



Agenda Book Annual Commission Meeting

November 14-16, 2022
Columbus, OH



Ohio Commissioners: Gary Cates, Jerry Cirino, Jon Cross, Mike Duffey, Jack Hershey;
Ohio Commissioner Alternate: Bruce Johnson

Feature photo courtesy of The Ohio State University.



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Midwestern Higher Education Compact

Annual Commission Meeting

November 14-16, 2022

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Meeting Details

Join Zoom Meeting

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

<https://us06web.zoom.us/j/87901037924?pwd=UnpWMEROeXVFRW1vRVNUcVFoTkjEUT09>

Meeting ID: 879 0103 7924

Passcode: 985068

Call-in #: (312) 626-6799

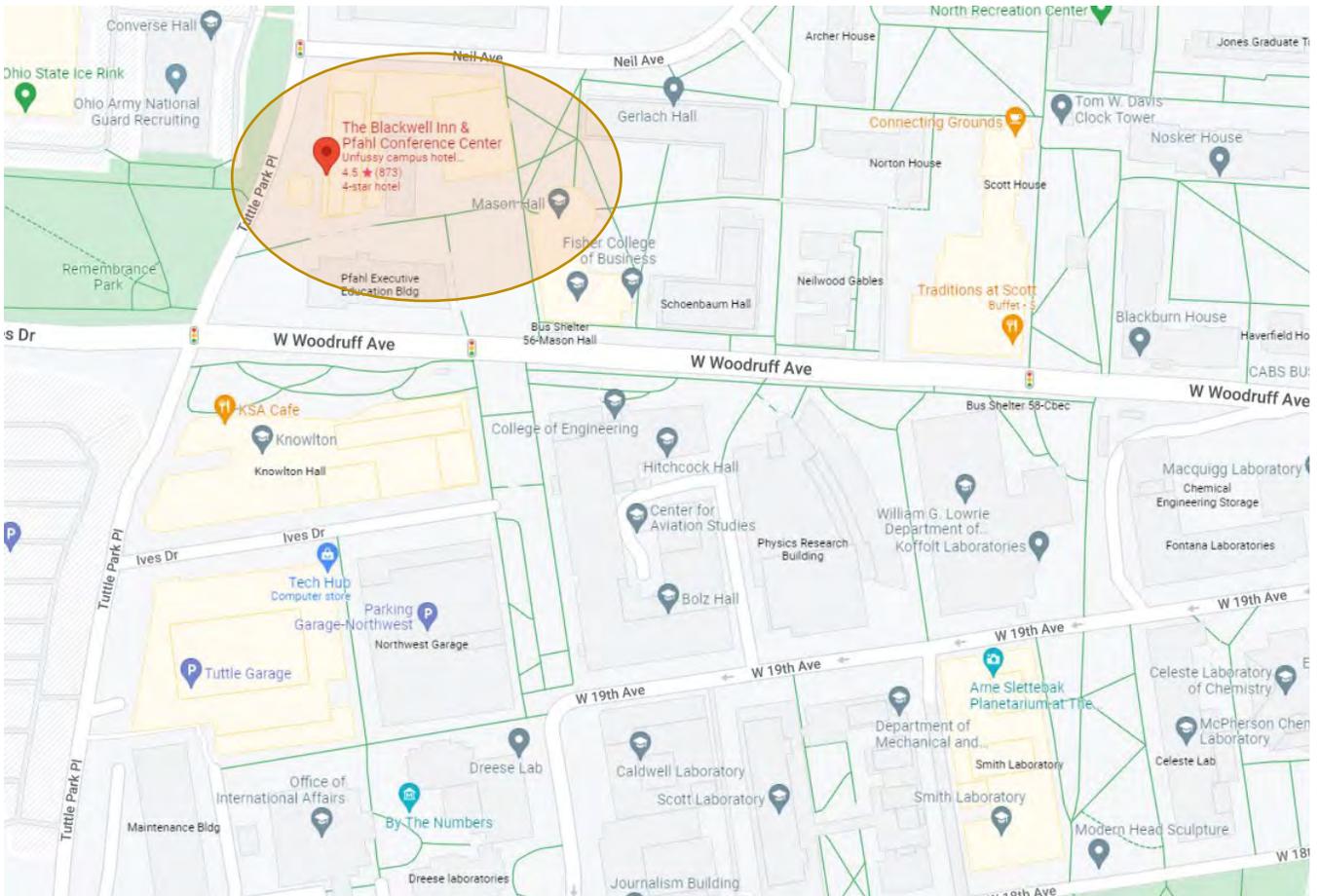
Meeting Location

Pfahl Conference Center

2110 Turtle Park Pl, Columbus

(614) 247-4000

Directions to Pfahl Conference Center



Airport Transportation

Should you be arriving through the [John Glen Columbus International Airport](#), there is no complimentary airport shuttle service. You may choose to take a taxi or use transportation services like Lyft or Uber.

Parking at The Blackwell Inn and Pfahl Conference Center

Please use valet parking.

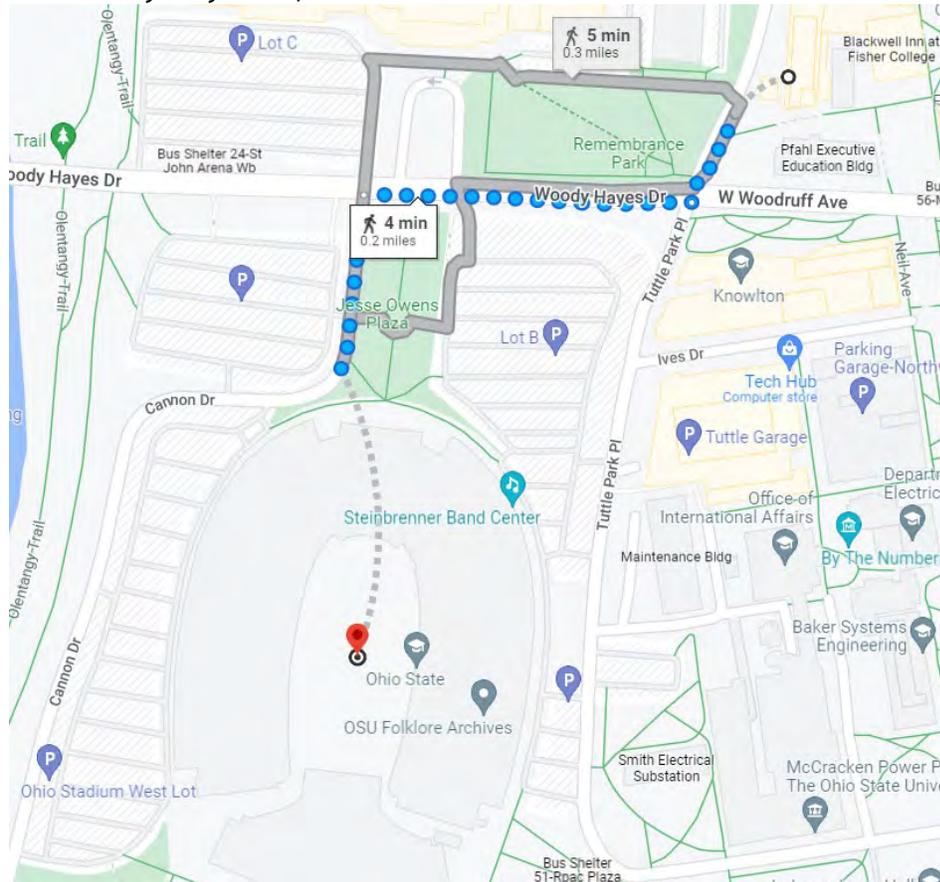
Overnight guest valet parking is available for \$25 per night. Parking costs will be routed to the MHEC Group Bill upon checkout.

For day-only guests, please see Katie Chock for a parking voucher.

Monday, November 14 Offsite Events

The Ohio State University Stadium Tour (Optional – Pre-registration required)

411 Woody Hayes Dr, Columbus

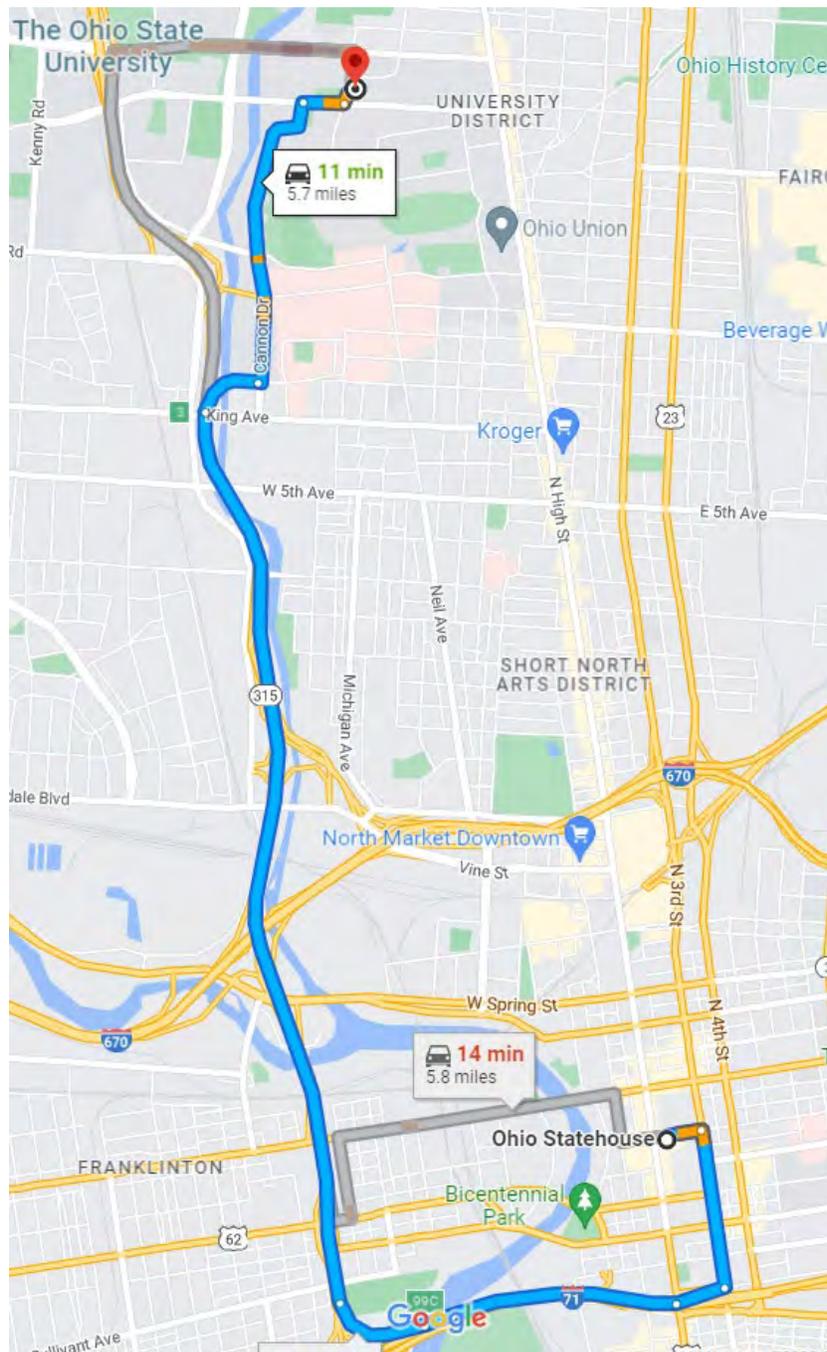


Blackwell Inn to the Stadium: 0.2 miles

Attendees not walking from the Blackwell Inn: Parking is available in the West and Northwest Stadium Lots. There are Pay N' Display machines or the ParkMobile App that you may utilize for parking charges.

Ohio Statehouse (Optional)

1 Capitol Square, Columbus



Blackwell Inn to the Ohio Statehouse – 5.7 miles
Bus Transportation will be provided.

Attendees not riding the bus:
Parking is available in the Ohio Statehouse Parking Garage located underneath the Statehouse. Entrances are located on State St, 3rd St, and Broad St.

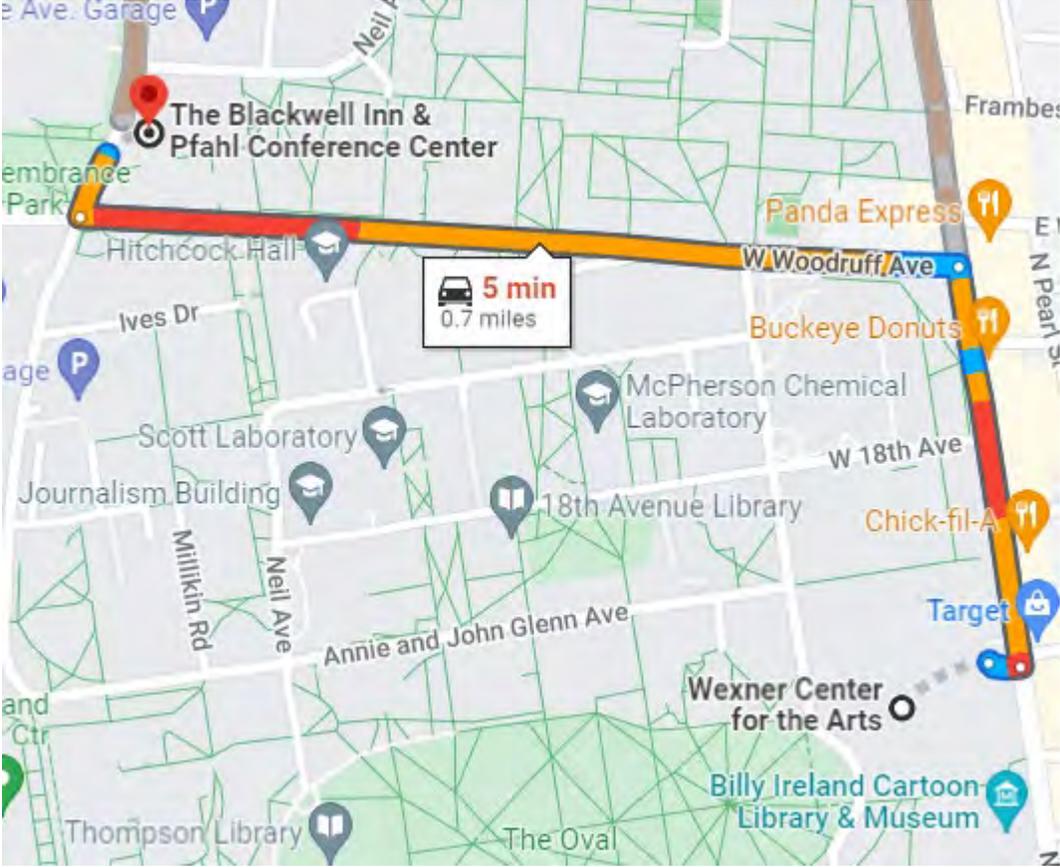
[Full directions on parking and where to go once inside.](#)

Please see Katie Chock for a parking voucher before departing the event.

Tuesday, November 15 Offsite Events

Wexner Center for the Arts

1871 N High St, Columbus

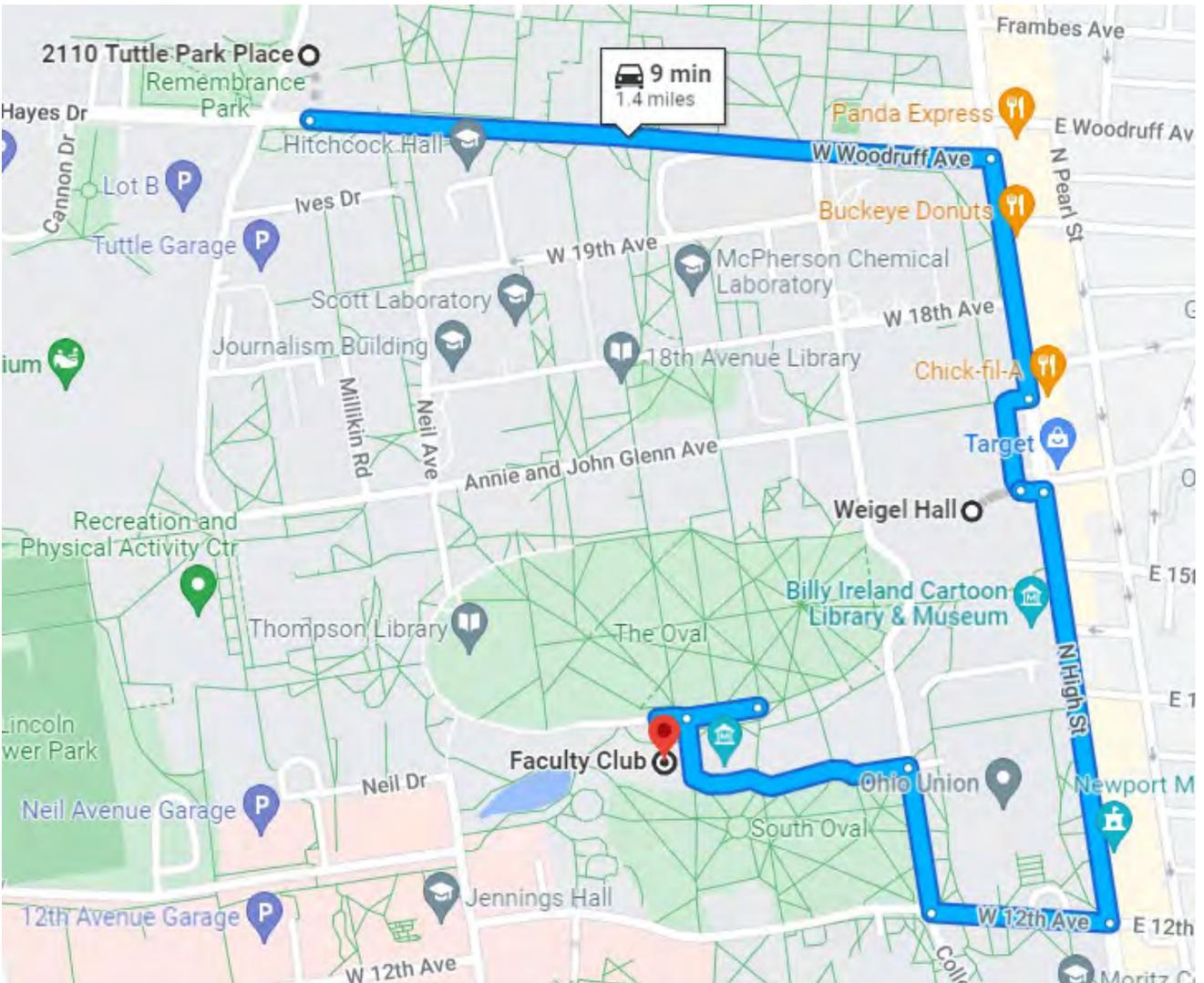


Blackwell Inn to the Wexner Center for the Arts – 0.7 miles
Bus Transportation will be provided.

Attendees not riding the bus: Parking is available in the Ohio Union North Garage (1780 College Rd S, Columbus). Parking vouchers should be provided.

Faculty Club at The Ohio State University

181 Oval Dr S, Columbus



Blackwell Inn to the Faculty Club – 1.4 miles

Bus Transportation will be provided. Those not taking the Wexner tour will leave from the hotel and pick-up the additional guests at the Wexner on the way to the Faculty Club

Attendees not riding the bus: Parking is available in the surface lot located directly in front of the Faculty Club and Orton Hall. You will be required to pick up a parking pass from either the club lobby or Katie Chock and place it within your vehicle.

Meeting Guidelines

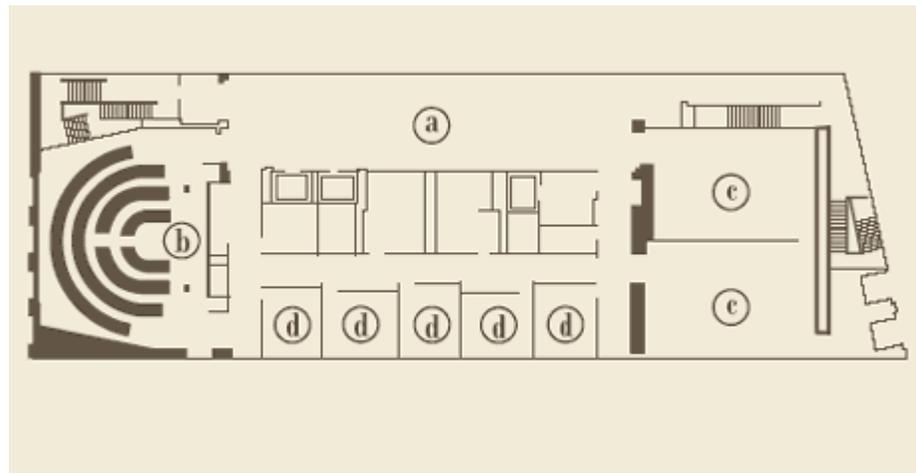
Our goal is to provide a safe experience for all participants. During our meeting, we will abide by all local requirements as well as follow the [Center for Disease Control and Prevention \(CDC\)](#) guidelines as much as we are able.

The CDC recommends everyone should [wear masks indoors in public](#) in areas where the [COVID-19 Community Level](#) is high. Columbus, Ohio **IS NOT** currently an area of high transmission.

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

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

Pfahl Conference Center Meeting Room Floor Plan



- a) Third-floor Foyer (All Meals)
- b) Pfahl 302 (Commission Meeting)
- c) Pfahl 330 & 340
- d) Pfahl 306, 310, 316 (F&A Cmte. Mtg.), 320, 324 (Governance Cmte. Mtg.)

ROLES & RESPONSIBILITIES OF THE MHEC COMMISSIONER

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

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Annual Commission Meeting - Hybrid
November 14-16, 2022
Agenda | Columbus, OH
All times are listed in Eastern Time (ET)

Day 1: Monday, November 14

12:30 p.m. – 1:30 p.m. ET Pfahl 316	Finance and Audit Committee Meeting (<i>for committee members only</i>)
12:30 p.m. – 1:30 p.m. ET Pfahl 324	Governance Committee Meeting (<i>for committee members only</i>)
2:00 p.m. ET	WALK Depart from Lobby The Ohio State University Stadium Tour (<i>Optional – Pre-registration Required</i>) 411 Woody Hayes Dr, Columbus - 0.2 miles
2:15 p.m. ET	The Ohio State University Stadium Tour (<i>Optional – Pre-registration Required</i>)
3:45 p.m. ET	Stadium Tour Ends
4:10 p.m. ET	BOARD BUS Depart from Lobby Ohio Statehouse Tour (<i>Optional</i>)
4:15 p.m. ET	BUS DEPARTS Ohio Statehouse Tour (<i>Optional</i>) 1 Capitol Square, Columbus – 5.6 miles
4:30 p.m. – 5:15 p.m. ET	Ohio Statehouse Tour (<i>Optional</i>)



- 4:55 p.m. ET BOARD BUS (*for those NOT attending the Statehouse tour*)
Depart from Lobby
Ohio Statehouse Dinner
- 5:00 p.m. ET BUS DEPARTS
Ohio Statehouse Dinner
1 Capitol Square, Columbus – 5.6 miles
- 5:15 p.m. ET RECEPTION
Ohio Statehouse Rotunda
- 6:15 p.m. ET Welcome – Ms. Susan Heegaard, MHEC President and Ohio Statehouse
Ohio Statehouse Atrium Docent
- 6:30 p.m. ET DINNER
Ohio Statehouse Atrium
- 7:15 p.m. – 7:45 p.m. ET Presenter – Mr. Randy Gardner, Chancellor, Ohio Department of Higher
Education, and Representative from Intel (*invited*)
- 8:00 p.m. ET BUS DEPARTS
Blackwell Inn
2110 Tuttle Park Pl, Columbus - 5.6 miles
- Day 2: Tuesday, November 15***
- 7:30 a.m. ET BREAKFAST
Pfahl 3rd Floor Foyer
- 8:30 a.m. ET 1) Call to Order – Dr. Devinder Malhotra (MN), MHEC Acting Chair
Pfahl 302 2) Ohio Welcome – Ms. Stacy Rastauskas Bretherton, Vice President for
Government Affairs, The Ohio State University
- 8:50 a.m. ET 3) Overview of Hybrid Meeting Guidelines – Ms. Susan Heegaard, MHEC
President



- | | |
|--|--|
| 11:15 a.m. ET
Pfahl 302 | 12) Unfinished Business/Updates <ul style="list-style-type: none"> a) Update and discussion – Master Property Program/Stone Arch Insurance Company – Ms. Jennifer Dahlquist, MHEC Vice President |
| 12:00 p.m. ET
Pfahl 3 rd Floor Foyer | LUNCH |
| 12:45 p.m. ET
Pfahl 302 | 13) New Business <ul style="list-style-type: none"> a) Update on MHEC’s Policy and Research (<i>Live polling for audience engagement</i>) b) Discussion on Opportunity Reserve Fund – Ms. Susan Heegaard, MHEC President |
| 1:15 p.m. ET | c) Finance and Audit Committee Report – Rep. Larry Tidemann (SD), Acting Committee Chair (pp. 37-70) <ul style="list-style-type: none"> 1. CliftonLarsonAllen Update and Report on Budget Support and Process Improvements – Ms. Nancy Fuchs, CliftonLarsonAllen 2. Budget Highlights for FY22 |
| 2:15 p.m. ET | d) Governance Committee Report – Rep. Barbara Ballard (KS), Committee Chair (pp. 71-72) <ul style="list-style-type: none"> 1. Update and Report on Governance 2. MHEC Commissioner Alternate Appointee Guidelines 3. Bylaw Amendment: Article III, Section 1 |

Action Item 3

Action Item 4

Action Item 5



4. Awards Report

Action Item 6-9

- e) Nominations and Elections of Officers, Chair, Vice Chair, Past Chair, and Treasurer – Dr. David Eisler (MI), MHEC Past Chair (pp. 73-74)

3:00 p.m. ET

BREAK

3:15 p.m. ET
Pfahl 302

- 14) *Bi-partisan legislative panel discussion on workforce and higher education policy.*

Sen. Jerry C. Cirino, Vice-Chair, Workforce & Higher Education Committee

Sen. Hearcel F. Craig, Ranking Member, Government Oversight and Reform Committee (*invited*)

Rep. Jon Cross, Chair, Finance Subcommittee on Higher Education

Rep. Dontavius L. Jarrells, Ranking Member, Finance Subcommittee on Higher Education

3:55 p.m. ET

- 15) Wrap Up – Dr. David Eisler (MI), MHEC Past Chair

4:00 p.m. ET

RECESS

4:30 p.m. ET

BOARD BUS

Depart from Lobby

Wexner Center for the Arts Tour (*Optional*)

4:35 p.m. ET

BUS DEPARTS

Wexner Center for the Arts Tour (*Optional*)

1871 N High St, Columbus - 0.7 miles

4:45 p.m. ET – 5:50 p.m. ET

Wexner Center for the Arts Tour (*Optional*)

5:45 p.m. ET

BOARD BUS (*for those NOT attending the Wexner tour*)

Depart from Lobby

Faculty Club at The Ohio State University Dinner

2110 Tuttle Park Place, Columbus



8:45 a.m. ET 20) Strategic Planning Discussion – Implementation Update - Dr. David Eisler, MHEC Past Chair; and Ms. Susan Heegaard, MHEC President (pp. 75-76)

a) Update and discussion – Midwest Student Exchange Program – Ms. Jenny Parks, MHEC Vice President (*Live polling for audience engagement*)

9:45 a.m. ET BREAK

10:00 a.m. ET Pfahl 302 21) *Supporting Student Mental Health and Wellness Across Campus: Successful Models and Actionable Approaches*

Ms. Jennifer Dahlquist, Vice President, Midwestern Higher Education Compact

Dr. Nance Roy, Chief Clinical Officer, The Jed Foundation (JED)

Ms. Markie Pasternak, Senior Manager of Higher Education, Active Minds

Dr. Kenneth Browner, Psychologist, Lakeland Community College

Dr. LaTasha Sullivan, Director of the Counseling Center, University of Toledo

Moderated by: Ms. Susan Heegaard, President, Midwestern Higher Education Compact

11:00 a.m. ET 22) Closing Comments – Dr. David Eisler (MI), MHEC Past Chair

23) Passing of the Gavel

11:30 a.m. ET ADJOURN

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Midwestern Higher Education Compact
Annual Commission Meeting Minutes
Hybrid Meeting/Grand Rapids, MI
November 8-10, 2021

Commissioners Present

- IL** Commissioner Mollie Foust, Senior Counselor to the Deputy Governors, State of Illinois, Governor's Office (virtual)
Commissioner Katie Stuart, Member, Higher Education Committee, Illinois General Assembly
- IN** Commissioner Jon Ford, Senator, Indiana General Assembly
Commissioner Ronald Rochon, President, University of Southern Indiana (virtual)
Commissioner David Wantz, President, Independent Colleges of Indiana
Commissioner Alternate Teresa Lubbers, Commissioner, Indiana Commission for Higher Education (virtual)
- IA** Commissioner Nancy Boettger, Regent, Board of Regents, State of Iowa
Commissioner Derrick Franck, Board Member, Iowa Association of Community College Trustees
Commissioner Olivia Madison, Iowa Governor's Designee and Dean Emerita of Library Services, Iowa State University
Commissioner Alternate, Mark Wiederspan, Executive Director, Iowa College Aid (virtual)
Commissioner Alternate Timothy Fitzgibbon, Iowa Governor's Designee (virtual)
- KS** Commissioner Barbara Ballard, State Representative, Kansas Legislature
Commissioner Molly Baumgardner, Chair, State Senator, Senate Education Committee, Kansas Legislature (virtual)
Commissioner Blake Flanders, President & CEO, Kansas Board of Regents
Commissioner Aaron Otto, Governor's Designee; Executive Director, Johnson County Airport Commission
Commissioner Allen Schmidt, Board Member, Kansas Board of Regents
Commissioner Alternate Marci Francisco, State Senator, Kansas Legislature
Commissioner Alternate Ken Rahjes, State Representative; Chair, Higher Education Budget (virtual)
- MI** Commissioner David Eisler, President, Ferris State University
Commissioner Mark Huizenga, Chair, Appropriations Subcommittee on Higher Education & Community Colleges, Michigan Legislature
Commissioner Brandy Johnson, Special Advisor, Office of Sixty By 30, Michigan Department of Labor and Economic Opportunity
Commissioner Bill Pink, President, Grand Rapids Community College
Commissioner Alternate Daniel Hurley, CEO, Michigan Association of State Universities

- MN** Commissioner Connie Bernardy, Chair, House Higher Education Finance and Policy Committee, Minnesota State Legislature
 Commissioner Michael Goh, Vice President for Equity and Diversity, University of Minnesota
 Commissioner Devinder Malhotra, Chancellor, Minnesota State (virtual)
- MO** Commissioner Susan Thomas, President, Truman State University (virtual)
- NE** Commissioner John Cavanaugh, Senator, Nebraska Legislature
 Commissioner Randolph Ferlic, Governor's Appointee
 Commissioner Deb Frison, Chair, Coordinating Commission for Postsecondary Education (virtual)
 Commissioner Lynne Walz, Chair, Education Committee, Nebraska Legislature
 Commissioner Alternate Michael Baumgartner, Executive Director, Coordinating Commission for Postsecondary Education
- ND** Commissioner Tim Flakoll, Governor's Designee; Provost, Tri-College University
 Commissioner Mark Hagerott, Chancellor, North Dakota University System (virtual)
 Commissioner Tim Mihalick, Member, North Dakota State Board of Higher Education (virtual)
- OH** Commissioner Rick Carfagna, Assistant Majority Floor Leader, Ohio Legislature
 Commissioner Gary Cates, Senior Vice Chancellor, Innovation and Enterprise Development, Ohio Department of Higher Education
- SD** Commissioner Michael Cartney, President, Lake Area Technical College
 Commissioner V.J. Smith, State Senator, South Dakota Legislature (virtual)
 Commissioner Larry Tidemann, State Representative, South Dakota Legislature and Governor's Appointee (virtual)
 Commissioner Janelle Toman, Director of Communications, South Dakota Board of Regents (virtual)
- WI** Commissioner Connie Hutchison, Executive Secretary, Wisconsin Higher Educational Aids Board (virtual)
 Commissioner Julie Underwood, Dean Emerita, University of Wisconsin
 Commissioner Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities (virtual)
 Commissioner Alternate Sean Nelson, Vice President of Finance, University of Wisconsin (virtual)

Presenters

Ms. Kathy Graves, Partner/Strategic Planning Consultant, Parenteau Graves
Dr. Thomas Harnisch, Vice President for Government Relations, State Higher Education Executive Officers Association
Mrs. April Henry, Director for Workforce Development, Kansas Board of Regents
Mr. Mike Jandernoa, President, 42 North Partners
Mr. Michael McCabe, Director, Council of State Governments, Midwest Office
Mr. Quentin Messer, CEO, Michigan Economic Development Corporation, President and Chair, Michigan Strategic Fund
Ms. Paula Nissen, Lead Education Program Consultant, Iowa Department of Education
Ms. Brigitte Parenteau, Owner, Parenteau Graves (virtual)
Dr. Ben Passmore, Associate Vice President. University Of Wisconsin System Administration
Mr. Dale Robertson, President and CEO, Grand Rapids Public Museum
Mr. Kevin Stotts, President, Talent 2025
Mr. Sean Welsh, Regional President, PNC Bank

Guests

Mr. Joe Bickford
Mr. Dave Boettger
Mr. Noah DeSmit, Audio Visual, Grand Rapids Community College
Mrs. Patsy Eisler
Dr. Kevin Gwaltney, Executive Director, Joint Committee on Education, Missouri General Assembly
Mrs. Kris Huizenga
Mr. Klaas Kwant, Audio Visual, Grand Rapids Community College

MHEC Staff

Ms. Carla Ahrens, Property Program Manager
Ms. Sara Appel, Associate Director for Policy Initiatives
Ms. Katie Chock, Meeting and Event Manager
Ms. Jennifer Dahlquist, Vice President
Ms. Erin Frahm, Director of Finance and Administration
Ms. Susan Heegaard, President
Dr. Aaron Horn, Associate Vice President of Research
Ms. Emily Jacobson, Associate Director of M-SARA (virtual)
Mr. Ben Millard, Data and Analytics Officer (virtual)
Mr. Daniel Moser, Chief Financial Officer (virtual)
Ms. Jenny Parks, Vice President
Dr. Leah Reinert, Policy and Research Manager (virtual)
Ms. Mary Roberson, Senior Director of Communications and Marketing
Mr. Nathan Sorensen, Director of Government Contracts
Mr. Rob Trembath, Chief Operating Officer and General Counsel
Dr. Shaun Williams-Wyche, Associate Director of Research and Data Analysis
Ms. Liz Van Pay, Digital Communications & Marketing Intern (virtual)

MHEC Consultant

Deb Kidwell

Note: Meeting materials and presentations can be found on the [MHEC website](#).

Monday, November 8, 2021

MHEC President Heegaard welcomed commissioners to Grand Rapids, Michigan. She acknowledged the Michigan delegation of commissioners. President Heegaard recognized MHEC's 30-year anniversary and shared some fun facts about Michigan's early connections to MHEC's foundation. After dinner, Quentin Messer, chief executive officer of the Michigan Economic Development Corporation, shared his thoughts about advocating for higher education, the critical importance of creating lifelong learners, and bringing economic vitality to the region and changing perceptions of the Midwest. He highlighted the Midwesterners' relentless work ethic and high integrity, and their ability to build things. He felt it was important for higher education to share the relevancy of what they do with business leaders, legislators, and other stakeholders for economic development to partner with higher education and create more entrepreneurial opportunities and keep talent in the Midwest.

Tuesday, November 9, 2021

1. Call to Order.

Chair Eisler (MI) called the meeting to order at 8:36 a.m. ET and welcomed commissioners and guests to the meeting.

2. Michigan Welcome.

Chair Eisler (MI) introduced Mayor Rosalynn Bliss. She welcomed commissioners to the river city of Grand Rapids highlighting it as a knowledge center with over 20 colleges and universities in the region. She emphasized the city's recognition for healthcare, research, and crafts and its historic museums and parks.

Chair Eisler (MI) introduced a video presentation from Governor Gretchen Whitmer. Governor Whitmer acknowledged all of the Michigan commissioners and referenced her higher education priorities.

3. Overview of Hybrid Meeting Guidelines.

President Heegaard outlined the meeting guidelines for virtual and in-person attendees.

4. Roll Call of States.

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

5. Introductions.

Commissioners, staff, and guests introduced themselves both in-person and virtually.

6. Action Item 1 – Approval of the Agenda. (pp. 7-11 in the agenda book)

Commissioner Cates (OH) moved and Commissioner Ballard (KS) seconded the motion to approve the Commission Meeting agenda dated 10/29/2021.

Motion carried by voice vote.

7. **Action Item 2 – Approval of the Annual Commission Meeting Minutes** (pp. 13-25 in the agenda book)
Commissioner Flakoll (ND) moved and Commissioner Madison (IA) seconded the motion to approve the minutes of the commission meeting held November 9-10, 2020.

Motion carried by voice vote.

8. **Report of the MHEC President.** (written report in the agenda book pp. 27-30)
President Heegaard welcomed attendees to Grand Rapids and thanked Chair Eisler (MI) and Commissioner Pink (MI) for their assistance in hosting the meeting. She referenced highlights of her written report. She requested commissioner input and guidance on the strategic planning process in order to better understand state needs. In closing she acknowledged Chair Eisler (MI) and his wife Patsy and their community work and for his support of her during his chairmanship.
9. **Report of the MHEC Chair.** (written report in the agenda book p. 23)
Chair Eisler (MI) talked about the vibrancy of Grand Rapids highlighting the Amway Hotel, President Gerald Ford Museum, and the J.W. Marriott hotel. He also spoke about the significance of higher education in the region. New commissioners were acknowledged, including Sen. Jon Ford (IN), Dr. Ronald Rochon (IN), Dr. Mark Wiederspan (IA), Mr. Allen Schmidt (KS), Dr. Michael Goh (MN), Sen. John Cavanaugh (NE), and Sen. Lynn Walz (NE). He encouraged them to become actively engaged with the commission.
10. ***News from Inside the Beltway.***
Dr. Harnisch provided a higher education update from a national perspective. He highlighted: the bipartisan infrastructure bill and SHEEO's support for addressing a backlog of deferred maintenance and for broadband in order to address issues of access, affordability, and equity. The latest news on the budget reconciliation was referenced as close to being done. Regarding the bill, he highlighted the College Promise Act, Pell grant increases, student financial aid policy changes, completion grants and the framework for evidence-based reforms and practices, teacher preparation, equity and diversity funding, and other issues like vaccine mandates and higher education appropriations. While not at the original levels hoped for, the bill will bring a substantial step forward for higher education. Dr. Harnisch stated that a pause on student loans will end on January 31, 2022. A memo on loan forgiveness has yet to be released. There have been some waivers on parts of the Public Service Loan Forgiveness program. Another rulemaking panel is helping to revise regulations and other issues and the 2022 rulemaking will include the 90/10 rule that applies to for-profit colleges.
11. ***Perspective from the Midwest: A Legislative Recap and 2022 Session Preview.***
Mr. McCabe provided a legislative perspective on regional and national elections and provided insight on upcoming topics for the 2022 legislative session. He highlighted: The census data and redistricting efforts, rural areas and their population declines, and the booming of populations in cities. It has continued to be a challenging economic front over the last 20 months due to the pandemic. The fiscal picture is mostly positive due to the influx of federal funds. The Top 2021 legislative issues include the continued pandemic legislation response, police and criminal justice reform, elections and voting, and redistricting. Additional Issues in 2021 were focused on budgets and taxes, legislative oversight, social issues specific to abortion and transgender rights,

clean water, clean energy, and guns. Looking ahead for the coming year, he anticipated the focus to continue to be on the pandemic response, medical marijuana, elections and voting, pensions, and energy. In 2022, it will be a significant election year with partisan control swings in the Midwest. Republicans are still in control of 19 of 22 partisan chambers, there will be nine of 12 MHEC states with gubernatorial races. Mr. McCabe closed by inviting everyone to the 76th MLC Annual Meeting on July 10-13, in Wichita.

12. Unfinished Business. (written report in the agenda book pp. 73-75)

Ms. Dahlquist provided an update on the Master Property Program, (MPP) beginning with a historical chronology of key events impacting the MPP. Challenges with large losses and market factors outside of the control of the MPP reached a critical point in the last renewal with the exit of two key members, the Illinois Public Higher Education Cooperative (IPHEC) and the University of Nebraska System, among others resulting in a loss of approximately half the of the program's total insured values. Ms. Dahlquist provided considerable background and insight into these challenges, factors that influence insurance rates, and broad property insurance challenges for all institutions of higher education in the Midwest. The MPP must adapt and make meaningful changes to continue to drive member value and meet long-term member needs.

One way in which MHEC is evolving the program is through the development of a MHEC-owned single-parent captive, Stone Arch Insurance Company. Ms. Dahlquist shared background in the development and launch of Stone Arch and the unique opportunities this presents MHEC to achieve greater control, flexibility, and transparency. Stone Arch will afford MHEC the ability to respond to the new and emerging risk management needs of member states. Chair Eisler (MI) highlighted the role of the MHEC officers in remaining engaged in the program evolution and that relevant information will be shared with the Commission going forward.

13. New Business.

a. Student Migration and Data Trends.

Ms. Parks introduced the policy and research team. Dr. Horn, and Dr. Williams-Wyche shared a picture of the overall trends of student in- and out-migration of the Midwest region, projections of total out-migration for 2021-2033, and differential tuition at public four-year institutions.

b. Midwest Student Exchange Program.

Ms. Appel presented background on the Midwest Student Exchange Program (MSEP) and the challenges the program has faced since 2018, including an increasing rate of institutions and states not participating due to program participation requirements, changes to tuition structures, financial aid packages that are more substantive than the MSEP discount, and states that want to keep residents in-state to avoid out-migration. MHEC is working with the MSEP Council to consider modifications to the program that encourages students to stay in the Midwest by also keeping pace with the other regional compact student exchange programs. The MSEP hopes to address the shift of the postsecondary education market in order to maintain relevance with workforce needs.

c. Finance and Audit Committee Report.

1) Budget Highlights for FY21. (agenda book pp. 35-43)

Treasurer Malhotra (MN) highlighted the memo from President Heegaard that highlighted discrepancies with restricted net asset accounts brought to her attention by Mr. Moser in July 2021. An outside firm, CliftonAllenLarson (CLA), helped to reconcile

the internal tracking sheets, the accounting system, and the audits. CLA has been working with staff and leadership on a plan moving forward, focused on best practices and sustainable improvements. Treasurer Malhotra (MN) shared that he had met with CLA and MHEC's auditors and noted that there was no malfeasance or mismanagement of funds. The accounting errors simply had persisted over time and the error was in favor of MHEC's bottom-line in the amount of approximately \$670,000.

Treasurer Malhotra (MN) reviewed the FY21 budget highlights:

- a) MHEC revenues were \$5.3M, \$1.5M over the amount budgeted, almost all of the \$1.5M are grant funds.
- b) Expenses were \$265,000 over budget, primarily due to legal and consulting costs.
- c) Financial statements show a one-time carry-forward of \$1.33M and will decrease to about \$706,000 after adjustments are made, including accounting for M-SARA reserve funds, and grant revenues and expenses.
- d) Personnel savings occurred as the result of one unfilled cross-organizational, full-time position to assist in the areas of technology, insurance programs, and policy and research. This position is in the process of being filled.
- e) Convenings, due to covid, have not returned entirely to normal, resulting in \$422,000 savings tied specifically to travel-related accounts.
- f) Grant funding was received this fiscal year totaling \$1.5M for work in open educational resources and credential transparency.
- g) All 12 states paid their FY21 state commitment on time.
- h) Technology contract revenues were lower than budgeted because of larger than expected revenue sharing payments made to the other regional compacts.
- i) Professional fee expenses were larger due to the work of outside legal counsel necessitated by MHEC's work in highly regulated areas of student health and the new captive for the MPP, as well as to address HR employee documents and to ensure compliance due to the ever-changing pandemic landscape.
- j) Consultants fee increases were due largely to staffing required to complete grant-related work.
- k) General operating expenses were 42% under budget with the primary source of savings related to travel accounts (meals, travel, transportation/lodging, and meeting meals).

Treasurer Malhotra (MN) reviewed the Unrestricted Funds Balance Worksheet:

- a) The six-month operations reserve is \$1.67M based on FY20's audited annual total expenses. The total reserve for FY21 will be evaluated and adjusted accordingly after the audit has been approved by the Commission.
- b) MHEC spent about \$11,000 from the Board Designated Open Education Resources account in support of the OER work associated with the Hewlett grant.
- c) The current Undesignated Funds total equals \$387,000. Once the audit is approved the approximate \$706,000 carry-forward will be added to this total. The remaining amount is with donor restrictions in the amount \$1.093M.

2) **FY21 Audit Report.** (agenda book pp. 44-63)

Treasurer Malhotra (MN) stated that MHEC's audit was clean. There were three uncorrected misstatements that have now been corrected. First, the M-SARA reserve revenue is expected over the next three years. During the audit MHEC only accounted for the payment received but according to the new revenue recognition standard, the

full amount should have been recognized with the remaining in accounts receivable. The second corrected misstatement occurred as a result of Dell finding an error in their sales reporting, resulting in an overpayment to MHEC during three quarters. Dell reduced that amount by half with the overpayment due to be paid back over four quarters beginning the third quarter of FY21. An adjustment to reflect the decrease in Dell revenues should have been made in quarters three and four of FY21. Finally, the fourth quarter technology payments arrived a month and half after the close of the fiscal year. Because the audit process starts prior to that time, estimates were made as place holders to keep the audit preparation moving forward and later, additional adjustments to the revenues are made.

MHEC's audited financials and statement of financial positions show cash/cash equivalents are up 30% from the previous fiscal year. In December 2020 the PPE loan and interest was returned. The six-month operations reserve is based on the FY20 audited expenses as previously noted. Statement of activities recognized the \$237,000 in M-SARA reserve funds payments and \$1.5 million of grant revenues. Again noted were the increase of professional and legal fees for regulated areas, and consultant fees due to grant work. Change in net assets were \$1.7M, however, donor restricted revenue expenses will result in a \$706,000 carry forward. The statement of functional expenses shows how MHEC's expenses are broken out. The statement of cash flows displays the changes in fiscal cash moving in and out of the organization by category.

Action Item 3: FY21 Audit Report.

Treasurer Malhotra (MN) moved, and Commissioner Ferlic (NE) seconded the motion to accept and approve the FY21 audited financials.

Motion carried by voice vote.

It was noted that the draft audit statements do not indicate who conducted the audit. It was clarified that MHEC's auditor is Eide Bailly and that the draft audit will not show their logo or be signed by the auditor until approved. Additionally, Chair Eisler (MI) acknowledged the request by multiple commissioners as a standard practice the auditor should appear not only before the Finance and Audit Committee, but as well as the entire commission in the future. The auditor did meet with the MHEC officers. Additional inquiries were made in regard to MHEC's 990. It was confirmed that Eide Bailly's tax department assists with this and that it needs to be completed by May every year.

3) Action Item 4: Delay of 1.5% State Commitment Increase to FY23. (agenda book pp. 64-65).

Treasurer Malhotra (MN) acknowledged that MHEC's state commitment increases have been inconsistent and varied over time. During the November 2019 commission meeting the commission approved an increase of 1.5% annually beginning in FY22. Due to the Covid pandemic the Commission waived the 1.5% increase for FY22, delaying the 1.5% annual increase until FY23. Given the continuing pandemic and uncertainty it brings, the MHEC officers and the Finance and Audit Committee are recommending that the Commission again waive the 1.5% increase for FY23. The 1.5% annual increase would remain in effect for FY24 and beyond.

Treasurer Malhotra (MN) moved, and Commissioner Ballard (KS) seconded the motion that the MHEC Commission again waive the 1.5% annual increase to the MHEC state

compact commitment for FY23, with the 1.5% annual increase remaining in effect for FY24 and beyond.

Motion carried by a roll call of the states.

d. **Governance Committee Report.**

Committee Chair Ballard (KS) gave the Governance Committee report. She thanked Chair Eisler (MI) and MHEC staff for assistance. She also recognized the members of the committee: Commissioners Cartney (SD), Davison (ND), Foust (IL), Hahn (MO), Hershey (OH), Madison (IA), Pink (MI), Underwood (WI), Walz (NE), and Wantz (IN), as well as members of the previous ad hoc Governance Committee. Chair Ballard presented two action items.

- 1) **Action Item 5: Commissioner Alternates to the Full Commission.** (agenda book p. 67)
The Commission is made up of five statutorily-appointed commissioners from each of the compacting states plus a number of commissioner alternates. In addition to bringing a different perspective to the commission, these commissioner alternates are occasionally asked to represent their state when a statutorily-appointed commissioner is unable to participate. Currently, there is no guidance around commissioner alternates to the commission, except for a few states that have adopted their own policies. In order to bring more guidance and clarity around MHEC-appointed commissioner alternates, the Governance Committee recommends the commission take action.

Committee Chair Ballard (KS) moved, and Commissioner Cates (OH) seconded that the commission formally approve that in the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, may appoint commissioner alternates to the full commission with terms of three years with no term limits. These MHEC-appointed commissioner alternates shall not have voting rights but in all other respects shall have full participation rights.

A friendly amendment was offered by Commissioner Ferlic (NE) to add in “unless limited by a change in their current status” which was accepted by Committee Chair Ballard (KS) and seconded by Commissioner Madison (IA).

*Committee Chair Ballard (KS) moved and Commissioner Cates (OH) seconded that the commission formally approve that in the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, may appoint commissioner alternates to the full commission with terms of three years with no term limits **unless limited by a change in their current status**. These MHEC-appointed commissioner alternates shall not have voting rights but in all other respects shall have full participation rights.*

A friendly amendment was offered by Commissioner Franck (IA) to add “in consultation with the states” which was accepted by Committee Chair Ballard (KS) and seconded by Commissioner Flakoll (ND).

*Committee Chair Ballard (KS) moved and Commissioner Cates (OH) seconded that the commission formally approve that in the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, **and in consultation with the states**, may*

appoint commissioner alternates to the full commission with terms of three years with no term limits *unless limited by a change in their current status*. These MHEC-appointed commissioner alternates shall not have voting rights but in all other respects shall have full participation rights.

Motion carried by voice vote.

2) Action Item 6: Executive Committee Appointment Length and Terms. (agenda book p. 68)

The MHEC bylaws give very little guidance around the Executive Committee's size, composition, appointment process, and tenure. In order to bring more guidance and clarity around Executive Committee appointment length and terms, the Governance Committee recommends the commission take action.

Committee Chair Ballard (KS) moved and Commissioner Cartney (SD) seconded that the commission formally approve that the term of service for each Executive Committee member be three-years with no term limits.

Motion carried by voice vote.

3) Awards Report.

Chair Eisler (MI) reported that the Governance Committee met and reviewed the nominations. A call for nominations was sent to commissioners on September 14, strong nominations were received, and a vote was taken. The Sirotkin Award will be awarded to one recipient, and the Outstanding Service Award will be given to two individuals at the evening event.

e. Nominations and Elections of Officers. (agenda book, p. 69)

Action Item 7: MHEC Chair election.

Commissioner Cates (OH) moved, and Commissioner Ferlic (NE) seconded the motion that consistent with the MHEC bylaws the commission approve Rick Carfagna (OH) for the position of MHEC chair.

Motion carried by voice vote.

Action Item 8: MHEC Vice Chair election.

Commissioner Bernardy (MN) moved, and Commissioner Ballard (KS) seconded the motion that consistent with MHEC bylaws the commission approve Devinder Malhotra (MN) for the position of MHEC vice chair.

Motion carried by voice vote.

Action Item 9: MHEC Past Chair election.

Commissioner Pink (MI) moved, and Commissioner Schmidt (KS) seconded the motion that consistent with the MHEC bylaws the commission approve David Eisler (MI) for the position of MHEC past chair.

Motion carried by voice vote.

Action Item 10: MHEC Treasurer election.

Commissioner Cartney (SD) moved, and Commissioner Flakoll (ND) seconded the motion that consistent with the MHEC bylaws the commission approve Commissioner Smith (SD) for the position of MHEC treasurer.

Motion carried by voice vote.

Commissioner Smith (SD) was able to join the meeting virtually during the vote. He was unable to attend in person due to redistricting and due to the funeral of Former Gov. Frank Farrar. He highlighted his career as an athletic director at South Dakota State University, and also as the director of their alumni association. He's also a professional speaker and has been serving in the Senate for the past three years and serves on the Senate Education Committee. He was joined by Commissioner Tidemann (SD).

14. Building a Common Agenda and Regional Cooperation – Talent 2025.

Mr. Jandernoa, Mr. Stotts, and Mr. Welsh shared the work of Talent 2025 to ensure an ongoing supply of world-class talent for West Michigan. They are a convening organization of early childhood, K-12, higher education, as well as diversity and inclusion workgroups and focus on illuminating the facts with data. They highlighted the need to focus on attracting and retaining workers as well as for new models to address the shortage of workers.

15. Wrap-up and Recess.

Chair Eisler (MI) provided closing remarks for the day and previewed the evening's events. The meeting recessed at 3:56 p.m.

Grand Rapids Public Museum Evening Event

16. Welcome.

Commissioners were able to view the galleries of the Grand Rapids Public Museum. A welcome and overview of the museum's highlights and the success of their Museum School was provided by Mr. Robertson, president and CEO.

17. Partnership with Intentionality.

Chair Eisler (MI) and Commissioner Pink (MI) shared the story of Grand Rapids Community College and Ferris State University and their strong collaborative work dating back to 1986 that highlights leaderships' focus on a smooth transfer process. Paul Flynn, vice president for operations at Gentex, and a graduate of both GRCC and FSU shared his story via video.

18. MHEC Awards Presentation.

Staff Acknowledgments

- Aaron Horn (10 years)
- Rob Trembath (25 years)

Commissioner Acknowledgments

- Commissioner Toman (SD) has been a MHEC commissioner for nine years and will be announcing her retirement. She was initially appointed in April 2012.
- Commissioner Wantz (IN) has announced his retirement. He has been a MHEC commissioner since April 2019.

- Commissioner Huizenga (MI) currently serving in the MI House was elected to the MI Senate. He was appointed to MHEC in January 2021
- Commissioner Wegenke (WI) has announced his retirement. He was appointed to MHEC in June 1994.
- Chair Eisler (MI) was recognized by Commissioner Carfagna (OH) for his year of leadership as the MHEC chair.

2021 Outstanding Service Award Recipients

- Shellie Haut (MI), Executive Director/Licensure, Regulatory Services & Human Capital, Central Michigan University
- Tracy Korsmo (ND), Enterprise architect for the Statewide Longitudinal Data System (SLDS) and Business Intelligence Program Manager, North Dakota Information Technology

2021 Phillip Sirotkin Award

- Commissioner Ballard (KS) has served as a MHEC commissioner since 2005 and has also served on many of MHEC's committees. She thanked the commission for the acknowledgment, especially her Kansas commissioner colleagues, and encouraging all of them to work together to continue making MHEC successful. She acknowledged her parents during her acceptance noting that education was extremely important to her dad.

Wednesday, November 10, 2021

The meeting reconvened at 8:35 a.m. ET

19. Strategic Planning Discussion.

President Heegaard presented MHEC's strategic planning process. Chair Eisler (MI) shared the work of the committee and then introduced Ms. Graves, who consulted on the project with the committee. Ms. Graves reviewed the mission, vision, and strategic priorities as recommended by the Strategic Planning Committee. Small work groups were conducted in person for input on MHEC's values.

20. Midwest Credential Transparency Alliance

President Heegaard highlighted the important work of credentialing and MHEC's commitment to serving member states and her appreciation for Ascendium's grant support. A video presentation from Carolyn Lee, senior program officer for Ascendium, was played emphasizing the complexity of credential transparency and Ascendium's interest in this work to address transparent pathways toward upward socio-economic mobility more accessible especially for low-income and other marginalized backgrounds. Ms. Parks highlighted the work and the ever-changing landscape. Each of the panelists Ms. Henry, Ms. Nissen, and Mr. Passmore reflected on their various stages of credentialing work in their respective states of Kansas, Iowa, and Wisconsin. Ms. Parks moderated a conversation with the panelists and commissioners about how MHEC is building the knowledge infrastructure in credentialing and shared an overview of the work being done in pathways across the Midwest. Panelists expressed the importance of working with business and industry.

21. Closing Comments.

Chair Eisler (MI) thanked GRCC staff for videotaping the meeting, commissioners for their input on the strategic planning discussion, and all of those that participated online. He recognized President Heegaard and Commissioner Madison (IA) for her role as past chair.

22. Passing of the Gavel.

Chair Eisler (MI) passed the gavel to Chair-elect Carfagna (OH), who then accepted the gavel as the new MHEC Chair for 2021-2022. Chair Carfagna (OH) then offered his own concluding brief remarks asking commissioners to not be complacent and to continue to leverage the economies of scales across the member states not only for cost savings but to also to continue the emphasis on research, and to expand upon opportunities for MHEC. He thanked Past Chair Eisler (MI) who was also acknowledged with a standing ovation before adjourning the meeting.

Adjournment.

The meeting was adjourned at 11:45 a.m. ET.

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MHEC Chair Report Annual Commission Meeting November 2022

While this year has not presented the level of challenges of the past two, it has not been without its difficulties. On the positive side we have been back together, living and learning in person. We know that we can adapt and adjust in ways that many of us had only imagined before the pandemic. Hybrid learning and communicating is now a regular part of our lives, allowing us to seamlessly move from before a camera to in person with ease, as long as the Wi-Fi works! We've been innovative and responsive, keeping our campuses, offices and organizations open, working hard to keep our students and staff safe, throughout. While we've found ways to build and redefine community, many students and others on our campuses struggle to connect. Mental health challenges persist and we've seen shifts in enrollments and wonder whether some students are going to come back at all. This has an effect on our state and regional economies in ways we are just beginning to see.

At Minnesota State, a network of 26 two-year colleges and seven universities, we had the same goals which all higher education entities were pursuing: keeping our faculty, staff and students safe, while keeping our colleges and universities open all through the pandemic, by embracing hybrid and virtual modalities, to enable our students to continue on their educational journey. No doubt the pandemic was a challenging time for public higher education. Our colleges and universities were already pre-COVID, experiencing a decline in enrollment due to changing demographics. These trends were further accelerated during the pandemic as adult students, students from low-income families, and from historically marginalized groups, dropped out at much higher rates as their ability to continue their education was seriously degraded. Our institutions experienced higher cost structures and lower revenues. However, the pandemic also taught us many important lessons that will help us shape the post-COVID landscape of higher education.

First, the importance of networking with other institutions and systems and states became evident. The response to the pandemic had to be collective, coordinated, cohesive, and often unified across institutions.

Second, we challenged head on the myth that higher education institutions cannot change quickly. We had to pivot very quickly as we transitioned from traditional modes of instruction to hybrid and virtual modalities. It gave us the facility and comfort to be in a creative and innovative space, and we effectively aligned our teaching and learning paradigms to student needs and developed innovative student support structures.

Third, we figured out quickly ways to scale our pandemic responses not only within an institution but across the whole higher education sector within the state.

These lessons bode well for higher education in the long haul as we redesign teaching and learning for the 21st century, and at the same time rethink our business models to ensure both programmatic and financial sustainability of our institutions. We have challenges before us but more importantly, we have a tremendous opportunity. The collective work across the Midwest region under MHEC will become even more important in the post-COVID arena. The strategic plan of MHEC will be incredibly helpful, once implemented, in assisting our institutions to find their footing in the post-COVID world.

I have been involved with the compact for many years and more so now, having moved from vice chair to acting chair when Ohio Representative Rick Carfagna resigned from the legislature this past January to take a new job as vice president of Government Affairs of the Ohio Chamber of Commerce. This was a great opportunity for Rick and we're grateful to the many contributions he made to MHEC during his tenure. We also said goodbye to Senator V. J. Smith of South Dakota, our treasurer, who unfortunately had to leave the South Dakota Senate and his appointment with MHEC, after struggling with a significant and unexpected illness from which he is recovering. We miss him and wish him well.

MHEC has matured as an organization and been through many changes, especially over the past couple of years. We held our last three commission related meetings in person in Des Moines, Grand Rapids, and Omaha. Whether in person or online, the staff have been able to provide quality and timely information to stakeholders in the region, from topics including open educational resources to credentialing to Property Insurance. The strategic planning process, which I am part of, is wrapping up. Effectively led by Kathy Graves, the planning committee included three MHEC staff (Jennifer Dahlquist, Susan Heegaard, and Jenny Parks) and eight Commissioners (Molly Baumgardner, Rick Carfagna, Mike Duffey, David Eisler, Kayla Hahn, Devinder Malhotra, Bill Pink, and Janelle Toman) This new plan is included in your meeting materials and will guide the Compact's work for the next four years. We have a clearer mission – the good we do and for whom, the vision – the impact we seek and values – what guides our decision making, and our strategic priorities - our focus for the next four years and principles. We hope you'll be pleased and support the work of the committee.

I have also participated in the Finance and Audit Committee again this year. A big thanks to South Dakota Representative Larry Tidemann who in Senator Smith's absence, agreed to serve again as acting chair of the Finance and Audit Committee. Last year as you may remember, CliftonLarsonAllen (CLA) was hired to provide advice and counsel to us regarding best practices and approaches to updating and structuring MHEC's finances and budget, making sure there is clarity and alignment. They continue to provide support this year to ensure that updated approach MHEC is undertaking is working effectively. I'm pleased to report that our revenues are healthy, thanks to all 12 states for paying their state commitments this past fiscal year and to more robust than usual technology revenues.

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

Devinder Malhotra
October 24, 2022

MHEC President Report

2022 November Commission Meeting

November 2022

Greetings. Our annual fall commission meeting gives us an opportunity to get to know one another, learn new things and explore the wonderful cities and communities throughout the Midwest. I'm looking forward to another opportunity to be together in person, this time at The Ohio State University. Being among students provides an opportunity to see firsthand, how the world of learning is changing. We're also so fortunate to not only be on a beautiful campus but also, to have access to Columbus, Ohio's wonderful statehouse! The staff has planned what we hope will be an interesting and engaging meeting. Please take an opportunity to review the reports they have worked hard to prepare. Please also take advantage of the tours available to you during this gathering.

As we've experienced the past few years, the pandemic has presented us with both challenges and opportunities. The new ways in which we're approaching student learning and access are now commonplace, offering students flexible and tailored ways to earn credentials, learn and prepare for a career. Place still matters but has taken on new meaning for students and workers across our country, as many people work seamlessly, regardless of where they are located. Our staff in Minnesota is back in the office a few days each week and able to work from home the remainder. We've had a good year, having completed our new strategic plan which will be at the heart of our work. You'll hear more about it during our meeting, in particular how the staff is connecting their work to the plan and operationalizing it. I am proud of the work they do and hope you'll share your thoughts, suggestions, and constructive criticism so that we can improve and better serve you.

Since our meeting last fall in Grand Rapids Michigan, we've had some unexpected changes among our officers with the departure earlier this year of our chair Ohio Representative Rick Carfagna, who resigned from the legislature to become the vice president of government affairs for the Ohio Chamber of Commerce. I'm happy to report that Rick will be joining us for part of our meeting. We also said goodbye to our wonderful treasurer South Dakota Senator V.J. Smith who after a serious illness, chose not to run again and as a result, resigned from MHEC. We will miss both of these leaders and wish them the very best. We are grateful to Minnesota State Chancellor Devinder Malhotra who agreed to serve as acting chair prior to assuming the chair role this fall. Chancellor Malhotra has also announced an upcoming retirement in August of 2023. Thank you also to South Dakota Representative Larry Tidemann who agreed to serve as the acting chair of the Finance and Audit Committee and to Ferris State University Former President David Eisler who agreed to stay on as past chair during this time of transition. A big thank you as well to Representative Barbara Ballard who continues to chair our Governance Committee. We have tried to be intentional regarding appointments to the Executive Committee, and our other committees, balancing elected officials with higher education leaders and focusing on diversity wherever possible.

In addition to commission leadership changes, we've also had some staffing changes including the departure of CFO Daniel Moser who took on a new position in a health-related organization and Emily Jacobson, who left recently to take a new position with NC-SARA. In light of Daniel's departure CliftonLarsonAllen (CLA) is assisting Erin Frahm, our director of finance and administration, in updating, streamlining, and aligning our various accounting

and finance practices. Sara Appel has moved into the vacancy left by Emily and now serves as MHEC's director of M-SARA. We hope to soon post a position to fulfill many of the duties that Sara was doing in support of MHEC's policy and research work. In addition, we'll be considering staffing employees and consultants in alignment with the strategic plan.

After two years of remote state visits, we were happy to be back on the road again and had great visits to all twelve midwestern states January through April. Most often I was joined by COO and General Counsel Rob Trembath, where we had individual appointments with leaders and dinners with commissioners and invited guests in each state. We learned a great deal about the pressing issues across the region and gathered input about how we can best serve our members. Based on issues raised during prior visits, we shared key data and trends regarding issues such as cost, demographics, and migration patterns. We had the pleasure of being invited to testify in two states, North Dakota and South Dakota. We heard across the Midwest that for the first time in years, revenues were up and state coffers were healthy, allowing for important investment in higher education. However, concern was expressed that the fiscal situation will likely shift post pandemic, which we're seeing play out now. Other issues that were raised concerned declining enrollment, workforce needs, and student cost/debt.

We're looking forward to sharing our strategic plan with you. Led by the talented Kathy Graves and her firm Parenteau Graves, the process took about a year and involved a planning committee that included myself, two staff and eight commissioners. We hope that you'll be pleased. Thank you to Commissioners Molly Baumgardner, Rick Carfagna, Mike Duffey, David Eisler, Kayla Hahn, Devinder Malhotra, Bill Pink, and Janelle Toman and MHEC staff Jennifer Dahlquist and Jenny Parks.

Other organizational improvements include CLA's recommendations on the overall process and how to best present our budget information in a more transparent and understandable ways to our various internal and external audiences. Erin has been working closely with CLA on this, in addition she has worked hard on updating and better coordinating our human resources processes and is working with a new firm, Athena this fiscal year. We're taking a fresh look at some of our communications offerings. With the help of Parenteau Graves we've developed a new focused commissioner newsletter with a featured commissioner, state, and initiatives in each edition. We hope you like it and will let us know how we can improve.

In terms of strategic partnerships, I continue to regularly meet and collaborate with the other regional compact presidents. NC-SARA has taken up a great deal of the four compacts' time as we work through roles and responsibilities between the organization's staff and board and the compacts, however a shift in leadership and related organizational changes have resulted in more effective and collaborative working relationship. The federal government has proposed some new policies which may create challenges for distance education which we are working through together. The four compacts work constructively together on a range of issues and are just completing a joint grant effort funded by Hewlett. Our relationship with the Midwest Legislative Conference and Counsel of State Governments continues. Finally, other partners that we work with include ACE and SHEEO as well as funders such as Lumina and Ascendium.

As I mentioned last year, this is such a unique organization where regardless of politics, higher education leaders, policymakers and other midwestern leaders can come together to focus on education and our region's overall health and well-being. I am deeply grateful to our staff and to each and every one of you. Whether you've given me frank feedback and advice individually or just showed up at a meeting or on a call, your involvement, generous time and support is what leads to our success. My hope is that when you think of the value we bring, you think of the actual cost savings as well as the many convening and learning opportunities provided by MHEC.

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MHEC's FY22 Financial Documents Highlights

MHEC's FY22 Budget Review

- *Overview:*

- MHEC came out of FY22 in a stable and healthy financial position with revenues exceeding expenditures primarily due to increased technology revenues, lower than anticipated administrative expenses, and slightly lower convening expenses compared to pre-pandemic spending.
- Adherence to GASB will result in fewer differences between the budget and audit, particularly as it relates to unrestricted carry-forward balance.
- The change to GASB accounting standards this year changes how grant revenue is recorded. As expenditures using grant funds are made for the grants intended purpose, that portion of the grant can then be considered earned and is therefore recorded as revenue. Under previous FASB standards, revenue was recorded as soon as a grant commitment letter was received. The difference created by this change is particularly notable with multi-year grants such as those MHEC has received in recent years.
- MHEC's budget concluded FY22 with \$4.78M in revenues, more than \$780,000 over the amount budgeted, helped by grant revenue now recorded in accordance with GASB, and program and contract revenues coming in higher than estimated.
- Higher than budgeted professional fees and consultant fees contributed to MHEC's expenses being \$219,450 more than budgeted.
- The budget to actual carry-forward (revenue minus expenses) equals \$316,020. Audited GASB financials require showing non-operating expenses related to the release of \$250,000 in MPP funds. Adding these funds back in leaves MHEC with an FY22 one-time estimated general operating surplus and unrestricted carry-forward of \$566,020.
- Consistent with budget plans, MHEC is in the process of filling one cross organization full-time position to assist in building out the policy and research function, along with assistance in the technology and other administrative and support functions to ensure that the deliverables of MHEC's strategic framework are being met. The openings have not yet been filled which helped contribute to MHEC spending \$193,853 less in salaries and benefits than originally budgeted. That number was also affected due to intern positions not being filled throughout the entire fiscal year.

- *Revenues*
 - o Technology contract revenues were \$338,765 over budget due to higher-than-expected use of technology contracts.
 - o Other Revenue is significantly higher than budgeted as it includes grant income recorded under GASB standards as noted above. GASB requires grant revenue be recorded in the year it was expended for its intended purposes regardless of when the grant was awarded. Grant revenue therefore reflects the annual amount of grant funds earned on multi-year grants received in prior fiscal years. Previously under FASB these revenues were recorded as soon as commitment letters were received.
 - o Insurance Programs revenue came in slightly higher than budgeted due to greater than expected revenues in Student Health Insurance.
 - o Other Program revenues came in slightly higher than budgeted. This includes payments received for M-SARA where MHEC budgeted \$464K but received \$471K.
 - o All states paid their annual commitments of \$115,000 on time in FY22.

- *Expenses*
 - o There are four main categories within MHEC's expenses: salaries and benefits, professional fees, consultant fees, and general operations.
 - *Salaries and Benefits* – MHEC came in just under budget with 93% of the budgeted funds used for salaries and benefits.
 - *Professional Fees* – The actual expenses of this area of the budget is 147% higher than budgeted. The main contributor is an increase in the use of legal fees which were 208% over budget. During FY22, a large expenditure in legal fees was made to help establish and make operational Stone Arch Insurance Company, the new captive layer of the Master Property Program. MHEC also utilized outside counsel for work in the highly regulated and specialized area of health insurance for its Student Health Program. Additionally, MHEC retained outside counsel for help with some employment related matters. Going forward, additional legal fees in these highly regulated and specialized areas will be factored into future budgets and will likely decrease in the short term but remain higher than in years past.
 - *Consultant Fees* – MHEC utilizes consultants as a way of increasing work capacity without the need to always add additional full-time employees. Consultants give MHEC the flexibility to increase resources when the workload increases and reduce its expenditure in personnel when the workload decreases. Of the \$653,000 in consultant fees MHEC went over budget, \$502,000 is associated with the Hewlett and Ascendium grants support. Consultant help for the insurance programs and technology contracts as well as a communications consultant account for the remaining \$151,264.46 amount over budget.

Unrestricted Funds Worksheet

Unrestricted Funds	Committee Approved Amount	Expended Amount	PY(s) Adjustments	FY 21 (6/30) Ending Balance	FY22 Designation changes	Balance as of 6/30/2022	FY '22 Change in Net Assets and design releases	FY22 Reclass from Restricted	Balance as of 7/1/2022
Board Designated									
Risk Management	25,000.00	-	-	25,000.00	-	25,000.00	-		25,000.00
Operations Reserve	1,005,121.00	-	665,879.00	1,671,000.00	-	1,671,000.00	-		1,671,000.00
Opportunity Reserve									
Special Projects					500,000.00	500,000.00			500,000.00
Open Education Resources (OER)	110,000.00	-	(96,921.18)	13,078.82	(13,078.82)	-	-		-
Special Projects Total	110,000.00	-	(96,921.18)	13,078.82	486,921.18	500,000.00	-	-	500,000.00
Organizational Capacity									
Technology	413,936.00	(372,976.00)	(30,521.00)	10,439.00	-	10,439.00	-		10,439.00
Organizational Capacity Total	413,936.00	(372,976.00)	(30,521.00)	10,439.00	-	10,439.00	-		10,439.00
Opportunity Reserve Total	523,936.00	(372,976.00)	(127,442.18)	23,517.82	-	510,439.00	-	-	510,439.00
Capital Assets Reserve									
Future Lease Payments	450,000.00	(155,454.00)	(98,181.00)	196,365.00	253,635.00	450,000.00			450,000.00
Capital Investments	300,000.00	(262,709.00)	(20,000.00)	17,291.00	-	17,291.00	-	-	17,291.00
Capital Asset Reserve Total	750,000.00	(418,163.00)	(118,181.00)	213,656.00	253,635.00	467,291.00	-	-	467,291.00
Board Designated Total	2,304,057.00	(791,139.00)	294,879.00	1,933,173.82	740,556.18	2,673,730.00	-	-	2,673,730.00
Undesignated Funds	953,475.00	-	1,544,382.18	2,497,857.18	(1,140,556.58)	1,357,300.60	316,020.08	250,000.00	1,923,320.68
Strategic Plan Implementation - FY23					400,000.00	400,000.00			400,000.00
M-SARA Board Designated Funds					464,000.00	464,000.00			464,000.00
Undesignated Funds Total	953,475.00	-	1,544,382.18	2,497,857.18	(740,556.58)	2,221,300.60	316,020.08	250,000.00	2,787,320.68
Total Unrestricted Funds	3,257,532.00	(791,139.00)	1,839,261.18	4,431,031.00	(0.40)	4,895,030.60	316,020.08	250,000.00	5,461,050.68

Action Item 3

MHEC's FY 2022 Annual Audit

- *Governance Letter*
 - o Significant Risks Identified – this section is new and is auditors informing management of the potential risk areas identified, that guided the audit testing processes. This is not saying that MHEC has experienced issues in these areas, but that these are the areas that present more potential for risk for the organization.
 - o Significant Accounting Policies – in addition to converting to GASB standards for our financial statements, both FASB and GASB adopted new lease standards that MHEC had to incorporate this fiscal year. This is detailed out in the letter as well as in the footnotes to the financial statements.
 - o Uncorrected and Corrected Misstatements
 - Two adjustments were identified and recorded within MHEC accounting records. One related to the proper implementation of the new Lease standard. The second was a GASB requirement that the transfer of Master Property Program restricted funds be recognized as a MHEC expense.
 - One item was identified which was not material and therefore not recorded either as a prior period adjustment or for current year activity. This related to the interest rate used for calculating the transactions necessary to implement the new lease standard.
 - o Circumstances that affect the form and content of the auditors report: Change in Accounting Principles:
 - Change in accounting principle-the implementation of the new lease standards required the restatement of opening balances
 - Other matter- the management discussion and analysis section of GASB financial statement presentations was not deemed relevant enough to justify the time of auditor review of the information.
- *Internal Control Letter*
 - o Material weakness: the conversion to GASB standards and the implementation of the new Lease standard resulted in several audit adjustments and the restatement of beginning balances for net position and various other accounts associated with those restatements. These adjustments have been recorded in MHEC's internal year-end fiscal year 2022 financial records.
 - o Significant deficiency: limited size of office staff and segregation of duties is a common deficiency for agencies the size of MHEC. Formal documentation of approval of manual journal entries has been implemented. Account reconciliations will be completed and tracked in the future using systems within the accounting package.
- *GASB financial statements are presented as single year, noncomparative financial statements.*

- *Statement of Financial Position (Balance Sheet)*
 - o Total cash remained stable from last year. The payout of MPP funds was offset by collection of receivables (see below). Note that GASB requires cash be split out for the remaining MPP Restricted funds.
 - o Accounts Receivable (A/R) are 26% lower than previous year due to receipt of second year of funding on the Ascendium and Hewlett grants.
 - o Capital Assets and Liabilities increased as a result of implementing the new GASB lease standards. These are non-cash related increases. This standard requires capitalizing the value of lease arrangements, in MHEC's case, the office and copier leases. The asset and liabilities essentially offset each other.
 - o GASB standards require broken out the Net Position tied up in the investment in Capital Assets. Note that this amount equals the Capital Assets less the long- and short-term lease liabilities. The Investment in capital assets are considered undesignated per the Unrestricted Funds report.

- *Statement of Activities (Income Statement)*
 - o *Revenues*
 - See the budget to actual highlights.
 - Revenue recognition for grants changes with the adoption of GASB standards. These revenue recognition standards will more closely follow MHEC's annual budgeting process.
 - At the end of FY22 there is about \$217k left in the Ascendium grant available for use in the first half of FY23.
 - o *Expenses*
 - See budget to actual highlights.
 - GASB requires the payout of \$250,000 in MPP restricted funds be recorded as an expense on MHEC statement of activities.
 - o GASB requires the statement of activities be split into Operating and Nonoperating. Nonoperating activities consists of interest income and interest expense related to the new lease liability, as well as the \$250,000 payout of restricted MPP funds.

- *Statement of Cash Flows:*
 - o This report displays MHEC's cash flows (cash transactions) for the period ending June 30, 2022. Under GASB the cash flow from operating activities is shown in two formats, what is known as the direct method at the top which is slightly different than the indirect method which has been shown in the past and is included at the bottom of the statement.
 - o The statement of cash flow is only presenting activity on unrestricted cash. The cash activity related to the restricted MPP funds is not shown. Unrestricted cash saw an increase of \$189,000. When taking into account the payout of the \$250,000 MPP funds, overall cash remained relatively stable from last year.

- *Footnotes:*
 - o The footnotes add details related to certain parts of the financial statements. With one exception, footnotes are consistent with previous years, though under GASB they are formatted slightly differently in that they show change during the period for certain accounts.
 - o Footnote 10 is different this year as there were many restatements required to convert MHEC financials to GASB and to implement the new lease standards as discussed above. This footnote should not be necessary in future years.

- *Other unaudited Information*
 - o *Schedule of Functional Expenses:* This report shows the detail by expense line item and splits MHEC's operating cost across Program services, General Management and Operations, and Fundraising (fundraising is a 501(c)(3) term for purposes of 990 tax return). Under FASB, this report was a core part of the financial presentation, however, under GASB standards this is not required information, is not audited and therefore is presented as other information.
 - o *Schedule of unrestricted board designated funds:* this detail is not necessary by GASB standards and is therefore not audited and is in other information. This information was formerly in the footnote section of the financials. These funds are detailed and discussed in the Unrestricted Fund worksheet area above.

[REPORT DATE]

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, 2022, and have issued our report thereon dated [REPORT DATE]. 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 letter dated September 21, 2022, 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 your 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 entity'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.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated [REPORT DATE].

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, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified a significant risk that management of the Compact can override controls that the Compact has implemented. Management may override the Compact's controls to modify the financial records with the intent of manipulating the financial statements to overstate the Compact's financial performance or to conceal fraudulent transactions.
- Conversion from FASB to GASB – We identified the conversion from FASB to GASB as a significant risk because of the significance and the change resulting in a restatement.
- Revenue Recognition – We identified revenue recognition as a significant risk because of financial and operational incentives for the Compact to either overstate or understate program service and support revenues or to record them within the wrong classification.
- Net Position Classification – We identified net position classification as a significant risk because restrictions placed by donors or others may not be appropriately adhered to.

Qualitative Aspects of the Entity'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. As described in Note 1, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Accordingly, the accounting change has been retrospectively applied to prior years presented. 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. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgement.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

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. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

Allowance for amortization	\$ 21,419
Deferred lease incentive	92,334
Deferred lease liability	45,949
Interest charges and service fees	6,243
Amortization expense	60,901
Right of use lease asset	\$ 115,965
Short term lease liability	36
Long term lease liability	45
Future lease payment	52,870
Buildings and facilities	57,930
<i>Adjustment to record the leases under GASB 87</i>	
Other non-operating expense	250,000
Undesignated net position	250,000
<i>Reclassify MPP payout to non-operating expense</i>	

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

Overstatement of lease liability and right-of-use asset as of July 1, 2021, as a result of using an interest rate that is lower than deemed reasonable:

Lease liability	\$6,701
Right-of-use asset	\$6,701

Overstatement of lease liability and right-of-use asset as of June 30, 2022 as a result of using an interest rate that is lower than deemed reasonable:

Lease liability	\$4,405
Expense	933
Right-of-use asset	\$5,338

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2022, is an overstatement of net position of approximately \$933, and understatement of change in net position of approximately \$933.

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 Compact's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

We have made the following modifications to our auditor's report:

Change in Accounting Principle

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 1 and Note 10 to the financial statements, due to the adoption of GASB Statement 87, *Leases*, the Compact restated opening balances as of July 1, 2021. We have included an emphasis of matter in our report regarding this restatement.

Correction of Error

As discussed in Note 10 to the financial statements, the Compact adopted the provisions of GASB accounting pronouncements for the year ended June 30, 2022. Due to this adoption, certain errors resulting in an overstatement of amounts previously reported for unearned revenue and accounts receivable as of June 30, 2021, were discovered by management of the Compact during the current year. Accordingly, a restatement has been made to the Compact's net position as of June 30, 2021, to correct the error. Our opinions are not modified with respect to that matter.

Other Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated [REPORT DATE].

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, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational 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.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Compact's annual reports does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we have read the schedule of functional expenses and the schedule of board of designated net position and considered whether such information, or the manner of its presentation, is materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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

Minneapolis, Minnesota

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[REPORT DATE]

To the Commission
Midwestern Higher Education Compact
Minneapolis, Minnesota

In planning and performing our audit of the basic financial statements of Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2022, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Compact's internal control over financial reporting.

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 significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiency in the Compact's internal control to be a material weakness:

Internal Control over the Preparation and Review of the Financial Statements Being Audited, including Material Audit Adjustments and a Restatement of the Beginning of Year Net Position Balance

The Compact has an internal control system designed to provide for the preparation and review of financial statements being audited. However, during the course of our engagement, we proposed material audit adjustments to the Compact's records, including a restatement of the beginning of year net position balance, which if not recorded, would have resulted in a material misstatement of the Compact's financial statements. The need for these adjustments indicate that the Compact's interim financial information may be different from the year-end audited financial statements, which may affect management decisions made during the course of the year. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting 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 entity's internal control to be a significant deficiency:

Limited Size of Office Staff and Segregation of Duties

The limited number of staff in the accounting department results in certain functions that are not properly segregated which normally should enhance internal control. Specifically, it was noted that not all manual journal entries had supporting documentation that entries were reviewed and approved by someone other than the preparer and not all balance sheet reconciliations were complete and reviewed as of June 30, 2022, which ultimately led to the need for certain audit adjustments as noted above. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. This is not unusual in an organization of your size; however, the lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both. Under this condition, the most effective control is management's and the Board's knowledge of matters relating to the Compact's operations. It is the responsibility of management and those charged with governance to determine whether to accept the degree of risk associated with the condition because of cost or other considerations.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be, and should not be, used for any other purpose.

Minneapolis, Minnesota

MHEC Financial Statements
June 30, 2022

Midwestern Higher Education Compact

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Independent Auditor's Report

To the Commission
Midwestern Higher Education Compact
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Compact's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Compact, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Compact and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 1 and Note 10 to the financial statements, the Compact has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the Compact's net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 10 to the financial statements, the Compact adopted the provisions of GASB accounting pronouncements for the year ended June 30, 2022. Due to this adoption, certain errors resulting in an overstatement of amounts previously reported for unearned revenue and accounts receivable as of June 30, 2021, were discovered by management of the Compact during the current year. Accordingly, a restatement has been made to the Compact's net position as of June 30, 2021, to correct the error. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of functional expenses and Board designated net position but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Minneapolis, Minnesota
[REPORT DATE]

Midwestern Higher Education Compact
Statement of Net Position
June 30, 2022

Assets	
Current Assets	
Cash and cash equivalents	\$ 5,182,527
Restricted cash	20,073
Accounts receivable	1,004,165
Prepaid expenses	<u>117,590</u>
Total current assets	<u>6,324,355</u>
Capital Assets	
Property and equipment, net	136,090
Right-of-use (ROU) lease assets, net	<u>248,478</u>
Total capital assets, net	<u>384,568</u>
	<u>\$ 6,708,923</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts payable	\$ 533,971
Accrued vacation	166,390
Accrued payroll and related expenses	77,277
Current portion of long-term lease liability	<u>83,211</u>
Total current liabilities	<u>860,849</u>
Long-term Liabilities	
Unearned revenue	101,407
Long-term lease liability	<u>265,543</u>
Total long-term liabilities	<u>366,950</u>
Total liabilities	<u>1,227,799</u>
Net Position	
Restricted	20,073
Net investment in capital assets	35,814
Unrestricted	<u>5,425,237</u>
Total net position	<u>5,481,124</u>
Total liabilities and net position	<u>\$ 6,708,923</u>

Midwestern Higher Education Compact
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Operating Revenues	
State commitments	\$ 1,380,000
Program revenue	
Technology contract	1,476,315
Master Property Program (MPP)	415,000
MHECare	339,054
Midwestern - State Authorization Reciprocity Agreement (M-SARA)	471,656
Research	10,000
Grants	672,574
Sponsorships	9,000
Total revenues	4,773,599
Operating Expenses	
Program services	
Convening	783,040
Technology contract	334,729
Master Property Program (MPP)	572,395
MHECare	115,826
M-SARA	382,581
Other	119,247
Policy and research	1,032,811
Total program services	3,340,629
Management and general expenses	863,838
Fundraising expenses	2,494
Total operating expenses	4,206,961
Operating Income	566,638
Nonoperating Revenues (Expenses)	
Interest income	5,771
Interest expense	(6,389)
MPP expense	(250,000)
Total Nonoperating Revenues (Expenses)	(250,618)
Total Change in Net Position	316,020
Net Position, Beginning of Year, as Restated (Note 10)	5,165,104
Net Position, End of Year	\$ 5,481,124

Midwestern Higher Education Compact
Statement of Cash Flows
Year Ended June 30, 2022

Cash Flows from Operating Activities	
Cash received for state commitments	\$ 1,265,000
Cash received for grants and contract	2,986,552
Cash received for other operating revenue	9,000
Cash payments to employees for services	(1,745,997)
Cash paid to vendors	<u>(2,256,910)</u>
Net Cash Provided by (Used In) Operating Activities	<u>257,645</u>
Cash Flows from Noncapital Financing Activity	
Principal paid on leases	(79,344)
Interest paid on leases	<u>(6,389)</u>
Net Cash Provided by (Used In) Financing Activities	<u>(85,733)</u>
Cash Flows from Investing Activity	
Interest received	<u>16,942</u>
Net Cash Provided by (Used In) Investing Activities	<u>16,942</u>
Net Change in Cash and Cash Equivalents	188,854
Cash and Cash Equivalents, Beginning of Year	<u>4,993,673</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 5,182,527</u></u>
Cash Flows Provided by Operating Activities	
Operating income	\$ 566,638
Adjustments to reconcile change in operating income to net cash	
Depreciation	45,814
Amortization	63,530
Changes in assets and liabilities related to operations	
Receivables	(240,425)
Prepaid expenses	6,345
Accounts payable	81,531
Accrued payroll and related expenses	6,834
Unearned Revenue	<u>(272,622)</u>
Net Cash Provided by (Used In) Operating Activities	<u><u>\$ 257,645</u></u>

Note 1 - Summary of Significant Accounting Policies**Nature of Operations**

Midwestern Higher Education Compact (MHEC or the Compact) is a regional agency established by interstate compact to help its members and affiliate states work together to meet the workforce needs of those states and the education needs of their residents. MHEC encourages cooperation and the sharing of resources among states and institutions and with related private and public enterprises.

Definition of Reporting Entity

MHEC follows Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity and respective financial accountability. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. MHEC is not a component unit of any other primary governmental entity or governing body.

The more significant accounting policies of MHEC are described as follows:

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of MHEC conform to generally accepted accounting principles applicable to governmental units accounted for as a Proprietary Fund. The Proprietary Fund is used since MHEC's powers are related to those operated in a manner like a private organization. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Revenue is recognized on all grants as allowable reimbursable expenses are incurred. Cash received more than allowable expenses is recorded as unearned revenue or refundable advances, and allowable expenses incurred more than cash received are recorded as receivables. Program cash is deposited into and disbursed from a single checking account with accountability maintained using departmental accounting. MHEC distinguishes between operating revenues and expenses and nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with MHEC's purpose of providing education services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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. At times cash and cash equivalents, may be in excess of FDIC insurance limits.

Cash and cash equivalents include restricted cash. Restricted cash is cash received from legally separate entities, deposited in MHEC cash accounts, and are restricted to purpose of use. When an expenditure is incurred for purposes for which both restricted and unrestricted cash are available, MHEC considers restricted funds to have been spent first.

Accounts Receivable

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 receivables are written off when deemed uncollectible. On June 30, 2022, the allowance was \$0.

Capital Assets

Capital asset additions over \$3,500 are recorded at cost or, if donated, at the acquisition value at the date of donation. Depreciation of capital assets 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 capital assets 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 year ended June 30, 2022.

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.

Revenue Recognition

State commitment revenue is billed at the beginning of each fiscal year and is recognized ratably throughout the year. Invoices are due upon receipt of billing. State commitments paid in advance are deferred to the year in which they relate. Technology contract revenues are recognized quarterly based on an agreed upon administration fee per sale made under the contract. Insurance program revenues are recognized in two ways. MHECare revenues are recognized three times a year and are based on an agreed upon administration fee applied to the total premiums paid by students and institutions participating in the program. Master Property Program revenues are recognized ratably annually and based upon the number of institutions engaging in the program. Institutions may join mid-policy year and are assessed based on an agreed upon administration fee. Midwestern-State Authorization Reciprocity Agreement (M-SARA) revenue is recognized when earned, the organization receives revenues based on the budget of NC-SARA and a set amount is voted on by the NC-SARA finance and audit committee. Unsecured credit is extended to these organizations in the normal course of business.

Grants

Revenue is recognized in the year to which it applies. For multiyear grants and contracts, revenue is recognized to cover the expenses which accrue in that year and excess revenue is deferred. MHEC recognizes all excess revenue in the year the grant or contract concludes.

Expense Allocation

The costs of providing various programs and other activities have been summarized on the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Position

Included in the net position are unrestricted and restricted net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, MHEC considers restricted funds to have been spent first. Also included in net position is net investment in capital assets. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Compensated Absences

Full-time employees of MHEC are eligible to earn up to 120 hours of paid vacation each fiscal year during their first five years of employment. After five years of full-time employment with MHEC, full-time employees are eligible to earn up to 160 hours of paid vacation each fiscal year. Employees regularly scheduled to work at least 20 hours per week for MHEC are eligible to earn paid vacation days on a proportional basis. A maximum of 240 hours of vacation leave can be carried over each year. Earned vacation hours in excess of the maximum are forfeited at the end of each fiscal year. Unused vacation leave is paid upon termination if there is a remainder. MHEC provides up to 16 days each year of paid holiday and 12 days paid personal time off (PTO) for full-time employees. Unused PTO is forfeited at the end of each fiscal year and at time of termination.

Adoption of New Accounting Standard

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 – *Leases*. MHEC adopted this statement effective July 1, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Leases

The Compact determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets and lease liability in the statement of net position.

ROU assets represent the Compact's right to use an underlying asset for the lease term and lease liabilities represent the Compact's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Compact will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Compact has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Compact has elected to use its estimated incremental borrowing rate. The estimated incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the lease payment amount during the lease term.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents are reflected on the June 30, 2022, balance sheet as follows:

Unrestricted	\$ 5,182,527
Restricted	20,073
	\$ 5,202,600
Total	\$ 5,202,600

Cash and cash equivalents as of June 30, 2022, consist of the following:

Deposits with financial institutions	\$ 4,505,190
Investments	697,410
	\$ 5,202,600
Total	\$ 5,202,600

Note 3 - Concentration

For the year ended June 30, 2022, 29% of MHEC’s revenue was from state commitment dues. These dues are split evenly among MHEC’s 12 member states. Revenue from technology contracts was 31% of MHEC’s revenues with one contract attributed to 81% of the technology contract revenue.

Note 4 - Retirement Plan

Employees of the Compact participate in a Teachers Insurance and Annuity Association of America (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 \$225,637 for the year ended June 30, 2022.

Note 5 - Capital Assets

Capital assets consist of the following:

	Balance July 1, 2021, as restated (Note 10)	Additions	Deletions	June 30, 2022
Capital assets, being depreciated				
Computers	\$ 30,407	\$ -	\$ -	\$ 30,407
Software and IT equipment	306,463	-	-	306,463
Furniture	176,961	-	-	176,961
Leasehold improvements	375,877	-	-	375,877
	<u>889,708</u>	<u>-</u>	<u>-</u>	<u>889,708</u>
Total capital assets	889,708	-	-	889,708
Less accumulated depreciation	<u>(707,804)</u>	<u>(45,814)</u>	<u>-</u>	<u>(753,618)</u>
Capital assets, being depreciated, net	<u>181,904</u>	<u>(45,814)</u>	<u>-</u>	<u>136,090</u>
Right-of-use lease assets				
Office space	302,145	-	-	302,145
Equipment	9,863	-	-	9,863
	<u>312,008</u>	<u>-</u>	<u>-</u>	<u>312,008</u>
Total right of use assets	312,008	-	-	312,008
Accumulated amortization - office space	-	61,453	-	61,453
Accumulated amortization - equipment	-	2,077	-	2,077
	<u>-</u>	<u>63,530</u>	<u>-</u>	<u>63,530</u>
Total accumulated amortization	-	63,530	-	63,530
Net right of use lease asset balance	<u>312,008</u>	<u>(63,530)</u>	<u>-</u>	<u>248,478</u>
Total capital assets, net	<u>\$ 493,912</u>	<u>\$ (109,344)</u>	<u>\$ -</u>	<u>\$ 384,568</u>

Note 6 - Long-Term Liabilities

The long-term activity for the year ended June 30, 2022, is as follows:

	Outstanding July 1, 2021, as restated (Note 10)	Additions	Reductions	Outstanding June 30, 2022	Amounts Due in One Year
Long term lease liability, net	<u>\$ 428,097</u>	<u>\$ -</u>	<u>\$ 79,343</u>	<u>\$ 348,754</u>	<u>\$ 83,211</u>

Note 7 - Leases

MHEC leases equipment and office facilities for various terms under long-term, non-cancelable operating lease agreements. MHEC leases office space at 105 5th Avenue South in Minneapolis. This lease expires May 31, 2026, has an initial Right-of-use value of \$302,145 and a discount rate of 1.66%. The net value at June 30, 2022, of this lease is \$240,692. MHEC leases a copier, the lease for which expires March 24, 2026, and has an initial right-of-use value of \$9,863 with a discount rate of 1.66%. The net value at June 30, 2022, of this lease is \$7,786. For the year ended June 30, 2022, interest expense on the leases was \$6,389 and amortization expense was \$63,530. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments. Additionally, the agreements generally require the Compact to pay real estate taxes, insurance, and repairs.

A maturity analysis of future lease payments as of June 30, 2022, is as follows:

Year Ending	Principal	Interest	Total
2023	\$ 83,211	\$ 5,042	\$ 88,253
2024	87,209	3,627	90,836
2025	91,341	2,144	93,485
2026	86,993	604	87,597
Totals	\$ 348,754	\$ 11,417	\$ 360,171

Note 8 - Risk Management

MHEC is exposed to various risks of loss related to premises liability; torts, thefts of, damage to or destruction of assets; injury to staff and acts of God. MHEC purchases commercial liability insurance for directors and officers and employment practices (\$3,000,000 combined limit), general liability (\$1,000,000), professional liability and errors & omissions (\$1,000,000 combined limit), cyber insurance (\$2,000,000), crime insurance (\$1,000,000) along with general umbrella (\$4,000,000) and business travel accident insurance, property coverage on a replacement cost basis and workers comp coverage for all MHEC employees. There have been no claims in at least five years.

Note 9 - Restricted Net Position

Restricted net position at June 30, 2022, consist of the following:

Programmatic activities	
Master Property Program	\$ 20,073

Note 10 - Correction of Error and Adoption of New Standard

MHEC adopted the provisions of GASB accounting pronouncements for the reporting period ended June 30, 2022, resulting in the following restatements:

Net Position

Net position on June 30, 2021, as previously reported	\$ 5,886,220
Restate net position to unearned revenue (GASB 33)	(172,781)
Restate accounts receivable from net position (GASB 33)	(601,200)
Restate deferred lease liability to net position (GASB 87)	<u>52,865</u>
Net position on June 30, 2021, as restated	<u><u>\$ 5,165,104</u></u>

Unearned Revenue

Unearned revenue on June 30, 2021, as previously reported	\$ -
Restate net position to unearned revenue (GASB 33)	<u>172,781</u>
Unearned revenue on June 30, 2021, as restated	<u><u>\$ 172,781</u></u>

Accounts Receivable

Accounts receivable on June 30, 2021, as previously reported	\$ 1,376,107
Restate accounts receivable from net position (GASB 33)	<u>(601,200)</u>
Accounts receivable on June 30, 2021, as restated	<u><u>\$ 774,907</u></u>

Capital Assets

Capital assets on June 30, 2021, as previously reported	\$ 181,904
Addition of right-of-use capital assets (GASB 87)	<u>312,008</u>
Capital assets on June 30, 2021, as restated	<u><u>\$ 493,912</u></u>

Long-term Lease Liability

Deferred lease liability on June 30, 2021, as previously reported	\$ 52,865
Restate deferred lease liability to net position (GASB 87)	(52,865)
Addition of long-term lease liability (GASB 87)	<u>428,097</u>
Long-term lease liability on June 30, 2021, as restated	<u><u>\$ 428,097</u></u>

Other Information
June 30, 2022

Midwestern Higher Education Compact

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Midwestern Higher Education Compact

Schedule of Functional Expenses (unaudited)

Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 1,794,384	\$ 643,181	\$ 2,494	\$ 2,440,059
Professional Fees	82,533	88,604	-	171,137
Contract Services	772,198	23,166	-	795,364
Office Space Lease	77,467	27,880	-	105,347
Auto and Parking	35	13	-	48
Office Supplies	3,467	769	-	4,236
Postage and Shipping	3,369	226	-	3,595
Printing	1,243	351	-	1,594
Dues and Subscriptions	25,426	3,258	-	28,684
Software/Maintenance Contract	127,204	25,223	-	152,427
Telephone	11,798	4,240	-	16,038
Insurance	23,562	8,480	-	32,042
Miscellaneous	69,789	14,390	-	84,179
Depreciation	33,688	12,124	-	45,812
Travel/Meetings/Conference	286,485	3,463	-	289,948
Office Equipment	27,981	8,470	-	36,451
Total Expenses by Function	<u>\$ 3,340,629</u>	<u>\$ 863,838</u>	<u>\$ 2,494</u>	<u>\$ 4,206,961</u>

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Midwestern Higher Education Compact
Schedule of Board Designated Funds (unaudited)
Year Ended June 30, 2022

Board Designated Funds	
Risk management	\$ 25,000
Operations reserve	1,671,000
Special projects - open education resource	500,000
Organizational capacity - technology	10,439
M-SARA	464,000
Capital asset reserve	
Future lease payments	450,000
Capital investments	17,291
	<hr/>
	\$ 3,137,730
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Action Item 4

MHEC Commissioner Alternate Appointee Guidance

At the November 2021 annual commission meeting, the commission approved that in the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, and in consultation with the states, may appoint commissioner alternates to the full commission. Although these MHEC appointed commissioners do not have voting rights, they do bring different and valuable perspectives to the commission that is not already represented from a state.

The Governance Committee believes there should be some guidance around these MHEC appointed commissioner alternates. Since the primary purpose of the MHEC alternate commissioners is the differing perspectives they bring to the commission, the Governance Committee recommends the MHEC chair take into consideration the differing perspectives a MHEC commissioner alternate would bring to the commission when making appointments. Several states have the appointment of alternates written into statute and for those that do not have such a requirement, attempting to include differing perspectives through alternate commissioner appointment has been a past practice that this motion would formalize.

Motion Approved by Commission at the November 2021 Commission Meeting

In the absence of some clearly articulated legislation or other practice of a compacting state, the MHEC chair, in consultation with the other officers and the MHEC president, and in consultation with the states, may appoint commissioner alternates to the commission with a term of three years with no term limits unless limited by a change in their current status. These MHEC appointed commissioner alternates shall not have voting rights but in all other respects shall have full participation rights.

Proposed Motion

When making MHEC commissioner alternate appointments to the commission, consideration should be given to the differing perspectives the commissioner alternate would bring to the commission, including:

- Legislator/Higher Education Leader/Governor's Office/Other
- Male/Female/Other
- Underrepresented Minority
- Under Age of 40
- Urban/Rural/Other
- Public Institution/Private Institution
- 2-Year Institution/4-Year Institution/Higher Education System
- Minority Serving Institution/Tribal College/Historically Black Colleges and Universities

Action Item 5

Bylaw Amendment: Article III, Section 1

Article III Section 1 of the MHEC bylaws states “The treasurer shall succeed to the office of vice chair upon completion of the vice chair’s term of office”. This bylaw requirement means the person elected treasurer is in effect being asked to serve a one-year term as treasurer, then serve a one-year term as vice chair, followed by a one-year term as chair, and finally a one-year term as past chair. Ideally, the newly elected treasurer will have been a commissioner for at least one-year prior to assuming the office so that they will at least have some familiarity with MHEC and its governance structure before being put in a leadership position.

The decision to require that the vice chair first serve a term as treasurer before serving as vice chair was made, in part, because the office of the treasurer is an ideal place to acquire an understanding of the particulars of the organization. However, given that half the officers at any given time are elected officials and serve two-year terms as commissioners, this four- or five-year commitment in practice is proving to be problematic. Several states in the MHEC region have implemented term limits thereby shortening the time span many legislators are willing and able to serve as MHEC officers. Compounding this problem is the uncertainty of elections and the change in legislative leadership (generally the legislative appointing authority to the Commission) which makes legislators even more hesitant to commit to a four- or five-year obligation or unable to fulfill the four- or five-year commitment. The net effect of this four- or five-year obligation combined with the important long-time practice of the rotation of officers by state is a limiting of the pool of potential candidates for MHEC leadership positions. And the legislators that remain as good candidates for office are often so new to MHEC they are hesitant to commit.

The Governance Committee recommends the Commission amend the bylaws to remove the requirement that the treasurer succeed to the office of the vice chair. This will give the Commission more flexibility when selecting its officers. There is nothing preventing the treasurer from moving into the office of vice chair when the treasurer’s term of office is complete. It just won’t be a requirement.

Proposed Action

The Commission approve the following amendment to Article III Section 1 of the MHEC bylaws:

Article III. Officers

Section 1. Election and Succession

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

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

Action Items 6-9

Nominations and Elections of Officers

MHEC's Bylaws, Article III. Officers Section 1. Election and Succession. state:

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

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

This past year MHEC experienced the departure from the Commission of both its chair and treasurer when Representative Rick Carfagna of Ohio stepped away from the office of MHEC chair upon leaving the Ohio legislature to take a new job with the Ohio Chamber of Commerce at the end of February and, a few weeks later, Senator V.J. Smith of South Dakota stepped away from the office of MHEC treasurer and decided not to run again for the South Dakota State Senate for serious health reasons. The result of these departures is that there are two officer positions open, vice chair and treasurer. Since Representative Carfagna's departure, and pursuant to MHEC's bylaws, Vice Chair Chancellor Devinder Malhotra has stepped in as acting chair. The office of treasurer has remained open; however, Representative Larry Tidemann has performed many of the treasurer's duties by serving as acting chair of the Finance and Audit Committee.

The MHEC bylaws state that Chancellor Devinder Malhotra, as vice chair shall succeed to the office of the chair if so elected by the commission. Since the office of the treasurer is open, there is no one to succeed to the office of the vice chair. Likewise, as the office of the chair is open, there is no chair to step into the office of immediate past chair. The commission is being asked to elect from its members individuals for the office of vice chair, treasurer and immediate past chair, along with Chancellor Devinder Malhotra for the office of chair.

It is the Commission's policy to take into consideration diversity broadly construed when electing its officers. Additionally, the Commission looks at rotating the position of chair between commissioners from each of the 12 member states. In this rather unusual year, the MHEC Governance Committee, in consultation with the MHEC officers, is recommending Representative Barbara Ballard (KS) be elected to the office of vice chair, Representative Larry Tidemann (SD) be elected to the office of treasurer and Dr. David Eisler (MI) be re-elected to the office of past chair. All three individuals have graciously agreed to serve if nominated and approved.

Proposal

Action Item 6: MHEC Chair Election

That consistent with the MHEC bylaws the commission approve Devinder Malhotra (MN) for the position of MHEC chair.

Action Item 7: MHEC Vice Chair Election

That the commission approve Barbara Ballard (KS) for the position of MHEC vice chair.

Action Item 8: MHEC Past Chair Election

That the commission approve David Eisler (MI) for the position of MHEC past chair.

Action Item 9: MHEC Treasurer Election

That the commission approve Larry Tidemann (SD) for the position of MHEC treasurer.



Strategic Plan | 2022 – 2025

MISSION (what good we do and for whom)

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

VISION (the impact we seek)

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

VALUES (what guides our decision making)

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

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

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

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

STRATEGIC PRIORITIES (our focus for the next 4 years)

Advance innovation, efficiency & effectiveness.

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

Develop collaborative solutions to regional problems and opportunities.

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

Drive cost savings & business solutions.

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

PRINCIPLES OF THE STRATEGIC PLAN

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

Master Property Program (MPP)

Prepared by Jennifer Dahlquist, Vice President

Background

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

Current Status

The MPP has experienced multiple challenges over the past few years and up until the 2021/22 renewal, was able to maintain excellent member retention. A combination of significant program losses in an abbreviated time, coupled with meaningful changes in the insurance industry outside of the program's control, now require a MPP redesign, rethinking the ways in which the program can continue to meet member needs successfully, building on the historical strength of MHEC's ability to deliver a premier property insurance program. Over half of the MPP members departed the program yet again on July 1, 2022. Today, MPP consists of 20 members covering nearly 30 campuses across the MHEC and WICHE regions with roughly \$20B in total insured values. MHEC expects that all MPP members will market their programs this coming year and has already received feedback from many members that support this assertion.

The MPP provides member institutions with a captive structure via a captive layer that covers losses up to the first \$2M subject to a program aggregate, and when losses exceed this level, traditional insurance kicks in. MHEC has transitioned away from a rent-a-captive to a MHEC-owned captive, Stone Arch Insurance Company, on July 1, 2021. This move provided MHEC with greater transparency, flexibility, and control, and very much sets the stage for future MHEC risk management programming.

Next Steps

MHEC must consider where it can best bring value and who does it want to serve? The past few years the MPP has slowly narrowed the focus to serving a smaller and smaller set of institutions. The current program structure and placement is no longer viable. A new strategic focus must be set so that a plan of action can be charted. The world has changed since MPP was formed and this requires a paradigm shift. In the near term, many challenges lie ahead for MHEC. While strategic conversations require thoughtfulness and should not be rushed, timelines dictate decisions must be made sooner rather than later. MHEC recognizes that change is difficult, and many unknowns lie ahead. The new strategic plan directs the organization to "Collaborate to reduce risk and take advantage of opportunities that solve business issues" more intentionally while delineating clear operating principles that include continually evaluating the purpose and impact of MHEC's work to providing the leadership, responsiveness, and value needed by MHEC's members.

Master Property Program - Stone Arch Insurance Company

Prepared by Jennifer Dahlquist, Vice President

Background

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

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

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

Current Status

With Stone Arch Insurance Company up and running, the former program with EPIC has now been officially novated, or "sold off" to a third party, thus transferring all the liabilities to this new entity, DARAG. The EPIC Board met in early October and MHEC understands dividends were approved and distribution will occur later this fall. Dividends will be distributed in phases as collateral needs to be held to support an IRS letter of credit until the IRS releases these funds, in approximately 18 months.

Next Steps

Stone Arch Insurance Company will afford numerous benefits to the MHEC member states and can be viewed as a foundational step on MHEC's risk management journey. The loss fund remains core to MHEC's value proposition as the ability to create distance from the insurance market through a loss fund is meaningful. The most successful captives are captives that bring their member institutions stability. Stability is achieved by building reserves and as those reserves grow, they can be leveraged to mitigate future rate increases, support collateral obligations, and ultimately return dividends back to members. The decision to establish a MHEC-owned captive was driven by the need to create stability for member institutions. The MHEC and Marsh team are actively working on potential future applications and anticipate sharing considerations this coming winter.

Cyber Insurance

Prepared by Carla Ahrens, Associate Director of MPP

Background

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

Current Status

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.

Higher education experienced the most cyberattacks in 2021 and 2022 compared to every other industry, including healthcare and finance. The need for cyber insurance for higher education institutions is anticipated to grow, and the potential breaches and threats increase so will the cost for cyber insurance.

Next Steps

With the ever-changing challenges in the cyber insurance market, we have shifted resources from a traditional programmatic focus toward assisting higher education institutions stay informed regarding cyber insurance trends and risk controls. As MHEC continues to develop its overall strategy with risk management as articulated in the strategic plan we will focus on how MHEC can bring value to institutions in this challenging cyber insurance market.

MHECare Student Health Solutions

Prepared by Jennifer Dahlquist, Vice President

Background

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

Current Status

On September 3, 2020, the Student Health Benefits Advisory Committee issued the MHECare Student Insurance Solutions RFP. MHEC has completed contract negotiations with UnitedHealthcare StudentResources, META Teletherapy, and TAO Connect. One additional agreement is still in contract negotiations for a private health insurance exchange.

Thirty campuses from across the U.S. participate in MHECare for the 2022-23 school year through the option with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance, providing coverage to over 50,000 students. Three campuses, Cleveland State University, Ohio University, and Southern Illinois University Edwardsville are new to MHECare this academic year. MHEC began offering institutions options for virtual mental health services through META and TAO Connect this past academic year. The MHEC agreement with META provides institutions affordable access to a mental health provider marketplace where students can choose to connect with school counselors or META teletherapists through a mobile app for private, secure video, audio, and chat therapy. TAO Connect provides institutions with a platform of self-serve mental health modules for students to leverage independently, or in conjunction with campus counseling.

Next Steps

MHEC is working closely with META and TAO Connect to generate proposals for prospective participants. While interest in these services has been steady, participation is highly limited. Campuses continue to examine the ways in which they can best provide mental health support to students but factors such as limited financial resources, concerns about long-term funding streams, and a need to engage a wide array of stakeholders to scope campus needs are just a few of the factors that may be impacting the low participation. In addition, MHEC continues to work with its outside counsel, with expertise in healthcare law, to assist with the remaining agreement for a private student health insurance exchange.

Midwest Student Exchange Program (MSEP)

Prepared by Jenny Parks, Vice President

Background

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

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

Current Status

According to the forthcoming 2021-22 MSEP Data Report, eight states participated in the program with over 50 institutions submitting data from two- and four-year public and private not-for-profit institutions. Colleges and universities reported that approximately 8,111 students saved over \$57M in tuition.

MHEC staff and members of the MSEP Council along with an outside consultant, continue with program review to determine what changes need to be made to maintain the relevance and value of MSEP, updating the program as appropriate. Recommended changes will be based on the outside consultant's analysis and report on the data collection and reporting process, focus groups conducted with data collectors and admissions staff, and other stakeholders. Changes under consideration include: a data collection platform to streamline and standardize the institutional reporting process; updates to current outreach/marketing materials and sources of information, including the MSEP website; development of new materials and state-specific data for admissions and financial aid officers to support communications with students and families. This year, program goals were clarified, the other three regional compacts presented each of their regional student exchange programs, and policies are currently undergoing analysis and review.

Next Steps

The MSEP Council recommended the [MSEP website](#) be updated to allow all MHEC states' public and private not-for-profit institutions' programs and tuition information be voluntarily included in an enhanced searchable manner. By doing so, this would identify postsecondary education opportunities in the region, provide access and affordability information to students and families, as well as assist the institutions with enrollment management.

CHART COMPARING STUDENT EXCHANGE AND RECIPROCI- TY PROGRAMS OF THE FOUR REGIONAL COMPACTS

Note: Data is from 2021-2022 except for SREB's, which is 2020-2021.

	MHEC	NEBHE	SREB	WICHE
Program Name	Midwest Student Exchange Program	Tuition Break	Academic Common Market	Western Undergraduate Exchange (WUE), Western Regional Graduate Program (WRGP)
Start Year	1994	1957	1974	1987 (WUE), 1981 (WRGP)
Participation	State and institutional participation is Voluntary.	All states and all public community colleges, state colleges and universities voluntarily participate due to their state's membership in the compact.	All states but one participate, due to an agreement in 1973, and institutional participation is voluntary. ¹	All states participate and institutional participation is voluntary.
Number of States in Compact	12	6	16	19 ²
Number of States Participating in a Student Exchange Program	8	6	15	19
Total Number of Participating Institutions	56 ³	91 ⁴	166 ⁵	225 ⁶
Includes Private Nonprofit Institutions	Yes	No	No	No
Number of 2-year Public Institutions	3	47	0	68
Number of 4-year Public Institutions	53	44	56	160

¹ North Carolina is a Southern Regional Education Board state but does not participate in the Academic Common Market.

² Includes the Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Guam, and the Republic of the Marshall Islands.

³ Source: FY 2221-22 MSEP Data Report, Midwestern Higher Education Compact (MHEC).

⁴ Source: Tuition Break Regional Student Program 2021-22 Annual Report, New England Board for Higher Education (NEBHE).

⁵ Source: Academic Common Market Information Sheet, email dated 1.26.22 from Elisa Jaden, Program Specialist, Student Access and Success, SREB.

⁶ Source: Student Access Programs by the Numbers, AY 2021-2022, Western Interstate Commission for Higher Education (WICHE).

CHART COMPARING STUDENT EXCHANGE AND RECIPROCITY PROGRAMS OF THE FOUR REGIONAL COMPACTS

Note: Data is from 2021-2022 except for SREB's, which is 2020-2021.

	MHEC	NEBHE	SREB	WICHE
Number of Private Nonprofit Institutions	0	0	0	0
Number of Undergraduate Students Participating	7,471	8,167	2,168 (data was not broken down by undergraduate/graduate students)	46,170
Number of Graduate Students Participating	640	934		2,947
Savings to Students	\$57M	\$11M	\$33M	\$547M
Limited to Specific Academic Programs	No	No	Yes	No
Discount rate for Students Based on % of In-State Tuition	<150%	100% to 175%	In-state	<150%
Number of Compact Staff for Program Management	1 – Program Manager (.25)	.25 – FTE Associate Director, Regional Student Program & Transfer Initiatives 1 – FTE Senior Director, Tuition Break (Regional Student Program)	1 – FTE Director 1 – FTE SREB employee 15 – State Coordinators (.25 each)	1 – FTE Director of Student Access Programs 1.15- FTE additional staff members
Source and Amount of Funding for Program Management	Comes from overall compact revenue including dues	Comes from dues not sure of the amount	SHEEOs pay for state coordinator time SREB employees are supported out of dues not sure of the amount	Comes from dues not sure of the amount

Midwestern-State Authorization Reciprocity Agreement (M-SARA)

Prepared by Sara Appel, Director of M-SARA

Background

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

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

Current Status

Currently, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are members of SARA. Within SARA 2,366 institutions participate, of which 653 institutions are in MHEC states. California is the only state that is not a member, but discussions continue to encourage their joining.

M-SARA (Midwestern-State Authorization Reciprocity Agreement) is an integral way in which MHEC is involved with both NC-SARA and the other regional compacts. M-SARA hosts its own set of annual meetings for the M-SARA Regional Steering Committee (RSC) members and M-SARA state portal entities (SPEs), the individuals in each state who review and approve institutions for SARA participation and monitor institutional compliance. Over the last year, work continued with significant effort undertaken with the other regional compacts and their RSCs to develop a policy modification process to be implemented this coming year across the region and country. SARA efforts at the regional and national level continues to be a complex, delicate balancing act. Federal regulations, state requirements, institutional needs, and, of course most of all, students' needs must all be considered and optimally addressed. A search is underway for a new NC-SARA president.

Next Steps

MHEC's work continues to support states' M-SARA efforts. Along with NC-SARA and the other compacts, MHEC is helping partners in the agreement to gain clarity in the roles and responsibilities of and improve service to all SARA stakeholders.

Research

Prepared by Aaron Horn, Associate Vice President of Research

Background

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

Current Status

2022 State Performance Update: A performance update for each MHEC member state is being completed to supplement the periodic [Higher Education in Focus](#) report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy. The report will be available in spring of 2023.

Interactive Dashboard: A stakeholder feedback survey was administered in July to identify potential avenues for improvement, including additional performance indicators. There was considerable consensus that MHEC should continue to maintain and update the dashboard. Overall, 91% of respondents said the dashboard is at least moderately relevant to their work, and they most frequently use it to make benchmark comparisons across states and sectors. New indicators are being added to enhance the dashboard.

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

Out-of-State Tuition Premiums at Public Four-Year Institutions: Trends and Impact: This report explores the Midwestern and national prevalence of residency-based tuition, including attributes of institutions that have the same tuition rate for in-state and out-of-state students. The report will be released in November of 2022.

The Effect of State Appropriations on College Completion Rates of Diverse Students: This was the first national study to estimate the effect of state appropriations on the college graduation rates of underrepresented students. The report and research brief are currently being updated to include an additional analysis of how the effect of public funding depends on an institution's degree of subsidy reliance. The updated report will be available in December of 2022.

Next Steps

Identifying MHEC Research Priorities: Following the release of MHEC's strategic plan, feedback will be solicited to identify research priorities consistent with state, system, and institutional needs. Potential priorities include concurrent enrollment; college readiness assessment (e.g., test optional practices); college student mental health; STEM education-to-workforce pipelines; and P-12 teacher workforce challenges.

Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by Jenny Parks, Vice President

Background

[Concurrent enrollment](#) provides high school students the opportunity to take college credit-bearing courses in their high school classrooms. Research indicates that such programs enhance educational outcomes for students, particularly those from underserved populations. In 2015 the [Higher Learning Commission \(HLC\)](#), regional accreditor for Midwestern states, clarified its expectations for the credentials of postsecondary faculty, including concurrent enrollment instructors in high schools. The new policy language stated that postsecondary instructors for undergraduate courses must possess a master's degree in the field they teach or hold a master's degree in another field and at least 18 graduate credits in the field they teach.

This clarification highlighted a longstanding concern in the world of concurrent enrollment: many high school teachers without full credentials as defined by HLC were serving as concurrent enrollment instructors. Ever since, states across the Midwest have struggled to help teachers gain the credentials needed to teach concurrent enrollment courses and meet the high demand for such courses. The shortage of fully credentialed concurrent enrollment teachers is particularly acute in rural and distressed urban areas and is exacerbated by a national shortage of teachers in general. HLC developed an extension plan which provided a seven-year (2015-2022) window for instructors to earn the additional academic credentials they needed to teach in their respective disciplines and has subsequently extended that deadline until September 1, 2025.

MHEC's past work includes a [research brief authored in collaboration with the Education Commission of the States \(ECS\)](#); a MHEC hosted [Concurrent Enrollment Teacher Credentialing Summit](#) in May 2018; advisory groups to address various aspects of the teacher shortage; and strategic partnerships with regional and national entities that are also working to address the concurrent enrollment teacher shortage. In spring 2021, MHEC and the [Northeast Wisconsin Educational Resource Alliance \(NEWERA\)](#) launched an interactive web-based search tool, [Graduate Credit Quest \(GCQ\)](#), which allows teachers from MHEC states to search for online graduate courses designed to help them meet HLC's credentialing expectations offered by Midwestern universities. MHEC started to host conversations about the concurrent enrollment teacher supply crisis with the College in the High School Alliance ([CHSA](#)), and the National Alliance of Concurrent Enrollment Partnerships ([NACEP](#)). The Dual Enrollment Teacher Pipeline Working Group met through summer 2021 and published, [Building a Concurrent Enrollment Teacher Pipeline: Opportunities, Challenges, and Lessons](#), in October 2021 that addressed the complexities and suggested strategies to increase the supply of concurrent enrollment teachers. The [Southern Regional Education Board \(SREB\)](#) and MHEC supported research into the use of Open Educational Resources (OER) in dual enrollment settings, culminating in, [OER in Dual Enrollment](#) and [webinar](#) on that topic.

Current Status and Next Steps

MHEC continues to build state and institutional participation on the GCQ site and enhance the site with the goal of it becoming a central source of information for teachers, graduate schools, and concurrent enrollment stakeholders. Collaborations with national concurrent enrollment organizations will also continue as MHEC seeks ways to help its member states provide concurrent enrollment opportunities to students. MHEC staff will continue to keep closely in touch with HLC to make sure regional stakeholders have the information they need and that HLC is aware of the challenges still facing concurrent enrollment providers and instructors.

Midwest Credential Transparency Alliance (MCTA)

Prepared by Sara Appel, Director of M-SARA

Background

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

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

Current Status

The MCTA focused on the role of pathways for connecting credentials that lead to a particular job and career path. The Pathways Action Team identified and analyzed existing Midwest pathways. Their findings are detailed in an [October 2021 brief](#) documenting close to 700 unique pathways across the region. These pathways primarily consist of credentials and other components including assessments, courses, jobs, competencies, and additional pathways. The MCTA met quarterly, with [resources from these convenings](#) available on the MHEC website. Several resources have been published, including a [Career Pathways and Credentials Project Report](#) produced in collaboration with the Cybersecurity Pathways Action Team, which documented credentials and pathways aligned to the National Initiative for Cybersecurity Education (NICE). MHEC is also working on a policy brief related to Career and Technical Education pathways.

Next Steps

In October 2022, the MCTA held a hybrid convening to bring together all the members for rich discussion, learning, and networking in service of credential transparency. The keynote, Dr. Blake Flanders, president and CEO of the Kansas Board of Regents, described how they aligned state funding with industry credentials at the two-year college level. MHEC has committed to continue work in credentialing and has included it in several areas of its operating plan tied to MHEC's strategic plan through 2025.

Multi-State Collaborative on Military Credit (MCMC)

Prepared by Sara Appel, Director of M-SARA

Background

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

Current Status

The demand for information on how to better assist military-connected students in higher education saw an increase in FY22. MHEC has served as a convener, hosting four webinars with nationwide participation including over 750 registered attendees in total. The playback of these posted videos totals nearly 1,000 views. This is the second highest number of participants for military-related webinars at MHEC, to date. Colleges, universities, state, and federal government agencies as well as other not-for-profit organizations continue to see MHEC as a leader in providing resources to stay up to date, implement policies and a source for navigating higher education benefit portals for military-connected students. Many changes in the 2021-2022 U.S. Department of Education's Negotiated Rulemaking affect military-connected students such as the 85/15 Rule and additional oversight of colleges and universities for consumer protection. Legislators and advocates addressed crucial gaps in higher education which were filled with the passing of the [REMOTE](#) Act and the National Defense Authorization Act. Army IgnitED, the new portal for the tuition assistance program for active-duty Army, Army Reserve, and Army National Guard soldiers, was and has been complicated for colleges, universities, and students. Due to continued challenges with Army IgnitED a new a new portal is being created and expected to be released in early 2023. MHEC had the opportunity to present [its research](#) to the Nebraska Higher Education Committee on September 30. Earlier this year, Nebraska passed a resolution to study the feasibility of implementing a consistent statewide policy for awarding military credit.

Next Steps

As the higher education landscape has seen dramatic changes since the inception of MCMC in 2014, MHEC is considering an update to this program to meet the current and new needs of colleges and universities assisting military-connected students. MHEC looks to provide an expanded scope of work that is not limiting to the awarding of meaningful academic credit stemming from military training, experience, and transfer credit, but rather to address additional focus areas such as the timely completion of higher education credentials and employment by military-connected students through addressing barriers to access, participation, and completion at the higher education level by providing educational webinars, list server updates, and periodic newsletters.

Open Educational Resources

Prepared by Jenny Parks, Vice President

Background

[Open Educational Resources](#) (OER) are textbooks and learning materials accessible via the Internet at little or no cost to students or institutions and openly licensed so users can modify, share, and retain them. The use of such resources addresses the rapid increase in the cost of textbooks and other learning materials in the last two decades and supports instructional innovation. MHEC supports its member states as they increase their capacity to implement OER and establish sustainable use of them at the institutional, system, and state levels.

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

Current Status

Over the course of the 18-month grant, MHEC collaborated and coordinated with its sister compacts, as well as national OER actors and organizations. The outcomes and work of the grant are described in an [executive summary](#) on the MHEC website.

This September, MHEC received an additional \$432,400 grant from the Hewlett Foundation to continue the work with the Midwestern states and the collaboration with the NCOER. Building on the momentum of recent projects, the Compact's future work to sustain coordinated efficiencies around open educational resources includes:

- Supporting minority-serving institutions in implementing and scaling up use of high-quality, free resources to positively impact student success;
- Developing consistent practices for identifying and marking courses supported by open educational resources so that student outcomes data is more consistent and reliable;
- Building the capacity of every state to build its own OER infrastructure that is independent of logistical and financial support from MHEC; and
- Fostering a Midwestern community of practice that is engaged with high-quality national resources and leadership.

Next Steps

Along with its sister compacts, MHEC submitted a final report to the Hewlett Foundation regarding the work the Foundation funded to increase OER implementation capacity in the Midwestern states in July 2022. MHEC will be kicking off the work under the new grant with a series of calls with state action teams from each of MHEC's 12 member states in October.

MHEC Technologies Community

Prepared by Debra Kidwell, Director of Technology Initiatives

Background

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

Current Status

Several standing [advisory groups](#) support the Technologies Community, such as the following:

1. Academic Technologies Advisory Group
2. Comprehensive Learner Records Advisory Group
3. Emerging Perspectives Advisory Group
4. Information Security Advisory Group

The Technologies Executive Committee has engaged in strategic planning work in tandem with the MHEC strategic planning initiatives. In June, the committee selected *Retention of Vital IT (Information Technology) Staff* as a focus for FY23. At this time, the team has developed a resource library for this topic, and created subgroups in the areas of leadership development, data gathering and reporting, job descriptions, and adjacent values (things historically not considered related to IT talent, e.g. culture building, open-mindedness, experiences, and healthy lives).

Governance documents for the Technologies Community and Technologies Executive Committee were reviewed and updated to reflect changes made over the past four years. The key changes included emphasizing the value provided to institutions and participants (beyond the value of the contract portfolio), and a historical limitation on participation from each state (five community members max per state) was removed to facilitate community growth and health.

Next Steps

The Technologies Executive Committee will continue working on issues related to the retention of vital IT staff, engaging the full community in the initiative.

The Technologies Executive Committee has tested the use of Microsoft (MS) Teams for several months and anticipates making the tool available to the entire Technologies Community by January 2023. MS Teams offers robust functionality for group collaboration including document sharing, community chat, and channels for various work teams and offers access on multiple devices. It offers many possibilities and the ability to engage more institutional IT professionals in conversations with this new resource.

The [2023 Technologies Community annual convening](#) will be held February 23-24, at the Big Ten Conference Center in Chicago. The theme *Tracing, Chasing, and Leading Change* reflects the current role of IT professionals as they are tasked with identifying changes, analyzing changes, and acting on changes – leading to solutions and answers to problems.

MHEC Academic Contracts

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

Background

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

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

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

Current Status

Creative Commons. This contract continues to support work and recommendations arising from MHEC's OER (Open Educational Resources) initiative. MHEC is hosting webinars with Creative Commons on a consistent basis featuring Midwest institutional representatives who share their certification experience. This helps community members develop open licensing expertise and a deeper understanding of recommended practices for sharing. Creative Commons (CC) is a nonprofit organization that provides Creative Commons licenses and public domain tools that provide a free, simple, and standardized way to grant copyright permissions for creative and academic works; ensure proper attribution; and allow others to copy, distribute, and make use of those works. CC offers professional development and training programs for individuals seeking expertise creating and engaging with openly licensed works. Under their agreement with MHEC, Creative Commons offers a discount on all training to stakeholders in states serviced by MHEC and its sister compacts.

MCTA Credential Transparency Request for Information (RFI). The [Midwest Credential Transparency Alliance](#) (MCTA), acting through MHEC and [Credential Engine](#), solicited information on education technology products focused on transparency and the credentialing life cycle to guide further discussions on the capabilities and tools in use now and in the future. Ten responses were received and used to facilitate discussions at the October 2022 MCTA hybrid convening.

Next Steps

As MHEC staff work in FY23 on various projects in alignment with the strategic plan, more ideas and opportunities for academic contracts will arise. A process for determining which ideas move forward to a procurement process is being developed. This process will optimize the use of staff time to develop contracts and maximize the benefit contracts hold for MHEC's stakeholders.

Technology Contracts

Prepared by Nathan Sorensen, Director of Government Contracts

Background

MHEC's technology contracts are rooted in delivering timely, effective, and cost-efficient technology solutions. Master agreements are awarded based on fair and open competitive bid requirements that are consistent with statutory procurement requirements of the Compact member states. By entering into agreements for the benefit of its member states, MHEC provides institutions with a contract framework that allows flexibility and ease of use, while still maintaining compliance with applicable laws and best practices. Consistent with the Compact's solicitation approach, a representative group of MHEC technology stakeholders including staff and volunteers, conduct a competitive sourcing process that leverages the potential purchasing power of the MHEC region. The result is a master agreement that facilitates a direct relationship between the technology provider and institutions with guaranteed discount pricing as well as terms and conditions that are better than most users can negotiate individually. This process is designed to minimize the burden on administrative resources for institutions in the region, saving both time and money. Additionally, it allows both the institution and the technology provider to focus most of its energy on finding the technology solution that best fits the institution's needs and negotiating the technology provider's order, instead of the contract itself.

Current Status

Higher education institutions are continuing to develop Information Technology (IT) infrastructures never imagined before the pandemic to support the changing landscape of delivering digital experiences through a variety of end user computing devices, predictive analytics, network connectivity, and cloud computing. The hybrid and hyflex online learning and remote work experience has changed the digital first expectations for students, faculty, and staff. Technology in its many different forms have become increasingly important. However, many institutions considering these implementations have limited budgets and staffing to properly source these enterprise level solutions. To assist institutions with the acquisition of technology, MHEC offers 20 technology contracts for computers, data and networking, printers and peripherals, security services, and software. All MHEC awarded contracts have a term of up to seven years and are available for use by all public and private not-for-profit institutions of higher education in the MHEC region and includes the other regional compacts – the New England Board of Higher Education (NEBHE); the Southern Regional Education Board (SREB); and the Western Interstate Commission for Higher Education (WICHE) – member states. Some of the contracts extend eligibility for use by K-12 districts, local governments, and states. Nationally, usage for the last five years has steadily grown 10% year over year with over \$2.5B invested in technology using MHEC technology contracts.

Next Steps

MHEC is continuously developing strategic contracts, with guidance from MHEC's Technologies Community. Over the next year MHEC anticipates completing the solicitation for [Data Analytics for Student Success, Institutional Efficiencies, and Integration MHEC-RFP-08152022](#). Solicitation announcements are formally published in the [Minnesota State Register](#) and on [MHEC's news page](#). Once a contract is awarded, the Technologies Community assists MHEC with managing the vendor relationships.

MHEC Annual Estimated Savings for Entities and Citizens

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

FY22 FOOTNOTES:

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

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

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Presenters



Kenneth Browner

Psychologist
Lakeland Community College

Dr. Ken Browner is campus psychologist at Lakeland Community College in Kirtland, Ohio. In addition to providing counseling and crisis intervention services to students, he directs initiatives to better prepare the college community to recognize and address students' mental health needs. He also teaches courses and develops curriculum for the Counseling Department focused on life skill development, including *Skills for Love and Marriage* and a popular new course, *Skills for Self-Care and Resilience*. He is a recipient of Lakeland's Distinguished Service Award. In 2018, Dr. Browner received the Ohio Psychological Association Media Award for developing Lakeland's Reach Out mobile app for suicide prevention and mental health promotion. Since that time, in partnership with the Ohio Suicide Prevention Foundation, the Reach Out app has been customized for eighteen colleges, universities, and community organizations in Ohio.



Rick Carfagna

Senior Vice President of Government Affairs
Ohio Chamber of Commerce

Rick Carfagna serves as Senior Vice President of Government Affairs for the Ohio Chamber of Commerce. In this position, he is responsible for leading the Chamber's legislative team and overseeing the Chamber's public policy agenda.

Carfagna formerly served three terms in the Ohio House of Representatives, representing the eastern half of Delaware County and all of Knox County. His tenure included a role in House leadership as Assistant Majority Floor Leader, where he helped develop and implement the majority caucus' policy agenda. He also spent time as Chair of the House Finance Subcommittee on Higher Education and as Vice-Chair of the House Public Utilities Committee. As State Representative, he was the architect of Ohio's \$270 million Residential Broadband Expansion Program to bring high speed internet infrastructure to unserved households throughout the state. He also had measures enacted that combat human trafficking, stabilize mental health emergencies, provide consumer protections to parents of children in daycare, and provide greater access to, and emphasis on, computer science offerings in K-12 education.

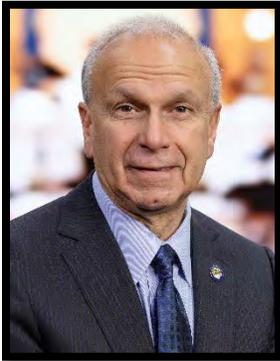
As former Chair of the Ohio Retirement Study Council, Carfagna provided legislative oversight over the state's five public retirement systems and their approximately \$218 billion in combined assets. Carfagna also chaired the Midwestern Higher Education Compact, a consortium of 12 member states that strengthens postsecondary education through cost-savings initiatives and policy solutions.

A native of the Columbus area, Carfagna earned his B.A. in Political Science from John Carroll University. Following graduation, he was accepted into the Ohio Legislative Service Commission's Fellowship Program and later served as a legislative aide in the Ohio House of Representatives. From 2002 until 2017, Carfagna worked as Government Relations Manager for

Time Warner Cable, where he oversaw legislative and regulatory issues at the local, state, and federal levels.

Prior to serving in the Ohio House, Carfagna was elected to the Genoa Township Board of Trustees in 2009 and re-elected in 2013. He was appointed by his peers to serve as Board Chair in 2011, 2014, and 2016.

Rick Carfagna and his wife, Jill, reside in Genoa Township and are the proud parents of a daughter, Isabella.



Jerry Cirino

State Senator; Vice Chair, Senate Workforce & Higher Education Committee
Ohio House of Representatives

Senator Jerry C. Cirino is currently serving his first term in the Ohio Senate, representing the people of Portage county and portions of Geauga and Lake counties. He brings proven leadership and considerable business expertise to state government, as well as a keen understanding of local government from his four recent years as a Lake County Commissioner.

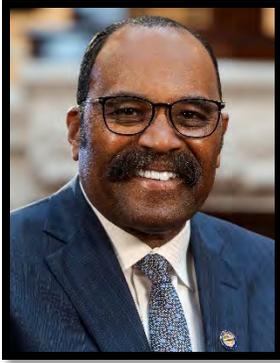
Senator Cirino spent many years leading companies in the medical device arena. Now retired, he was the founding CEO of SourceOne Healthcare Technologies in Mentor and was instrumental in bringing hundreds of new jobs to Lake County and Ohio through his work as a business leader. As a county commissioner, he worked to create a jobs-friendly environment and a local government that was responsive to the needs and challenges created by the COVID-19 pandemic.

A fiscal conservative, Senator Cirino's experience in managing complex budgets and creatively dealing with business challenges coupled with his passion for success, will help protect taxpayer dollars and ensure the future growth of Lake, Geauga and Portage counties.

Active in his community, Senator Cirino has previously served as chairman of the board of trustees of Lakeland Community College and was a board member of Lake Heath Systems and Lake Erie College. Additionally, he continues to serve on boards of numerous companies and not-for-profit organizations. Senator Cirino is also the co-founder of MyBoard Advisors, a consulting firm serving the needs of small businesses.

Senator Cirino is active in the Roman Catholic Church in a variety of capacities. He has also served as Board Chair of Cleveland Right to Life, a 501(c)(3) educational entity. He holds a Bachelor of Science in Business and an MBA from Lake Erie College in Lake County. In 2005, he was awarded the honorary degree of Doctor of Humane Letters, following his commencement address.

Senator Cirino and his wife, Donna, have been married for 47 years and have lived in Lake County for over 40 years where they raised their nine children. They now have 34 grandchildren, most of whom reside in Lake County.



Hearcel Craig (*invited*)

State Senator; Ranking Member, Government Oversight and Reform
The Ohio Senate

Senator Hearcel F. Craig's extensive background in public service helped propel him to serve the constituents of the 15th Senate District by being elected to the Ohio Senate in November 2018. He serves as Ranking Member of the Senate Government Oversight and Reform Committee and the Senate Insurance Committee. Senator Craig also serves on the Senate Energy and Public Utilities; Finance; Financial Institutions and Technology; General Government Budget; and Rules and Reference committees. Additionally, Senator Craig

serves as sergeant-at-arms for the Ohio Legislative Black Caucus.

Craig's career as a public servant for the City of Columbus began decades ago when he worked as a legislative liaison for the Ohio Department of Youth Services (ODYS). During his tenure at ODYS, Craig drafted legislation and secured legislative sponsorship for bills introduced in the Ohio General Assembly. Notably, one of the pieces of legislation he helped bring to fruition was H.B. 812, which secured \$83 million for much-needed capital improvements to ODYS facilities. Craig expanded his commitment to the community by working to improve the lives of young people. He did this by serving as the Director of Recruitment & Admissions for City Year, a program that recruits young adults to work full-time for one year on various social service projects around Columbus. As a result of his efforts, City Year corps members can receive valuable training and leadership skills that will benefit them later in their professional lives.

As the former Executive Director of the Hilltop Civic Council, Inc., he managed a comprehensive social service agency that served approximately 10,000 people annually in one of Columbus' historic neighborhoods. During this time, he helped the Hilltop Civic Council's 35-person staff administer its \$1.2 million annual budget. This budget included initiatives such as program supervision for a comprehensive community health care center, youth and senior services, a resettlement center for new Americans and a food and clothing pantry.

While serving as a Columbus City councilmember, Craig was named President Pro Tempore. Craig had the honor of chairing committees that dealt with the city's infrastructure, such as the Public Service & Transportation Committee, Small & Minority Business Development Committee and the Recreation & Parks Committee. Additionally, Craig had the opportunity to chair committees that allowed him to interact directly with the people of Columbus. These committees included the Health & Human Services Committee and the Veterans' Affairs Committee, where he continued advocating for the wellbeing of the community while meeting the needs of veterans, service personnel and their families. He worked tirelessly to connect veterans with existing services and resources in the community and created new initiatives, such as the Better Municipal Care for Veterans Home Fund, which helps veterans and their families make needed repairs to their homes. Since the beginning of his career, Craig's priorities as a public servant have included creating access to a wide range of programs and services that enhance the quality of life for children, families, veterans and seniors. Commitment to these values still remain his number one priority.

Over the past three decades, Craig has volunteered his time as a trustee on numerous community service boards, many of which were centered on education. He is a lifetime member of the NAACP. Senator Craig is currently a member of National Black Caucus of State Legislators, a member of the Executive Committee and Co-Chair of the Education Committee of the Midwest Legislative Conference and serves on the Advisory Board of the Chamberlain School of Nursing. He has served as a member of the Columbus Public Schools Equity Task Force, the Columbus

State Community College Department of Business, Industry Technology Curriculum Committee, the Southside Learning and Development Center's Board of Trustees, the Ohio Hunger Task Force Board of Trustees and the Columbus Cultural Arts Center Board of Trustees. He previously served on the board of the Military Veterans Resource Center. Craig also served as board chair for the Alliance for Cooperative Justice, the Franklin County Prevention Institute, and the State Education Committee for the Columbus Chapter of the NAACP. Additionally, Senator Craig has also completed Leadership Columbus, Leadership Ohio and the Ohio Executive Institute.

In 2011, Craig was presented with the Public Servant of the Year award by Community Shares of Mid-Ohio. In 2015, Craig had the distinguished honor of being inducted into the Military Order of the Purple Heart for his continuous support of veterans. Additionally, Senator Craig was presented with the AMVETS Department of Ohio 2016 Legislator of the Year award.

Senator Craig is eager to continue his commitment to public service so he can make meaningful investments in our neighborhoods, as well as create jobs and expand the local economy.

Senator Craig earned a Master of Science in Administration degree from Central Michigan University. He also studied at Ashland Theological Seminary as part of their Master of Divinity program and was a Join Together National Leadership Fellow at Boston University School of Public Health. He proudly served our nation in the United States Army from 1970 – 1972.

Senator Craig and his wife, Linda, are the proud parents of four children, nine grandchildren, and two great-grandchildren.



Jon Cross

State Representative; Chair, Finance Subcommittee on Higher Education
Ohio House of Representatives

Ohio State Representative Jon Cross (R-Kenton) is serving his second term in the Ohio House of Representatives, representing northwest Ohio's 83rd District, which includes Hancock, Hardin and portions of Logan counties.

Representative Cross is committed to keeping Ohio safer, stronger and open for business. Throughout his career, and today as a member of the Ohio House, he has been a leader of economic and workforce development, higher education and career readiness policy to support the demand of Ohio businesses large and small, as well as keeping Ohio competitive in developing the best workforce in America.

The Speaker has appointed Rep. Cross to chair the Ohio House Finance Subcommittee on Higher Education, as well as appointed as a Commissioner to the Midwestern Higher Education Compact. He's also been appointed to serve on the following Ohio House Committees of Economic and Workforce Development, Finance, Higher Education & Career Readiness and Insurance.

With a strong work ethic, Rep. Cross has sponsored 12 bills now signed into law, and secured more than \$100 million for local school funding, safety grants, community projects, transportation improvements and infrastructure funding initiatives for the 83rd District during his first two terms in office.



Jennifer Dahlquist

Vice President
Midwestern Higher Education Compact

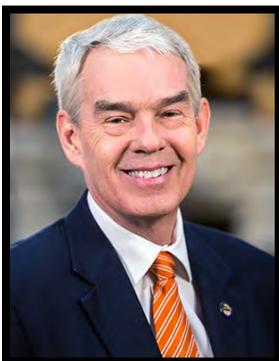
Jennifer Dahlquist serves as vice president for the Midwestern Higher Education Compact. She primarily manages and oversees MHEC's programs of insurance, which includes the Master Property Program and MHECare Student Insurance Solutions. Jennifer led the previous organizational strategic planning process and plays a key role in advocating MHEC's value proposition to the higher education community at large.

Jennifer completed her Baccalaureate in German (with a focus on Romanticism) and political science (international focus) at the University of Minnesota, Morris. She received her master's of Public Policy through the University of Minnesota's Hubert H. Humphrey Institute for Public Affairs, with a concentration on social policy - emphasis on youth issues and higher education policy.

Jennifer received her project management certificate at the University of St. Thomas' Opus College of Business in December 2008, the CPPM certification in December 2009, and received the PMP certification in March 2013. She also has obtained her Minnesota Insurance Producer License in 2013 and is licensed in life, accident and health, property, and casualty lines of insurance. She received her Organization Development certificate from the University of Minnesota in June 2018.

Prior to working for the compact, Jennifer was an intern for the Minnesota International Center as well as the Division of Social Sciences at the University of Minnesota, Morris. While at Morris, Jennifer completed a UROP (Undergraduate Research Opportunities Program) project, and her final work on German Romanticism was published in the Journal for the Fantastic in Arts.

Jennifer began working for the compact in August of 1999.



Randy Gardner

Chancellor
Ohio Department of Higher Education

Randy Gardner was appointed by Governor Mike DeWine the 10th Chancellor of the Ohio Department of Higher Education in January 2019. As Chancellor, he oversees the state's two-year and four-year colleges and universities and Ohio Technical Centers. In addition, the Chancellor provides policy guidance to the Governor and the Ohio General Assembly and carries out state higher education policy.

During the first year of the DeWine Administration, Chancellor Gardner made more than 100 college and university visits to 74 different campuses, an ambitious schedule meeting with university leaders, faculty, and students throughout Ohio.

Before becoming Chancellor, Gardner served a combined total of 33 years in the Ohio Senate and House of Representatives. A well-respected leader, Gardner served in seven different elected leadership positions, including Senate President Pro Tem, House Speaker Pro Tem, and Senate Majority Leader during his final term in the Senate. He also served as chairman of both the House and Senate Higher Education committees.

In the General Assembly, his work ethic was exemplified by his 100% voting record over 33 years. His 10,433 consecutive roll call votes on bills, amendments, and resolutions earned him the nickname “the Cal Ripken of the state legislature.”

Gardner received his bachelor’s degree in education and a master’s degree in political science, both from Bowling Green State University. Prior to his career in public service, he worked as a realtor and high school history and government teacher.

Gardner and his wife, Sandy, reside in Bowling Green and are the parents of three children — Brooks, Christina, and Austin.



Melissa Gilliam

Executive Vice President and Provost
The Ohio State University

Dr. Melissa Gilliam is Executive Vice President and Provost at The Ohio State University where she holds the Engie-Axiom chair. As the institution’s chief academic officer, she oversees 15 colleges across six campuses with more than 67,000 students and nearly 7,600 faculty members. Prior to joining Ohio State in August 2021, Dr. Gilliam was Vice Provost and the Ellen H. Block Distinguished Service Professor of Health Justice at the University of Chicago. Her scholarship focuses on adolescent health and wellbeing. She earned a medical degree from

Harvard Medical School, a master’s degree in public health from the University of Illinois at Chicago, a master’s degree in philosophy and politics from Oxford University, and a bachelor’s degree in English from Yale University. Dr. Gilliam is a member of the National Academy of Medicine..



Tom Harnisch

Vice President for Government Relations
State Higher Education Executive Officers Association

Dr. Tom Harnisch joined SHEEO in January 2020. As vice president for government relations, Dr. Harnisch is located in Washington, D.C., where his primary leadership responsibility is planning, implementing, and coordinating SHEEO’s portfolio of federal relations, policy, communication, and advocacy work. He monitors new and potential federal action (legislation, rules, and other policies and actions) that have relevance for our membership. Dr. Harnisch is responsible for bringing these issues to the attention of SHEEO staff

and SHEEO’s membership and for articulating their potential impact on our members and the institutions and students they serve.

From 2007 to 2019, Dr. Harnisch worked in a series of roles at the American Association of State Colleges and Universities (AASCU), including as director of state relations and policy analysis. In his role at AASCU, his roles included policy research, analysis, and communication to the AASCU membership and other external stakeholder groups. He helped craft the AASCU Public Policy Agenda and planned the Higher Education Government Relations Conference. His research interests and commentary on higher education finance, access, affordability, and other topics have been cited in over 200 articles, including The New York Times, The Washington Post,

Politico, Inside Higher Ed, and The Chronicle of Higher Education. He is also an adjunct faculty member at Georgetown University and The George Washington University. Dr. Harnisch earned a bachelor's degree from the University of Wisconsin-Madison, a master's from the University of Minnesota, and a doctorate from The George Washington University.



Aaron Horn

Associate Vice President of Research
Midwestern Higher Education Compact

Aaron Horn is the associate vice president of policy research at the Midwestern Higher Education Compact (MHEC). He leads multiple research initiatives intended to inform policymaking in the Midwest and beyond in the areas of college readiness; affordability and finance; educational quality; and performance, value, and accountability. His published research over the past decade has spanned such topics as internationalization; scientific integrity; faculty stress; study abroad; moral and ethical development; civic engagement; and performance indicators for accountability systems. Prior to joining MHEC, Aaron conducted educational research at the University of Minnesota, where he coordinated various large-scale projects, including the DOE-funded Study Abroad for Global Engagement, a pioneering nationwide study on the long-term outcomes of participation in study abroad programs.

Among his more adventurous undertakings in life, Aaron worked for a couple of years in Bogota, Colombia as a psychotherapist at Retornar Psychiatric Clinic and a faculty member in the Department of Psychology at Antonio Nariño University.

Aaron joined MHEC in 2012.



Dontavius L. Jarrells

State Representative; Ranking Member, Finance Subcommittee on
Higher Education
Ohio House of Representatives

State Rep. Dontavius Jarrells is currently serving in his first term representing Ohio's 25th House District, which includes portions of Columbus, Clinton Township and Mifflin Township.

Growing up in the Hough neighborhood of Cleveland, Jarrells saw firsthand the impact a lack of real investment and opportunity has on a community, and after nearly a decade fighting for disadvantaged and marginalized communities in Central Ohio, Rep. Jarrells is committed to reframing the debate in the Statehouse to focus on growing opportunity for all Ohioans not just those at the top.

Jarrells is prioritizing legislation to raise wages, invest in job training and make it easier for Ohioans, especially those in minority and immigrant communities, to start, grow and sustain a business.

In addition, Rep. Jarrells wants to invest in Ohio's future by expanding early childhood education, improving literacy initiatives, supporting STEM programs for Ohio students, and promoting opportunities in the skilled trades.

A longtime advocate for building better communities. Rep. Jarrells is working together on commonsense legislation to make Ohio a better place to live, work, go to school, start a business or raise a family, including the Ohio Fairness Act, a number of community policing initiatives and measures to improve care and supports for individuals with mental illness and addiction and those experiencing homelessness.

Rep. Jarrells' previously held positions at the Ohio House during the 129th General Assembly, where he assisted in the fight of the anti-union Senate Bill 5. He has also fought to expand health care access in his roles at the Ohio Association of County Behavioral Health Authorities and Ohio Department of Mental Health and Addiction Services. In addition, he has served as Political Director for a statewide executive office race and most recently served as Chief of Communications at the Franklin County Treasurer's Office.

Rep. Jarrells graduated from East Technical High School in Cleveland and earned a degree from Hiram College in Northeast Ohio.



Michael McCabe

Director
Council of State Governments, Midwest Office

Mike McCabe is the director of the Midwestern Office of the Council of State Governments (CSG). In that role, he oversees the efforts of an eleven-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.



Lydia Mihalik

Director
Ohio Department of Development

Lydia Mihalik is the Director of the Ohio Department of Development (Development), a state agency committed to empowering communities to succeed by investing in the people, places, and businesses of Ohio.

Prior to her appointment by Governor Mike DeWine in 2019, Director Mihalik served as the 55th Mayor of the City of Findlay in northwest Ohio. Her vision and leadership led to the revitalization of the city's downtown, attracting new job-creators from around the world, and Findlay being recognized as the top micropolitan in the nation by Site Selection Magazine for economic development and job creation every year since 2013.

Director Mihalik is putting that experience to work for Governor DeWine and Lt. Governor Jon Husted to make Ohio the best place to live, learn, work, and visit. Under her leadership, Development is bringing public- and private-sector partners together to accomplish the Administration's priorities to build a thriving economy, invest in small businesses, prepare communities for the future, construct robust broadband infrastructure, and expand the skills of

our workforce. Under the leadership of Governor DeWine and Lt. Governor Husted, Ohio's economy has seen significant growth. That record of success secured the biggest economic development project in Ohio's history with Intel selecting Ohio to build what could be the largest semiconductor facility on the planet.

Director Mihalik earned her bachelor's degree in political science from the University of Findlay and received an honorary doctorate in public service from the University of Rio Grande. She and her husband, Drew, live in Findlay with their three children: Joseph, Elizabeth, and Delaney.



J.P. Nauseef

President and Chief Executive Officer
JobsOhio

J.P. Nauseef is the president and CEO of JobsOhio and leads a dedicated team responsible for business attraction, retention and expansion efforts in Ohio.

J.P. has executive leadership experience in the private, public and nonprofit sectors. Before joining JobsOhio in March 2019, he was the chairman and co-founder of Krush Media. He served as president and CEO of the Dayton Development Coalition, the chairman and co-founder of the Military Heroes Foundation; and a co-founder of Hometown Heroes.

J.P. graduated from the University of Dayton and then entered the Air Force as an officer. J.P. later earned a master's degree in systems management from the University of Southern California.

J.P. is married and has four sons.



Jenny Parks

Vice President
Midwestern Higher Education Compact

Jenny Parks is Vice President of Policy and Research at the Midwestern Higher Education Compact (MHEC). She leads the exploration, development, and implementation of projects that help Midwestern postsecondary institutions improve the way they serve students. Jenny has worked at all levels of education and in multiple sectors of higher education having worked with state and federal compliance, institutional research, and policy advocacy. She earned her master's degree in Educational Policy and Research from the

University of Wisconsin-Madison. Currently she is pursuing her doctorate in Higher Education from Northeastern University in Boston. Jenny joined the Compact in September 2013.

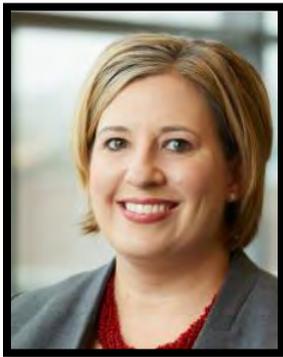


Markie Pasternak

Senior Manager for Higher Education
Active Minds

Markie Pasternak is the Senior Manager for Higher Education at Active Minds. She oversees Active Minds' work at college and universities, focusing on mental health support for students, staff, and faculty. Markie is originally from Green Bay, Wisconsin, and received her bachelor's in psychology from Marquette University in Milwaukee, WI. During her time at Marquette, Markie served as the Active Minds' chapter president and was the president of the National Active Minds Student Advisory Committee from 2015 to 2016. Markie then went on to

receive her Master's of Science in Higher Education and Student Affairs from Indiana University-Bloomington. Before joining the Active Minds Staff, Markie worked at Auburn University in the division of student affairs focusing on mental health programming and peer health education, and was the co-advisor for the campus's Active Minds chapter. Markie currently works remotely from Macon, GA where she resides with her partner, Frank and her dog, Brooks.



Stacy Rastauskas Bretherton

Vice President for Government Affairs
The Ohio State University

Stacy Rastauskas Bretherton is the Vice President for Government Affairs at The Ohio State University. In this role, she represents the University in advocacy before federal, state and local governments, regulatory agencies, and key policymakers. Stacy works closely with faculty, students and administrators to develop and advance Ohio State's broad government affairs agenda. She also leads the university's Office of Government Affairs.

Stacy joined Ohio State in 2004 to open Ohio State's Washington, D.C. office. Under her leadership, the university increased engagement on emerging federal issues, developed university positions on federal legislation and regulations, and implemented strategies to advance the university's agenda. Stacy regularly works with top U.S. research universities to establish advocacy plans to sustain and increase support for higher education and scientific research.

An active member of several national higher education government relations groups, Stacy has chaired both the Council on Government Affairs for Association for Public Land-grant Universities (APLU) and the steering committee for the Council on Federal Relations for the Association of American Universities (AAU). She serves as the university representative to the Ohio State Alumni Association Board of Directors and the Ohio Chamber of Commerce Board. Stacy is also a member of the Friends of WOSU Board and serves on the Wittenberg University Board of Directors.

Stacy began her career working in the U.S. House of Representatives where she handled appropriations and education issues for U.S. Congressman David Hobson. She holds a Bachelor of Arts degree in Political Science from Wittenberg University (1998) and a master's degree in Public Administration from George Mason University (2005). After 18 years in Washington, D.C., Stacy relocated to Columbus in 2016. She resides in Worthington with her husband and two sons.



Nance Roy
Chief Clinical Officer
Jed Foundation

Dr. Nance Roy serves as the Chief Clinical Office of the Jed Foundation and Assistant Clinical Professor at the Yale School of Medicine, Dept. of Psychiatry. She has over 20 years of experience as a psychologist working in college mental health. She served as the Assistant Dean of Health and Wellness at Sarah Lawrence College and most recently was the Associate Dean of Health and Wellness at Rhode Island School of Design. She is a senior advisor for the National College Depression Partnership and publications have focused on effective strategies for treatment and management of at-risk students on college campuses. She has been actively involved in college strategic planning initiatives focusing on a holistic approach to education, crisis management and a public health model for delivery of care on college campuses. Through her work with The Jed Foundation, Dr Roy has worked on mental health initiatives with the former Surgeon General, the Higher Education Mental Health Alliance, the Department of Defense, The Veteran's Administration, the Clinton Health Matters Initiative and college and university systems across the country. She earned a BS degree from the University of Rhode Island, an MS from the University of North Carolina and an Ed.D. from Harvard University.



LaTasha Sullivan
Director, University Counseling Center
University of Toledo

Dr. LaTasha Sullivan (Pronouns- She, Her, Hers) is actively serving as the Director of the Counseling Center promoting student wellness. Dr. Sullivan is a graduate of UToledo earning her doctorate in Counselor Education and Supervision. She is a rocket through and through, also completing her bachelor's degree at UToledo majoring in psychology. She attended the University of Dayton obtaining a Master of Science in Education degree with a community counseling concentration. She is a Licensed Professional Clinical Counselor with Supervision designation (LPCC-S) in the State of Ohio.

Dr. Sullivan believes that individuals are the experts of their own lives and that counselors play a supportive role assisting people through life transitions, treatment, and the journey to healing. Dr. Sullivan enjoys helping others and approaches situations with a student-centered perspective. Her current role is in overseeing the overall operations and growth of the UTCC with her aims set to continue building partnerships across campus and the community for the benefit of students. She has four years of experience working specifically with the college student population and immensely enjoys it. She has worked with individuals from various elements of diversity and has an active interest in social justice counseling, women's issues, self-esteem, trauma, mood disorders, and relational issues. For fun she enjoys crafting, thrifting, and family time. Go Rockets!



Shaun Williams-Wyche

Associate Director of Research and Data Analysis
Midwestern Higher Education Compact

Shaun Williams-Wyche is the associate director of research and data analysis at MHEC. He brings over a decade of experience working in higher education in program administration, institutional research, and state policy research. Prior to joining MHEC, Shaun served as a research analyst at the Minnesota Office of Higher Education (OHE), covering topics including educational attainment, student retention, financial aid, student loan debt, and study abroad safety. Shaun also has extensive experience collaborating with legislative, postsecondary, K-12, and community stakeholders while working at OHE, where he led statewide efforts around closing educational attainment disparities by race and ethnicity. Shaun has held adjunct faculty appointments in political science at Metropolitan State University; the University of Minnesota, Twin Cities; and the University of Minnesota, Duluth. B.A. magna cum laude, Political Science and Anthropology, Southern Methodist University; M.A., Political Science, University of Minnesota; Ph.D., Political Science, University of Minnesota. Shaun joined MHEC in June 2018.

MHEC Commissioners

Executive Officers

Acting Chair: Devinder Malhotra, Minnesota
Vice Chair: Devinder Malhotra, Minnesota
Treasurer: Vacancy
Past Chair: David Eisler, Michigan

Executive Committee

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

ILLINOIS

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



Scott Bennett
State Senator; Chair, Higher Education
Illinois General Assembly



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

VACANCY

Appointing Authority: Illinois Governor's Office (Designee)

VACANCY

Appointing Authority: Illinois Board of Higher Education

VACANCY

Appointing Authority: Illinois Community College Board

INDIANA

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



Kurt Dykstra
President and CEO
Independent Colleges of Indiana



Jon Ford
State Senator; Member, Appropriations Committee
Indiana General Assembly



Jack Jordan
State Representative; Vice Chair, Education Committee
Indiana General Assembly



Ronald S. Rochon
President
University of Southern Indiana



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

IOWA

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



Nancy Boettger
Regent
Board of Regents, State of Iowa



Derrick R. Franck
Board Chair
Iowa Association of Community College Trustees



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



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

VACANCY
Appointing Authority: Iowa President of the Senate



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



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



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



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



Mark Wiederspan (Commissioner Alternate)
Executive Director
Iowa College Aid

KANSAS

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



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



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



Blake Flanders
President and CEO
Kansas Board of Regents



Cynthia Lane
Board Member
Kansas Board of Regents



Aaron A. Otto
Kansas Governor's Designee



Marci Francisco (Commissioner Alternate)
State Senator
Kansas Legislature



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

MICHIGAN

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



David L. Eisler
Former President; Professor, Community College Leadership Studies
Ferris State University



Ben Frederick
State Representative; Majority Floor Leader
Michigan Legislature



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



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



Bill Pink
President
Ferris State University



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



Cassandra Ulbrich (Commissioner Alternate)
President
State Board of Education

MINNESOTA

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



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



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



Devinder Malhotra
Chancellor
Minnesota State



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

VACANCY

Appointing Authority: Member of the Minnesota appointed by the Subcommittee on Committees of the Rules and Administration Committee



Paul Cerkvenik (Commissioner Alternate)
President
Minnesota Private College Council

MISSOURI

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



John Black

State Representative; Vice Chairman, Higher Education Committee
Missouri General Assembly



Kayla Hahn

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



Cindy O'Laughlin

State Senator; Chairwoman, Education Committee
Missouri General Assembly



David Pearce

Executive Director for Government Relations
University of Central Missouri



Susan L. Thomas

President
Truman State University

NEBRASKA

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



John Cavanaugh
State Senator
Nebraska Legislature



Randolph M. Ferlic
Nebraska Governor's Designee



Deborah A. Frison
Commission Member
Coordinating Commission for Postsecondary Education



Heath Mello
Vice President for External Relations
University of Nebraska System



Lynne Walz
State Senator; Member, Education Committee
Nebraska Legislature



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

NORTH DAKOTA

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



Kyle Davison

State Senator; Member, Appropriations Committee
North Dakota Legislative Assembly



Tim Flakoll

North Dakota Governor's Designee



Mark Hagerott

Chancellor
North Dakota University System



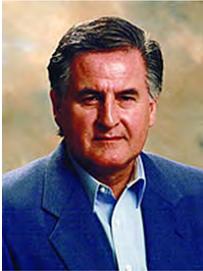
Tim Mihalick

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



Brandy Pyle

State Representative; Member, Higher Education Committee
North Dakota Legislative Assembly



James L. Davis (Commissioner Alternate)

Former President
Turtle Mountain Community College

OHIO

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



Gary Cates

Senior Vice Chancellor
Ohio Department of Higher Education



Jerry Cirino

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



Jon Cross

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



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



Jack Hershey
President and CEO
Ohio Association of Community Colleges



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

SOUTH DAKOTA

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



Michael Cartney
President
Lake Area Technical College



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



Larry J. Tidemann

South Dakota Governor's Designee; and State Representative
South Dakota Legislature

VACANCY

Appointing Authority
Executive Board of the South Dakota Legislative Research Council (Senate)

VACANCY

Appointing Authority
South Dakota Board of Regents



Reynold Nesiba (Commissioner Alternate)

State Senator; Member, Joint Committee on Appropriations
South Dakota Legislature



Marli Wiese (Commissioner Alternate)

State Representative; Majority Whip
South Dakota Legislature

WISCONSIN

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



Connie Hutchison
Executive Secretary
State of Wisconsin Higher Educational Aids Board



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



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



Steven Nass
State Senator; Vice-Chair, Committee on Universities and Technical Colleges
Wisconsin State Legislature



Julie Underwood
Wisconsin Governor's Designee; and Professor Emeritus
University of Wisconsin-Madison



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



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

MHEC Committees

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

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

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OER & MCTA
Policy & Research

Fiona Yung

MSEP
Policy & Research

The Midwestern Regional Higher Education *Compact*

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

ARTICLE I. PURPOSE

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

ARTICLE II. THE COMMISSION

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

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

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

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

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

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

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

ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV. ACTIVITIES OF THE COMMISSION

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

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

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

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

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

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

ARTICLE V. FINANCE

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

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

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

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

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

ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

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

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

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

ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

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

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

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

ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

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

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

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

MEMBER STATES

State of Illinois
By Jim Edgar
August 20, 1991

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

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

State of Indiana
By Evan Bayh
March 14, 1996

State of Minnesota
By Rudolph Perpich
April 26, 1990

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

State of Iowa
By Tom Vilsack
June 6, 2005

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

State of South Dakota
By Mike Rounds
March 13, 2008

State of Kansas
By Michael Hayden
April 25, 1990

State of Nebraska
By Ben Nelson
June 5, 1991

State of Wisconsin
By Tommy Thompson
April 18, 1994

Midwestern Higher Education Commission

Bylaws

Article I. Commission Purpose, Functions and Bylaws

Section 1. Purpose.

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

Section 2. Functions.

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

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

Section 3. Bylaws.

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

Article II. Membership

Section 1. Commission Members.

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

Section 2. Affiliate Members.

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

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

Section 3. Associate Members.

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

Section 4. Compact Participation in MHEC Programs.

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

Article III. Officers

Section 1. Election and Succession.

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

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

Section 2. Duties.

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

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

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

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

Article IV. Commission Personnel

Section 1. Commission Staff and Offices

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

Section 2. Duties of the President.

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

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

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

Section 3. Policy and Programmatic Committees.

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

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

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

Article V. Meetings of the Commission.

Section 1. Meetings and Notice.

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

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

Section 2. Quorum.

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

Section 3. Voting.

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

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

Section 4. Procedure.

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

Article VI. Commission Committees

Section 1. Executive Committee.

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

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

Section 2. Finance and Audit Committee.

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

Section 3. Other Committees.

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

Article VII. Finance

Section 1. Fiscal Year.

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

Section 2. Budget.

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

Section 3. Accounting and Audit.

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

Section 4. Debt Limitations.

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

Section 5. Travel Reimbursement.

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

Article VIII. Required Reports

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

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

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

Article IX. Adoption and Amendment of Bylaws

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

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

Upcoming Meetings Save-the-Dates

2023 MHEC EXECUTIVE COMMITTEE MEETING

Monday, June 12 – Tuesday, June 13, 2023

Madison, WI

2023 MHEC COMMISSION MEETING

Monday, November 13 – Wednesday, November 15, 2023

Minnesota

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

November 2022

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