



June 2025 - Executive Committee Meeting

Shinola Hotel

1400 Woodward Avenue

Detroit, MI 48226

Thank you to our Michigan Commissioners!

Dr. Daniel Hurley, Ms. Brandy Johnson, Rep. Greg Markkanen, Sen. Sean McCann, Ms. Emma Young, & Dr. Beverly Walker-Griffea



Meeting Book - June 2025 - Executive Committee Meeting

Meeting Agenda

Meeting Details

Zoom link, hotel & parking info, and offsite venues

Meeting Details

8

(Eastern Time)	Monday, June 2, 2025	Location	
10:00 a.m. to 11:00 a.m.	2025-2028 Ad Hoc Strategic Planning Committee Meeting Facilitated by: Ms. Kathy Graves, Parenteau Graves, and Ms. Breanne Hegg, MHEC Vice President (for committee members only)	The Foundry Room	
10:30 a.m. to Noon	Finance and Audit Committee Meeting Mr. Tim Mihalick (ND), Treasurer and Committee Chair (for committee members only)	The Mirror Room	
11:00 a.m. to Noon	Governance Committee Meeting Dr. Julie Underwood (WI), Committee Chair (for committee members only)	The Foundry Room	
Noon	LUNCH for All Commissioners	The Birdy Room	
1:00 p.m.	1) Call to Order Mr. Mike Duffey (OH), MHEC Chair, and Ms. Susan Heegaard, MHEC President	Bixby Hall	
1:10 p.m.	2) Roll Call of the States and Overview of Meeting Guidelines Ms. Mary Roberson, MHEC Senior Director of Commissioner Relations and Operations		
1:15 p.m.	3) Michigan Welcome The Honorable Garlin Gilchrist II, Lt. Governor, State of Michigan (via video); and Dr. Beverly Walker-Griffiea, Executive Director, MiLEAP		
1:30 p.m.	4) Introduction of Commissioners, MHEC Staff, and Guests		
1:45 p.m.	5) Approval of Consent Agenda - ACTION ITEM 1		
	ACTION ITEM 1 - Consent Agenda		11
	DRAFT Minutes: June 3-4, 2024, St. Louis, MO		12
	6) Report of the MHEC President Ms. Susan Heegaard, MHEC President		
	President Susan Heegaard Report - May 2025		30
	7) Report of the MHEC Chair Mr. Mike Duffey (OH), MHEC Chair		
	Chair Report - Mike Duffey		32
2:10 p.m.	8) State Updates One spokesperson per state (3-4 minutes each) We invite one spokesperson from each member state, joining either in person or virtually, to briefly share notable accomplishments or challenges from the past six months within your state. To stay on track, we ask that you coordinate within your state delegation to prepare your highlights in		

	advance.	
2:45 p.m.	BREAK	
3:00 p.m.	9) State Updates (continued) One spokesperson per state (3-4 minutes each)	Bixby Hall
3:20 p.m.	10) Unfinished Business	
3:20 p.m.	a) Strategic Plan Presentation - ACTION ITEM 2 Ms. Susan Heegaard, MHEC President, Ms. Kathy Graves, Parenteau Graves, Ms. Breanne Hegg, MHEC Vice President, and Ms. Brandy Johnson (MI)	
	ACTION ITEM 2 - Strategic Plan	34
	Strategic Plan 2025 - 2028	36
	b) Brand and Website Update Ms. Susan Heegaard, MHEC President, and Ms. Kathy Graves, Parenteau Graves	
	c) Stone Arch Committee Findings and Recommendations - ACTION ITEM 3 Ms. Breanne Hegg, MHEC Vice President, and Mr. Pranav Kothari (IL)	
	ACTION ITEM 3 - Stone Arch Recommendation	38
	d) Midwest Student Exchange Program Findings and Recommendations Dr. Carrie Wandler, MHEC Director of Policy Initiatives, and Dr. Dan Hurley (MI)	
	Cost Savings Finder Recommendations - Draft 5.14.25	40
4:30 p.m.	11) Recess - ACTION ITEM 4	
	Action Item 4 - Recess	55
5:25 p.m.	BOARD BUS Check-in with Ms. Mary Roberson or Ms. Sophie Mancino If you are driving separately, please inform Katie Chock (katiec@mhec.org or call/text (612) 677-2760). See Meeting Details for those not riding the bus, as there is guidance on navigating construction.	Shinola Hotel Lobby
5:30 p.m.	BUS DEPARTS HOTEL for Henry Ford Rouge Factory	
6:00 p.m.	ARRIVE at the Henry Ford Rouge Factory	3741 Miller Road, Dearborn, MI 48120
	Ford Rouge Factory - Detroit Factory Tour & Car Museum	
	Tour Map and Highlights	
6:05 p.m.	VIDEO - Henry Ford's Vision	Legacy Theater
6:20 p.m.	RECEPTION & VIEWING OF FACTORY FLOOR Note that the Manufacturing Innovation Theater is available for viewing.	Legacy Gallery & Electric Vehicle Display Room
7:00 p.m.	12) Welcome Ms. Susan Heegaard, MHEC President	Legacy Gallery & Electric Vehicle Display Room
7:00 p.m.	DINNER	
7:45 p.m.	13) Innovation and Inspiration: The revitalization of Detroit Ms. Jeanette Pierce, City Institute Introduced by: Dr. Dan Hurley (MI)	
	Learn about Jeanette Pierce	
8:25 p.m.	BOARD BUS for Shinola Hotel	
8:30 p.m.	DEPART to the Shinola Hotel	

8:50 p.m.	ARRIVE at Shinola Hotel	1400 Woodward Avenue, Detroit, MI 48226	
(Eastern Time)	Tuesday, June 3, 2025	Location	
7:30 a.m.	BREAKFAST	The Birdy Room	
8:30 a.m.	14) Unfinished Business (continued)	Bixby Hall	
	e) South Dakota Update Ms. Susan Heegaard, MHEC President, and Mr. Rob Trembath, MHEC COO and General Counsel		
	f) Ad Hoc Programmatic Investment Committee Priorities Ms. Breanne Hegg, MHEC Vice President, and Mr. Mike Duffey (OH), Chair		
	Ad Hoc Programmatic Investment Committee Priorities Update		56
	15) New Business		
8:50 a.m.	a) Treasurer's Report/Finance and Audit Committee Report Mr. Tim Mihalick (ND), Committee Chair, Ms. Erin Frahm, MHEC Director of Finance and Administration, and Ms. Jessica Thompson, CliftonLarsonAllen		
	i. Review of Form 990		
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	MHEC Tax Return		59
	ii. Review of FY25 YTD Financial Reports		
	Section ii.		109
	March 2025 Financial Statements		110
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	iii. Presentation of FY26 Budget		
	Section iii		136
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	iv. Action on FY26 Budget - ACTION ITEM 5		
	ACTION ITEM 5 - Proposed FY26 Budget		151
	v. Ratification Delay of State Commitment Increase - ACTION ITEM 6		
	ACTION 6 - Ratification Delay of State Commitment		152
	vi. Simplification of State Commitment Increase		
	vii. Update on Investment Policy		

a. Approve Investment Manager - ACTION ITEM

ACTION 7 - Approval of Investment
Manager

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9:35 a.m. b) Governance Committee Report
 Dr. Julie Underwood (WI), Committee Chair

9:45 a.m. 16) Motion to go into Executive Session at 10:00 a.m. on return
 from BREAK - ACTION ITEM 8
 Discussion and report from Mr. Mike Duffey (OH), MHEC
 Chair, and the MHEC Officers
 Closed session: only MHEC Executive Committee Members
 remain in the room:

 IL
 Dr. Maureen Banks
 Rep. Katie Stuart

 IN
 Sen. Spencer Deery
 Dr. Dottie King

 IA
 Rep. Jacob Bossman
 Ms. Greta Rouse
 Ms. Olivia Madison, Ex Officio

 KS
 Rep. Barbara W. Ballard
 Dr. Blake Flanders

 MI
 Ms. Brandy M. Johnson
 Vacancy

 MN
 Mr. Dennis Olson
 Dr. Scott Olson

 MO
 Ms. Samantha Dickey
 Vacancy
 Mr. David Pearce, Ex Officio

 NE
 Dr. Deborah A. Frison
 Sen. John Cavanaugh

 ND
 Rep. Brandy Pyle
 Mr. Timothy Mihalick
 Mr. Tim Flakoll, Ex Officio

 OH
 Mr. Mike Duffey
 Sen. Jerry Cirino

 SD
 Mr. Michael Cartney
 Mr. Larry J. Tidemann

 WI
 Rep. David Murphy
 Dr. Eric Fulcomer

Motion to go into Executive Session - ACTION ITEM 8

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9:45 a.m. BREAK

10:00 a.m. 17) Executive Session Bixby Hall
 Mr. Mike Duffey (OH), MHEC Chair and MHEC Officers
 (Closed session: only MHEC Executive Committee Members
 remain in the room.)

	a) Presidential Performance Report		
10:45 a.m.	18) Motion to Reconvene in Open Session - ACTION ITEM 9	Bixby Hall	
	ACTION ITEM 9- Reconvene in Open Session		157
	19) Approve and Accept Presidential Performance Report - ACTION ITEM 10		
	Mr. Mike Duffey (OH), MHEC Chair, and Ms. Susan Heegaard, MHEC President		
	ACTION ITEM 10 - Acceptance of Presidential Performance Report		158
10:55 a.m.	20) Closing and Next Steps		
	Mr. Mike Duffey (OH), MHEC Chair		
11:00 a.m.	21) Adjourn Business Meeting - ACTION ITEM 11		
	Mr. Mike Duffey (OH), MHEC Chair		
	ACTION ITEM 11 - Motion to Adjourn Business Meeting		159
11:00 a.m.	BREAK		
11:15 a.m.	22) Policy Presentation – College Outcomes: Using Data to Track Earnings, Retention, and Return on Investment		
	Dr. Jason Pontius, Associate Chief Academic Officer, Iowa Board of Regents		
	Introduced by: Ms. Brandy Johnson (MI)		
	Learn more about Dr. Jason Pontius		
Noon	BREAK - LUNCH being served	Bixby Hall	
	Please select your lunch and beverage and return to Bixby Hall for our lunch presentation.		
12:15 p.m.	23) Working LUNCH with Policy Presentation - Shifting Demographics, Strategic Pathways: Securing the Midwest's Workforce		
	Dr. Jeff Strohl, Research Professor and Director, Georgetown University Center on Education and the Workforce		
	Introduced by: Ms. Emma Young (MI)		
	Learn more about Dr. Jeff Strohl		
1:00 p.m.	ADJOURN		
	Program Reports		
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	Midwestern-State Authorization Reciprocity Agreement (M-SARA)		165
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Meeting Details

Join Zoom Meeting

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

<https://mhec-org.zoom.us/j/82642472768?pwd=laIElypLRAvxAbNhsS6lWZdOBqhbl1.1>

Meeting ID: 826 4247 2768

Passcode: 574791

Meeting Location

Shinola Hotel

1400 Woodward Ave

Detroit, MI 48226

(313) 356-1400

<https://www.shinolahotel.com/location>

Airport Transportation

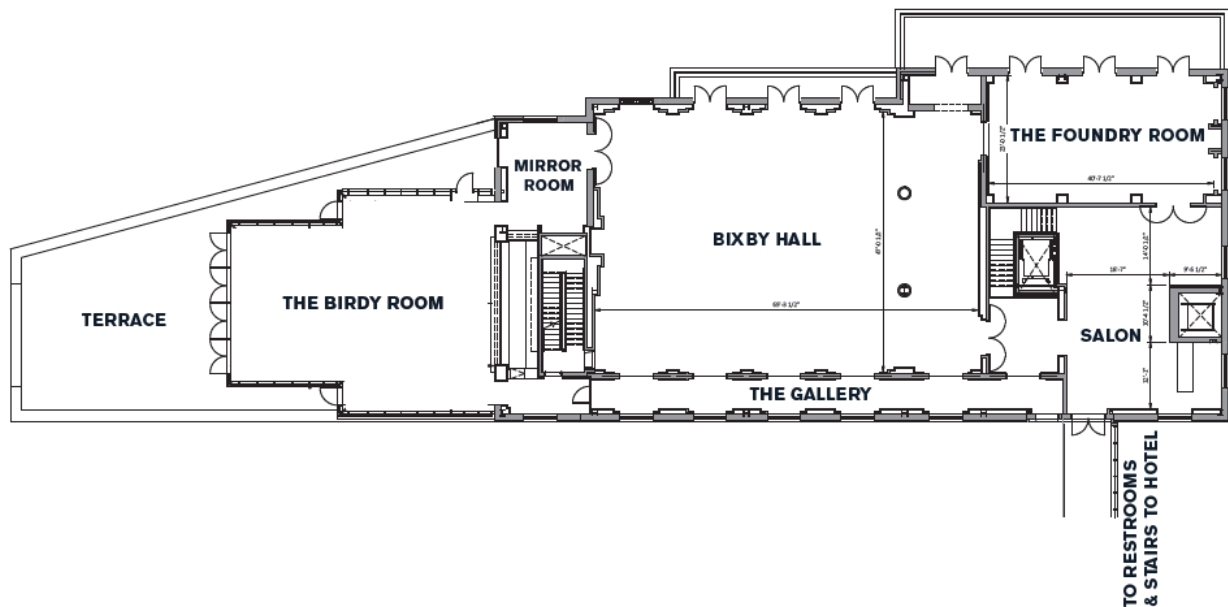
There is no complimentary airport shuttle service from the Detroit Metro Airport (DTW) to the Shinola Hotel. Please take a taxi or rideshare to the hotel. It is about a 25-minute drive.

Parking at the Shinola

Please use valet parking located at the hotel entrance off of Grand River Avenue. Parking costs of \$45 per night with in and out privileges will be routed to our MHEC Bill.

The Shinola Meeting Room Locations – Lobby Level

Strategic Planning Committee – The Foundry Room
Finance and Audit Committee Meeting – The Mirror Room
Governance Committee Meeting – The Foundry Room
Monday Lunch & Tuesday Breakfast – The Birdy Room
Executive Committee Meeting – Bixby Hall



Monday, June 2 - Offsite Event

The Rouge Factory

3741 Miller Road, Dearborn, MI 48124 (20 min drive, 12.7 miles)

MHEC will provide bus transportation.

Meet in the Shinola Hotel lobby at 5:25 p.m.

Bus departs promptly at 5:30 p.m.

Driving Directions & Parking at the Rouge Factory

If you are driving separately, please let Katie Chock know.

The main bridge access closest to the Ford Rouge Factory Tour at Miller Road & Rotunda Drive is closed for construction. Because of restricted access/private roads, GPS is extremely limited and will likely misdirect you. Please follow the map and directions below.

I-94 Westbound (from Detroit)

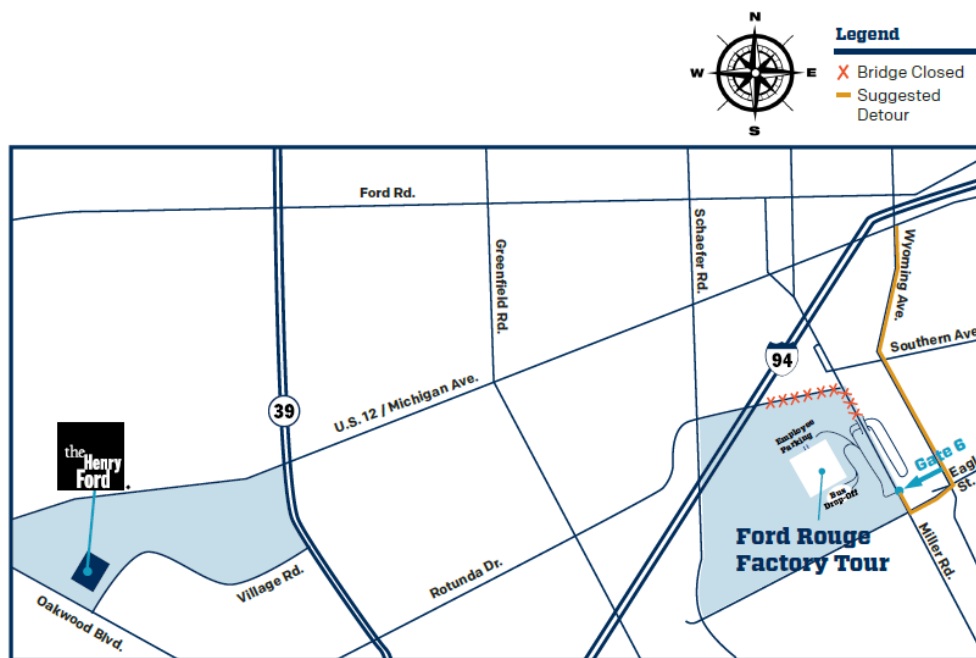
Take exit 210A Michigan Avenue. Turn left onto Michigan Avenue. Turn right on Wyoming Avenue. Turn right on Eagle Street. Turn right on Miller Road. Just before the bridge construction closure make a U-turn on Miller Road into the Gate 6 entry point, continue turning right to take the service drive to the Visitor Center.

If you would like to attempt to use GPS, use Google Maps and set a multi-stop route:

Stop 1: Wyoming Avenue & U.S. 12 / Michigan Avenue

Stop 2: 3741 Miller Road, Dearborn, MI 48120

Turn right at Gate 6 entry point, continue turning right to take the service drive to Visitor Center.



Please park in the circle driveway located directly in front of the factory. Enter through the main entrance door.

Meeting Guidelines

Our goal is to provide a safe experience for all participants. We ask that you please do not attend if you have symptoms, have tested positive for, or are waiting for results for COVID-19, flu, RSV, or other contagious illnesses.

Action Item 1

Consent Agenda

Proposed Action: MHEC Executive Committee approve the consent agenda which includes:

- Executive Committee Meeting Agenda (refer to pages 2-7)
- Draft Minutes: June 3-4, 2024, St. Louis, MO

Minutes for Meeting Book - June 2024 MHEC Executive Committee Meeting

06/03/2024 | 07:00 AM - (GMT-06:00) Central Time (US & Canada)

The Westin St. Louis

Attendees (0)

Monday, June 3, 2024

Commissioners Present

IL

Commissioner Maureen Banks, Member, Illinois Community College Board

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

Commissioner Pranav Kothari, Public Member, Illinois Board of Higher Education* (virtual)

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

IN

Commissioner Spencer Deery, State Senator; Majority Member, Education and Career Development, Indiana General Assembly

Commissioner Dottie King, President and CEO, Independent Colleges of Indiana

Commissioner Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education (Ex Officio)

IA

Commissioner Olivia Madison, Dean Emerita of Library Services, Iowa State University, and Iowa Governor's Designee (Ex Officio)

Commissioner Alternate David Ford, Bureau Chief, Iowa College Aid - Iowa Department of Education*

KS

Commissioner Barbara Ballard, State Representative and Minority Caucus Chair, Kansas Legislature

Commissioner Blake Flanders, President and CEO, Kansas Board of Regents

Commissioner Aaron Otto, Kansas Governor's Designee*

MI

Commissioner David Eisler, Former President, Professor of Music and Community College Leadership Studies, Ferris State University

Commissioner Carol Glanville, State Representative; Chair, Higher Education Committee, Michigan Legislature (virtual)

Commissioner Daniel Hurley, Chief Executive Officer, Michigan Association of State Universities*

Commissioner Brandy Johnson, President, Michigan Community College Association

MN

Commissioner Dennis Olson, Commissioner, Minnesota Office of Higher Education

MO

Commissioner Samantha Dickey, Assistant Commissioner for Postsecondary Policy, Missouri Department of Higher Education & Workforce Development

Commissioner David Pearce, Director Governmental Relations, University of Central Missouri (Ex Officio)

Curtis Trent, State Senator; Chair, Education and Workforce Development, Missouri General Assembly* (virtual)

NE

Commissioner Alternate Michael Baumgartner, Executive Director, Nebraska Coordinating Commission for Postsecondary Education*

Commissioner John Cavanaugh, State Senator, Nebraska Legislature

Commissioner Deborah A. Frison, Commission Member, Nebraska Coordinating Commission for Postsecondary Education

ND

Commissioner Tim Flakoll, North Dakota Governor's Designee (Ex Officio)

Commissioner Tim Mihalick, Chair, State Board of Higher Education*

Commissioner Brandy Pyle, State Representative; Member, Appropriations Committee, North Dakota Legislative Assembly

OH

Commissioner Gary Cates, Senior Vice Chancellor, Ohio Department of Higher Education*

Commissioner Mike Duffey, Chancellor, Ohio Department of Higher Education (virtual)

SD

Commissioner Larry Tidemann, South Dakota Governor's Designee

WI

Commissioner Eric Fulcomer, President, Wisconsin Association of Independent Colleges and Universities

Commissioner Julie Underwood, Dean Emerita, University of Wisconsin-Madison

Guests

Ben Boggs, Commissioner, Missouri Department of Higher Education and Workforce Development

J.D. Burton, Vice Chancellor of Government and Community Relations, Washington University in Saint Louis

Patsy Eisler (MI)

Gail Tidemann (SD)

Leroy Wade, Assistant Commissioner, Missouri Department of Higher Education and Workforce Development

Kurt Weigle, Senior Vice President and Chief Downtown Officer, Greater St. Louis, Inc.

Staff

Sara Appel, Director of M-SARA

Samra Asghedom, Strategic and Executive Initiatives Manager

Katie Chock, Senior Meeting, Event, and Operations Manager

Beth Ellie, Associate Director of Policy Initiatives

Erin Frahm, Director of Finance and Administration

Susan G. Heegaard, President

Breanne Hegg, Vice President

Aaron Horn, Associate Vice President of Research

Deb Kidwell, Director of Technology Initiatives

Jonathan McNicholes, Stakeholder Engagement and Convening Assistant Manager

Jenny Parks, Vice President

Mary Roberson, Senior Director of Communications and Marketing

Nathan Sorensen, Director of Government Contracts

Rob Trembath, Chief Operating Officer and General Counsel
Shaun Wyche, Associate Director of Research and Data Analysis

*Denotes non-member of MHEC Executive Committee

LUNCH

Commissioners and guests gathered at Noon for an informal buffet lunch.

1) Call to Order and Overview of Meeting Guidelines

Commissioner Barbara Ballard (KS) called the meeting to order at 1:01 p.m. and welcomed commissioners and guests to Saint Louis, and those attending online.

President Heegaard also welcomed commissioners and reviewed additional housekeeping items, including a reminder of one vote per state.

2) Roll Call of the States

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

3) Missouri Welcome

Commissioner David Pearce (MO) welcomed the commissioners to Missouri, providing an overview of the state's higher education institutions and structure, as well as some geographic information to help understand the city's location in relation to various other points of interest in Missouri. He then introduced Kurt Weigle, senior vice president and chief downtown officer for Greater St. Louis. Mr. Weigle highlighted the initiatives underway in the 15-county metropolitan area spanning both Missouri and Illinois, focusing on driving economic development and job growth. He also acknowledged the efforts of the Compact and higher education institutions in developing talent pipelines across multiple industries to advance the region's progress.

4) Introduction of Commissioners, MHEC Staff, and Guests

All attendees briefly introduced themselves.

5) Approval of Agenda - ACTION ITEM 1

Action 1: Commissioner Gary Cates (OH) moved and Commissioner Dan Hurley (MI) seconded the motion to approve the revised Executive Committee Meeting agenda.

Motion carried by voice vote.

6) Approval Executive Committee Meeting Minutes, June 12-13, 2023 - ACTION ITEM 2

Action 2: Commissioner Tim Flakoll (ND) moved and Commissioner Larry Tidemann (SD) seconded the motion to approve the minutes of the Executive Committee Meeting held on June 12-13, 2023, in Madison, Wisconsin.

Motion carried by voice vote.

7) Report of the MHEC President

President Susan Heegaard followed her printed report (agenda book pp. 25-27). A few key callouts from the report included MHEC state visits and the importance of amplifying these meetings to connect with more groups of people in the states. She acknowledged new employees working for MHEC: Breanne Hegg, vice president; Samra Asghedom, strategic and executive initiatives manager, and Jonathan McNicholes, stakeholder engagement and convening assistant manager. She also acknowledged Jenny Parks for earning her doctorate. MHEC remains in a strong financial position and she expressed excitement about the ideas generated by commissioners serving on the Ad Hoc Committee. Ms. Heegaard also noted the importance of ongoing onboarding and continued engagement of new commissioners, which has impacted about a third of the commissioners during the past year. She also mentioned key new business items on the agenda, including recommended changes to MSEP, MHEC's collaboration with CLA on data review, an investment policy, and the possibility that commissioners might be called upon to lend their voices related to the challenges regarding negotiated rulemaking associated with SARA.

8) Report of the MHEC Chair

Commissioner Chair Barbara Ballard (KS) followed her printed report (agenda book pp. 28-29). She highlighted the importance of the new committee members on MHEC's respective committees (Governance, Finance and Audit, and Ad Hoc) asking commissioners who might be interested to be sure and reach out to the MHEC office to lend their time and talent if they are interested in serving. She extended an invitation to Kansas for MHEC's November Commission Meeting and shared that she looked forward to commissioners coming to the University of Kansas and hosting commissioners at the Robert J. Dole Institute of Politics. She closed with thanking her fellow officers and stated, "having served on the commission a long time, MHEC is outstanding and it gets better, and better, and better - and it is because of the people that we have to work with."

BREAK

Commissioners took a break at 1:53 p.m. and resumed at 2:20 p.m.

9) State Updates

The following commissioners offered reports from their states: Katie Stuart (IL), Spencer Deery and Ken Sauer (IN), David Ford (IA), Blake Flanders (KS), Dan Hurley (MI), Dennis Olson, (MN), Jerry Cirino (OH), Eric Fulcomer (WI), Larry Tidemann (SD). Please see the addendum for highlights from these reports.

10) Compact Membership - ACTION ITEMS 3-4

President Susan Heegaard and Chief Operating Officer and General Counsel Rob Trembath gave a brief explanation and update on what has been happening regarding South Dakota's membership in MHEC. South Dakota brought a bill before various committees in both the House and Senate to withdraw from the compact. They explained that MHEC's compact statute requires a 2-year withdrawal period. MHEC provided testimony for the record regarding the 2-year withdrawal requirement in both committee hearings. The bill passed through the committees and then passed overwhelmingly in the House and Senate. The governor of South Dakota then signed the bill. MHEC also provided legal memos to legislative leaders, the governor's and attorney general's office regarding this matter. Commissioner Larry Tidemann (SD) also provided some background and noted he and Commissioner Michael Cartney (SD) were made aware at the same time MHEC was notified.

Ms. Heegaard and Mr. Trembath shared the rationale South Dakota provided to MHEC for leaving the compact. They noted that MHEC is very sorry to see South Dakota leave. The issue is not if South Dakota should be a member of MHEC, it is whether they are required to follow the terms of the compact statute which requires a 2-year withdrawal period (similar to the three other sister compacts and their respective states). It appears from the testimony in the committee hearings and the discussion on the House and Senate floor, that South Dakota does not believe it needs to abide by MHEC's 2-year withdrawal period.

Mr. Trembath then noted MHEC has retained legal counsel to assist in this matter and explained the potential legal options for the compact range from doing nothing to pursuing legal recourse (which is explicitly permitted in the compact statute). He then briefly noted the potential negative precedent faced by MHEC.

MHEC bylaws require: "Final agendas shall be provided to all commission members no later than ten 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.” Since this action item was not on the agenda presented to the Executive Committee, a motion would need to be made, then approved by three-fourths (eight) states, to approve adding this item to the agenda.

Action 3: Commissioner David Eisler (MI) moved and Commissioner Tim Flakoll (ND) seconded the motion to add this additional agenda item (Action Item 4) to the agenda per Article V. Section 1.

Motion carried by voice vote.

Commissioners engaged in discussion.

Action 4: Commissioner David Eisler (MI) moved and Commissioner Tim Flakoll (ND) seconded the motion that the Executive Committee, acting on behalf of the commission, pursuant to Article VI, Section I of the MHEC bylaws, approve the commission bringing legal action against the State of South Dakota, up to and including a lawsuit, to enforce the MHEC Compact Statute. The MHEC president shall regularly update the Executive Committee on the status of any such legal action.

Motion carried by a roll call of the states.

11) Recess

The commission recessed at 3:56 p.m.

Explore the Missouri Botanical Gardens

Commissioners were bused to the Missouri Botanical Gardens where they individually toured the grounds.

RECEPTION and DINNER

Commissioners enjoyed an informal reception and dinner in the Umrath Lounge of the Washington University in St. Louis campus.

12) Welcome from Washington University in St. Louis

J.D. Burton, vice chancellor of government and community relations at Washington University in St. Louis provided a welcome to the campus on behalf of Chancellor Andrew Martin.

13) Merging Two Departments into One: The Transformation of Missouri's Department of Higher Education and Workforce Development

Commissioner Ben Boggs shared his experience leading the merger of two departments into one, transforming the Missouri Department of Higher Education and Workforce Development.

Tuesday, June 4, 2024

Chair Barbara Ballard (KS) brought the meeting to order at 8:34 a.m. and reflected on the tour of the Missouri Botanical Garden, and dinner at Washington University in St. Louis.

14) Unfinished Business

a) Strategic Plan Review

Ms. Breanne Hegg, MHEC vice president, reviewed the 2022-2025 strategic plan progress-to-date. The plan was acknowledged as serving MHEC well and the timeline is being examined for when it will be updated, likely to begin in spring 2025. MHEC worked with Kathy Graves of Parenteau Graves during the strategic plan process and will continue to do so. The current plan is likely to be extended.

Ms. Hegg highlighted the work of the current fiscal year that has been done in alignment with MHEC's three strategic priorities. (1) Advancing innovation, efficiency, and effectiveness, and internal improvements: Internal data and tech assessment, financial and accounting process overhaul, and a staff role audit and hiring of three new staff; advancing leadership with a summit and course marking guide in open educational resources (OER); and commissioner engagement through orientations, committees, and BoardEffect. (2) Collaborative Solutions: Midwest FAFSA Summit and FAFSA challenges, State Authorization Reciprocity Agreements (SARA), professional licensure compliance, and reimagination of the Midwest Student Exchange Program. (3) Cost savings and business solutions: increased usage by 10% and revenue by 75% in technology contracts, captive feasibility study (MHEC captive: Stone Arch Insurance Company), student health audit programs offered, programs grew 12% over the last year.

Work Plan for 2024-25:

(1) Advancing innovation, efficiency, and effectiveness, and internal improvements: communications strategy with primary and secondary stakeholders, deepening of state engagement during state visits, and improving internal operations. (2) Collaborative Solutions: workforce development and review of research and data and develop regional

solutions; responsiveness to critical issues e.g. financial aid, FAFSA, professional licensure, OER, technology, and SARA; and a cost savings finder tool where students and families can be informed higher education consumers; and to increase research on free college and promise program initiatives. (3) Cost savings: expand cost-savings contracts to new areas, explore risk management, improve contract awareness with reporting and communications and best practices.

b) Risk Management Update - ACTION ITEM 5

Ms. Breanne Hegg, MHEC vice president, provided a background on the Master Property Program and the sunset of the program in July 2023. MHEC also established Stone Arch Insurance Company (captive insurance) to potentially serve the region in the future. This year included expected claims management related to winding down of the program, continued support to two institutions in obtaining property coverage (next year only the Nevada System of Higher Education will be requesting this support), and stand-alone policies for fine arts and terrorism coverage (eight institutions). MHEC is waiting for the IRS to release a final letter of credit hold which will allow \$1M from EPIC captive (rent-a-captive) in dividends to be distributed to eligible members, and is conducting a feasibility study for the Stone Arch captive. In the next year, there will be continued claims management, completion of the Stone Arch Insurance Company feasibility study, and a dividend distribution.

Action 5: Commissioner Gary Cates (OH) moved and Commissioner Oliva Madison (IA) seconded that the MHEC Executive Committee, acting on behalf of the MHEC Commission, approve the extension of MHEC's contract with Marsh for one additional year ending October 31, 2025, to (1) enable the Nevada System of Higher Education to work with Marsh for the purpose of obtaining property insurance coverage; and (2) to enable Marsh, in its capacity as program administrator, to continue offering the stand-alone coverages of fine arts and terrorism, both of which were components of MHEC's former comprehensive Master Property Program.

Clarification was given on the costs incurred by MHEC, which were costs previously approved by the commission to close out the program.

Motion carried by voice vote.

c) Midwest Student Exchange Program Update - ACTION ITEM 6-9

Dr. Beth Ellie, MHEC associate director of policy initiatives, provided background on MSEP from the past 30 years. She acknowledged how the behavior of higher education providers and consumers has evolved and changed over the last 30 years but the program has not.

MHEC has been monitoring the program's continued struggles since MHEC's 2021 report documented the program's decline including decreased student and institutional participation, reduction of state involvement, and reduction in cost savings to students. In the last six years, MSEP student savings has declined by 68%, and student enrollment by 67%. Some of the factors for these changes include a decrease in traditional-age students, and increase in non-traditional students who wouldn't participate, changes in the traditional college experience, and most importantly, changes in tuition for out-of-state students due to growth in the flat tuition model, therefore the relevance of the MSEP tuition discount has decreased. Alongside this, the popularity of microcredentials has also increased.

MHEC had an advisory committee of 23 members who participated from eleven states and outside the region to evaluate MSEP. Their charge was to reimagine the program to ensure its continued relevance. They reviewed how Compact student exchange programs work, reviewed the program performance data, spoke with institutions and higher education offices with high MSEP populations, and performed surveys. Three themes evolved: 1) improve MSEP communication and outreach (e.g. electronic communications for guidance counselors and institutions); 2) implement procedural improvements (e.g. MSEP manual, institutional manual, institutional renewal process, and automated data reporting system); and 3) develop a Midwest college cost savings finder, an online site to find unbiased cost savings for any institution in any of the 12 MHEC member states, serving public and private not-for-profit. The communication and procedural improvements would be implemented by fall 2024. The goal would be to hire a consultant to collaborate and develop the cost-saving tool.

Action 6: Commissioner Dan Hurley (MI) moved and Commissioner Oliva Madison (IA) seconded that the MHEC Executive Committee, acting on behalf of the MHEC Commission, supports the recommendations of the MSEP 2.0 Advisory Committee and MSEP Council in implementing three program improvement recommendations: Investing in MSEP Communication & Outreach; Perform Procedural Improvements; and Implement Midwest College Cost Savings Finder.

Discussion ensued addressing the following:

- Measuring of the website (analytics)
- Timeline (website goal summer 2025)
- Interim reports could be provided to the commission to track progress
- Difference between this new tool and the Net Price Calculator

- Build upon existing state and national efforts around credential and cost transparency and bilateral reciprocity agreements
- Uniqueness of the tool (would list more reciprocity agreements)
- Proactive marketing dollars needed to create awareness
- Advisory Committee (would not continue in current form, a new one would be established)
- State higher education offices would be the ideal source of truth (don't want to add any burden to institutions)
- Concern for potential cost of ongoing maintenance and marketing
- Millions of dollars and ongoing maintenance, in-state and out-of-state, marketing of this tool
- Focus on the reciprocity level, seen as a relatively static list
- Marketing/awareness-wide concern at an institutional level (original agreement that the states would advertise)
- Procedure on cost and next steps

Action 7: Commissioner Tim Flakoll (ND) moved and Commissioner Blake Flanders (KS) seconded the motion to table the MSEP motion and bring it back to the floor at the chair's discretion for further discussion.

Motion carried by voice vote.

A recess was taken.

Action 8: Commissioners agreed to withdraw the motion from the table.

Motion carried by voice vote.

New Motion Presented

Action 9: Commissioner Katie Stuart (IL) moved and Commissioner Dan Hurley (MI) seconded that the MHEC Executive Committee, acting on behalf of the MHEC Commission, supports the recommendation of the of the MSEP 2.0 Advisory Committee and MSEP Council in implementing the program improvement recommendations:

1. *Increase engagement in MSEP communications and outreach.*
2. *Perform procedural improvements; and*
3. *Explore development and costs of a Midwest College Cost Savings Finder.*

MHEC staff will report its findings to the commission at the November 2024 Commission Meeting.

Motion carried by voice vote.

15) New Business

a) MHEC Data Analysis

President Susan Heegaard introduced Ben Aase and Patrick Connally of CliftonLarsonAllen (CLA). Dr. Connally reviewed a brief overview of CLA's engagement with MHEC on a digital readiness assessment of the Compact. He shared highlights of the discovery sessions with 15 MHEC personnel. During the two-days with staff they were able to document all the technology platforms MHEC staff are using to drive and support value at MHEC and business outcomes, including processes used, those that are critical to their work, and an understanding of challenges and opportunities with technology. Once validated they will look to next steps including a current/future state process maps; use-case prioritization matrix; a data source catalog; implementation roadmap, and an executive summary. He shared preliminary findings that include challenged sources of truth; reporting and adoption varies by team; manually intensive processes; complex data and reporting needs; challenged customer relationship management (CRM); and lack of data governance. To date CLA has identified 36 data platforms/technologies, a heavily manual workflow, and opportunities for integration of key systems to optimize data sharing and data quality. CLA will continue working on remaining deliverables, review with MHEC staff and leadership, and will provide an update and implementation status at the November 2024 commission meeting.

b) Investment in MHEC Programs and Operation

President Susan Heegaard provided some background on the additional revenue generated due to MHEC's contract with Dell. An ad hoc committee of one representative from each state was appointed by Chair Barbara Ballard (KS) and they were charged with reviewing existing MHEC programs, contracts and research and to think about how funds might be invested in the future to further refine or come up with new ideas, thinking big and small in the brainstorming activity. The Ad Hoc Programmatic Investment Committee met on Monday for the first time, led by Vice Presidents Jenny Parks and Breanne Hegg. Commissioner Ken Sauer (IN) was asked to be the spokesperson for the group, providing a brief overview of the discussion.

Dr. Sauer acknowledged the committee's role as advisory and shared that they used the strategic plan to guide their suggestions using the words of innovation, collaborative solutions, and cost savings. The committee generated ideas for Jenny and Breanne to review and look at for common themes. Four additional monthly meetings will be planned between July and October. Findings and recommendations will be presented to the full commission meeting in November.

There was also consideration for broad recommendations that a subset of states could benefit, e.g. Tribal colleges. Additional ideas included:

- K-12 pipeline as a transition into postsecondary education.
- Communication around the misperceptions on value of postsecondary education, data to demonstrate the value proposition and counter the misperceptions
- Data sharing across state lines, including agreements, technical standards, e.g. for help in calculating ROI to accrue certificates and degrees from institutions
- Workforce development to help ensure employers in the states are getting the kind of applicants with knowledge skills and abilities and what states' economies need to prosper
- Credential transparency
- Cybersecurity training
- Back-office operations (software that could be shared by institutions) - e.g. MHEC's master contracts with software programs
- Brokering services to institutions and to states so state and institutional improvements could be made, e.g. technical support to implement solutions

c) Treasurer's Report/Finance and Audit Committee Report

Treasurer Larry Tidemann (SD) noted MHEC's strong financial condition which can be reviewed in MHEC's comprehensive reports provided (agenda book pp. 33-126). He acknowledged the expansion of the Finance and Audit Committee with new members which provides more involvement of ideas.

i. Review of FY24 YTD Financial Reports

Treasurer Larry Tidemann (SD) gave highlights of the budget information provided through April 2024 (agenda book pp. 33-61). The year will end approximately up \$3.5M. MHEC is down for the year on salaries due to some open positions (most of which have now been filled.) Revenues are up and there is an opportunity to lay the foundation with MHEC programs. MHEC's state commitments will need to be maintained, as this is important for 501c3 requirement purposes. However, commissioners will have the opportunity to act upon the scheduled state commitment's 1.5% increase this November. The 1.5% increase per year is scheduled to go into effect in 2026.

ii. Presentation of FY25 Budget

Treasurer Larry Tidemann (SD) reviewed the revenue and expenses outlined (agenda book pp. 64-76). He noted that MHEC's salaries and benefits were a low level for percent of the budget for a nonprofit. Total FY25 budgeted revenue is \$7.29M and total FY25 budgeted expenses are \$6.17M. Budgeted revenues over expenses is \$1.12M.

iii. Action on FY25 Budget - ACTION ITEM 10

Action 10: Commissioner Gary Cates (OH) moved and Commissioner Tim Mihalick (ND) seconded the motion to approve the FY25 budget.

Motion carried by voice vote.

iv. Review of Form 990

Treasurer Larry Tidemann stated that the 990 (agenda book pp. 78-125) was approved by the Finance & Audit Committee and recommended to the officers to sign it. This income tax report is required for non-profits. Emina Cresswell, tax preparer of the Form 990 from Moss Adams, joined remotely to address any 990 questions. The information documented in the 990 tells the organization's story, provides a governing board listing, compensation of employees at certain thresholds, organizational activities, financial statements, and additional nuanced schedules that the organization has accomplished over the year. Outside counsel has continued to guide MHEC on how dollars are being used to

protect MHEC's nonprofit status, there isn't a threshold to the revenue, it is what the organization does with the revenue that is monitored.

v. Update on Investment Policy

Treasurer Larry Tidemann (SD) shared that the Finance & Audit Committee would visit again before the November meeting to address the investment policy. CliftonLarsonAllen (CLA) has helped provide policy statements that the committee is reviewing. E.g. A 9-month reserve gives flexibility with a potential recession. Up to approximately \$12M could be looked into for investing, part of it would be short-term and some long-term and everything would be low-risk, and in various different segments. One suggestion involved more of an investment in staff support, as currently \$2,000 is provided for staff training. However, something like leadership training would be much more expensive. Additional options include a sabbatical for the president. There will be action on the policy this fall at the Annual Commission Meeting.

d) Governance Committee Report

Governance Committee Chair Julie Underwood (WI) acknowledged the Governance Committee members. She indicated that the Governance Committee would like to move forward in recognizing the Governance Committee in the bylaws and the committee is proposing this bylaw change to be addressed at the November commission meeting. She also acknowledged the ongoing importance of the Roles & Responsibilities of the MHEC Commissioner (agenda book p. 11) that was revised last year by the committee. Two key items she highlighted and encouraged commissioners to review, were active engagement within the meetings throughout the year and to provide communications between MHEC and your member state.

e) M-SARA Update and Composition of Regional Steering Committee

Ms. Sara Appel, MHEC director of M-SARA, provided a background on the State Authorization Reciprocity Agreements and understanding of the national organization, Regional Steering Committees (RSC), and state portal entities (SPE). The M-SARA RSC has 16 people serving, and there are 25 SPEs. Ms. Appel shared the NC-SARA policy modification process and the timing challenges surrounding the process. Additional impacts are whether the wording is correct, if the intent is there, if it is protecting students, and cross-checking with the NC-SARA manual.

She gave an update on negotiated rulemaking and its potential impact on SARA: 1) 500 Rule, applicable state laws related to closures, NC-SARA board membership, and complaint process.

Given NC-SARA's 10-year anniversary, it is appropriate time to take a look at some of the M-SARA processes. Ms. Appel provided suggested M-SARA recommendations, 1) ensure that the M-SARA RSC is appropriately and effectively represented by having the right voices are at the table, 2) Merge the M-SARA SPE group into the RSC but be sure there are learning opportunities to avoid redundancies and to mirror the other compacts in committee makeup, and 3) work with the M-SARA RSC to revise their policy and process manual to ensure clarity, consistency, and streamline processes. A proposal for action will be presented to the commission in November for reorganization of the M-SARA based on the policy modification process. Sara noted that per the Unified Agreement (foundational first document) MHEC commissioners and the president have full oversight of the RSC.

President Susan Heegaard reminded commissioners about the way distance learning used to be offered and that the four compacts work with NC-SARA. She expressed gratitude to staff and to those who support students across the MHEC region, including Jennifer Armour, Kansas Board of Regents, who serves as the current RSC chair. Concern was expressed over what the feds are doing. While MHEC can't lobby, there may be a need to ask states to step-up and be the voice of reason from MHEC member states.

Commissioner Ken Sauer (IN) agreed with Ms. Appel's comments stating they were in alignment with the spirit of which MHEC joined SARA, and that the program has provided so many distance education opportunities to students. He acknowledged the need for some changes.

16) Motion to go into Executive Session - ACTION ITEM 11

Action 11: Commissioner Tim Flakoll (ND) moved and Commissioner Larry Tidemann (SD) seconded the motion to go into executive session at 11:15 a.m. for 20 minutes.

Motion carried by voice vote.

17) Executive Session

Members of the Executive Committee met in closed session. After 20 minutes, staff were notified of the extension of 15 minutes of meeting time until 11:50 a.m.

a) Presidential Performance Report

18) Motion to Reconvene in Open Session - ACTION ITEM 12

Action 12: Commissioner Tim Flakoll (ND) moved and Commissioner Brandy Pyle (ND) seconded the motion to reconvene in open session.

Motion carried by voice vote.

19) Approve and Accept Presidential Performance Report - ACTION ITEM 13

Action 13: Commissioner Larry Tidemann (SD) moved and Commissioner Tim Flakoll (ND) seconded the motion to approve and accept the presidential report including:

- *Extension of President Susan Heegaard's contract from 7/1/2026 to 7/1/2027;*
- *5% salary increase;*
- *\$10,000 bonus; and*
- *\$10,000 toward professional improvement opportunities.*

Motion carried by voice vote.

Commissioner Tidemann (SD) shared complimentary comments for President Susan Heegaard. Additionally, he indicated that commissioners are supportive for staff to also obtain professional improvements. President Heegaard expressed her gratitude to the commissioners for their engagement and support, and to the MHEC staff.

Commissioner Barbara Ballard (KS) indicated that the Executive Committee had a very good discussion with lots of input and suggestions.

20) Closing and Next Steps

Chair Barbara Ballard (KS) thanked the commissioners for their camaraderie and for their thoroughness and participation to ensure MHEC's mission is being accomplished to satisfaction. She reminded commissioners of the upcoming commission meeting in Overland Park, Kansas, on November 18-20, and wished all to be safe during the time between meetings. She closed with a personal story.

21) Adjourn

Chair Barbara Ballard (KS) adjourned the meeting at 12:06 p.m.

Optional Tour of St. Louis Gateway Arch

Commissioners and MHEC staff toured the St. Louis Gateway Arch and some rode to the top of the arch for the city view.

MHEC President Report

2025 Executive Committee Meeting

I'm looking forward to joining you in Detroit, Michigan, for our 2025 Executive Committee Meeting. Whether you're with us in person or online, we're so glad that you are here. A special thanks to our Michigan hosts for helping us plan a great visit and to Katie Chock, Mary Roberson, and Sophie Mancino for organizing this meeting. We hope you'll enjoy the interesting speakers and topics we've lined up as well as the many things Detroit has to offer, including our dinner at the Henry Ford Rouge Factory. Please plan to stick around until the end of our meeting on Tuesday, when we'll hear an update from Dr. Jason Pontius, Iowa Board of Regents, on the work being done across much of the country with the Census Bureau on student migration, wages, and degree/work alignment. You'll also hear from Dr. Jeff Strohl, Georgetown Center for Education and the Workforce, who will share some of their latest credential and workforce related data and research. At our dinner on Monday evening, Jeanette Pierce, President of the City Institute, will tell us about the remarkable revitalization of downtown Detroit. I hope that you'll take the time to connect with and get to know one another, especially because we have some terrific new commissioners and staff.

I want to give a shout out to our staff who have been working hard throughout the year on their various initiatives, projects and programs. They have prepared reports summarizing their work which you'll find in the agenda book. Please take time to review them and talk with our staff to learn more. One staff change that I want to highlight is that after twelve years, Jenny Parks, our Vice President for Policy and Research, has accepted a new job with Ascendium Education Philanthropy. We're really happy for Jenny and wish her well. A search for Jenny's replacement is underway. I also want to thank all the commissioners who have volunteered for and given their time on our various committees. Your engagement is critical to our success.

In early May, we wrapped up another year of visits to Midwestern state capitols. These visits give us a great opportunity to learn firsthand about the pressing issues in our region and to share the latest updates from MHEC. We've included more staff on these visits and while we focus the bulk of our time in each state's capitol, we've tried to meet with more stakeholders, particularly those from postsecondary institutions. In fact, our meetings during these visits have increased by close to 50 percent. During our travels, we heard issues similar to years past with budget and affordability, dual credit/enrollment, workforce alignment, and federal uncertainty topping the list.

We have a new strategic plan 2025-28 for you to consider, that was led by Vice President Breanne Hegg and consultant Kathy Graves, Parenteau Graves. Thank you to the commissioners who served on the committee and helped us develop a strong, implementable plan that will guide our efforts in the coming years. You'll hear about our website and branding refresh that stem from the strategic plan. In addition to Kathy, several consultants work with us on various programs, policy and research, marketing as well as finance and administrative initiatives. I value their involvement, which provides us with fresh perspective, the latest best practices, expertise, and builds our capacity. An important decision was made to specifically include administrative aspects of our work in our strategic plan, so that the internal work is intentionally recognized as central to our success.

We've continued to focus on organizational improvement with support from the team from CLA, who during the past couple of years, helped us update, streamline, and align our various accounting and finance practices as well as implement new, more efficient, and effective tools for our reimbursement, billing, payroll, and budgeting functions. They're just now wrapping up an extensive assessment of our data capacity and platforms to see where we can eliminate duplication and improve efficiency and we're now moving to implement the recommendations. Athena Resource continues to support our human resources processes and offerings.

Our finances and budget continue to be healthy, thanks to another year of increased technology contract revenues. Student health insurance continues to grow, with 100 percent renewals and a 41 percent increase in usage this year. With leadership from our Finance and Audit Committee, the investment policy has been developed, and a firm has been recommended to serve as our advisors. Our Ad Hoc Programmatic Investment Committee met this fall and winter to propose innovative approaches for investing some of the increased revenue, with four suggested areas they'll share with you. You'll have an opportunity to review and offer feedback on the efforts of another commissioner committee that advised us on options for restructuring our Stone Arch Captive insurance model. A big thank you to our member states this past year for paying their annual commitments on time. The \$115,000 commitment is the lowest among the regional compacts and has not increased for over a decade. You will again be asked during our meeting to consider the pace at which we should proceed with the scheduled increase in our annual commitment.

It has been a pleasure to work with our chair, Mike Duffey (OH), and our other officers, vice chair Representative Katie Stuart (IL), treasurer Tim Mihalik (ND), and past chair Representative Barbara Ballard (KS). We have tried to be intentional regarding appointments to our standing and ad hoc committees by balancing elected and appointed government officials with higher education leaders, focusing on bringing a broad range of perspectives and experience to the table. Please let us know if you'd like to serve on any of these committees.

With respect to strategic partnerships, I continue to regularly meet and collaborate with the other regional compact presidents. For me, those relationships are valuable as we share with one another some of the common challenges and opportunities we all face. While things regarding NC-SARA, now over 10 years old, have improved significantly under new leadership, we continue to face uncertainty coming from the federal government and certain advocacy groups. Our relationship with SHEEO and the Midwest office of CSG continues to be strong and I attend their annual meetings each year.

MHEC is 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. It is so clear during our visits that you care deeply about your states, the people who live there and how to help position our region positively for the future. I am deeply grateful to our staff and to each and every one of you. Whether you've shown up at a meeting, webinar, or on a call, giving generous time and support by serving on a committee or offering me honest feedback and advice, your engagement is what leads to our success. Thank you.

MHEC Chair Report

Executive Committee Meeting

June 2025

I look forward to our upcoming meeting and the opportunity to see many of you in Detroit this June. Since our last Commission meeting in November, there has been exciting progress across the Compact. I'm grateful to those who are able to join us in person, and I appreciate those participating virtually—especially given the demands of being in legislative session, which I understand firsthand because Ohio is in the middle of our budget process until June 30. However you join us, we have a strong agenda planned and meaningful opportunities for each of our member states to engage in MHEC's important work.

As you know, revenue from MHEC's technology contracts has placed the organization in a solid financial position. It has been a privilege to serve on the Ad Hoc Strategic Investment Committee, where we've seen thoughtful and creative ideas emerge about how to best leverage this momentum. I look forward to sharing an update during our meeting as these ideas continue to take shape.

Our participation in MHEC initiatives continues to demonstrate the tangible value member states receive. For example, a single state's savings—just from engaging in one program or technology contract—can exceed the \$115,000 membership investment. And beyond the numbers, the shared insights and collaboration when we gather are valuable to our individual states and the higher education system holistically. I regularly learn from the experiences and innovations that each of you bring to the table.

The ad hoc committee's recent work also set the stage for the development of MHEC's new strategic plan. We will share that presentation and have the opportunity to take formal action during our meeting. I encourage you to review the accompanying materials in advance.

We'll also preview MHEC's upcoming website redesign and organizational rebranding—another step forward for the Commission.

As always, our leadership continues to evolve. Please join me in welcoming our newest Commission members:

- Iowa: Senator Jesse Green, Representative Monica Kurth, and Dr. Matthew Draud (alternate)
- Kansas: Senator Renee Erickson
- Michigan: Representative Greg Markkanen and Dr. Beverly Walker-Griffiea, Executive Director, Department of Lifelong Education, Advancement, and Potential (alternate)
- Minnesota: Representative Jessica Hanson, Dr. Raj Singh
- Missouri: Representative Chris Brown
- Nebraska: Senator Jana Hughes

Finally, I am excited to host you in Cleveland this fall. Please mark your calendars for November 5–7. I'd especially like to thank my fellow Ohio commissioners for their efforts in helping to plan what promises to be a meaningful—and genuinely fun—gathering. From engaging sessions to opportunities to explore all that Cleveland has to offer, we are working hard to ensure a memorable experience for all.

Chancellor Mike Duffey
Ohio Department of Higher Education
MHEC Chair, 2024-25

Action Item 2

Strategic Plan

Background

In 2022, the MHEC Commissioned approved a strategic plan to guide the organization through 2025. Kathy Graves of Parenteau Graves was hired to facilitate this work, which included engaging a committee to revise MHEC’s mission, vision and values, and to recommend strategic priorities. This resulting plan has guided the Compact’s work and led to measurable progress and achievement.

In late 2024, MHEC began a review of the plan, with the intention of having a new plan in place when the old plan expired in 2025. Kathy Graves was again hired to facilitate the process, and a committee of commissioners and staff leaders was appointed to guide this work. The committee met for the first time in November 2024 at the commission meeting and continued to meet virtually throughout the winter and spring.

The committee carefully reviewed the mission, vision, and values and recommends minor edits to the mission, vision and two of the values, plus a more substantive change to orient the previous value of diversity, equity, and inclusion to focus on access and attainment.

Guided by progress on the current plan, input obtained by commissioners via an electronic survey, and the work of the Ad Hoc Programmatic Investment Committee, the Strategic Plan Committee also revised the priorities to reflect the current environment and to ensure the plan addresses both program and operational needs. MHEC staff proposed adding a fifth priority on internal operations and effectiveness to ensure that everyone’s work was represented in the plan and that MHEC had the administrative capacity to support the work.

Summary of Proposed Revisions

	Current	Proposed Revision
MISSION	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.	MHEC brings together leaders from midwestern states to develop and advance best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts, MHEC works to ensure strong postsecondary opportunities for all.
VISION	To improve individual career readiness and regional economic vitality through collective problem-solving and partnerships that strengthen postsecondary education.	To improve student success and regional economic vitality through collective problem-solving and partnerships that strengthen postsecondary education.

VALUES	Collaboration We believe working together in an open, respectful environment creates a foundation for cooperation and innovation that allows us to research, share, pilot, and scale ideas to improve our individual institutions, states, and region.	<i>(no changes)</i>
	Innovation We believe that bringing creativity and problem solving to the challenges and opportunities in higher education helps produce excellent results for our states, institutions, and students.	Innovation We believe that bringing creativity, research, and problem solving to the challenges and opportunities in higher education helps produce new ideas and 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.	Access & Attainment We believe that addressing obstacles to higher education opens opportunity for students from all backgrounds and helps institutions advance student 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.	Excellence We believe that high standards combined with intentional and efficient use of our resources produce valuable outcomes for our member states and their respective institutions.

Recommended Priorities for 2025-2028

1. Expand cost- and time-saving initiatives.
2. Support alignment of postsecondary education and workforce development.
3. Advance regional solutions for emerging topics in higher education.
4. Build deeper and broader engagement with MHEC.
5. Optimize operations.

Recommendation: That MHEC approve and adopt the mission, vision, values, and strategic priorities as stated in the 2025-2028 Strategic Plan.



STRATEGIC PLAN | 2025 – 2028

MISSION

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

VISION

To improve student success and regional economic vitality through collective problem-solving and partnerships that strengthen postsecondary education.

VALUES

Collaboration. We believe working together in an open, respectful environment creates a 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, research, and problem solving to the challenges and opportunities in higher education helps produce new ideas and excellent results for our states, institutions, and students.

Access & Attainment. We believe that addressing obstacles to higher education opens opportunity for students from all backgrounds and helps institutions advance student success.

Excellence. We believe that high standards combined with intentional and efficient use of our resources produce valuable outcomes for our member states and their respective institutions.

STRATEGIC PRIORITIES

Expand cost- and time-saving initiatives.

- Explore, evaluate, and potentially launch shared services opportunities.
- Improve existing and expand new cost-savings contracts, initiatives, and programs.

Support alignment of postsecondary education and workforce development.

- Facilitate development of a regional approach to collect and share data related to student attainment, migration, and employment.
- Identify best practices and evidence-supported strategies that advance alignment of workforce development and postsecondary education.
- Identify and address obstacles to student access to education and training.

Advance regional solutions for emerging topics in higher education.

- Convene regional leaders on pressing issues identified by member states (e.g., dual enrollment, AI, demographic changes).
- Standardize an approach to address emerging issues, using MHEC's FAFSA work as a guiding example.
- Conduct timely, meaningful research to support state decision making around policy and investment in higher education.
- Advance value proposition of postsecondary education.

Build deeper and broader engagement with MHEC.

- Amplify MHEC's distinct role and value for member states and their institutions, students, and families.
- Build strategic relationships to expand MHEC's capacity and impact.

Optimize operations.

- Standardize policies, procedures, and workflows to support organizational impact.
- Align tools and systems to improve efficiency and collaboration.
- Leverage automation and AI to streamline operations and optimize staff time.

Action Item 3

Stone Arch Recommendation

Summary

MHEC is the sole shareholder of Stone Arch Insurance Company, a captive insurance company domiciled in Vermont. MHEC initially used Stone Arch for the captive layer in its Master Property Program (MPP). With the sunseting and impending wrap up of MPP, MHEC needs to determine if and how it wants to utilize Stone Arch. An understanding of captives, their relationship with the insurance industry, and the variety of ways institutions can utilize and benefit from captives is important when trying to determine the best utilization and structure for Stone Arch. Gaining this understanding takes more time than can be allotted during a Commission meeting or Executive Committee meeting. At the November 2024 Commission Meeting, the Governance Committee recommended the establishment of an ad hoc commissioner committee to help inform and advise the Commission on the future of Stone Arch Insurance Company, and to have this ad hoc committee share its findings and recommendations to the Executive Committee at the June 2025 Executive Committee Meeting. The motion passed.

The committee was established and began its work in January 2025. The committee, with assistance from Marsh, Stone Arch's captive management advisor, reviewed options for the captive, which included staying as a single parent captive, restructuring to a different type of captive, putting the captive into dormancy, or dissolving the captive. The committee quickly reached consensus that the sponsored cell captive was the most viable option to explore and began studying that option in more detail. The committee agreed that if the sponsored cell captive proved to be undesirable after further study, that the committee would recommend putting the captive into dormancy.

A sponsored cell captive would allow MHEC to rent cells within Stone Arch at a favorable rate to individual higher education institutions, who can use their own cell to manage a layer of risk. Each cell is separate and there is not shared risk between cells or between a cell and Stone Arch. What happens in one cell does not affect another cell. An institution could write multiple lines of coverage within their cell or have a single policy. MHEC could also use a cell to offer a group program at some point, if desired.

The captive market has been growing in the US over the past few years and is expected to continue to grow. Increasing, higher education institutions are exploring and utilizing captives to help control costs and manage their risk. The most common response we hear when talking with higher education institutions is that they are interested in accessing the benefits of a captive but find the resource investment of establishing their own cost prohibitive.

Institutions are motivated to add captives to their insurance strategy as they can be useful in managing risk in volatile coverage areas that are currently hard-to-find or unduly expensive, such as traumatic brain injury, sexual abuse and molestation, and cyber. An institution could self-fund for these risks in a Stone Arch cell. With the perennial softening and hardening of insurance markets, captives will always offer a cost-effective solution for lines of coverage. Institutions could insure a variety of risks in a Stone Arch cell, including employee benefits, property, casualty, and traumatic

brain injury. Both primary and excess coverage can be covered in a cell, allowing a variety of ways to manage costs. Restructuring Stone Arch to a cell captive would fulfill a stated need of higher education institutions and be responsive to challenges and opportunities in the insurance market. Stone Arch would price its cells at a rate lower than market rate but high enough to ensure that the program covered its administrative and staffing costs. With little competition from other associations or groups offering captive cells to members at a reduced rate, Stone Arch would be a unique offering in the marketplace.

Working with Marsh, the committee then reviewed the cell structure's financial model, cost-break analysis, and risks. Including start-up costs, the cost-break analysis indicated that Stone Arch could reach the break-even point when it engaged 8-10 participating institutions, which we estimated could take 4-6 years. Risks of the program include both financial and reputational risks if the program does not take off or eventually cover its costs. To help manage this risk, the committee recommends that MHEC staff work closely with the Finance and Audit Committee on an on-going basis to review the program, including during the program development/pre-launch phase. At any time, the Finance and Audit Committee could recommend a change to the program, including pausing or ending it. Another risk considered was if a rented cell went bankrupt. In that scenario, Stone Arch is financially protected from that risk, as are the entities in the other cells and the institution itself. There could be a reputational risk, however, as a bankrupt cell could indicate insufficient vetting of cell use.

After reviewing this data, the committee felt comfortable recommending that MHEC pursue restructuring Stone Arch to a cell captive. For timing, Stone Arch would continue to work on resolving the outstanding claims from the MPP program and completing the final dividend distribution, which we estimate will take six-to-twelve months. During this same time, MHEC would further develop the program, working closely with the Finance and Audit committee to review financials before restructuring and launching the revised captive. MHEC would begin marketing the opportunity during the captive restructure, and the revised captive could be fully operational in June 2026. MHEC staff would meet with interested institutions that fall and enroll participants in early 2027 for the 2027-2028 policy year beginning July 1.

The committee also acknowledged that MHEC and Stone Arch would benefit from having a commissioner committee review and guide its work on a regular basis. The committee recommends that the Finance and Audit Committee fulfill this function going forward. Future recommendations regarding Stone Arch could be made to the Commission from this committee.

Proposed Action:

That MHEC proceeds with plans to restructure its wholly owned captive, Stone Arch Insurance Company, to a sponsored cell structure by June 2026, with the intention of renting cells to individual higher education institutions.

That the Finance and Audit Committee:

- provide on-going counsel to MHEC staff as they develop the program and prepare for restructure and launch, and as needed on an on-going basis
- conduct a formal review of Stone Arch on an annual basis
- provide semi-annual updates to the Executive Committee
- where appropriate, make recommendations to the full commission.



Summary

The Midwestern Student Exchange Program's (MSEP) main goal, historically, has been to make attending out-of-state colleges and universities more affordable for Midwestern non-resident students, thus providing them with a wider range of educational options for their postsecondary dollars. At the June 2024 MHEC Executive Committee meeting, MHEC staff were charged with refreshing the Midwest Student Exchange Program, or MSEP, and with exploring the development of an additional online tool to help students find more cost savings information for a wider range of institutions in MHEC states. Such a tool might be similar to the [tool](#) WICHE has developed.

What follows is a report for the MSEP Council and the MHEC Commission describing the findings after an initial exploration into the possible development of an online Cost Savings Finder tool.

The focus of this exploration was to identify:

- 1) Whether there is a need for a new cost savings tool to address gaps in information about out-of-state tuition premiums and associated reciprocity and discounting agreements within the Midwest,
- 2) What tools might already exist to fulfill this need in the marketplace,
- 3) What potential features and functions of a tool might be most beneficial to students, families and institutions, and
- 4) What level of investment and effort might be required to implement such a tool.

This report presents findings on the areas of inquiry above and offers considerations for a phased implementation of different options, estimating the level of financial investment and effort necessary for each.

Background

The Midwest Student Exchange Program, or MSEP, is a voluntary multi-state tuition reciprocity program. Through the MSEP, participating public institutions agree to charge students no more than 150% of the in-state resident tuition rate for specific programs; participating private institutions offer a 10% reduction on their tuition rates. Since 1994, the MSEP has provided more affordable opportunities for students to attend out-of-state institutions. Over 80 colleges and universities in Indiana, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin have opened their doors to each other's citizens at more affordable rates for undergraduates and graduate students.

The primary objective of the Midwestern Student Exchange Program (MSEP) has traditionally been to reduce the cost of attending out-of-state colleges and universities for students from the Midwest. This initiative aims to provide these students with a broader selection of educational opportunities for their postsecondary investments. In recent years, the program has fallen short of

its cost-savings goals as it has experienced decreased utilization by students, institutions, and states. A group of MSEP stakeholders was convened in 2024 to assess the program and make recommendations for improvement. Known as the MSEP 2.0 Advisory Committee, the group identified three improvement recommendations that were also unanimously approved by the MSEP Council.

In addition to making recommendations for improvements to MSEP policies, procedures, and communications, the Committee made a third recommendation based on what they perceived as the most important MSEP benefits for stakeholders: providing information about cost savings for students and the marketing value of a school being listed on the MSEP website. This final recommendation was to explore the development of a Midwest College Cost Savings Finder—an accurate and advertisement-free online, searchable tool which would feature higher education institutions in the twelve MHEC states, listing tuition costs by different academic programs and reciprocity arrangements, including MSEP. The Cost Savings Finder would be a site where any public or independent institution in a MHEC state could appear, not just those participating in MSEP. Further, such an online tool would provide students and families with more nuanced tuition information than other online sources.

Need for Cost Savings Finder Tool

Families seeking affordable public colleges and universities often turn to the colleges and universities within their state, which historically have offered a discounted rate for tuition and fees for state residents. Resident students are commonly charged lower tuition rates than non-resident students because public institutions are funded by the state through taxes paid by residents of that state. Consequently, tuition rates are typically higher for out-of-state students whose parents have not paid taxes to the institution's state.¹

National data on college prices at public four-year institutions show that average published out-of-state tuition and fees tend to be approximately three times greater than in-state tuition prices (\$30,140 vs. \$11,610) before taking student grant and scholarship aid into account.²

The size of out-of-state tuition premiums – defined as the additional amount of tuition and fees for non-resident students – differs greatly across states. As seen in Figure 1, Michigan has one of the largest average out-of-state premiums (\$26,360) among public four-year institutions, owing mostly to the premium charged by the state's flagship university, the University of Michigan – Ann Arbor. In contrast, South Dakota has the smallest average out-of-state premium, with non-resident students paying an average of only \$3,550 more per year than in-state students.

¹ Horner, O.G., Williams-Wyche, S., & Marsicano, C. (2022). Out-of-State Tuition Premiums at Public Four-Year Institutions: Trends and Impact. Midwestern Higher Education Compact.

² Ma, Jennifer, Matea Pender, and Meghan Oster (2024). Trends in College Pricing and Student Aid 2024, New York: College Board.

Average 2024-25 Tuition and Fees (Enrollment-Weighted) at Public Four-Year Institutions

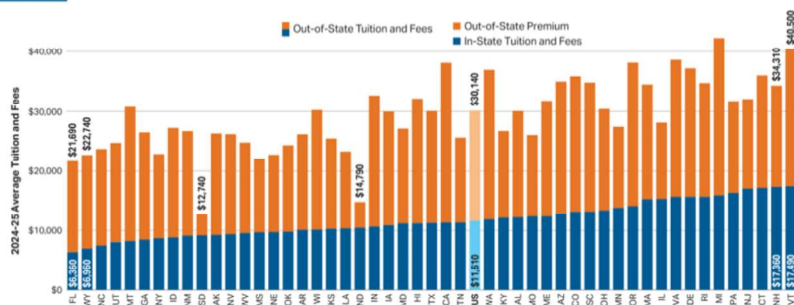


Figure 1: Ma, Jennifer, Matea Pender, and Meghan Oster (2024). Trends in College Pricing and Student Aid 2024, New York: College Board.

Large differentials between in-state and out-of-state tuition rates can discourage students from attending institutions out of state and negatively impact migratory patterns that might benefit students and a receiving state. Research has shown that out-of-state tuition premiums can affect students, institutions, and states. Several studies have demonstrated that high tuition rates for out-of-state students can discourage non-resident enrollment. Accordingly, researchers have found that providing non-resident students with scholarships to reduce the net price of attendance can increase out-of-state enrollment rates.³

Interstate Tuition Exchanges

The classification of in-state versus out-of-state is not always clear cut. Many institutions reduce their out-of-state tuition rates by joining an interstate student exchange and offering tuition discounts to students from specific counties or states, though the resulting tuition rate is frequently still greater than in-state tuition. Four major regional exchanges exist and include 43 of the 50 states as participants.

- 15 states and three territories participate in WICHE's [Western Undergraduate Exchange](#) (WUE): Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam.
- 6 states participate in NEBHE's [Tuition Break](#): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.
- 15 states participate in SREB's [Academic Common Market](#): Alabama, Arkansas, Delaware, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia; Florida and Texas participate only at the graduate level.
- 8 states participate in MHEC's [Midwest Student Exchange Program](#) (MSEP): Indiana, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin. One state, North Dakota, is a member of both MSEP and the Western Undergraduate Exchange (WUE).

While states determine membership in regional exchanges, individual institutions can opt-in or opt-out of participation in an exchange. Therefore, not all institutions in an exchange-state

³ Horner, O.G., Williams-Wyche, S., & Marsicano, C. (2022). Out-of-State Tuition Premiums at Public Four-Year Institutions: Trends and Impact. Midwestern Higher Education Compact.

participate. For example, in 2022 the participation of public four-year institutions in MSEP ranged from 17 to 86 percent: Indiana (69%), Kansas (86%), Minnesota (42%), Missouri (69%), Nebraska (71%), North Dakota (67%), Ohio (17%), and Wisconsin (77%).

While higher education compacts and tuition reciprocity programs provide valuable cost-saving opportunities, there are several limitations that students and families should be aware of when using this information to make college decisions:

1. **Limited Institutional Participation:** Not all colleges and universities participate in tuition reciprocity programs, and some institutions may cap the number of students they accept under these agreements, meaning eligibility doesn't guarantee program participation and reduced tuition.
2. **Program-Specific Restrictions:** Discounted tuition rates may not apply to all majors or programs, especially high-demand fields like nursing, engineering, or business. Some institutions exclude graduate programs or professional degrees from reciprocity agreements.
3. **Residency and Eligibility Requirements:** Students must often prove residency in an eligible state, sometimes requiring multiple years of residency. Some programs require a minimum GPA, standardized test scores, or other academic criteria for eligibility.
4. **Variability in Cost Savings:** The amount of tuition savings varies—some institutions offer significantly lower rates, while others may still charge more than in-state tuition. Private colleges in these programs may offer only partial tuition reductions, making them less affordable than public options.
5. **Lack of Awareness and Transparency:** Many students and families aren't aware of these programs, and colleges don't always prominently advertise them. Some reciprocity agreements require students to apply for reduced tuition rather than automatically receiving it.
6. **Changes in Policy and Funding:** States or institutions can withdraw from reciprocity agreements or change the terms of their participation, sometimes reducing available options. Budget constraints may lead to reductions in tuition discounts or the number of students who can participate.
7. **Competition and Availability:** Some schools limit the number of reciprocity students they accept each year, making it competitive. High-demand institutions may prioritize in-state students, leaving fewer spots available for out-of-state students even with reciprocity.
8. **Misinterpretation of Net Costs:** Even with tuition reciprocity, students must still cover additional expenses like housing, fees, and books, which can vary widely between states and schools.

Regional Tuition Agreements and Other Reciprocity Agreements

In addition to interstate student exchange programs, states have also created regional tuition reciprocity agreements with neighboring states. For example, in the Midwest, Minnesota has several active reciprocity agreements, allowing Minnesota residents to pay reciprocal in-state tuition at public colleges in Wisconsin, North Dakota, Iowa (limited to only a few institutions), and Manitoba. South Dakota's Advantage program offers in-state tuition to residents of ten neighboring states.⁴

In addition to state-to-state tuition reciprocity agreements, individual institutions have also created in-state tuition reciprocity agreements with other institutions. For example, Kansas State University offers a "Missouri Match Tuition Award", which offers full-time enrolled Missouri residents attending Kansas State a 100% discount on the nonresident portion of tuition.⁵ In another example, Wichita State has created a program called the "Shocker City Partnership" that provides in-state tuition to residents of bordering counties, across seven states.⁶

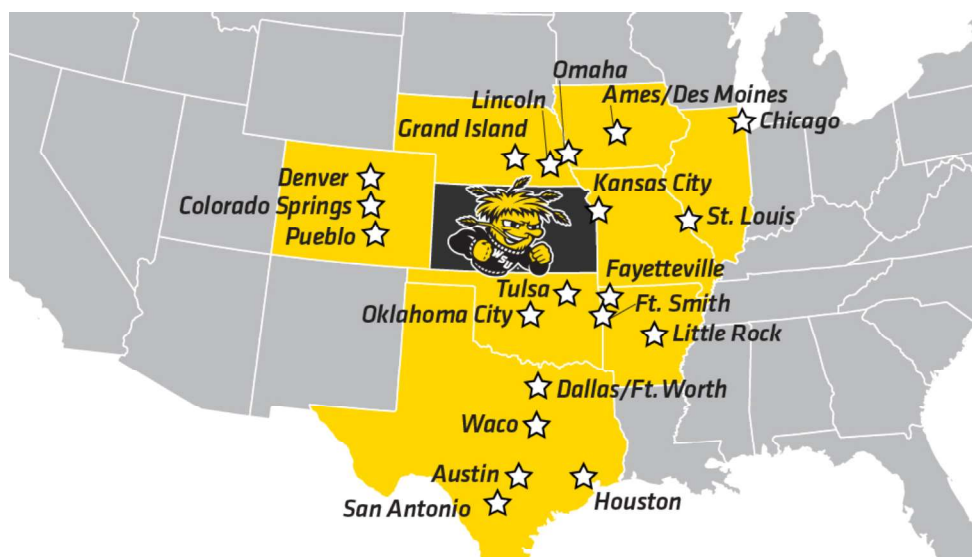


Figure 2: Wichita State University's Shocker City Partnership eligibility map

Finally, several institutions have adopted policies to remove any out-of-state premium from their tuition and fees, leaving no differential between in-state and out-of-state tuition. In the Midwest, some examples include Northern Illinois University, Central Michigan University, and Drake University.⁷ Further, many institutions offer discounts that remove the out-of-state tuition premium for qualified students who meet certain criteria, such as University of Kansas' out-of-state freshmen merit scholarships, which require a minimum GPA and full-time enrollment.⁸

⁴ [South Dakota Advantage](#) program offers in-state tuition to residents of Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, and Wisconsin.

⁵ See [Missouri Match Tuition Award](#).

⁶ See [Shocker City Partnership](#).

⁷ See tuition pages for Northern Illinois University (www.niu.edu), Central Michigan University (www.cmich.edu) and Drake University www.drake.edu

⁸ See www.admissions.ku.edu.

These myriad options and opportunities can be confusing for families and students as they explore admission to public colleges and universities outside of their state. This lack of information also creates a vacuum in which misinformation and predatory practices can thrive. For example, during this research we came across a company that promises to help students obtain legal residency to receive in-state tuition in exchange for paying the company the difference between in-state and out-of-state tuition rates. However, this company is only leveraging the same legal pathways to in-state residency that any individual could navigate on their own at no cost.

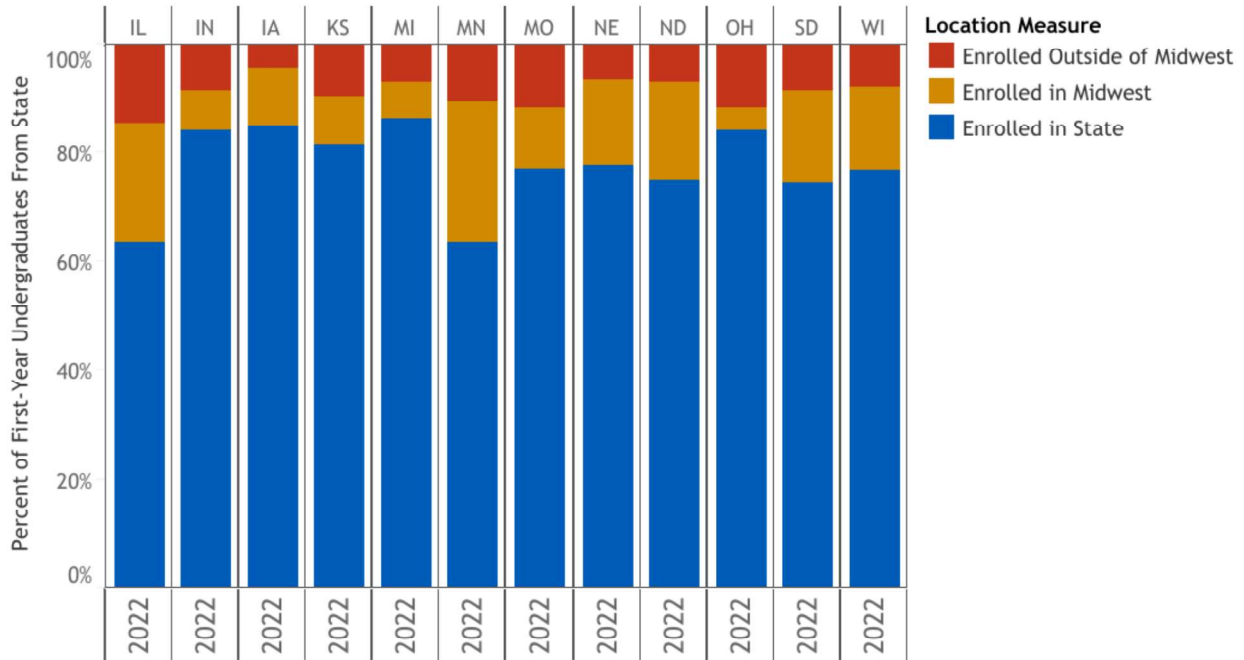
Student Migration Patterns

Understanding student migration patterns is essential when evaluating a tool designed to promote college tuition savings in the Midwest. These patterns—where students choose to attend college relative to where they live—offer critical insight into regional enrollment trends, cross-state mobility, and the potential reach of tuition reciprocity or discount programs. By analyzing how and why students move across state lines for higher education, stakeholders can better assess where financial incentives might have the greatest impact, identify gaps in access or awareness, and tailor strategies to retain in-state talent or attract out-of-state students cost-effectively.

Historically, for MSEP as well, there has also been a hypothesis that interstate tuition agreements can help to fill unused Midwestern campus student capacity and to increase enrollments by recruiting high achieving students from out-of-state as part of a Midwestern “brain gain” strategy.

As of 2022, on average less than 10% of Midwest students enrolled in a postsecondary institution outside of the Midwest within the 12 months of graduating from high school or receiving a GED diploma. A majority of students (ranging from 64%-87%) stayed within their state of graduation.

College Location of High School Graduates Who Enrolled in a Postsecondary Institution Within 12 Months of Graduating From High School or Receiving a GED Diploma



Source. National Center for Education Statistics. *IPEDS: Fall enrollment.*

Year	State	Location Measure
2022	All	All

Figure 3: College Location of High School Graduates Who Enrolled in a Postsecondary Institution Within 12 Months of Graduating From High School or Receiving a GED Diploma

Those who do leave the Midwest tend to travel to either adjacent states in the South (such as Kentucky or Tennessee) or large states such as Florida, Arizona, New York, and California.

Destination of Midwest High School Graduates Who Enrolled in Postsecondary Institution Outside of Midwest Within 12 Months of Graduating from High School or Receiving GED Diploma, 2022

State	Number of Students
Kentucky	3,905
Arizona	3,654
Florida	3,368
New York	2,776
Tennessee	2,714
California	2,386
Pennsylvania	2,106
Texas	2,020
Colorado	1,942
Alabama	1,805
Massachusetts	1,684
Georgia	1,571
Arkansas	1,556
North Carolina	1,399
Virginia	1,143
South Carolina	1,105
Mississippi	917
West Virginia	903
District of Columbia	849
Louisiana	823
Oklahoma	768
Utah	750
Montana	552
Maryland	511
Washington	473
Oregon	468
Connecticut	402
Vermont	345
Wyoming	331
Idaho	324
New Jersey	303
Rhode Island	277
Maine	220
New Mexico	154
New Hampshire	151
Hawaii	130
Delaware	78
Nevada	78
Alaska	27

Figure 4: Percentage of Employed College Graduates Working in State of Graduating Institution After Completing a Credential. Source: U.S. Census Bureau. Postsecondary Employment Outcomes (PSEO) public-use data.

Source. NCES IPEDS. (2022). Fall enrollment.

In terms of the workforce, five years post-graduation from a Midwest institution, 68% of students remain employed in the Midwest.

Percentage of Employed College Graduates Institution After Completing a Credential

State/Region	1 Year	All Cohorts 5 Years	10 Years
	Any Credential	Any Credential	Any Credential
Midwest	73%	68%	65%

Figure 5: Percentage of Employed College Graduates Working in State of Graduating Institution After Completing a Credential. Source: U.S. Census Bureau. Postsecondary Employment Outcomes (PSEO) public-use data.

Current Tools and Savings Finders

When researching college costs in the Midwest, students and families have access to a variety of online tools and resources that provide insights into tuition, financial aid, and overall affordability.

Here are some key platforms they might use:

1. **[MSEP](#)** – MHEC’s program for Midwest students to find discounted tuition at participating institutions within the participating Midwest states.
2. **[College Navigator \(NCES\)](#)** – A federal database provided by the National Center for Education Statistics, College Navigator allows users to search for schools by region, program, and cost. It includes tuition and fees, estimated student expenses, financial aid statistics, and graduation rates.
3. **[College Scorecard \(U.S. Department of Education\)](#)** – This tool provides detailed data on costs, student debt, earnings after graduation, and financial aid availability. It helps families compare schools based on affordability and potential return on investment.
4. **Net Price Calculators (Individual College Websites)** – Federal law requires colleges to offer net price calculators on their websites, helping students estimate their actual cost after financial aid, based on income and other factors.
5. **State-Based Resources** – Many Midwestern states provide their own databases and financial aid tools:
 - **[Minnesota Office of Higher Education](#)** offers resources on tuition comparison and state grant programs.
 - **[Illinois Student Assistance Commission \(ISAC\)](#)** provides financial aid tools and college planning guides.
 - **[Ohio Department of Higher Education](#)** lists public university tuition guarantees and state financial aid programs.

6. **[BigFuture by College Board](#)** – This platform includes a cost comparison tool, scholarship search, and breakdowns of financial aid options by school.
7. **[IPEDS Data Center](#)** – For more advanced users, the Integrated Postsecondary Education Data System (IPEDS) provides detailed cost and financial aid data for higher education institutions.
8. **[TuitionFit](#)** – A transparency tool where families can see actual tuition offers made to students with similar academic and financial profiles.
9. **Scholarship Search Engines** – Sites like [Fastweb](#), [Scholarships.com](#), and [apply](#) help students find merit-based and need-based financial aid.

While all these tools can help students and families make informed decisions, each provide only a slice of the available information, and none of them provide a full picture of the various reciprocity agreements available to students and families throughout the Midwest, beyond those provided through MSEP. *There is an opportunity to make this information available and more transparent to students and families.*

Recommendations

To meet the needs of students and families to find this important information, MHEC could pursue several different options, each requiring a varying level of upfront investment and ongoing maintenance.

1. Create a Digital Publication with a State-By-State List of In-State Tuition Reciprocity Agreements in the Midwest.

- *Low Cost: estimated at \$20k depending on use of external vs internal resources*
- *Medium Effort: estimated at 2-4 months for implementation*
- *Annual Maintenance: estimated at ~\$10k, inclusive of data discovery, writing, and graphic design*

Create a digital, downloadable PDF that clearly explains tuition reciprocity options in the Midwest, hosted on MHEC's website. Additional information could be added to make it easier for students and families to contact schools in which they are interested and be able to identify the individuals on campus who can answer questions about each reciprocity arrangement.

Key Features:

- a) **State-by-State Reciprocity Guide** – List which states and schools participate in programs like MSEP as well as any other state, regional, or institutional reciprocity agreements within the Midwest.
- b) **Cost Comparison Tables** – Include a table display of out-of-state tuition vs. reciprocity tuition for major Midwest institutions.
- c) **Application Instructions** – Provide links and guidance on how to apply. Directs users to each school's net price calculator for more personalized estimates.
- d) **Eligibility and Common Restrictions FAQs** – Provide a FAQ about common restrictions, eligibility criteria such as GPA requirements, and financial aid compatibility.

PROS:

- ✓ **Cost-Effective** – Requires minimal upfront investment and can be created using existing design tools.
- ✓ **Simple to Update** – Only requires an annual refresh, making it easy to maintain.
- ✓ **Widely Accessible** – Can be downloaded and printed for offline use, helpful for students and families with limited internet access.
- ✓ **Clear & Concise** – Provides structured information in an easy-to-read format, without overwhelming users.

CONS:

- X **Limited Interactivity** – Users can't search, filter, or personalize results like they could with an online tool.
- X **Static Data** – Information may become outdated between annual updates, and changes in reciprocity agreements won't be reflected in real time.
- X **Requires Users to Cross-Check** – Families will still need to visit individual school websites for the most current tuition and eligibility details.
- X **Potentially Overlooked** – A PDF may not be as engaging as an interactive web tool, making it less likely that students will use it.

Staffing Suggestion: Create a permanent 0.5 FTE director level position for ongoing support and administration of MSEP, plus contracted labor for set-up and annual maintenance of the digital publication.

- 0.5 FTE director level position ~ \$78,000 annually
- Year 1: \$98K; Year 2: \$88K

2. **Expand MSEP Website to include Data on All In-State Tuition Reciprocity Agreements in the Midwest.**

- *Medium Cost: estimated at \$30k-50k, plus ongoing staff costs*
- *Medium Effort: 6-9 months to implement*
- *Periodic Maintenance: estimated to require 1-2 staff or consultants to review data and make periodic web updates throughout the year*

Expand the MSEP website to include data on other tuition reciprocity options available in the Midwest and build more functionality.

Key Features:

- a) **Searchable & Filterable Tuition Reciprocity Database:** Utilize the same search capabilities of the MSEP site but include an expanded database beyond just MSEP participating institutions.
- b) **Side-by-Side Tuition Cost Comparisons:** Display standard out-of-state tuition vs. reciprocity tuition for each school. Possibly include estimated room & board costs, based on publicly available data.
- c) **Eligibility Guides:** Include more information about eligibility requirements, how to apply, and an expanded FAQ.

- d) **Links to Official Resources:** Provide direct links to the institutions' Net Price Calculators and to the financial aid office websites for additional support.

PROS:

- ✓ **More User-Friendly Than a PDF** – Search and filter capabilities allow families to find relevant information faster.
- ✓ **Expands Beyond MSEP** – Includes other Midwest tuition reciprocity programs, making it a one-stop resource for families.
- ✓ **Moderate Cost & Effort** – Less expensive and complex than a highly interactive tool but still provides better functionality than a static PDF.
- ✓ **Easy to Maintain** – Uses publicly available tuition data and eligibility rules, with periodic updates.
- ✓ **Directs Users to Official Tools** – Links to Net Price Calculators and financial aid websites for personalized cost estimates.

CONS:

- X **Still Not Fully Personalized** – While it improves usability, students won't get precise tuition estimates or financial aid projections without visiting external tools.
- X **Potential Data Lag** – If updates aren't frequent, users may still see outdated tuition rates or eligibility criteria.
- X **Dependent on Stakeholder Buy-In** – Expanding the existing MSEP website may require coordination with multiple stakeholders, which could slow implementation.

Staffing Suggestion: 1.0 FTE director level position for ongoing support and administration of MSEP, plus contracted labor for set-up and maintenance as needed: ~\$156,000 annually

- Year 1: \$206K; Year 2: \$176K

3. Create a New Highly Interactive Tool with Real-Time Updates

- *High Cost: estimated at \$200k for initial investment for website development and communications, plus ongoing staff costs*
- *High Effort: estimated at 12-18 months for implementation*
- *Ongoing Maintenance: estimated to require a team of 2-3 developers and managers ongoing year-round*

Create and maintain a user-friendly, interactive online cost savings tool that combines information on in-state tuition reciprocity agreements in the Midwest with other data like net price, scholarships, and financial aid.

A tool like this might include features such as:

- a. **Intuitive Search Functionality:** Users could enter their home state, and the tool would automatically display eligible tuition reciprocity programs for both public and private institutions. Families could look up specific schools or programs to see if they qualify for reciprocity discounts and how much they might save.
- b. **Clear Reciprocity Eligibility Requirements:** A simple guide explaining tuition reciprocity agreements for each Midwestern state (e.g., which states participate in MSEP). Flag any

restrictions upfront, such as which majors or programs may be excluded. Include step-by-step guides on how to apply for reciprocity tuition rates, including important deadlines.

- c. **Personalized Cost Estimates:** A side-by-side comparison showing the standard out-of-state cost versus the discounted rate for eligible students. Incorporate data from Net Price Calculators and financial aid information to give a more realistic cost projection. Breakdown of additional costs like housing, fees, and books.
- d. **Interactive Map & School Profiles:** A Midwest tuition reciprocity map showing all participating colleges, tuition savings, and state agreements. Each school profile would highlight standard tuition vs. reciprocity tuition, eligible majors, graduation & employment outcomes, and financial aid options available.
- e. **Financial Aid & Scholarship Integration:** Links to state-based grants & scholarships that Midwest students may qualify for.
- f. **Real-Time Updates & Policy Changes:** Real-time updates from participating institutions. Email alerts for families when a state expands or restricts its reciprocity agreements.
- g. **User-Friendly Experience:** Mobile-friendly and accessible for families with limited financial literacy, including a FAQ section with simple explanations of terms like "net price," "sticker price," and "cost of attendance."

PROS:

- ✓ **Highly User-Centric** – Families can search, filter, and receive personalized cost estimates, making it the most engaging and actionable tool.
- ✓ **Comprehensive Data Integration** – Includes real-time tuition updates, reciprocity eligibility, net price estimates, scholarships, and financial aid information all in one place.
- ✓ **Interactive Maps & School Profiles** – Visually engaging and easier to explore than text-heavy alternatives.
- ✓ **Mobile-Friendly & Accessible** – Designed for a broad audience, including those with limited financial literacy.

CONS:

- X **Expensive to Develop & Maintain** – Requires a larger budget, development team, and ongoing updates to keep tuition data accurate.
- X **Data Complexity** – Pulling real-time financial aid, net price, and tuition data from multiple institutions may require API integrations, which can be challenging.
- X **Higher Time Commitment** – Would take longer to design, test, and launch than simpler options.
- X **Requires Strong Institutional Partnerships** – Schools must be willing to provide updated data to keep the tool accurate and useful.

Staffing Suggestion: Ongoing Maintenance and Annual Costs: 1.0 FTE director position ~ \$156K, 1.0 manager position ~ \$104K, contract labor as needed, IT support as needed

- Year 1: \$460K; Year 2: \$260K

COMPARISON TABLE

Feature	Option 1: Digital PDF	Option 2: Expanded MSEP Website	Option 3: New Interactive Tool
Cost	✓ Low (Year 1: \$98K; Year 2: \$88K)	↔ Medium (Year 1: \$206K; Year 2: \$176K)	✗ High (Year 1: \$460K; Year 2: \$260K)
Time to Develop	✓ Quick (2-4 months)	↔ Moderate (6-9 months)	✗ Long (12-18 months)
Ease of Use	✗ Limited Interactivity	✓ Search & Filter	✓ Highly Interactive
Personalization	✗ None	↔ Some (Limited Filtering)	✓ Yes (Tuition & Aid Estimates)
Data Accuracy	✗ Static, Annual Updates	↔ Medium (Periodic Updates)	✓ Real-Time Updates Possible
Maintenance	✓ Low (Annual Updates)	↔ Medium (Periodic Refreshes)	✗ High (Frequent Data Syncs)
Best for...	Families who want a simple, offline resource	Families who need searchable, structured data	Families who want highly personalized cost estimates

Measuring Success Over Time

Any of the above options would need to include an assessment and review process. To measure the success of an enhanced tool over time, such as that described in Option 2, tracking the following metrics is suggested:

1. Web Analytics

- Usage Metrics: Track page views, session duration, and repeat visits to cost-savings tool.
- Geographic Data: Monitor usage across states to see if the tool is reaching target Midwest populations.
- Search Behavior: Analyze what schools, programs, or states users are searching most often for cost comparisons.

2. User Behavior Tracking

- Click Paths: See if users are engaging with tuition comparison features, reciprocity program information, or savings calculators.
- Conversion Metrics: Track if users are clicking through to institutional websites, applying filters for lower-cost options, or downloading cost reports.

3. Surveys & Feedback

- User Surveys: Ask users whether the tool helped them identify more affordable college options or increased their understanding of tuition reciprocity.
- Focus Groups/Interviews: Gather deeper insights into how students are using the tool and what decisions they're making as a result.

4. Partnership Data

- Institutional Feedback: Partner with Midwest colleges to track whether they see increased inquiries or applications linked to the tool.
- Referral Tracking: Use referral codes or UTM parameters to trace which students were directed to specific colleges through the tool.

5. Outcome Measures (longer-term)

- Application and Enrollment Trends: Track changes in cross-border applications/enrollment in Midwest states, especially in tuition reciprocity programs.
- Affordability Indicators: Survey users post-decision to determine if they chose a more cost-effective option due to the tool.

Recommendation

With the goal of reaching more families and showcasing more MHEC institutions with a useful tool while keeping costs manageable, MHEC staff recommend the following:

1. Implementation of Option 1 in FY 26, accompanied by enhancements to procedures, policies, and communications. Use various online user metrics to track engagement with the website and the reciprocity PDF.
2. Assess use of the tool and any increases to MSEP participation because of improvements to procedures, policies, and communications. If the tool is highly accessed and participation in MSEP is stable or improving, then enhancing the functionality of the MSEP website (Option 2) should be considered, explored, and possibly developed in FY27.

Action Item 4

RECESS

Proposed Action: The Executive Committee approve a meeting recess until 8:30 a.m. on June 3, 2025.

Ad Hoc Programmatic Investment Committee Priorities Update

Prepared by Breanne Hegg, Vice President, Programs and Contracts

Background

An opportunity to think about additional policy related initiatives came about when MHEC's annual revenue began increasing in 2022-2023 due to a change in its Technology Contracts administration fee in 2022-2023. MHEC decided to invest part of this surplus back into the states it serves and established a committee in June 2024 to guide this work. The Ad Hoc Programmatic Investment Committee met in summer and early fall to propose and review opportunities. At the November 2024 Commission Meeting, the committee shared that it had identified three priority areas consistent with MHEC's strategic plan for MHEC to invest in. The committee also identified a second-tier list to monitor for future investments. The three priorities identified by the committee include:

1. **Fostering Shared Service Collaboration/Partnerships** among multiple institutions
2. **Supporting State Data Sharing** on student migration, employment, wage, and credential outcomes
3. Enhancing **Understanding of the Value Proposition** of higher education

Current Status

Following the November meeting, MHEC staff:

- Developed options for action under each of the three priorities
- Surveyed Commissioners to rank these options
- Received responses from all states, many with multiple participants
- Used the survey results to identify the top 3–5 activities for each priority

MHEC also introduced a **fourth option** to offer **micro grants** to states pursuing work aligned with MHEC's strategic plan. The grants would be offered to all states to use over a 1-2-year period, with each state receiving a maximum of \$250,000. Commissioners rated the option to offer micro grants very highly on the survey. Using this information, MHEC staff drafted a high-level workplan, budget, and timeline to guide its work for the next two years.

Programmatic Investment Workplan FY26-FY28

1. Shared Services

- Conduct landscape analysis of existing services and agreements (FY26)
- Survey institutions/systems to identify interest in shared services (FY26)
- Create toolkits: checklists, templates, playbooks (FY26-27)
- Provide educational opportunities: webinars, convenings, etc. (FY26-27)
- Facilitate matchmaking among interested institutions (FY27-28)

2. Data Sharing

- Analyze current data needs and tracking/sharing practices (FY26)
- Build upon ongoing state efforts (e.g., PSEO) (FY26-27)
- Collaborate with other compacts on interstate data agreements (FY26-27)

3. Value Proposition

- Conduct new market research with Midwest focus (FY26)
- Publish report: best practices and action steps (FY26-27)
- Support states and institutions with learning, convening, and implementing (FY26-27)

4. Micro Grants

- Develop framework and application process (FY26)
- Select awardees (FY26)
- Share outcomes and lessons learned (FY27-28)

Budget (estimated)

To implement the proposed workplan over FY26 and FY27, MHEC will require both staffing and financial resources.

Expense Category	FY26	FY27
Staff (2.5 FTE)	\$250,000	\$260,000
Consultants (Research/Legal)	\$70,000	\$70,000
Speaker Fees	\$10,000	\$10,000
Market Research	\$200,000	—
Micro Grants to States	\$1,500,000	\$1,500,000
Total	\$2,030,000	\$1,840,000

To implement this workplan, MHEC anticipates hiring:

- **Lead Researcher (1.0 FTE):** Oversee research across all priorities.
- **Project Manager (1.0 FTE):** Coordinate people, timelines, and cross-team collaboration
- **Communications Specialist (0.5 FTE):** Support messaging, outreach, and content creation

This budget estimate is in line with the committee's original charge, which indicated first round investments could be considered up to \$3-4 million, with the opportunity for an additional \$2-3 million annually for several years.

Next Steps

- Budget targets will be included in the FY26 budget.
- The Finance and Audit Committee will provide support and counsel to the micro-grant initiative.
- The Ad Hoc Strategic Planning Committee will transition to an Ad Hoc Strategy Committee, providing support and counsel on the progress of this workplan and the Strategic Plan.

Review of 990



T (509) 747-2600
F (509) 624-5129

601 W. Riverside Avenue
Suite 1800
Spokane, WA 99201

April 22, 2025

Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401
Attention: Susan Heegaard

Dear Susan:

Enclosed is the organization's 2023 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-TE to us by May 15, 2025.

We have prepared the returns from information you provided to us without verification in accordance with the terms of the Master Services Agreement (MSA) and Statement of Work that we have in place with you. In addition, we have relied on you to alert us if you participated in any "reportable transaction," including a "listed transaction" or a "transaction of interest" as defined in IRC Section 6011, Treasury Reg. Section 1.6011-4 and other related IRS Rulings/Notices. Please contact us if you have engaged in any such transaction, or substantially similar transaction, or in a listed transaction as identified by any state in which you conduct business.

Upon examination of the returns by taxing authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

We appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax returns or if we may be of further assistance.

Sincerely,

Emina O. Cresswell, CPA
for Moss Adams LLP

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2024

Prepared For:

Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401

Prepared By:

Moss Adams LLP
601 W. Riverside Avenue Ste 1800
Spokane, WA 99201

Amount Due or Refund:

Not applicable

Make Check Payable To:

Not applicable

Mail Tax Return and Check (if applicable) To:

Not applicable

Return Must be Mailed On or Before:

Not applicable

Special Instructions:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-TE to us by May 15, 2025

Form **990****Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

2023Open to Public
Inspection**A** For the **2023** calendar year, or tax year beginning **JUL 1, 2023** and ending **JUN 30, 2024**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MIDWESTERN HIGHER EDUCATION COMPACT		D Employer identification number 38-3011476
	Doing business as		E Telephone number 612-677-2777
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	105 FIFTH AVENUE SOUTH, SUITE 450		
	City or town, state or province, country, and ZIP or foreign postal code MINNEAPOLIS, MN 55401		G Gross receipts \$ 9,929,448.
F Name and address of principal officer: SUSAN HEEGAARD SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.MHEC.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			L Year of formation: 1991 M State of legal domicile: MN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MHEC BRINGS TOGETHER MIDWESTERN STATES TO DEVELOP AND SUPPORT BEST PRACTICES, COLLABORATION EFFORTS,
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3 Number of voting members of the governing body (Part VI, line 1a) 3 61
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 61
	5 Total number of individuals employed in calendar year 2023 (Part V, line 2a) 5 19
	6 Total number of volunteers (estimate if necessary) 6 68
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0.
7b Net unrelated business taxable income from Form 990-T, Part I, line 11 7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h) 1,583,929. 1,704,675.
	9 Program service revenue (Part VIII, line 2g) 6,908,971. 7,869,553.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 24,611. 355,135.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 4,404. 85.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 8,521,915. 9,929,448.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 0. 0.
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 2,423,681. 2,442,744.
	16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0.
	b Total fundraising expenses (Part IX, column (D), line 25) 2,830.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 1,551,075. 2,033,116.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 3,974,756. 4,475,860.
19 Revenue less expenses. Subtract line 18 from line 12 4,547,159. 5,453,588.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 12,344,634. 18,184,607.
	21 Total liabilities (Part X, line 26) 2,316,351. 2,702,736.
	22 Net assets or fund balances. Subtract line 21 from line 20 10,028,283. 15,481,871.

Part II Signature Block

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

Sign Here	Signature of officer SUSAN HEEGAARD, PRESIDENT		Date	
	Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name EMINA O. CRESSWELL, CPA	Preparer's signature EMINA O. CRESSWELL, CPA	Date 04/22/25	Check if self-employed <input type="checkbox"/> PTIN P01217304
	Firm's name MOSS ADAMS LLP	Firm's EIN 91-0189318	Phone no. 509-747-2600	
Firm's address 601 W. RIVERSIDE AVENUE STE 1800 SPOKANE, WA 99201				

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

MHEC MEMBERS COLLABORATE TO ADDRESS THE REGION'S MOST PRESSING
CHALLENGES IN HIGHER EDUCATION AND TRANSFORM EDUCATIONAL OPPORTUNITIES
SO THAT PEOPLE AND COMMUNITIES THRIVE.

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

If "Yes," describe these new services on Schedule O.

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

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 1,175,757. including grants of \$) (Revenue \$)
RESEARCH:

MHEC RESEARCH INFORMS INSTITUTIONAL AND STATE EFFORTS IN IMPROVING
POSTSECONDARY POLICIES, PRACTICES, AND OUTCOMES IN SEVERAL WAYS: (A)
MAINTAINING A NATIONAL REPOSITORY OF EXPERTISE, KNOWLEDGE AND BEST
PRACTICES FOR GUIDING POLICY AND PRACTICE; (B) CONDUCTING APPLIED
RESEARCH AND ANALYSIS ON CRITICAL TOPICS IN HIGHER EDUCATION; (C)
DEVELOPING INNOVATIVE APPROACHES TO IMPROVE EDUCATIONAL OPPORTUNITY AND
EFFECTIVENESS; AND (D) PROVIDING PUBLIC OUTREACH AND SERVICE TO
INSTITUTIONS AND GOVERNMENTS. AMONG ITS CORE OUTPUTS, MHEC RESEARCH
MAINTAINS AN ONLINE DASHBOARD OF EDUCATIONAL PERFORMANCE INDICATORS AND
PRODUCES TIMELY BRIEFS, REPORTS, AND TECHNICAL PAPERS IN THE MOST

4b (Code:) (Expenses \$ 1,074,989. including grants of \$) (Revenue \$)
CONVENING:

MHEC EMPOWERS THE MEMBER STATES TO CONNECT FOR THE PURPOSE OF
EXCHANGING EXPERTISE, SHARING IDEAS AND EXPERIENCES, AND
COLLABORATIVELY PURSUING EFFORTS THAT HELP FURTHER HIGHER EDUCATION.
THIS CONVENING AND COLLABORATING LEADS TO MANY PROGRAMS AND ACTIVITIES
THAT PRODUCE A VARIETY OF OUTCOMES AND RESULTS RANGING FROM THE
DISSEMINATION OF KNOWLEDGE AND EXPERTISE ABOUT PRACTICAL SOLUTIONS, TO
LEVERAGING THE COLLECTIVE PURCHASING POWER OF THE REGION TO ACHIEVE
EFFICIENCIES AND SAVINGS.

4c (Code:) (Expenses \$ 740,921. including grants of \$) (Revenue \$ 1,035,277.)
PROGRAMS:

ADDITIONAL MHEC PROGRAMS ARE INITIATED IN RESPONSE TO IDENTIFIED NEEDS
IN ONE OR MORE OF THE MEMBER STATES. BRINGING TOGETHER EXPERTISE FROM
ACROSS THE REGION, MHEC IDENTIFIES ACTIVITIES NEEDED TO ADDRESS THE
IDENTIFIED NEEDS. THOSE PROBLEMS BEST SOLVED THROUGH ONGOING INTERSTATE
COOPERATION ARE THEN DEVELOPED INTO MHEC PROGRAMS. EACH MHEC PROGRAM
PROVIDES THE PROGRAM PARTICIPANTS WITH GOVERNANCE AND LEADERSHIP
STRUCTURES TO GUIDE AND MAINTAIN PROGRAMMATIC OUTCOMES.

MHECARE HEALTH INSURANCE SOLUTIONS:

4d Other program services (Describe on Schedule O.)

(Expenses \$ 428,671. including grants of \$) (Revenue \$ 6,834,276.)

4e Total program service expenses 3,420,338.Form **990** (2023)

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	19
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X

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

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 19		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i>	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation on Schedule O</i>	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

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

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

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year 1a 61 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
b Enter the number of voting members included on line 1a, above, who are independent 1b 61		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O	9	X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed MN

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
 ERIN FRAHM - 612-677-2766
 105 FIFTH AVENUE SOUTH, SUITE 450, MINNEAPOLIS, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SUSAN HEEGAARD PRESIDENT	40.00			X				284,990.	0.	58,507.
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	40.00			X				167,895.	0.	63,729.
(3) JENNIFER DAHLQUIST VICE PRESIDENT (THRU 08/23)	40.00					X		117,278.	0.	21,191.
(4) JENNIFER PARKS VICE PRESIDENT	40.00					X		143,077.	0.	61,193.
(5) AARON HORN ASSOCIATE VICE PRESIDENT	40.00					X		109,030.	0.	22,388.
(6) MARY ROBERSON SENIOR DIRECTOR	40.00					X		108,299.	0.	36,823.
(7) NATHAN SORENSEN SENIOR DIRECTOR	40.00					X		101,841.	0.	24,345.
(8) MIKE DUFFEY BOARD CHAIR	3.00	X		X				0.	0.	0.
(9) KATIE STUART BOARD VICE CHAIR	3.00	X		X				0.	0.	0.
(10) TIM MIHALICK BOARD TREASURER	3.00	X		X				0.	0.	0.
(11) BARBARA BALLARD PAST BOARD CHAIR	3.00	X		X				0.	0.	0.
(12) AARON OTTO COMMISSIONER	1.00	X						0.	0.	0.
(13) BLAKE FLANDERS EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(14) BOB BEHNING COMMISSIONER	1.00	X						0.	0.	0.
(15) BRAD CHRIST EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(16) BRANDY JOHNSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(17) BRANDY PYLE EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CAROL GLANVILLE EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(19) CHRIS KABOUREK COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(20) CINDY WINCKLER COMMISSIONER	1.00	X						0.	0.	0.
(21) CONNIE HUTCHISON COMMISSIONER	1.00	X						0.	0.	0.
(22) CURTIS TRENT COMMISSIONER	1.00	X						0.	0.	0.
(23) CYNTHIA LANE COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(24) DANIEL HURLEY COMMISSIONER	1.00	X						0.	0.	0.
(25) DAVID MURPHY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(26) DAVID PEARCE EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
1b Subtotal								1,032,410.	0.	288,176.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,032,410.	0.	288,176.

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

7

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CLIFTON LARSON ALLEN, 220 SOUTH SIXTH STREET SUITE 300, MINNEAPOLIS, MN 55402	ACCOUNTING	237,429.
EDBRIDGE PARTNERS LLC, 1133 CAMELBACK STREET SUITE 7876, NEWPORT BEACH, CA 92658	GRANT CONSULTING	174,965.

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

2

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2023)

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) DEBORAH FRISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(28) DENNIS OLSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(29) DEVINDER MALHOTRA COMMISSIONER	1.00	X						0.	0.	0.
(30) DOTTIE KING EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(31) EMMY YOUNG COMMISSIONER	1.00	X						0.	0.	0.
(32) ERIC FULCOMER EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(33) GARY CATES COMMISSIONER (THRU 05/24)	1.00	X						0.	0.	0.
(34) GENE PELOWSKI, JR. COMMISSIONER	1.00	X						0.	0.	0.
(35) GRANT LATIMER COMMISSIONER	1.00	X						0.	0.	0.
(36) GRETA ROUSE COMMISSIONER	1.00	X						0.	0.	0.
(37) HEATH MELLO COMMISSIONER	1.00	X						0.	0.	0.
(38) JACK HERSHEY COMMISSIONER	1.00	X						0.	0.	0.
(39) JACOB BOSSMAN EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(40) JERRY CIRINO EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(41) JOAN BALLWAG COMMISSIONER	1.00	X						0.	0.	0.
(42) JOANNA HOFER COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(43) JOHN CAVANAUGH EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(44) JULIE UNDERWOOD COMMISSIONER	1.00	X						0.	0.	0.
(45) KARLA ESLINGER COMMISSIONER	1.00	X						0.	0.	0.
(46) KEN SAUER EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(47) KYLE DAVISON COMMISSIONER	1.00	X						0.	0.	0.
(48) LARRY TIDEMANN EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(49) LYNNE WALZ COMMISSIONER	1.00	X						0.	0.	0.
(50) MARK HAGEROTT EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(51) MAUREEN BANKS EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(52) MICHAEL CARTNEY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(53) MICHAEL HALPIN COMMISSIONER	1.00	X						0.	0.	0.
(54) MINT WINTER COMMISSIONER	1.00	X						0.	0.	0.
(55) MOLLY BAUMGARDNER COMMISSIONER	1.00	X						0.	0.	0.
(56) NATHAN LUKKES COMMISSIONER	1.00	X						0.	0.	0.
(57) OLIVIA M.A. MADISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(58) OMAR FATEH COMMISSIONER	1.00	X						0.	0.	0.
(59) PRANAV KOTHARI COMMISSIONER	1.00	X						0.	0.	0.
(60) RACHEL CROSON COMMISSIONER	1.00	X						0.	0.	0.
(61) RONALD ROCHON COMMISSIONER	1.00	X						0.	0.	0.
(62) SAMANTHA DICKEY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(63) SCOTT OLSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(64) SEAN MCCANN COMMISSIONER	1.00	X						0.	0.	0.
(65) SPENCER DEERY EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(66) STEVE KOLBECK COMMISSIONER	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(67) SUSAN THOMPSON COMMISSIONER	1.00	X						0.	0.	0.
(68) TIM FLAKOLL EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(69) TOM YOUNG COMMISSIONER	1.00	X						0.	0.	0.
(70) TYLER TORDSEN COMMISSIONER	1.00	X						0.	0.	0.
(71) DERRICK FRANCK COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(72) JON FORD COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(73) KAYLA HAHN COMMISSIONER - MO APOG (THRU 07/23)	1.00	X						0.	0.	0.
(74) REBECCA LARSON COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
(75) MICHAEL GOH COMMISSIONER (THRU 07/23)	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII **Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b	1,380,000.				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	324,675.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a TECHNOLOGY CONTRACTS	Business Code	900099	6,834,276.	6,834,276.		
	b SERVICE FEES		900099	1,035,277.	1,035,277.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			7,869,553.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			355,135.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		6a	(i) Real (ii) Personal				
b Less: rental expenses ...		6b					
c Rental income or (loss)		6c					
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		7a	(i) Securities (ii) Other				
b Less: cost or other basis and sales expenses		7b					
c Gain or (loss)		7c					
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		8a					
b Less: direct expenses		8b					
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19		9a					
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a OTHER INCOME	Business Code	900099	85.			85.
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			85.			
	12 Total revenue. See instructions			9,929,448.	7,869,553.	0.	355,220.

Part IX Statement of Functional Expenses

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

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

☒ X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	593,001.	458,909.	131,522.	2,570.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,318,689.	1,053,209.	265,480.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	148,883.	119,074.	29,809.	
9 Other employee benefits	257,420.	205,901.	51,404.	115.
10 Payroll taxes	124,751.	98,869.	25,737.	145.
11 Fees for services (nonemployees):				
a Management				
b Legal	38,374.	1,691.	36,683.	
c Accounting	253,312.		253,312.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	456,914.	358,758.	98,156.	
12 Advertising and promotion	81,016.	62,018.	18,998.	
13 Office expenses	121,505.	84,778.	36,727.	
14 Information technology				
15 Royalties	105,422.	78,318.	27,104.	
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...	800,352.	780,392.	19,960.	
19 Conferences, conventions, and meetings	3,637.	3,637.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	29,922.	22,229.	7,693.	
23 Insurance	30,262.	22,482.	7,780.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a AMORTIZATION	63,529.	47,196.	16,333.	
b SUBSCRIPTIONS	36,889.	16,993.	19,896.	
c PROMOTIONS	4,147.	2,791.	1,356.	
d LICENSES	290.	16.	274.	
e All other expenses	7,545.	3,077.	4,468.	
25 Total functional expenses. Add lines 1 through 24e	4,475,860.	3,420,338.	1,052,692.	2,830.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,699,981.	1	458,857.
	2 Savings and temporary cash investments	7,300,222.	2	13,951,247.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,014,247.	4	3,477,441.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	42,474.	9	81,223.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 911,288.		
	b Less: accumulated depreciation	10b 816,868.		
		102,761.	10c	94,420.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	184,949.	15	121,419.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	12,344,634.	16	18,184,607.	
Liabilities	17 Accounts payable and accrued expenses	1,963,004.	17	2,469,197.
	18 Grants payable		18	
	19 Deferred revenue	87,804.	19	55,204.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	265,543.	25	178,335.
	26 Total liabilities. Add lines 17 through 25	2,316,351.	26	2,702,736.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/>			
	and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	10,008,210.	27	15,461,798.
	28 Net assets with donor restrictions	20,073.	28	20,073.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/>			
	and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
32 Total net assets or fund balances	10,028,283.	32	15,481,871.	
33 Total liabilities and net assets/fund balances	12,344,634.	33	18,184,607.	

Form **990** (2023)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	9,929,448.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,475,860.
3	Revenue less expenses. Subtract line 2 from line 1	3	5,453,588.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	10,028,283.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	15,481,871.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2023)

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,408,000.	2,136,419.	2,061,574.	1,583,929.	1,704,675.	8,894,597.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	1,408,000.	2,136,419.	2,061,574.	1,583,929.	1,704,675.	8,894,597.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2,433,697.
6 Public support. Subtract line 5 from line 4.						6,460,900.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
7 Amounts from line 4	1,408,000.	2,136,419.	2,061,574.	1,583,929.	1,704,675.	8,894,597.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	42,194.	16,713.	5,771.	24,611.	355,135.	444,424.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)				4,404.	85.	4,489.
11 Total support. Add lines 7 through 10						9,343,510.
12 Gross receipts from related activities, etc. (see instructions)					12	22,823,340.
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f))	14	69.15	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	73.07	%
16a 33 1/3% support test - 2023. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			
			<input checked="" type="checkbox"/>
b 33 1/3% support test - 2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			
			<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			
			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			
			<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			
			<input type="checkbox"/>

Schedule A (Form 990) 2023

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

Schedule A (Form 990) 2023

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

		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2023 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1	Distributable amount for 2023 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2023 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3	Excess distributions carryover, if any, to 2023			
a	From 2018			
b	From 2019			
c	From 2020			
d	From 2021			
e	From 2022			
f	Total of lines 3a through 3e			
g	Applied to underdistributions of prior years			
h	Applied to 2023 distributable amount			
i	Carryover from 2018 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4	Distributions for 2023 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2023 distributable amount			
c	Remainder. Subtract lines 4a and 4b from line 4.			
5	Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6	Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7	Excess distributions carryover to 2024. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2019			
b	Excess from 2020			
c	Excess from 2021			
d	Excess from 2022			
e	Excess from 2023			

Schedule A (Form 990) 2023

Part VI

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

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Attach to Form 990, 990-EZ, or 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2023)

Name of organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	WILLIAM & FLORA HEWLETT FOUNDATION 2121 SAND HILL ROAD MENLO PARK, CA 94025	\$ 274,675.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	STRADA EDUCATION FOUNDATION 10 WEST MARKET STREET, SUITE 1100 INDIANAPOLIS, IN 46204	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included on line 2a	2c
d Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2023

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

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply).

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

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

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment _____ %

b Permanent endowment _____ %

c Term endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations? ☐ Yes ☐ No

(ii) Related organizations? ☐ Yes ☐ No

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐ Yes ☐ No

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		375,877.	301,997.	73,880.
d Equipment		535,411.	514,871.	20,540.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				94,420.

Schedule D (Form 990) 2023

Part VII Investments - Other Securities

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets

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

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

Part X Other Liabilities

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LEASE LIABILITIES	178,335.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	178,335.

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

Schedule D (Form 990) 2023

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

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

1	Total revenue, gains, and other support per audited financial statements	1	9,929,448.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	9,929,448.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	9,929,448.

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

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

1	Total expenses and losses per audited financial statements	1	4,475,860.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	4,475,860.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,475,860.

Part XIII Supplemental Information

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

PART X, LINE 2:

THE COMPACT 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

Part XIII Supplemental Information *(continued)*

TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE

ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS.

THE COMPACT WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED

TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH

INTEREST AND PENALTIES ARE INCURRED.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Part I Questions Regarding Compensation

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

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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

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

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

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

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

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

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

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

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

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

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

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

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

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

Schedule J (Form 990) 2023

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SUSAN HEEGAARD PRESIDENT	(i)	264,231.	15,255.	5,504.	34,044.	24,463.	343,497.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	(i)	167,090.	0.	805.	22,649.	41,080.	231,624.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) JENNIFER PARKS VICE PRESIDENT	(i)	142,560.	0.	517.	19,630.	41,563.	204,270.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

PART I, LINE 7:

BONUSES ARE SUGGESTED BY THE PRESIDENT AND SUBSEQUENTLY APPROVED BY THE
FINANCE AND AUDIT COMMITTEES AND THE EXECUTIVE OFFICERS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023
Open to Public
Inspection

Name of the organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

AND COST-SHARING OPPORTUNITIES. THROUGH THESE EFFORTS IT WORKS TO

ENSURE STRONG, EQUITABLE POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND

OUTCOMES FOR ALL.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CRITICAL AREAS FOR FACILITATING PROGRESS TOWARDS STATE EDUCATIONAL

ATTAINMENT GOALS, INCLUDING COLLEGE READINESS AND SUCCESS;

AFFORDABILITY AND FINANCE; PATHWAYS, CREDENTIALS, AND WORKFORCE

DEVELOPMENT; AND DATA, TRENDS, AND PERFORMANCE AS WELL AS OTHER TOPICS

OF IMPORTANCE TO MIDWESTERN STATES. 24 REPORTS WERE PRODUCED IN FISCAL

YEAR 2024.

CONCURRENT ENROLLMENT:

MHEC CONTINUED EXPANSION OF THE GRADUATE CREDIT QUEST, A WEB-BASED

PLATFORM FOR TEACHERS TO SEARCH FOR GRADUATE COURSE WORK WITHIN THEIR

CONTENT AREAS THAT LEAD TO REQUIRED CREDENTIALING FOR TEACHING DUAL OR

CONCURRENT CREDIT CLASSES. THE PLATFORM PROVIDES INFORMATION ABOUT DUAL

CREDIT AND CONCURRENT ENROLLMENT POLICIES AND PRACTICES FOR ALL 12 MHEC

MEMBER STATES. IT ALSO SERVES AS A REPOSITORY OF RESEARCH PUBLICATIONS,

PROFESSIONAL PAPERS AND MEDIA RELEASES ON THE SUBJECT OF

DUAL/CONCURRENT CREDIT. THE PLATFORM WAS ENHANCED IN 2024 WITH ENHANCED

GOOGLE ANALYTICS THAT ALLOWS TRACKING OF USER TYPES BY VOLUME AND

FREQUENCY OR SEASONALITY OF VISITS AND THE CREATION OF SITE CONTENT

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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SCHOOLS TO BUILD AWARENESS AMONG TEACHERS ABOUT ROUGHLY 1,880 UNIQUE COURSE OFFERINGS, WITHIN MULTIPLE ACADEMIC DISCIPLINES, AND PROVIDING ACCESS TO SPECIFIC ENROLLMENT PROCESSES, DELIVERY MODALITIES, AND MORE. CONCURRENT ENROLLMENT IS A RESEARCH PRIORITY FOR MHEC DURING ITS CURRENT STRATEGIC PLAN. IN FISCAL YEAR 2025 MHEC WILL PRODUCE BETWEEN THREE AND FOUR RESEARCH REPORTS PERTAINING TO CONCURRENT ENROLLMENT ISSUES: TRENDS AND PATTERNS IN STATE LEVEL DATA COLLECTION, USE OF OPEN EDUCATIONAL RESOURCES IN DUAL AND CONCURRENT ENROLLMENT SETTINGS, AN UPDATED VERSION OF THE 2017 MHEC RESEARCH REPORT SUMMARIZING EXISTING RESEARCH ON OPTIMAL LEVELS OF TEACHER TRAINING AND PREPARATION, AND AN UPDATED VERSION OF THE 2019 RESEARCH REPORT SUMMARIZING HOW STATES AND ACCREDITORS DEFINE THE QUALIFICATIONS NECESSARY FOR HIGH SCHOOL TEACHERS TO TEACH CONCURRENT ENROLLMENT COURSES.

MIDWEST STUDENT EXCHANGE PROGRAM:

A MULTI-STATE TUITION RECIPROCITY PROGRAM THAT MAKES ATTENDING OUT-OF-STATE COLLEGES AND UNIVERSITIES MORE AFFORDABLE FOR NON-RESIDENT STUDENTS.

- 4,322 STUDENTS ENROLLED IN THE MIDWEST STUDENT EXCHANGE PROGRAM IN 8

OF THE COMPACT STATES (INDIANA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA, OHIO, AND WISCONSIN) DURING FISCAL YEAR 2024.

- MSEP STUDENTS SAVED OVER \$29 MILLION IN FY24, BRINGING THE TOTAL PROGRAM SAVINGS TO \$920 MILLION SINCE 1994.

- ON AVERAGE, STUDENTS IN MSEP TYPICALLY REALIZE SAVINGS BETWEEN \$1,100 AND \$7,200 ANNUALLY.

MIDWESTERN STATE AUTHORIZATION RECIPROCITY AGREEMENT:

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

THE NATIONAL COUNCIL FOR STATE AUTHORIZATION RECIPROCITY AGREEMENTS

(NC-SARA) IN PARTNERSHIP WITH THE FOUR REGIONAL COMPACTS COORDINATES,

THE STATE AUTHORIZATION RECIPROCITY AGREEMENTS (SARA) PROGRAM WHICH

PROVIDES A VOLUNTARY, STREAMLINED PROCESS FOR STATES TO OVERSEE

POST-SECONDARY DISTANCE EDUCATION, ENSURING UNIFORM STANDARDS ACROSS

PARTICIPATING STATES. INSTITUTIONS PAY A PARTICIPATION FEE, WHICH

SIMPLIFIES THEIR ABILITY TO OFFER ONLINE PROGRAMS WITHOUT REGISTERING

IN EVERY STATE WHERE THEIR STUDENTS RESIDE. SARA ENHANCES QUALITY

ASSURANCE, CONSUMER PROTECTIONS, AND THE VALUE OF CREDITS FOR DISTANCE

EDUCATION. CURRENTLY, 49 STATES, THE DISTRICT OF COLUMBIA, PUERTO RICO,

AND THE U.S. VIRGIN ISLANDS ARE MEMBERS OF SARA. WITHIN SARA, 2,412

INSTITUTIONS PARTICIPATE, OF WHICH 652 (320 PRIVATE NON-PROFIT, 295

PUBLIC, 32 PRIVATE FOR-PROFIT, AND 5 TRIBAL) INSTITUTIONS ARE IN MHEC

STATES. M-SARA (MIDWESTERN-STATE AUTHORIZATION RECIPROCITY AGREEMENT)

STAFFED BY MHEC, LEADS THE WORK IN THE MIDWEST. M-SARA HOSTS ITS OWN

SET OF ANNUAL MEETINGS FOR THE M-SARA REGIONAL STEERING COMMITTEE (RSC)

MEMBERS AND MSARA STATE PORTAL ENTITIES (SPES), THE INDIVIDUALS IN EACH

STATE WHO REVIEW AND APPROVE INSTITUTIONS FOR SARA PARTICIPATION AND

MONITOR INSTITUTIONAL COMPLIANCE. M-SARA SAVED INSTITUTIONS AN

ESTIMATED \$37,164,415 IN FISCAL YEAR 2024.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

COMPREHENSIVE HEALTH INSURANCE SOLUTIONS CREATED IN RESPONSE TO BOTH

INCREASING COST AND CONCERN FOR STUDENT HEALTH. 32 CAMPUSES OFFERED

MHECARE HEALTH INSURANCE SOLUTIONS IN FISCAL YEAR 2024.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

CONTRACTS:

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

MHEC CONTRACTS LEVERAGE THE POTENTIAL VOLUME OF THE REGION'S PURCHASING POWER, WHILE SAVING ENTITIES TIME AND MONEY BY SIMPLIFYING THE PROCUREMENT PROCESS AND NEGATING THE NEED TO CONDUCT A COMPETITIVE SOURCING EVENT. BY OFFERING A TURNKEY SOLUTION WITH THE ABILITY TO TAILOR THE ALREADY NEGOTIATED CONTRACT TO MATCH THE ENTITY'S SPECIFIC NEEDS AND REQUIREMENTS, MHEC CONTRACTS SHIFT SOME OF THE NEGOTIATING POWER BACK TO THE PROCURING ENTITIES. IN ADDITION TO CONTRACTS AVAILABLE THROUGH MHECARE STUDENT HEALTH SOLUTIONS, MHEC OFFERS NUMEROUS CONTRACTS IN TECHNOLOGY. THE CONTRACTS ARE A PRODUCT OF A REPRESENTATIVE GROUP OF STAKEHOLDERS FROM THE HIGHER EDUCATION TECHNOLOGY COMMUNITY CONDUCTING A COMPETITIVE SOURCING PROCESS THAT LEVERAGES THE POTENTIAL PURCHASING POWER OF THE 12 MHEC MEMBER STATES. TECHNOLOGY CONTRACTS SAVED ENTITIES IN THE MHEC REGION \$32.2 MILLION IN FISCAL YEAR 2024. IN SOME CASES, THE COMPACT'S COST SAVINGS INITIATIVES MAY BE UTILIZED BY CITY, COUNTY, AND STATE GOVERNMENT AS WELL AS NONPROFIT ORGANIZATIONS.

EXPENSES \$ 428,671. INCLUDING GRANTS OF \$ 0. REVENUE \$ 6,834,276.

FORM 990, PART VI, SECTION A, LINE 6:

COMPACT MEMBERS: THE MEMBERS OF THE COMPACT ARE THE 12 MIDWESTERN STATES IDENTIFIED IN THE COMPACT STATUTE: ILLINOIS, INDIANA, IOWA, KANSAS, MICHIGAN, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA, OHIO, SOUTH DAKOTA, AND WISCONSIN. TO BECOME A MEMBER, THE STATES MUST ENACT THE COMPACT STATUTE. ONCE ENACTED, THE APPOINTING AUTHORITIES IN EACH OF THE COMPACTING STATES SHALL FORWARD THE NAMES OF THEIR APPOINTEES TO THE COMPACT STAFF. THE COMPACT STAFF SHALL PROMPTLY ADVISE THE APPROPRIATE APPOINTING AUTHORITIES OF THE NEED TO APPOINT NEW COMMISSION MEMBERS UPON THE

Name of the organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

EXPIRATION OF DESIGNATED TERMS.

AFFILIATE MEMBERS: STATES NOT ELIGIBLE TO BECOME A PARTY TO THE COMPACT

AND/OR CANADIAN PROVINCES MAY BECOME AFFILIATE MEMBERS WHEN MUTUAL

INTERESTS EXIST AND WHEN IT WOULD BENEFIT THE COMPACT TO ENTER INTO SUCH

ARRANGEMENTS.

ASSOCIATE MEMBERS: ENTITIES NOT ELIGIBLE TO BECOME MEMBERS OF THE COMPACT

MAY BE AFFORDED STATUS AS ASSOCIATES OF THE COMMISSION IN ACCORDANCE WITH

THE POLICIES AND PROCEDURES APPROVED BY THE COMMISSION.

FORM 990, PART VI, SECTION A, LINE 7A:

EACH COMPACT MEMBER MAY APPOINT FIVE RESIDENT MEMBERS OF EACH STATE TO THE

COMMISSION AS FOLLOWS: THE GOVERNOR OR THE GOVERNOR'S DESIGNEE WHO SHALL

SERVE DURING THE TENURE OF OFFICE OF THE GOVERNOR; TWO LEGISLATORS, ONE

FROM EACH HOUSE (EXCEPT NEBRASKA, WHICH MAY APPOINT TWO LEGISLATORS FROM

ITS UNICAMERAL LEGISLATURE), APPOINTED BY THE APPROPRIATE APPOINTING

AUTHORITY IN EACH HOUSE OF THE LEGISLATURE; AND TWO OTHER AT-LARGE MEMBERS,

AT LEAST ONE OF WHOM SHALL BE SELECTED FROM THE FIELD OF HIGHER EDUCATION.

THE AT-LARGE MEMBERS SHALL BE APPOINTED IN A MANNER PROVIDED BY THE LAWS OF

THE APPOINTING STATE. ALL VACANCIES SHALL BE FILLED IN ACCORDANCE WITH THE

LAWS OF THE APPOINTED STATES.

FORM 990, PART VI, SECTION B, LINE 11B:

A DRAFT RETURN IS REVIEWED BY THE PRESIDENT, CHIEF OPERATING OFFICER,

CONTRACT CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE AND

ADMINISTRATION. THE DRAFT IS THEN FORWARDED TO A FINANCE AND AUDIT

COMMITTEE FOR THEIR REVIEW. ONCE APPROVED IT IS THEN FORWARDED TO THE

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

ORGANIZATION'S OFFICERS FOR THEIR APPROVAL.

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY COVERS THE GOVERNING BOARD AND OFFICERS.

ANNUAL STATEMENTS ARE REVIEWED BY THE DIRECTOR OF COMMUNICATIONS AND

MARKETING. IF A CONFLICT WAS KNOWN, THAT INDIVIDUAL WOULD BE REQUIRED TO

REFRAIN FROM VOTING ON THE MATTER.

FORM 990, PART VI, SECTION B, LINE 15A:

COMPENSATION FOR THE PRESIDENT IS RECOMMENDED BY THE EXECUTIVE COMMITTEE.

THE EXECUTIVE COMMITTEE USES COMPARABILITY DATA FOR SIMILAR ORGANIZATIONS.

THE FINAL DETERMINATION AND DISCUSSION IS DOCUMENTED IN THE MINUTES AT THE

FULL BOARD MEETING IN JUNE. THIS PROCESS IS DONE ON AN ANNUAL BASIS.

COMPENSATION FOR OTHER OFFICERS IS DETERMINED BY THE PRESIDENT ON AN ANNUAL

BASIS.

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS ARE CURRENTLY AVAILABLE ON THE COMPACT'S WEBSITE.

FINANCIAL STATEMENTS AND THE CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE

UPON REQUEST.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE HAS AUTHORITY TO ACT ON BEHALF OF THE BOARD.

THE EXECUTIVE COMMITTEE IS MADE UP OF COMMISSIONERS CHOSEN BY THE BOARD

OF COMMISSIONERS. TWO EXECUTIVE BOARD MEMBERS ARE CHOSEN FROM EACH

STATE GIVING THE STATES EQUAL REPRESENTATION AND EQUAL AUTHORITY AND

VOTES.

Name of the organization	Employer identification number
MIDWESTERN HIGHER EDUCATION COMPACT	38-3011476

FORM 990, PART IX, LINE 11G, OTHER FEES:

OTHER FEES:

PROGRAM SERVICE EXPENSES	358,758.
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MANAGEMENT AND GENERAL EXPENSES	98,156.
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FUNDRAISING EXPENSES	0.
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TOTAL EXPENSES	456,914.
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TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	456,914.
--	----------

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

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

Schedule R (Form 990) 2023

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
STONE ARCH INSURANCE COMPANY C/O MARSH MANAGEMENT SERVICES INC. - 87-1115817, 463 MOUNTAIN VIEW DRIVE, SUITE 300, COLCHESTER,	INSURANCE	VT	MIDWESTERN HIGHER EDUCATION	C CORP	350,634.	10,263,009.	100%	X	

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

STONE ARCH INSURANCE COMPANY C/O MARSH MANAGEMENT SERVICES

INC.

EIN: 87-1115817

463 MOUNTAIN VIEW DRIVE, SUITE 300

COLCHESTER, VT 05446

DIRECT CONTROLLING ENTITY: MIDWESTERN HIGHER EDUCATION COMPACT

**Application for Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

File a separate application for each return.
Go to www.irs.gov/Form8868 for the latest information.

OMB No. 1545-0047

Electronic filing (e-file). You can electronically file Form 8868 to request up to a 6-month extension of time to file any of the forms listed below except for Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. An extension request for Form 8870 must be sent to the IRS in a paper format (see instructions). For more details on the electronic filing of Form 8868, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Part I - Identification

Type or Print File by the due date for filing your return. See instructions.	Name of exempt organization, employer, or other filer, see instructions. MIDWESTERN HIGHER EDUCATION COMPACT	Taxpayer identification number (TIN) 38-3011476
	Number, street, and room or suite no. If a P.O. box, see instructions. 105 FIFTH AVENUE SOUTH, SUITE 450	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MINNEAPOLIS, MN 55401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08		

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name _____
Plan Number _____
Plan Year Ending (MM/DD/YYYY) _____

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of ERIN FRAHM

105 FIFTH AVENUE SOUTH, SUITE 450 - MINNEAPOLIS, MN 55401

Telephone No. 612-677-2766

Fax No. _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four-digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until MAY 15, 20 25, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
☐ calendar year 20 ____ or
☒ tax year beginning JUL 1, 20 23, and ending JUN 30, 20 24

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2024)

Review of FY25 YTD Financial Reports

- March 2025 Financial Statements
- FY25 YTD Financial Statement Notes

March Monthly Financial Reports

Midwestern Higher Education Compact



DRAFT

Prepared on
May 6, 2025

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DRAFT

Midwestern Higher Education Compact

Historical and Budgeted Financial Statements

For the Nine Months Ended March 31, 2025 and Year Ending June 30, 2025

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

Historical

- The financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- Allowance for losses is updated on an annual basis.
- Accrued vacation is updated on an annual basis.
- The financial statements do not reflect bonuses accrued at year-end.
- The entity reports expenses by natural classification and omits reporting expenses by functional classification in accordance with GAAP.

The effects of these departures have not been determined.

Statement of Activities' Assumptions - Budget

1. Budgeted Technology Contract Revenues increased by ~10% due to an increased administrative fee more in line with industry standards.
The Contract Revenue budget amount represents the total amount budgeted for the entire quarter. This is the planned revenue for the three-month period. Each month 1/3 of the quarterly budgeted revenue is recognized as revenue. The monthly revenue recognized is an estimate. MHEC bills contract revenue for the quarter at the end of the quarter. Although, the precise revenue numbers are known annual, allowing MHEC to compare the actuals against the budgeted estimates. This approach helps in managing and forecasting revenue, but it's important to adjust for any discrepancies between the estimated and actual figures once the actuals are available.
2. Technology contract revenue sharing estimates are based on an agreed upon administration fee under each contract.
The budgeted amount for compact revenue sharing is for the entire quarter, and 1/3 of this quarterly budgeted amount is recognized as monthly revenue. The compact revenue sharing figures will be recorded as actuals when they are available.
3. State Obligation Revenue the other large source of MHEC revenue is projected to stay flat at \$1,380,000 due to set state obligations. States are billed at the beginning of the fiscal year and the amount received from the states are deferred than recognized as actual revenue throughout the fiscal year.
4. Personnel Cost are budgeted to increase 13.9% due to market adjustments and growth.
5. Budgeted Personal Expenses include employee benefits such as health insurance, dental insurance, group life insurance, supplemental life insurance, short/long-term disability, employer 403(b), Section 125 Plan, Employee Parking, Car Rental Allowance, SUTA, Employee FICA, Cell Phone, and Training/Professional Development.
6. Non-Personnel Expenses include professional fees, consultants, long term rents/leases, office costs, and convening expenses. These expenses are projected to increase \$1.4M. This budget increase is driven by Communication Consultants, Computer Service & Support, and General Consultant Fees relating to efforts to continue to grow and improve the organization. The increase in budget expenses matches the increase in revenue that MHEC has experienced in FY23 to FY24 due to an increased administrative fee more in line with industry standards. Another part of the projected \$1.4M increase relates to convening expenses due to MHEC being able to hold more meetings and do more travel again in FY25.

No assurance is provided.

Statement of Activities

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4100 Grants	125,037.91	240,200.28	(115,162.37)
4200 Contract Revenue	5,200,606.29	5,154,581.25	46,025.04
4010 Microfocus Collaborative Fees	10,671.65	9,375.03	1,296.62
4230 Compact Revenue Sharing	(1,295,180.56)	(1,290,990.00)	(4,190.56)
Total 4200 Contract Revenue	3,916,097.38	3,872,966.28	43,131.10
4300 Program Revenue	792,014.05	907,830.00	(115,815.95)
4400 State Obligations Revenue	1,035,000.00	1,035,000.00	0.00
4603 Miscellaneous Other Income	245.00		245.00
4997 Services	50,000.00		50,000.00
Total Revenue	5,918,394.34	6,055,996.56	(137,602.22)
TOTAL REVENUE	5,918,394.34	6,055,996.56	(137,602.22)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	1,490,489.66	1,543,779.26	(53,289.60)
5101 Health Insurance	216,088.95	235,877.67	(19,788.72)
5102 Dental Insurance	9,156.47	11,550.33	(2,393.86)
5103 Life/ LTD/ STD Insurance	9,374.01	10,626.75	(1,252.74)
5105 Vision Insurance	934.73	1,211.67	(276.94)
5107 Employer 403(b)	181,759.91	200,691.29	(18,931.38)
5108 Section 125 Plan	158.12	749.97	(591.85)
5109 Employee Parking	21,269.36	16,200.00	5,069.36
5110 Other Benefits	6,045.00	5,850.00	195.00
5112 SUTA	5,756.65	459.69	5,296.96
5114 Payroll Tax Expense	103,868.52	109,709.91	(5,841.39)
5115 Cell Phone	6,726.47	7,650.00	(923.53)
5116 Employee Development Funds	14,057.03	25,500.15	(11,443.12)
6305 Workers Compensation Insurance	1,526.92	4,631.60	(3,104.68)
Total 5000 All Personnel Costs	2,067,211.80	2,174,488.29	(107,276.49)
5200 All Professional Fees			

			Total
	Actual	Budget	over Budget
5201 Accounting Services	119,382.76	128,250.00	(8,867.24)
5202 Legal Fees	44,004.32	45,000.00	(995.68)
5204 Honoraria and Lecture Fees	49,200.00	31,359.95	17,840.05
5207 HR & Payroll Support	87,659.32	58,896.00	28,763.32
5210 Professional Fees - Other	2,564.76	2,000.00	564.76
Total 5200 All Professional Fees	302,811.16	265,505.95	37,305.21
5300 Consultants			
5301 Communications Consultant	45,200.42	142,499.97	(97,299.55)
5302 Computer Services & Support	330,295.69	458,296.29	(128,000.60)
5302A Allocation account Computer Svcs & Support		49,059.99	(49,059.99)
Total 5302 Computer Services & Support	330,295.69	507,356.28	(177,060.59)
5304 General Consultant Fees	450,172.40	463,874.94	(13,702.54)
Total 5300 Consultants	825,668.51	1,113,731.19	(288,062.68)
6000 Office Costs			
6001 Supplies	5,674.42	5,964.33	(289.91)
6002 Office & Computer Equipment	15,544.74	26,045.64	(10,500.90)
6004 Publications		13,419.72	(13,419.72)
6005 Dues, Subscriptions & Memberships	33,787.55	46,596.16	(12,808.61)
6006 License	398.00	450.00	(52.00)
6007 Postage and Shipping	4,891.82	4,577.53	314.29
6009 Printing and Duplicating	2,346.78	2,958.21	(611.43)
6010 Telephone/Fax/Internet	5,297.68	5,189.76	107.92
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	91,087.78	68,834.25	22,253.53
6103 Rental Equipment	(183.18)		(183.18)
6405 Amortization Expense	47,647.07	46,770.39	876.68
Total 6100 Long Term Rents/Leases	138,551.67	115,604.64	22,947.03
6108 Computer Software Expense	59,496.78	29,516.22	29,980.56
6109 Repairs and Maintenance	1,911.58	4,431.15	(2,519.57)
6304 Risk Management-General Agency Insurance	23,219.40	31,582.53	(8,363.13)
6315 Promotional and Award Items	4,860.88	3,850.92	1,009.96
Total 6000 Office Costs	295,981.30	290,186.81	5,794.49

	Actual	Budget	Total over Budget
6200 Convening Expenses			
6105 Meeting Room Rental Fees	5,773.27	5,750.00	23.27
6206 Conference Registration Fees	47,372.18	51,457.50	(4,085.32)
6207 Meals	19,867.58	40,436.13	(20,568.55)
6208 Transportation	133,816.59	200,304.01	(66,487.42)
6209 Lodging	116,379.58	153,556.51	(37,176.93)
6210 Meeting Catering and Food	83,396.25	134,850.78	(51,454.53)
6211 Conference Tech Services (AV)	49,582.21	56,287.50	(6,705.29)
Total 6200 Convening Expenses	456,187.66	642,642.43	(186,454.77)
6400 Other Operating Expenses			
5305 Sub-Grant Expense	6,000.00	76,687.47	(70,687.47)
6300 Operating Interest Charges & Service Fees		56.25	(56.25)
6402 Depreciation Expense	23,289.69	22,862.16	427.53
6404 Miscellaneous	3,084.61	4,149.97	(1,065.36)
Total 6400 Other Operating Expenses	32,374.30	103,755.85	(71,381.55)
Total Expenditures	3,980,234.73	4,590,310.52	(610,075.79)
NET OPERATING REVENUE	1,938,159.61	1,465,686.04	472,473.57
OTHER REVENUE			
4601 Interest Income	382,424.90	225,000.00	157,424.90
Total Other Revenue	382,424.90	225,000.00	157,424.90
OTHER EXPENDITURES			
7200 Nonoperating Interest Expense	1,761.52	1,608.75	152.77
Total Other Expenditures	1,761.52	1,608.75	152.77
NET OTHER REVENUE	380,663.38	223,391.25	157,272.13
CHANGE IN NET ASSETS	\$2,318,822.99	\$1,689,077.29	\$629,745.70

Statement of Financial Position

As of March 31, 2025 and 2024

	As of Mar 31, 2025	As of Mar 31, 2024 (PY)	Total
ASSETS			
Current Assets			
Bank Accounts			
1000 MHEC - American National Bank (Checking)	418,289.29		1,477,247.59
1001 MHEC - American National Bank (Savings)	255,192.12		248,501.52
1003 Grant - American National Bank (Checking)	186,400.00		87,804.00
1004 MPP - American National Bank (Savings)	0.00		20,150.52
1072 Bill.com Money Out Clearing	1,688.20		157.30
1102 American National Bank (ICS)	17,356,252.56		11,772,236.71
Total Bank Accounts	18,217,822.17		13,606,097.64
Accounts Receivable			
1210 MHEC - Receivables	1,747,501.56		1,628,436.39
Total Accounts Receivable	1,747,501.56		1,628,436.39
Other Current Assets			
1240 Other Accounts Receivable	83.33		0.00
1303 Prepaid Expenses	84,248.55		51,971.93
Total Other Current Assets	84,331.88		51,971.93
Total Current Assets	20,049,655.61		15,286,505.96
Fixed Assets			
1400 Fixed Assets	531,836.32		535,410.58
1404 Office Leasehold Improvements	375,877.06		375,877.06
1413 Right of Use Lease Asset	312,007.90		312,007.90
1497 Accumulated Amortization	(238,236.30)		(174,706.62)
1498 Accumulated Depreciation	(838,501.05)		(809,104.92)
Total Fixed Assets	142,983.93		239,484.00
TOTAL ASSETS	\$20,192,639.54		\$15,525,989.96

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts Payable

2000 Accounts Payable	167,829.81	23,001.48
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Total Accounts Payable	167,829.81	23,001.48
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Credit Cards

2067 Divvy Credit Card	1,353.76	3,946.28
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Total Credit Cards	1,353.76	3,946.28
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Other Current Liabilities

2102 Other Payables	1,288,019.56	1,311,259.31
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2105 Healthcare Reimburse	1,646.25	371.30
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2107 HSA Reimbursement	300.18	181.50
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2108 AFLAC	204.80	64.00
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2110 403(b) Withholding	10,305.09	2,807.61
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		Total
	As of Mar 31, 2025	As of Mar 31, 2024 (PY)
2117 Accrued Vacation	151,747.05	124,438.75
2120 Accrued Payroll	120,631.94	35,154.59
2206 Short Term Lease Liability	23,088.99	22,046.67
2215 Deferred Revenue	539,824.48	466,149.24
Total Other Current Liabilities	2,135,768.34	1,962,472.97
Total Current Liabilities	2,304,951.91	1,989,420.73
Long-Term Liabilities		
2300 Long Term Lease Liability	86,993.21	178,334.50
Total Long-Term Liabilities	86,993.21	178,334.50
Total Liabilities	2,391,945.12	2,167,755.23
Net Assets		
3000 Undesignated Organizational Net Assets	2,987,340.43	5,510,948.84
3010 Investment Policy Funds	12,000,000.00	4,002,730.00
3300 Restricted Net Assets	0.00	20,073.08
3307 SARA Reserve Funds	494,531.00	494,531.00
Change in Net Assets	2,318,822.99	3,329,951.81
Total Net Assets	17,800,694.42	13,358,234.73
TOTAL LIABILITIES AND NET ASSETS	\$20,192,639.54	\$15,525,989.96

Statement of Cash Flows

For the Nine Months Ended March 31, 2025

	Total
OPERATING ACTIVITIES	
Change in Net Assets	2,318,822.99
Adjustments to reconcile Change in Net Assets to Net Cash provided by operations:	
1210 MHEC - Receivables	1,729,088.19
1240 Other Accounts Receivable	767.87
1303 Prepaid Expenses	(3,025.85)
1497 Accumulated Amortization	47,647.26
1498 Accumulated Depreciation	21,632.91
2000 Accounts Payable	(190,073.91)
2067 Divvy Credit Card	(15,293.77)
2102 Other Payables	(561,868.40)
2105 Healthcare Reimburse	943.31
2107 HSA Reimbursement	(239.81)
2108 AFLAC	76.80
2110 403(b) Withholding	4,383.20
2114 Other Payroll Withholdings	32.18
2120 Accrued Payroll	34,882.95
2206 Short Term Lease Liability	(68,252.23)
2215 Deferred Revenue	484,620.40
Total Adjustments to reconcile Change in Net Assets to Net Cash provided by operations:	1,485,321.10
Net cash provided by operating activities	3,804,144.09
INVESTING ACTIVITIES	
1400 Fixed Assets	3,574.26
Net cash provided by investing activities	3,574.26
FINANCING ACTIVITIES	
3000 Undesignated Organizational Net Assets	(7,977,196.92)
3100 Investment Policy Funds:Operations Reserve	3,975,000.00
3120 Investment Policy Funds:Special Project Reserve	500,000.00
3130 Investment Policy Funds:Sustainability Reserve	4,000,000.00
3131 Investment Policy Funds:Sustainability Reserve:Organizational Capacity:Organizational Capacity - Technology (deleted)	(10,439.00)
3140 Investment Policy Funds:Capital Asset Reserve:Future Lease Payment (deleted)	(450,000.00)
3150 Investment Policy Funds:Capital Asset Reserve:Capital Investments (deleted)	(17,291.00)
3308 Restricted Net Assets:Master Property Program (deleted)	(20,073.08)
Net cash provided by financing activities	0.00
NET CASH INCREASE FOR PERIOD	3,807,718.35
Cash at beginning of period	14,410,103.82
CASH AT END OF PERIOD	\$18,217,822.17

Statement of Activities - Contract Services

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4200 Contract Revenue	5,200,606.29	5,154,581.25	46,025.04
4010 Microfocus Collaborative Fees	10,671.65	9,375.03	1,296.62
4230 Compact Revenue Sharing	(1,295,180.56)	(1,290,990.00)	(4,190.56)
Total 4200 Contract Revenue	3,916,097.38	3,872,966.28	43,131.10
Total Revenue	3,916,097.38	3,872,966.28	43,131.10
TOTAL REVENUE	3,916,097.38	3,872,966.28	43,131.10
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	129,160.85	155,326.72	(26,165.87)
5101 Health Insurance	21,608.89	21,447.90	160.99
5102 Dental Insurance	915.65	1,310.67	(395.02)
5103 Life/ LTD/ STD Insurance	902.94	1,090.71	(187.77)
5105 Vision Insurance	93.45	106.92	(13.47)
5107 Employer 403(b)	18,175.99	20,192.45	(2,016.46)
5108 Section 125 Plan	0.00		0.00
5109 Employee Parking	2,126.94	2,268.00	(141.06)
5112 SUTA	824.08	41.82	782.26
5114 Payroll Tax Expense	8,874.07	10,917.54	(2,043.47)
5115 Cell Phone	600.00	450.00	150.00
5116 Employee Development Funds	464.99	1,500.03	(1,035.04)
6305 Workers Compensation Insurance	152.71	466.01	(313.30)
Total 5000 All Personnel Costs	183,900.56	215,118.77	(31,218.21)
5300 Consultants			
5302 Computer Services & Support	4,517.54	12,750.03	(8,232.49)
5302A Allocation account Computer Svcs & Support		4,463.19	(4,463.19)
Total 5302 Computer Services & Support	4,517.54	17,213.22	(12,695.68)
Total 5300 Consultants	4,517.54	17,213.22	(12,695.68)
6000 Office Costs			
6001 Supplies	60.94	535.77	(474.83)

			Total
	Actual	Budget	over Budget
6002 Office & Computer Equipment	539.91	1,004.58	(464.67)
6004 Publications		369.72	(369.72)
6005 Dues, Subscriptions & Memberships	1,979.49	11,625.03	(9,645.54)
6007 Postage and Shipping	304.86		304.86
6009 Printing and Duplicating	70.95	200.88	(129.93)
6010 Telephone/Fax/Internet	529.79	472.14	57.65
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	9,108.79	6,262.11	2,846.68
6103 Rental Equipment	(18.32)		(18.32)
6405 Amortization Expense	4,764.70	4,254.75	509.95
Total 6100 Long Term Rents/Leases	13,855.17	10,516.86	3,338.31
6108 Computer Software Expense	3,485.00	150.03	3,334.97
6109 Repairs and Maintenance	84.30	403.11	(318.81)
6304 Risk Management-General Agency Insurance	2,321.94	2,873.16	(551.22)
Total 6000 Office Costs	23,232.35	28,151.28	(4,918.93)
6200 Convening Expenses			
6206 Conference Registration Fees	11,099.00	10,068.75	1,030.25
6207 Meals	3,787.01	10,665.00	(6,877.99)
6208 Transportation	7,472.22	18,900.00	(11,427.78)
6209 Lodging	6,633.48	21,390.03	(14,756.55)
6210 Meeting Catering and Food	2,841.30	9,375.03	(6,533.73)
Total 6200 Convening Expenses	31,833.01	70,398.81	(38,565.80)
6400 Other Operating Expenses			
6402 Depreciation Expense	2,328.94	2,079.90	249.04
Total 6400 Other Operating Expenses	2,328.94	2,079.90	249.04
Total Expenditures	245,812.40	332,961.98	(87,149.58)
NET OPERATING REVENUE	3,670,284.98	3,540,004.30	130,280.68
CHANGE IN NET ASSETS	\$3,670,284.98	\$3,540,004.30	\$130,280.68

Statement of Activities - Risk Management

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4300 Program Revenue	249,185.05	365,000.00	(115,814.95)
Total Revenue	249,185.05	365,000.00	(115,814.95)
TOTAL REVENUE	249,185.05	365,000.00	(115,814.95)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	98,893.01	79,262.39	19,630.62
5101 Health Insurance	8,341.04	12,460.05	(4,119.01)
5102 Dental Insurance	353.41	621.90	(268.49)
5103 Life/ LTD/ STD Insurance	348.54	513.27	(164.73)
5105 Vision Insurance	36.08	41.31	(5.23)
5107 Employer 403(b)	7,015.93	10,304.08	(3,288.15)
5108 Section 125 Plan	0.00		0.00
5109 Employee Parking	820.99	777.60	43.39
5112 SUTA	351.19	18.23	332.96
5114 Payroll Tax Expense	6,576.47	5,249.87	1,326.60
5115 Cell Phone	341.47	450.00	(108.53)
5116 Employee Development Funds		1,500.03	(1,500.03)
6305 Workers Compensation Insurance	58.92	237.86	(178.94)
Total 5000 All Personnel Costs	123,137.05	111,436.59	11,700.46
5200 All Professional Fees			
5202 Legal Fees	202.00	22,500.00	(22,298.00)
Total 5200 All Professional Fees	202.00	22,500.00	(22,298.00)
5300 Consultants			
5302 Computer Services & Support	1,743.77		1,743.77
5302A Allocation account Computer Svcs & Support		3,633.48	(3,633.48)
Total 5302 Computer Services & Support	1,743.77	3,633.48	(1,889.71)
5304 General Consultant Fees	225,925.00	161,025.03	64,899.97
Total 5300 Consultants	227,668.77	164,658.51	63,010.26
6000 Office Costs			

			Total
	Actual	Budget	over Budget
6001 Supplies	23.52	436.14	(412.62)
6002 Office & Computer Equipment	208.42	817.83	(609.41)
6005 Dues, Subscriptions & Memberships	912.92	1,550.03	(637.11)
6007 Postage and Shipping	53.34	150.03	(96.69)
6009 Printing and Duplicating	27.38	163.53	(136.15)
6010 Telephone/Fax/Internet	204.47	384.30	(179.83)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	3,515.97	5,097.96	(1,581.99)
6103 Rental Equipment	(7.07)		(7.07)
6405 Amortization Expense	1,839.16	3,463.92	(1,624.76)
Total 6100 Long Term Rents/Leases	5,348.06	8,561.88	(3,213.82)
6108 Computer Software Expense	1,345.20		1,345.20
6109 Repairs and Maintenance	32.54	328.14	(295.60)
6304 Risk Management-General Agency Insurance	896.27	2,339.01	(1,442.74)
Total 6000 Office Costs	9,052.12	14,730.89	(5,678.77)
6200 Convening Expenses			
6206 Conference Registration Fees	1,373.00	2,250.00	(877.00)
6207 Meals	380.21	2,756.00	(2,375.79)
6208 Transportation	1,795.11	7,370.00	(5,574.89)
6209 Lodging	4,190.48	4,105.00	85.48
6210 Meeting Catering and Food	1,368.25		1,368.25
Total 6200 Convening Expenses	9,107.05	16,481.00	(7,373.95)
6400 Other Operating Expenses			
6402 Depreciation Expense	898.93	1,693.17	(794.24)
6404 Miscellaneous		400.00	(400.00)
Total 6400 Other Operating Expenses	898.93	2,093.17	(1,194.24)
Total Expenditures	370,065.92	331,900.16	38,165.76
NET OPERATING REVENUE	(120,880.87)	33,099.84	(153,980.71)
CHANGE IN NET ASSETS	\$ (120,880.87)	\$33,099.84	\$ (153,980.71)

Statement of Activities - M-SARA

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4300 Program Revenue	542,829.00	542,830.00	(1.00)
Total Revenue	542,829.00	542,830.00	(1.00)
TOTAL REVENUE	542,829.00	542,830.00	(1.00)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	209,048.69	153,381.21	55,667.48
5101 Health Insurance	33,904.36	20,941.65	12,962.71
5102 Dental Insurance	1,436.63	1,017.45	419.18
5103 Life/ LTD/ STD Insurance	1,416.73	1,030.86	385.87
5105 Vision Insurance	146.66	106.92	39.74
5107 Employer 403(b)	28,518.12	19,939.55	8,578.57
5108 Section 125 Plan	0.00		0.00
5109 Employee Parking	3,337.19	243.00	3,094.19
5112 SUTA	359.07	29.58	329.49
5114 Payroll Tax Expense	14,472.88	10,244.88	4,228.00
5115 Cell Phone	150.00	450.00	(300.00)
5116 Employee Development Funds	2,324.66	1,500.03	824.63
6305 Workers Compensation Insurance	239.63	460.17	(220.54)
Total 5000 All Personnel Costs	295,354.62	209,345.30	86,009.32
5300 Consultants			
5302 Computer Services & Support	7,088.03		7,088.03
5302A Allocation account Computer Svcs & Support		6,577.29	(6,577.29)
Total 5302 Computer Services & Support	7,088.03	6,577.29	510.74
5304 General Consultant Fees	1,000.00	18,900.00	(17,900.00)
Total 5300 Consultants	8,088.03	25,477.29	(17,389.26)
6000 Office Costs			
6001 Supplies	1,259.76	789.57	470.19
6002 Office & Computer Equipment	875.75	1,480.50	(604.75)
6005 Dues, Subscriptions & Memberships	3,203.94	4,200.00	(996.06)
6007 Postage and Shipping	208.69	200.00	8.69
6009 Printing and Duplicating	111.30	296.10	(184.80)
6010 Telephone/Fax/Internet	831.19	695.79	135.40
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	14,291.68	9,228.42	5,063.26
6103 Rental Equipment	(28.72)		(28.72)
6405 Amortization Expense	7,475.81	6,270.39	1,205.42
Total 6100 Long Term Rents/Leases	21,738.77	15,498.81	6,239.96
6108 Computer Software Expense	5,467.94		5,467.94
6109 Repairs and Maintenance	132.27	594.09	(461.82)
6304 Risk Management-General Agency Insurance	3,643.11	4,234.23	(591.12)

			Total
	Actual	Budget	over Budget
6315 Promotional and Award Items		150.92	(150.92)
Total 6000 Office Costs	37,472.72	28,140.01	9,332.71
6200 Convening Expenses			
6206 Conference Registration Fees	3,809.00	749.97	3,059.03
6207 Meals	1.58	862.16	(860.58)
6208 Transportation	3,923.71	19,912.26	(15,988.55)
6209 Lodging	3,931.72	15,049.94	(11,118.22)
6210 Meeting Catering and Food	0.00	11,000.00	(11,000.00)
6211 Conference Tech Services (AV)	0.00		0.00
Total 6200 Convening Expenses	11,666.01	47,574.33	(35,908.32)
6400 Other Operating Expenses			
5305 Sub-Grant Expense		41,249.97	(41,249.97)
6402 Depreciation Expense	3,654.27	3,065.04	589.23
6404 Miscellaneous	878.83		878.83
Total 6400 Other Operating Expenses	4,533.10	44,315.01	(39,781.91)
Total Expenditures	357,114.48	354,851.94	2,262.54
NET OPERATING REVENUE	185,714.52	187,978.06	(2,263.54)
CHANGE IN NET ASSETS	\$185,714.52	\$187,978.06	\$ (2,263.54)

Statement of Activities - Policy and Research

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4100 Grants	125,037.91	240,200.28	(115,162.37)
4997 Services	50,000.00		50,000.00
Total Revenue	175,037.91	240,200.28	(65,162.37)
TOTAL REVENUE	175,037.91	240,200.28	(65,162.37)
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	396,163.93	416,331.79	(20,167.86)
5101 Health Insurance	51,407.53	63,878.04	(12,470.51)
5102 Dental Insurance	2,178.34	3,365.73	(1,187.39)
5103 Life/ LTD/ STD Insurance	2,148.12	3,030.48	(882.36)
5105 Vision Insurance	222.42	343.53	(121.11)
5107 Employer 403(b)	43,240.70	54,123.11	(10,882.41)
5108 Section 125 Plan	0.00		0.00
5109 Employee Parking	5,059.94	4,649.40	410.54
5112 SUTA	1,358.49	96.34	1,262.15
5114 Payroll Tax Expense	27,327.36	30,272.40	(2,945.04)
5115 Cell Phone	1,500.00	2,250.00	(750.00)
5116 Employee Development Funds	4,796.86	7,499.97	(2,703.11)
6305 Workers Compensation Insurance	363.21	1,249.05	(885.84)
Total 5000 All Personnel Costs	535,766.90	587,089.84	(51,322.94)
5200 All Professional Fees			
5204 Honoraria and Lecture Fees	46,000.00	23,359.95	22,640.05
Total 5200 All Professional Fees	46,000.00	23,359.95	22,640.05
5300 Consultants			
5302 Computer Services & Support	29,317.27	2,250.00	27,067.27
5302A Allocation account Computer Svcs & Support		12,684.78	(12,684.78)
Total 5302 Computer Services & Support	29,317.27	14,934.78	14,382.49
5304 General Consultant Fees	127,847.40	201,449.97	(73,602.57)
Total 5300 Consultants	157,164.67	216,384.75	(59,220.08)

	Actual	Budget	Total over Budget
6000 Office Costs			
6001 Supplies	198.43	1,522.71	(1,324.28)
6002 Office & Computer Equipment	1,284.53	2,855.07	(1,570.54)
6004 Publications		13,050.00	(13,050.00)
6005 Dues, Subscriptions & Memberships	8,333.38	8,938.97	(605.59)
6007 Postage and Shipping	360.17	524.97	(164.80)
6009 Printing and Duplicating	469.86	570.87	(101.01)
6010 Telephone/Fax/Internet	1,260.33	1,341.81	(81.48)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	21,669.79	17,797.59	3,872.20
6103 Rental Equipment	(43.60)		(43.60)
6405 Amortization Expense	11,335.23	12,092.85	(757.62)
Total 6100 Long Term Rents/Leases	32,961.42	29,890.44	3,070.98
6108 Computer Software Expense	18,053.11	3,573.00	14,480.11
6109 Repairs and Maintenance	200.55	1,145.52	(944.97)
6304 Risk Management-General Agency Insurance	5,523.90	8,165.79	(2,641.89)
6315 Promotional and Award Items	54.05		54.05
Total 6000 Office Costs	68,699.73	71,579.15	(2,879.42)
6200 Convening Expenses			
6105 Meeting Room Rental Fees	30.00		30.00
6206 Conference Registration Fees	15,340.20	18,794.97	(3,454.77)
6207 Meals	3,996.55	9,132.50	(5,135.95)
6208 Transportation	26,974.83	42,693.72	(15,718.89)
6209 Lodging	30,536.85	34,314.04	(3,777.19)
6210 Meeting Catering and Food	734.09	25,650.75	(24,916.66)
6211 Conference Tech Services (AV)		8,287.50	(8,287.50)
Total 6200 Convening Expenses	77,612.52	138,873.48	(61,260.96)
6400 Other Operating Expenses			
5305 Sub-Grant Expense	6,000.00	35,437.50	(29,437.50)
6402 Depreciation Expense	5,540.65	5,911.11	(370.46)
Total 6400 Other Operating Expenses	11,540.65	41,348.61	(29,807.96)
Total Expenditures	896,784.47	1,078,635.78	(181,851.31)

	Actual	Budget	Total over Budget
NET OPERATING REVENUE	(721,746.56)	(838,435.50)	116,688.94
OTHER EXPENDITURES			
7000 Indirect Cost Allocation	16,549.84		16,549.84
Total Other Expenditures	16,549.84	0.00	16,549.84
NET OTHER REVENUE	(16,549.84)	0.00	(16,549.84)
CHANGE IN NET ASSETS	\$ (738,296.40)	\$ (838,435.50)	\$100,139.10

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Statement of Activities - Convening

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
Total Revenue			0.00
TOTAL REVENUE	0.00	0.00	0.00
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	281,717.81	295,435.56	(13,717.75)
5101 Health Insurance	46,091.81	50,951.52	(4,859.71)
5102 Dental Insurance	1,953.06	2,387.88	(434.82)
5103 Life/ LTD/ STD Insurance	1,926.01	2,076.93	(150.92)
5105 Vision Insurance	199.34	263.70	(64.36)
5107 Employer 403(b)	38,769.37	38,406.60	362.77
5108 Section 125 Plan	0.00		0.00
5109 Employee Parking	4,536.80	3,483.00	1,053.80
5112 SUTA	1,162.37	98.25	1,064.12
5114 Payroll Tax Expense	19,383.12	20,796.93	(1,413.81)
5115 Cell Phone	965.32	1,800.00	(834.68)
5116 Employee Development Funds	2,317.00	6,000.03	(3,683.03)
6305 Workers Compensation Insurance	325.68	886.34	(560.66)
Total 5000 All Personnel Costs	399,347.69	422,586.74	(23,239.05)
5200 All Professional Fees			
5204 Honoraria and Lecture Fees	3,200.00	8,000.00	(4,800.00)
5210 Professional Fees - Other	1,070.00	2,000.00	(930.00)
Total 5200 All Professional Fees	4,270.00	10,000.00	(5,730.00)
5300 Consultants			
5302 Computer Services & Support	9,635.91	3,750.03	5,885.88
5302A Allocation account Computer Svcs & Support		9,731.07	(9,731.07)
Total 5302 Computer Services & Support	9,635.91	13,481.10	(3,845.19)
Total 5300 Consultants	9,635.91	13,481.10	(3,845.19)
6000 Office Costs			
6001 Supplies	212.56	1,243.20	(1,030.64)

			Total
	Actual	Budget	over Budget
6002 Office & Computer Equipment	1,273.70	2,190.33	(916.63)
6005 Dues, Subscriptions & Memberships	3,501.29	4,185.00	(683.71)
6007 Postage and Shipping	3,193.45	2,652.50	540.95
6009 Printing and Duplicating	694.00	438.03	255.97
6010 Telephone/Fax/Internet	1,129.97	1,029.42	100.55
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	19,429.03	13,653.27	5,775.76
6103 Rental Equipment	(39.07)		(39.07)
6405 Amortization Expense	10,163.16	9,276.93	886.23
Total 6100 Long Term Rents/Leases	29,553.12	22,930.20	6,622.92
6108 Computer Software Expense	20,997.29	8,250.03	12,747.26
6109 Repairs and Maintenance	179.80	879.03	(699.23)
6304 Risk Management-General Agency Insurance	4,952.68	6,264.45	(1,311.77)
6315 Promotional and Award Items	2,683.27	1,450.00	1,233.27
Total 6000 Office Costs	68,371.13	51,512.19	16,858.94
6200 Convening Expenses			
6105 Meeting Room Rental Fees	5,743.27	5,750.00	(6.73)
6206 Conference Registration Fees	12,948.98	5,943.78	7,005.20
6207 Meals	9,474.58	10,006.47	(531.89)
6208 Transportation	83,754.06	92,492.25	(8,738.19)
6209 Lodging	63,429.41	62,047.50	1,381.91
6210 Meeting Catering and Food	77,601.24	83,025.00	(5,423.76)
6211 Conference Tech Services (AV)	49,582.21	48,000.00	1,582.21
Total 6200 Convening Expenses	302,533.75	307,265.00	(4,731.25)
6400 Other Operating Expenses			
6402 Depreciation Expense	4,967.65	4,534.74	432.91
6404 Miscellaneous	391.61	750.00	(358.39)
Total 6400 Other Operating Expenses	5,359.26	5,284.74	74.52
Total Expenditures	789,517.74	810,129.77	(20,612.03)
NET OPERATING REVENUE	(789,517.74)	(810,129.77)	20,612.03
CHANGE IN NET ASSETS	\$ (789,517.74)	\$ (810,129.77)	\$20,612.03

Statement of Activities - General & Administrative

For the Nine Months Ended March 31, 2025

	Actual	Budget	Total over Budget
REVENUE			
4400 State Obligations Revenue	1,035,000.00	1,035,000.00	0.00
4603 Miscellaneous Other Income	245.00		245.00
Total Revenue	1,035,245.00	1,035,000.00	245.00
TOTAL REVENUE	1,035,245.00	1,035,000.00	245.00
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	332,681.93	402,415.15	(69,733.22)
5101 Health Insurance	49,700.45	59,350.95	(9,650.50)
5102 Dental Insurance	2,106.05	2,455.83	(349.78)
5103 Life/ LTD/ STD Insurance	2,421.28	2,577.87	(156.59)
5105 Vision Insurance	215.00	324.36	(109.36)
5107 Employer 403(b)	41,804.80	52,314.02	(10,509.22)
5108 Section 125 Plan	158.12	749.97	(591.85)
5109 Employee Parking	4,891.93	4,212.00	679.93
5110 Other Benefits	6,045.00	5,850.00	195.00
5112 SUTA	1,652.23	162.33	1,489.90
5114 Payroll Tax Expense	24,253.25	29,043.89	(4,790.64)
5115 Cell Phone	3,169.68	2,250.00	919.68
5116 Employee Development Funds	4,153.52	7,500.06	(3,346.54)
6305 Workers Compensation Insurance	351.22	1,207.25	(856.03)
Total 5000 All Personnel Costs	473,604.46	570,413.68	(96,809.22)
5200 All Professional Fees			
5201 Accounting Services	119,382.76	128,250.00	(8,867.24)
5202 Legal Fees	43,802.32	22,500.00	21,302.32
5207 HR & Payroll Support	87,659.32	13,896.00	73,763.32
5210 Professional Fees - Other	1,494.76		1,494.76
Total 5200 All Professional Fees	252,339.16	164,646.00	87,693.16
5300 Consultants			
5301 Communications Consultant		29,999.97	(29,999.97)
5302 Computer Services & Support	22,841.69	23,296.23	(454.54)
5302A Allocation account Computer Svcs & Support		11,970.18	(11,970.18)
Total 5302 Computer Services & Support	22,841.69	35,266.41	(12,424.72)
5304 General Consultant Fees	95,400.00	7,499.97	87,900.03
Total 5300 Consultants	118,241.69	72,766.35	45,475.34
6000 Office Costs			
6001 Supplies	3,905.01	1,436.94	2,468.07
6002 Office & Computer Equipment	11,236.62	17,697.33	(6,460.71)
6005 Dues, Subscriptions & Memberships	15,826.24	16,097.13	(270.89)
6006 License	398.00	450.00	(52.00)
6007 Postage and Shipping	771.31	1,050.03	(278.72)

			Total
	Actual	Budget	over Budget
6009 Printing and Duplicating	956.76	1,288.80	(332.04)
6010 Telephone/Fax/Internet	1,218.51	1,266.30	(47.79)
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	20,949.19	16,794.90	4,154.29
6103 Rental Equipment	(42.13)		(42.13)
6405 Amortization Expense	10,958.85	11,411.55	(452.70)
Total 6100 Long Term Rents/Leases	31,865.91	28,206.45	3,659.46
6108 Computer Software Expense	9,336.24	17,543.16	(8,206.92)
6109 Repairs and Maintenance	1,262.48	1,081.26	181.22
6304 Risk Management-General Agency Insurance	5,340.49	7,705.89	(2,365.40)
6315 Promotional and Award Items	2,123.56	2,250.00	(126.44)
Total 6000 Office Costs	84,241.13	96,073.29	(11,832.16)
6200 Convening Expenses			
6206 Conference Registration Fees	2,802.00	2,400.03	401.97
6207 Meals	2,227.65	3,081.00	(853.35)
6208 Transportation	9,444.26	6,585.78	2,858.48
6209 Lodging	7,657.64	5,250.00	2,407.64
6210 Meeting Catering and Food	851.37	5,800.00	(4,948.63)
Total 6200 Convening Expenses	22,982.92	23,116.81	(133.89)
6400 Other Operating Expenses			
6300 Operating Interest Charges & Service Fees		56.25	(56.25)
6402 Depreciation Expense	5,356.63	5,578.20	(221.57)
6404 Miscellaneous	1,814.17	2,999.97	(1,185.80)
Total 6400 Other Operating Expenses	7,170.80	8,634.42	(1,463.62)
Total Expenditures	958,580.16	935,650.55	22,929.61
NET OPERATING REVENUE	76,664.84	99,349.45	(22,684.61)
OTHER REVENUE			
4601 Interest Income	382,424.90	225,000.00	157,424.90
Total Other Revenue	382,424.90	225,000.00	157,424.90
OTHER EXPENDITURES			
7000 Indirect Cost Allocation	(16,549.84)		(16,549.84)
7200 Nonoperating Interest Expense	1,761.52	1,608.75	152.77
Total Other Expenditures	(14,788.32)	1,608.75	(16,397.07)
NET OTHER REVENUE	397,213.22	223,391.25	173,821.97
CHANGE IN NET ASSETS	\$473,878.06	\$322,740.70	\$151,137.36

Statement of Activities - Strategic Initiatives

For the Nine Months Ended March 31, 2025

			Total
	Actual	Budget	over Budget
REVENUE			
Total Revenue			0.00
TOTAL REVENUE	0.00	0.00	0.00
EXPENDITURES			
5000 All Personnel Costs			
5001 Salary	42,823.44	41,626.44	1,197.00
5101 Health Insurance	5,034.87	6,847.56	(1,812.69)
5102 Dental Insurance	213.33	390.87	(177.54)
5103 Life/ LTD/ STD Insurance	210.39	306.63	(96.24)
5105 Vision Insurance	21.78	24.93	(3.15)
5107 Employer 403(b)	4,235.00	5,411.48	(1,176.48)
5109 Employee Parking	495.57	567.00	(71.43)
5112 SUTA	49.22	13.14	36.08
5114 Payroll Tax Expense	2,981.37	3,184.40	(203.03)
6305 Workers Compensation Insurance	35.55	124.92	(89.37)
Total 5000 All Personnel Costs	56,100.52	58,497.37	(2,396.85)
5200 All Professional Fees			
5207 HR & Payroll Support		45,000.00	(45,000.00)
Total 5200 All Professional Fees		45,000.00	(45,000.00)
5300 Consultants			
5301 Communications Consultant	45,200.42	112,500.00	(67,299.58)
5302 Computer Services & Support	255,151.48	416,250.00	(161,098.52)
5304 General Consultant Fees		74,999.97	(74,999.97)
Total 5300 Consultants	300,351.90	603,749.97	(303,398.07)
6000 Office Costs			
6001 Supplies	14.20		14.20
6002 Office & Computer Equipment	125.81		125.81
6005 Dues, Subscriptions & Memberships	30.29		30.29
6009 Printing and Duplicating	16.53		16.53
6010 Telephone/Fax/Internet	123.42		123.42
6100 Long Term Rents/Leases			
6102 Buildings and Facilities	2,123.33		2,123.33
6103 Rental Equipment	(4.27)		(4.27)
6405 Amortization Expense	1,110.16		1,110.16
Total 6100 Long Term Rents/Leases	3,229.22		3,229.22
6108 Computer Software Expense	812.00		812.00
6109 Repairs and Maintenance	19.64		19.64
6304 Risk Management-General Agency Insurance	541.01		541.01
Total 6000 Office Costs	4,912.12		4,912.12
6200 Convening Expenses			
6206 Conference Registration Fees		11,250.00	(11,250.00)

			Total
	Actual	Budget	over Budget
6207 Meals		3,933.00	(3,933.00)
6208 Transportation	452.40	12,350.00	(11,897.60)
6209 Lodging		11,400.00	(11,400.00)
Total 6200 Convening Expenses	452.40	38,933.00	(38,480.60)
6400 Other Operating Expenses			
6402 Depreciation Expense	542.62		542.62
Total 6400 Other Operating Expenses	542.62		542.62
Total Expenditures	362,359.56	746,180.34	(383,820.78)
NET OPERATING REVENUE	(362,359.56)	(746,180.34)	383,820.78
CHANGE IN NET ASSETS	\$ (362,359.56)	\$ (746,180.34)	\$383,820.78

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FY25 Financial Statement Notes

as of March 2025

Overview

This financial update reflects the year-to-date (YTD) Budget and Actuals as of March 31, 2025.

The financial statements will be submitted in this format and include the YTD Budget versus Actual Statement of Activities (Income Statement) and the Statement of Financial Position (Balance Sheet). These financial statements are reviewed and generated by CliftonLarsonAllen (CLA).

Revenues:

- State Revenue – State revenue is now recognized throughout the fiscal year to represent the usage of these funds more accurately across the months.
- Program Revenue – This consists of MHEC's student healthcare program (MHECare) and revenue from the Midwestern State Authorization Reciprocity Agreement (M-SARA) program. MHEC received one MHECare payment in May that is not reflected in these financials and there is one final FY25 payment that is expected to come in August of the following fiscal year.
- Grant Revenue – MHEC now follows GASB guidelines for financial reporting purposes. This means grant revenue is recognized as expended for its intended purpose, as compared to recognizing grant revenue all at once when following FASB. Grant revenue is slightly under budget but is expected to increase as grant expenses increase in the coming months. This is the 3rd Hewlett grant MHEC has received.
- Technology Contract Revenue – Revenue from the technology contracts is forecast to be slightly higher than budgeted. There is one more quarter's worth of tech contract payments that will happen at the end of the fiscal year. Per agreements with the three other regional higher education compacts, MHEC shares a portion of the technology contract revenue generated in the other compact states with the other compacts.
- Total revenue as of March 31, 2025, is approximately \$5.9 million.

Expenses:

- Salaries – Salaries and benefits are slightly lower than budgeted due to positions budgeted but not yet filled.
- Professional Fees – Human Resources support are over budget due to MHEC utilizing search firms to find a new Director of Policy Initiatives in October 2024.
- Consultant Fees – The actual costs reflect mostly consultant costs relating to MHEC's IT initiatives and grant consultants. Communications consultants relating to Strategic Initiatives were slightly down but those have picked up in the later part of FY25.
- Office Related – Office related expenses are relatively on par with the budget. Buildings and facilities are slightly higher due to a change in the (Common Area Maintenance) costs. Also, MHEC Computer Software expenses were slightly higher due to MHEC switching computer consultants and adding updated software.
- Convening – Expenses are slightly under budget but are expected to increase with the June executive meeting which is not reflected in these financials.

- Other Operating Expenses - Sub-grants (M-SARA mini-grants) were budgeted for, however NC-SARA has taken over these expenses in FY25.

Projections:

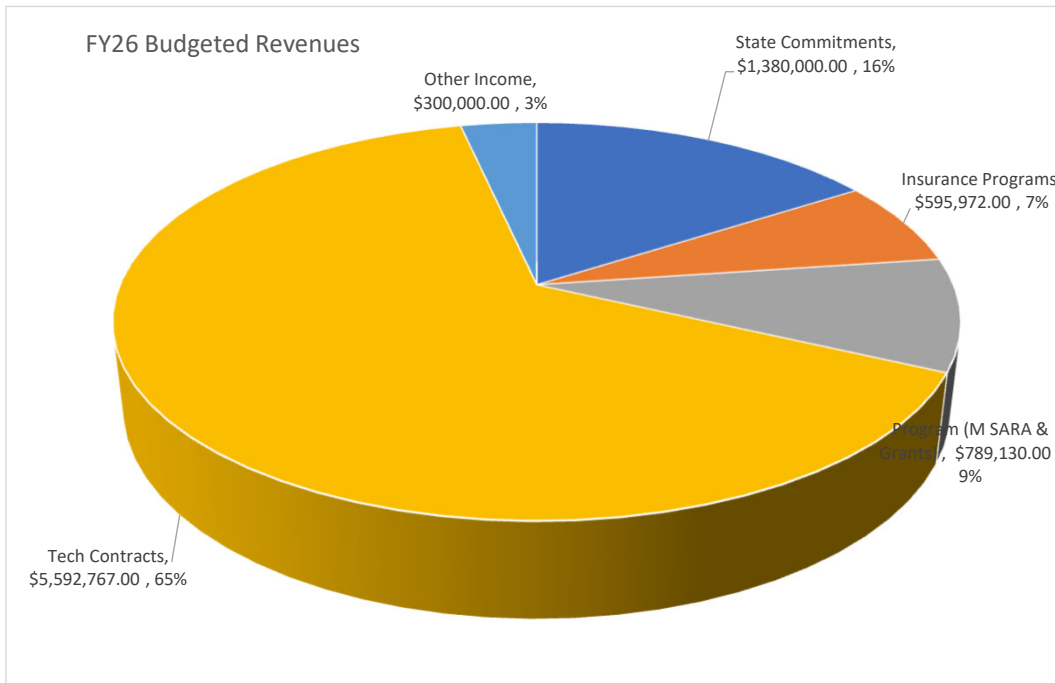
- If the last part of the year continues as projected, the surplus carry-forward will be \$2.3 million.

Statement of Financial Position (Balance Sheet) Highlights:

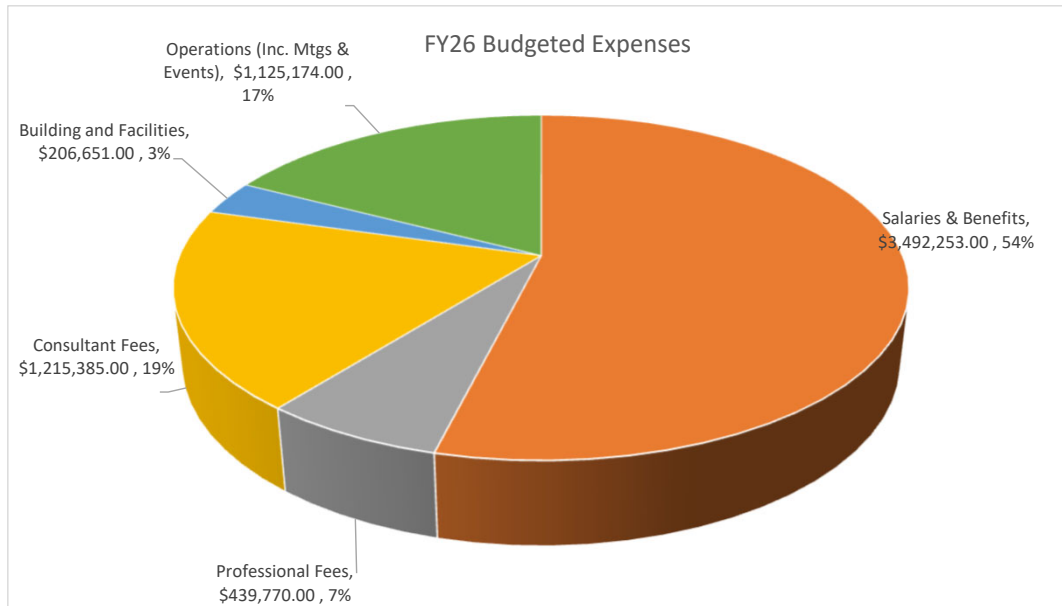
- This statement is a standard part of a complete set of financial statements as is seen in our annual year-end audit.
- Current Assets - are predominantly made up of cash, accounts receivable, and prepaid expenses.
- Long-term Fixed Assets - includes items like Leasehold Improvements and the Right of Use account that was created when we capitalized our leases in FY22, due to a change in accounting standards.
- MHEC has an office lease at the Crown Roller Mill Building that expires May 31st of 2026.
- Liabilities - includes routine accounts payable, accrued vacation liability, liabilities associated with capitalizing our lease in FY22, and deferred revenue.
- Deferred Revenue - captures the unearned portions of revenues, which allows the spreading of state revenues across the 12-month fiscal year to match expenditures. This also allows for the spread of state commitment revenue over the course of the year and grant revenue over the course of the grant period to match expenditures.
- Net Assets - This section reflects the ending period balance of net asset accounts and includes M-SARA reserve funds, funds delegated to the investment policy, and undesignated organizational funds.
- With a beginning balance of just under \$3 million in undesignated organizational equity funds, plus the projected \$2.3 million addition this fiscal year, undesignated funds are projected to be \$5.3 million. With \$5.3 million in undesignated funds plus \$12 million in investment funds, total net assets come in at \$17.3 million.
- MHEC started working on an Investment Policy in FY24 and has been working through the Request For Proposal (RFP) process to find a Strategic Investment Management company.

Presentation of FY26 Budget

- FY26 Budgeted Revenues
- FY26 Budgeted Expenses
- FY26 Budgeted Revenues vs. Expenses
- Revenue Trends
- Expense Trends
- Prior 2-Year Comparison
- FY26 Budget by Program
- FY26 Budget Notes



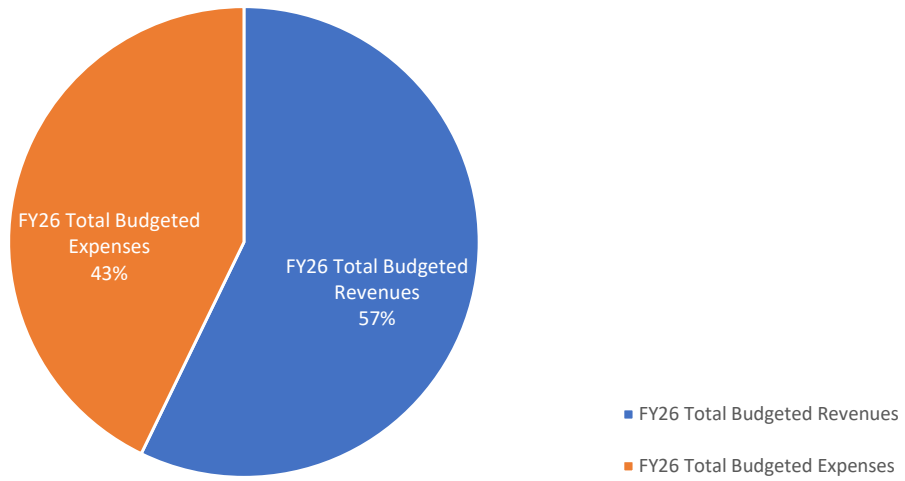
FY26 Budgeted Revenues		
State Commitments	\$ 1,380,000.00	16%
Insurance Programs	\$ 595,972.00	7%
Program (M SARA & Grants)	\$ 789,130.00	9%
Tech Contracts	\$ 5,592,767.00	65%
Other Income	\$ 300,000.00	3%
Total Budgeted Revenue:	\$ 8,657,869.00	100%



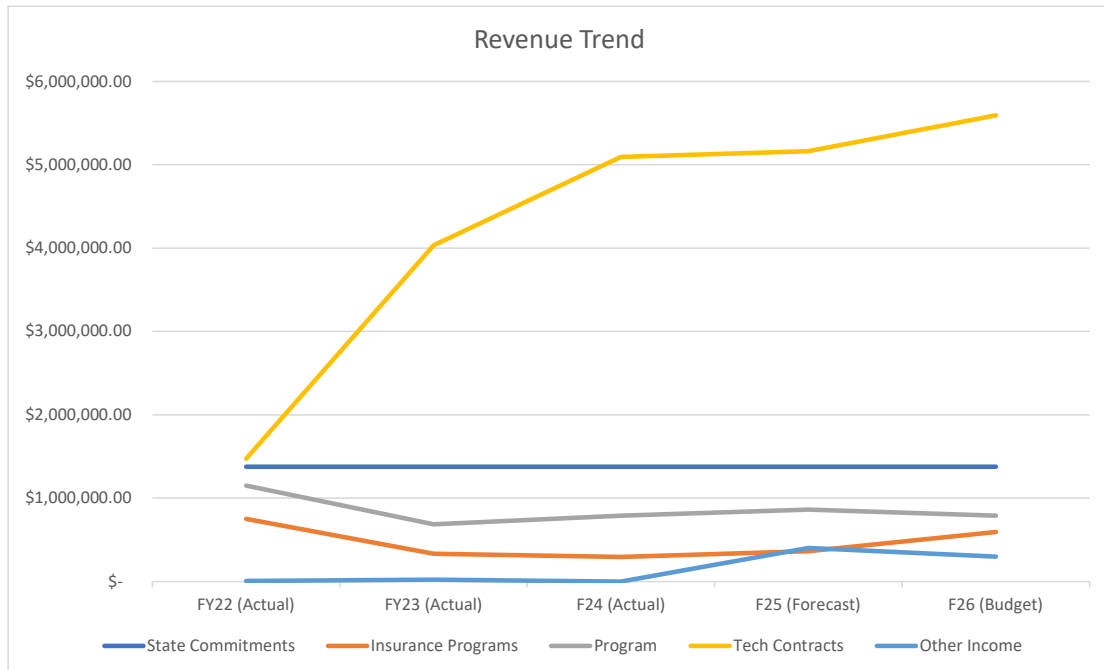
FY26 Budgeted Expenses		
Salaries & Benefits	\$ 3,492,253.00	54%
Professional Fees	\$ 439,770.00	7%
Consultant Fees	\$ 1,215,385.00	19%
Building and Facilities	\$ 206,651.00	3%
Operations (Inc. Mtgs & Events)	\$ 1,125,174.00	17%
Total Budgeted Expenses	\$ 6,479,233.00	100%

FY25 Budget Revenues Over Expenses		
Revenues Over Expenses	\$ 2,178,636.00	134%

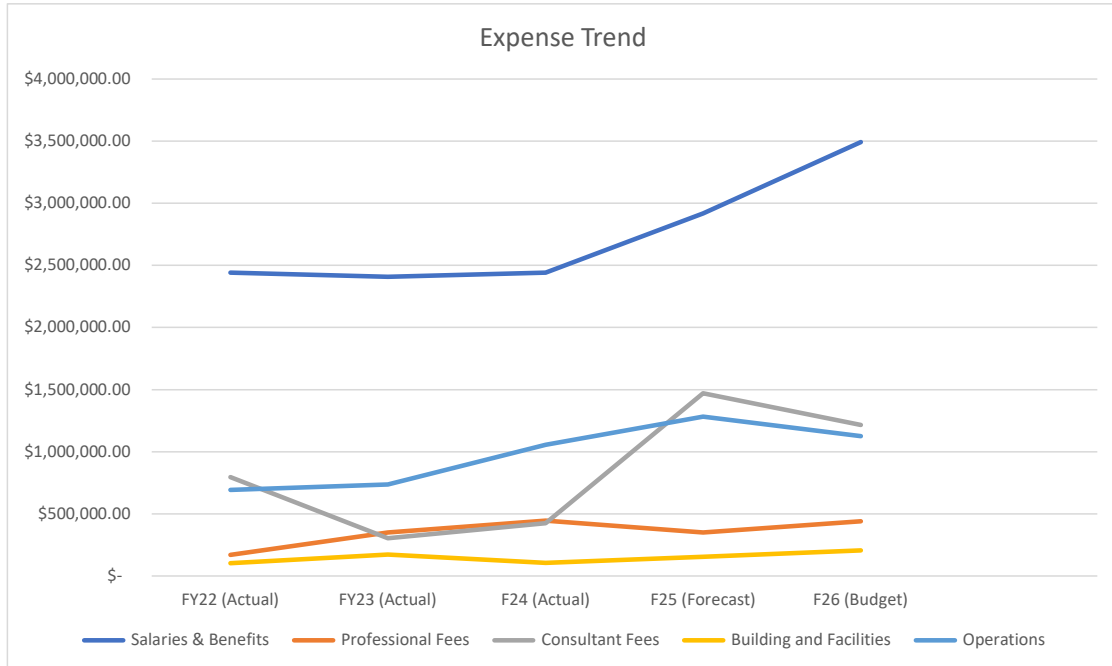
FY26 Budgeted Revenues vs. Expenses



FY26 Forecast Revenues vs. Expenses		
FY26 Total Budgeted Revenues	\$	8,657,869.00
FY26 Total Budgeted Expenses	\$	6,479,233.00



Revenue Trends					
	FY22 (Actual)	FY23 (Actual)	F24 (Actual)	F25 (Forecast)	F26 (Budget)
State Commitments	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,380,000.00
Insurance Programs	\$ 754,054.00	\$ 332,361.00	\$ 295,387.00	\$ 365,000.00	\$ 595,972.00
Program	\$ 1,154,230.00	\$ 689,911.00	\$ 791,607.00	\$ 863,097.00	\$ 789,130.00
Tech Contracts	\$ 1,476,315.00	\$ 4,035,265.00	\$ 5,093,937.00	\$ 5,163,995.00	\$ 5,592,767.00
Other Income	\$ 9,000.00	\$ 23,074.00	\$ 85.00	\$ 403,604.00	\$ 300,000.00



Expense Trends					
	FY22 (Actual)	FY23 (Actual)	F24 (Actual)	F25 (Forecast)	F26 (Budget)
Salaries & Benefits	\$ 2,440,059.00	\$ 2,407,527.00	\$ 2,440,362.00	\$ 2,917,150.00	\$ 3,492,253.00
Professional Fees	\$ 171,137.00	\$ 350,123.00	\$ 445,986.00	\$ 350,675.00	\$ 439,770.00
Consultant Fees	\$ 795,364.00	\$ 304,212.00	\$ 424,128.00	\$ 1,472,600.00	\$ 1,215,385.00
Building and Facilities	\$ 105,347.00	\$ 172,512.00	\$ 105,498.00	\$ 154,140.00	\$ 206,651.00
Operations	\$ 695,054.00	\$ 738,184.00	\$ 1,057,109.00	\$ 1,282,776.00	\$ 1,125,174.00

Prior 2 Year Comparison

Account Income	FY24 Actual	FY25 Approved Budget	FY25 YTD - as of 3/31/25	FY26 Proposed Budget	FY26 Budget to FY25 Budget - Diff	Diff %	FY27 Draft Budget
4010 Microfocus Collaborative Fees	\$ 14,905.00	\$ 12,500.00	\$ 10,672.00	\$ 8,000.00	\$ (4,500.00)	-36%	\$ 8,400.00
4100 Grants	\$ 324,675.00	\$ 320,267.00	\$ 125,038.00	\$ 246,400.00	\$ (73,867.00)	-23%	\$ 258,720.00
4200 Contract Revenue	\$ 8,619,567.00	\$ 6,872,775.00	\$ 5,773,337.00	\$ 7,543,900.00	\$ 671,125.00	10%	\$ 7,993,900.00
4230 Compact Revenue Sharing	\$ (1,800,195.00)	\$ (1,721,320.00)	\$ (1,438,365.00)	\$ (1,959,133.00)	\$ (237,813.00)	14%	\$ (1,998,475.00)
4300 Program Revenue	\$ 1,035,277.00	\$ 907,830.00	\$ 792,014.00	\$ 1,138,802.00	\$ 230,972.00	25%	\$ 1,195,742.52
4400 State Obligations Revenue	\$ 1,380,000.00	\$ 1,380,000.00	\$ 1,150,000.00	\$ 1,380,000.00	\$ -	0%	\$ 1,409,758.35
4997 Services	\$ -	\$ -	\$ 50,000.00	\$ -	\$ -	0%	\$ -
4603 Miscellaneous Other Income	\$ 85.00	\$ -	\$ 245.00	\$ -	\$ -	0%	\$ -
Total Income	\$ 9,574,314.00	\$ 7,772,052.00	\$ 6,462,941.00	\$ 8,357,969.00	\$ 585,917.00	-10%	\$ 8,868,045.87
Expense							
5001 Salary	\$ 1,784,206.19	\$ 2,112,537.00	\$ 1,661,332.00	\$ 2,462,363.21	\$ 349,826.21	17%	\$ 2,585,481.37
5101 Health Insurance	\$ 244,760.51	\$ 314,504.00	\$ 241,063.00	\$ 414,367.53	\$ 99,863.53	32%	\$ 455,804.28
5102 Dental Insurance	\$ 11,390.85	\$ 15,400.00	\$ 11,593.00	\$ 16,040.81	\$ 640.81	4%	\$ 16,842.85
5103 Life/ LTD/ STD Insurance	\$ 11,695.43	\$ 14,169.00	\$ 11,662.00	\$ 33,206.40	\$ 19,037.40	134%	\$ 34,866.72
5105 Vision Insurance	\$ 1,240.52	\$ 1,616.00	\$ 1,189.00	\$ 1,798.56	\$ 182.56	11%	\$ 1,888.49
5107 Employer 403(b)	\$ 205,147.25	\$ 274,630.00	\$ 211,792.00	\$ 314,366.42	\$ 39,736.42	14%	\$ 330,084.74
5108 Section 125 Plan	\$ 2,087.94	\$ 1,000.00	\$ 158.12	\$ 1,000.00	\$ -	0%	\$ 1,050.00
5109 Employee Parking	\$ 23,706.00	\$ 21,600.00	\$ 22,514.36	\$ 31,230.00	\$ 9,630.00	45%	\$ 32,791.50
5110 Other Benefits	\$ 7,800.00	\$ 7,800.00	\$ 6,175.00	\$ 7,800.00	\$ -	0%	\$ 8,190.00
5112 SUTA	\$ 3,585.00	\$ 673.99	\$ 6,801.00	\$ 7,460.00	\$ 6,786.01	1007%	\$ 7,833.00
5114 Payroll Tax Expense	\$ 124,751.33	\$ 153,220.00	\$ 117,878.00	\$ 153,220.00	\$ -	0%	\$ 160,881.00
5115 Cell Phone	\$ 7,422.70	\$ 10,200.00	\$ 8,211.00	\$ 11,400.00	\$ 1,200.00	12%	\$ 10,200.00
5116 Employee Development Funds	\$ 12,568.24	\$ 34,000.00	\$ 14,785.00	\$ 38,000.00	\$ 4,000.00	12%	\$ 34,000.00
5201 Accounting Services	\$ 253,312.03	\$ 171,000.00	\$ 131,015.00	\$ 187,110.00	\$ 16,110.00	9%	\$ 171,000.00
5202 Legal Fees	\$ 38,373.54	\$ 60,000.00	\$ 54,093.00	\$ 50,000.00	\$ (10,000.00)	-17%	\$ 55,000.00
5204 Honoraria and Lecture Fees	\$ 6,500.00	\$ 39,147.00	\$ 49,200.00	\$ 96,500.00	\$ 57,353.00	147%	\$ 39,147.00
5207 HR & Payroll Support	\$ 145,846.67	\$ 78,528.00	\$ 114,269.00	\$ 104,160.00	\$ 25,632.00	33%	\$ 98,528.00

5210 Professional Fees - Other	\$ 1,954.00	\$ 2,000.00	\$ 2,565.00	\$ 2,000.00	\$ -	0%	\$ 2,000.00
5301 Communications Consultant	\$ 2,188.00	\$ 190,000.00	\$ 52,263.00	\$ 115,500.00	\$ (74,500.00)	-39%	\$ 190,000.00
5302 Computer Services & Support	\$ 121,514.00	\$ 676,475.00	\$ 424,513.00	\$ 360,385.00	\$ (316,090.00)	-47%	\$ 446,475.00
5304 General Consultant Fees	\$ 258,326.00	\$ 606,125.00	\$ 505,247.00	\$ 619,500.00	\$ 13,375.00	2%	\$ 550,475.00
5305 Sub-Grant Expense	\$ 42,100.00	\$ 102,250.00	\$ 6,000.00	\$ 120,000.00	\$ 17,750.00	17%	\$ 126,000.00
6001 Supplies	\$ 8,433.73	\$ 7,927.00	\$ 6,076.18	\$ 9,999.99	\$ 2,072.99	26%	\$ 10,499.99
6002 Office & Computer Equipment	\$ 11,042.12	\$ 34,728.00	\$ 15,746.73	\$ 33,000.00	\$ (1,728.00)	-5%	\$ 34,650.00
6004 Publications	\$ 364.50	\$ 17,893.00	\$ -	\$ 500.00	\$ (17,393.00)	-97%	\$ 525.00
6005 Dues, Subscriptions & Memberships	\$ 36,889.65	\$ 48,925.00	\$ 34,415.00	\$ 29,089.00	\$ (19,836.00)	-41%	\$ 30,543.45
6006 License	\$ 289.95	\$ 450.00	\$ 398.00	\$ 300.00	\$ (150.00)	-33%	\$ 315.00
6007 Postage and Shipping	\$ 6,242.02	\$ 5,920.00	\$ 5,088.00	\$ 6,000.00	\$ 80.00	1%	\$ 6,300.00
6009 Printing and Duplicating	\$ 4,240.72	\$ 3,944.00	\$ 2,637.00	\$ 52,000.01	\$ 48,056.01	1218%	\$ 54,600.01
6010 Telephone/Fax/Internet	\$ 9,731.90	\$ 6,920.00	\$ 7,661.00	\$ 7,800.00	\$ 880.00	13%	\$ 8,190.00
6102 Buildings and Facilities	\$ 105,422.52	\$ 91,779.00	\$ 109,647.00	\$ 117,600.00	\$ 25,821.00	28%	\$ 123,480.00
6103 Rental Equipment	\$ 75.00	\$ -	\$ -	\$ -	\$ -	0%	\$ -
6105 Meeting Room Rental Fees	\$ 11,290.00	\$ 8,600.00	\$ 9,773.27	\$ 56,200.00	\$ 47,600.00	553%	\$ 59,010.00
6108 Computer Software Expense	\$ 39,493.00	\$ 40,355.00	\$ 50,626.00	\$ 103,282.00	\$ 62,927.00	156%	\$ 108,446.10
6109 Repairs and Maintenance	\$ 1,390.00	\$ 5,908.00	\$ 2,074.00	\$ 3,545.00	\$ (2,363.00)	-40%	\$ 3,722.25
6206 Conference Registration Fees	35,543.55	\$ 69,010.00	\$ 23,219.00	\$ 55,885.00	\$ (13,125.00)	-19%	\$ 58,679.25
6207 Meals travel	29,092.67	\$ 53,176.00	\$ 19,814.80	\$ 54,396.00	\$ 1,220.00	2%	\$ 57,115.80
6208 Transportation	197,630.61	\$ 277,679.00	\$ 137,175.88	\$ 234,051.00	\$ (43,628.00)	-16%	\$ 245,753.55
6209 Lodging	212,309.02	\$ 198,889.00	\$ 120,922.03	\$ 195,786.00	\$ (3,103.00)	-2%	\$ 205,575.30
6210 Meeting Catering and Food	208,572.07	\$ 167,426.00	\$ 88,832.96	\$ 135,610.00	\$ (31,816.00)	-19%	\$ 142,390.50
6211 Conference Tech Services (AV)	105,914.54	\$ 96,850.00	\$ 49,582.21	\$ 92,450.00	\$ (4,400.00)	-5%	\$ 97,072.50
6300 Operating Interest Charges & Service Fees	\$ 860.73	\$ 75.00	\$ -		\$ (75.00)	-100%	\$ -
6304 Risk Management-General Agency Insuran	\$ 30,263.00	\$ 42,110.00	\$ 20,664.00	\$ 42,900.00	\$ 790.00	2%	\$ 47,190.00
6305 Workers Compensation Insurance	\$ 2,382.00	\$ 6,338.00	\$ 1,527.00	\$ 3,000.00	\$ (3,338.00)	-53%	\$ 3,150.00
6315 Promotional and Award Items	\$ 4,148.00	\$ 4,675.00	\$ 4,961.00	\$ 6,380.00	\$ 1,705.00	36%	\$ 6,699.00
6402 Depreciation Expense	\$ 29,922.00	\$ 30,483.00	\$ 23,290.00	\$ 34,161.00	\$ 3,678.00	12%	\$ 35,869.05
6404 Miscellaneous	\$ 7,534.00	\$ 5,900.00	\$ 3,235.00	\$ -	\$ (5,900.00)	-100%	\$ -
6405 Amortization Expense	\$ 63,529.68	\$ 62,361.00	\$ 52,941.00	\$ 57,890.00	\$ (4,471.00)	-7%	\$ 60,784.50
Total Expense	\$ 4,473,083.18	\$ 6,175,195.99	\$ 4,444,625.54	\$ 6,479,232.93	\$ 304,036.94	19%	\$ 6,759,100.20

Operating Gain/Loss							
Operating Gain/Loss	\$ 5,101,230.82	\$ 1,596,856.01	\$ 2,018,315.46	\$ 1,878,736.07	\$ 281,880.06	-29%	\$ 2,108,945.67
Other Income							
4601 Interest Income	\$ 355,135.00	\$ 300,000.00	\$ 403,604.00	\$ 300,000.00	\$ -	0%	\$ 315,000.00
Total Other Income	\$ 355,135.00	\$ 300,000.00	\$ 382,425.00	\$ 300,000.00	\$ -	0%	\$ 315,000.00
Other Expense							
Other Nonoperating Expense	\$ -						
7200 Nonoperating Interest Expense	\$ 3,637.00	\$ 2,145.00	\$ 1,762.00	\$ 605.00	\$ (1,157.00)	-54%	\$ 5.00
Total Other Expense	\$ 3,637.00	\$ 2,145.00	\$ 1,762.00	\$ 605.00	\$ (1,157.00)	-54%	\$ 5.00
Net Other Income/Expense	\$ 351,498.00	\$ 297,855.00	\$ 380,663.00	\$ 299,395.00	\$ 1,157.00	0%	\$ 314,995.00
Net Gain/Loss	\$ 5,452,728.82	\$ 1,894,711.01	\$ 2,398,978.46	\$ 2,178,131.07	\$ 283,037.06	15%	\$ 2,423,940.67

FY26 Budget	Technology Contract Services	Convening	General & Administrative	M-SARA	Policy & Research	Risk Management Programs	Strategic Initiatives	Total
Income								
4010 Microfocus Collaborative Fees	8,000	-	-	-	-	-	-	8,000
4100 Grants	-	-	-	-	246,400	-	-	246,400
4200 Contract Revenue	7,543,900	-	-	-	-	-	-	7,543,900
4230 Compact Revenue Sharing	(1,959,133)	-	-	-	-	-	-	(1,959,133)
4300 Program Revenue	-	-	-	542,830	-	595,972	-	1,138,802
4400 State Obligations Revenue	-	-	1,380,000	-	-	-	-	1,380,000
4603 Miscellaneous Other Income	-	-	-	-	-	-	-	-
Total Income	5,592,767	-	1,380,000	542,830	246,400	595,972	-	8,357,969
Expense								
5001 Salary	279,766	350,868	641,133	288,884	777,102	124,610		2,462,363
5101 Health Insurance	41,964	58,640	116,050	38,468	\$ 139,617.72	19,628		414,368
5102 Dental Insurance	1,778	2,184	4,401	1,756	\$ 5,321.25	600		16,041
5103 Life/ LTD/ STD Insurance	3,981	5,328	9,023	4,101	\$ 9,150.56	1,622		33,206
5105 Vision Insurance	200	290	480	235	\$ 536.57	58		1,799
5107 Employer 403(b)	36,370	45,613	80,606	37554.9	\$ 99,519.23	14,704		314,367
5108 Section 125 Plan			1,000		\$ -	-		1,000
5109 Employee Parking	3,470	5,032	8,328	4,077	\$ 9,316.95	1,006		31,230
5110 Other Benefits			7,800		\$ -	-		7,800
5112 SUTA	829	1,202	1,989	974	\$ 2,225.57	240		7,460
5114 Payroll Tax Expense	17,024	24,685	40,859	20,004	\$ 45,710.63	4,937		153,220
5115 Cell Phone	1,200	1,800	3,000	1,200	\$ 3,600.00	600		11,400
5116 Employee Development Funds	4,000	6,000	10,000	4,000	\$ 12,000.00	2,000		38,000
5201 Accounting Services	-	-	187,110	-	-	-		187,110
5202 Legal Fees	-	-	30,000	-	-	20,000	-	50,000
5204 Honoraria and Lecture Fees	5,000	1,500	-	-	90,000	-	-	96,500
5207 HR & Payroll Support	-	-	104,160	-	-	-		104,160
5210 Professional Fees - Other	-	2,000	-	-	-	-	-	2,000
5301 Communications Consultant	-	-			7,000	-	108,500	115,500
5302 Computer Services & Support	44,471	13,732	152,880	11,128	135,428	2,746		360,385
5304 General Consultant Fees	-	-	144,000	6,000	231,000	231,000	7,500	619,500
5305 Sub-Grant Expense	-	-	-		120,000	-	-	120,000

6001 Supplies	944	1,670	2,767	1,110	3,236	273	-	10,000
6002 Office & Computer Equipment	3,667	5,316	8,800	4,308	9,845	1,064	-	33,000
6004 Publications	500	-	-	-	-	-	-	500
6005 Dues, Subscriptions & Memberships	3,920	1,600	11,502	4,000	2,716	2,935	2,416	29,089
6006 License	-	-	300	-	-	-	-	300
6007 Postage and Shipping	1,600	2,350	1,200	500	350	-	-	6,000
6009 Printing and Duplicating	111	661	767	131	298	32	50,000	52,000
6010 Telephone/Fax/Internet	867	1,257	2,080	1,018	2,327	251	-	7,800
6102 Buildings and Facilities	13,067	18,947	31,360	15,353	35,084	3,790	-	117,601
6103 Rental Equipment	-	-	-	-	-	-	-	-
6105 Meeting Room Rental Fees	3,800	8,500	1,500	-	42,400	-	-	56,200
6108 Computer Software Expense	35	19,684	68,671	-	14,892	-	-	103,282
6109 Repairs and Maintenance	361	523	1,167	424	968	105	-	3,548
6206 Conference Registration Fees	20,994	8,585	-	1,000	20,600	1,906	2,800	55,885
6207 Meals travel	15,971	14,540	-	6,400	15,530	935	1,020	54,396
6208 Transportation	60,435	76,450	-	26,250	66,500	2,944	1,472	234,051
6209 Lodging	57,985	63,400	-	31,350	37,921	2,970	2,160	195,786
6210 Meeting Catering and Food	34,500	74,700	3,750	9,000	13,660	-	-	135,610
6211 Conference Tech Services (AV)	7,200	85,250	-	-	-	-	-	92,450
6300 Operating Interest Charges & Service Fees	-	-	-	-	-	-	-	-
6304 Risk Management-General Agency Insurance	4,767	6,912	11,440	5,601	12,799	1,382	-	42,901
6305 Workers Compensation Insurance	333	483	800	392	659	333	-	3,000
6315 Promotional and Award Items	-	-	6,380	-	-	-	-	6,380
6402 Depreciation Expense	3,685	6,343	8,843	4,330	9,893	1,069	-	34,163
6404 Miscellaneous	-	-	-	-	-	-	-	-
6405 Amortization Expense	6,432	9,363	13,469	7,558	17,271	3,790	-	57,883
Total Expense	681,227	925,408	1,717,615	537,106	1,994,477	447,531	175,868	6,479,233
Operating Gain/Loss	4,911,540	(925,408)	(337,615)	5,724	(1,748,077)	148,441	(175,868)	1,878,736
Other Income								
4601 Interest Income	-	-	300,000	-	-	-	-	300,000
Total Other Income	-	-	300,000	-	-	-	-	300,000
Other Expense								
7200 Nonoperating Interest Expense	-	-	605	-	-	-	-	605
Total Other Expense	-	-	605	-	-	-	-	605
Net Other Income/Expense	-	-	299,395	-	-	-	-	299,395
Net Gain/Loss	4,911,540	(925,408)	(38,220)	5,724	(1,748,077)	148,441	(175,868)	2,178,131

FY26 Budget Notes

FY26 Budget Guidance and Assumptions

- MHEC's bylaws currently require the Commission to operate on an annual budget cycle. As has been recent practice, a biennial budget is presented with FY26 being set for approval and FY27 for reference and long-term planning discussions.
- This budget follows GASB accounting principles (MHEC now uses this approach after transitioning from FASB), which differs from previous periods, most significantly in the area of grant revenue. These revenues are now recognized and budgeted to match period expenditures of grant funds.
- Detailed budget work is created by individual program areas (sub departments). Budget presentation is by overarching consolidated program departments. Budgets and actuals (actual spending) are also now fully allocated to program departments. Previous budgeting had many costs, including all personnel costs, lumped into General Management and Operations. Fully allocated financial information allows MHEC to see the true, full costs of operating its various programs and services.
- Currently FY25 has revenues approximately \$600,000 over expenses. This is due to the continued increase in Technology contract sales, and increased interest in income due to ICS interest.
- The presented FY26 budget represents an approximate \$300,000 growth in budgeted expenditures and \$585,000 in budgeted revenues. Resulting in an approximate \$2,100,000 surplus for FY26. This is similar to FY25.
- FY26 budget as presented includes new staff positions in the area of Policy & Research, Insurance Operations along with interns for each of the Policy & Insurance departments. FY26 continues to include the vacant technology position which has been in the budget the last few years but not yet filled.

MHEC FY26 Proposed Budget Highlights

- **FY26 Reference Only Budget**

- An average 5% increase in most line items from FY25. Strategic investments continuing.
- The surplus is expected to continue into FY26.
- Strategic investments in FY25 will likely include assessment of future office space needs and investigating options as the current lease ends in FY26.

- **Revenues**

- State Commitments: State commitments for all 12 states have been budgeted for FY25 and will remain flat at \$115,000 per state for FY25. State commitments are slated to increase in FY26. The increase is to be calculated based on a year-over-year 1.5% increase starting with the base period of FY23.
- Programs: Program revenue consists of MHEC 's Student Health Program (MHECare) and revenue from the Midwestern State Authorization Reciprocity Agreement (M-SARA) program. M-SARA revenue is based on a percentage of the National Council of State Authorization Reciprocity Agreements' (NC-SARA's) previous year's revenues. MHEC is expected to receive \$542,830 from NC-SARA in FY25. MHECare revenue is based off the number of students enrolled in MHECare at the participating universities and is estimated to stay flat in FY25.
- Grants: Grant revenue includes grant funding for the Open Education Resource program. The current Hewlett Foundation grant continues through the first quarter of FY25. It is expected that MHEC will receive a third grant of similar size, from The Hewlett Foundation, and that will begin sometime in FY25.
- Contract Revenue: MHEC receives revenues from its technology contracts based on a percentage of the sales (an administrative fee) made from those contracts. The Dell contract, with the new administrative fee, is in its 3rd year and revenues are expected to continue to remain high in FY25 and FY26. Net contract revenue is projected to increase slightly from FY24 forecast to FY25 budget.

- **Expenses**

- Personnel: Salaries and benefits include two additional positions not currently on staff and includes an average 3-5% salary increase (for both cost of living and performance); and a 10% increase in health insurance and dental insurance. Other benefits remain flat per our benefits broker and only increase due to increased staffing.

- **Professional Fees:** Overall legal fees, honoraria, and other miscellaneous professional fees are under budget in FY24 while accounting services and HR support are significantly over budget. The increase in Accounting Services relates to MHEC Bringing on a new audit firm (Moss Adams) in FY24 and the additional audit work done relating to the newly formed StoneArch captive. HR Support is over budget in FY24 due to MHEC utilizing a search firm to hire the new VP of Programs and Contracts. The FY25 budget will see slight increases, from the FY24 budget, in all areas except for legal fees and professional fees - other.
- **Consultant Fees:** Over the past several years consultants have been an increasingly significant and important way in which MHEC has expanded its capacity. Despite FY24 coming in significantly under budget, this trend will continue, with FY25 including a \$282,000 or 124% increase, from the FY24 budget across all consultant accounts. FY25 consultant fees consist mostly of consultant fees that are grant funded through the current and new Hewlett grant, a consultant to help with the Stone Arch Captive and \$805,000 relating to Strategic Initiatives planned in FY25. See the Strategic Initiatives discussion below.
- **Office Related Expenses:** These expenses include supplies, shipping, office equipment, printing, telephone and internet, computer software, etc. Telephone and internet, computer software and license expenses are expected to decrease in FY25, compared to the FY24 budget. Other accounts remain relatively flat to FY24 with dues, subscriptions and membership, and supply expenses slightly increasing due to increased staff as well as identifying additional memberships and subscriptions that help staff in the performance of their work
- **Convening:** This includes Transportation, Lodging, Meals while traveling, meeting catering and conference fees. In person convening and attendance at conferences continues to increase, post pandemic. While convening costs are anticipated to come under the projected FY24 budget, MHEC is budgeting for increased travel and convening costs in FY25 as this is an area that is being built out in accordance with the strategic plan.
- **Risk Management/ General Organization Insurance:** Expected 10% average increase per expected insurance renewals.
- **Long-Term Rents/Leases:** Costs associated with MHEC offices are split between the Amortization (line 60 Amortization Expense) for the fixed cost of the lease itself and Rent (line 43 Buildings and Facilities) for the variable Common Area Maintenance (CAM) portion of the rent payment. Rent expense is budgeted to remain relatively flat. Amortization expense is directly tied to the Amortization schedule created at FY23 audit when new Generally Accepted

Accounting Principles required the capitalization of the fixed lease amount. The current lease is scheduled to expire on May 31st, 2026.

- **Strategic Initiatives:** As is detailed out in the Strategic Initiatives column of the FY25 Budget by Program page of the budget detail, MHEC has identified \$995,000 worth of initiatives to enhance programs and services or to improve organizational efficiencies and effectiveness:
 - **Midwest Student Exchange Program (MSEP):** a group of MHEC stakeholders are convening to evaluate and propose changes to MSEP to make it more relevant in the current higher education landscape. Proposed recommendations include the development of a Cost Savings portal (to help students and parents experience more transparency when comparing programs, institutions and costs) similar to that of the western compact, WICHE. Facilitating this process and the development of tools to implement recommendations, and the integration of the tools into MHEC CRM/data systems, is expected to cost \$300,000 in General and Computer Consulting.
 - **Strategic Communications:** an estimated \$150,000 to assist in the implementation of the new strategic plan and related communications activities. This activity is being carried forward from FY24.
 - **Human Resources:** an estimated \$60,000 for MHEC's current benefit consulting firm to assist in improvements across all aspects of Human Resources. This activity is being carried forward from FY24.
 - **Institutional Leadership program:** approximately \$50,000 in staff travel and conference expenses to explore other similar programs in the country to aid in the potential development of a leadership program focused on institutional and policy maker leaders.
 - **Data Project Implementation:** an estimated \$275,000 will be used on a study by CLA of MHEC's data needs and implementing new efficient strategies relating to Data and IT
 - **Website:** \$80,000 in computer related consulting to overhaul MHEC's website, the first such overhaul of the website in over five years.
 - These initiatives are funded partially by FY25 surpluses and partially by Board Designated Strategic Funds set aside in FY22.

Action Item 5

FY26 Budget Approval

Proposed Action: The MHEC Executive Committee approve the proposed FY26 Budget.

Action Item 6

Ratify the Delaying of the Implementation of the MHEC State Compact Commitment

Back in June 2022 the Commission approved increasing the state compact commitment by 1.5% cumulatively over a four-year period beginning in FY23. Under this approach, the MHEC member states would see their state compact commitment increase \$7,057, from \$115,000 to \$122,057, in FY26 (as demonstrated in the Table #1 below). This past November the Commission reaffirmed the state compact commitment increase during its annual meeting. To make sure the states were made aware of the increase, the MHEC office began working on a notice of the increase to send to all commissioners who could then relay the information on to their state legislators and the appropriate entities responsible for paying MHEC's state compact commitment.

Before sending out the notice, MHEC staff started hearing from Commissioners about potential problems implementing the dues increase as currently scheduled. Although the timing of the notice of the pending increase may have been sufficient for legislatures to act upon, many state entities responsible for paying the MHEC commitment had already set their budgets at the current \$115,000 for MHEC. And even though the change from what had been budgeted to the actual increase may have been insignificant, a change from what had already been budgeted had the potential to bring unwanted and possibly negative attention to MHEC.

Given that MHEC is currently sitting in a strong financial position, along with the disruptive nature of asking state entities to incorporate an increase in the MHEC state compact commitment when many state entities have already set their budgets for FY26, and for those states with biennial budgets for FY27 as well, the MHEC staff proposed delaying the increase this fiscal year and instead implementing it in FY28 (see Table #2 below). The practical effect of delaying the increase in FY26 and instead implementing it in FY28 would be the states end up paying \$115,000 in FY26 and FY27, and \$122,057 in FY28 and FY29 with the next increase scheduled for FY30. This adjustment would allow states ample lead time to plan for the increase. The proposed implementation schedule 2026 versus 2028, is detailed in the following tables.

Because of the need to take quick action and the inability to convene the Executive Committee on very short notice, the issue was presented to the MHEC officers for approval. The MHEC bylaws permit the MHEC chair, in accordance with the Commission's direction, or subject to ratification by the Commission, to act on the Commission's behalf during the interims between Commission meetings. The MHEC officers unanimously approved delaying the implementation of the \$7,057 increase in the MHEC state compact commitment from FY26 to FY28. Since it was the Commission that approved the original decision to implement the state compact commitment dues increase in FY26, and the officers, in good faith and with the intent to act in the best interest of the organization, delayed the implementation until FY28, the Commission is being asked to ratify such action of the officers to delay the implementation of the dues until FY28.

Proposed Motion

That the Executive Committee, acting on behalf of the Commission pursuant to the MHEC bylaws, ratify the actions of the MHEC officers to delay the implementation of the MHEC state compact commitment from FY26 to FY28 as described above.

Table #1 Increase Goes in Effect in FY26

Year	Fiscal Year	State Dues	1.5 % Increase	State Dues with 1.5% Increase	Year Increase Goes into Effect	State's Actual Payment in that Fiscal Year
7/1/22-6/30/23	FY23	\$115,000	\$1,725	\$116,725	No	\$115,000
7/1/23-6/30/24	FY24	\$116,725	\$1,751	\$118,476	No	\$115,000
7/1/24-6/30/25	FY25	\$118,476	\$1,777	\$120,253	No	\$115,000
7/1/25-6/30/26	FY26	\$120,253	\$1,804	\$122,057	Yes	\$122,057
7/1/26-6/30/27	FY27	\$122,057	\$1,831	\$123,888	No	\$122,057
7/1/27-6/30/28	FY28	\$123,888	\$1,858	\$125,746	No	\$122,057
7/1/28-6/30/29	FY29	\$125,746	\$1,886	\$127,632	No	\$122,057
7/1/29-6/30/30	FY30	\$127,632	\$1,914	\$129,546	Yes	\$129,546

Table #2 Increase Goes in Effect in FY28

Year	Fiscal Year	State Dues	1.5 % Increase	State Dues with 1.5% Increase	Year Increase Goes into Effect	State's Actual Payment in that Fiscal Year
7/1/22-6/30/23	FY23	\$115,000	\$1,725	\$116,725	No	\$115,000
7/1/23-6/30/24	FY24	\$116,725	\$1,751	\$118,476	No	\$115,000
7/1/24-6/30/25	FY25	\$118,476	\$1,777	\$120,253	No	\$115,000
7/1/25-6/30/26	FY26	\$120,253	\$1,804	\$122,057	No	\$115,000
7/1/26-6/30/27	FY27	\$122,057	\$1,831	\$123,888	No	\$122,057
7/1/27-6/30/28	FY28	\$123,888	\$1,858	\$125,746	Yes	\$122,057
7/1/28-6/30/29	FY29	\$125,746	\$1,886	\$127,632	No	\$122,057
7/1/29-6/30/30	FY30	\$127,632	\$1,914	\$129,546	Yes	\$129,546

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Action Item 7

Approval of Investment Manager

At its November 2024 meeting, the Commission approved that MHEC establish an investment policy. One piece of that investment policy was hiring an investment manager to manage MHEC's strategic reserves. Following a competitive solicitation process, including a Request For Proposal, proposal evaluations, interviews, and Best and Final Offers, the Finance & Audit Committee recommends that the MHEC Commission approve Graystone Consulting, an institutional consulting business of Morgan Stanley with a local presence, as the Strategic Investment Management Firm for MHEC's Reserves. This decision aligns with MHEC's fiduciary responsibilities and commitment to prudent financial management as established in the MHEC Investment Policy Statement.

Proposed Action: The Commission authorizes the MHEC President to enter into an agreement with Graystone Consulting, including negotiation of final terms in accordance with the MHEC Investment Policy Statement. The Finance & Audit Committee will regularly monitor Graystone's performance, and where appropriate, incorporate performance updates as part of its regular financial reporting to the Commission.

Action Item 8

Motion to Go Into Executive Session

Proposed Action: The Executive Committee will reconvene after the break into Executive Session at 10:00 a.m. for approximately 45 minutes.

Action Item 9

Motion to Reconvene in Open Session

Proposed Action: The Executive Committee reconvene in open session.

Action Item 10

Presidential Performance

Proposed Action: The Executive Committee approve and accept the presidential performance report.

Action Item 11

Motion to Adjourn the Business Meeting

Proposed Action: The Executive Committee approve to adjourn the business meeting.

Programs

Master Property Program

Stone Arch Insurance Company

MHECare Student Health Solutions

Midwest Student Exchange Program (MSEP)

Midwestern-State Authorization Reciprocity Agreement (M-SARA)

Master Property Program (MPP)

Prepared by Breanne Hegg, Vice President, Programs and Contracts

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 public and not-for-profit colleges and universities. At its November 2022 meeting, the MHEC Commission made the decision to sunset the current MPP effective July 1, 2023. The Commission decision was rooted in three challenges pressing upon the program – a series of three large losses in a relatively short period of time, changes in underwriting perspectives and weather patterns around severe convective storm risk, and increased program competition and member marketing.

As a part of MPP, MHEC rented a cell in a rent-a-captive, Everest Property Insurance Company (EPIC), for more than 20 years before launching its own captive, Stone Arch Insurance Company on July 1, 2021. Captives are an insurance company created and wholly owned by a parent company or group to insure its own risks. In the case of MPP, the captive covered the first layer of risk, up to \$2 million. Even though the MPP started using Stone Arch as its captive, MPP members were required to keep some funds in the EPIC rented cell until all liabilities were met. EPIC decided to novate (replace with a new contract) the cell MHEC rented to a third party (thereby transferring the liabilities to a new entity) and allowing the remaining member equity to be distributed to participants in the form of additional dividend payments. Two rounds of dividends were distributed in accordance with the MPP's dividend policy that was created and adopted by MPP Leadership. Approximately \$2M was distributed to former members in early 2023 and another \$1.1M was distributed in late 2024.

Current Status

At this time, the MPP has ten open claims remaining, and we anticipate that these claims will resolve in the next 6-12 months. MHEC has continued to retain its long-time program manager, Marsh, through the transition. Marsh's role in unwinding the MPP, while continuing to support members include answering coverage questions, fielding claims, loss control support, and finalizing and balancing accounting.

Next Steps

MHEC is pursuing ways to serve its member states and institutions in the area of insurance and risk management, through its captive, Stone Arch Insurance Agency.

Stone Arch Insurance Company

Prepared by Breanne Hegg, Vice President, Programs and Contracts

Background

The MHEC Master Property Program (MPP) offered institutions access to a loss fund, or captive, which paid out smaller, or attritional losses, subject to an annual limit, that the insurance market would otherwise need to cover, thereby creating distance from the insurance market. The MPP's loss fund, developed in the early 90s, was a rent-a-captive structure managed by Captive Resources, housed in an entity named Everest Property Insurance Company (EPIC). Captive insurance is an insurance company created and wholly owned by a parent company or group to insure its own risks. Captives cover the first layer of risk, up to \$2 million. Facing numerous challenges resulting from a hardening and unpredictable property insurance market, MHEC underwent a multi-year strategic examination of MPP's structure. With the assistance of expertise from the MPP Program Administrator Marsh's captive group, the examination focused on the loss fund. The results of this multi-year examination recommended that MHEC replace the rent-a-captive with a MHEC-owned single-parent captive to best serve the current and future risk management needs of MPP member institutions.

At its November 2020 annual meeting, the Commission delegated to the MHEC officers the authority to approve the establishment of a MHEC-owned captive. On March 23, 2021, MHEC recommended, with the support of the MPP Leadership Committee, that the MHEC officers approve establishing a MHEC-owned captive to replace the current rent-a-captive structure. The MHEC officers provided their unanimous approval. This new captive, named Stone Arch Insurance Company, began supporting the MPP effective July 1, 2021, domiciled in Vermont, a world-wide leader for captive programs.

Current Status

Although the MPP officially sunset on July 1, 2023, Stone Arch Insurance Company continues to support the MPP's loss fund layer until all open claims have been paid and settled. At this time, ten remaining open claims exist, and we expect these claims to be resolved in the next 6-12 months. MHEC continues to retain the services of Marsh Captive Management to operate Stone Arch Insurance Company, which includes paying claims and providing regular reporting to the Vermont Department of Financial Regulation.

Next Steps

At the November 2024 Commission Meeting, the Governance Committee recommended the establishment of an ad hoc commissioner committee to help inform and advise the Commission on the future of Stone Arch Insurance Company, and to have this ad hoc committee share its findings and recommendations to the Executive Committee at their June 2025 meeting. The motion passed. The committee was established and began its work in January 2025. The committee, with consultation from Marsh, reviewed options and ultimately developed a recommendation to share at the June Executive Committee Meeting.

MHECare Student Health Solutions

Prepared by Breanne Hegg, Vice President, Programs and Contracts

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. In 2012-13 MHECare began providing institutions of higher education access to an array of insurance solutions that assist campuses in supporting student health. In 2021 MHEC and the Student Health Benefits Advisory Committee completed an RFP, making awards to four vendors: UnitedHealthcare StudentResources, HealthMarkets, META Teletherapy, and TAO Connect.

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.

Current Status

With the addition of the University of Illinois Urbana-Champaign, Kent State University, and Chicago State University, 27 institutions are contracted to participate for the 2024-25 school year with UnitedHealthcare StudentResources for fully insured school-sponsored health insurance. Twenty-five of the 27 institutions using these plans are from the Midwest. The number of member institutions grew 3.8% year over year, and the number of enrolled members increased 41% from 46,724 to 66,209. This program provides a valuable service to the region, and MHEC continues to meet with interested institutions year-round to promote the program.

Over the last year, MHEC discontinued its contracts for virtual mental health services with META Teletherapy and TAO Connect. No Midwestern institutions were using the contracts at the time of contract termination. Although both contracts were promising when selected in 2021, neither company was successful at engaging colleges and universities in purchasing their services under the MHEC agreement. In addition, TAO Connect had been purchased by another company that moved in a different direction.

For those institutions not offering a fully insured school-sponsored health insurance plan, MHEC continues to partner with HealthMarkets to provide an easy avenue for students and their dependents to find health insurance and connects students searching for insurance with licensed insurance agents.

Next Steps

MHEC anticipates being able to share with UnitedHealthcare Student Resources participating institutions that the program has reached cumulative growth thresholds, which will result in more favorable target loss ratios/lower rates for members in the coming year. As the program continues to grow, additional thresholds can be met to further reduce rates. This additional incentive should help the program continue to grow in the Midwest.

MHEC continues to explore other contract opportunities in the area of student health, under the guidance of its Student Health Benefits Advisory Committee.

Midwest Student Exchange Program (MSEP)

Prepared by Jenny Parks, Vice President, Policy & Research, et al.

Background

The [Midwest Student Exchange Program](#) (MSEP) operates as an interstate tuition reciprocity program, extending reduced tuition rates to students in Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. Despite the Midwestern Higher Education Compact having 12 member states, not all participate actively. Illinois and Michigan are currently inactive, while Iowa and South Dakota have opted out. Since its inception in 1994, MSEP, facilitated by the Midwestern Higher Education Compact (MHEC), has enabled students to pursue more affordable educational opportunities at out-of-state institutions. It stands as the Midwest's largest multi-state tuition reciprocity initiative, with over 60 campuses from nine participating states offering reduced rates. Public institutions agree to charge no more than 150% of in-state tuition, while private institutions offer a 10% reduction. Alongside state-to-state reciprocity programs, all four regions of the country have student exchange programs with some variation among them.

In the last five years, MSEP participation among states, institutions, and students has declined. MHEC staff researched and reported factors contributing to these declines: demographic patterns and transitions, increases in distance education, changes in educational programs and credentials, and innovations in tuition models. In response to the changing needs of institutions and students, MHEC convened an advisory group of regional stakeholders to help update and enhance the program. This MSEP 2.0 advisory group met over the 2023-24 academic year and made recommendations to MHEC's Executive Committee at its June 2024 meeting:

- Invest in MSEP Communication & Outreach
- Perform Procedural Improvements
- Explore the development of a Midwest College Cost Savings Finder online tool

These recommendations were approved by the Executive Committee after a robust discussion and a change to the recommendation pertaining to the Midwest College Cost Savings Finder. MHEC staff will provide updates on this work to the MHEC Executive Committee at its June 2024 meeting. (See supplemental updates.)

Current Status

The Director of Policy Initiatives has led MSEP since joining MHEC in October 2024. Since that time, she has followed up on the recommendations of the MSEP 2.0 Committee:

- Communications and Outreach improvements will occur in the second half of FY26 following work to improve MSEP policies and procedures.
- Updates to MSEP policies and procedures will occur in the first half of FY26, following the implementation of recommendations regarding the Cost Savings Finder coming out of the June 2025 Executive Committee meeting.
- An update on the exploration of the development of a Midwest College Cost Savings Finder will be presented at the June 2025 Executive Committee meeting.

For the 2024-25 academic year, eight states actively participated in the program, with 38 institutions, including both two- and four-year public and private not-for-profit institutions, submitting data. In total, 2,931 students saved almost \$23 million in tuition during FY25.

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, streamlined process for states to oversee postsecondary distance education, ensuring uniform standards across participating states. Institutions pay a fee to join, which simplifies their ability to offer online programs without registering in every state where their students reside. SARA enhances quality assurance, consumer protections, and the value of credits for distance-education students.

The [National Council for State Authorization Reciprocity Agreements \(NC-SARA\)](#) coordinates the program, in partnership with the four regional compacts, ensuring consistent nationwide coverage and efficient operations. NC-SARA manages data, participation fees, and policy development, while maintaining connections with the U.S. Department of Education and regional accreditors. The presidents of the four regional compacts serve on NC-SARA's board.

Current Status

Currently, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are members of SARA. Within SARA, 2,421 institutions participate, of which 650 institutions (319 private non-profit, 295 public, 30 private for-profit, and 6 tribal) are in MHEC states. M-SARA (the Midwestern-State Authorization Reciprocity Agreement) staffed by MHEC, leads the work in the Midwest. M-SARA hosts its own set of annual meetings for the M-SARA Regional Steering Committee (RSC) members and M-SARA state portal entities (SPEs), the individuals in each state who review and approve institutions for SARA participation and monitor institutional compliance. Jennifer Armour, associate director for academic affairs at the Kansas Board of Regents, serves as chair.

There is growing concern surrounding the federal government's recent decision to reduce the Education Department's staffing and the resulting impact this could have on SARA, NC-SARA, and states and institutions nationwide. A particularly significant area of concern is the Federal Financial Responsibility Composite Score (Composite Score), which the department calculates for non-public institutions participating in federal Title IV student assistance programs. This score is a critical indicator of an institution's minimum financial stability and serves as a key qualification for participation in SARA.

In April, it was reported that the department is experiencing delays calculating the composite scores for approximately 700 institutions. NC-SARA staff, regional compact SARA directors, SPEs, institutions, and other stakeholders have been actively discussing strategies to address the backlog, including potential methods to expedite composite score calculations. Together with NC-SARA, the regional SPEs, and other partner organizations, we remain committed to collaborating in the search for viable alternatives of composite scores to ensure the continued integrity and success of SARA participation.

Next Steps

Since the M-SARA RSC Policy and Process Manual took effect on January 1, 2024, M-SARA has received positive feedback from NC-SARA on its implementation. To sustain and build upon this momentum, M-SARA will, for the first time, formally establish and discuss organizational goals at the upcoming M-SARA Annual Meeting in June 2025. This forward-looking initiative reflects a strong commitment to continuous improvement, accountability, and transparency. By setting measurable goals and monitoring progress over time, M-SARA continues to distinguish itself as a leader, proactively challenging itself to enhance effectiveness and better serve its stakeholders.

Policy & Research

Research

Dual Credit/Concurrent Enrollment Teacher Credentialing

Free Application for Federal Student Aid (FAFSA)

Open Educational Resources (OER)

Technologies Community

Research

Prepared by Aaron Horn, Associate Vice President of Research

Background

MHEC's approach to higher education research and policy analysis informs institutional and state efforts in improving postsecondary policies, practices, and outcomes, particularly in the Midwest. MHEC supports the work of commissioners, state legislators and agency staff, institutional and system leaders, and the broader community of higher education administrators and researchers in several ways: (1) Maintaining a repository of expertise, knowledge, and best practices for guiding policy and practice; (2) Conducting applied research and analysis on critical topics in higher education; (3) Developing innovative approaches to improve educational opportunity and effectiveness; and (4) Providing public outreach and service to institutions and governments. Some projects are one-time and short-term while others are more comprehensive. We welcome ideas and suggestions from our stakeholders in the region. Some of the recent work completed for MHEC stakeholders includes research and feedback on the impact of inflation on the cost of college; student migration trends; funding for community colleges; state high school diplomas for foster students; funding streams for public four-year institutions; graduate degree attainment; dual enrollment; promise programs; governing board budgetary authority; and state variation in the number and types of college and universities.

Current Status

- *2024 State Performance Update*: A performance update for each MHEC member state was completed to supplement the periodic [*Higher Education in Focus*](#) report. This supplement provides the latest data on a subset of key indicators relevant to higher education and the economy.
- [*Interactive Dashboard*](#): Current dashboard indicators continue to be updated with the most recent data. A new health category features indicators related to the condition of student mental health, and a new workforce category provides labor market participation and outcome indicators.
- [*Service-Contingent Financial Aid: Exploring State Loan Forgiveness and Conditional Grant Programs*](#): This report examines state-funded loan forgiveness and conditional grant programs, designed to alleviate student loan debt and address workforce shortages in high-need fields. These service-contingent programs incentivize graduates to work in targeted occupations or underserved areas in exchange for debt relief.
- *Improving Direct Enrollment Rates in the Midwest: Trends, Evidence, and Options*: This report will provide a comprehensive analysis across Midwestern states of recent trends in direct enrollment, defined as enrolling in any postsecondary education program by the fall following high school graduation. It will synthesize research on the factors shaping enrollment timing, identify evidence-based interventions, and provide actionable policy options.
- *College Promise Programs: Insights for Higher Education Leaders in the Midwest*: This report will examine the features that distinguish college promise programs from traditional grant aid programs and details the characteristics of promise programs in the 12 Midwestern states. It also summarizes findings from research and identifies key considerations for program development and evaluation.
- *Exploring Graduate Degree Attainment Among P-12 Teachers: Interstate Variation and Implications for Student Success*: This report will examine national and state trends in teacher graduate degree attainment with an emphasis on master's degrees, highlighting differences by urbanization, school socioeconomic status, and degree field. A summary of research on the effects of graduate education on student outcomes and policy options for improving teacher quality are also provided.

Next Steps

Improving Regional Data Capacity: MHEC is exploring ways to improve access to reliable data to inform postsecondary policy and practice related to affordability, financial sustainability, and workforce outcomes. Key areas of focus include collecting and reporting data on college finances and supporting Midwest state participation in national workforce data initiatives.

Dual Credit/Concurrent Enrollment Teacher Credentialing

Prepared by Carrie Wandler, Director of Policy Initiatives

Background

[Dual credit/concurrent enrollment](#) programs offer high school students the chance to earn college credits while still in high school, either in their own classrooms or on college campuses. These programs have been shown to improve student outcomes, save students money, enhance college success, and serve as recruitment avenues for postsecondary institutions. While these programs are available nationwide, the demand for them is rapidly increasing, presenting various challenges for states, such as funding such courses consistently, especially in rural and low-income areas, and ensuring a large enough and qualified teaching force. MHEC's initiatives attempt to address these and other challenges regionally.

In 2015, the [Higher Learning Commission \(HLC\)](#), the primary accreditor for Midwestern states, clarified its credentialing expectations for postsecondary instructors, including those teaching concurrent enrollment courses in high schools. This change raised concerns about access to necessary courses, particularly for high school teachers lacking the specified credentials. Since then, Midwestern states have worked to help teachers obtain the credentials needed to meet the growing demand for concurrent enrollment courses. However, in November 2023, the HLC adopted a [new policy](#) allowing institutions more flexibility in how they determine that instructors are qualified to teach college-level courses. Reflecting the continued significance of this issue, dual enrollment emerged as one of the most frequently mentioned topics during MHEC's spring 2025 state capitol visits.

Current Status

- During the past year, MHEC supported state systems and institutions in navigating the 2023 HLC-assumed practices on instructor qualifications by hosting an advisory group to share policy documents, best practices, and related resources.
- In summer 2024, MHEC designed, rebuilt, and launched a new version of [Graduate Credit Quest](#) (GCQ), a searchable database providing teachers with a list of relevant courses available to earn the credentials necessary to teach college-level courses. The new version includes enhancements based on user feedback focused on user access, simplified administrative utilities, user communications, and streamlined maintenance features.
- In spring 2025, MHEC held a series of five webinars with national concurrent enrollment researchers, during which recent research on key policy levers was shared. This research is intended to inform the dual enrollment state policy teams that MHEC is supporting and convening at the Midwest Dual Enrollment State Policy Workshop in Chicago, July 29–30, 2025.

Next Steps

In FY26, MHEC will engage in the following work:

- Maintain close collaboration with HLC to ensure mutual awareness between the commission and the Midwestern dual/concurrent enrollment community regarding each other's policies and priorities.
- Research pertaining to use of OER in dual enrollment.
- Release a research report this summer examining how states and institutions have responded to credentialing requirements for high school dual credit instructors, highlighting the spectrum of approaches and their implications for dual credit access and quality.
- Conduct research on the use of OER in dual enrollment.
- Continue collaboration with the [National Alliance for Concurrent Enrollment Partnerships](#) (NACEP), the [Community College Research Center](#) (CCRC), and the [College in High School Alliance](#) (CHSA).

FAFSA

Prepared by Jenny Parks, Vice President

Background

MHEC is dedicated to helping its member states improve postsecondary affordability for students including initiatives that promote the completion of the [Free Application for Federal Student Aid](#) (FAFSA). FAFSA completion is an early and critical step on the path to completing postsecondary education. MHEC collaborates with institutions, state agencies, and regional partners to identify and develop effective approaches to enhance FAFSA completion support.

In response to growing concerns heard across MHEC member states about FAFSA completion as an emerging issue, MHEC, in collaboration with [National College Attainment Network](#) (NCAN) and [State Higher Education Executive Officers Association](#) (SHEEO), successfully hosted the Midwest FAFSA Summit in 2024, gathering 132 participants from 17 states and D.C. This event brought together stakeholders such as policymakers, educators, counselors, community-based organizations, and other higher education leaders to collaborate on solutions for increasing access to financial aid through FAFSA. The Summit reinforced the urgent need for collaborative, data-driven approaches and revealed emerging FAFSA-related challenges across states, emphasizing the importance of sustained regional and state-level coordination to improve FAFSA completion rates.

Current Status

Throughout the past year, MHEC staff have continued the conversation with three different sets of state team calls and two webinars to sustain engagement and collaboration. MHEC hosted calls in August 2024, December 2024/January 2025, and April 2025. These calls served as a platform for states to share best practices, address FAFSA-related challenges, and strengthen statewide coordination efforts. Additionally, two webinars were hosted to provide ongoing professional development. The webinars included "Two States, One Mission: FAFSA Completion Insights from IA & NE" and "FAFSA 2025-2026: What You Need to Know," sharing information on state-specific data and communication practices and upcoming FAFSA changes.

Next Steps

MHEC staff have developed a multi-year FAFSA Completion Initiative Proposal in collaboration with the state FAFSA teams. Many aspects of this initiative will commence in early FY26 with work by existing MHEC staff. The more ambitious elements of the proposed initiative will require external funding. MHEC staff will begin conversations with various funders to secure funds that will support activities such as flow-through grants for states, FAFSA outreach resources, research projects, and professional development efforts like targeted micro credentials.

Open Educational Resources (OER)

Prepared by Jenny Parks, Vice President

Background

[Open Educational Resources](#) (OER) are teaching, learning, or research course materials and resources that are offered freely to users in at least one form and that either reside in the public domain or have been released under an open copyright license that allows for its free use, reuse, modification, and sharing with attribution. (As defined by [SPARC](#).) 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, share best practices, scale successful efforts, and leverage collective resources to enhance OER implementation and coordinate these efforts nationally. MHEC received additional grants in 2022 and 2024 to continue this work in the Midwest and through its collaboration with the NCOER.

Current Status

Under this grant to date, MHEC has been meeting regularly with OER State Action Teams to plan their activities for the year. MHEC communicates regularly with the OER community, including a newsletter that has nearly doubled in subscribers since it first began in 2019.

In early 2025, MHEC focused on continuing to build statewide capacity and supporting the OER State Action Teams in choosing projects to further their state capacity for open education. Each state will receive a \$10,000 subgrant to help augment state OER capacity. Teams can choose activities such as statewide convenings, support for identifying OER in transfer courses, establishing disciplinary communities of practice, or other capacity-building efforts.

MHEC is also working closely with its sister compacts, the New England Board of Higher Education, Southern Regional Education Board, and Western Interstate Commission for Higher Education, through the NCOER collaboration to scope joint research and policy efforts on the intersections between open education and tribal colleges, dual enrollment, and prison education.

Next Steps

MHEC will be awarding state capacity grants to each of the Midwest states in summer 2025. MHEC staff will also kick off planning for the 2026 Midwest Open Education Summit, to be held January 27-29, 2026, at the Big Ten Conference Center outside of Chicago. This will be a team-based summit, similar to past years, where each OER State Action Teams will be invited to send a team of five for an engaging two-day Summit with presentations on open education, networking, and strategic planning time for each state to reflect on their work to date and plan for the next years.

MHEC Technologies Community

Prepared by Debra Kidwell, Director of Technology Initiatives

Background

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

Current Status

The Technologies Community continues to drive innovation and collaboration in higher education technology across the Midwest. Following the successful February 2025 convening themed “Maximizing the Ops: Opportunities, Optimism, Optics and Operations,” the community has embarked on several initiatives either impacting technology or where technology impacts an institution.

The February convening brought over 40 technology leaders from across the Midwest together, consistent with previous years. Participant feedback highlighted the value of collaboration and communication in leading changes, especially the interactive sessions of Dr. Jermaine Davis (leading positive change in times of uncertainty) and Marcia Dority (telling your IT story).

From the convening, new initiatives addressing common challenges facing Midwest institutions were identified. The community will focus on the following initiatives throughout the remainder of the year:

- Shared services framework: develop templates and guidance for cross-institutional partnerships (in progress).
- Research and information gathering: focus on IT resourcing trends and market dynamics as they relate to higher education and how they impact IT's ability to support institutional mission and vision (starting).
- Virtual collaboration: launched monthly community “ask me anything” collaborative sessions to allow participants to engage in peer-to-peer discussions and problem-solving.

Next Steps

The Technologies Community will continue to refine the identified initiatives based on member feedback and evolving technology needs. By focusing on practical, collaborative frameworks, the community aims to help institutions effectively navigate complex technology and institutional landscapes in a way that enhances institutional strategic decision-making.

The community is preparing for its next annual conference, scheduled for February 2026. The event will again bring together technology leaders from the Midwest to explore emerging challenges and opportunities in higher education technology.

Through their collaborative efforts, the Technologies Community continues to advance MHEC's mission of enhancing higher education accessibility and effectiveness across the Midwest, ensuring technology serves as an enabler of, rather than a barrier to, educational success.

Contracts

Technology

Technology Contracts

Prepared by Nathan Sorensen, Senior Director of Government Contracts

Background

The Midwestern Higher Education Compact (MHEC) continues to leverage its broad contracting authority to provide cost-effective, adaptable technology solutions for member states. MHEC's competitive bidding process ensures alignment with public procurement laws and focuses on obtaining the best value for educational institutions across the Midwest. With input from technology experts and educational leaders, MHEC designs contracts that prioritize flexibility, compliance with public procurement regulations, and operational efficiency, helping institutions save time and reduce administrative costs. MHEC's technology contracts also help institutions save money by negotiating discounts that go above and beyond the educational discounts an institution can normally obtain.

Since its inception, [MHEC's technology contracts](#) have been instrumental in streamlining procurement, providing cutting-edge solutions ranging from advanced analytics, end-user computing, enterprise networking and data center solutions, to cloud services. These contracts remain key to helping educational institutions in MHEC member states respond to the rapidly changing technological and educational landscape.

Current Status

In FY24, MHEC's technology contracts produced significant savings, with a conservative estimate of \$32M across the Compact's member states. Technology contract revenue grew 18% in FY25 over last year. MHEC currently manages 21 technology contracts, which include key agreements with Connection, Dell, HPE, Oracle, Lenovo, and emerging technology providers such as Resultant and SAS Institute. Notably, these contracts are available to all public and private not-for-profit higher education institutions in the MHEC region, other [regional compacts](#), K-12 districts, and local and state governments. Designed for adaptability and cost-effectiveness, these contracts are projected to see increased utilization and savings through 2029. MHEC's proactive collaboration with stakeholders is crucial in adapting contract offerings to meet immediate and long-term challenges, laying a solid foundation for future technological advancements across a broad spectrum of institutions.

Next Steps

MHEC continues to evolve its technology contracts to address the expanding and diverse needs of member institutions. Following the completion of the [Next Generation Higher Education ERP System of Systems RFP](#) (MHEC-RFP-04182024), seven ERP (enterprise resource planning) vendors have been awarded agreements. A signed agreement with Oracle is already in place, while the remaining six agreements are scheduled to become active at the beginning of FY26. These cloud-based ERP solutions will support institutions across all stages of the ERP lifecycle, offering capabilities in student information systems, financial management, and human resources—with integrated features for AI-driven insights and improved decision-making.

Looking ahead, MHEC is engaging stakeholders to assess institutional interest and needs in three categories: enterprise document management solutions (EDMS), workforce development, and student success. Input from institutional partners and subject matter experts will help inform the path forward, including potential solutions and areas of impact. This feedback will shape the structure and scope of future solicitations.

MHEC Operations

MHEC Operations

Prepared by Katie Chock, Senior Director of Convenings and Operations

Background

The Midwestern Higher Education Compact (MHEC) continues to enhance and streamline its internal operations to support the growth of our programs, initiatives, and research. As MHEC's work expands, it is important that MHEC's internal processes, policies, guidelines, and technology are continuously developed and improved to ensure efficiency and effectiveness.

Current Status

Over the past year, the Operations Team has started a comprehensive review of existing processes, technology, and organizational needs. This evaluation identified clear areas for improvement:

- MHEC engaged CliftonLarson Allen (CLA) to enhance data management capabilities across the organization. CLA is actively assisting in the development of a centralized data warehouse, streamlining the Customer Relationship Management (CRM) system, and creating standardized reports accessible to all staff. These enhancements are expected to automate data retrieval and analysis, making information more accessible and user-friendly.
- In July, Sophie Mancino joined the team as the office and convening coordinator. She has made improvements that create clear guidelines and processes for the organization. These include:
 - Finalizing the administrative manual, MHEC's "one-stop-shop" for all MHEC information.
 - Developing a comprehensive conference room technology guide.
 - Creating a data retention policy.
 - Enhancing efficiency in routine office operations.
- After a thorough review of existing IT services, MHEC transitioned to a new IT service provider, Netrio, in February. This decision was driven by the need for enhanced technical expertise and a higher level of support. Since the transition, staff feedback has been positive, highlighting improved support and responsiveness.

Next Steps

Over the next several months, staff will continue collaborating with CLA to finalize the data warehouse, develop standardized reports, and enhance the CRM system. Training will be provided for all staff to ensure they have the full knowledge to use these tools. In addition, MHEC will begin the search for a qualified data management specialist who has the skill and knowledge to oversee the organization's data management and maintain these systems. The full position duties and timeline are under review.

To enhance the review and implementation of MHEC's technology, an internal committee will be established to oversee the review and evaluation process. Additionally, a review and implementation of a project management tool is being conducted in partnership with CLA.

Lastly, we will continue to conduct a comprehensive review of existing vendors, assessing service quality, cost-effectiveness, and alignment with organizational needs to ensure optimal service and value for MHEC.

MHEC Annual Estimated Savings for Entities and Citizens

MHEC Member States	2023-2024 Annual State Commitment	Technology ¹	Midwestern-State Authorization Reciprocity Agreement ²	State Contract and Programs Total Savings	Citizen Savings through the Midwest Student Exchange Program ³	Total Annual Savings
Illinois Member Since 8/20/1991	115,000	10,167,071	6,529,450	16,696,521	9,369,156	26,065,677
Indiana Member Since 3/14/1996	115,000	3,499,287	2,295,800	5,795,087	747,280	6,542,367
Iowa Member Since 6/6/2005	115,000	355,601	3,464,800	3,820,401	NP ⁴	3,820,401
Kansas Member Since 4/25/1990	115,000	1,630,521	1,729,800	3,360,321	1,988,094	5,348,415
Michigan Member Since 7/24/1990	115,000	5,483,944	4,599,600	10,083,544	645,756	10,729,300
Minnesota Member Since 4/26/1990	115,000	2,330,987	4,052,325	6,383,312	2,881,756	9,265,068
Missouri Member Since 5/9/1990	115,000	3,051,341	3,210,400	6,261,741	3,616,132	9,877,873
Nebraska Member Since 6/5/1991	115,000	762,092	1,159,840	1,921,932	3,931,229	5,853,161
North Dakota Member Since 4/22/1999	115,000	137,175	517,600	654,775	252,984	907,759
Ohio Member Since 1/9/1991	115,000	2,951,182	7,549,200	10,500,382	3,829,344	14,329,726
South Dakota Member Since 3/13/2008	115,000	346,943	-	346,943	NP ⁴	346,943
Wisconsin Member Since 4/18/1994	115,000	1,516,213	2,055,600	3,571,813	2,547,914	6,119,727
Program Totals	\$1,380,000	\$32,232,357	\$37,164,415	\$69,396,772	\$29,809,645	\$99,206,417

FY24 FOOTNOTES:

1. CampusGuard, Connection, Dell Technologies, HP Enterprise, HP Inc., Infosec, Lenovo, Micro Focus, Oracle, Parchment, Presidio, SAS, and Xerox.
2. As of FY24, M-SARA savings are based on NCHEMS' methodology as explained on NC-SARA Cost Savings website. See <https://nc-sara.org/sara-cost-savings>.
3. Student tuition savings for the academic year 2023-2024.
4. Non-participating state for 2023-2024.

As of 10/14/2024

Appendices

Commissioners

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

Committees

MHEC Staff

Compact Language

Bylaws (as of 11/20/2024)

Commissioner Board Portal Access

MHEC Strategic Plan | 2022-2025

Upcoming Meetings

MHEC Commissioners

Executive Officers

Chair: Mike Duffey, Ohio
Vice Chair: Katie Stuart, Illinois
Treasurer: Tim Mihalick, North Dakota
Past Chair: Barbara Ballard, Kansas

Executive Committee

Illinois: Maureen Banks, Katie Stuart
Indiana: Spencer Deery, Dottie King
Iowa: Jacob Bossman, Greta Rouse
Kansas: Barbara Ballard, Blake Flanders
Michigan: Brandy Johnson, TBD
Minnesota: Dennis Olson, Scott Olson
Missouri: Samantha Dickey, TBD
Nebraska: John Cavanaugh, Deborah Frison
North Dakota: Tim Mihalick Brandy Pyle
Ohio: Jerry Cirino, Mike Duffey
South Dakota: Michael Cartney, Larry Tidemann
Wisconsin: Eric Fulcomer, David Murphy
Ex Officios: Tim Flakoll (ND), Olivia Madison (IA), David Pearce (MO)

ILLINOIS

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



Maureen Banks
Board Member
Illinois Community College Board
EXECUTIVE COMMITTEE MEMBER



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



Pranav Kothari
Board Chair
Illinois Board of Higher Education



Katie Stuart
State Representative; Assistant Majority Leader and Floor Whip
Illinois General Assembly
EXECUTIVE COMMITTEE MEMBER



VACANCY

Appointing Authority: Illinois Governor's Office (Designee)

INDIANA



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

Bob Behning

State Representative; Chair, Education Committee
Indiana General Assembly



Matt Butler

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



Spencer Deery

State Senator; Majority Member, Education and Career Development Committee
Indiana General Assembly
EXECUTIVE COMMITTEE MEMBER



Charles Johnson

President
Vincennes University



Dottie King

President & CEO
Independent Colleges of Indiana
EXECUTIVE COMMITTEE MEMBER

IOWA

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



Timothy Fitzgibbon

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



Jesse Green

State Senator; Chair, Education Appropriations Subcommittee
Iowa Legislature



Joanna Hofer

Past Board Chair
Iowa Association of Community College Trustees



Monica Kurth

State Representative; Member, Education Committee
Iowa Legislature



Greta Rouse

President Pro Tem
Board of Regents, State of Iowa
EXECUTIVE COMMITTEE MEMBER



Jacob Bossman (Commissioner Alternate)

State Representative; Member, Appropriations Committee
Iowa Legislature
EXECUTIVE COMMITTEE MEMBER



Matthew Draud (Commissioner Alternate)
President
Briar Cliff University



David Ford (Commissioner Alternate)
Bureau Chief
Iowa College Aid - Iowa Department of Education



Olivia M.A. Madison (Commissioner Alternate)
Iowa Governor's Designee; and Professor Emerita and
Dean Emerita of Library Services
Iowa State University
EXECUTIVE COMMITTEE MEMBER, Ex Officio



Cindy Winckler
State Senator; Ranking Member, Education Appropriations Subcommittee
Iowa Legislature

KANSAS



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

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



Renee Erickson
State Senator; Chair, Senate Committee on Education
Kansas Legislature



Blake Flanders
President and CEO
Kansas Board of Regents
EXECUTIVE COMMITTEE MEMBER



Aaron A. Otto
Kansas Governor's Designee; Assistant County Manager
Johnson County



Wint Winter
Board Member
Kansas Board of Regents



Marci Francisco (Commissioner Alternate)
State Senator
Kansas Legislature



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

MICHIGAN

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



Daniel J. Hurley
Chief Executive Officer
Michigan Association of State Universities



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



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



Greg Markkanen
State Representative; Chairman of Appropriations Subcommittee on Higher
Education
Michigan Legislature



Emma Young
Michigan Governor's Designee; Policy Analyst to the Governor
State of Michigan



Beverly Walker-Griffea (Commissioner Alternate)
Executive Director
MiLEAP - Department of Michigan Lifelong, Education, Advancement, and Potential



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

MINNESOTA

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



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



Jessica Hanson
State Representative; Member, Higher Education Finance and Policy
Minnesota Legislature



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



Scott Olson
Chancellor
Minnesota State
EXECUTIVE COMMITTEE MEMBER



Raj Singh
Vice Provost and Dean, Office of Undergraduate Education
University of Minnesota – Twin Cities



Paul Cerkvenik (Commissioner Alternate)
President
Minnesota Private College Council

MISSOURI

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



Chris Brown
State Representative; Chairman, Higher Education and Workforce Development
Committee
Missouri General Assembly



Samantha Dickey
Assistant Commissioner for Postsecondary Policy
Missouri Department of Higher Education & Workforce Development
EXECUTIVE COMMITTEE MEMBER



David Pearce
Executive Director for Government Relations
University of Central Missouri
EXECUTIVE COMMITTEE MEMBER, Ex Officio



Susan L. Thomas
President
Truman State University



Curtis Trent
State Senator; Member, Economic and Workforce Development Committee
Missouri General Assembly

NEBRASKA



<https://www.mhec.org/states/nebraska>
Matthew Blomstedt
Associate Vice President for Government Relations
University of Nebraska System



John Cavanaugh
State Senator
Nebraska Legislature
EXECUTIVE COMMITTEE MEMBER



Deborah A. Frison
Commission Member
Coordinating Commission for Postsecondary Education
EXECUTIVE COMMITTEE MEMBER



Jana Hughes
State Senator; Vice Chairperson, Education Committee
Nebraska Legislature



Grant Latimer

Nebraska Governor's Designee; Policy Advisor to Governor Jim Pillen
State of Nebraska



Mike Baumgartner (Commissioner Alternate)

Executive Director
Coordinating Commission for Postsecondary Education



Paul Turman (Commissioner Alternate)

Chancellor
Nebraska State College System

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; Commissioner
Cass County
EXECUTIVE COMMITTEE MEMBER, Ex Officio



Tim Mihalick

Chair, State Board of Higher Education
North Dakota University System
EXECUTIVE COMMITTEE MEMBER



Brandy Pyle

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



VACANCY

Appointing Authority: North Dakota Governor's Office (at-large)

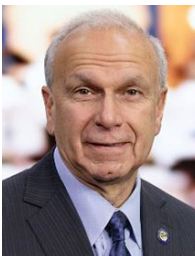
OHIO



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

Gary Cates

Senior Vice Chancellor
Ohio Department of Higher Education



Jerry Cirino

State Senator; Vice Chair, Higher Education Committee
Ohio Legislature
EXECUTIVE COMMITTEE MEMBER



Mike Duffey

Ohio Governor's Designee; and Chancellor
Ohio Department of Higher Education
EXECUTIVE COMMITTEE MEMBER



Tom Young

State Representative; Chair, Higher Education Committee
Ohio Legislature



VACANCY

Appointing Authority: Ohio Governor's Office (at-large)

SOUTH DAKOTA

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



Michael Cartney

President Emeritus
Lake Area Technical College
EXECUTIVE COMMITTEE MEMBER



Steve Kolbeck

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



Nathan Lukkes

Executive Director and CEO
South Dakota Board of Regents



Larry J. Tidemann

South Dakota Governor's Designee
EXECUTIVE COMMITTEE MEMBER



VACANCY

Appointing Authority Executive Board of the Legislative Research Council (House)



Erin Healy (Commissioner Alternate)
State Representative; Assistant Minority Leader
South Dakota Legislature



VACANCY (Commissioner Alternate)
Appointing Authority Executive Board of the Legislative Research Council (Senate)

WISCONSIN



<https://www.mhec.org/states/wisconsin>
Tammie DeVoght
Executive Director
Higher Educational Aids Board



Eric Fulcomer
President
Wisconsin Association of Independent Colleges and Universities (WAICU)
EXECUTIVE COMMITTEE MEMBER



André Jacque
State Senator
Wisconsin State Legislature



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



Julie Underwood

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



Layla Merrifield (Commissioner Alternate)

President
Wisconsin Technical College System



Christopher Patton (Commissioner Alternate)

Interim Vice President for University Relations
University of Wisconsin System

MHEC Committees

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

M-SARA Regional Steering Committee
Midwest Student Exchange Program Council
Review Panel for State Policy and Performance Data
Student Health Benefits Advisory Committee
Technologies Executive Committee

MHEC Staff



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Athena Resource
Human Resources

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Kathy Graves
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OER, MSEP

Jerry Murphy
Graduate Credit Quest

Mark Wiederspan
Research

Brigitte Parenteau
Communications

Jennifer Zinth
Dual Enrollment

The Midwestern Regional Higher Education *Compact*

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

ARTICLE I. PURPOSE

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

ARTICLE II. THE COMMISSION

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

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

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

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

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

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

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

ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV. ACTIVITIES OF THE COMMISSION

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

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

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

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

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

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

ARTICLE V. FINANCE

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

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

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

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

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

ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

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

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

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

ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

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

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

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

ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

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

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

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

MEMBER STATES

State of Illinois
By Jim Edgar
August 20, 1991

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

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

State of Indiana
By Evan Bayh
March 14, 1996

State of Minnesota
By Rudolph Perpich
April 26, 1990

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

State of Iowa
By Tom Vilsack
June 6, 2005

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

State of South Dakota
By Mike Rounds
March 13, 2008

State of Kansas
By Michael Hayden
April 25, 1990

State of Nebraska
By Ben Nelson
June 5, 1991

State of Wisconsin
By Tommy Thompson
April 18, 1994

Midwestern Higher Education Commission

Bylaws

Article I. Commission Purpose, Functions and Bylaws

Section 1. Purpose.

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

Section 2. Functions.

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

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

Section 3. Bylaws.

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

Article II. Membership

Section 1. Commission Members.

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

Section 2. Affiliate Members.

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

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

Section 3. Associate Members.

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

Section 4. Compact Participation in MHEC Programs.

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

Article III. Officers

Section 1. Election and Succession.

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

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

Section 2. Duties.

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

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

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

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

Article IV. Commission Personnel

Section 1. Commission Staff and Offices

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

Section 2. Duties of the President.

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

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

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

Section 3. Policy and Programmatic Committees.

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

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

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

Article V. Meetings of the Commission.

Section 1. Meetings and Notice.

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

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

Section 2. Quorum.

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

Section 3. Voting.

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

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

Section 4. Procedure.

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

Article VI. Commission Committees

Section 1. Executive Committee.

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

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

Section 2. Finance and Audit Committee.

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

Section 3. Governance Committee.

The Governance Committee acts as an advisory committee to the commission and is charged with providing guidance to the commission on MHEC governance matters, nominations, and other matters as appropriate.

Section 4. Other Committees.

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

Article VII. Finance

Section 1. Fiscal Year.

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

Section 2. Budget.

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

Section 3. Accounting and Audit.

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

Section 4. Debt Limitations.

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

Section 5. Travel Reimbursement.

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

Article VIII. Required Reports

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

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

Article IX. Adoption and Amendment of Bylaws

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

As adopted by the Midwestern Higher Education Commission on March 10, 1991; May 20, 1995; June 20, 2003; November 18, 2004; November 14, 2006; November 14, 2011; June 3, 2019; November 19, 2019, November 15, 2022, and November 20, 2024.

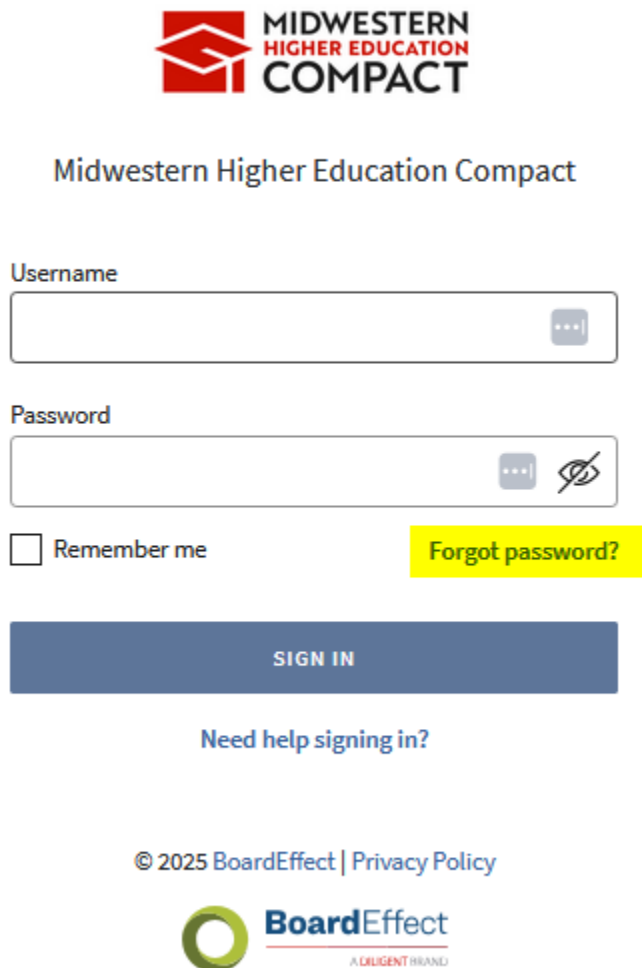
Board Portal Introduction - BoardEffect

BoardEffect Enables Modern Governance

The BoardEffect platform supports a modern approach to governance by offering a secure, online solution that allows collaboration with board members, sharing of documents, annotating of meeting materials, and more.

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Password

Click “Forgot Password?” to reset your password.

Your Username is your first initial and last name. E.g. Jane Doe’s username would be: jdoe

****PLEASE NOTE**** BoardEffect is transitioning to using your email as your Username. This transition has begun with newer commissioners.

App Access

BoardEffect offers an app for Apple and Android and iOS.

Assistance

Please reach out to Mary Roberson (maryr@mhec.org) or Katie Chock (katiec@mhec.org) with any questions. Once logged in, you may access the library for additional BoardEffect training materials. BoardEffect also offers an Online Knowledge Base.

STRATEGIC PLAN | 2022 – 2025

MISSION

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

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

STRATEGIC PRIORITIES

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.

Upcoming Meetings Save-the-Dates

2025 MHEC COMMISSION MEETING

November 5-7, 2025
InterContinental Cleveland
9801 Carnegie Avenue
Cleveland, OH 44106

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

May 2025

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