

# Agenda Book Executive Committee Meeting

June 12-13, 2023  
Madison, WI



Wisconsin Commissioners: Joan Ballweg, Connie Hutchison, Rebecca Larson, David Murphy, and Julie Underwood; Wisconsin Commissioner Alternates: Morna Foy and Sean Nelson



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# Midwestern Higher Education Compact

Executive Committee Meeting

June 12-13, 2023

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## Meeting Details

### Join Zoom Meeting

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

<https://us06web.zoom.us/j/81223622038?pwd=ODFyQlY3NOVzaTlKbTUrdURVGUxb29ZZz09>

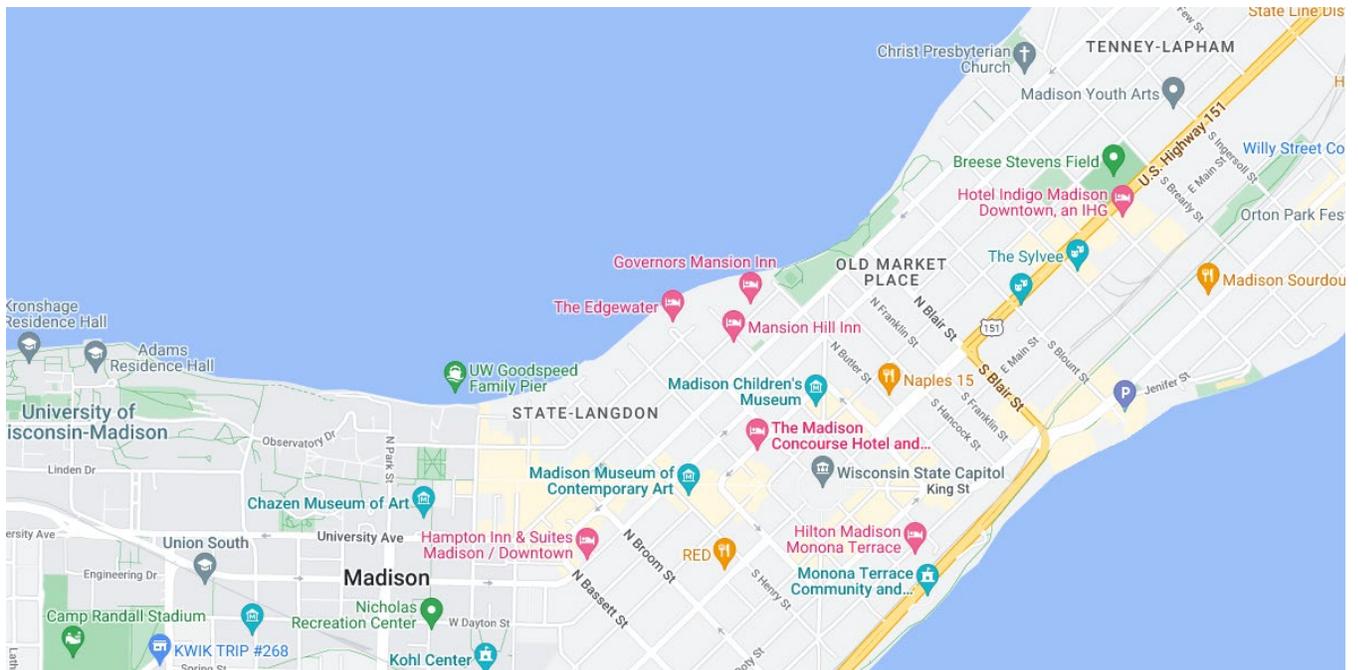
Meeting ID: 812 2362 2038

Passcode: 276151

Call-in #: (312) 626-6799

### Meeting Location

The Edgewater Hotel  
1001 Wisconsin Place  
Madison, WI 53703



### Edgewater Meeting Room Locations

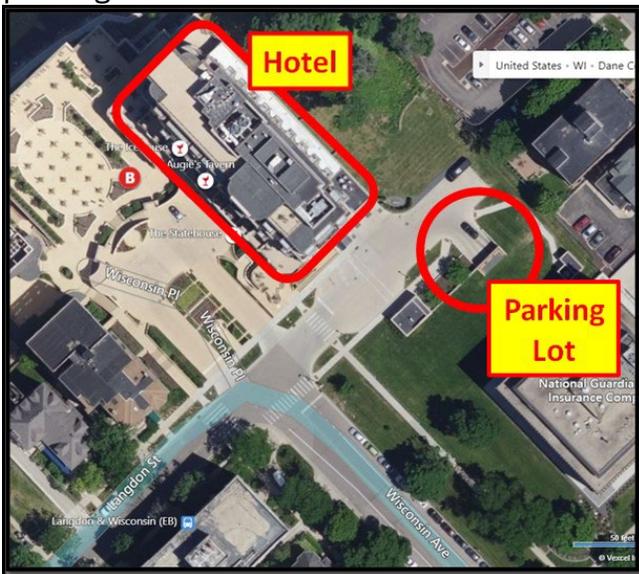
- a) Wine Room, 7<sup>th</sup> floor in Statehouse Restaurant (Lunch and Breakfast)
- b) Mendota Ballroom, 3<sup>rd</sup> floor Wisconsin Building (Meeting)
- c) Augie's Table, 7<sup>th</sup> floor in Statehouse Restaurant (Finance & Audit Committee Meeting)
- d) Chef's Table, 7<sup>th</sup> floor in Statehouse Restaurant (Governance Committee Meeting)

## Airport Transportation

Should you be arriving through the [Dane County Regional Airport](#), there is a complimentary airport shuttle service. Upon arrival to the airport, call the hotel at (605) 535-8200 and ask for the shuttle to arrange a pickup. It takes about 15-minutes for pickup.

## Parking at Edgewater

Please use the self-parking underground lot, located across from the hotel entrance on Langdon Street. Watch for the signs directing you to the entrance. Overnight guest self-parking is available for \$24 per night. Parking costs will be routed to the MHEC Group Bill upon checkout. For day-only guests, please park in the same lot and see Katie Chock for a parking voucher.



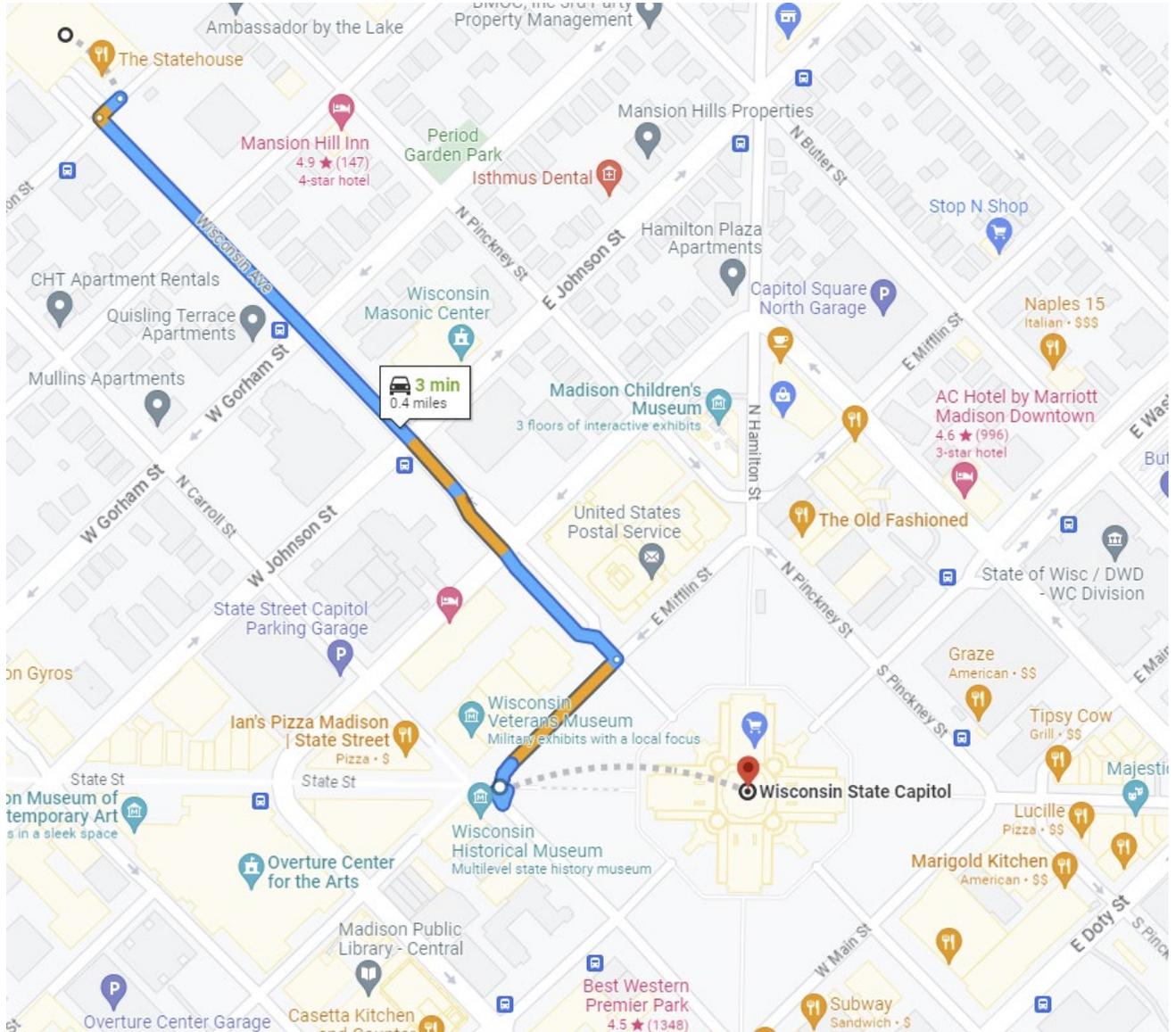
## Monday, June 12 Offsite Events

### The Wisconsin State Capitol

2 E Main St, Madison, WI 53703

Approx 0.4 miles

*MHEC will provide transportation, and while walkable, it is preferred that attendees ride the bus so we can keep the group together and start our tour on time.*



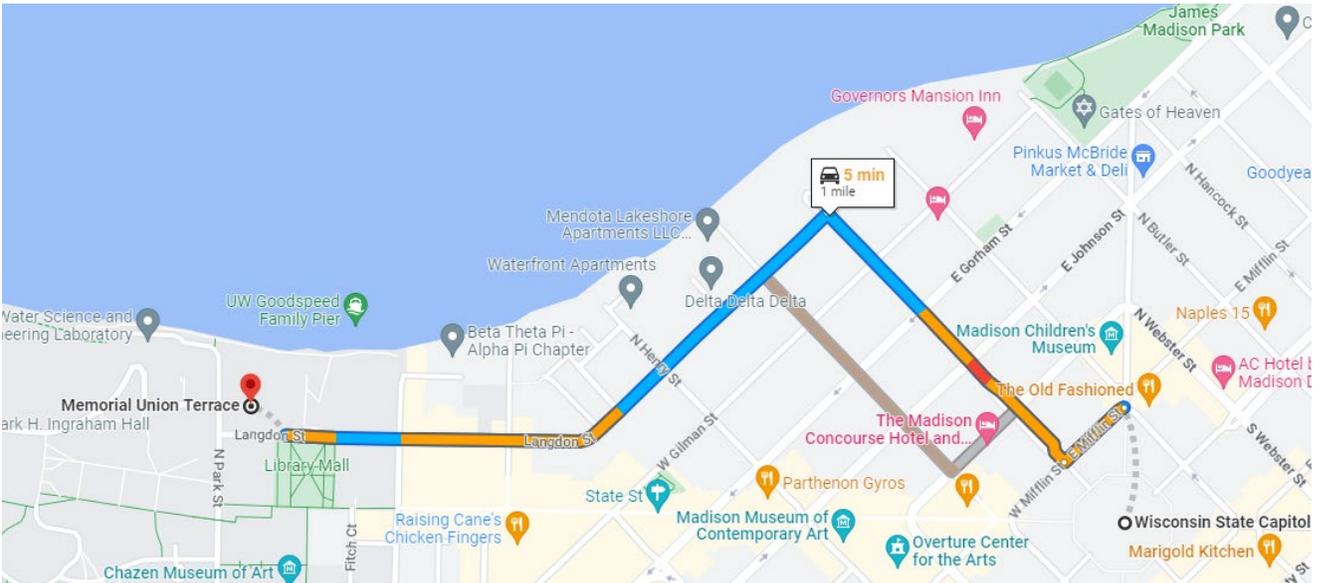
Attendees **not** riding the bus: Parking is available at the State Street Capitol Parking Garage (214 N. Carroll St ) or the Capitol Square North Garage (218 E. Mifflin St.). Both garages are about 2 blocks from the capitol. The cost is \$1.20 per hour. Unfortunately, we are not able to provide parking vouchers.

## University of Wisconsin Memorial Union

800 Langdon St, Madison, WI 53703

*Bus Transportation will be provided.*

Approx 1 mile



Attendees **not** riding the bus: Parking is available at the Helen C. White Library Parking Garage located next to the Union. Parking vouchers will be provided, however, you will need your voucher before entering the lot. See Katie Chock for vouchers.

## Meeting Guidelines

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

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

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

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

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



## Midwestern Higher Education Compact

### EXECUTIVE COMMITTEE MEETING

June 12-13, 2023 | Hybrid

The Edgewater – Madison, WI

*All times are listed in Central Daylight Time CDT*

### AGENDA

#### Monday, June 12, 2023

10:00 a.m. – 11:30 a.m.  
Augie’s Table (Level 7)

Finance & Audit Committee Meeting

10:00 a.m. – 11:30 a.m.  
Chef’s Table (Level 7)

Governance Committee Meeting

Noon  
Wine Room (Level 7)

Lunch

1:00 p.m.  
Mendota Ballroom (Level 3)

1) Call to Order and Overview of Meeting Guidelines –  
Dr. Devinder Malhotra, MHEC Chair, and Ms. Susan  
Heegaard, MHEC President

1:10 p.m.

2) Roll Call of the States

1:15 p.m.

3) Welcome – Governor Tony Evers (invited)

1:30 p.m.

4) Introduction of Commissioners and MHEC Staff

1:50 p.m.      Action Item 1

5) Approval of Agenda (pp. 7-10)

1:55 p.m.      Action Item 2

6) Approval Executive Committee Meeting Minutes, June  
6-7, 2022 (pp. 11-20)

2:00 p.m.  
Mendota Ballroom

BREAK

2:15 p.m.

7) Report of the MHEC President – Ms. Susan Heegaard  
(pp. 21-22)

8) Report of the MHEC Chair – Dr. Devinder Malhotra  
(MN) (pp. 23-24)

- 2:45 p.m. 9) *Wisconsin Technical Colleges: Promoting Student Success with Open Educational Resources*
- Ms. Kimberly Ernstmeyer, Open RN Project Director,  
Chippewa Valley Technical College (CVTC)  
Dr. Lynette Livingston, Provost and Vice President of  
Academic Affairs, CVTC  
Mr. Vince Mussehl, Director of Library Services, CVTC  
Mrs. Gina Petrie, Dean of Nursing, CVTC
- Introduced by: Dr. Morna Foy, President, Wisconsin  
Technical College System (WTCS)
- 3:30 p.m. RECESS
- 4:00 p.m. 10) Board Bus/Depart from hotel lobby
- 4:05 p.m. 11) Arrive and Tour the Wisconsin State Capitol
- 5:20 p.m. 12) Transportation from Capitol to University of  
Wisconsin Memorial Union
- 5:30 p.m. 13) RECEPTION  
University of Wisconsin Memorial Union  
Great Hall  
800 Langdon Street, Madison
- 6:30 p.m. 14) WELCOME  
Mr. Jeff Buhrandt, Vice President for University  
Relations, University of Wisconsin System
- Introduced by: Mr. Sean Nelson, Vice President for  
Finance and Administration, University of Wisconsin  
System
- 6:40 p.m. 15) DINNER  
University of Wisconsin Memorial Union
- 7:20 p.m. 16) DINNER PRESENTATION  
*Tracking Outcomes of College Graduates using U.S.  
Census Data*
- Dr. Jason Pontius, Associate Chief Academic Officer,  
Board of Regents, State of Iowa

- 7:50 p.m. 17) Board Bus
- 8:00 p.m. 18) Depart to Edgewater Hotel  
1001 Wisconsin Place, Madison

**Tuesday, June 13, 2023**

7:30 a.m. BREAKFAST  
Wine Room (Level 7)

8:30 a.m. 19) Unfinished Business  
Mendota Ballroom (Level 3)

- Action Item 3
  - a) Strategic Plan Review – Dr. Devinder Malhotra (MN), MHEC Chair, and Ms. Susan Heegaard, MHEC President (pp. 25-29)
  - b) Master Property Program and Risk Management Update – Ms. Jennifer Dahlquist, MHEC Vice President (p. 30)
  - c) Midwestern Student Exchange Program Update – Ms. Jenny Parks, MHEC Vice President

- 9:15 a.m. 20) New Business
  - a) Treasurer’s Report and Finance and Audit Committee Report – Rep. Larry Tidemann (SD), Committee Chair, Ms. Erin Frahm, MHEC Director of Finance and Administration, and CliftonLarsonAllen (pp. 31-115)
    - i. Review of FY23 YTD Financial Reports (pp. 31-61)
    - ii. Presentation of FY24 Budget (pp. 62-74)
    - iii. Action on FY24 Budget (p. 68)
    - iv. Review of Form 990 (pp. 75-115)
- Action Item 4

10:15 a.m. BREAK

10:30 a.m. b) Governance Report – Rep. Barbara Ballard (KS),  
Mendota Ballroom Committee Chair

- |            |               |   |
|------------|---------------|---|
| 10:45 a.m. | Action Item 5 | 21) Motion to go into Executive Session   |
| 10:45 a.m. |               | 22) EXECUTIVE SESSION – Discussion and report from Chair Devinder Malhotra (MN) and the MHEC Officers<br>( <i>Closed session: only MHEC Executive Committee Members remain in the room.</i> ) |
|            |               | a) Presidential Performance Report  |
| 11:15 a.m. | Action Item 6 | 23) Motion for Commission to reconvene in open session.   |
|            | Action Item 7 | 24) Approve and Accept Presidential Performance Report – Dr. Devinder Malhotra (MN), MHEC Chair   |
| 11:20 a.m. |               | 25) Closing and Next Steps – Dr. Devinder Malhotra (MN), MHEC Chair   |
| 11:30 a.m. |               | ADJOURN   |

# Midwestern Higher Education Compact Executive Committee Meeting Minutes

Magnolia Hotel  
June 6-7, 2022

## Commissioners Present

- IL** Commissioner Katie Stuart, State Representative; Member, Education Committee, Illinois General Assembly
- IN** Commissioner Jon Ford, State Senator; Member, Appropriations Committee, Indiana General Assembly  
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 Sharon Steckman, State Representative; Ranking Member, Education Committee, Iowa Legislature
- KS** Commissioner Barbara Ballard, State Representative, Kansas Legislature  
Commissioner Molly Baumgardner, State Senator; Chair, Senate Education Committee, Kansas Legislature\*
- MI** Commissioner David Eisler, President, Ferris State University (virtual)  
Commissioner Brandy Johnson, President, Michigan Community College Association
- MN** Commissioner Michael Goh, Vice President for Equity and Diversity, University of Minnesota\*  
Commissioner Devinder Malhotra, Chancellor, Minnesota State
- MO** Commissioner John Black, State Representative; Vice Chairman of the Higher Education Committee, Missouri General Assembly\*
- NE** Commissioner Alternate Michael Baumgartner, Executive Director, Nebraska Coordinating Commission for Postsecondary Education  
Commissioner John Cavanaugh, State Senator, Nebraska Legislature  
Commissioner Randolph Ferlic, Nebraska Governor's Designee (Ex Officio)  
Commissioner Deborah A. Frison, Commission Member, Nebraska Coordinating Commission for Postsecondary Education  
Commissioner Heath Mello, Vice President for External Relations, University of Nebraska System

- Commissioner Lynne Walz, State Senator; Member, Education Committee\*
- ND** Commissioner Tim Flakoll, North Dakota Governor's Designee (Ex Officio)  
Commissioner Tim Mihalick, Member, ND State Board of Higher Education\*
- OH** Commissioner Gary Cates, Senior Vice Chancellor, Ohio Department of Higher Education
- SD** Commissioner Michael Cartney, President, Lake Area Technical College  
Commissioner Larry Tidemann, South Dakota Governor's Designee; State Representative, South Dakota Legislature
- WI** Commissioner Connie Hutchison, Executive Secretary, Wisconsin Higher Educational Aids Board  
Commissioner David Murphy, State Representative; Chair, Committee on Colleges and Universities, Wisconsin State Legislature  
Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities

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

### **MHEC Staff**

Katie Chock, Senior Meeting, Event, and Operations Manager  
Jennifer Dahlquist, Vice President  
Susan Heegaard, President  
Daniel Moser, Chief Financial Officer  
Jenny Parks, Vice President  
Mary Roberson, Senior Director of Communications and Marketing  
Rob Trembath, Chief Operating Officer and General Counsel

### **Guests**

Dr. Pamela Boyers, Associate Vice Chancellor, University of Nebraska Medical Center  
Dr. Jeffrey Gold, Chancellor, University of Nebraska Medical Center  
Dr. Matthew Hastings, Executive Director, Nswers  
Dr. Michael Keibler, Executive Director, Cooperative Education and Industry Liaison, Wayne State College  
Dr. Rich Klein, Vice Chancellor University of Nebraska at Omaha  
Ms. Michele Koosman  
Dr. Gina Ligon, NCITE  
Ms. Deb Nelson, Eide Bailly (virtual)  
Dr. Marysz Rames, President, Wayne State College  
Ms. Sandra Reding, President, Aksarben Foundation  
Dr. Paul, Turman, Chancellor, Nebraska State College System  
Ms. Courtney Wittstruck, Executive Director, Nebraska Community College Association

## Monday, June 6, 2022

### 1. **Call to Order and Overview of Meeting Guidelines.**

Commissioner Walz (NE) called the meeting to order at 1:35 p.m. on behalf of Acting Chair Malhotra (MN) and welcomed commissioners and guests to Omaha. She acknowledged Commissioner Mello (NE) as the newest commissioner to MHEC.

President Heegaard also welcomed commissioners, acknowledging Past Chair Eisler (MI) on Zoom, and thanked all for attending. She also reviewed additional housekeeping items, including a reminder of one vote per state.

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

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

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

All attendees briefly introduced themselves.

### 4. **Welcome from Nebraska Governor Pete Ricketts.**

Governor Rickett's welcomed MHEC commissioners to Omaha. He highlighted the focus of his leadership and working with the private sector and government to make the state more effective and efficient. He acknowledged the impact and benefits provided by MHEC's cost savings programs for Nebraska constituents. Governor Rickett's also highlighted several Nebraska programs to engage students early on in the talent pipeline, collaborate with higher education to create and maintain Nebraska's strong workforce participation, balanced with continued population challenges.

### 5. **Action Item 1 – Approval of the Executive Committee Meeting Agenda.** (*agenda book, pp 7-10*).

*Commissioner Tim Flakoll (ND) moved and Commissioner Barbara Ballard (KS) seconded the motion to approve the revised Executive Committee Meeting agenda.*

*Motion carried by voice vote.*

### 6. **Action Item 2 – Approval of the Executive Committee Meeting Minutes, June 7-8, 2021** (*agenda book, pp 11-21*).

*Commissioner Larry Tidemann (SD) moved and Commissioner Randy Ferlic (NE) seconded the motion to approve the minutes of the Executive Committee Meeting held on June 7-8, 2021.*

*Motion carried by voice vote.*

7. **Nebraska State College System: Growing Together Career Scholars Initiative**

Dr. Paul Turman, chancellor of the Nebraska State College System, provided introductions. Dr. Marysz Rames, president of Wayne State College, and Dr. Michael Keibler, executive director of Cooperative Education and Industry Liaison for Wayne State College, provided an overview and history of the Growing Together Career Scholars Initiative at Wayne State College, which is a cohort-based scholarship program that connects students to business partners throughout their first three years on campus. The cooperative education model is a structured method of combining classroom-based education with practical work experience. The diverse approach to workforce is structured to provide career readiness into every interaction and meet the diversity of workforce needs, accelerates core curriculum, is scalable to support future cohorts, and funded through the NE Career Scholars Act.

8. **RECESS**

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

*At 3:10 p.m., Commissioner David Murphy (WI) moved and Commissioner Barbara Ballard (KS) seconded the motion to recess the meeting until 8:15 a.m. Tuesday, June 7.*

*Motion carried by voice vote.*

9. **Tour of Davis Global Center, University of Nebraska Medical Center (UNMC).**

Commissioner Mello (NE) provided introductions of Dr. Gold and Dr. Boyers who welcomed commissioners and guests to the Davis Global Center. They highlighted the transformative program, iEXCEL (Interprofessional Experiential Center for Enduring Learning), that's created a new model for healthcare education, training and research. Commissioners were divided into two groups and given a tour of the highly advanced clinical simulation facility, which is purposefully designed to foster the practice of patient care in highly-functioning and effective interprofessional teams.

10. **Reception/Dinner Presenter: Why Omaha? How our midwestern metropolitan university won a previously beltway-located Homeland Security consortium.**

President Heegaard offered a welcome and acknowledgment of Commissioner Wegenke (WI) who will be retiring for his service as a MHEC commissioner since 1994.

She also introduced Dr. Gina Ligon, director of the National Counterterrorism Innovation, Technology, and Education Center (NCITE), a U.S. Department of Homeland Security Center of Excellence, highlighted the center's work and significance of being located in the Midwest. She emphasized the Midwesterner base of NCITE's counterterrorism faculty, their vision for growth among government/university/industry partnerships, and how to be involved in their work.

**Tuesday, June 7, 2022**

**1. Call to Order.**

Acting Chair Malhotra (MN) called the meeting to order at 8:21 a.m., then began the meeting by introducing himself. He acknowledged his inability to be in attendance for day one of the meeting.

**2. Report of the MHEC President. (agenda book, pp. 23-24)**

President Heegaard recognized the Nebraska commissioners for hosting the meeting. She expressed appreciation for visiting and learning about our member states and building relationships to problem solve together. She expressed her gratefulness to all commissioners and staff and mentioned the challenges of balancing hybrid life while continuing to build office culture by connecting in person. She acknowledged her father passing away in January, the transition of executive officers with Rep. Rick Carfagna leaving the Ohio House of Representatives, and Sen. V.J. Smith, choosing not to run again after an illness and also stepping away from the South Dakota Legislature thus leaving vacancies in the MHEC chair and treasurer positions. Despite these changes all 12 member states were visited and every state has paid their state commitment. She also highlighted MHEC's new mental health programs, our grant work in credential transparency, open educational resources, the new commissioner newsletter, strategic plan, and governance.

**3. Report of the MHEC Chair. (agenda book, pp. 25-26)**

Acting Chair Malhotra (MN) referred everyone to his written report. He mentioned his role as acting chair for only about three months and shared he was still in a listening and learning phase. He talked about the pandemic and shared his thoughts about the current higher education landscape.

**4. Unfinished Business.**

There was no unfinished business.

**5. New Business.**

**a. Treasurer's Report.**

Commissioner Tidemann (SD), acting chair of the Finance and Audit Committee, gave the Treasurer's Report.

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

Commissioner Tidemann (SD) provided the background and committee's approach to the state compact commitment that recognizes the current financial situation while creating a more regular, modest, and predictable state commitment than has been done in the past.

*Commissioner Randy Ferlic (NE) moved and Commissioner Barbara Ballard (KS) seconded the motion to approve an increase in the state compact commitment,*

*effective FY26, that is a 1.5% cumulative increase over a four-year period beginning in FY23.*

*Inquiries were asked about the other compacts dues.*

*It was acknowledged there is a need to communicate effectively about the change as it progresses over the years.*

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

ii. **Review of Budget Status.** *(agenda book, pp. 29-31)*

Commissioner Tidemann (SD) highlighted the FY22 budget. He noted that all states have paid in full. MHEC has hit 79% of its budgeted amount for interest income, through April 30.

MHEC's three main programs revenues have exceeded the budgeted amount as of April 30. MHECare will have another payment forthcoming.

Technology revenues are at 56% of budgeted. Historically, Q1 and Q4 are the stronger revenue quarters. The technology contract revenue numbers will not be final until the other compacts have been paid their portion which will occur after the close of Q4.

MHEC's expenses are under budget for FY22. Convenings are slightly under budget as only now travel is starting to return to a consistent level.

MHEC staff continue to work a hybrid schedule and use of supplies is minimal, therefore only 53% of office-related expenses have been utilized.

A new expense account category has been established for strategic planning implementation expenses to be incurred during FY23. Three sub-accounts: for convening, initiatives, and communications.

iii. **Presentation of FY23 Budget.** *(agenda book, pp. 32-36)*

Commissioner Tidemann (SD) presented MHEC's FY23 budget, which was prepared as if the state commitment will remain at \$115,000 as to not be presumptuous about the previous action taken on the state commitment. Since it was approved this will move forward, however, the first increase in the commitment will not be collected until FY26.

The budgeted revenue for the insurance programs was decreased by \$85,800 due to the difficult insurance market. M-SARA generates revenue based on a percentage of the NC-SARA previous year's revenue and supports staff work and convenings associated with the program. The technology contract revenue is based on a percentage of sales made from the contracts. MHEC shares technology contract

revenue with the other compacts for the sales made in their respective regions. In FY22 MHEC is projecting over \$1.13M in net revenue.

Organizational investment is a new area of the budget. The revenue in this area originates from previous years' carry-over funds and are not from traditional revenue generating activities. For FY23 MHEC is setting aside \$400,000 for strategic projects to help with implementing the strategic plan and funding continuing operations.

The Hewlett grant is ending in FY22 and the Ascendium grant will go through December FY23. In the grant budget there is a small portion of funds set aside to cover indirect costs, approximately 10% (\$35,420) of the overall grant funds.

MHEC's legal fees continue to see an increase due to increased work in highly regulated areas and a desire to update and expand a number of MHEC's employee related documents and practices. MHEC honoraria and lecture fees have gone down slightly. MHEC's technology usage continues to advance in sophistication, which translates to increased computer services and support from consultants. MHEC also hired a full-time employee in FY22, to focus on MHEC's work with its Technologies Community and therefore eliminated some of its consultant fees. Less indirect costs from grants have caused a slight increase in office-related expenses.

MHEC's convening budget for FY23 has been budgeted as a 'normal' travel year based on pre-Covid historical data. MHEC's insurance policies have increased due to inflation and the tight insurance market. A new budget category has been created for strategic planning implementation by investing some previous years' carry-over funds for strategic convenings, strategic planning special initiatives, and strategic communications.

iv. **Action Item 4 – Action on FY23 Budget.**

*Commissioner Ferlic (NE) acknowledged the work of the Finance and Audit Committee and the detail of this meeting's agenda book. President Heegaard acknowledged the consultant, CliftonLarsonAllen (CLA), for assisting MHEC staff in progress.*

*Commissioner Olivia Madison (IA) moved and Commissioner David Murphy (WI) seconded the approval of the FY23 Budget.*

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

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

Commissioner Tidemann (SD) provided a status of the unrestricted fund balance. All the remaining funds set aside for Open Educational Resources (OER) work will be used up this year as in-kind contributions to the Hewlett grant. In FY23, plans are underway to invest over \$1.18M from undesignated funds into the organization to support

ongoing activities and the strategic plan. The transferring of \$500,000 into the board designated opportunity reserve for special projects and \$286,362 for future lease payments into the board designated capital asset reserve, will require Executive Committee action. The new undesignated fund balance will be \$1,400,787.

vi. **Action Item 5 – Action on Funding the Opportunity Reserve and Capital Asset Reserve Funds.** (*agenda book p. 39*)

Commissioner Tidemann (SD) explained that MHEC had accumulated a growing amount of undesignated funds as a result of operating revenues consistently exceeding operating expenses. Since travel and convenings were very limited due to the pandemic, most budgeted expenditures in this area were underused. The net result of these carry overs is a total undesignated funds balance of over \$2.58M. Given MHEC is a not-for-profit entity, and already maintains an operations reserve that equals 6-months of operations it was proposed to invest some of the undesignated funds back into the organization.

*Commissioner Barbara Ballard (KS) moved and Commissioner Michael Cartney (SD) seconded the approval that the Executive Committee direct the MHEC staff to transfer (1) \$500,000 from the undesignated fund balance into the board designated opportunity reserve funds under special projects and (2) \$286,362 from the undesignated funds balance into the board designated capital asset reserves under future lease payments.*

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

While waiting for the auditors to arrive, a video was played highlighting lifelong Sully County, South Dakota resident Maynard Klingbeil who left 2,683 acres of land to the South Dakota State University Foundation which garnered nearly \$17M for the university. Mr. Klingbeil was impacted by a number of SDSU programs, particularly extension programs.

vii. **Review of Form 990.** (*agenda book, p. 40-89*)

Commissioner Tidemann (SD) provided a brief background on the Form 990's purpose and reported that the officers approved MHEC's Form 990 in April. MHEC submitted it and it was approved by the Minnesota Attorney General's office. MHEC's auditor, Deb Nelson, Eide Bailly acknowledged her presence to answer questions from commissioners. No questions were asked of the auditors.

**b. Governance Committee Report.**

Governance Committee Chair Ballard (KS) expressed her gratefulness for serving as chair and to the committee for their work. She indicated that this committee will be meeting over the summer and will report to the full commission this November. The focus of their work will be on the representation of MHEC's commissioner alternates where there is not already clearly articulated legislation of a compacting state. They will also be tracking MHEC's Executive Committee, and turnover based on the new three-year terms (with no term limits) to ensure there is committee stability and continuity. Finally, they will be

looking at ways to simplify the process of nominating candidates for MHEC's Phillip Sirotkin and Outstanding Service Awards.

**c. Action Item 6 – Approval of the Master Property Program Contract Extension.** (*agenda book, p. 91-92*)

Ms. Dahlquist, MHEC vice president, provided background on the competitive sourcing events for Program Administrative Services for MHEC's Programs of Insurance and any related services. Ms. Dahlquist addressed the challenges of the market that have impacted the Master Property Program (MPP). She also noted MHEC's establishment of its own captive insurance company and the accompanying growth of expertise and services needed to manage the company. As a result of these factors along with the implementation of a new strategic plan that directs the organization to "collaborate to reduce risk" more intentionally, MHEC recommends re-envisioning the scope of this forthcoming RFP which, in the meantime, would require extending the current contract up to two additional years.

*Commissioner Barbara Ballard (KS) moved and Commissioner Connie Hutchinson (WI) seconded the motion to approve the extension of MHEC's current contract with Marsh for up to two additional years terminating no later than October 31, 2024.*

*Motion carried by voice vote.*

**d. Action Item 7 – Strategic Plan Discussion and Approval.** (*agenda book, p. 93-94*)

President Heegaard provided background on the work of the strategic plan, acknowledging the work of the Strategic Planning Committee and staff. Because Ms. Kathy Graves, strategic plan consultant from Parenteau Graves, could not be at the meeting, Susan talked about the next steps in the process including the staff working on an operational plan. Remarks were given by Commissioner Eisler (MI), Commissioner Baumgardner (KS), and Commissioner Malhotra highlighting the collaboration and innovation of the committee and that the plan was forward-looking, outcomes-based, aspirational, and included diversity, equity, accessibility, and inclusion as a key focus area to sharpen MHEC's value proposition. Ms. Parks walked commissioners through a strategic priority example on professional licensure work and a decision-making rubric. Ms. Dahlquist addressed MHEC's work on mental health and new contracts that can be leveraged, the rollout to MHEC's states, and the challenges faced by institutions in implementing mental health programs. Commissioner Goh (MN) inquired about the strategic plan being a regular agenda item to provide updates. President Heegaard welcomed this recommendation.

*Commissioner Ken Sauer (IN) moved and Commissioner Olivia Madison (IA) seconded the motion to approve the MHEC Strategic Plan 2022-2025 (2/16/22 version).*

*Motion carried by voice vote.*

**6. Action Item 8 - Motion to Go into Executive Session.**

*Commissioner Larry Tidemann (SD) moved and Commissioner Brandy Johnson (MI) motion for the MHEC Executive Committee to go into Executive Session at 11:15 a.m. CDT for up to 30 minutes.*

*Motion carried by voice vote.*

**7. Executive Session.**

Commissioners participated in a closed Executive Session discussion. MHEC staff was informed of a request for up to an additional 15 minutes.

**8. Action Item 9 – Reconvene in Open Session.**

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

**9. Action Item 10 – Approve and Accept Presidential Performance Report.**

*Commissioner Cartney (SD) moved and Commissioner Hutchison (WI) seconded a motion to adjust compensation as discussed.*

*Motion carried by voice vote.*

**10. Action Item 11 – President Contract.**

*Commissioner Tidemann (SD) moved and Commissioner Ballard (KS) seconded a motion to extend President Heegaard's contract for an additional three years upon conclusion of her current contract ending in 2023.*

*Motion carried by voice vote.*

**11. Closing and Next Steps**

President Heegaard acknowledged Commissioner Ferlic (NE) and all his years of service to MHEC since 1991. Commissioner Ballard (KS) echoed his accomplishments and gratefulness for his guidance and service. Commissioner Hutchison (WI) thanked Commissioner Wegenke (WI) for his service, also, and guidance to her over the years.

Acting Chair Malhotra (MN) reminded commissioners of the Annual Commission Meeting on November 14-16 in Columbus, Ohio. He asked commissioners to please stay for lunch as their schedules allow.

**11. Action Item 12 - Adjournment.**

*Acting Chair Malhotra (MN) called for a motion to adjourn the meeting at 11:54 a.m. CDT.*

*Commissioner Wegenke (WI) moved and Commissioner Ballard (KS) made a motion to adjourn the meeting.*

*Motion carried by voice vote.*

## **MHEC President Report**

### **2023 Executive Committee Meeting**

#### **June 2023**

We're so happy to be in beautiful Madison, Wisconsin, for our Executive Committee meeting. This year we changed it up a little, inviting all commissioners to attend the meeting. After all, this is the best time of year to enjoy the upper Midwest without having to worry about a shovel and boots! The staff have worked hard to plan an interesting and engaging meeting. Please take an opportunity to review the reports they prepared and follow up with them if you have questions. I also hope that you'll take the time to connect with and get to know one another, especially because we have some terrific new commissioners.

We've had a good year, having completed our strategic plan, including operational and internal plans to guide the work as well as a screen we'll use to identify when to start, adjust or end our initiatives. You'll hear updates on programs like property insurance, where we had to make a difficult but necessary decision last fall to a new leadership initiative we're researching, to see if it's something we ought to pursue. A big thank you to all twelve midwestern states for paying their annual commitments on time. The \$115,000 commitment is the lowest among the compacts and has not increased for a decade. Our budget is in good shape and we have had an uptick in revenue due to an increase in our administrative vendor fee.

Chair Chancellor Devinder Malhotra and I will talk through aspects of the plan during our meeting, asking for your thoughts and suggestions as we move forward. Speaking of our chair, he has announced that he's retiring again, this time he says for good on July 31. I've had the opportunity to know and work with Devinder for close to fifteen years, through a range of different positions we've both held. He is one of the most effective and thoughtful leaders that I've ever worked with. Humble and wise, with a dry wit that I really appreciate, he has developed meaningful relationships with trustees, administrators, faculty, staff, and most importantly, students. I'll really miss him and wish him well as he heads west to spend more time with his family.

During our annual meeting last fall in Columbus, Ohio, in addition to Devinder's election to serve as MHEC chair, Representative Barbara Ballard was elected to vice chair, now former Representative Larry Tidemann was elected to treasurer, and David Eisler agreed to serve as past chair again. I am grateful to all of our officers for their engagement, generosity and good advice and counsel. We have tried to be intentional regarding appointments to the Executive Committee, and our other committees, balancing elected officials with higher education leaders and focusing on diversity broadly construed. In addition to commission leadership changes, we've also had some staffing changes including hiring Beth Ellie from the Wisconsin Technical Colleges, who will join the Policy and Research team as the associate director of policy initiatives, and we will fill a couple more positions later this year.

We had great annual visits to all twelve Midwestern states January through April. This is one of the most rigorous but favorite parts of my job. Rob Trembath, chief operating officer and general counsel, joined me all of the visits, where we had individual appointments with leaders and commissioner dinners in each state. We learned a great deal about the pressing issues across the region and gathering input about how we can best serve our members. We

again shared key data and trends on issues such as cost, demographics, and migration patterns tailored to each state. Similar to last year, we heard that across the Midwest revenues were up and state coffers were healthy, allowing for an opportunity to invest in higher education and other priorities. Concern remained about the future fiscal situation and whether investments could and should be sustained. Other issues were raised concerned declining enrollment, connecting higher education and workforce needs, student cost/debt, and the overall value proposition of higher education.

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

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

As I mentioned last year, this is such a unique organization where regardless of politics, higher education leaders, policymakers and other midwestern leaders can come together to focus on education and our region's overall health and well-being. I am deeply grateful to our staff and to each and every one of you. Whether you've showed up at a meeting, webinar or on a call, giving generous time and support by serving on a committee, or offering me honest feedback and advice, your engagement is what leads to our success. My hope is that when you think of the value we bring, it's not just the the actual cost savings you think of but also the many convening and learning opportunities provided by MHEC.

## **MHEC Chair Report**

### **Executive Committee Meeting**

**June 2023**

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

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

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

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

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

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

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

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

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

Through all these changes and uncertainties, the MHEC staff has remained committed and kept us on track as we pursued our collective work. I hope you will find an opportunity to personally thank them for all that they do for the Compact. Now more than ever, the value of convening is important, providing us with opportunities for sharing ideas and learning across the region and country. This, in my view, is one of MHEC's greatest strengths and whether this occurs through an in-person meeting or via a webinar, for a one-time occurrence or as a series of events, the Compact's role in bringing all 12 midwestern states together bodes well for enhancement of the value proposition of higher education across the midwestern region.

Devinder Malhotra  
May 12, 2022



## Strategic Plan | 2022 – 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **PRINCIPLES OF THE STRATEGIC PLAN**

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

**MIDWESTERN HIGHER EDUCATION COMPACT | Operating Plan  
2023-2024**

| <b>STRATEGIC PRIORITY #1: Advance innovation, efficiency &amp; effectiveness.</b>   |                         |   |  |
|---|-------------------------|---|--|
| <b>Strategy</b>   | <b>Focus area</b>       | <b>Major Actions</b>  | <b>Who</b>   |
| 1a. Serve as an incubator, conducting research, pursuing ideas, and piloting potential solutions in a low-risk environment. | OER                     | Produce a guide to recommended OER practices for OER course marking.                              | Policy/Research Team (survey 5/23, advisory group 6/23, final report 6/24)                       |
|   | OER                     | Convene regional OER summit   | Policy/Research Team (convene 1/24)  |
|   | Credentialing           | Form group to identify one area to focus on and pilot approach for pathways/stacking credentials. | Policy/Research Team (convene group 7/23, pilot 7/25)  |
|   | Concurrent Enrollment   | Articulate best practices; host convening for interested states.                                  | Policy/Research Team (appt. 3 advisory groups 7/23, convene 5/24, reports due 10/23, 3/24, 8/24) |
| 1b. Study & research challenging topics and determine how MHEC could play a valuable role in addressing.                    | Finance & affordability | Hold series of convenings for FAFSA and issue report.   | Policy/Research Team   |
|   | Mental health           | Hold at least one convening.  | Joint - Risk Management and Policy/Research Teams  |
| 1c. Continue to improve operations processes and efficiencies   | Convening               | Identify and select resources to provide improved convening experience internal and external      | Administrative Team  |
|   | Finance and HR          | Work with CLA and Athena on improved processes and efficiencies                                   | Administrative/Finance Team (fall 2022 -ongoing)   |

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

| Strategy   | Focus area                 | Major Actions   | Team  |
|--|----------------------------|---|---|
| 2a. Take on projects, issues and opportunities that are too big for one state to do alone, working jointly to improve higher education and to strengthen the Midwest region. | Military students          | Provide resources and support on a case by case and as needed basis.  | Policy/Research Team (ongoing)  |
|  | Student reciprocity        | Identify advisory group to develop plan to revamp and renew Midwest approach to reciprocity and student migration.  | Policy/Research Team (convene advisory group 7/23-12/23, new program launch 7/24) |
|  | Student reciprocity        | Build a website information resource for students.  | Policy/Research Team (adv. Grp. Convenes 7/23-12/23, new website launch 7/24)     |
| 2b. Serve as a conduit, convening and connecting leaders to share successful models and actionable approaches that institutions and states can adopt and tailor.             | Student health             | Reform MHEC's Student Health Benefits Advisory Committee to serve as regional source for expertise on student mental health and health and wellness programs. | Risk Management Team  |
|  | Midwest Leadership Program | Research best practice and programs throughout the country.   | Risk Management and Policy/Research Team (planning 5/23-5/24)                     |
|  | Midwest Leadership Program | Establish an advisory group to guide efforts.   | Risk Management and Policy/Research Team (5/24)                                   |
|  | Midwest Leadership Program | Hold a preliminary convening in calendar year 2024  | Risk Management and Policy/Research Team (5/24)                                   |

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

| Strategy   | Focus area                  | Major Actions  | Team   |
|--|-----------------------------|--|--|
| 3a. Devise opportunities for institutions, states, and students to save money.                 | Technology Contracts        | Continually review and make recommendations to improve technology contract portfolio.                                | Risk Management (ongoing)                          |
|  | Student Health              | Maintain and improve MHECare student health collaborative by holding at least 3 virtual and in-person convenings.    | Risk Management Team (fall 2023-spring 2024)       |
| 3b. Collaborate to reduce risk and take advantage of opportunities that solve business issues. | Risk Management             | Explore options to reduce risk in the broad area of HR and employee benefits.  | Risk Management Team (ongoing)                     |
|  | Technologies Community      | Work with tech community and Tech Executive Committee to identify and share at least 3 business solution approaches. | Risk Management and Policy/Research Team (ongoing) |
|  | Risk Management - insurance | Explore options to leverage capacity Stone Arch Insurance Co. to collaborate and reduce risk.                        | Risk Management Team (2023-24)                     |

## ASSESSING ALIGNMENT & VALUE OF PROGRAMMATIC INITIATIVES

Name of Initiative:

### STEP 1: Rate each criteria based on answers to questions on a scale of 1-5 (5 being high achievement/alliance)

| Criteria  | Questions to ask   | Rating |
|---|--|--------|
| <b>Alignment with vision:</b> Advances career readiness   | Can we show this will have an impact on the career readiness of students?  |        |
| <b>Alignment with vision:</b> Contributes to economic vitality of region  | How large will the contribution be, and how easily can we measure it?  |        |
| <b>Alignment with priority 1:</b> Aligns with MHEC's strategic priority to advance innovation, efficiency, and effectiveness.           | Does it serve as an incubator for research or pilot solutions? Is the topic widely acknowledged as a challenging one in higher ed? Is anyone else doing this already?  |        |
| <b>Alignment with priority 2:</b> Aligns with MHEC's priority to develop collaborative solutions to regional problems or opportunities. | Does it address a topic that is too big for one state to do alone? Does it convene and connect leaders to share successful models and approaches?  |        |
| <b>Alignment with priority 3:</b> Aligns with MHEC's priority to drive cost savings and business solutions.                             | Will it help institutions, states, and students save money? Does it reduce risk? Does it solve a business issue?   |        |
| <b>Leadership:</b> Needs MHEC's leadership  | Are there other entities in this space already? If so, are we still able to do this better than competitors?   |        |
| <b>Value:</b> Is valuable to MHEC membership  | Does it benefit the entire region or only some states, sectors, or stakeholders?   |        |
| <b>Clarity:</b> Has clear targeted population/audience  | Which stakeholders(s) will it serve? Will it serve an underserved population?  |        |
| <b>Clarity:</b> Has clearly delineated outcomes that can be measured and communicated easily  | Which metrics will be used to assess outcomes? How difficult will that data be to collect and analyze?   |        |
| <b>Clarity:</b> Has clear, achievable scope and timeframe   | Can we achieve this in a reasonable timeframe?   |        |
| <b>Clarity:</b> Necessary partners and stakeholders are clearly identified and accessible to/in relationship with MHEC                  | Do we know who the best partners are likely to be? Are they ready to go or will it take time to get them on board?   |        |
| <b>Financial:</b> Resource needs are clear, identified and achievable.  | Can we identify in-house and external resources? Do we need Commissioner engagement? Is this all-new work or expansion of existing work? Are there existing MHEC services that can be improved/adapted to meet the same needs more efficiently, effectively, and widely? |        |
| <b>Financial:</b> Barriers and risks are identified and manageable  | What are the expected risks? How likely are they to arise, and what would their impact be? Do we understand what barriers might exist?   |        |
| <b>Financial:</b> Requires new or expanded funding  | Do we know how much or if there are any likely sources for this new/expanded funding?  |        |
| <b>Financial:</b> Is/can be financially self-sustaining   | Do we have a realistic financial model or projections to base our decisions on?  |        |
| <b>Internal:</b> Benefits MHEC  | Are there internal benefits or improvements to MHEC?   |        |
| <b>TOTAL SCORE</b>  |  |        |

### STEP 2: If initiative ranks highly/high enough in step 1, consider:

What type of activity would best suit this project? Convening? Research? Contract? Program? Combination?

Describe how the project will be structured, assessing complexity, duration, leadership requirements, team skill requirements, roles and responsibilities.

## **Action Item 3**

### **Extension of MHEC's Contract with Marsh through October 31, 2024**

The MHEC Executive Committee has delegated the authority to enter into contracts to the MHEC president. Consistent with its member states' requirements, MHEC follows a competitive sourcing event prior to awarding bids and entering into contracts with vendors. The competitive sourcing documents set forth the criteria of the solicitation, including the contract commencement and termination dates. The MHEC Commission has the authority to extend the term of the contract beyond the contract's stated term. This is a request to extend the term of the Marsh contract for one additional year to continue to support institutions transitioning away from the Master Property Program.

On January 11, 2012, MHEC conducted a competitive sourcing event for Program Administrative Services for MHEC's Programs of Insurance and any related services e.g., loss control and other engineering services. In addition, the RFP requested the winning vendor also serve as a consultant for any risk management product or service that MHEC may consider, noting that if that service required a "program administrator" that also may be subject to an additional RFP. In January 2012 the Master Property Program (MPP) was MHEC's sole program of insurance. On July 11, 2012, Marsh was selected as MHEC's Program Administrator and on October 1, 2012, MHEC entered into agreement with Marsh for an initial term of three years, with up to seven additional one-year renewals. Last June the Commission approved MHEC's ability to extend the Marsh contract for up to two additional years through October 31, 2024. MHEC exercised the first extension last fall, and the current contract ends on October 31, 2023.

Shortly after the contract was extended the MHEC Commission made the difficult decision to sunset the Master Property Program. The official action stated, "The Commission approve the MHEC staff ending the Master Property Program and helping the current Master Property Program members transition away from the program and assist where feasible in securing insurance coverage for the forthcoming policy year." As part of this transition under the provisions of the MHEC contract with Marsh, any member who wished to do so was able to use Marsh to obtain their property coverage for the forthcoming policy year. Two institutions exercised this option and worked with Marsh. Since then, MHEC has received a request from the Nevada System of Higher Education (NSHE) to exercise the final available extension so that they may work with Marsh under the provisions of the MHEC contract for one additional year (through October 31, 2023). The other institution indicated they have secured brokerage services elsewhere. Since the Marsh contract was negotiated and designed to support the Master Property Program, which as of July 1, 2023, no longer exists, Commission approval is required to leverage the final available extension, affording NSHE the ability to utilize the agreement.

#### **Proposed Motion:**

The MHEC Executive Committee, acting on behalf of the MHEC Commission, approve the extension of MHEC's current contract with Marsh for one additional year to enable the Nevada System of Higher Education to work with Marsh for the purpose of obtaining property insurance coverage terminating October 31, 2024.

# Monthly Financial Reports

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



Prepared by  
**CLA Midwest**

Prepared on  
**May 31, 2023**

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# Budget vs. Actuals YTD - Year to Date

July 2022 - April 2023

|   | Actual              | Budget              | Total<br>over Budget |
|---|---------------------|---------------------|----------------------|
| <b>INCOME</b>                           |                     |                     |                      |
| 4100 Grants                             | 112,738.85          |                     | 112,738.85           |
| 4101 Organizational Reinvestment        |                     | 333,333.30          | -333,333.30          |
| 4200 Contract Revenue                   | 4,262,935.98        | 1,565,874.90        | 2,697,061.08         |
| 4010 Microfocus Collaborative Fees      | 24,040.96           | 16,666.70           | 7,374.26             |
| 4230 Compact Revenue Sharing            |                     | -395,635.80         | 395,635.80           |
| <b>Total 4200 Contract Revenue</b>      | <b>4,286,976.94</b> | <b>1,186,905.80</b> | <b>3,100,071.14</b>  |
| 4300 Program Revenue                    | 726,891.60          | 937,109.20          | -210,217.60          |
| 4102 SARA Reserve                       | 30,531.00           |                     | 30,531.00            |
| <b>Total 4300 Program Revenue</b>       | <b>757,422.60</b>   | <b>937,109.20</b>   | <b>-179,686.60</b>   |
| 4400 State Obligations Revenue          | 1,150,000.00        | 1,150,000.00        | 0.00                 |
| 4603 Miscellaneous Other Income         | 4,558.52            | 46,287.50           | -41,728.98           |
| <b>Total Income</b>                     | <b>6,311,696.91</b> | <b>3,653,635.80</b> | <b>2,658,061.11</b>  |
| <b>GROSS PROFIT</b>                     | <b>6,311,696.91</b> | <b>3,653,635.80</b> | <b>2,658,061.11</b>  |
| <b>EXPENSES</b>                         |                     |                     |                      |
| 5000 All Personnel Costs                |                     |                     |                      |
| 5001 Salary                             | 1,393,445.23        | 1,611,005.90        | -217,560.67          |
| 5101 Health Insurance                   | 217,029.51          | 225,568.60          | -8,539.09            |
| 5102 Dental Insurance                   | 8,609.04            | 11,924.70           | -3,315.66            |
| 5103 Life/ LTD/ STD Insurance           | 10,449.86           | 26,045.70           | -15,595.84           |
| 5105 Vision Insurance                   | 1,071.34            |                     | 1,071.34             |
| 5107 Employer 403(b)                    | 164,678.09          | 204,935.10          | -40,257.01           |
| 5108 Section 125 Plan                   |                     | 833.30              | -833.30              |
| 5109 Employee Parking                   | 21,316.00           | 23,799.90           | -2,483.90            |
| 5110 Other Benefits                     | 6,207.50            | 6,500.00            | -292.50              |
| 5112 SUTA                               | 881.50              | 5,196.80            | -4,315.30            |
| 5114 Payroll Tax Expense                | 95,146.37           | 118,535.10          | -23,388.73           |
| 5115 Cell Phone                         | 5,501.25            | 7,200.00            | -1,698.75            |
| 5116 Employee Development Funds         | 6,854.81            | 21,250.00           | -14,395.19           |
| 6305 Workers Compensation Insurance     | -2,179.06           |                     | -2,179.06            |
| <b>Total 5000 All Personnel Costs</b>   | <b>1,929,011.44</b> | <b>2,262,795.10</b> | <b>-333,783.66</b>   |
| 5200 All Professional Fees              |                     |                     |                      |
| 5201 Accounting Services                | 247,100.35          | 20,833.30           | 226,267.05           |
| 5202 Legal Fees                         | 17,802.00           | 41,666.60           | -23,864.60           |
| 5204 Honoraria and Lecture Fees         | 1,110.62            | 22,916.70           | -21,806.08           |
| 5207 HR & Payroll Support               | 8,066.73            | 4,500.00            | 3,566.73             |
| 5210 Professional Fees - Other          | 4,628.01            | 833.30              | 3,794.71             |
| 5301 Communications Consultant          | 9,750.00            | 33,333.30           | -23,583.30           |
| <b>Total 5200 All Professional Fees</b> | <b>288,457.71</b>   | <b>124,083.20</b>   | <b>164,374.51</b>    |
| 5300 Consultants                        |                     |                     |                      |
| 5302 Computer Services & Support        | 112,391.61          | 118,418.40          | -6,026.79            |

|  |                     |                     | Total               |
|--|---------------------|---------------------|---------------------|
|  | Actual              | Budget              | over Budget         |
| 5304 General Consultant Fees                   | 110,341.58          | 283,749.90          | -173,408.32         |
| <b>Total 5300 Consultants</b>                  | <b>222,733.19</b>   | <b>402,168.30</b>   | <b>-179,435.11</b>  |
| 6000 Office Costs                              |                     |                     |                     |
| 6001 Supplies                                  | 1,749.87            | 2,583.40            | -833.53             |
| 6002 Office & Computer Equipment               | 17,267.74           | 12,083.40           | 5,184.34            |
| 6004 Publications                              | 507.82              | 2,181.70            | -1,673.88           |
| 6005 Dues, Subscriptions & Memberships         | 28,004.73           | 13,308.70           | 14,696.03           |
| 6006 License                                   | 926.53              | 770.80              | 155.73              |
| 6007 Postage and Shipping                      | 3,052.08            | 3,791.80            | -739.72             |
| 6009 Printing and Duplicating                  | 2,060.45            | 458.30              | 1,602.15            |
| 6010 Telephone/Fax/Internet                    | 14,614.77           | 16,666.70           | -2,051.93           |
| 6100 Long Term Rents/Leases                    | 0.00                |                     | 0.00                |
| 6102 Buildings and Facilities                  | 96,480.22           | 137,230.10          | -40,749.88          |
| 6103 Rental Equipment                          | 882.84              | 2,916.80            | -2,033.96           |
| 6405 Amortization Expense                      | 47,647.25           |                     | 47,647.25           |
| <b>Total 6100 Long Term Rents/Leases</b>       | <b>145,010.31</b>   | <b>140,146.90</b>   | <b>4,863.41</b>     |
| 6105 Meeting Room Rental Fees                  | 5,832.28            | 4,541.70            | 1,290.58            |
| 6108 Computer Software Expense                 | 37,056.73           | 56,935.00           | -19,878.27          |
| 6109 Repairs and Maintenance                   | 3,223.14            | 2,916.80            | 306.34              |
| 6206 Conference Registration Fees              | 20,516.50           | 11,455.80           | 9,060.70            |
| 6304 Risk Management-General Agency Insurance  | 27,027.54           | 28,419.90           | -1,392.36           |
| 6315 Promotional and Award Items               | 10,555.82           | 3,283.30            | 7,272.52            |
| <b>Total 6000 Office Costs</b>                 | <b>317,406.31</b>   | <b>299,544.20</b>   | <b>17,862.11</b>    |
| 6200 Convening Expenses                        |                     |                     |                     |
| 6207 Meals                                     | 9,958.30            | 14,501.60           | -4,543.30           |
| 6208 Transportation                            | 125,047.03          | 175,135.70          | -50,088.67          |
| 6209 Lodging                                   | 79,594.54           | 163,178.40          | -83,583.86          |
| 6210 Meeting Catering and Food                 | 78,668.92           | 110,019.30          | -31,350.38          |
| 6211 Conference Tech Services (AV)             | 6,612.20            | 51,062.40           | -44,450.20          |
| <b>Total 6200 Convening Expenses</b>           | <b>299,880.99</b>   | <b>513,897.40</b>   | <b>-214,016.41</b>  |
| 6400 Other Operating Expenses                  |                     |                     |                     |
| 5305 Sub-Grant Expense                         | 15,000.00           | 45,833.30           | -30,833.30          |
| 6300 Operating Interest Charges & Service Fees | 840.68              | 833.30              | 7.38                |
| 6402 Depreciation Expense                      | 27,774.48           |                     | 27,774.48           |
| 6404 Miscellaneous                             | 356.04              | 8,204.20            | -7,848.16           |
| <b>Total 6400 Other Operating Expenses</b>     | <b>43,971.20</b>    | <b>54,870.80</b>    | <b>-10,899.60</b>   |
| <b>Total Expenses</b>                          | <b>3,101,460.84</b> | <b>3,657,359.00</b> | <b>-555,898.16</b>  |
| <b>NET OPERATING INCOME</b>                    | <b>3,210,236.07</b> | <b>-3,723.20</b>    | <b>3,213,959.27</b> |
| <b>OTHER INCOME</b>                            |                     |                     |                     |
| 4601 Interest Income                           | 19,286.93           | 12,500.00           | 6,786.93            |
| <b>Total Other Income</b>                      | <b>19,286.93</b>    | <b>12,500.00</b>    | <b>6,786.93</b>     |
| <b>OTHER EXPENSES</b>                          |                     |                     |                     |
| 7200 Nonoperating Interest Expense             | 3,911.67            |                     | 3,911.67            |

|                             | Actual          | Budget      | Total<br>over Budget |
|-----------------------------|-----------------|-------------|----------------------|
| <b>Total Other Expenses</b> | <b>3,911.67</b> | <b>0.00</b> | <b>3,911.67</b>      |
| NET OTHER INCOME            | 15,375.26       | 12,500.00   | 2,875.26             |
| NET INCOME                  | \$3,225,611.33  | \$8,776.80  | \$3,216,834.53       |

# Balance Sheet Comparison

As of April 30, 2023

|  | As of Apr 30, 2023    | As of Apr 30, 2022 (PY) | Total |
|--|-----------------------|-------------------------|-------|
| <b>ASSETS</b>                                  |                       |                         |       |
| <b>Current Assets</b>                          |                       |                         |       |
| <b>Bank Accounts</b>                           |                       |                         |       |
| 1000 MHEC - American National Bank (Checking)  | 1,787,450.32          | 681,133.08              |       |
| 1001 MHEC - American National Bank (Savings)   | 245,678.82            | 245,428.96              |       |
| 1003 Grant - American National Bank (Checking) | 183,540.88            | 9,455.00                |       |
| 1004 MPP - American National Bank (Savings)    | 20,076.22             | 17,800.27               |       |
| 1005 Ascendium Grant Checking                  | 47.01                 | 117,625.00              |       |
| 1102 American National Bank (ICS)              | 7,029,570.30          | 3,811,353.62            |       |
| 1195 FNC Brokerage                             | 0.00                  | 696,314.83              |       |
| <b>Total Bank Accounts</b>                     | <b>9,266,363.55</b>   | <b>5,579,110.76</b>     |       |
| <b>Accounts Receivable</b>                     |                       |                         |       |
| 1210 MHEC - Receivables                        | 3,949.78              | 544,161.18              |       |
| <b>Total Accounts Receivable</b>               | <b>3,949.78</b>       | <b>544,161.18</b>       |       |
| <b>Other Current Assets</b>                    |                       |                         |       |
| 1240 Other Accounts Receivable                 | 462.21                | 86,342.00               |       |
| 1303 Prepaid Expenses                          | 9,290.47              | 26,748.80               |       |
| <b>Total Other Current Assets</b>              | <b>9,752.68</b>       | <b>113,090.80</b>       |       |
| <b>Total Current Assets</b>                    | <b>9,280,066.01</b>   | <b>6,236,362.74</b>     |       |
| <b>Fixed Assets</b>                            |                       |                         |       |
| 1400 Fixed Assets                              | 513,830.15            | 513,830.15              |       |
| 1404 Office Leasehold Improvements             | 375,877.06            | 375,877.06              |       |
| 1413 Right of Use Lease Asset                  | 312,007.90            |                         |       |
| 1497 Accumulated Amortization                  | -111,176.94           |                         |       |
| 1498 Accumulated Depreciation                  | -781,391.39           | -707,804.46             |       |
| <b>Total Fixed Assets</b>                      | <b>309,146.78</b>     | <b>181,902.75</b>       |       |
| <b>TOTAL ASSETS</b>                            | <b>\$9,589,212.79</b> | <b>\$6,418,265.49</b>   |       |

## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

##### Accounts Payable

|                       |           |           |
|-----------------------|-----------|-----------|
| 2000 Accounts Payable | 18,389.55 | 13,000.00 |
|-----------------------|-----------|-----------|

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| <b>Total Accounts Payable</b> | <b>18,389.55</b> | <b>13,000.00</b> |
|-------------------------------|------------------|------------------|

##### Credit Cards

|                                      |       |           |
|--------------------------------------|-------|-----------|
| 2066 Control Account Western bank MC | 88.94 | 25,467.09 |
|--------------------------------------|-------|-----------|

|                        |          |  |
|------------------------|----------|--|
| 2067 Divvy Credit Card | 6,363.32 |  |
|------------------------|----------|--|

|                           |                 |                  |
|---------------------------|-----------------|------------------|
| <b>Total Credit Cards</b> | <b>6,452.26</b> | <b>25,467.09</b> |
|---------------------------|-----------------|------------------|

##### Other Current Liabilities

|                              |      |      |
|------------------------------|------|------|
| 2101 Payroll Tax Withholding | 0.00 | 6.00 |
|------------------------------|------|------|

|                           |      |       |
|---------------------------|------|-------|
| 2105 Healthcare Reimburse | 0.00 | -1.32 |
|---------------------------|------|-------|

|   | As of Apr 30, 2023    | As of Apr 30, 2022 (PY) | Total                 |
|---|-----------------------|-------------------------|-----------------------|
| 2106 Daycare Reimbursement                | 0.00                  |                         | -0.20                 |
| 2107 Life insurance reimbursement         | 0.00                  |                         | -0.10                 |
| 2108 AFLAC                                | 0.00                  |                         | -102.96               |
| 2114 Other Payroll Withholdings           | -555.24               |                         | -3,358.78             |
| 2117 Accrued Vacation                     | 162,616.03            |                         | 172,729.08            |
| 2205 Deferred Lease Incentive (deleted)   | 0.00                  |                         | 116,090.24            |
| 2206 Short Term Lease Liability           | 21,038.08             |                         |                       |
| 2210 Deferred lease liability (deleted)   | 0.00                  |                         | 52,869.37             |
| 2215 Deferred Revenue                     | 408,993.64            |                         | 0.00                  |
| <b>Total Other Current Liabilities</b>    | <b>592,092.51</b>     |                         | <b>338,231.33</b>     |
| <b>Total Current Liabilities</b>          | <b>616,934.32</b>     |                         | <b>376,698.42</b>     |
| <b>Long-Term Liabilities</b>              |                       |                         |                       |
| 2300 Long Term Lease Liability            | 265,543.40            |                         |                       |
| <b>Total Long-Term Liabilities</b>        | <b>265,543.40</b>     |                         | <b>0.00</b>           |
| <b>Total Liabilities</b>                  | <b>882,477.72</b>     |                         | <b>376,698.42</b>     |
| <b>Equity</b>                             |                       |                         |                       |
| 3000 Undesignated Organizational Equity   | 2,292,789.66          |                         | 1,800,787.42          |
| 3010 Board Designated Funds               |                       |                         |                       |
| 3100 Risk Management                      | 25,000.00             |                         | 25,000.00             |
| 3110 Operations Reserve                   | 1,671,000.00          |                         | 1,671,000.00          |
| 3130 Opportunity Reserve                  |                       |                         |                       |
| 3120 Special Projects                     | 500,000.00            |                         | 500,000.00            |
| 3121 Special Projects - OER               | 0.00                  |                         | 13,078.82             |
| <b>Total 3120 Special Projects</b>        | <b>500,000.00</b>     |                         | <b>513,078.82</b>     |
| 3133 Organizational Capacity              |                       |                         |                       |
| 3131 Organizational Capacity - Technology | 10,439.00             |                         | 10,439.00             |
| <b>Total 3133 Organizational Capacity</b> | <b>10,439.00</b>      |                         | <b>10,439.00</b>      |
| <b>Total 3130 Opportunity Reserve</b>     | <b>510,439.00</b>     |                         | <b>523,517.82</b>     |
| 3135 Capital Asset Reserve                |                       |                         |                       |
| 3140 Future Lease Payment                 | 450,000.00            |                         | 450,000.00            |
| 3150 Capital Investments                  | 17,291.00             |                         | 17,291.00             |
| <b>Total 3135 Capital Asset Reserve</b>   | <b>467,291.00</b>     |                         | <b>467,291.00</b>     |
| 3307 SARA Reserve Funds                   | 494,531.00            |                         | 306,000.00            |
| <b>Total 3010 Board Designated Funds</b>  | <b>3,168,261.00</b>   |                         | <b>2,992,808.82</b>   |
| 3200 Temporarily Restricted               | 0.00                  |                         | 0.00                  |
| 3206 Grant Funds                          | 0.00                  |                         | 822,513.00            |
| <b>Total 3200 Temporarily Restricted</b>  | <b>0.00</b>           |                         | <b>822,513.00</b>     |
| 3300 Restricted Net Assets                | 0.00                  |                         | 0.00                  |
| 3308 Master Property Program              | 20,073.08             |                         | 20,106.08             |
| <b>Total 3300 Restricted Net Assets</b>   | <b>20,073.08</b>      |                         | <b>20,106.08</b>      |
| Net Income                                | 3,225,611.33          |                         | 405,351.75            |
| <b>Total Equity</b>                       | <b>8,706,735.07</b>   |                         | <b>6,041,567.07</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>       | <b>\$9,589,212.79</b> |                         | <b>\$6,418,265.49</b> |

# Statement of Cash Flows

July 2022 - April 2023

|  | <b>Total</b>          |
|--|-----------------------|
| <b>OPERATING ACTIVITIES</b>  |                       |
| Net Income   | 3,225,611.33          |
| Adjustments to reconcile Net Income to Net Cash provided by operations:              |                       |
| 1210 MHEC - Receivables  | 925,042.91            |
| 1240 Other Accounts Receivable   | 74,709.79             |
| 1303 Prepaid Expenses  | 108,299.97            |
| 1497 Accumulated Amortization  | 47,647.26             |
| 1498 Accumulated Depreciation  | 27,774.45             |
| 2000 Accounts Payable  | -515,068.22           |
| 2066 Control Account Western bank MC   | -424.05               |
| 2067 Divvy Credit Card   | 6,363.32              |
| 2114 Other Payroll Withholdings  | -555.24               |
| 2117 Accrued Vacation  | -3,774.05             |
| 2120 Accrued Payroll   | -77,277.05            |
| 2206 Short Term Lease Liability  | -62,172.52            |
| 2215 Deferred Revenue  | 307,586.15            |
| <b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b> | <b>838,152.72</b>     |
| <b>Net cash provided by operating activities</b>                                     | <b>4,063,764.05</b>   |
| <b>FINANCING ACTIVITIES</b>  |                       |
| 3000 Undesignated Organizational Equity  | -30,531.00            |
| 3307 Board Designated Funds:SARA Reserve Funds                                       | 30,531.00             |
| <b>Net cash provided by financing activities</b>                                     | <b>0.00</b>           |
| <b>NET CASH INCREASE FOR PERIOD</b>  | <b>4,063,764.05</b>   |
| Cash at beginning of period  | 5,202,599.50          |
| <b>CASH AT END OF PERIOD</b>   | <b>\$9,266,363.55</b> |

# Budget vs. Actuals- YTD Contract Services

July 2022 - April 2023

|   | Actual              | Budget              | Total<br>over Budget |
|---|---------------------|---------------------|----------------------|
| <b>INCOME</b>                                 |                     |                     |                      |
| 4200 Contract Revenue                         | 4,262,935.98        | 1,565,874.90        | 2,697,061.08         |
| 4010 Microfocus Collaborative Fees            | 24,040.96           | 16,666.70           | 7,374.26             |
| 4230 Compact Revenue Sharing                  |                     | -395,635.80         | 395,635.80           |
| <b>Total 4200 Contract Revenue</b>            | <b>4,286,976.94</b> | <b>1,186,905.80</b> | <b>3,100,071.14</b>  |
| 4603 Miscellaneous Other Income               | 154.06              |                     | 154.06               |
| <b>Total Income</b>                           | <b>4,287,131.00</b> | <b>1,186,905.80</b> | <b>3,100,225.20</b>  |
| <b>GROSS PROFIT</b>                           |                     |                     |                      |
|   | <b>4,287,131.00</b> | <b>1,186,905.80</b> | <b>3,100,225.20</b>  |
| <b>EXPENSES</b>                               |                     |                     |                      |
| 5000 All Personnel Costs                      |                     |                     |                      |
| 5001 Salary                                   | 176,390.23          | 208,973.00          | -32,582.77           |
| 5101 Health Insurance                         | 22,645.48           | 24,436.60           | -1,791.12            |
| 5102 Dental Insurance                         | 887.48              | 1,291.80            | -404.32              |
| 5103 Life/ LTD/ STD Insurance                 | 1,083.30            | 2,776.50            | -1,693.20            |
| 5105 Vision Insurance                         | 111.19              |                     | 111.19               |
| 5107 Employer 403(b)                          | 17,059.57           | 22,201.30           | -5,141.73            |
| 5109 Employee Parking                         | 2,365.08            | 2,578.30            | -213.22              |
| 5112 SUTA                                     | 102.93              | 563.00              | -460.07              |
| 5114 Payroll Tax Expense                      | 11,529.30           | 12,841.30           | -1,312.00            |
| 5115 Cell Phone                               | 533.30              | 780.00              | -246.70              |
| 5116 Employee Development Funds               |                     | 2,302.10            | -2,302.10            |
| <b>Total 5000 All Personnel Costs</b>         | <b>232,707.86</b>   | <b>278,743.90</b>   | <b>-46,036.04</b>    |
| 5300 Consultants                              |                     |                     |                      |
| 5302 Computer Services & Support              | 6,471.59            | 8,125.00            | -1,653.41            |
| <b>Total 5300 Consultants</b>                 | <b>6,471.59</b>     | <b>8,125.00</b>     | <b>-1,653.41</b>     |
| 6000 Office Costs                             |                     |                     |                      |
| 6001 Supplies                                 | 182.64              | 279.90              | -97.26               |
| 6002 Office & Computer Equipment              | 1,893.96            | 1,309.00            | 584.96               |
| 6004 Publications                             | 364.50              |                     | 364.50               |
| 6005 Dues, Subscriptions & Memberships        | 5,120.91            | 947.90              | 4,173.01             |
| 6009 Printing and Duplicating                 | 43.17               | 49.70               | -6.53                |
| 6010 Telephone/Fax/Internet                   | 1,389.59            | 1,805.60            | -416.01              |
| 6100 Long Term Rents/Leases                   | 9,450.40            |                     | 9,450.40             |
| 6102 Buildings and Facilities                 | 3,061.20            | 8,583.30            | -5,522.10            |
| 6103 Rental Equipment                         | 74.25               | 316.00              | -241.75              |
| 6405 Amortization Expense                     | 1,815.36            |                     | 1,815.36             |
| <b>Total 6100 Long Term Rents/Leases</b>      | <b>14,401.21</b>    | <b>8,899.30</b>     | <b>5,501.91</b>      |
| 6108 Computer Software Expense                | 1,652.37            | 2,618.10            | -965.73              |
| 6109 Repairs and Maintenance                  | 264.54              | 316.00              | -51.46               |
| 6206 Conference Registration Fees             | 9,822.00            |                     | 9,822.00             |
| 6304 Risk Management-General Agency Insurance | 2,977.99            | 3,078.80            | -100.81              |

|  | <b>Actual</b>         | <b>Budget</b>       | <b>Total<br/>over Budget</b> |
|--|-----------------------|---------------------|------------------------------|
| <b>Total 6000 Office Costs</b>             | <b>38,112.88</b>      | <b>19,304.30</b>    | <b>18,808.58</b>             |
| 6200 Convening Expenses                    |                       |                     |                              |
| 6207 Meals                                 | 924.49                | 1,541.70            | -617.21                      |
| 6208 Transportation                        | 5,534.48              | 12,333.30           | -6,798.82                    |
| 6209 Lodging                               | 6,000.43              | 12,333.30           | -6,332.87                    |
| 6210 Meeting Catering and Food             | 4,476.42              | 3,700.00            | 776.42                       |
| <b>Total 6200 Convening Expenses</b>       | <b>16,935.82</b>      | <b>29,908.30</b>    | <b>-12,972.48</b>            |
| 6400 Other Operating Expenses              |                       |                     |                              |
| 6402 Depreciation Expense                  | 2,856.80              |                     | 2,856.80                     |
| 6404 Miscellaneous                         |                       | 1,495.80            | -1,495.80                    |
| <b>Total 6400 Other Operating Expenses</b> | <b>2,856.80</b>       | <b>1,495.80</b>     | <b>1,361.00</b>              |
| <b>Total Expenses</b>                      | <b>297,084.95</b>     | <b>337,577.30</b>   | <b>-40,492.35</b>            |
| <b>NET OPERATING INCOME</b>                | <b>3,990,046.05</b>   | <b>849,328.50</b>   | <b>3,140,717.55</b>          |
| <b>NET INCOME</b>                          | <b>\$3,990,046.05</b> | <b>\$849,328.50</b> | <b>\$3,140,717.55</b>        |

# Budget vs. Actuals- YTD Risk Management

July 2022 - April 2023

|  | Actual            | Budget            | Total<br>over Budget |
|--|-------------------|-------------------|----------------------|
| <b>INCOME</b>                            |                   |                   |                      |
| 4300 Program Revenue                     | 232,360.60        | 525,000.00        | -292,639.40          |
| <b>Total Income</b>                      | <b>232,360.60</b> | <b>525,000.00</b> | <b>-292,639.40</b>   |
| <b>GROSS PROFIT</b>                      |                   |                   |                      |
|  | <b>232,360.60</b> | <b>525,000.00</b> | <b>-292,639.40</b>   |
| <b>EXPENSES</b>                          |                   |                   |                      |
| 5000 All Personnel Costs                 |                   |                   |                      |
| 5001 Salary                              | 209,470.33        | 210,550.90        | -1,080.57            |
| 5101 Health Insurance                    | 26,535.11         | 23,496.80         | 3,038.31             |
| 5102 Dental Insurance                    | 1,039.90          | 1,242.20          | -202.30              |
| 5103 Life/ LTD/ STD Insurance            | 1,269.39          | 2,669.60          | -1,400.21            |
| 5105 Vision Insurance                    | 130.29            |                   | 130.29               |
| 5107 Employer 403(b)                     | 19,989.61         | 21,347.40         | -1,357.79            |
| 5109 Employee Parking                    | 2,771.24          | 2,479.10          | 292.14               |
| 5112 SUTA                                | 91.60             | 541.30            | -449.70              |
| 5114 Payroll Tax Expense                 | 13,782.35         | 12,347.40         | 1,434.95             |
| 5115 Cell Phone                          | 573.40            | 750.00            | -176.60              |
| 5116 Employee Development Funds          |                   | 2,213.60          | -2,213.60            |
| <b>Total 5000 All Personnel Costs</b>    | <b>275,653.22</b> | <b>277,638.30</b> | <b>-1,985.08</b>     |
| 5200 All Professional Fees               |                   |                   |                      |
| 5202 Legal Fees                          | 8,141.00          | 20,833.30         | -12,692.30           |
| 5204 Honoraria and Lecture Fees          |                   | 5,000.00          | -5,000.00            |
| <b>Total 5200 All Professional Fees</b>  | <b>8,141.00</b>   | <b>25,833.30</b>  | <b>-17,692.30</b>    |
| 5300 Consultants                         |                   |                   |                      |
| 5302 Computer Services & Support         | 7,583.28          | 7,812.50          | -229.22              |
| 5304 General Consultant Fees             |                   | 8,333.30          | -8,333.30            |
| <b>Total 5300 Consultants</b>            | <b>7,583.28</b>   | <b>16,145.80</b>  | <b>-8,562.52</b>     |
| 6000 Office Costs                        |                   |                   |                      |
| 6001 Supplies                            | 214.03            | 269.10            | -55.07               |
| 6002 Office & Computer Equipment         | 2,218.74          | 1,258.70          | 960.04               |
| 6005 Dues, Subscriptions & Memberships   | 2,695.59          | 911.50            | 1,784.09             |
| 6006 License                             | 659.53            | 250.00            | 409.53               |
| 6007 Postage and Shipping                | 24.92             | 1,375.00          | -1,350.08            |
| 6009 Printing and Duplicating            | 50.57             | 47.80             | 2.77                 |
| 6010 Telephone/Fax/Internet              | 1,628.23          | 1,736.10          | -107.87              |
| 6100 Long Term Rents/Leases              | 11,074.69         |                   | 11,074.69            |
| 6102 Buildings and Facilities            | 3,586.14          | 8,253.10          | -4,666.96            |
| 6103 Rental Equipment                    | 86.98             | 303.90            | -216.92              |
| 6405 Amortization Expense                | 2,126.65          |                   | 2,126.65             |
| <b>Total 6100 Long Term Rents/Leases</b> | <b>16,874.46</b>  | <b>8,557.00</b>   | <b>8,317.46</b>      |
| 6105 Meeting Room Rental Fees            |                   | 416.70            | -416.70              |
| 6108 Computer Software Expense           | 1,936.38          | 3,642.30          | -1,705.92            |

|   | <b>Actual</b>         | <b>Budget</b>      | <b>Total<br/>over Budget</b> |
|---|-----------------------|--------------------|------------------------------|
| 6109 Repairs and Maintenance                  | 309.90                | 303.90             | 6.00                         |
| 6206 Conference Registration Fees             | 2,039.00              | 2,854.20           | -815.20                      |
| 6304 Risk Management-General Agency Insurance | 3,489.84              | 2,960.40           | 529.44                       |
| 6315 Promotional and Award Items              |                       | 416.60             | -416.60                      |
| <b>Total 6000 Office Costs</b>                | <b>32,141.19</b>      | <b>24,999.30</b>   | <b>7,141.89</b>              |
| 6200 Convening Expenses                       |                       |                    |                              |
| 6207 Meals                                    | 274.68                | 2,041.80           | -1,767.12                    |
| 6208 Transportation                           | 5,659.85              | 31,771.00          | -26,111.15                   |
| 6209 Lodging                                  | 8,331.03              | 44,708.30          | -36,377.27                   |
| 6210 Meeting Catering and Food                |                       | 36,499.90          | -36,499.90                   |
| 6211 Conference Tech Services (AV)            |                       | 18,854.10          | -18,854.10                   |
| <b>Total 6200 Convening Expenses</b>          | <b>14,265.56</b>      | <b>133,875.10</b>  | <b>-119,609.54</b>           |
| 6400 Other Operating Expenses                 |                       |                    |                              |
| 6402 Depreciation Expense                     | 3,347.43              |                    | 3,347.43                     |
| 6404 Miscellaneous                            | -262.90               |                    | -262.90                      |
| <b>Total 6400 Other Operating Expenses</b>    | <b>3,084.53</b>       |                    | <b>3,084.53</b>              |
| <b>Total Expenses</b>                         | <b>340,868.78</b>     | <b>478,491.80</b>  | <b>-137,623.02</b>           |
| <b>NET OPERATING INCOME</b>                   | <b>-108,508.18</b>    | <b>46,508.20</b>   | <b>-155,016.38</b>           |
| <b>NET INCOME</b>                             | <b>\$ -108,508.18</b> | <b>\$46,508.20</b> | <b>\$ -155,016.38</b>        |

# Profit and Loss by Class - Risk Management Programs

July 2022 - April 2023

|   | Risk Management Programs | Master Property Program | MHECare           | Total Risk Management Programs | TOTAL             |
|---|--------------------------|-------------------------|-------------------|--------------------------------|-------------------|
| <b>INCOME</b>                           |                          |                         |                   |                                |                   |
| 4300 Program Revenue                    |                          |                         | 232,360.60        | 232,360.60                     | 232,360.60        |
| <b>Total Income</b>                     | <b>0.00</b>              | <b>0.00</b>             | <b>232,360.60</b> | <b>232,360.60</b>              | <b>232,360.60</b> |
| <b>GROSS PROFIT</b>                     | <b>0.00</b>              | <b>0.00</b>             | <b>232,360.60</b> | <b>232,360.60</b>              | <b>232,360.60</b> |
| <b>EXPENSES</b>                         |                          |                         |                   |                                |                   |
| 5000 All Personnel Costs                |                          |                         |                   |                                | 0.00              |
| 5001 Salary                             |                          | 169,216.73              | 40,253.60         | 209,470.33                     | 209,470.33        |
| 5101 Health Insurance                   |                          | 21,936.22               | 4,598.89          | 26,535.11                      | 26,535.11         |
| 5102 Dental Insurance                   |                          | 859.68                  | 180.22            | 1,039.90                       | 1,039.90          |
| 5103 Life/ LTD/ STD Insurance           |                          | 1,049.38                | 220.01            | 1,269.39                       | 1,269.39          |
| 5105 Vision Insurance                   |                          | 107.71                  | 22.58             | 130.29                         | 130.29            |
| 5107 Employer 403(b)                    |                          | 16,525.17               | 3,464.44          | 19,989.61                      | 19,989.61         |
| 5109 Employee Parking                   |                          | 2,290.96                | 480.28            | 2,771.24                       | 2,771.24          |
| 5112 SUTA                               |                          | 70.69                   | 20.91             | 91.60                          | 91.60             |
| 5114 Payroll Tax Expense                |                          | 11,270.04               | 2,512.31          | 13,782.35                      | 13,782.35         |
| 5115 Cell Phone                         | 150.00                   | 376.01                  | 47.39             | 573.40                         | 573.40            |
| <b>Total 5000 All Personnel Costs</b>   | <b>150.00</b>            | <b>223,702.59</b>       | <b>51,800.63</b>  | <b>275,653.22</b>              | <b>275,653.22</b> |
| 5200 All Professional Fees              |                          |                         |                   |                                | 0.00              |
| 5202 Legal Fees                         |                          | 8,141.00                |                   | 8,141.00                       | 8,141.00          |
| <b>Total 5200 All Professional Fees</b> |                          | <b>8,141.00</b>         |                   | <b>8,141.00</b>                | <b>8,141.00</b>   |
| 5300 Consultants                        |                          |                         |                   |                                | 0.00              |
| 5302 Computer Services & Support        |                          | 6,268.97                | 1,314.31          | 7,583.28                       | 7,583.28          |
| <b>Total 5300 Consultants</b>           |                          | <b>6,268.97</b>         | <b>1,314.31</b>   | <b>7,583.28</b>                | <b>7,583.28</b>   |
| 6000 Office Costs                       |                          |                         |                   |                                | 0.00              |
| 6001 Supplies                           |                          | 176.93                  | 37.10             | 214.03                         | 214.03            |
| 6002 Office & Computer Equipment        |                          | 1,834.31                | 384.43            | 2,218.74                       | 2,218.74          |
| 6005 Dues, Subscriptions & Memberships  |                          | 1,888.69                | 806.90            | 2,695.59                       | 2,695.59          |
| 6006 License                            | 294.00                   | 66.47                   | 299.06            | 659.53                         | 659.53            |
| 6007 Postage and Shipping               |                          | 24.92                   |                   | 24.92                          | 24.92             |

|   | Risk Management Programs | Master Property Program | MHECare             | Total Risk Management Programs | TOTAL             |
|---|--------------------------|-------------------------|---------------------|--------------------------------|-------------------|
| 6009 Printing and Duplicating                 |                          | 41.81                   | 8.76                | 50.57                          | 50.57             |
| 6010 Telephone/Fax/Internet                   |                          | 1,346.04                | 282.19              | 1,628.23                       | 1,628.23          |
| 6100 Long Term Rents/Leases                   |                          | 9,155.08                | 1,919.61            | 11,074.69                      | 11,074.69         |
| 6102 Buildings and Facilities                 |                          | 2,964.79                | 621.35              | 3,586.14                       | 3,586.14          |
| 6103 Rental Equipment                         |                          | 71.91                   | 15.07               | 86.98                          | 86.98             |
| 6405 Amortization Expense                     |                          | 1,758.18                | 368.47              | 2,126.65                       | 2,126.65          |
| <b>Total 6100 Long Term Rents/Leases</b>      |                          | <b>13,949.96</b>        | <b>2,924.50</b>     | <b>16,874.46</b>               | <b>16,874.46</b>  |
| 6108 Computer Software Expense                |                          | 1,600.74                | 335.64              | 1,936.38                       | 1,936.38          |
| 6109 Repairs and Maintenance                  |                          | 256.21                  | 53.69               | 309.90                         | 309.90            |
| 6206 Conference Registration Fees             |                          | 1,604.50                | 434.50              | 2,039.00                       | 2,039.00          |
| 6304 Risk Management-General Agency Insurance |                          | 2,884.93                | 604.91              | 3,489.84                       | 3,489.84          |
| <b>Total 6000 Office Costs</b>                | <b>294.00</b>            | <b>25,675.51</b>        | <b>6,171.68</b>     | <b>32,141.19</b>               | <b>32,141.19</b>  |
| 6200 Convening Expenses                       |                          |                         |                     |                                | 0.00              |
| 6207 Meals                                    |                          | 252.19                  | 22.49               | 274.68                         | 274.68            |
| 6208 Transportation                           |                          | 5,238.55                | 421.30              | 5,659.85                       | 5,659.85          |
| 6209 Lodging                                  |                          | 7,892.53                | 438.50              | 8,331.03                       | 8,331.03          |
| <b>Total 6200 Convening Expenses</b>          |                          | <b>13,383.27</b>        | <b>882.29</b>       | <b>14,265.56</b>               | <b>14,265.56</b>  |
| 6400 Other Operating Expenses                 |                          |                         |                     |                                | 0.00              |
| 6402 Depreciation Expense                     |                          | 2,767.29                | 580.14              | 3,347.43                       | 3,347.43          |
| 6404 Miscellaneous                            |                          | -262.90                 |                     | -262.90                        | -262.90           |
| <b>Total 6400 Other Operating Expenses</b>    |                          | <b>2,504.39</b>         | <b>580.14</b>       | <b>3,084.53</b>                | <b>3,084.53</b>   |
| <b>Total Expenses</b>                         | <b>444.00</b>            | <b>279,675.73</b>       | <b>60,749.05</b>    | <b>340,868.78</b>              | <b>340,868.78</b> |
| <b>NET OPERATING INCOME</b>                   | <b>-444.00</b>           | <b>-279,675.73</b>      | <b>171,611.55</b>   | <b>-108,508.18</b>             | <b>108,508.18</b> |
| <b>NET INCOME</b>                             | <b>\$ -444.00</b>        | <b>\$ -279,675.73</b>   | <b>\$171,611.55</b> | <b>\$ -108,508.18</b>          | <b>108,508.18</b> |

# Budget vs. Actuals- YTD M-SARA

July 2022 - April 2023

|  | Actual            | Budget            | Total<br>over Budget |
|--|-------------------|-------------------|----------------------|
| <b>INCOME</b>                            |                   |                   |                      |
| 4300 Program Revenue                     | 494,531.00        | 412,109.20        | 82,421.80            |
| 4102 SARA Reserve                        | 30,531.00         |                   | 30,531.00            |
| <b>Total 4300 Program Revenue</b>        | <b>525,062.00</b> | <b>412,109.20</b> | <b>112,952.80</b>    |
| <b>Total Income</b>                      | <b>525,062.00</b> | <b>412,109.20</b> | <b>112,952.80</b>    |
| <b>GROSS PROFIT</b>                      | <b>525,062.00</b> | <b>412,109.20</b> | <b>112,952.80</b>    |
| <b>EXPENSES</b>                          |                   |                   |                      |
| 5000 All Personnel Costs                 |                   |                   |                      |
| 5001 Salary                              | 184,500.51        | 208,260.70        | -23,760.19           |
| 5101 Health Insurance                    | 36,087.51         | 31,955.50         | 4,132.01             |
| 5102 Dental Insurance                    | 1,414.26          | 1,689.30          | -275.04              |
| 5103 Life/ LTD/ STD Insurance            | 1,726.35          | 3,630.80          | -1,904.45            |
| 5105 Vision Insurance                    | 177.18            |                   | 177.18               |
| 5107 Employer 403(b)                     | 27,185.66         | 29,032.50         | -1,846.84            |
| 5109 Employee Parking                    | 3,768.85          | 3,371.70          | 397.15               |
| 5112 SUTA                                | 164.09            | 736.20            | -572.11              |
| 5114 Payroll Tax Expense                 | 13,831.66         | 16,792.50         | -2,960.84            |
| 5115 Cell Phone                          | 821.83            | 1,020.00          | -198.17              |
| 5116 Employee Development Funds          | 26.96             | 3,010.40          | -2,983.44            |
| <b>Total 5000 All Personnel Costs</b>    | <b>269,704.86</b> | <b>299,499.60</b> | <b>-29,794.74</b>    |
| 5200 All Professional Fees               |                   |                   |                      |
| 5210 Professional Fees - Other           | 57.89             |                   | 57.89                |
| <b>Total 5200 All Professional Fees</b>  | <b>57.89</b>      |                   | <b>57.89</b>         |
| 5300 Consultants                         |                   |                   |                      |
| 5302 Computer Services & Support         | 10,313.21         | 10,625.00         | -311.79              |
| 5304 General Consultant Fees             | 35,000.00         | 15,833.30         | 19,166.70            |
| <b>Total 5300 Consultants</b>            | <b>45,313.21</b>  | <b>26,458.30</b>  | <b>18,854.91</b>     |
| 6000 Office Costs                        |                   |                   |                      |
| 6001 Supplies                            | 291.06            | 366.00            | -74.94               |
| 6002 Office & Computer Equipment         | 3,017.42          | 1,711.80          | 1,305.62             |
| 6004 Publications                        | 49.00             |                   | 49.00                |
| 6005 Dues, Subscriptions & Memberships   | 6,408.01          | 4,572.90          | 1,835.11             |
| 6007 Postage and Shipping                | 42.36             | 83.40             | -41.04               |
| 6009 Printing and Duplicating            | 189.85            | 64.90             | 124.95               |
| 6010 Telephone/Fax/Internet              | 2,214.38          | 2,361.10          | -146.72              |
| 6100 Long Term Rents/Leases              | 15,061.58         |                   | 15,061.58            |
| 6102 Buildings and Facilities            | 4,877.03          | 69,224.30         | -64,347.27           |
| 6103 Rental Equipment                    | 118.29            | 413.20            | -294.91              |
| 6405 Amortization Expense                | 2,892.19          |                   | 2,892.19             |
| <b>Total 6100 Long Term Rents/Leases</b> | <b>22,949.09</b>  | <b>69,637.50</b>  | <b>-46,688.41</b>    |
| 6108 Computer Software Expense           | 2,693.47          | 3,423.60          | -730.13              |

|   | <b>Actual</b>       | <b>Budget</b>         | <b>Total<br/>over Budget</b> |
|---|---------------------|-----------------------|------------------------------|
| 6109 Repairs and Maintenance                  | 421.46              | 413.20                | 8.26                         |
| 6206 Conference Registration Fees             | 1,009.00            | 1,250.00              | -241.00                      |
| 6304 Risk Management-General Agency Insurance | 4,746.18            | 4,026.20              | 719.98                       |
| 6315 Promotional and Award Items              |                     | 116.70                | -116.70                      |
| <b>Total 6000 Office Costs</b>                | <b>44,031.28</b>    | <b>88,027.30</b>      | <b>-43,996.02</b>            |
| 6200 Convening Expenses                       |                     |                       |                              |
| 6207 Meals                                    | 858.81              | 2,333.40              | -1,474.59                    |
| 6208 Transportation                           | 15,156.39           | 24,415.10             | -9,258.71                    |
| 6209 Lodging                                  | 9,224.37            | 25,670.80             | -16,446.43                   |
| 6210 Meeting Catering and Food                | 7,500.96            | 6,000.00              | 1,500.96                     |
| 6211 Conference Tech Services (AV)            |                     | 4,166.70              | -4,166.70                    |
| <b>Total 6200 Convening Expenses</b>          | <b>32,740.53</b>    | <b>62,586.00</b>      | <b>-29,845.47</b>            |
| 6400 Other Operating Expenses                 |                     |                       |                              |
| 5305 Sub-Grant Expense                        | 15,000.00           | 45,833.30             | -30,833.30                   |
| 6402 Depreciation Expense                     | 4,552.48            |                       | 4,552.48                     |
| 6404 Miscellaneous                            | 38.33               |                       | 38.33                        |
| <b>Total 6400 Other Operating Expenses</b>    | <b>19,590.81</b>    | <b>45,833.30</b>      | <b>-26,242.49</b>            |
| <b>Total Expenses</b>                         | <b>411,438.58</b>   | <b>522,404.50</b>     | <b>-110,965.92</b>           |
| <b>NET OPERATING INCOME</b>                   | <b>113,623.42</b>   | <b>-110,295.30</b>    | <b>223,918.72</b>            |
| <b>NET INCOME</b>                             | <b>\$113,623.42</b> | <b>\$ -110,295.30</b> | <b>\$223,918.72</b>          |

# Budget vs. Actuals- YTD Policy & Research

July 2022 - April 2023

|  | Actual            | Budget            | Total<br>over Budget |
|--|-------------------|-------------------|----------------------|
| <b>INCOME</b>                            |                   |                   |                      |
| 4100 Grants                              | 112,738.85        |                   | 112,738.85           |
| <b>Total Income</b>                      | <b>112,738.85</b> | <b>0.00</b>       | <b>112,738.85</b>    |
| <b>GROSS PROFIT</b>                      | <b>112,738.85</b> | <b>0.00</b>       | <b>112,738.85</b>    |
| <b>EXPENSES</b>                          |                   |                   |                      |
| 5000 All Personnel Costs                 |                   |                   |                      |
| 5001 Salary                              | 342,422.30        | 349,250.70        | -6,828.40            |
| 5101 Health Insurance                    | 43,523.47         | 46,680.20         | -3,156.73            |
| 5102 Dental Insurance                    | 1,705.71          | 2,467.80          | -762.09              |
| 5103 Life/ LTD/ STD Insurance            | 2,082.04          | 5,303.80          | -3,221.76            |
| 5105 Vision Insurance                    | 213.69            |                   | 213.69               |
| 5107 Employer 403(b)                     | 32,787.74         | 42,410.20         | -9,622.46            |
| 5109 Employee Parking                    | 4,545.61          | 4,925.30          | -379.69              |
| 5112 SUTA                                | 197.84            | 1,075.50          | -877.66              |
| 5114 Payroll Tax Expense                 | 21,212.33         | 24,530.20         | -3,317.87            |
| 5115 Cell Phone                          | 1,048.39          | 1,490.00          | -441.61              |
| 5116 Employee Development Funds          | 1,272.00          | 4,397.50          | -3,125.50            |
| <b>Total 5000 All Personnel Costs</b>    | <b>451,011.12</b> | <b>482,531.20</b> | <b>-31,520.08</b>    |
| 5200 All Professional Fees               |                   |                   |                      |
| 5204 Honoraria and Lecture Fees          |                   | 15,416.70         | -15,416.70           |
| 5210 Professional Fees - Other           | 105.12            |                   | 105.12               |
| <b>Total 5200 All Professional Fees</b>  | <b>105.12</b>     | <b>15,416.70</b>  | <b>-15,311.58</b>    |
| 5300 Consultants                         |                   |                   |                      |
| 5302 Computer Services & Support         | 61,799.54         | 58,939.20         | 2,860.34             |
| 5304 General Consultant Fees             | 75,341.58         |                   | 75,341.58            |
| <b>Total 5300 Consultants</b>            | <b>137,141.12</b> | <b>58,939.20</b>  | <b>78,201.92</b>     |
| 6000 Office Costs                        |                   |                   |                      |
| 6001 Supplies                            | 364.81            | 534.60            | -169.79              |
| 6002 Office & Computer Equipment         | 4,062.95          | 2,500.60          | 1,562.35             |
| 6004 Publications                        | 94.32             | 2,140.00          | -2,045.68            |
| 6005 Dues, Subscriptions & Memberships   | 5,208.36          | 3,036.10          | 2,172.26             |
| 6007 Postage and Shipping                | 90.94             |                   | 90.94                |
| 6009 Printing and Duplicating            | 655.04            | 94.80             | 560.24               |
| 6010 Telephone/Fax/Internet              | 2,670.75          | 3,449.00          | -778.25              |
| 6100 Long Term Rents/Leases              | 18,162.49         |                   | 18,162.49            |
| 6102 Buildings and Facilities            | 5,884.04          | 16,396.20         | -10,512.16           |
| 6103 Rental Equipment                    | 142.72            | 603.60            | -460.88              |
| 6405 Amortization Expense                | 3,489.37          |                   | 3,489.37             |
| <b>Total 6100 Long Term Rents/Leases</b> | <b>27,678.62</b>  | <b>16,999.80</b>  | <b>10,678.82</b>     |
| 6105 Meeting Room Rental Fees            | -531.60           |                   | -531.60              |
| 6108 Computer Software Expense           | 10,911.70         | 33,311.10         | -22,399.40           |

|  | <b>Actual</b>         | <b>Budget</b>         | <b>Total<br/>over Budget</b> |
|--|-----------------------|-----------------------|------------------------------|
| 6109 Repairs and Maintenance                   | 508.48                | 603.60                | -95.12                       |
| 6206 Conference Registration Fees              | 7,732.50              | 6,893.30              | 839.20                       |
| 6304 Risk Management-General Agency Insurance  | 5,723.33              | 5,881.30              | -157.97                      |
| <b>Total 6000 Office Costs</b>                 | <b>65,170.20</b>      | <b>75,444.20</b>      | <b>-10,274.00</b>            |
| 6200 Convening Expenses                        |                       |                       |                              |
| 6207 Meals                                     | 3,039.74              | 4,251.60              | -1,211.86                    |
| 6208 Transportation                            | 16,073.65             | 19,921.70             | -3,848.05                    |
| 6209 Lodging                                   | 13,988.32             | 15,563.30             | -1,574.98                    |
| 6210 Meeting Catering and Food                 | 4,983.62              |                       | 4,983.62                     |
| 6211 Conference Tech Services (AV)             | 1,244.85              | 4,583.30              | -3,338.45                    |
| <b>Total 6200 Convening Expenses</b>           | <b>39,330.18</b>      | <b>44,319.90</b>      | <b>-4,989.72</b>             |
| 6400 Other Operating Expenses                  |                       |                       |                              |
| 6300 Operating Interest Charges & Service Fees | 50.00                 |                       | 50.00                        |
| 6402 Depreciation Expense                      | 5,490.66              |                       | 5,490.66                     |
| 6404 Miscellaneous                             |                       | 4,166.70              | -4,166.70                    |
| <b>Total 6400 Other Operating Expenses</b>     | <b>5,540.66</b>       | <b>4,166.70</b>       | <b>1,373.96</b>              |
| <b>Total Expenses</b>                          | <b>698,298.40</b>     | <b>680,817.90</b>     | <b>17,480.50</b>             |
| <b>NET OPERATING INCOME</b>                    | <b>-585,559.55</b>    | <b>-680,817.90</b>    | <b>95,258.35</b>             |
| <b>OTHER EXPENSES</b>                          |                       |                       |                              |
| 7000 Indirect Cost Allocation                  | 12,964.63             |                       | 12,964.63                    |
| <b>Total Other Expenses</b>                    | <b>12,964.63</b>      | <b>0.00</b>           | <b>12,964.63</b>             |
| <b>NET OTHER INCOME</b>                        | <b>-12,964.63</b>     | <b>0.00</b>           | <b>-12,964.63</b>            |
| <b>NET INCOME</b>                              | <b>\$ -598,524.18</b> | <b>\$ -680,817.90</b> | <b>\$82,293.72</b>           |

# Profit and Loss by Class - Policy and Research

July 2022 - April 2023

|   | MHEC Grants | Ascendium Grant   | Total MHEC Grants | Policy & Research | Concurrent Enrollment | MCMC          | MSEP             | Open Education Resources (OER) | Research        | Total Policy & Research | TOTAL             |
|---|-------------|-------------------|-------------------|-------------------|-----------------------|---------------|------------------|--------------------------------|-----------------|-------------------------|-------------------|
| <b>INCOME</b>                                 |             |                   |                   |                   |                       |               |                  |                                |                 |                         |                   |
| 4100 Grants                                   |             | 101,407.49        | 101,407.49        |                   |                       |               |                  | 11,331.36                      |                 | 11,331.36               | 112,738.85        |
| <b>Total Income</b>                           | <b>0.00</b> | <b>101,407.49</b> | <b>101,407.49</b> | <b>0.00</b>       | <b>0.00</b>           | <b>0.00</b>   | <b>0.00</b>      | <b>11,331.36</b>               | <b>0.00</b>     | <b>11,331.36</b>        | <b>112,738.85</b> |
| <b>GROSS PROFIT</b>                           |             |                   |                   |                   |                       |               |                  |                                |                 |                         |                   |
|   | <b>0.00</b> | <b>101,407.49</b> | <b>101,407.49</b> | <b>0.00</b>       | <b>0.00</b>           | <b>0.00</b>   | <b>0.00</b>      | <b>11,331.36</b>               | <b>0.00</b>     | <b>11,331.36</b>        | <b>112,738.85</b> |
| <b>EXPENSES</b>                               |             |                   |                   |                   |                       |               |                  |                                |                 |                         |                   |
| 5000 All Personnel Costs                      |             |                   |                   |                   |                       |               |                  |                                |                 |                         | 0.00              |
| 5001 Salary                                   |             | 32,765.57         | 32,765.57         | 300,395.57        |                       |               | 9,261.16         |                                |                 | 309,656.73              | 342,422.30        |
| 5101 Health Insurance                         |             |                   |                   | 42,459.57         |                       |               | 1,063.90         |                                |                 | 43,523.47               | 43,523.47         |
| 5102 Dental Insurance                         |             |                   |                   | 1,664.00          |                       |               | 41.71            |                                |                 | 1,705.71                | 1,705.71          |
| 5103 Life/ LTD/ STD Insurance                 |             |                   |                   | 2,031.16          |                       |               | 50.88            |                                |                 | 2,082.04                | 2,082.04          |
| 5105 Vision Insurance                         |             |                   |                   | 208.47            |                       |               | 5.22             |                                |                 | 213.69                  | 213.69            |
| 5107 Employer 403(b)                          |             |                   |                   | 31,986.13         |                       |               | 801.61           |                                |                 | 32,787.74               | 32,787.74         |
| 5109 Employee Parking                         |             |                   |                   | 4,434.43          |                       |               | 111.18           |                                |                 | 4,545.61                | 4,545.61          |
| 5112 SUTA                                     |             |                   |                   | 193.02            |                       |               | 4.82             |                                |                 | 197.84                  | 197.84            |
| 5114 Payroll Tax Expense                      |             |                   |                   | 20,633.68         |                       |               | 578.65           |                                |                 | 21,212.33               | 21,212.33         |
| 5115 Cell Phone                               |             |                   |                   | 887.45            |                       |               | 10.94            |                                | 150.00          | 1,048.39                | 1,048.39          |
| 5116 Employee Development Funds               |             |                   |                   | 1,272.00          |                       |               |                  |                                |                 | 1,272.00                | 1,272.00          |
| <b>Total 5000 All Personnel Costs</b>         |             | <b>32,765.57</b>  | <b>32,765.57</b>  | <b>406,165.48</b> |                       |               | <b>11,930.07</b> |                                | <b>150.00</b>   | <b>418,245.55</b>       | <b>451,011.12</b> |
| 5200 All Professional Fees                    |             |                   |                   |                   |                       |               |                  |                                |                 |                         | 0.00              |
| 5210 Professional Fees - Other                |             |                   |                   | 31.22             |                       |               | 73.90            |                                |                 | 105.12                  | 105.12            |
| <b>Total 5200 All Professional Fees</b>       |             |                   |                   | <b>31.22</b>      |                       |               | <b>73.90</b>     |                                |                 | <b>105.12</b>           | <b>105.12</b>     |
| 5300 Consultants                              |             |                   |                   |                   |                       |               |                  |                                |                 |                         | 0.00              |
| 5302 Computer Services & Support              |             |                   |                   | 12,134.06         | 20,118.00             |               | 29,547.48        |                                |                 | 61,799.54               | 61,799.54         |
| 5304 General Consultant Fees                  |             | 38,066.58         | 38,066.58         |                   | 20,275.00             |               | 10,000.00        | 7,000.00                       |                 | 37,275.00               | 75,341.58         |
| <b>Total 5300 Consultants</b>                 |             | <b>38,066.58</b>  | <b>38,066.58</b>  | <b>12,134.06</b>  | <b>40,393.00</b>      |               | <b>39,547.48</b> | <b>7,000.00</b>                |                 | <b>99,074.54</b>        | <b>137,141.12</b> |
| 6000 Office Costs                             |             |                   |                   |                   |                       |               |                  |                                |                 |                         | 0.00              |
| 6001 Supplies                                 |             |                   |                   | 356.23            |                       |               | 8.58             |                                |                 | 364.81                  | 364.81            |
| 6002 Office & Computer Equipment              |             |                   |                   | 3,550.97          |                       |               | 89.48            |                                | 422.50          | 4,062.95                | 4,062.95          |
| 6004 Publications                             |             |                   |                   |                   |                       |               |                  |                                | 94.32           | 94.32                   | 94.32             |
| 6005 Dues, Subscriptions & Memberships        |             |                   |                   | 3,280.95          |                       |               | 70.82            |                                | 1,856.59        | 5,208.36                | 5,208.36          |
| 6007 Postage and Shipping                     |             | 62.15             | 62.15             |                   |                       |               |                  | 28.79                          |                 | 28.79                   | 90.94             |
| 6009 Printing and Duplicating                 |             |                   |                   | 308.00            | 345.00                |               | 2.04             |                                |                 | 655.04                  | 655.04            |
| 6010 Telephone/Fax/Internet                   |             |                   |                   | 2,605.43          |                       |               | 65.32            |                                |                 | 2,670.75                | 2,670.75          |
| 6100 Long Term Rents/Leases                   |             |                   |                   | 17,719.50         |                       |               | 442.99           |                                |                 | 18,162.49               | 18,162.49         |
| 6102 Buildings and Facilities                 |             |                   |                   | 5,739.42          |                       |               | 144.62           |                                |                 | 5,884.04                | 5,884.04          |
| 6103 Rental Equipment                         |             |                   |                   | 139.21            |                       |               | 3.51             |                                |                 | 142.72                  | 142.72            |
| 6405 Amortization Expense                     |             |                   |                   | 3,403.60          |                       |               | 85.77            |                                |                 | 3,489.37                | 3,489.37          |
| <b>Total 6100 Long Term Rents/Leases</b>      |             |                   |                   | <b>27,001.73</b>  |                       |               | <b>676.89</b>    |                                |                 | <b>27,678.62</b>        | <b>27,678.62</b>  |
| 6105 Meeting Room Rental Fees                 |             |                   |                   | -531.60           |                       |               |                  |                                |                 | -531.60                 | -531.60           |
| 6108 Computer Software Expense                |             |                   |                   | 4,284.71          |                       |               | 77.46            | 999.00                         | 5,550.53        | 10,911.70               | 10,911.70         |
| 6109 Repairs and Maintenance                  |             |                   |                   | 495.98            |                       |               | 12.50            |                                |                 | 508.48                  | 508.48            |
| 6206 Conference Registration Fees             |             |                   |                   | 3,752.50          | 1,615.00              | 650.00        |                  | 790.00                         | 925.00          | 7,732.50                | 7,732.50          |
| 6304 Risk Management-General Agency Insurance |             |                   |                   | 5,583.74          |                       |               | 139.59           |                                |                 | 5,723.33                | 5,723.33          |
| <b>Total 6000 Office Costs</b>                |             | <b>62.15</b>      | <b>62.15</b>      | <b>50,688.64</b>  | <b>1,960.00</b>       | <b>650.00</b> | <b>1,142.68</b>  | <b>1,817.79</b>                | <b>8,848.94</b> | <b>65,108.05</b>        | <b>65,170.20</b>  |
| 6200 Convening Expenses                       |             |                   |                   |                   |                       |               |                  |                                |                 |                         | 0.00              |

|  | MHEC Grants   | Ascendium Grant   | Total MHEC Grants | Policy & Research     | Concurrent Enrollment | MCMC              | MSEP                 | Open Education Resources (OER) | Research             | Total Policy & Research | TOTAL                 |
|--|---------------|-------------------|-------------------|-----------------------|-----------------------|-------------------|----------------------|--------------------------------|----------------------|-------------------------|-----------------------|
| 6207 Meals                                     |               | 494.62            | 494.62            | 2,062.18              | 32.39                 |                   | 5.36                 | 236.13                         | 209.06               | 2,545.12                | 3,039.74              |
| 6208 Transportation                            |               | 7,353.56          | 7,353.56          | 5,157.77              | 1,527.58              |                   | 2.52                 | 826.37                         | 1,205.85             | 8,720.09                | 16,073.65             |
| 6209 Lodging                                   |               | 6,746.96          | 6,746.96          | 5,491.77              | 760.49                |                   | 124.00               | 341.90                         | 523.20               | 7,241.36                | 13,988.32             |
| 6210 Meeting Catering and Food                 |               | 4,983.62          | 4,983.62          |                       |                       |                   |                      |                                |                      |                         | 4,983.62              |
| 6211 Conference Tech Services (AV)             |               |                   |                   | 1,244.85              |                       |                   |                      |                                |                      | 1,244.85                | 1,244.85              |
| <b>Total 6200 Convening Expenses</b>           |               | <b>19,578.76</b>  | <b>19,578.76</b>  | <b>13,956.57</b>      | <b>2,320.46</b>       |                   | <b>131.88</b>        | <b>1,404.40</b>                | <b>1,938.11</b>      | <b>19,751.42</b>        | <b>39,330.18</b>      |
| 6400 Other Operating Expenses                  |               |                   |                   |                       |                       |                   |                      |                                |                      |                         | 0.00                  |
| 6300 Operating Interest Charges & Service Fees |               | 30.00             | 30.00             |                       |                       |                   |                      | 20.00                          |                      | 20.00                   | 50.00                 |
| 6402 Depreciation Expense                      |               |                   |                   | 5,356.40              |                       |                   | 134.26               |                                |                      | 5,490.66                | 5,490.66              |
| <b>Total 6400 Other Operating Expenses</b>     |               | <b>30.00</b>      | <b>30.00</b>      | <b>5,356.40</b>       |                       |                   | <b>134.26</b>        | <b>20.00</b>                   |                      | <b>5,510.66</b>         | <b>5,540.66</b>       |
| <b>Total Expenses</b>                          | <b>0.00</b>   | <b>90,503.06</b>  | <b>90,503.06</b>  | <b>488,332.37</b>     | <b>44,673.46</b>      | <b>650.00</b>     | <b>52,960.27</b>     | <b>10,242.19</b>               | <b>10,937.05</b>     | <b>607,795.34</b>       | <b>698,298.40</b>     |
| <b>NET OPERATING INCOME</b>                    | <b>0.00</b>   | <b>10,904.43</b>  | <b>10,904.43</b>  | <b>-488,332.37</b>    | <b>-44,673.46</b>     | <b>-650.00</b>    | <b>-52,960.27</b>    | <b>1,089.17</b>                | <b>-10,937.05</b>    | <b>-596,463.98</b>      | <b>-585,559.55</b>    |
| <b>OTHER EXPENSES</b>                          |               |                   |                   |                       |                       |                   |                      |                                |                      |                         |                       |
| 7000 Indirect Cost Allocation                  |               | 11,506.62         | 11,506.62         |                       |                       |                   |                      | 1,458.01                       |                      | 1,458.01                | 12,964.63             |
| <b>Total Other Expenses</b>                    | <b>0.00</b>   | <b>11,506.62</b>  | <b>11,506.62</b>  | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>       | <b>0.00</b>          | <b>1,458.01</b>                | <b>0.00</b>          | <b>1,458.01</b>         | <b>12,964.63</b>      |
| <b>NET OTHER INCOME</b>                        | <b>0.00</b>   | <b>-11,506.62</b> | <b>-11,506.62</b> | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>       | <b>0.00</b>          | <b>-1,458.01</b>               | <b>0.00</b>          | <b>-1,458.01</b>        | <b>-12,964.63</b>     |
| <b>NET INCOME</b>                              | <b>\$0.00</b> | <b>\$ -602.19</b> | <b>\$ -602.19</b> | <b>\$ -488,332.37</b> | <b>\$ -44,673.46</b>  | <b>\$ -650.00</b> | <b>\$ -52,960.27</b> | <b>\$ -368.84</b>              | <b>\$ -10,937.05</b> | <b>\$ -597,921.99</b>   | <b>\$ -598,524.18</b> |

# Budget vs. Actuals- YTD Convening

July 2022 - April 2023

|   | Actual            | Budget            | Total<br>over Budget |
|---|-------------------|-------------------|----------------------|
| <b>INCOME</b>                                 |                   |                   |                      |
| <b>Total Income</b>                           |                   |                   | <b>0.00</b>          |
| <b>GROSS PROFIT</b>                           | <b>0.00</b>       | <b>0.00</b>       | <b>0.00</b>          |
| <b>EXPENSES</b>                               |                   |                   |                      |
| 5000 All Personnel Costs                      |                   |                   |                      |
| 5001 Salary                                   | 246,383.44        | 289,729.80        | -43,346.36           |
| 5101 Health Insurance                         | 37,506.05         | 41,354.20         | -3,848.15            |
| 5102 Dental Insurance                         | 1,469.87          | 2,186.20          | -716.33              |
| 5103 Life/ LTD/ STD Insurance                 | 1,794.20          | 4,698.70          | -2,904.50            |
| 5105 Vision Insurance                         | 184.15            |                   | 184.15               |
| 5107 Employer 403(b)                          | 28,254.49         | 37,571.40         | -9,316.91            |
| 5109 Employee Parking                         | 3,917.10          | 4,363.30          | -446.20              |
| 5112 SUTA                                     | 170.51            | 952.70            | -782.19              |
| 5114 Payroll Tax Expense                      | 17,506.44         | 21,731.40         | -4,224.96            |
| 5115 Cell Phone                               | 986.41            | 1,320.00          | -333.59              |
| 5116 Employee Development Funds               |                   | 3,895.80          | -3,895.80            |
| <b>Total 5000 All Personnel Costs</b>         | <b>338,172.66</b> | <b>407,803.50</b> | <b>-69,630.84</b>    |
| 5200 All Professional Fees                    |                   |                   |                      |
| 5204 Honoraria and Lecture Fees               | 1,110.62          | 2,500.00          | -1,389.38            |
| 5210 Professional Fees - Other                | 2,505.00          | 833.30            | 1,671.70             |
| <b>Total 5200 All Professional Fees</b>       | <b>3,615.62</b>   | <b>3,333.30</b>   | <b>282.32</b>        |
| 5300 Consultants                              |                   |                   |                      |
| 5302 Computer Services & Support              | 10,718.44         | 13,750.00         | -3,031.56            |
| <b>Total 5300 Consultants</b>                 | <b>10,718.44</b>  | <b>13,750.00</b>  | <b>-3,031.56</b>     |
| 6000 Office Costs                             |                   |                   |                      |
| 6001 Supplies                                 | 440.51            | 473.60            | -33.09               |
| 6002 Office & Computer Equipment              | 3,136.72          | 2,215.30          | 921.42               |
| 6005 Dues, Subscriptions & Memberships        | 2,907.44          | 1,604.20          | 1,303.24             |
| 6007 Postage and Shipping                     | 2,101.52          | 1,166.70          | 934.82               |
| 6009 Printing and Duplicating                 | 81.50             | 84.00             | -2.50                |
| 6010 Telephone/Fax/Internet                   | 2,358.37          | 3,055.60          | -697.23              |
| 6100 Long Term Rents/Leases                   | 15,652.23         |                   | 15,652.23            |
| 6102 Buildings and Facilities                 | 5,069.86          | 14,525.50         | -9,455.64            |
| 6103 Rental Equipment                         | 122.97            | 534.70            | -411.73              |
| 6405 Amortization Expense                     | 3,006.54          |                   | 3,006.54             |
| <b>Total 6100 Long Term Rents/Leases</b>      | <b>23,851.60</b>  | <b>15,060.20</b>  | <b>8,791.40</b>      |
| 6105 Meeting Room Rental Fees                 | 6,363.88          | 4,125.00          | 2,238.88             |
| 6108 Computer Software Expense                | 2,736.75          | 4,430.60          | -1,693.85            |
| 6109 Repairs and Maintenance                  | 438.12            | 534.70            | -96.58               |
| 6206 Conference Registration Fees             | 327.50            |                   | 327.50               |
| 6304 Risk Management-General Agency Insurance | 4,932.30          | 5,210.30          | -278.00              |

|  | <b>Actual</b>         | <b>Budget</b>         | <b>Total<br/>over Budget</b> |
|--|-----------------------|-----------------------|------------------------------|
| 6315 Promotional and Award Items           | 1,017.86              | 83.30                 | 934.56                       |
| <b>Total 6000 Office Costs</b>             | <b>50,694.07</b>      | <b>38,043.50</b>      | <b>12,650.57</b>             |
| 6200 Convening Expenses                    |                       |                       |                              |
| 6207 Meals                                 | 3,655.67              | 3,874.80              | -219.13                      |
| 6208 Transportation                        | 76,954.81             | 68,777.90             | 8,176.91                     |
| 6209 Lodging                               | 38,367.30             | 54,902.70             | -16,535.40                   |
| 6210 Meeting Catering and Food             | 58,316.04             | 48,736.10             | 9,579.94                     |
| 6211 Conference Tech Services (AV)         | 5,099.54              | 23,458.30             | -18,358.76                   |
| <b>Total 6200 Convening Expenses</b>       | <b>182,393.36</b>     | <b>199,749.80</b>     | <b>-17,356.44</b>            |
| 6400 Other Operating Expenses              |                       |                       |                              |
| 6402 Depreciation Expense                  | 4,731.50              |                       | 4,731.50                     |
| 6404 Miscellaneous                         | 6.42                  |                       | 6.42                         |
| <b>Total 6400 Other Operating Expenses</b> | <b>4,737.92</b>       |                       | <b>4,737.92</b>              |
| <b>Total Expenses</b>                      | <b>590,332.07</b>     | <b>662,680.10</b>     | <b>-72,348.03</b>            |
| <b>NET OPERATING INCOME</b>                | <b>-590,332.07</b>    | <b>-662,680.10</b>    | <b>72,348.03</b>             |
| <b>NET INCOME</b>                          | <b>\$ -590,332.07</b> | <b>\$ -662,680.10</b> | <b>\$72,348.03</b>           |

# Profit and Loss by Class - Convening

July 2022 - April 2023

|   | Convening         | Commission Meeting (Annual) | Commission Meeting (Executive) | MHEC State Visits | Officers Meeting | Tech Community-Annual Meeting | Total Convening   | TOTAL             |
|---|-------------------|-----------------------------|--------------------------------|-------------------|------------------|-------------------------------|-------------------|-------------------|
| <b>INCOME</b>                                 |                   |                             |                                |                   |                  |                               |                   |                   |
| <b>Total Income</b>                           |                   |                             |                                |                   |                  |                               | <b>0.00</b>       | <b>0.00</b>       |
| <b>GROSS PROFIT</b>                           | <b>0.00</b>       | <b>0.00</b>                 | <b>0.00</b>                    | <b>0.00</b>       | <b>0.00</b>      | <b>0.00</b>                   | <b>0.00</b>       | <b>0.00</b>       |
| <b>EXPENSES</b>                               |                   |                             |                                |                   |                  |                               |                   |                   |
| 5000 All Personnel Costs                      |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 5001 Salary                                   | 246,383.44        |                             |                                |                   |                  |                               | 246,383.44        | 246,383.44        |
| 5101 Health Insurance                         | 37,506.05         |                             |                                |                   |                  |                               | 37,506.05         | 37,506.05         |
| 5102 Dental Insurance                         | 1,469.87          |                             |                                |                   |                  |                               | 1,469.87          | 1,469.87          |
| 5103 Life/ LTD/ STD Insurance                 | 1,794.20          |                             |                                |                   |                  |                               | 1,794.20          | 1,794.20          |
| 5105 Vision Insurance                         | 184.15            |                             |                                |                   |                  |                               | 184.15            | 184.15            |
| 5107 Employer 403(b)                          | 28,254.49         |                             |                                |                   |                  |                               | 28,254.49         | 28,254.49         |
| 5109 Employee Parking                         | 3,917.10          |                             |                                |                   |                  |                               | 3,917.10          | 3,917.10          |
| 5112 SUTA                                     | 170.51            |                             |                                |                   |                  |                               | 170.51            | 170.51            |
| 5114 Payroll Tax Expense                      | 17,506.44         |                             |                                |                   |                  |                               | 17,506.44         | 17,506.44         |
| 5115 Cell Phone                               | 986.41            |                             |                                |                   |                  |                               | 986.41            | 986.41            |
| <b>Total 5000 All Personnel Costs</b>         | <b>338,172.66</b> |                             |                                |                   |                  |                               | <b>338,172.66</b> | <b>338,172.66</b> |
| 5200 All Professional Fees                    |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 5204 Honoraria and Lecture Fees               |                   |                             |                                |                   |                  | 1,110.62                      | 1,110.62          | 1,110.62          |
| 5210 Professional Fees - Other                |                   | 2,505.00                    |                                |                   |                  |                               | 2,505.00          | 2,505.00          |
| <b>Total 5200 All Professional Fees</b>       |                   | <b>2,505.00</b>             |                                |                   |                  | <b>1,110.62</b>               | <b>3,615.62</b>   | <b>3,615.62</b>   |
| 5300 Consultants                              |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 5302 Computer Services & Support              | 10,718.44         |                             |                                |                   |                  |                               | 10,718.44         | 10,718.44         |
| <b>Total 5300 Consultants</b>                 | <b>10,718.44</b>  |                             |                                |                   |                  |                               | <b>10,718.44</b>  | <b>10,718.44</b>  |
| 6000 Office Costs                             |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 6001 Supplies                                 | 309.20            | 105.70                      |                                | 25.61             |                  |                               | 440.51            | 440.51            |
| 6002 Office & Computer Equipment              | 3,136.72          |                             |                                |                   |                  |                               | 3,136.72          | 3,136.72          |
| 6005 Dues, Subscriptions & Memberships        | 2,907.44          |                             |                                |                   |                  |                               | 2,907.44          | 2,907.44          |
| 6007 Postage and Shipping                     | 17.69             | 1,512.01                    |                                | 89.49             |                  | 482.33                        | 2,101.52          | 2,101.52          |
| 6009 Printing and Duplicating                 | 71.50             |                             |                                | 10.00             |                  |                               | 81.50             | 81.50             |
| 6010 Telephone/Fax/Internet                   | 2,301.47          | 56.90                       |                                |                   |                  |                               | 2,358.37          | 2,358.37          |
| 6100 Long Term Rents/Leases                   | 15,652.23         |                             |                                |                   |                  |                               | 15,652.23         | 15,652.23         |
| 6102 Buildings and Facilities                 | 5,069.86          |                             |                                |                   |                  |                               | 5,069.86          | 5,069.86          |
| 6103 Rental Equipment                         | 122.97            |                             |                                |                   |                  |                               | 122.97            | 122.97            |
| 6405 Amortization Expense                     | 3,006.54          |                             |                                |                   |                  |                               | 3,006.54          | 3,006.54          |
| <b>Total 6100 Long Term Rents/Leases</b>      | <b>23,851.60</b>  |                             |                                |                   |                  |                               | <b>23,851.60</b>  | <b>23,851.60</b>  |
| 6105 Meeting Room Rental Fees                 |                   | 5,336.00                    |                                | 750.00            |                  | 277.88                        | 6,363.88          | 6,363.88          |
| 6108 Computer Software Expense                | 2,736.75          |                             |                                |                   |                  |                               | 2,736.75          | 2,736.75          |
| 6109 Repairs and Maintenance                  | 438.12            |                             |                                |                   |                  |                               | 438.12            | 438.12            |
| 6206 Conference Registration Fees             | 327.50            |                             |                                |                   |                  |                               | 327.50            | 327.50            |
| 6304 Risk Management-General Agency Insurance | 4,932.30          |                             |                                |                   |                  |                               | 4,932.30          | 4,932.30          |
| 6315 Promotional and Award Items              |                   | 1,017.86                    |                                |                   |                  |                               | 1,017.86          | 1,017.86          |
| <b>Total 6000 Office Costs</b>                | <b>41,030.29</b>  | <b>8,028.47</b>             |                                | <b>875.10</b>     |                  | <b>760.21</b>                 | <b>50,694.07</b>  | <b>50,694.07</b>  |
| 6200 Convening Expenses                       |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 6207 Meals                                    | 108.19            | 1,486.87                    | 20.63                          | 1,032.29          | 59.80            | 947.89                        | 3,655.67          | 3,655.67          |
| 6208 Transportation                           | 2,805.40          | 33,981.10                   | 3,628.39                       | 18,236.98         | 548.59           | 17,754.35                     | 76,954.81         | 76,954.81         |

|  | Convening         | Commission Meeting (Annual) | Commission Meeting (Executive) | MHEC State Visits | Officers Meeting | Tech Community-Annual Meeting | Total Convening   | TOTAL             |
|--|-------------------|-----------------------------|--------------------------------|-------------------|------------------|-------------------------------|-------------------|-------------------|
| 6209 Lodging                               | 1,318.61          | 17,929.96                   | 1,000.00                       | 6,468.84          | 787.65           | 10,862.24                     | 38,367.30         | 38,367.30         |
| 6210 Meeting Catering and Food             |                   | 26,630.86                   | 500.00                         | 19,036.70         | 630.72           | 11,517.76                     | 58,316.04         | 58,316.04         |
| 6211 Conference Tech Services (AV)         |                   | 4,049.00                    |                                |                   |                  | 1,050.54                      | 5,099.54          | 5,099.54          |
| <b>Total 6200 Convening Expenses</b>       | <b>4,232.20</b>   | <b>84,077.79</b>            | <b>5,149.02</b>                | <b>44,774.81</b>  | <b>2,026.76</b>  | <b>42,132.78</b>              | <b>182,393.36</b> | <b>182,393.36</b> |
| 6400 Other Operating Expenses              |                   |                             |                                |                   |                  |                               |                   | 0.00              |
| 6402 Depreciation Expense                  | 4,731.50          |                             |                                |                   |                  |                               | 4,731.50          | 4,731.50          |
| 6404 Miscellaneous                         |                   |                             |                                | 6.42              |                  |                               | 6.42              | 6.42              |
| <b>Total 6400 Other Operating Expenses</b> | <b>4,731.50</b>   |                             |                                | <b>6.42</b>       |                  |                               | <b>4,737.92</b>   | <b>4,737.92</b>   |
| <b>Total Expenses</b>                      | <b>398,885.09</b> | <b>94,611.26</b>            | <b>5,149.02</b>                | <b>45,656.33</b>  | <b>2,026.76</b>  | <b>44,003.61</b>              | <b>590,332.07</b> | <b>590,332.07</b> |
| NET OPERATING INCOME                       | -398,885.09       | -94,611.26                  | -5,149.02                      | -45,656.33        | -2,026.76        | -44,003.61                    | -590,332.07       | -590,332.07       |
| NET INCOME                                 | \$ -398,885.09    | \$ -94,611.26               | \$ -5,149.02                   | \$ -45,656.33     | \$ -2,026.76     | \$ -44,003.61                 | \$ -590,332.07    | \$ -590,332.07    |

# Budget vs. Actuals- YTD General & Administrative

July 2022 - April 2023

|   | Actual              | Budget              | Total<br>over Budget |
|---|---------------------|---------------------|----------------------|
| <b>INCOME</b>                           |                     |                     |                      |
| 4400 State Obligations Revenue          | 1,150,000.00        | 1,150,000.00        | 0.00                 |
| 4603 Miscellaneous Other Income         | 4,404.46            | 46,287.50           | -41,883.04           |
| <b>Total Income</b>                     | <b>1,154,404.46</b> | <b>1,196,287.50</b> | <b>-41,883.04</b>    |
| <b>GROSS PROFIT</b>                     | <b>1,154,404.46</b> | <b>1,196,287.50</b> | <b>-41,883.04</b>    |
| <b>EXPENSES</b>                         |                     |                     |                      |
| <b>5000 All Personnel Costs</b>         |                     |                     |                      |
| 5001 Salary                             | 234,278.42          | 344,240.80          | -109,962.38          |
| 5101 Health Insurance                   | 50,731.89           | 57,645.30           | -6,913.41            |
| 5102 Dental Insurance                   | 2,091.82            | 3,047.40            | -955.58              |
| 5103 Life/ LTD/ STD Insurance           | 2,494.58            | 6,966.30            | -4,471.72            |
| 5105 Vision Insurance                   | 254.84              |                     | 254.84               |
| 5107 Employer 403(b)                    | 39,401.02           | 52,372.30           | -12,971.28           |
| 5108 Section 125 Plan                   |                     | 833.30              | -833.30              |
| 5109 Employee Parking                   | 3,948.12            | 6,082.20            | -2,134.08            |
| 5110 Other Benefits                     | 6,207.50            | 6,500.00            | -292.50              |
| 5112 SUTA                               | 154.53              | 1,328.10            | -1,173.57            |
| 5114 Payroll Tax Expense                | 17,284.29           | 30,292.30           | -13,008.01           |
| 5115 Cell Phone                         | 1,537.92            | 1,840.00            | -302.08              |
| 5116 Employee Development Funds         | 5,555.85            | 5,430.60            | 125.25               |
| 6305 Workers Compensation Insurance     | -2,179.06           |                     | -2,179.06            |
| <b>Total 5000 All Personnel Costs</b>   | <b>361,761.72</b>   | <b>516,578.60</b>   | <b>-154,816.88</b>   |
| <b>5200 All Professional Fees</b>       |                     |                     |                      |
| 5201 Accounting Services                | 247,100.35          | 20,833.30           | 226,267.05           |
| 5202 Legal Fees                         | 9,661.00            | 20,833.30           | -11,172.30           |
| 5207 HR & Payroll Support               | 8,066.73            | 4,500.00            | 3,566.73             |
| 5210 Professional Fees - Other          | 1,960.00            |                     | 1,960.00             |
| 5301 Communications Consultant          | 5,531.25            | 33,333.30           | -27,802.05           |
| <b>Total 5200 All Professional Fees</b> | <b>272,319.33</b>   | <b>79,499.90</b>    | <b>192,819.43</b>    |
| <b>5300 Consultants</b>                 |                     |                     |                      |
| 5302 Computer Services & Support        | 15,505.55           | 19,166.70           | -3,661.15            |
| 5304 General Consultant Fees            |                     | 1,250.00            | -1,250.00            |
| <b>Total 5300 Consultants</b>           | <b>15,505.55</b>    | <b>20,416.70</b>    | <b>-4,911.15</b>     |
| <b>6000 Office Costs</b>                |                     |                     |                      |
| 6001 Supplies                           | 256.82              | 660.20              | -403.38              |
| 6002 Office & Computer Equipment        | 2,937.95            | 3,088.00            | -150.05              |
| 6004 Publications                       |                     | 41.70               | -41.70               |
| 6005 Dues, Subscriptions & Memberships  | 5,664.42            | 2,236.10            | 3,428.32             |
| 6006 License                            | 267.00              | 520.80              | -253.80              |
| 6007 Postage and Shipping               | 792.34              | 1,166.70            | -374.36              |
| 6009 Printing and Duplicating           | 1,040.32            | 117.10              | 923.22               |

|  | <b>Actual</b>       | <b>Budget</b>       | <b>Total<br/>over Budget</b> |
|--|---------------------|---------------------|------------------------------|
| 6010 Telephone/Fax/Internet                    | 4,353.45            | 4,259.30            | 94.15                        |
| 6100 Long Term Rents/Leases                    | -69,401.39          |                     | -69,401.39                   |
| 6102 Buildings and Facilities                  | 74,001.95           | 20,247.70           | 53,754.25                    |
| 6103 Rental Equipment                          | 337.63              | 745.40              | -407.77                      |
| 6405 Amortization Expense                      | 34,317.14           |                     | 34,317.14                    |
| <b>Total 6100 Long Term Rents/Leases</b>       | <b>39,255.33</b>    | <b>20,993.10</b>    | <b>18,262.23</b>             |
| 6108 Computer Software Expense                 | 17,126.06           | 9,509.30            | 7,616.76                     |
| 6109 Repairs and Maintenance                   | 1,280.64            | 745.40              | 535.24                       |
| 6206 Conference Registration Fees              | -413.50             | 458.30              | -871.80                      |
| 6304 Risk Management-General Agency Insurance  | 5,157.90            | 7,262.90            | -2,105.00                    |
| 6315 Promotional and Award Items               | 9,537.96            | 2,666.70            | 6,871.26                     |
| <b>Total 6000 Office Costs</b>                 | <b>87,256.69</b>    | <b>53,725.60</b>    | <b>33,531.09</b>             |
| 6200 Convening Expenses                        |                     |                     |                              |
| 6207 Meals                                     | 1,106.57            | 458.30              | 648.27                       |
| 6208 Transportation                            | 5,440.27            | 17,916.70           | -12,476.43                   |
| 6209 Lodging                                   | 2,983.91            | 10,000.00           | -7,016.09                    |
| 6210 Meeting Catering and Food                 | 3,391.88            | 15,083.30           | -11,691.42                   |
| 6211 Conference Tech Services (AV)             | 267.81              |                     | 267.81                       |
| <b>Total 6200 Convening Expenses</b>           | <b>13,190.44</b>    | <b>43,458.30</b>    | <b>-30,267.86</b>            |
| 6400 Other Operating Expenses                  |                     |                     |                              |
| 6300 Operating Interest Charges & Service Fees | 790.68              | 833.30              | -42.62                       |
| 6402 Depreciation Expense                      | 6,795.61            |                     | 6,795.61                     |
| 6404 Miscellaneous                             | 574.19              | 2,541.70            | -1,967.51                    |
| <b>Total 6400 Other Operating Expenses</b>     | <b>8,160.48</b>     | <b>3,375.00</b>     | <b>4,785.48</b>              |
| <b>Total Expenses</b>                          | <b>758,194.21</b>   | <b>717,054.10</b>   | <b>41,140.11</b>             |
| <b>NET OPERATING INCOME</b>                    | <b>396,210.25</b>   | <b>479,233.40</b>   | <b>-83,023.15</b>            |
| <b>OTHER INCOME</b>                            |                     |                     |                              |
| 4601 Interest Income                           | 19,286.93           | 12,500.00           | 6,786.93                     |
| <b>Total Other Income</b>                      | <b>19,286.93</b>    | <b>12,500.00</b>    | <b>6,786.93</b>              |
| <b>OTHER EXPENSES</b>                          |                     |                     |                              |
| 7000 Indirect Cost Allocation                  | -12,964.63          |                     | -12,964.63                   |
| 7200 Nonoperating Interest Expense             | 3,911.67            |                     | 3,911.67                     |
| <b>Total Other Expenses</b>                    | <b>-9,052.96</b>    | <b>0.00</b>         | <b>-9,052.96</b>             |
| <b>NET OTHER INCOME</b>                        | <b>28,339.89</b>    | <b>12,500.00</b>    | <b>15,839.89</b>             |
| <b>NET INCOME</b>                              | <b>\$424,550.14</b> | <b>\$491,733.40</b> | <b>\$ -67,183.26</b>         |

# Budget vs. Actuals-Strategic Initiatives

July 2022 - April 2023

|   | Actual              | Budget             | Total<br>over Budget |
|---|---------------------|--------------------|----------------------|
| <b>INCOME</b>                           |                     |                    |                      |
| 4101 Organizational Reinvestment        |                     | 333,333.30         | -333,333.30          |
| <b>Total Income</b>                     | <b>0.00</b>         | <b>333,333.30</b>  | <b>-333,333.30</b>   |
| <b>GROSS PROFIT</b>                     | <b>0.00</b>         | <b>333,333.30</b>  | <b>-333,333.30</b>   |
| <b>EXPENSES</b>                         |                     |                    |                      |
| 5200 All Professional Fees              |                     |                    |                      |
| 5301 Communications Consultant          | 4,218.75            |                    | 4,218.75             |
| <b>Total 5200 All Professional Fees</b> | <b>4,218.75</b>     |                    | <b>4,218.75</b>      |
| 5300 Consultants                        |                     |                    |                      |
| 5304 General Consultant Fees            |                     | 258,333.30         | -258,333.30          |
| <b>Total 5300 Consultants</b>           |                     | <b>258,333.30</b>  | <b>-258,333.30</b>   |
| 6200 Convening Expenses                 |                     |                    |                      |
| 6207 Meals                              | 98.34               |                    | 98.34                |
| 6208 Transportation                     | 227.58              |                    | 227.58               |
| 6209 Lodging                            | 699.18              |                    | 699.18               |
| <b>Total 6200 Convening Expenses</b>    | <b>1,025.10</b>     |                    | <b>1,025.10</b>      |
| <b>Total Expenses</b>                   | <b>5,243.85</b>     | <b>258,333.30</b>  | <b>-253,089.45</b>   |
| <b>NET OPERATING INCOME</b>             | <b>-5,243.85</b>    | <b>75,000.00</b>   | <b>-80,243.85</b>    |
| <b>NET INCOME</b>                       | <b>\$ -5,243.85</b> | <b>\$75,000.00</b> | <b>\$ -80,243.85</b> |

# **MHEC Executive Committee Meeting FY23 Financial Notes to the April 30, 2023 Monthly Financial Reports**

## **Overview**

This financial update reflects the Year-to-Date (YTD) Budget and Actuals as of April 30, 2023.

Going forward, the *Monthly Financial Reports* will be submitted in this more comprehensive format and includes the YTD Budget versus Actual Income Statement, the Balance Sheet, a Statement of Cash Flows, and detailed program specific income statements. These financial statements are generated directly out of MHEC's accounting system. The familiar Net Assets Tracker (formerly Unrestricted Funds Balance) which highlights changes in Board Designated Funds is also included for April. Page number references refer to the *Monthly Financial Reports*. Numbers in parentheses refer to MHEC's accounting system.

## **Financial Statement Highlights**

### **Income/Revenue**

- **Grants Revenue (4100)** FY23 was budgeted per FASB (Financial Accounting Standards Board) guidelines; however, GASB (Governmental Accounting Standards Board) is now followed for financial reporting purposes. This means grant revenue is recognized as expended for its intended purpose, as compared to recognizing grant revenue all at once when grants are received per FASB guidelines.
- **Contract Revenue (4200)** Revenue from MHEC's Technology Contracts is forecast to be approximately four times what was budgeted due primarily to an increase in Dell's administration fee. This increase is 200 percent over last year. Revenue Sharing (4230) of these Contract Revenues with other Compacts occurs at year end and is expected to be over budget as well (estimated at \$1.07 million).
- **Program Revenue (4300)** is a consolidation of all program revenues. Overall, Program Revenues are \$179,686 under budget. For detail on individual programs, see pages 9-25. Highlights:
  - Risk Management / Insurance Program Revenues (Master Property Program and MHECare) – MPP is currently \$275,000 below budget. A final, additional, one-half year MPP payment is expected. That program will be sunsetting and will result in lower program revenue in the future. MHECare program revenue is \$17,639 under budget year to date. However, additional MHECare payments will be coming in around May and September.
  - In total M-SARA Program revenue is \$112,952 over budget.
- **State Obligations Revenue (4400)** All States have paid their dues as of April 2023. State revenue is now recognized throughout the fiscal year to represent the usage of funds more accurately across the months.
- Total YTD Income is \$2.658 million over budget.

## Expenses

- **Personnel/Salaries and Related (5000 series)** Salaries and related costs are lower than budget due to positions budgeted but not yet filled.
- **Professional Fees/ Accounting Services (5201)** MHEC engaged CliftonLarsonAllen (CLA) to provide accounting and advisory services upon the departure of the former CFO. These expenses were not expected or budgeted for in FY23 but are partially offset by lower salaries and benefits.
- **General Consultant Fees (5304)** Budget includes strategic planning work of which little has been spent (see detailed Strategic Initiatives report on page 27). Actual costs include M-SARA consultants to backfill a temporarily vacant position and grant consultants.
- **Office Related Costs (6000)** These expenses are in alignment with the FY23 budget.
- **Convening (6200)** The budget expected in-person attendance would return to 100 percent pre-COVID participation, though that has not yet occurred.
- **Other - Sub Grant (5305)** M-SARA sub-grants (mini-grants) typically occur in the final four months of the year.
- **Other Income (4601) and Other Expenses (7200)** Similar to the audit, these items are reflected below routine Net Operating Income. Nonoperating Interest Expense is related to the capitalization of leases as required in the FY22 audit.

## Net Income

- Net Income is currently a surplus of \$3.225 million. However, approximately \$1.07 million of this surplus has yet to be paid out in Revenue Sharing (see Contract Revenue section above).

## Balance Sheet Highlights (Page 6 of *Monthly Financial Report*)

- This statement is a standard part of a complete set of financial statements as is seen in the annual year-end audit. It is presented with a comparison to the same period last year.
- **Current Assets** are predominantly made up of Cash, Accounts Receivable and minimal Prepaid expenses. Significant increases in current assets are a result of the YTD surplus and increased contract revenue.
- **Fixed Assets** include items like Leasehold Improvements and the capitalization of leases in FY22.
- MHEC has an office lease at the Crown Roller Mill building that expires May 2026.
- **Liabilities** include routine Accounts Payable, Accrued Vacation Liability, Liabilities associated with capitalizing leases in FY22, and Deferred Revenue. The increase in total liabilities is a result of the change to GASB from FASB in the use of Deferred Revenue for grants and the short- and-long term liabilities associated with capitalization of leases at the end of FY22.
- **Deferred Revenue (2215)** captures the unearned portions of revenues, which allows the spreading of state revenues across the 12-month fiscal year to match expenditures. This also allows for the spreading of grant revenues over the course of the grant period to also match expenditures.

- **Equity/ Net Assets** (the accounting system defaults to the term 'Equity'). This section reflects the ending period balance of Net Asset accounts and should directly reconcile to the Net Asset tracker where changes are highlighted, particularly in the Board Designated Funds.

#### **Net Asset Tracker**

- With a current Operations Reserve of \$1.671 million, adding a \$1.329 million additional reserve would result in a \$3 million 9-month reserve. Operating expenses are approximately \$4 million annually.

# MHEC's Net Assets Tracker

as of 4/30/2023

## Unrestricted Net Assets Tracker

|                                      | Balance as of<br>6/30/2022 | FY23 Change<br>in Net Assets<br>and design<br>releases | FY23 Reclass<br>from Restricted | FY23<br>Designation<br>changes | Balance as of<br>4/30/2023 |
|--------------------------------------|----------------------------|--|---------------------------------|--------------------------------|----------------------------|
| <b>Unrestricted Net Assets</b>       |                            |  |                                 |                                |                            |
| <b>Board Designated</b>              |                            |  |                                 |                                |                            |
| Risk Management                      | 25,000.00                  | -  |                                 | -                              | 25,000.00                  |
| Operations Reserve                   | 1,671,000.00               | -  |                                 | -                              | 1,671,000.00               |
| M SARA Reserve                       | 464,000.00                 |  |                                 | 30,531.00                      | 494,531.00                 |
| Opportunity Reserve                  | -                          |  |                                 |                                | -                          |
| Special Projects                     | 500,000.00                 |  |                                 |                                | 500,000.00                 |
| Open Education Resources (OER)       | -                          | -  |                                 |                                | -                          |
| Special Projects Total               | 500,000.00                 | -  | -                               | -                              | 500,000.00                 |
| Organizational Capacity              |                            |  |                                 |                                |                            |
| Technology                           | 10,439.00                  | -  |                                 | -                              | 10,439.00                  |
| Organizational Capacity Total        | 10,439.00                  | -  |                                 | -                              | 10,439.00                  |
| <b>Opportunity Reserve Total</b>     | <b>510,439.00</b>          | -  | -                               | -                              | <b>510,439.00</b>          |
| <b>Capital Assets Reserve</b>        |                            |  |                                 |                                |                            |
| Future Lease Payments                | 450,000.00                 |  |                                 |                                | 450,000.00                 |
| Capital Investments                  | 17,291.00                  | -  | -                               | -                              | 17,291.00                  |
| <b>Capital Asset Reserve Total</b>   | <b>467,291.00</b>          | -  | -                               | -                              | <b>467,291.00</b>          |
| <b>Board Designated Total</b>        | <b>3,137,730.00</b>        | -  | -                               | <b>30,531.00</b>               | <b>3,168,261.00</b>        |
| <b>Undesignated Net Assets</b>       | 1,923,320.66               | 3,225,611.33   |                                 | (26,374.75)                    | 5,122,557.24               |
| Strategic Plan Implementation - FY23 | 400,000.00                 |  |                                 | (4,156.25)                     | 395,843.75                 |
| <b>Undesignated Net Assets Total</b> | <b>2,323,320.66</b>        | <b>3,225,611.33</b>                                    | -                               | <b>(30,531.00)</b>             | <b>5,518,400.99</b>        |
| <b>Total Unrestricted Net Assets</b> | <b>5,461,050.66</b>        | <b>3,225,611.33</b>                                    | -                               | -                              | <b>8,686,661.99</b>        |

## **Action Item 4**

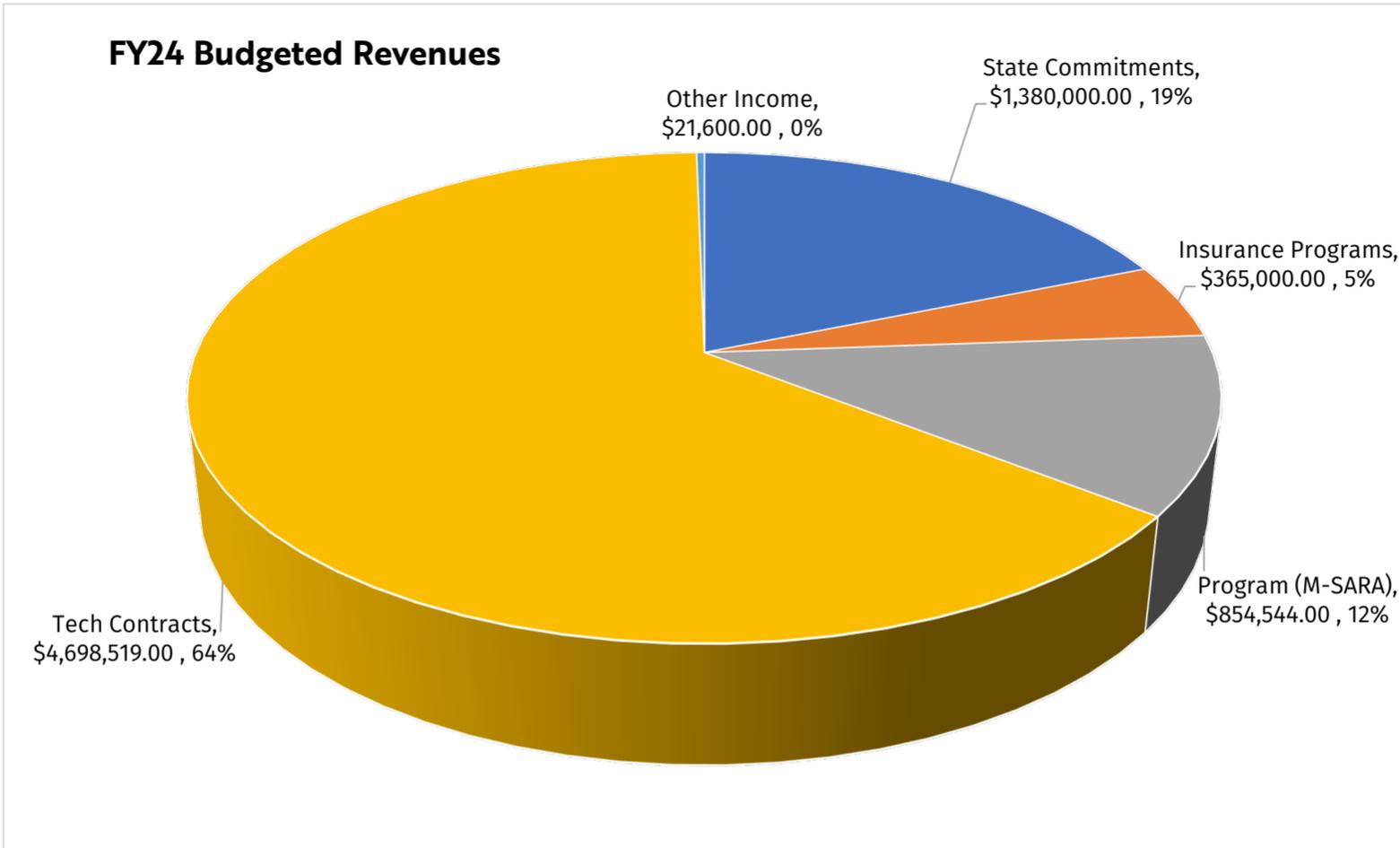
### **Proposed FY24 Budget Presentation**

#### **Figures Presented:**

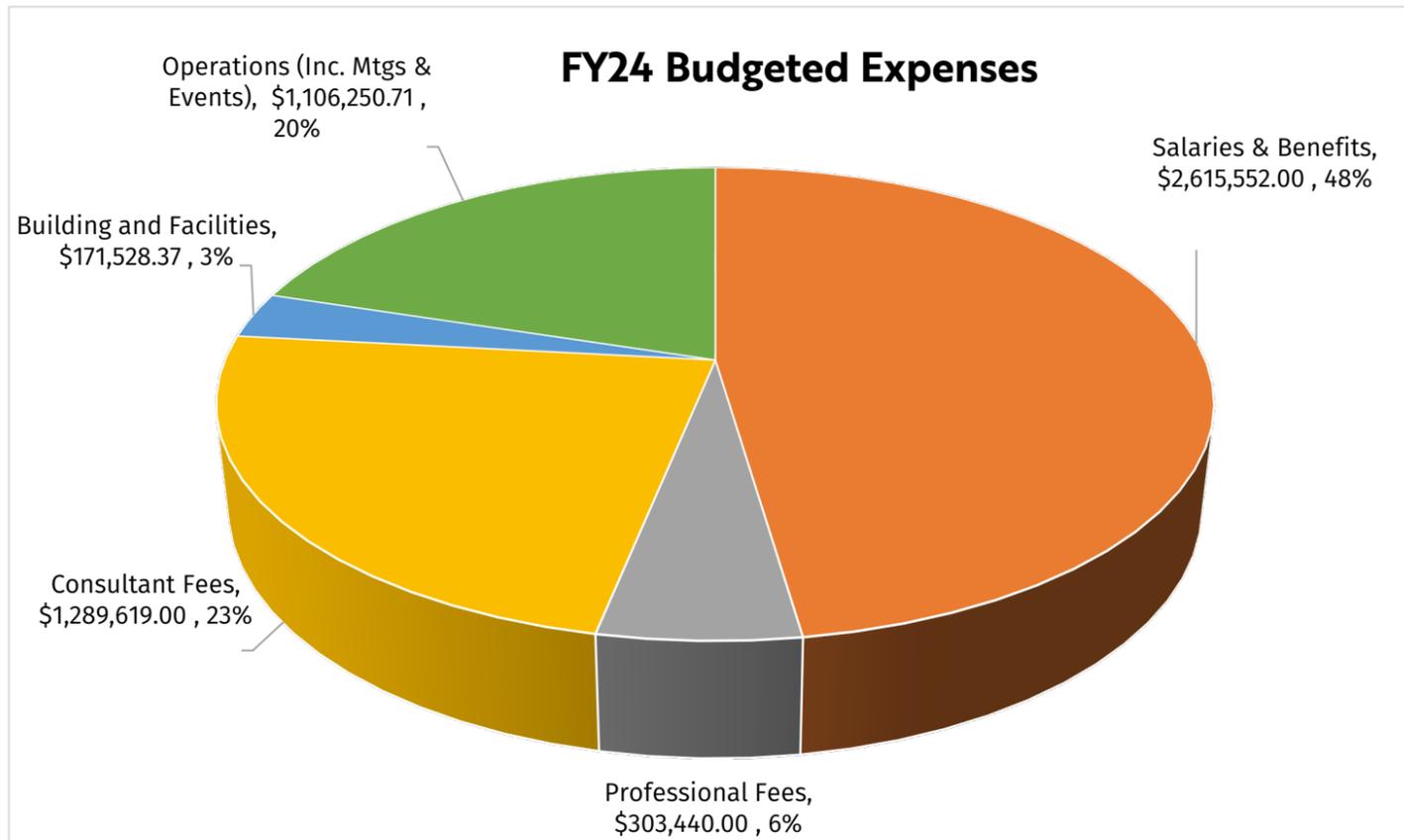
- FY24 Budgeted Revenues
- FY24 Budgeted Expenses
- FY24 Budgeted Revenues vs. Expenses
- Revenue Trends
- Expense Trends
- Prior 2-Year Comparison
- FY24 Budget by Program

#### **Proposed Motion:**

The MHEC Executive Committee approve the proposed FY24 Budget.



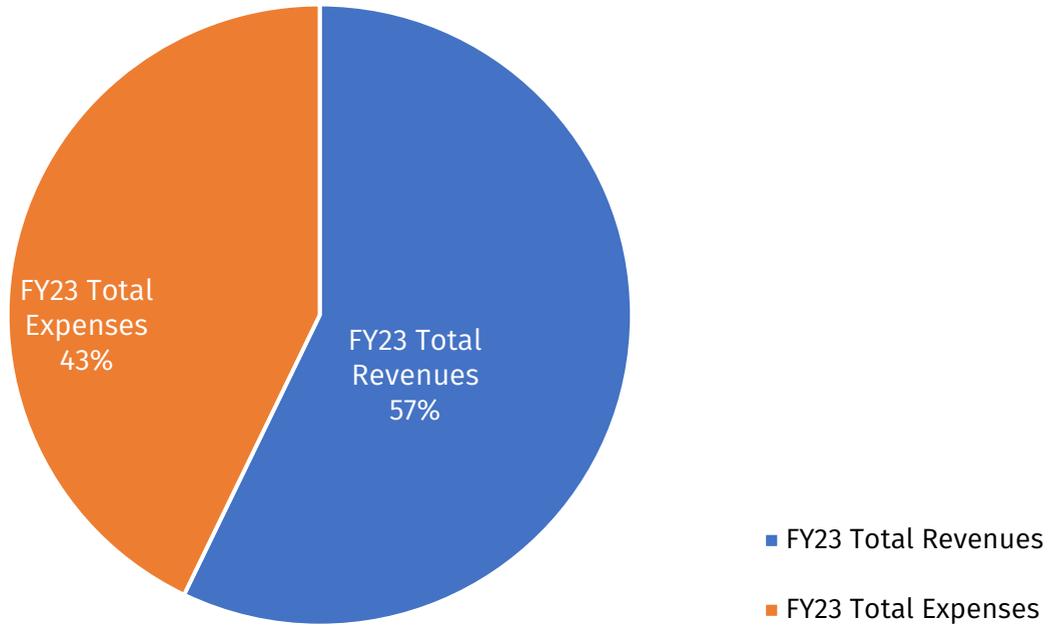
| <b>FY24 Budgeted Revenues</b> |                        |             |
|-------------------------------|------------------------|-------------|
| State Commitments             | \$ 1,380,000.00        | 19%         |
| Insurance Programs            | \$ 365,000.00          | 5%          |
| Program (M-SARA)              | \$ 854,544.00          | 12%         |
| Tech Contracts                | \$ 4,698,519.00        | 64%         |
| Other Income                  | \$ 21,600.00           | 0%          |
| <b>Total Budgeted Revenue</b> | <b>\$ 7,319,663.00</b> | <b>100%</b> |



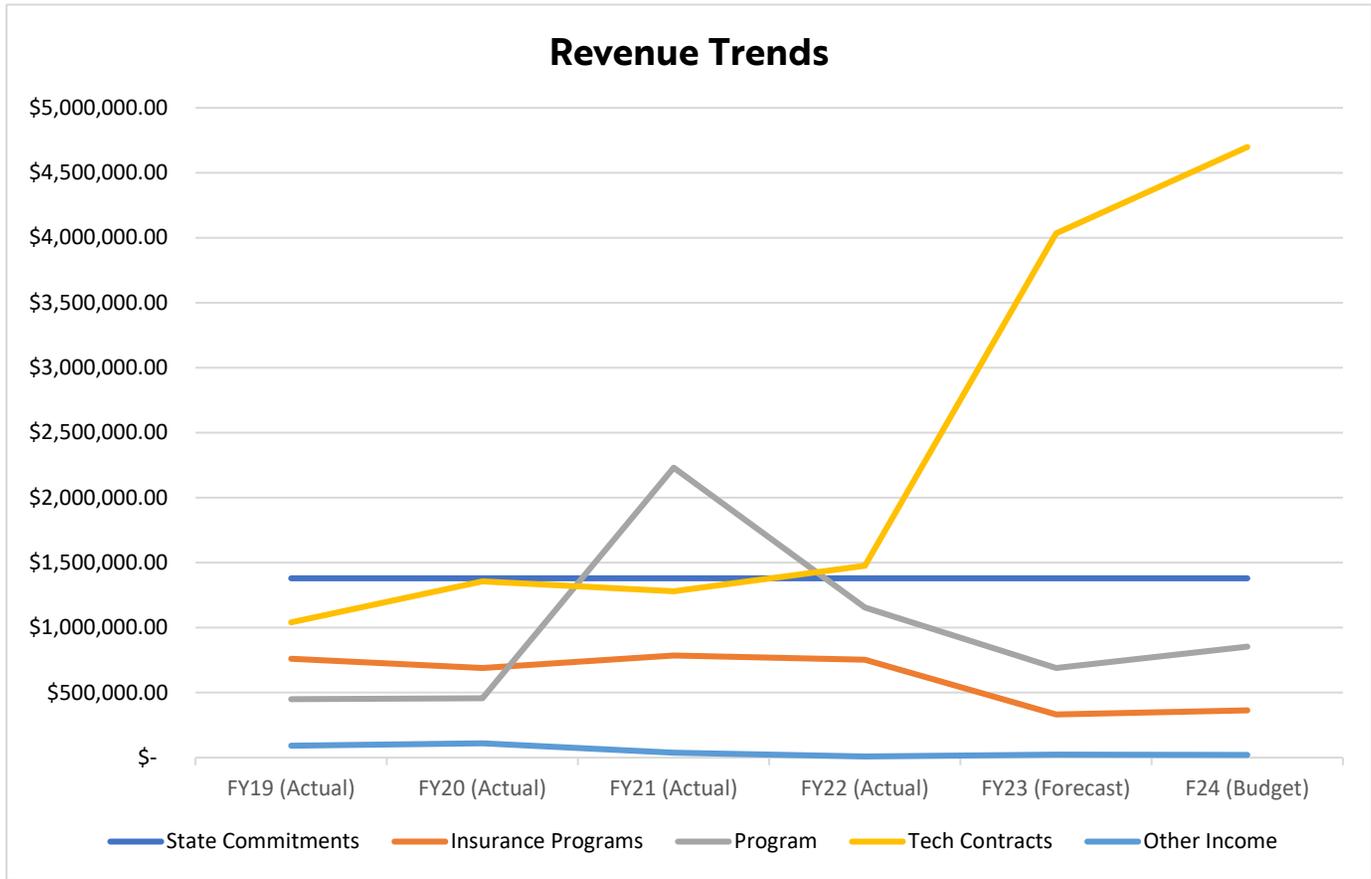
| FY24 Budgeted Expenses          |                        |             |
|---------------------------------|------------------------|-------------|
| Salaries & Benefits             | \$ 2,615,552.00        | 48%         |
| Professional Fees               | \$ 303,440.00          | 6%          |
| Consultant Fees                 | \$ 1,289,619.00        | 24%         |
| Building and Facilities         | \$ 171,528.37          | 3%          |
| Operations (Inc. Mtgs & Events) | \$ 1,106,250.71        | 20%         |
| <b>Total Budgeted Expenses</b>  | <b>\$ 5,486,390.08</b> | <b>100%</b> |

| FY24 Budget Revenues Over Expenses |                 |      |
|------------------------------------|-----------------|------|
| Revenues Over Expenses             | \$ 1,833,272.92 | 133% |

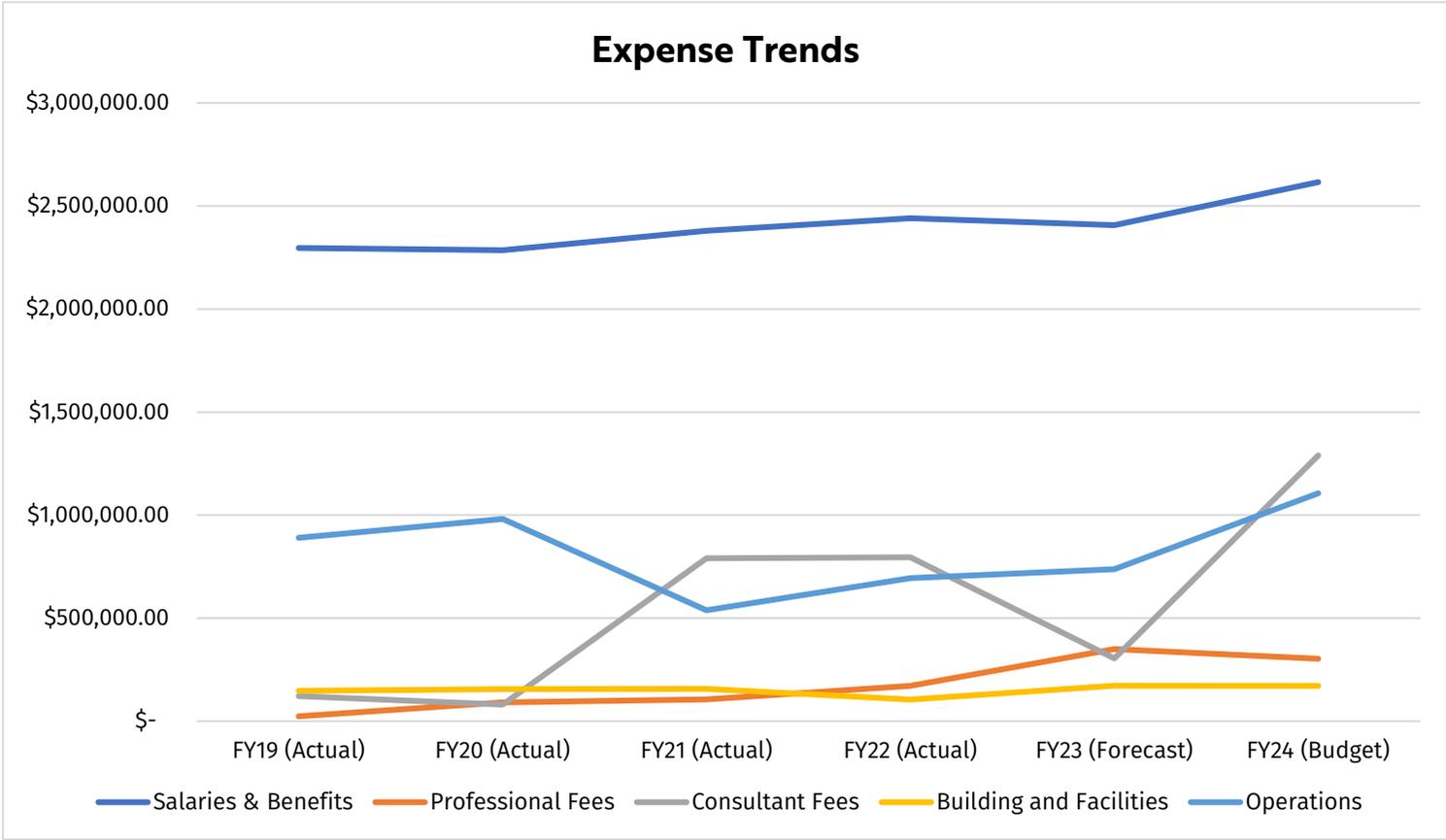
### FY24 Budgeted Revenues vs. Expenses



| <b>FY24 Forecast Revenues vs. Expenses</b> |                 |
|--|-----------------|
| FY23 Total Revenues                        | \$ 7,319,663.00 |
| FY23 Total Expenses                        | \$ 5,486,390.08 |



| <b>Revenue Trends</b> |                 |                 |                 |                 |                 |                 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                       | FY19 (Actual)   | FY20 (Actual)   | FY21 (Actual)   | FY22 (Actual)   | FY23 (Forecast) | F24 (Budget)    |
| State Commitments     | \$ 1,380,000.00 | \$ 1,380,000.00 | \$ 1,380,000.00 | \$ 1,380,000.00 | \$ 1,380,000.00 | \$ 1,380,000.00 |
| Insurance Programs    | \$ 761,718.00   | \$ 689,521.00   | \$ 785,968.00   | \$ 754,054.00   | \$ 332,361.00   | \$ 365,000.00   |
| Program               | \$ 450,000.00   | \$ 458,000.00   | \$ 2,231,400.00 | \$ 1,154,230.00 | \$ 689,911.00   | \$ 854,544.00   |
| Tech Contracts        | \$ 1,041,071.00 | \$ 1,356,777.00 | \$ 1,280,415.00 | \$ 1,476,315.00 | \$ 4,035,265.00 | \$ 4,698,519.00 |
| Other Income          | \$ 92,704.00    | \$ 110,354.00   | \$ 36,838.00    | \$ 9,000.00     | \$ 23,074.00    | \$ 21,600.00    |



| Expense Trends          |                 |                 |                 |                 |                 |                 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                         | FY19 (Actual)   | FY20 (Actual)   | FY21 (Actual)   | FY22 (Actual)   | FY23 (Forecast) | FY24 (Budget)   |
| Salaries & Benefits     | \$ 2,296,847.00 | \$ 2,285,355.00 | \$ 2,379,732.00 | \$ 2,440,059.00 | \$ 2,407,527.00 | \$ 2,615,552.00 |
| Professional Fees       | \$ 23,998.00    | \$ 90,986.00    | \$ 106,384.00   | \$ 171,137.00   | \$ 350,123.00   | \$ 303,440.00   |
| Consultant Fees         | \$ 122,520.00   | \$ 80,939.00    | \$ 791,067.00   | \$ 795,364.00   | \$ 304,212.00   | \$ 1,289,619.00 |
| Building and Facilities | \$ 148,056.00   | \$ 155,937.00   | \$ 158,084.00   | \$ 105,347.00   | \$ 172,512.00   | \$ 171,528.37   |
| Operations              | \$ 890,708.00   | \$ 981,321.00   | \$ 538,468.00   | \$ 695,054.00   | \$ 738,184.00   | \$ 1,106,250.71 |

**Prior 2-Year Comparison**

| Account  | FY22<br>Actual   | FY23<br>Approved<br>Budget | FY23<br>Forecast<br>Actuals | FY24<br>Proposed<br>Budget | FY24 Budget<br>to FY23     |                | FY25 Draft<br>Budget |
|--|------------------|----------------------------|-----------------------------|----------------------------|----------------------------|----------------|----------------------|
|  |                  |                            |                             |                            | Forecast<br>Actuals - Diff | Diff %         |                      |
| <b>Income</b>                                  |                  |                            |                             |                            |                            |                |                      |
| 4010 Microfocus Collaborative Fees             | 27,000           | 20,000                     | 30,708                      | 20,000                     | (10,708)                   | -34.87%        | 20,000               |
| 4100 Grants                                    | 672,574          | -                          | 164,849                     | 305,014                    | 140,165                    | 85.03%         | 100,000              |
| 4101 Organizational Reinvestment               |                  | 400,000                    | -                           | -                          | -                          |                | -                    |
| 4200 Contract Revenue                          | 1,449,315        | 1,879,050                  | 5,358,422                   | 6,238,025                  | 879,603                    | 16.42%         | 6,238,025            |
| 4230 Compact Revenue Sharing                   |                  | (474,763)                  | (1,353,865)                 | (1,559,506)                | (205,641)                  | 15.19%         | (1,559,506)          |
| 4300 Program Revenue                           | 1,235,710        | 1,124,531                  | 857,423                     | 914,530                    | 57,107                     | 6.66%          | 914,530              |
| 4400 State Obligations Revenue                 | 1,380,000        | 1,380,000                  | 1,380,000                   | 1,380,000                  | -                          | 0.0%           | 1,380,000            |
| 4603 Miscellaneous Other Income                | -                | 55,545                     | 23,074                      | -                          | (23,074)                   | -100.0%        | -                    |
| 4605 Sponsorship Revenue                       | 9,000            |                            |                             |                            |                            |                |                      |
| <b>Total Income</b>                            | <b>4,773,598</b> | <b>4,384,363</b>           | <b>6,460,611</b>            | <b>7,298,063</b>           | <b>837,452</b>             | <b>(0)</b>     | <b>7,093,049</b>     |
| <b>Expense</b>                                 |                  |                            |                             |                            |                            |                |                      |
| 5001 Salary                                    | 1,752,831        | 1,933,207                  | 1,752,145                   | 1,863,656                  | 111,511                    | 6.36%          | 1,956,839            |
| 5101 Health Insurance                          | 241,369          | 270,682                    | 250,457                     | 268,822                    | 18,365                     | 7.33%          | 295,704              |
| 5102 Dental Insurance                          | 11,536           | 14,310                     | 10,223                      | 12,292                     | 2,069                      | 20.24%         | 12,907               |
| 5103 Life/ LTD/ STD Insurance                  | 27,524           | 30,755                     | 12,220                      | 11,305                     | (915)                      | -7.49%         | 11,870               |
| 5105 Vision Insurance                          | -                | 500                        | 1,271                       | 1,425                      | 154                        | 12.12%         | 1,496                |
| 5107 Employer 403(b)                           | 225,637          | 245,922                    | 205,391                     | 242,275                    | 36,884                     | 17.96%         | 254,389              |
| 5108 Section 125 Plan                          | 2                | 1,000                      | -                           | 1,000                      | 1,000                      | #DIV/0!        | 1,050                |
| 5109 Employee Parking                          | 28,577           | 28,560                     | 29,151                      | 37,980                     | 8,829                      | 30.29%         | 39,879               |
| 5110 Other Benefits                            | 7,833            | 7,800                      | 7,508                       | 7,800                      | 292                        | 3.89%          | 8,190                |
| 5112 SUTA                                      | 7,890            | 6,236                      | 889                         | 607                        | (282)                      | -31.72%        | 637                  |
| 5114 Payroll Tax Expense                       | 118,264          | 142,242                    | 117,564                     | 134,790                    | 17,226                     | 14.65%         | 141,530              |
| 5115 Cell Phone                                | 9,059            | 8,640                      | 6,508                       | 9,600                      | 3,092                      | 47.51%         | 9,600                |
| 5116 Employee Development Funds                | 9,539            | 25,500                     | 14,200                      | 24,000                     | 9,800                      | 69.01%         | 24,000               |
| 5201 Accounting Services                       | 67,144           | 25,000                     | 299,645                     | 143,000                    | (156,645)                  | -52.28%        | 143,000              |
| 5202 Legal Fees                                | 103,993          | 50,000                     | 31,544                      | 60,000                     | 28,456                     | 90.21%         | 35,000               |
| 5204 Honoraria and Lecture Fees                | 47,845           | 27,500                     | 9,277                       | 33,040                     | 23,763                     | 256.15%        | 33,040               |
| 5207 HR & Payroll Support                      | 7,493            | 5,400                      | 5,419                       | 65,400                     | 59,981                     | 1106.86%       | 65,400               |
| 5210 Professional Fees - Other                 | 8,427            | 1,000                      | 4,238                       | 2,000                      | (2,238)                    | -52.81%        | 2,000                |
| 5301 Communications Consultant                 | 22,938           | 40,000                     | 18,427                      | 190,000                    | 171,573                    | 931.1%         | 40,000               |
| 5302 Computer Services & Support               | 152,427          | 142,102                    | 150,968                     | 511,519                    | 360,551                    | 238.83%        | 511,519              |
| 5304 General Consultant Fees                   | 367,038          | 340,500                    | 134,817                     | 488,100                    | 353,283                    | 262.05%        | 398,100              |
| 5305 Sub-Grant Expense                         | 342,000          | 55,000                     | 50,000                      | 100,000                    | 50,000                     | 100.0%         | 100,000              |
| 5405 Advertising                               | 394              |                            |                             |                            |                            |                |                      |
| 6001 Supplies                                  | 3,230            | 3,100                      | 2,886                       | 3,575                      | 689                        | 23.86%         | 3,753                |
| 6002 Office & Computer Equipment               | 9,684            | 14,500                     | 18,000                      | 35,004                     | 17,004                     | 94.47%         | 36,754               |
| 6004 Publications                              | 1,007            | 2,618                      | 1,331                       | 4,400                      | 3,069                      | 230.58%        | 4,620                |
| 6005 Dues, Subscriptions & Memberships         | 28,684           | 15,970                     | 30,562                      | 35,356                     | 4,794                      | 15.69%         | 37,124               |
| 6006 License                                   | 879              | 925                        | 941                         | 1,450                      | 509                        | 54.09%         | 1,523                |
| 6007 Postage and Shipping                      | 3,595            | 4,550                      | 3,881                       | 3,775                      | (106)                      | -2.73%         | 3,964                |
| 6009 Printing and Duplicating                  | 1,595            | 550                        | 1,412                       | 4,000                      | 2,588                      | 183.27%        | 4,200                |
| 6010 Telephone/Fax/Internet                    | 16,038           | 20,000                     | 17,649                      | 22,400                     | 4,751                      | 26.92%         | 23,520               |
| 6102 Buildings and Facilities                  | 105,347          | 164,676                    | 106,749                     | 108,000                    | 1,251                      | 1.17%          | 113,400              |
| 6103 Rental Equipment                          | 1,711            | 3,500                      | 2,233                       | 500                        | (1,733)                    | -77.61%        | 525                  |
| 6105 Meeting Room Rental Fees                  | 4,834            | 5,450                      | 7,221                       | 9,000                      | 1,779                      | 24.64%         | 9,450                |
| 6108 Computer Software Expense                 | 24,257           | 68,322                     | 55,335                      | 56,889                     | 1,554                      | 2.81%          | 59,733               |
| 6109 Repairs and Maintenance                   | 881              | 3,500                      | 3,955                       | 3,999                      | 44                         | 1.12%          | 4,199                |
| 6206 Conference Registration Fees              | 6,676            | 13,747                     | 23,030                      | 59,400                     | 36,370                     | 157.92%        | 62,370               |
| 6207 Meals travel                              | 8,503            | 17,402                     | 12,529                      | 56,249                     | 43,720                     | 348.95%        | 59,061               |
| 6208 Transportation                            | 90,517           | 210,162                    | 171,466                     | 310,065                    | 138,599                    | 80.83%         | 325,568              |
| 6209 Lodging                                   | 78,400           | 195,814                    | 127,721                     | 225,415                    | 97,694                     | 76.49%         | 236,686              |
| 6210 Meeting Catering and Food                 | 69,762           | 132,023                    | 109,933                     | 141,934                    | 32,001                     | 29.11%         | 149,031              |
| 6211 Conference Tech Services (AV)             | 31,257           | 61,275                     | 25,987                      | 43,050                     | 17,063                     | 65.66%         | 45,203               |
| 6300 Operating Interest Charges & Service Fees | 6,922            | 1,000                      | 1,154                       | 1,000                      | (154)                      | -13.34%        | 1,050                |
| 6304 Risk Management-General Agency Insurance  | 26,663           | 34,104                     | 37,425                      | 39,000                     | 1,575                      | 4.21%          | 42,900               |
| 6305 Workers Compensation Insurance            | 5,379            | -                          | -                           | 5,591                      | 5,591                      |                | 5,871                |
| 6315 Promotional and Award Items               | 5,430            | 3,940                      | 11,769                      | 4,120                      | (7,649)                    | -65.0%         | 4,326                |
| 6401 Bad Debt Expense                          | 9,000            |                            |                             |                            |                            |                |                      |
| 6402 Depreciation Expense                      | 45,812           | -                          | 33,328                      | 27,453                     | (5,875)                    | -17.63%        | 27,453               |
| 6404 Miscellaneous                             | 4,000            | 9,845                      | 3,731                       | 9,000                      | 5,269                      | 141.22%        | 9,000                |
| 6405 Amortization Expense                      | 63,530           | -                          | 63,530                      | 63,528                     | (2)                        | 0.0%           | 63,528               |
| <b>Total Expense</b>                           | <b>4,213,350</b> | <b>4,388,830</b>           | <b>3,985,620</b>            | <b>5,482,763</b>           | <b>1,497,143</b>           | <b>19.35%</b>  | <b>5,420,960</b>     |
| <b>Operating Gain/Loss</b>                     |                  |                            |                             |                            |                            |                |                      |
| <b>Operating Gain/Loss</b>                     | <b>560,248</b>   | <b>(4,467)</b>             | <b>2,474,991</b>            | <b>1,815,300</b>           | <b>(659,691)</b>           | <b>-31%</b>    | <b>1,672,088</b>     |
| <b>Other Income</b>                            |                  |                            |                             |                            |                            |                |                      |
| 4601 Interest Income                           | 5,772            | 15,000                     | 17,760                      | 21,600                     | 3,840                      | 21.62%         | 21,600               |
| <b>Total Other Income</b>                      | <b>5,772</b>     | <b>15,000</b>              | <b>17,760</b>               | <b>21,600</b>              | <b>3,840</b>               | <b>22%</b>     | <b>21,600</b>        |
| <b>Other Expense</b>                           |                  |                            |                             |                            |                            |                |                      |
| Other Nonoperating Expense                     | 250,000          | -                          |                             |                            |                            |                |                      |
| 7200 Nonoperating Interest Expense             | -                | -                          | 5,302                       | 3,627                      | (1,675)                    | -31.59%        | 3,627                |
| <b>Total Other Expense</b>                     | <b>250,000</b>   | <b>-</b>                   | <b>5,302</b>                | <b>3,627</b>               | <b>(1,675)</b>             | <b>-31.59%</b> | <b>3,627</b>         |
| <b>Net Other Income/Expense</b>                | <b>-244,228</b>  | <b>15,000</b>              | <b>12,458</b>               | <b>17,973</b>              | <b>5,515</b>               | <b>44.27%</b>  | <b>17,973</b>        |
| <b>Net Gain/Loss</b>                           | <b>316,020</b>   | <b>10,533</b>              | <b>2,487,449</b>            | <b>1,833,273</b>           | <b>(654,176)</b>           | <b>-26.3%</b>  | <b>1,690,061</b>     |

## FY24 Budget by Program

| FY24 Budget                                      | Contract         |           | General &        |                | Policy &       |                     | Risk                  |          | Total            |
|--|------------------|-----------|------------------|----------------|----------------|---------------------|-----------------------|----------|------------------|
|  | Services         | Convening | Administrative   | M-SARA         | Research       | Management Programs | Strategic Initiatives |          |                  |
| <b>Income</b>                                    |                  |           |                  |                |                |                     |                       |          |                  |
| 4010 Microfocus Collaborative Fees               | 20,000           | -         | -                | -              | -              | -                   | -                     | -        | 20,000           |
| 4100 Grants                                      | -                | -         | -                | -              | 305,014        | -                   | -                     | -        | 305,014          |
| 4200 Contract Revenue                            | 6,238,025        | -         | -                | -              | -              | -                   | -                     | -        | 6,238,025        |
| 4230 Compact Revenue Sharing                     | (1,559,506)      | -         | -                | -              | -              | -                   | -                     | -        | (1,559,506)      |
| 4300 Program Revenue                             | -                | -         | -                | 549,530        | -              | 365,000             | -                     | -        | 914,530          |
| 4400 State Obligations Revenue                   | -                | -         | 1,380,000        | -              | -              | -                   | -                     | -        | 1,380,000        |
| 4603 Miscellaneous Other Income                  | -                | -         | -                | -              | -              | -                   | -                     | -        | -                |
| <b>Total Income</b>                              | <b>4,698,519</b> | <b>-</b>  | <b>1,380,000</b> | <b>549,530</b> | <b>305,014</b> | <b>365,000</b>      | <b>-</b>              | <b>-</b> | <b>7,298,063</b> |
| <b>Expense</b>                                   |                  |           |                  |                |                |                     |                       |          |                  |
| 5001 Salary                                      | 229,779          | 373,139   | 414,466          | 252,684        | 450,135        | 143,453             | -                     | -        | 1,863,656        |
| 5101 Health Insurance                            | 27,501           | 71,369    | 56,483           | 37,291         | 61,960         | 14,219              | -                     | -        | 268,822          |
| 5102 Dental Insurance                            | 1,463            | 2,388     | 2,100            | 1,893          | 3,603          | 844                 | -                     | -        | 12,292           |
| 5103 Life/ LTD/ STD Insurance                    | 1,363            | 2,316     | 2,383            | 1,467          | 2,856          | 919                 | -                     | -        | 11,305           |
| 5105 Vision Insurance                            | 133              | 318       | 304              | 223            | 371            | 76                  | -                     | -        | 1,425            |
| 5107 Employer 403(b)                             | 29,871           | 48,508    | 53,881           | 32,849         | 58,518         | 18,649              | -                     | -        | 242,275          |
| 5108 Section 125 Plan                            | -                | -         | 1,000            | -              | -              | -                   | -                     | -        | 1,000            |
| 5109 Employee Parking                            | 4,056            | 8,484     | 8,652            | 5,784          | 9,103          | 1,901               | -                     | -        | 37,980           |
| 5110 Other Benefits                              | -                | -         | 7,800            | -              | -              | -                   | -                     | -        | 7,800            |
| 5112 SUTA  | 56               | 163       | 118              | 84             | 151            | 35                  | -                     | -        | 607              |
| 5114 Payroll Tax Expense                         | 16,022           | 26,899    | 28,790           | 17,953         | 34,306         | 10,820              | -                     | -        | 134,790          |
| 5115 Cell Phone                                  | 600              | 1,800     | 3,000            | 1,200          | 2,400          | 600                 | -                     | -        | 9,600            |
| 5116 Employee Development Funds                  | 1,500            | 4,500     | 7,500            | 3,000          | 6,000          | 1,500               | -                     | -        | 24,000           |
| 5201 Accounting Services                         | -                | -         | 143,000          | -              | -              | -                   | -                     | -        | 143,000          |
| 5202 Legal Fees                                  | -                | -         | 25,000           | -              | -              | 35,000              | -                     | -        | 60,000           |
| 5204 Honoraria and Lecture Fees                  | -                | 2,000     | -                | -              | 31,040         | -                   | -                     | -        | 33,040           |
| 5207 HR & Payroll Support                        | -                | -         | 5,400            | -              | -              | -                   | -                     | 60,000   | 65,400           |
| 5210 Professional Fees - Other                   | -                | 2,000     | -                | -              | -              | -                   | -                     | -        | 2,000            |
| 5301 Communications Consultant                   | -                | -         | 40,000           | -              | -              | -                   | -                     | 150,000  | 190,000          |
| 5302 Computer Services & Support                 | -                | 40,000    | 18,020           | -              | 29,000         | -                   | -                     | 380,000  | 467,020          |
| 5302A Allocation account Computer Svcs & Support | 4,454            | 10,150    | 9,594            | 6,675          | 11,178         | 2,447               | -                     | -        | 44,499           |
| 5304 General Consultant Fees                     | -                | -         | 12,100           | 24,000         | 232,000        | 120,000             | 100,000               | -        | 488,100          |
| 5305 Sub-Grant Expense                           | -                | -         | -                | 55,000         | 45,000         | -                   | -                     | -        | 100,000          |
| 6001 Supplies                                    | 350              | 873       | 755              | 525            | 879            | 192                 | -                     | -        | 3,574            |
| 6002 Office & Computer Equipment                 | 1,501            | 3,421     | 23,238           | 2,250          | 3,768          | 825                 | -                     | -        | 35,004           |
| 6004 Publications                                | 500              | -         | -                | -              | 3,900          | -                   | -                     | -        | 4,400            |
| 6005 Dues, Subscriptions & Memberships           | 4,200            | 5,100     | 14,131           | 4,200          | 5,800          | 1,925               | -                     | -        | 35,356           |
| 6006 License                                     | -                | -         | 450              | -              | -              | 1,000               | -                     | -        | 1,450            |
| 6007 Postage and Shipping                        | -                | 1,700     | 1,400            | 125            | 450            | 100                 | -                     | -        | 3,775            |
| 6009 Printing and Duplicating                    | 300              | 684       | 1,647            | 450            | 753            | 165                 | -                     | -        | 4,000            |
| 6010 Telephone/Fax/Internet                      | 2,002            | 4,562     | 6,712            | 3,000          | 5,024          | 1,100               | -                     | -        | 22,400           |
| 6102 Buildings and Facilities                    | 10,811           | 24,635    | 23,285           | 16,200         | 27,130         | 5,940               | -                     | -        | 108,000          |
| 6103 Rental Equipment                            | -                | -         | 500              | -              | -              | -                   | -                     | -        | 500              |
| 6105 Meeting Room Rental Fees                    | -                | 9,000     | -                | -              | -              | -                   | -                     | -        | 9,000            |
| 6108 Computer Software Expense                   | 500              | 12,100    | 26,889           | 600            | 16,800         | -                   | -                     | -        | 56,889           |
| 6109 Repairs and Maintenance                     | 400              | 912       | 862              | 600            | 1,004          | 220                 | -                     | -        | 3,999            |
| 6206 Conference Registration Fees                | -                | 13,650    | 6,500            | 4,600          | 17,550         | 2,100               | 15,000                | -        | 59,400           |
| 6207 Meals travel                                | 16,274           | 9,785     | 1,092            | 2,984          | 17,765         | 3,381               | 4,968                 | -        | 56,249           |
| 6208 Transportation                              | 29,250           | 120,855   | 4,080            | 28,200         | 93,230         | 18,850              | 15,600                | -        | 310,065          |
| 6209 Lodging                                     | 32,430           | 70,190    | 3,300            | 21,200         | 73,795         | 10,100              | 14,400                | -        | 225,415          |
| 6210 Meeting Catering and Food                   | 10,000           | 82,200    | 6,900            | 8,000          | 31,834         | 3,000               | -                     | -        | 141,934          |
| 6211 Conference Tech Services (AV)               | -                | 26,850    | -                | -              | 11,200         | 5,000               | -                     | -        | 43,050           |
| 6300 Operating Interest Charges & Service Fees   | -                | -         | 1,000            | -              | -              | -                   | -                     | -        | 1,000            |
| 6304 Risk Management-General Agency Insurance    | 3,904            | 8,896     | 8,408            | 5,850          | 9,797          | 2,145               | -                     | -        | 39,000           |
| 6305 Workers Compensation Insurance              | 689              | 1,119     | 1,243            | 758            | 1,350          | 430                 | -                     | -        | 5,591            |
| 6315 Promotional and Award Items                 | -                | 975       | 3,000            | 145            | -              | -                   | -                     | -        | 4,120            |

|                                    |                  |                    |                  |                |                    |                 |                  |                  |
|------------------------------------|------------------|--------------------|------------------|----------------|--------------------|-----------------|------------------|------------------|
| 6402 Depreciation Expense          | 2,748            | 6,262              | 5,919            | 4,118          | 6,896              | 1,510           | -                | <b>27,453</b>    |
| 6404 Miscellaneous                 | -                | -                  | 9,000            | -              | -                  | -               | -                | <b>9,000</b>     |
| 6405 Amortization Expense          | 6,359            | 14,491             | 13,697           | 9,529          | 15,958             | 3,494           | -                | <b>63,528</b>    |
| <b>Total Expense</b>               | <b>439,018</b>   | <b>1,012,296</b>   | <b>1,003,599</b> | <b>553,437</b> | <b>1,322,504</b>   | <b>411,941</b>  | <b>739,968</b>   | <b>5,482,763</b> |
| <b>Operating Gain/Loss</b>         | <b>4,259,501</b> | <b>(1,012,296)</b> | <b>376,401</b>   | <b>(3,907)</b> | <b>(1,017,490)</b> | <b>(46,941)</b> | <b>(739,968)</b> | <b>1,815,300</b> |
| <b>Other Income</b>                |                  |                    |                  |                |                    |                 |                  |                  |
| 4601 Interest Income               | -                | -                  | 21,600           | -              | -                  | -               | -                | <b>21,600</b>    |
| <b>Total Other Income</b>          | <b>-</b>         | <b>-</b>           | <b>21,600</b>    | <b>-</b>       | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>21,600</b>    |
| <b>Other Expense</b>               |                  |                    |                  |                |                    |                 |                  |                  |
| 7200 Nonoperating Interest Expense | -                | -                  | 3,627            | -              | -                  | -               | -                | <b>3,627</b>     |
| <b>Total Other Expense</b>         | <b>-</b>         | <b>-</b>           | <b>3,627</b>     | <b>-</b>       | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>3,627</b>     |
| <b>Net Other Income/Expense</b>    | <b>-</b>         | <b>-</b>           | <b>17,973</b>    | <b>-</b>       | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>17,973</b>    |
| <b>Net Gain/Loss</b>               | <b>4,259,501</b> | <b>(1,012,296)</b> | <b>394,374</b>   | <b>(3,907)</b> | <b>(1,017,490)</b> | <b>(46,941)</b> | <b>(739,968)</b> | <b>1,833,273</b> |

## FY24 Budget Guidance and Assumptions

- MHEC's bylaws currently require the Commission to operate on an annual budget cycle. As has been recent practice, a biennial budget is presented with FY24 being set for approval and FY25 for reference and long-term planning discussions.
- New budgeting software has been implemented this year. This tool facilitates greater collaboration resulting in more significant involvement of organizational budget owners (staff).
- This budget follows GASB accounting principles (MHEC now uses this approach after transitioning from FASB), which differ from previous periods, most significantly in the area of grant revenue. These revenues are now recognized and budgeted to match period expenditures of grant funds.
- Detailed budget work is created by individual program areas (sub departments). Budget presentation is by overarching consolidated program departments. These budget departments are also now labeled slightly differently (Risk Management programs, for example). Budgets and actuals (actual spending) are also now fully allocated to program departments. Previous budgeting had many costs, including all personnel costs, lumped into General Management and Operations. Fully allocated financial information allows MHEC to see the true, full costs to operate its various programs and services.
- FY23 is forecast to have revenues approximately \$2,000,000 over budget (due to the increased contract administrative fees, represented mostly by Dell sales) with expenses estimated at approximately \$400,000 below budget resulting in an estimated \$2,500,000 surplus. The presented FY24 budget represents an approximate \$1.5 million growth in budgeted expenditures. Budgeted revenues for FY24 will increase an approximate additional \$840,000 over FY23 forecast, resulting in an approximate FY24 \$1,800,000 surplus.
- FY24 budget as presented includes two brand new staff positions, one policy position which will be filled shortly and one position in the area of convening & event planning which was budgeted to be filled in early FY24. FY24 continues to include the vacant technology position which has been in the budget the last two years but not yet filled.
- Numbers in parentheses refer to MHEC's accounting system.

## MHEC FY24 Proposed Budget Highlights

- **FY25 Reference Only Budget**

- An average 5 percent increase in most line items from FY24. Property related/MPP costs removed. Strategic investments continuing but shifting focus.
- The surplus is expected to continue into FY25.
- Strategic investments in FY25 will likely include assessment of future office space needs and investigating options as current lease ends in FY26.

### FY24 Budget Highlights

- **Revenues**

- **Contract Revenues (Technology) (4010,4200,4320)** MHEC receives revenues from its technology contracts based on a percentage of the sales (an administrative fee) made from those contracts. The new seven-year contract signed with Dell effective FY23 included an increase in the percentage MHEC receives. Given the size of the Dell contract, this has resulted in significant growth in this revenue line item in FY23. This contract revenue is shared with the other compact regions (New England Board of Higher Education (NEBHE), Southern Regional Education Board (SREB), and Western Interstate Commission for Higher Education (WICHE) for technology sales made in those regions. Net contract revenue is projected to increase another 16.8% from the FY23 forecast to FY24 budget.
- **Grants (4100)** Grant funding for the Open Educational Resources (OER) work based on actual grant funds available for the year. The current Hewlett Foundation grant continues through the first quarter of FY25.
- **State Commitments (4400)** State commitments remain flat at \$115,000 per state for FY24. State commitments are slated to increase in FY26. The increase is to be calculated based on a year-over-year 1.5% increase starting with the base period of FY23.
- **Program Revenues (4300)** total shown on Prior 2-Year Comparison page, for detail on program breakdown see FY24 Budget by Program page.
  - **Risk Management Insurance Programs** MHEC revenues from its insurance programs (Master Property, Student Health, and Cyber Liability) decreased significantly in FY23 due to the change in Master Property Program. FY24 remains flat to FY23 projections and consists solely of MHEC revenue.
  - **Policy Programs** Midwestern-State Authorization Reciprocity Agreement (M-SARA) revenue is based on a percentage of the National Council of State

Authorization Reciprocity Agreements' (NC-SARA's) previous year's revenues. MHEC is expected to receive \$549,530 from NC-SARA in FY24. This represents a 5% increase from FY23.

- **Expenses**

- **Personnel (5001-5116)** Salaries and benefits include three positions not currently on staff in most of FY23 as noted above and includes an average 5% salary increase; an 8.38% increase in health insurance, and 12% increase in dental insurance. Other benefits remain flat per MHEC's benefits broker and only increase due to increased staffing.
- **Professional Fees (5201-5210)** Overall legal fees, Honoraria, HR/Payroll Services and other miscellaneous professional fees are under budget in FY23 while Accounting Services are significantly over budget related to CLA's work and the CFO departure. FY24 budget will see increases in all areas except for Accounting Services. Ongoing accounting support needed will go down as the systems improvements and start up implementation wraps up (new tools and platforms such as Divvy, Paylocity, Bill.Com etc.). The significant increase in HR & Payroll Support is related to a Strategic Initiative to improve HR systems.
- **Consultant Fees (5301-5305)** Over the past several years consultants have been an increasingly significant and important way in which MHEC has expanded its capacity. This trend will continue, with FY24 including a \$935,000 or 264% increase. \$172,000 of this increase is grant funded through the new Hewlett grant and \$630,000 is related to Strategic Initiatives planned in FY24. See the Strategic Initiatives discussion below.
- **Office Related Expenses (5405-6109)** These expenses include supplies, shipping, office equipment, printing, telephone and fax, computer software, etc. FY24 shows an across-the-board modest increase in these line items compared to the FY23 forecast. More significant increases are occurring in Office and Computer equipment which includes upgrading AV and teleconference equipment in MHEC conference rooms for enhanced hybrid capacity and in dues, subscriptions, and memberships for which staff have identified additional items of interest.
- **Long-Term Rents/Leases (6102-6103 and 6405)** Costs associated with MHEC offices are split between the Amortization for the fixed cost of the lease itself and Rent for the variable Common Area Maintenance (CAM) portion of the rent payment. Rent expense is budgeted to remain relatively flat. Amortization expense is directly tied to the Amortization schedule created at FY23 audit when new Generally Accepted Accounting Principles required the capitalization of the fixed lease amount. The current lease is scheduled to expire on May 31, 2026.
- **Convening (6206-6211)** This includes Transportation, Lodging, Meals while traveling, meeting catering, and conference fees. In-person convening and attendance at conferences continues to increase, post pandemic. Costs are

estimated based on FY23 actuals, trends, and detailed plans for FY24. These costs are increasing approximately 77% from FY23 forecast as this is an area that is being built out in accordance with the strategic plan.

- **Risk Management/ General Organization Insurance (6304-6305)** Expected 10% average increase per expected insurance renewals.
  
- **Strategic Initiatives** As is detailed out in the Strategic Initiatives column of the FY24 Budget by Program page of the budget detail, MHEC has identified \$740,000 worth of initiatives to enhance programs and services or to improve organizational effectiveness:
  - *Midwest Student Exchange Program (MSEP)* a group of MHEC stakeholders will be convened to evaluate and propose changes to bring MSEP into the 21<sup>st</sup> century. Possible recommendations of this group might be the development of a data collection portal and a Cost Savings portal like that of WICHE. Facilitating this process and the development of tools to implement recommendations, and the integration of the tools into MHEC customer relations management (CRM)/data systems, is expected to cost \$400,000 in General and Computer Consulting.
  - *Strategic Communications* an estimated \$150,000 to assist in the implementation of the new strategic plan and related communications activities. This activity is carrying forward from FY23.
  - *Human Resources* an estimated \$60,000 for MHEC's current benefit consulting firm to assist in improvements across all aspects of Human Resources.
  - *Institutional Leadership program* approximately \$50,000 in staff travel and conference expenses to explore other similar programs in the country to aid in the potential development of a leadership program focused on institutional and policy maker leaders.
  - *Website* \$80,000 in computer-related consulting to overhaul MHEC's website.
  - These initiatives are funded partially by FY24 surpluses and partially by Board Designated Strategic Funds set aside in FY22.

Extention granted to May 15, 2023

# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**

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

**2021**

Department of the Treasury  
Internal Revenue Service

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

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

Open to Public Inspection

**A** For the 2021 calendar year, or tax year beginning **JUL 1, 2021** and ending **JUN 30, 2022**

|  |  |  |
|--|--|--|
| <b>B</b> Check if applicable:<br><br>Address change<br>Name change<br>Initial return<br>Final return/terminated<br>Amended return<br>Application pending | <b>C</b> Name of organization<br><b>Midwestern Higher Education Compact</b><br>Doing business as<br>Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br><b>105 Fifth Avenue South, Suite 450</b><br>City or town, state or province, country, and ZIP or foreign postal code<br><b>Minneapolis, MN 55401</b><br><b>F</b> Name and address of principal officer: <b>Susan Heegaard</b><br><b>same as C above</b> | <b>D</b> Employer identification number<br><b>38-3011476</b><br><b>E</b> Telephone number<br><b>612-677-2777</b><br><b>G</b> Gross receipts \$ <b>4,779,370.</b><br><b>H(a)</b> Is this a group return for subordinates? ..... Yes <input checked="" type="checkbox"/> No<br><b>H(b)</b> Are all subordinates included? Yes No<br>If "No," attach a list. See instructions<br><b>H(c)</b> Group exemption number ▶ |
| <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) ( ) ◀ (insert no.) 4947(a)(1) or 527                                    |  |  |
| <b>J</b> Website: ▶ <b>www.mhec.org</b>  |  |  |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶   |  | <b>L</b> Year of formation: <b>1991</b> <b>M</b> State of legal domicile: <b>MN</b>  |

**Part I Summary**

|                                    |   |   |  |  |
|------------------------------------|---|---|--|--|
| <b>Activities &amp; Governance</b> | 1   | Briefly describe the organization's mission or most significant activities: <b>MHEC brings together midwestern states to develop and support best practices, collaboration efforts,</b> |  |  |
|                                    | 2   | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.   |  |  |
|                                    | 3   | Number of voting members of the governing body (Part VI, line 1a) .....   | <b>3</b>   | <b>57</b>                                |
|                                    | 4   | Number of independent voting members of the governing body (Part VI, line 1b) .....   | <b>4</b>   | <b>57</b>                                |
|                                    | 5   | Total number of individuals employed in calendar year 2021 (Part V, line 2a) .....  | <b>5</b>   | <b>19</b>                                |
|                                    | 6   | Total number of volunteers (estimate if necessary) .....  | <b>6</b>   | <b>200</b>                               |
|                                    | 7a  | Total unrelated business revenue from Part VIII, column (C), line 12 .....  | <b>7a</b>  | <b>0.</b>                                |
|                                    | 7b  | Net unrelated business taxable income from Form 990-T, Part I, line 11 .....  | <b>7b</b>  | <b>0.</b>                                |
| <b>Revenue</b>                     | 8   | Contributions and grants (Part VIII, line 1h) .....   | <b>Prior Year</b><br><b>2,910,400.</b>                                 | <b>Current Year</b><br><b>2,061,574.</b> |
|                                    | 9   | Program service revenue (Part VIII, line 2g) .....  | <b>2,787,508.</b>  | <b>2,712,025.</b>                        |
|                                    | 10  | Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....   | <b>16,713.</b>   | <b>5,771.</b>                            |
|                                    | 11  | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....  | <b>0.</b>  | <b>0.</b>                                |
|                                    | 12  | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....  | <b>5,714,621.</b>  | <b>4,779,370.</b>                        |
|                                    | <b>Expenses</b>   | 13  | Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... | <b>0.</b>                                |
| 14                                 |   | Benefits paid to or for members (Part IX, column (A), line 4) .....   | <b>0.</b>  | <b>0.</b>                                |
| 15                                 |   | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....   | <b>2,379,731.</b>  | <b>2,440,058.</b>                        |
| 16a                                |   | Professional fundraising fees (Part IX, column (A), line 11e) .....   | <b>0.</b>  | <b>0.</b>                                |
| 16b                                |   | Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>2,494.</b>   |  |  |
| 17                                 |   | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....  | <b>1,594,004.</b>  | <b>2,023,292.</b>                        |
| 18                                 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... | <b>3,973,735.</b>   | <b>4,463,350.</b>  |  |
| 19                                 | Revenue less expenses. Subtract line 18 from line 12 .....                      | <b>1,740,886.</b>   | <b>316,020.</b>  |  |
| <b>Net Assets or Fund Balances</b> | 20  | Total assets (Part X, line 16) .....  | <b>Beginning of Current Year</b><br><b>6,945,692.</b>                  | <b>End of Year</b><br><b>6,708,923.</b>  |
|                                    | 21  | Total liabilities (Part X, line 26) .....   | <b>1,059,472.</b>  | <b>1,227,799.</b>                        |
|                                    | 22  | Net assets or fund balances. Subtract line 21 from line 20 .....  | <b>5,886,220.</b>  | <b>5,481,124.</b>                        |

**Part II Signature Block**

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

|                               |   |   |                         |  |                          |
|-------------------------------|---|---|-------------------------|--|--------------------------|
| <b>Sign Here</b>              | Signature of officer<br><b>Susan Heegaard, President</b><br>Type or print name and title  | Date<br><br>  |                         |  |                          |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br><b>Deb Nelson, CPA</b>  | Preparer's signature<br><b>Deb Nelson, CPA</b>                  | Date<br><b>04/13/23</b> | Check if self-employed<br><input type="checkbox"/> | PTIN<br><b>P01264758</b> |
|                               | Firm's name ▶ <b>Eide Bailly LLP</b><br>Firm's address ▶ <b>800 Nicollet Mall, Ste. 1300</b><br><b>Minneapolis, MN 55402-7033</b> | Firm's EIN ▶ <b>41-1765929</b><br>Phone no. <b>612-253-6500</b> |                         |  |                          |

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

Part III Statement of Program Service Accomplishments

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

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 783,040. including grants of \$ ) (Revenue \$ ) Convening

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

Multi-State Collaborative on Military Credit

4b (Code: ) (Expenses \$ 1,446,438. including grants of \$ ) (Revenue \$ 1,225,710.) Programs

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

Master Property Program

A premier property insurance program that broadens property insurance

4c (Code: ) (Expenses \$ 334,729. including grants of \$ ) (Revenue \$ 1,476,315.) Contracts

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

4d Other program services (Describe on Schedule O.) (Expenses \$ 1,032,811. including grants of \$ ) (Revenue \$ 10,000.)

4e Total program service expenses 3,597,018.

**Part IV Checklist of Required Schedules**

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

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

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

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

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

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

|   | Yes       | No |
|---|-----------|----|
| <b>1a</b> Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable .....  | <b>1a</b> | 20 |
| <b>b</b> Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable .....  | <b>1b</b> | 0  |
| <b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? ..... | <b>1c</b> | X  |

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

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 2a through 17 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

**Section A. Governing Body and Management**

|           |   | Yes | No |
|-----------|---|-----|----|
| <b>1a</b> | Enter the number of voting members of the governing body at the end of the tax year ..... <b>1a</b> 57<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. |     |    |
| <b>b</b>  | Enter the number of voting members included on line 1a, above, who are independent ..... <b>1b</b> 57   |     |    |
| <b>2</b>  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? .....   |     | X  |
| <b>3</b>  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? .....   |     | X  |
| <b>4</b>  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....  |     | X  |
| <b>5</b>  | Did the organization become aware during the year of a significant diversion of the organization's assets? .....  |     | X  |
| <b>6</b>  | Did the organization have members or stockholders? .....  | X   |    |
| <b>7a</b> | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? .....  | X   |    |
| <b>b</b>  | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....   |     | X  |
| <b>8</b>  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:   |     |    |
| <b>a</b>  | The governing body? .....   | X   |    |
| <b>b</b>  | Each committee with authority to act on behalf of the governing body? .....   | X   |    |
| <b>9</b>  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O .....  |     | X  |

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

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

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website   Upon request  Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records ►  
**Erin Frahm - 612-677-2766**  
**105 Fifth Avenue South, Suite 450, Minneapolis, MN 55401**

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

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

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

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

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

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

| (A)<br>Name and title                              | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC/1099-NEC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
|  |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |   |  |   |
| (1) Susan Heegaard<br>President                    | 40.00   |   |                       | X       |              |                              |        | 246,764.  | 0.   | 70,197.   |
| (2) Robert Trembath<br>COO & General Counsel       | 40.00   |   |                       | X       |              |                              |        | 155,335.  | 0.   | 58,445.   |
| (3) Jennifer Dahlquist<br>Vice President           | 40.00   |   |                       |         |              | X                            |        | 142,634.  | 0.   | 31,337.   |
| (4) Jennifer Parks<br>Vice President               | 40.00   |   |                       |         |              | X                            |        | 125,841.  | 0.   | 43,027.   |
| (5) Mary Roberson<br>Sr. Dir. of Comm. & Marketing | 40.00   |   |                       |         |              | X                            |        | 100,309.  | 0.   | 33,104.   |
| (6) Daniel Moser<br>Chief Financial Officer        | 40.00   |   |                       | X       |              |                              |        | 94,319.   | 0.   | 30,840.   |
| (7) Carla Ahrens<br>Property Program Manager       | 40.00   |   |                       |         |              | X                            |        | 106,357.  | 0.   | 13,826.   |
| (8) David Eisler<br>Past Chair                     | 3.00  | X   |                       | X       |              |                              |        | 0.  | 0.   | 0.  |
| (9) Rick Carfagna<br>Past Chair                    | 3.00  | X   |                       | X       |              |                              |        | 0.  | 0.   | 0.  |
| (10) Devinder Maholtra<br>Acting Chair             | 3.00  | X   |                       | X       |              |                              |        | 0.  | 0.   | 0.  |
| (11) Larry Tidemann<br>Acting Treasurer            | 3.00  | X   |                       | X       |              |                              |        | 0.  | 0.   | 0.  |
| (12) Ken Sauer<br>Executive Commissioner           | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (13) Blake Flanders<br>Executive Commissioner      | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (14) Connie Bernardy<br>Executive Commissioner     | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (15) Kayla Hahn<br>Executive Commissioner          | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (16) Deborah Frison<br>Executive Commissioner      | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (17) Mark Hagerott<br>Executive Commissioner       | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |

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

| (A)<br>Name and title  | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC/1099-NEC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
|  |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |   |  |   |
| (18) Rolf Wegenke<br>Executive Commissioner                    | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (19) Barbara Ballard<br>Executive Commissioner                 | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (20) Brandy Johnson<br>Executive Commissioner                  | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (21) Gary Cates<br>Executive Commissioner                      | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (22) Connie Hutchison<br>Executive Commissioner                | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (23) Katie Stuart<br>Executive Commissioner                    | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (24) John Cavanaugh<br>Executive Commissioner                  | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (25) Brandy Pyle<br>Executive Commissioner (As of Aug)         | 2.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| (26) Olivia Madison<br>Commissioner                            | 1.00  | X   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| <b>1b Subtotal</b>   |   |   |                       |         |              |                              |        | 971,559.  | 0.   | 280,776.  |
| <b>c Total from continuation sheets to Part VII, Section A</b> |   |   |                       |         |              |                              |        | 0.  | 0.   | 0.  |
| <b>d Total (add lines 1b and 1c)</b>                           |   |   |                       |         |              |                              |        | 971,559.  | 0.   | 280,776.  |

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

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

**Section B. Independent Contractors**

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

| (A)<br>Name and business address   | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| Credential Engine Inc., 2021 L St NW Suite 101-342, Washington, DC 20036 | Contracted Program Services    | 557,500.            |
| edBridge Partners LLC 30 E 37th St #10b, New York, NY 10016              | Contracted Program Services    | 154,600.            |
|  |                                |                     |
|  |                                |                     |

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

See Part VII, Section A Continuation sheets

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

| (A)<br>Name and title                       | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |   | Individual trustee or director         | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (27) Jack Jordan<br>Commissioner            | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (28) David Wantz<br>Commissioner            | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (29) Nancy Boettger<br>Commissioner         | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (30) Derrick Franck<br>Commissioner         | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (31) Sharon Steckman<br>Commissioner        | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (32) Molly Baumgardner<br>Commissioner      | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (33) Aaron Otto<br>Commissioner             | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (34) Kimberly LaSata<br>Commissioner        | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (35) Bill Pink<br>Commissioner              | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (36) Dennis Olson<br>Commissioner           | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (37) Susan Thomas<br>Commissioner           | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (38) Randolph Ferlic<br>Commissioner        | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (39) Susan Fritz<br>Commissioner            | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (40) Kyle Davison<br>Commissioner           | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (41) Jack Hershey<br>Commissioner           | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (42) Michael Cartney<br>Commissioner        | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (43) Erin Healy<br>Commissioner             | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (44) Stephen Nass<br>Commissioner           | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (45) Julie Underwood<br>Commissioner        | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (46) Tim Flakoll<br>Commissioner            | 1.00  | X                                      |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| Total to Part VII, Section A, line 1c ..... |   |  |                       |         |              |                              |        |  |   |   |



**Part VIII Statement of Revenue**

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

|  |  |  |                | (A)           | (B)                                | (C)                        | (D)  |  |
|--|--|--|----------------|---------------|------------------------------------|----------------------------|--|--|
|  |  |  |                | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 |  |
| Contributions, Gifts, Grants and Other Similar Amounts | <b>1 a</b>   | Federated campaigns .....  | <b>1a</b>      |               |                                    |                            |  |  |
|  | <b>b</b>   | Membership dues .....  | <b>1b</b>      | 1,380,000.    |                                    |                            |  |  |
|  | <b>c</b>   | Fundraising events .....   | <b>1c</b>      |               |                                    |                            |  |  |
|  | <b>d</b>   | Related organizations .....  | <b>1d</b>      |               |                                    |                            |  |  |
|  | <b>e</b>   | Government grants (contributions) .....  | <b>1e</b>      |               |                                    |                            |  |  |
|  | <b>f</b>   | All other contributions, gifts, grants, and similar amounts not included above ... | <b>1f</b>      | 681,574.      |                                    |                            |  |  |
|  | <b>g</b>   | Noncash contributions included in lines 1a-1f                                      | <b>1g</b>      | \$            |                                    |                            |  |  |
|  | <b>h</b>   | <b>Total.</b> Add lines 1a-1f .....  |                |               | 2,061,574.                         |                            |  |  |
| Program Service Revenue                                | <b>2 a</b>   | <b>Technology Contracts</b>  | Business Code  |               |                                    |                            |  |  |
|  |  |  | 900099         | 1,476,315.    | 1,476,315.                         |                            |  |  |
|  | <b>b</b>   | <b>Service Fees</b>  | 900099         | 1,225,710.    | 1,225,710.                         |                            |  |  |
|  | <b>c</b>   | <b>Research</b>  | 900099         | 10,000.       | 10,000.                            |                            |  |  |
|  | <b>d</b>   |  |                |               |                                    |                            |  |  |
|  | <b>e</b>   |  |                |               |                                    |                            |  |  |
|  | <b>f</b>   | All other program service revenue .....  |                |               |                                    |                            |  |  |
| <b>g</b>   | <b>Total.</b> Add lines 2a-2f .....  |  |                | 2,712,025.    |                                    |                            |  |  |
| Other Revenue  | <b>3</b>   | Investment income (including dividends, interest, and other similar amounts) ..... |                | 5,771.        |                                    |                            | 5,771.   |  |
|  | <b>4</b>   | Income from investment of tax-exempt bond proceeds .....                           |                |               |                                    |                            |  |  |
|  | <b>5</b>   | Royalties .....  |                |               |                                    |                            |  |  |
|  | <b>6 a</b>   | Gross rents .....  | (i) Real       |               |                                    |                            |  |  |
|  |  |  | (ii) Personal  |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
|  | <b>b</b>   | Less: rental expenses ...  | <b>6b</b>      |               |                                    |                            |  |  |
|  | <b>c</b>   | Rental income or (loss)  | <b>6c</b>      |               |                                    |                            |  |  |
|  | <b>d</b>   | Net rental income or (loss) .....  |                |               |                                    |                            |  |  |
|  | <b>7 a</b>   | Gross amount from sales of assets other than inventory .....                       | (i) Securities |               |                                    |                            |  |  |
|  |  |  | (ii) Other     |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
|  | <b>b</b>   | Less: cost or other basis and sales expenses .....                                 | <b>7b</b>      |               |                                    |                            |  |  |
|  | <b>c</b>   | Gain or (loss) .....   | <b>7c</b>      |               |                                    |                            |  |  |
| <b>d</b>   | Net gain or (loss) .....   |  |                |               |                                    |                            |  |  |
| <b>8 a</b>   | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 ..... |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
| <b>b</b>   | Less: direct expenses .....  | <b>8b</b>  |                |               |                                    |                            |  |  |
| <b>c</b>   | Net income or (loss) from fundraising events .....   |  |                |               |                                    |                            |  |  |
| <b>9 a</b>   | Gross income from gaming activities. See Part IV, line 19 .....  |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
| <b>b</b>   | Less: direct expenses .....  | <b>9b</b>  |                |               |                                    |                            |  |  |
| <b>c</b>   | Net income or (loss) from gaming activities .....  |  |                |               |                                    |                            |  |  |
| <b>10 a</b>  | Gross sales of inventory, less returns and allowances .....  |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
|  |  |  |                |               |                                    |                            |  |  |
| <b>b</b>   | Less: cost of goods sold .....   | <b>10b</b>   |                |               |                                    |                            |  |  |
| <b>c</b>   | Net income or (loss) from sales of inventory .....   |  |                |               |                                    |                            |  |  |
| Miscellaneous Revenue                                  | <b>11 a</b>  |  | Business Code  |               |                                    |                            |  |  |
|  | <b>b</b>   |  |                |               |                                    |                            |  |  |
|  | <b>c</b>   |  |                |               |                                    |                            |  |  |
|  | <b>d</b>   | All other revenue .....  |                |               |                                    |                            |  |  |
|  | <b>e</b>   | <b>Total.</b> Add lines 11a-11d .....  |                |               |                                    |                            |  |  |
| <b>12</b>  | <b>Total revenue.</b> See instructions .....   |  |                | 4,779,370.    | 2,712,025.                         | 0.                         | 5,771.   |  |

**Part IX Statement of Functional Expenses**

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

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| <b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...   |                       |                                 |  |                             |
| <b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....  |                       |                                 |  |                             |
| <b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....   |                       |                                 |  |                             |
| <b>4</b> Benefits paid to or for members .....  |                       |                                 |  |                             |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees .....   | 688,892.              | 420,737.                        | 265,790.                               | 2,365.                      |
| <b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....   |                       |                                 |  |                             |
| <b>7</b> Other salaries and wages .....   | 1,255,990.            | 987,556.                        | 268,434.                               |                             |
| <b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....   | 158,575.              | 124,920.                        | 33,655.                                |                             |
| <b>9</b> Other employee benefits .....  | 210,447.              | 168,399.                        | 42,048.                                |                             |
| <b>10</b> Payroll taxes .....   | 126,154.              | 92,772.                         | 33,253.                                | 129.                        |
| <b>11</b> Fees for services (nonemployees):   |                       |                                 |  |                             |
| <b>a</b> Management .....   |                       |                                 |  |                             |
| <b>b</b> Legal .....  | 103,993.              | 50,152.                         | 53,841.                                |                             |
| <b>c</b> Accounting .....   | 67,144.               | 32,381.                         | 34,763.                                |                             |
| <b>d</b> Lobbying .....   |                       |                                 |  |                             |
| <b>e</b> Professional fundraising services. See Part IV, line 17  |                       |                                 |  |                             |
| <b>f</b> Investment management fees .....   |                       |                                 |  |                             |
| <b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)   | 795,364.              | 772,198.                        | 23,166.                                |                             |
| <b>12</b> Advertising and promotion .....   |                       |                                 |  |                             |
| <b>13</b> Office expenses .....   | 70,920.               | 55,319.                         | 15,601.                                |                             |
| <b>14</b> Information technology .....  | 152,427.              | 127,204.                        | 25,223.                                |                             |
| <b>15</b> Royalties .....   |                       |                                 |  |                             |
| <b>16</b> Occupancy .....   | 105,347.              | 77,467.                         | 27,880.                                |                             |
| <b>17</b> Travel .....  | 48.                   | 35.                             | 13.                                    |                             |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...  |                       |                                 |  |                             |
| <b>19</b> Conferences, conventions, and meetings .....  | 289,948.              | 286,485.                        | 3,463.                                 |                             |
| <b>20</b> Interest .....  | 6,389.                | 6,389.                          |  |                             |
| <b>21</b> Payments to affiliates .....  |                       |                                 |  |                             |
| <b>22</b> Depreciation, depletion, and amortization .....   | 45,812.               | 33,688.                         | 12,124.                                |                             |
| <b>23</b> Insurance .....   | 32,042.               | 23,562.                         | 8,480.                                 |                             |
| <b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.) |                       |                                 |  |                             |
| <b>a</b> <b>MPP Expense</b>   | 250,000.              | 250,000.                        |  |                             |
| <b>b</b> <b>Honoraria and Lecture F</b>   | 47,845.               | 39,666.                         | 8,179.                                 |                             |
| <b>c</b> <b>Subscriptions</b>   | 28,684.               | 25,426.                         | 3,258.                                 |                             |
| <b>d</b> <b>Training</b>  | 9,539.                | 7,908.                          | 1,631.                                 |                             |
| <b>e</b> All other expenses   | 17,790.               | 14,754.                         | 3,036.                                 |                             |
| <b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e   | 4,463,350.            | 3,597,018.                      | 863,838.                               | 2,494.                      |
| <b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                               |                       |                                 |  |                             |

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

**Part X Balance Sheet**

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

|   |  | (A)<br>Beginning of year |            | (B)<br>End of year  |
|---|--|--------------------------|------------|---------------------|
| <b>Assets</b>   | <b>1</b> Cash - non-interest-bearing .....   |                          | <b>1</b>   |                     |
|   | <b>2</b> Savings and temporary cash investments .....  | 5,263,746.               | <b>2</b>   | 5,202,600.          |
|   | <b>3</b> Pledges and grants receivable, net .....  |                          | <b>3</b>   |                     |
|   | <b>4</b> Accounts receivable, net .....  | 1,376,107.               | <b>4</b>   | 1,004,165.          |
|   | <b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons ..... |                          | <b>5</b>   |                     |
|   | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....   |                          | <b>6</b>   |                     |
|   | <b>7</b> Notes and loans receivable, net .....   |                          | <b>7</b>   |                     |
|   | <b>8</b> Inventories for sale or use .....   |                          | <b>8</b>   |                     |
|   | <b>9</b> Prepaid expenses and deferred charges .....   | 123,935.                 | <b>9</b>   | 117,590.            |
|   | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....   | <b>10a</b> 889,708.      |            |                     |
|   | <b>b</b> Less: accumulated depreciation .....  | <b>10b</b> 753,618.      | 181,904.   | <b>10c</b> 136,090. |
|   | <b>11</b> Investments - publicly traded securities .....   |                          | <b>11</b>  |                     |
|   | <b>12</b> Investments - other securities. See Part IV, line 11 .....   |                          | <b>12</b>  |                     |
|   | <b>13</b> Investments - program-related. See Part IV, line 11 .....  |                          | <b>13</b>  |                     |
|   | <b>14</b> Intangible assets .....  |                          | <b>14</b>  |                     |
|   | <b>15</b> Other assets. See Part IV, line 11 .....   | 0.                       | <b>15</b>  | 248,478.            |
| <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) ..... | 6,945,692.   | <b>16</b>                | 6,708,923. |                     |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses .....  | 858,228.                 | <b>17</b>  | 777,638.            |
|   | <b>18</b> Grants payable .....   |                          | <b>18</b>  |                     |
|   | <b>19</b> Deferred revenue .....   | 201,244.                 | <b>19</b>  | 101,407.            |
|   | <b>20</b> Tax-exempt bond liabilities .....  |                          | <b>20</b>  |                     |
|   | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....  |                          | <b>21</b>  |                     |
|   | <b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....     |                          | <b>22</b>  |                     |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties .....   |                          | <b>23</b>  |                     |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties .....   |                          | <b>24</b>  |                     |
|   | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....  | 0.                       | <b>25</b>  | 348,754.            |
|   | <b>26 Total liabilities.</b> Add lines 17 through 25 .....   | 1,059,472.               | <b>26</b>  | 1,227,799.          |
| <b>Net Assets or Fund Balances</b>  | <b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>  |                          |            |                     |
|   | <b>27</b> Net assets without donor restrictions .....  | 4,329,634.               | <b>27</b>  | 5,461,051.          |
|   | <b>28</b> Net assets with donor restrictions .....   | 1,556,586.               | <b>28</b>  | 20,073.             |
|   | <b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>   |                          |            |                     |
|   | <b>29</b> Capital stock or trust principal, or current funds .....   |                          | <b>29</b>  |                     |
|   | <b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....   |                          | <b>30</b>  |                     |
|   | <b>31</b> Retained earnings, endowment, accumulated income, or other funds .....   |                          | <b>31</b>  |                     |
|   | <b>32</b> Total net assets or fund balances .....  | 5,886,220.               | <b>32</b>  | 5,481,124.          |
|   | <b>33</b> Total liabilities and net assets/fund balances .....   | 6,945,692.               | <b>33</b>  | 6,708,923.          |

**Part XI Reconciliation of Net Assets**

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

|    |  |    |            |
|----|--|----|------------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12)  | 1  | 4,779,370. |
| 2  | Total expenses (must equal Part IX, column (A), line 25)   | 2  | 4,463,350. |
| 3  | Revenue less expenses. Subtract line 2 from line 1   | 3  | 316,020.   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))                      | 4  | 5,886,220. |
| 5  | Net unrealized gains (losses) on investments   | 5  |            |
| 6  | Donated services and use of facilities   | 6  |            |
| 7  | Investment expenses  | 7  |            |
| 8  | Prior period adjustments   | 8  |            |
| 9  | Other changes in net assets or fund balances (explain on Schedule O)   | 9  | -721,116.  |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 5,481,124. |

**Part XII Financial Statements and Reporting**

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

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....  
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits .....

|    | Yes | No |
|----|-----|----|
| 2a |     | X  |
| 2b | X   |    |
| 2c |     | X  |
| 3a |     | X  |
| 3b |     |    |



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

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

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....  | 1416000. | 1412000. | 1408000. | 2136419. | 2061574. | 8433993.  |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....   |          |          |          |          |          |           |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....   |          |          |          |          |          |           |
| <b>4 Total.</b> Add lines 1 through 3 .....  | 1416000. | 1412000. | 1408000. | 2136419. | 2061574. | 8433993.  |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..... |          |          |          |          |          | 1085557.  |
| <b>6 Public support.</b> Subtract line 5 from line 4.  |          |          |          |          |          | 7348436.  |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total                |
|---|----------|----------|----------|----------|----------|--------------------------|
| <b>7</b> Amounts from line 4 .....  | 1416000. | 1412000. | 1408000. | 2136419. | 2061574. | 8433993.                 |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....  | 19,531.  | 57,681.  | 42,194.  | 16,713.  | 5,771.   | 141,890.                 |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....   |          |          |          |          |          |                          |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....   |          |          |          |          |          |                          |
| <b>11 Total support.</b> Add lines 7 through 10   |          |          |          |          |          | 8575883.                 |
| <b>12</b> Gross receipts from related activities, etc. (see instructions) .....   |          |          |          |          | 12       | 12,250,909.              |
| <b>13 First 5 years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ..... |          |          |          |          |          | <input type="checkbox"/> |

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

|   |           |                                     |
|---|-----------|-------------------------------------|
| <b>14</b> Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)) .....   | <b>14</b> | 85.69 %                             |
| <b>15</b> Public support percentage from 2020 Schedule A, Part II, line 14 .....  | <b>15</b> | 97.54 %                             |
| <b>16a 33 1/3% support test - 2021.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....  |           | <input checked="" type="checkbox"/> |
| <b>b 33 1/3% support test - 2020.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....   |           | <input type="checkbox"/>            |
| <b>17a 10% -facts-and-circumstances test - 2021.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization .....    |           | <input type="checkbox"/>            |
| <b>b 10% -facts-and-circumstances test - 2020.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ..... |           | <input type="checkbox"/>            |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....  |           | <input type="checkbox"/>            |

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

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

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose ..... |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5 .....   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b .....  |          |          |          |          |          |           |
| <b>8 Public support.</b> (Subtract line 7c from line 6.)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6 .....   |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ..... |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....                           |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b .....   |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on .....      |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....                                  |          |          |          |          |          |           |
| <b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)   |          |          |          |          |          |           |

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

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

|   |           |   |
|---|-----------|---|
| <b>15</b> Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f)) ..... | <b>15</b> | % |
| <b>16</b> Public support percentage from 2020 Schedule A, Part III, line 15 .....                       | <b>16</b> | % |

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

|  |           |   |
|--|-----------|---|
| <b>17</b> Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f)) ..... | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2020 Schedule A, Part III, line 17 .....                         | <b>18</b> | % |

**19a 33 1/3% support tests - 2021.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**b 33 1/3% support tests - 2020.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

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

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

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

**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

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

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

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

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

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

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

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

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

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

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

| Section D - Distributions |   | Current Year |
|---------------------------|---|--------------|
| 1                         | Amounts paid to supported organizations to accomplish exempt purposes   | 1            |
| 2                         | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity               | 2            |
| 3                         | Administrative expenses paid to accomplish exempt purposes of supported organizations   | 3            |
| 4                         | Amounts paid to acquire exempt-use assets   | 4            |
| 5                         | Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i> )  | 5            |
| 6                         | Other distributions ( <i>describe in Part VI</i> ). See instructions.   | 6            |
| 7                         | <b>Total annual distributions.</b> Add lines 1 through 6.   | 7            |
| 8                         | Distributions to attentive supported organizations to which the organization is responsive ( <i>provide details in Part VI</i> ). See instructions. | 8            |
| 9                         | Distributable amount for 2021 from Section C, line 6  | 9            |
| 10                        | Line 8 amount divided by line 9 amount  | 10           |

| Section E - Distribution Allocations (see instructions) | (i)<br>Excess Distributions   | (ii)<br>Underdistributions<br>Pre-2021 | (iii)<br>Distributable<br>Amount for 2021 |
|---|---|--|---|
| 1   | Distributable amount for 2021 from Section C, line 6  |  |   |
| 2   | Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i> ). See instructions.   |  |   |
| 3   | Excess distributions carryover, if any, to 2021   |  |   |
| a   | From 2016   |  |   |
| b   | From 2017   |  |   |
| c   | From 2018   |  |   |
| d   | From 2019   |  |   |
| e   | From 2020   |  |   |
| f   | <b>Total</b> of lines 3a through 3e   |  |   |
| g   | Applied to underdistributions of prior years  |  |   |
| h   | Applied to 2021 distributable amount  |  |   |
| i   | Carryover from 2016 not applied (see instructions)  |  |   |
| j   | Remainder. Subtract lines 3g, 3h, and 3i from line 3f.  |  |   |
| 4   | Distributions for 2021 from Section D, line 7: \$   |  |   |
| a   | Applied to underdistributions of prior years  |  |   |
| b   | Applied to 2021 distributable amount  |  |   |
| c   | Remainder. Subtract lines 4a and 4b from line 4.  |  |   |
| 5   | Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions. |  |   |
| 6   | Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.                        |  |   |
| 7   | <b>Excess distributions carryover to 2022.</b> Add lines 3j and 4c.   |  |   |
| 8   | Breakdown of line 7:  |  |   |
| a   | Excess from 2017  |  |   |
| b   | Excess from 2018  |  |   |
| c   | Excess from 2019  |  |   |
| d   | Excess from 2020  |  |   |
| e   | Excess from 2021  |  |   |

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

Part II, Section A, Line 1, Column (d)

Midwestern Higher Education Compact adopted the provisions of GASB accounting pronouncements for the reporting period ended June 30, 2022 resulting in a restatement of grant recognition. Column d has been adjusted to reflect the GASB financial treatment of grant recognition and prior year restatement.

**Schedule B**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No. 1545-0047

**2021**

Name of the organization

**Midwestern Higher Education Compact**

Employer identification number

**38-3011476**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

**General Rule**

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

**Special Rules**

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

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

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

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

|  |   |
|--|---|
| Name of organization<br><br><b>Midwestern Higher Education Compact</b> | Employer identification number<br><br><b>38-3011476</b> |
|--|---|

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

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution   |
|------------|-----------------------------------|----------------------------|---|
| 1          | <hr/> <hr/> <hr/>                 | \$ 519,708.                | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 2          | <hr/> <hr/> <hr/>                 | \$ 152,866.                | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
|            | <hr/> <hr/> <hr/>                 | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | <hr/> <hr/> <hr/>                 | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | <hr/> <hr/> <hr/>                 | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | <hr/> <hr/> <hr/>                 | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | <hr/> <hr/> <hr/>                 | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |

|  |   |
|--|---|
| Name of organization<br><br><b>Midwestern Higher Education Compact</b> | Employer identification number<br><br><b>38-3011476</b> |
|--|---|

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

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

|  |   |
|--|---|
| Name of organization<br><br><b>Midwestern Higher Education Compact</b> | Employer identification number<br><br><b>38-3011476</b> |
|--|---|

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

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

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

OMB No. 1545-0047

**2021**

**Open to Public Inspection**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land  |                                      |                                 |                              |                |
| b Buildings  |                                      |                                 |                              |                |
| c Leasehold improvements   |                                      |                                 |                              |                |
| d Equipment  |                                      | 889,708.                        | 753,618.                     | 136,090.       |
| e Other  |                                      |                                 |                              |                |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) |                                      |                                 |                              | 136,090.       |

**Part VII Investments - Other Securities.**

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

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

**Part VIII Investments - Program Related.**

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

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

**Part IX Other Assets.**

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

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

**Part X Other Liabilities.**

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

| 1. (a) Description of liability   | (b) Book value  |
|---|-----------------|
| (1) Federal income taxes  |                 |
| (2) <b>Lease Liability</b>  | <b>348,754.</b> |
| (3)   |                 |
| (4)   |                 |
| (5)   |                 |
| (6)   |                 |
| (7)   |                 |
| (8)   |                 |
| (9)   |                 |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | <b>348,754.</b> |

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

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

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

|          |  |           |            |
|----------|--|-----------|------------|
| <b>1</b> | Total revenue, gains, and other support per audited financial statements .....                       | <b>1</b>  | 4,779,370. |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part VIII, line 12:                                  |           |            |
| <b>a</b> | Net unrealized gains (losses) on investments .....   | <b>2a</b> |            |
| <b>b</b> | Donated services and use of facilities .....   | <b>2b</b> |            |
| <b>c</b> | Recoveries of prior year grants .....  | <b>2c</b> |            |
| <b>d</b> | Other (Describe in Part XIII.) .....   | <b>2d</b> |            |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> .....  | <b>2e</b> | 0.         |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> .....   | <b>3</b>  | 4,779,370. |
| <b>4</b> | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                                 |           |            |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b .....                               | <b>4a</b> |            |
| <b>b</b> | Other (Describe in Part XIII.) .....   | <b>4b</b> |            |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> .....  | <b>4c</b> | 0.         |
| <b>5</b> | Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) ..... | <b>5</b>  | 4,779,370. |

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

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

|          |   |           |            |
|----------|---|-----------|------------|
| <b>1</b> | Total expenses and losses per audited financial statements .....                                      | <b>1</b>  | 4,463,350. |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part IX, line 25:                                     |           |            |
| <b>a</b> | Donated services and use of facilities .....  | <b>2a</b> |            |
| <b>b</b> | Prior year adjustments .....  | <b>2b</b> |            |
| <b>c</b> | Other losses .....  | <b>2c</b> |            |
| <b>d</b> | Other (Describe in Part XIII.) .....  | <b>2d</b> |            |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> .....   | <b>2e</b> | 0.         |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> .....  | <b>3</b>  | 4,463,350. |
| <b>4</b> | Amounts included on Form 990, Part IX, line 25, but not on line 1:                                    |           |            |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b .....                                | <b>4a</b> |            |
| <b>b</b> | Other (Describe in Part XIII.) .....  | <b>4b</b> |            |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> .....   | <b>4c</b> | 0.         |
| <b>5</b> | Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) ..... | <b>5</b>  | 4,463,350. |

**Part XIII Supplemental Information.**

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

**Part X, Line 2:**

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

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2021**

Open to Public Inspection

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

Department of the Treasury  
Internal Revenue Service

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

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2021

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

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

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

| (A) Name and Title                           |      | (B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|  |      | (i) Base compensation  | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| (1) Susan Heegaard<br>President              | (i)  | 238,964.   | 0.                                  | 7,800.                              | 31,065.  | 42,680.                 | 320,509.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (2) Robert Trembath<br>COO & General Counsel | (i)  | 155,335.   | 0.                                  | 0.                                  | 20,194.  | 40,519.                 | 216,048.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (3) Jennifer Dahlquist<br>Vice President     | (i)  | 142,634.   | 0.                                  | 0.                                  | 18,542.  | 15,039.                 | 176,215.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (4) Jennifer Parks<br>Vice President         | (i)  | 125,841.   | 0.                                  | 0.                                  | 16,359.  | 28,629.                 | 170,829.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |

**Part III** Supplemental Information

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

Part I, Line 1a:

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

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

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

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or Form 990-EZ.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2021**

Open to Public  
Inspection

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

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

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

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

MHEC's largest convening was the Multi-State Collaborative on Military Credit (MCMC), an interstate collaborative MHEC organizes the 13 states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin for the purpose of advancing best practices that are designed to ease the transition of military-connected life to postsecondary education. Emphasis is given to translating competencies acquired through military training and experiences into milestones toward completing a college degree or earning a certificate or license.

In FY22, MCMC Produced 4 webinars with approximately 1,852 participants.

MHEC continued expansion of the Graduate Credit Quest, a web-based platform for teachers to search for graduate course work within their content areas that lead to required credentialing for teaching dual or concurrent credit classes.

The platform provides information about dual credit and concurrent enrollment policies and practices for all 12 MHEC member states. It also serves as a repository of research publications, professional

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papers and media releases on the subject of dual/concurrent credit.

The platform was enhanced in 2022 with specific communications and pathway tracking capacities that further enable teachers to accelerate their efforts to comply with credentialing requirements. Now the platform enables over 25 regional graduate schools to build awareness among teachers about roughly 500 unique course offerings, within multiple academic disciplines, and providing access to specific enrollment processes, delivery modalities, and more.

Campus coordinators for dual or concurrent credit teachers can now communicate with partnered teachers about their specific progress toward credentialing and teachers can have confidence that selected courses will count toward credentialing. The platform hosts Colleges and Universities from 11 of the 12 MHEC member states. Teacher user counts (over 100) have doubled and coordinator counts (20) are rising as outreach efforts (2 webinars, 2 conference presentations, and direct outreach to 43 university users) are implemented.

Form 990, Part III, Line 4b, Program Service Accomplishments:  
coverage, reduces costs, and encourages improved asset protection strategies for colleges and universities.

#### MHECare Health Insurance Solutions

Comprehensive health insurance solutions created in response to both increasing cost and concern for student health. 30 campuses offered MHECare health insurance solutions in FY 2022.

#### Midwest Student Exchange Program

A multi-state tuition reciprocity program that makes attending

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out-of-state colleges and universities more affordable for non-resident students.

- 8,111 students enrolled in the Midwest Student Exchange Program in 8 of the Compact states (Indiana, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin) during FY22.

- MSEP students saved over \$51 million in FY22, bringing the total program savings to \$847 million since 1994.

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

- Two reports were produced as part of a program assessment.

#### Midwestern State Authorization Reciprocity Agreement

A voluntary agreement among states that establishes nationwide standards for the offering of postsecondary distance education courses and programs. M-SARA saved institutions an estimated \$37,138,490 in FY 2022.

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

the higher education technology community conducting a competitive sourcing process that leverages the potential purchasing power of the 12 MHEC member states. Technology contracts saved entities in the MHEC region nearly \$34 million in FY2022. In some cases, the Compact's cost savings initiatives may be utilized by city, county and state government as well as nonprofit organizations.

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

Research

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MHEC Research informs institutional and state efforts in improving postsecondary policies, practices, and outcomes in several ways: (a) maintaining a national repository of expertise, knowledge and best practices for guiding policy and practice; (b) conducting applied research and analysis on critical topics in higher education; (c) developing innovative approaches to improve educational opportunity and effectiveness; and (d) providing public outreach and service to institutions and governments. Among its core outputs, MHEC Research maintains an online dashboard of educational performance indicators and produces timely briefs, reports, and technical papers in the most critical areas for facilitating progress towards state educational attainment goals, including College Readiness; Affordability and Finance; Student Success; and Performance, Value, and Accountability as well as other topics of importance to Midwestern states. Fifteen publications were released in FY22.

Expenses \$ 1,032,811. including grants of \$ 0. Revenue \$ 10,000.

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

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

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

Compact Members: The members of the Compact are the 12 Midwestern states identified in the compact statute: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. To become a member, the states must enact the compact

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statute. Once enacted, the appointing authorities in each of the compacting states shall forward the names of their appointees to the Compact staff. The Compact staff shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon the expiration of designated terms.

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

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

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

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

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

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

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

The conflict of interest policy covers the governing board and officers. Annual statements are reviewed by the Director of Communications and Marketing. If a conflict was known, that individual would be required to refrain from voting on the matter.

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

Compensation for the President is recommended by the Executive Committee. The Executive Committee uses comparability data for similar organizations. The final determination and discussion is documented in the minutes at the full board meeting in June. This process is done on an annual basis.

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

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

Governing documents are currently available on the Compact's website. Financial statements and the conflict of interest policy are made available upon request.

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

Other Professional Fees:

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| Name of the organization<br><b>Midwestern Higher Education Compact</b> | Employer identification number<br><b>38-3011476</b> |
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|  |          |
|--|----------|
| Program service expenses                               | 772,198. |
| Management and general expenses                        | 23,166.  |
| Fundraising expenses                                   | 0.       |
| Total expenses   | 795,364. |
| Total Other Fees on Form 990, Part IX, line 11g, Col A | 795,364. |

Form 990, Part XI, line 9, Changes in Net Assets:

Restatement of Audit Beg Net Assets for adoption of GASB

|                |           |
|----------------|-----------|
| Lease Standard | -721,116. |
|----------------|-----------|

## **Form 990 Notes**

As you may recall, the Commission has delegated the authority to approve MHEC's Form 990, to the elected officers. Prior to the 990 due date of May 15, 2023, MHEC's Finance and Audit Committee reviewed and approved the 990 and recommended it to the executive officers, for final approval. All officers have approved the 990 and it was filed with the respective tax authorities (IRS & State of Minnesota). The Form 990 is being included for your reference.

Note this will be the last year that we have Eide Bailly perform our annual audit and prepare our Form 990.

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# Master Property Program (MPP)

Prepared by Jennifer Dahlquist, Vice President

## Background

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

## Current Status

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

## Next Steps

MHEC and Marsh staff have spent the last six months working to sunset the MPP. This included communicating to MPP Leadership, all participating MPP institutions, service providers, brokers, and MHEC's sister compacts, and other constituents, information surrounding the decision to sunset the MPP and outlining next steps. As part of the transition, under the provisions of the MHEC contract with Marsh, any members who wished to do so were able to work directly with Marsh to obtain their property coverage for the forthcoming policy year. Two current MPP participants utilized this option.

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

The MPP will officially be sunset on July 1, 2023, however MHEC will retain Marsh's services directly to unwind the program and continue servicing of members (answering coverage questions, fielding claims, loss control support, finalizing and balancing accounting). Marsh's assistance will be required to support the unwinding of the MPP until all open claims are closed which may take several years, but as time progresses, the support required will diminish.

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

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

## Current Status

Stone Arch Insurance Company continues to support the MPP's loss fund layer. The current program is financially strong and will continue business as usual with policies in place through 12:01 a.m. on July 1, 2023, with claims management and ongoing support by both the MHEC and Marsh team.

## Next Steps

Although the MPP will officially be sunset on July 1, 2023, Stone Arch Insurance Company will continue to operate business as usual until all open claims have been paid and settled. This includes any claims that arise between now and July 1, 2023. As there are no plans to write any insurance coverage after July 1, 2023, this will effectively send Stone Arch Insurance Company into what is called "run-off". "Run-off" occurs when an insurance company ceases to sell new insurance policies. During this period, Stone Arch will continue to conduct its duties as a captive, paying claims, and filing necessary reports. MHEC will continue to retain the services of Marsh Captive Management at its expense to operate Stone Arch Insurance Company, which includes paying claims and providing regular reporting to the Vermont Department of Financial Regulation. Marsh Captive will also work with the outside providers that support captive operations such as audit, tax, and actuarial services. During this "run-off" period MHEC may find additional uses for the captive and begin to write new lines of insurance, but if it does not, at the conclusion of the "run-off" period (which can take several years) MHEC will need to determine if it dissolves Stone Arch or places it in dormancy. At this point, MHEC staff recommends dormancy, but will continue to monitor the landscape and be prepared to make a formal recommendation as the decision point nears.

# Cyber Insurance

Prepared by Jennifer Dahlquist, Vice President

## Background

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

## Current Status

MHEC and Marsh spent several years attempting to build a program in cyber insurance. The initial step involved directing institutions to work with Marsh to place its cyber liability insurance. Marsh's approach with prospective institutions included analyzing the institution's threat environment, assessing the significance of the vulnerabilities in security controls, and determined how much financial exposure the institution faced. Marsh also was able to provide institutions with benchmarking on how much cyber coverage institutions of similar risk were buying. The goal focused on building a critical mass of participating MHEC institutions to provide the option of risk sharing in an excess layer of coverage. During this time, the cyber insurance market became increasingly challenging - premiums rose for all sectors and underwriting requirements grew significantly.

## Next Steps

With the ever-changing challenges in the cyber insurance market, MHEC was unable to build a cyber insurance program. While the ability to leverage MHEC's contract with Marsh offered an option for institutions, it was not utilized. MHEC will be unable to continue this offering as the contract with Marsh will conclude with the sunset of the Master Property Program. As MHEC moves forward it will continue to keep abreast of the cyber insurance market and determine how and if it can bring value and provide resources to institutions in its member states. The MHEC Cyber Insurance program will officially sunset on July 1, 2023.

## **MHECare Student Health Solutions**

Prepared by Jennifer Dahlquist, Vice President

### **Background**

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

### **Current Status**

On September 3, 2020, the Student Health Benefits Advisory Committee issued the MHECare Student Insurance Solutions RFP. MHEC has completed contract negotiations with UnitedHealthcare StudentResources, META Teletherapy, and TAO Connect. This spring MHEC concluded contract negotiations with the fourth and final vendor, HealthMarkets.

Thirty campuses from across the U.S. participate in MHECare for the 2022-23 school year through the option with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance, providing coverage to over 55,000 students. Next fall, two additional institutions, Western Illinois University and the University of Illinois, Springfield will join as participating institutions. MHEC began offering institutions options for virtual mental health services through META and TAO Connect this past academic year. The MHEC agreement with META provides institutions affordable access to a mental health provider marketplace where students can choose to connect with school counselors or META teletherapists through a mobile app for private, secure video, audio, and chat therapy. TAO Connect provides institutions with a platform of self-serve mental health modules for students to leverage independently, or in conjunction with campus counseling.

### **Next Steps**

MHEC is presently focused on rolling out the new offering with HealthMarkets. This new program provides institutions an easy avenue for students and their dependents to find health insurance and connects students searching for insurance with licensed insurance agents on their online shopping portal. MHEC is working with several pilot institutions in the region to slowly roll out the service and then plans to leverage the potential success stories with the pilot institutions as it promotes the product more broadly.

# Midwest Student Exchange Program (MSEP)

Prepared by Jenny Parks, Vice President

## Background

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

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

## Current Status

According to the forthcoming 2022-23 MSEP Data Report, eight states participated in the program with over 50 institutions submitting data from two- and four-year public and private not-for-profit institutions. Colleges and universities reported that approximately 5,367 students saved almost \$44M in tuition.

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

## Next Steps

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

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

Prepared by Sara Appel, Director of M-SARA and Leah Reinert, Policy & Research Manager

## Background

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

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

## Current Status

Currently, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are members of SARA. Within SARA, 2,396 institutions participate, of which 660 (334 private non-profit, 290 public, 29 private for-profit, and 7 tribal) institutions are in MHEC states. California remains the only state that is not a member, but discussions continue to encourage their joining.

M-SARA (Midwestern-State Authorization Reciprocity Agreement) is an integral way in which MHEC is involved with both NC-SARA and the other regional compacts. M-SARA hosts its own set of annual meetings for the M-SARA Regional Steering Committee (RSC) members and M-SARA state portal entities (SPEs), the individuals in each state who review and approve institutions for SARA participation and monitor institutional compliance. Jennifer Armour, associate director for academic affairs at the Kansas Board of Regents, was selected earlier this year by members of the M-SARA RSC to serve as its new chair.

Over the last year, work began on the new policy modification process with significant engagement from all SARA stakeholders. M-SARA RSC leaders have volunteered substantial time to improve how SARA policies are made and implemented and the work has been transparent, collaborative, and collegial. Within the new policy modification process, SARA stakeholders submitted 63 proposals to modify or add to SARA policy. M-SARA submitted 18 proposals which included proposals prepared in the past two years that were not able to be submitted. The search for the new president for NC-SARA is in process.

## Next Steps

MHEC's work continues to support states' M-SARA efforts. Through the next several months, M-SARA will be working with the RSC to amend, align, and/or vote for approval to go to the board on the 63 policy modification proposals.

# Research

Prepared by Aaron Horn, Associate Vice President of Research

## Background

MHEC's approach to higher education research and policy analysis informs institutional and state efforts in improving postsecondary policies, practices, and outcomes, particularly in the Midwest. MHEC supports the work of commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education administrators and researchers in several ways: (1) Maintaining a repository of expertise, knowledge, and best practices for guiding policy and practice; (2) Conducting applied research and analysis on critical topics in higher education; (3) Developing innovative approaches to improve educational opportunity and effectiveness; and (4) Providing public outreach and service to institutions and governments. Some projects are one-time and short-term while others are more comprehensive. We welcome ideas and suggestions from our stakeholders in the region. Some of the recent work completed for MHEC stakeholders includes research and feedback on conditional grant programs; transcript holds; annual changes in tuition and fees; tuition caps and rules; and approaches to defining college affordability.

## Current Status

*2022 State Performance Update:* A performance update for each MHEC member state was completed to supplement the periodic [Higher Education in Focus](#) report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy.

*Interactive Dashboard:* Based on a stakeholder feedback survey administered in July of 2022, dashboard indicators have been updated with the most recent data. In addition, several new indicators have been added, including college enrollment by sex, FAFSA completion rates, and full-time equivalent student enrollment.

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

*Definitions of Residency for Tuition Purposes at Public Flagship Universities:* This brief provides information on guidelines for determining student residency for tuition purposes at public flagship universities in the Midwest, including common exceptions and supporting evidence requirements.

*The Effect of State Appropriations on College Completion Rates of Diverse Students:* This was the first national study to estimate the effect of state appropriations on the college graduation rates of underrepresented students. The report was updated to include an additional analysis of how the effect of public funding depends on an institution's degree of subsidy reliance.

*State Funding Approaches for Public Colleges and Universities in the Midwest:* This report details how Midwestern states allocate funding to public colleges and universities. It also provides an overview of some possible tradeoffs of funding approaches as well as a summary of research on the effects of different funding mechanisms.

## Next Steps

*Collecting and Reporting Data for Improving Dual Enrollment Programs:* This project will draw on literature reviews and stakeholder interviews to (a) help state leaders in the MHEC region understand the importance of collecting and publicly reporting dual enrollment data and (b) guide state efforts to assess and improve dual enrollment data processes based on model policy and practice. The report is planned for release during December of 2024.

# 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 and on partnered college campuses. Research indicates that such programs enhance educational outcomes for students; provide recruitment channels for postsecondary institutions; and enhance college student outcomes. Dual and concurrent enrollment courses are offered in all fifty states, with demand for such courses increasing rapidly. There are several challenges states face as they try to meet this demand. Challenges include funding the costs of dual credit course offerings and in a way that is equitable for all students, especially those in rural and low-income school districts. Recruiting and maintaining a fully credentialed concurrent enrollment teaching force is another major challenge. MHEC's dual/concurrent enrollment initiatives address all these challenges from a regional perspective.

In 2015 the [Higher Learning Commission \(HLC\)](#), the major accreditor for Midwestern states, clarified its expectations for the teaching credentials of postsecondary faculty, including concurrent enrollment instructors in high schools. The new policy language stated that postsecondary instructors for undergraduate courses must possess a master's degree in the field they teach or hold a master's degree in another field along with at least 18 graduate credits in the field they teach.

This HLC clarification highlighted a longstanding concern in the world of concurrent enrollment: many high school teachers without full credentials as defined by HLC were serving as concurrent enrollment instructors. Ever since, states across the Midwest have struggled to help teachers gain the credentials needed to teach concurrent enrollment courses and meet the high demand for such courses. The deadline for institutions to have all their instructors meet expectations is September 1, 2025. However, in 2023, HLC has [shared new proposed language](#) pertaining to instructor qualifications. Depending upon if and how this new policy language is adopted, institutions will need to develop additional new methods for tracking the credentials of their faculty, including those who teach on their behalf in high schools. The tentative timeline is June 2023 for the first HLC Board reading, followed by a public comment period (not less than 60 days), with a second HLC Board reading in November 2023, and an effective date to be determined.

## Current Status/Next Steps

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

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

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

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

# Midwest Credential Transparency Alliance (MCTA)

Prepared by Jenny Parks, Vice President

## Background

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

This work involving MHEC and Credential Engine was guided by the Midwest Credential Transparency Alliance (MCTA), a group of representatives from MHEC states who work to organize and align the credential ecosystem within their states. Each participating MHEC state had an opportunity to create a team of representatives from higher education agencies and systems, K-12, and workforce development agencies, and governor's offices to help lead the work in their respective states and share best practices with others. The goal was to allow institutions and organizations within states an opportunity to publish their credentials to the [Credential Registry](#), providing a free, open access tool for students, educators, and employers to search for and learn about all the credentials offered throughout the Midwest. MCTA's intention is not to duplicate efforts, but instead tailor each approach to help align and extend value to the work Midwest states are already doing or are planning to do. The first phase of work under the MCTA ended in December 2022.

## Current Status/Next Steps

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

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

MHEC will reach out to members of the MCTA and recruit members of the new advisory groups starting in summer 2023.

# Open Educational Resources

Prepared by Jenny Parks, Vice President

## Background

[Open Educational Resources](#) (OER) are textbooks and learning materials accessible via the Internet at little or no cost to students or institutions and openly licensed so 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 instructional innovation. MHEC supports its member states as they increase their capacity to implement OER and establish sustainable use of them at the institutional, system, and state levels.

This work at MHEC started in 2018 with a kick-off at the [OER Implementation and Policy Summit for the MHEC States](#). In 2020, the four regional compacts formed a nationwide network of OER support known as the National Consortium for Open Educational Resources ([NCOER](#)). Each regional compact received an 18-month, \$250,000 grant from the [Hewlett Foundation](#) to increase OER capacity and implementation in its member states, to share best practices, scale successful efforts, and leverage collective resources to enhance OER implementation across the country. In September 2022, MHEC received an additional \$432,400 grant from the Hewlett Foundation to continue the work with the Midwestern states and the collaboration with the NCOER.

## Current Status

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

MHEC communicates monthly with the OER community. Interest in the newsletter has grown by 61% since the newsletter was first sent in 2019.

We have launched a yearlong research project to understand how institutions are using course marking to communicate and track which courses use OER. The first step of this project was the distribution of a national survey to better understand current practices and challenges. The course marking survey launched in May and will run through June 16.

## Next Steps

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

We will be implementing our research project on course marking, meeting with state OER action teams, and planning for the January Summit.

# MHEC Technologies Community

Prepared by Debra Kidwell, Director of Technology Initiatives

## Background

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

## Current Status

The Technologies Community convened in February 2023 at the Big Ten Conference Center in Chicago under the theme of *Tracing, Chasing, and Leading Change*: identifying changes, analyzing changes, and acting on changes. In addition to professional development and networking opportunities, the community:

- Launched a Microsoft Teams community space, the first of several forums that MHEC plans to establish. Teams presents many prospects for networking and collaboration that closely resemble the practices observed within higher education institutions.
- Disseminated findings on the issue of retention of vital IT staff. The community was provided with a resource library and a whitepaper on this topic to assist in engaging with stakeholders e.g., human resources, administrative personnel, board members, and others.
- Identified potential projects for 2023 - data analytics, artificial intelligence, managing expectations of IT, and supporting remote/hybrid work.

Professional development and networking opportunities were provided to the community throughout the past year via a series of roundtable discussions (facilitated by community members): 1) *What are your favorite and most used Assistive Technology tools on campus?* on November 9, 2022; 2) *How are you performing online teaching assessments?* on January 26, 2023; 3) *The search is on! For a new system.* on April 11, 2023; and *Managing Change Management!* on June 5, 2023. A similar discussion format was utilized for a session with Dell on *Supply Chain Lessons Learned from the Pandemic* on April 25, 2023.

## Next Steps

Moving forward, MHEC staff and the Technologies Community are exploring two identified focus areas and formulating action plans to achieve their objectives.

- Creating a **policy library** to support hybrid and remote work. This project seeks to provide a centralized location where policies, checklists, and other relevant materials can be easily shared among community members.
- Compiling a list of **IT services and their associated costs to better** manage stakeholder expectations. This project aims to identify the core services provided by IT and their costs, facilitating a common institutional understanding of where resources should be allocated.

The community expressed their appreciation for the value of the roundtable discussions and is planning to create a new series of discussions for the 2023-2024 academic year. Potential topics include TikTok/social media, gender identity policies, Artificial Intelligence (AI), AI Policies, and positive conflict.

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## MHEC Academic Contracts

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

### Background

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

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

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

### Current Status

***Creative Commons:*** This contract continues to support work and recommendations arising from MHEC's OER (Open Educational Resources) initiative. Creative Commons (CC) is a nonprofit organization that provides open licenses so content creators have a free, simple, and standardized way to designate copyright permissions for creative and academic works; ensure proper attribution; and allow others to copy, distribute, and make use of those works. Under their agreement with MHEC, Creative Commons offers a discount on all training to stakeholders in states serviced by MHEC and its sister compacts.

### Potential RFPs (Request for Proposals):

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

- **Adult Prospect Pipeline:** identify firms that can help institutions recruit students in non-traditional markets, such as adult learners.
- **Career Navigation for Adult Learners:** seek digital tools that can potentially help adult learners navigate from education to their career (market not ready until at least 2024)
- **Professional Licensure:** identify resources that systematically investigate and collect data about professional licensure and USDE requirements for student disclosures, with an option to analyze information to identify patterns, relationships, and insights.
- **Consulting services:** identify firms that offer consulting services in specific areas such as transcript automation and credential processing, virtual reality, and/or staffing services.

### Next Steps

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

# Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

## Background

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

## Current Status

Higher education institutions have had to adapt to the post-pandemic era by creating IT infrastructures that support the changing digital landscape. However, many of these institutions have limited budgets and staffing to acquire the necessary technology solutions. To address this issue, MHEC provides 20 technology contracts for various solutions, including computers, data and networking, printers and peripherals, security services, and software.

Last July 2022, several new contracts were initiated with Connection, Dell, HP Inc., and Lenovo for end-user computing. Recently, a Technology Community workgroup conducted a solicitation for Data Analytics for Student Success, Institutional Efficiencies, and Integration, recommending awards to Resultant and SAS Institute. These new contracts will be available after July 2023 with a term of up to seven years. As with all MHEC contracts, they are available for use by all public and private not-for-profit institutions of higher education in the MHEC region, other [regional compacts](#), as well as K-12 districts, local governments, and states, and are designed to save time, money, and resources on critical hardware, software, and support.

For the last full reporting period, fiscal year 2022, entities in all 12 of the member states have leveraged MHEC cooperative agreements, resulting in \$34 million in savings. Over the last five years, national usage of MHEC technology contracts has grown steadily by 15% year over year, with over \$2.6 billion invested in technology. While a complete full year of reports is not yet available, a slight decrease in usage is anticipated with the new end-user computing contracts for FY23, with increasing usage anticipated each year thereafter through the contract lifecycle until fiscal year 2029. However, due to an increase in the administration fee on the new end-user contracts, MHEC is expecting an approximate 200% increase in its overall technology contract revenue from the previous year.

## Next Steps

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

## MHEC Annual Estimated Savings for Entities and Citizens

| MHEC Member States                            | 2021-2022 Annual State Commitment | Technology <sup>1</sup> | Master Property Program <sup>2</sup> | Midwestern-State Authorization Reciprocity Agreement <sup>3</sup> | State Contract and Programs Total Savings | Citizen Savings through the Midwest Student Exchange Program <sup>4</sup> | Total Annual Savings |
|---|-----------------------------------|-------------------------|--------------------------------------|---|---|---|----------------------|
| <b>Illinois</b><br>Member Since 8/20/1991     | 115,000                           | 10,391,484              | -                                    | 6,470,800   | 16,862,284                                | 31,215,487  | 48,077,771           |
| <b>Indiana</b><br>Member Since 3/14/1996      | 115,000                           | 3,401,242               | -                                    | 2,338,000   | 5,739,242                                 | 938,094   | 6,677,336            |
| <b>Iowa</b><br>Member Since 6/6/2005          | 115,000                           | 656,388                 | -                                    | 3,476,800   | 4,133,188                                 | NP <sup>5</sup>   | 4,133,188            |
| <b>Kansas</b><br>Member Since 4/25/1990       | 115,000                           | 1,859,629               | -                                    | 1,625,600   | 3,485,229                                 | 2,063,604   | 5,548,833            |
| <b>Michigan</b><br>Member Since 7/24/1990     | 115,000                           | 4,416,396               | -                                    | 4,662,800   | 9,079,196                                 | 4,326,098   | 13,405,294           |
| <b>Minnesota</b><br>Member Since 4/26/1990    | 115,000                           | 2,501,343               | -                                    | 4,204,600   | 6,705,943                                 | 2,553,793   | 9,259,736            |
| <b>Missouri</b><br>Member Since 5/9/1990      | 115,000                           | 3,534,182               | -                                    | 3,411,000   | 6,945,182                                 | 5,461,763   | 12,406,945           |
| <b>Nebraska</b><br>Member Since 6/5/1991      | 115,000                           | 1,106,261               | -                                    | 1,054,290   | 2,160,551                                 | 5,063,390   | 7,223,941            |
| <b>North Dakota</b><br>Member Since 4/22/1999 | 115,000                           | 335,687                 | -                                    | 517,600   | 853,287                                   | 426,992   | 1,280,279            |
| <b>Ohio</b><br>Member Since 1/9/1991          | 115,000                           | 2,879,511               | -                                    | 7,391,600   | 10,271,111                                | 3,350,973   | 13,622,084           |
| <b>South Dakota</b><br>Member Since 3/13/2008 | 115,000                           | 283,624                 | -                                    | -   | 283,624                                   | NP <sup>5</sup>   | 283,624              |
| <b>Wisconsin</b><br>Member Since 4/18/1994    | 115,000                           | 2,371,788               | -                                    | 1,985,400   | 4,357,188                                 | 1,654,277   | 6,011,465            |
| <b>Program Totals</b>                         | <b>\$1,380,000</b>                | <b>\$33,737,535</b>     | <b>\$-</b>                           | <b>\$37,138,490</b>   | <b>\$70,876,025</b>                       | <b>\$57,054,471</b>   | <b>\$127,930,496</b> |

**FY22 FOOTNOTES:**

1. Arrow/Commvault, Campus Guard, Dell, Ease Learning, HP, Infosec, Info-Tech, Lenovo, Microfocus, Oracle, Parchment, SAS, Walker and Associates, and Xerox.
2. Savings numbers not available as of November 1, 2022.
3. As of FY22, M-SARA savings are based on NCHEMS' methodology as explained on NC-SARA Cost Savings website. See <https://nc-sara.org/sara-cost-savings>.

4. Student tuition savings for the academic year 2021-2022.
5. Non-participating state for 2021-2022.

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## Presenters



### **Jeff Buhrandt**

Vice President for University Relations  
University of Wisconsin System

Jeff Buhrandt is the vice president for university relations at the University of Wisconsin System. Jeff previously served in a variety of roles at UW System, most recently as associate vice president for government relations. The Office of University Relations manages media, government, corporate, and community relations on behalf of the UW System.

Jeff began his career working for long-time northern Wisconsin Congressman Dave Obey, after which he moved to Madison and worked in the Wisconsin State Senate for eight years before joining System Administration in 2014. Jeff is a Wisconsin native, has a bachelor's degree in Political Science and Public Administration from University of Wisconsin- Stevens Point, and a master's degree in Higher Education Administration from the University of Wisconsin-Milwaukee.



### **Kimberly Ernstmeyer, MSN, RN, CNE, CHSE, APNP-BC**

Open RN Project Director  
Chippewa Valley Technical College

Kim Ernstmeyer is the project director of the Open Resources for Nursing (Open RN) project, funded by a \$2.5 million grant from the Department of Education. Kim is a certified nurse educator and nurse practitioner who joined CVTC in 2005. The Open RN project has published seven nursing OER textbooks and 25 virtual simulations. Over 60 colleges across the U.S. and Canada have adopted one or more Open RN textbooks, along with over 3 million international users of the online textbooks with 8 million page views. Three Open RN textbooks won Best OER Awards from OE Global in 2020 and 2021.

Kim has presented at several international conferences, including IMSH, INACSL, National League for Nursing Educational Summit, Achieve the Dream, OpenEd, and OE Global. She also co-authored "Impact of Interprofessional Education on Nursing Students' Attitudes Toward Teamwork and Collaboration with Physicians" in the Journal of Nursing Education.



### **Dr. Lynette Livingston**

Provost and Vice President for Academic Affairs  
Chippewa Valley Technical College

Dr. Lynette Livingston joined Chippewa Valley Technical College (CVTC) in 2013 and serves as provost and vice president for academic affairs. Throughout Dr. Livingston's higher education career, she has led multiple academic programs in achieving accreditation and implemented innovative deliveries and initiatives to grow enrollment and increase student success. These strategies include High School Dual Credit Academies serving over 40 school districts. Dr. Livingston has special interests focusing on collaboration, specifically between business and education partners with a focus

on access, opportunity, and mutual benefit. Dr. Livingston's background includes training in continuous improvement using SMART goals, and she is an experienced Wisconsin Forward Award evaluator.

Prior to joining CVTC Dr. Livingston served in public K12 education as a dual credit teacher, administrator, and was a founding member of two successful charter schools.

Dr. Lynette Livingston is a first-generation college student and holds a doctorate degree from the University of Wisconsin-Stout.



**Vince Mussehl, MLIS**

Library Director & Open RN Librarian  
Chippewa Valley Technical College

Vince Mussehl is the library director at Chippewa Valley Technical College (CVTC) - a two-year institution in Eau Claire, Wisconsin. As director, he has focused on customer service, the student experience, and student resource affordability, including open educational resources (OER).

As a champion of open education, he has led the Affordable Learning committee at CVTC and saw a student savings of over \$2 million during the 2021-2022 academic year. He also facilitates faculty professional development surrounding open education in Wisconsin and nationally. Vince has consulted with many different institutions on affordable learning and has facilitated several state, national, and international presentations focused on open education. Since the launching of the Open RN Project (a recipient of the U.S. DOE open textbook pilot grant in 2019) he has served as the Project Lead Librarian – a project which is projected to save Wisconsin nursing students over \$1.5 million annually.



**Gina Petrie, MSN, RN**

Dean of Nursing  
Chippewa Valley Technical College

Gina is the dean of nursing at Chippewa Valley Technical College (CVTC). She joined CVTC in 2015 and served as a nursing instructor and program director prior to her current role. As a supervisor of the Open RN project, Gina leads the Nursing Advisory Committee meetings with industry members and encourages faculty to participate as authors, peer reviewers, and early adopters. She served as a peer reviewer of the Open RN Nursing Pharmacology OER textbook and was a co-presenter regarding the early success of the Open RN project at the national Achieve the Dream conference in February 2020. Throughout her role as dean, Gina also works to expand pathways for high school students interested in healthcare careers. She collaborates with CVTC's K12 team to expand dual credit offerings, including nursing assistant courses, pre-nursing/healthcare academies, and most recently, a practical nursing academy pathway.



**Dr. Jason Pontius**

Associate Chief Academic Officer  
Iowa Board of Regents

Jason Pontius joined the Board of Regents staff in October 2012. He has previously worked at Iowa State University, the Iowa Department of Education, the University of Maryland at College Park, and Wesleyan College. He has experience in assessment and evaluation work, institutional research, data management, and college administration in both academic and student affairs. Jason holds a Ph.D. in Higher Education Policy from Iowa State University, an M.S. in Higher Education Administration from Indiana University, and a B.A. in Psychology from the University of Virginia.

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## MHEC Commissioners

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Chair: Devinder Malhotra, Minnesota  
Vice Chair: Barbara Ballard, Kansas  
Treasurer: Larry Tidemann  
Past Chair: David Eisler, Michigan

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Indiana: Jon Ford, Ken Sauer  
Iowa: Olivia Madison, Sharon Steckman  
Kansas: Barbara Ballard, Blake Flanders  
Michigan: David Eisler, Brandy Johnson  
Minnesota: Devinder Malhotra, Dennis Olson  
Missouri: Kayla Hahn, **TBD**  
Nebraska: John Cavanaugh, Deborah Frison  
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Ohio: Gary Cates, Jerry Cirino  
South Dakota: Michael Cartney, Larry Tidemann  
Wisconsin: Connie Hutchison, David Murphy  
Ex Officios: Randy Ferlic (NE); Tim Flakoll (ND)

### ILLINOIS

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



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



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



**Pranav Kothari**  
Public Member  
Illinois Board of Higher Education



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

**VACANCY**

Appointing Authority: Illinois Governor's Office (Designee)

**INDIANA**



**Bob Behning**

State Representative; Chair, Education Committee  
Indiana General Assembly

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



**Jon Ford**

State Senator; Member, Appropriations Committee  
Indiana General Assembly



**Ronald S. Rochon**

President  
University of Southern Indiana



**Ken Sauer**

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

**Vacancy**

Appointing Authority: Indiana Governor (At-Large Member)

## IOWA



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

### **Jacob Bossman**

State Representative; Member, Appropriations Committees  
Iowa Legislature



### **Derrick R. Franck**

Past Board Chair  
Iowa Association of Community College Trustees



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

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



### **Cindy Winckler**

State Senator; Ranking Member, Education Appropriations Subcommittee  
Iowa Legislature

### **Vacancy**

Appointing Authority: Board of Regents, State of Iowa



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

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



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



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



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



**Mark Wiederspan** (Commissioner Alternate)  
Executive Director  
Iowa College Aid

## **KANSAS**



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

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



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



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



**Cynthia Lane**  
Board Member  
Kansas Board of Regents



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



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



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

**MICHIGAN**



<https://www.mhec.org/states/michigan>  
**David L. Eisler**  
Former President; Professor, Community College Leadership Studies  
Ferris State University



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



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

**VACANCY**  
Appointing Authority: Michigan Governor

**VACANCY**  
Appointing Authority: Michigan Speaker of the House



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

**VACANCY** (Commissioner Alternate)  
Appointing Authority: Michigan Governor Designee of State Board of Education

## MINNESOTA



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

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



**Michael Goh**  
Professor & Campbell Leadership Chair in Education and Human Development  
University of Minnesota – Twin Cities



**Devinder Malhotra**  
Chancellor  
Minnesota State



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



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



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

## MISSOURI

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



**Brad Christ**  
State Representative; Member, Budget Committee  
Missouri General Assembly



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



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



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



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

**NEBRASKA**

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



**John Cavanaugh**  
State Senator  
Nebraska Legislature



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



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



**Heath Mello**  
Vice President for External Relations  
University of Nebraska System



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



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Executive Director  
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## **NORTH DAKOTA**

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



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State Senator; Member, Appropriations Committee  
North Dakota Legislative Assembly



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



**Mark Hagerott**  
Chancellor  
North Dakota University System



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

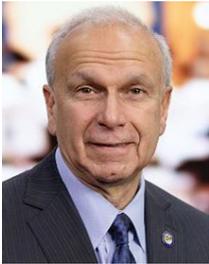


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North Dakota Legislative Assembly

**OHIO**



<https://www.mhec.org/states/ohio>  
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Senior Vice Chancellor  
Ohio Department of Higher Education



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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



**Tom Young**

State Representative; Chair, Higher Education Committee  
Ohio Legislature

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



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President Emeritus  
Lake Area Technical College



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



**Nathan Lukkes**  
Chief of Staff  
South Dakota Board of Regents



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



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



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State Representative; Assistant Minority Leader  
South Dakota Legislature



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

**WISCONSIN**

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



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State Senator; Majority Caucus Vice-Chair  
Wisconsin State Legislature



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



**Rebecca Larson**  
Senior Vice President for Advocacy  
Wisconsin Association of Independent Colleges and Universities (WAICU)



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



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University of Wisconsin-Madison



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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  
Midwest Student Exchange Program Council  
Review Panel for State Policy and Performance Data  
Student Health Benefits Advisory Committee  
Technologies Executive Committee

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# The Midwestern Regional Higher Education *Compact*

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

## **ARTICLE I. PURPOSE**

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

## **ARTICLE II. THE COMMISSION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**MEMBER STATES**

State of Illinois  
By Jim Edgar  
August 20, 1991

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

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

State of Indiana  
By Evan Bayh  
March 14, 1996

State of Minnesota  
By Rudolph Perpich  
April 26, 1990

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

State of Iowa  
By Tom Vilsack  
June 6, 2005

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

State of South Dakota  
By Mike Rounds  
March 13, 2008

State of Kansas  
By Michael Hayden  
April 25, 1990

State of Nebraska  
By Ben Nelson  
June 5, 1991

State of Wisconsin  
By Tommy Thompson  
April 18, 1994

# Midwestern Higher Education Commission

## Bylaws

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

#### Section 1. Purpose.

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

#### Section 2. Functions.

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

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

#### Section 3. Bylaws.

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

### Article II. Membership

#### Section 1. Commission Members.

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

## Section 2. Affiliate Members.

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

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

## Section 3. Associate Members.

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

## Section 4. Compact Participation in MHEC Programs.

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

## Article III. Officers

### Section 1. Election and Succession.

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

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

### Section 2. Duties.

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

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

by the commission. Pursuant to the compact, the treasurer shall execute such bond as may be required by the commission covering the treasurer, the president and any other officers, commission members and commission personnel, as determined by the commission, who may be responsible for the receipt, disbursement, or management of commission funds.

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

## **Article IV. Commission Personnel**

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

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

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

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

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

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

### Section 3. Policy and Programmatic Committees.

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

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

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

## Article V. Meetings of the Commission.

### Section 1. Meetings and Notice.

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

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

## Section 2. Quorum.

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

## Section 3. Voting.

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

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

## Section 4. Procedure.

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

## Article VI. Commission Committees

### Section 1. Executive Committee.

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

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

### Section 2. Finance and Audit Committee.

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

### Section 3. Other Committees.

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

## Article VII. Finance

### Section 1. Fiscal Year.

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

### Section 2. Budget.

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

### Section 3. Accounting and Audit.

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

### Section 4. Debt Limitations.

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

### Section 5. Travel Reimbursement.

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

## Article VIII. Required Reports

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

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

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

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

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

*As adopted by the Midwestern Higher Education Commission on March 10, 1991; May 20, 1995; June 20, 2003; November 18, 2004; November 14, 2006; November 14, 2011; June 3, 2019; November 19, 2019, and November 15, 2022.*

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

### **2023 MHEC COMMISSION MEETING**

Monday, November 13 – Wednesday, November 15, 2023  
St. Paul Hotel  
St. Paul, Minnesota

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

June 2023

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