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☞ Details: Joint session, Senate Committee on Higher Education and Tourism and Assembly Committee on Colleges and Universities, March 2, 2005

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Colleges and Universities...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (November 2012)

Unofficial Text from Updated Database of
2001-02 WISCONSIN STATUTES & ANNOTATIONS

Current through March 1, 2004 and 2003 Wis. Act 136

(Only printed Volumes are Official Text under s. 35.18 (2), stats.)

UNOFFICIAL TEXT

Chapter 39

39.80



39.80



39.80 Midwestern higher education compact. The midwestern higher education compact is hereby enacted into law and entered into by this state with all other jurisdictions legally joining therein, in the form substantially as follows:

39.80(1)



(1) 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.

39.80(2)




(2) Article II - The Commission.


39.80(2)(a)




(a) 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.

39.80(2)(b) 


(b) The commission shall consist of 5 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; 2 legislators, one from each house (except Nebraska, which may appoint 2 legislators from its unicameral legislature), who shall serve 2-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and 2 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 2 at-large members initially appointed in each state shall serve a 2-year term. The other, and any regularly appointed successor to either at-large member, shall serve a 4-year term. All vacancies shall be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

39.80(2)(c) 


(c) The commission shall select annually, from among its members, a chairperson, a vice chairperson and a treasurer.

39.80(2)(d) 


(d) 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.

39.80(2)(e) 


(e) 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 3 or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

39.80(2)(f) 


(f) 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.

39.80(3) 


(3) Article III - Powers and Duties of the Commission.

39.80(3)(a) 


(a) The commission shall adopt a seal and suitable bylaws governing its management and operations.

39.80(3)(b) 


(b) 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.

39.80(3)(c) 


(c) 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.

39.80(3)(d) 


(d) 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.

39.80(3)(e) 


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

39.80(3)(f) 


(f) 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.

39.80(3)(g) 


(g) The commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in nonmember 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 interstate organizations or agencies, determine the cost of providing the programs and services in higher education for use in these agreements.

39.80(3)(h) 


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

39.80(3)(i) 


(i) The commission may establish committees and hire staff as it deems necessary for the carrying out of its functions.

39.80(3)(j) 


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

39.80(4) 


(4) Article IV - Activities of the Commission.

39.80(4)(a) 


(a) The commission shall collect data on the long-range effects of the compact on higher education. By the end of the 4th year from the effective date of the compact and every 2 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.

39.80(4)(b) 


(b) 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 draft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

39.80(4)(c) 


(c) 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 cost 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 programs and services.

39.80(4)(d) 


(d) The commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

39.80(4)(e) 


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

39.80(5) 


(5) Article V - Finance.

39.80(5)(a) 

(a) The moneys 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.

39.80(5)(b) 

(b) 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.

39.80(5)(c) 

(c) 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 public accountant licensed or certified under ch. 442 and the report of the audit shall be included in and become part of the annual report of the commission.

Unofficial text from Wis Stats. database. See printed Statutes and Wis. Acts for official text under s. 35.18(2) stats. Report errors to the Revisor of Statutes at (608) 266-2011, FAX 264-6978, send email to the Revisor's Bureau



UNOFFICIAL TEXT


Chapter 14

14.90




14.90 


14.90 Midwestern higher education commission.

14.90(1) 


(1) There is created a midwestern higher education commission as specified under s. 39.80 (2) (a) consisting of the following members representing this state:

14.90(1)(a) 


(a) The governor or his or her designee.

14.90(1)(b) 


(b) One representative to the assembly appointed by the speaker to the assembly for a 2-year term.

14.90(1)(c) 


(c) One senator appointed by the president of the senate for a 2-year term.

14.90(1)(d) 


(d) One member representing higher education appointed by the governor for a 4-year term.

14.90(1)(e) 

(e) One member representing higher education appointed by the governor for a 2-year term.

14.90(2) 

(2) The members of the commission shall serve without compensation but shall be reimbursed from the appropriation under s. 20.505 (4) (ba) for actual and necessary expenses incurred in the performance of their duties. The commission has the powers granted and the duties imposed under s. 39.80.

14.90(3) 

(3) From the appropriation under s. 20.505 (4) (ba), the department of administration shall pay the costs of membership in and costs associated with the midwestern higher education compact.

14.90 - ANNOT. 

History: 1993 a. 358, 491; 1997 a. 27; 2001 a. 16.

UNOFFICIAL TEXT

Chapter 20

20.505

20.505(4)

20.505(4)(ba)



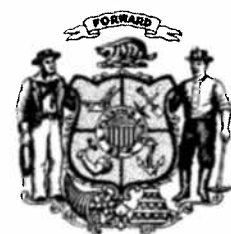
20.505(4)(ba)



(ba) *General program operations.* The amounts in the schedule for the expenses of committees created by law or executive order, for the state's contribution to the advisory commission on intergovernmental relations, and for state membership dues and travel expenses and miscellaneous expenses for state participation in the Council of State Governments, Education Commission of the States under s. 39.76, Midwestern Higher Education Compact under s. 39.80, Northeast Midwest Institute, Council of Great Lakes Governors, Great Lakes Commission, and such other national or regional interstate governmental bodies as the governor determines.



WISCONSIN STATE LEGISLATURE



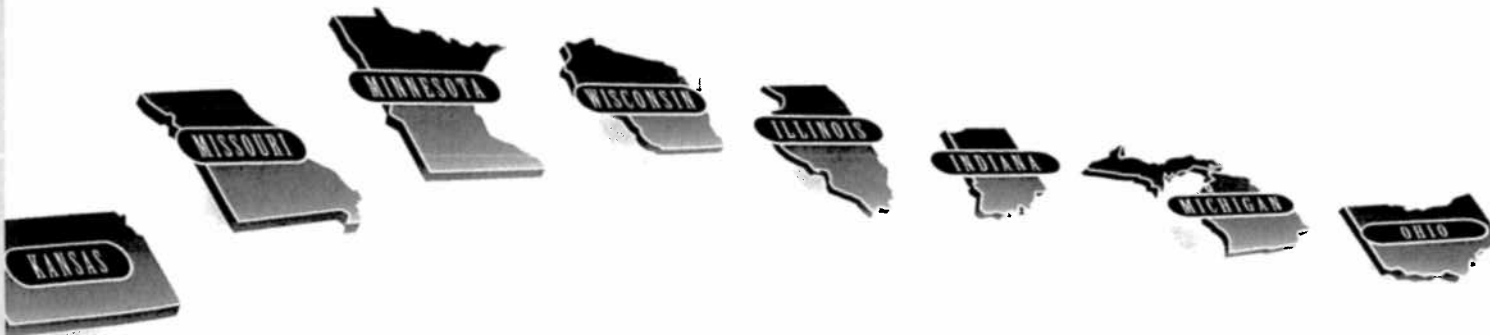
challenges
RESULTS &

ADVANCING EDUCATION THROUGH COOPERATION



Midwestern Higher Education Commission





Achieving together what is difficult to do alone

The Midwestern Higher Education Commission (MHEC) is one of four interstate compacts in the nation devoted to improving the quality of higher education in its region. MHEC was established in 1991 and serves ten Midwestern states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.

Each member state appoints five individuals to a 50-member Commission of legislators, higher education leaders and governors' representatives, which governs MHEC. Member state dues and foundation grants finance MHEC activities, which are directed towards regional collaboration and the achievement of outcomes that could not be realized by institutions and systems acting independently.

MHEC programs save millions

During the last decade, the Commission has undertaken 22 different initiatives designed to increase productivity and reduce administrative costs, saving states over \$155.6 million. By organizing the collective purchasing power of campuses across the region, MHEC is able to access pricing structures that neither

small campuses nor large universities could obtain. Currently, MHEC offers programs in hardware, software, property insurance, student exchange, and telecommunications.

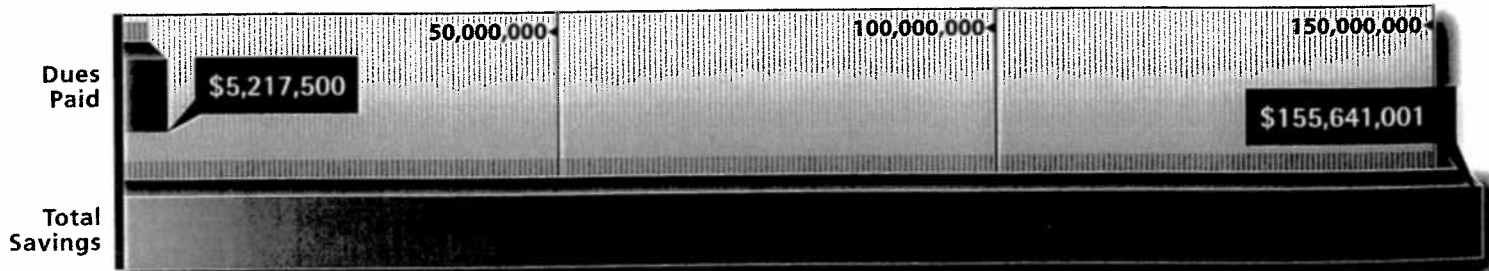
Providing decision makers with enhanced information and analysis

MHEC will strengthen its effectiveness as a resource to state education leaders and public officials in the region by increasing its emphasis on information sharing and policy analysis. As states struggle to overcome the boom-and-bust cycle that has come to characterize the funding of higher education lately, new and improved data and analysis will help policymakers facing difficult choices.

MHEC's strategic plan calls for:

- The publication of a Midwestern Data Book on Higher Education;
- A series of quarterly policy reports focusing on the effectiveness and affordability of higher education;
- A journal of best practices for state education leaders to share across the region.

Great Returns on Investments in Higher Education for MHEC States



Today's challenge:


DOING MORE WITH LESS TO DELIVER THE BEST SOLUTIONS FOR HIGHER EDUCATION

**CHALLENGE: PROVIDE THE BEST PRICING ON
QUALITY DESKTOPS, LAPTOPS AND HARDWARE
TAILORED TO THE NEEDS OF HIGHER EDUCATION**

On higher education campuses nationwide, computers have become far more than complementary learning tools; they are integral to the educational process. As a result, institutions, faculty, staff and students need the latest and best hardware to function effectively and efficiently.

MHEC's Hardware Program enables institutions and individuals to obtain the most competitive pricing on desktops, laptops and other hardware. A special feature of the Hardware Program gives institutions even better pricing on computer bundles that are pre-configured with higher education use in mind. The MHEC Hardware Program also saves institutions money and simplifies the purchasing process by alleviating the need to conduct a Request for Proposal (RFP).





CHALLENGE: MAKE ADMINISTRATIVE SOFTWARE SOLUTIONS MORE ACCESSIBLE, AFFORDABLE AND BENEFICIAL Imagine how complicated it is to coordinate and organize all of the information collected and used on campuses. To cite but one example, information on students is typically gathered in at least three areas: individual departments, administrative offices and admissions.

Novell software and services give campuses secure access to various information systems anywhere and anytime, regardless of the different types and numbers of information systems currently being used. Novell software even allows for single-entry updates, freeing students and faculty from having to submit the same information each time they contact the campus.

Unfortunately, Novell's pricing structure is prohibitive for many campuses, and technical support can be costly and difficult to access. The Novell/MHEC Higher Education Collaborative makes Novell products, services and training more accessible, affordable and beneficial for higher education. Under the Collaborative, participating institutions of all sizes receive the best pricing Novell has to offer on software.

The Collaborative helps members leverage their existing investments in Novell into greater and enhanced uses. Members receive simplified access to premium technical support, as well as additional training and professional development opportunities at reduced costs.



CHALLENGE: PROVIDE COMPREHENSIVE PROPERTY INSURANCE IN A CHALLENGING MARKET Insurance rates on college campuses continue to be profoundly affected by today's soft economy, the tragedy of 9/11, unpredictable natural disasters and the continued threat of terrorism. Since 1994, group-purchasing power has leveraged better property rates for members of the MHEC Master Property Program.

The Program provides broad property coverage related to higher education needs and has the ability to address individual needs and loss control services. The Program currently spreads the risk among 35 institutions and their campuses in six of MHEC's member states, and affords the institution the opportunity to earn dividends based on annual loss ratios.

Representatives from member institutions gather with their peers from facilities, health and safety, risk management and finance to learn about current risk management issues at the annual Loss Control Workshop. Advisory services are available as well as the opportunity to share knowledge with peers, providing an invaluable benefit to participating institutions.

The Program currently underwrites \$37.9 billion in total insured values. Since its inception, it has saved member states \$18.9 million. The Master Property Program has nearly tripled in size over the last several years, and continues to receive inquiries from interested institutions.

"The MHEC property program for the University of Nebraska has been very beneficial. During the soft market in property, we were able to get coverage we would not have been able to do on our own, which helped us better protect our university assets. Now, during a hard market in property insurance, we are seeing lower costs than we would have received on our own. Being with other schools in the program also helps to share problems, concerns and solutions. The program has worked well for us from all perspectives."

Greg Clayton

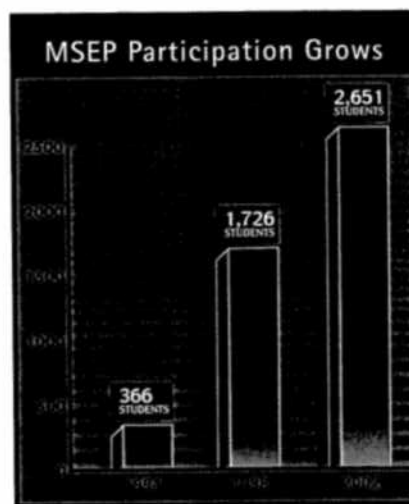
Director of Risk Management & Benefits, University of Nebraska-Lincoln

CHALLENGE: FIND AN AFFORDABLE SOLUTION TO THE RISING COST OF TUITION

Due to increases in tuition and fees, students and their families are paying a larger portion of postsecondary education costs. Although tuition and fees are only a part of the affordability equation, many students, parents and policymakers are concerned that colleges and universities are pricing themselves beyond the reach of many families.

Since 1994, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. The Midwest Student Exchange Program (MSEP) serves as the Midwest's largest multi-state tuition reciprocity program. Over 125 campuses from the participating states of Kansas, Michigan, Minnesota, Missouri, Nebraska and North Dakota have opened their doors to students at reduced rates. Public institutions enrolling students under MSEP agree to charge no more than 150% of the in-state resident tuition rate; private institutions offer a 10% reduction on their tuition rates.


When states endorse the program, colleges and universities may voluntarily join MSEP and can tailor the program to their individual campus needs, including admission requirements and available programs of study. For example, institutions may select only the degree programs it wishes to increase enrollment and limit the programs that are already popular among students. In addition, admissions counselors at MSEP institutions are educated on MSEP requirements, enabling them to provide students with superb guidance.



When MSEP began in 1994, only 366 students were participating across the Midwest. As of the 2002-2003 school year, over 2,600 students are enrolled as MSEP students. Since 1994, 14,680 students and families have saved \$43 million in tuition, an annual per student average of \$2,900.



According to a survey of MSEP students completed in 2000, the vast majority of students used MSEP as a factor in making their college decision.



CHALLENGE: PROVIDE ACCESS TO SUPERIOR QUALITY, AFFORDABLE TECHNOLOGIES Not long ago, technology was merely an add-on to the educational enterprise. Today, students, faculty, staff and parents demand access for everything from online registration to online classes. In addition to the usual telephone lines, campuses now supply bandwidth and install wireless technologies to support interactive video classes, conduct classes online and equip classrooms with presentation technologies.

This increasing reliance on technology is straining campus budgets and policies. MHEC provides low-cost access to telecommunication products and services through the American TelEdCommunications Alliance (ATAlliance; www.ATAlliance.org). Through this national alliance, experts from Midwestern colleges, universities and state agencies join with those from other regions of the country to address the technology needs of higher education. Participants enjoy considerable savings while gaining access to top-end technologies. As one participant from Michigan stated, "The program saved us time, effort and money."

Through these activities, the ATAlliance can act as a strong voice for education and other nonprofit entities, shaping technology policy and standards and also facilitating the sharing of expertise across the nation.

We at MHEC are proud of our efforts to cut the costs of higher education in the Midwest and are excited about our new emphasis on information sharing and policy analysis. We encourage you to contact us so that we can learn how to serve higher education even more effectively in your state.



Bob Kustra
President
Midwestern Higher Education Commission

To learn more about MHEC and how it can serve you, contact us at:

Midwestern Higher Education Commission
1300 Second Street, Suite 130
Minneapolis, MN 55454-1079

Phone: 612-626-8288

Fax: 612-626-8290

or visit our website at www.mhec.org



Greetings: The Midwestern Higher Education Commission (MHEC) was created as one of four interstate compacts in the nation by state legislators in the Midwestern states interested in finding cost-effective solutions to the rising costs of higher education. In addition to the strong role played by those of us in our state legislatures, MHEC enjoys the support of Midwestern Governors and educators in the region's colleges and universities.

This brochure serves as a guide to MHEC's programs and services. Those of us entrusted with the responsibility of providing public support to Midwestern higher education are proud of its accomplishments, especially the \$155.6 Million of savings to our campuses since its creation. In its continuing effort to improve its value to the state governments that fund it, MHEC has just recently strengthened its ability to provide

information and policy analysis to legislators, governors, educators and members of governing boards.

As our states struggle in these difficult times to maintain their support of Midwestern higher education, one thing is clear. MHEC serves as a strong partner to state governments in the Midwest in achieving cost savings for our colleges and universities. It deserves the unqualified support of state officials committed to improving the quality of higher education in the Midwest.

A handwritten signature in black ink that reads "Lana Oleen".

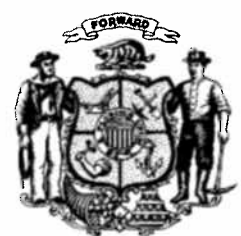
Senator Lana Oleen
Kansas Senate Majority Leader
Chair, Midwestern Higher Education Commission



Midwestern Higher Education Commission
1300 South Second Street, Suite 130
Minneapolis, MN 55454-1079



WISCONSIN STATE LEGISLATURE



2003
RENEWAL

MASTER PROPERTY PROGRAM

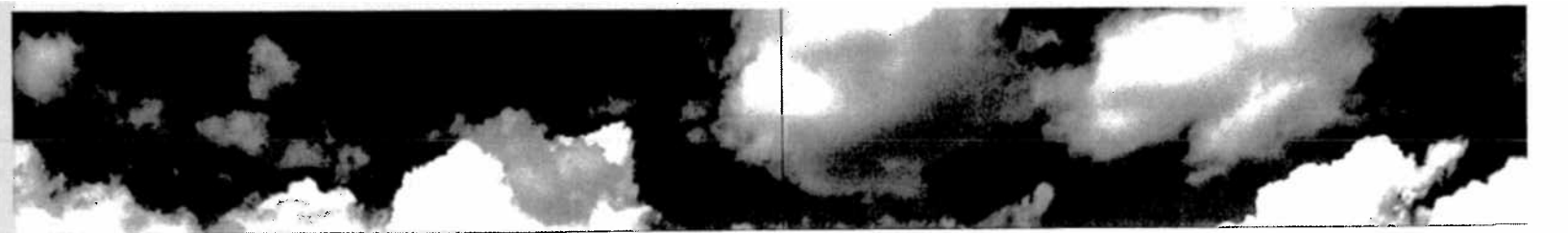
Participating States:

Illinois, Kansas, Michigan, Minnesota, Missouri & Nebraska



Midwestern Higher Education Compact





The MHEC states currently participating in the Master Property Program include: *Illinois, Kansas, Michigan, Minnesota, Missouri & Nebraska.*

The Midwestern Higher Education Compact is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. Member states are: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio & Wisconsin.

MHEC seeks to fill its interstate mission through programs which:

- enhance productivity through reductions in administrative costs
- encourage student access, completion and affordability
- facilitate public policy analysis and information exchange
- facilitate regional cooperation
- encourage quality education programs and services in higher education
- encourage innovation in the delivery of educational services

For further information regarding the MHEC Master Property Program, please contact:

*Mary E. Feilmeyer, Program Officer
Midwestern Higher Education Compact
Phone: 612-626-0070 or E-mail: maryf@mhec.org*

*Elizabeth Conlin (Beth), Program Administrator
Marsh-Cleveland
Phone: 216-937-1553 E-mail: elizabeth.a.conlin@marsh.com*

*Greg Clayton, Program Chair
University of Nebraska-Lincoln
Phone: 402-472-8044 E-mail: gclayton1@unl.edu*

*P.J. Kale, Program Vice-Chair
University of Illinois
Phone: 217-333-3113 E-mail: pkale@uillinois.edu*



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1300 South Second Street, Suite 130
Minneapolis, MN 55454-1079
www.mhec.org

Mission, Goals & Structure

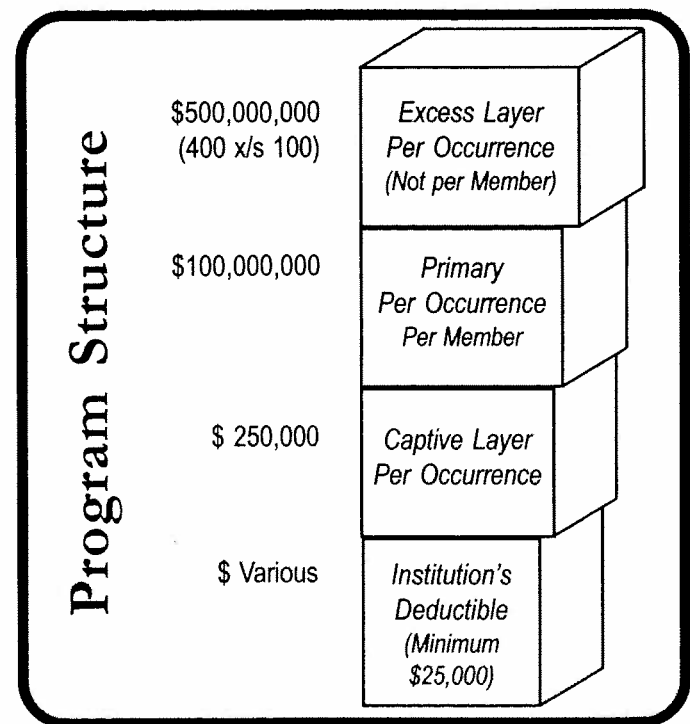


University of Missouri wind storm

The Midwestern Higher Education Compact (MHEC) Master Property Program (MPP) was established in 1994 to broaden property insurance coverage, reduce premium rates and encourage improved asset protection strategies for colleges and universities in the ten member states of the Compact.

The program carriers and service team have served the program exceptionally well over the past several years and have achieved an excellent record of maintaining outstanding coverage at competitive rates.

The goals of the program are to secure broad insurance coverage and services to meet the special needs of its participating member institutions; to reduce premium costs; to stabilize premium rates over time; and to provide group dividend returns when favorable loss experiences are achieved.



Coverage and service are the hallmarks of the MHEC Master Property Program. It includes a broad manuscript form that is responsive to higher education's unique property exposures.

Each member institution retains an individual deductible that is applied to each claim. The group loss fund retains the next \$250,000 of loss coverage per occurrence subject to an annual aggregate of \$4,015,134. Any loss above the loss fund is insured by the primary layer through Lexington Insurance Company, then the excess layer which is a subscription policy with Landmark America taking the lead. If the loss fund is depleted in any given year, the Lexington coverage automatically drops down and provides blanket insurance directly excess the members' individual deductible.

The program provides excellent engineering and loss control services tailored to the requirements and interests of each member institution, as well as the group as a whole. These services help institutions to safeguard their capital assets.

The program prides itself on assisting institutions with quality and timely claims service when catastrophic claims occur. The program's Oversight Committee conducts ongoing evaluations of carrier responsiveness to incurred losses, recovery processes and settlements.

The current program is sponsored by MHEC and overseen and directed by a committee of representatives from the member institutions. It is underwritten by insurance companies selected by the participating institutions and administered by the service team of Marsh, Inc. and Captive Resources LLC (CRI). MHEC provides the program coordination and staff support.

Membership & Benefits

Since its inception in 1994, colleges and universities of all sizes and types have joined the program. The group shares a common commitment towards excellence and campus risk management practices, and a desire to work together for the mutual benefit of all members.

The group welcomes new collegiate members who have implemented good risk management practices on their campuses and who have taken preventative measures to reduce avoidable losses over the years.

Public and private nonprofit colleges, universities, community and technical colleges in MHEC Compact states are invited to apply for admission to the MHEC Master Property Program. Acceptance is contingent upon approval by the memberships' Oversight Committee, service team and partner markets.

Currently, 36 member institutions and their campuses participate in the program. The endorsed program underwriters provide insurance coverage for the participating institutions, with total insured values exceeding \$40 billion.

The insured institutions will consider participation of institutions outside of MHEC states on a case-by-case basis.

Under the auspices of the Midwestern Higher Education Compact, MHEC periodically issues a single request for proposal (RFP) on behalf of the participating institutions. Proposals are reviewed and an endorsed carrier is selected by the participating institutions. Program benefits include:

- ✓ Broad coverage template structured specifically for higher education institutions (manuscript policy)
- ✓ Funded deductible with potential dividend returns when loss experience is favorable; no additional funding required if loss fund is exhausted in any given policy year
- ✓ Exemplary engineering and risk management advisory services that are member driven
- ✓ Program ownership vested with participating institutions
- ✓ Group leveraging power to assure optimal services and reduced premium costs
- ✓ Capacity to creatively respond to changing market conditions
- ✓ Information sharing and idea exchanges among participating institutions
- ✓ Annual Loss Control Workshop provided for member institutions

"As one of the smaller institution members in the Master Property Program, we're able to access coverage and service that we couldn't afford otherwise. The Loss Control Workshop also provides a great forum to learn from others and allows me to network with my peers."

-Thomas D. Clayton

Insurance and Risk Manager

Johnson County Community College, KS

Membership & Benefits

"The RFP process used by MHEC met the State of Missouri purchasing requirements making it unnecessary for our office to go through the long and tedious process of bidding insurance. By going with the MHEC program, they not only did all the bid preparation, but were able to negotiate much better rates and broader coverage than our office could have obtained independently."

-Carla Ahrens

*Risk Management Specialist
State of Missouri*

Participating Institutions

Illinois

Aurora University
IPHEC (Illinois Public Higher Education Cooperative)
Chicago State University
Eastern Illinois University
Governors State University
Illinois State University
Illinois State University – Bloomington
Northeastern Illinois University
Northern Illinois University – DeKalb
Northern Illinois University – Hoffman Estates
Northern Illinois University – Naperville
Northern Illinois University – Rockford
Northern Illinois University – Lorado Taft Field
Southern Illinois University – Carbondale
Southern Illinois University – Edwardsville
University of Illinois at Chicago
University of Illinois at Urbana – Champaign
University of Illinois at Springfield
Western Illinois University

Kansas

Johnson County Community College

Michigan

Michigan University Self-Insurance Corporation (M.U.S.I.C.)
Central Michigan University
Eastern Michigan University
Ferris State University
Grand Valley State University
Lake Superior State University
Michigan Technological University
Northern Michigan University
Oakland University
Saginaw Valley State University
Wayne State University
Western Michigan University

Minnesota

University of Minnesota
University of Minnesota – Twin Cities
University of Minnesota – Crookston
University of Minnesota – Duluth
University of Minnesota – Morris

Missouri

Missouri State System
Central Missouri State University
Harris-Stowe State College
Lincoln University
Missouri Southern State University
Missouri Western State College
Northwest Missouri State University
Southeast Missouri State University
Southwest Missouri State University
Southwest Missouri State University – Springfield
Southwest Missouri State University – West Plains
Truman State University
Saint Louis Community College
Saint Louis Community College – Florissant Valley
Saint Louis Community College – Forest Park
Saint Louis Community College – Meramec
University of Missouri
University of Missouri – Columbia
University of Missouri – Kansas City
University of Missouri – Rolla
University of Missouri – Saint Louis

Nebraska

Nebraska State College System
Chadron State College
Peru State College
Wayne State College
University of Nebraska
University of Nebraska – Lincoln
University of Nebraska – Kearney
University of Nebraska – Medical Center
University of Nebraska – Omaha



University of Minnesota vandalism

The engineering services associated with the MHEC Master Property Program have been customized to meet the members' needs. The services assist MHEC members in qualifying, quantifying and improving their property risks, yet at the same time, help reducing their total cost of risk. The services were developed with the following goals in mind:

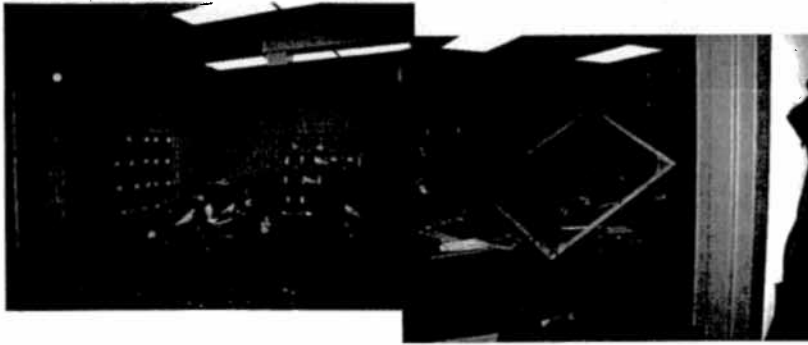
- ✓ Promote Safety Awareness
- ✓ Reduce Total Cost of Risk
- ✓ Obtain & Track Insurance Marketing Data
- ✓ Code Compliance & Insurance Acceptance
- ✓ Owner Driven – Flexibility
- ✓ Common Sense & Practical Approach
- ✓ Savings - Time, Frustration & Money

With more than 10+ years in the highly protected risk (HPR) property insurance industry, seasoned Marsh Risk Consultants manage the engineering services and are able to bring value to the program by way of their extensive risk management/safety background and applying good, yet realistic, business/common sense.

The following engineering services are available to MHEC members:

- Property Loss Prevention Surveys – The survey consists of seasoned consultants reviewing both physical protection and human element features. These include buildings in excess of \$5 million total insurable value, or buildings of lesser value at the member's request.
- Color-Coded Insurance Diagrams – A diagram is generated as the result of each property loss prevention survey. It includes an overview of each campus and related physical protection features.
- Plan Reviews – Building construction, fire protection and fire alarm plans can be submitted for review to help ensure the appropriate protection features are being included in each remodel and new construction project.
- Fire Protection System Impairment Handling - A fire protection impairment occurs when a fire (or explosion) prevention, protection, alarm or supervisory system is shut off, impaired or otherwise taken out of service completely or in part. This service helps ensure the necessary precautionary measures are taken to minimize the risk.
- Infrared Thermography Surveys - Infrared Thermography is an effective, nondestructive survey technique that can pinpoint concerns in complex electrical and mechanical systems. Some of the major benefits include prevention of electrical-type fires, reduced energy usage, improved efficiency & reliability, etc.
- Boiler & Machinery Jurisdictional Inspections - Statutory boiler and pressure vessel inspections can be performed when required by the respective jurisdiction.
- MFL Evaluations – These evaluations are conducted for larger member facilities that have a significant impact on property insurance capacity (i.e. buildings > \$100 million).
- New Construction/Major Remodel Bid Specs – Customized bid specs can be generated for each major remodel and new construction project. The bid specs are in accordance with industry recognized Highly Protected Risk (HPR) property insurance standards.

Engineering & Claims Handling



- **Web-Based Data Management** – Engineering information is captured and tracked via a dedicated website. Members have access to their respective institution's data (i.e. recommendations, action plans, COPE, jurisdictional object info, infrared thermography findings, etc.)
- **Annual Workshop** – An annual workshop is held to present risk management/safety issues as related to MHEC members.

“The infrared thermography helped us find an electrical problem in one of our newly constructed buildings that could have been costly if it had gone undetected.”

-George Kroder

*Risk Manager
Saint Louis Community College, MO*

As with the Engineering Services, Marsh, Inc. and Captive Resources LLC (CRI) in conjunction with MHEC agreed to unbundle the Claims Handling Services. MHEC wanted to ensure that the claims reporting process brings ease of reporting and documenting of claims for the member institutions.

As a result, GAB Robins was appointed as the independent adjusting company that will handle all property claims for member institutions.

When selecting the claims handling partner, the following goals and objectives were followed:

- ✓ Single-source reporting
- ✓ Experienced claims administrator
- ✓ Adjusting offices close to member institution locations
- ✓ Member advocacy by Marsh and CRI
- ✓ Timely resolution of any property claim

Each member is required to report any loss that exceeds 50% of the member's institutional deductible directly to GAB's coordinating office in Cleveland, Ohio. Once reported, MHEC's GAB Coordinator will assign the loss to the GAB Robins office closest to the loss location. In the event the loss is of a serious or complex nature, it will be handled from the main coordinating office.

If it is determined that a loss has resulted from equipment breakdown (Boiler & Machinery), the loss will then be forwarded to Hartford Steam Boiler (HSB) for expert handling.

The designated adjuster, either GAB Robins or HSB, will contact the appropriate individual at the loss location, inspect the loss, report to interested underwriters, work with the loss location designee to arrange for experts when needed and be the conduit through whom loss payments will flow.

In the event there is a dispute over coverage, the amount of the loss, any question surrounding the claim or any other issues that may arise, Marsh-Cleveland or CRI may be contacted to act as an advocate for the institution.

“One of the wonderful things about our program is how our members stuck together during some tough times and the result has been a favorable rippling effect for higher education across the entire country.”

-Wm. A. Payton

*Director of Risk Management Division
University of Missouri*

Q. *What information is required to pursue a quote?*

A. Marsh will require potential members of the program to provide the following information 90 days prior to their renewal date:

- ✓ Statement of Insurable Values by building name, including COPE information
- ✓ Library Values
- ✓ Fine Art Values
- ✓ Business Interruption Worksheets
- ✓ 5-Year Loss History
- ✓ Loss Control Reports (if available)

Q. *What if my renewal date is not July 1?*

A. Your premium will be prorated for the first year up to the July 1 renewal date; then you will be asked to modify your renewal date to coincide with the entire group (July 1).

Q. *Can I retain my local broker?*

A. Each institution, at their own discretion, may select to retain a local broker to work in conjunction with the Program's administrative team. A number of member institutions solicit the services of a local broker, while several others do not. The local broker does not have to be affiliated with Marsh Inc.

Q. *How are the dividends distributed among the institutions?*

A. Program participants approved a formula that takes into account each individual institution's portion of the remaining loss fund to determine the distribution of end-of-year loss fund balances and interest income. After accounting for all losses and expenses, a dividend will be available for distribution to the program participants, no sooner than 12 months after the close of the underwriting year, based on the recommendation of the Master Property Program Oversight Committee. At the request of the member institutions, the MHEC service team is

currently working with the Oversight Committee to develop strategies in which to utilize previous and future loss fund dividends to strengthen and grow the loss fund over time. Institutions who leave the program forfeit their remaining equity, if any, in the loss fund.

Q. *What coverage is provided through the program?*

A. Due to the size of the insured group, the Program is able to provide a very broad coverage form, with opportunities for individual members to acquire additional coverage to meet special needs and circumstances. Currently, the basic coverage for all members includes:

- ✓ \$500,000,000 Limit in basic layered program
- ✓ \$500,000,000 Excess layer is available
- ✓ \$100,000,000 Earthquake, aggregate
- ✓ \$100,000,000 Flood except \$50,000,000 for 100 year flood zones (as determined by FEMA), aggregate
- ✓ \$100,000,000 Terrorism
- ✓ \$25,000,000 Service Interruption - Property Damage and Time Element
- ✓ \$25,000,000 Automatic Coverage for 90 days
- ✓ \$25,000,000 Contingent Time Element
- ✓ \$25,000,000 Transit
- ✓ \$25,000,000 Miscellaneous Unscheduled Property in the U.S. and Canada
- ✓ \$1,000,000 Incidental Foreign, subject to policy territory
- ✓ \$1,000,000 per occurrence/\$10,000 per person for Personal Property of Students and Patients
- ✓ Ingress/Egress - 30 pay period
- ✓ \$500,000,000 for Boiler and Machinery coverage, subject to sublimits of \$5,000,000 for each of the following - perishable goods; hazardous substance; EDP (including data restoration); expediting expense and CFC refrigerants
- ✓ Flexible deductible options starting at \$25,000
- ✓ Crime coverage available as a program extension