

# Purposeful Growth & Service

Annual Report 2022

Campground and RV sites  
at Head of the Lakes Resort  
in Osakis, Minnesota





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Sourcewell Executive Director and CEO Chad Coauette

# Letter from the Executive Director

Growing up on a farm in northwest Minnesota, I always recognized the change of seasons based on the work my dad and uncles were doing.

There was a lot of maintenance and prep work in the winter to get ready for spring field work and planting. Plenty of work on trucks, combines, and sugar beet harvesting equipment happened over the summer to ensure everything was in tip-top shape prior to harvest. And during harvest, it was all hands on deck to do whatever it took to get the crop in.

While many of us living and working here in central Minnesota can relate to the rigor and dedication it takes to farm, this also serves as an applicable metaphor as I enter my 10th year at Sourcewell.

Successful preparation, planting, and harvesting require passion – a drive that gets you out of bed each morning and gives you a sense of satisfaction as you lay down your head at the end of a long day. A few hundred individuals roll up their sleeves day after day and help fulfill Sourcewell's mission of being a force multiplier.

Sourcewell is a Minnesota service cooperative, and it is our purpose – and pleasure – to partner with education, government, and nonprofit agencies to boost student and community success, as well as provide training and contracted services to help public agencies do more with less.

As an illustration of this work, over the past 12 months, our team has helped provide:

- \$10.4 million to construct two Setting IV facilities in the Brainerd (MN) and Walker-Hackensack-Akeley (MN) school districts
- More than \$520,000 in Community Impact Funding to support local nonprofit and government agency initiatives
- Educational opportunities to more than 2,300 local educators
- Health insurance solutions to more than 6,000 Minnesota public employees, dependents, and retirees

And we won't stop there.

We are positioned to grow our current services and remain attuned to the needs of our communities as they evolve and adapt to our changing times. Sourcewell is here for the long haul. And while we may not be producing sugar beets plucked from the ground, we are proud and passionate about helping our neighbors create a plentiful harvest of successes in their communities for generations to come.

Thank you for the opportunity to serve our region.

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

Here's how we've organized and aligned our teams to maximize how we deliver on our mission, vision, and values.

## Regional Services

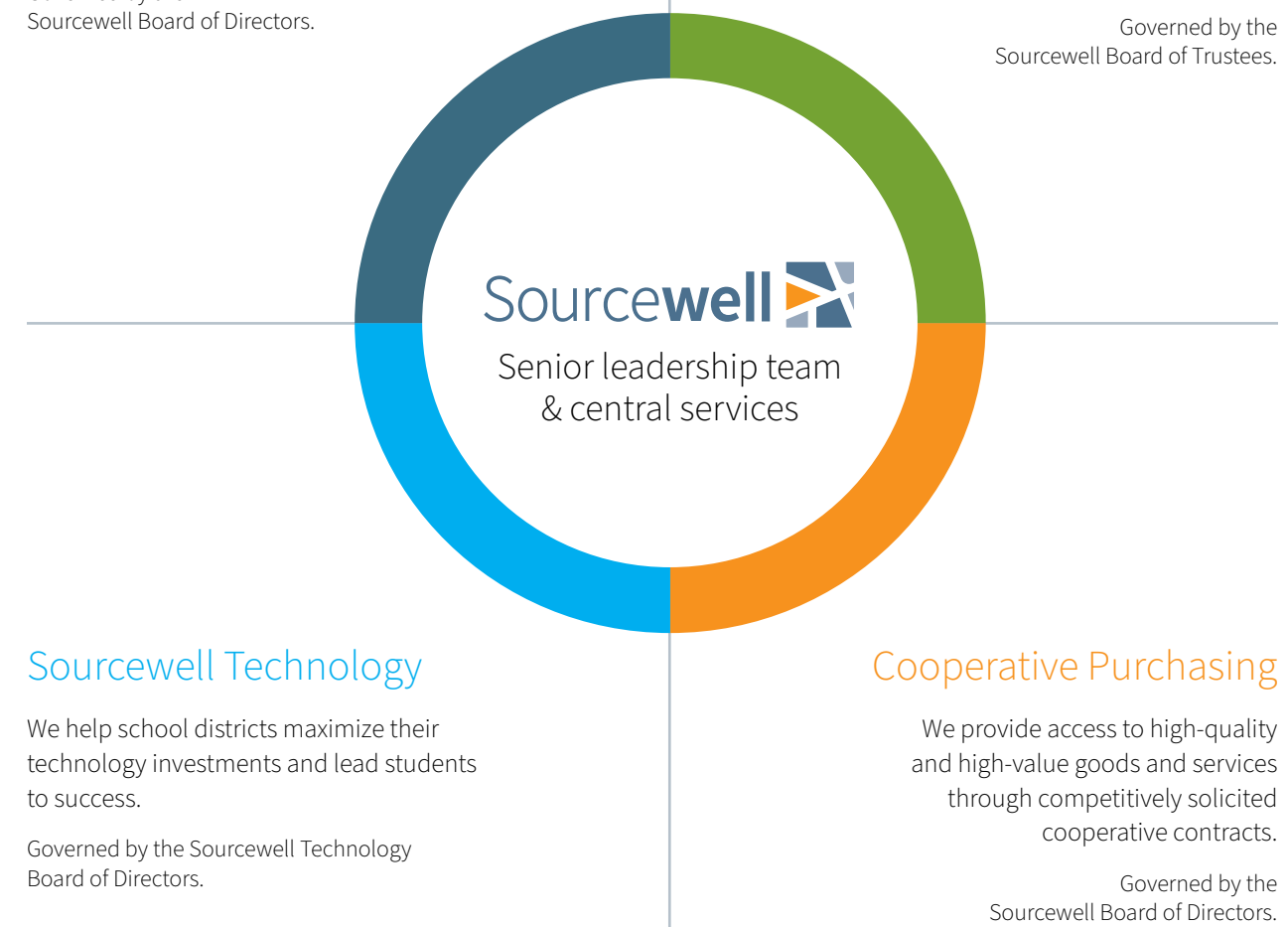
We provide training and contracted services to support school districts, government agencies, and nonprofits in our regional service area of Cass, Crow Wing, Morrison, Todd, and Wadena counties.

Governed by the Sourcewell Board of Directors.

## The Better Health Collective

We manage The Better Health Collective, a self-funded and state-certified group health insurance option for public employers across Minnesota. Members leverage the power of cooperative purchasing and risk sharing for an affordable and stable health plan.

Governed by the Sourcewell Board of Trustees.



# Regional Services

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 2021-22



Built out an updated service model and framework for supporting schools in comprehensive planning and measuring impact.



Contributed \$5.2 million to help construct a Setting IV facility in Brainerd (MN) during 2021-22 and paid for this overall commitment two years earlier than initially planned.



Completed the Greater State of Mind regional mental health needs assessment, a collaborative project with the Region V+ Mental Health Initiative, plus government, tribal, community leaders, and mental health care providers in central Minnesota. This sets the stage to better serve and respond with regional partners to ongoing mental health care needs and challenges throughout the region.



Partnered with Good Neighbors EMS Fund to distribute \$175,000 worth of essential supplies and equipment to volunteer emergency responders throughout the five-county area.



Launched [mn.sourcewell.org](https://mn.sourcewell.org), a website tailored to the needs of our regional members, making it quicker and easier to find training and resources.

## What to watch for in 2022-23



Piloting the new education service model and framework in two regional schools.



Engaging with expanded advisory councils and our regional members to define impact and develop a method to measure it.



Hiring a mental health coordinator to help regional partners respond to the gaps in service areas discovered in the Greater State of Mind regional mental health needs assessment.



Facilitating work to bring forward a new statewide solution through partnerships with Minnesota Service Cooperatives, as well as cities, counties, and other government agencies.



Local leaders in education had the opportunity to learn and network at the June 2022 Leadership Retreat hosted by Sourcewell at Cragun's Resort.





The Better Health Collective serves public entities with group health insurance. It brings together the people, partners, and tools necessary to support complete wellness for public employees.

# The Better Health Collective

We're proud to manage The Better Health Collective and offer public employers a self-funded and state-certified group health insurance option. The Collective is governed by its own Board of Trustees, a separate governing board from that of Sourcewell and Sourcewell Technology.

## Highlights from 2021-22



Renamed the health insurance pool The Better Health Collective, making it easier to connect with current and potential members.



Earned certification from the Minnesota Department of Commerce as a compliant intergovernmental joint risk pool. The Better Health Collective is one of three organizations of its kind to have earned this compliance certification.



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



Developed strategies to increase membership. The larger our membership, the more our risk is dispersed, helping control costs for every participant.



Increased end users' understanding of the health plan and how to save money on health care through educational videos and quarterly webinars.

## What to watch for in 2022-23



Expanding cooperatively procured contracts to benefit members' employee benefit packages, including contracts in the area of property/casualty insurance.



Joining the Association of Governmental Risk Pools to help provide better collaboration and educational opportunities for Sourcewell's Insurance Solutions team.



Working with new and existing groups to transition to Smart Plans. Having everyone on these easy-to-understand plans makes us more efficient as a collective.



# 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 from that of The Better Health Collective and Sourcewell.

## Highlights from 2021-22



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



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



Provided additional programming and on-demand services for schools, including acquisition of FilterED.



Enhanced the overall experience for current and potential clients of our portfolio of digital products, improving what users see and experience once they log in.



Made it easier for clients to find and understand edtech solutions by enhancing SpringMath.org and Proliftic.org.

## What to watch for in 2022-23



Creating increased efficiencies and synergies by completing integration of all Sourcewell Technology employees to Sourcewell — moving forward as a single organization.



Moving Sourcewell Technology financial operations to Sourcewell's financial management systems and processes, creating maximum efficiencies and improving overall effectiveness.



Continuing to reach schools throughout the country, sharing the FilterED solution. With the help of this platform, districts can rank, research, and compare technology systems, devices, vendors, and budgets in a secure, collective, and collaborative playbook.



Supporting K-12 success through SpringMath and Proliftic expansion.



Sourcewell Technology works with schools across the country to provide the services and solutions needed to help students succeed.










Through its cooperative purchasing program, Sourcewell helps government agencies simplify the procurement process and acquire the products and services necessary to live out their mission.






# Cooperative Purchasing

We provide public agencies throughout the United States and Canada access to high-quality and high-value goods and services through competitively solicited cooperative contracts.

## Highlights from 2021-22

-  Surpassed \$6.1 billion in contract sales volume, up 23% from last year.
-  Continued to expand cooperative purchasing options for participating agencies. In 2021-22, Sourcewell issued 32 Requests for Proposal with 633 responses received. Contracts were awarded to 169 suppliers.
-  Launched Buy Sourcewell, an online platform giving participating agencies a streamlined experience of searching, quoting, and online purchasing.
-  Implemented the Category Development team to increase our strategic focus on ensuring that we will have solutions for the challenges that our participating agencies face.
-  Earned a seventh consecutive Achievement of Excellence in Procurement® Award from the National Procurement Institute, Inc.

## What to watch for in 2022-23





-  Restructuring our agency-facing teams to integrate with Sourcewell Technology, as well as better supporting our suppliers and better serving our participating agencies.
-  Continuing to innovate and refine our processes as we pursue our eighth consecutive Achievement of Excellence in Procurement® Award from the National Procurement Institute, Inc.
-  Leveraging our partnerships to better serve our agency partners, representing Sourcewell at events, and driving growth in the use of our awarded contracts.
-  Expanding Sourcewell's portfolio of insurance solutions available to members, including an emphasis on solutions for public safety in collaboration with the Western Fire Chiefs Association and other partners.
-  Increasing tempo of the solution innovation process to launch pilots and prove out new solutions.







# Central Services

Our Central Services division acts as a shared resource for the divisions of Regional Services, The Better Health Collective, 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 2021-22

-  Named a Top Workplace in Minnesota by the Star Tribune for the seventh consecutive year. Sourcewell also received first-place recognition in the training category.
-  Transitioned to updated learning management systems for internal and external audiences, resulting in an improved user experience, system efficiencies, and cost savings.
-  Streamlined and integrated an annual strategy planning process throughout the organization, increasing efficiency and teamwork.
-  Embraced telecommuting and adopted a remote work policy that allows Sourcewell to be competitive in the labor market.

## What to watch for in 2022-23

-  Continuing work on developing organizational process management and continuous improvement practices to provide clarity and empower staff to work more efficiently in serving public agencies — including the launch of the first Organizational Process Management Cohort.
-  Updating and expanding our multimedia studio to extend the reach and effectiveness of virtual trainings and events facilitated through Sourcewell.
-  Investing in increased remote work technologies to help recruit employees from a wider geographical range.
-  Using compensation study findings to continue to be a competitive and desirable employer.



The Central Services team at Sourcewell works behind the scenes to support each division of the organization to deliver important services and solutions.

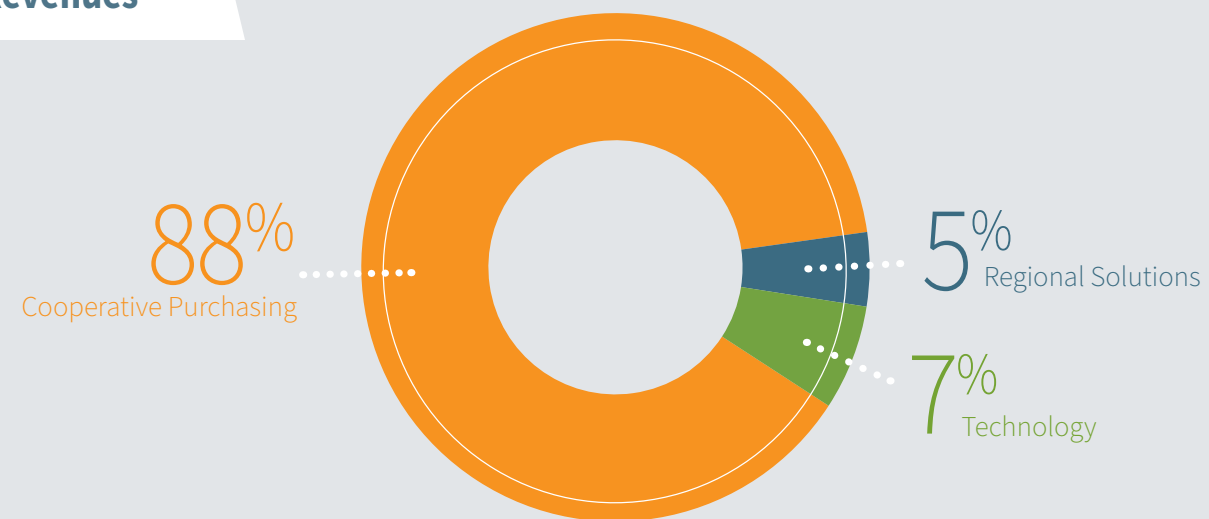


# Financials

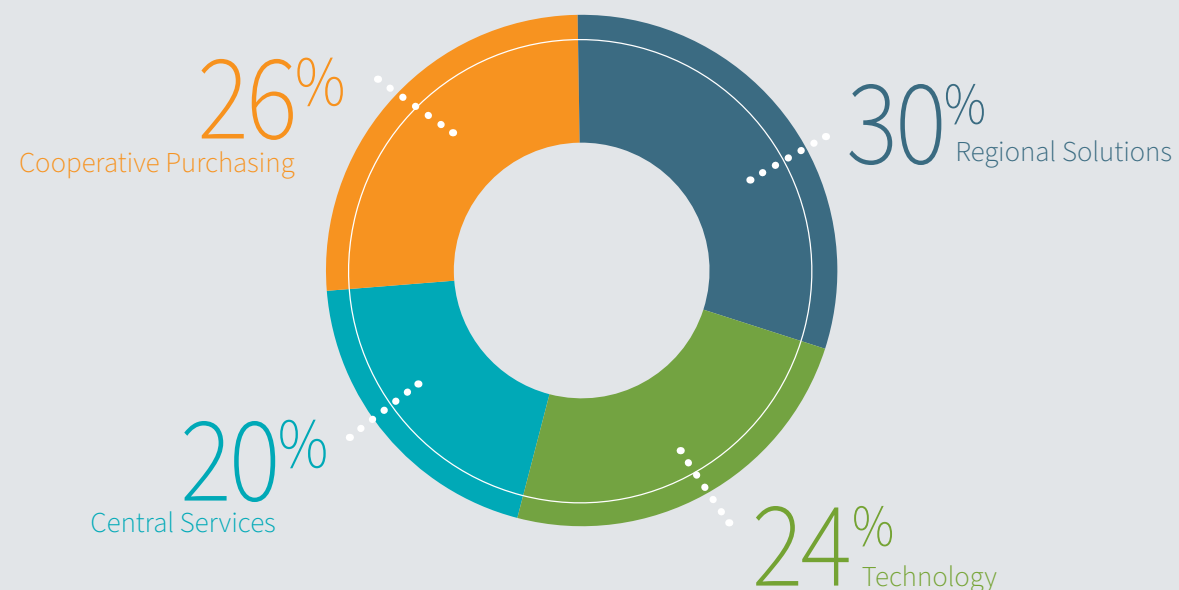
Fiscal year 2021-22

The information below represents actual overall revenue and expenses for Cooperative Purchasing, Regional Services, Sourcewell Technology, and the Central Services that support them..

## Revenues



## Expenses



# Stewardship & sustainability

Sourcewell is committed to partnering with education, government, and nonprofits to boost student and community success. In 2021-22, over \$17 million was spent in regional, state, and national outreach. More than \$18 million has been budgeted for fiscal year 2022-23 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 nonprofit organizations throughout our five-county service area by providing professional development, contracted services, funding, internship reimbursement, facility construction, and more.

**2021-22 — \$15 million spent**

**2022-23 — \$15 million budgeted**

## Statewide services and national partnerships

By working with organizations like 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.

**2021-22 — \$2.8 million spent**

**2022-23 — \$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. A service cooperative is defined as a public corporation and agency. 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. 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.

## 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](mailto:sharon.thiel@sourcewell-mn.gov)  
 Term expiration: 12/31/2025



**Scott Veronen**  
[scott.veronen@sourcewell-mn.gov](mailto: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](mailto:linda.arts@sourcewell-mn.gov)  
 Term expiration: 12/31/2023



**Sara Nagel**  
[sara.nagel@sourcewell-mn.gov](mailto: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](mailto:chris.kircher@sourcewell-mn.gov)  
 Term expiration: 12/31/2023



**Ryan Thomas**  
[ryan.thomas@sourcewell-mn.gov](mailto: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



**Steven Barrows**  
[steve.barrows@sourcewell-mn.gov](mailto:steve.barrows@sourcewell-mn.gov)  
 Term expiration: 12/31/2025



**Greg Zylka**  
[greg.zylka@sourcewell-mn.gov](mailto: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
- › Labor Management 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 10 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

## 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

“While each of us is on a unique journey, it’s important for us to walk the path together. Sourcewell is honored to come alongside our schools and communities to help fulfill the work of serving others and creating an even brighter future.”

— Dr. Chad Coauette  
Sourcewell Executive Director/CEO





Coming alongside community and education leaders to drive success is at the core of Sourcewell's programs and services. Equipment for the Memorial Park splash pad in Brainerd was purchased through Sourcewell's cooperative purchasing program.

# 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 (e.g., family child care and adult foster care licensing). Statewide, we manage a self-funded group health insurance option for public agencies. Throughout the United States and Canada, 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 five-county 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 **its** future. We aggregate the regional trends and plan our collaborative support for **its** 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 for 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 might be more difficult to achieve alone. Sourcewell's ability to reinvest is made possible through a national cooperative purchasing program.



Each year, Sourcewell awards hundreds of thousands of dollars to local government agencies and nonprofits to help provide programming and services to communities. In June 2022, projects were presented and voted on by representatives from fellow agencies and nonprofits, and more than \$500,000 was awarded at the Community Impact Funding Review Day.



# Sourcewell: we are driven to serve

## Who is Sourcewell?

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 manage a self-funded group health insurance option for public agencies. Throughout the United States and parts of Canada, 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.

## 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

