Greetings,

The resiliency and resourcefulness of our members were on vivid display over the past year as COVID-19 disrupted nearly every aspect of higher education. Colleges and universities, state policy makers and others pivoted quickly to develop and deliver new online programs, adapt student services and revise policies while facing unprecedented enrollment challenges, financial uncertainty, and ever-changing public health guidelines.

During this time, the Midwestern Higher Education Compact also evolved to help members address common challenges. Our virtual convenings helped postsecondary leaders effectively navigate the exponential growth in online learning. Commissioners heard strategies for rebounding in the post-COVID era and about opportunities presented in federal recovery legislation.

With the sudden and dramatic shift to online learning, we produced research and policy analysis on topics such as The Digital Divide Among College Students, which provided members with approaches to bridging the gap for students who did not have sufficient Internet access.

MHEC worked to transition its Master Property Program from a rent-a-captive to a MHEC-owned captive and prepared to launch a program with greater flexibility for members. As Compact members expressed growing concerns for their students’ mental health, we moved to create a tele-therapy master contract to help address the demand for these services through a virtual provider.

MHEC’s Strategic Planning Committee created the framework for a vibrant future that leverages the Compact’s strategic capacity to advance innovation, develop collaborative regional solutions and drive cost savings for member states and institutions.

Cost savings activities continue to produce significant savings for our members. In FY 2021, member states collectively saved more than $62.86 million through programs and contracts offered by MHEC. An additional $60.96 million was saved by families and students through the Midwest Student Exchange Program.

This Annual Report shares details of our work and the Compact’s strong financial position. We remain committed to you, our member states, and look forward to continued collaboration to strengthen higher education throughout the Midwest.

Sincerely,

Susan G. Heegaard
MHEC President

David L. Eisler
MHEC Chair, 2020-2021
President, Ferris State University
ABOUT THE COMPACT

THE MIDWESTERN HIGHER EDUCATION COMPACT

The Midwestern Higher Education Compact (MHEC) strengthens postsecondary education in its 12 member states, improving the economic vitality and competitiveness of the Midwest region.

» MHEC advances innovation, efficiency and effectiveness by piloting solutions to pressing issues and conducting research to produce actionable ideas.

» MHEC develops collaborative solutions to regional problems and leverages opportunities to make the Midwest region stronger.

» MHEC develops programs and contracts that drive significant cost savings and help solve key business problems in higher education.

MHEC maintains a focus on students and their success as it works with and for a variety of stakeholders across member states, including higher education system leaders, state policymakers, legislators, and institutional leaders.

The Compact is uniquely governed by 60 commissioners, five from each state. Two commissioners are appointed by each state’s legislature and three are appointed by each state’s governor or designated appointing authority. Representation also includes commissioner alternates.

HISTORY OF THE COMPACT

The Midwestern Higher Education Compact was established in the early 1990s through the enactment of legislation recommended by the Midwestern Legislative Conference of The Council of State Governments and is funded by member state commitments, program income, and foundation grants. All 12 eligible Midwestern states defined by the Compact have passed legislation to become members.

The convenings, programs, contracts, and policy and research originating through the Compact are available to all public and private nonprofit institutions of higher education in the Midwest. When the opportunity emerges, MHEC also extends some contracts to K-12 districts and schools, cities, states, and local governments.

MEMBER STATES

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin
The Midwestern Higher Education Compact seeks to improve the economic vitality and competitiveness of the Midwest region through collective problem-solving and partnerships that strengthen postsecondary education and workforce readiness. To achieve this vision, the Compact focuses its work in three strategic priority areas:

» Advancing innovation, efficiency, and effectiveness
» Developing collaborative solutions to regional problems and opportunities
» Driving cost savings and business solutions

ADVANCING INNOVATION, EFFICIENCY AND EFFECTIVENESS

MHEC continues to serve as an incubator, providing a platform to discuss opportunities and pilot potential solutions. In addition, this past year, we researched several challenging topics to produce actionable ideas for our member states.

HIGHLIGHTS OF 2020–2021

» MHEC’s report, *The Digital Divide Among College Students: Lessons Learned From the COVID-19 Emergency Transition*, examined the digital divide – the gap between those who can and cannot access the Internet – among college students during the COVID-19 shift to remote learning. The report’s analysis provided MHEC members with approaches to bridge the digital divide for students.

» Webinars provided relevant and timely information about topics such as what the American Rescue Plan means for higher education and how higher education finances will change in the post-pandemic era.

» MHEC’s research on mental health is driving design of a compact-wide teletherapy initiative to give campuses another tool for delivering virtual mental health services to their students.

» MHEC also released reports to create more consistent experiences for military-connected students entering or reentering postsecondary education and on the growing concerns about college student debt among certain demographic groups.
DEVELOPING COLLABORATIVE SOLUTIONS TO REGIONAL PROBLEMS AND OPPORTUNITIES

MHEC takes on projects and issues that are too cumbersome or expensive for one state to do alone, working jointly to improve higher education and make the Midwest region stronger and more competitive. As a conduit, we convened and connected leaders over the past year to share successful models and actionable approaches that institutions and states can adopt and tailor.

HIGHLIGHTS OF 2020–2021

» MHEC and Credential Engine received a $1.2 million grant from Ascendium to help all MHEC states develop a consistent way to review, compare and share the full range of credentials leading to careers with employers, educators and students.

» MHEC brought together leaders across state lines to adopt open educational resources, which provide millions of students access to high quality learning materials that are free to use, customize and share.

» MHEC launched a Graduate Credit Quest website to help teachers in member states find the courses they need to take to qualify to teach concurrent enrollment courses in high schools. Through this site, teachers can search for and learn about various graduate course options and Midwestern graduate schools can reach a wider audience of potential graduate students.

» Through online learning opportunities and discussions, MHEC addressed pressing topics such as distance education enrollment and improving the efficiency and effectiveness of reciprocity. In addition, MHEC provided its first mini-grants to support states in improving processes related to the State Authorization Reciprocity Agreement.

DRIVING COST SAVINGS & BUSINESS SOLUTIONS

Over the past year MHEC programs and contracts resulted in tremendous cost savings for institutions, states, and students. MHEC continued to help solve key business problems and to protect investment in higher education by collaborating and reducing risk.

HIGHLIGHTS OF 2020–2021

» Member states saved a total of $62,863,976 through MHEC programs and contracts. Families and students saved $60,969,804 through MHEC’s Midwest Student Exchange Program.

» To address security, a key business issue in postsecondary education, MHEC has established a portfolio of contracts for campus cybersecurity and through them can help institutions assess their vulnerabilities. The new contracts are: Security Threat Intelligence Products and Services, Security Information and Event Management, Managed Security Services, Security Consulting Services, and Security Awareness Training.

» MHEC’s Master Property Program continued to pay dividends when an institution’s losses were favorable. To date, the program has paid more than $21 million in dividends to participants.
# MHEC Annual Estimated Savings for Entities and Citizens

<table>
<thead>
<tr>
<th>MHEC Member States</th>
<th>2020-2021 Annual State Commitment</th>
<th>Technology</th>
<th>Master Property Program</th>
<th>Midwestern-State Authorization Reciprocity Agreement</th>
<th>State Contract and Programs Total Savings</th>
<th>Citizen Savings through the Midwest Student Exchange Program</th>
<th>Total Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>115,000</td>
<td>8,725,836</td>
<td>N/A</td>
<td>3,928,476</td>
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<td>5,905,051</td>
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<td>778,207</td>
<td>-</td>
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<td>3,127,268</td>
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<td>2,551,262</td>
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<td>2,830,955</td>
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<td>4,850,487</td>
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<td>N/A</td>
<td>182,713</td>
<td>N/A</td>
<td>182,713</td>
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<tr>
<td><strong>Program Totals</strong></td>
<td><strong>$1,380,000</strong></td>
<td><strong>$34,191,650</strong></td>
<td><strong>$4,319,539</strong></td>
<td><strong>$24,352,787</strong></td>
<td><strong>$62,863,976</strong></td>
<td><strong>$60,969,804</strong></td>
<td><strong>$123,833,780</strong></td>
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</tbody>
</table>

**FOOTNOTES:**
2. Based on premium and loss information as of June 30, 2021.
3. As of FY21, M-SARA savings are based on NCHEMS’ methodology as explained on NC-SARA Cost Savings website. See [https://nc-sara.org/sara-cost-savings](https://nc-sara.org/sara-cost-savings).
MHEC FINANCIALS FY21

**FY21 REVENUE**

- State Commitments: $1,380,000 (29%)
- Contracts: $1,280,413 (25%)
- Programs: $1,249,968 (23%)
- Other Income: $1,567,238 (23%)
- TOTAL: $5,477,619

**FY21 EXPENSES**

- Personnel Expenses (Salaries & Benefits): $2,379,732 (60%)
- Contracted Fee Expenses: $952,606 (18%)
- Professional Fee Expenses: $121,942 (3%)
- Rent & Leases: $161,637 (5%)
- General Expenses: $355,670 (11%)
- TOTAL: $3,971,587
2020-21 MHEC Commissioners

ILLINOIS
Ms. Mollie Foust, Senior Counselor to the Deputy Governors, Illinois Governor’s Office 10/6/2019 - APOG
Dr. Alice Marie Jacobs, Board Member, Board of Higher Education 3/5/2019 - Resigned September 1, 2021
The Hon. Katie Stuart, State Representative, Illinois General Assembly 6/7/2019 - 7/1/2023
Commissioner Alternate
Ms. Suzanne Morris, Board Member, Illinois Community College Board 6/7/2019 - 7/1/2023

INDIANA
The Hon. Jon Ford, Senator, Indiana General Assembly 6/14/2021 - 7/1/2023
Dr. Charles R. Johnson, President, Vincennes University 3/27/2017 - 2/1/2021
The Hon. Jack Jordan, Representative, Indiana General Assembly 7/1/2020 - 7/1/2022
Dr. Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education 3/27/2017 - APOG
Dr. David W. Wantz, President & CEO, Independent Colleges of Indiana 2/26/2020 - 2/29/2024
Commissioner Alternate
Ms. Teresa Lubbers, Commissioner, Indiana Commission for Higher Education 1/5/2010

IOWA
Ms. Nancy Boettger, Regent, Board of Regents, State of Iowa 6/3/2021 - 6/30/2025
Mr. Derrick R. Franck, Board Member, Iowa Association of Community College Trustees 7/1/2017 - 7/1/2021
The Hon. Tim Goodwin, Senator, Iowa Legislature 1/22/2021 - 1/8/2023
Ms. Olivia A.M. Madison, Iowa Governor’s Designee 6/29/2021 - 4/30/2023, APOG

KANSAS
The Hon. Barbara Ballard, Representative, Kansas Legislature 11/4/2019 - 7/1/2021
Dr. Blake Flanders, President and CEO, Kansas Board of Regents 9/20/2018 - 6/1/2022
Mr. Aaron A. Otto, KS Governor’s Designee 7/5/2019 - APOG
Dr. Helen VanEtten, Board Member, Kansas Board of Regents 9/20/2018 - 6/1/2022
Commissioner Alternate
The Hon. Ken Rahjes Representative, Kansas Legislature 11/4/2019 - 7/1/2021

MICHIGAN
Dr. David L. Eisler, President, Ferris State University 3/26/2021 - 3/18/2025
The Hon. Mark Huizenga, Representative, Michigan Legislature 1/1/2021 - 12/31/2022
Ms. Brandy M. Johnson, Special Advisor, Sixty by 30, Michigan Department of Labor and Economic Opportunity 4/16/2019 to APOG
The Hon. Kim LaSata, Senator, Michigan Legislature 1/25/2021 - 1/25/2023

MINNESOTA
The Hon. Paul T. Anderson, Senator, Minnesota Legislature 2/7/2019 - 12/31/2020
The Hon. Connie Bernardy, Representative, Minnesota Legislature 1/2/2021 - 1/1/2023
Dr. Karen Hanson, Executive Vice President and Provost, University of Minnesota 3/25/2017 - 1/4/2021
Dr. Michael Goh, Vice President for Equity and Diversity, University of Minnesota 4/30/2021 - 1/6/2025
Dr. Devinder Malhotra, Chancellor, Minnesota State 3/3/2021 - 1/6/2025
Mr. Dennis Olson, Commissioner, Minnesota Office of Higher Education 4/30/2019 - 1/2/2023; APOG
The Hon. David Tomassoni, Senator, Minnesota Legislature 1/5/2021 - 12/31/2022
Commissioner Alternate
Mr. Paul Cerkenik, President, Minnesota Private College Council 12/8/2014

MISSOURI
The Hon. John Black, Representative, Missouri General Assembly 3/18/2020 - 7/1/2021
Dr. Kayla Hahn, Policy Director, Missouri Governor Michael Parson 2/6/2019 - APOG
The Hon. Cindy O’Laughlin, Senator, Missouri General Assembly 1/7/2021 - 1/2/2023
The Hon. Gary Romine, Senator, Missouri General Assembly 1/15/2019 - Resigned seat 1/30/2020
Dr. Susan Thomas, President, Truman State University 6/3/2019 to 1/1/2021

APOG = At Pleasure of the Governor
Commissioner Alternate
Dr. Zora Mulligan, Commissioner of Higher Education, Missouri Department of Higher Education & Workforce Development
8/29/2016

NEBRASKA
The Hon. John Cavanaugh, Senator, Nebraska Legislature
1/22/2021 – 1/1/2023
Dr. Randolph M. Ferlic, Nebraska Governor’s Designee
1/2/2019 - 1/1/2023, APOG
Dr. Deborah Frison, Member, Coordinating Commission for Postsecondary Education
1/2/2019 - 1/1/2023
Dr. Susan M. Fritz, Executive Vice President and Provost Emerita, University of Nebraska
1/2/2019 - 1/1/2023
The Hon. Rick Kolowski, Senator, Nebraska Legislature
1/25/2019 – 1/2/2021
The Hon. Julie Slama, Senator, Nebraska Legislature
1/25/2019 – 1/2/2021
The Hon. Lynne Walz, Senator, Nebraska Legislature
1/22/2021 – 1/1/2023
Commissioner Alternate
Dr. Michael Baumgartner, Executive Director, Coordinating Commission for Postsecondary Education
9/3/2014

NORTH DAKOTA
The Hon. Kyle Davison, Senator, North Dakota Legislative Assembly
6/19/2019 – 6/30/2021
Tim Flakoll, North Dakota Governor’s Designee
12/15/2016 - APOG
Dr. Mark Hagerott, Chancellor, North Dakota University System
7/1/2019 - 6/30/2023
The Hon. Dennis Johnson, Representative, North Dakota Legislative Assembly
6/19/2019 – 6/30/2021
Mr. Tim Mihalick, Member, State Board of Higher Education
7/21/2020- 6/30/2021
Commissioner Alternate
Dr. James L. Davis, Former President, Turtle Mountain Community College
2/14/2017

OHIO
The Hon. Rick Carfagna, Representative, Ohio Legislature
1/2/2021 - 1/1/2023
Mr. Gary Cates, Senior Vice Chancellor, Innovation & Enterprise Development, Ohio Department of Higher Education
1/9/2019 - 1/8/2023
The Hon. Jerry Cirino, Senator, Ohio Legislature
2/10/2021 - 12/31/2022
Dr. Stephanie Davidson, Vice Chancellor, Academic Affairs, Ohio Department of Higher Education
1/15/2019 - APOG
Mr. Mike Duffey, Vice Chancellor, Ohio Department of Higher Education
1/29/2021 - APOG
Mr. Jack Hershey, President and CEO, Ohio Association of Community Colleges
3/3/2021 to 1/8/2025
The Hon. Stephanie Kunze, Senator, Ohio Legislature
4/15/2019 - 12/31/2020
Commissioner Alternates
Mr. Bruce Johnson, President, Inter-University Council of Ohio
1/10/2007

SOUTH DAKOTA
Dr. Michael Cartney, President, Lake Area Technical Institute
1/3/2021 – 12/31/2024
The Hon. Erin Healy, Representative, South Dakota Legislature
3/29/2021 - 12/31/2022
The Hon. V.J. Smith, Senator, South Dakota Legislature
3/29/2021 - 12/31/2022
The Hon. Larry J. Tidemann, South Dakota Governor’s Designee
3/11/2019 - APOG
Dr. Janelle Toman, Director of Communications, South Dakota Board of Regents
9/10/2018 - 6/30/2022
Commissioner Alternates
The Hon. Reynold Nesiba, Senator, South Dakota Legislature
3/29/2021 - 12/31/2022
The Hon. Mari Wiese, Representative, South Dakota Legislature
3/29/2021 - 12/31/2022

WISCONSIN
The Hon. Joan Ballweg, Representative, Wisconsin State Legislature
10/2/2019 – 1/12/2021
The David Murphy, Representative, Wisconsin State Legislature
3/29/2021 - 6/30/2023
Dr. Connie Hutchison, Executive Secretary, State of Wisconsin Higher Educational Aids Board
6/25/2019 - 7/1/2021

The Hon. Stephen Nass, Senator, Wisconsin State Legislature
3/18/2021 - 1/1/2023
Julie Underwood, Dean of Education, University of Wisconsin-Madison
4/2/2019 - APOG
Dr. Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities
3/14/2019 - 7/1/2023
Commissioner Alternates
Dr. Morna K. Foy, President, Wisconsin Technical College System
3/11/2013
Mr. Sean P. Nelson, Vice President of Finance, University of Wisconsin System
2/6/2018

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