%	291,563
6209 Lodging	111,611	225,415	151,308	198,889	47,581	31.45%	208,833
6210 Meeting Catering and Food	96,744	141,934	164,461	167,426	2,965	1.8%	175,797
6211 Conference Tech Services (AV)	15,273	43,050	35,795	96,850	61,055	170.57%	101,693
6300 Operating Interest Charges & Service Fees	861	1,000	355	75	(280)	-78.84%	79
6304 Risk Management-General Agency Insurance	30,717	39,000	27,802	42,110	14,308	51.46%	46,321
6305 Workers Compensation Insurance	(2,179)	5,591	3,414	6,338	2,924		6,655
6315 Promotional and Award Items	10,753	4,120	4,631	4,675	44	0.96%	4,909
6402 Depreciation Expense	33,329	27,453	28,492	30,483	1,991	6.99%	27,453
6404 Miscellaneous	462	9,000	8,161	5,900	(2,261)	-27.71%	9,000
6405 Amortization Expense	63,530	63,528	47,647	62,361	14,714	30.88%	63,528
Total Expense	3,969,714	5,482,763	4,466,336	6,175,196	1,708,860	19.35%	6,112,657
Operating Gain/Loss							
Operating Gain/Loss	4,527,589	1,815,300	3,094,680	1,596,856	(1,497,824)	-116%	1,716,957
Other Income							
4601 Interest Income	24,611	21,600	215,510	300,000	84,490	39.2%	300,000
Total Other Income	24,611	21,600	215,510	300,000	84,490	39%	300,000
Other Expense							
Other Nonoperating Expense	-						
7200 Nonoperating Interest Expense	5,042	3,627	2,580	2,145	(435)	-16.86%	2,145
Total Other Expense	5,042	3,627	2,580	2,145	(435)	-16.86%	2,145
Net Other Income/Expense	19,569	17,973	212,930	297,855	84,925	39.88%	297,855
Net Gain/Loss	4,547,158	1,833,273	3,307,610	1,894,711	(1,412,899)	-42.72%	2,014,812

FY25 Budget by Program

	Contract Services	Convening	General & Administrative	M-SARA	Policy & Research	Risk Management Programs	Strategic Initiatives	Total
FY25 Budget Income								
4010 Microfocus Collaborative Fees	12,500	-	-	-	-	-	-	12,500
4100 Grants	-	-	-	-	320,267	-	-	320,267
4200 Contract Revenue	6,872,775	-	-	-	-	-	-	6,872,775
4230 Compact Revenue Sharing	(1,721,320)	-	-	-	-	-	-	(1,721,320)
4300 Program Revenue	-	-	-	542,830	-	365,000	-	907,830
4400 State Obligations Revenue	-	-	1,380,000	-	-	-	-	1,380,000
4603 Miscellaneous Other Income	-	-	-	-	-	-	-	-
Total Income	5,163,955	-	1,380,000	542,830	320,267	365,000	-	7,772,052
Expense								
5001 Salary	212,553	404,280	550,670	209,890	569,717	108,464	56,963	2,112,537
5101 Health Insurance	28,599	67,935	79,134	27,922	85,171	16,613	9,130	314,504
5102 Dental Insurance	1,746	3,184	3,275	1,357	4,488	829	521	15,400
5103 Life/ LTD/ STD Insurance	1,455	2,769	3,437	1,374	4,041	684	409	14,169
5105 Vision Insurance	142	352	433	143	458	55	33	1,616
5107 Employer 403(b)	27,629	52,556	71,588	27,286	74,065	14,101	7,405	274,630
5108 Section 125 Plan	-	-	1,000	-	-	-	-	1,000
5109 Employee Parking	3,024	4,644	5,616	324	6,199	1,037	756	21,600
5110 Other Benefits	-	-	7,800	-	-	-	-	7,800
5112 SUTA	56	157	221	46	161	19	14	674
5114 Payroll Tax Expense	15,296	29,124	40,385	14,568	42,006	7,483	4,358	153,220
5115 Cell Phone	600	2,400	3,000	600	3,000	600	-	10,200
5116 Employee Development Funds	2,000	8,000	10,000	2,000	10,000	2,000	-	34,000
5201 Accounting Services	-	-	171,000	-	-	-	-	171,000
5202 Legal Fees	-	-	30,000	-	-	30,000	-	60,000
5204 Honoraria and Lecture Fees	-	8,000	-	-	31,147	-	-	39,147
5207 HR & Payroll Support	-	-	18,528	-	-	-	60,000	78,528
5210 Professional Fees - Other	-	2,000	-	-	-	-	-	2,000
5301 Communications Consultant	-	-	40,000	-	-	-	150,000	190,000
5302 Computer Services & Support	17,000	5,000	31,062	-	3,000	-	555,000	611,062
5302A Allocation account Computer Svcs & Support	5,952	12,975	15,960	8,770	16,912	4,844	-	65,413
5304 General Consultant Fees	-	-	10,000	25,200	268,600	202,325	100,000	606,125
5305 Sub-Grant Expense	-	-	-	55,000	47,250	-	-	102,250
6001 Supplies	712	1,633	1,916	1,053	2,031	582	-	7,927
6002 Office & Computer Equipment	1,339	2,920	23,600	1,974	3,805	1,090	-	34,728
6004 Publications	493	-	-	-	17,400	-	-	17,893
6005 Dues, Subscriptions & Memberships	4,000	5,580	21,563	4,200	11,682	1,900	-	48,925
6006 License	-	-	450	-	-	-	-	450
6007 Postage and Shipping	-	3,420	1,400	200	700	200	-	5,920
6009 Printing and Duplicating	268	584	1,718	395	761	218	-	3,944
6010 Telephone/Fax/Internet	630	1,373	1,688	928	1,789	512	-	6,920
6102 Buildings and Facilities	8,349	18,204	22,393	12,305	23,731	6,797	-	91,779
6103 Rental Equipment	-	-	-	-	-	-	-	-
6105 Meeting Room Rental Fees	-	8,600	-	-	-	-	-	8,600
6108 Computer Software Expense	200	11,000	24,391	-	4,764	-	-	40,355
6109 Repairs and Maintenance	537	1,172	1,442	792	1,528	437	-	5,908
6206 Conference Registration Fees	13,425	7,925	3,200	1,000	25,310	3,150	15,000	69,010
6207 Meals travel	14,220	14,307	4,108	983	11,834	2,756	4,968	53,176
6208 Transportation	25,200	143,473	8,781	21,050	55,625	7,950	15,600	277,679
6209 Lodging	28,520	84,060	7,000	15,400	44,619	4,890	14,400	198,889
6210 Meeting Catering and Food	12,500	106,825	6,900	11,000	30,201	-	-	167,426
6211 Conference Tech Services (AV)	-	86,200	-	-	10,650	-	-	96,850
6300 Operating Interest Charges & Service Fees	-	-	75	-	-	-	-	75
6304 Risk Management-General Agency Insurance	3,831	8,353	10,275	5,646	10,886	3,119	-	42,110
6305 Workers Compensation Insurance	638	1,213	1,651	630	1,709	326	171	6,338
6315 Promotional and Award Items	-	1,500	3,000	175	-	-	-	4,675
6402 Depreciation Expense	2,773	6,046	7,438	4,087	7,882	2,257	-	30,483
6404 Miscellaneous	-	1,500	4,000	-	-	400	-	5,900
6405 Amortization Expense	5,673	12,369	15,215	8,361	16,125	4,618	-	62,361
Total Expense	439,360	1,131,633	1,265,313	464,659	1,449,247	430,256	994,728	6,175,196
Operating Gain/Loss	4,724,595	(1,131,633)	114,687	78,171	(1,128,980)	(65,256)	(994,728)	1,596,856
Other Income								

4601 Interest Income	-	-	300,000	-	-	-	-	300,000
Total Other Income	-	-	300,000	-	-	-	-	300,000
Other Expense								
7200 Nonoperating Interest Expense	-	-	2,145	-	-	-	-	2,145
Total Other Expense	-	-	2,145	-	-	-	-	2,145
Net Other Income/Expense	-	-	297,855	-	-	-	-	297,855
Net Gain/Loss	4,724,595	(1,131,633)	412,542	78,171	(1,128,980)	(65,256)	(994,728)	1,894,711

FY25 Budget Notes

FY25 Budget Guidance and Assumptions

- MHEC's bylaws currently require the Commission to operate on an annual budget cycle. As has been recent practice, a biennial budget is presented with FY25 being set for approval and FY26 for reference and long-term planning discussions.
- New budgeting software was implemented last year. This tool facilitates greater collaboration resulting in more significant involvement of organizational budget owners (staff).
- This budget follows GASB accounting principles (MHEC now uses this approach after transitioning from FASB), which differs from previous periods, most significantly in the area of grant revenue. These revenues are now recognized and budgeted to match period expenditures of grant funds.
- Detailed budget work is created by individual program areas (sub-departments). Budget presentation is by overarching consolidated program departments. Budgets and actuals (actual spending) are also now fully allocated to program departments. Previous budgeting had many costs, including all personnel costs, lumped into General Management and Operations. Fully allocated financial information allows MHEC to see the true, full costs to operate its various programs and services.
- FY24 is forecast to have revenues approximately \$500,000 over budget. This is due to the increased contract administrative fees, represented mostly by Dell sales, and increased interest income due to ICS interest increasing from 0.4% to 3.5%. FY24 expenses are estimated at approximately \$1,000,000 below budget. With that and the FY24 budget showing a \$1,800,000 surplus this results in an estimated \$3,300,000 surplus.
- The presented FY25 budget represents an approximate \$700,000 growth in budgeted expenditures and budgeted revenues. Resulting in an approximate \$1,800,000 surplus for FY25. This is similar to FY24.
- FY25 budget as presented includes one brand new staff position in the area of operations and convening that will be filled shortly. FY25 continues to include the vacant technology position which has been in the budget the last two years but not yet filled. This targeted salary has been increased.

MHEC FY25 Proposed Budget Highlights

- **FY26 Reference-Only Budget**

- o An average 5% increase in most line items from FY25. Strategic investments continuing.
- o The surplus is expected to continue into FY26.
- o Strategic investments in FY25 will likely include assessment of future office space needs and investigating options as the current lease ends in FY26.

- **Revenues**

- o State Commitments: State commitments for all 12 states have been budgeted for FY25 and will remain flat at \$115,000 per state for FY25. State commitments are slated to increase in FY26. The increase is to be calculated based on a year-over-year 1.5% increase starting with the base period of FY23.
- o Programs: Program revenue consists of MHEC's Student Health Program (MHECare) and revenue from the Midwestern State Authorization Reciprocity Agreement (M-SARA) program. M-SARA revenue is based on a percentage of the National Council of State Authorization Reciprocity Agreements' (NC-SARA's) previous year's revenues. MHEC is expected to receive \$542,830 from NC-SARA in FY25. MHECare revenue is based off the number of students enrolled in MHECare at the participating universities and is estimated to stay flat in FY25.
- o Grants: Grant revenue includes grant funding for the Open Education Resource program. The current Hewlett Foundation grant continues through the first quarter of FY25. It is expected that MHEC will receive a third grant of similar size, from The Hewlett Foundation, and that will begin sometime in FY25.
- o Contract Revenue: MHEC receives revenues from its technology contracts based on a percentage of the sales (an administrative fee) made from those contracts. The Dell contract, with the new administrative fee, is in its third year and revenues are expected to continue to remain high in FY25 and FY26. Net contract revenue is projected to increase slightly from FY24 forecast to FY25 budget.

- **Expenses**

- o Personnel: Salaries and benefits include two additional positions not currently on staff and includes an average 5% salary increase (for both cost of living and performance); and a 10% increase in health insurance and dental insurance. Other benefits remain flat per our benefits broker and only increase due to increased staffing.
- o Professional Fees: Overall legal fees, honoraria, and other miscellaneous professional fees are under budget in FY24 while accounting services and HR support are significantly over budget. The increase in Accounting Services relates to MHEC bringing on a new audit firm (Moss Adams) in FY24 and the additional

audit work done relating to the newly formed Stone Arch captive. HR Support is over budget in FY24 due to MHEC utilizing a search firm to hire the new VP of Programs and Contracts. The FY25 budget will see slight increases, from the FY24 budget, in all areas except for Legal Fees and Professional Fees - Other.

- o **Consultant Fees:** Over the past several years consultants have been an increasingly significant and important way in which MHEC has expanded its capacity. Despite FY24 coming in significantly under budget, this trend will continue, with FY25 including a \$282,000 or 124% increase, from the FY24 budget across all consultant accounts. FY25 consultant fees consist mostly of consultant fees that are grant-funded through the current and new Hewlett grant, a consultant to help with the Stone Arch Captive, and \$805,000 relating to Strategic Initiatives planned in FY25. See the Strategic Initiatives discussion below.
- o **Office Related Expenses:** These expenses include supplies, shipping, office equipment, printing, telephone and internet, computer software, etc. Telephone and internet, computer software and license expenses are expected to decrease in FY25, compared to the FY24 budget. Other accounts remain relatively flat to FY24 with dues, subscriptions and membership, and supply expenses slightly increasing due to increased staff as well as identifying additional memberships and subscriptions that help staff in the performance of their work.
- o **Convening:** This includes Transportation, Lodging, Meals while traveling, meeting catering and conference fees. In-person convening and attendance at conferences continues to increase, post pandemic. While convening costs are anticipated to come under the projected FY24 budget, MHEC is budgeting for increased travel and convening costs in FY25 as this is an area that is being built out in accordance with the strategic plan.
- o **Risk Management/ General Organization Insurance:** Expected 10% average increase per expected insurance renewals.
- o **Long-Term Rents/Leases:** Costs associated with MHEC offices are split between the Amortization (line 60 Amortization Expense) for the fixed cost of the lease itself and Rent (line 43 Buildings and Facilities) for the variable Common Area Maintenance (CAM) portion of the rent payment. Rent expense is budgeted to remain relatively flat. Amortization expense is directly tied to the amortization schedule created at FY23 audit when new Generally Accepted Accounting Principles required the capitalization of the fixed lease amount. The current lease is scheduled to expire on May 31, 2026.
- o **Strategic Initiatives:** As detailed in the Strategic Initiatives column of the FY25 Budget by Program page of the budget detail, MHEC has identified \$995,000 worth of initiatives to enhance programs and services or to improve organizational efficiencies and effectiveness:
 - **Midwest Student Exchange Program (MSEP):** a group of MHEC stakeholders are convening to evaluate and propose changes to MSEP to make it more

relevant in the current higher education landscape. Proposed recommendations include the development of a Cost Savings portal (to help students and parents experience more transparency when comparing programs, institutions, and costs) similar to that of the western compact, WICHE. Facilitating this process and the development of tools to implement recommendations, and the integration of the tools into MHEC CRM/data systems, is expected to cost \$300,000 in General and Computer Consulting.

- Strategic Communications: an estimated \$150,000 to assist in the implementation of the new strategic plan and related communications activities. This activity is being carried forward from FY24.
- Human Resources: an estimated \$60,000 for MHEC's current benefit consulting firm to assist in improvements across all aspects of Human Resources. This activity is being carried forward from FY24.
- Institutional Leadership program: approximately \$50,000 in staff travel and conference expenses to explore other similar programs in the country to aid in the potential development of a leadership program focused on institutional and policymaker leaders.
- Data Project Implementation: an estimated \$275,000 will be used on a study by CLA of MHEC's data needs and implementing new efficient strategies relating to Data and IT.
- Website: \$80,000 in computer related consulting to overhaul MHEC's website, the first such overhaul of the website in over five years.
- These initiatives are funded partially by FY25 surpluses and partially by Board Designated Strategic Funds set aside in FY22.

Action Item 6

Proposed Motion:

The MHEC Executive Committee approve the proposed FY25 Budget.

PUBLIC DISCLOSURE COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

A For the **2022** calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023**

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization MIDWESTERN HIGHER EDUCATION COMPACT Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 105 FIFTH AVENUE SOUTH, SUITE 450 City or town, state or province, country, and ZIP or foreign postal code MINNEAPOLIS, MN 55401 F Name and address of principal officer: SUSAN HEEGAARD SAME AS C ABOVE	D Employer identification number 38-3011476 E Telephone number 612-677-2777 G Gross receipts \$ 8,521,915. H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list. See instructions H(c) Group exemption number
I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527		
J Website: WWW.MHEC.ORG		
K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other		L Year of formation: 1991
M State of legal domicile: MN		

Part I Summary

1	Briefly describe the organization's mission or most significant activities: MHEC BRINGS TOGETHER MIDWESTERN STATES TO DEVELOP AND SUPPORT BEST PRACTICES, COLLABORATION EFFORTS,		
2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	67
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	67
5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	17
6	Total number of volunteers (estimate if necessary)	6	69
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.
8	Contributions and grants (Part VIII, line 1h)	8	2,061,574.
9	Program service revenue (Part VIII, line 2g)	9	6,908,971.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10	24,611.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11	4,404.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12	8,521,915.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	14	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	15	2,423,681.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	16a	0.
16b	Total fundraising expenses (Part IX, column (D), line 25)	16b	2,723.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	17	1,551,075.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	18	3,974,756.
19	Revenue less expenses. Subtract line 18 from line 12	19	4,547,159.
20	Total assets (Part X, line 16)	20	12,344,634.
21	Total liabilities (Part X, line 26)	21	2,316,351.
22	Net assets or fund balances. Subtract line 21 from line 20	22	10,028,283.

Part II Signature Block

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

Sign Here	Signature of officer SUSAN HEEGAARD, PRESIDENT Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name EMINA O. CRESSWELL, CPA	Preparer's signature EMINA O. CRESSWELL, CPA
	Date 03/29/24	Check if self-employed ☐ PTIN P01217304
	Firm's name MOSS ADAMS LLP	Firm's EIN 91-0189318
	Firm's address 601 W. RIVERSIDE AVENUE STE 1800 SPOKANE, WA 99201	Phone no. 509-747-2600

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

MHEC MEMBERS COLLABORATE TO ADDRESS THE REGION'S MOST PRESSING
CHALLENGES IN HIGHER EDUCATION AND TRANSFORM EDUCATIONAL OPPORTUNITIES
SO THAT PEOPLE AND COMMUNITIES THRIVE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 1,067,547. including grants of \$) (Revenue \$ 1,155,064.)
PROGRAMS:

ADDITIONAL MHEC PROGRAMS ARE INITIATED IN RESPONSE TO IDENTIFIED NEEDS
IN ONE OR MORE OF THE MEMBER STATES. BRINGING TOGETHER EXPERTISE FROM
ACROSS THE REGION, MHEC IDENTIFIES ACTIVITIES NEEDED TO ADDRESS THE
IDENTIFIED NEEDS. THOSE PROBLEMS BEST SOLVED THROUGH ONGOING INTERSTATE
COOPERATION ARE THEN DEVELOPED INTO MHEC PROGRAMS. EACH MHEC PROGRAM
PROVIDES THE PROGRAM PARTICIPANTS WITH GOVERNANCE AND LEADERSHIP
STRUCTURES TO GUIDE AND MAINTAIN PROGRAMMATIC OUTCOMES.

MHECARE HEALTH INSURANCE SOLUTIONS:

4b (Code:) (Expenses \$ 801,544. including grants of \$) (Revenue \$)
CONVENING:

MHEC EMPOWERS THE MEMBER STATES TO CONNECT FOR THE PURPOSE OF
EXCHANGING EXPERTISE, SHARING IDEAS AND EXPERIENCES, AND
COLLABORATIVELY PURSUING EFFORTS THAT HELP FURTHER HIGHER EDUCATION.
THIS CONVENING AND COLLABORATING LEADS TO MANY PROGRAMS AND ACTIVITIES
THAT PRODUCE A VARIETY OF OUTCOMES AND RESULTS RANGING FROM THE
DISSEMINATION OF KNOWLEDGE AND EXPERTISE ABOUT PRACTICAL SOLUTIONS, TO
LEVERAGING THE COLLECTIVE PURCHASING POWER OF THE REGION TO ACHIEVE
EFFICIENCIES AND SAVINGS.

CONCURRENT ENROLLMENT:

4c (Code:) (Expenses \$ 385,935. including grants of \$) (Revenue \$ 5,753,907.)
CONTRACTS:

MHEC CONTRACTS LEVERAGE THE POTENTIAL VOLUME OF THE REGION'S PURCHASING
POWER, WHILE SAVING ENTITIES TIME AND MONEY BY SIMPLIFYING THE
PROCUREMENT PROCESS AND NEGATING THE NEED TO CONDUCT A COMPETITIVE
SOURCING EVENT. BY OFFERING A TURNKEY SOLUTION WITH THE ABILITY TO
TAILOR THE ALREADY NEGOTIATED CONTRACT TO MATCH THE ENTITY'S SPECIFIC
NEEDS AND REQUIREMENTS, MHEC CONTRACTS SHIFT SOME OF THE NEGOTIATING
POWER BACK TO THE PROCURING ENTITIES. IN ADDITION TO CONTRACTS
AVAILABLE THROUGH MHECARE STUDENT HEALTH SOLUTIONS, MHEC OFFERS
NUMEROUS CONTRACTS IN TECHNOLOGY. THE CONTRACTS ARE A PRODUCT OF A
REPRESENTATIVE GROUP OF STAKEHOLDERS FROM THE HIGHER EDUCATION

4d Other program services (Describe on Schedule O.)

(Expenses \$ 818,266. including grants of \$) (Revenue \$)

4e Total program service expenses 3,073,292.Form **990** (2022)

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	18
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X

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

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 17		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i>	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation on Schedule O</i>	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

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

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

Section A. Governing Body and Management

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.	67			
b Enter the number of voting members included on line 1a, above, who are independent		67		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?			3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O			9	X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed MN

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
 ERIN FRAHM - 612-677-2766
 105 FIFTH AVENUE SOUTH, SUITE 450, MINNEAPOLIS, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SUSAN HEEGAARD PRESIDENT	40.00			X				264,426.	0.	112,955.
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	40.00			X				163,584.	0.	104,242.
(3) JENNIFER PARKS VICE PRESIDENT	40.00				X			140,989.	0.	75,480.
(4) JENNIFER DAHLQUIST VICE PRESIDENT	40.00				X			151,798.	0.	48,768.
(5) MARY ROBERSON SENIOR DIRECTOR	40.00				X			107,182.	0.	56,204.
(6) CARLA AHRENS MANAGER (THRU 11/22)	40.00				X			124,190.	0.	17,535.
(7) AARON HORN ASSOCIATE VICE PRESIDENT	40.00				X			102,944.	0.	28,929.
(8) DANIEL MOSER CHIEF FINANCIAL OFFICER (THRU 07/22)	40.00			X				74,930.	0.	30,057.
(9) BARBARA BALLARD BOARD CHAIR	3.00	X		X				0.	0.	0.
(10) JOAN BALLWEG BOARD VICE CHAIR	3.00	X		X				0.	0.	0.
(11) LARRY TIDEMANN BOARD TREASURER	3.00	X		X				0.	0.	0.
(12) TIM FLAKOLL PAST BOARD CHAIR	3.00	X		X				0.	0.	0.
(13) DAVID PEARCE PAST BOARD CHAIR	3.00	X		X				0.	0.	0.
(14) MAUREEN BANKS EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(15) KATIE STUART EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(16) KEN SAUER EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(17) OLIVIA M.A. MADISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SHARON STECKMAN EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(20) DAVID EISLER EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(21) BRANDY JOHNSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(22) DENNIS OLSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(23) JOHN CAVANAUGH EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(24) DEBORAH FRISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(25) MARK HAGEROTT EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(26) BRANDY PYLE EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(27) GARY CATES EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
1b Subtotal								1,130,043.	0.	474,170.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,130,043.	0.	474,170.

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

8

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CREDENTIAL ENGINE INC, 2021 L STREET NW SUITE 101-342, WASHINGTON, DC 20036	GRANT SUBCONTRACTOR	307,500.
EDBRIDGE PARTNERS LLC, 1133 CAMELBACK STREET SUITE 7876, NEWPORT BEACH, CA 92658	GRANT CONSULTING	229,033.
CLIFTON LARSON ALLEN, 220 SOUTH SIXTH STREET SUITE 300, MINNEAPOLIS, MN 55402	ACCOUNTING SERVICES	140,464.

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

3

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2022)

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(28) JERRY CIRINO EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(29) MICHAEL CARTNEY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(30) CONNIE HUTCHISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(31) DAVID MURPHY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(32) SCOTT BENNETT COMMISSIONER (THRU 12/22)	1.00	X						0.	0.	0.
(33) MICHAEL HALPIN COMMISSIONER	1.00	X						0.	0.	0.
(34) PRANAV KOTHARI COMMISSIONER	1.00	X						0.	0.	0.
(35) BOB BEHNING COMMISSIONER	1.00	X						0.	0.	0.
(36) KURK DYKSTRA COMMISSIONER	1.00	X						0.	0.	0.
(37) JON FORD COMMISSIONER	1.00	X						0.	0.	0.
(38) RONALD ROCHON COMMISSIONER	1.00	X						0.	0.	0.
(39) NANCY BOETTGER COMMISSIONER	1.00	X						0.	0.	0.
(40) JACOB BOSSMAN COMMISSIONER	1.00	X						0.	0.	0.
(41) DERRICK FRANCK COMMISSIONER	1.00	X						0.	0.	0.
(42) GRETA ROUSE COMMISSIONER	1.00	X						0.	0.	0.
(43) CINDY WINCKLER COMMISSIONER	1.00	X						0.	0.	0.
(44) MOLLY BAUMGARDNER COMMISSIONER	1.00	X						0.	0.	0.
(45) CYNTHIA LANE COMMISSIONER	1.00	X						0.	0.	0.
(46) AARON OTTO COMMISSIONER	1.00	X						0.	0.	0.
(47) BEN FREDERICK COMMISSIONER	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) CAROL GLANVILLE COMMISSIONER	1.00	X						0.	0.	0.
(49) KIMBERLY LASATA COMMISSIONER	1.00	X						0.	0.	0.
(50) SEAN MCCANN COMMISSIONER	1.00	X						0.	0.	0.
(51) BILL PINK COMMISSIONER	1.00	X						0.	0.	0.
(52) CONNIE BERNARDY COMMISSIONER	1.00	X						0.	0.	0.
(53) OMAR FATEH COMMISSIONER	1.00	X						0.	0.	0.
(54) MICHAEL GOH COMMISSIONER	1.00	X						0.	0.	0.
(55) DEVINDER MALHOTRA COMMISSIONER	1.00	X						0.	0.	0.
(56) DAVID TOMASSONI COMMISSIONER (THRU 08/22)	1.00	X						0.	0.	0.
(57) GENE PELOWSKI, JR. COMMISSIONER	1.00	X						0.	0.	0.
(58) JOHN BLACK COMMISSIONER	1.00	X						0.	0.	0.
(59) KARLA ESLINGER COMMISSIONER	1.00	X						0.	0.	0.
(60) KAYLA HAHN COMMISSIONER	1.00	X						0.	0.	0.
(61) ANDREW KOENIG COMMISSIONER	1.00	X						0.	0.	0.
(62) CINDY O'LAUGHLIN COMMISSIONER	1.00	X						0.	0.	0.
(63) SUSAN THOMPSON COMMISSIONER	1.00	X						0.	0.	0.
(64) RANDOLPH FERLIC COMMISSIONER	1.00	X						0.	0.	0.
(65) HEATH MELLO COMMISSIONER	1.00	X						0.	0.	0.
(66) LYNNE WALZ COMMISSIONER	1.00	X						0.	0.	0.
(67) KYLE DAVISON COMMISSIONER	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(68) TIM MIHALICK COMMISSIONER	1.00	X						0.	0.	0.
(69) MIKE DUFFEY COMMISSIONER	1.00	X						0.	0.	0.
(70) JACK HERSHEY COMMISSIONER	1.00	X						0.	0.	0.
(71) TOM YOUNG COMMISSIONER	1.00	X						0.	0.	0.
(72) STEVE KOLBECK COMMISSIONER	1.00	X						0.	0.	0.
(73) NATHAN LUKKES COMMISSIONER	1.00	X						0.	0.	0.
(74) TYLER TORDSEN COMMISSIONER	1.00	X						0.	0.	0.
(75) REBECCA LARSON COMMISSIONER	1.00	X						0.	0.	0.
(76) STEPHEN NASS COMMISSIONER	1.00	X						0.	0.	0.
(77) JULIE UNDERWOOD COMMISSIONER	1.00	X						0.	0.	0.
(78) ERIN HEALY COMMISSIONER	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b	1,380,000.				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	203,929.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a TECHNOLOGY CONTRACTS	Business Code	900099	5,753,907.	5,753,907.		
	b SERVICE FEES		900099	1,155,064.	1,155,064.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			6,908,971.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			24,611.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		6a	(i) Real (ii) Personal				
b Less: rental expenses ...		6b					
c Rental income or (loss)		6c					
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		7a	(i) Securities (ii) Other				
b Less: cost or other basis and sales expenses		7b					
c Gain or (loss)		7c					
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		8a					
b Less: direct expenses		8b					
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19		9a					
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a OTHER INCOME	Business Code	900099	4,404.			4,404.
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			4,404.			
	12 Total revenue. See instructions			8,521,915.	6,908,971.	0.	29,015.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	600,175.	463,792.	132,968.	3,415.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,300,293.	1,101,920.	199,083.	-710.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	154,278.	130,865.	23,506.	-93.
9 Other employee benefits	246,837.	209,134.	37,729.	-26.
10 Payroll taxes	122,098.	101,097.	20,864.	137.
11 Fees for services (nonemployees):				
a Management				
b Legal	34,442.		34,442.	
c Accounting	281,500.		281,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	286,698.	263,852.	22,846.	
12 Advertising and promotion				
13 Office expenses	94,498.	66,556.	27,942.	
14 Information technology	127,503.	105,917.	21,586.	
15 Royalties				
16 Occupancy	107,129.	89,913.	17,216.	
17 Travel	439,448.	424,596.	14,852.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	5,042.	5,042.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	96,858.	73,650.	23,208.	
23 Insurance	30,717.		30,717.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a SUBSCRIPTIONS	34,241.	27,611.	6,630.	
b PROMOTIONS	10,754.	7,732.	3,022.	
c OTHER EXPENSES	1,319.	949.	370.	
d LICENSES	926.	666.	260.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	3,974,756.	3,073,292.	898,741.	2,723.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,125,463.	1	1,699,981.
	2 Savings and temporary cash investments	4,077,137.	2	7,300,222.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,004,165.	4	3,014,247.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	117,590.	9	42,474.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 889,707.		
	b Less: accumulated depreciation	10b 786,946.		
		136,090.	10c	102,761.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	248,478.	15	184,949.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	6,708,923.	16	12,344,634.	
Liabilities	17 Accounts payable and accrued expenses	777,638.	17	1,963,004.
	18 Grants payable		18	
	19 Deferred revenue	101,407.	19	87,804.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	348,754.	25	265,543.
	26 Total liabilities. Add lines 17 through 25	1,227,799.	26	2,316,351.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here ☒			
	and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	5,461,051.	27	10,008,210.
	28 Net assets with donor restrictions	20,073.	28	20,073.
	Organizations that do not follow FASB ASC 958, check here ☐			
	and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
32 Total net assets or fund balances	5,481,124.	32	10,028,283.	
33 Total liabilities and net assets/fund balances	6,708,923.	33	12,344,634.	

Form **990** (2022)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,521,915.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,974,756.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,547,159.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	5,481,124.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	10,028,283.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2022)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

**Open to Public
Inspection**

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

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

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

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

f Enter the number of supported organizations

g Provide the following information about the supported organization(s).

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2,206,238.
6 Public support. Subtract line 5 from line 4.						6,395,684.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	57,681.	42,194.	16,713.	5,771.	24,611.	146,970.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)					4,404.	4,404.
11 Total support. Add lines 7 through 10						8,753,296.
12 Gross receipts from related activities, etc. (see instructions)					12	17,209,599.
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f))	14	73.07 %
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	85.69 %
16a 33 1/3% support test - 2022. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
		☒
b 33 1/3% support test - 2021. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
		☐
17a 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
		☐
b 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
		☐
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		
		☐

Schedule A (Form 990) 2022

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2021 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

Schedule A (Form 990) 2022

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

		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1 Distributable amount for 2022 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2022 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2022			
a From 2017			
b From 2018			
c From 2019			
d From 2020			
e From 2021			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2022 distributable amount			
i Carryover from 2017 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2022 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2022 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2023. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2018			
b Excess from 2019			
c Excess from 2020			
d Excess from 2021			
e Excess from 2022			

Schedule A (Form 990) 2022

Part VI

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

Schedule B
(Form 990)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Attach to Form 990 or Form 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.**Special Rules**☒ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2022)

Name of organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 102,521.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
2		\$ 101,407.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) \$ _____

Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education) ☐ Preservation of a historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

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

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

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

(ii) Assets included in Form 990, Part X \$

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

a Revenue included on Form 990, Part VIII, line 1 \$

b Assets included in Form 990, Part X \$

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

Schedule D (Form 990) 2022

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

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

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

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

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment _____ %

b Permanent endowment _____ %

c Term endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations

(ii) Related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		375,877.	275,260.	100,617.
d Equipment		513,830.	511,686.	2,144.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				102,761.

Schedule D (Form 990) 2022

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
(2) LEASE LIABILITIES	265,543.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	265,543.

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

Schedule D (Form 990) 2022

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

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

1	Total revenue, gains, and other support per audited financial statements	1	8,521,915.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	8,521,915.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	8,521,915.

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

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

1	Total expenses and losses per audited financial statements	1	3,974,756.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	3,974,756.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	3,974,756.

Part XIII Supplemental Information.

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

PART X, LINE 2:

THE COMPACT QUALIFIES AS A TAX-EXEMPT ORGANIZATION UNDER SECTION 501(C)(3)

AND IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A) OF THE INTERNAL

REVENUE CODE. THE COMPACT IS ANNUALLY REQUIRED TO FILE A RETURN OF

ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS. IN ADDITION,

THE COMPACT IS SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM

BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE. THE COMPACT

HAS DETERMINED IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS

NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990T)

WITH THE IRS.

THE COMPACT BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS

Part XIII Supplemental Information *(continued)*

TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE

ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS.

THE COMPACT WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED

TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH

INTEREST AND PENALTIES ARE INCURRED.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Part I Questions Regarding Compensation

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

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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

- | | |
|--|---|
| ☒ Compensation committee | ☐ Written employment contract |
| ☐ Independent compensation consultant | ☐ Compensation survey or study |
| ☐ Form 990 of other organizations | ☒ Approval by the board or compensation committee |

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

a Receive a severance payment or change-of-control payment?

b Participate in or receive payment from a supplemental nonqualified retirement plan?

c Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

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

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

Yes No

1b		
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2022

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SUSAN HEEGAARD PRESIDENT	(i)	243,577.	7,500.	13,349.	40,192.	72,763.	377,381.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	(i)	158,984.	4,000.	600.	40,234.	64,008.	267,826.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) JENNIFER PARKS VICE PRESIDENT	(i)	136,629.	4,000.	360.	28,303.	47,177.	216,469.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JENNIFER DAHLQUIST VICE PRESIDENT	(i)	147,616.	4,000.	182.	12,633.	36,135.	200,566.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MARY ROBERSON SENIOR DIRECTOR	(i)	103,021.	4,000.	161.	21,034.	35,170.	163,386.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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

PART I, LINE 7:

BONUSES ARE SUGGESTED BY THE PRESIDENT AND SUBSEQUENTLY APPROVED BY THE

FINANCE AND AUDIT COMMITTEES AND THE EXECUTIVE OFFICERS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

AND COST-SHARING OPPORTUNITIES. THROUGH THESE EFFORTS IT WORKS TO

ENSURE STRONG, EQUITABLE POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND

OUTCOMES FOR ALL.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

COMPREHENSIVE HEALTH INSURANCE SOLUTIONS CREATED IN RESPONSE TO BOTH

INCREASING COST AND CONCERN FOR STUDENT HEALTH. 25 CAMPUSES OFFERED

MHECARE HEALTH INSURANCE SOLUTIONS IN FY 2023.

MIDWEST STUDENT EXCHANGE PROGRAM:

A MULTI-STATE TUITION RECIPROCITY PROGRAM THAT MAKES ATTENDING

OUT-OF-STATE COLLEGES AND UNIVERSITIES MORE AFFORDABLE FOR NON-RESIDENT

STUDENTS.

- 5,828 STUDENTS ENROLLED IN THE MIDWEST STUDENT EXCHANGE PROGRAM IN 8

OF THE COMPACT STATES (INDIANA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA,

NORTH DAKOTA, OHIO, AND WISCONSIN) DURING FY23.

- MSEP STUDENTS SAVED OVER \$44 MILLION IN FY23, BRINGING THE TOTAL

PROGRAM SAVINGS TO \$891 MILLION SINCE 1994.

- ON AVERAGE, STUDENTS IN MSEP TYPICALLY REALIZE SAVING BETWEEN \$500

AND \$5,000 ANNUALLY.

- 1 REPORT WAS PRODUCED AS PART OF A PROGRAM ASSESSMENT.

MIDWESTERN STATE AUTHORIZATION RECIPROCITY AGREEMENT:

Name of the organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

A VOLUNTARY AGREEMENT AMONG STATES THAT ESTABLISHES NATIONWIDE

STANDARDS FOR THE OFFERING OF POSTSECONDARY DISTANCE EDUCATION COURSES

AND PROGRAMS. M-SARA SAVED INSTITUTIONS AN ESTIMATED \$36,285,255 IN FY

2023.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

MHEC CONTINUED EXPANSION OF THE GRADUATE CREDIT QUEST, A WEB-BASED

PLATFORM FOR TEACHERS TO SEARCH FOR GRADUATE COURSE WORK WITHIN THEIR

CONTENT AREAS THAT LEAD TO REQUIRED CREDENTIALING FOR TEACHING DUAL OR

CONCURRENT CREDIT CLASSES. THE PLATFORM PROVIDES INFORMATION ABOUT DUAL

CREDIT AND CONCURRENT ENROLLMENT POLICIES AND PRACTICES FOR ALL 12 MHEC

MEMBER STATES. IT ALSO SERVES AS A REPOSITORY OF RESEARCH PUBLICATIONS,

PROFESSIONAL PAPERS, AND MEDIA RELEASES ON THE SUBJECT OF

DUAL/CONCURRENT CREDIT. THE PLATFORM WAS ENHANCED IN 2022 WITH SPECIFIC

COMMUNICATIONS AND PATHWAY TRACKING CAPACITIES THAT FURTHER ENABLE

TEACHERS TO ACCELERATE THEIR EFFORTS TO COMPLY WITH CREDENTIALING

REQUIREMENTS. NOW THE PLATFORM ENABLES OVER 28 REGIONAL GRADUATE

SCHOOLS TO BUILD AWARENESS AMONG TEACHERS ABOUT ROUGHLY 1,500 UNIQUE

COURSE OFFERINGS, WITHIN MULTIPLE ACADEMIC DISCIPLINES, AND PROVIDING

ACCESS TO SPECIFIC ENROLLMENT PROCESSES, DELIVERY MODALITIES, AND MORE.

CAMPUS COORDINATORS FOR DUAL OR CONCURRENT CREDIT TEACHERS CAN NOW

COMMUNICATE WITH PARTNERED TEACHERS ABOUT THEIR SPECIFIC PROGRESS

TOWARD CREDENTIALING AND TEACHERS CAN HAVE CONFIDENCE THAT SELECTED

COURSES WILL COUNT TOWARD CREDENTIALING. THE PLATFORM HOSTS COLLEGES

AND UNIVERSITIES FROM 8 OF THE 12 MHEC MEMBER STATES. TEACHER USER

COUNTS (OF 187CURRENT USERS) HAVE CONTINUED TO GROW, AND COORDINATOR

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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COUNTS (33) ARE RISING, AS DIRECT OUTREACH TO 28 UNIVERSITY USERS) ARE

IMPLEMENTED. FORMAL OUTREACH AND COMMUNICATIONS EFFORTS INCLUDED USER

SURVEYS TO BOTH UNIVERSITY ADMINISTRATORS (33) AND TEACHERS (263).

SEVERAL INSIGHTS AND USER PERCEPTIONS WERE RECEIVED AND ASSESSED FOR

FURTHER ACTION IN 2024.

CONCURRENT ENROLLMENT IS A RESEARCH PRIORITY FOR MHEC DURING ITS

CURRENT STRATEGIC PLAN. IN FY24 MHEC WILL PRODUCE BETWEEN THREE AND

FOUR RESEARCH REPORTS PERTAINING TO CONCURRENT ENROLLMENT ISSUES:

TRENDS AND PATTERNS IN STATE LEVEL DATA COLLECTION, USE OF OPEN

EDUCATIONAL RESOURCES IN DUAL AND CONCURRENT ENROLLMENT SETTINGS, AN

UPDATED VERSION OF THE 2017 MHEC RESEARCH REPORT SUMMARIZING EXISTING

RESEARCH ON OPTIMAL LEVELS OF TEACHER TRAINING AND PREPARATION, AND AN

UPDATED VERSION OF THE 2019 RESEARCH REPORT SUMMARIZING HOW STATES AND

ACCREDITORS DEFINE THE QUALIFICATIONS NECESSARY FOR HIGH SCHOOL

TEACHERS TO TEACH CONCURRENT ENROLLMENT COURSES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

TECHNOLOGY COMMUNITY CONDUCTING A COMPETITIVE SOURCING PROCESS THAT

LEVERAGES THE POTENTIAL PURCHASING POWER OF THE 12 MHEC MEMBER STATES.

TECHNOLOGY CONTRACTS SAVED ENTITIES IN THE MHEC REGION NEARLY \$32

MILLION IN FY2023. IN SOME CASES, THE COMPACT'S COST SAVINGS

INITIATIVES MAY BE UTILIZED BY CITY, COUNTY, AND STATE GOVERNMENT AS

WELL AS NONPROFIT ORGANIZATIONS.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

RESEARCH:

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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MHEC RESEARCH INFORMS INSTITUTIONAL AND STATE EFFORTS IN IMPROVING

POSTSECONDARY POLICIES, PRACTICES, AND OUTCOMES IN SEVERAL WAYS: (A)

MAINTAINING A NATIONAL REPOSITORY OF EXPERTISE, KNOWLEDGE AND BEST

PRACTICES FOR GUIDING POLICY AND PRACTICE; (B) CONDUCTING APPLIED

RESEARCH AND ANALYSIS ON CRITICAL TOPICS IN HIGHER EDUCATION; (C)

DEVELOPING INNOVATIVE APPROACHES TO IMPROVE EDUCATIONAL OPPORTUNITY AND

EFFECTIVENESS; AND (D) PROVIDING PUBLIC OUTREACH AND SERVICE TO

INSTITUTIONS AND GOVERNMENTS. AMONG ITS CORE OUTPUTS, MHEC RESEARCH

MAINTAINS AN ONLINE DASHBOARD OF EDUCATIONAL PERFORMANCE INDICATORS AND

PRODUCES TIMELY BRIEFS, REPORTS, AND TECHNICAL PAPERS IN THE MOST

CRITICAL AREAS FOR FACILITATING PROGRESS TOWARDS STATE EDUCATIONAL

ATTAINMENT GOALS, INCLUDING COLLEGE READINESS; AFFORDABILITY AND

FINANCE; STUDENT SUCCESS; AND PERFORMANCE, VALUE, AND ACCOUNTABILITY AS

WELL AS OTHER TOPICS OF IMPORTANCE TO MIDWESTERN STATES. 23

PUBLICATIONS WERE RELEASED IN FY23.

EXPENSES \$ 818,266. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

FORM 990, PART VI, SECTION A, LINE 6:

COMPACT MEMBERS: THE MEMBERS OF THE COMPACT ARE THE 12 MIDWESTERN STATES

IDENTIFIED IN THE COMPACT STATUTE: ILLINOIS, INDIANA, IOWA, KANSAS,

MICHIGAN, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA, OHIO, SOUTH DAKOTA,

AND WISCONSIN. TO BECOME A MEMBER, THE STATES MUST ENACT THE COMPACT

STATUTE. ONCE ENACTED, THE APPOINTING AUTHORITIES IN EACH OF THE COMPACTING

STATES SHALL FORWARD THE NAMES OF THEIR APPOINTEES TO THE COMPACT STAFF.

THE COMPACT STAFF SHALL PROMPTLY ADVISE THE APPROPRIATE APPOINTING

AUTHORITIES OF THE NEED TO APPOINT NEW COMMISSION MEMBERS UPON THE

EXPIRATION OF DESIGNATED TERMS.

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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AFFILIATE MEMBERS: STATES NOT ELIGIBLE TO BECOME A PARTY TO THE COMPACT

AND/OR CANADIAN PROVINCES MAY BECOME AFFILIATE MEMBERS WHEN MUTUAL

INTERESTS EXIST AND WHEN IT WOULD BENEFIT THE COMPACT TO ENTER INTO SUCH

ARRANGEMENTS.

ASSOCIATE MEMBERS: ENTITIES NOT ELIGIBLE TO BECOME MEMBERS OF THE COMPACT

MAY BE AFFORDED STATUS AS ASSOCIATES OF THE COMMISSION IN ACCORDANCE WITH

THE POLICIES AND PROCEDURES APPROVED BY THE COMMISSION.

FORM 990, PART VI, SECTION A, LINE 7A:

EACH COMPACT MEMBER MAY APPOINT FIVE RESIDENT MEMBERS OF EACH STATE TO THE

COMMISSION AS FOLLOWS: THE GOVERNOR OR THE GOVERNOR'S DESIGNEE WHO SHALL

SERVE DURING THE TENURE OF OFFICE OF THE GOVERNOR; TWO LEGISLATORS, ONE

FROM EACH HOUSE (EXCEPT NEBRASKA, WHICH MAY APPOINT TWO LEGISLATORS FROM

ITS UNICAMERAL LEGISLATURE), APPOINTED BY THE APPROPRIATE APPOINTING

AUTHORITY IN EACH HOUSE OF THE LEGISLATURE; AND TWO OTHER AT-LARGE MEMBERS,

AT LEAST ONE OF WHOM SHALL BE SELECTED FROM THE FIELD OF HIGHER EDUCATION.

THE AT-LARGE MEMBERS SHALL BE APPOINTED IN A MANNER PROVIDED BY THE LAWS OF

THE APPOINTING STATE. ALL VACANCIES SHALL BE FILLED IN ACCORDANCE WITH THE

LAWS OF THE APPOINTED STATES.

FORM 990, PART VI, SECTION B, LINE 11B:

A DRAFT RETURN IS REVIEWED BY THE PRESIDENT, CHIEF OPERATING OFFICER,

CONTRACT CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE AND

ADMINISTRATION. THE DRAFT IS THEN FORWARDED TO A FINANCE AND AUDIT

COMMITTEE FOR THEIR REVIEW. ONCE APPROVED IT IS THEN FORWARDED TO THE

ORGANIZATION'S OFFICERS FOR THEIR APPROVAL.

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY COVERS THE GOVERNING BOARD AND OFFICERS.

ANNUAL STATEMENTS ARE REVIEWED BY THE DIRECTOR OF COMMUNICATIONS AND

MARKETING. IF A CONFLICT WAS KNOWN, THAT INDIVIDUAL WOULD BE REQUIRED TO

REFRAIN FROM VOTING ON THE MATTER.

FORM 990, PART VI, SECTION B, LINE 15A:

COMPENSATION FOR THE PRESIDENT IS RECOMMENDED BY THE EXECUTIVE COMMITTEE.

THE EXECUTIVE COMMITTEE USES COMPARABILITY DATA FOR SIMILAR ORGANIZATIONS.

THE FINAL DETERMINATION AND DISCUSSION IS DOCUMENTED IN THE MINUTES AT THE

FULL BOARD MEETING IN JUNE. THIS PROCESS IS DONE ON AN ANNUAL BASIS.

COMPENSATION FOR OTHER OFFICERS IS DETERMINED BY THE PRESIDENT ON AN ANNUAL

BASIS.

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS ARE CURRENTLY AVAILABLE ON THE COMPACT'S WEBSITE.

FINANCIAL STATEMENTS AND THE CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE

UPON REQUEST.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE HAS AUTHORITY TO ACT ON BEHALF OF THE BOARD.

THE EXECUTIVE COMMITTEE IS MADE UP OF COMMISSIONERS CHOSEN BY THE BOARD

OF COMMISSIONERS. TWO EXECUTIVE BOARD MEMBERS ARE CHOSEN FROM EACH

STATE GIVING THE STATES EQUAL REPRESENTATION AND EQUAL AUTHORITY AND

VOTES.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

**Open to Public
Inspection**

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

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

Schedule R (Form 990) 2022

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
STONE ARCH INSURANCE COMPANY C/O MARSH MANAGEMENT SERVICES INC. - 87-1115817, 463 MOUNTAIN VIEW DRIVE, SUITE 300, COLCHESTER,	INSURANCE	VT	MIDWESTERN HIGHER EDUCATION	C CORP	319,152.	11,455,701.	100%	X	

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

STONE ARCH INSURANCE COMPANY C/O MARSH MANAGEMENT SERVICES

INC.

EIN: 87-1115817

463 MOUNTAIN VIEW DRIVE, SUITE 300

COLCHESTER, VT 05446

DIRECT CONTROLLING ENTITY: MIDWESTERN HIGHER EDUCATION COMPACT

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

OMB No. 1545-0047

- **File a separate application for each return.**
► **Go to www.irs.gov/Form8868 for the latest information.**

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. MIDWESTERN HIGHER EDUCATION COMPACT	Taxpayer identification number (TIN) 38-3011476
	Number, street, and room or suite no. If a P.O. box, see instructions. 105 FIFTH AVENUE SOUTH, SUITE 450	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MINNEAPOLIS, MN 55401	

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

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

ERIN FRAHM

- The books are in the care of ► 105 FIFTH AVENUE SOUTH, SUITE 450 - MINNEAPOLIS, MN 55401

Telephone No. ► 612-677-2766

Fax No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until MAY 15, 2024, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year or
► ☒ tax year beginning JUL 1, 2022, and ending JUN 30, 2023.

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

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

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

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 1-2022)

MAIL TO: DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0045

MHEC Investment Policy

At the beginning of FY23, MHEC increased the admin percentage fee it charges the vendors on its technology contracts, and with that increase in admin fees came an unexpected, large increase in the technology contract revenues. This unexpected increase has caused MHEC's undesignated funds to grow significantly. Due to this increase in undesignated funds, along with a desire to better utilize the organization's resources, MHEC staff and members of the Finance and Audit Committee determined there was a need to update and more formalize MHEC's investment policy. MHEC's existing investment policy is out of date and lacks the comprehensive approach needed given the size of the undesignated funds. In coordination with CLA (CliftonLarsonAllen), MHEC is in the process of creating a formal, comprehensive investment policy with a goal of presenting it to the full commission at the November annual commission meeting.

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 Breanne Hegg, Vice President, Programs and Contracts

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.). Marsh served as the program administrator.

At its November 2022 meeting, the MHEC Commission made the decision to sunset the current MPP effective July 1, 2023. 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.

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.

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.

Current Status

MHEC has continued to retain Marsh's services to unwind the Master Property Program while also servicing members (answering coverage questions, fielding claims, loss control support, finalizing and balancing accounting). Marsh's assistance will continue to be required to support the unwinding of the MPP until all open claims are closed. This may take several years, but as time progresses, the support required will diminish.

Next Steps

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 has communicated this information to all current and former MPP members eligible for dividends.

Although MPP was sunset, MHEC continues to explore ways in which it can help institutions lower their insurance costs. With Marsh, MHEC has been helping institutions obtain their fine arts and terrorism coverage at reduced costs.

Master Property Program - Stone Arch Insurance Company

Prepared by Breanne Hegg, Vice President, Programs and Contracts

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 Insurance Company 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 Insurance Company or places it in dormancy. To assess what next steps MHEC should take to best support its strategic goals, MHEC has engaged with Marsh to conduct a feasibility study. This study will assess possible scenarios and help MHEC make a formal recommendation on how to best use the captive to support the needs of the states and institutions it serves in the coming years.

MHECare Student Health Solutions

Prepared by Breanne Hegg, Vice President, Programs and Contracts

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. In 2012-13 MHECare began providing institutions of higher education access to an array of insurance solutions that assist campuses in supporting student health. In 2021 MHEC and the Student Health Benefits Advisory Committee completed an RFP, making awards to four vendors: UnitedHealthcare StudentResources, HealthMarkets, META Teletherapy, and TAO Connect.

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.

Current Status

With the addition this spring of the University of Illinois Urbana-Champaign, 26 institutions are contracted to participate for the 2024-25 school year with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance. Most of the institutions using these plans are from the Midwest. These plans provide coverage to 82,683 students, a three percent increase from 2023-2024.

MHEC also offers 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. Maharishi International University in Fairfield, Iowa, has used META through the MHEC contract for the past few years. TAO Connect provides institutions with a platform of self-serve mental health modules for students to leverage independently, or in conjunction with campus counseling. Minot State University in Minot, North Dakota, is using TAO Connect under the MHEC contract.

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 identifying several pilot institutions in the region to 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 has re-engaged the Student Health Benefits Advisory Committee for the first time since 2021, and is working with the committee to review current offerings and explore new opportunities.

Next Steps

MHEC has an opportunity to expand awareness of existing contract vendors while continuing to explore other opportunities and vendors to help institutions support their students' health. In the coming year, MHEC and the Student Health Benefits Advisory Committee will assess potential opportunities to expand its service to member institutions in the area of student health.

Midwest Student Exchange Program (MSEP)

Prepared by Beth Ellie, Associate Director of Policy Initiatives

Background

The [Midwest Student Exchange Program](#) (MSEP) operates as an interstate tuition reciprocity program, extending reduced tuition rates to students in Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. Despite the Midwestern Higher Education Compact having 12 member states, not all participate actively. Illinois and Michigan are currently inactive, while Iowa and South Dakota have opted out. Since its inception in 1994, MSEP, facilitated by the Midwestern Higher Education Compact (MHEC), has enabled students to pursue more affordable educational opportunities at out-of-state institutions. It stands as the Midwest's largest multi-state tuition reciprocity initiative, with over 60 campuses from nine participating states offering reduced rates. Public institutions agree to charge no more than 150% of in-state tuition, while private institutions offer a 10% reduction. Alongside state-to-state reciprocity programs, all four regions of the country have student exchange programs with some variation among them. As the demographic cliff impacts student enrollment, some institutions have adjusted their tuition model to attract students. The elimination of the out-of-state tuition model in many states and institutions requires the program to adapt. These changes have impacted institutional program participation along with changing student demographics and credentialing.

Current Status

According to the 2023-24 MSEP Data Report, eight states actively participated in the program, with over 60 institutions, including both two- and four-year public and private not-for-profit institutions, submitting data. The report indicates that 4,322 students collectively saved almost \$30 million in tuition during the fiscal year 2024.

Recognizing the need for adaptation amidst changing enrollment trends and tuition models, MHEC convened an advisory group comprising stakeholders from MSEP. This group met during FY24 to analyze participation data from previous years and formulate recommendations to ensure MSEP's continued relevance and value. The recommendations centered on three main themes:

- **Invest in MSEP Communication & Outreach:** Develop new materials for admissions and financial aid officers, as well as high school counselors, to enhance communication with students and families.
- **Perform Procedural Improvements:** Implement a data collection platform to streamline and standardize institutional reporting. Additionally, update MSEP policies and procedures in effect for 30 years. Create a manual to house policies and procedures.
- **Implement a Midwest College Cost Savings Finder:** Introduce an online tool to facilitate cost savings comparisons for all public institutions across the Midwest. This finder, accessible to residents of all MHEC states, will provide comprehensive data on programs, tuition, reciprocity (including MSEP), and other discounts, aiding students and families in making informed decisions and assisting institutions in enrollment management.

These recommendations were unanimously approved by the MSEP Council in May 2024.

Next Steps

Subject to Commission approval, MHEC will hire a consultant to collaborate with staff to develop the Midwest College Cost Savings Finder in FY25. Phase two of the project, scheduled for FY26, will incorporate private not-for-profit institutions into the database. Additionally, program staff will implement program enhancements no later than October 2024 to improve program processes and communication channels.

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, 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, 2,426 institutions participate, of which 663 (330 private non-profit, 297 public, 31 private for-profit, and 5 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.

The U.S. Department of Education's Program Integrity and Institutional Quality Negotiated Rulemaking Committee did not achieve consensus on Issue Paper 2: State Authorization (revised in Session 3). Consequently, the Department may now draft and finalize its own regulations. However, any proposed changes will still undergo public review before they can be implemented. The earliest changes could take effect is July 2025.

Next Steps

Over the coming months, M-SARA staff will collaborate with SARA state regulators, affiliated institutions, and higher education leaders to solicit feedback and shape our strategic response in conjunction with NC-SARA's.

Policy & Research

Research

Dual Credit/Concurrent Enrollment Teacher Credentialing

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 state approaches to funding capital projects; causes of sector differences in net price; the cost of online vs. face-to-face education; retention rates; high school graduate projections; direct college enrollment rates; student migration trends; promise programs; no-confidence votes; trends in campus and program closures; the effect of net price on completion rates; data on math and science academies; and operational efficiencies and cost-savings.

Current Status

- *2023 State Performance Update*: A performance update for each MHEC member state was completed to supplement the periodic [*Higher Education in Focus*](#) report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy.
- *Interactive Dashboard*: Based on a stakeholder feedback survey, 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. Current dashboard indicators continue to be updated with the most recent data.
- *Collecting and Reporting Data for Improving Dual Enrollment Programs*: This project will draw on literature reviews and stakeholder interviews to guide state efforts to assess and improve dual enrollment data.
- *College Promise Programs: Insights for Higher Education Leaders in the Midwest*: This report will use current research and data to describe and consider the characteristics of college promise programs in the 12 Midwestern Higher Education Commission (MHEC) states. Options for the design and implementation of promise programs will also be assessed.
- *Understanding State Loan Forgiveness and Conditional Grant Programs*: Building on work presented in a 2018 MHEC brief, this report will provide a description of state loan forgiveness and conditional grant programs for college students in the Midwest and nationally. Updated research on program effectiveness and policy options are also provided.
- *Evaluating the Influence of Graduate Education on Teacher Performance and Student Success*: Building on work presented in a 2017 MHEC brief, this report will examine the prevalence of graduate credentials among teachers in the United States and summarize research on the relationship between teacher educational attainment and student achievement.

Next Steps

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](#) programs offer high school students the chance to earn college credits while still in high school, either in their own classrooms or on college campuses. These programs have been shown to improve student outcomes, save students money, enhance college success, and serve as recruitment avenues for postsecondary institutions. While these programs are available nationwide, the demand for them is rapidly increasing, presenting various challenges for states, such as funding dual credit courses equitably, especially in rural and low-income districts, and ensuring a qualified teaching force. MHEC's initiatives address these challenges regionally.

In 2015 the [Higher Learning Commission \(HLC\)](#), the primary accreditor for Midwestern states, clarified its requirements for postsecondary faculty credentials, including those teaching concurrent enrollment in high schools. This change raised concerns about access, particularly for high school teachers lacking the credentials specified by the HLC. Since then, Midwestern states have been working to help teachers obtain the necessary credentials to meet the growing demand for concurrent enrollment courses. The deadline for compliance was extended to September 1, 2025. However, in November 2023, the HLC adopted a [new policy](#) allowing institutions to set their own concurrent enrollment credentialing standards in place of the master's or master's plus 18 credits in the discipline requirement. State systems and institutions are working toward solutions and MHEC has convened an advisory to support regional approaches to address concurrent enrollment credentialing standards.

Current Status

During this past year, MHEC has engaged in the following work:

- Supporting state systems and institutions navigating the new HLC concurrent enrollment credentialing standards by hosting an advisory group to share policy documents, best practices, and related resources. Quarterly meetings are held with engagement from more than 100 individuals from the Midwest.
- Continuing to recruit participation in [Graduate Credit Quest](#) (GCQ);
- Optimizing Graduate Credit Quest utilizing web site analytics, automation and AI to enhance website performance; and
- Partnering with national concurrent enrollment thought leaders (NACEP, Complete College America, College in High School Alliance, Community College Research Center and Jobs for the Future) to support the growth and quality of concurrent enrollment in the MHEC region.

Next Steps

In FY25 MHEC will engage in the following work:

- Continue close collaborations with HLC and ensure that HLC and the midwestern dual/concurrent enrollment community are well informed;
- Research on data collection and reporting pertaining to dual and concurrent enrollment in the twelve MHEC states;
- Create two advisory groups of stakeholders from MHEC states – one who can advise on additional areas of dual and concurrent enrollment research needed in the Midwest and secondly, another who can advise on ways to improve and enhance and continue optimization of GCQ;
- Host a four-part webinar on "How States and Systems Can Support Practitioner Efforts to Strengthen Dual Enrollment" in collaboration with Complete College America, Community College Research Center and College in High School Alliance.
- Engage in outreach to state NACEP chapters to share MHEC resources and gather input; and
- Host a state pre-policy convening to support states and state systems in the systematic expansion of concurrent enrollment in the Midwest.

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 received a \$5,000 subgrant to help augment state capacity for OER. Teams chose activities such as statewide convenings, support for identifying OER for transfer courses, establishing disciplinary communities of practice, and seed funding for statewide grants for faculty. 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.

MHEC hosted a Midwestern OER Summit on January 24-25, 2024, at the Big Ten Conference Center in Rosemont, IL. This invitation-only, two-day convening brought together MHEC OER State Action Teams from across the Midwest to share in learning, strategic planning, and networking. In preparation for the Summit, each state team recorded a 10-minute video on their open education work and developed a poster presentation, [all have been posted on MHEC's website](#).

A yearlong research project is underway to understand how institutions are using course marking to communicate and track which courses use OER. The first step of this project was the distribution of a national survey to better understand current practices and challenges. A paper detailing the findings of the survey and a recording of a webinar presenting these results is available on [MHEC's website](#). During fall 2023 and spring 2024, an advisory group has been meeting to identify obstacles to and solutions for the development of course marking processes. A report on their findings will be released in late spring 2024.

Next Steps

MHEC is working on a new proposal to the Hewlett Foundation for continued support for Midwestern open education activities, and working with the state OER action teams to determine what kind of support will help them to move their work forward.

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 - The Technologies Community met in February, exploring topics around the theme of *humanITy: Empowering Innovation Together*. One resource explored was a paper that focused on the strategic role of information technology professionals (IT) in their roles as leaders at midwestern higher education institutions. The Technologies Community recognizes the importance of connecting with experts throughout their institution and beyond. Growing budget pressures and rapid technological changes are making it critical for the value and impact of technology investments to be understood by all stakeholders. At the same time, ever-increasing technological threats require a collaborative approach to risk management. The ever-changing role of IT means that IT leaders need to change their approach, emphasizing the collaborative and holistic nature of IT's role.

In addition to the annual convening, the community is navigating a potential collaboration with a major technology partner. At this time, the interests of various stakeholders are still being explored. Additionally, the community hosted a successful fireside chat titled *Moving Cybersecurity from 'Unfunded Mandate' to Strategic Advantage*. The webinar was led by John Rathje, CIO at Kent State University, and attended by individuals in various institutional roles such as IT, provosts, legal advisors, risk managers, and more. Finally, the community has built on this work by submitting proposals to present at upcoming EDUCAUSE and NACUBO conferences.

The Technologies Community emphasizes the collaborative nature of IT, bringing together academic, risk management, and legal stakeholders to support educational success. The community's holistic approach recognizes that IT is horizontally integrated across institutions, requiring change management to ensure IT can support the changes Institutional leaders want to make. By fostering collaboration and understanding, the Technologies Community helps institutions effectively manage the growing risks associated with IT, which is critical to both institutional and economic security.

Next Steps

In the coming year, the community will continue to provide resources and strategies to help institutions navigate the evolving role of IT with a focus on supporting the collaborative, holistic approach needed for success.

The Technologies Community is working to position IT as a strategic, integrated part of higher education institutions. By highlighting IT's multifaceted role, the community aims to ensure institutions have the resources and understanding needed to thrive in a technology-driven world.

Contracts

Academic

Technology

Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

Background

The Midwestern Higher Education Compact (MHEC) leverages its broad contracting authority to secure cost-efficient, effective technology solutions for member states. Through a transparent and rigorous competitive bidding process, aligned with regional statutory requirements, MHEC collaborates with education leaders, administrators, and technology experts to harness collective purchasing power, benefitting educational institutions throughout the Midwest. MHEC's technology contracts, encompassing solutions from cloud services to cybersecurity, are designed for flexibility and ease of use. They comply with public procurement laws and best practices, significantly reducing administrative costs and enhancing operational efficiency for institutions of all sizes. As the lead public agency, MHEC ensures that its technology solutions continually adapt to the evolving educational landscape, thereby enhancing educational outcomes and upholding the commitment to serve MHEC member states effectively.

Current Status

In fiscal year 2023, MHEC's technology contracts generated over \$31.59 million in savings for the MHEC region, demonstrating substantial financial benefits for member states, especially significant as this coincides with the cessation of COVID-19 emergency funding. MHEC currently manages 21 specialized contracts ranging from end-user computing, data center modernization, to advanced data analytics. These include standout agreements with industry leaders like Connection, Dell, HP Enterprise, Oracle, and Lenovo, as well as, innovative data solutions from Resultant and SAS Institute. These contracts are available to all public and private not-for-profit higher education institutions in the MHEC region, other [regional compacts](#), K-12 districts, and local and state governments. Designed for adaptability and cost-effectiveness, these contracts are projected to see increased utilization and savings through 2029. MHEC's proactive collaboration with stakeholders is crucial in adapting contract offerings to meet immediate and long-term challenges, laying a solid foundation for future technological advancements across a broad spectrum of institutions.

Next Steps

MHEC is committed to evolving its technology contracts to meet the dynamic needs of the educational landscape, MHEC actively incorporates feedback from the Technologies Community and other stakeholders. In response to these insights, MHEC is set to launch key technology initiatives aimed at enhancing the infrastructure of higher education institutions across the Midwest. These initiatives include the development of 1) next-generation higher education ERP systems managed document services (MDS), and 2) enterprise document management solutions (EDMS). Competitive bidding for a cloud-based ERP system that supports streamlined operations and data-driven decision-making is scheduled to begin in summer 2024. By fall 2024, MHEC's focus will shift to modernizing document management technologies to improve efficiency and reduce costs. These solicitations will be announced publicly on MHEC's [news page](#) and in the [Minnesota State Register](#) to ensure transparency and encourage broad participation.

MHEC Academic Contracts

Prepared by Debra Kidwell, Director of Technology Initiatives; Jenny Parks, Vice President; and Breanne Hegg, Vice President, Programs and Contracts

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 MHEC's 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

Letter of Intent with [Creative Commons](#)

The letter of intent with Creative Commons (CC), was developed in response to recommendations and needs arising from MHEC's open educational resources (OER) initiative. 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.

Collating List of Requested Contacts

States and higher education institution leadership frequently request help and support from MHEC in obtaining regional, cost- and time-saving contracts for needed services. MHEC has compiled a list of requested contacts and support that could be pursued with additional staffing and/or work prioritization.

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.

MHEC has the opportunity to expand its contract services to the Midwest, providing cost- and time-saving resources to the higher education institutions it serves. Expanding MHEC's work in this area is an area of consideration for FY25 and beyond and would require additional staff resources or a readjustment of its current portfolio to expand capacity.

MHEC Annual Estimated Savings for Entities and Citizens

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

FY23 FOOTNOTES:

1. Arrow/Commvault, Campus Guard, Dell, Ease Learning, HP, Infosec, Info-Tech, Lenovo, Microfocus, Oracle, Parchment, SAS, Walker and Associates, and Xerox.
2. 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>.

3. Student tuition savings for the academic year 2022-2023.
4. Non-participating state for 2022-2023.

As of 11/2/2023

Appendices

Presenters

Ben Boggs – MDHEWD

J.D. Burton – Washington University in St. Louis

Commissioners

Illinois

Indiana

Iowa

Kansas

Michigan

Minnesota

Missouri

Nebraska

North Dakota

Ohio

South Dakota

Wisconsin

Committees

MHEC Staff

Compact Language

Bylaws

Commissioner Board Portal Access

Upcoming Meetings

Presenters



Ben Boggs

Commissioner
Missouri Department of Higher Education and Workforce
Development

Dr. Boggs comes to Missouri with an extensive background in higher education. He hails from the Colorado Department of Higher Education where he served as the Deputy Executive Director as well as the Chief of Staff to the Executive Director. Prior to his role in Colorado, Dr. Boggs worked across many areas of higher education, including the National Conference of State Legislatures, the Kentucky Education Professional Standards Board, the Kentucky Council on Postsecondary Education, and the Kentucky General

Assembly. Dr. Boggs also has experience working within both public and private institutions of higher education.

Dr. Boggs earned a bachelor's degree in psychology from Wake Forest University, a master's of education from The College of William and Mary, a Ph.D. in Higher Education Policy Studies from the University of Virginia, and completed the Institute for Management and Leadership in Education at the Graduate School of Education at Harvard University.



J.D. Burton

Vice Chancellor for Government & Community Relations
Washington University in St. Louis

J.D. Burton is the Vice Chancellor of Government and Community Relations at WashU, where he leads all facets of the government relations team and is a member of the Chancellor's cabinet.

JD's professional career and legal background have afforded him the opportunity to serve in several roles in law, government and higher education. Before his time at WashU, Burton directed and led government relations activities for the University of Minnesota campus system at the local, state, and federal levels.

Burton also worked in government relations in the office of St. Paul, Minn., Mayor Christopher B. Coleman from 2012-15, including as director from 2013-15. His previous experience includes serving as a senior attorney at Flaherty & Hood from 2008-2012, where he represented communities across the state; law clerk positions in Minnesota's largest city and county, and as a legislative assistant for a senior member of Congress in Washington, D.C. He began his career in federal relations at the D.C. branch of a Minneapolis-based law firm.

Burton earned his bachelor's degree in political science from Luther College in Iowa and his law degree from William Mitchell School of Law in St. Paul, Minn. He and his wife have two daughters.

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Vice Chair: Joan Ballweg, Wisconsin

Treasurer: Larry Tidemann, South Dakota

Past Chair: David Eisler, Michigan

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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>



Spencer Deery

State Senator; Majority Member, Education and Career Development Committee
Indiana General Assembly



Dottie King

President & CEO
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

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



David Ford (Commissioner Alternate)
Bureau Chief
Iowa College Aid - Iowa Department of Education



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

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>



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



Daniel J. Hurley
Chief Executive Officer
Michigan Association of State Universities



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



Emma Young

Policy Analyst to the Governor
State of Michigan



David L. Eisler (Commissioner Alternate)

Former President; Professor, Community College Leadership Studies
Ferris State University

VACANCY (Commissioner Alternate)

Appointing Authority: Michigan Governor Designee of State Board of Education

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



Brad Christ

State Representative; Member, Budget Committee
Missouri General Assembly

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



Samantha Dickey

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



David Pearce

Executive Director for Government Relations
University of Central Missouri



Susan L. Thomas

President
Truman State University



Curtis Trent

State Senator; Chair, Education and Workforce Development
Missouri General Assembly

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



Paul Turman (Commissioner Alternate)

Chancellor
Nebraska State College System

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



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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 Chancellor
Ohio Department of Higher Education



Jack Hershey



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)



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

Vacancy

Appointing Authority: Governor (higher education)



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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Jerry Murphy
Graduate Credit Quest
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The Midwestern Regional Higher Education *Compact*

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

ARTICLE I. PURPOSE

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

ARTICLE II. THE COMMISSION

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

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

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

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

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

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

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

ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV. ACTIVITIES OF THE COMMISSION

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

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

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

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

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

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

ARTICLE V. FINANCE

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

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

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

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

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

ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

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

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

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

ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

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

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

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

ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

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

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

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

MEMBER STATES

State of Illinois
By Jim Edgar
August 20, 1991

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

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

State of Indiana
By Evan Bayh
March 14, 1996

State of Minnesota
By Rudolph Perpich
April 26, 1990

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

State of Iowa
By Tom Vilsack
June 6, 2005

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

State of South Dakota
By Mike Rounds
March 13, 2008

State of Kansas
By Michael Hayden
April 25, 1990

State of Nebraska
By Ben Nelson
June 5, 1991

State of Wisconsin
By Tommy Thompson
April 18, 1994

Midwestern Higher Education Commission

Bylaws

Article I. Commission Purpose, Functions and Bylaws

Section 1. Purpose.

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

Section 2. Functions.

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

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

Section 3. Bylaws.

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

Article II. Membership

Section 1. Commission Members.

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

Section 2. Affiliate Members.

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

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

Section 3. Associate Members.

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

Section 4. Compact Participation in MHEC Programs.

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

Article III. Officers

Section 1. Election and Succession.

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

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

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.

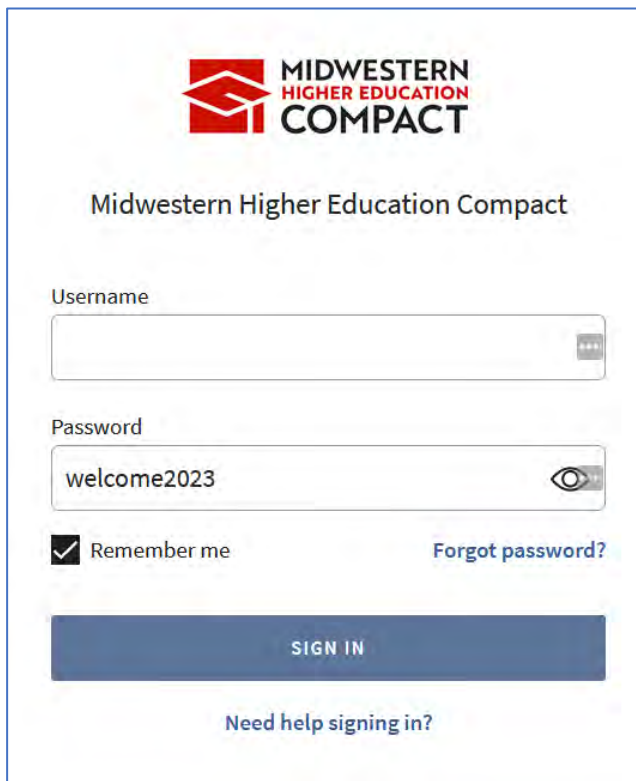
Board Portal Introduction - BoardEffect

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:

<https://mhec.boardeffect.com>



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

Your password is welcome2023

Note: if you're a new commissioner as of this year, your password is welcome2024

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

App Access

BoardEffect offers an app for [Apple](#) and [Android](#) and iOS.



BoardEffect

Assistance

Please reach out to Mary Roberson (maryr@mhec.org) or Katie Chock (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.

Upcoming Meetings Save-the-Dates

2024 MHEC COMMISSION MEETING

November 18-20, 2024
Overland Park, KS

2024 Midwest FAFSA Summit

June 11-13, 2024
Chicago, IL

MHEC is collaborating with the National College Attainment Network and the State Higher Education Executive Officers Association 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.

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

May 2024

Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401
mhec@mhec.org / www.mhec.org





Strategic Plan | 2022 – 2025

MISSION (what good we do and for whom)

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

VISION (the impact we seek)

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

VALUES (what guides our decision making)

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

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

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

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

STRATEGIC PRIORITIES (our focus for the next 4 years)

Advance innovation, efficiency & effectiveness.

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

Develop collaborative solutions to regional problems and opportunities.

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

Drive cost savings & business solutions.

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

PRINCIPLES OF THE STRATEGIC PLAN

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



2023-2024 STRATEGIC OPERATING PLAN HIGHLIGHTS

STRATEGIC PRIORITY #1: INCUBATE. Advance innovation, efficiency & effectiveness.

1. Led regionally and nationally in expanding use and utility of Open Educational Resources, including convening an OER summit and publishing a best practices guide. OER are free alternatives to textbooks that make college more affordable for students.
2. Optimized for efficiency and effectiveness organization wide, including:
 - Conducted a data and technology assessment to improve data quality, automation, accessibility, workflow, and management.
 - Overhauled financial and accounting processes, introducing new, digital software systems.
 - Completed a staff role audit and hired three new staff, positioning organization for growth.
3. Enhanced commissioner engagement to expand operational effectiveness through virtual orientations, a board portal, new committees, and expanded committee participation.

STRATEGIC PRIORITY #2: LAUNCH. Develop collaborative solutions to regional problems and opportunities.

1. Convened states and higher education institutions to help them navigate timely and critical issues facing higher education:
 - Guided states through FAFSA challenges, including knowledge sharing and convening a FAFSA Summit (to be held June 11-13).
 - Advocated and amplified the needs of the region in national State Authorization Reciprocity Agreements (SARA) policy revisions.
 - Helped states navigate new professional licensure compliance changes, engaging 1500+ leaders in learning webinars and state-specific support sessions.
2. Convened a group to assess the Midwest Student Exchange Program (MSEP) and proposed a recommendation on how to better support tuition reciprocity in our region with the goal of helping students and families be informed consumers and helping institutions advance enrollment goals.

STRATEGIC PRIORITY #3: SAVE. Drive cost savings & business solutions.

1. Expanded understanding and utilization of technology and contracts that help institutions and states save time and money. Over the last five years, technology contract usage has increased by 10.8% and revenue has increased by 75.7%.
2. Embarked on a captive feasibility study to explore opportunities to best serve risk management needs of our states and higher education institutions.
3. Audited student health programs to better meet the needs of higher education, expanded use of contracts (28 institutions used MHECare in 23-24, 12% more than in FY23) and planned for expanded utilization and service.



2024-2025 STRATEGIC OPERATING PLAN OVERVIEW

STRATEGIC PRIORITY #1: INCUBATE. Advance innovation, efficiency & effectiveness.

1. Enhance organizational effectiveness by creating a comprehensive communications strategy and targeted engagement plan that increases awareness of and appreciation for MHEC's value in primary and secondary stakeholder groups.
2. Identify new opportunities for innovation by deepening engagement with states and higher education institutions, defining and executing a year-round engagement and visit strategy.
3. Improve efficiency and effectiveness of internal operations, establishing clear and effective policies and processes to guide critical work and collaboration.

STRATEGIC PRIORITY #2: LAUNCH. Develop collaborative solutions to regional problems and opportunities.

1. Help the region address workforce development needs by creating a signature research report and identifying regional solutions to align post-secondary workforce development gaps.
2. Improve cost savings for students and their families by:
 - Developing a cost-savings finder tool aimed at helping prospective students and families navigate tuition reciprocity and more quickly understand the cost of college (MSEP 2.0).
 - Developing research that helps states and institutions enhance access and affordability and evaluate different state-wide approaches (i.e. free college, promise programs).
3. Provide regional leadership on critical, timely issues, continuing to respond to and implement solutions for financial aid, FAFSA, professional licensure, OER, technology, and SARA.

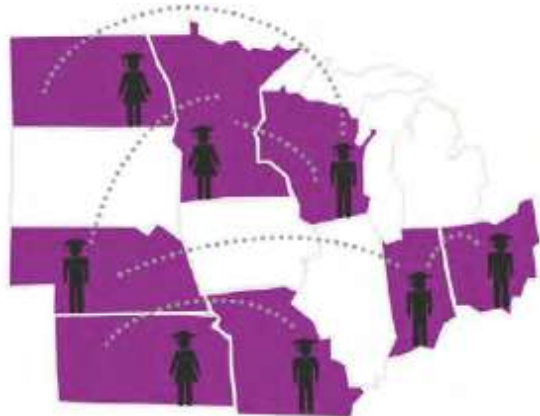
STRATEGIC PRIORITY #3: SAVE. Drive cost savings & business solutions.

1. Expand cost-saving contracts by:
 - Assessing opportunities to expand student health, technology contracts, and contracts in new areas.
 - Exploring ways MHEC can leverage its insurance captive to support risk management.
2. Improve contract awareness, reporting, and communications. Build awareness of how institutions benefit from contracts through storytelling and case studies. Continue to develop our data infrastructure to communicate performance and utilization of contracts.

About the Midwest Student Exchange Program

The Midwest Student Exchange Program, or MSEP, is a multi-state tuition reciprocity program. Since 1994, MSEP has been a bedrock program of the Midwestern Higher Education Compact. Through the MSEP, public institutions agree to charge students no more than 150% of the in-state resident tuition rate for specific programs; private institutions offer a 10% reduction on their tuition rates. All enrollment decisions are made at the discretion of the receiving campus, which may exercise its right to limit participation or set specific admission requirements for MSEP.

According to the 2023-24 MSEP Data Report, eight states actively participated in the program, with over 60 institutions, including both two- and four-year public and private not-for-profit institutions, submitting data. The report indicates that 4,322 students collectively saved almost \$30 million in tuition during fiscal year 2024. The eight states participating in MSEP are Indiana, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin. From FY19 to FY24, the program has experienced a 67% drop in enrollment due to a decrease in the number of traditional-aged college students; an increase in the enrollment of students from traditionally underserved populations; changes in the traditional residential college experience; the diminishing appeal of the out-of-state tuition model; and the growing popularity of micro-credential and online learning options outside of higher education.



This fall, MHEC reached out to institutions and state higher education offices requesting individuals serve on an advisory committee to reimagine MSEP. The MSEP 2.0 Advisory Committee was composed of 23 members representing 11 MHEC states (see list on next page). The MSEP 2.0 Advisory Committee identified three overarching program improvement recommendations, which were unanimously approved by the MSEP Council in May:

- **Invest in MSEP Communication & Outreach:** Develop electronic marketing materials for admissions and financial aid officers, as well as high school counselors, to enhance communication with students and families.
- **Perform Procedural Improvements:** Implement a data collection platform to streamline and standardize institutional reporting. Additionally, update MSEP policies and procedures. Create a manual to document policies and procedures.
- **Implement a Midwest College Cost Savings Finder:** Introduce an online tool to facilitate cost savings comparisons for all public institutions across the Midwest. This finder, accessible to residents of all MHEC states, will provide comprehensive data on programs, tuition, reciprocity (including MSEP), and other discounts, aiding students and families in making informed decisions and assisting institutions in enrollment management. It will support enrollment efforts for all public institutions, regardless of their participation in MSEP. The Midwest College Cost Savings Finder is also another way of promoting the MSEP discount.

Midwest Student Exchange Program 2.0 Advisory Committee

Committee Member	Institution/Agency:	Title:
Julie Amon	University of Wisconsin System Administration	AVP for Student Affairs
Rachel Boon	Iowa Board of Regents	Chief Academic Officer
Terry Brown	Indiana University-Purdue University Indianapolis	Interim Director for the Office for Enrollment Strategy and Insights
Rachel Goslinga	Dickinson State	University Relations
Karen Goos	Kansas State University	Vice Provost for Enrollment Management
Alisha Hanshaw	University of Nebraska - Lincoln	Assistant Dean of Graduate Enrollment
Jodi Jersett	University of Minnesota Duluth	Director, EM Marketing & Communications
Jeff M. Johnston	Indiana University	University Registrar / Student Records Data Steward
Alicia Kornowa	Western Michigan University	Director of Admissions
Marlena Lewandowski	The University of Akron	Institutional Research Information Officer
Tammie May	Metropolitan Community College Kansas City	Executive Director Curriculum & Student Learning
Charles Mayfield	Northwest Missouri State University	Director of Financial Assistance
Kayla Noah	Dickinson State	Dean of Students
Annette Roberts	State Fair Community College	Registrar
Kelly Sharp	Columbia College	Communications Analyst Institutional Research
Karla Stewart	University of North Dakota	VP Finance & Operations/COO UND
MSEP Council	Agency:	Title:
Dan Hurley	Michigan Association of State Universities	Chief Executive Officer
Kadi Lukesh	Nebraska Coordinating Commission for Postsecondary Education	Office Manager, Budget Coordinator, Bookkeeper
Nkechi Onwuameze	Illinois Board of Higher Education	Senior Associate Director for Academic Affairs
Brenda Zastoupil	North Dakota University System	Director of Financial Aid
MHEC Staff	Agency:	Title:
Beth Ellie	MHEC	Associate Director of Policy Initiatives
Jonathan McNicholes	MHEC	Stakeholder Engagement and Convening Manager
Jenny Parks	MHEC	Vice President

Negotiated Rulemaking Background Information and Proposed Rules

Negotiated Rulemaking Process

1. Statute - The Higher Education Act of 1965 can be amended through the legislative process, which initiates subsequent public comment periods and rulemaking. Typically, the Department of Education (ED) develops proposed regulations without initial public input and then publishes them in the Federal Register for public comment.
2. Regulation - To transform laws into rules, the Department of Education (ED) must follow a consensus-driven process that incorporates input from stakeholders. Negotiators, nominated by the public and selected by ED, participate in this process. In the Federal Register Notice announcing ED's intent to conduct negotiated rulemaking or in a subsequent Notice, ED solicits nominations for negotiators to represent the constituencies significantly affected by the regulations. The Notice specifies which constituencies ED believes will be significantly impacted.
3. Impact - Negotiated regulations take effect if consensus is reached; if opposition remains, the Department of Education (ED) writes the final rules. Before the final rules are made public, there is an opportunity for changes. By providing input through written letters and/or making official public comments on the ED website, the SARA community can help minimize potential harm to distance education students and programs.

General Principle

States must play a key role in setting policies related to state authorization reciprocity agreements. State regulators and SARA-participating institutions are heavily focused on student protections. Collaboration with the Department of Education (ED), accreditors, and other key stakeholders is critical. However, the SARA community believes that the broad goals and concerns articulated by ED during the 2023-2024 Negotiated Rulemaking can be more effectively addressed through the SARA Policy Modification Process. By utilizing this structured, collaborative, and highly transparent process, alternatives can be developed and implemented that improve student protections while limiting the burden on low-risk institutions and preserving access to high-quality distance education programs. Supporting low-risk institutions and maintaining access to education is crucial to meeting the needs of all students pursuing postsecondary education.

1. 500 Rule

This component of ED's most recent proposal would require institutions to obtain direct authorization—thereby not benefiting from reciprocity—from any participating state where the institution enrolled more than 500 students in each of the two most recent Title IV award years. This

proposal is arbitrary as it relies on a single risk factor (number of students enrolled) for a risk-based approach, unsupported by research or data, with no specified risks associated with the size of student enrollment. Furthermore, the proposal would:

- Limit the benefits of participating in a reciprocity agreement and significantly increase the administrative burden and costs for states and larger institutions, as they would need to apply for authorization on a state-by-state basis. If implemented, some institutions might limit enrollment in certain states, negatively impacting student access.
- Affect nearly 850,000 students if implemented. ED has not appropriately specified the risks under consideration nor considered alternative approaches that could more effectively prevent harm to students. Instead, this proposal could limit student access and penalize institutions with strong track records of effectively serving students.

During negotiated rulemaking, there was also discussion of lowering the 500-student threshold to 100, which would further increase the number of institutions and states experiencing a significant rise in administrative burden while potentially limiting access to high-quality education for over one million students.

2. “Applicable State Laws” Related to Closure

One component of ED’s recent proposal would require SARA to allow states to enforce their own authorization requirements related to institutional closures, such as records retention, teach-out plans, tuition recovery funds, and surety bonds. This requirement would undermine the benefits of state reciprocity agreements and is unnecessary. If states wish for this to be SARA policy, they can choose to enact it independently or examine existing SARA policies on closure. This proposal from ED would harm institutions for several reasons:

- SARA already allows states to collaborate across borders with SARA-participating institutions to ensure orderly closures, including providing teach-out opportunities for students.
- If implemented, the new rule would increase the administrative burdens and costs for SARA-participating institutions as they would need to research and comply with each state’s specific closure laws. This could lead some institutions to avoid enrolling students from certain states, negatively impacting student access.
- There is no evidence that SARA facilitates unchecked fraudulent behavior by institutions offering distance education that would justify such a proposal.
- Between 2018 and 2023, there were 29 closures among SARA-participating institutions, compared to over 200 closures in non-SARA degree-granting institutions during the same period. This indicates that SARA ensures participating institutions are vetted and held to standards that help prevent closures.

- If states wish to enforce state closure laws on out-of-state institutions, they have the options to either leave SARA or vote to expand closure requirements through the SARA Policy Modification Process. In 2023, several proposals on this topic were submitted and voted down by the states.

By maintaining the current SARA framework, institutions can continue to provide high-quality distance education without the additional administrative burden and cost, ultimately preserving student access and institutional stability.

3. NC-SARA Board Membership

If implemented, this rule would require that any governing body of state reciprocity agreements be composed solely of representatives from state regulatory and licensing bodies, state enforcement agencies, and state attorneys general offices. This presents several concerns:

- NC-SARA is a private 501(c)(3) organization, and it is not the federal government's role to dictate the composition of private entities. Since NC-SARA is not directly linked to Title IV, this proposal represents an overreach by ED.
- The creation of SARA involved collaboration among multiple parties, who agreed on the current structure of NC-SARA and its board. The NC-SARA board is composed of a diverse group of higher education experts with varied backgrounds, providing a critical knowledge base to support NC-SARA's mission of assisting in the implementation of SARA.

Maintaining the current board structure ensures that NC-SARA continues to benefit from the expertise and diverse perspectives necessary to fulfill its mission effectively.

4. Complaint Process

During the 2023-2024 Negotiated Rulemaking, the Program Integrity and Institutional Quality Committee discussed student complaints and proposed changes to enhance the reciprocity agreement complaint process. If approved, the new regulations would:

- Require each participating state to implement a process for communicating information about student complaints to the organization administering the reciprocity agreement (NC-SARA) and to the students' home states.
- Permit member states to accept, investigate, and resolve complaints about an institution, consistent with their own statutes and regulations, even if the complaints have not been submitted to or received by the institution itself.
- Require the organization administering a reciprocity agreement to publish student complaint data for the public at least yearly.

NC-SARA has been working with the SARA community to improve the SARA complaint process. Many of ED's suggestions are already in place, are in the process of being implemented, or have been submitted as proposals in the 2024 SARA Policy Modification Process cycle and will be reviewed and voted upon later this year.

5. Participating Institution for Violating General Purpose Laws

Current SARA policy permits a SARA-participating institution that violates state laws to be reviewed by its home state, with potential consequences that could affect its participation in SARA nationwide. While SARA policy also allows other SARA states or territories to take action for general law violations, this proposal, if enacted, would incorporate SARA policy into federal regulations.

Resources

M-SARA, <https://www.mhec.org/programs/midwestern-state-authorization-reciprocity-agreement>

NC-SARA

- Call to Action, <https://nc-sara.org/sara-neg-reg-call-action>
- SARA Policy Manual, 23.1, <https://nc-sara.org/resources/sara-policy-manual-231>
- SARA Policy Modification Process, <https://nc-sara.org/sara-policy-modification-process>

U.S. Department of Education Negotiated Rulemaking Process for Title IV Regulations FAQs

- <https://www2.ed.gov/policy/highered/reg/hearulemaking/hea08/neg-reg-faq.html>

U.S. Department of Education Program Integrity and Institutional Quality

- All materials for Sessions 1, 2, and 3, <https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/index.html>
- State Authorization Non Consensus, <https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/state-authorization-non-consensus.pdf>
- Distance Education Non Consensus, <https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/distance-education-non-consensus.pdf>