

# **Agenda Book**

## **Executive Committee Meeting**

**June 3-4, 2019**  
**Columbus, OH**



**Ohio Commissioners: Rick Carfagna, Gary Cates, Stephanie Davidson, Jack Hershey, Stephanie Kunze**  
**Ohio Commissioner Alternates: Bruce Johnson, David Ponitz**



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

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

# Midwestern Higher Education Compact

Executive Committee Meeting

June 3-4, 2019

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# Meeting Detail

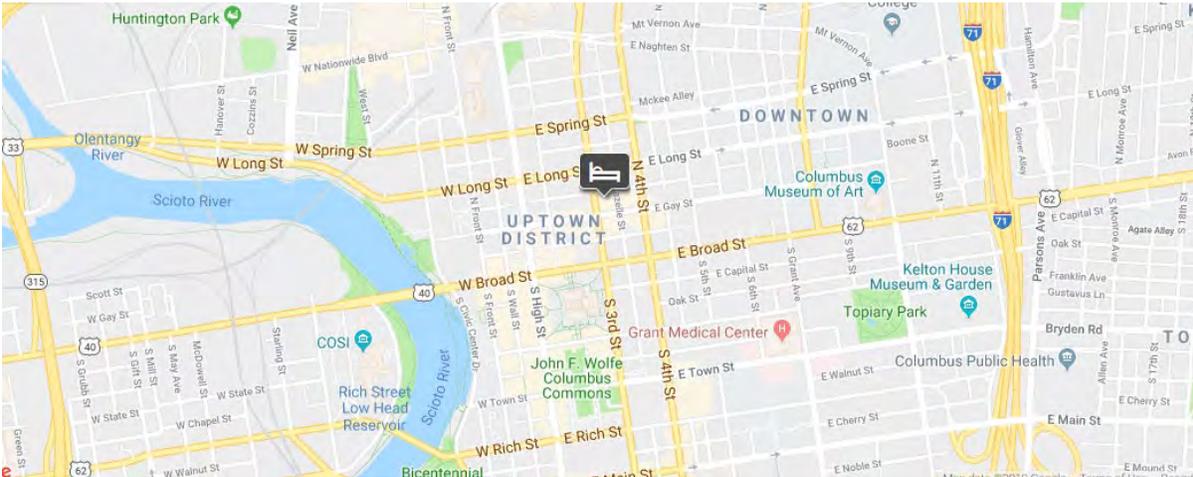
## Meeting Location

Renaissance Columbus Downtown Hotel

50 North 3rd Street

Columbus, OH

[Directions](#)



## Airport Transportation

There are no complimentary airport shuttle services. Attendees who arrive through the John Glenn Columbus International Airport will want to take a taxi. Attendees may also choose to use transportation services like Lyft or Uber. A one-way taxi will be approximately \$18.

## Parking

Please use the valet parking garage located off of North 3rd Street, marked “Hotel Parking.” MHEC has negotiated a discounted rate of \$20/day. Parking costs will be routed to the Master Bill.

**Monday, June 3**  
**Optional Tour of Ohio Statehouse**

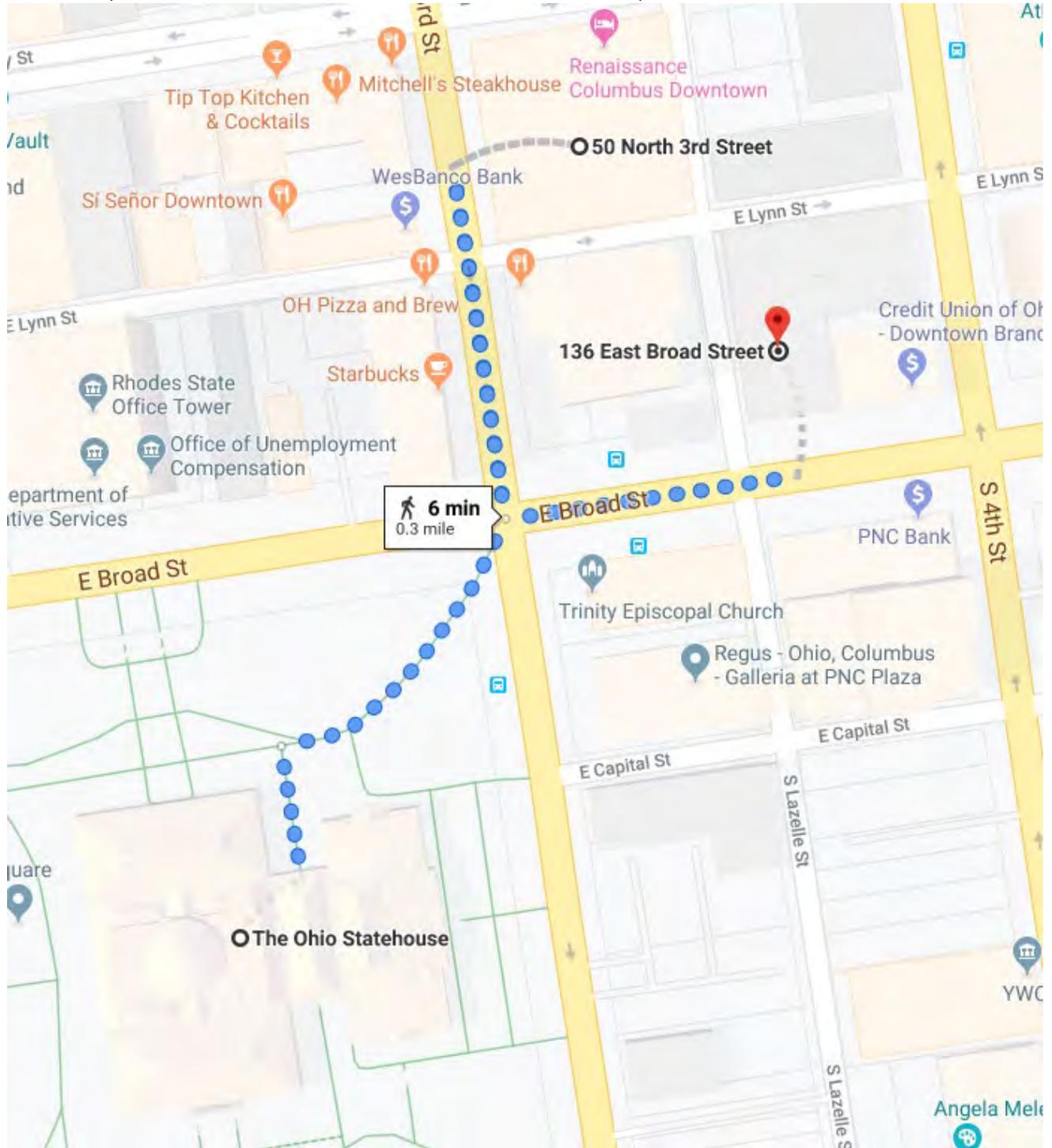
5:00 p.m. – 5:50 p.m.

1 Capitol Square  
Columbus, OH

**Reception/Dinner at The Athletic Club of Columbus**

6:00 p.m. – 8:00 p.m.

136 E Broad St  
Columbus, OH





**Midwestern Higher Education Compact**  
**EXECUTIVE COMMITTEE MEETING**  
June 3-4, 2019 | Columbus, OH  
Renaissance Columbus Downtown Hotel (50 North 3rd Street)

**AGENDA**

**Monday, June 3, 2019**

Noon

Hayes B, Second Floor

LUNCH

1:00 p.m.

Hayes A, Second Floor

1) Welcome and Call to Order – Dr. Ken Sauer (IN), MHEC Chair; and Ms. Susan Heegaard, MHEC President

2) Roll Call of the States

3) Introduction of commissioners and guests

1:15 p.m.

4) Welcome from Ohio – Dr. Stephanie Davidson, Vice Chancellor, Academic Affairs, Ohio Department of Higher Education and MHEC Commissioner

1:30 p.m.

Action Item 1

5) Approval of minutes

a) Executive Committee Meeting, June 3-4, 2018

b) Executive Committee Conference Call, July 9, 2018

c) Executive Committee Conference Call, September 6, 2018

6) Report of the MHEC Chair – Dr. Ken Sauer (IN), MHEC Chair

7) Report of the MHEC President – Ms. Susan Heegaard, MHEC President

8) State Highlights – Ms. Susan Heegaard, MHEC President; Dr. Ken Sauer (IN), MHEC Chair; Ms. Olivia Madison (IA), MHEC Vice Chair; and Dr. David Eisler (MI), MHEC Treasurer

9) Unfinished Business

2:15 p.m.

BREAK

Last Updated 5/28/2019 11:25 a.m.

- 2:30 p.m. 10) New Business
- a) Treasurer’s Report – Dr. David Eisler (MI), MHEC Treasurer, and Mr. Daniel Moser, MHEC Chief Financial Officer
    - i) Status of the Unrestricted Fund Balance
    - ii) Budget Status
    - iii) Review and action on FY 2020 Budget
- Action Item 2
- 2:50 p.m. b) MHEC Business Continuity and Disaster Recovery Plan – Mr. Daniel Moser, MHEC Chief Financial Officer
- 2:55 p.m. c) Leadership Program Update – Ms. Susan Heegaard, MHEC President
- 3:10 p.m. d) MHEC Comparison to Other Compacts (e.g. travel policy, governance, nomination/awards, and state commitment/dues) – Ms. Susan Heegaard, MHEC President, and Mr. Daniel Moser, MHEC Chief Financial Officer
- 3:25 p.m. Action Item 3 e) Bylaw Amendment: Addition of Past Chair as MHEC Officer – Mr. Rob Trembath, MHEC Senior Vice President and General Counsel
- 3:35 p.m. Action Item 4 f) Establish the Standing MHEC Finance Committee – Mr. Rob Trembath, MHEC Senior Vice President and General Counsel, and Mr. Daniel Moser, MHEC Chief Financial Officer
- i) Committee Charge
  - ii) Duties of the Committee
- 3:55 p.m. Action Item 5 g) Establish an Ad Hoc Committee to Explore MHEC Approaches to Governance, Evaluation, and Nominations – Dr. Ken Sauer (IN), MHEC Chair
- i) Committee Charge
- 4:15 p.m. 11) Announcements
- 4:30 p.m. RECESS

5:00 p.m. OPTIONAL TOUR: Meet in Lobby to walk to the Ohio Statehouse  
1 Capitol Square, Columbus, OH (0.2 miles from the hotel)

5:10 p.m. OPTIONAL TOUR: Ohio Statehouse (Enter from 3<sup>rd</sup> Street entrance.)

5:50 p.m. OPTIONAL TOUR: Group walks from the Ohio Statehouse to the  
Athletic Club of Columbus  
136 E Broad St, Columbus, OH (0.1 mile from the Statehouse)

5:50 p.m. Meet in Lobby to walk to The Athletic Club of Columbus  
(If not participating in the OPTIONAL TOUR)  
136 E Broad St, Columbus, OH (0.1 mile from the hotel)

6:00 p.m. RECEPTION – The Athletic Club of Columbus

6:30 p.m. WELCOME AND ACKNOWLEDGMENTS – Ms. Susan Heegaard, MHEC  
President

DINNER – The Athletic Club of Columbus

7:00 p.m. INTRODUCTION – Mr. Mike Duffey, Senior Vice Chancellor, Ohio  
Department of Higher Education and Former MHEC Commissioner

GUEST PRESENTER: Dr. David T. Harrison, President, Columbus State  
Community College

8:00 p.m. Walk back to the Renaissance Columbus Downtown Hotel  
50 North 3rd Street, Columbus, OH 43215

**Tuesday, June 4, 2019**

7:00 a.m. BREAKFAST  
Hayes B, Second Floor

8:15 a.m. 12) Call to Order – Dr. Ken Sauer (IN), MHEC Chair  
Hayes A, Second Floor

8:30 a.m. 13) MHEC Survey Feedback – Dr. Ken Sauer (IN), MHEC Chair; Ms.  
Maya Kirkhope, Senior Consultant, Academic Search; and Ms.  
Susan Heegaard, MHEC President

10:30 a.m. Action Item 6 14) Motion to go into Executive Session

10:30 a.m. BREAK

- |               |   |               |   |               |   |  |                   |
|---------------|---|---------------|---|---------------|---|--|-------------------|
| 10:45 a.m.    | 15) EXECUTIVE SESSION - Report from Dr. Ken Sauer (IN), MHEC Chair and the MHEC Officers, on the recommendations of a presidential evaluation approach ( <i>Closed session: only MHEC commissioners remain in the room.</i> )   |               |   |               |   |  |                   |
| 11:45 a.m.    | <table border="0"> <tr> <td data-bbox="389 409 568 451">Action Item 7</td> <td data-bbox="617 409 1218 451">16) Commission reconvenes in open session</td> </tr> <tr> <td data-bbox="389 483 568 525">Action Item 8</td> <td data-bbox="617 483 1516 567">17) Report on Presidential Performance – Dr. Ken Sauer (IN), MHEC Chair and the MHEC Officers</td> </tr> <tr> <td></td> <td data-bbox="617 598 893 640">18) Announcements</td> </tr> </table> | Action Item 7 | 16) Commission reconvenes in open session | Action Item 8 | 17) Report on Presidential Performance – Dr. Ken Sauer (IN), MHEC Chair and the MHEC Officers |  | 18) Announcements |
| Action Item 7 | 16) Commission reconvenes in open session   |               |   |               |   |  |                   |
| Action Item 8 | 17) Report on Presidential Performance – Dr. Ken Sauer (IN), MHEC Chair and the MHEC Officers   |               |   |               |   |  |                   |
|               | 18) Announcements   |               |   |               |   |  |                   |
| Noon          | ADJOURN (Lunch on Own)  |               |   |               |   |  |                   |

# Midwestern Higher Education Compact Executive Committee Meeting

Holiday Inn Rapid City - Rushmore Plaza | Rapid City, SD  
June 3-4, 2018

## Minutes

### Commissioners Present

- IL** Commissioner Karen Hunter Anderson, Executive Director, Illinois Community College Board  
Commissioner Suzanne Morris, Board Member, Illinois Community College Board
- IN** Commissioner Greg Goode, Executive Director of Government Relations, Indiana State University  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education
- IA** Commissioner Derrick Franck, Commissioner, Iowa Association of Community College Trustees  
Commissioner Sharon Steckman, Representative, Iowa Legislature
- KS** Commissioner Richard Short, Kansas Governor's Designee
- MI** Commissioner David Eisler, President, Ferris State University  
Commissioner Tyler Sawher, Senior Strategy for Education and Career Connections, State of Michigan - Governor Rick Snyder
- MN** Commissioner Bud Nornes, Representative, Minnesota State Legislature  
Commissioner Alternate Lyndon Carlson, Representative, Minnesota State Legislature
- MO** Commissioner Allen Andrews, Representative, Missouri General Assembly
- NE** Commissioner Sue Crawford, Senator, Nebraska Legislature
- ND** Commissioner Tim Flakoll, Provost, Tri-College University  
Commissioner Mark Hagerott, Chancellor, North Dakota University System
- OH** Commissioner Mike Duffey, Representative, Ohio General Assembly
- SD** Commissioner Larry Tidemann, Senator, South Dakota Legislature  
Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents  
Commissioner Alternate Reynold Nesiba, Senator, South Dakota Legislature
- WI** Commissioner Joan Ballweg, Representative, Wisconsin State Legislature  
Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities

## **Guests**

Mr. Frank Cella, Managing Director, Education Practice Leader, Marsh USA, Inc.  
Ms. Patsy Eisler  
Mr. Jeff Haverly, Former Senator and Former MHEC Chair  
Sen. Terri Haverly, South Dakota Legislature  
Mrs. Ruth Isaak  
Ms. Maya Kirkhop, Senior Consultant, Academic Search  
Ms. Joyce Nornes  
Dr. Jay Perry, Assistant Vice President for Academic Affairs, South Dakota Board of Regents  
Mr. Dan Toman  
Dr. Paul Turman, Vice President for Academic Affairs, South Dakota Board of Regents  
Mrs. Cindy Wilson  
Dr. Warren Wilson, Chief Information Technology Officer, Black Hills State University

## **MHEC Staff**

Carla Ahrens, Property Program Manager  
Jennifer Dahlquist, Vice President  
Larry Isaak, President  
Daniel Moser, Chief Financial Officer  
Jenny Parks, Director of Innovation  
Ken Ries, Chief Information Officer  
Mary Roberson, Director of Communications and Marketing  
Rob Trembath, Vice President and General Counsel

## **Monday, June 4, 2018**

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

Commission Chair Tim Flakoll (ND) called the meeting to order at 8:28 a.m. and welcomed commissioners and guests to Rapid City.

2. The roll call of the states was taken, and representatives from all 12-member states were present.

3. Attendees introduced themselves.

4. South Dakota Governor Dennis Daugaard welcomed attendees to South Dakota. The emphasis of his presentation was on workforce, focusing on student internships and career paths towards a degree.

### **5. Approval of the Minutes.**

*Commissioner Janelle Toman (SD) moved and Commissioner Mike Duffey (OH) seconded the motion to approve the minutes of the Executive Committee Meeting held June 5-6, 2017 (agenda book, pp. 7-13).*

6. **Report of the MHEC Chair.**

Commission Chair Tim Flakoll (ND) highlighted his opportunity to be present at 6 of the 11 state visits this year. He emphasized the importance of these state connections. He shared progress on the establishment of committees for finding a search firm, as well as a Presidential Search Committee. These appointed committees were determined trying to weigh the balance of political party, gender, and states. It is the hope of the Presidential Search Committee to have someone in place by November 1, 2018. Chair Flakoll acknowledged the death of Commissioner Alternate Brian Whiston (MI), as well as three legislators who have recently passed away from the South Dakota Legislature.

7. **Report of the MHEC President.**

Larry Isaak, MHEC President, recognized the commissioners and guests for their participation during state visits. He mentioned various MHEC convenings, programs, research, and contracts and highlighted an upcoming new MHEC website, increasing participation in webinars, and publicizing new research briefs, and planning for the November policy forum. His presentation followed his report as presented (agenda book, pp. 15-17).

8. **Unfinished Business.**

a. **Large-Scale Renewable Electricity**

Jennifer Dahlquist, MHEC vice president, provided an update on the exploration of a sustainable energy initiative. MHEC has completed two workshops and scheduled a third on large-scale renewable electricity to garner interest on large scale renewable electricity and is now proceeding with moving from the convening phase into program development with the Midwestern Large-scale Renewable Electricity Program. Institutions hosting the workshops: University of Minnesota, Loyola University in Chicago; and Case Western Reserve University.

9. **New Business.**

a. **Unrestricted Funds Balance.**

The status of the Unrestricted Funds Balance as of June 30, 2017 (agenda book, page 19), was presented by President Larry Isaak. The Operations Reserve Total remains at \$1,300,000 as acted upon by the Commission in November 2015. The Unrestricted Fund Balance shows MHEC in a strong financial position. He mentioned the funds regarding technology capacity and upgrading had been utilized well and that keeping up with technology would continue to be important. It was noted that \$110,000 in funds (not reflected in the report) has been designated for the presidential search.

**b. Treasurer's Report.**

Commission Vice Chair Ken Sauer (IN) gave the Treasurer's Report on behalf of Treasurer Olivia Madison (agenda book, pages 20-27) on the status of the FY 2018 budget, provided budget highlights, and presented the proposed FY 2019 budget.

*Commissioner Larry Tidemann (SD) moved and Commissioner Sue Crawford (NE) seconded the motion to recommend approval of the FY 2019 budget.*

*Motion carried.*

**M-SARA Regional Steering Committee.**

The president of MHEC appoints the at-large members of the Midwestern-State Authorization Reciprocity Agreement (M-SARA) Regional Steering Committee, who are then approved by the full commission or the MHEC Executive Committee at whichever meeting occurs sooner after the appointments are made.

*Commissioner Ken Sauer (IN) moved and Commissioner Rolf Wegenke (WI) seconded the motion to approve the appointment of Dr. Chris Foley as an at-large member of the Midwestern-State Authorization Reciprocity Agreement Regional Steering Committee with a term beginning July 1, 2018, and to end June 30, 2021.*

*Commissioner Bud Nornes (MN) moved and Commissioner Sharon Steckman (IA) the motion to confirm the appointment of Dr. Robin Hemenway as an at-large member of the Midwestern-State Authorization Reciprocity Agreement Regional Steering Committee with a term beginning July 1, 2018, and to end March 31, 2019. Dr. Hemenway will complete the term of Ingeborg "Bibi" Schultz, director of education, Missouri State Board of Nursing.*

*Commissioner Mike Duffey (OH) moved and Commissioner Ken Sauer (IN) seconded the motion to confirm the appointment of Dr. Mary Kochlefl as an at-large member of the Midwestern-State Authorization Reciprocity Agreement Regional Steering Committee with a term beginning July 1, 2018, and to end June 30, 2021.*

It was noted by Commissioner Greg Goode (IN) that it is important to keep congressional delegations informed about how MHEC states are working together, especially as it relates to SARA.

**10. State Reports Forum.**

State updates were provided by the commissioners from Minnesota, North Dakota, and South Dakota. The spokesperson from each state highlighted outcomes of higher education legislative activity, as applicable, and other recent higher education activity in their states.

**11. Report on Concurrent Enrollment and Open Educational Resources.**

Jenny Parks, MHEC director of innovation, informed commissioners about the recent convening to address the continued challenges of the teaching credential issues. Nearly 100 stakeholders attended the Concurrent Enrollment Teacher Credential Summit in May. Ms. Parks addressed outcomes of the meeting and next steps. She also shared her recent research and environmental scan regarding Open Educational Resources (OER) and the committee's desire to have a convening and do a deeper dive. Ms. Parks is currently working with the Western Interstate Commission for Higher Education (WICHE) in exploring such a convening.

**12. State Reports Forum.**

State updates were provided by the commissioners from Iowa, Illinois, and Indiana. The spokesperson from each state highlighted outcomes of higher education legislative activity, as applicable, and other recent higher education activity in their states.

**13. Nominations Committee, Awards Committee, and Presidential Search Committee.**

- a. Commission Chair Tim Flakoll (ND) reported that he had appointed commissioners to the Awards Committee, which will consider recommendations for MHEC's Phillip Sirotkin Award and the Outstanding Service Award. The following commissioners have agreed to serve: Ms. Olivia Madison (Chair); Dr. Janelle Toman (SD); Rep. Joan Ballweg (WI); Dr. Stephanie Davidson (OH); Mr. Mark Smith (MO); and Marci Francisco (KS).
- a. Commission Chair Tim Flakoll (ND) reported that he had appointed commissioners to the Nominating Committee, which will make recommendations for the positions of commission vice chair and commission treasurer. The following commissioners have agreed to serve: Mr. Dick Short (KS) (Chair); Ms. Suzanne Morris (IL); Dr. Ken Sauer (IN); Rep. Dennis Johnson (ND); and Rep. Sharon Steckman (IA).
- b. Commission Chair Tim Flakoll (ND) reported that he had appointed commissioners to the MHEC Presidential Search Committee. The following commissioners have agreed to serve: Mr. Tim Flakoll (ND) (Chair); Ms. Suzanne Morris (IL); Dr. Kenneth Sauer (IN); Olivia Madison (IA); Mr. Richard Short (KS); Dr. David Eisler (MI); Rep. Lyndon Carlson (MN); Ms. Zora Mulligan (MO); Sen. Sue Crawford (NE); Rep. Mike Duffey (OH); Sen. Larry Tidemann (SD); Rep. Joan Ballweg (WI); and Dr. Randolph Ferlic (NE) (Member-at-large).

These appointed committees will meet by phone in approximately September (agenda book, page 34)

**14. State Reports Forum.**

State updates were provided by the commissioners from Nebraska, Kansas, and Missouri. The spokesperson from each state highlighted outcomes of higher education legislative activity, as applicable, and other recent higher education activity in their states.

**15. Executive Session.**

*Commissioner David Eisler (MI) moved and Commissioner Rolf Wegenke (WI) seconded the motion to go into Executive Session at 11:06 a.m.*

*Motion carried.*

**16. Reconvene in Open Session.**

*Commissioner David Eisler (MI) moved and Commissioner Joan Ballweg (WI) seconded the motion to return the meeting to Open Session at 11:27 a.m.*

*Motion carried.*

**17. President Compensation Committee.**

*Commissioner David Eisler (MI) moved and Commissioner Richard Short (KS) seconded the motion to accept the proposal by the MHEC Presidential Compensation Committee as outlined. (See addendum.)*

*Motion carried.*

**18. State Reports Forum.**

State updates were provided by the commissioners from Ohio, Michigan, and Wisconsin. The spokesperson from each state highlighted outcomes of higher education legislative activity, as applicable, and other recent higher education activity in their states.

RECESS for LUNCH at 11:53 p.m. RECONVENED at 12:48 p.m.

**19. South Dakota Presentation.**

Dr. Paul Turman, System Vice President for Academic Affairs, South Dakota Board of Regents; and Dr. Jay Perry, Assistant Vice President for Academic Affairs, South Dakota Board of Regents highlighted their work on “Data Sharing and Exploration Opportunities for Making Informed Decisions Around Higher Education Strategies in South Dakota.”

**20. Presidential Search.**

Ms. Maya Kirkhope, senior consultant for Academic Search, updated the Executive Committee on the search process. The Presidential Search Committee will meet Tuesday morning (6/5). Next steps include announcement of the position opening, semi-finalist interviews, and final candidate interviews with the goal of having a new president in place by November 1, 2018. Maya answered questions from the commissioners.

**21. Authority of MHEC Officers to Hire MHEC President.**

MHEC Vice President and General Counsel Rob Trembath presented the Presidential Search Committee's intention to hire a new MHEC president no later than November 2018. Given the constraints of no meetings taking place prior the hire date, and MHEC's statutory compact language and MHEC bylaws which state that the Commission shall appoint the president, a motion was presented for consideration (agenda book, page 35).

*Commissioner Joan Ballweg (WI) moved and Commissioner Sue Crawford (NE) seconded the motion to Authorize the MHEC Executive Officers (chair, vice chair, and treasurer) to appoint the next MHEC president based on the recommendation of the MHEC Presidential Search Committee; and to authorize the MHEC Executive Officers (chair, vice chair, and treasurer) to enter into employment contract negotiations with the newly appointed president candidate, and upon successful negotiation execute said employment contract. Motion carried.*

**22. Cyber Liability Insurance.**

Ms. Carla Ahrens, MHEC property program manager, introduced Mr. Frank Cella, Managing Director, Education Practice Leader, Marsh USA, Inc., who shared with the Executive Committee one of MHEC's newest programs and highlighted the significance of obtaining cyber liability insurance at higher education institutions in today's digital age.

**23. Announcements.**

Details were given about the evening event.

**24. Adjourn.**

No further business came before the Executive Committee and the meeting adjourned at 3:15 p.m.

*Commissioner Lyndon Carlson (MN) moved and Commissioner Suzanne Morris (IL) seconded the motion to adjourn the meeting.*

*Motion carried.*

**25. Reception and Dinner.**

MHEC commissioners and guests were bused to Custer State Park for a reception and dinner at the State Game Lodge Pavilion. Ms. Mary Roberson, MHEC director of communications and marketing, was recognized for her 20 years with the Midwestern Higher Education Compact. The video "Spirit of Tatanka" was played and questions after were answered by Ms. Laci Prucinsky, naturalist for South Dakota Game, Fish, and Parks at Custer State Park.

## Addendum

These items are proposed by the MHEC Presidential Compensation Committee for ratification by the MHEC Executive Committee. They were unanimously approved by the five members of committee participating in a conference call on May 21, 2018.

- 1) Larry's current salary is \$232,265. A 3% increase is proposed, this results in an annualized amount of \$6,979 bringing his annual salary to \$239,604.
- 2) This contract is effective through November 16, 2018.
- 3) Deferred compensation.
  - k1. If the President remains an employee of MHEC in good standing until July 1, 2016, and leaves his position anytime thereafter, President is entitled to one and one-tenth (1.1) months of his then annual Base Salary at the time of his departure for each year, or portion of year, of service as President. Payment(s) shall be made within eighteen months of November 16, 2018 when requested by the President.
  - k2. If the President is deceased or becomes disabled ~~prior to July 1, 2016,~~ he or his heirs are entitled to the corresponding compensation set forth in K.1. above.
  - k3. ~~If President remains an employee of MHEC in good standing until July 1, 2019, and then leaves his position anytime thereafter, President is entitled to have MHEC pay his health insurance premium for the immediately ensuing year after he leaves the MHEC presidency, up to an amount not to exceed \$13,574, and subject to the terms and conditions of the then existing benefit plan.~~
  - k3. If the commission employs a new president prior to November 16, 2018, Mr. Isaak will be paid his salary, benefits and deferred compensation through November 16, 2018.
- 4) The MHEC officers are authorized to negotiate with and approve the president working from another location during the period of September 1 through November 16, 2018. During this period Mr. Isaak's professional business travel will be covered by MHEC.
- 5) If a new president cannot be in place by mid-November, and both requested by MHEC and accepted by President Isaak, he will consider working past November 16. This would include the ability to work remotely, and would not extend beyond December 31.



Executive Committee Conference Call  
July 9, 2018, 10:00 a.m. Central

**Commissioners Present**

- IL** Commissioner Suzanne Morris, Board Member, Illinois Community College Board
- IN** Commissioner Wendy McNamara, Assistant Majority Whip, Indiana General Assembly  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana  
Commission for Higher Education
- IA** Commissioner Olivia Madison, Professor Emerita and Dean Emerita of Library Services, Iowa State  
University
- KS** Commissioner Marci Francisco, Senator, Kansas Legislature  
Commissioner Richard Short, Kansas Governor's Designee
- MI** Not present
- MN** Commissioner Alternate Lyndon Carlson, Representative, Minnesota State Legislature  
Commissioner Karen Hanson, Executive Vice President and Provost, University of Minnesota-Twin Cities
- MO** Commissioner Mark Smith, Assoc. Vice Chancellor/Dir Career Planning & Placement, Washington  
University in St. Louis.
- NE** Commissioner Sue Crawford, Senator, Nebraska Legislature  
Commissioner Randolph Ferlic, Former Regent, University of Nebraska
- ND** Commissioner Tim Flakoll, Provost, Tri-College University  
Commissioner Mark Hagerott, Chancellor, North Dakota University System  
Commissioner Don Morton, Chair, State Board of Higher Education
- OH** Commissioner Mike Duffey, Representative, Ohio General Assembly
- SD** Commissioner Larry Tidemann, Senator, South Dakota Legislature  
Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents
- WI** Commissioner Joan Ballweg, Representative, Wisconsin State Legislature  
Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and  
Universities

**MHEC Staff**

Sara Appel, Midwest Student Exchange Program Manager  
Jennifer Dahlquist, Vice President  
Larry Isaak, President  
Mary Roberson, Director of Communications and Marketing  
Rob Trembath, Vice President and General Counsel

1. **Call to Order.**

MHEC Chair Tim Flakoll called the meeting to order at 10:00 a.m.

2. **Roll Call of the States.**

Chair Tim Flakoll asked Mary Roberson, MHEC director of communications and marketing, to call the states and asked each person to identify all present from said state. Chair Flakoll reminded commissioners that all votes will require 2/3 majority of the compacting states. Ten states responded to roll, Illinois and Michigan were not present.

3. **Approval of Agenda.**

Chair Flakoll called for approval of the agenda.

*Commissioner Rolf Wegenke (WI) moved and Commissioner Olivia Madison (IA) seconded the motion to accept the agenda as stated.*

*Roll call of the states was completed with 10 states as ayes, 0 noes, and two states: Illinois and Michigan, not present.*

*2/3 of the compacting states voted aye. Motion carries.*

4. **Background Information and Status of North Dakota Withdrawal from the Compact.**

President Larry Isaak shared information about the request to consider extending MSEP to North Dakota students and higher education institutions for one year, in lieu of North Dakota's repeal of the statute. See Addendum 1.

5. **Comments from North Dakota Commissioners.**

Commissioner Don Morton (ND) provided background on the action of the legislature.

6. **Waiver of Article II, Section 4 of the MHEC Bylaws.**

Commissioners asked questions and sought clarification on taking action.

*Commissioner Sue Crawford (NE) moved and Commissioner Suzanne Morris (IL) seconded the following motion:*

*In the event the State of North Dakota withdraws from the Compact effective June 30, 2019, Article II, Section 4 of the MHEC Bylaws will be waived for the limited purpose of allowing North Dakota resident students and North Dakota institutions of higher education to participate in the Midwest Student Exchange Program for the academic year July 1, 2019, through June 30, 2020. Effective July 1, 2020, this limited waiver of Article II, Section 4 of the MHEC Bylaws will cease. This limited waiver of Article II, Section 4 of the MHEC Bylaws will have no effect on the eligibility of North Dakota residents or North Dakota entities to participate in all other MHEC contracts, programs or services.*

*Roll call of the states was completed with 11 states as ayes, 0 noes, and one state: Michigan, not present.*

*2/3 of the compacting states voted aye. Motion carries.*

7. **Closing remarks.**

North Dakota commissioners expressed the appreciation of the Commission to extend this gesture of goodwill on behalf of MHEC, as it enters the legislative session with a commitment to work with the legislature to enact legislation to overturn the repeal.

8. **Adjournment**

Chair Flakoll (ND) thanked everyone and adjourned the meeting at 10:44 a.m.

## MEMORANDUM

To: North Dakota Commissioners  
 From: Larry Isaak, MHEC President  
 RE: North Dakota's Participation in MHEC  
 Date: June 22, 2018

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As you are all aware, in 2017 North Dakota enacted legislation withdrawing the State from participation in the Midwestern Higher Education Compact effective June 30, 2019. The result of this action is that North Dakota will no longer be a member of the Compact, unless the 2019 legislature enacts and the governor signs legislation to remain in the Compact. Thus, North Dakota will lose the benefit of participating in an organization that represents the needs of Midwestern higher education by generating solutions that address the unique challenges states in the region are facing.

North Dakota institutions and individuals participate in and/or benefit from MHEC's convenings, programs, research, and contracts and withdrawal from MHEC will have a direct impact on the benefits they receive from participation in MHEC. In advance of this withdrawal, MHEC needs to begin the communication process to ensure a smooth transition with the least disruption as possible, especially as it relates to North Dakota's participation in the Midwest Student Exchange Program.

Since North Dakota's participation in the Midwest Student Exchange Program (MSEP) will be the first service affected we are informing you of recommended actions that should to be taken at this time related to MSEP. MSEP provides prospective college students with options to attend an out-of-state institution at a reduced rate, and since students begin the college search process a year prior to enrollment, we are communicating with you now to ensure new students are not applying with the assumption that benefits will be available through North Dakota's membership in MHEC after July 1, 2019. All students currently enrolled under MSEP during the 2018-19 academic year must be "grandfathered in" and allowed to complete their studies through MSEP but any new applicants will not be eligible to receive the benefits.

Below you will find a summary of North Dakota's participation in MSEP along with next steps.

### **Midwest Student Exchange Program**

Established in 1994, the Midwest Student Exchange Program (MSEP) was one of the first collaborative activities undertaken through MHEC. MSEP is an agreement among voluntarily participating states and institutions in the MHEC region to offer reduced tuition rates to students in the states. Given projected state demographics and the need for an educated workforce, MSEP can be used as one of many strategies to help a state meet its workforce needs. Currently the states of Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin are participating. Once a state has determined it will join MSEP, the institutions in those states decide whether they want to voluntarily participate, and how they want to tailor their participation in MSEP to meet their needs. Variables institutions consider when determining their level of participation in MSEP include the

number of students the institution will accept under MSEP, and the degree programs and levels to which MSEP enrollment will apply.

Over 80 institutions across the 10 participating states are presently using MSEP to increase their student enrollment, increase program awareness, and target programs with available capacity. In 2016-17 six North Dakota institutions participated in MSEP bringing in 1,607 students from outside the state.

Here is the enrollment of students from other MHEC states attending NDUS institutions:

Midwest Student Exchange Program Migration into North Dakota 2016-17 Academic Year									
Institution	IL	I N	K S	M I	M N	M O	N E	WI	Total
Bismarck State College	2		1	1	18			3	25
Mayville State University	12	1	4	7	62	5	2	10	103
North Dakota State College of Science					46				46
North Dakota State University	51	13	22	15	328	22	18	159	628
University of North Dakota	120	25	25	57	297	45	28	195	792
Valley City State University	2	1				2	1	7	13
<b>Total</b>	<b>187</b>	<b>40</b>	<b>52</b>	<b>80</b>	<b>751</b>	<b>74</b>	<b>49</b>	<b>374</b>	<b>1,607</b>

Note: Students enrolled from MSEP participating states at NDUS institutions that charge non-resident students the resident tuition rate **are not counted** as MSEP enrollments since there is no financial benefit to these students. Thus, only enrollments through MSEP are counted at six NDUS institutions. This is different from WICHE which counts ND students using the Western Undergraduate Exchange program for students enrolled at ND institutions that charge non-resident students the same tuition rate as ND residents. Finally, North Dakota residents cannot access MSEP through WICHE.

In fiscal year 2016-17, 71 North Dakota resident students used MSEP to attend 19 different out of state institutions covering six different MHEC member states (Indiana, Kansas, Michigan, Missouri, Nebraska and Wisconsin). In all, those students and their families saved \$534,060 or an average of \$7,522 per student through the Midwest Student Exchange Program. Since North Dakota first started to participate in MSEP in fall 2001, North Dakota students and their families have saved \$4,024,676.

Institutions and students make enrollment decisions many months prior to the start of the academic year. Therefore, North Dakota's withdrawal from MHEC effective June 30, 2019, means that MHEC will have to notify North Dakota institutions at this time, that they will no longer be able to admit new students through MSEP for enrollment after June 30, 2019. Similarly, North Dakota resident students who wish to apply for the first time for MSEP rates in the other states will not be able to do so for enrollment after June 30, 2019. So, MHEC will have to begin notifying institutions in the other MSEP participating states and institutions that they will no longer be able to offer the MSEP tuition rate to

new North Dakota students. The MHEC office will be updating the MSEP website to indicate that new North Dakota students will no longer be eligible to apply as MSEP students and new students from other states wishing to attend North Dakota institutions will no longer be eligible to apply for the MSEP tuition rate.

We also wanted you to be aware of this impact now since I know that the NDUS institutions are currently developing their 2019-21 budget requests and North Dakota's withdrawal from the compact may impact their tuition revenue estimates for the next biennium.

Of course, we wish we did not have to write this letter at this time. North Dakota has been a strong participating member of MHEC. We sincerely hope that action will be taken so North Dakota remains a valuable member of the Compact along with its colleague Midwestern states.

We will reach out to you next week to set up a conference call to discuss this with you. In the meantime, please contact us with any questions.

July 2, 2018

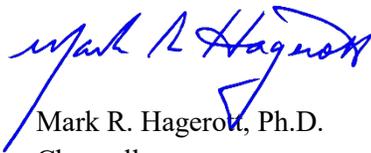
Mr. Larry Isaak  
President  
Midwestern Higher Education Compact  
105 Fifth Avenue South, Suite 450  
Minneapolis, MN 55401

Dear Mr Isaak:

The North Dakota State Board of Higher Education convened last week and unanimously approved a request from the North Dakota University System (NDUS) office to seek permission from the MHEC commissioners to extend the existing Midwest Student Exchange Program (MSEP) agreement for a period of one year. Due to legislative action in 2017, the existing MHEC/MSEP agreement is scheduled to expire on June 30, 2019. The additional year would permit college and university recruitment staff to honor the existing rates for the period of July 1, 1019 through June 30, 2020. The extension is particularly important to the NDUS as the state’s colleges and universities will soon be accepting applications from potential students for fall semester, 2019.

In the meantime, I am aware that the Governor, the ND State Board of Higher Education, and some members of the legislature wish to restore the statute to continue participation and the benefits of the MHEC membership in the upcoming legislative session.

Sincerely,



Mark R. Hagerott, Ph.D.  
Chancellor



Don Morton  
President, ND State Board of Higher Education

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## Executive Committee Conference Call September 6, 2018, 11:00 a.m. Central

### Commissioners Present

- IL** Commissioner Karen Hunter Anderson, Executive Director, Illinois Community College Board  
Commissioner Suzanne Morris, Board Member, Illinois Community College Board
- IN** Commissioner Wendy McNamara, Assistant Majority Whip, Indiana General Assembly  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana  
Commission for Higher Education  
Commissioner Alternate Teresa Lubbers, Commissioner, Indiana Commission for Higher Education
- IA** Commissioner Olivia Madison, Professor Emerita and Dean Emerita of Library Services, Iowa State  
University
- KS** Commissioner Marci Francisco, Senator, Kansas Legislature
- MI** Commissioner David Eisler, President, Ferris State University
- MN** Commissioner Karen Hanson, Executive Vice President and Provost, University of Minnesota-Twin Cities
- MO** Commissioner Mark Smith, Assoc. Vice Chancellor/Dir Career Planning and Placement, Washington  
University in St. Louis.
- NE** Commissioner Randolph Ferlic, Former Regent, University of Nebraska
- ND** Commissioner Tim Flakoll, Provost, Tri-College University  
Commissioner Mark Hagerott, Chancellor, North Dakota University System  
Commissioner Don Morton, Chair, State Board of Higher Education
- OH** Commissioner Stephanie Davidson, Vice Chancellor, Academic Affairs, Ohio Department of Higher  
Education  
Commissioner Mike Duffey, Representative, Ohio General Assembly
- SD** Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents
- WI** Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and  
Universities

### MHEC Staff

Sara Appel, Midwest Student Exchange Program Manager  
Jennifer Dahlquist, Senior Vice President  
Larry Isaak, President  
Mary Roberson, Senior Director of Communications and Marketing

1. **Call to Order.**

MHEC Chair Tim Flakoll called the meeting to order at 11:02 a.m.

2. **Roll Call of the States.**

Mary Roberson, MHEC senior director of communications and marketing, took the roll call of the states and asked each person to identify themselves. Chair Flakoll confirmed a quorum.

3. **Background Information**

Larry Isaak, MHEC president, summarized the August 3, 2018, memo. He noted that the participating MSEP institutions outside of Illinois are only able to accept Illinois students based on the level that Illinois institutions accept MSEP students. (e.g. 2-year vs. 4-year) See Addendum A.

4. **Comments from Illinois Commissioners.**

Commissioners Suzanne Morris and Karen Hunter Anderson emphasized the commitment by Illinois to pursue institutions to participate in MSEP.

5. **Motion**

*Commissioner Olivia Madison (IA) moved and Commissioner Randy Ferlic (NE) seconded to allow Illinois to continue participating in MSEP through June 30, 2019.*

*Roll call of the states was completed with 12 states as yeas and 0 nays.*

7. **Adjournment**

Chair Flakoll (ND) thanked everyone and adjourned the meeting at 11:16 a.m.



## MEMORANDUM

To: MSEP Council  
 From: Sara Appel, MSEP Manager  
 RE: Illinois' Participation in MSEP  
 Date: August 3, 2018

Since 1994, the Midwestern Higher Education Compact (MHEC) has been expanding access and providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. The Midwest Student Exchange Program (MSEP) offers reduced tuition rates to students in the states of Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin and serves as the Midwest's largest multi-state tuition reciprocity program. Over 100 campuses from the participating states have opened their doors to students at reduced rates. Benefits of the MSEP include but aren't limited to:

- Students and their families save significant money
- Individual campuses within a state can use the program as an enrollment management tool
- Institutions participating in the program get increased marketing exposure through the MSEP flyer and the MSEP website
- Educational opportunities are expanded for a state's resident

In early 2005, MHEC President Larry Isaak met with the Illinois Board of Higher Education's President's Council in Springfield to talk about MHEC and MSEP. President Isaak encouraged Illinois to participate in the MSEP for the above-mentioned reasons. Despite the many positives the MSEP could provide to Illinois, there were "mixed views" on MSEP and Illinois participation at that time, particularly as it related to increasing out-migration of Illinois students.

Despite these concerns, Illinois joined the MSEP on December 22, 2006 and the Illinois Board of Higher Education executed the State Participation Agreement. Even though Illinois had joined as a participating state, it did not become an active participant in the MSEP until an Illinois postsecondary education institution elected to accept MSEP students from the other participating states. Without a participating Illinois campus, Illinois residents could not take advantage of the MSEP. Students can only leverage MSEP at the degree level at which their home state accepts students.

On November 10, 2010 and April 5, 2011, Lewis and Clark Community College and then Grenville College submitted MSEP Institutional Participation Forms and joined MSEP. Not only did this provide opportunities for these campuses to recruit students from across the MSEP region but it also provided Illinois residents the ability to leverage MSEP in

the participating MSEP states. Since Illinois began participating, Illinois residents have saved \$40,102,941 during the 2016-17 academic year and since their joining a total of \$127,611,946.<sup>1</sup>

Unfortunately, Lewis and Clark Community College withdrew from the program during the 2016-17 academic year and Greenville College withdrew on May 16, 2018. Illinois does not have any participating postsecondary education institutions and as a result Illinois residents cannot leverage MSEP outside of Illinois and Illinois institutions no longer have the MSEP as an additional tool to recruit out-of-state students. Students already enrolled in MSEP at out-of-state institutions will be allowed to complete their degree programs at the MSEP rate if the institutions' MSEP processes and requirements are followed.

In order to address this challenge, the MHEC office has attempted to recruit additional Illinois participants and as yet has not been successful. At the same time MHEC has been approached by the Illinois Board of Higher Education to alter the definition of MSEP and its value proposition. The MHEC office initiated, prior to this Illinois situation, a process of conducting a full evaluation of the MSEP. Any recommendations for altering MSEP cannot be examined without conducting the full evaluation as planned, which is scheduled for completion in early 2019. This creates a disadvantage for Illinois residents as they presently cannot leverage MSEP as they explore opportunities out-of-state due to the lack of Illinois campus participation.

The Illinois Board of Higher Education has requested that MHEC "potentially grant the State of Illinois temporary permission to continue in the MSEP such that Illinois students newly applying to institutions of higher education this fall might have the benefit of the MSEP." This would give MHEC the time to complete the MSEP program evaluation process and work with the MSEP Council and the MHEC Commission to make any alterations to the program as well as potentially recruit additional Illinois institutions of higher education into MSEP.

The MSEP State Participation Agreement is a multi-party contract amongst the signing states to participate in MSEP. The contract spells out the terms and conditions of participation in the program. Any modifications to these terms require all parties to the contract to agree to such modifications. Similarly, all parties to the contract must approve any waiver of the MSEP State Participation Agreement terms. The first step in this process is to obtain approval and support from the MSEP Council to grant a waiver. If approved, the MSEP Council would then make a recommendation to the MHEC Executive Committee to grant Illinois a one-year waiver which would waive the requirement that residents can only use MSEP at the degree level at which their home state participates. Once the waiver has been granted MHEC will continue to proceed with the program evaluation and work with the MSEP Council and potentially the MHEC Commission on subsequent recommendations.

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<sup>1</sup> [https://www.mhec.org/sites/default/files/resources/201617MSEP\\_Enrollment\\_Data.pdf](https://www.mhec.org/sites/default/files/resources/201617MSEP_Enrollment_Data.pdf)

## Status of MHEC's Unrestricted Fund Balance

Unrestricted	Committee Approved Amount	Expended Amount	Prior Year's Adjustments	FY19 Adjustments	Balance as of 05/09/2019
Board Designated					
Board Designated - Risk Management	25,000.00	-	-	-	25,000.00
Board Designated - Operations Reserve	1,005,121.00	-	294,879.00	-	1,300,000.00
Board Designated - Opportunity Reserve					
Special Projects*					
State Authorization	25,000.00	(16,020.00)	-	(8,980.00)	-
Higher Education Redesign	50,000.00	(48,094.00)	-	(1,906.00)	-
Technology Consulting	25,000.00	(25,000.00)	-	-	-
Open Education Resources (OER)	110,000.00	-	-	(82,369.07)	27,630.93
State Educational Performance Indicators	60,886.00	-	-	(50,729.57)	10,156.43
Special Projects Total	<u>270,886.00</u>	<u>(89,114.00)</u>	<u>-</u>	<u>(143,984.64)</u>	<u>37,787.36</u>
Organizational Capacity					
Technology**	413,936.00	(372,976.00)	-	-	40,960.00
Branding	50,000.00	(50,000.00)	-	-	-
Former President's Deferred Compensation***	323,116.91	(323,116.91)	-	(323,116.91)	-
Presidential Search	110,000.00	(110,000.00)	(60,002.39)	(49,997.61)	-
Organizational Capacity Total	<u>897,052.91</u>	<u>(422,976.00)</u>	<u>(60,002.39)</u>	<u>(373,114.52)</u>	<u>40,960.00</u>
Board Designated - Opportunity Reserve Total	<u>1,167,938.91</u>	<u>(512,090.00)</u>	<u>(60,002.39)</u>	<u>(517,099.16)</u>	<u>40,960.00</u>
Board Designated - Capital Assets Reserve					
Future Lease Payments	450,000.00	(155,454.00)	-	-	294,546.00
Capital Investments	300,000.00	(262,709.00)	-	-	37,291.00
Board Designated - Capital Asset Reserve Total	<u>750,000.00</u>	<u>(418,163.00)</u>	<u>-</u>	<u>-</u>	<u>331,837.00</u>
Board Designated Total	<u>2,948,059.91</u>	<u>(930,253.00)</u>	<u>294,879.00</u>	<u>(661,083.80)</u>	<u>1,651,602.11</u>
Undesignated Total	953,475.00	-	(74,417.00)	(284,644.74)	594,413.26
<b>Total Unrestricted</b>	<u><u>3,901,534.91</u></u>	<u><u>(930,253.00)</u></u>	<u><u>220,462.00</u></u>	<u><u>(945,728.54)</u></u>	<u><u>2,246,015.37</u></u>

## FY19 Unrestricted Fund Balance

**\*\*\*Note** – The operations budget and the unrestricted fund balance are two different entities. The budget is strictly for MHEC’s annual operations revenue over expenses. The unrestricted fund balance is earmarked funds that have been set aside by the commission for special projects. The money in the unrestricted fund balance is sitting in MHEC’s “reserve” account. MHEC is currently short in the unrestricted fund balance to cover all board designated funds. **\*\*\***

### Board Designated

The Operations Reserve currently totals \$1.3M, which is approximately 4.2 months of operations for MHEC. If MHEC were to elevate this to a six (6) month reserve as originally recommended by the Executive Committee, an additional \$500,000 would need to be set aside and transitioned to bring this amount to \$1.8M. According to the National Council of Nonprofits the reserve goal amount for most nonprofits is between three (3) to six (6) months. It is up to the MHEC to identify and set a comfortable and acceptable level of months for cash reserves.

### Special Projects

- National Council for State Authorization Reciprocity Agreement (NC-SARA) had \$8,980 set aside year-over-year and it is now a self-sustaining program.
- The Higher Education Redesign project has been completed.
- On 10/16/18 pursuant to MHEC’s Unrestricted Fund Balance Policy, MHEC sought approval from the commission treasurer to remove the remaining funds from NC-SARA, Higher Education Redesign, and take an additional \$50,000 from Open Education Resources to fund a new special project: State Educational Performance Indicators Data System (SEPIDS) at a cost of \$60,886.
- MHEC will go over the set aside amount for SEPIDS by approximately \$3,500, which will come out of the research general operations budget.

### Organizational Capacity

- MHEC continues to carry over the \$40,960 year-over-year for technology.
- In the spirit of transparency, both former President Larry Isaak’s deferred compensation commitment and the presidential search budget have been added to the budget worksheet. President Isaak’s total payout was \$335,106.96 and the presidential search expenditure total estimated payout was \$139,102.43 (\$29,102.43 over the amount the commission had set aside). The funds to cover those amounts came from the Undesignated total or MHEC’s “reserves”.

**Midwestern Higher Education Compact  
Unrestricted Funds Budget FY20**

	FY20 Proposed Budget	FY19 Approved Budget
<b>REVENUES</b>		
<b>OTHER REVENUES</b>		
State Commitment Income	\$ 1,380,000.00	\$ 1,380,000.00
Interest Income	\$ 35,500.00	\$ 7,000.00
Conference Registration Income	\$ 500.00	\$ -
Other Income	\$ 100.00	\$ -
Sponsorships	\$ 32,000.00	\$ 29,000.00
<b>PROGRAM REVENUES</b>		
MHECare	\$ 180,000.00	\$ 180,000.00
Master Property Program	\$ 400,000.00	\$ 400,000.00
M-SARA	\$ 453,000.00	\$ 443,000.00
<b>CONTRACT REVENUES</b>		
MHECtech	\$ 862,475.00	\$ 900,000.00
<b>TOTAL REVENUES</b>	<b>\$ 3,343,575.00</b>	<b>\$ 3,339,000.00</b>
<b>EXPENSES</b>		
<b>Personnel</b>		
Salaries	\$ 1,668,447.15	\$ 1,641,064.45
Payroll Tax	\$ 145,411.18	\$ 141,952.07
Employee Benefits	\$ 504,994.36	\$ 492,216.29
<b>TOTAL PERSONNEL</b>	<b>\$ 2,318,852.69</b>	<b>\$ 2,275,232.81</b>
<b>Consultants</b>		
Staff Development	\$ 22,500.00	\$ 30,500.00
Consultant	\$ 142,510.50	\$ 166,465.00
Other Contractors	\$ -	\$ -
<b>TOTAL CONSULTANT SERVICES</b>	<b>\$ 165,010.50</b>	<b>\$ 196,965.00</b>
<b>Operations</b>		
Advertising	\$ -	\$ 2,450.00
Publications	\$ 432.00	\$ 450.00
Dues & Subscriptions	\$ 10,540.00	\$ 15,450.00
Shipping	\$ 3,075.00	\$ 3,150.00
Interest/Service Chargers & Fees	\$ 1,286.25	\$ 1,500.00
License	\$ 1,050.00	\$ -
Parking	\$ 3,285.00	\$ -
Rent/Leases	\$ 162,645.55	\$ 140,000.00
Conferences/Traninig (Meals & Entertainment)	\$ 181,027.32	\$ 161,500.00
Meeting Room Rental Fees	\$ 590.00	\$ 4,000.00
Postage	\$ 990.00	\$ 1,200.00
Printing & Duplicating	\$ 27,650.00	\$ 37,650.00
Professional Fees	\$ 46,097.50	\$ 45,950.00
Promotional & Award Items	\$ 1,610.00	\$ 10,350.00
Repairs & Maintenance	\$ 1,050.00	\$ 1,000.00
Office Supplies & Equipment	\$ 28,367.00	\$ 8,000.00
Phone/Fax/Internet	\$ 14,935.00	\$ 20,000.00
Travel & Lodging	\$ 377,352.75	\$ 394,902.18
Insurance	\$ 30,430.75	\$ 17,250.00
Miscellaneous	\$ 10,050.00	\$ 2,000.01
Depreciation	\$ (42,752.31)	\$ -
<b>TOTAL OPERATIONS</b>	<b>\$ 859,711.81</b>	<b>\$ 866,802.19</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,343,575.00</b>	<b>\$ 3,339,000.00</b>
<i>Surplus (Deficit)</i>	<i>\$ -</i>	<i>\$ -</i>

## FY20 Budget Highlights

### Revenues

- **Interest Income:** MHEC, as of FY18, has gone away from utilizing CDs as a means for investments and is now investing in an Insured Cash Sweeps (ICS) account. Instead of pulling interest ranging from 1- 3%, on \$100,000 numerous times, MHEC is now pulling a range of 2-5% interest on \$1.8M to \$2.1M. This has allowed MHEC in just 10 months to raise the budget number from roughly \$7,000 to \$35,500 (depending on the market, the number will fluctuate). Even though the amount is over the \$240,000 FDIC limits MHEC's ICS account is still 100% covered by the FDIC.
- **MHEC Technology Contracts:** MHEC technology contract usage has been on the rise. However, it has mostly been on the rise in the compacts outside of MHEC, which in turn drives up the amount of administrative fees MHEC pays to the other regional compacts. (MHEC shares a portion of the administration fees received with the compact where the sale took place). Over the past few years MHEC has underbudgeted the amount of these administrative fees owed to the other compacts causing a discrepancy in the budgeted revenue versus actual revenue MHEC receives from the technology contracts. For example, in FY18 MHEC budgeted \$100,000 in administrative fee payments to the other compacts; however, MHEC ended up paying closer to \$178,000. Some of that additional \$78,000 came from money MHEC had budgeted as revenue. The trends indicate that the administration fee payments to the other compacts will continue to rise.

### Expenses

- **Salaries:** There is a planned 2% increase in all employee salaries in the event that the president and the relevant supervisor approves a salary increase. Whereas, in past years a 2-3% salary increase was given without it necessarily being attached to an employee review.
- **Employee Benefits:** MHEC spoke with its benefits broker and it was recommended that MHEC budget a 15% increase for the coming year for medical insurance. Dental coverage is estimated to remain the same for FY20 and all the other benefits, accidental death and dismemberment, life insurance, are estimated at a 5% budget increase.
- **Staff Development:** There is \$1,500 set aside by MHEC for each employee to seek professional development. It has been underutilized in the past, but plans are underway to use the funds to enhance staff learning, understanding, and performance.
- **Consultants:** The dip in consultants' costs are the result of a successful implementation of an events management software. In FY19 MHEC implemented a new meetings and events software called EventsAir. As of FY20 the new system is implemented, dropping MHEC consultant fees by about 14%.
- **Rent/Leases:** Per MHEC's contract, every year the rent is scheduled to go up. Additionally, MHEC pays Common Area Maintenance (CAM) which is based on the percentage of space that is leased in the building. Currently, MHEC's CAM is more per month than MHEC's rent by \$1,000 in FY20.

## Miscellaneous Notes

- MHEC experienced a significant financial reduction with the exit of its former president. A deferred compensation payment and accrued vacation was paid out all at one time. It will take a few fiscal years to recoup those funds and get MHEC back to comfortable financial levels including a 6-month reserve, previously recommended by the commission and by nonprofit best practices standards.

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## **Business Continuity and Disaster Recovery Plan**

### **Purpose**

The Midwestern Higher Education Commission was established in 1991. Since that time there has been no comprehensive business continuity/disaster plan in place in the event of an emergency. The business continuity plan covers protection of personnel (employees), protection of property and records, the continuity of management, restoration of critical functions within a 24-48 hour period, and restoration of essential functions within a 72 period. It is important that MHEC employees know and understand the management succession in the event that an emergency occurs, and the president or other key leaders are not available. The plan was developed based on a government institution and the template was found on the internet. The plan is tailored to meet MHEC's needs by following government rules and regulations.

MHEC's business continuity plan breaks the employees into teams also known as an Emergency Response Management Team (ERMT). Within the ERMT there are responsibilities such as emergency coordinator, damage control, safety, etc. They all work together in getting MHEC back up and running in a timely manner.

The plan goes over the procedures of how to handle risks that could potentially affect the daily operations of MHEC and the MHEC staff. The plan covers everything from inclement weather to an active shooter on site. It also has procedures in how to get MHEC's IT up and running if the MHEC chief information officer is unavailable.

It is important MHEC have a plan in place for accountability and safety of all employees and so they are all aware of the processes in the event of an emergency.



**Business Continuity and  
Disaster Plan**

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## Introduction

The Senior Management of Midwestern Higher Education Compact (also hereinafter referred to as the Organization or MHEC) recognize the need to protect employees during an emergency and to have detailed recovery plans to provide for the continuity of operations of the Organization in an emergency or disaster situation. This document, the first of its kind for MHEC, has been developed to meet those needs and it will be used in the event of a disaster or emergency. Government resources were consulted, and best practices identified to help develop the plan.

This plan could be implemented as a result of many types of disasters, including natural disasters such as flood, fire or severe weather, technical disasters, such as equipment or power failures or human events, such as terrorism or vandalism. Since the number and type of emergencies that could occur is quite numerous, the plan is written to cover a major emergency or disaster and the plan will be adapted to the situation or disaster faced.

### *Purpose and Scope*

It is the intention of MHEC to continue service to its customers/member states/vendors in spite of any unplanned and extended interruption of primary business functions. The purpose of this document is to designate who will be responsible for making critical decisions during an emergency situation and to provide guidelines to be followed in an emergency. Plan assumptions are defined below.

- The plan seeks to minimize the financial exposure and vulnerability of the Organization.
- The level of recovery for any specific function is determined by the critical nature of the various business functions as well as the need to maintain public confidence and credibility.
- The plan will be amended as changes in the business environment occur.
- The plan will be reviewed by management, internal and external auditors and regulatory examiners as requested.

### *Plan Objectives*

The major objectives of this plan are listed below.

1. Protection of personnel
2. Protection of property and records
3. Continuity of management
4. Restoration of critical function within 24 – 48 hours

5. Restoration of essential functions within 72 hours
6. Eventual resumption of normal operations including all non-essential functions

## Management Succession

In an emergency situation following a major calamity, procedures may be needed to ensure that the Organization's available remaining senior management and board officers have the authority to direct immediate recovery operations to speed the resumption of vital operations. The following specific measures are to be implemented to maintain continuity of leadership.

### Executive Succession

In the event of an emergency, the senior management and employees of the Organization will continue to conduct the affairs of the Organization under such guidance from the President and Board Chair as may be available subject to conformance with any governmental directives during the emergency.

Senior management shall have the power, in the absence or disability of any officer, or upon refusal of any officer to act, to delegate and prescribe such officer's powers and duties to any other officer or director.

If the President cannot be located or is unable to assume or continue normal executive duties, then the authority and duties of the President shall, without further action of senior management, be automatically assumed by one of the following persons in the order designated.

- Senior Vice President and General Council
- Senior Vice President
- Chief Financial Officer
- Chief Information Officer

In any emergency, all officers and employees should proceed to the Organization or to the relocation site as appropriate. As soon as possible, the person whose name appears highest on the succession list will become the Organization's acting President until the arrival of someone higher on the succession list. At all times, the available person whose name is highest on the succession list will be the Organization's acting President. In the event that none of the leaders listed above are available the Director of Finance and Administration will take the senior leadership role. Once leadership is established immediately contact the executive chair/committee to inform him/her of the situation.

### Administrative and Other Personnel Succession

The administrative and personnel succession shall follow a similar plan where succession for each department will flow from the Department Manager to the next highest-level employee in the department in the event the Department Manager is unable to assume or continue normal duties.

## **Emergency Team Assignments and Responsibilities Emergency Response Management Team (ERMT)**

Senior Management of the Organization has delegated the responsibility and authority for the institution, operation, monitoring and revision of the plan to the Emergency Response Management Team (ERMT or the “Team”), also known as the Disaster Team. The Team members are listed in **Appendix A**. Senior Management is committed to providing the Team sufficient support and resources to carry out the responsibilities and duties set forth in this plan.

The Team is also responsible to assess the nature of damage sustained in the event of a disaster situation and to implement the plan. Each member of MHEC will maintain a copy of the plan to ensure easy and quick access in the event of a disaster situation. In addition, each member will be responsible for informing the other members of the Team regarding any plans for extended absences (three days or more) from the immediate area. If an extended absence is anticipated, members must be informed of the absent member’s itinerary.

The basic responsibilities of the Team are as follows.

1. Develop, oversee and monitor the Organization's plan.
2. Define the critical and essential functions of the Organization and determine in what order the functions will be restored.
3. Analyze the Organization's exposure to the various types of threats and vulnerabilities and establish emergency procedures to follow.
4. Establish a chain of command for notifying people in the event of a disaster.
5. Develop communication procedures to adequately inform and direct all levels of management and other personnel during emergency situations.
6. Develop procedures to take care of customers/vendors during an emergency.
7. Evaluate the adequacy of critical technology service providers’ contingency plans.

8. Ensure that backup sites are supplied with appropriate materials.
9. Authorize special assignments as needed.
10. Approve expenditures relating to the plan.
11. Evaluate the Organization's insurance coverage to ensure that it is up-to-date and adequate for current needs.
12. Adequately train personnel in disaster preparedness and evacuation procedures.
13. Ensure that the plan is tested at least annually.
14. Meet at least annually to review and update the Plan.
15. Periodically report findings/recommendations to the Executive Committee for its review.

### ***ERMT Areas of Responsibility***

The first person to recognize the disaster will contact the appropriate Emergency Agency Contact List (a listing is provided in **Appendix B**) and the Team Leader and other Team members. Once notified, Team members will gather at the location of the disaster or alternate location if necessary and will begin to carry out responsibilities defined below.

#### *Emergency Coordinator*

- Manage and direct the recovery effort, coordinate teams, monitor recovery schedule, and serve as contact person for recovery services.
- Coordinate financial resources necessary to respond to the disaster and authorize expenditures.
- Works with Public Relations for all media communication (if applicable).

In addition to the broad responsibilities of the designated Team leaders, individual Team members will carry out responsibilities defined below according to their area of assignment as shown in **Appendix A**. Each Team member may appoint individuals to serve as members of a specific recovery team as needed. If a recovery area leader appoints a team, he or she is responsible for notifying the ERMT of the employees that make up the appointed team.

#### *Damage Assessment*

- Evaluate the initial status of the damaged area and estimates both the time to reoccupy the facility and the salvage value of the remaining equipment.
- Oversee the salvage of equipment and data; identifying which resources remains.
- Determine the future utilization of salvaged items in rebuilding and recovery from the disaster.
- Coordinate clean up at the disaster site.

### Safety

- Ensure that first aid is available at the emergency site.
- Ensure that all employees are accounted for.
- Notify employees' families of emergency situation.
- Handle all personnel and injury issues.

### Security

- Protect the assets and records of the Organization by
  - Locking all doors as needed
  - Gathering all purses and valuable items that may have been left behind
  - Distributing valuables to owners or placing in a secure location
- Contact security guard if needed.

### Communications

- Initiate calling tree for contacting employees (see **Appendix C** – Employee Contact List).
- Notify the insurance company (see **Appendix D** – Summary of Insurance).
- Notify regulatory authorities.
- The executive officers will be notified once the situation is under control.

### Facilities and Supplies

- Coordinate with vendors on the replacement of equipment and supplies (see **Appendix E** – Offsite Storage and Disaster Supplies).
- Locate a temporary working facility, if necessary.

### Information Technology Recovery

- Implement all detailed recovery procedures for information technology functions.

### ***Information Technology Recovery Team***

Members of the ERMT have been assigned responsibilities for specific areas. In addition to the ERMT, an Information Technology Recovery Team has also been established to deal specifically with recovery of technology systems and operations of the Organization. Members of this team are also listed in **Appendix A**. This Team shall be directly responsible for the actual restoration of business functions by implementing defined recovery procedures of the plan.

### ***Functional Area Response Members (FARM)***

Employees from every area of the Organization have also been designated as Functional Area Response Members (FARM) in **Appendix A**. These individuals have the basic responsibilities defined below.

1. Establish detailed recovery procedures to be followed in an emergency or disaster situation.
2. Assure that their remote locations are implementing departmental or remote location backup procedures and storing backup media properly.
3. Restore communications within their respective remote location.
4. Assure that there is ongoing training for new personnel.
5. Account for each employee in their area in the event of an emergency.

FARM members will coordinate with ERMT to assure that procedures have been established for the remote location to be able to function after an emergency or disaster.

Under the overall direction of the Emergency Response Management Team, support is provided to assist an area's recovery by Functional Area Response Members. These teams work in conjunction with the Emergency Response Management Team. They work to restore services and provide assistance at the operation level to the area affected by the problem condition and to restore services.

### **Risk Assessment and Business Impact Analysis**

In addressing contingency planning, Senior Management is aware of the potential risks that may arise. Disruption to operations can impact the Organization for both the short term

and long term. There are various types of risks and many scenarios that could put the Organization at risk. A detailed analysis follows defining the risk areas and an analysis of possible scenarios with probabilities and impact levels assigned.

## *Types of Risk*

Appropriate planning is done to minimize the following risks. Any combination of these risks is present when an emergency occurs, disrupting normal operations of the Organization.

### *Compliance risk*

In an emergency, it is important for the Organization to maintain legal compliance with various appropriate regulations as well as compliance with the organization's data processing emergency and disaster recovery preparedness policies. The plan will take into account compliance and regulatory issues in the development of all recovery procedures.

### *Transaction or operational risk*

Transaction or operational risk can impact earnings or capital due to problems with service or product delivery resulting from an emergency situation. Transaction or operational risk occurs in the delivery of all products and services, and it may be addressed through consideration of all aspects, including data input, data processing, data output, Internet based services, and network services. People, equipment, systems, data files, and other significant elements of the Organization's processing ensure the restoration of processing and service within a short timeframe and are critical to customers of the organization and the viability of the Organization.

### *Strategic risk*

Strategic risk management involves addressing the potential adverse business impact to the organization, both internally and externally, that may occur if the Organization is unable to restore network, data processing operations, and related functions within an acceptable time frame. If the strategic risks related to data processing disaster recovery are not understood, addressed, and managed in terms of preparedness, the Organization may not be able to address the risks and related solutions in the short term, resulting in economic and market losses.

### *Reputation risk*

Developing and retaining marketplace confidence in handling customers' transactions in

an appropriate manner, within an acceptable time frame, as well as meeting the emerging needs of the customer base and community, for example, after a disaster, are important in protecting the safety and soundness of the Organization.

### *Scenarios and Probability*

The Organization faces a number of emergency situations that could interrupt business. The Organization could experience an interruption as a result of natural causes, unnatural causes or technological causes as summarized below.

<b>Scenario</b>	<b>Probability</b>	<b>Potential Impact</b>
<b>Natural Causes</b>		
Fire	Medium	High
Flood	Low	High
Blizzard/Server Cold Weather	High	High
Tornado	Medium	High
Earthquake	Very Low	Medium
Other severe weather	Medium	Medium
Air contaminants or hazardous spills	Low	Low
<b>Human Threats &amp; Malicious Activity</b>		
Civil strife	Very Low	Low
Virus	Medium	Medium to High
Network security attack	Medium	Medium
Fraud, theft or blackmail	Low	Medium
Arson	Low	High
Vandalism	Low	Medium
Terrorism	Very Low	High
Bombing/Active Shooter	Very Low	High
<b>Technical Threats</b>		
Hardware or software failure	High	High
Communications failure	Medium	High
Power failure	High	Medium

Emergency procedures for the high-rated natural causes, human threats and malicious activity are included in the Emergency Procedures section of the plan.

Procedures for recovery of complete business functions are included in the Functional Area Recovery Procedures section of the plan. Procedures for recovery from all technical threats are detailed in the Information Technology Recovery Procedures of the plan. Procedures for recovery of remote location locations are included in the Remote Location Recovery Procedures section of the plan.

Some scenarios that are not rated to have a high impact or high probability may actually result in the need to follow either emergency procedures, such as a building evacuation, or recovery procedures, such as restoring an electronic system. Defined procedures for high probability/impact scenarios will be followed as appropriate should another scenario not specifically addressed occur.

### *Assessment of Functions*

Every Organization function and department has been considered and evaluated as to the downtime allowable and recovery time objectives. Functions have been categorized according to the disruption that would be caused if the function were not available and have been classified using the following categories.

**Critical** - the loss of the function would seriously jeopardize operations after one day disruption of service

**Essential** - the loss of the function would seriously jeopardize operations after a one-week disruption of service

**Non-Essential**- the performance of the function is convenient and necessary to customers and the Organization, but the lack of such function does not seriously detract from operating capabilities

### *Critical Functions*

The following areas have been identified as those critical to the overall operation of the institution and contingency or recovery plans must be maintained for these areas.

- Core business processing – Communications via Cell, Land Line or E-mail
- Data Center (or server room) – What systems are in your DC (including WAN connectivity)
- Human Resources – Payroll
- Internet Services including External Website
- All MHEC's data except for Quickbooks is stored in the cloud.

### *Essential Functions*

The following areas have been identified as those essential to the operation of the institution and recovery plans may be maintained for these areas.

- Remote Location Communications (Phones & External Telecommunications)
- Primary Email (Use alternative if available)
- Operations, Administration and Accounting - Accounts Payable/Receivable
- Network – User data folders and other applications ( Network Drives)
- Printing
- Facilities

### ***Non-Essential Functions***

- Company Operations, Other accounting functions not listed above, Regulatory Reporting
- Investments and Asset Liability Management
- Human Resources - All functions other than payroll
- Demo and Test Virtual Machines
- Customer Access to Virtual Services – White Papers and Tutorials

### ***Recovery Priorities***

Efforts will be devoted restoring Critical functions first. Once Critical functions have been restored, efforts will be devoted to re-establishing Essential functions. After all Critical and Essential functions have been restored, attention will be given to restoring Non-Essential functions and services.

Critical functions will be restored for the most part in the order the functions have been listed however recovery efforts will more than likely be simultaneous for all Critical functions.

### **Classification of Disasters**

The impact of a disaster will be assessed by the ERMT and classified as follows.

- Level 1 - No interruption in operations.
- Level 2 - Some facility and computer equipment damages observed, but operations can be resumed within 8 hours.
- Level 3 - Moderate damage to the facility and/or the computer equipment is observed, but operations can be resumed within 8 to 48 hours.

- Level 4 - Major facility and computer equipment damage is observed with interruption in operations for over 48 hours. All personnel and functions must be moved to the Designated Alternate Site.

Recovery procedures have been developed considering the seriousness of a disaster and the levels described above. Most functions have recovery procedures that will be used in all Level 1, 2 or 3 disasters and then additional procedures to be used for a Level 4 disaster. For example, manual processing will be used for most emergencies lasting up to 48 hours (Levels 1, 2 and 3) before processing is actually moved to the offsite location due to a Level 4 disaster.

## **Declaring a Disaster**

Once an emergency or disaster has occurred, the Alternate Emergency Coordinator, the ERMT member assigned with Damage Assessment responsibility, will assess the damage in order to determine the level of the disaster. A disaster will be declared only if the damage is determined to be major, sufficiently warranting a Level 4 status. The ERMT Team Leader, Emergency Coordinator and Alternate Emergency Coordinator will meet after the initial damage assessment to collaborate on such a decision. At that point a disaster will be declared, emergency and recovery procedures will be implemented, and Organization functions will move to the alternate location defined below. Two of these individuals (Team Leader, Emergency Coordinator or Alternate Emergency Coordinator) may also declare a disaster if all three are not available to discuss the situation.

## **Alternate Locations**

If main office is temporarily or permanently unable to continue operations, the first location listed below will become the acting head office of the Organization. If the first location is not available, the second location listed will become the acting head office of the Organization.

- Primary Office: PoPP Communications Disaster Recovery Center  
620 Mendelssohn Ave. N. Ste 111, Minneapolis, MN 55427
- Secondary Office: Working from Home

## **Records Protection**

The Organization has implemented a number of systems and procedures to protect the records of the Organization. Both electronic and paper records must be protected. The

Organization should be able to reconstruct its position and account relationship with customers/vendors following an emergency. A copy of all data files and software is retained along with photocopies, microfilm or cloud technology containing other Organization records, such as notes and collateral. The organization keeps its records locked in the server room. The physical records are not stored in any other locations at this time (see **Appendix E**).

## **Insurance**

The Senior Management must review the insurance coverage for the Organization on an annual basis. The Organization believes that it has sufficient insurance coverage to guard against loss from risks that cannot be completely prevented. In reaching this conclusion, the Organization assessed the possible hazards and the potential dollars at risk versus the costs of insuring.

In the event of a disaster that requires insurance claims to be submitted, such claims are to be filed immediately. All proceeds from the payment of the insurance claims will be utilized to replace or restore damaged structures and equipment at the first possible occasion. A list of the Organization's insurance carriers and the coverage provided can be found in **Appendix D**. A list of our Inventory of Systems is included in **Appendix F** and a Summary of Telecommunications Circuits is found in **Appendix G**.

## **Employee Training**

Testing of the plan is an essential element of preparedness. All Organization employees will be trained in emergency procedures annually. In addition, employees that have roles defined in the plan will be trained to carry out their individual responsibilities defined in the plan. All employees at the Minneapolis office will be CPR certified by the American Red Cross.

## **Plan Maintenance**

The plan will be reviewed during the budget process annually by the Chief Financial Officer to determine if revisions are needed. New services, changes in location, and changes in vendors will be considered during the review. Changes will be made and the revised plan along with a summary of all testing will be presented to senior management. Each time revisions are made; updated copies will be distributed to all team members and an updated copy will be taken offsite.

## **Board Approval**

MHEC will then seek approval from the Executive Officers if and when any changes are made to the current plan. Once approved the revision date will be placed at the bottom of the cover page.

## **Emergency Procedures**

### ***General Overview***

Upon information being received of any of the following natural disasters, the ERMT working with the Emergency Coordinator will review the situation and declare the recommended plan for the situation. If the timeline of the disaster is sufficient to allow staff to return safely to their homes, employees may be asked to continue working until close of business, which allows for time to make last minute preparation before shutdown of the institution. However, if an immediate situation arises, the Emergency Coordinator will declare specific actions. In the case of an unexpected or short-term emergency employees will work from home until a plan is put in place for further working arrangements.

### ***Emergency Evacuation Procedures***

There may be instances because of fire, bomb threats, etc. when it will be necessary to evacuate the building as rapidly as possible. When an employee becomes aware of an emergency, he/she must immediately notify his/her supervisor or a senior member of staff at the branch location if his/her supervisor is not at that location. That person in turn will notify Senior Management and Civil Authorities.

Managers are responsible for supervising the evacuation of their respective areas. Personnel are reminded that personal safety is of first and foremost importance in these emergency evacuation procedures. Steps that cannot be safely completed should be ignored.

1. Escort all customers out of the office immediately. Office exits will then be secured, and no one shall be permitted to enter the office. Secure doors when notified by the Senior Officer to do so.
2. All employees should secure their work area and then proceed through the front door. If the front door is not accessible, then, you should proceed through an alternate exit if available.

3. Supervisors should attempt to secure all valuable records in a cabinet or locked desk.
4. Employees should shut down or lock workstations before exiting the building if time permits.
5. The IT Department should follow the Emergency Shut Down Procedures described in the next section.
6. All staff should proceed with customers to disaster-designated meeting places outside the building. Each branch office has a different meeting location outside the building, please see your local office emergency procedures.
7. DO NOT USE ELEVATORS. Evacuate the premises using the stairwells.
8. Do a quick visual inventory before leaving to see if any staff or customers are still on site. DO NOT TRY TO RESCUE THEM, proceed outside and immediately advise a member of Management of anyone left inside. It is important to be specific if someone is missing, providing the location and last time that person was sighted. If the person's name is known or some description is possible, please try to remember as you leave the premises. Department Heads must verify that all personnel are accounted for.
9. Do not reenter the building until instructed to do so.

If the building is not vacated, staff should remain calm and stay within their work areas until further instruction is provided. The ERMT should immediately proceed to a conference room to discuss the disaster, implement the plan, and initiate individually assigned responsibilities.

If after hours, the individual contacted will initiate the calling tree to ensure that all members have been notified. Depending on the type of disaster, the ERMT will either proceed to the Organization to assess damage or initially meet at a designated nearby location.

### ***Emergency Shut Down Procedures***

The following procedures are to be followed in an emergency. A copy of these procedures is posted on the door the computer room and all IT personnel have been instructed to

follow these procedures.

In case of an emergency contact the Chief Information Officer to shut down or to be walked through an emergency shut down of MHEC's server. In the case that the CIO is unavailable contact A Couple of Guru's at 612-454-4878. They are located at 901 N 3<sup>rd</sup> St. Ste 310, Minneapolis, MN 55401.

### ***Recovery and Restart Procedures***

The following procedures are to be followed after an emergency to restore systems. A copy of these procedures is posted on the door to the computer room and all IT personnel have been instructed to follow these procedures.

The CIO will turn on the server and contact A Couple to Guru's to ensure that all data is backed up to MHEC's server. If the CIO is unavailable contact A Couple of Guru's to walk through the reboot of the server and have them back up the server.

### ***Medical Emergencies***

During a medical emergency, employees should use the following guidelines.

1. **Remain Calm** and immediately call for an ambulance.
2. To insure adequate breathing, open and maintain the victim's airway by gently tilting head back. If victim is NOT breathing, immediately begin mouth-to-mouth resuscitation.
3. Check and periodically recheck the victim's carotid pulse in the neck, using two fingers. If pulse is not present, immediately begin CPR.
4. Stop all obvious bleeding by applying direct pressure over the wound with your hand. If available, use a clean cloth or bandage.
5. Do not move victim unless a hazard is present. Keep the victim in a quiet, comfortable position.

6. Loosen all tight clothing.
7. Keep victim warm - do not induce sweating.
8. Give no fluids - except very small sips of water, only if requested by the victim.
9. Elevate victim's legs slightly, unless an injury is present on the chest or head.
10. Comfort and reassure the victim constantly.
11. For all on-the-job injuries, notify your supervisor as soon as possible.

### ***Loss of Electrical Power***

A loss of electrical power can prove to be a serious situation for all institutions. Not only does it pose a security threat and loss of communication, but also physical threat with the loss of air or heat.

As soon as a power failure has occurred, a member of the ERMT will contact or designate an employee to contact the power company to report the outage and determine if there is an expected time for restoration of power. Based upon the information obtained, a decision will be made as to the next steps to be taken.

In cases of extended loss of power, the ERMT may declare an emergency and the premises vacated. If the building is to be vacated, employees should follow the basic emergency evacuation procedures described above. A sign stating that the Organization has been closed will be posted. The local police will be contacted to alert them of the power failure and the evacuation of the building.

Systems that are on UPS battery backup should be monitored. If the outage is over 30 minutes, plans should be made to shut down servers according to the procedures described above.

### ***Fire***

In the event of a fire that IS NOT AN IMMEDIATE DANGER, the following steps should

be taken:

1. Notify Management immediately.
2. Set off the nearest fire alarm to alert others.
3. If the fire has not advanced too far, attempt to control it with a fire extinguisher.
4. If the fire is in the computer room and the IT manager is not present at the time of the emergency, immediately notify him if possible.
5. If the fire is located in the computer room and equipment is not in immediate danger and accessible. Shut down equipment according to the procedure listed above.
6. Exit the building, closing doors and windows behind you when leaving your work area.
7. When exiting the facility, check all closed doors for extreme heat before opening any doors. Lightly touch the door to feel for extreme heat. If the door is not extremely hot, cautiously open the door, and when deemed safe, enter the corridor and close the door behind you. If the door is extremely hot, DO NOT OPEN THE DOOR, but retreat as far away from the door and adjoining wall as possible and signal for help from a window.
8. Notify the fire department.

If the fire is determined to be an immediate threat to personal safety, personnel are instructed to implement the evacuation procedures in this policy, closing all doors to the fire area, and notifying the fire department when they are safely away from the area.

### *Flood or Water Leakage*

The following procedures should be followed in the event of a flood or water leakage.

1. Notify Management immediately.

2. Shut down all electrical equipment, by turning off the appropriate circuit breakers after a normal shutdown. The degree of 'normal' shutdown will depend upon judgment and under no circumstances should an employee be subjected to any greater danger than necessary.
3. Cover equipment with protective plastic sheets, if available.
4. Move all data stored on removable media to a safe place.
5. Move critical workstations and servers to a safe place if time permits. At a minimum, any workstations located on the floor should be moved from the floor to the desk.
6. Depending upon the severity and location of the flood, a member of the EMRT, the Department Head or Remote Location Manager will contact the appropriate persons to stop water entry if possible and/or to remove water.
7. Judgment is to be used to determine the severity of the situation, which will dictate further actions to be taken.

### ***Natural Phenomena***

In case of a natural disaster such as a tornado or flood, the Organization will allow employees to return home within a reasonable time to secure themselves and their families. Employees are to make every effort as soon as possible to notify Management of the Organization if he/she is a victim of such a disaster.

### ***Tornado Procedures***

In the case of a tornado all employees, customers, and vendors will evacuate the office immediately but in a safe organized manner. The following is the MHEC's tornado procedure evacuation procedure.

1. Escort all employees, customers, vendors, and commissioners out of the office to the nearest stairwells. During a tornado the elevators are not to be used. The ERMT will ensure that all employees are out of the office and there are is no one in the 4<sup>th</sup> floor restrooms.

2. Employees should attempt to shut down their work stations prior to evacuating the office.
3. IT should (time permitting) conduct emergency shut down procedures
4. The ERMT will ensure that the office is secure before making his/her way to the stairwell.
5. All employees, customers, vendors, and commissioners will make their way to the designed tornado meeting area, parking 2 (P2) where they will re-group and the ERMT will then get a head count to ensure that everyone is accounted for in the event of a tornado.
6. Once the tornado has passed the ERMT and the safety coordinator will assess the damages and relay all communication back to the most senior individual in the meeting area.
7. All other employees WILL NOT re-enter the building until instructed to do so.

### ***Terrorism, Bomb Threats, and Active Shooter***

If an employee suspects that a bombing device is present, extreme caution must be exercised and the following steps should be considered.

1. Notify Management to immediately call 911.
2. The Department Supervisor should contact the most senior member of the ERMT.
3. Determine the answer to the following questions:
  - a. Is this an isolated circumstance?
  - b. Is the threat specific?
  - c. Is time imminent?
  - d. Is the threat plausible?
  - e. Is the caller convincing?
  - f. Is the danger avoidable?

4. The ERMT is responsible for inspecting the premises to locate unidentifiable or unexplained objects or packages only under the direction of emergency workers. Consider such items as briefcases, luggage, shopping bags, purses, and wrapped packages. Be as thorough as possible, time permitting. In general, any place with public access such as restrooms, conference rooms, and unlocked storage rooms, public lobbies, trashcans, elevators, or stairwells, etc. should be inspected.
5. Use extreme CAUTION and do not touch or attempt to move a suspicious object.
6. Take appropriate action to protect employee and customer property.
7. Explain the situation to other employees in an effort to avoid panic and prepare for orderly response.
8. Evaluate the possibility of evacuating.

### ***Active Shooter***

If there is an active shooter on site, extreme caution must be exercised, and the following steps should be considered.

#### **Responding to an Active Shooter:**

1. Evacuate  
If there is an accessible escape path, attempt to evacuate the premises. Be sure to:
  - a. Have an escape route and plan in mind
  - b. Evacuate regardless of whether others agree to follow
  - c. Leave your belongings behind
  - d. Help other escape, if possible
  - e. Prevent individuals from entering an area where the active shooter may be
  - f. Keep your hands visible
  - g. Follow the instructions of any police officers
  - h. Do not attempt to move wounded people
  - i. Call 911 when you are safe
2. Hide out  
If evacuation is not possible, find a place to hide out where the active shooter is less likely to find you:

Your hiding place should:

- a. Be out of the active shooters view
- b. Provide protection if shots are fired in your direction (i.e. an office with a closed and locked door).
- c. Not trap you or restrict options for movement

To prevent an active shooter from entering your hiding place:

- d. Lock the door
- e. Blockade the door with heavy furniture

If the active shooter is nearby:

- a. Lock the door
- b. Silence your cell phone and/or pager
- c. Turn off any source of noise (i.e. radios, television)
- d. Hide behind large items (i.e. cabinets, desks)
- e. Remain quiet

If evacuation and hiding out are not possible:

- a. Remain calm
- b. Dial 911, if possible, to alert police to the active shooters location
- c. If you cannot speak, leave the line open and allow the dispatcher to listen

3. Take action against the active shooter

As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the active shooter by:

- a. Acting as aggressively as possible against him/her
- b. Throwing items and improvising weapons
- c. Yelling
- d. Committing to your actions

**Responding when Law Enforcement Arrives:**

Law enforcement's purpose is to stop the active shooter as soon as possible. Officers will proceed directly to the area in which the last shots were heard.

- a. Officers usually in teams of four (4)
- b. Officers may wear regular patrol uniforms or external bulletproof vests, Kevlar helmets, and other tactical equipment
- c. Officers may be armed with rifles, shotguns, handguns
- d. Officers may shout commands, and may push individuals to the ground for their safety

How to react when law enforcement arrives:

- a. Remain calm and follow officers instructions
- b. Put down any items in your hands (i.e. bags, jackets)
- c. Immediately raise hands and spread fingers
- d. Keep hands visible at all times
- e. Avoid making quick movements towards officers such as holding on to them for safety
- f. Avoid pointing, screaming and/or yelling
- g. Do not stop to ask officers for help or directions when evacuating, just proceed in the direction from which officers are entering the premises

Information to provide the Officers or 911 operator:

- a. Location of active shooter
- b. Number of shooters, if more than one
- c. Physical description of shooter(s)
- d. Number and type of weapons held by the shooter(s)
- e. Number of potential victims at the location

Preparing for an active shooter:

- a. Ensure that the facility has at least two evacuation routes
- b. Post evacuation routes in conspicuous locations throughout the facility
- c. Include local law enforcement and first responders during training exercises
- d. Encourage law enforcement, emergency response, SWAT teams, K-9 teams, and bomb squads to train for an active shooter scenario at the location

Prevention:

- Foster a respectful work environment
- Be aware of indication of workplace violence and take remedial actions accordingly

## **Summary of Basic Disaster Plans**

The organization has the ability to work from remote areas via FortiClient on all company computers and a server at the main office location. However, if something were to happen to the main office the organization would have to rely on the organizations technology vendor A Couple of Guru's to back-up our server to a new server via the back-up from the cloud to get the organization up and running in a timely manner. If recovery can't be expected within two (2) days, processing will be moved to an offsite recovery center or a new location.

## Functional Area of Recovery

Below are the functional areas of MHEC, that are critical to the organizations daily operations.

- Administration/HR
- Finance/Accounting
- IT/Cloud Services
- Marketing/Meetings & Events
- Contracts/Technology
- Program

MHEC is a service-based organization that has the ability to have mobile workstations allowing its employees to ability to work from home in an emergency situation. All functional areas of MHEC play a critical role in ensuring MHEC success, so it is imperative that all employees are able to get online in the shortest amount of time as possible

## Information Technology (IT) Recovery Procedures

Detailed procedures for the actual recovery of business functions, applications and systems are defined in the following pages. These procedures will be followed for all to recover IT systems. The IT Recovery Team will be responsible for implementing the recovery procedures. Some procedures rely upon recovery of other systems and will be referenced accordingly.

- Core Business System
- Network File Server/User Data
- Telecommunications
- Email

The organization has a third-party IT company (A Couple of Guru's) that manages the back system and company servers. In the event that MHEC would have to recover any of the systems employees are instructed to contact the Chief Information Officer and/or contact A Couple of Guru's to get our systems back online from a remote location.

## Appendix A - Emergency Teams

The Emergency Response Management Team (ERMT) shall be composed of the following individuals.

<b>Name</b>	<b>Title</b>	<b>Position</b>	<b>Recovery Area of Responsibility</b>
Susan Heegaard	President	Team Leader	Public Information
Daniel Moser	Chief Financial Officer	Emergency Coordinator	Communications
Kristin Coffman	Director of Finance & Administration	Team Member	Safety
Katie Chock	Meeting and Events Manager	Team Member	Facilities and Supplies

The Information Technology Recovery Team (ITRT) will be composed of the following individuals.

<b>Name</b>	<b>Title</b>	<b>Position</b>	<b>Primary Responsibility</b>
Ken Ries	Chief Information Officer	IT Recovery Coordinator	Network infrastructure/ Core Systems
Ben Millard	Data and Analytics Officer	Operations Recovery Coordinator	Network servers/ Workstations

The following individuals are Functional Area Recovery Members (FARM) of the Disaster Team

<b>Name</b>	<b>Functional Area of Responsibility</b>
Kristin Coffman	Administration/HR
Daniel Moser	Finance/Accounting
Ken Ries	IT/Cloud Servers
Mary Roberson	Communications/Meeting & Events
Rob Trembath	Contracts/Technology
Jennifer Dahlquist	Programs

## Appendix B - Emergency Contact List

<b>Contact</b>	<b>Contact Information</b>
Local Police Department	911
Local Fire Department	911
Ambulance Service	911
Hospital (HCMC)	612-873-3000
Telephone Company (PoPP)	763-797-7900
IT Company (A Couple of Guru's)	612-454-4878
Building Manager (Michael Cooper)	952-897-7859
Building Security	952-897-7859
FEMA Regional Office	312-408-5500
Insurance Agent	1-517-323-1200

## Appendix C - Employee Contact List

Contact information for all Organization employees is documented below. Each Department and/or Remote Location Manager will be responsible for notifying all employees within their Department or Remote Location of the emergency situation.

Employee Name	Home Phone Number	Cell Number
Ken Sauer	N/A	317-232-1090
Olivia Madison	N/A	515-294-0420
Dave Eisler	N/A	231-591-2500
Susan Heegaard	651-699-8612	651-324-0174
Rob Trembath	952-996-0050	612-296-5126
Jennifer Dahlquist	N/A	612-803-0262
Daniel Moser	N/A	949-482-5001
Ken Ries	N/A	651-308-1357
Aaron Horn	N/A	612-877-2085
Mary Roberson	952-953-0836	612-805-3396
Kristin Coffman	N/A	612-323-9712
Nathan Sorensen	N/A	651-253-6311
Jenny Parks	612-287-5131	608-461-0138
Ben Millard	N/A	612-208-7759
Katie Chock	N/A	763-228-5409
Emily Jacobson	N/A	612-718-9137
Sara Appel	N/A	765-586-6512
Carla Ahrens	573-634-7161	573-230-3443
Shaun William-Wyche	N/A	952-826-9923
Amy Korba	N/A	612-817-6723



## Appendix E - Disaster Supplies

### *General Supplies Inventory*

These general supplies are maintained at the Main Office in the server room.

- NOAA Weather Radio
- First Aid Kit
- Flashlights/Batteries
- Waterproof Plastic Bags/Tarps
- Camera
- Pens/Pencils/Paper
- Small supply of water & nonperishable food
- Tool kit (basic tools, gloves, etc.)
- Fire Ext.

### *Backup Drives and Software Inventory*

The following backup drives and recovery items are retained at MHEC's main office in Minneapolis. These items are stored in the server room at this location.

President, Senior Vice Presidents, Chief Financial Officer, Chief Information Officer, Director of Finance and Administration, Data and Analytics Officer are the only individuals that can access the items at this location.

#### Backup Drives

- MHEC does not utilize backup drives we are a cloud-based organization.

#### Software

- All software is able to be re-downloaded from the Internet all local copies are recoverable.

## Appendix F – Inventory of Equipment & Computer Systems

### **Non-IT Inventory:**

<b>MHEC Code #</b>	<b>Serial #</b>	<b>Category</b>	<b>Location</b>	<b>Description</b>	<b>Index</b>
MHEC-1238		Furniture	Ben's Ofc	Desk	5
MHEC-1248		Furniture	Ben's Ofc	Bookcase	15
MHEC-1251		Furniture	Ben's Ofc	Focus side w/glides Mid Seat black	18
MHEC-1254		Furniture	Ben's Ofc		19
MHEC-1252	43610	Furniture	Ben's Ofc	Office chair, with adjustable arms	20
MHEC-1253	59206.1.1	Furniture	Kitchen	Chair, tall	21
MHEC-1255	59206.1.5	Furniture	Kitchen	Chair, tall	22
MHEC-1256	59206.1.2	Furniture	Kitchen	Chair, tall	23
MHEC-1257	59206.1.4	Furniture	Kitchen	Chair, tall	24
MHEC-1258	59206.1.6	Furniture	Kitchen	Chair, tall	25
MHEC-1259	59206.1.3	Furniture	Kitchen	Chair, tall	26
MHEC-1261		Furniture	Kitchen	Round Café Table	27
MHEC-1260		Furniture	Kitchen	Round Café Table	28
MHEC-1262		Furniture	Ben's Ofc	Whiteboard, 36x48	29
MHEC-1264	l1245960612	Appliances	Kitchen	Single-phase coffee brewer	31
MHEC-1265	lz800032c	Appliances	Kitchen	Dishwasher	32
MHEC-1266		Appliances	Kitchen	Coffee maker	33
MHEC-1267	fz210526g	Appliances	Kitchen	Microwave oven	34
MHEC-1268	vv301421	Appliances	Kitchen	Refrigerator	35
MHEC-1269		Appliances	Kitchen	2.2l insulated coffee pot	36
MHEC-1270			Kitchen	1l insulated coffee pot	37
MHEC-1271	42965	Furniture	Conference Rm A	Chair, fixed arms	38
MHEC-1272	42967	Furniture	Conference Rm A	Chair, fixed arms	39
MHEC-1273	42962	Furniture	Conference Rm A	Chair, fixed arms	40
MHEC-1274	42963	Furniture	Conference Rm A	Chair, fixed arms	41
MHEC-1275	42969	Furniture	Conference Rm A	Chair, fixed arms	42
MHEC-1276	42966	Furniture	Conference Rm A	Chair, fixed arms	43
MHEC-1277	42957	Furniture	Conference Rm A	Chair, fixed arms	44

MHEC-1278	42958	Furniture	Conference Rm A	Chair, fixed arms	45
MHEC-1279	42964	Furniture	Conference Rm A	Chair, fixed arms	46
MHEC-1280	42971	Furniture	Conference Rm A	Chair, fixed arms	47
MHEC-1281	42973	Furniture	Conference Rm A	Chair, fixed arms	48
MHEC-1282	42974	Furniture	Conference Rm A	Chair, fixed arms	49
MHEC-1283	43618	Furniture	Conference Rm A	Task chair, adjustable arms	50
MHEC-1284	42960	Furniture	Conference Rm A	Chair, fixed arms	51
MHEC-1285	42975	Furniture	Conference Rm A	Chair, fixed arms	52
MHEC-1286	42976	Furniture	Conference Rm A	Chair, fixed arms	53
MHEC-1287	42959	Furniture	Conference Rm A	Chair, fixed arms	54
MHEC-1288	42970	Furniture	Conference Rm A	Chair, fixed arms	55
MHEC-1289	42972	Furniture	Conference Rm A	Chair, fixed arms	56
MHEC-1290	42961	Furniture	Conference Rm A	Chair, fixed arms	57
MHEC-1291		Furniture	Conference Rm A	22'x5' Conference Table	58
MHEC-1292	30216347	Appliances	Conference Rm A	Free standing refrigerator	59
MHEC-1293		Furniture	Conference Rm A	8'x24"x36" credenza	60
MHEC-1304		Furniture	Rob's Ofc	Desk	72
MHEC-1305		Furniture	Rob's Ofc	Bookcase	73
MHEC-1306		Furniture	Rob's Ofc	5 shelf bookcase	74
MHEC-1307	42968	Furniture	Rob's Ofc	Task chair, adjustable arms	75
MHEC-1308		Furniture	Rob's Ofc		76
MHEC-1309		Furniture	Rob's Ofc		77
MHEC-1312		Furniture	Jennifer's Ofc	Desk	80
MHEC-1318		Furniture	Jennifer's Ofc	Bookcase	87
MHEC-1319	43623	Furniture	Jennifer's Ofc	Task chair, adjustable arms	88
MHEC-1320		Furniture	Jennifer's Ofc		89

MHEC-1321		Furniture	Jennifer's Ofc		90
MHEC-1322		Furniture	Kristin's Ofc	Desk	91
MHEC-1323		Furniture	Kristin's Ofc	File cabinet	92
MHEC-1326		Appliances	Kristin's Ofc	Printing calculator	95
MHEC-1329		Furniture	Kristin's Ofc	24" x 36" Whiteboard	98
MHEC-1331	43611	Furniture	Kristin's Ofc	Task chair, adjustable arms	101
MHEC-1332		Furniture	Kristin's Ofc	Chair, fixed arms	102
MHEC-1333		Furniture	Kristin's Ofc	Chair, fixed arms	103
MHEC-1334		Furniture	Jennifer's Ofc	48" x 36" whiteboard	104
MHEC-1337		Furniture	Conference Rm B	6' x 20" x 36" Credenza	107
MHEC-1338	3NFZRQ	Furniture	Conference Rm B	4' x 8' Conference Room Table	108
MHEC-1339		Furniture	Conference Rm B	48" x 36" whiteboard	109
MHEC-1341		Furniture	Conference Rm B	3-Shelf Bookcase	111
MHEC-1342	8VLDVZ	Furniture	Conference Rm B	File cabinet	112
MHEC-1343	8ELDVZ	Furniture	Conference Rm B	File cabinet	113
MHEC-1344	19245	Furniture	Conference Rm B	Task chair, adjustable arms	114
MHEC-1345		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	115
MHEC-1346		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	116
MHEC-1347		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	117
MHEC-1348		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	118
MHEC-1349		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	119
MHEC-1350		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	120
MHEC-1351		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	121
MHEC-1352		Furniture	Conference Rm B	Focus side w/castors, Mid Seat black	122
MHEC-1353		Furniture	Dan's Desk	Computer desk	123
MHEC-1354		Furniture			124
MHEC-1507		Furniture	Mary's Ofc	Desk	7
MHEC-1508		Furniture	Mary's Ofc	5-drawer file cabinet	8

MHEC-1514		Furniture	Nate's Ofc	Desk	15
MHEC-1515		Furniture	Nate's Ofc	3-shelf bookcase	16
MHEC-1524		Furniture	Shawn's Office	Desk	25
MHEC-1529		Furniture	Aaron's Office	Desk	30
MHEC-1530		Furniture	Aaron's Office	3-shelf bookshelf	31

*IT Inventory:*

Manufacturer	Location	Category	Description	Serial/Service Tag Number:	Machine Name	Disposal Date
Dell	Unknown	PC	Desktop PC	GXQSWK2		
Dell	Ken's Ofc	PC	Laptop	FHL3BH2	MHEC-201708-01	
Dell	Kristin's Ofc	PC	Laptop	1Y1B4H2	MHEC-201706-04	
Dell	Pam's Ofc	PC	Laptop	206Y3H2	MHEC-201706-02	
Dell	Adam's Office	PC	Laptop	2W1B4H2	MHEC-201706-03	
Dell	Katie's Desk	PC	Laptop	4C5Y3H2	MHEC-201706-01	
Dell	Dan's Desk	PC	Laptop	5NVWYF2	MHEC-201703-03	
Dell	Jennifer's Office	PC	Laptop	CK0SYF2	MHEC-201703-01	
Dell	Rob's Ofc	PC	Laptop	H66SYF2	MHEC-201703-04	
Dell	Sara's Office	PC	Laptop	HFVWYF2	MHEC-201703-02	
Dell	Ben's Office	PC	Dell Precision Tower	DMS3SD2	MHEC-201610-01	
Dell	Mary's Office	PC	Laptop	2F5FMC2	MHEC-201608-01	

Dell	Emily's Office	PC	Laptop	DHZ5MC2	MHEC-201608-02	
Dell	Jenny's Office	PC	Laptop	FH5FMC2	MHEC-201608-03	
Dell	Helen's Desk	PC	Laptop	GNDPN72	MHEC-LPT-KENR	
Dell	Carla's Office	PC	Laptop	FJY7J72	MHEC-LPT-CARLAA	
Dell	Server Room	Projector	Projector	3WYHJ92		
Dell	Server Room	Projector	Projector	JVYHJ92		
Dell	Larry's Office	PC	Laptop	1H3H062	MHEC-LPT-LARRY	
Dell	Aaron's Office	PC	Laptop	4NPJ062	MHEC-LPT-AARON	
Dell	Ben's Office	PC	Laptop	HPPJ062	MHEC-LPT-BEN	
Dell	Ben's Office	PC	Laptop	47GYD12	MHEC-LPT-ADAM-N	
Dell	Ben's Office	PC	Laptop	BGHYD12	MHEC-LPT-ROB-N	
Dell	Ben's Office	PC	Laptop	F7GYD12	MHEC-LPT-PAMN	
Dell	Ben's Office	PC	Laptop	J5GYD12	MHEC-LPT-BR	
Dell	Ben's Office	PC	Laptop	57P4F12	MHEC-LPT-CHRISR	8/15/2017
Dell	Ben's Office	PC	Laptop	87KKXZ1	MHEC-LPT-KRIST	
Dell	Ben's Office	PC	Laptop	B32KTZ1	MHEC-LPT-NOELLE	
Dell	Ben's Office	PC	Laptop	7LGNTZ1	MHEC-LPT-JENN	8/15/2017
Dell	Ben's Office	PC	Dell Precision T1700 Desktop	G9F9FZ1	MHEC-PWR-NATHAN	10/31/2017
Dell		PC	Laptop	2KPDPX1	TRG-LP-SPARE2	8/15/2017
Dell		PC	Laptop	3FPDPX1	MHEC-LPT-EMILYJ	

Dell	Ben's Office	PC	Laptop	CFDPX1	MHEC-LPT-JENNY	8/15/2017
Dell	Ben's Office	PC	Laptop	FM6TBS1	MHEC-LPT-NATHAN	8/15/2017
Dell		PC	Laptop	7YJCF51	MHEC-LPT-SPARE	8/15/2017
Dell	Ben's Office	Monitor	24" LCD Monitor	MX0C592M728750546AML		
Zebra	Server Room	Printer	Thermal Label Printer	29J122901278		
Toshiba	Ben's Office	Telephone	IP Phone	ST69973FC		
Dell		PC	Laptop	860Z4Q1		12/2/2016
Dell		PC	Laptop	73992M1		12/2/2016
Dell		PC	Laptop	43992M1		12/2/2016
Dell		PC	Laptop	HC7HTM1		12/2/2016
Dell		PC	Laptop	D4992M1		12/2/2016
Dell		PC	Laptop	14992M1		12/2/2016
Dell	Ben's Office		No idea what this is	310885646002AM0062		
Dell	Ben's Office	Monitor	LCD Monitor	CN0RNMH67444505MHFAL		
Netgear	Ben's Office	LAN Eq	8 port ethernet switch	FS17144CB076589		
Extron	Conference Rm A	Telephone	Power supply, for Extron	A0HAFW1		
Extron	Conference Rm A	Telephone	VoIP Telephone	087BC3		
Extron	Conference Rm A	Telephone	Mini power amplifier	A0JJAVN		
ClearOne	Conference Rm A	Telephone	Teleconferencing system	9077-1230-06		
NEC	Conference Rm A	Monitor	64" dia. LCD monitor			
Vaddio	Conference Rm A	Camera	Teleconfernce camera	998699000023512064		
Vaddio	Conference Rm A	Camera	Teleconfernce camera	998699000023512060		
Dell	Rob's Ofc	Monitor	24" LCD Monitor	MX0C592M728750546A7L		
Toshiba	Rob's Ofc	Telephone	IP Phone	ST6208EFC		
Dell	Jennifer's Ofc	Monitor	LCD Monitor	MX0HF730466347973M0L		
Dell	Jennifer's Ofc	Monitor	24" LCD Monitor	MX0C592M7287505469WL		
Toshiba	Jennifer's Ofc	Telephone	IP Phone	ST60D8BFC		

Dell	Kristin's Ofc	Monitor	24" LCD Monitor	MX0C592M728750546A4L		
Toshiba	Kristin's Ofc	Telephone	IP Phone	ST6938FFC		
Brother	Ben's Office	Printer	Laser printer	U61946A0J344799		8/15/2017
NEC	Conference Rm B	Monitor	54" LCD Monitor			
PolyCom	Conference Rm B	Telephone	Wireless conference phone	AA08122385B41		
Dell	Server Room	Projector	Projector	4KNLV61		
Dell	Server Room	Projector	Projector	2BN04P1		
Dell	Server Room	Projector	Projector	H9N04P1		
Dell	Server Room	Projector	Projector	3CN04P1		
HP	Server Room	Printer	Printer, probably disposed FYE15	MY67C4Z2CG047S		
Polycom	Server Room	Telephone	Conference phone	12236858		
Linksys	Server Room	LAN Eq	Ethernet Switch	REG10F8007709		
Linksys	Server Room	LAN Eq	Ethernet Switch	RD8002B002803		
Toshiba	Server Room	Telephone	IP Phone	ST6A68EFC		
Brother	Server Room	Telephone	Laser printer	U61444H6J581913		
Dell	Server Room	LAN Eq	48 port Gigabit Ethernet Switch	82TDFH1		10/20/2017
Dell	Server Room	LAN Eq	48 port Gigabit Ethernet Switch	47RMTS1		10/20/2017
SonicWall	Server Room	WAN Eq		0017C5B6D212		
APC	Server Room	Server & Eq	PDU	5A1217E05700		
Dell	Ben's Office	Server & Eq	Server	5GVTPS1		8/15/2017
Dell	Ben's Office	Server & Eq	Server	6Y5NLV1		8/15/2017
Dell	Server Room	Server & Eq	Server	2X5NLV1		
Fantom Drives		Server & Eq	USB Hard Drive	SE1493276		8/15/2017
Fantom Drives		Server & Eq	USB Hard Drive	SE1493488		8/15/2017
Fantom Drives	Ben's Office	Server & Eq	USB Hard Drive	SL4741923		

Fantom Drives		Server & Eq	USB Hard Drive	SG9214927		
Fantom Drives		Server & Eq	USB Hard Drive	SE1493281		
Fantom Drives		Server & Eq	USB Hard Drive	SE1493489		
TrendNet	Server Room	LAN Eq	5 port Gigabit ethernet switch	CA11225045421		
Fantom Drives		Server & Eq	USB Hard Drive	SF2594651		
SonicWall	Server Room	Server & Eq		C0EAE401D2EC		
Avocent	Server Room	Server & Eq	KVM	321149634		
Belkin	Server Room	Server & Eq	Rack-mount monitor	F1DC101H		
Dell	Server Room	Server & Eq	Server	7MBT9K1		
APC	aCoG	Server & Eq	UPS	AS1215145589		8/2/2017
APC	aCoG	Server & Eq	UPS	5S1226T10900		8/2/2017
APC	Server Room	Server & Eq	UPS	PH08J4231874094M0488		
Toshiba	Server Room	Telephone	VoIP Telephone Server	A3JMKMKP53		
Adtran	Server Room	Telephone	VoIP Gateway	1700100G1		
AudioCodes	Server Room	Server & Eq	VoIP Converter	DT1154920		
Dell	Pam's Ofc	Monitor	LCD Monitor	CN0YMYH17426137J4DMS		
Dell	Ben's Office	PC	Laptop	F7GYD12		
Toshiba	Pam's Ofc	Telephone	IP Phone	ST69B8EFC		
Dell	Nate's Ofc	Monitor	24" LCD Monitor	MX0V719M742622AV1ULL		
Toshiba	Nate's Ofc	Telephone	IP Phone	ST6D690FC		
Dell	Ben's Office	PC	Laptop	NATE WILL PROVIDE		
Dell	Ken's Office	Monitor	LCD Monitor	CN0YMYH17426137J4DCS		
Dell	Ben's Office	PC	Laptop	B32KTZ1	TRAVEL-B32KTZ1 - MHEC	
Toshiba	Ken's Office	Telephone	IP Phone	ST68C73FC		
Dell	Aaron's Office	Monitor	LCD Monitor	CN0M2GCR742612A407DL		
Toshiba	Aaron's Office	Telephone	IP Phone	ST6948FFC		
Dell	Ben's Office	PC	Laptop	3FPDPX1		

Fantom Drives		Server & Eq	USB Hard Drive	SF2594652		6/30/2015
Fantom Drives		Server & Eq	USB Hard Drive	SE1493280		8/15/2017
Fantom Drives		Server & Eq	USB Hard Drive	SE1493279		8/15/2017
Samsung	Mary's Office	Camera	Digital camera, SLR	A9SOC9AFB003E2X		
Sonic Wall	Server Room	Server & Eq	Secure Remote Access Server	COEAE49180C2		
Sonic Wall		WAN Eq		0006B13477F8		8/24/2016
Sonic Wall		WAN Eq		0017C52F4F48		8/24/2016
Apple	Ben's Office	Monitor	Apple 20" LCD Monitor	2A6162ADUFZ		
Fantom Drives			Usb Hard Drive	SG9214925		10/20/2017
Fantom Drives			Usb Hard Drive	SA0284567		10/20/2017
Fantom Drives			Usb Hard Drive	SA0284565		10/20/2017
Fantom Drives			Usb Hard Drive	SG9214933		10/20/2017
Fantom Drives			Usb Hard Drive	SG9214928		10/20/2017
Dell			Dell PRO2x Laptop Dock	2356571500810		10/20/2017

## Appendix G – Telecommunications Circuit Information

Below is a listing of the Organization’s telecommunications circuits.

<b>Circuit Description</b>	<b>Vendor</b>	<b>Circuit #</b>	<b>Termination Location</b>
35M Ethernet Over Copper	PoPP	3.LXFU.644926..NW	N/A

DRAFT

# Leadership Program Environmental Scan and Options

## Background

During the November 2018 MHEC annual meeting there was discussion about exploring development of a leadership program that would be in service to the Midwestern higher education community and states and recognize the contribution of Larry Isaak, long time president of MHEC.

## Environmental Scan Survey

Susan Heegaard asked Jenny Parks, MHEC director of academic leadership initiatives, to develop an environmental scan to identify existing non-degree leadership programs in the three other compacts, non-profit higher education membership organizations, institutions of higher education, and non-profit and state government entities. Baseline data was collected for the types, formats, lengths, costs, missions, and target cohorts for such programs to avoid duplication of program content and overlap with constituents served. Ms. Park's approach and findings follow below.

## Method

A comprehensive list of higher education organizations and state government organizations to search for associated leadership programs was identified. Information available on organizational websites was reviewed to complete the initial scan.

## Initial Analysis

In the first round of searching, 27 organizations and 41 programs in the country were identified as having some type of leadership program. In order to be included in the list, programs had to:

- be non-degree programs
- bear no academic credit
- address leadership in higher education and/or state government
- be of limited duration (i.e., up to one year in some cases but with limited time invested over the course of that year)
- serve individuals already working in higher education and/or state government
- focus on one or more aspects of leadership within higher education and/or state government

Some information was not readily available on the program's website and was therefore not included. An Excel spreadsheet detailing the scan results is [linked here](#).

Target cohorts that do not seem fully or "naturally" served by any of the programs in this inventory include:

- State chairs of legislative Higher Education Committees
- Institutional and system government/state relations officers
- Institutional and system leaders from non-academic backgrounds (i.e., from outside the academy or who have not come to administration from a faculty track)
- Regional Higher Education Compact Commissioners/Board Members

MHEC, like the other state compacts, includes both legislators and higher education leaders in their membership, so one consideration is whether to serve either or both.

## Options

The range of options to consider as a next step could include:

- Partnering with other organizations like the Council of State Governments Midwestern Legislative Conference, New England Board of Higher Education (NEBHE), Southern Regional Education Board (SREB), Western Interstate Commission for Higher Education (WICHE), or State Higher Education Executive Officer Association (SHEEO) to piggy back on their programs and/or present at their conferences and convenings (discussions have begun with respect to this option)
- Focusing on an internship program that could include individuals early in their careers e.g. graduate students or legislative higher education focused staff from across the twelve-state region
- Developing a separate, focused MHEC branded leadership program
- Determine that the leadership market is saturated, or the timing is not opportune, and that development of a leadership program could be visited and addressed at a later point in time after additional research and investigation

MHEC staff are requesting direction from the Executive Committee about which approach to pursue. In the event that there is a decision to proceed, MHEC staff will contact program representatives and gather more detailed information and data to develop a recommendation for the full commission this fall.

## MHEC Comparison to Like Organizations

MHEC in context, a comparison of governance and practices among MHEC, the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE), and the State Higher Education Executive Officers Association (SHEEO).

Change in leadership offers an important opportunity to review all aspects of an organization to better understand how the organization functions and learn about its strengths and weaknesses. The goal of such a review is to recognize and build upon those areas that are working and to identify potential new areas where opportunities exist. To that end, much of President Susan Heegaard's first seven months at MHEC has been spent learning about the organization and has included many conversations with staff, commissioners, and other stakeholders. Additional information was gathered during the recently completed 12 state visits through conversations and surveys after each visit, and from the results of the survey conducted by Academic Search.

Susan asked that MHEC staff undertake a comparison of where MHEC sits in a few key areas with other organizations similar to MHEC. The purpose of the comparisons is to get a better understanding of where MHEC is in line with these similar type organizations and where it differs. Those similar organizations the staff looked at included the three other regional education compacts- NEBHE, SREB, and WICHE; as well as the State SHEEO. Comparisons were made in the areas of governance, travel policies, and benefits.

**Governance** (because of the differences in governance between SHEEO and the regional education compacts, SHEEO was not included in this category):

***Size of governing body.*** The size of MHEC's governing body and number of commissioners is fairly consistent with the other regional education compacts: MHEC (60), NEBHE (48), SREB (80) and WICHE (48).

***Membership of governing body.*** MHEC's governing body is made up of five individuals from each member state consisting of the governor or the governor's designee, two legislators and two other at-large members, one of whom shall be selected from the field of higher education. NEBHE's governing body is made up of eight members from each state of which at least two shall be members of the legislature. SREB's governing body is made up of five individuals from each state and includes the governor (ex officio) with at least one other member being from the field of education and one from the legislature. WICHE's governing body is made up of three individuals from each state with at least one being an educator engaged in the field of higher education.

***Size of committee empowered to act in absence of full governing body.*** Because of the size of the full governing bodies of each of the regional education compacts, each compact has established a smaller executive committee, empowered to act on behalf of the compact in the interim between full governing body meetings. MHEC with 24 individuals and NEBHE with 12, have two representatives from each member state serving on their respective executive committees. SREB with 16 and WICHE also with 16, have one representative from each state serving on their respective executive committees. All four compacts also enable ex officio members to serve on the executive committee, MHEC's former chairpersons can serve on the executive committee in an ex officio capacity.

***Other standing committees (other than executive committee) of the governing body established in the bylaws.*** MHEC and SREB do not have any standing committees established by their organizations' bylaws. In contrast, NEBHE has 4 committees including: Nominating, Future Programs and Projects, Finance and Development, and Investment. WICHE has 1 committee: Audit, established by their organizations' bylaws. NEBHE staff indicated that in practice only their Finance and Development Committee regularly meet.

***Rotation of committee members.*** All four compacts were similar in that they did not have a regular rotation schedule for any of their committees (other than the appointment terms to the governing body).

***Number and timing of governing board meetings.*** MHEC, NEBHE, and WICHE all hold two governing body meetings each year, one in May/June and one in November. MHEC's June meeting is only the Executive Committee. SREB holds only one governing body meeting a year in June.

## **Travel Policies**

***Number of travel policies.*** MHEC is unique compared to the other regional education compacts and SHEEO, in that MHEC has only one travel policy covering both employees and non-employees. The other compacts and SHEEO each have two travel policies, one for employees and one for non-employees.

***Number of days allowed to submit an expense reimbursement.*** There is wide variation in the number of days an individual is allowed to submit an expense reimbursement with MHEC being the most lenient (60 days) followed by WICHE (30 days), SREB (21 days), and SHEEO (10 days). NEBHE does not have a stated policy but does require expense reimbursements to be submitted prior to the end of the fiscal year.

***Dollar cap on cost of flight.*** MHEC is the only one of the five organizations that has a dollar cap of \$600 for flights. Anything above that amount requires prior approval. As a practical matter, MHEC has almost never denied a request to exceed the \$600 cap. While NEBHE, SREB, WICHE, and SHEEO have no set cap amount for a flight, they will only pay for the cheapest economy ticket.

***Travel agent.*** MHEC is the only one of the five organizations that utilizes a travel agent. All the other organizations do not use a travel agent but do utilize some other technology to help manage travel (for example Concur). The total expense for use of MHEC's travel agent in 2018 was \$50,172.

***Unused airplane tickets.*** Since the other organizations do not use a travel agent, they require the individual to purchase his/her own airplane ticket and then seek reimbursement, generally after the travel has occurred. Should the person be unable to use the ticket, it will not be reimbursed, and the person is free to use the ticket for any other purpose. Because MHEC uses a travel agent and pays for the ticket, if the ticket cannot be used, the person in whose name the ticket was purchased is asked to use the ticket in the future for some other MHEC purpose. This is generally not problematic unless the person leaves the commission before being able to use the ticket for MHEC purposes.

***Alcohol.*** MHEC is the only organization of the five that reimburses some alcohol-related expenses during regular travel for staff, committee members, and commissioners. All the other organizations do not reimburse alcohol purchases. All of the other compacts pay for alcohol in connection with official functions.

## Benefits

***Employer contribution to employee's 403(b) plan.*** MHEC's contribution to its employees' 403(b) is higher than the other four organizations. MHEC contributes 13% (if the employee contributes a minimum of 2.5%) while each of the other organizations contribute with an employee match at varying levels up to a maximum of 10%. The 13% level was common for many years and was tied to the levels provided by higher education systems and institutions. The University of Minnesota for example was at 13% some years ago and has now scaled back to a 10% contribution for employees.

***Medical plan.*** MHEC offers one plan with no deductible. NEBHE offers a high deductible plan with an HRA; SREB offers two options with an HSA; WICHE offers a high deductible plan with an HSA, and SHEEO offers 2 HMO options with an HSA.

***Employer contribution to medical plan.*** MHEC's contribution to the employee's medical plan is 92.5%, with variation depending on age and single versus family coverage. With respect to the other compacts, NEBHE contributes 75% of premium; SREB contributes 75% of premium; WICHE's contribution to the medical plan varies based on single versus family coverage, is calculated annually, and covers up to a 100%; and SHEEO contributes 75% for all coverage.

## Next Steps

Over the next several months commissioners may be asked to contribute to the discussion as MHEC staff looks more closely at these areas to identify opportunities to create savings or efficiencies in the way MHEC operates. Input will be sought in particular regarding changes to governance. Some of the proposed changes may come in front of the commission and require commission action, while others may not. Regardless, commissioner input is always welcome.

## **Bylaw Amendment: Addition of Past Chairperson as MHEC Officer**

Article III of the MHEC bylaws establishes the commission's officers and sets forth their election, succession and duties. The officers, as currently stated in the bylaws, are chairperson, vice chairperson and treasurer. The MHEC officers and president propose an amendment to the bylaws to formally add a fourth officer, that of past chairperson. It is believed a past chairperson will offer some continuity to the work of the other officers, providing some guidance and historical perspective. The past chairperson would also be tasked with performing some or all of the duties of chairperson in the absence of or at the discretion of the chairperson and vice chairperson.

### **Proposed Action**

The member states of the compact, acting through the Executive Committee, approve the amendment to Article III of the MHEC bylaws.

### **Article III. Officers**

#### Section 1. Election and Succession.

As provided by the compact, the officers of the commission shall include a chairperson, vice chairperson, **past chairperson**, 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 chairperson and vice chairperson shall serve one-year terms or until their successors are elected by the commission. The vice chairperson shall succeed to the office of chairperson upon completion of the chairperson's term of office. The treasurer shall serve a one-year term or until a successor is elected by the commission. The treasurer shall not serve more than four terms successively.

#### Section 2. Duties.

The 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. *Chairperson.* The chairperson 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 Chairperson.* The vice chairperson shall, in the absence or at the direction of the chairperson, perform any or all of the duties of the chairperson. In the event of a vacancy in the office of chairperson, the vice chairperson shall serve as acting chairperson until a new chairperson is elected by the commission.

c. *Treasurer.* The treasurer, with the assistance of the commission's executive director, 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 executive director 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 Chairperson.* Commencing upon completion of the term of office of chairperson, the past chairperson, if still a duly appointed MHEC commissioner, shall serve one year in the position of past chairperson. The past chairperson shall, in the absence or at the discretion of the chairperson and vice chairperson, perform any or all of the duties of the chairperson. In the event of a vacancy in the office of the chairperson and vice chairperson, the past chairperson shall serve as acting chairperson until a new chairperson or vice chairperson is elected by the commission.

# **MHEC Finance and Audit Committee Proposal**

## **Purpose**

The purpose of the proposed Finance and Audit Committee would be to establish a standing committee of the commission and would be chaired by the commission Treasurer. The committee would be responsible for reviewing and providing guidance for MHEC's financial matters. The Finance and Audit Committee would assure and review all internal controls, independent audit, financial statements, and report on financial activity and provide an analysis, as needed, to the full commission. To help the commission fulfill its oversight function, it will be important for the commission treasurer and the Finance and Audit Committee to present the information in as clear and concise a manner as possible. The Finance and Audit Committee would serve in an advisory capacity to the commission and would be responsible for making recommendations to the commission for action, when appropriate.

## **Composition of the Committee**

The treasurer of the commission will serve as the chair of the Finance and Audit Committee and will continue in such a capacity for as long as such person is serving as treasurer of the commission. The Committee shall be comprised of seven (7) to nine (9) members, inclusive of the treasurer, at least three (3) of whom are MHEC's President, Chief Financial Officer (CFO) and Director of Finance and Administration (DOFA). MHEC's President, CFO and DOFA shall serve the committee in an ex officio capacity. The immediate past treasurer shall serve a term of one year and have full committee rights. The other two (2) to four (4) members of the Finance and Audit Committee shall be current members of the commission who shall be appointed by the chair of the commission in consultation with the commission's other elected officers and MHEC president, and shall serve for a term of one (1) year. The treasurer, past treasurer and committee members who are current commissioners are each entitled to one vote on any matter coming before the Finance and Audit Committee. The MHEC president, CFO and DOFA are not entitled to vote. A majority of the voting committee members present shall constitute a quorum. Any question submitted to the committee for a vote shall be determined by a simple majority.

## **Duties and Responsibilities**

1. Provide direction for the entire Commission for fiscal responsibility
2. Regularly review the organization's revenues and expenditures, balance sheet, investments and other financial matters related to the organization its continued solvency.
3. Ensure that organizational funds are spent appropriately via recommendations by the President, CFO and Director of Finance.
4. Ensure the preparation of an annual audit, tax form (990), and audited financial statements.
5. Approve the annual budget and submit it to the full Commission for approval.
6. Oversee the maintenance of organizational-wide assets, including prudent management of organizational investments.

7. Ensure the implementation and maintenance of appropriate risk management measures such as proper insurance coverage.
8. Periodically review MHEC's investment policy.
9. Report financial status of MHEC to full Commission at all full Commission meetings.
10. Report financial concerns to Commission, as appropriate
11. Regularly assess the performance of the committee itself using appropriate aids such as feedback from the auditor and recommend changes to the committee's charter as appropriate.

### **Preferred Qualifications**

- Ability to understand financial statements
- Experience in creating budgets
- Knowledge of financial policy and procedures for non-profits
- Ability to work cooperatively with other committee members
- Excellent communication skills
- Time to dedicate to the finance committee (approximately 3 meetings annually)
- Commitment to take on an occasional finance-related special project
- Commitment to attend regular meetings
- Must be comfortable in a team environment

### **Staff Liaison**

MHEC Chief Financial Officer, MHEC Director of Finance and Administration

### **Ex-officio Member**

MHEC President, MHEC Chief Financial Officer, MHEC Director of Finance and Administration

### **Challenges**

The Finance and Audit Committee shall ordinarily meet at least (3) times annually, or more frequently as circumstances dictate. At least one of those meetings shall be face-to-face. Additional meetings may be scheduled at the discretion of the commission chair or treasurer. Completing work assignment in a timely fashion is critical to keeping the committee's deliverables on track and the work of MHEC moving forward. Because Finance and Audit Committee members will most likely live in various areas of the MHEC region, the majority of meetings will take place during normal work hours and by conference call. Meeting attendance is extremely important however it will be understood that due to conflicts, meeting absences will.

### **Proposal**

The MHEC Executive Committee approve the establishment of a Finance and Audit Committee which shall provide guidance on MHEC financial matters consistent with the purpose, composition, duties and responsibilities set forth in the Finance and Audit Committee proposal

The Finance and Audit Committee shall serve in an advisory capacity to the commission and be responsible for making recommendations to the commission for action, when appropriate.

# MHEC Organizational and Governance Considerations for the Future

## Background

The MHEC bylaws create an Executive Committee to act on behalf of the commission and empowers the commission to establish any other such committees as it deems necessary to carry out its objectives. Over the years, the commission has established various ad hoc committees to perform tasks such as nominations of commission officers and Phillip L. Sirotkin Award winners, recommendations of president compensation, review of the audit, and review and recommend future MHEC activities. The committees' make-up, appointment process, and tenure, as well as the committees' duties and responsibilities all varied depending upon when and under what circumstances the committees were created. The bylaws currently provide very little guidance on committee process or functionality, stating "the chairperson...shall make appointments to all committees of the commission" and "the composition, procedures, duties, budget, and tenure of such committees shall be determined by the commission." There has also been very little commission attention to or participation in the evaluation of the need for committees, the committees' scope and responsibilities, or the committees' appropriate composition and tenure.

The MHEC officers and president would like to take a more deliberate and focused approach to the establishment and use of committees. As a first step, they are proposing the establishment of an Ad Hoc Committee to explore MHEC approaches to governance, evaluation, and nominations. The committee would focus on three specific areas:

**Governance:** Review and make recommendations on the size, composition, appointment process, procedures, duties, budget, and tenure of the Executive Committee; review and make recommendations on the establishment of other committees of the commission, both standing and ad hoc, as well as the size, composition, appointment process, procedures, duties, budget, and tenure of those committees; and review and make recommendations on processes for identifying and recruiting members to serve on commission committees. The goal would be to develop more clarity and consistency without becoming overly bureaucratic.

**Evaluation:** Review and make recommendations on the process and criteria to be used in the evaluation and compensation of the MHEC president. This would build on the work of the current Presidential Compensation Committee by adding an intentional and measurable evaluation component.

**Nominations:** Review and make recommendations on the process and criteria to be used for the nomination of commission officers; and review and make recommendations on the process and criteria to be used for the nomination of the Phillip L. Sirotkin Award recipients and the Outstanding Service Award recipients and whether additional awards should be considered.

The Ad Hoc Committee would be appointed by the chair in consultation with the other MHEC officers and the MHEC president. The charge of the Ad Hoc Committee to explore MHEC approaches to governance, evaluation, and nominations is as follows:

The purpose of the committee is to explore MHEC approaches to governance, evaluation and nominations and to review, develop and recommend to the commission, guidelines

surrounding the establishment of commission committees, and the size, composition, appointment process, procedures, duties, budget and tenure of those committees; review, develop and recommend to the commission the process and criteria to be used in the evaluation and compensation of the MHEC president; and to review, develop and recommend to the commission the guidelines surrounding the establishment of nominating committees and the processes and criteria to be used by such committees.

### **Proposal**

The MHEC Executive Committee approve the establishment of an Ad Hoc Committee to explore MHEC approaches to governance, evaluation, and nominations with the committee reporting its findings and recommendations to the full Commission at the November 18-20, 2019, Annual Commission meeting in Indianapolis, Indiana.

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## **CONVENING**

MHEC CONVENING 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. MHEC covers the cost of these meetings, including the travel expenses of participating members, so states and institutions do not have to use travel funds to participate.

## CONVENING - 2019 MHEC State Visit Summary

### Background

MHEC began annual state visits to all twelve member states beginning January 22, with a visit to Topeka, Kansas, in an ice storm and ended April 23, with a visit to Lansing, Michigan, in the midst of spring blooms. Typically, MHEC staff spent one night and two full days in each state, visiting with the legislative and executive branches, postsecondary education, business, and community leaders. With respect to the legislature, MHEC staff tried to meet with majority and minority party leadership, committee leadership and staff, as well as with new legislators serving on higher education related policy and funding committees. Similar to years past, a dinner was held in the evening with MHEC commissioners and key leaders. The size of the dinner was scaled back and MHEC's formal presentation on the Compact's programs and activities was shortened to allow for more time to discuss the pressing higher education related issues in each state. In addition to sharing MHEC materials, the Georgetown Center on Education and the Workforce generously developed and provided tailored slides for each state highlighting demographic, attainment, and labor data. MHEC sent a survey to participants after each dinner to gauge their experience and the meeting's effectiveness. The feedback was generally very positive, with respondents noting that they liked the new format and approach.

### Issues Raised During the State Visits

- Workforce - Challenges faced by every state regarding both number of participants and skill levels
- Funding - While funding levels have generally increased, most states noted ongoing challenges with appropriations trends and concern about the future
- Affordability – Tuition levels, affordability, and student financial aid were priority issues for many states
- Demographics – The shift in population by age, race, and ethnicity was mentioned as something that most states were facing, exacerbated by declining population in most Midwestern states
- Value proposition – How to make the case for postsecondary education and show value to the state was raised as an important issue in the face of rising criticism
- Regional institutions and declining enrollment – Requests for support and guidance for them and their communities during this period of change
- Rising textbook costs – Many individuals reiterated concern about costs and increased interest and engagement in Open Education Resources (OER)
- Other issues raised – Transfer policy, credentialing, dual credit and concurrent enrollment, universal course numbering, completion and retention, challenges presented by flooding and other natural disasters, state-level strategic plan development, data usability for decision making, identifying shared best practices, student barriers (e.g. filling out the FAFSA), outmigration of students, and identifying philanthropic opportunities

### Next Steps

The plan is to identify some priority topics from the issues raised during the state visits for the coming year that could be the focus of a convening, webinar, research project, or other initiative with potential to attract philanthropic support.

# CONVENING - Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by  
Jenny Parks, Director of Academic Leadership Initiatives

## Background

Concurrent enrollment (also referred to as dual enrollment) provides high school students the opportunity to take college credit-bearing courses from high school teachers in high school classrooms.

In 2015, the [Higher Learning Commission \(HLC\)](#) refined the language in its policies relating to the [credentialing of concurrent enrollment instructors](#) (high school teachers who are appointed as adjunct faculty by a postsecondary institution to teach college-level courses to high school students for which the students receive both high school and college credit). As a result, many concurrent enrollment instructors across the Midwest were suddenly no longer technically qualified to teach such courses, which are an important part of most states' completion agendas, their Every Student Succeeds Act (ESSA) accountability measures, as well as an effective high impact practice that can reduce the cost of college and students' time to completion. Enabling a diverse range of students to have access to college courses is an important step in their learning and engagement. Fortunately, most postsecondary institutions were able to secure an [extension from HLC until 2022](#), during which time states, institutions, and school districts are working to find ways to bring their respective concurrent enrollment teaching forces up to HLC's standards.

## Current Status

MHEC's research into this issue and the [findings from that research](#) are summarized on the MHEC website. These findings helped inform a policy [research brief authored in collaboration with the Education Commission of the States \(ECS\)](#). In collaboration with the National Association of Concurrent Enrollment Partnerships (NACEP), MHEC sponsored a [Concurrent Enrollment Teacher Credentialing Summit in May 2018](#), at which stakeholders from all MHEC states convened to share their frustrations and successes and brainstorm ideas for addressing this problem at both state and regional levels. Jenny Parks, MHEC director of academic leadership initiatives, presented this research at two conferences in the fall of 2018 ([Vertex](#) and [NACEP](#)) and at HLC in April 2019. Efforts to work collaboratively with HLC are ongoing with HLC reaching out directly to MHEC, including request of the development of a whitepaper. A full [summary](#) of MHEC's work in this area can also be found on [MHEC's website](#).

## Next Steps

In 2019 MHEC staff propose to follow-up on the research of 2018 and monitor the status of the concurrent enrollment teacher credentialing crisis. Participants at the May 2018 Summit emphasized the value of connecting with their counterparts in other states as they all grapple with this problem. Facilitating such connections and communications could be an appropriate role for MHEC as well as an effective strategy to help MHEC states navigate this complex problem. Possible ways MHEC could support such a community would be via list servers, newsletters, webinars, and presence at regional concurrent enrollment events. To facilitate this work, a Concurrent Enrollment Teacher Credentialing Advisory Group is being assembled with representatives of all 12 MHEC states, beginning June 2019. Sources of external funding will be sought to support this initiative.

# CONVENING - Multi-State Collaborative on Military Credit (MCMC)

Prepared by  
Sara Appel, MCMC and MSEP Manager

## Background

The mission of the [Multi-State Collaborative on Military Credit](#) (MCMC) is to facilitate an interstate partnership of the 12 Midwestern Higher Education Compact (MHEC) states plus Kentucky. MCMC works to translate competencies acquired by military-connected students and veterans through military training and experiences toward college credentials leading to employment in the civilian workforce. States exchange information and share best practices via knowledge communities in the areas of articulation of academic credit; communication and outreach; data, technology, and systems; and licensure and certification.

Grants were awarded to MHEC by the Lumina Foundation and the Strada Education Network in 2015 to address barriers to access, participation, and completion in postsecondary education. This was accomplished through a comprehensive review and advancement of effective policy and practice within and among institutions, states, federal agencies, and not-for-profit organizations.

## Current Status

At the end of the grant, MCMC had additional funds remaining. This money was reallocated to capitalize on effective efforts in the most engaged MCMC states. Awards went to the Michigan Center for Student Success, Minnesota State, and Ohio Department of Higher Education. Examples of these projects include: increasing numbers of colleges and universities who recognize degree bridge partners with the Defense Health Agency's Medical Education and Training Campus (METC), updating the Veterans Education Transfer System (VETS), and creating a research document at the Ohio Department of Higher Education that encourages public institutions to award meaningful general education credit that aligns with diversity/multicultural requirements.

Communication with MCMC participants, institutions, military and other stakeholders has increased. The knowledge communities continue corresponding and this past year a list server was created. This allows specific questions to be sent to the communities to obtain answers from the vast pool of experts. Webinars continue to be a draw for MCMC. Since February 2018 to today, 10 webinars on various military-connected student issues have been held with over 1,000 attendees. By distributing monthly MCMC Updates, utilizing social media the presence and knowledge of MCMC continues to grow throughout the nation.

## Next Steps

Many of the MCMC states are being encouraged by their governor or other state leaders to focus on career technical credit and workforce development. MCMC is examining the role(s) that military-connected students could play in these fields.

The MCMC is looking at additional partnerships and opportunities to build-out support for veterans, including submitting a proposal to the Department of Education Office of Career, Technical, and Adult Education: Perkins Innovation and Modernization Grant Program. This grant would help identify, support, and rigorously evaluate evidence-based and innovative strategies and activities to improve and modernize career and technical education, allowing the MCMC to capitalize on the work already successfully completed by MCMC and taking it to a new level.

# CONVENING - Open Educational Resources

Prepared by  
Jenny Parks, Director of Academic Leadership Initiatives

## Background

The cost of higher education is a major concern across the nation. Among the costs of attendance, the price of textbooks and curricular materials has risen disproportionately in recent decades. Although publishers have begun to respond by creating more affordable digital and subscription learning materials, the cost of these can still be a financial burden on many students. One way to address this situation is through the use of Open Educational Resources (OER) which are textbooks and ancillary learning materials that are accessible via the Internet at little or no cost to students or institutions. To make the cost of postsecondary education more affordable, [many states and institutions have adopted or are seeking to adopt the use of OER](#). However, the majority of faculty, administrators, and legislators still know relatively little about OER. Those who do know about it still face [implementation barriers](#), not the least of which is the time it takes to convert courses to ones that utilize OER rather than traditional learning materials.

## Current Status

This past year MHEC worked to assist states and institutions in OER implementation by creating an [OER Advisory Committee](#) comprised of institutional representatives from across the Midwest with varying levels of experience implementing OER. Per the recommendation of that Committee, MHEC teamed up with WICHE and its subsidiary [WCET \(WICHE Cooperative for Educational Technology\)](#) with funding from the [Hewlett Foundation](#) to convene Midwestern OER stakeholders on November 28-30, 2018, at the [OER Implementation and Policy Summit for the MHEC States](#). At the Summit, five-person state teams from all twelve MHEC states as well as representatives from all four regional compacts learned from national experts in the field of OER, as well as from individuals and groups who have already successfully adopted OER to varying degrees across the Midwest. A strong list of suggested state and regional actions was generated at the Summit and will inform MHEC work with OER in 2019 and can be seen in a [summary](#) of MHEC's OER work that is posted on the [MHEC website](#).

## Next Steps

MHEC staff have created an OER list server to keep Summit participants and additional members of state OER action teams connected to each other and informed about OER efforts across the Midwest. For the first 6 months of 2019, MHEC staff have facilitated monthly phone calls of state OER action teams and supported their work to build OER capacity in their respective states. In addition, MHEC staff are producing a monthly OER newsletter and quarterly webinars that reach a wide range of stakeholders and inform them of the work of the 12 state action teams as well as OER recommended practices. Each of the 12 state OER action teams can already report significant increases in their state's capacity to scale and enhance OER implementation. Examples of this forward momentum include the creation of a university system-level OER plan, a statewide survey of OER activity and interest, and presentations to legislatures in several states.

In FY19, MHEC will continue its support of the OER State Action Teams as part of a 12-to-36 month OER plan that is likely to include significant collaboration with the other regional higher education compacts and major OER champions like the Open Textbook Network, Openstax, Lumen Learning, and SPARC (Scholarly Publication and Academic Resources Coalition). Sources of external funding will be sought to support this initiative.

# CONVENING – Technologies Committee

Prepared by  
Ken Ries, Chief Information Officer

## Background

The [Technologies Committee](#) is comprised 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. The purpose of the Technologies committee is to:

- Develop strategic sourcing methods to assist institutions in member states provide technology solutions more efficiently and effectively in an ever-changing landscape;
- Utilize collaborative sourcing to deliver cost savings, risk avoidance, and staff time efficiency on technology purchases for institutions in member and sister compact states;
- Utilize market share and strategic partnerships to advocate for higher education in the development of new and improved technology delivered solutions;
- Expand information exchange opportunities; and
- Produce revenue to fund the work of the committee and other MHEC initiatives.

## Current Status

The 2019 MHEC Annual Technologies Committee Meeting was held on February 27-March 1. The meeting was focused on the theme of *Adapting to Generational Change: Preparing to Meet the Needs of our Future Students*. Key discussions included leveraging creative software tools to prepare students for success in a digital world; addressing the changing infrastructure and the future of the datacenter as institutions move more data into the cloud; striving to make making higher education more effective, engaging, and better for all students through the use of open educational resources; and addressing the changing nature and importance of contracts. Accessibility became a key focus during open discussion. The discussion ranged from web and application accessibility, through contract terms and conditions, to how policy can drive change and support institutional efforts.

## Next Steps

The Technologies Executive Committee began a SWOT analysis in order to position the Compact's ability to address the issues that arose during the annual meeting. The Technologies Executive Committee will meet in June to complete the effort, providing guidance to MHEC regarding strategic direction and next steps.

The Leadership, Partnerships, and Procurement Advisory Group has taken on the task of defining the top contract related terms and conditions that are best suited to a regional response. The group is currently developing standard language that will assist institutions when going to market and simplifying vendor interactions.

Finally, the Academic IT Advisory Group has been tasked with addressing accessibility and identifying opportunities. During a subsequent meeting, the group elected to change their name to the Accessibility Advisory Group and are seeking additional institutional representatives to be involved in the discussion.

## **PROGRAMS**

MHEC PROGRAMS are initiated in response to identified needs in one or more of the member states. Bringing together expertise from across the region, MHEC identifies activities needed to address the identified needs. Those problems best solved through persistent interstate cooperation are then developed into MHEC programs. MHEC programs are unique in that postsecondary education institutions are the primary participants, although MHEC programs address the needs and perspectives of all constituencies in the midwestern region. Each MHEC program provides the program participants with governance and leadership structures to guide and maintain programmatic outcomes.

# **PROGRAMS - Master Property Program (MPP)**

Prepared by  
Carla Ahrens, Property Program Manager

## **Background**

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

## **Current Status**

Since its inception, MPP participation has grown nationally to incorporate 100 institutions, covering more than 170 campuses with total insured values of approximately \$100B. In FY 2018, it is estimated that the program saved its participating institutions in excess of \$18M of which \$14.7M of these savings were for the Midwest participants alone.

One of the many benefits of the MPP is the existence of the loss fund (captive) layer within the program structure that offers the potential for a dividend when an institution's losses and program losses are favorable. At the end of December 2018, a total of \$860,520 was distributed back to the participating institutions in dividends. Since the program's inception \$20.1M in dividends have been distributed to the Midwest MPP members.

## **Next Steps**

MHEC is currently working with the MPP's Program Administrator, Marsh, on the July 1, 2019 renewal. The property insurance market is currently facing difficult and costly renewals due to natural disasters that have occurred over the past two years. This year the MPP renewal is made even more challenging due to several large property insurance losses that have also occurred the past two years. Renewal premium indications will be released to the MPP members on May 20.

# **PROGRAMS - Cyber Insurance**

Prepared by  
Carla Ahrens, Property Program Manager

## **Background**

The number one issue for higher education IT leaders this year is information security, according to EDUCAUSE, a nonprofit association of IT leaders in higher education.

The MHEC [Cyber Insurance](#) initiative was established in 2018 to provide an option to institutions in the MHEC region as well as sister compacts the Western Interstate Commission for Higher Education (WICHE), the New England Board of Higher Education (NEBHE), and the Southern Regional Education Board (SREB) to purchase cyber insurance coverage. Higher Education institutions continue to face significant and increasing cyber threats due to the valuable information stored on their networks and the ability for threat actors to use network infrastructure to launch operations against other targets. College and university networks can be difficult for administrators to effectively secure because of their size and sharing of information.

Institutions in the MHEC member states have been asking for a cyber insurance solution which is tailored to deliver the right mix of risk transfer and advisory solutions for institutions to assess, manage, and respond to their risk.

## **Current Status**

Along with Marsh, MHEC's Program Administrator for programs of insurance, MHEC is now able to offer institutions the flexibility of insurance carrier choice, the broadest coverage available, and access to limits that meet institutional coverage needs. The MHEC Cyber Insurance approach analyzes the institution's threat environment, assesses the significance of the vulnerabilities in security controls, and determines how much financial exposure the institution faces. MHEC's approach can also provide benchmarking on how much cyber coverage institutions of similar risk are buying.

## **Next Steps**

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

Our next steps include considering a survey to gather input followed by a webinar to raise awareness of the potential risks with cyber liability and make institutions aware of the MHEC Cyber program.

# **PROGRAMS - MHECare Health Insurance Solutions**

Prepared by  
Jennifer Dahlquist, Senior Vice President

## **Background**

In 2008 MHEC received a grant from the Lumina Foundation to provide member institutions with a sustainable student health insurance program. Created in conjunction with MHEC's Student Health Benefits Advisory Committee, MHECare provides campuses that offer students a school-sponsored plan the flexibility to tailor plans specifically to meet the needs of their students with national carrier UnitedHealthcare StudentResources.

Changes to healthcare policy and regulation continue to drive uncertainty in the market and through MHECare, campuses will be well-served by a carrier that is compliant and fully equipped to rapidly respond to changes in regulations. Campuses can leverage MHECare with confidence 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 serve and impact students.

The program is also available to postsecondary institutions of MHEC's sister compact regions in the New England Board of Higher Education, the Southern Regional Education Board, and the Western Interstate Commission for Higher Education.

For institutions located in only the MHEC region that are unable to offer a school-sponsored plan, MHEC also provides an option with IXSolutions for private student health insurance exchanges. Through a private health insurance exchange, campuses can offer students multiple coverage options, provide support from insurance experts, and save valuable administrative time.

## **Current Status**

Fifty-eight campuses from across the United States participated in the 2018-19 school year, insuring over 50,000 students. Participation has grown at a steady pace since program inception with the 2012-13 plan year. Campuses are actively working through their renewals and making decisions that will impact the 2019-20 plan year.

## **Next Steps**

While MHEC will continue to offer a student health care option to MHEC and the other regional Compacts, in the coming year it will need to evaluate the current contract with UnitedHealthcare StudentResources and determine the timing of a future RFP.

# PROGRAMS - Midwest Student Exchange Program (MSEP)

Prepared by  
Sara Appel, MCMC and MSEP Manager

## Background

The [Midwest Student Exchange Program](#) (MSEP) offers reduced tuition rates to students in the states of Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin. Although the Compact has 12 member states, the MSEP is a voluntary program (as are all MHEC programs) and Iowa and South Dakota elected not to participate in the 2017-18 academic year.

Since 1994, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. MSEP serves as the Midwest's largest multi-state tuition reciprocity program. Nearly 90 campuses from the participating states have opened their doors to students at reduced rates. Public institutions enrolling students under the program agree to charge no more than 150% of the in-state resident tuition rate while private institutions offer a 10% reduction on their tuition rates. This program sits alongside and in addition to other state-to-state reciprocity programs.

## Current Status

There are 10 states participating with 95 institutions in the MSEP including 2 and 4-year, public and private campuses. There is a twofold benefit to the program. When students from other states attend out-of-state colleges, they are more likely to stay in that state, work, be part of the community, and contribute to the economy. It is also a good enrollment management tool. Institutions can utilize MSEP to attract students to fill programs and/or courses to reach capacity. For FY18, there were 13,763 students participating in the program saving students and families \$90.9M.

MSEP institutional participants maintain MSEP webpages providing current information for potential students of the program. Since May 2018 MSEP has received numerous emails and phone calls from students and parents interested in the program.

This past year MHEC began a biannual MSEP electronic newsletter to share news items and examples of ideal MSEP web pages, as well as conducted a webinar that highlighted how to effectively use the program. MSEP institutional participants have appreciated these improvements in communication to stay informed.

## Next Steps

In order to provide additional cost savings to students and aid institutions in increasing enrollment, MHEC conducted a campaign in February and March encouraging institutions to join. This effort resulted in two private institutions joining: Friends University (KS) and McKendree University (IL). In order for a state to participate, one institution in that state must agree to participate. Since the program is voluntary, institutions in a state may decide to participate or not. MHEC will continue outreach efforts, inviting colleges and universities to participate throughout the next year. MHEC is assessing the MSEP to determine if and how it can be structured to meet the needs of today's students and institutions. Additional evaluation is underway to determine the current relevance and value of the program and best approach moving forward.

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

Prepared by  
Emily Jacobson, M-SARA Manager

## **Background**

The [State Authorization Reciprocity Agreements](#), commonly known as SARA, provide a voluntary, regional approach to state oversight of postsecondary distance education. When states join SARA -- and membership is voluntary -- they agree to follow uniform processes for approving their eligible institutions' participation in SARA. They also agree to deal with other states' SARA institutions in a common way when those institutions carry out activities in SARA states other than their own. SARA's uniform standards and policies provide benefits to both states and institutions carrying out distance education in multiple states. This approach has streamlined, improved, and added consistency to the approach an institution must take to offering distance education programs or courses across state lines. Each SARA member state determines which state agency will be the SARA portal entity (S P E). This is the "lead" agency for SARA, responsible for contact with other SARA member states and students from other states, but it need not be a college governing board. It can work with other entities as needed for problem-solving and managing SARA.

As of August 12, 2016, eleven states participate in the Midwestern State Authorization Reciprocity Agreement (M-SARA): Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin. South Dakota, also a MHEC member state, joined SARA through the Western Interstate Commission for Higher Education (WICHE).

## **Current Status**

As of May 2019, 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands are members of SARA. 1,965 institutions participate in SARA, and of that total, 562 institutions are in MHEC states. Those institutions and states benefit legally, organizationally, and financially from SARA participation. Additionally, the M-SARA Regional Steering Committee continues to engage in active discussions about the future of SARA.

In May of 2019, NC-SARA implemented the fourth round of institutional data collection and enhanced data collection with reporting of clinical field placements. NC-SARA continues to host annual meetings devoted to state portal agents, to strengthen connections between SARA portal agents and promote consistency in SARA practice across the nation. M-SARA hosts its own set of annual meetings for M-SARA Regional Steering Committee members and M-SARA state portal agents. A portion of these meetings are dedicated to a joint meeting between both groups, where NC-SARA representatives are also present.

## **Next Steps**

In 2019, NC-SARA will launch a new institutional and student support website, which will provide a consistent nationwide source of information about SARA and state authorization. MHEC has experienced continued success with SARA and looks forward to helping the initiative improve and grow in the future. Dr. Lori Williams, a 25-year veteran of online higher education, was recently selected to serve as the next president and CEO of NC-SARA.

## RESEARCH

MHEC RESEARCH is meant to inform institutional and state efforts in improving postsecondary policies, practices, and outcomes. Through its efforts MHEC seeks to provide policy guidance, showcase best practices, and convene thought leaders on important higher education issues facing MHEC member states and the region. To help its efforts, MHEC has established a higher education research review panel for state policy and performance evaluation to help guide it in its policy research work. MHEC produces timely briefs, reports, and technical papers that assist in the evaluation of postsecondary performance, the analysis of state policies, and the identification of effective institutional practices. The intended audience for MHEC's research includes commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education researchers.

# RESEARCH

Prepared by  
Aaron Horn, Vice President of Policy Research

## Background

MHEC's approach to [higher education research and policy analysis](#) informs institutional and state efforts in improving postsecondary policies, practices, and outcomes. 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 national 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
4. Providing public outreach and service to institutions and governments

## Current Status

- **State Educational Performance Indicators Data System (SEPIDS).** MHEC staff are working with an interactive web development agency to create an online tool that allows users to select from a comprehensive set of performance indicators; multiple data years; any peer state in the U.S.; figure/table type; and export data/figure/table.
- **Research Center.** The operations of MHEC's proposed Center for Higher Education Research and Policy Analysis (CHERPA) were suspended to further evaluate organizational needs and gather input from stakeholders through the Compact.
- **Technical College Peer Identification Index.** MHEC staff are developing a method for identifying the peer institutions of South Dakota's four technical colleges. The method and results will enable other technical colleges in the region to identify peer institutions for performance benchmarking.
- **Reports and Briefs.** Six publications were released over the past fiscal year, five of them in [Affordability and Finance](#) and the other in [College Readiness](#), as well as a [performance update](#) that was produced for each member state.

## Next Steps

- **SEPIDS.** The SEPIDS prototype is scheduled for completion in July. State agency staff and other interested stakeholders will have an opportunity to pilot test the tool and provide feedback for refinement before public release.
- **Postsecondary attainment projections.** A MHEC-coordinated research team will develop postsecondary enrollment and attainment projections for Illinois through 2030. The study will serve as the basis for creating projections for other MHEC states.
- **Regional research agenda.** Stakeholder feedback will be solicited to inform MHEC's research priorities over the next two years.

## CONTRACTS

MHEC CONTRACTS leverage the potential volume of the region's purchasing power, while saving institutions time and money by simplifying the procurement process. The contracts provide competitive solutions established in accordance with public procurement laws thereby negating the institution's need to conduct a competitive sourcing event. By offering a turnkey solution with the ability to tailor the already negotiated contract to match the institution's specific needs and requirements, MHEC contracts shift some of the negotiating power back to the institutions. Additionally, because of MHEC's statutory status, many of these contracts can also be adopted for use by K-12 districts and schools, as well as cities, states and local governments. Smaller institutions benefit from these contracts as they allow these institutions to negotiate from the same pricing and terms normally reserved for larger institutions. MHEC relies on institutional experts to participate in the negotiations, sharing strategies and tactics on dealing with specific contractual issues and vendors.

# CONTRACTS - Technology

Prepared by  
Nathan Sorensen, Director of Government Contracts

## Background

MHEC's approach to education technology contracts is rooted in delivering timely, effective, cost efficient technology solutions. The contracts are created and supported by engagement of stakeholders purchasing power from the 12 MHEC states. MHEC facilitates a direct relationship between technology vendors and institutions. By entering into agreements for the benefit of its member states, this approach allows institutions within those states access to MHEC contracts. Consistent with the procurement rules of the Compact's member states, MHEC has adopted a procurement policy that requires MHEC contracts to be awarded based on a competitive sourcing process. These master agreements have discounted pricing as well as terms and conditions that are better than most higher education institutions can negotiate individually. This process is designed to minimize the burden on administrative resources for institutions in the 12 MHEC states, saving both time and money, while expediting technology acquisitions. The category-based awarded contracts, provide higher education institutions and systems the ability to obtain complete solutions that may be composed of varying products, services, quantity and value.

## Current Status

Increasingly, an information technology (IT) investment is needed to support student success, faculty, and staff functions, which is no small matter to a college campus, large or small. MHEC currently focuses on technology contracts with mega vendors including the likes of Dell, HP Enterprise, HP Inc., Lenovo, Oracle, SAS, VMware, and Xerox. [All of these contracts](#) are available for use by all public and private not-for-profit institutions of higher education in the 12 MHEC states, and in most instances, also include the other regional compacts of the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE) member states. In efforts to support education overall, some of the contracts extend eligibility for use by K-12 districts, local governments and states. These mega vendors are often where the majority of an institution's IT budget is spent and can be the most difficult to manage in terms of compliance, negotiation, and general relationship. Nationally, all Compact regions have benefited from MHEC contracts, as usage has significantly grown in recent years with over \$360M in sales. According to the Center for Digital Education, it is estimated that \$1.3B dollars across the 12 MHEC states was invested in higher education technology in 2018, with 8% of this investment spent in the region using MHEC's education technology contracts. Overall the estimated savings, in the MHEC region was \$26M during FY18. Top areas of investment to date include cybersecurity, smart campus, predictive analytics, student engagement, network connectivity, and hybrid cloud computing.

## Next Steps

MHEC continually develops strategic contracts that provide easier and quicker access to IT hardware, software, and services. Anticipated IT solicitations over the next year encompass virtualization, research and advisory services, transcript services, and creative software. Each of the categories will be thoroughly researched, scope of the objective defined, vendor environment scanned, and input from the higher education community included. Workgroups of five to seven subject-matter experts, representing the MHEC region, will be formed to act as the selection committee for the solicitation and make the recommendation to the MHEC president for award(s). Once a contract is awarded, the workgroup is conveyed as needed to assist MHEC with managing the vendor relationship.

## Guest Presenters



### **Stephanie Davidson, Ph.D.**

Vice Chancellor, Academic Affairs  
Ohio Department of Higher Education

Stephanie Davidson serves as the vice chancellor of Academic Affairs for the Ohio Department of Higher Education (ODHE). She oversees the units that facilitate the creation of seamless, affordable academic pathways; ensure the quality and integrity of academic programs; enhance college access, readiness and educator preparation; and advance degree and certificate completion.

Prior to joining ODHE, Dr. Davidson was a faculty member in the Department of Speech and Hearing Science at Ohio State. She developed and taught undergraduate and graduate courses, supervised student practicum experiences, mentored students completing research projects, and pursued her own research interests in audiologic rehabilitation. She also worked as a Faculty Fellow in the Office of the Provost.

Dr. Davidson is a Fellow of the American Speech-Language-Hearing Association, where she has served as an accreditation site visitor, a member of the council that accredits academic programs in speech-language pathology and audiology, chair of the Board of Ethics, and on the Board of Directors. She currently is a member of the Committee on Honors.

She serves as the governor's designee on MHEC's governing board.

Dr. Davidson received her B.A. in audiology and speech sciences from Michigan State University and her M.A. and Ph.D. in audiology and hearing science from The Ohio State University.



### **Mike Duffey**

Senior Vice Chancellor  
Ohio Department of Higher Education

Mike Duffey was appointed in January to the Ohio Department of Higher Education where he is responsible for oversight of Ohio's public universities, community colleges and career/technical centers. He most recently served eight years in the Ohio House of Representatives, where he chaired the Higher Education and Workforce Committees, vice-chaired the legislature's Joint Committee on College Affordability, and co-chaired the Ohio Tuition Trust Authority.

He also served as a MHEC commissioner for two two-year terms during his time as a legislator.

Mr. Duffey received his B.A. in political science from the University of Michigan.



**David T. Harrison, Ph.D.**  
President  
Columbus State Community College

David T. Harrison became the fifth president of Columbus State Community College in July 2010. With more than 25,000 students, Columbus State is one of the largest and most comprehensive colleges in Ohio. Through its campuses in Columbus and Delaware County and its nine regional learning centers, the college serves students from all 88 counties in Ohio, provides more online learning opportunities than any college in the state, and contributes nearly a billion dollars in regional economic impact.

Under Dr. Harrison's leadership, Columbus State has led the region in expanding access to affordable bachelor's degrees through innovative university 2+2 partnerships. Students who complete freshman and sophomore years at Columbus State through the Preferred Pathway program realize higher education goals without the burden of daunting student debt. He led the formation of The Central Ohio Compact, a regional strategy among K-12 and higher education leaders to help more students succeed in college and in the workplace. These partnerships provide Columbus State students the opportunity to achieve their higher education goals while providing solutions for families by reducing financial barriers to degree attainment.

In 2012 Columbus State was named an Achieving the Dream college, a national initiative to help more students earn college credentials with an emphasis on first generation students, students of color, and low-income students; and in 2015 the college received Achieving the Dream's esteemed designation as a Leader College. In addition, Columbus State was one of only 30 colleges nationwide selected to participate in the Pathways Project led by the American Association of Community Colleges (AACC) to design and implement guided academic and career pathways for all students.

Dr. Harrison came to Columbus State with extensive experience building successful community partnerships. As Vice Provost for Regional Campuses at the University of Central Florida, he worked with community colleges to create the Central Florida Higher Education Consortium and the nationally-recognized DirectConnect to UCF program, which guarantees the opportunity for a bachelor's degree for graduates of partner community colleges. Under his leadership, the program significantly increased the number of transfer students earning bachelor's degrees from UCF. He also developed partnerships with employers and community leaders to address workforce needs in information technology, architecture, healthcare, and other fields.

Prior to joining UCF, Dr. Harrison served in leadership roles at Seminole State College in Florida and at Sinclair Community College in Ohio, and was a consulting manager with Accenture in Pittsburgh. He holds a Ph.D. from The Ohio State University, an MBA from the Katz Graduate School of Business at the University of Pittsburgh, and a bachelor's degree in chemical engineering from the University of Dayton.

## MHEC Commissioners

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Chair: Ken Sauer, Indiana  
Vice Chair: Olivia Madison, Iowa  
Treasurer: David Eisler, Michigan

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Illinois: La Shawn Ford, Suzanne Morris  
Indiana: Wendy McNamara, Ken Sauer  
Iowa: Carrie Koelker, Olivia Madison  
Kansas: Blake Flanders, Marci Francisco  
Michigan: David Eisler, **TBD**  
Minnesota: Connie Bernardy, Devinder Malhotra  
Missouri: Allen Andrews, Kayla Hahn  
Nebraska: Deborah Frison, Rick Kolowski  
North Dakota: Mark Hagerott, Dennis Johnson  
Ohio: Rick Carfagna, Stephanie Davidson  
South Dakota: Janelle Toman, **TBD**  
Wisconsin: Joan Ballweg, Rolf Wegenke

\*Ex Officios: Lyndon Carlson (MN); Randy Ferlic (NE);  
Tim Flakoll (ND); and Teresa Lubbers (IN)

### ILLINOIS

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



#### **La Shawn Ford**

State Representative; Chair, Appropriations-Higher Education  
Illinois General Assembly



#### **Alice Marie Jacobs**

Board Member  
Illinois Board of Higher Education



#### **Pat McGuire**

State Senator; Chair, Higher Education Committee  
Illinois General Assembly

*\*Former MHEC Chairperson*



**Suzanne Morris**  
Board Member  
Illinois Community College Board

**OPEN APPOINTMENT**  
Illinois Governor's Designee

**INDIANA**

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



**Charles R. Johnson, Jr.**  
President  
Vincennes University



**Wendy M. McNamara**  
State Representative  
Indiana General Assembly



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



**David W. Wantz**  
President and CEO  
Independent Colleges of Indiana



**Andy Zay**  
State Senator  
Indiana General Assembly



**Teresa S. Lubbers** (Commissioner Alternate)  
Commissioner  
Indiana Commission for Higher Education

**IOWA**

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



**Nancy Boettger**  
Regent  
Board of Regents, State of Iowa



**Derrick R. Franck**  
Board Member  
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



**Joe Mitchell**

State Representative; Member, Education Appropriations Subcommittee  
Iowa Legislature



**Herman Quirnbach**

State Senator; Ranking Member, Education Committee  
Iowa Legislature



**Andrew J. Baumert** (Commissioner Alternate)

Vice President for Marketing and Outreach  
Iowa Association of Independent Colleges and Universities



**Todd Brown** (Commissioner Alternate)

Division Administrator, Financial Aid Program Administration  
Iowa College Student Aid Commission



**Timothy Fitzgibbon** (Commissioner Alternate)

Governor's Designee; and Senior Vice President, First National Bank



**Carrie Koelker** (Commissioner Alternate)  
State Senator; Member, Education Appropriations Subcommittee  
Iowa Legislature



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

## **KANSAS**

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



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



**Marci Francisco**  
State Senator  
Kansas Legislature



**Helen Van Etten**  
Board Member  
Kansas Board of Regents

**OPEN APPOINTMENT**  
Kansas Governor's Designee

**OPEN APPOINTMENT**

Speaker of the House  
Kansas Legislature



**Barbara W. Ballard** (Commissioner Alternate)  
State Representative, Kansas Legislature  
Associate Director, Robert J. Dole Institute



**Molly Baumgardner** (Commissioner Alternate)  
State Senator; Chair, Education Committee  
Kansas Legislature

**MICHIGAN**

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



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



**Brandy M. Johnson**  
Michigan Governor's Designee; and Postsecondary and Workforce Policy Advisor  
Office of the Governor, State of Michigan



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



**Bill Pink**  
President  
Grand Rapids Community College



**Scott VanSingel**  
State Representative; Chair, Higher Ed. & Community Colls. Appropriations  
Subcommittee  
Michigan Legislature



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



**Cassandra Ulbrich** (Commissioner Alternate)  
President  
State Board of Education

## **MINNESOTA**

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



**Paul T. Anderson**  
State Senator; Chair, Higher Education Finance and Policy  
Minnesota State Legislature



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



**Karen Hanson**  
Executive Vice President and Provost  
University of Minnesota – Twin Cities



**Devinder Malhotra**  
Chancellor  
Minnesota State



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



**Lyndon R. Carlson** (Commissioner Alternate)  
State Representative; DFL Lead, Ways and Means Committee  
Minnesota State Legislature



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

## MISSOURI

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



**Allen Andrews**  
State Representative; Member, Subcommittee on Appropriations – Education  
Missouri General Assembly



**Kayla Hahn**  
Governor’s Designee; and Policy Director, Governor Michael Parson, State of  
Missouri



**Gary Romine**  
State Senator; Chair, Senate Education Committee, and Chair, Joint Committee on  
Education  
Missouri General Assembly



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



**Margie Vandeven**  
Commissioner of Education  
State Board of Education



**Zora Mulligan** (Commissioner Alternate)  
Commissioner of Higher Education  
Missouri Department of Higher Education

**NEBRASKA**

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



**Randolph M. Ferlic**  
Nebraska Governor's Designee



**Deborah A. Frison**  
Vice Chair  
Coordinating Commission for Postsecondary Education



**Susan M. Fritz**  
Executive Vice President and Provost and Dean of the Graduate College  
University of Nebraska



**Rick Kolowski**  
State Senator; Member, Education Committee  
Nebraska Legislature



**Julie Slama**  
State Senator  
Nebraska Legislature



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

## **NORTH DAKOTA**

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



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



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



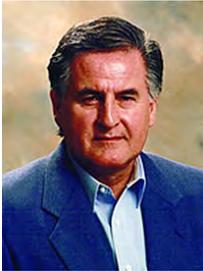
**Mark Hagerott**  
Chancellor  
North Dakota University System



**Dennis Johnson**  
State Representative; Member, Education Committee  
North Dakota Legislative Assembly



**Don Morton**  
Chair, State Board of Higher Education



**James L. Davis** (Commissioner Alternate)  
Former President  
Turtle Mountain Community College

**OHIO**

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



**Rick Carfagna**  
State Representative; Chair, Finance Subcommittee on Higher Education  
Ohio Legislature



**Gary Cates**  
Senior Vice Chancellor, Innovation and Enterprise Development  
Ohio Department of Higher Education



**Stephanie Davidson**  
Ohio Governor's Designee; and Vice Chancellor, Academic Affairs, Ohio  
Department of Higher Education



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



**Stephanie Kunze**  
State Senator  
Ohio Legislature



**Bruce Johnson** (Commissioner Alternate)  
President  
Inter-University Council of Ohio



**David H. Ponitz** (Commissioner Alternate)  
President Emeritus  
Sinclair Community College

## **SOUTH DAKOTA**

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



**Michael Cartney**  
President  
Lake Area Technical Institute



**Erin Healy**  
State Representative; Member, Education Committee  
South Dakota Legislature



**V.J. Smith**  
State Senator; Member, Education Committee  
South Dakota Legislature



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



**Janelle K. Toman**  
Director of Communications  
South Dakota Board of Regents



**Reynold Nesiba** (Commissioner Alternate)  
State Senator; Member, Committee on Appropriations  
South Dakota Legislature



**Marli Wiese** (Commissioner Alternate)  
State Representative; Member, Education Committee  
South Dakota Legislature

## **WISCONSIN**

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



**Joan Ballweg**  
State Representative; Member, Assembly Committee on Colleges and Universities  
Wisconsin State Legislature



**Steven Nass**  
State Senator; Member, Education Committee  
Wisconsin State Legislature



**Julie Underwood**  
Wisconsin Governor's Designee; and Dean of Education, University of Wisconsin-  
Madison



**Rolf Wegenke**  
President  
Wisconsin Association of Independent Colleges and Universities (WAICU)

**OPEN APPOINTMENT**  
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 Steering Committee

Master Property Program Leadership Committee

Master Property Program Loss Control Workshop Subcommittee

Midwest Student Exchange Program Council

Multi-State Collaborative on Military Credit Steering Committee

Open Educational Resources Advisory Committee

Review Panel for State Policy and Performance Data

Technologies Executive Committee

Technologies Committee

## MHEC Staff



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## OVERVIEW

The opening statement in the statute enacted into law in the **TWELVE MEMBER STATES** of the Midwestern Higher Education Compact (**MHEC**) provides the defining mission of the organization:



*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.*



MHEC's success over the **PAST 25 YEARS** has been defined by its ability to build successful programs providing a broad range of outcomes that support this mission.

As MHEC launches into its **NEXT 25 YEARS**, the region is dealing with a multitude of challenges that will drive it to deliver new innovative programs and services and require it to constantly evaluate the effectiveness of current programs. **THIS STRATEGIC PLAN IS BASED ON THAT REALITY.**

After listening to stakeholders and carefully analyzing capacities, it became clear the Strategic Plan needs to focus on three things.

### — 1 —

Define the organization's outcomes; the products it delivers, and the outcomes to measure its success

### — 2 —

Outline the common themes raised by Commissioners, employees, committee members, and other stakeholders as they examined the work the Compact should be engaged in during the next five years

### — 3 —

Provide an overview of the process to filter and shape ideas into actionable efforts providing benefit to the region and states served by the Compact

# OUTCOMES

MHEC has traditionally focused its narrative on the programs and services offered to the member states. As MHEC embarks on the next phase of development it will refocus the conversation around the **OUTCOMES** that arise from its programs and services. This will help **BUILD CONNECTIONS** across and within the organization, as well as **CREATE COMMON THREADS** that tie MHEC's work together.

## Professional Development

Disseminate knowledge and expertise about practical solutions

## Best Practices

Showcase successful efforts in the member states and provide a forum to share successes

## Organizational Revenue

Reinvest in MHEC programs and services and maintain an affordable state commitment

## Market Influence

Impact the market to better meet the unique needs of higher education

## Peer Connectivity

Network and solve problems together

## Initiative Metrics

Document the breadth and depth of MHEC's constituent reach



## Policy Guidance

Advance forward-looking ideas in a non-partisan, collaborative environment

## Solution Accessibility

Provide access to options not readily available to all constituents

## Efficiencies

Do more with less, address costs that cannot be measured in hard dollars

## Procurement Process

Ensure compliance and quality control through a trusted procurement process

## Savings

Save entities in the member states millions of dollars, opening doors for broader conversations

# THEMES

MHEC will focus its efforts in the next five years around these four key themes. The Commission will evaluate these themes on an annual basis to **ENSURE CONTINUED RELEVANCY** to the region.

## SHIFTING DEMOGRAPHICS – CHANGING COMPOSITION OF THE STUDENT BODY

- Increasing racial, ethnic, and economic diversity
- Lack of population growth resulting in excess capacity
- Persistent achievement gap for socioeconomically challenged students
- Amplified need to serve students with some college but no credential

## EVOLVING MODES OF PACKAGING AND DELIVERING EDUCATION

- Challenge to deliver better outcomes through technology
- Increased focus on competencies
- Demand for flexibility in higher education from early college to post-graduate studies – credit transfer, degree options, stackable credentials, and unbundling learning
- Diversification of credentials – licensures, badges, certificates, and certifications

## DECLINING SHARE OF PUBLIC INVESTMENT IN HIGHER EDUCATION

- Students paying a larger share of the cost of education resulting in greater student debt
- Increased expectations for return on investment and postsecondary education as practical career preparation to address workforce goals
- Heightened discussion about the value of liberal arts education

## DESIRE FOR COLLABORATION BEYOND THE INSTITUTION

- Push for higher education to build capacity to better collaborate with other institutions, K12, accreditors, Federal government, legislatures, and employers
- Drive to leverage increasingly complex data and link longitudinal data systems together

1

2

3

4



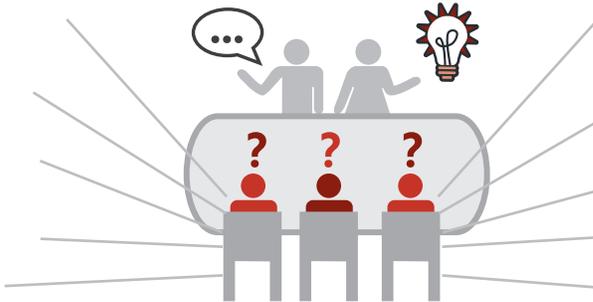
# PROCESS

MHEC relies on the **THOUGHT LEADERSHIP** provided by its Commissioners, committee members, staff, and other stakeholders to generate ideas that **RESULT IN ACTION**. In order to best use MHEC’s resources, acting on those opportunities with the greatest potential to **BRING VALUE TO THE MEMBER STATES**, MHEC will develop a transparent process for evaluating each idea while setting up a process to continuously evaluate existing work.



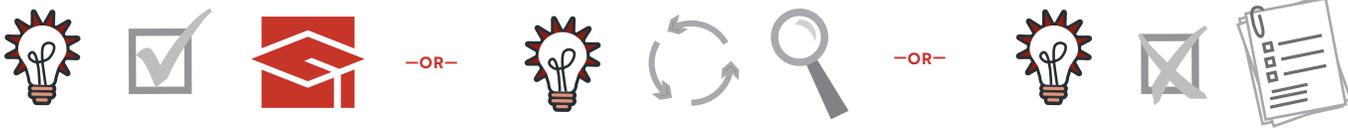
Ideas generated will be **CONNECTED** to one or more of the aforementioned themes articulated by MHEC’s constituency. Those who generate the ideas will be engaged with key stakeholders and MHEC staff to define the problem or opportunity and engage in data collection through a **SERIES OF QUESTIONS** that may include:

- How can MHEC deliver value linked to the articulated outcomes?
- How does the initiative benefit the region and member states?
- What type of activity would best suit the task?
- What is the scope of the effort?
- Who needs to be involved?



- What resources and expertise are required and does this align with MHEC’s existing capacities?
- Are others actively working to address the issue?
- What does success look like?
- Is timing a concern?
- What happens if we don’t act?

Based on the information gathered, a **BUSINESS CASE OR PROJECT CHARTER** will be developed. Depending on the nature of the opportunity, stakeholders will determine whether the idea should **MOVE FORWARD** as a project or initiative, **CONTINUE IN THE RESEARCH** phase, or be **SET ASIDE**.



**THE FINAL, AND PERHAPS MOST IMPORTANT STEP,** is the evaluation of the project or initiative, which will include these queries:

<input checked="" type="checkbox"/>	<b>Were the objectives met?</b>	<input checked="" type="checkbox"/>	<b>Has the environment or opportunity changed?</b>	<input checked="" type="checkbox"/>	<b>Did this help the stakeholders it set out to assist?</b>	<input checked="" type="checkbox"/>	<b>Are themes identified within the Strategic Plan still being addressed?</b>
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

**CONCLUSION:** MHEC is an organization created to be responsive to the needs of Midwestern higher education. In launching this Strategic Plan, MHEC recognizes it will be called upon to serve a higher education community that is rapidly changing. The approach outlined in this Strategic Plan recognizes this. The plan creates a process enabling MHEC to be proactive and innovative while grounding it to common themes and challenges for the region.

# 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.

#### 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. Compact 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 chairperson. After verifying compliance with the compact provisions governing commission appointments, the commission chairperson shall promptly acknowledge the receipt of all qualified appointments by letter to both the appropriate appointing authorities and the designated appointees. The commission chairperson shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon the expiration of designated terms or 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. Associates.

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.

### 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 chairperson, vice chairperson 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 chairperson and vice chairperson shall serve one year terms or until their successors are elected by the commission. The vice chairperson shall succeed to the office of chairperson upon completion of the chairperson's term of office. The treasurer shall serve a one year term or until a successor is elected by the commission. The treasurer shall not serve more than four terms successively.

### Section 2. Duties.

The 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. Chairperson. The chairperson 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 Chairperson. The vice chairperson shall, in the absence or at the direction of the chairperson, perform any or all of the duties of the chairperson. In the event of a vacancy in the office of chairperson, the vice chairperson shall serve as acting chairperson until a new chairperson is elected by the commission.
- c. Treasurer. The treasurer, with the assistance of the commission's executive director, 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 executive director 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.

#### **Article IV. Commission Personnel**

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

The commission shall appoint an executive director, who shall serve at its pleasure and who shall act as chief executive officer and secretary to the commission. The executive director shall hire and supervise such other staff as may be authorized by the commission. The executive director 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. The executive director may be entitled president of the commission.

##### **Section 2. Duties of the Executive Director.**

As secretary to the commission, the executive director shall keep minutes of all commission meetings and shall act as the custodian of all documents and records pertaining to the status of the compact and the business of the commission. As the commission's principal administrator, the executive director shall also perform such other 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; and
- i. Prepare and disseminate all required reports and notices as directed by the commission.

### Section 3. Policy and Programmatic Committees.

In functioning as the commission's principal administrator, the executive director (president) may establish committees to help explore and implement commission policies and program initiatives. The executive director 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 executive director, the positions of chair and vice chair may be established for each of the committees. If a chair and vice chair is established, the executive director shall appoint the chairperson and vice-chairperson 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 executive director. The duties of the chair and vice chair shall include, but not be limited to, the following:

Chairperson: The chairperson 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 executive director's approval, shall act on the committee's behalf during the interim between committee meetings.

Vice Chairperson: The vice-chairperson shall, in the absence or at the direction of the chairperson, perform any or all of the duties of the chairperson. In the event of a vacancy in the office of the chairperson, the vice-chairperson shall serve as acting chairperson until the executive director appoints a new chairperson.

## **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 chairperson, 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. 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 chairpersons 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. 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 executive director, shall keep accurate and timely accounts of all receipts and disbursements of commission funds. The treasurer, through the executive director, 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, the first of which shall be prepared by January, 1995, 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.

As amended by the Midwestern Higher Education Commission on May 20, 1995.

As amended by the Midwestern Higher Education Commission on June 20, 2003.

As amended by the Midwestern Higher Education Commission on November 18, 2004.

As amended by the Midwestern Higher Education Commission on November 14, 2006.

As amended by the Midwestern Higher Education Commission on November 14, 2011.

## **GENERAL OPERATING PRINCIPLES FOR PROGRAM SELECTION AND DEVELOPMENT**

1. The Commission of the compacting states must formally approve, as described in the bylaws, each MHEC program before it is started.
2. Programs shall relate primarily to or affect postsecondary education (public, proprietary, or private) including basic college or university programs (technical, professional, and graduate), and other forms of education for persons beyond high school age--such as continuing education, vocational training, and nontraditional programs that permit people to return to the learning process at any time in their lives.
3. Programs will be initiated in response to demonstrated or defined needs in more than one of the Midwestern states.
4. Problems addressed by MHEC programs must be best solved through interstate cooperation. (Occasional single-state requests for services will be met, staff resources permitting.)
5. MHEC programs will address the needs and perspectives of all constituencies in the midwestern region, with particular regard to those groups that historically have been under-represented in postsecondary education.
6. Programs are initiated only after determining that MHEC can appropriately provide the service.
7. The primary beneficiaries of each program must be within the MHEC region and they must have signified their desire for MHEC services.
8. MHEC will cooperate with states, agencies, organizations, or individuals outside the region if such out-of-region cooperation is for the benefit of states and citizens in the region.
9. All MHEC programs will be evaluated regularly and systematically, and the results will be made public.
10. Any and all programs selected by the Commission shall be adopted in accordance with the bylaws of the Commission.

## **Midwestern Higher Education Commission Conflict of Interest Policy for Commissioners**

WHEREAS, the proper governance of the Midwestern Higher Education Commission (MHEC) depends on Commissioners who give their time for the benefit of MHEC; and

WHEREAS, the giving of this service, because of the varied interests and background of Commissioners, may result in situations involving a dual interest which might be interpreted as a conflict of interest; and

WHEREAS, this service should not be rendered impossible solely by reason of duality of interest or possible conflict of interest; and

WHEREAS, this service nevertheless carries with it a requirement of loyalty and fidelity to MHEC, it being the responsibility of the Commissioners to govern MHEC's affairs honestly and economically, exercising their best care, skill and judgment for the benefit of MHEC; and

WHEREAS, the matter of any duality of interest or possible conflict of interest can be handled through full disclosure of any such interest, together with non-involvement in any vote wherein the interest is involved;

NOW, THEREFORE, BE IT RESOLVED: That the following policy of duality and conflict of interest is hereby adopted for MHEC:

1. Timely full disclosure of any duality of interest or possible conflict of interest on the part of any Commissioner should be made to the President of MHEC, who shall advise the Chair of the Commission on a timely basis. It is the responsibility of the President to make a permanent record of any such disclosure and to make such a record available for inspection during normal business hours to any Commissioner or other authorized person.
2. Any Commissioner having a duality of interest or possible conflict of interest on any matter coming to a vote of the full Commission or any of its committees should disclose that prior to such vote and should not vote or use his/her personal influence on the matter. Such Commissioner may, however, be counted in determining the quorum for the meeting. The minutes of the meeting should reflect that a disclosure was made and the abstention from voting.
3. The foregoing requirements should not be construed as preventing the Commissioner from briefly stating his/her position in the matter, nor from answering pertinent questions of other Commissioners, since his/her knowledge may be of great assistance.
4. Meals and other activities provided at Midwestern Higher Education Commission sponsored meetings and events shall not be considered a conflict of interest for Commissioners.
5. All Commissioners shall sign a conflict of interest statement

BE IT FURTHER RESOLVED, that this policy be reviewed periodically for the information and guidance of members of the Commission, and that any new member be advised of the policy upon appointment to the Commission.

## Upcoming Meeting

### **2019 ANNUAL COMMISSION MEETING**

Monday, November 18, 5:00 p.m. through Wednesday, November 20, 11:30 a.m.  
*Times are tentative.*

Westin Hotel  
241 W Washington St  
Indianapolis, IN 46204



More information, as it becomes available at [MHEC.org/events](https://www.mhec.org/events).

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May 2019

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