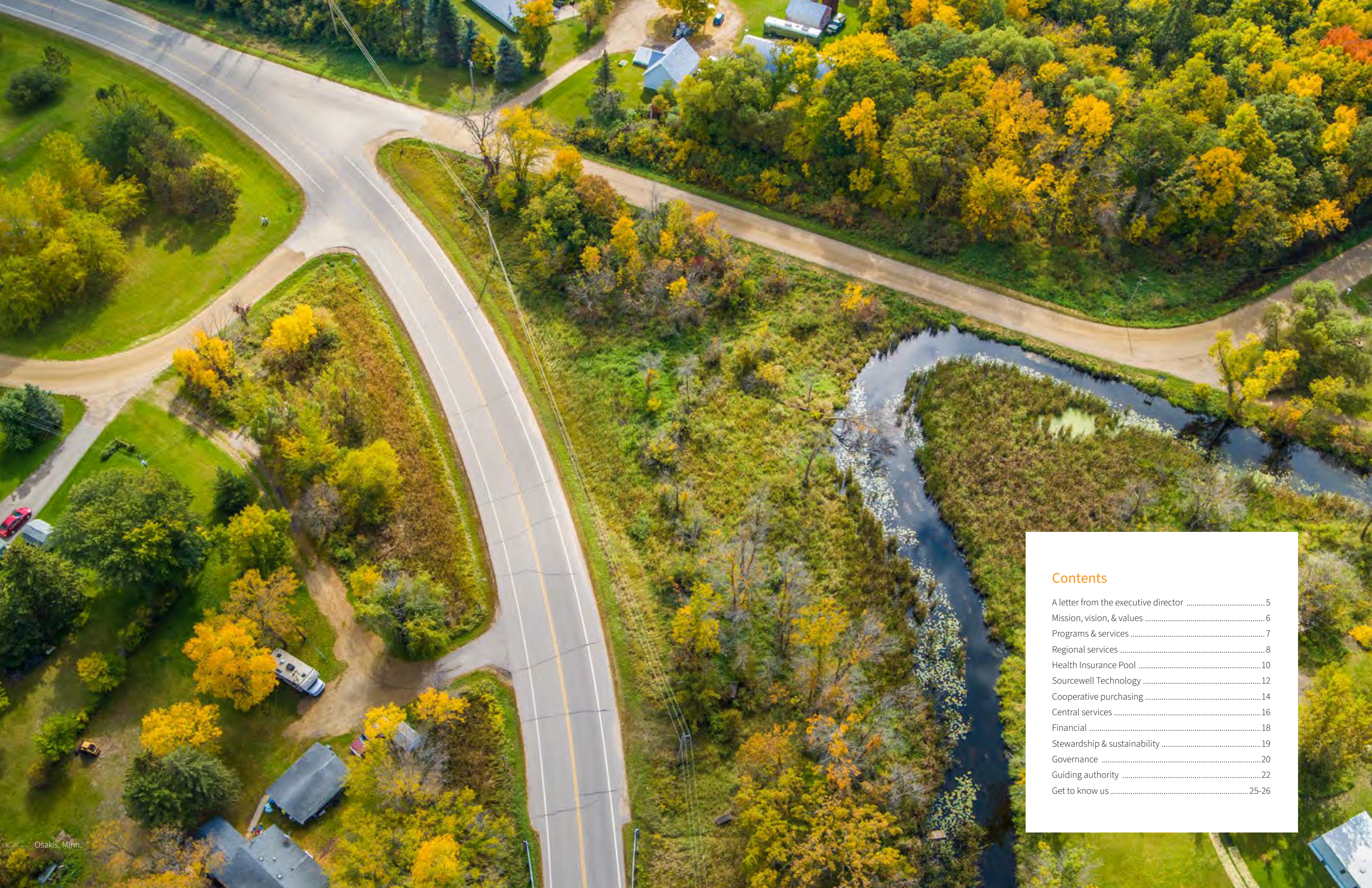


# Purposeful Growth & Service

Annual Report 2021





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# Letter from the Executive Director

How fortunate are we to live, learn, and lead in this part of Minnesota?

Every season in this area provides a new opportunity and – often with it – a set of challenges. As those opportunities and challenges arise, we must rely on experience, specific tools, and sometimes, just go with our gut.

In yet another year that posed uncertainty, Sourcewell remained steadfast, embracing whatever came our way; and, all the while, looked to our vision and values to guide our work.

We have set a vision for our organization through a detailed and thoughtful planning process. While each of our divisions has a specific plan for serving clients, our work is harmonious and layers up to the bigger vision of Sourcewell: to provide leading solutions that empower community success.

I like to think of our vision as the destination, and our values as the map and compass that help us get there. Though there may be obstacles along the journey, we have those important tools in place to help lead the way.

As we climb and descend the hills on our journey, it's nice to stop and marvel at the scenery. One of those moments for me this year occurred in June, when we learned the Star Tribune named Sourcewell a Top Workplace in Minnesota for the sixth-consecutive year. More specifically, we ranked No. 7 in the mid-size employer category.

This was, once again, quite an honor considering it was based on employee input. And, knowing how our employees and their families continued to face their own unique challenges over the past 12+ months, it made the achievement even more meaningful.

I would like to say that the next leg of this journey will be a smooth one; however, I feel it's only responsible to prepare for what we can't see. With the right tools, people, and resources to help guide us, we know the final destination will be worth any challenge that may come our way.

Dr. Chad Coauette, PhD  
Executive Director/CEO

## Dedicated to service

As a service organization, Sourcewell exists to support public agencies as they serve their constituents. More than words, these principles drive our future and guide the decisions and day-to-day actions of our staff to benefit those we serve.

# Mission

We are a force multiplier.

# Vision

Provide leading solutions that empower community success.

# Values

## Seek

Be curious by listening to the needs of others, professionally challenging ideas, looking for effective solutions, and promoting innovation and individual growth.

## Empower

Be accountable and liberate others by maximizing individual strengths, encouraging transparency, removing barriers, promoting self-awareness, and expecting high standards of conduct.

## Impact

Be a difference maker by providing exceptional service, transforming potential into action, fostering a positive culture, and acting with integrity.

# How we serve

In the last year, we organized and aligned our teams to maximize how we deliver on our new mission, vision, and values.

## Regional Services

We provide training and contracted services to support school districts, government agencies, and nonprofits in our regional service area of Cass, Crow Wing, Morrison, Todd, and Wadena counties.

Governed by the Sourcewell Board of Directors.

## Health Insurance Pool

We offer a self-funded health insurance pool to public employers across Minnesota. Pool members leverage the power of cooperative purchasing and risk sharing for an affordable and stable health plan.

Governed by the Sourcewell Board of Trustees.



## Sourcewell Technology

We help school districts maximize their technology investments and lead students to success.

Governed by the Sourcewell Technology Board of Directors.

## Cooperative Purchasing

We provide access to high-quality and high-value goods and services through competitively solicited cooperative contracts.

Governed by the Sourcewell Board of Directors.



# Regional Services

Like you, we are committed to community success. Our regional programs and services support school districts, government agencies, and nonprofits in the five-county area.

## Highlights from 2020-21



Supported local schools and communities during the COVID-19 pandemic by providing and coordinating the distribution of personal protective equipment, weekly meetings with city/county/township/school leaders, and assisting with virtual meetings and technology.



Launched a mental health needs assessment for Aitkin, Cass, Crow Wing, Morrison, Todd, and Wadena counties to determine areas of priority and greatest need.



Collaborated with local school and government leaders to establish a new service model and optimize delivery of services to public agencies throughout the region.



Shifted to a new model of education funding, providing dollars to sustained, strategic programs in schools.



Supported the creation of a new website for the Crow Wing County Family Services Collaborative team. Also realized successes in virtual training for the Low Incidence team, serving learners with impairments.

## What to watch for in 2021-22



Complete the regional mental health needs assessment and share findings and recommended solutions.



Finalize a new service model for local school districts and pilot the program in two regional schools.



Adopt new data-tracking tools and strategies to better serve our local nonprofit and government members.



Integrate a new model for a career advisory and career exploration program for regional high schools.



Enhance support of nonprofit entities and the Crow Wing County Family Services Collaborative team.



Sourcewell is proud to support the academic success of children, as well as the professional development of educators in our five-county region, including the Verndale School District located in Wadena County.





Through its health insurance pool, Sourcewell provides the resources to help participants achieve all areas of wellness and encourages members to utilize new tools, including meditation apps.

# Health Insurance Pool

Our self-funded health insurance pool consists of public employers from across Minnesota who leverage the power of cooperative purchasing and risk sharing for an affordable and stable health plan. This division is governed by the Board of Trustees, a governing board separate from that of Sourcewell and Sourcewell Technology.

## Highlights from 2020-21



Served members throughout the pandemic by means of virtual meetings throughout the state – presenting and collaborating with benefit managers, insurance committees, and insurance agents.



Responded to participants’ needs by providing one free telehealth visit to support health and wellness during the pandemic.



Increased the valuable benefits for nearly 4,500 individuals enrolled, including the addition of Progyny (infertility treatment), Wellbeats (online fitness program), and gym membership discount programs.



Joined the Minnesota Health Leadership Council to advocate for behavioral health services and health insurance coverage.

## What to watch for in 2021-22



Increase collaboration with human relations and benefits managers, coming alongside to support them as they support the health and well-being of their employees.



Develop strategies to increase our pool membership. By increasing pool size, risk is dispersed, and costs are controlled for everyone enrolled.



Give our health insurance pool a formal name, making it easier to connect with both current and potential members.



# Sourcewell Technology

We help school districts maximize their technology investments and lead students to success. This division is governed by the Sourcewell Technology Board of Directors, a separate board than that of the Health Insurance Pool and Sourcewell.

## Highlights from 2020-21



Added and aligned staff in customer support and client solutions areas to better serve schools and ensure they're getting the most out of their technology investments.



Implemented new processes to create efficiencies in building relationships with school leaders and, ultimately, getting the right products and services to the right people.



Began a multiyear initiative focused on development of data-driven solutions and renewed our focus on software – including software as a service (SaaS) – to design, build, and improve technology offerings.



Expanded school and district adoption of both the SpringMath math achievement solution and the Proliftic (formerly edSpring) data management platform to support quality multi-tiered system of supports (MTSS) practices.



Awarded as best-in-class in the edtech community for SpringMath and Proliftic solutions, recognizing Sourcewell Technology as a leader in a highly competitive space.

## What to watch for in 2021-22



Help districts advance students' math skills by increasing promotion and implementation of the SpringMath math achievement solution.



Assist district leaders in managing complex data and turning it into useful information with the help of the Proliftic system.



Provide additional programming and on-demand services for schools.



Increase product awareness with current and potential clients through marketing and investments to the in-application user experience.



Enhance existing websites, including SpringMath.org and Proliftic.org.



Schools throughout the country are experiencing the success of SpringMath. The platform is designed to help students master math skills and gain long-term confidence.








# Cooperative Purchasing

We provide public agencies throughout North America access to high-quality and high-value goods and services through competitively solicited cooperative contracts.

## Highlights from 2020-21

-  Expanded both our client- and supplier-facing teams to better serve the needs of participating agencies.
-  Developed and launched a website portal to support our awarded supplier community, providing tools, training, and information on demand.
-  Expanded public safety offerings, wireless contracts, employee benefits solutions, and our presence in Canada.
-  Issued 33 Request for Proposals with 557 responses received. From those, 164 competitively solicited contracts were awarded.
-  Earned a sixth-consecutive Achievement of Excellence in Procurement Award, showing our commitment to innovation and best practices in public procurement.

## What to watch for in 2021-22






-  Implementation of an online marketplace, giving participating agencies a streamlined experience of searching, quoting, and online purchasing.
-  Expansion of learning management and customer relationship management systems to grow capabilities and enhance service.
-  Continue to innovate and refine our processes as we pursue our seventh-consecutive Achievement of Excellence Award.



# Central Services

Our Central Services division acts as a shared resource for the divisions of Regional Services, the Health Insurance Pool, Sourcewell Technology, and Cooperative Purchasing. We believe there's synergy and efficiency by providing centralized internal support for the entire organization in areas such as finance, human resources, government relations, legal, marketing, and procurement.

## Highlights from 2020-21

-  Named a Top Workplace in Minnesota by the Star Tribune. Sourcewell ranked No. 7 in the mid-sized employer category.
-  Moved to a 100% virtual hiring and onboarding process to remove time constraints associated with travel, especially for those not in the immediate area.
-  Piloted a process to efficiently and systematically pursue new programs and services, ensuring public agencies get the programs and services they want and need when they want and need them.
-  Expanded our customer relationship management system, allowing for streamlined communications with current and potential participating agencies.
-  Implemented a new enterprise resource planning system for HR and finance functions to help streamline processes, enhance the user experience, and equip the organization with the tools needed to succeed and improve operations.

## What to watch for in 2021-22

-  Focus on workforce development, including the capabilities and skills of team members.
-  Develop organizational process management and continuous improvement practices to provide clarity and empower staff to work more efficiently in serving public agencies.
-  Alignment and expansion of current offerings to provide solutions that help public agencies effectively and efficiently serve.
-  Ongoing enhancement of our organization's enterprise resource planning system, including annual benefits enrollment.



Sourcewell and its employees are committed to giving back to the communities we serve. This summer, Sourcewell served as a distribution site for the Farmers to Families program.

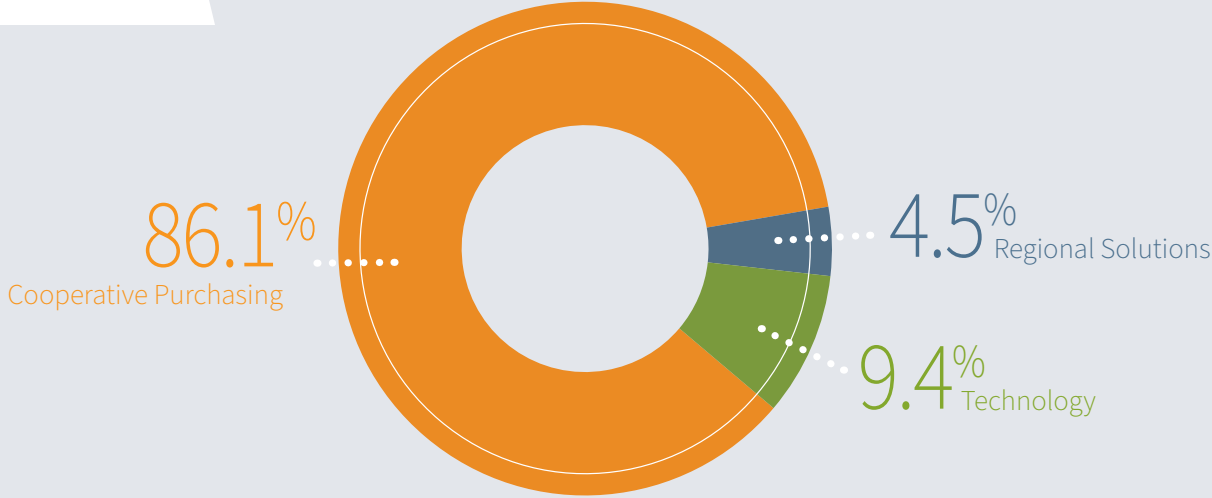


# Financials

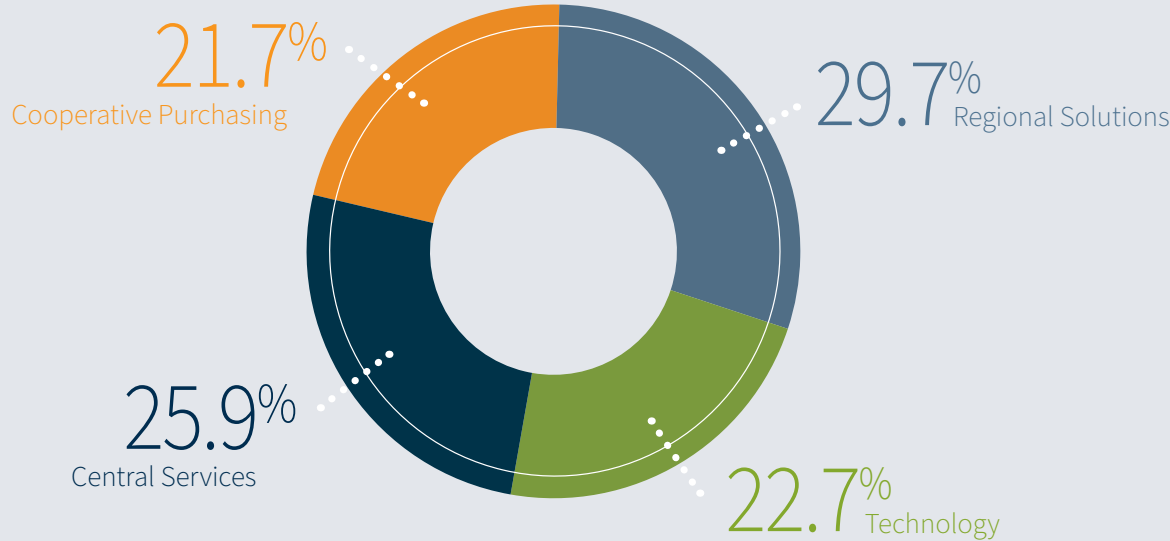
Fiscal year 2020-21

Sourcewell operates a \$64M budget. The information below represents actual overall revenue and expenses for the fiscal year, with the exception of the self-sustaining health insurance pool.

## Revenues



## Expenditures



# Stewardship & sustainability

Sourcewell is committed to partnering with education, government, and nonprofits to boost student and community success. In 2020-21, over \$17 million was spent in regional, state, and national outreach. More than \$21 million has been budgeted for fiscal year 2021-22 to be strategically reinvested in our region, state, and throughout the country.

### Regional programming and services

Sourcewell supports educators and leaders in local government and nonprofits organizations throughout our five-county service area by providing professional development, contracted services, funding, internship reimbursement, facility construction, and more.

2020-21 — \$14 million spent

2021-22 — \$18 million budgeted

### Statewide services and national partnerships

By working with the League of Minnesota Cities, Association of Minnesota Counties, and the eight other service cooperatives in Minnesota, we can multiply our collective impact on people beyond the boundaries of our service area.

On a national level, Sourcewell supports education and government professionals to help them better serve their communities by collaborating with national trade associations. These associations include the School Superintendents Association (AASA), Institute of Public Procurement (NIGP), fire chiefs associations, and numerous others.

2020-21 — \$3.1 million spent

2021-22 — \$3.2 million budgeted





Members of the current Sourcewell Board of Directors and ex officios play a crucial role in shaping the programs and services Sourcewell offers.

# Governance

Sourcewell is a Minnesota Service Cooperative governed by Minnesota Statute § 123A.21 (2016). Legislation passed in 1976 established nine educational cooperative service units (ECSU) across the state. The Region 5 ECSU, officially started in 1978, and assigned to serve school districts in Cass, Crow Wing, Morrison, Todd, and Wadena counties, is now named Sourcewell.

ECSUs were later renamed service cooperatives by the Legislature to encompass the broad reach of the cooperatives serving education, cities, counties, and other units of government. Service cooperatives were created for the purpose of “meeting specific needs of clients in participating governmental units which could be better provided by a service cooperative than by the members themselves.”

Sourcewell operates as a government agency consisting of representatives from voting member government units. Voting members are statutorily limited to public school districts, cities, counties, and other government units within the geographically defined region of Minnesota consisting of the counties of Cass, Crow Wing,

Morrison, Todd and Wadena. § 123A.21 Subd. 3. Voting members meet annually to conduct organizational business, including amending organizational bylaws that govern Sourcewell operations.

The “care, management, and control” of Sourcewell is vested in a board of directors. The Sourcewell Board of Directors currently consists of eight members and is comprised of elected officials, including six school board members, one county commissioner, and one mayor. The board is vested with broad authority to maintain and operate the organization, including the authority to hire administrative staff, define programs and services, and all other powers necessary to carry out the duties as delegated to it by voting members.

A service cooperative is defined as a public corporation and agency. Id. at Subd. 9(d). All property acquired by a service cooperative is public property and must be used for essential public and government purposes. Id. at Subd. 9(b). SC property is exempt from all taxes and assessments. Id.

## Board of directors

### Sub-Region I

**School districts:** Bertha-Hewitt, Browerville, Freshwater Education District, Long Prairie-Grey Eagle, Menahga, Sebek, Staples Motley, Verndale, Wadena-Deer Creek



**Sharon Thiel**  
sharon.thiel@sourcewell-mn.gov  
Term expiration: 12/31/2021



**Scott Veronen**  
scott.veronen@sourcewell-mn.gov  
Term expiration: 12/31/2022

### Sub-Region II

**School districts:** Cass Lake-Bena, Crosby-Ironton, Northland Community, Pequot Lakes, Pillager, Pillager Area Charter School, Pine River-Backus, Walker-Hackensack-Akeley



**Linda Arts**  
linda.arts@sourcewell-mn.gov  
Term expiration: 12/31/2023



**Sara Nagel**  
sara.nagel@sourcewell-mn.gov  
Term expiration: 12/31/2022

### Sub-Region III

**School districts:** Brainerd, Little Falls, Mid-State Education District-Little Falls, Pierz, Royalton, Swanville, Upsala



**Chris Kircher**  
chris.kircher@sourcewell-mn.gov  
Term expiration: 12/31/2023



**Ryan Thomas**  
ryan.thomas@sourcewell-mn.gov  
Term expiration: 12/31/2024

### Sub-Region IV

**City County Other Governmental Agency (CCOGA) organizations:** Cities: Baxter, Brainerd, Breezy Point, Browerville, Clarissa, Crosslake, Emily, Little Falls, Long Prairie, Menahga, Nisswa, Pierz, Pine River, Royalton, Sebek, Staples, Verndale, Wadena; Counties: Cass, Crow Wing, Morrison, Wadena; Government Agencies: Central Lakes College, MN State Comm. & Tech College, Region 5 Development Commission



**Mike Wilson**  
mike.wilson@sourcewell-mn.gov  
Term expiration: 12/31/2021



**Greg Zylka**  
greg.zylka@sourcewell-mn.gov  
Term expiration: 12/31/2024

Sourcewell receives guidance and input on services and solutions from the communities served through various groups, including:

- › Board of Trustees
- › Community Solutions Advisory Group
- › Procurement Advisory Committees
- › Risk Management Pool Advisory Committee
- › School Superintendents Advisory Group
- › Supplier Advisory Committee



# Guiding authority

Minnesota statute outlines programs and solutions that service cooperatives may provide to support government, education, and nonprofit entities. Sourcewell programs align within 11 of these areas:

## Administrative Services

- Social services management
- Financial reporting
- Consulting

## Community Services

- Community Impact Funding
- Grant writing
- Emergency preparedness
- Community Match Funding
- Internships
- Nonprofit support

## Health & Safety

- Regional safety groups

## Planning

- Comprehensive planning

## Procurement

- Cooperative purchasing
- Rebate program

## Professional Development

- Leadership training
- Instruction

## Risk Management

- Health insurance
- Life insurance
- Employee wellness

## Shared Time Programming

- Zoning
- Contract coordination
- Executive recruitment
- Consulting
- Licensing

## Student Academics

- Low incidence support
- Collaborative Service Workers
- Spelling Bee
- Knowledge Bowl

## Teaching & Learning

- Consulting
- Leadership training
- Assessment
- Curriculum
- Career and College Readiness

## Technology (K-12 education)

- Training
- Support
- Field specialists
- Data management and security
- Software

“I like to think of our vision as the destination, and our values as the map and compass that help us get there. Though there may be obstacles along the journey, we have those important tools in place to help lead the way.”

— Dr. Chad Coquette  
Sourcewell  
Executive Director/CEO





Officials from the Walker-Hackensack-Akeley School District cut the ribbon at the new Up North Learning Center. Each year, Sourcewell reinvests in its communities, including a \$5.2 million contribution toward the learning center.

# Get to Know Us

## FAQs about Sourcewell

**Q. Who is Sourcewell?**

A. Sourcewell is the regional service cooperative for Cass, Crow Wing, Morrison, Todd, and Wadena counties. As a service cooperative, we're a self-sustaining government organization charged by Minnesota state statute to partner with education, government, and nonprofits to boost student and community success.

Locally, we deliver training and contracted services. Statewide, we provide a self-funded group health insurance option for public agencies. Throughout North America, we offer a cooperative purchasing program and technology solutions for schools. Sourcewell staff aim to be force multipliers, empowering public employees as they fulfill their public service mission.

**Q. Whom does Sourcewell serve?**

A. We exist to serve education, government, and nonprofits. The leaders of these organizations define success according to the needs of those they serve. We help them meet **their** goals.

**Q. Who are Sourcewell's local partners?**

A. To broaden the impact of our work to build strong, healthy communities, we partner with other groups and organizations. Within our region, we frequently partner with the Region Five Development Commission (R5DC) and the Initiative Foundation. We are sometimes confused with these two organizations. They have their own boards and serve their own mission locally. We are an independent government organization and have our own boards of directors comprised of publicly elected officials.

**Q. How does Sourcewell decide what programs to offer in its central-Minnesota service region?**

A. One of the guiding directives for all Minnesota service cooperatives is to be a regional catalyst helping public agencies and schools accomplish collectively what they can't accomplish alone. We have regional advisory groups, offer surveys, and stay connected through our everyday work to meet the needs and objectives of our member entities. We build solutions and offerings alongside them that scale to serve the whole region with solutions that help them meet their objectives.



# Get to Know Us

## FAQs about Sourcewell continued

### **Q. What is Sourcewell's leadership role in its central-Minnesota service region?**

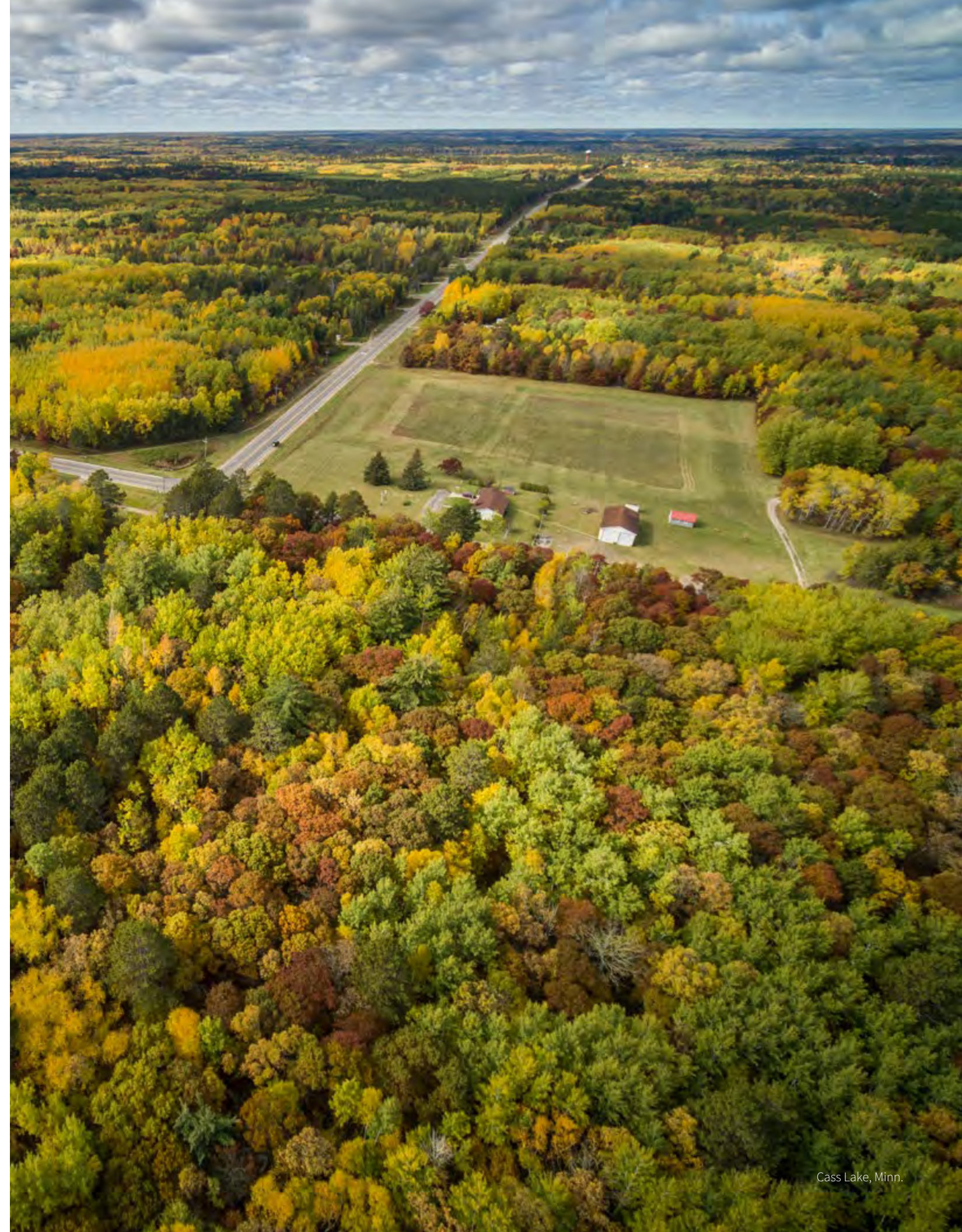
A. The state statute that establishes our purpose is clear about the 23 programs and services Minnesota regional service cooperatives may offer and how they will be governed.

Sourcewell's purpose is to be a supporting actor for local public agencies and schools in Cass, Crow Wing, Morrison, Todd, and Wadena counties. Every public agency has its own locally elected boards that serve at the will of their communities. Each public agency and school listens to its community and constituents and makes a plan for **their** future. We aggregate the regional trends and plan our collaborative support for **their** success around **their** identified needs.

Our governing board is made up of elected officials serving schools and government in our region. They must first be elected to a public board or council through a public election process. As elected officials overseeing a school or public entity, they are then eligible to run for election to our board and represent their sub-region as chosen by other elected peers. Our constituents, the entities we answer to and serve, are their districts, cities, counties and other government agencies.

### **Q. Beyond programs and program staff, how does Sourcewell reinvest in its central-Minnesota service region?**

A. Sourcewell is allowed to provide funding to other public agencies, school districts, and nonprofits on projects and initiatives that fall within the scope of the Minnesota service cooperative enabling state statute and serve a public purpose. Part of our purpose is to partner with other government or education entities to provide collaborative ways to achieve together what it might be more difficult to achieve alone. Sourcewell's ability to reinvest is made possible through a national cooperative purchasing program.





# Sourcewell: we are driven to serve

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## Our core services

- Cooperative Purchasing
- Community Solutions
- Education and Career and College Readiness
- Regional Low Incidence Project and Collaborative Service Workers
- Insurance and Employee Benefits
- Technology Solutions for Schools

