



Agenda Book

Executive Committee Meeting

June 7-8, 2021
Des Moines, IA



Iowa Commissioners: Nancy Boettger, Derrick Franck, Tim Goodwin, Olivia M.A. Madison, Sharon Steckman
Alternates: Andrew Baumert, Jacob Bossman, Todd Brown, Timothy Fitzgibbon, Herman Quirnbach



Photo Courtesy of [Catch Des Moines](#)

Midwestern Higher Education Compact

Executive Committee Meeting

June 7-8, 2021

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Meeting Detail

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

Join Zoom Meeting

<https://zoom.us/j/98689736018?pwd=SzdFRTZNcmNyMWI1dkJUSVZlekZ1UT09>

Meeting ID: 986 8973 6018

Passcode: 071731

Call-in #: (312) 626-6799

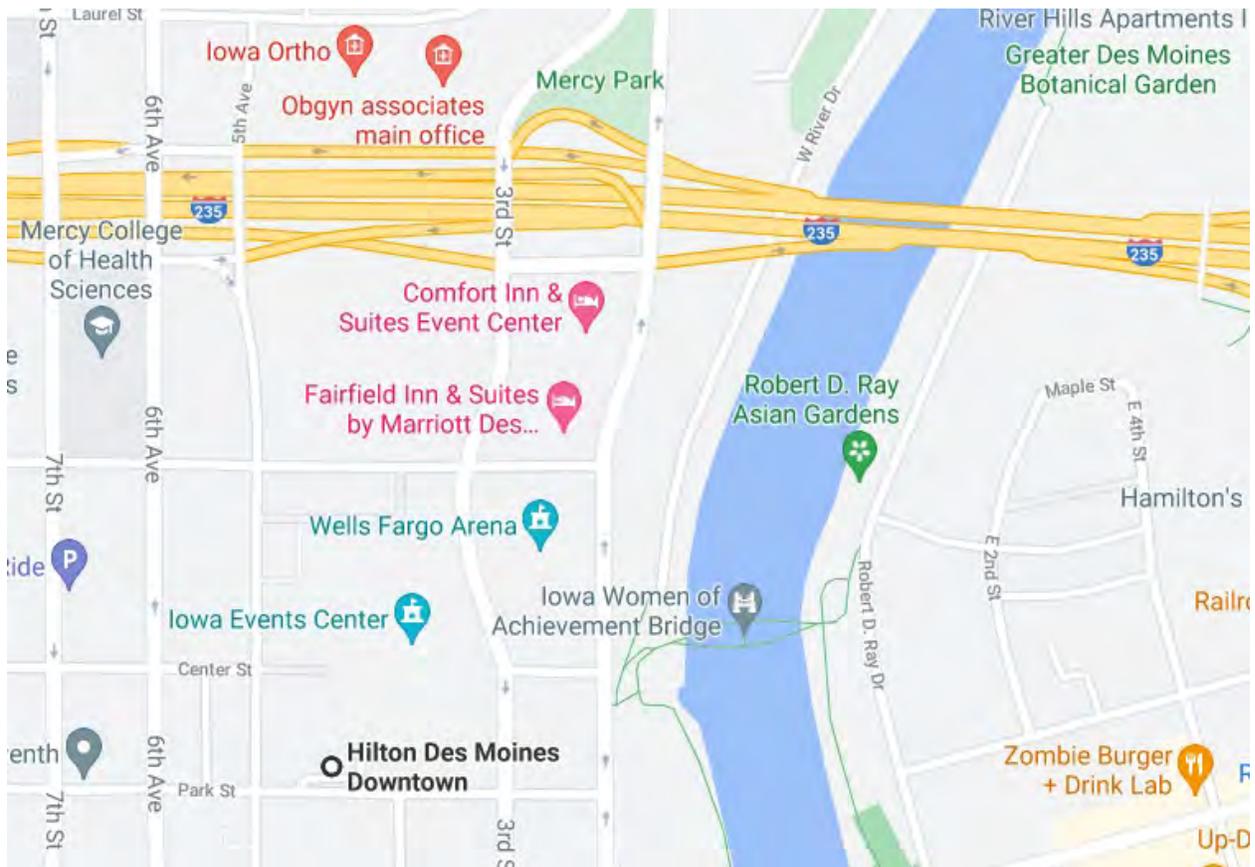
Meeting Location

435 Park Street

Des Moines, IA 50309

(515) 241-1456

Directions



Airport Transportation

The Hilton provides complimentary shuttle service should you be arriving through the Des Moines International Airport. Contact [Katie Chock](#) to arrange.

Parking

Please use the self-parking garage located below the hotel. To access the garage, you will first need to check into your hotel room. Your hotel room key is required to access the lot. Parking is \$18/day. Parking costs will be routed to the MHEC Master Bill.

Tuesday, June 8, Noon

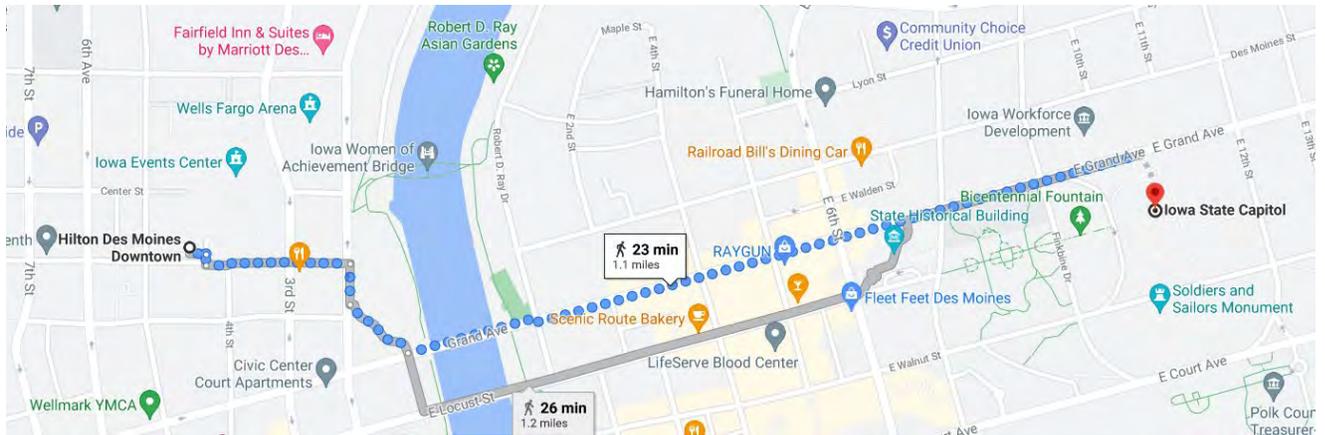
Optional Tour of Iowa State Capitol

Transportation will be arranged to leave the hotel at 11:45 a.m.

1007 E Grand Ave

Des Moines, IA 50319

Approximately 1.1 miles



ROLES & RESPONSIBILITIES OF THE MHEC COMMISSIONER

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

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Midwestern Higher Education Compact

EXECUTIVE COMMITTEE MEETING

June 7-8, 2021 | Hybrid

Hilton Downtown - Des Moines, IA

All times are listed in Central Daylight Time CDT

HYBRID AGENDA

Monday, June 7, 2021

Noon		LUNCH
	Park Street Kitchen Patio	
1:00 p.m.		1) Call to Order and Overview of Hybrid Meeting Guidelines – Dr. David Eisler (MI), MHEC Chair, and Ms. Susan Heegaard, MHEC President
	Cloud Ballroom A	
		2) Welcome – Iowa Governor Kim Reynolds <i>invited</i>
		3) Roll Call of the States
		4) Introduction of Commissioners and MHEC Staff
1:20 p.m.	Action Item 1	5) Approval of Agenda
	Action Item 2	6) Approval Executive Committee Meeting Minutes, June 10, 2020 (pp. 9-17)
		7) Report of the MHEC President – Ms. Susan Heegaard, MHEC President (pp. 19-20)
		8) Report of the MHEC Chair – Dr. David Eisler (MI), MHEC Chair (pp. 21-22)
1:55 p.m.		9) Governance Committee Report – Rep. Barbara Ballard (KS), Committee Chair
2:15 p.m.		BREAK
2:30 p.m.		10) Unfinished Business

- 2:30 p.m. 11) New Business
- Action Item 3 a) Approve SAS Contract Extension (statistical software) – Mr. Rob Trembath, MHEC Chief Operating Officer and General Counsel (p. 23)
- b) Treasurer’s Report and Finance and Audit Committee Report – Rep. Rick Carfagna (OH) MHEC Vice Chair, and Mr. Daniel Moser, MHEC Chief Financial Officer
- i. Review of Budget Status (pp. 24-25)
- ii. Presentation of FY22 Budget (pp. 26-31)
- Action Item 4 iii. Action on FY22 Budget
- iv. Status of the Unrestricted Funds Balance (pp. 32-33)
- v. Review of Form 990 (p. 34)
- 3:15 p.m. BREAK
- 3:30 p.m. Action Item 5 12) Motion to go into Executive Session
- 13) EXECUTIVE SESSION – Discussion and report from Dr. David Eisler (MI), MHEC Chair and the MHEC Officers *(Closed session: only MHEC commissioners remain in the room.)*
- a) Approve President Susan Heegaard’s Contract
- b) Presidential Performance Report
- 4:00 p.m. Action Item 6 14) Motion for Commission to reconvene in open session.
- Action Item 7 15) Approve President Susan Heegaard’s Contract – Dr. David Eisler (MI), MHEC Chair and the MHEC Officers
- Action Item 8 16) Approve and Accept Presidential Performance Report – Dr. David Eisler (MI), MHEC Chair and the MHEC Officers
- 4:15 p.m. Action Item 9 17) Motion to RECESS – Dr. David Eisler (MI), MHEC Chair

5:30 p.m.
Matrix Room

RECEPTION

6:00 p.m.

DINNER

6:45 p.m.

PRESENTATION – Ms. Kathie Obradovich, Editor-in-Chief,
Iowa Capitol Dispatch

Tuesday, June 8, 2021

7:30 a.m.
Linear Room

BREAKFAST

8:30 a.m.
Cloud Ballroom A

18) Call to Order – Dr. David Eisler (MI), MHEC Chair

19) Strategic Planning 2021-2024 Update – Ms. Brigitte
Parenteau and Ms. Kathy Graves, Parenteau Graves

10:00 a.m.

BREAK

10:15 a.m.

20) Policy Presentation – Ms. Kathy Luggett, Policy Advisor,
Future Ready Iowa

10:45 a.m.

21) Close and Next Steps – Dr. David Eisler (MI), MHEC Chair

11:00 a.m.

ADJOURN

11:45 a.m.

Depart to Iowa State House
Transportation will be arranged.
(Meet in lobby for prompt departure.)

12:00 p.m.

OPTIONAL TOUR: IOWA STATE CAPITOL

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Midwestern Higher Education Compact Executive Committee Meeting Minutes

Virtual Meeting
June 10, 2020

Commissioners Present

- IL** Commissioner Suzanne Morris, Vice Chair, Illinois Community College Board*
- IN** Commissioner Jack Jordan, State Representative, Indiana General Assembly
Commissioner Alternate Teresa Lubbers, Commissioner, Indiana Commission for Higher Education* (Ex Officio)
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education*
- IA** Commissioner Olivia Madison, Dean Emerita of Library Services, Iowa State University, and Iowa Governor's Designee*
Commissioner Alternate Andy Baumert, Vice President for Marketing and Outreach, Iowa Association of Independent Colleges and Universities
- KS** Commissioner Barbara Ballard, State Representative, Kansas Legislature
Commissioner Blake Flanders, President and CEO, Kansas Board of Regents*
Commissioner Alternate Marci Francisco, State Senator, Kansas Legislature*
- MI** Commissioner David Eisler, President, Ferris State University*
Commissioner Scott VanSingel, State Representative, and Chair, Higher Education and Community Colleges Appropriations Subcommittee; Michigan Legislature
- MN** Commissioner Connie Bernardy, State Representative, and Chair, Higher Education Finance and Policy Division, Minnesota Legislature*
Commissioner Devinder Malhotra, Chancellor, Minnesota State*
- MO** Commissioner John Black, State Representative and Member, Higher Education Committee, Missouri General Assembly
- NE** Commissioner Alternate Michael Baumgartner, Executive Director, Nebraska Coordinating Commission for Postsecondary Education
Commissioner Randolph Ferlic, Nebraska Governor's Designee (Ex Officio)*
Commissioner Deborah A. Frison, Chair, Nebraska Coordinating Commission for Postsecondary Education*
Commissioner Susan Fritz, Executive Vice President and Provost, University of Nebraska System

- ND** Commissioner Tim Flakoll, North Dakota Governor's Designee (Ex Officio)*
Commissioner Dennis Johnson, State Representative, and Member, Education Committee,
North Dakota Legislature Assembly*
- OH** Commissioner Stephanie Davidson, Vice Chancellor of Academic Affairs, Ohio
Department of Higher Education*
- SD** Commissioner Larry Tidemann, South Dakota Governor's Designee*
Commissioner Janelle Toman, Director of Communications, South Dakota Board of
Regents*
- WI** Commissioner Joan Ballweg, State Representative, and Member, Assembly Committee on
Colleges and
Universities; Wisconsin State Legislature*
Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges
and Universities*

*Denotes member of Executive Committee

MHEC Staff

Carla Ahrens, Property Program Manager
Sara Appel, MCMC; MSEP Manager
Katie Chock, Meeting and Event Manager
Jennifer Dahlquist, Vice President
Cole Fournier, Policy Intern
Erin Frahm, Director of Finance and Administration
Susan Heegaard, President
Aaron Horn, Associate Vice President of Research
Emily Jacobson, Associate Director of M-SARA
Daniel Moser, Chief Financial Officer
Jenny Parks, Vice President
Mary Roberson, Senior Director of Communications and Marketing
Nathan Sorensen, Director of Government Contracts
Rob Trembath, Chief Operating Officer and General Counsel
Shaun Williams-Wyche, Research Manager

MHEC Consultant

Deb Kidwell

Monday, June 10, 2020

1. **Call to Order for the Virtual MHEC Executive Committee Meeting on June 20, 2020.**

Chair Madison (IA) called the meeting to order at 10:05 a.m. and welcomed commissioners and guests to the first virtual Executive Committee Meeting. Virtual meeting guidelines were described. President Heegaard also welcomed commissioners.

2. **Welcome from Nebraska.**

Dr. Baumgartner, executive director of Nebraska's Coordinating Commission for Postsecondary Education and Nebraska Commissioner Alternate, offered a virtual welcome on behalf of Nebraska due to the original scheduled plans to hold the meeting in Omaha. He gave highlights presenting why "Nebraska is for you" (a play on Nebraska's tourism motto "Nebraska, it's not for everyone") and invited attendees to visit. He then shared his views that higher education has been presented a great opportunity in light of the pandemic and recent racial tensions and resulting reactions to challenge the Midwest and the nation to begin the hard work of "understanding, uprooting, restructuring, and rebuilding. All activities that cannot be accomplished without the knowledge, discipline, and reflections and habits in search for truth that constitute education amid the great challenges we are facing, there are great opportunities for higher education." Upon conclusion of Dr. Baumgartner's remarks, MHEC presented a short video highlighting Omaha and Nebraska.

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

The roll call of the states was taken with representatives from ten member states present, thereby establishing a quorum. Missouri and Wisconsin did not respond to roll.

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

All attendees briefly introduced themselves.

5. **Action Item 1 – Approval of the Executive Committee Meeting Agenda (e-mailed on 6/8/2020).**

Commissioner Fritz (NE) moved and Commissioner Morris (IL) seconded the motion to approve the Executive Committee Meeting agenda.

Motion carried by voice vote.

6. **Action Item 2 – Approval of the Executive Committee Meeting Minutes, June 3-4, 2019 (agenda book, pp 7-15).**

Commissioner Eisler (MI) moved and Commissioner Ballard (KS) seconded the motion to approve the minutes of the Executive Committee Meeting held on June 3-4, 2019.

Motion carried by voice vote.

7. **Report of the MHEC President. (agenda book, pp. 17-18)**

President Heegaard thanked all staff, commissioners, and committee members. She highlighted the importance of MHEC showing its value and expressed gratitude for

commissioner feedback necessary for completion of MHEC's Strategic Framework. In the spirit of learning to be adaptive, she shared her spring break story which was a quickly planned trip to see the Sand Hill Cranes of Kearney, NE, just as the pandemic was closing down Nebraska. President Heegaard spoke to the unprecedented times not only from the pandemic but also the killing of George Floyd and its reverberation throughout our country. She expressed that we are all learning and hopefully, we will change.

President Heegaard reported that only seven member states were visited earlier this year due to the pandemic and work is underway to determine how to keep the conversation going in the remaining five states. She recognized the tragedy of losing a staff member, also as the pandemic was unfolding. Kristin Coffman lost her battle to cancer on March 9. She then welcomed Erin Frahm to the staff and highlighted Jennifer Dahlquist for her work on the development of a contract for Personal Protective Equipment (PPE) and an approach to COVID-19 tracking. In conclusion, President Heegaard expressed gratitude to all MHEC staff members for their abilities to pivot and work nearly seamlessly from home.

8. Report of the MHEC Chair. (*agenda book, pp. 19-20*)

Chair Madison (IA) first conveyed her deep appreciation to the other officers and, as a team, described how they have benefitted from their diverse responsibilities and unique perspectives as they discuss and respond to important MHEC concerns and issues. She expressed awe in how MHEC is reframing its role and mission (within the region and nation) and its abilities to do business while strategically looking to the future. This is exemplified by MHEC's new Strategic Framework. Chair Madison (IA) mentioned that the ability to meet virtually has enabled leadership and committees to keep work moving forward. The officers and President Heegaard are discussing how to better engage commissioners in MHEC's activities and programs and demonstrate how they bring value to each state. In doing so, virtual conferencing will continue to enable increased engagement in conducting the remaining five state visits missed due to the pandemic. She then highlighted Shaun Williams-Wyche, MHEC's research manager, for developing the new and well-received MHEC dashboard. In conclusion, Chair Madison (IA) said that she is "hoping" to welcome the commissioners to Des Moines, IA, for the 2020 Fall MHEC Commission Meeting.

9. Perspective on Current Affairs.

Vice Chair Eisler (MI) offered his perspective on the tragic killing of George Floyd highlighting racism and racial inequality in our country. He reflected that this was not only a time to think about "what we can do, but what we should do, and will do." He also discussed the impact of COVID-19 and the switch to teaching and learning remotely. He expressed concern for the effect of the pandemic on its students including retention, finances, and mental health challenges. Vice Chair Eisler spoke about the ability to adapt and pivot in planning for fall and bringing students back to campus, as well as the financial impacts to his campus. He expressed his concern for being able to provide a safe campus for students in the fall, but not only this, but the ability to provide a campus experience that students come to expect. From his perspective the pandemic has presented a relentless challenge on leaders.

Past Chair Sauer (IN) reflected on the past year from a compact point-of-view, mentioning this was President Heegaard's first full fiscal year as president. He noted the creation of the Finance and Audit Committee and the Ad Hoc Governance Committee as important milestones, bringing transparency to the compact as well as the opportunity for further engagement of commissioners and leadership opportunities. He expressed gratitude for commissioner engagement in the identification of actionable MHEC priorities and outlined in the new Strategic Framework. Past Chair Sauer concluded that he was delighted to share in the exciting work of MHEC and Credential Engine (CE) in the final work of the National Science Foundation (NSF) Phase 1 Grant received by CE and that a pitch will be made to the NSF for a Phase 2 grant.

Treasurer Carfagna (OH) did not report as he was called into legislative session.

10. Q&A, Discussion.

There were no questions or discussion.

Chair Madison (IA) noted President Heegaard's statement on *Racial Justice and Equity, A Statement from MHEC*, that was recently posted to the MHEC website.

11. Unfinished Business.

Chair Madison (IA) noted that there was no unfinished business.

12. New Business.

a. Action Item 3 – Approval of the MHECare Contract Extension. (*agenda book, p. 21*)

Jennifer Dahlquist, MHEC vice president, provided background on the establishment of its student health initiative, MHECare. In 2012-13, MHEC first launched a fully-insured school-sponsored health insurance plan. Since this was launched and as a result of Affordable Care Act (ACA) changes, many institutions were either unwilling or unable to continue offering a school-sponsored student health plan. MHEC's Student Health Advisory Benefits Committee strategized a second option for MHECare, a private student health exchange. The last option on the private student health exchange contract was exercised, and the contract is set to expire in July. The committee which is made up primarily of health center directors and who are primarily the ones on the front lines of responding to the pandemic at their campuses, suggested the RFP be put on hold. Given the insufficient time to complete a Request for Proposal (RFP) as a result of COVID-19, and the committee's hope that conversations with vendors could still take place face-to-face, there is a request for extending the current contract one year.

Commissioner Ballard (KS) moved and Commissioner Malhotra (MN) seconded the motion that the MHEC Commission approve MHEC's current contract with InsureXHealth (d/b/a IXSolutions) for its private student health insurance exchange services for MHECare be extended an additional one year through July 29, 2021.

Motion carried by a roll call vote by state. Missouri did not respond.

b. **Treasurer's Report.**

Vice Chair Eisler (MI) gave the Treasurer's Report on behalf of Treasurer Carfagna (OH) who was absent due to being called into legislative session. He thanked the commissioners and MHEC staff for their service on the new Finance and Audit Committee. Vice Chair Eisler (MI) was accompanied by Daniel Moser, MHEC CFO, for questions.

i. **Review of Form 990.** (*agenda book, p. 22*)

Vice Chair Eisler (MI) provided a brief overview of the Form 990's purpose and reported that the officers approved MHEC's Form 990 on April 28, 2020. MHEC submitted it and it was quickly approved by the Minnesota Attorney General's office.

ii. **Status of the Unrestricted Fund Balance.** (*agenda book, p. 23*)

Vice Chair Eisler (MI) provided a status of the unrestricted fund balance, noting that board designated funds are not considered restricted funds and are generally grants, donations, or gifts that have specific stipulations. At the beginning of FY20 an additional \$100,000 was added to the Operations Reserve Fund, bringing it to \$1.4M (4.8 months of reserves). This brings the fund closer to the 6 months of reserves required by the Commission- Reserve Fund Policy (revised in 2019). MHEC is expecting a carry-forward in excess of \$300,000 and of this carry-forward, \$244,300 will be applied to bring the Operations Reserve Fund to \$1,644,300 (5.7 months, just short of the 6-month goal of reserves). Vice Chair Eisler (MI) explained the negative amount related to the dashboard development spending, due to a vendor performance issue. This project was brought back on track by MHEC staff who produced the dashboard in-house. He shared plans for using unrestricted funds balance for planned projects toward building out the policy area capacity with several database project costs estimated to be \$35,000. Vice Chair Eisler (MI) concluded by sharing MHEC's plans to restructure office space by removing the MHEC front desk, adding pandemic related safety measures and adjusting space for graduate students and interns with costs estimated at \$20,000.

iii. **Budget Status.** (*agenda book, pp. 25-26*)

Vice Chair Eisler (MI) highlighted the FY20 budget. The MHECare program has done extraordinary well and is expected to come in at \$300,000, and MHEC's technology contracts are expected at \$1.2M, bringing total estimated revenues to \$3.8M. MHEC's expenses are under budget because of the pandemic's impact, largely due to travel and meetings taking place virtually. Unexpected expenses were due to the hiring of consultants resulting from the CIO's departure and vacancy of the Director of Finance and Administration position.

iv. **Presentation of FY21 and FY22 Budgets.** (*agenda book, pp. 25-26*)

Vice Chair Eisler (MI) presented MHEC's FY21 budget. He noted the estimated reduced interest income, the previously mentioned board designated projects, and the prior-year carry forward to be applied to the FY21 budget. A slight increase is projected for salaries. A 1% salary pool was requested for some staff for equity related adjustments, excluded the president at her request. A 10% increase for health insurance premium

and a 5% for dental, as well as the 403b contribution have been budgeted. Additionally, a large increase has been projected for legal costs for contracts that are projected to be worked on. Computer services costs have been increased for the support of outline projects. Building facilities have also been increased to accommodate for requirements of the MHEC lease for shared building expenses. Printing and duplication have been reduced because more documents and resources are being offered electronically. Repairs and maintenance have been increased to accommodate and improve safety and the office functional workspace. Transportation and meals have all been reduced due to the virtual meeting impact.

v. **Action Item 4 – Action on FY21 Budget.**

Commissioner Eisler (MI) moved and Commissioner Ferlic (NE) seconded the approval of the FY21 Budget.

Motion carried by a roll call vote by state. Missouri did not respond.

vi. **Biennial Budget.** *(agenda book, pp. 25-26)*

Vice Chair Eisler (MI) shared that MHEC is moving toward a biennial budget to align with the approach adopted by many of MHEC's member states. If approved, MHEC bylaws will need to be amended to fully implement this change.

vii. **Update on the 1.5% Increase on the State Commitment.**

At the November 2019 meeting, the commission approved an annual 1.5% increase beginning in FY22. Based on the current state commitment amount of \$115,000, this equates to a \$1,725 increase. On April 28, in light of the pandemic, the officers recommended waiving this 1.5% increase in FY22. This action item will be voted on at the November 2020 Commission Meeting.

13. Ad Hoc Governance Committee Report and Recommendations. *(agenda book, p. 30).*

Commissioner Ballard (KS), committee chair, provided the Ad Hoc Governance Committee report. This committee was tasked with exploring governance, including the committee appointment expectations. The committee recommended, and the commission approved, that the commission take into consideration a diverse approach to officer appointments including not just race, but also other factors such as state, legislator/non-legislator, gender. The Executive Committee structure is being examined as well as any required revisions to the MHEC bylaws. Commissioner Ballard (KS) noted that the Executive Committee was originally represented by one commissioner and in 2003 it was expanded to two per member state. The Ad Hoc Governance Committee is looking to bring more clarity and transparency on the selection and roles of the committee and officers and expects to bring recommendations and any necessary proposed bylaw revisions for full commission consideration/action at the November meeting. Any concerns should be shared with Commissioner Ballard (KS) or President Heegaard. Commissioner Ballard (KS) concluded by

mentioning the upcoming MHEC awards process and emphasizing the committee's goal for bringing further transparency around the governance processes.

14. **November 2020 Annual Commission Meeting Update and Discussion** (*agenda book, p. 96*). Chair Madison (IA) invited all commissioners to Des Moines, IA, on November 9-11, for the Annual Commission Meeting. However, she noted that MHEC staff and officers will be monitoring COVID-19 state-based environments/requirements and in early August will make final decisions regarding an in-person, hybrid, or fully virtual meeting..

Discussion: MHEC again highlighted the opportunity to take advantage of what we've learned during the pandemic by connecting with commissioners virtually. Additionally, Commissioner Ballard (KS) brought up the importance of addressing the delicate discussion around the importance of race and relayed her experience in the Kansas legislature. The June 4, Kansas session can be heard at 4:06:44 <https://youtu.be/Nroj1472ao>.

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

Commissioner Sauer (IN) moved and Commissioner Ballard (KS) seconded the motion for the MHEC Executive Committee to go into Executive Session at 11:37 am. CDT to hear from Chair Madison (IA) and the officers on the recommendations of a presidential evaluation process and the presidential performance report.

Motion carried by voice vote.

16. Executive Session.

Only commissioners met in a virtual breakout room for the Executive Session discussion.

17. Action Item 6 – Reconvene in Open Session.

Commissioner Ballard (KS) moved and Commissioner Toman (SD) seconded the motion to return the meeting to Open Session at 12:23 p.m. CDT.

Motion carried by voice vote.

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

Chair Madison (IA) asked for a motion to accept the agreed upon Presidential Performance Report discussed during the Executive Session, noting President Heegaard's request not to receive a 2020 salary increase. President Heegaard was acknowledged for her commitment to the staff during a time of turmoil and unforeseen events. The evaluation criteria included management and support, development of staff, engagement with governing board and committees, engagement with member states, engagement with external groups and outreach, the Strategic Framework, and the fiscal management of the Compact. All comments underscored her superior performance, and Commissioners were specifically pleased with the state visits.

Commissioner Flakoll (ND) moved and Commissioner Sauer (IN) seconded the motion that the Executive Committee approve and accept the agreed upon Presidential Performance Report.

Motion carried by a roll call vote by state. Michigan, Missouri, Ohio, and Wisconsin did not respond.

19. For the Good of the Order.

Chair Madison (IA) asked for any additional comments to share before adjournment. It was requested to plan future meetings with adequate time for the agenda so commissioners can realistically plan their calendars. For this meeting, the time allotted for the Executive Session was inadequate, and the meeting continued past the scheduled adjournment time and Commissioners had to leave before the meeting formally adjourned.

20. Action Item 8 – Adjournment

Chair Madison (IA) asked for a motion to adjourn the meeting.
Commissioner Ballard (KS) moved and Commissioner Ferlic (NE) seconded the motion to adjourn the meeting at 12:33 p.m. CDT.

Motion carried by voice vote.

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MHEC President Report

Executive Committee Meeting

June 2021

I am a glass half-full person, but I'll confess that there have been moments this past year that have left me feeling more empty than full. It has a year of ups and downs, from triumphs like the development of a COVID-19 vaccine and the landing of a tiny vehicle on Mars, to tragedy, namely the death of George Floyd and related events in our own hometown of Minneapolis. The lack of understanding and intolerance of differences among us as well as the presence of and increase in violence in our own midwestern region is stunning. These difficulties have caused many of us, including me, to examine our own views and behaviors and think about action we could take to improve our communities and country. While we've faced tremendous difficulty, we've been given an opportunity, a chance to learn, grow, and change. All of this has reminded me of the importance of education and the difference it can make in every single life.

One of the well-known sayings from the TV series Game of Thrones is "Winter is Coming" – we're very familiar with that here in Minnesota. Well, I say thank goodness spring is here and summer is coming. We've missed our family and friends, neighbors and colleagues and are ready to get back together in person. We are fortunate and blessed at a time when many are struggling. Our staff, who have been working remotely for the past 14 months haven't skipped a beat, continuing to work hard, innovate, and serve our members states. I hope you'll take some time to look through the agenda book at the summaries the staff have prepared to see what they have been up to. I am very proud of them and grateful to our Commission for your support and patience during this challenging time.

We've continued to make progress internally with the development of four teams across the organization led by Rob Trembath, Jennifer Dahlquist, Jenny Parks, and Daniel Moser. With Rob's guidance, our employee handbook is finally updated and finalized and we have new teleworking and COVID-19 return to office policies. He also works very closely with our Commission on governance related issues. We've had exciting developments in the contract and revenue generating program areas led by Jennifer, with the addition of mental health services to student health coming soon as well as a restructured MHEC captive property insurance program. Our technology contracts have performed robustly, saving institutions and states money while reflecting the increased demand of students for distanced learning during the pandemic. Under Jenny's leadership, our policy and research efforts are now more aligned and connected. We've been awarded two significant grants this past year, one from the Hewlett Foundation for Open Educational Resources (OER), and the other from Ascendium Education Philanthropy for work with Credential Engine for both a regional approach to credentialing and state specific. These grants enable us to slowly build out our research and public policy capacity, raise our profile and broaden our portfolio. Be sure to check out our data dashboard and compare your state to your neighbors on a wide range of indicators!

Daniel has worked closely with our Finance and Audit Committee to keep the Compact strong and stable financially and well positioned for the future. Our budget process, which internally follows a two-year planning cycle, is now more transparent with significant staff engagement. The six-month reserve has been fully funded ahead of schedule and in December, we returned the \$300,000 federal PPP loan that we ultimately didn't need. All 12 of our states have paid their annual commitments, no small feat at this time. Finally, at the urging of Commissioner Randy Ferlic, we made the appropriate transition from FASB to GASB accounting standards this year.

In terms of engagement with our commissioners, stakeholders, strategic partners and outside groups, we've also made strides. Who would have thought that we would be convening most of each day and week on Zoom, our new favorite four-letter word? Annual state visits were virtual which on the positive side, allowed us to have smaller, targeted discussion with our commissioners and other leaders. I even testified during a couple of hearings remotely which was a unique experience. We miss being in your states and next year, look forward to joining you in person. For new commissioners, we began a practice of orientation and onboarding, with the staff spending an hour in conversation with each appointee. Throughout this year, there have been a number of webinars and learning opportunities offered by MHEC, where experts have imparted their advice and counsel and commissioners have shared best practices with one another. Some of the topics covered this past year included information about new federal funding, innovative finance practices, technology innovations, and COVID-19 safety protocols. Please remember that we welcome your suggestions for issues to highlight and feature. Our relationships with our strategic partners remained strong over the past year. I met and collaborated with the other regional compact presidents regularly and our relationship with the Midwest Legislative Conference and Counsel of State Governments continues. In fact, I'll be in Rapid City, South Dakota this July for their annual meeting and hope to see many of you there.

We've taken a fresh look at our communications approach and are about to embark upon development of a new strategic plan. Our newsletters and website are being updated and there too, we welcome your thoughts and suggestions. I hope you stick around for to our interactive session during the Executive Committee meeting with the team from Parenteau Graves, who are working with us on our next strategic plan.

What do I enjoy most about my job? I enjoy working with you. It's the only organization I know of where higher education leaders, policymakers and other midwestern leaders can come together to focus on education and our region's overall health and well-being regardless of politics. I am deeply grateful to our staff and to each and every one of you. Whether it is a one-time call where you've given me frank feedback and advice or just shared a laugh, to your involvement with our various committees, your generous time and support is what leads to our success. Thank you in particular to Representative Barbara Ballard and Chancellor Devinder Malhotra, who chair our Governance and Finance and Audit Committees respectively and to our officers: Chair David Eisler, Vice Chair Rick Carfagna, Treasurer Malhotra, and Past Chair Olivia Madison for your guidance and support this past year.

MHEC Chair Report Executive Committee Meeting June 2021

For higher education this has been an academic year like no other. Effectively continuing the education of our students has required considerable adaptation of our campuses for health and safety, and the adoption of remote learning technologies. In socially distanced times we have struggled to provide the sense of community that a college experience should be. Even with the considerable resilience of our students, many have been lonely and mental health challenges have grown for them. Throughout this pandemic we have learned how to use the unique capabilities of our institutions to make a difference for the communities and regions where we live.

These have also been times for considerable soul searching, as we grappled with the tragic deaths of George Floyd, Breonna Taylor, and so many others. We have seen examples of hatred and bigotry against Asian Americans. These compelling events display so vividly the systemic racism existing in our country and challenge us both as a nation and as citizens. Through higher education we have the extraordinary opportunity to shape our future. Now is the time when we must be an integral part of creating a future different than our past.

As each of us has been challenged through these pandemic times and events, so have our MHEC leaders and staff. Their location in Minneapolis, at the epicenter of the killing of George Floyd and the resulting trial of Derek Chauvin, has increased these challenges for each of them. Despite this adversity and amidst the relentless challenge of COVID-19 they have not just survived, but thrived. We see and know this through the work they have and are doing.

These past months have displayed many times the strengths of our MHEC organization and the great value this brings to our states, our institutions, and our citizens. I am proud of MHEC and the ways it has become a source of important information through the well-attended webinars and strategy sessions it has hosted. These have provided a place where evolving topics could be discussed and thoughtful perspective provided. In doing so MHEC has helped create community and encourage collaboration across the Midwest.

Working remotely and virtually our MHEC staff have continued to provide the opportunities and support on which we depend. Their collaborative cost savings efforts have been especially appreciated in a time when our need for technology has increased so rapidly and when budgets are constrained. Building on the traditions of MHEC they have continued to innovate and evolve the programs they provide. Examples of this include their important work on the Master Property Program, where a self-funded, self-owned captive layer is being developed. Their creation of additional opportunities for student health insurance through MHECare, is especially timely to address the growing challenge of mental health. Finally, their partnership and advocacy for Credential Engine and credential transparency have made our Compact a national leader in this effort.

With the modern miracle of vaccines, we can now see an end to this pandemic. This is a critical time for all of us and the organizations we lead or represent. As we transition from COVID-19 we need to do more than just return to the normalcy of the past. Certainly, we all look forward

to enjoying the community, social interactions, and events that bring us together. At the same time, we need to take what we have learned over the past year, apply this to the work we do and emerge as better organizations from this experience. In this context the creation of a new strategic plan for MHEC is precisely the right thing for our Compact to be doing now.

As we gather for the MHEC Executive Committee meeting in Des Moines we should all be very proud of our MHEC staff and especially the leadership of our president, Susan Heegaard. She and they have done remarkable work and we have all benefitted from this. When the opportunity presents itself, please take a moment to thank them for their efforts over these past months. Their willingness to go above and beyond has made an important difference for us all.

David L. Eisler
May 13, 2021

Action Item 3

Extension of MHEC's Contract with SAS Institute for One Additional Year through November 30, 2022

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

Following a competitively bid request for proposal (RFP) for statistical software solutions issued in November 2013, an award was recommended to SAS Institute Inc., and the contract was signed on November 14, 2014, with options to extend the term of the contract for up to four additional years. The SAS Institute Inc. contract provides statistical software solution options for administrative, teaching, and research licenses, along with training (MHEC contract #011014). Seeing small but steady growth on the usage of the contract, MHEC exercised the extension option for all four years. Pursuant to the terms of the contract, there are no more extension options remaining. The SAS Institute Inc. contract for statistical solutions is set to expire on November 30, 2021, necessitating an extension for continued use.

MHEC relies on subject matter experts from its Technologies Community to assist with conducting these solicitations. Recognizing the coronavirus crisis has changed the demands on stakeholders and that for the foreseeable future, these demands will have an impact on the Technologies Community members' ability to commit time for volunteering their expertise on MHEC solicitations. Given these challenges, MHEC staff delayed the start of the statistical software solicitation process, which normally would have started in March 2021. Typically, this process would take six to eight months to fully engage stakeholders in a meaningful way to create a sense of consensus on a desired solution for the region. However, the competing demands on stakeholder availability brought about by the pandemic has required MHEC to be flexible. With these unexpected challenges, there is not enough time to complete the statistical software solutions competitive solicitation process by November 30, 2021, the existing contract's expiration date.

MHEC is requesting a one-year extension to provide adequate time for members of MHEC's Technology Executive Committee to start the process of exploring the application of statistical software solutions at various types of institutions, discussing the issues statistical software solutions are best suited to solve, and conducting a thoughtful competitive sourcing event culminating in the negotiations and completion of one or more contract(s) before November 2022.

Therefore, the Technology Executive Committee recommends that the MHEC Executive Committee approve a one-year extension to the current statistical software solutions agreement with SAS Institute Inc. This will ensure institutions will continue to have an option for licensing statistical software solutions and training, and time for the Technology Executive Committee to convene and conduct a competitive sourcing event for statistical solutions.

Proposed Motion:

The MHEC Commission approve the extension of MHEC's current contract with SAS Institute Inc. for one additional year terminating on November 30, 2022.

FY21 Actual vs. Budget through 05/27/2021

	<u>Actual</u>	<u>Budget</u>	<u>Against Budget</u>
Revenues			
General Management and Operations	\$ 2,339,766.86	\$ 1,428,300.00	164%
Programs	\$ 1,138,368.11	\$ 1,168,800.00	97%
Technology	\$ 1,278,995.97	\$ 1,236,650.00	103%
Total Revenues:	<u>\$ 4,757,130.94</u>	<u>\$ 3,833,750.00</u>	124%
Expenses			
Salaries & Benefits	\$ 2,064,611.25	\$ 2,583,427.34	79%
Professional Fees	\$ 93,087.88	\$ 93,500.00	99%
Consultant Fees	\$ 867,635.33	\$ 180,004.89	482%
General Operations	\$ 364,047.61	\$ 817,184.35	44%
Total Expenses:	<u>\$ 3,389,382.07</u>	<u>\$ 3,674,116.58</u>	92%
Revenues over Expenses:	\$ 1,367,748.87	\$ 159,633.42	875%

FY21 Actual vs. Budget Highlights (As of 05/27/2021)

Revenues

- General Management and Operations: The majority of General Management and Operations income is made up of state obligations and Interest income:
 - **State Obligations Income** – MHEC has received 100% of the state dues revenues with 12 out of the 12 states having paid in full.
 - **Interest Income** – The pandemic has stressed the economy and the financial markets and the Federal Reserve has lowered interest rates. MHEC's insured cash sweeps account was lowered a full percent since March 2020. The lower interest rates have resulted in MHEC having met only 69% of its budgeted interest income.
 - **Miscellaneous Income** – Miscellaneous income is income received that is not derived from a specific purpose or that cannot be booked to a previous year. MHEC has received 100% of the amount budgeted to this account.
- Programs
 - The three major revenue generating programs have exceeded their budgeted amounts as of April 30. With two months still remaining in FY21, MHECare is 104% over budget, Master Property Program is 120% over budget, and M-SARA is 123% over budget.
- Technology
 - Through the first three quarters (technology revenue is received on a quarterly basis), the actual technology revenues are exceeding the budgeted amount by 189%. However, a portion of the technology revenues are shared with the other three compacts and those payments are booked against the total revenues at the close of the fiscal year.

Expenses

- MHEC expenses have exceeded budget projections thru 05/24/2021. The primary factor for this is a \$550,000 payment made on behalf of the Ascendium grant. The \$550,000 will be offset by the Ascendium grant and will be reflected in the audited financial statements.
- A large part of MHEC's operations expenses (Conference Reg. Fees, Meals Travel, Transportation, Lodging, and Meeting Meals) are associated with face-to-face convenings, which are still on hold temporarily until restrictions are lifted and safe gathering resumes. The result is a decrease in spending and expenses in these categories which make up 46% of MHEC's total expenses annually.
- There are also expenses that will get booked differently during the audit preparation. MPP released \$25,000 from restricted that will not come out of MHEC's general budget. Similarly, the grant expenses are also being displayed in the budget to actual spreadsheet and those too will be presented differently in the audited financials and will not go against MHEC's general budget. The \$25,000 will be removed from MHEC's general budget during the FY21 audit.

Midwestern Higher Education Compact

Proposed FY22 Budget

	Actual FY19	Actual FY20	Approved Budget FY21	Proposed Budget FY22	Proposed Budget FY23
REVENUES					
General Management and Operations	\$ 1,472,704.23	\$ 1,491,181.04	\$ 1,563,994.38	\$ 1,661,750.00	\$ 1,567,300.00
State Commitments	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,400,700.00
Special Projects	\$ -	\$ -	\$ -	\$ 140,000.00	\$ -
Indirect Costs	\$ -	\$ -	\$ -	\$ 93,650.00	\$ 59,250.00
Insurance Programs	\$ 751,718.02	\$ 688,696.84	\$ 715,800.00	\$ 715,800.00	\$ 715,800.00
Policy Programs	\$ 443,000.00	\$ 453,000.00	\$ 453,000.00	\$ 464,000.00	\$ 464,000.00
M-SARA	\$ 443,000.00	\$ 453,000.00	\$ 453,000.00	\$ 464,000.00	\$ 464,000.00
Technology (Contracts)	\$ 1,041,072.91	\$ 1,356,777.16	\$ 961,650.00	\$ 1,137,550.00	\$ 1,137,550.00
Dell	\$ 813,971.15	\$ 1,112,193.44	\$ 950,000.00	\$ 1,252,500.00	\$ 1,252,500.00
Oracle	\$ 88,074.39	\$ 94,980.62	\$ 100,000.00	\$ 125,000.00	\$ 125,000.00
MicroFocus	\$ 50,474.29	\$ 54,774.36	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Other	\$ 88,553.08	\$ 94,828.74	\$ 136,650.00	\$ 90,050.00	\$ 90,050.00
Compact Revenue Sharing	\$ (237,073.00)	\$ (284,931.00)	\$ (275,000.00)	\$ (380,000.00)	\$ (380,000.00)
Total Revenues	\$ 3,708,495.16	\$ 3,989,655.04	\$ 3,694,444.38	\$ 3,979,100.00	\$ 3,884,650.00
EXPENSES					
Salaries and Fringe Benefits	\$ 2,296,848.42	\$ 2,285,355.76	\$ 2,583,427.34	\$ 2,608,412.90	\$ 2,708,225.84
Professional Fees	\$ 48,247.93	\$ 101,301.71	\$ 93,500.00	\$ 153,750.00	\$ 153,750.00
Legal Fees	\$ 2,749.00	\$ 9,946.50	\$ 45,000.00	\$ 50,000.00	\$ 50,000.00
Honoraria and Lecture Fees	\$ 21,601.31	\$ -	\$ 26,000.00	\$ 29,000.00	\$ 29,000.00
Other	\$ 23,897.62	\$ 91,355.21	\$ 22,500.00	\$ 74,750.00	\$ 74,750.00
Consultant Fees	\$ 257,661.80	\$ 176,739.61	\$ 180,004.89	\$ 268,397.89	\$ 275,147.89
Computer Service and Support	\$ 136,790.00	\$ 103,401.00	\$ 96,505.00	\$ 154,013.00	\$ 154,013.00
Consultant Fees - Other	\$ 115,235.35	\$ 69,496.00	\$ 50,000.00	\$ 81,500.00	\$ 81,500.00
Other	\$ 5,636.45	\$ 3,842.61	\$ 33,500.00	\$ 32,885.00	\$ 39,635.00
General Operations	\$ 879,364.67	\$ 1,032,579.50	\$ 837,184.50	\$ 948,539.21	\$ 971,817.26
Dues, Subscriptions, & Memberships	\$ 21,051.03	\$ 29,205.41	\$ 15,000.00	\$ 30,200.00	\$ 30,200.00

Telephone/Fax/Internet	\$ 19,849.40	\$ 21,005.01	\$ 19,115.00	\$ 20,903.00	\$ 20,903.00
Computer Software Expense	\$ 14,456.61	\$ 18,195.25	\$ 28,553.00	\$ 34,431.00	\$ 34,431.00
Other	\$ 323,191.39	\$ 617,680.46	\$ 316,528.50	\$ 325,636.21	\$ 326,026.26
Travel and Meeting (Meals)	\$ 500,816.24	\$ 346,493.37	\$ 457,988.00	\$ 537,369.00	\$ 560,257.00
Transportation, Lodging, and Meeting (Meals)	\$ 500,816.24	\$ 346,493.37	\$ 457,988.00	\$ 537,369.00	\$ 560,257.00
Total Expenses	\$ 3,482,122.82	\$ 3,595,976.58	\$ 3,694,116.73	\$ 3,979,100.00	\$ 4,108,940.99
Surplus (Deficit)	\$ 226,372.34	\$ 393,678.46	\$ 327.65	\$ -	\$ (224,290.99)
<i>Revenues Change Year-Over-Year:</i>		8%	-7%	8%	-2%
<i>Expenses Change Year-Over-Year:</i>		3%	3%	8%	3%

Budget Guidance and Assumptions

- MHEC's bylaws currently require the Commission to operate on an annual budget cycle. The proposed budget for FY22 was developed with a plan for a biennial approach (as has been the practice for the past few years). It also incorporates the actual spending (actuals) from two previous fiscal years FY19 and FY20. The inclusion of trend spending has been particularly important during the pandemic.
- During its March 22, 2021, meeting, the MHEC Finance and Audit Committee reviewed both FY22 and FY23 proposed budgets and recommended the Executive Committee approve the FY22 budget.
- Conservative assumptions were used across-the-board, specifically in regard to technology contract revenue. MHEC will not receive FY20 Q3 and Q4 contract sales reports until May (3rd quarter) and July (4th quarter), later than expected. This lag makes it more difficult to accurately estimate contract usage in future years.
- State commitments were kept flat at \$115,000 for FY22 and not yet increased 1.5% annually as approved by the Commission two years ago. The increase is scheduled to take place in FY23.
- For purposes of preparing this budget, a maximum of 3% salary increase was assumed for FY22 which was applied equally across the board. Salary increases were not given in FY21 due to COVID, but rather MHEC made some small and tailored adjustments for equity and alignment purposes.
- MHEC budgeted as if operating under a normal year (allowing for travel) for its meeting and events related expenses (transportation, lodging, and meals). MHEC staff used FY19 actuals (the last full pre-COVID year) as a baseline to help arrive at these budgeted numbers.
- MHEC has three remaining positions open for interns. All other positions have been filled and capacity is consistent with the current MHEC Strategic Framework.
- In FY21 MHEC received approximately \$1.45M in grant funding. Staff will continue to look for additional grant opportunities that align with MHEC's strategic framework. Care has been taken to use these funds wisely without creating unexpected holes in the budget moving forward.

MHEC FY22 Proposed Budget Highlights

Revenues

- **State Commitments:** MHEC's state commitment will remain at \$115,000 through FY22. In November 2020, the Commission voted to increase the dues 1.5% annually but subsequently approved delaying the increase until FY23 as a result of the pandemic.
- **Special Projects:** The unrestricted funds spreadsheet contains a Board Designated Funds Total and an Undesignated Funds Total. The Board Designated Funds are funds that have been set aside by the Commission for a specific purpose. Undesignated Funds are funds that do not have any specific purpose identified for their use and generally derive from a carryover of revenues over expenses from previous fiscal years. The Undesignated Funds can be used by the Commission or MHEC staff for a variety of investments or expenses, including special projects. Special projects are one-time funds used to cover a planned special purpose that will incur a one-time fee. For FY22 MHEC has set aside \$140,000 from the Undesignated Funds Total for special projects to be used for the following four specific purposes:
 - \$30,000 for strategic communications to help adjust and support MHEC's strategic framework;
 - \$30,000 set aside for marketing technology support;
 - \$30,000 set aside for an MSEP data base; and
 - \$50,000 set aside for strategic planning and related activities.
- **Insurance Programs:** MHEC's revenues for insurance programs (Master Property, Student Health, and Cyber Liability) are unchanged from FY21 to FY22. Due to the nature of the programs and the timing with respect to when revenues are generated, an accurate projection of the revenue numbers for these programs will not be available until sometime after the budget process and Executive Committee meeting. As a result, conservative projections for the programs estimate they will generate the same amount of revenue as the previous year.
- **Policy Programs:** One MHEC Policy Program, Midwestern State Authorization Reciprocity Agreement (M-SARA), generates revenues based on a percentage of the National Council of State Authorization Reciprocity Agreements' (NC-SARA's) previous year's revenues. MHEC is expected to receive \$464,000 from NC-SARA in FY22. This funding is used in large part to support staff work and convenings associated with NC-SARA.
- **Technology:** MHEC receives revenues from its technology contracts based on a percentage of the sales made from the contracts. The contracts for Dell, Oracle, and Microfocus have historically experienced the highest sales volumes. When sales are made in one of the other compact regions (NEBHE, SREB or WICHE) MHEC splits the revenues generated by that sale 50%-50% with the compact where the sale was generated. Accordingly, during budgeting MHEC must project the total revenue generated by all of the sales made under the contracts, plus estimate the amount it will need to share with the other compacts. Using conservative estimates, MHEC projects the total tech revenues across all four compacts in FY22 to be \$1,517,550. Removing the \$380,000 projected to be shared with the other compacts leaves a total projected technology net revenue for MHEC of \$1,137,550.

- **Indirect Cost:** MHEC received two grants in FY21 (Hewlett and Ascendium). A portion of each grant is allocated to indirect costs (a common practice), or the cost of doing business. A line item in the budget was created called indirect funds which shows the portion of the grant money (\$93,650 in FY22 and \$59,250 in FY23) that MHEC will use to cover its indirect costs.

Expenses

- **Salaries and Benefits:** The actual projected salaries and benefits total \$2,608,412.90. In FY21 MHEC received two grants, a portion of which are being temporarily used to pay a modest and reasonable portion of three employees' salaries. After adjusting these three salaries, MHEC is projecting the non-grant funded salaries and benefits expenses to be \$2,549,613.71 for FY22.
- **Professional Fees:**
 - **Legal Fees:** An evaluation of MHEC's use of outside counsel over the past several years revealed MHEC has underbudgeted its legal fee expenses, at time significantly. The increase in the use of outside legal counsel is the result of MHEC's increased work in highly regulated areas and a desire to update and expand a number of MHEC's employment related documents. For FY22 MHEC is setting aside \$50,000 for legal expenses.
 - **Honoraria and Lecture Fees:** MHEC did not expand any funds in FY20; however, did budget \$13,800. In FY21, MHEC budgeted \$26,000 and in FY22 is budgeting \$29,000. The following areas make up the majority of this expense:
 - \$10,000 was budgeted for MPP and MHECare to support external research and keynote speakers at their major events.
 - Policy and Research's budget allows for \$16,000 for assistance in generating data and reports developed in collaboration with third parties.
- **Consultant Fees: 88% of Consultant Fees fall under the following two categories:**
 - **Computer Service and Support:** In March of 2020, most businesses were forced to shift how operations were conducted given the global pandemic. A year later, and still on the heels of this pandemic, one account that has grown quite significantly is MHEC's computer service and support as MHEC's work continues to rely more and more on technology. For example, it is anticipated that MHEC's policy and research activities will require the addition of three new data bases. The approximately \$60,000 difference between the FY22 and FY21 budgets is \$30,000 set aside for an MSEP database and \$30,000 set aside for marketing technology support.
 - **Consultant Fee – Other:** This category consists of two primary things: (1) In FY22, MHEC will be bringing on-board a strategic marketing communications consultant to help MHEC better connect its marketing and engagement efforts to its strategic initiatives: (2) MHEC utilizes a part-time technology consultant to help support the Technology Committee, a role that used to be filled by MHEC's CIO.

- **General Operations:**
 - ***Dues, Subscriptions, and Memberships:*** To better help MHEC staff stay current and connected to trends in specific program and research areas at campus, state, and national levels, MHEC has budgeted for the following professional organizations:
 - Insurance Programs - annual dues for American College Health Association (ACHA), University Risk Management and Insurance Association (URMIA), and State Risk and Insurance Management Association (STRIMA).
 - Technology - annual dues for EDUCAUSE and InfoTech Subscription.
 - Policy and Research -annual dues for State Authorization Network (SAN), National Association of State Administrators and Supervisors of Private Schools (NASASPS), and memberships in National Alliance of Concurrent Enrollment Partnerships (NACEP), The American Association of Collegiate Registrars and Admissions Officers (AACRAO), Council of College and Military Educators (CCME), American Institutes for Research (AIR), etc.
 - ***Telephone/Fax/Internet:*** This cost went up slightly at the beginning of COVID when MHEC shifted operations from traveling to virtual meetings. MHEC purchased new video conferencing platforms (including Zoom) which will now be a reoccurring cost.
 - ***Computer Software Expense:*** Although there is only an approximate increase of \$6,000 from FY21 to FY22, this is the third largest variance expense account in general operations. The increase is due to subscription prices.

- **Transportation, Lodging, and Meeting (Meals):** Convening plays a major role in helping MHEC carry out its mission, and costs associated with the convenings are a significant part of MHEC's overall budget. The Transportation, Lodging and Meeting (meals) accounts are predominantly MHEC's travel expense accounts associated with convenings. In FY22, MHEC budgeted as if operating under a normal year (pre-pandemic) aligning FY22's budget with FY19 and FY20 actuals, while factoring in a small amount for inflation.

Unrestricted Funds Balance Worksheet

Updated as of: 05/24/2021

Unrestricted	Committee Approved Amount	Expended Amount	PY(s) Adjustments	FY '21 Adjustments	Balance as of 05/24/2021	Amounts after usage (FY22)
Board Designated						
Board Designated - Risk Management	25,000.00	-	-	-	25,000.00	\$ 25,000.00
Board Designated - Operations Reserve	1,005,121.00	-	394,879.00	271,000.00	1,671,000.00	\$ 1,671,000.00
Board Designated - Opportunity Reserve						
Special Projects*						
Open Education Resources (OER)	110,000.00	-	(85,898.22)	-	24,101.78	\$ -
Special Projects Total	<u>110,000.00</u>	<u>-</u>	<u>(85,898.22)</u>	<u>271,000.00</u>	<u>24,101.78</u>	<u>\$ -</u>
Organizational Capacity						
Technology**	413,936.00	(372,976.00)	-	(30,561.00)	10,399.00	\$ 10,399.00
Organizational Capacity Total	<u>413,936.00</u>	<u>(372,976.00)</u>	<u>-</u>	<u>(30,561.00)</u>	<u>10,399.00</u>	<u>\$ 10,399.00</u>
Board Designated - Opportunity Reserve Total	<u>523,936.00</u>	<u>(372,976.00)</u>	<u>(85,898.22)</u>	<u>(30,561.00)</u>	<u>34,500.78</u>	<u>\$ 10,399.00</u>
Board Designated - Capital Assets Reserve						
Future Lease Payments	450,000.00	(155,454.00)	-	-	294,546.00	\$ 257,546.00
Capital Investments	300,000.00	(262,709.00)	-	-	37,291.00	\$ 17,291.00
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>	<u>\$ 274,837.00</u>
Board Designated Total	<u>2,304,057.00</u>	<u>(791,139.00)</u>	<u>294,879.00</u>	<u>240,439.00</u>	<u>2,086,439.56</u>	<u>\$ 1,981,236.00</u>
Undesignated Total	953,475.00	-	(1,022,708.20)	368,123.00	552,026.15	\$ 412,026.15
Total Unrestricted	<u><u>3,257,532.00</u></u>	<u><u>(791,139.00)</u></u>	<u><u>(727,829.20)</u></u>	<u><u>608,562.00</u></u>	<u><u>2,638,465.71</u></u>	<u><u>\$ 2,393,262.15</u></u>

Board Unrestricted Fund Balance Worksheet Update

- Under accounting practices (for audit purposes) board designated funds are not considered “restricted funds.”
- Restricted funds are grants, donations, gifts, etc. that come with specific stipulations attached to them laid out by the grantor, donor, or the individual giving the funds to the organization.
- At the end of FY20 MHEC was able to increase the operations reserve fund to 6-months’ worth of reserves. This was accomplished one year ahead of schedule.
- The Open Education Resources (OER) funds will be depleted this fiscal year. MHEC contributed the remaining \$24,101.78 as an in-kind contribution to the Hewlett grant.
- Approximately \$37,000 of MHEC annual rent expense gets booked against the future lease payments at the end of every year prior to the audit.
- In FY21 MHEC budgeted \$20,000 to allow for some necessary renovations to accommodate and make health and safety improvements to the office space. After removing this \$20,000, MHEC is left with \$17,291 in the capital investments account. Furniture needed to finish the renovation will come out of that remaining \$17,000.
- In FY22 there are a few plans to utilize some of the undesignated total funds. MHEC is setting aside \$140,000 for special projects and one-time uses. The amounts breakdown as follows:
 - \$30,000 for strategic communications to adjust and support MHEC’s strategic framework.
 - \$30,000 set aside for marketing technology support
 - \$30,000 set aside for an MSEP data base
 - \$50,000 set aside for strategic planning and related activities
- MHEC’s undesignated total will be reduced from \$552,026.15 to \$412,026.15.

Background of the Tax Form 990

- IRS Form 990 is a not-for-profit's tax form that is specifically used for informational purposes and that must be filed with the state annually.
- It gives the IRS an overview of the organization's activities, governance, and detailed financial information.
- The form 990 outlines the organization's accomplishments and its financial health.
- At the June 2014 Executive Committee meeting, the Commission delegated the authority to approve the Form 990 to the MHEC officers.
- During its third quarter meeting (03/22/2021), the Finance and Audit Committee reviewed MHEC's Form 990 and recommended to the MHEC officers that the Form 990 be approved.
- The officers virtually approved the 990 on 03/31/2021.

[Link to the document.](#)

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 higher education-related property insurance program focused on strategic growth, program stability, and member value for institutions in the MHEC region, and the three other regional compacts (including the Western Interstate Commission for Higher Education (WICHE), the New England Board of Higher Education (NEBHE), and the Southern Regional Education Board (SREB)).

Current Status

The MPP faced another difficult renewal this year due to an overall challenging property insurance market and several large property losses that have occurred the past few years in the MPP program. The market has further hardened as a result of many natural disasters that have occurred in the past several years nationwide, such as storms, hurricanes, flooding and fires. The MPP experienced a successful renewal July 1, 2020, with 98 institutions renewing their policies which included more than 180 campuses with total insured values of approximately \$83B. In FY 2020, it is estimated that the program saved participating institutions approximately \$10.2M of which \$7.1M 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. Since the program's inception more than \$21M in dividends have been distributed to the Midwest MPP members. The members of the MPP also view the program as a long-term relationship rather than just another insurance market.

Next Steps

The MPP Leadership committee met virtually May 4. The committee discussed renewal options and Marsh gave a market update. The MPP completed its Captive Review Project and is moving forward with a MHEC-owned single parent captive. Details can be found in the accompanying report on the next page.

The MPP and Marsh are currently working on quotes for new prospects.

New Captive Insurance Program -Stone Arch Insurance Company

Prepared by Jennifer Dahlquist, Vice President

Background

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

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

On November 9, 2020, the full MHEC Commission heard an update and took action on MHEC's efforts to position the MPP for future success by exploring various loss fund structures. At the conclusion of the presentation, the Commission delegated to the MHEC officers the authority to give final approval to establish a MHEC-owned captive. MHEC engaged outside counsel to conduct a thorough analysis of the risks associated with remaining in a rent-a-captive versus establishing a MHEC-owned captive, and the analysis supported a MHEC-owned captive.

On March 23, 2021, MHEC recommended, with the support of the MPP Leadership Committee, that the MHEC Officers approve establishing a MHEC-owned captive to replace the current rent-a-captive structure. The MHEC officers provided their unanimous approval, solidifying MHEC's commitment to the MPP.

Current Status

MHEC is in the final stages of establishing its new captive, to be named Stone Arch Insurance Company. MHEC's Minneapolis headquarters sit at the foot of the historic Stone Arch Bridge, a symbol of connection and strength. Stone Arch Insurance Company will begin supporting the MPP effective July 1, 2021, domiciled in Vermont, a leading state for domiciling captive programs.

Next Steps

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

Cyber Insurance

Prepared by Carla Ahrens, Property Program Manager

Background

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.

The increased prevalence of notable cyber-attacks in the news, in particular the Colonial Pipeline ransomware attack on May 7, has emphasized the severity of ongoing threats. MHEC expects institutions will be looking more closely at their cyber risks because they can see the large-scale impact that is possible.

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.

MHEC was advised by Marsh, that due to frequency and severity of claims, particularly in the higher education market, that underwriting scrutiny has increased significantly, and carriers are requiring additional information to quote. We will continue to monitor the changes in the market.

MHECare Health Insurance Solutions

Prepared by Jennifer Dahlquist, Vice President

Background

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

For those institutions in the MHEC region only 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

Thirty campuses from across the U.S. participate for the 2020-21 school year through the option with UnitedHealthcare StudentResources and six campuses are providing the IXSolutions private exchange to their students. For the 2020-21 school year, MHECare provided coverage to over 41,000 students. All 30 campuses have renewed for the forthcoming 2021-22 school year under the UnitedHealthcare StudentResources option.

Next Steps

In early 2020, MHEC reassembled its Student Health Benefits Advisory Committee for the purpose of conducting an RFP for MHECare, as existing contracts with carriers were nearing completion. As part of this process the committee determined that mental health continues to be a great and growing concern to campuses. Therefore, the committee advocated adding an offering that support student mental health virtually. Health centers and local communities are often overwhelmed with requests for mental health services and students can face lengthy waits in attempting to access providers and a virtual option could significantly expand access to all students, particularly during the COVID-19 pandemic.

On September 3, the Student Health Benefits Advisory Committee issued the MHECare Student Insurance Solutions RFP. The purpose of the RFP is threefold. First, the existing agreement with UnitedHealthcare StudentResources is nearing conclusion and requires bidding for the primary carrier offering student health insurance for institutions with school-sponsored insurance plans. Second, the current contract with IXSolutions that affords institutions the ability to offer a private student health insurance exchange is also nearing conclusion and requires bidding. Third, the committee is seeking providers that can offer institutions virtual mental health services.

The committee recommended that MHEC begin contract negotiations with four vendors, one for the primary carrier offering, one for the private student health insurance exchange option, and two for the virtual mental health services. MHEC has engaged its outside counsel with expertise in healthcare law to assist with these forthcoming contracts. At the present time, MHEC is in contract negotiations. Contracts will be announced as they are finalized.

Midwest Student Exchange Program (MSEP)

Prepared by Sara Appel, Associate Director for Policy Initiatives

Background

The **Midwest Student Exchange Program (MSEP)** is an interstate tuition reciprocity program offering reduced tuition rates to students in the states of Illinois, Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. MSEP is a voluntary program and although the Compact has 12 member states, not all participate. Michigan recently moved to an inactive status, and Iowa and South Dakota have elected not to participate.

Since 1994, through MSEP, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. MSEP serves as the Midwest's largest multi-state tuition reciprocity program, sitting alongside other state to state reciprocity programs. The New England Board of Higher Education, Southern Regional Education Board and Western Interstate Commission for Higher Education all have robust regional reciprocity programs too. Nearly 85 campuses from the nine participating states in the MHEC region have received students at reduced rates. Public institutions enrolling students under the program agree to charge no more than 150% of the in-state resident tuition rate while private institutions offer a 10% reduction on their tuition rates. Students benefit because of expanded choice and institutions enrolling them as well as states, gain from the additional students attending postsecondary education there. Recent elimination by some institutions of out of state tuition has affected the program significantly. States and institutions losing the students, are often not pleased with the enrollment shifts.

Current Status

For FY 2020-2021, MHEC looked for ways to improve MSEP data collection by using an enhanced Excel spreadsheet. Institutional staff recommended new areas of information to collect such as tuition mode and how long students have utilized the program. Webinars were held to help institutions navigate this new form. Valuable feedback has been useful in the pursuit to provide cleaner and more meaningful data. At this time, the data are in the process of being scrubbed prior to analysis. As soon as it becomes available, it will be shared.

Over the last two years MHEC staff conducted a thorough program review to determine the current relevance and value of MSEP. This culminated in the report *Student Reciprocity Programs and MSEP in the 21st Century* which utilized historical MHEC documents, recent publications around student exchange programs, interviews, and surveys. As a result, a set of observations and recommendations have been identified and shared with the MSEP Council for feedback at their meeting on April 6. They included: 1) clarifying MSEP goals, 2) updating and optimizing MSEP policies, 3) improving, expanding, and supporting MSEP data collection, and 4) improving MSEP administration and staffing. Council members agreed clarifying program goals is the first and most critical step toward updating and optimizing the program.

Next Steps

MHEC staff will work on ways to collect more accurate and meaningful data in a form that is easy to use and submit. They will continue collaborating with the MSEP Council in the pursuit of clarifying program goals and will share findings at the next MSEP Council Meeting. Further, to establish consistent communication with the Council, members voted to hold meetings on a quarterly basis starting in July.

Midwestern-State Authorization Reciprocity Agreement (M-SARA)

Prepared by Emily Jacobson, Associate Director of M-SARA

Background

The [State Authorization Reciprocity Agreements](#) (SARA) program, provides a voluntary, approach to state oversight of postsecondary distance education. When states join SARA – and membership is voluntary – they agree to follow uniform processes for approving eligible institutions' participation in SARA. Prior to SARA, an institution serving online students had to register with and meet authorization guidelines in every other state other than their own, where students were located. This involved countless hours of compliance research, information gathering, and the payment of often very expensive fees. Now, with SARA, the approach has streamlined, improved, and added consistency to the compliance efforts of institutions offering distance education programs or courses across state lines and throughout the country, except for California. The National Council for State Authorization Reciprocity Agreements (NC-SARA) is the national entity that coordinates efforts of the four regional SARAs housed at the regional higher education compacts. NC-SARA collects data about national SARA participation and distance education enrollments, collects participation fees, creates and updates SARA policies, and maintains strong connections to the U.S. Department of Education and regional accreditors.

Current Status

Currently, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are members of SARA. 2,265 institutions participate in SARA, and of that total, 640 institutions are in MHEC states. California is the only state that is not a member, but discussions continue to encourage their joining.

M-SARA (Midwestern State Authorization Reciprocity Agreement) hosts its own set of annual meetings for M-SARA Regional Steering Committee (RSC) members and M-SARA state portal agents (SPAs), the individuals in each state who review and approve institutions for SARA participation. A portion of each meeting is dedicated to a joint meeting between both groups with NC-SARA representatives present. Due to the pandemic, both groups met more frequently in the last year. SARA work at the regional and national level continues to be a complex, delicate balancing act. Federal regulations, state requirements, institutional needs, and, of course most of all, students' needs must all be considered and optimally addressed.

M-SARA hosted a State Portal Entity (SPE) summit in January 2021 wherein we discussed professional licensure, best practices, and the increased work related to SARA and the impact of COVID-19. States, generally, are struggling to keep up with the demand, especially a time when this past year demand for online learning has increased. Further, roles discussions between the Regional Compacts and NC-SARA continue as we work toward a clear understanding of roles and responsibilities.

Next Steps

M-SARA will host the annual meeting for RSC members and SPEs July 13-15, virtually. Work will continue with NC-SARA on applications, SARA policy, and roles and responsibilities.

Research

Prepared by Aaron Horn, Associate Vice President of Research

Background

MHEC's approach to higher education research and policy analysis informs institutional and state efforts in improving postsecondary policies, practices, and outcomes. MHEC supports the work of commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education administrators and researchers in several ways: (1) Maintaining a repository of expertise, knowledge, and best practices for guiding policy and practice; (2) Conducting applied research and analysis on critical topics in higher education; (3) Developing innovative approaches to improve educational opportunity and effectiveness; and (4) Providing public outreach and service to institutions and governments. Some projects are one-time and short-term while others are more comprehensive. Some of the more recent reports follow below.

Current Status

College Student Debt: What State and Institutional Leaders Should Know: A comprehensive report on college student debt that discusses student borrowing over time, differences among demographic groups, and policy initiatives that will help students who need more support.

The Digital Divide Among College Students: Lessons Learned From the COVID-19 Emergency Transition: One of the few reports examining the digital divide, the gap between those who can and cannot access the Internet, among college students during the COVID-19 shift to remote learning, with data presented from national and Midwest collected surveys. An analysis of recent institutional efforts and state legislation highlights approaches to bridge the digital divide for students.

2020 State Performance Update: A performance update for each MHEC member state to supplement the biennial *Higher Education in Focus* report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy.

Interactive Dashboard: Indicators on MHEC's interactive dashboard are being updated with the most recent data available. Indicators are organized within seven categories: Context, Preparation, Participation, Affordability, Completion, Finance, and Benefits. Several of these areas also portray a subcategory highlighting opportunity and achievement gaps by income, race, and ethnicity.

The Effect of State Appropriations on College Graduation Rates of Diverse Students: The first national study to estimate the effect of state appropriations on the college graduation rates of underrepresented students over a 14-year period. The final results will be released in fall of 2021.

Next Steps

College Student Mental Health Research Initiative: MHEC is exploring a potential collaboration with the University of Michigan Healthy Minds research team and American College Health Association to document recent trends in the mental and behavioral health of college students in the Midwest.

Boosting FAFSA Completion in the Midwest: MHEC is collaborating with the University of Wisconsin Student Success through Applied Research team to estimate rates of FAFSA completion among high school graduates within each MHEC state; review research on methods for increasing FAFSA completion; and provide state policy considerations.

Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by Jenny Parks, Vice President

Background

[Concurrent enrollment](#) provides high school students the opportunity to take college credit-bearing courses in their high school classrooms. Concurrent enrollment and other early college practices have spread to all 50 states and continue to grow as such practices are shown by research to enhance educational outcomes for students, particularly those from traditionally underserved populations. In 2015 the [Higher Learning Commission \(HLC\)](#), the regional accreditor for Midwestern states, clarified its expectations for the credentials of postsecondary faculty, including concurrent enrollment instructors in high schools. This clarification was an effort to ensure the high quality of college courses students receive in high school settings and to optimize students' success once they enter a postsecondary institution. However, the change brought to light a longstanding concern in the world of concurrent enrollment: many high school teachers without full credentials as defined by HLC (i.e., adequate graduate coursework in subject they teach) were serving as concurrent enrollment instructors. Estimates vary between 10% to 34% of high school students who take concurrent enrollment courses provide a start on credits, save time and money, and prepare them for demands in postsecondary education.

In response, state-level stakeholders began collecting data about concurrent enrollment teacher credentials and discovered that many teachers lacked graduate degrees and/or the graduate credits required by HLC. The shortage of fully credentialed concurrent enrollment teachers was particularly acute in rural and distressed urban areas. In response, HLC developed an extension plan which provided a seven-year (2015-2022) window for instructors to earn the additional academic credentials they needed to teach in their respective disciplines. NOTE: In the wake of the COVID-19 crisis, HLC extended the deadline for teachers to attain their additional credentials from 2022 to 2023.

MHEC's work in this area has involved research on this issue in 2018 and 2019; a [research brief authored in collaboration with the Education Commission of the States \(ECS\)](#); MHEC hosted the [Concurrent Enrollment Teacher Credentialing Summit](#) in May 2018.

Current Status

MHEC supports three advisory groups to address different aspects of the teacher supply dilemma. In spring 2021, MHEC and the [Northeast Wisconsin Educational Resource Alliance \(NEWERA\)](#) launched an interactive web-based search tool, [Graduate Credit Quest \(GCQ\)](#), which allows teachers from MHEC states to search for online graduate courses designed to help them meet HLC's credentialing expectations and offered by Midwestern universities. Starting in spring 2021, MHEC is hosting a series of conversations about the concurrent enrollment teacher supply crisis in conjunction with the College in the High School Alliance ([CHSA](#)), and the National Alliance of Concurrent Enrollment Partnerships ([NACEP](#)). The Dual Enrollment Teacher Pipeline Working Group will continue to meet through summer 2021 and publish a paper in fall 2021 including ideas for state and institutions action to address the concurrent enrollment teacher shortage.

Next Steps

MHEC staff are also developing a thought paper showcasing innovative ways institutions are developing graduate courses and programs for current and aspiring concurrent enrollment instructors. Finally, MHEC is sponsoring research about the use of Open Educational Resources (OER) in dual enrollment settings in conjunction with the Southern Regional Education Board.

Multi-State Collaborative on Military Credit (MCMC)

Prepared by Sara Appel, Associate Director for Policy Initiatives

Background

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

Current Status

In 2019, National Center for Higher Education Management Systems (NCHEMS) and MHEC were awarded a \$25,000 competitive grant from the American Institutes for Research (AIR) as part of its [National Research Collaborative on Postsecondary Competency Based Education and Learning](#). The funding supported research that led to the publishing of [Military Transcript and Experience Review: A 13-state scan of policies](#) released in December 2020. Findings were shared at the 2020 CBExchange Annual Conference and a [webinar hosted by MHEC](#) in January 2021. Due to this publication, Nebraska is supporting a recent effort by the University of Nebraska system, in conjunction with a community college, to explore a systematic approach to articulation for military credit. The American Legion used it as a resource and included in their March 2021 report, [The Future of Credentialing of Servicemembers and Veterans: Leveraging Partners, Policies and Resources](#).

With COVID-19, webinars were put on hold as institutions, military, and other stakeholders turned their attention to the pandemic and issues surrounding the virus and higher education. MHEC has changed the distribution of the MCMC update to periodic updates and continues to use the MCMC listserv and other social media. MCMC collaborated with the Western Interstate Commission for Higher Education's Cooperative for Educational Technologies and Student Authorization Network (WCET) and assisted them in updating their white paper, [State Authorization and Military Students](#) in February 2021. With recent developments in vaccination and appropriate planning, organizations are again beginning to address postsecondary education challenges among military-connected students.

Next Steps

Many of the MCMC states are being encouraged by their governor or other state leaders to focus on credentialing and workforce development. MCMC has incorporated military-connected students in these fields. MHEC is also using its expertise in meeting the needs of military-connected students by participating in conversations at regional and national level organizations such as the Council for Adult and Experiential Learning, Midwestern-State Authorization Reciprocity Agreement, and Student Veterans of America on potential legislation and policies.

Open Educational Resources

Prepared by Jenny Parks, Vice President

Background

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

This work at MHEC started in 2018 with a kick-off at the [OER Implementation and Policy Summit for the MHEC States](#). Funded in part by the William and Flora Hewlett Foundation, the Summit brought together a wide range of stakeholders from all twelve MHEC states, and state OER action teams were created. Each team created a list of suggested state and regional actions which have informed MHEC's work with OER. Since that time, there have been major changes in the higher education landscape which have shaped OER work at MHEC, in its states, and across the nation. Not the least of these is the COVID-19 pandemic and the massive shift to online education, which has escalated interest in digital learning materials and, in particular, interest in OER. Another major change has been the increase in commercial subscription textbook and learning materials services, also known as inclusive access programs, which are a response by publishers to the traction being gained by OER across the nation.

Current Status

MHEC's work with OER includes: 1) An OER List Server to keep Midwestern OER stakeholders informed and connected to regional and national OER efforts; 2) Regular virtual meetings of state OER action teams and support for their work to build OER capacity in their respective states; 3) A monthly OER newsletter; and 4) OER-related webinars that reach a wide range of stakeholders and inform them of the work of the 12 state action teams and other nationwide OER-related work.

MHEC staff remain connected to the regional and national OER community via presentations at national events and collaborations with the other regional compacts. MHEC also works with other national OER organizations such as the [Open Education Network \(OEN\)](#) with which MHEC worked to provide the [Senior Leaders Open Education Seminar](#) in December 2019. This first-of-its-kind OER training event, and its costs, were underwritten by the Hewlett Foundation as well.

Next Steps

In 2020, the four regional compacts formed a nationwide network of OER support known as the National Consortium for Open Educational Resources ([NCOER](#)). Each regional compact received an 18-month, \$250,000 grant from the [Hewlett Foundation](#) to increase OER capacity and implementation in its member states to share best practices, scale successful efforts, and leverage collective resources to enhance OER implementation across the county. At MHEC, the grant work will support existing OER work with the OER state action teams; two OER-related research projects; and special OER-related events and activities in each MHEC state. The grant ends April 30, 2022, but has the potential to be renewed in order to sustain OER momentum in the Midwest and across the nation.

Midwest Credential Transparency Alliance (MCTA)

Prepared by Sara Appel, Associate Director for Policy Initiatives

Background

MHEC and Credential Engine received a grant from the Ascendium Foundation in April 2020. Credential Engine is a non-profit whose mission is to map the credential landscape with clear and consistent information, that help create resources that assist people to find education and employment pathways that are best suited for them. This collaboration's mission is to work with all 12 Midwest states to help move them along a path toward credential transparency. Credential transparency refers to making public, in formats humans can read and machines can act upon, essential information about credentials, such as their competencies, quality, costs, pathways, transfer value, and connections to jobs. It is based on the premise that the easier it is to access and use comparable information about credentials, the easier it is for people to find the most cost-effective way to learn the right skills and find the best jobs.

This work will be accomplished by the Midwest Credential Transparency Alliance (MCTA). Each MHEC state will be able to create a team of representatives from higher education agencies and systems, K-12 agencies, workforce development agencies, and governor's offices. Members of the MCTA will be able to collaborate and support the creation of a rich, interoperable, linked work and learn data system. Such a system will allow states to publish their credentials to the Credential Registry, which will provide a free, open access tool for students, educators, and employers to search for and learn about all the credentials offered throughout the Midwest.

MCTA's intention is not to duplicate efforts, but instead tailor each approach to help align and extend value to work Midwest states are already doing or are planning to do.

Current Status

MCTA is working together to identify current data workflows and sources, as well as discover opportunities to use more transparent, open-source credential information to help meet state goals. To move this work forward, MHEC and Credential Engine held a kick-off meeting in May with over 100 participants including legislators, workforce development, and postsecondary education as well as other not-for-profit organizations. Attendees learned more about the MCTA, reviewed use cases, and Midwest state and regional priorities related to credentialing.

Next Steps

As a result of the kick-off meeting, the MCTA will have an email list to share resources and/or answer questions, meet in August to discuss the development of potential action teams and have monthly meetings to learn more about new developments in credential transparency.

Technologies Community

Prepared by Debra Kidwell, Consultant

Background

The [Technologies Community](#) is composed of college, system, and university chief information officers, telecommunications directors, computing service directors, procurement officers, and educational planners representing both individual campuses and systems in the MHEC member states.

Current Status

Recognizing the diversity of technology’s role, efforts are consistently being taken to broaden the scope and impact of the Technologies Community. This year’s virtual annual convening provided an opportunity to invite new community members from academia and student services to engage with a diverse group of technology and procurement subject matter experts. Five standing advisory groups support the Technologies Community, as do work groups formed on an as-needed basis.

Over the past six months, the following activities took place:

- Convened the Technologies Community for a two-day virtual event with a theme of *Technology and the New World of Education*. Speakers addressed current themes such as digital accessibility, diversity, changes resulting from the pandemic, and more.
- Created and published the [Digital Accessibility & Universal Design for Learning webpage](#).
- Evaluated proposals for IT Security Services and entered into contract negotiations.
- Engaged the Technology Executive Committee in a project to identify and document key areas that will impact higher education technology, several of which will be heavily impacted by political and policy considerations:

Learning Analytics & Data Governance:	How is data being used and what are the ethical considerations? What repercussions may follow? Dartmouth Cheating Scandal, New York Times
Classroom Design & Teaching Models:	What will classrooms look like in the long-term? This is no longer a pandemic concern, but a real question facing higher education. How can the content and modality merge for the best possible outcomes?
Broadband:	A subset of access, broadband issues resemble the issues around rural electricity in the 1930s that resulted in the Rural Electrification Act of 1936.
Funding models & fees:	The pandemic raised questions around institutional funding, revenue, and fees. New and innovative funding models will likely be proposed for consideration.
Cybersecurity:	Per Microsoft, Education is currently the top affected industry for cyber-attacks . Recent events demonstrate the impact cyber-attacks can have: Colonial Pipeline Ransomware Attack, AP News

Next Steps

MHEC and the Technologies Executive Committee tailor MHEC’s technology work to best serve MHEC states and institutions. Volunteers will be sought for new advisory groups, RFP work, and other identified needs. New initiatives and projects are continually evaluated for benefit to the region and higher education, with current opportunities around FAFSA, Universal Broadband, Security Services and Learning Analytics.

Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

Background

MHEC's technology contracts program is rooted in delivering timely, effective, and cost-efficient technology solutions. During the pandemic, technology and its connection to student access and learning, have become increasingly important. MHEC contracts are awarded based on competitive bid requirements that are consistent with statutory procurement requirements of the Compact member states. By entering into agreements for the benefit of its member states, MHEC provides institutions with a contract framework that allows flexibility and ease of use, while still maintaining compliance with applicable procurement statutes.

Consistent with the approach of other program areas, a representative group of MHEC technology stakeholders conduct a competitive sourcing process that leverages the potential purchasing power of the MHEC region. The result is a master agreement that facilitates a direct relationship between the technology provider and institutions with discounted pricing as well as terms and conditions that are better than most users can negotiate individually. This process is designed to minimize the burden on administrative resources for institutions in the region, saving both time and money. Additionally, it allows an institution to focus most of its energy on finding the technology solution that best fits its needs instead of the contract details.

Current Status

Increasingly, an information technology (IT) investment is needed to support student success, faculty, and staff functions, whether an institution is large or small. This has been especially true during the pandemic shift to a remote workforce and hybrid learning. This year, MHEC has added three new contracts to its offering. Over 50 volunteers assisted with preparing and evaluating two solicitations. The Virtualization and Data Center Modernization Solicitation Workgroup evaluated 16 proposals and awarded contracts to Dell EMC and HP Enterprise. The Digital Credential Solutions Workgroup evaluated seven proposals and awarded one contract for e-Transcripts and Supportive Services to Parchment. All three contracts have a term of seven years and are available for use by all public and private not-for-profit institutions of higher education in the MHEC region, and include the other regional compacts – the New England Board of Higher Education (NEBHE); the Southern Regional Education Board (SREB); and the Western Interstate Commission for Higher Education (WICHE) – member states. Some of the contracts extend eligibility for use by K-12 districts, local governments, and states. Usage overall has significantly grown over the last five years with over \$2B in sales during this time. Overall, the estimated savings in the MHEC region was nearly \$37M during FY 2020, an increase of 37% from the prior year.

Next Steps

MHEC is continuously developing strategic contracts, with guidance from the Technologies Community. Anticipated IT solicitations over the next year include end-user computing and networking, and statistical solutions. Each solicitation seeks input from a wide variety of subject matter experts to discuss current best practices and define the scope of a proposed solution. During the solicitation, a workgroup is formed of members representing the MHEC region, who evaluate proposals and make recommendations to the MHEC president for an award. Once a contract is awarded, the Technology Contracts Advisory Group will assist MHEC with managing the vendor relationships.

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MHEC Annual Estimated Savings for Entities and Citizens

MHEC Member States	2019-2020 Annual State Commitment	Total Annual Savings	Contracts			Programs		
			Computing Hardware ¹	Computing Software ²	Technology Services ³	Master Property Program ⁴	Midwest Student Exchange Program ⁵	Midwestern-State Authorization Reciprocity Agreement ⁶
Illinois	115,000	55,073,853	8,231,120	173,864	113,774	183,056	43,756,039	2,616,000
Indiana	115,000	8,668,274	5,847,913	91,027	73,062	NP ⁷	1,256,272	1,400,000
Iowa	115,000	1,853,113	598,102	15,323	11,625	12,063	NP ⁷	1,216,000
Kansas	115,000	12,161,060	881,463	58,157	12,398	4,811,755	5,293,287	1,104,000
Michigan	115,000	14,843,486	7,676,868	83,135	73,476	126,349	5,227,658	1,656,000
Minnesota	115,000	9,715,329	2,579,477	635,757	65,268	NP ⁷	4,738,827	1,696,000
Missouri	115,000	15,352,492	3,465,744	98,704	2,555	1,223,210	8,618,279	1,944,000
Nebraska	115,000	9,295,174	1,154,343	176,244	6,433	629,321	6,664,833	664,000
North Dakota	115,000	1,103,934	103,195	44,413	506	NP ⁷	603,820	352,000
Ohio	115,000	6,646,987	1,941,334	127,528	18,294	113,953	2,341,878	2,104,000
South Dakota	115,000	121,877	87,478	34,036	363	NP ⁷	NP ⁷	NP ⁷
Wisconsin	115,000	6,272,336	1,961,611	342,008	46,117	NP ⁷	2,618,600	1,304,000
Program Totals	\$1,380,000	\$141,107,915	34,528,648	\$1,880,196	\$423,871	\$7,099,707	\$81,119,493	\$16,056,000

FOOTNOTES:

1. Contracts include: Dell, HP, Lenovo, Alcatel-Lucent, Ciena/Walker and Associates, and Xerox.
2. Contracts include: Novell/MHEC Collaborative Program, Oracle, Arrow/VMWare, SAS, and Corel.
3. Contracts include: Info-Tech Research Group and Parchment.
4. Based on premium and loss information as of June 30, 2020.
5. Student tuition savings for the academic year 2019-2020.
6. Savings does not include personnel and travel cost savings.
7. Non-participating state for 2019-2020.

MHEC Cumulative Estimated Savings for Entities and Citizens through June 2020

MHEC Member States	Contracts				Programs			Cumulative State Savings	What Member States Paid Cumulative (State Commitment)
	Computing Hardware ¹	Computing Software ²	Technology Services ³	Legacy Initiatives ⁴	Master Property Program ⁵	Midwest Student Exchange Program ⁸	State Authorization Reciprocity Agreement ⁹		
Illinois Member Since 8/20/1991	106,706,782	7,034,692	3,517,165	15,672,186	50,052,923	270,848,350	9,912,000	463,744,098	2,512,000
Indiana Member Since 3/14/1996	38,718,790	3,288,756	2,732,478	5,358,571	440,095	11,262,767	5,360,000	67,161,457	2,222,000
Iowa Member Since 6/6/2005	7,324,478	396,479	23,024	231,371	554,190	-	4,776,000	13,305,542	1,490,000
Kansas Member Since 4/25/1990	11,017,423	2,167,403	156,535	3,025,262	26,825,389	83,592,639	4,368,000	131,152,651	2,512,000
Michigan Member Since 7/24/1990	61,767,203	4,085,238	3,623,985	43,222,866	17,374,350	62,259,581	5,760,000	198,093,222	2,512,000
Minnesota Member Since 4/26/1990	22,513,920	5,772,372	564,699	10,876,074	15,306,381	54,821,655	6,440,000	116,295,100	2,512,000
Missouri Member Since 5/9/1990	27,784,776	2,243,053	47,636	5,484,930	42,550,922	66,226,645	7,368,000	151,705,961	2,512,000
Nebraska Member Since 6/5/1991	6,605,532	1,829,487	64,111	2,127,919	13,370,168	80,322,508	2,656,000	106,975,724	2,512,000
North Dakota Member Since 4/22/1999	1,732,157	991,812	32,087	1,000,822	-	5,874,622	1,408,000	11,039,500	1,990,000
Ohio Member Since 1/9/1991	31,824,128	3,956,395	1,578,703	32,198,285	463,660	5,260,367	8,104,000	83,385,538	2,512,000
South Dakota Member Since 3/13/2008	651,891	458,946	5,313	NA	492,535	-	-	1,608,685	1,240,000
Wisconsin Member Since 4/18/1994	22,743,333	1,394,474	438,782	6,747,463	-	45,322,672	5,328,000	81,974,725	2,338,000
TOTAL	\$339,390,413	\$33,619,105	\$12,784,518	\$125,945,750	\$167,430,613	\$685,791,806	\$61,480,000	\$1,426,442,204	\$26,864,000

FOOTNOTES:

1. Contracts include: Dell, HP, Lenovo, Juniper, Enterasys, Systemax, Mitel, Sun, IQ, Alcatel-Lucent, Ciena/Walker and Associates, and Xerox.
2. Contracts include: Novell/MHEC Collaborative Program, Oracle, Corel, Arrow/VMWare, SAS, and Open Systems.
3. Contracts include: Info-Tech Research Group, Parchment, and CampusEAI.
4. Expired contracts include: office products, telecommunications, equipment maintenance, and academic scheduling, Interactive video, and APN.
5. Based on premium and loss information as of June 30, 2020.
6. Iowa State University asked MHEC to bid their property insurance for FY 2009. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a price of \$858,824 or \$201,532 less than paid in FY 2008.
7. In 2009, 2012, and 2013, SD Office of Risk Management requested a quote for property insurance at its six SD Regent institutions. Even though the SD Offices of Risk Management kept its current carrier, they indicated the MHEC quotes saved the institutions \$85,000, \$239,302, and \$168,233 respectively.
8. Student tuition savings through the academic year 2019-2020.
9. Savings does not include personnel and travel cost savings.

Presenters



Kathie Obradovich

Kathie Obradovich is editor-in-chief for *Iowa Capital Dispatch*, part of a national not-for-profit news organization. She leads an experienced staff covering state news and politics and writes a weekly column. Since the Iowa site launched in January 2020, more than a dozen Iowa newspapers and news sites have begun regularly publishing Iowa Capital Dispatch content. Kathie has more than 30 years of reporting experience in Iowa. She worked for 16 years at *The Des Moines Register*, most recently as opinion editor and political columnist. Between 1987 and 2003, she worked as a reporter and editor in the Des Moines Bureau for the Lee Enterprises newspapers in Iowa and at the *Quad-City City Times* in Davenport. She has been a regular reporter on Iowa Public Television's "Iowa Press" and a

frequent guest on other state, national, and international news programs. She has also served as a lecturer for Iowa State University's Greenlee School of Journalism and Communication. She's an Iowa State graduate who grew up in Ames.



Kathy Leggett

Kathy Leggett is the Future Ready Iowa (FRI) policy advisor at Iowa Workforce Development. This is her 3rd year in this position. Her role involves coordinating Future Ready Iowa efforts amongst multiple partnerships at the state, regional and community levels. Future Ready Iowa is one of Governor Reynolds' priorities and focuses on better aligning education and the workforce to help build a strong, skilled workforce that provides opportunities for all Iowans. The FRI goal is that 70% of Iowans obtain education or training beyond high school by 2025. Kathy previously worked for 20 years at Blank Children's Hospital. She has a master's degree from the University of Northern Iowa in Health Education and a master's in Public Administration from Drake University.

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MHEC Commissioners

Executive Officers

Chair: David Eisler, Michigan
Vice Chair: Rick Carfagna, Ohio
Treasurer: Devinder Malhotra, Minnesota
Past Chair: Olivia Madison, Iowa

Executive Committee

Illinois: Suzanne Morris, Katie Stuart
Indiana: Ken Sauer, *TBD*
Iowa: Olivia Madison, *TBD*
Kansas: Barbara Ballard, Blake Flanders
Michigan: David Eisler, Brandy Johnson
Minnesota: Connie Bernardy, Devinder Malhotra
Missouri: Kayla Hahn, Cindy O'Laughlin
Nebraska: John Cavanaugh, Deborah Frison
North Dakota: Mark Hagerott, Dennis Johnson
Ohio: Rick Carfagna, Gary Cates
South Dakota: Larry Tidemann, Janelle Toman
Wisconsin: Connie Hutchison, Rolf Wegenke

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

ILLINOIS

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



Mollie Foust

Illinois Governor's Designee; and Senior Counselor to the Deputy Governors
Illinois Governor's Office



Alice Marie Jacobs

Board Member
Illinois Board of Higher Education



Suzanne Morris

Vice Chair
Illinois Community College Board

**Former MHEC Chairperson*



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

VACANCY
Appointing Authority: President of the Senate

INDIANA

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



Charles R. Johnson, Jr.
President
Vincennes University



Jack Jordan
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



Tim Goodwin
State Senator; Vice Chair, Ways and Means Committee
Iowa Legislature



Olivia M.A. Madison
Iowa Governor's Designee; and Professor Emerita and
Dean Emerita of Library Services
Iowa State University



Sharon S. Steckman
State Representative; Member, Appropriations & Education Committees
Iowa Legislature



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



Jacob Bossman (Commissioner Alternate)
State Representative; Member, Appropriations & Education Committees
Iowa Legislature



Todd Brown (Commissioner Alternate)
Division Administrator, Financial Aid Program Administration
Iowa College Aid



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



Herman Quirnbach (Commissioner Alternate)
State Senator; Ranking Member, Education Committee
Iowa Legislature

KANSAS

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



Barbara W. Ballard
State Representative, Kansas Legislature
Associate Director, Robert J. Dole Institute



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



Blake Flanders
President and CEO
Kansas Board of Regents



Aaron A. Otto
Kansas Governor's Designee



Helen Van Etten
Board Member
Kansas Board of Regents



Marci Francisco (Commissioner Alternate)
State Senator
Kansas Legislature



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

MICHIGAN

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



David L. Eisler
President
Ferris State University



Mark Huizenga
State Representative; Chair, Appropriations Subcommittee
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Michigan Legislature



Brandy M. Johnson
Michigan Governor's Designee; and Special Advisor, Sixty by 30
Michigan Department of Labor and Economic Opportunity



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



Bill Pink
President
Grand Rapids Community College



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>



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



Michael Goh
Vice President for Equity and Diversity
University of Minnesota – Twin Cities



Devinder Malhotra
Chancellor
Minnesota State



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



David Tomassoni
State Senator; President Pro Tem & Chair,
Higher Education Finance & Policy Committee
Minnesota Legislature



Paul Cerkvenik (Commissioner Alternate)
President
Minnesota Private College Council

MISSOURI

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John Black
State Representative; Member, Higher Education Committee
Missouri General Assembly



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



Cindy O'Laughlin
State Senator; Chairwoman, Education Committee
Missouri General Assembly



Susan L. Thomas
President
Truman State University

VACANCY
Appointing Authority: MO Governor (Higher Education at-large)



Zora Mulligan (Commissioner Alternate)
Commissioner of Higher Education
Missouri Department of Higher Education & Workforce Development

NEBRASKA

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



John Cavanaugh
State Senator
Nebraska Legislature



Randolph M. Ferlic
Nebraska Governor's Designee



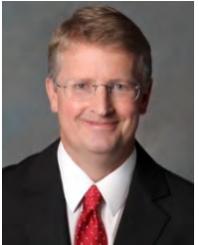
Deborah A. Frison
Chair
Coordinating Commission for Postsecondary Education



Susan M. Fritz
Executive Vice President and Provost
University of Nebraska System



Lynne Walz
State Senator; Member, Education Committee
Nebraska Legislature



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Coordinating Commission for Postsecondary Education

NORTH DAKOTA

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State Senator; Member, Education Committee
North Dakota Legislative Assembly



Tim Flakoll
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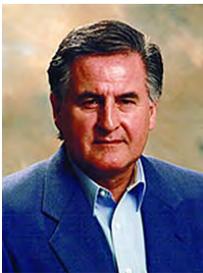
Mark Hagerott
Chancellor
North Dakota University System



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



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



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

OHIO

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



Rick Carfagna

State Representative; Assistant Majority Floor Leader
Ohio Legislature



Gary Cates

Senior Vice Chancellor
Ohio Department of Higher Education



Jerry Cirino

State Senator; Vice Chair, Senate Workforce & Higher Education Committee
Ohio Legislature



Mike Duffey

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



Jack Hershey

President and CEO
Ohio Association of Community Colleges



Bruce Johnson (Commissioner Alternate)
President
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David H. Ponitz (Commissioner Alternate)
President Emeritus
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SOUTH DAKOTA

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Lake Area Technical College



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, Joint Committee on Appropriations
South Dakota Legislature



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

WISCONSIN

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Connie Hutchison
Executive Secretary
State of Wisconsin Higher Educational Aids Board



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State Representative; Chair, 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 Professor Emeritus
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Rolf Wegenke
President
Wisconsin Association of Independent Colleges and Universities (WAICU)



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



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

MHEC Committees

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

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

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MHEC STRATEGIC FRAMEWORK

PRIORITIES 2020–2021

VISION:

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

MISSION:

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

WHO MHEC SERVES:

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

HOW MHEC WORKS:

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

STRATEGIC PRIORITIES, 2020–2021:

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

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

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

STRATEGIC PRIORITY 1:

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

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

STRATEGIES:

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

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

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

STRATEGIC PRIORITY 2:

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

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

STRATEGIES:

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

STRATEGIC PRIORITY 3:

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

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

STRATEGIES:

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

STRATEGIC PRIORITY 4:

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

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

STRATEGIES:

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

ABOUT THE STRATEGIC PLANNING PROCESS:

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

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

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

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

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The Midwestern Regional Higher Education *Compact*

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

ARTICLE I. PURPOSE

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

ARTICLE II. THE COMMISSION

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

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

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

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

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

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

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

ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV. ACTIVITIES OF THE COMMISSION

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

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

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

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

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

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

ARTICLE V. FINANCE

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

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

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

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

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

ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

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

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

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

ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

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

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

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

ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

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

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

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

MEMBER STATES

State of Illinois
By Jim Edgar
August 20, 1991

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

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

State of Indiana
By Evan Bayh
March 14, 1996

State of Minnesota
By Rudolph Perpich
April 26, 1990

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

State of Iowa
By Tom Vilsack
June 6, 2005

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

State of South Dakota
By Mike Rounds
March 13, 2008

State of Kansas
By Michael Hayden
April 25, 1990

State of Nebraska
By Ben Nelson
June 5, 1991

State of Wisconsin
By Tommy Thompson
April 18, 1994

Midwestern Higher Education Commission

Bylaws

Article I. Commission Purpose, Functions and Bylaws

Section 1. Purpose.

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

Section 2. Functions.

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

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

Section 3. Bylaws.

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

Article II. Membership

Section 1. Commission Members.

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

Section 2. Affiliate Members.

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

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

Section 3. Associate Members.

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

Section 4. Compact Participation in MHEC Programs.

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

Article III. Officers

Section 1. Election and Succession.

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

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

Section 2. Duties.

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

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

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

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

Article IV. Commission Personnel

Section 1. Commission Staff and Offices

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

Section 2. Duties of the President.

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

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

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

Section 3. Policy and Programmatic Committees.

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

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

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

Article V. Meetings of the Commission.

Section 1. Meetings and Notice.

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

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

Section 2. Quorum.

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

Section 3. Voting.

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

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

Section 4. Procedure.

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

Article VI. Commission Committees

Section 1. Executive Committee.

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

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

Section 2. Finance and Audit Committee.

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

Section 3. Other Committees.

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

Article VII. Finance

Section 1. Fiscal Year.

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

Section 2. Budget.

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

Section 3. Accounting and Audit.

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

Section 4. Debt Limitations.

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

Section 5. Travel Reimbursement.

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

Article VIII. Required Reports

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

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

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

Article IX. Adoption and Amendment of Bylaws

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

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

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Upcoming Meeting Save-the-Dates

2021 MHEC Annual Commission Meeting

November 8-10, 2021

JW Marriott Grand Rapids
235 Louis Street NW
Grand Rapids, MI 49503

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

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May 2021

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