



# Agenda Book

**Commission Meeting  
and Policy Forum  
November 14-16, 2018  
Fargo, ND**



**North Dakota Commissioners: Kyle Davison, Tim Flakoll, Mark Hagerott, Dennis Johnson, Donald Morton  
North Dakota Commissioner Alternate: James Davis**



## **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

Annual Commission Meeting and Policy Forum

November 14-16, 2018

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# Meeting Detail

## Meeting Location

Delta Hotels - Fargo

1635 42nd Street SW, Fargo, ND 58103

(701) 277-9000

Check-in: 3:00 p.m. | Check-out: 12:00 p.m.

[Directions](#)



## Airport Transportation

The Delta Hotels-Fargo offers complimentary shuttle service to and from the Hector International Airport 24 hours a day, 7 days a week. Upon arrival to the airport, please call the hotel at (701) 277-9000 to arrange pickup.

## Parking

Self-parking is located directly next to and behind the hotel. Self-parking is complimentary to all guests.

## Wednesday, November 14

### Reception and Dinner

Delta Hotels – Fargo (Bach/Brahms)

5:00 p.m. Reception

6:00 p.m. Dinner

## **Thursday, November 15**

### **Dinner**

Sanctuary Events Center  
670 4th Ave N, Fargo, ND  
6.7 Miles from the hotel

- 5:10 p.m. Buses depart to Sanctuary Events Center
- 5:30 p.m. Reception
- 6:00 p.m. Photo Opportunity with Keynote Mr. Clint Hill, Former U.S. Secret Service Agent and Ms. Lisa McCubbin, New York Times Best Selling Author
- 6:30 p.m. Dinner
- 7:00 p.m. Awards Presentation
- 7:15 p.m. Keynote: *Five Presidents* – Mr. Clint Hill and Ms. Lisa McCubbin
- 8:15 p.m. Book signing with Mr. Clint Hill and Ms. Lisa McCubbin
- 9:00 p.m. Return



Action Items 3 and 4 Delta Hotel – Crystal Ballroom 1	c. Report from Nominations Committee and Election of Officers, Vice Chair and Treasurer – Commissioner Dick Short (KS), Committee Chair
9:15 a.m. to 10:00 a.m.	9. <i>Shared Medical Simulation Center</i> – Dr. Charles D. Peterson, Dean, College of Health Professions, North Dakota State University and Ms. Laura Goldhahn, Vice President of Administration, Sanford Health Sanford, America's largest rural hospital organization teams up with five Tri-College University partner campuses to move observational learning to hands-on, interdisciplinary medical training
10:00 a.m. to 10:15 a.m.	10. BREAK and Collection of Conflict of Interest Forms
10:15 a.m. to 11:00 a.m.	11. <i>Regional Perspective from the Midwest’s State Capitols</i> – Mr. Mike McCabe, Director, Council of State Governments, Midwest Office
11:00 a.m. to 11:30 a.m.	12. <i>Federal Higher Education Policy: What’s Next from DC? And Why Does It Matter?</i> – Dr. Thomas Harnisch, Director of State Relations and Policy Analysis, American Association of State Colleges and Universities
11:30 a.m. to 12:30 p.m. Delta Hotel – Bach/Brahms	13. Lunch
12:30 p.m. to 1:45 p.m. Delta Hotel – Crystal Ballroom 1	14. <i>The Forces Driving Higher Education: What they mean for the future</i> – Mr. Dennis Jones, President Emeritus, National Center for Higher Education Management Systems (NCHEMS)
1:45 p.m. to 2:30 p.m.	15. The Letter to the Next MHEC President <i>Tables will identify key points to pass onto MHEC President Larry Isaak’s successor.</i>
2:30 p.m. to 2:45 p.m.	16. BREAK
2:45 p.m. to 3:30 p.m.	17. Report Out and Fireside Chat: MHEC Chair-Elect Ken Sauer and President-elect Susan Heegaard
3:30 p.m. to 4:00 p.m.	18. MHEC President Larry Isaak’s Reflections
4:00 p.m.	19. ANNOUNCEMENTS
4:15 p.m.	20. RECESS
5:10 p.m.	21. Buses depart to Sanctuary Events Center, 670 4th Ave N, Fargo, ND (Exit out main entrance of the Delta Hotel.)
5:30 p.m.	22. Reception
6:00 p.m.	23. Photo Opportunity with Keynote Mr. Clint Hill, Former U.S. Secret Service Agent and Ms. Lisa McCubbin, <i>New York Times</i> Best Selling Author

- 6:30 p.m. 24. Dinner  
Welcome – MHEC Chair Tim Flakoll (ND)
- 7:00 p.m. 25. Awards Presentation – Mr. Larry Isaak, MHEC President; and MHEC  
Chair Tim Flakoll (ND)
- 7:15 p.m. 26. *Five Presidents* – Mr. Clint Hill and Ms. Lisa McCubbin
- 8:15 p.m. 27. Book signing with Mr. Clint Hill and Ms. Lisa McCubbin
- 9:00 p.m. 28. Return to Delta Hotel

Friday, November 16, 2018

7:00 a.m. to 7:45 a.m.

Delta Hotel – Bach/Brahms

Breakfast

8:00 a.m.

Delta Hotel – Crystal Ballroom

Call to order – MHEC Chair Tim Flakoll (ND)

POLICY FORUM: *Surviving or Thriving: Creating a Sustainable Future for  
Colleges and Universities*

8:00 a.m. to 8:25 a.m.

Keynote – *Envisioning Higher Education in 2030* – Dr. Peter Smith,  
Professor of Innovative Practices in Higher Education and Orkand Chair,  
University of Maryland University College

8:25 a.m. to 8:50 a.m.

Q & A

8:50 a.m. to 9:00 a.m.

BREAK

9:00 a.m. to 9:50 a.m.

Plenary Session 1: Improving Funding Structures and Resource Allocation

Moderator: Commissioner Teresa Lubbers, Indiana Commission for Higher  
Education and MHEC Commissioner Alternate

*The State of Funding for Community Colleges and Prospects for the Future*  
– Dr. James Palmer, Professor, Educational Administration and  
Foundations, Illinois State University

*Sustaining the Liberal Arts at Regional Public Universities* – Dr. Greg  
Summers, Provost and Vice Chancellor for Academic Affairs, University of  
Wisconsin- Stevens Point

*Addressing the Cost Challenges of Maintaining Rural Institutions* – Dr.  
Todd Harmening, System Director for Academic Programs and  
Collaboration, Minnesota State

9:50 a.m. to 10:15 a.m.

Q & A

10:15 a.m. to 10:35 a.m.

BREAK

10:35 a.m. to 11:25 a.m.

**Plenary Session 2: Innovative Approaches to Access and Success**

Moderator: The Honorable Kyle Davison, State Senator, North Dakota Legislature; and MHEC Commissioner

*Using Digital Badges to Assess College Readiness* – Dr. Barry Fishman, Arthur F. Thurnau Professor and Professor of Learning Technologies, School of Information and School of Education, University of Michigan

*Expanding STEM Career Pathways through Online Education* – Dr. Julia Melkers, Associate Professor, School of Public Policy, Georgia Tech

*The Role of Proactive Advising Systems in Promoting Student Success* – Dr. Rayane Alamuddin, Associate Director for Research and Evaluation, Ithaca S+R

11:25 a.m. to 11:50 a.m.

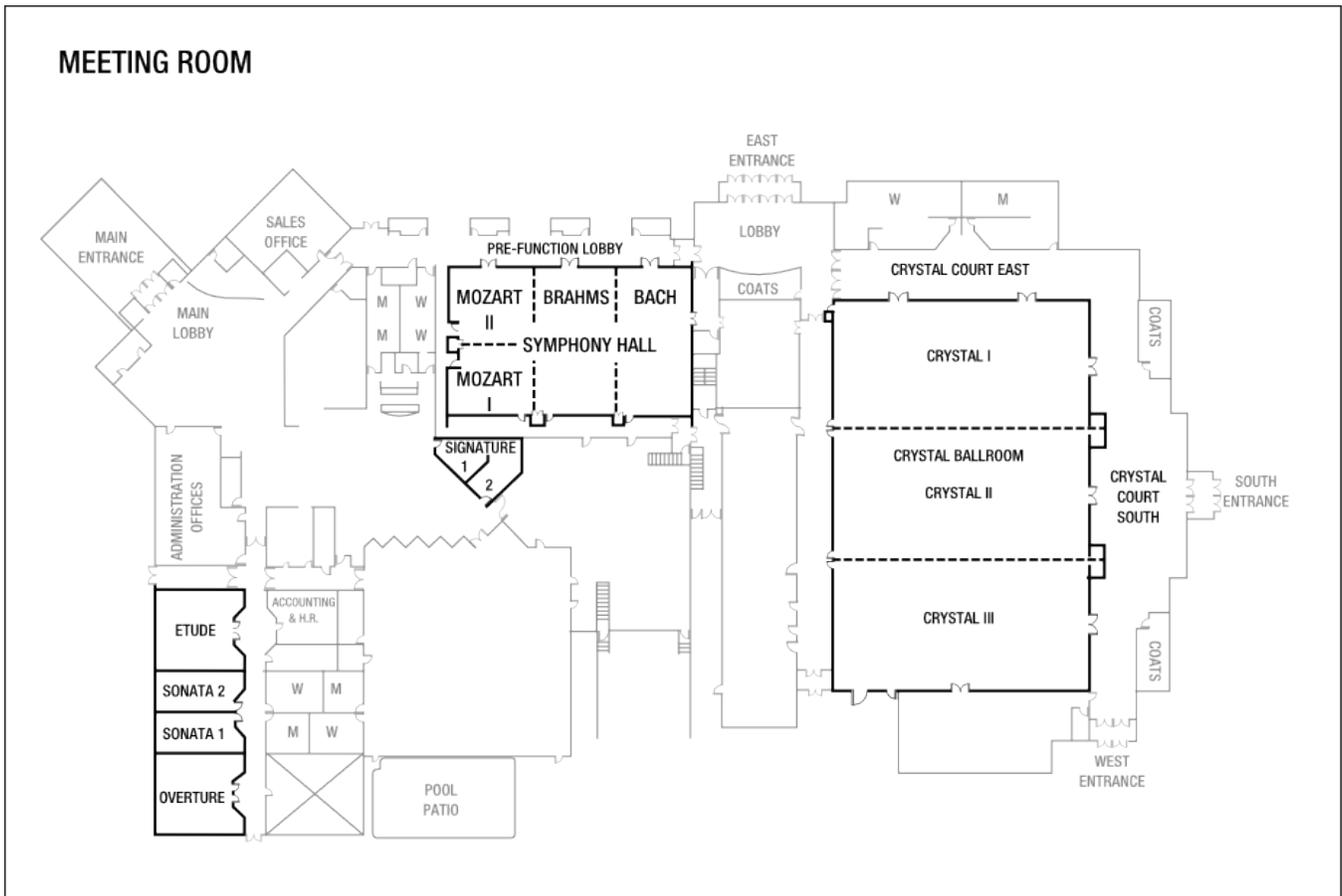
Q & A

11:50 a.m. to Noon

Concluding Remarks – Mr. Larry Isaak, MHEC President; and MHEC Chair Tim Flakoll (ND)

Noon  
(Lunch on own)

ADJOURN and PASSING OF THE GAVEL  
MHEC Chair Tim Flakoll (ND), and Chair-Elect Ken Sauer (IN)



# Midwestern Higher Education Compact

## Annual Commission Meeting

Overland Park Marriott  
November 13-14, 2017

### Minutes

#### Commissioners Present

- IL** Commissioner Karen Hunter Anderson, Executive Director, Illinois Community College Board  
Commissioner Alice Marie Jacobs, Board Member, Illinois Board of Higher Education  
Commissioner Patrick McGuire, State Senator, Illinois General Assembly  
Commissioner Suzanne Morris, Board Member, Illinois Community College Board
- IN** Commissioner Gregory Goode Executive Director of Govt Relations, Indiana State University  
Commissioner Jeff Raatz, Ranking Member, Education and Career Development, Indiana General Assembly  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education  
Commissioner Alternate Teresa Lubbers, Commissioner, Indiana Commission for Higher Education
- IA** Commissioner Nancy Boettger, Regent, Board of Regents, State of Iowa  
Commissioner Derrick Franck, Commissioner, Iowa Association of Community College Trustees  
Commissioner Olivia Madison, Dean Emerita of Library Services, Iowa State University  
Commissioner Alternate, Jane Bloomingdale, State Representative, Iowa Legislature  
Commissioner Alternate Todd Brown, Division Administrator, Financial Aid Program Administration and Communications, Iowa College Student Aid Commission  
Commissioner Alternate Wally Horn, State Senator, Iowa Legislature
- KS** Commissioner Blake Flanders, President and CEO, Kansas Board of Regents  
Commissioner Marci Francisco, State Senator, Kansas Legislature  
Commissioner Kevin Jones, State Representative, Kansas Legislature  
Commissioner Richard Short, Commissioner, North West Kansas Technical College Board Member  
Commissioner Helen Van Etten, Commissioner, Kansas Board of Regents  
Commissioner Alternate Barbara Ballard, State Representative, Kansas Legislature
- MI** Commissioner David Eisler, President, Ferris State University  
Commissioner Bill Pink, President, Grand Rapids Community College  
Commissioner Tyler Sawher, Senior Strategy Advisor for Education and Career Connections, State of Michigan, Governor's Office  
Commissioner Alternate Daniel Hurley, CEO, Michigan Association of State Universities
- MN** Commissioner Bud Nornes, State Representative, Minnesota State Legislature  
Commissioner Alternate Lyndon Carlson, State Representative, Minnesota State Legislature  
Commissioner Alternate Sandra Pappas, State Senator, Minnesota State Legislature

- MO** Commissioner Charles Ambrose, President, University of Central Missouri  
 Commissioner Allen Andrews, State Representative, Missouri General Assembly  
 Commissioner Dave Knes, Superintendent, Valley Park Schools  
 Commissioner Mark, Smith, Associate Vice Chancellor and Dean for Career Services, Washington University in St. Louis
- NE** Commissioner Sue Crawford, State Senator, Nebraska Legislature  
 Commissioner Randolph Ferlic, Governor's Appointee  
 Commissioner Carol Zink, Member, Coordinating Commission for Postsecondary Education  
 Commissioner Alternate Michael Baumgartner, Executive Director, Coordinating Commission for Postsecondary Education
- ND** Commissioner Kyle Davison, State Senator, North Dakota Legislative Assembly  
 Commissioner Tim Flakoll Provost, Tri-College University  
 Commissioner Mark Hagerott, Chancellor, North Dakota University System  
 Commissioner Dennis Johnson, State Representative, North Dakota Legislative Assembly  
 Commissioner Don Morton, Chairman, North Dakota State Board of Higher Education
- OH** Commissioner Gary Cates, Senior Vice Chancellor, Innovation and Enterprise Development, Ohio Department of Higher Education  
 Commissioner Stephanie Davidson, Vice Chancellor, Academic Affairs, Ohio Department of Higher Education  
 Commissioner Jack Hershey, President and CEO, Ohio Association of Community Colleges  
 Commissioner Alternate Bruce Johnson, President, Inter-University Council of Ohio
- SD** Commissioner Michael Cartney, President, Lake Area Technical Institute  
 Commissioner Larry Tidemann, State Senator, South Dakota Legislature  
 Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents  
 Commissioner Patrick Weber, Policy Advisor, State of South Dakota Governor's Office  
 Commissioner Alternate Reynold Nesiba, State Senator, South Dakota Legislature
- WI** Commissioner Joan Ballweg, State Representative, Wisconsin State Legislature  
 Commissioner Donald Madelung, Vice President, Pierce Mortuary Colleges  
 Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities  
 Commissioner Alternate Morna Foy, President, Wisconsin Technical College System

**Guests**

- Ms. Gretchen Bartelson, Dean, Northwest Iowa Community College  
 Mrs. Laura Baumgartner (NE)  
 Ms. Connie Beene, State Director, Adult & Career Technical Education, Kansas Board of Regents  
 Mrs. Maureen Biehl, Senior Vice President, Marsh USA Inc. (IN)  
 Mr. David Boettger (IA)  
 Dr. John Burkhardt, Director, University of Michigan  
 Mr. Matthew Carver, Director of Information Technology, Bethany College (KS)  
 Mr. Craig Chandler, Director, Total Force Integration Division, Army University (KS)

Mr. Thomas Clayton, Director, Insurance & Risk Management, Johnson County Community College (KS)  
Mr. Micheal Clowser, Chief of Accreditation, Army University (KS)  
Dr. Jerry Cook, Trustee, Johnson County Community College (KS)  
Mr. John Dunning, Chief Information Officer, Wayne State College (NE)  
Mrs. Patsy Eisler (MI)  
Mr. Will Elliott, Professor, University of Michigan  
Ms. Cynthia Farrier, Director of Data, Research and Planning, Kansas Board of Regents  
Dr. Michael Fitzpatrick VP of Instructional, Pratt Community College (KS)  
Dr. Jacob Fowles, Associate Professor, University of Kansas  
Ms. Elaine Frisbie, Vice President for Finance & Administration, Kansas Board of Regents  
Dr. Shelly Gehrke, Assistant Provost, Enrollment Management and Academic Success, Emporia State University (KS)  
Ms. Ruth Ginzberg, Sr. I.T. Procurement Specialist, University of Wisconsin  
Dr. Kevin Gwaltney, Executive Director, Joint Committee on Education, Missouri General Assembly  
Dr. Thomas Harnisch, Director of State Relations, American Association of State Colleges and Universities (DC)  
Mrs. Nancy Ingram, Trustee, Johnson County Community College (KS)  
Mrs. Ruth Isaak (MN)  
Dr. Shanna Jaggars, Director of Student Success Research, ODEE, The Ohio State University  
Ms. Stephani Johns-Hines, Vice President of Instruction, Salina Area Technical College (KS)  
Ms. Debra Kidwell, Director of Purchasing, Lincoln University (MO)  
Mr. Aric Kirkland, Director, Desktop and Classroom Technology, Eastern Michigan University  
Dr. Sue Maes, Emeritus Dean K-State Global Campus, Kansas State University  
Mr. Mike McCabe, Director, The Council of State Governments, Midwestern Office (IL)  
Mrs. Angela Neria, Chief Information Officer, Pittsburg State University (KS)  
Mrs. Joyce Nornes (MN)  
Ms. Lana Oleen, Former MHEC Chair and Interim President (KS)  
Mrs. Kelly Oliver, Senior Director for Finance and Administration, Kansas Board of Regents  
Mr. David Pearce, Former MHEC Commissioner and Senior Policy Coordinator, Missouri State Treasurer's Office  
Ms. Teresa Pearce (MO)  
Dr. Laura Perna, James S. Riepe Professor, University of Pennsylvania  
Mrs. Phyllis Peterson (IA)  
Mr. Henry Sandate, Trustee, Johnson County Community College (KS)  
Ms. Stephanie Sharp, JCCC Trustee, Johnson County Community College (KS)  
Mrs. Sarah Shelnutt, Coordinator of Undergraduate and Online Education, Cleveland University-Kansas City (KS)  
Mr. Timothy Smith, Chief Information Officer, The Ohio State University  
Dr. Charles Snare, VPAA Chadron State College (NE)  
Dr. Joseph Sopcich, President, Johnson County Community College (KS)  
Dr. Chet Strebe, Associate Vice President of Information Technology and CIO, Northcentral Technical College (WI)  
Dr. David Tandberg, Principal Policy Analyst, State Higher Education Executive Office  
Rep. Sean Tarwater, Kansas State Representative, Kansas Legislature  
Ms. Greta Westerwald, Research Associate III, Missouri Department of Higher Education  
Dr. Di Xu, Assistant Professor, University of California-Irvine  
Mr. Walt Zink (NE)

**MHEC Staff**

Carla Ahrens, Property Program Manager

Sara Appel, Multi-State Collaborative on Military Credit Manager

Katie Chock, Meeting and Event Manager

Kristin Coffman, Director of Finance and Administration

Jennifer Dahlquist, Vice President

Dan Darbandi, Project Management Officer

Aaron Horn, Director for Policy Research

Helen Horner, Research Associate

Larry Isaak, President

Emily Jacobson, Coordinator, Midwestern State Authorization Reciprocity Agreement

Adam Lofquist, Program Manager

Ben Millard, Data and Analytics Officer

Jennifer Parks, Director, Midwestern State Authorization Reciprocity Agreement

Ken Ries, Chief Information Officer

Mary Roberson, Director of Communications and Marketing

Pam Schutt, Director of State Relations

Nathan Sorensen, Director of Government Contracts

Rob Trembath, Vice President and General Counsel

## **Monday, November 13**

1. **Call to Order.**

Commission Chair Richard Short (KS) called the meeting to order at 8:30 a.m., and welcomed commissioners and guests to Kansas. The roll call of the states was taken, and representatives from all member states were present. Commissioners introduced themselves. Commissioner Blake Flanders, president and CEO of the Kansas Board of Regents, offered an official welcome to Kansas.
2. **MHEC Initiative Showcase.**

A presentation was given on the Multi-State Collaborative on Military Credit (MCMC) featuring specifically the work that MCMC has made possible in the state of Kansas. Sara Appel, MHEC's MCMC manager, moderated the session. Panelists were: Ms. Connie Beene, senior director of adult and career technical education for the Kansas Board of Regents; Dr. Sue C. Maes, emeritus dean of the Continuing Education/K-State Global Campus at Kansas State University; and Command Sergeant Major Micheal Clowser, chief Accreditation officer for Army University.
3. **Approval of the Minutes.**

*Commissioner Barbara Ballard (KS) moved and Commissioner Randolph Ferlic (NE) seconded the motion to approve the minutes of the commission meeting held November 14-15, 2016, (agenda book, pages 10-25).*

*Motion carried.*
4. **Roles and Responsibilities of the MHEC Commissioner.**

MHEC President Larry Isaak reviewed the roles and responsibilities of the MHEC commissioner.
5. **Report of the Chair.**

Commission Chair Richard Short (KS) highlighted his year as chair thanking the five former commission chairs present, and noting the honor to follow in their footsteps: Commissioners Randolph Ferlic (NE), Lyndon Carlson (MN), Teresa Lubbers (IN), Suzanne Morris (IL), and former Commissioner and former Interim President Lana Oleen (KS). He highlighted state visits, the opportunity to be introduced on the floors of statehouses, and to meet with commissioners and committee members. Chair Short acknowledged the staff and thanked them for their preparation for the visits to states. He also recognized the organization's transition to the new MHEC logo.
6. **Report of the President.**

MHEC President Larry Isaak referred commissioners to his report (agenda book, pages 27-30). He highlighted the activity that occurred among MHEC's convening, research, programs, and contracts since the last gathering. He also reaffirmed MHEC's strong financial status.
7. **MHEC Mission Moment.**

A brief highlight of the Midwestern-State Authorization Reciprocity Agreement (M-SARA) was provided by Ms. Emily Jacobson, MHEC M-SARA coordinator.
8. **State Reports.**

State updates were provided by Commissioner Mike Baumgartner (NE), Commissioner Nancy Boettger (IA), and Commissioner Larry Tidemann (SD). The spokesperson from each state provided

significant higher education-related legislation updates to be considered during their upcoming legislative sessions, and other notable happenings in their respective states.

9. **Unfinished Business.**

There was no unfinished business.

10. **New Business.**

a. **Treasurer's Report.**

FY 2017 Audit Report (agenda book, pages 31-49) submitted by Eide Bailly, LLP indicated that overall the Compact's financial condition remains strong.

*Commissioner Ken Sauer (IN) moved and Commissioner Olivia Madison (IA) seconded the motion to accept the FY 2017 audit.*

*Motion carried.*

Commissioner Ken Sauer (IN), MHEC treasurer, reviewed the FY 2017 budget highlights (agenda book, pages 50-51).

b. **Report of the Phillip Sirotkin and Outstanding Service Awards Committee.**

Commissioner Janelle Toman (SD) chair of the Phillip Sirotkin and Outstanding Service Awards Committee, presented the report of the committee. She announced that the committee had met and the commissioners had voted online to award the Phillip Sirotkin Award and Outstanding Service Awards this year. The awards will be presented at the Monday evening event at Johnson County Community College. She thanked the other members of the committee for their evaluation of the applications.

c. **Report of the 2017 Nominations Committee.**

Commissioner Sue Crawford (NE), chair of the 2017 Nominations Committee, reported that the 2017 Nominations Committee met via conference call on October 10 (agenda book, pages 53-57) and thanked them for their service. She reminded commissioners that Commissioner Tim Flakoll (ND) will assume the position of chair after this meeting with no action needed by the commissioners.

*Commissioner Sue Crawford (NE) moved and Commissioner David Eisler (MI) seconded the motion to elect Commissioner Ken Sauer (IN) as vice chair.*

*Motion carried.*

*Commissioner Sue Crawford (NE) moved and Commissioner Barbara Ballard (KS) seconded the motion to elect Commissioner Olivia Madison (IA) as treasurer.*

*Motion carried.*

*Commissioner Sue Crawford (NE) moved and Commissioner Rolf Wegenke (WI) seconded the motion to have the MHEC officers and other commissioners designated by the MHEC chair, discuss the impact of legislator term limits on officer selection, and determine the appropriate strategies to address the challenge of term limits in officer selection as it becomes difficult to recommend commissioners to serve.*

*Motion carried.*

d. **Report of the 2017 Standing Committee to Review the State Compact Commitment.**

Commissioner Larry Tidemann (SD), chair of the 2017 Standing Committee to Review the State Compact Commitment, reported that they met via conference call on October 11 (agenda book, pages 56-60).

*Commissioner Larry Tidemann (SD) moved and Commissioner Olivia Madison (IA) seconded the motion to accept the committee's recommendation that the MHEC state compact commitment be held to \$115,000 for FY 2020 and FY 2021.*

*Motion carried.*

*Commissioner Larry Tidemann (SD) moved and Commissioner Randolph Ferlic (NE) seconded that the operations reserves remain at \$1.3 million for FY 2018 and FY 2019, and that this designated level be reviewed again by the commission in November 2019.*

*Motion carried.*

11. **Research Update.**

Mr. Larry Isaak, MHEC President; Dr. Aaron Horn, MHEC director for policy research; Ms. Jenny Parks, MHEC M-SARA director, and Mr. Ken Ries, MHEC chief information officer provided a brief update on MHEC's future direction in research.

12. **CSG Midwest Update.**

Mr. Mike McCabe, director of the Midwestern office of The Council of State Governments (CSG), provided an update including 2017 session highlights, a 2018 legislative session preview, and a current economic and fiscal picture during the luncheon presentation. (Addendum A)

13. **State Reports.**

State updates were provided by the commissioners from Commissioner Don Morton (ND), Commissioner Bud Nornes (MN), and Commissioner Joan Ballweg (WI). The spokesperson from each state provided significant higher education-related legislation updates to be considered during their upcoming legislative sessions, and other notable happenings in their respective states.

14. **MHEC Mission Moment.**

A brief highlight of the Master Property Program was provided by Ms. Carla Ahrens, MHEC property program manager.

**15. State Reports.**

State updates were provided by the commissioners from Commissioner Alternate Dan Hurley (MI), Commissioner Gary Cates (OH), and Commissioner Ken Sauer (IN). The spokesperson from each state provided significant higher education-related legislation updates to be considered during their upcoming legislative sessions, and other notable happenings in their respective states.

**16. Strategic Plan Update.**

Mr. Rob Trembath, MHEC vice president and general counsel, Ms. Jennifer Dahlquist, MHEC vice president; and Mr. Ken Ries, MHEC chief information officer, led strategic plan breakout groups on all four of the themes in the MHEC strategic plan. Commissioners reported on the importance of each theme and innovative ways in which their state, system, or institution might be addressing the themes (agenda book, pages 123-126).

**17. Conflict of Interest.**

Policy and annual disclosure statements were collected from commissioners.

**18. MHEC Mission Moment.**

A brief highlight of MHEC's Technologies Committee and resulting contracts was provided by Mr. Nathan Sorensen, MHEC director of government contracts.

**19. State Reports.**

State updates were provided by the commissioners from Commissioner Pat McGuire (IL), Commissioner Charles Ambrose (MO), and Commissioner Blake Flanders (KS) and Commissioner Barbara Ballard (KS). The spokesperson from each state provided significant higher education-related legislation updates to be considered during their upcoming legislative sessions, and other notable happenings in their respective states.

**20. Federal Issues Update.**

Dr. Thomas Harnisch, director of State Relations and Policy Analysis, American Association of State Colleges and Universities, discussed "The Feds, the Future, What is Next in D.C.?"

**21. MHEC Mission Moment.**

A brief highlight of MHEC's Midwest Student Exchange Program was provided by Mr. Adam Lofquist, MHEC program officer.

**22. Recess and Evening Event.**

Commission Chair Richard Short (KS) recessed the business meeting at 4:15 p.m. for the reception, tours of Nerman Museum, and dinner at Johnson County Community College. President Joseph Sopcich welcomed commissioners to the campus before dinner.

After dinner, the following acknowledgments were given:

- a. Outgoing commissioner Carol Zink (NE) was acknowledged for her service to the commission.
- b. Tom Clayton, director of insurance and risk management, was acknowledged for his service on the Master Property Program Leadership Committee and his assistance in confirming the venue for the evening event.

- c. Dr. Sue Maes, Emeritus Dean K-State Global Campus, Kansas State University, was presented with the 2017 MHEC Outstanding Service Award.
- d. Commissioner Rolf Wegenke (WI), president of the Wisconsin Association of Independent Colleges and Universities, was presented with MHEC's highest award, the Phillip Sirotkin Award honoring his exemplary leadership service.
- e. Commission Chair-Elect Tim Flakoll (IN) presented Commission Chair Richard Short (KS) with a gavel plaque in acknowledgement of his term as MHEC chair.
- f. MHEC President Larry Isaak acknowledged this meeting being the highest in attendance for MHEC commissioners and challenged commissioners to attend the Annual Commission Meeting in Fargo, North Dakota, on Thursday, November 15-Friday, November 16, 2018. He announced that Mr. Clint Hill, former North Dakotan and former secret service for First Lady Jacqueline Kennedy, has been confirmed as a keynote speaker.

## **Tuesday, November 14**

### **1. Welcome.**

At 8:04 a.m. Commission Chair Richard Short (KS) called the meeting to order.

### **2. Policy Forum**

MHEC welcomed Dr. John Burkhardt, Clinical Professor; Founding Director, the National Forum on Higher Education for the Public Good, University of Michigan, as the keynote presenter on college affordability. Dr. Burkhardt set the framework for dialogue on this topic and for the following panel sessions.

Following the keynote, attendees heard from a panel on *Improving Public Investments in Higher Education*. Discussion was moderated by Commissioner Blake Flanders (KS). Presenters and their topics of discussion included:

- *Beyond the Balance Wheel: Addressing the Challenges of Public Investment in Higher Education*  
Dr. Laura Perna, Professor and Executive Director of the Alliance for Higher Education and Democracy (AHEAD), University of Pennsylvania
- *Evaluating State Effort in Funding Higher Education*  
Dr. David Tandberg, Principal Policy Analyst, State Higher Education Executive Officers Association
- *The State Context for Postsecondary Funding*  
Dr. Jacob Fowles, Associate Professor in the School of Public Affairs and Administration, University of Kansas

A second panel on *Reducing the Financial Burden of College: The Role of College Savings, Curricular Pathways, and Technology* closed out policy forum. Discussion was moderated by Commissioner Marci Francisco (KS). Presenters and their topics of discussion included:

- *Asset-based Approaches to Financial Aid*  
Dr. William Elliott III, Professor of Social Work, University of Michigan and Founder of the Center on Assets, Education, and Inclusion at the University of Kansas
- *Curricular Pathways and Affordability*  
Dr. Di Xu, Assistant Professor, School of Education at the University of California, Irvine
- *Solving Cost Problems through Technology*  
Dr. Shanna Smith Jaggars, Director of Student Success Research for the Office of Distance Education and E-Learning, The Ohio State University

Q & A was held after each session of the policy forum. MHEC President Larry Isaak provided concluding remarks.

### **3. Announcements**

- a. Commission Chair Richard Short (KS) thanked the commissioners and staff for their support during his term as the chair, and he officially recognized Commissioner Tim Flakoll (ND) as the incoming chair with the passing of the gavel.
- b. The new Commission Chair Tim Flakoll (ND) thanked the commissioners and stressed the importance of education as a public good.

### **5. Adjournment**

*Commissioner Dennis Johnson (ND) moved and Commissioner Sue Crawford (NE) seconded the motion to adjourn the meeting.*

*Motion carried.*

The meeting was adjourned at 11:59 a.m.



**MIDWEST**

*Midwestern State Partisan Control  
2018 Legislative Sessions*

**Party in Control**

<b>State</b>	<b>Governor</b>	<i>Governor</i>	<i>House</i>	<i>Senate</i>
Illinois	Bruce Rauner	R	D	D
Indiana	Eric Holcomb	R	R	R
Iowa	<b><i>Kim Reynolds</i></b>	R	R	R
Kansas	Sam Brownback*	R	R	R
Michigan	Rick Snyder	R	R	R
Minnesota	Mark Dayton	D	R	R
Missouri	Eric Greitens	R	R	R
Nebraska	Pete Ricketts	R		**
North Dakota	Doug Burgum	R	R	R
Ohio	John Kasich	R	R	R
South Dakota	Dennis Daugaard	R	R	R
Wisconsin	Scott Walker	R	R	R

**BOLD/ITALICS** = change from 2017

\*\* Officially, the Nebraska Unicameral is nonpartisan.

**Unified Republican:** Indiana, Iowa, Kansas, Michigan, Missouri, North Dakota, Ohio, South Dakota, Wisconsin

**Unified Democrat:**

**Republican Governor, Democratic Legislature:** Illinois

**Democratic Governor, Republican Legislature:** Minnesota

**Republican Governor, Non-Partisan Legislature:** Nebraska\*\*

**Republican Governor, Split Legislature:**

**Democratic Governor, Split Legislature:**

\* Likely gubernatorial transition pending as of 11/17. (Lt. Gov. Jeff Colyer would succeed Gov. Brownback to fill mid-term vacancy.)

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## President's Report

Prepared by  
Larry A. Isaak, President  
November 2018

Since this will be my last report to the commission, and rather than reporting on the status of ongoing and developing services as I have done in previous reports, I am going to focus this report on the future of postsecondary education, MHEC, and some issues that I believe the commission should explore.

MHEC has enjoyed several years of tremendous success in many areas. MHEC convenings, programs, research, and contracts expanded and been widely accepted in the region. I believe this has happened because we have remained focused on the statutory definition of MHEC's purpose which is:

*"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 the choice of higher education for the citizens residing in the several states which are parties to this compact."*

Key words and phrases in this statement are:

- greater opportunities,
- furthering regional access,
- research in, and
- choice for citizens.

I have worked with many organizations during my career. I am surprised at times that organization leadership often loses sight of the purpose for which they exist presented in articles of incorporation, law, policy, etc. So, I strongly encourage the commission to regularly refresh your discussions about MHEC's statutory charge.

MHEC's 2017 strategic plan identifies four themes that will impact its efforts:

- Shifting demographics-changing composition of the student body.
- Evolving modes of packaging and delivering education.
- Declining share of public investment in higher education.
- Desire for collaboration beyond the institution.

My continuing thoughts rely on these themes.

The lack of adequate preparation of citizens for postsecondary training and education continues to have a significant impact on ensuring the United States will have the educated and trained citizenry it needs to maintain a successful economy. This topic has been discussed during my entire career and many good ideas have been advanced. However, too many persons continue not to be fully prepared for college-level work. Preparation for college is the major factor as to whether a person will be successful or not in college-level education and training. MHEC should

be a catalyst to push for major change. The changes required to turn the corner will likely be disruptive, however it should not diminish neither the will to face this issue head on and the outcomes desperately needed.

All of education, including higher education, will continue to change at a moderate pace. Citizens will continue to have expanded opportunities for access to educational services. Changes in technology will be the driving force that will determine if many institutions even exist in twenty years. We are already seeing shifts and stress in enrollments at many traditional colleges and universities. Enrollment reductions are being experienced at several small- to medium-sized public and private institutions especially in the Midwest. MHEC should be convening discussions about these changes in access and opportunities and what it means for Midwest citizens, and what opportunities are there for collaboration to better serve citizens.

The purpose of a college credential will remain up for debate. Never, during my career, have I seen such an intense discussion about this topic. People will likely receive different evidence of preparation for work in different forms and at different times. The response to this by Midwestern higher education institutions should be examined. MHEC should be on the forefront of this debate. For example, the efficiencies that resulted from the State Authorization Reciprocity Agreement should be applied to other areas of credentialing.

The cost of college is another area that will impact successful citizen participation in postsecondary training and education. MHEC has been a leader in offering practical cost saving measures and in convening stakeholders to learn of new opportunities and methods for reducing costs. It is vital that MHEC continue this work, and also seek expanded commitment to this effort from the commission and affected stakeholders.

MHEC should play a role in addressing the significant demographic changes that will impact the level of college participation by citizens, and whether there will be the quantity and quality of the workforce to ensure a successful economy. MHEC should be a leader in championing needed solutions in the region to offset the impacts of this major disruption. Additional reciprocity among states for access to education for needed workforce supply is one area that could be explored. Also, as stated earlier, I believe there should be a vigorous effort to develop more reciprocity agreements among states for credentialing in many professions.

Finally, remember the students!

In closing, I want to enthusiastically thank the commissioners, past and present, who have provided me with an opportunity of a lifetime to be the president of MHEC. I also thank the tremendous staff who have served beside me, and many times out in front of me. I also thank the many persons from the states who have been instrumental in helping MHEC to achieve so many successes through their service on committees, task forces, and other groups.

It has been an honor and a privilege! What a ride!

Sincerely and With Best Wishes for the Future,

Larry A. Isaak, President

To the Commission  
Midwestern Higher Education Compact  
Minneapolis, Minnesota

We have audited the financial statements of Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2018, and have issued our report thereon dated [REDACTED], 2018. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 14, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the compact's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Compact solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Compact's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Compact is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no accounting estimates identified during the audit as significant to the financial statements.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit. Management was responsive to our requests and responded on a timely basis.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no misstatements considered material, individually or in the aggregate, that were detected as a result of audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated                     , 2018.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Compact, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the compact, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Compact's auditors.

## **Proposed Changes to Nonprofit Financial Reporting**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* (ASU 2016-14) during August 2016. ASU 2016-14 is the first in a two-phase FASB project that will change the way not-for-profit (NFP) entities present their financial statements and related disclosures. It seeks to improve NFP financial reporting by simplifying net asset classifications and enhancing presentation and disclosure requirements regarding liquidity, financial performance, and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017 (for the Compact, ASU 2016-14 is effective July 1, 2018.) The most significant changes resulting from ASU 2016-14 are summarized as follows:

- The three existing classes of net assets will become two. The new categories of Net Assets without Donor Restrictions, which is not substantively different than current Unrestricted Net Assets, and Net Assets with Donor Restrictions, which includes all net assets subject to a donor restriction, will replace unrestricted, temporarily restricted, and permanently restricted net assets.
- Quantitative and qualitative information about liquidity will be required to provide financial statement users with an understanding of a NFP's exposure to risk, management of liquidity risks, and availability of assets to meet cash needs for general expenditures.
- NFP's presenting an intermediate measure of operations will need to provide additional information about items included or excluded from the operating measure.
- Investment returns presented in the statement of activities will be recorded net of both external and direct internal investment expenses.
- NFP's will be required to report expenses both by function and natural classification in a single location (this can be accomplished in several different ways).
- NFP's presenting a direct method statement of cash flows no longer need to present or disclose a reconciliation to the indirect method.

The second phase of the FASB's financial reporting project will consider additional operating measure and cash flow considerations that were not addressed in the first phase. There is no estimated timeframe for the completion of the second phase.

## **FASB Issues Final Standard on Lease Accounting**

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases*. As expected, a lessee will recognize, for leases with terms greater than one year, an asset representing its right to use the leased asset for the expected lease term (the 'right-of-use' asset) and a corresponding lease liability. The lease liability will be measured at the present value of future lease payments, utilizing the Compact's incremental borrowing rate. Nonpublic organizations will have an election to utilize a term-appropriate risk-free rate. Substantially all leases classified as operating leases under the current standard will be recorded on the balance sheet upon implementation of this standard.



To the Commission  
Midwestern Higher Education Compact  
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Compact's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the compact's internal control. Accordingly, we do not express an opinion on the effectiveness of the Compact's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the compact's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Compact's internal control to be a significant deficiency:

**Limited Size of Office Staff**

At times during the year, the limited number of staff in the accounting department results in lack of segregation of duties associated with certain functions. However, certain administrative controls are in place which somewhat mitigate the risks of the incompatible duties resulting from the limited number of staff. We recommend the Compact continue to review the duties and assignments within its operations to ensure appropriate segregation of duties where possible in order to strengthen internal control and that appropriate oversight is provided.

This communication is intended solely for the information and use of management, the Commission, others within the Compact, and is not intended to be, and should not be, used by anyone other than these specified parties.

Minneapolis, Minnesota  
                    , 2018

Financial Statements  
June 30, 2018  
(With Comparative Totals for June 30, 2017)  
**Midwestern Higher Education  
Compact**

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## **Independent Auditor's Report**

To the Commission  
Midwestern Higher Education Compact  
Minneapolis, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Midwestern Higher Education Compact (the Compact) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Compact's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Compact as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Compact's 2017 financial statements, and our report dated December 1, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Minneapolis, Minnesota  
                    , 2018

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Midwestern Higher Education Compact  
Statement of Financial Position  
June 30, 2018 (With Comparative Totals for June 30, 2017)

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 2,256,674	\$ 2,954,434
Certificates of deposit	1,359,645	827,191
Receivables, less allowance for doubtful accounts of \$21,400	565,977	503,773
Prepaid expenses	133,488	172,690
Property and equipment, net	290,277	344,630
	\$ 4,606,061	\$ 4,802,718
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 305,437	\$ 262,225
Accrued payroll and related expenses	138,099	225,630
Deferred state commitments	115,000	115,000
Deferred compensation	323,117	291,691
Deferred lease incentive	239,802	259,344
	1,121,455	1,153,890
<b>Net Assets</b>		
Unrestricted		
Board designated	1,868,683	1,876,410
Undesignated	911,806	879,253
Total unrestricted	2,780,489	2,755,663
Temporarily restricted	704,117	893,165
	3,484,606	3,648,828
	\$ 4,606,061	\$ 4,802,718

Midwestern Higher Education Compact

Statement of Activities

Year Ended June 30, 2018 (With Comparative Totals for Year Ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	
<b>Revenues</b>				
State commitments	\$ 1,380,000	\$ -	\$ 1,380,000	\$ 1,380,000
Program revenue				
Master property program	401,493	10,667	412,160	392,131
MHECare	209,113	-	209,113	160,761
M-SARA	430,000	40,000	470,000	600,000
Contract revenue				
Technology	849,580	-	849,580	895,297
Grants	-	-	-	190,651
Other revenue	10,253	-	10,253	5,214
Sponsorships	36,000	-	36,000	39,000
Interest income	19,531	-	19,531	10,901
Net assets released from restriction	239,715	(239,715)	-	-
Total revenues	<u>3,575,685</u>	<u>(189,048)</u>	<u>3,386,637</u>	<u>3,673,955</u>
<b>Expenses</b>				
Program services				
Operations	1,982,639	-	1,982,639	1,747,407
Services				
Master property program	147,096	-	147,096	123,326
MHECare	2,017	-	2,017	2,693
M-SARA	41,201	-	41,201	44,509
Other	2,941	-	2,941	10,163
Contract				
Technology	131,781	-	131,781	109,898
Research	28,717	-	28,717	11,532
Grants/convening	243,248	-	243,248	513,529
Total program services	2,579,640	-	2,579,640	2,563,057
Management and general expenses				
Management and general expenses	968,537	-	968,537	822,635
Fundraising expenses	2,682	-	2,682	8,939
Total expenses	<u>3,550,859</u>	<u>-</u>	<u>3,550,859</u>	<u>3,394,631</u>
Change in Net Assets	24,826	(189,048)	(164,222)	279,324
Net Assets, Beginning of Year	<u>2,755,663</u>	<u>893,165</u>	<u>3,648,828</u>	<u>3,369,504</u>
Net Assets, End of Year	<u>\$ 2,780,489</u>	<u>\$ 704,117</u>	<u>\$ 3,484,606</u>	<u>\$ 3,648,828</u>

Midwestern Higher Education Compact

Statement of Functional Expenses

Year Ended June 30, 2018 (With Comparative Totals for Year Ended June 30, 2017)

	2018			Total	2017
	Program Services	Management and General	Fundraising		
Salaries and benefits	\$ 1,454,050	\$ 779,293	\$ 2,682	\$ 2,236,025	\$ 2,287,785
Professional fees	17,965	9,862	-	27,827	19,448
Contract services	233,706	27,778	-	261,484	119,124
Office space lease	95,407	46,579	-	141,986	139,570
Auto and parking	472	69	-	541	745
Office supplies	4,857	1,516	-	6,373	3,929
Postage	487	264	-	751	4,767
Printing	27,305	7,492	-	34,797	11,262
Subscriptions	17,199	1,865	-	19,064	18,393
Software/maintenance contract	71,312	38,455	-	109,767	54,479
Telephone	2,282	1,196	-	3,478	41,237
Insurance	13,313	7,308	-	20,621	20,838
Miscellaneous	23,783	15,928	-	39,711	22,788
Depreciation	41,316	22,680	-	63,996	106,819
Travel/meetings/conference	568,813	4,729	-	573,542	519,624
Office equipment	7,373	3,523	-	10,896	23,823
<b>Total expenses by function</b>	<b>\$ 2,579,640</b>	<b>\$ 968,537</b>	<b>\$ 2,682</b>	<b>\$ 3,550,859</b>	<b>\$ 3,394,631</b>

## Midwestern Higher Education Compact

### Statement of Cash Flows

Year Ended June 30, 2018 (With Comparative Totals for Year Ended June 30, 2017)

	2018	2017
Operating Activities		
Change in net assets	\$ (164,222)	\$ 279,324
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	63,996	106,819
Changes in operating assets and liabilities		
Receivables	(62,204)	45,951
Prepaid expenses	39,202	(16,516)
Accounts payable	43,212	63,494
Accrued payroll and related expenses	(87,531)	107,104
Deferred compensation	31,426	21,869
Deferred lease incentive	(19,542)	(17,358)
Net Cash from (used for) Operating Activities	(155,663)	590,687
Investing Activities		
Purchase of property and equipment	(9,643)	(4,005)
Purchase of certificates of deposit	(1,460,000)	998,000
Proceeds from maturity of certificates of deposit	927,546	(300,000)
Net Cash from (used for) Investing Activities	(542,097)	693,995
Net Change in Cash and Cash Equivalents	(697,760)	1,284,682
Cash and Cash Equivalents, Beginning of Year	2,954,434	1,669,752
Cash and Cash Equivalents, End of Year	\$ 2,256,674	\$ 2,954,434

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

The Midwestern Higher Education Compact (the Compact) commenced operations in 1991 as a not-for-profit corporation to improve higher education opportunities and services in the Midwestern United States through interstate cooperation. States become members of the Compact through passage of legislation. The member states of the Compact include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

The Compact's mission is to advance education through cooperation and collaboration. The Compact seeks to fulfill its interstate mission through programs that reduce administrative costs, encourage student access and education affordability, facilitate public policy analysis and information exchange, facilitate regional academic cooperation and encourage quality educational programs and services in higher education.

### **Comparative Financial Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2017, from which the summarized information was derived.

### **Cash and Cash Equivalents**

The Compact considers all cash and highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents, excluding certificates of deposit. At times, cash and cash equivalents, including certificates of deposit, may be in excess of FDIC insurance limits.

### **Receivables and Credit Policies**

Accounts receivable consist primarily of amounts due for dues and fees. Intentions to give and conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Compact uses the allowance method to determine uncollectible contributions and other receivables. The allowance is based on prior year experience and management's analysis. The Compact does not charge interest on past due accounts. Accounts receivable are written off when deemed uncollectible. At June 30, 2018 and 2017, the allowance was approximately \$21,400.

## Property and Equipment

Property and equipment additions over \$3,500 are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets.

Computers	3 years
Office improvements	5 years
Software and IT equipment	5 years
Furniture	10 years
Leasehold improvements	15 years

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Compact reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2018 and 2017.

## Investments in Certificates of Deposit

Purchases of certificates of deposit are recorded at cost. Investment interest income is reported in the statement of activities as an increase in unrestricted net assets. The certificates of deposit have maturity dates ranging from six months to five years.

## Deferred State Commitments

State commitments received in advance of the applicable period are recorded as deferred revenue until earned.

## Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted Board designated net assets consist of net assets designated by the Board of Directors for various purposes.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Compact and/or the passage of time. The Compact reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Compact. The Compact has no permanently restricted net assets.

### **Support and Revenue Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue from state commitments is recognized in the year earned. State commitments are billed at the beginning of each fiscal year, due upon receipt of billing, and are typically received during July. Other fees consist of fees earned based on a percentage of sales or cost savings to member institutions in accordance with various program agreements. Other fee revenue is recognized when earned. Unsecured credit is extended to these organizations in the normal course of business.

### **Donated Materials and Services**

Contributed goods are reflected as support in the financial statements at their estimated values on the date of donation. The Compact records donated professional services at the fair value of the services received.

### **Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Taxes**

The Compact qualifies as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Section 509(a) of the Internal Revenue Code. The Compact is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Compact is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Compact has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

The Compact believes that it has appropriate support for any tax positions 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.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**Subsequent Events**

The Compact has evaluated subsequent events through **Month XX, 2018**, the date the financial statements were available to be issued.

**Note 2 - Property and Equipment**

Property and equipment consists of the following at June 30, 2018 and 2017:

	2018	2017
Computers	\$ 30,407	\$ 30,407
Office improvements	7,520	7,520
Software and IT equipment	295,369	285,725
Furniture	176,952	176,952
Leasehold improvements	362,552	362,552
	872,800	863,156
Less accumulated depreciation	(582,523)	(518,526)
Net property and equipment	\$ 290,277	\$ 344,630

**Note 3 - Leases**

The Compact leases office space located at 105 Fifth Avenue South through May 2026. Rent expense is prorated over the term of the lease and expensed as incurred.

Office space expense was \$74,137 and \$71,952 for the years ended June 30, 2018 and 2017, respectively. Approximate future annual rental commitments are as follows:

Years Ending June 30,	Amount
2019	\$ 76,387
2020	78,704
2021	81,088
2022	83,538
2023	86,054
Thereafter	266,058
	\$ 671,829

**Note 4 - Retirement Plan**

Employees of the Compact participate in a TIAA tax sheltered deferred annuity plan upon completion of a 30-day waiting period. The employee must contribute to the plan through payroll withholdings. The Compact contributes 13% of the employee's salary to the plan. Employees are required to contribute 2.5% of their annual salary to the plan. An employee may choose to increase their contribution according to federal guidelines. Employer contributions were \$189,068 and \$185,218 for the years ended June 30, 2018 and 2017, respectively.

**Note 5 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at June 30, 2018 and 2017:

	2018	2017
Marsh		
Master property program	\$ 462,718	\$ 452,051
Multi-State Collaborative on Military Credit (MCMC)		
MCMC - Lumina	-	145,268
MCMC - USA funds	26,399	120,000
Programmatic Activities		
SARA	215,000	175,000
Other		
Tides Center	-	846
	\$ 704,117	\$ 893,165

Net assets released from restrictions for the years ended June 30, 2018 and 2017, were comprised of the following:

	2018	2017
Satisfaction of purpose restrictions		
MCMC - Lumina	\$ 145,268	\$ 56,765
MCMC - USA funds	93,601	-
Tides Center	846	-
Interstate passport	-	12,348
	\$ 239,715	\$ 69,113

**Note 6 - Board-Designated Net Assets**

At June 30, 2018 and 2017, Board designated net assets are available for the following purposes:

	2018	2017
Risk management	\$ 25,000	\$ 25,000
Operations reserve	1,300,000	1,300,000
Special projects		
State authorization	8,980	8,980
Higher education redesign	1,906	1,906
Open education resources	160,000	160,000
Organizational capacity		
Technology	40,960	40,960
Capital asset reserve		
Future lease payments	294,546	302,273
Capital investments	37,291	37,291
	\$ 1,868,683	\$ 1,876,410

The Board established a policy to maintain a reserve for three purposes. (1) The operations reserve is intended to cover shortfalls in the operating budget as a result of unanticipated loss in funding or greater than anticipated expenses. The target operations reserve is a set amount approved by the Compact's commission. (2) The opportunity reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the Compact which may or may not have specific expectation of incremental or long-term increased revenue. (3) The capital asset reserve is intended to provide a ready source of funds for repair or acquisition of leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the organization and programs.

## Unrestricted Funds Budget FY 2018

July 1, 2017-June 30, 2018

	Budgeted FY 2018	Actual FY 2018	Difference
Interest Income	\$ 7,000.00	\$ 19,531.18	\$ 12,531.18
State Commitment Income	\$ 1,380,000.00	\$ 1,380,000.00	\$ -
Other Income	\$ -	\$ 13,577.65	\$ 13,577.65
Sponsorships	\$ 29,000.00	\$ 37,000.00	\$ 8,000.00
Program Revenues			\$ -
Master Property Program	\$ 400,000.00	\$ 401,493.00	\$ 1,493.00
MHECare	\$ 169,000.00	\$ 209,113.09	\$ 40,113.09
M-SARA	\$ 430,000.00	\$ 430,000.00	\$ -
Contract Revenues			
MHECtech	\$ 849,375.00	\$ 847,400.50	\$ (1,974.50)
<b>Total Income</b>	<b>\$ 3,264,375.00</b>	<b>\$ 3,338,115.42</b>	<b>\$ 73,740.42</b>
Advertising Expense	\$ 2,450.00	\$ 3,545.11	\$ 1,095.11
Books and Publications	\$ 450.00	\$ 230.92	\$ (219.08)
Consultant Fees	\$ 149,060.00	\$ 194,989.93	\$ 45,929.93
Dues and Subscriptions	\$ 15,450.00	\$ 19,063.41	\$ 3,613.41
Employee Benefits	\$ 473,956.36	\$ 466,583.10	\$ (7,373.26)
Employee Salaries	\$ 1,635,373.88	\$ 1,497,885.29	\$ (137,488.59)
FedEx	\$ 3,150.00	\$ 2,838.10	\$ (311.90)
Insurance	\$ 17,250.00	\$ 20,621.06	\$ 3,371.06
Interest Charges and Fees	\$ 4,000.00	\$ 935.35	\$ (3,064.65)
Long Term Rents/Leases	\$ 130,000.00	\$ 120,957.93	\$ (9,042.07)
Meals and Entertainment	\$ 150,000.00	\$ 129,889.06	\$ (20,110.94)
Meeting Room Rental Fees	\$ 5,600.00	\$ 1,223.50	\$ (4,376.50)
Miscellaneous	\$ 3,200.00	\$ 358.40	\$ (2,841.60)
Payroll Tax Expense	\$ 141,459.84	\$ 120,178.32	\$ (21,281.52)
Postage	\$ 1,200.00	\$ 750.93	\$ (449.07)
Printing and Duplicating	\$ 37,650.00	\$ 34,361.31	\$ (3,288.69)
Professional Fees	\$ 32,950.00	\$ 40,699.18	\$ 7,749.18
Promotional and Award Items	\$ 7,350.00	\$ 8,726.20	\$ 1,376.20
Repairs and Maintenance	\$ 1,000.00	\$ 170.00	\$ (830.00)
Supplies and Equipment	\$ 8,000.00	\$ 15,261.31	\$ 7,261.31
Telephone/Fax/Internet	\$ 39,700.00	\$ 3,451.60	\$ (36,248.40)
Training	\$ 30,500.00	\$ 16,855.72	\$ (13,644.28)
Travel	\$ 374,400.00	\$ 352,222.62	\$ (22,177.38)
<b>Total Expense</b>	<b>\$ 3,264,150.08</b>	<b>\$ 3,051,798.35</b>	<b>\$ (212,351.73)</b>
<b>Net Revenue</b>	<b>\$ 224.92</b>	<b>\$ 286,317.07</b>	<b>\$ 286,092.15</b>

## Budget Highlights for FY 2018

- MHEC concluded the fiscal year with \$3.3M in revenues, \$73,000 more than budgeted. Revenues included:
  - All 12 states paid the FY 2018 state commitment \$1,380,000
  - Contract revenues of \$847,000
  - Program revenues of \$1,040,606
  - Other income such as sponsorships, interest income, and indirect cost recovery of \$70,000
- The MHECare student health program earned \$40,000 more than estimated. MHECare revenue is based 100% on plan participation and how many students enroll, which can significantly fluctuate from year to year. In addition, the MHEC budget is determined prior to the timeline campuses make critical decisions regarding their student health plans.
- Interest revenue was \$12,000 more than budgeted due to an increase in invested funds and higher interest rates.
- The expenses in FY 2018 totaled \$3,051,798. This is \$212,000 less than budgeted.
- Salaries were reduced by \$137,000 due to staffing transitions. One full-time employee retired, and two full-time employees and one part-time employee left for other opportunities mid-year. New employees were brought on in May and did not have a significant impact on the budget for FY 2018. These transitions also led to a decrease in employee benefits, payroll tax expense, and training.
- This budget does not include the restricted grant funds received or released during FY 2018.

# 2018 Nominations Committee Report

October 8, 2018, 2:00 p.m. CT

## MINUTES

### **Committee Members Present:**

Commissioner Richard Short, Kansas Governor's Designee (Committee Chair)  
Commissioner Suzanne Morris, Board Member, Illinois Community College Board  
Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana  
Commission for Higher Education  
Commissioner Sharon Steckman, Representative, Iowa Legislature  
Commissioner Dennis Johnson, North Dakota Legislature

### **MHEC Staff Present:**

Larry Isaak, President  
Mary Roberson, Senior Director of Communications and Marketing

Nominations Committee Chair Richard Short (KS) called the meeting to order at 2:02 p.m. CT. A quorum was declared present.

President Isaak reviewed the charge to the committee, that being to recommend nominees for MHEC vice chair and MHEC treasurer to be elected by the full MHEC Commission in November 2018 at the annual meeting in North Dakota.

The agenda included Article III of the MHEC Bylaws which states: The vice chairperson shall succeed to the office of chairperson upon completion of the chairperson's term of office. Therefore, MHEC Vice Chair Ken Sauer (IN) will become the 2018-2019 MHEC Chair after the 2018 annual meeting.

The agenda also included MHEC policy and practices that include:

- Rotation of the position of chair between commissioners from each of the 12-member states,
- Practice of alternating the position of chair between legislators and non-legislators, and
- Consideration given to women and minorities.

It was noted that the states "in-line" for the chair would be Minnesota, Ohio, South Dakota, and Michigan.

Chair Short called for nominations for MHEC Vice Chair.

*Commissioner Ken Sauer (IN) moved and Commissioner Suzanne Morris (IL) seconded the motion for Commissioner Olivia Madison (IA) to serve as MHEC's chair-elect.*

*Motion carried unanimously.*

Chair Short called for nominations for MHEC Treasurer.

*Commissioner Dennis Johnson (ND) moved and Commissioner Sharon Steckman (IA) seconded the motion for Commissioner David Eisler (MI) to serve as MHEC's treasurer.*

*Motion carried unanimously.*

Discussion was held on the continued challenge of member states' term limits. The committee expressed the continued importance of ensuring legislators or those with a legislative perspective be considered into the rotation of MHEC officers.

President Isaak will notify the candidates of the committee's decision.

Chair Short called for adjournment.

*Commissioner Sharon Steckman (IA) moved and Commissioner Suzanne Morris (IL) seconded the motion to adjourn the meeting.*

*Motion carried.*

The call adjourned at 2:21 p.m.

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## **CONVENING**

MHEC CONVENING empowers the member states to connect for the purpose of exchanging expertise, sharing ideas and experiences, and collaboratively pursuing efforts that help further higher education. This convening and collaborating leads to many programs and activities that produce a variety of outcomes and results ranging from the dissemination of knowledge and expertise about practical solutions, to leveraging the collective purchasing power of the region to achieve efficiencies and savings. MHEC covers the cost of these meetings, including the travel expenses of participating members, so states and institutions do not have to use travel funds to participate.

## CONVENING Concurrent Enrollment

Prepared by

Jenny Parks, Director of Academic Leadership Initiatives

Across the nation, workforce development, postsecondary completion and educational access agendas converge in the high impact educational practice known as Concurrent Enrollment. Concurrent Enrollment refers to an educational setting in which a high school teacher is hired or endorsed by a partnering postsecondary institution to teach high school students courses for which they receive both high school and college credit. Many states, including Illinois, Indiana, Iowa, Ohio, Minnesota, and South Dakota, have enacted comprehensive, ambitious statewide concurrent enrollment plans which mandate that all high school students have access to a certain number and variety of such courses before they graduate.

However, in 2015, the Higher Learning Commission (HLC), the regional accreditor for Midwestern states, refined the policy language it used to describe expectations for the educational credentials of adjunct faculty. By default, these expectations apply to concurrent enrollment instructors, as such instructors must be hired or endorsed by the postsecondary institution as adjunct faculty before the institution can grant college credit to students who take concurrent enrollment courses at high schools that partner with the institution. The newly worded guidelines clarified that adjunct instructors must possess a master's degree in the content field in which they are teaching such courses, or they must possess a master's degree in another field (usually Educational Leadership or Curriculum & Instruction) plus 18 graduate credits in the field in which they are teaching concurrent enrollment courses.

*States across the Midwest, except for Iowa, suddenly had a looming crisis on their hands: did their concurrent enrollment instructors throughout the state have the credentials that would allow them to teach the growing number of concurrent enrollment courses desired by students and families and sometimes mandated by statute?* State-level stakeholders began to collect data about the teacher credentialing dilemma and, with the help of MHEC staff and commissioners, asked HLC to offer an extension of the deadline for institutions to meet the clarified expectations. Many institutions across the region applied for and were granted an extension until 2022.

Since that time, states, institutions, and school districts continue to search for and create ways to help more high school teachers attain the credentials needed to qualify them to teach concurrent enrollment courses. MHEC was asked by constituents to investigate the status of those efforts to see if states will meet their teacher credentialing goals by 2022 and, possibly, to offer support from a regional level to assist states with this endeavor. In response, MHEC applied its review process for vetting, exploring, and acting upon new ideas to the issue of concurrent enrollment faculty credentialing.

Concurrent enrollment teacher credentialing became one of MHEC's exploratory initiatives in January 2018. Jenny Parks, MHEC director of academic leadership initiatives, conducted interviews during the spring of 2018 to gain an understanding from a wide range of concurrent enrollment stakeholders across the Midwest what teacher credentialing work remains to be done and what challenges add to the complexity of that work. Findings from the interviews were shared with 30 representatives from all 12 MHEC states at a convening on May 16, in Cincinnati, OH. At the Midwestern Concurrent Enrollment Teacher Credential Summit, state representatives worked with each other and with experts from national organizations such as the National Association of Concurrent Enrollment Partnerships (NACEP), the Education Commission of the States (ECS), and Jobs for the Future (JFF) to share ideas and plans for how to help up-credential more teachers across the region. The result was a new set of interstate collaborations as well as recommendations for possible regional-level action to help address the shortage of properly credentialed concurrent enrollment teachers in the Midwest.

Outcomes from this initiative include the following:

1. An update to a policy brief produced by MHEC in collaboration with ECS: [\*Increasing the Supply of Qualified High School Teachers for Dual Enrollment Programs: An Overview of State and Regional Accreditor Policies\*](#). (June 2018)
2. Facilitation of a **workgroup** to develop a regional set of recommended practices for post-secondary institutions when they are reviewing and making decisions about teacher credentials (anticipated for Fall 2018).
3. Creation or enhancement of a **database** listing of graduate-level courses and programs that teachers can take online and/or flexibly to gain additional credentials that will allow them to teach concurrent enrollment courses in high schools (in discussion).
4. Explore opportunity to **converse** with HLC regarding regional stakeholder concerns (in discussion).
5. Presentations by Jenny Parks of MHEC at the [\*Vertex Symposium\*](#) in Denver on October 2018 and at the [\*NACEP Annual Meeting\*](#) in San Antonio in November 2018.

## **CONVENING**

### **Multi-State Collaborative on Military Credit**

Prepared by  
Sara Appel, MCMC Manager

The mission of the Multi-State Collaborative on Military Credit (MCMC) is to facilitate an interstate partnership of the 12 MHEC states plus Kentucky, and to translate competencies acquired by veterans through military training and experiences toward college credentials leading to employment in the civilian workforce. States exchange information and share best practices via knowledge communities in the areas of articulation of academic credit; communication and outreach; data, technology, and systems; and licensure and certification. These work groups have regular conference calls to discuss bubbling issues and initiatives related to the MCMC project. Currently MCMC has a total of 112 participants.

MHEC provides operational and administrative support for the MCMC. The Collaborative has been supported by Lumina Foundation, which awarded MHEC a \$900,000 grant to support the work of MCMC over a three-year period, and by Strada Education Network which awarded a one-year grant of \$200,000 to the project.

All ten of the metrics articulated by the MCMC foundation grants were successfully met. Four of the metrics surpassed expectations:

- A majority of states (7) have developed a mechanism by which the persistence and graduation rate of servicemembers can be tracked over time. **Twelve** states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, South Dakota, North Dakota, Ohio, and Wisconsin have developed a mechanism by which the persistence and graduation rate of servicemembers can be tracked over time.
- At least four states have three or more state licensing boards that are willing to accept military training and experience as a way to accelerate progress toward earning a licensure or certificate in accordance with the NGA pilot project or a related federal initiative. **Five** states: Indiana, Michigan, Minnesota, Ohio, and Wisconsin have three or more state licensing boards that are willing to accept military training and experience as a way to accelerate progress toward earning a licensure or certificate thus leading to a smooth transition into the civilian workforce.
- A majority of states (7) have 2-year and or 4-year institutions that have bridge or accelerated programs for Servicemembers and Veterans which can be accessed via the MCMC Bridge Program Inventory. **Eleven** states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, and South Dakota have programs in place.
- A majority of states (7) have implemented new or revised postsecondary web sites that contain the consensus core information useful to service members and links to collectively developed tools and resources.

**Eight** states have met this metric:

1. Illinois (<http://www.ibhe.org/Veteran/List.asp>),
2. Indiana (<http://www.learnmoreindiana.org/military/>),

3. Ohio (<https://www.ohiohighered.org/veterans>),
4. Kansas (<https://www.kansasregents.org/students/military>),
5. South Dakota (<https://www.sdbor.edu/student-information/Pages/NG-and-Vet-campus-contacts.aspx>),
6. North Dakota (<https://www.ndus.edu/students/military-veterans-families/>),
7. Michigan (<https://micmve.org/>), and
8. Minnesota (<http://www.minnstate.edu/military/index.html>,  
<https://linkvet.custhelp.com/app/home/session/L3RpbWUvMTQ5NDQyMzkxNy9zaWQvTzNtc3FkaW4%3D>).

The MCMC has developed very productive and promising relationships and has become more engaged with the American Association of Collegiate Registrars and Admissions Officers (AACRAO), American Legion, Association for Institutional Researchers (AIR), and Student Veterans of America (SVA) where we are working in tandem to address credit transfer (military training and experiential learning/Prior Learning Assessment to meaningful college credit for majors or minors) and data collection.

In recent months, the MCMC is becoming a resource for various organizations, including senators and representatives, looking for reliable information on military connected students in order for them to create processes and policies to improve the transition from military to college to the workforce.

During the past year MCMC sponsored 12 webinars with over 1,000 participants, presented at three major national conferences, as well as other meetings, and appeared in several publications across the United States.

Members of the MCMC Steering Committee (each state has a representative). More information at <https://www.mhec.org/mcmc>:

- Connie Beene (KS)
- Melissa Bell (KY)
- Paula Compton (OH)
- Stephanie Bernoteit (IL)
- Kathleen Fimple (NE)
- Erica Oriens (MI)
- Rachel Boon (IA)
- Lisa Johnson (ND)
- Jay Perry (SD)
- Rusty Monhollon (MO)
- Ken Sauer (IN)
- Gina Sobania (MN)
- Diane Treis Rusk (WI)

## CONVENING

### Open Educational Resources

Prepared by  
Jenny Parks, Director of Academic Leadership Initiatives

Open Educational Resources (OER) are textbooks and learning materials that are accessible via the Internet at little or no cost to students or institutions. To make the cost of postsecondary education more affordable, many states and institutions have adopted or are seeking to adopt the use of OER.

MHEC is working to assist states and institutions in OER implementation by creating an [OER Advisory Committee](#) comprised of institutional representatives who have varying levels of experience implementing OER. The committee asked MHEC to convene Midwestern stakeholders to learn from experts in the field of OER, as well as from individuals and groups who have already successfully adopted OER.

In response, MHEC is collaborating with the WICHE Cooperative for Educational Technology ([WCET](#)) and, with funding from the Hewlett Foundation, will host the *OER Policy and Implementation Summit for the MHEC States* on November 28-30, in Chicago. Up to five representatives from each MHEC state will attend the meeting and learn from their peers in other states as well as from national OER experts about effective OER implementation strategies. State teams will consist of a wide range of stakeholders from SHEEO offices, system offices, institutions, departments of education, students, and state legislatures to ensure that a diverse set of viewpoints are brought to the collective. Topics addressed will include student and faculty leadership in OER initiatives, funding strategies for launching OER efforts, and best state and institutional policy practices.

Attendees, nominated by others in their states, will have their travel sponsored by MHEC as they come together as a state OER action team and craft a state OER coordination plan at the Summit. MHEC will support the efforts of the state action teams after the Summit by helping them identify and work with others in their states who are also working on increasing the use of OER, providing the larger group with regular phone calls and updates to focus their efforts and keep OER champions energized.

## CONVENING Technologies Committee

Prepared by  
Ken Ries, Chief Information Officer

Over the past year, the Technologies Executive Committee and MHEC staff have worked to better define the purpose of the Technologies Committee and create a nimbler structure that can respond to opportunities as they arise. The purpose of the Technologies Committee is to:

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

The committee met in Chicago from February 27 to March 1. The keynote was facilitated by Dr. Eddie Moore Jr., founder/program director for the White Privilege Conference. Dr. Moore is co-founder of the online journal *Understanding and Dismantling Privilege* and is recognized as one of the nation's top speakers and educators. Nathan Sorensen and Mary Roberson provided updates on the technologies portfolio and marketing resources. The remainder of the meeting was dedicated to the development of state relationships and advisory groups. As a result of the effort, five standing advisory groups were created.

1. Creative Software
2. Academic Technologies
3. Information Security
4. Virtualization/Infrastructure
5. Procurement and Partnerships/Leadership

Over the past nine months, the advisory groups have been meeting to discuss how MHEC can assist in building capacity and lowering the cost of technology solutions for institutions across the region.

- Creative Software completed a survey that gathered information related to the use of creative tools such as Adobe products across the region. The report will be published prior to this meeting. MHEC will be using the data to drive conversations with vendors and prepare for a refresh of the current creative software contract.
- Academic Technologies is currently focusing on accessibility, open educational resources, and video services.
- Information Security is addressing training for policymakers as well as investigating contract opportunities for video services and multi-factor authentication.
- Procurement and Partnerships has compiled a large collection of documents to assist institutions and MHEC with procurement activities. The collection has been made available to the entire Technologies Committee as a resource.

- Infrastructure is just beginning their work as MHEC's current virtualization contracts are approaching renewal.

The Technologies Executive Committee recently assessed the impact of the new advisory group structure. The group praised the effort, citing an increased engagement of committee members in the advisory groups and the value of the conversations that occur during the calls from an information sharing perspective. The advisory groups have also been helpful in engaging the full committee through surveys and other communications as they gather information to support their activities.

Planning is beginning for the Annual Technologies Committee Meeting February 27-March 1. Next year's theme will be *Adapting to Generational Change: Preparing to Meet the Needs of Our Future Students*.

## **CONVENING MHEC State Visits**

Prepared by  
Mary Roberson, Director of Communications & Marketing

MHEC state visits were successfully held in 2018 to the credit of the MHEC commissioners and commissioner alternates who attended and hosted the commissioners' dinners, scheduled MHEC presentations before legislative committees, and participated in individual visits at the statehouses introducing MHEC leaders to legislative leaders and their staff.

MHEC is especially grateful to MHEC Chair Tim Flakoll (ND), Vice Chair Ken Sauer (IN), and Treasurer Olivia Madison (IA), who made this year's state visits truly outstanding by joining President Larry Isaak and staff for many of the 12 state visits. We appreciate their efforts to support MHEC while maintaining busy personal and professional lives in North Dakota, Indiana, and Iowa.

<b>MHEC State Visits – 2018</b>		
<b>State</b>	<b>Dates</b>	<b>Officers and Staff in Attendance</b>
Kansas	Jan. 16-18	Larry Isaak and Rob Trembath
South Dakota	Jan. 23-25	Larry Isaak and Rob Trembath
Missouri	Jan. 29	Chair Tim Flakoll, Larry Isaak, Jennifer Dahlquist, and Carla Ahrens
Iowa	Jan. 31 - Feb. 1	Chair Tim Flakoll, Larry Isaak, and Rob Trembath
Indiana	Feb. 6-7	Chair Tim Flakoll, Vice Chair Ken Sauer, Larry Isaak, and Rob Trembath
Wisconsin	Feb. 13-14	Chair Tim Flakoll, Larry Isaak, and Jennifer Dahlquist
Nebraska	Feb. 21-22	Treasurer Olivia Madison, Larry Isaak, and Rob Trembath
Minnesota	Feb. 26	Chair Tim Flakoll, Larry Isaak, Jennifer Dahlquist, and Pam Schutt
Ohio	Mar. 21-22	Chair Tim Flakoll, Larry Isaak, and Mary Roberson
Illinois	Apr. 18-19	Larry Isaak, Rob Trembath, and Katie Chock
Michigan	May 9-10	Larry Isaak and Rob Trembath

During the 2018 state visits, MHEC was honored with floor introductions in Missouri and Ohio and testified and/or were introduced before numerous legislative committees. Additionally, many individual meetings were held with legislative and postsecondary leaders, and gubernatorial, and legislative education advisors and staff.

## MHEC Annual Reports to Each State

The *2018-19 Annual Report to the Member States* will be distributed during the 2019 legislative sessions and during the annual visits to each of the Compact's member states. MHEC's biennial report *Higher Education in Focus: Selected Performance Indicators* is intended to inform public discourse on higher education by providing key performance indicators relevant to the goal of increasing educational attainment. Performance indicators are categorized within seven dimensions: Preparation, Participation, Affordability, Completion, Effectiveness, Equity, and Finance. Current reports are available for download on [MHEC's website](#). MHEC has also introduced notifications of recent policy publications. If you would like to receive these updates, please email MHEC at [mhec@mhec.org](mailto:mhec@mhec.org).

Since the November 2017 annual meeting there have been 7 commissioners and 1 commissioner alternate appointed or reappointed to serve. The Commission has 4 commissioner vacancies and awaits 2 reappointments of commissioners with expired terms who continue to serve.

Thank you to all who participated in the MHEC state visits.

Dinner Attendance at MHEC State Visits											
State	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Average
IL	16	17	18	18	20	18	21	21	16	20	18.5
IN	12	20	15	19	20	16	14	16	18	18	16.8
IA	20	---	14	18	24	18	21	21	20	20	19.5
KS	13	20	31	31	24	27	31	21	28	26	25.2
MI	21	21	15	21	20	20	27	16	22		20.3
MN	18	22	26	26	23	20	21	20	14	29	21.9
MO	26	27	20	26	25	26	22	18	21	24	23.5
NE	24	22	22	31	27	31	24	25	21	20	24.7
ND	23		31		22		20		28		24.8
OH	15	15	13	25	23	14	14	23	21	18	18.1
SD	15	14	31	34	28	21	24	20	19	21	22.7
WI	19	17	15	19	21	21	21	15	24	21	19.3
TOTAL	222	195	251	268	277	232	260	216	250		

## **PROGRAMS**

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

## **PROGRAMS**

### **Master Property Program**

Prepared by  
Carla Ahrens, Property Program Manager

MHEC's property insurance program, 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 public and not-for-profit colleges and universities. Since its inception, MPP participation has grown nationally to incorporate 100 institutions, covering more than 170 campuses with total insured values of approximately \$99 billion. Because of its success, the program has developed a program mission to be the premier property insurance program for MHEC, the Western Interstate Commission for Higher Education (WICHE), the New England Board of Higher Education (NEBHE), and the Southern Regional Education Board (SREB) institutions with a focus on strategic growth, program stability, and member value. In FY 2018, it is estimated that the program saved its participating institutions in excess of \$18 million – \$14.7 million of these savings for the Midwest participants alone. Since the program's inception, it is estimated that \$145.9 million of savings have been achieved program-wide. The program costs continue to remain below industry averages due to the program's volume and asset protection strategies tailored to higher education institutions.

The popularity of MPP remains high among higher education institutions as evidenced by the program's 96% retention rate. Since the 2000-2001 policy year, membership in the program has grown from 25 institutional participants to the current 100. Several more institutions have sought quotes which were ultimately used as leverage to lower rates with their current carriers. The average program rate has fallen 49 percent since 2002-2003, from .045 cents to .0235 cents with continued enhancements to coverage and services. It's important to recognize that if you factor in dividends returned to the participating institutions, the rates are reduced even further. Perhaps the most appealing feature about the program, aside from the savings achieved, is the fact that the program is developed by and tailored to participating institutions. They are the ultimate decision makers on issues such as program structure, risk retention, coverage, and services purchased.

Marsh, a global leader in insurance broking and risk management serves as the Program Administrator for the Master Property Program. Marsh markets the insurance, has the primary relationship with all insurance carriers and is responsible to negotiate on behalf of the Master Property Program.

#### ***Program Governance***

The Master Property Program is governed by the MPP Leadership Committee. At present, 13 people serve on the Leadership Committee representing all of the institutions participating in the MPP. Ed Knollmeyer, Assistant Vice President of Management Services and Director of Risk and Insurance Management for the University of Missouri, serves as chair. The Leadership Committee is responsible for managing and providing oversight to the main elements of the program and for recommending key policy changes to all insured institutions for final approval.

Because of the size and complexity of the program, the Leadership Committee has developed five subcommittees to work on specific areas of the program and to make recommendations to the full Leadership Committee. The following summarizes the respective responsibilities and activities of the five subcommittees over the past year:

*The Executive Subcommittee* is comprised of the Leadership Committee chair, vice chair, out-going chair, and the four subcommittee chairs. They are responsible for providing leadership in assessing the MPP's effectiveness, developing strategies to help the program achieve its stated mission, and maintaining and nurturing the program's relationships with its participating institutions, program administrators, carriers, service providers, and other interested parties. The Executive Subcommittee is also authorized to act on behalf of the full Leadership Committee during those periods when there is insufficient time to convene the full Leadership Committee.

The Executive Subcommittee convened again following the July 1, 2018, renewal to establish strategic objectives, improvements and priorities for the July 1, 2019, renewal. The committee focused discussion on possible changes to the structure of the Master Property Program going forward and strategic growth.

*The Underwriting and Marketing Subcommittee* is responsible for reviewing and making recommendations on the selection of insurance companies, policy terms and conditions, the range of services to be offered under the program and the program cost allocation. This subcommittee is also responsible for reviewing all applications to the program by prospective institutions.

The Underwriting and Marketing Subcommittee continuously examines program methodologies to ensure that all institutions are treated equitably and at the same time, those same methodologies allow for flexibility in meeting individual institutional needs. Another objective of the subcommittee is to promote the stability of program costs and to minimize fluctuations in any given year. Following a two-year process, the subcommittee finalized the simplified cost allocation (CoSCA) model that reduces volatility and mitigates surprise. The allocation process went into effect with the July 1, 2017, renewal and provided more stability to rates than the previous allocation method and is easier to understand. The subcommittee continues to monitor the program's underwriting guidelines policy which better supports the program mission of stability, member value, and strategic growth. The need for an underwriting policy was created when the other regions of the country were invited to participate in the program. The subcommittee wanted to protect the program from the significant catastrophic risk introduced by these new regions.

*The Engineering and Loss Control Subcommittee* is responsible for making recommendations on engineering and loss control measures based on requirements of the program's insurers, review of losses, and recommendations within program best practices. The subcommittee is also responsible for the selection and annual review of various third-party administrators that are required to administer and provide loss control and engineering services.

The engineering services provided by the program's third-party engineering firm include fire surveys, plan review, electrical services (infrared thermography and training), and database systems and management. Given the diverse size of institutions participating in the program, the Engineering and Loss Control Subcommittee is charged with making certain there is an equitable implementation of these services so that all the differing campuses' needs are met. In addition, the subcommittee continues to work on various ways of encouraging the institutions to respond in a timely manner to the engineering recommendations that are provided to the institutions by the program's third-party engineering firm as part of their annual review. The MPP is a loss-rated program, meaning the loss experiences of its participating institutions impact the determination of program costs; therefore, the recommendations provided to the institutions by the third-party

engineering firm are meant to support the prevention of losses while maintaining the competitive premiums, terms and conditions enjoyed by those participating in the program. Participating institutions are strongly encouraged to respond to all recommendations, especially those specifically related to a human element, which typically cost the institution little to implement.

The subcommittee continues to focus efforts on enhanced loss control standards including roof maintenance, underground digging permits and rooftop solar panels. The subcommittee is also currently looking to redefine the scope of the loss control services to better meet the needs of the members.

*The Finance and Audit Subcommittee* is responsible for the financial aspects of the program, including the investment of funds from the loss fund (captive), the review of financial statements, and an annual confirmation of program costs.

The subcommittee completed the annual program cost distribution report, which confirms that the program costs of each participating institution are accurate. Further, the subcommittee reviews the administrative service fees of all service providers.

*The Loss Control Workshop Subcommittee* is responsible for all aspects of the planning and implementation of the Annual Loss Control Workshop. The Annual Loss Control Workshop is a professional development opportunity where program participants and their representatives gather to learn about industry best practices and more effective loss control methods, all related to higher education. It provides a unique opening for dialogue and collaboration, enabling conversations between and among folks who otherwise wouldn't have the opportunity to interact. On March 8 and 9, MHEC successfully completed its 20<sup>th</sup> annual Loss Control Workshop. Once again the workshop drew high attendance. In addition to the primary risk managers from the MPP participating institutions, fiscal officers, and personnel from campus legal, physical plant, facilities, and purchasing departments, and others participated in the workshop. In a continued effort to make the workshop accessible to as many individuals as possible, the program offered scholarships to help cover travel costs for those individuals that would otherwise not have been able to attend the workshop.

The subcommittee in charge of planning the two-day Annual Loss Control Workshop held a meeting in Kansas City, August 21-22, to plan the sessions for the 2019 workshop. The annual meeting and workshop is scheduled for March 6-8, 2019, in St. Louis, Missouri.

### ***Savings and Dividend***

Every year MHEC works with the program administrator to determine savings for each state. The program administrator uses benchmark data, considers loss history, catastrophic exposures, member values, and whether the institution participates in the MPP as an individual or as part of a smaller group. With this data, the program administrator makes a conservative determination of the savings. This past year the MHEC institutions participating in the program achieved an estimated \$14.7 million in premium savings. Including institutions located in the WICHE and NEBHE states (currently there are no participating institutions located in an SREB state) overall program premium savings exceeded an estimated \$18 million for FY 2018.

One of the many benefits of the MPP is the existence of the loss fund (captive) layer within the program structure that offers the potential for a dividend when an institution's and program losses are favorable. The loss fund layer is established through a portion of each institution's program costs being paid to the loss fund rather than directly to the insurance carrier. An individual institution's loss fund contribution is based on a combination of losses compared to

other program participant's losses and the institution's premium size. The total loss fund contribution from all MPP participating institutions equals the loss fund aggregate as negotiated with the program's primary insurance carriers. When losses occur, the loss fund provides coverage up to \$1 million excess of the participating institution's deductible, at which point the insurance carrier attaches and provides coverage to the limits of the program. When losses are favorable, the funds remain in the loss fund earning interest. At the end of an underwriting year, the funds remaining in the loss fund and the interest on those funds begin to be returned to the eligible institutions in the form of a dividend at the recommendation of the Leadership Committee, all per the program's dividend return policy.

At the end of the most recent underwriting year no dividend was declared due to losses incurred during the 2017-2018 policy period. Since the program's inception \$19.2 million in dividends have been distributed to the Master Property Program members

### ***Renewal***

The first goal at renewal is to reduce overall costs while maintaining coverage and services that the members have become accustomed to. In addition, Marsh and the Leadership Committee seek to maintain or expand coverage, seek enhancements or other program differentiators, and strive to maintain program stability and increase program services of value. Given these program goals, the 2018 program renewal was a tremendous success as Marsh was able to achieve a rate decrease on various lines of the program attaining an overall 1% rate reduction on the base program. Currently, Zurich underwrites 44% of the primary risk transfer layer of the program and AIG underwrites 56%. Up until five years ago, AIG was the sole carrier covering the primary layer. In 2014, Zurich became a 20% participating carrier in the primary risk transfer layer in addition to its participation in the \$500M excess \$500M excess layer and moving to 30 percent the next two years and 40% last year this percentage was increased to 44% this year. One of the goals of Leadership Committee over the years has been to diversify the number of carriers in the primary risk transfer layer. Doing so would mitigate the risks associated with having a single carrier provide all of the coverage. Because of the unique structure and size of the program, only a limited number of carriers are able to provide the level of capacity required and at the terms, conditions, and costs currently afforded the program. The inclusion of Zurich into the program greatly strengthens the structure of the program and provides more options for the program as it looks toward the future.

This year at renewal terrorism coverage was improved by increasing limits and broadening the coverage definition.

As the program grows in both size and complexity, the policy renewal process becomes increasingly complex. Given the increasing number of participating institutions, the captive insurance layer and all of the parties required to make it work, and the program structure which incorporates five different insurance carriers, this past year's renewal had approximately 100 different people involved in one form or another. Program renewal has now become a year-round exercise and Marsh and the Leadership Committee have already begun working on next year's renewal.

### ***New Participating Institutions***

Since July 1, 2018, the following institution joined the program:

- Lindenwood University, St. Charles, MO

MHEC continues to strategically market to higher education institutions in the MHEC, WICHE, NEBHE, and SREB regions that would benefit from such a comprehensive property program, subject to the program's underwriting guidelines and the underwriting subcommittee's approval. In addition, the program receives interest from institutions outside of these four compact member regions.

While MHEC is not always the right fit nor successful at bringing every potential institution into the program, the potential prospects benefit nonetheless when they leverage the MHEC program in their negotiations as a result of their due diligence process.



**RESEARCH  
PROGRAMS**

**PROMINENT  
FACULTY**

**SYMBOLIC  
TARGETS**

**CONTROVERSY**

**STATE SPONSORED  
ATTACKS**



## HIGHER EDUCATION THREAT HORIZON AND INDUSTRY OUTLOOK

Higher education institutions continue to face significant 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 the number of users as well as the need for internal and external users to access and share information.

## THE FOLLOWING FACTORS MAY ALSO INCREASE THREAT ACTIVITY

Research with a potentially high economic payoff or that supports sensitive government research contracts may lead to increased targeting from cybercriminals. In particular, advanced persistent threat (APT) groups often search for intelligence to benefit their sponsoring government or associated state-owned companies.

Association with high profile or influential academics or dissidents may result in a greater threat activity from APT groups. These groups often seek to gather information that would allow their sponsoring government to monitor that individual's activity and gain insight into policy discussions.

Targets that are perceived to be highly visible or symbolic may lead to threat activity from hacktivists or APT groups seeking to disrupt website or network operations for political purposes.

Involvement in controversy may lead to threat activity from hacktivists seeking to protest and embarrass the victim organization through disrupting website access, defacing webpages, or stealing and exposing the organization's sensitive information.

State sponsored attacks continue to be a concern, with state sponsored threat actors accounting for over 50% of higher education breaches.

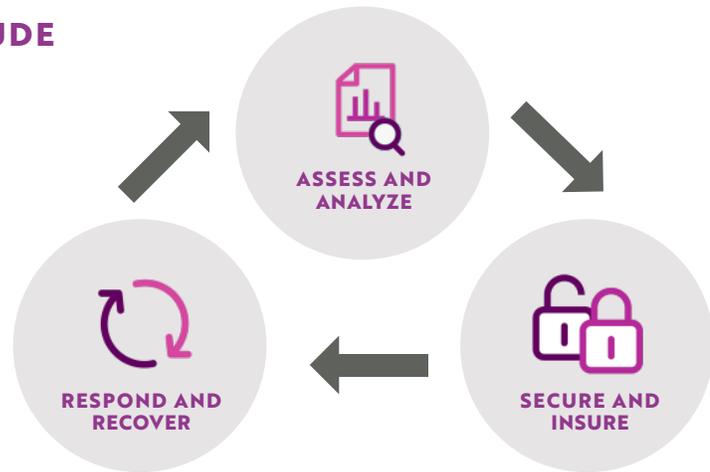
## CYBER RISKS

Each institution has unique cyber risks because of their business operations, assets, and threat environment. The institution's use of technology within its operations and any handling/collection/storage of confidential information contribute to the ongoing battle of keeping the institution's assets safe from threat actors.

The MHEC Cyber Insurance approach analyzes the institution's threat environment, assesses the significance of the vulnerabilities in security controls, and determines how much financial exposure the institution faces. MHEC's approach can also provide benchmarking on how much cyber coverage institutions of similar risk are buying.

## EXAMPLES OF CYBER RISK INCLUDE

1. Cyber-extortion
2. Cyber-terrorism
3. Loss of revenue due to a computer attack
4. Legal liability to others for computer security breaches
5. Legal liability to others for privacy breaches of confidential information



## RISK TRANSFER

### Insurance Coverages

What options are available to transfer institutional economic risk?

What is the typical reach and extent of cyber coverage, as it relates to other lines?

COVERAGE	DESCRIPTION
Network Security Liability	Harm suffered by others from a failure of network security.
Privacy Liability	Harm suffered by others due to the disclosure of confidential information.
Notification Costs	The cost of complying with the various breach notification regulations with a remedy.
Regulatory Defense	Legal defense for regulatory actions (EU's General Data Protection Regulation, FERPA, HIPAA).
Property Loss – Data Asset	The costs to recreate data stolen, destroyed, or corrupted by a computer attack.
Loss of Revenue – Network Interruption	Business income that is interrupted by (1) a system outage or (2) failure of a BPO-cloud provider, including extra expense.
Cyber-Extortion	The cost of investigation and the extortion demand.
Professional Liability	Harm suffered by others due to the negligence in rendering a service and/or a product's failure to function as intended.
Media Liability	Harm suffered by others due to an infringement of an intellectual property right.

## MHEC CYBER INSURANCE APPROACH

Institutions in the MHEC member states, along with states in the New England Board of Higher Education (NEBHE) and the Southern Regional Education Board (SREB), have a cyber insurance solution available which is tailored to deliver the right mix of risk transfer and advisory solutions for institutions to assess, manage, and respond to their risk. Along with MHEC's Master Property Program administrator, Marsh, MHEC is able to offer

institutions the flexibility of insurance carrier choice, the broadest coverage available, and access to limits that meet institutional coverage needs. MHEC will work to build a critical mass of participating institutions to provide a potential option of risk sharing in an excess layer of coverage. This shared excess layer would afford additional coverage at a reduced cost versus an institution securing coverage on a stand-alone basis.

*As a market leader higher education marketplace, Marsh's cyber insurance specialists understand the unique risk factors of higher education and are well positioned to:*

### Assess and Analyze

Understand attack scenarios and risk profile when addressing cyber risks.

### Secure and Insure

Managing cyber risks means preparing institutions for the inevitable event. Marsh's cyber team will work with institutions to optimize the security controls that protect and detect threats, and transfer exposures off the institution's balance sheet.

### Respond and Recover

Quick, effective response to a cyber event is crucial for business. Marsh's cyber team will guide and support institutions through the event, and enhance protection moving forward.

## PROCESS

**- 1 -**

Complete carrier application or the Marsh Assessment

**- 2 -**

Secure quotes from marketplace based on applications

**- 3 -**

Negotiate coverage

**- 4 -**

Bind terms

## PARTICIPATION

Agreements with MHEC and 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**) allow institutions within their member states to join MHEC's Cyber Insurance Program.

## CONTACT

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August 2018

## **PROGRAMS**

### **MHECare Health Insurance Solutions**

Prepared by  
Jennifer Dahlquist, Senior Vice President

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

The Affordable Care Act continues to drive uncertainty in the market and through MHECare campuses will be well-served by a carrier that is compliant and fully equipped to rapidly respond to changes in regulations. Campuses can leverage MHECare with peace of mind 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.

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

The following institutions participate for the 2018-19 academic year:

#### *Student Health Insurance Participating Campuses 2018-19*

- California Institute of Technology
- Kansas Board of Regents
  - Emporia State University
  - Fort Hays State University
  - Kansas State University
  - Pittsburg State University
  - The University of Kansas
  - University of Kansas Medical Center
  - Wichita State University
- North Dakota University System
  - Bismarck State College
  - Dakota College at Bottineau
  - Dickinson State University
  - Lake Region State College
  - Mayville State University
  - Minot State University
  - North Dakota State College of Science
  - North Dakota State University
  - University of North Dakota
  - Valley City State University

Williston State College  
Oakland University  
University of Alabama Birmingham  
University of Alaska System  
    University of Alaska – Anchorage  
    University of Alaska – Fairbanks  
University of Cincinnati  
University of Florida  
University of Louisville  
University of Nebraska System  
    University of Nebraska at Kearney  
    University of Nebraska - Lincoln  
    University of Nebraska Medical Center  
    University of Nebraska at Omaha  
University System of Georgia  
    Abraham Baldwin Agricultural College  
    Albany State University  
    Atlanta Metropolitan State College  
    Augusta University  
    Clayton State University  
    College of Coastal Georgia  
    Columbus State University  
    Dalton State College  
    East Georgia State College  
    Fort Valley State University  
    Georgia College & State University  
    Georgia Gwinnett College  
    Georgia Highlands College  
    Georgia Southern University - Armstrong  
    Georgia Southern University - Liberty  
    Georgia Southern University - Statesboro  
    Georgia Southwestern State University  
    Georgia State University  
    Gordon State College  
    Kennesaw State University  
    Middle Georgia State University  
    Savannah State University  
    South Georgia State College  
    University of Georgia  
    University of North Georgia  
    University of West Georgia  
    Valdosta State University  
Western Illinois University

*Private Health Insurance Exchange Campuses 2018-19*

Allen College Unity Point Health  
Calvin Theological Seminary  
Grand Valley State University  
The John Marshall Law (graduating students only)  
Trinity Christian College  
Western Michigan University Homer Stryker M.D. School of Medicine

## PROGRAMS

### Midwest Student Exchange Program

Prepared by  
Sara Appel, Midwest Student Exchange Program Manager  
and Amy Johnson Korba, Program Management and Development Intern

The Midwest Student Exchange Program (MSEP) offers reduced tuition rates to students in the states of Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin. Since 1994, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. MSEP serves as the Midwest's largest multi-state tuition reciprocity program. Nearly 90 campuses from the participating states have opened their doors to students at reduced rates. Public institutions enrolling students under the program agree to charge no more than 150% of the in-state resident tuition rate while private institutions offer a 10% reduction on their tuition rate.

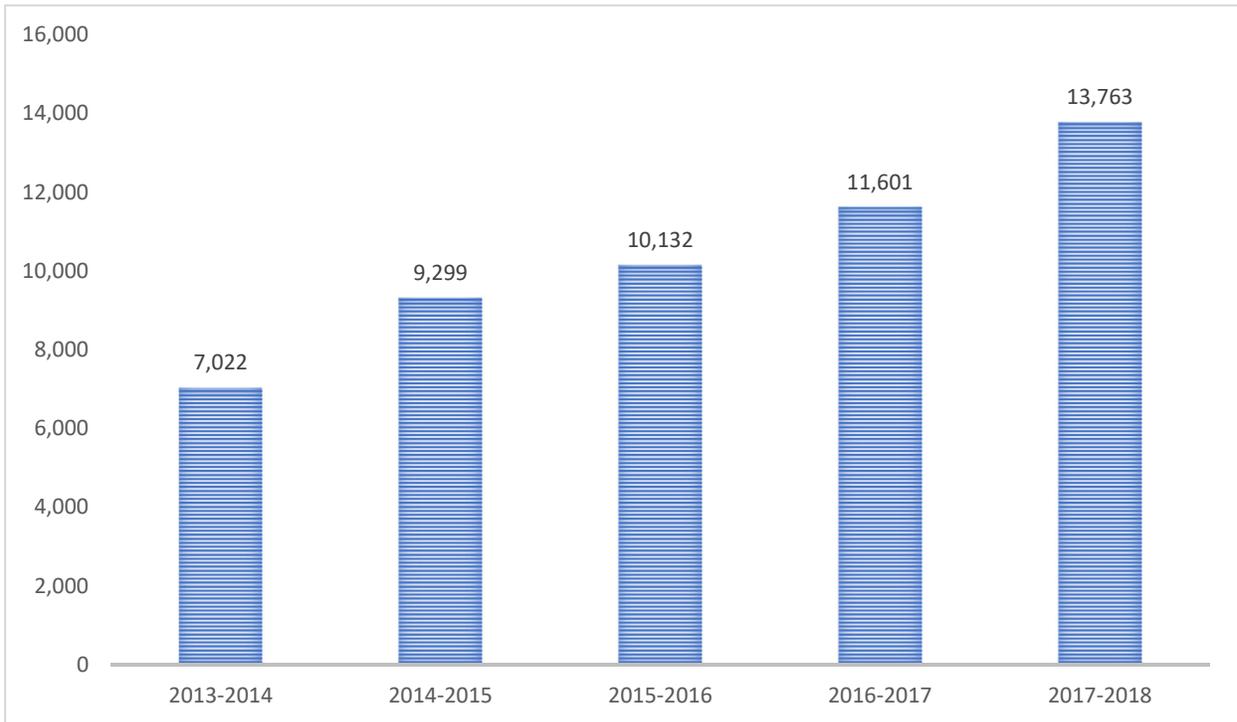
MSEP participation provides many benefits such as:

- Students and their families save significant money
- Individual campuses within a state can use the program as an enrollment management tool
- Campuses can focus program offerings
- States can plan a broad enrollment strategy rather than a hit and miss strategy through unilateral actions
- Institutions participating in the program get increased marketing exposure through the MSEP website (students interested in the MSEP serve as the number one visitor to the MHEC website based on user analytics)
- Educational opportunities are expanded for students

This past year saw many positive changes. Ohio became a member of MSEP in the spring of 2017, there were 2,162 additional students who participated, and MSEP saw an increase of \$15.2 million in savings by students compared to last year. Every MSEP state experienced an increase in overall enrollment.

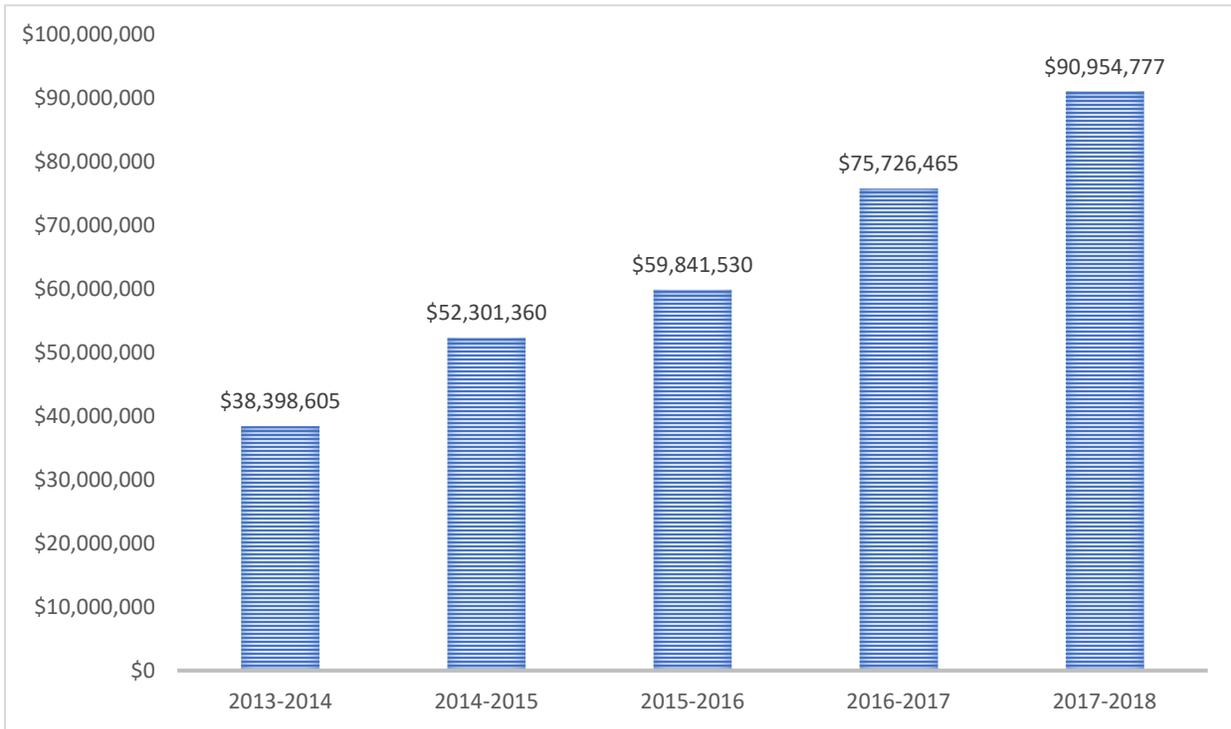
<b>MSEP Enrollment by Student's Home State of Residence 2017-2018</b>		
<b>State</b>	<b>Enrollment</b>	<b>Difference from 2016-2017</b>
Illinois	7,658	+1,171
Indiana	306	+48
Kansas	735	+89
Michigan	939	+120
Minnesota	1,431	+296
Missouri	881	+195
Nebraska	881	+46
North Dakota	90	+19
Ohio	113	N/A
Wisconsin	729	+65
<b>Total</b>	<b>13,763</b>	<b>+2,049</b>

**Table 1: Total MSEP Enrollment, 2013-2017**



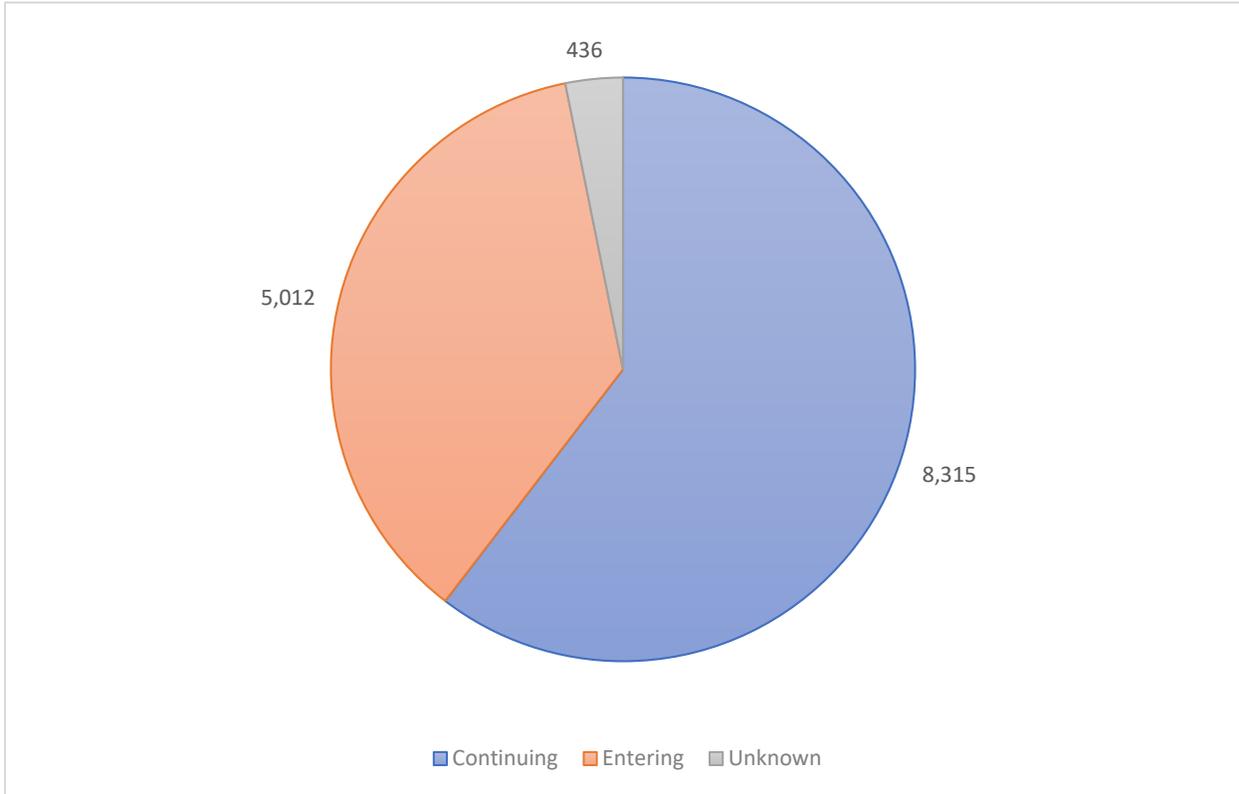
Enrollment in MSEP has seen consistent growth. This past year saw an increase of 2,049 in student participation.

**Table 2: Total Annual Savings: 2013-2017**



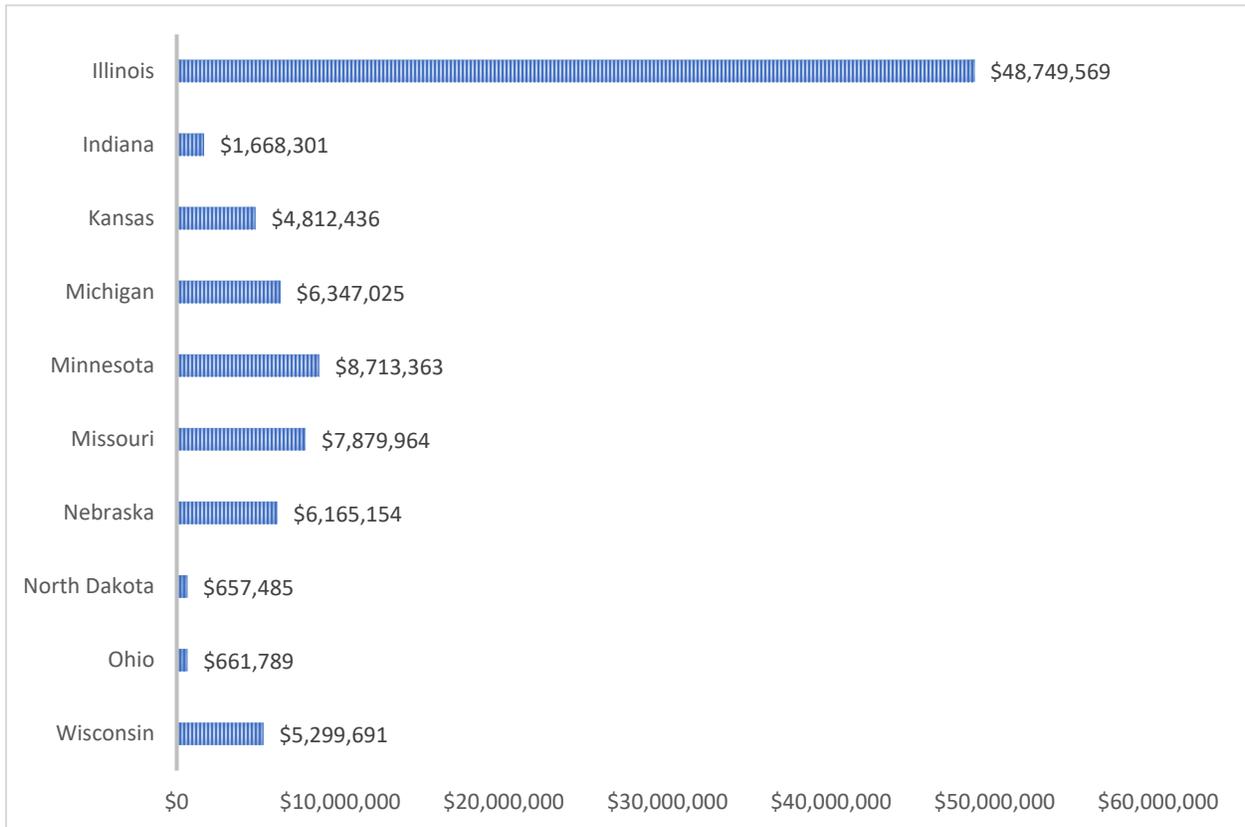
Academic year 2017-2018 was the largest total annual savings on record.

**Table 3: MSEP Student Enrollment Status: 2017-2018**



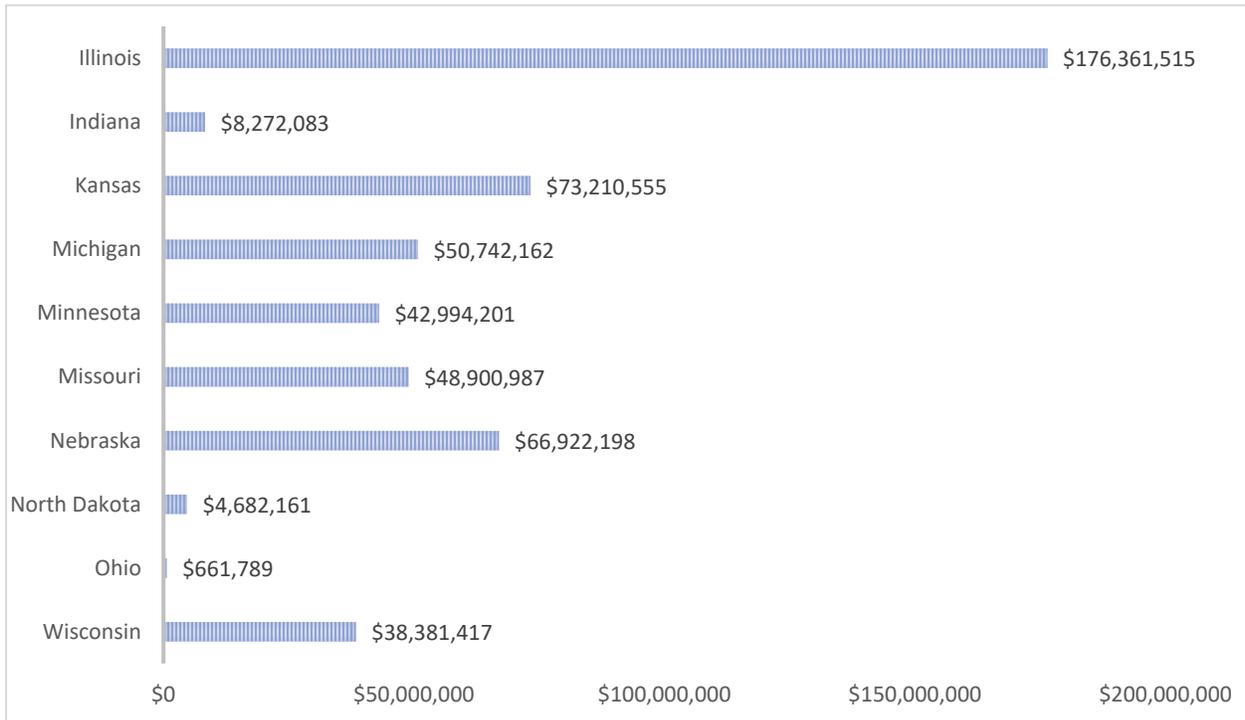
The majority of students taking advantage of the MSEP are continuing students which supports the notion that MSEP increases in retention. Entering students were up last year from 4,433 for an increase of 579.

**Table 4: Tuition Savings by Home State of Residence: 2017-2018**



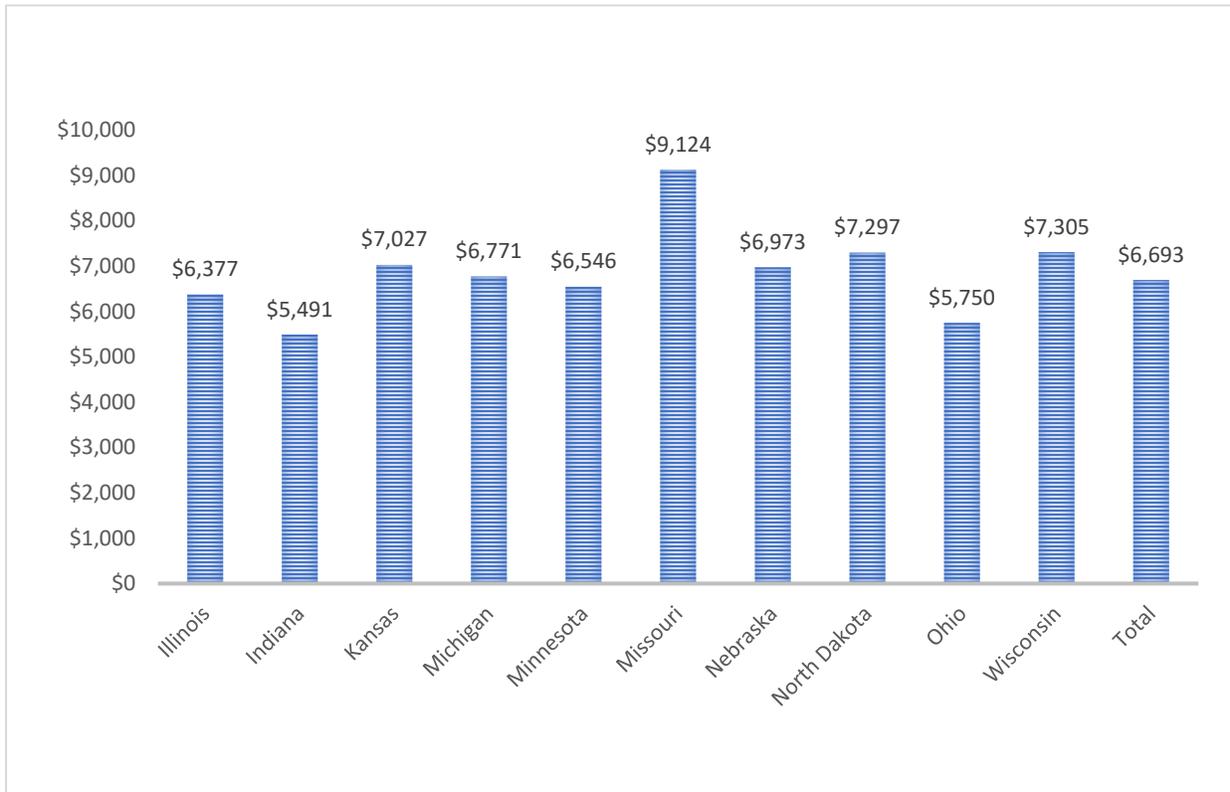
Illinois, Minnesota, and Missouri realized the largest overall tuition savings for the 2017-2018 academic year which mirror's last academic year's numbers.

**Table 5: Tuition Savings by Home State of Residence: Total to Date**



The top three states saving total tuition dollars to date are Illinois, Kansas, and Nebraska, consistent with 2016-2017 academic year data.

**Table 6: Average MSEP Savings by Students' Home State of Residence: 2017-2018**



Missouri residents realize the greatest per student savings through MSEP for the 2017-2018 academic year followed by Wisconsin, and North Dakota which is consistent with the 2016-2017 academic year data.

## **PROGRAMS**

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

Prepared by  
Emily Jacobson, M-SARA Manager

MHEC has experienced continued success with the State Authorization Reciprocity Agreement (SARA) and looks forward to helping the initiative improve and grow in the future. There are 49 states and three territories that have joined SARA, and 1,882 institutions that participate in SARA as of October 2018. Of that total, 568 institutions are in MHEC states. Those institutions and states benefit legally, organizationally, and financially from SARA participation. Additionally, the M-SARA Regional Steering Committee continues to engage in active discussions about the future of SARA.

In May of 2018, NC-SARA implemented the third round of institutional data collection and enhanced data collection with a pilot of voluntary reporting of clinical field placements. Reporting of clinical field placements will be mandatory in 2019. NC-SARA continues to host an annual meeting devoted to state portal agents, to strengthen connections between SARA portal agents and promote consistency in SARA practice across the nation. In 2018, NC-SARA will launch a new website, which will provide a consistent nationwide source of information about SARA and state authorization. The new website will include a password protected section for SARA staff at regional compacts and for SARA state portal agents. It will also include “The Guide”, which is an updated version of the former SHEEO state authorization surveys.

M-SARA hosts its own set of annual meetings for M-SARA Regional Steering Committee members and M-SARA state portal agents and dedicates a portion of these meetings for the two groups to meet jointly.

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## RESEARCH

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

## Research

Prepared by

Aaron Horn, Vice President of Policy Research

The purpose of MHEC's research is to inform institutional and state efforts in improving postsecondary policies, practices, and outcomes. To this end, MHEC produces timely briefs, reports, and technical papers that assist in the evaluation of postsecondary performance, the analysis of state policies, and the identification of effective institutional practices. The research function also seeks to identify and pursue opportunities for programmatic and policy innovations in order to address longstanding problems in higher education. The intended audience for MHEC's research includes commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education researchers. Members of the Review Panel for State Policy and Performance Data as well as topical experts throughout the nation help ensure the scientific integrity of data and research products.

This report summarizes projects that were initiated or completed between November of 2017 and November of 2018. An update is provided on efforts to build a policy research center, and then projects are summarized within four areas, including College Readiness; Affordability and Finance; Educational Quality; and Performance, Value, and Accountability.

**Research Center.** MHEC's Center for Higher Education Research and Policy Analysis (CHERPA) was recently established to expand the regional knowledge base in critical areas for facilitating progress towards state educational attainment goals, including College Readiness; Affordability and Finance; Educational Quality; and Performance, Value, and Accountability. The Center will support state, system, and institutional efforts in several ways: (a) maintaining a national repository of knowledge for guiding policy and practice; (b) conducting empirical research and analysis on critical topics in higher education; (c) developing innovative solutions to improve educational opportunity and effectiveness; and (d) providing public outreach and service to institutions and governments.

**College Readiness.** Research in this area informs policy and practice related to college readiness programs, dual enrollment, and various forms of teacher preparation.

- *Increasing the supply of qualified high school teachers for dual enrollment programs.* In this updated report, the authors gathered and reviewed state-level policies relevant to dual enrollment teacher credentialing and efforts to up-credential in-service teachers. First is a content analysis of the common approaches used to regulate instructor qualifications, including aligning requirements with those of the regional accreditors and those of adjunct faculty at postsecondary institutions. Other approaches include enumerating the need for a master's degree and/or additional graduate credits. Second is a comparison and content analysis of the language used by all the regional accreditors to describe their requirements for dual enrollment instructors. Third is an analysis of state strategies implemented to address the shortage of properly credentialed dual enrollment instructors. Such strategies include using federal Title II funds and state funds to help teachers pay for additional graduate courses; the use of state funds to incentivize universities to develop courses and programs that will make up-credentialing more efficient and convenient for teachers; and coordinating and promoting the efforts of multiple institutions, groups and agencies to create local and innovative ways to address this problem.

**Affordability and Finance.** Research in this area provides a national overview of initiatives, a review of relevant research, and state policy recommendations for adequately funding institutions and reducing the financial burden of attaining a college credential.

- *Understanding State Loan Forgiveness and Conditional Grant Programs.* This brief examines two types of state service-contingent aid programs: conditional grants/loans and loan forgiveness. Conditional grant or loan programs provide a financial award to currently enrolled students and, in exchange for receipt of the award, students must fulfill certain service or work requirements after graduating from college. Loan forgiveness programs also have service or work requirements but provide forgiveness for student loans that were initially awarded without service-related conditions.
- *Increasing the Higher Education Payoff for Low-Income Children: Innovating Children's Savings Accounts for the 21st Century.* This brief begins with a closer look at the defining attributes and prevalence of CSAs across the nation. Then it discusses CSAs potential effects on the education pipeline (early childhood, school years, college years, and post-college years). It concludes by describing the challenges facing CSA programs and suggests innovations to address these problems.
- *Evaluating State Funding Effort for Higher Education.* This brief explores changes in state funding for higher education, the concept of state effort and how to define and measure it, national trends in state effort, and state trends in state effort. The empirical research is then reviewed on what impacts state effort.
- *Drivers of The Rising Price of College.* This brief explores the forces that have affected college tuition over the postwar period. College costs, general subsidies, and changes in the national distribution of income have all affected the trajectory of college tuition over time.
- *State Grant Aid Programs.* The purpose of this report is to help policy makers compare their state's grant programs to others and also understand how policy design features relate to student outcomes. First, the report provides context for understanding state grant programs, and then it describes common and distinguishing features of state grant programs by focusing on eligibility requirements, funding sources, and program magnitude, including award amounts and number of recipients. In addition, the characteristics of recipients are considered, including the type of institution attended, family income, race/ethnicity, gender, and enrollment intensity. Next, a few examples of state grant programs are presented to illustrate differences in program design and scope. An overview is then provided of the research findings on the effects of state grants on educational attainment.
- *Reducing the Cost of College through Open Educational Resources.* This policy brief examines state initiatives in the realm of open educational resources.
- *Student Loan Interest Rates: A Survey of Federal, State, and Private Programs.* This policy scan examines changes in federal student loan interest rates over time; the wide variation in interest rates for state-sponsored student loans; and interest rates for private student loans and other types of loans.

**Educational Quality.** This area examines various domains of institutional practice and policy associated with student persistence, degree completion, learning, employment, and civic outcomes.

- *Best Practices in Academic Advising.* MHEC is collaborating with NACADA at Kansas State University to conduct a synthesis of research on academic advising. Implications for policy and practice will be provided.

**Performance, Value, and Accountability.** Research in this area develops and applies performance indicators that can be used to evaluate the condition of PK-16 education in the states.

- *Higher Education in Focus: Selected Performance Indicators.* This biennial report is intended to inform public discourse on higher education by providing key performance indicators relevant to the goal of increasing educational attainment. Performance indicators are categorized within six dimensions: Preparation, Participation, Affordability, Completion, Equity, and Finance.
- *Measuring Educational Quality.* MHEC collaborated with SHEEO to produce a book chapter that provides an overview of performance indicators used to evaluate educational quality for purposes of public accountability and improvement in higher education. First, the principal aims of higher learning are summarized. Second, educational quality is broadly defined in terms of the prevalence of good educational practices, evidence of institutional effectiveness, and the capabilities of college graduates. Nine types of quality indicators are then proposed for state accountability systems. Third, a description is provided of how states are currently using quality indicators. Finally, we conclude with an example of how states can support institutional efforts to improve educational quality.
- *State Educational Performance Indicators Data System (SEPIDS).* MHEC staff are working with an interactive web development agency to create an online tool that allows users to select from a comprehensive set of performance indicators; multiple data years; any peer state in the U.S.; any institutional sector (depending upon indicator); institution(s) (depending upon indicator); figure/table type; and export data/figure/table. While the tool will be created for the benefit of MHEC member states, data will be available for all 50 states, thereby allowing colleagues across the country to benefit from our regional initiative.
- *Higher Education Policy Interactive Database.* MHEC staff are exploring the creation of an online tool that allows users to quickly identify and compare state policies pertinent to higher education across the Midwest.

**2017 Annual Policy Forum.** MHEC's annual policy forum was held in conjunction with the MHEC annual meeting in Overland Park, Kansas, November 13-14, 2017. The theme of the event, as identified and shaped by MHEC Commissioners, was college affordability. The program provided considerable context on the problem of affordability and an overview of state policies for reducing financial obstacles to college access and completion. Presentations included:

- *Rethinking Affordability*
- *Beyond the Balance Wheel: Addressing the Challenges of Public Investment in Higher Education*
- *Evaluating State Effort in Funding Higher Education*
- *The State Context for Postsecondary Funding*
- *Asset-based Approaches to Financial Aid*
- *Curricular Pathways and Affordability Solving*
- *Solving Cost Problems through Technology*

## **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 entities. Additionally, because of MHEC's statutory status, many of these contracts can also be adopted for use by K-12 districts and schools, as well as cities, states and local governments. Smaller institutions benefit from these contracts as they allow these institutions to receive some pricing and terms normally reserved for larger institutions. Committee members participate in the negotiations, sharing strategies, and tactics on dealing with specific contractual issues and vendors.

## CONTRACTS Technology

Prepared by  
Nathan Sorensen, Director of Government Contracts

The MHEC education technologies contracts produce over \$361 million dollars in sales with over \$38.5 million in cost savings for compact member states nationally. All of the contracts are available for use by all public and private not-for-profit institutions of higher education in the MHEC 12-member states, and in most instances, also include the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE) member states. In efforts to support the education community, some of the contracts extended eligibility for use by K-12, cities, states, and local governments.

Consistent with the procurement rules of the member states of the Compact, MHEC has adopted a procurement policy that requires MHEC contracts to be awarded on the basis of a competitive sourcing process. This process is designed to minimize the burden on administrative resources for eligible organizations in member states, saving both time and money, while expediting the procurement of technology. These master agreements have discounted pricing as well as terms and conditions that are better than most higher education institutions can negotiate individually. The category-based awarded contracts provide higher education institutions the ability to obtain complete solutions that may be composed of products and services from several categories while offering best quality and economic value.

This past March, MHEC completed negotiations with Oracle on an agreement to empower higher education entities to embrace digital transformation with easy access to Oracle solutions and services. The new contract provides discounts on Oracle Cloud, licenses, hardware, education, consulting and support services for public and not-for-profit colleges and universities. In July, MHEC announced a new agreement with Xerox to provide workflow automation solutions, managed print services, office equipment and production presses for public and not-for-profit colleges and universities, K-12, cities, states, and local governments. Both contracts are available nationally, to the 12-member states of the Compact, as well as states in the three sister compacts.

Below is the savings breakdown across all of the participating compacts:

**Hardware.** MHEC's hardware contracts, provide over \$31.7 million in savings for Fiscal Year 2018, which includes agreements with Dell, Dice Communications for Alcatel-Lucent, HP Enterprise, HP Inc., Lenovo, Oracle, Walker and Associates for Ciena, and Xerox. The hardware category covers computing devices, storage, network, IT as a Service (ITaaS), training and professional services.

**Software.** Software produced savings of over \$3.6 million for Fiscal Year 2018. MHEC has contract with Arrow Electronics for VMware virtualization software and Commvault data protection solutions; Corel Corporation for creative software applications; Oracle for license discounts and cloud services; Novell for academic licensing; and SAS Institute for analytical solutions.

**Services.** Service agreements saved over \$5.6 million for Fiscal Year 2018. Info-Tech Research Group provides research and advisory services to campus leadership to improve core IT processes. Parchment offers a mechanism to facilitate the transfer of student transcript information in a consistent format between public and private high schools to public and private colleges and universities. Also facilitates the transfer of this information among participating postsecondary institutions.

## MHEC Annual Estimated Savings for Entities and Citizens

MHEC Member States	What Member States Paid 2017-2018 (State Commitment)	Total Annual Savings	Contracts			Programs		
			Computing Hardware <sup>1</sup>	Computing Software <sup>2</sup>	Technology Services <sup>3</sup>	Master Property Program <sup>4</sup>	Midwest Student Exchange Program <sup>5</sup>	Midwestern-State Authorization Reciprocity Agreement <sup>6</sup>
Illinois	115,000	61,599,105	6,844,542	497,517	1,419,745	1,664,435	48,748,866	2,424,000
Indiana	115,000	5,987,895	1,681,052	93,751	1,200,803	NP <sup>7</sup>	1,668,289	1,344,000
Iowa	100,000	1,442,818	239,455	17,476	212	49,675	NP <sup>7</sup>	1,136,000
Kansas	115,000	12,638,982	1,349,000	146,016	97,745	5,161,791	4,812,430	1,072,000
Michigan	115,000	12,988,312	2,803,629	162,393	1,942,890	324,445	6,346,955	1,408,000
Minnesota	115,000	12,737,962	1,459,316	668,882	320,407	NP <sup>7</sup>	8,713,358	1,576,000
Missouri	115,000	18,167,904	1,637,330	138,014	32,380	6,672,143	7,880,038	1,808,000
Nebraska	115,000	7,824,021	138,281	132,960	17,866	705,753	6,165,162	664,000
North Dakota	115,000	1,167,487	25,684	102,247	22,068	NP <sup>7</sup>	657,488	360,000
Ohio	115,000	4,275,013	959,343	207,557	243,347	178,984	661,782	2,024,000
South Dakota	115,000	114,650	57,410	52,742	4,498	NP <sup>7</sup>	NP <sup>7</sup>	NP <sup>7</sup>
Wisconsin	115,000	8,153,787	1,031,458	167,462	335,188	NP <sup>7</sup>	5,299,678	1,320,000
<b>Program Totals</b>	<b>\$1,365,000</b>	<b>\$147,097,936</b>	<b>\$18,226,500</b>	<b>\$2,387,015</b>	<b>\$5,637,149</b>	<b>\$14,757,226</b>	<b>\$90,954,046</b>	<b>\$15,136,000</b>

Footnotes:

1. Contracts include: Dell, HP, Lenovo, Alcatel-Lucent, Ciena/Walker and Associates, and Xerox.
2. Contracts include: Novell/MHEC Collaborative Program, Oracle, Arrow/VMWare, SAS, and Corel.
3. Contracts include: Info-Tech Research Group and Parchment.
4. Based on premium and loss information as of June 30, 2018.

5. Student tuition savings for the academic year 2017-2018.
6. Savings does not include personnel and travel cost savings.
7. Non-participating state for 2017-2018.

# MHEC Cumulative Estimated Savings for Entities and Citizens through June 2018

MHEC Member States	Contracts				Programs			Cumulative State Savings	What Member States Paid Cumulative (State Commitment)
	Computing Hardware <sup>1</sup>	Computing Software <sup>2</sup>	Technology Services <sup>3</sup>	Legacy Initiatives <sup>4</sup>	Master Property Program <sup>5</sup>	Midwest Student Exchange Program <sup>8</sup>	State Authorization Reciprocity Agreement <sup>9</sup>		
<b>Illinois</b> Member Since 8/20/1991	90,543,363	6,521,834	3,384,475	15,672,186	48,083,311	176,360,812	4,600,000	345,165,981	1,999,659
<b>Indiana</b> Member Since 3/14/1996	29,558,824	2,966,516	2,659,416	5,358,571	440,095	8,272,072	2,616,000	51,871,494	1,826,500
<b>Iowa</b> Member Since 6/6/2005	6,476,162	370,792	11,399	231,371	316,272	NA	2,456,000	9,861,996	1,145,000
<b>Kansas</b> Member Since 4/25/1990	9,326,650	1,999,373	115,678	3,025,262	11,299,245	73,210,550	2,136,000	101,112,759	2,000,500
<b>Michigan</b> Member Since 7/24/1990	49,975,408	3,880,363	3,546,473	43,222,866	17,014,318	50,742,091	2,584,000	170,965,518	2,000,500
<b>Minnesota</b> Member Since 4/26/1990	17,985,552	4,474,691	445,466	10,876,074	15,306,381	42,994,195	3,096,000	95,178,359	2,000,500
<b>Missouri</b> Member Since 5/9/1990	22,138,257	2,061,868	45,081	5,484,930	38,029,024	48,901,062	3,584,000	120,244,222	2,000,500
<b>Nebraska</b> Member Since 6/5/1991	4,783,617	1,545,381	57,678	2,127,919	11,447,496	66,922,207	1,328,000	88,212,298	2,000,500
<b>North Dakota</b> Member Since 4/22/1999	1,590,313	849,497	31,581	1,000,822	NA	4,682,163	696,000	8,850,376	1,652,500
<b>Ohio</b> Member Since 1/9/1991	28,346,472	3,652,692	1,541,468	32,198,285	223,984	661,782	3,880,000	70,504,683	2,000,500
<b>South Dakota</b> Member Since 3/13/2008	519,389	391,740	4,950	NA	492,535	NA	NA	1,408,614	895,000
<b>Wisconsin</b> Member Since 4/18/1994	18,871,644	913,904	391,331	6,747,463	NA	38,381,404	2,704,000	68,009,745	1,860,000
<b>TOTAL</b>	<b>\$280,115,652</b>	<b>\$29,628,651</b>	<b>\$12,234,995</b>	<b>\$125,945,750</b>	<b>\$142,652,662</b>	<b>\$511,128,336</b>	<b>\$29,680,000</b>	<b>\$1,131,386,046</b>	<b>\$21,381,659</b>

FOOTNOTES:

1. Contracts include: Dell, HP, Lenovo, Juniper, Enterasys, Systemax, Mitel, Sun, EIQ, Alcatel-Lucent, Ciena/Walker and Associates, and Xerox.
2. Contracts include: Novell/MHEC Collaborative Program, Oracle, Corel, Arrow/VMWare, SAS, and Open Systems.
3. Contracts include: Info-Tech Research Group, Parchment, and CampusEAI.
4. Expired contracts include: office products, telecommunications, equipment maintenance, and academic scheduling, Interactive video, and APN.
5. Based on premium and loss information as of June 30, 2018.
6. Iowa State University asked MHEC to bid their property insurance for FY 2009. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a price of \$858,824 or \$201,532 less than paid in FY 2008.
7. In 2009, 2012, and 2013, SD Office of Risk Management requested a quote for property insurance at its six SD Regent institutions. Even though the SD Offices of Risk Management kept its current carrier, they indicated the MHEC quotes saved the institutions \$85,000, \$239,302, and \$168,233 respectively.
8. Student tuition savings through the academic year 2017-2018.
9. Savings does not include personnel and travel cost savings.

## Communications and Marketing

Prepared by

Mary Roberson, Director of Communications & Marketing

The Midwestern Higher Education Compact's communication and marketing goals are solidly focused around raising awareness of the organization's convenings, programs, research, and contracts.

### MHEC Messaging

After the implementation of MHEC's new logo in July 2017, MHEC staff have been working diligently to realign MHEC's messaging, communicate it internally, and express it externally in publications, presentations, and the upcoming new MHEC website. Documents are being updated with MHEC branding with most of them being provided electronically to MHEC constituents.

### MHEC Website

MHEC launched a new website in June 2018. The website will be organized under convenings, programs, research, and contracts. Since the launch, MHEC has increased new users by 15%, website visits by 20%, and page views by 27%. A few of the goals for the new website was to spread visibility and increase user engagement; additionally, the site is database driven on the back-end, making it easier to organize content for a better user experience.

### Newsletters, Alerts, and Invitations to Convenings

***MHEC Newsletter.*** A monthly newsletter is sent to over 15,000 persons primarily in the Midwest, however outreach is national and is diverse in its subscription recipients. MHEC provides a general update on specific happenings within MHEC convening, programs, research, and contracts, and also includes updates from MHEC's leadership community of commissioners, committee members, and the MHEC team.

***Commissioner Newsletter.*** President Larry Isaak provides key monthly updates to commissioners, commissioner alternates, and their staffs.

***Midwestern-State Authorization Reciprocity Agreement (M-SARA).*** A monthly newsletter was implemented in January 2018 for interested M-SARA institutions. It is being sent to over 1,600 persons in the Midwest, seeking updates on the M-SARA initiative.

***Multi-State Collaborative on Military Credit (MCMC).*** MCMC continues to provide a monthly newsletter to keep interested parties informed about the evolving issues related to obtaining military credit. Over 1,000 persons have expressed interest in receiving updates about the MCMC initiative.

***Master Property Program (MPP).*** The MPP has implemented outreach to its participating institutions in Know Your Risk, a quarterly newsletter that reaches about 600 contacts in the program and provides key areas to review on campus at varying times of the year.

**Midwest Student Exchange Program (MSEP).** Recent outreach to all the participating institutions has invigorated interest in the program, and MHEC anticipates regular outreach through a newsletter with participating institutions at least twice a year. Outreach to prospective institutions as well as to K-12 guidance counselors is also being considered.

**Technologies Interest.** In October 2018 MHEC produced a newsletter for members of the Technologies Committee and Technology Advisory Groups. Distribution plans are quarterly with additional hopes to expand to others interested in MHEC's work in technology.

**Policy Bulletin.** MHEC also issues alerts to those who have indicated a desire to be kept informed of MHEC's policy work. Research briefs, reports, etc. along with notifications regarding MHEC's policy forum are distributed through this news update.

Convening Invites. MHEC sends targeted announcements about various convenings throughout the year alerting institutional participants to partake in MHEC events, this may include everything from a webinar to an in-person meeting.

## **Social Media**

Regular postings of MHEC activity is posted through social media. Please join the conversation on these social mediums and share MHEC content with your friends and followers.

MHEC Facebook: <http://www.facebook.com/mhec12>

MHEC MCMC Facebook: <https://www.facebook.com/MHECMCMC/>.

Twitter: [@mhec12](https://twitter.com/mhec12).

Flickr: <http://www.flickr.com/photos/mhec>.

LinkedIn: <http://www.linkedin.com/company/midwestern-higher-education-compact>

YouTube: <http://www.youtube.com/user/mhec12>.

## Guest Presenters

### ***North Dakota Feature: Shared Medical Simulation Center***



**Charles D. Peterson**

Dean, College of Health Professions  
North Dakota State University

Dr. Charles D. Peterson is Dean and professor in the College of Health Professions at North Dakota State University in Fargo, North Dakota. The College includes the School of Pharmacy, School of Nursing, Department of Allied Sciences, Department of Public Health, and Family Health Care Pharmacy. He is currently responsible for approximately 2,000 students, 460 graduate and professional doctorate students, 15 degree programs, and a total College research portfolio of more than \$30M. He received both his B.S. and Pharm.D. degrees from the University of Minnesota in 1976 and 1977, respectively. He completed a postdoctoral fellowship in Clinical Toxicology at Hennepin County Medical Center in Minneapolis in 1978.



**Laura Goldhahn**

**Vice President, Administration**  
Sanford Health

Ms. Laura Goldhahn serves as vice president of administration for Sanford Health where she is a key player in guiding the Sanford enterprise in the Fargo market. She leads the market's annual strategic plan development, university relations, development of the Simulation Center in partnership with the local universities, and also assists with the organizational development and representation of the office of the president as needed. She has had multiple years as a healthcare executive for Healthcare Performance Improvement/Press Ganey, Flathead Valley Orthopedics, and Benefis Health System. Ms. Goldham has her master's in healthcare administration from the University of Colorado at Denver, and her bachelor's in communications and public relations from Montana State University-Bozeman.

### ***Regional Perspective from the Midwest's State Capitols***



**Michael McCabe**

Director, Midwest Office  
Council of State Governments

Mr. Mike McCabe is the director of the Midwestern Office of The Council of State Governments. In that role, he oversees the efforts of a ten-member team that provides research and staff support services to several groups of state officials, including primarily the Midwestern Legislative Conference. Prior to assuming his current duties, he served first as a policy analyst and later as the assistant director of the Midwestern Office. Before joining CSG, McCabe worked as an attorney with a private law firm in Des Moines, Iowa. A graduate of Iowa State University, he earned his law degree at the University of Illinois.

**Federal Higher Education Policy: What's Next from DC? And Why Does It Matter?**



**Thomas Harnisch**

Director of State Relations and Policy Analysis  
American Association of State Colleges and Universities (AASCU)

Dr. Tom Harnisch joined AASCU in 2007 and currently serves as director of State Relations and Policy Analysis. His responsibilities include research, policy analysis and communication to the AASCU membership and other external stakeholder groups. He is also staff liaison to the AASCU Policies and Purposes Committee and helps craft the AASCU Public Policy Agenda and plans the Higher Education Government Relations Conference. His research interests include state higher education finance, access, affordability, and other state-related higher education topics. His research and commentary have been cited in *Time Magazine*, *Politico*, *Bloomberg*, *Inside Higher Ed*, *The Chronicle of Higher Education*, *Education Week*, *The Washington Post*, and numerous other media outlets and governmental entities. Tom previously worked as a graduate assistant at the Midwestern Higher Education Compact in Minneapolis. He earned a bachelor's degree from the University of Wisconsin-Madison, a master's degree from the University of Minnesota, and a doctorate from The George Washington University. A Wisconsin native, Tom is active in numerous civic and charitable causes in the Washington, D.C. area.

## Policy Forum

### *Surviving or Thriving: Creating a Sustainable Future for Colleges and Universities*

#### Keynote – Envisioning Higher Education in 2030



#### **Peter Smith**

Professor of Innovative Practices in Higher Education and Orkand Chair  
University of Maryland University College

Dr. Peter Smith holds the Orkand Chair and is Professor of Innovative Practices in Higher Education at the University of Maryland University College. He served Vermont as a state senator, lieutenant governor, and congressman-at-large. He was also the founder of the Community College of Vermont, California State University Monterey Bay, and the Open College at Kaplan University. He also served as ADG-Education at UNESCO. Dr. Smith currently serves on the following Boards: NCHEMS, NC-SARA, Vermont College of Fine Arts, and the Global Open Education Consortium His most recent book is *Free-Range Learning in the Digital Age: The Emerging Revolution in College, Career, and Education* (SelectBooks, NYC, 2018).

#### Plenary Session 1: Improving Funding Structures and Resource Allocation



#### **James Palmer**

Professor, Educational Administration and Foundations  
Illinois State University

Dr. James C. Palmer is a professor of higher education at Illinois State University (ISU), where he teaches courses on the American community college, adult and continuing education, and the public finance of higher education. He earned his Ph.D. in education from the University of California, Los Angeles (UCLA). Prior to joining the ISU faculty in 1992, Palmer served as acting director of the Center for Community College Education at George Mason University, vice president for communications at the American Association of Community Colleges, and assistant director for user services at the ERIC Clearinghouse for Junior Colleges at UCLA. Palmer is the editor of *Grapevine*, an annual compilation of state fiscal support for higher education (<http://www.grapevine.ilstu.edu/>) and a member at large on the board of directors for the Center for the Study of Community Colleges (<http://centerforcommunitycolleges.org/>). He is the co-author (with Richard M. Romano) of *Financing Community Colleges: Where We Are, Where We're Going* (Rowman and Littlefield, 2016).



**Greg Summers**

Provost and Vice Chancellor for Academic Affairs  
University of Wisconsin- Stevens Point

Dr. Greg Summers joined UW-Stevens Point in 2001 as a member of the history faculty having earned his Ph.D. in environmental history from UW-Madison. Since becoming provost in 2011, he has been actively involved in helping reposition the university: developing and implementing a new strategic plan, forging a new, more entrepreneurial business model for managing the university's finances, building a more nimble, data-driven enrollment management operation, and streamlining the curriculum through program prioritization and a new General Education Program. He spends free time with his family, which includes his wife and two kids, as well as four cocker spaniels.

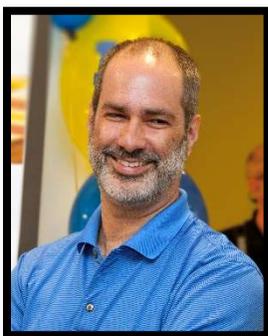


**Todd Harmening**

System Director for Academic Programs and Collaboration  
Minnesota State

Dr. Todd Harmening currently is the system director for academic programs and collaboration within the Minnesota State system where he provides leadership for academic program approval and for collaborative and academic planning initiatives across the Minnesota State system. Prior to Minnesota State, he was with the National Association of College and University Business Officers (NACUBO) providing government relations and institutional management support for association membership and prior to that spent time working on Capitol Hill. Dr. Harmening is also currently serving as an adjunct faculty member for the Higher Education Leadership doctoral program at Bethel University. His professional and research interests are development of organizational leadership and effective governance and collaboration within and across postsecondary institutions. He holds a bachelor's degree in political science from Minnesota State University, Mankato, a master's degree in public policy from The American University in Washington, D.C. and a doctorate in higher education leadership and policy development from the University of Minnesota.

**Plenary Session 2: Innovative Approaches to Access and Success**



**Barry Fishman**

Arthur F. Thurnau Professor and Professor of Learning Technologies, School of Information and School of Education  
University of Michigan

Dr. Barry Fishman is Arthur F. Thurnau Professor of Learning Technologies in the University of Michigan School of Information and School of Education. His research focuses on: games as models for learning environments, teacher learning, and the development of usable, scalable, and sustainable learning innovations through design-based implementation research (<http://learndbir.org>). He is the co-creator of GradeCraft, a game-inspired learning management system (<http://gradecraft.com/>), and currently serves as Academic Innovator in Residence in the U-M Office of Academic Innovation.

In 2017, Dr. Fishman was named the Michigan Association of State Universities “Distinguished Professor of the Year.” He received the 2016 “Campus Technology Innovator of the Year Award” for work with GradeCraft and was the 2001 recipient of the Jan Hawkins Award for Early Career Contributions to Humanistic Research and Scholarship in Learning Technologies from AERA.

He received his A.B. from Brown University in English and American Literature in 1989, his M.S. from Indiana University in Instructional Systems Technology in 1992, and his Ph.D. in Learning Sciences from Northwestern University in 1996.”



**Julia Melkers**

Associate Professor, School of Public Policy  
Georgia Tech

Dr. Julia Melkers is associate professor of Public Policy at the Georgia Institute of Technology in Atlanta, Georgia, USA and holds a visiting appointment at INGENIO [CSIC], University Polytechnic Valencia, Spain. She teaches graduate-levels courses in research design, program evaluation, survey methods, and an undergraduate course in American Government. Her research and evaluation work focuses on a number of aspects relevant to

careers in science, including research and career capacity development in the STEM environment, knowledge diffusion, collaborative and other social networks and issues specific to career development and mentoring with special attention to underrepresented groups. She directs the ROCS lab (Research on Careers in Science), a group of undergraduate and graduate students who work with her on projects relevant to scientific careers.



**Rayane Alamuddin**

Associate Director for Research and Evaluation  
Ithaka S+R

Dr. Rayane Alamuddin is the associate director for Research and Evaluation at Ithaka S+R, where she researches higher education initiatives and innovations as part the Educational Transformation Program team. She is a mixed-methods researcher with a diverse portfolio that includes a large-scale multi-institution randomized control trial, implementation research and support, survey and case studies, and the development of tools and processes to support administrators engaged in student success initiatives.

Her projects span various areas including proactive advisement and advising redesign, community college leadership and practice, and technological innovations to support student success. Prior to joining Ithaka S+R, Rayane was heavily involved in the evaluation of a pioneering two-generation workforce development program as part of a research fellowship at Northwestern University’s Institute for Policy Research. Previously, Dr. Alamuddin taught undergraduate psychology courses and worked in post-conflict educational programming in her native Lebanon. She holds a Ph.D. in human development and social policy from Northwestern University, and a MA and BA in psychology from the American University of Beirut.

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## MHEC Commissioners

### Executive Officers

Chair: Tim Flakoll, North Dakota

Vice Chair: Ken Sauer, Indiana

Treasurer: Olivia Madison, Iowa

### Executive Committee

Illinois: Kelly Burke, Suzanne Morris

Indiana: Wendy McNamara, Ken Sauer

Iowa: Tim Kraayenbrink, Olivia Madison

Kansas: Marci Francisco, Richard Short

Michigan: David Eisler, Tonya Schuitmaker

Minnesota: Karen Hanson, Bud Nornes

Missouri: Allen Andrews, Mark Smith

Nebraska: Sue Crawford, Randolph Ferlic

North Dakota: Mark Hagerott, Tim Flakoll, Don Morton

Ohio: Stephanie Davidson, Mike Duffey

South Dakota: Larry Tidemann, Janelle Toman

Wisconsin: Joan Ballweg, Rolf Wegenke

Ex Officios: Lyndon Carlson (MN)

Teresa Lubbers (IN)

### ILLINOIS

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



**Kelly Burke**

Chair, Appropriations-Higher Education Committee  
Illinois General Assembly



**Karen Hunter Anderson**

Executive Director  
Illinois Community College Board



**Alice Marie Jacobs**

President Emerita  
Danville Area Community College



**Pat McGuire**  
Chair, Higher Education Committee  
Illinois General Assembly



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

## **INDIANA**

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



**Greg Goode**  
Executive Director of Government Relations  
Indiana State University



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



**Wendy M. McNamara**  
Assistant Majority Whip  
Indiana General Assembly



**Ken Sauer**  
Senior Associate Commissioner and Chief Academic Officer  
Indiana Commission for Higher Education



**Andy Zay**  
Senator  
Indiana General Assembly



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

## **IOWA**

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



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



**Derrick R. Franck**  
Board Member  
Iowa Association of Community College Trustees



**Tim Kraayenbrink**  
Chair, Education Appropriations Subcommittee  
Iowa Legislature



**Olivia M.A. Madison**  
Professor Emerita and Dean Emerita of Library Services  
Iowa State University



**Sharon S. Steckman**  
Representative  
Iowa Legislature



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



**Jane Bloomingdale** (Commissioner Alternate)  
Representative  
Iowa Legislature



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



**Timothy Fitzgibbon** (Commissioner Alternate)  
Senior Vice President  
First National Bank



**Wally Horn** (Commissioner Alternate)  
Senator  
Iowa Legislature

## **KANSAS**

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



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



**Marci Francisco**  
Senator  
Kansas Legislature



**Kevin Jones**  
Chair, Higher Education Budget Committee  
Kansas Legislature



**Richard E. Short**  
Kansas Governor's Designee



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



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



**Molly Baumgardner** (Commissioner Alternate)  
Chair, Senate Education Committee  
Kansas Legislature

## MICHIGAN

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



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



**Kim LaSata**  
Chair, Higher Education Appropriations Subcommittee  
Michigan Legislature



**Bill Pink**  
President  
Grand Rapids Community College



**Tyler Sawher**  
Senior Strategy Advisor for Education and Career Connections  
Office of the Governor  
State of Michigan



**Tonya Schuitmaker**  
President Pro Tempore and Chair of Higher Education Appropriations  
Subcommittee  
Michigan Legislature



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

OPEN APPOINTMENT: Governor – State Board of Education’s Designee

## MINNESOTA

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



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



**Devinder Malhotra**  
Chancellor  
Minnesota State



**Bud Nornes**  
Chair, Higher Education and Career Readiness, Policy and Finance Committee  
Minnesota State Legislature



**Lawrence J. Pogemiller**  
Commissioner  
Minnesota Office of Higher Education

OPEN APPOINTMENT: Member of the Senate appointed by the Subcommittee on Committees of the Rules and Administration Committee



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



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



**Sandra Pappas** (Commissioner Alternate)  
Senator  
Minnesota State Legislature

## **MISSOURI**

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



**Allen Andrews**  
Vice Chair, Subcommittee on Appropriations-Education  
Missouri General Assembly



**David C. Knes**  
Superintendent  
Valley Park School District



**Gary Romine**  
Chair, Senate Education Committee  
Missouri General Assembly



**Mark W. Smith**  
Associate Vice Chancellor/Director Career Planning and Placement  
Washington University in St. Louis

OPEN APPOINTMENT: Governor – Higher Education, At- Large



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

## **NEBRASKA**

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



**Sue Crawford**  
Senator  
Nebraska Legislature



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



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



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



**Rick Kolowski**  
Member, Education Committee  
Nebraska Legislature



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

## **NORTH DAKOTA**

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



**Kyle Davison**  
Senator  
North Dakota Legislative Assembly



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



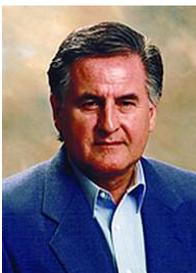
**Mark Hagerott**  
Chancellor  
North Dakota University System



**Dennis Johnson**  
Representative  
North Dakota Legislative Assembly



**Don Morton**  
Chair, State Board of Higher Education and  
Retired Fargo Site Leader at Microsoft



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

## OHIO

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



**Gary Cates**

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



**Stephanie Davidson**

Vice Chancellor, Academic Affairs  
Ohio Department of Higher Education



**Mike Duffey**

Chair, Higher Education and Workforce Development  
Ohio General Assembly



**Randy L. Gardner**

Majority Floor Leader  
Ohio General Assembly



**Jack Hershey**

President and CEO  
Ohio Association of Community Colleges



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



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

## **SOUTH DAKOTA**

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



**Julie Bartling**  
Assistant Minority Leader  
South Dakota Legislature



**Michael Cartney**  
President  
Lake Area Technical Institute



**Larry J. Tidemann**  
Chair, Appropriations Committee  
South Dakota Legislature



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



**Patrick Weber**  
South Dakota Services Division Head  
Fermilab



**Mary Duvall** (Commissioner Alternate)  
Representative  
South Dakota Legislature



**Reynold Nesiba** (Commissioner Alternate)  
Senator  
South Dakota Legislature

**WISCONSIN**

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



**Joan Ballweg**  
Representative  
Wisconsin State Legislature



**Donald G. Madelung**  
Wisconsin Governor's Designee



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

OPEN APPOINTMENT: Governor – Higher Education

OPEN APPOINTMENT: Senate Appointment



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



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

## **MHEC Committees**

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

Environmental Sustainability Committee  
M-SARA Steering Committee  
Master Property Program Leadership Committee  
Master Property Program Loss Control Workshop Subcommittee  
Midwest Student Exchange Program Council  
Multi-State Collaborative on Military Credit Steering Committee  
Open Educational Resources Advisory Committee  
Purchasing Initiatives Committee  
Review Panel for State Policy and Performance Data  
Technologies Executive Committee  
Technologies Committee

## MHEC Staff



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## OVERVIEW

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



*The purpose of the Midwestern Higher Education Compact shall be to provide **GREATER HIGHER EDUCATION** opportunities and services in the Midwestern region, with the aim of furthering regional access to, research in and choice of higher education **FOR THE CITIZENS** residing in the several states which are parties to this Compact.*



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

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

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

### — 1 —

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

### — 2 —

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

### — 3 —

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

# OUTCOMES

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

## Professional Development

Disseminate knowledge and expertise about practical solutions

## Best Practices

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

## Organizational Revenue

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

## Market Influence

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

## Peer Connectivity

Network and solve problems together

## Initiative Metrics

Document the breadth and depth of MHEC's constituent reach



## Policy Guidance

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

## Solution Accessibility

Provide access to options not readily available to all constituents

## Efficiencies

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

## Procurement Process

Ensure compliance and quality control through a trusted procurement process

## Savings

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

# THEMES

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

## SHIFTING DEMOGRAPHICS – CHANGING COMPOSITION OF THE STUDENT BODY

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

## EVOLVING MODES OF PACKAGING AND DELIVERING EDUCATION

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

## DECLINING SHARE OF PUBLIC INVESTMENT IN HIGHER EDUCATION

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

## DESIRE FOR COLLABORATION BEYOND THE INSTITUTION

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

1

2

3

4



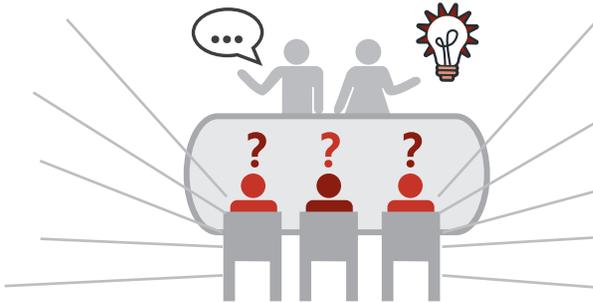
# PROCESS

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



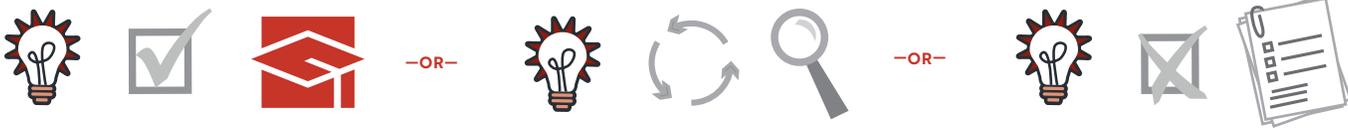
Ideas generated will be **CONNECTED** to one or more of the aforementioned themes articulated by MHEC’s constituency. Those who generate the ideas will be engaged with key stakeholders and MHEC staff to define the problem or opportunity and engage in data collection through a **SERIES OF QUESTIONS**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

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



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

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



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

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

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

# The Midwestern Regional Higher Education

## *Compact*

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

### **ARTICLE I. PURPOSE**

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

### **ARTICLE II. THE COMMISSION**

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

The Commission shall consist of five resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One of the two at-large members initially

appointed in each state shall serve a two-year term. The other, and any regularly appointed successor to either at-large member, shall serve a four-year term. All vacancies shall be filled in accordance with the laws of the appointed states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

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

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

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

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

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

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

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

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

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

The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency, from any interstate agency, or from any institution, foundation, person, firm or corporation.

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

firm, or corporation, and may receive, utilize and dispose of the same.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **MEMBER STATES**

State of Illinois  
By Jim Edgar  
August 20, 1991

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

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

State of Indiana  
By Evan Bayh  
March 14, 1996

State of Minnesota  
By Rudolph Perpich  
April 26, 1990

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

State of Iowa  
By Tom Vilsack  
June 6, 2005

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

State of South Dakota  
By Mike Rounds  
March 13, 2008

State of Kansas  
By Michael Hayden  
April 25, 1990

State of Nebraska  
By Ben Nelson  
June 5, 1991

State of Wisconsin  
By Tommy Thompson  
April 18, 1994

# Midwestern Higher Education Commission

## *Bylaws*

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

#### Section 1. Purpose.

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

#### Section 2. Functions.

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

#### Section 3. Bylaws.

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

### **Article II. Membership**

#### Section 1. Compact Members.

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

#### Section 2. Affiliate Members.

States not eligible to become a party to the Compact and/or Canadian Provinces may become affiliate members of the Commission when mutual interests exist and when it would benefit the

Compact to enter into such arrangements. Such other states and/or Canadian Provinces may be afforded status as affiliate members to the Commission in accordance with policies and procedures approved by the Commission.

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

### Section 3. Associates.

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

### Section 4. Compact Participation in MHEC Programs.

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

## **Article III. Officers**

### Section 1. Election and Succession.

As provided by the compact, the officers of the commission shall include a chairperson, vice chairperson and a treasurer, all of whom shall be duly appointed commission members. Officers shall be elected by the commission at any meeting at which a quorum is present. The chairperson and vice chairperson shall serve one year terms or until their successors are elected by the commission. The vice chairperson shall succeed to the office of chairperson upon completion of the chairperson's term of office. The treasurer shall serve a one year term or until a successor is elected by the commission. The treasurer shall not serve more than four terms successively.

### Section 2. Duties.

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

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

the treasurer, the executive director and any other officers, commission members and commission personnel, as determined by the commission, who may be responsible for the receipt, disbursement, or management of commission funds.

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

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

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

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

As secretary to the commission, the executive director shall keep minutes of all commission meetings and shall act as the custodian of all documents and records pertaining to the status of the compact and the business of the commission. As the commission's principal administrator, the executive director shall also perform such other duties as may be delegated by the commission or required by the compact and these bylaws, including, but not limited to, the following:

- a. Recommend general policies and program initiatives for the commission's consideration;
- b. Recommend for the commission's consideration administrative and personnel policies governing the recruitment, hiring, management, compensation and dismissal of commission staff;
- c. Implement and monitor the administration of all policies and program initiatives adopted by the commission;
- d. Prepare draft annual budgets for the commission's consideration;
- e. Monitor all commission expenditures for compliance with approved budgets, and maintain accurate records of account;
- f. Assist commission members as directed in securing required appropriations from the compacting states;
- g. Execute contracts on behalf of the commission as directed;
- h. Receive service of process on behalf of the commission; and
- i. Prepare and disseminate all required reports and notices as directed by the commission.

### Section 3. Policy and Programmatic Committees.

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

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

Chairperson: The chairperson shall call and preside at all meetings of the committee, shall prepare agendas for such meetings, and in accordance with the committee's directions and subject to the executive director's approval, shall act on the committee's behalf during the interim between committee meetings.

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

## **Article V. Meetings of the Commission.**

### Section 1. Meetings and Notice.

The commission shall meet at least once each calendar year at a time and place to be determined by the commission. Additional meetings may be scheduled at the discretion of the chairperson, and must be called upon the request of a qualified number of commission members, as provided in the compact. All commission members shall be given written notice of commission meetings at least 30 days prior to their scheduled dates. Final agendas shall be provided to all commission members no later than 10 days prior to any meeting of the commission. Thereafter, additional agenda items requiring commission action may not be added to the final agenda, except by a vote of the commission in which two-thirds of the compacting states vote aye. All commission meetings, except executive sessions limited to personnel matters, shall be open to the public and prior public notice shall be provided in a manner consistent with the customs and practices of the compacting states.

### Section 2. Quorum.

Commission members representing a majority of the compacting states and affiliate members shall constitute a quorum for the transaction of business, except as otherwise required in these bylaws. The presence of one or more commission members from a compacting state is sufficient to constitute the presence of that state for purposes of determining the existence of a quorum, provided the delegation

present is entitled to vote on behalf of the state represented. The presence of a quorum must be established before any vote of the commission can be taken.

### Section 3. Voting.

Each compacting state represented at any meeting of the commission is entitled to one vote. Fractional voting is prohibited. Each affiliate member represented at any meeting of the commission is entitled to one vote. The commission members representing a single compacting state may, subject to applicable state laws, employ the means of their choice for determining their state's vote. In the event that a minimum number of commission members is required by a compacting state to be present at a commission meeting in order to vote on behalf of such state, the presence of that number of commission members shall also be required by the commission for purposes of determining the existence of a quorum. Except as otherwise required by the compact or these bylaws, any question submitted to a vote of the commission shall be determined by a simple majority.

### Section 4. Procedure.

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

## **Article VI. Committees**

### Section 1. Executive Committee.

The commission shall establish an executive committee, which shall be empowered to act on behalf of the commission during the interims between commission meetings. The composition, procedures, duties, budget, and tenure of such an executive committee shall be determined by the commission, except that each compacting state shall be entitled to equal representation and voting rights on the committee. Past chairpersons of the commission that remain duly appointed commission members or that serve as alternate commission members shall serve on the executive committee as ex officio members. The power of such an executive committee to act on behalf of the commission shall at all times be subject to any limitations imposed by the commission, the compact or these bylaws.

### Section 2. Other Committees.

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

## **Article VII. Finance**

### Section 1. Fiscal Year.

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

## Section 2. Budget.

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

## Section 3. Accounting and Audit.

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

## Section 4. Debt Limitations.

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

## Section 5. Travel Reimbursement.

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

## **Article VIII. Required Reports**

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

- a. An annual report documenting the commission's activities during the preceding year and including the annual audit report and any recommendations that may have been adopted by the commission.
- b. A biannual compact evaluation report, the first of which shall be prepared by January, 1995, analyzing the effects of the compact on higher education in the compacting states and including recommendations concerning the continuance of the compact.

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

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

As adopted by the Midwestern Higher Education Commission on March 10, 1991.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Upcoming Meetings**

### **EXECUTIVE COMMITTEE MEETING**

Monday, June 3 - Tuesday, June 4, 2019

Tentative: Noon to noon

Meeting: Columbus, OH

### **ANNUAL COMMISSION MEETING**

Sunday, November 17 arrival

Monday, November 18 – Tuesday, November 19, 2019

Meeting: Indianapolis, IN

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October 2018

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