

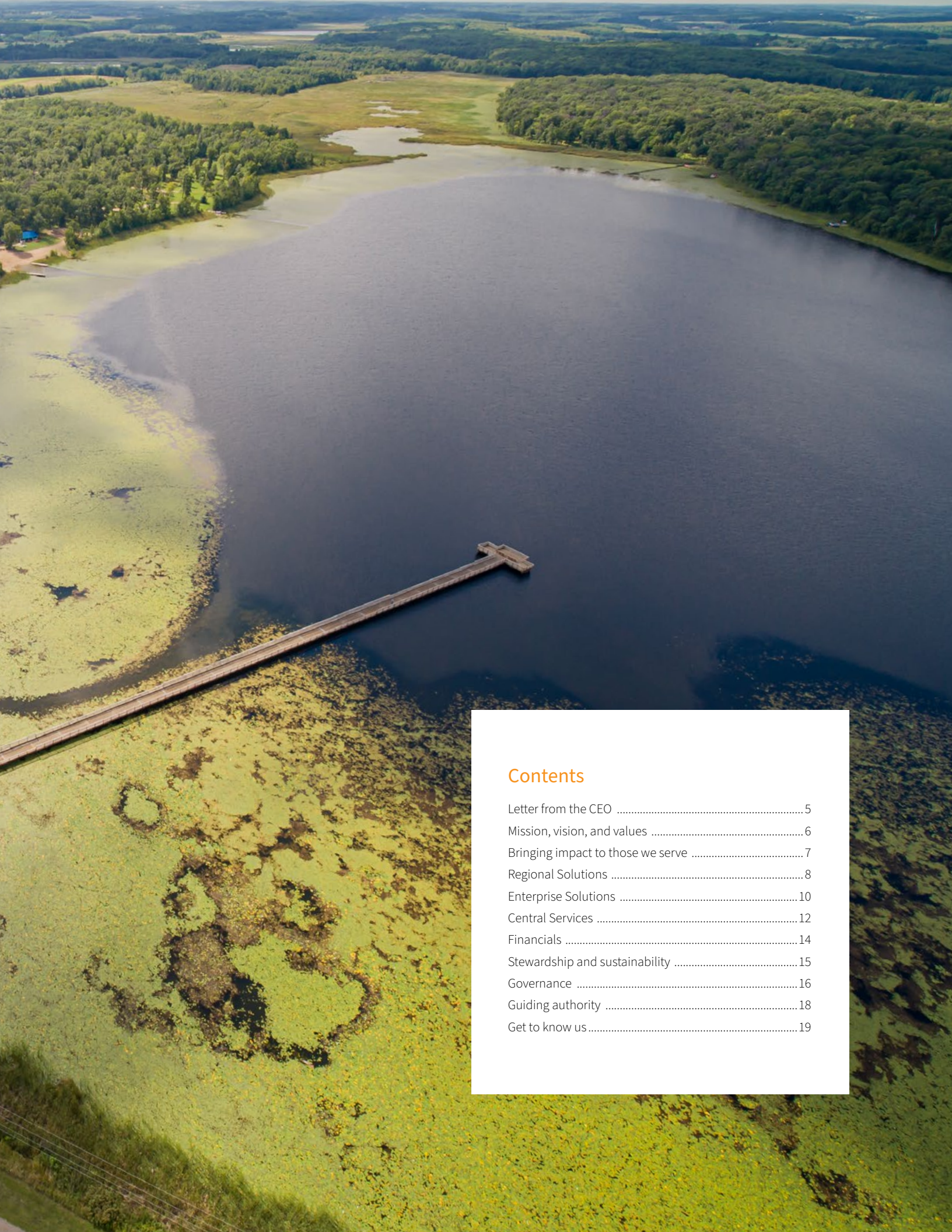
Scaling With Intention

Annual Report 2025

Crow Wing River
Staples, Minnesota



Dower Lake
Staples, Minnesota



Contents

Letter from the CEO	5
Mission, vision, and values	6
Bringing impact to those we serve	7
Regional Solutions	8
Enterprise Solutions	10
Central Services	12
Financials	14
Stewardship and sustainability	15
Governance	16
Guiding authority	18
Get to know us	19



CEO Chad Coauette speaking at the Sourcewell All Staff Event. Sourcewell ended its fiscal year with a record-setting 471 employees.

Letter from the CEO

You know that pair of jeans — the favorite ones that just fit? They're broken in just right, they're comfortable, and you know you can rely on them. But eventually, they wear thin. The knees give out, the seams stretch, or they just don't quite fit the same anymore. It's not because they were bad: They were exactly what you needed at the time. But eventually, one way or another, you grow out of what's comfortable.

That's what this past year felt like at Sourcewell.

We've entered a new phase of our work. One that builds on what's come before, while stretching us toward what's next. We're scaling not just in size, but in capacity, reach, and readiness. And while that growth hasn't always been easy, it's been intentional, necessary, and full of momentum.

In 2024–25, we reinvested more than \$26.3 million into our region — a 42.2% increase over the previous year. These dollars helped our communities tackle challenges in mental health, student support, and workforce development. Across our region, we supported opportunities for school districts, nonprofits, and local governments to connect and collaborate meaningfully.

Nationally, cooperative purchasing reached new heights. The Installation Support Program expanded to serve more military branches. And we piloted new solutions in fractional staffing, grant navigation, and rural innovation to meet evolving needs with agility.

Internally, we strengthened the systems behind our growth. We expanded AI tools, launched new knowledge platforms, and grew our workforce across 28 states.

We're not just scaling for growth's sake: We're scaling to serve. We always want to stay a step ahead so we can keep showing up in new and impactful ways for those who count on us.

With all that's ahead, it genuinely feels like we're just getting started. Thank you for your continued trust and partnership. We're proud to walk this path with you.



Chad Coauette, Ph.D.
Chief Executive Officer

Dedicated to service

As a service organization, Sourcewell exists to support public agencies as they serve their constituents. These principles are more than words: They 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

We 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

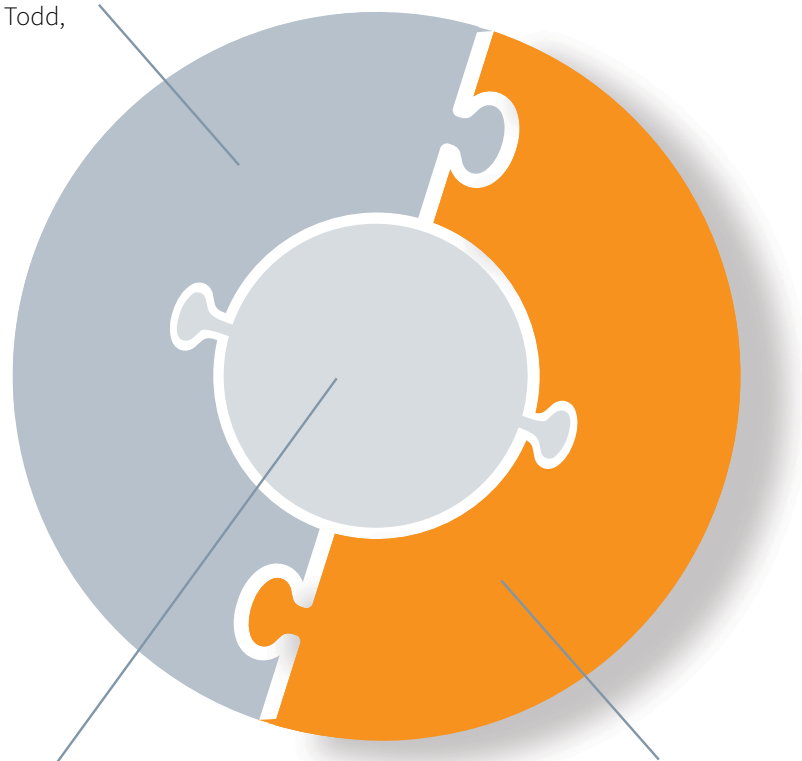
Be a difference maker by providing exceptional service, transforming potential into action, fostering a positive culture, and acting with integrity.

Bringing impact to those we serve

Regional Solutions

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

Here's how we organize and align our teams to maximize how we deliver on our mission, vision, and values.



Central Services

Sourcewell leverages a centralized service model to create cross-team synergy and avoid duplication of staff and resources. Central Services teams include finance, procurement, administration, facilities, talent and culture, legal and government relations, operations, technology, and marketing.

Enterprise Solutions

We serve education and government agencies both inside and outside our five-county service area. Solutions such as cooperative purchasing help public agencies meet their goals and enable Sourcewell to self-fund operations and regional work.



Regional Solutions

We walk alongside our partners to boost student and community success. Our regional programs and services support school districts, government entities, and nonprofits in our five-county service region of Minnesota's Cass, Crow Wing, Morrison, Todd, and Wadena counties.

Highlights from 2024–25



Scaled funding and direct support across the region, with total reinvestment exceeding \$26.3 million — a 42.2% increase over the previous year.



Contributed \$3 million in partnership with the CentraCare Regional Campus of the University of Minnesota Medical School to support pediatric and psychiatric residencies at regional hospitals and clinics, increasing the likelihood that doctors will stay in our communities.



Enhanced regional data systems and dashboards, giving our staff tools for tracking performance to improve solutions and services for schools and community partners.



Continued to expand Community Bridgemakers partnership, supporting action teams in mental health, workforce development, and social cohesion.



Deepened partnership with the Minnesota Department of Education (MDE) to support key statewide initiatives — including COMPASS, the READ Act, and career and technical education — to help regional schools improve outcomes and student success.



WonderTrek Children's Museum celebrates its groundbreaking ceremony with Sourcewell, the project's lead contributor and strategic investor.

What to watch for in 2025–26



Align systems and lay the groundwork to support our 2035 regional goal: partner locally to create the conditions that lead to all regional third graders reading at grade level or above by 2035.



Further integrate with MDE's COMPASS system, providing schools with deeper support around assessment, planning, and continuous improvement.



Implement a region-wide mental health strategy through collaborative programming, services, and funding — part of our ongoing support for Community Bridgemakers workgroups in mental health, workforce development, and social cohesion.



Focus on social determinants of health to build healthier, more equitable communities as regional services continue aligning to the Bridge Forward Framework.



Sourcewell team member Mike Garrette meeting with the Tennessee Dept. of Transportation (TDOT) and a materials supplier near Nashville, Tenn. TDOT uses Sourcewell contracts to supply multiple airports across the state.

Enterprise Solutions

We provide public agencies throughout the United States and Canada access to hundreds of competitively solicited cooperative contracts, procurement support for U.S. military installations, and other emerging solutions for public entities.

Highlights from 2024–25



Achieved a record-breaking \$12.8 billion in cooperative purchasing sales, a 20% year-over-year increase.



Expanded the Installation Support Program across the U.S. Army and signed Intergovernmental Support Agreements (IGSAs) with the Navy and Marine Corps and the 63d Division of the Army Reserve.



Launched pilots for new solution areas including:

- AscendRural, aimed at improving well-being in rural communities
- Risk, Benefits, and Insurance contracts in new areas to new audiences
- Funding Navigator, a digital tool developed in partnership with GovFunds
- Fractional Services to support local government leadership gaps



Streamline and scale the Installation Support Program to increase efficiency, clarity, and responsiveness while also expanding to more U.S. military branches.



Strengthen and unify how we serve and interact with clients, suppliers, and partners through four connected efforts that improve satisfaction, efficiency, and long-term impact:

- Create a data environment that turns information into insight
- Build a new digital experience
- Develop a client experience operating model and new tools to better anticipate and serve the needs of all our clients
- Replace our procurement portal



Grow the AscendRural initiative by advancing its work in three core areas: thought leadership, piloting innovative solutions, and building the internal structure and capacity needed for long-term growth.



Scale existing solutions and develop new solutions.

Central Services

The teams within Central Services provide shared support across the entire organization, fostering synergy and efficiency through centralized functions. These include finance, procurement, administration, facilities, talent and culture, legal and government relations, operations, information technology, and marketing.

Highlights from 2024–25



Completed year two of Sourcewell's content and knowledge management initiative, including the launch of The Well (intranet) and transitioning six teams to the new Content365 environment.



Scaled AI integration across departments, deploying tools like Microsoft Copilot and ChatGPT to enhance productivity and decision-making.



Earned the Achievement of Excellence in Procurement® Award from the National Procurement Institute for the tenth year in a row, reinforcing Sourcewell's national leadership in public procurement standards.



Grew our capacity to serve by nearly 42%, expanding from 332 to 471 employees. We supported this growth by scaling our Talent and Culture team and enhancing technology infrastructure to meet the needs of our multi-state workforce, which now spans 28 states.



Implemented a compensation program and developed an Employee Value Proposition to attract and retain talent to support organizational growth for the next 3-5 years.

What to watch for in 2025–26



Implement a strategic planning process and framework that aligns efforts across the organization. This will ensure better coordination, smarter prioritization, achievement of objectives, and long-term sustainability.



Complete the transition to Content365, enabling more effective collaboration and process automation.



Advance our learning and listening programs, strengthen benefits, and evolve talent recruitment strategies to continue to meet the needs of today's workforce and prepare for future growth.



Develop an AI strategy ensuring safe and effective use of AI-powered tools, driving digital transformation efforts through tailored applications and solution development.



Deepen data integration with both internal and external sources, expanding analytics capabilities, enabling more informed, data-driven decision-making across the enterprise.



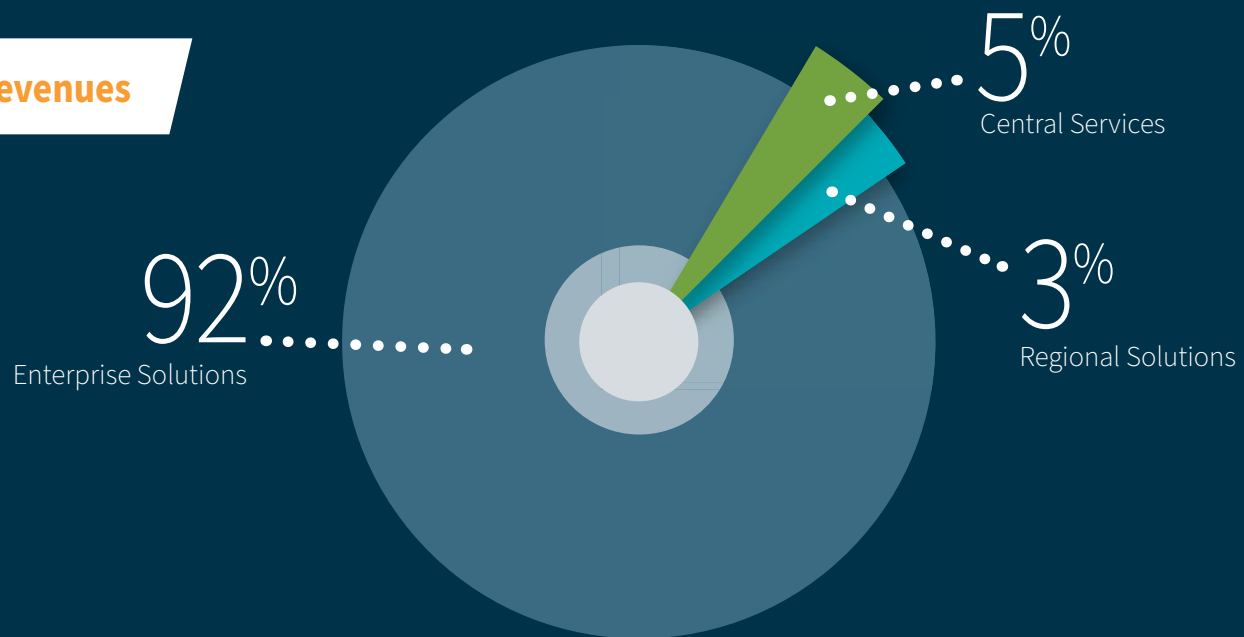
Members of Sourcewell's multi-state workforce come together every day to solve challenges for communities across the United States and Canada.

Financials

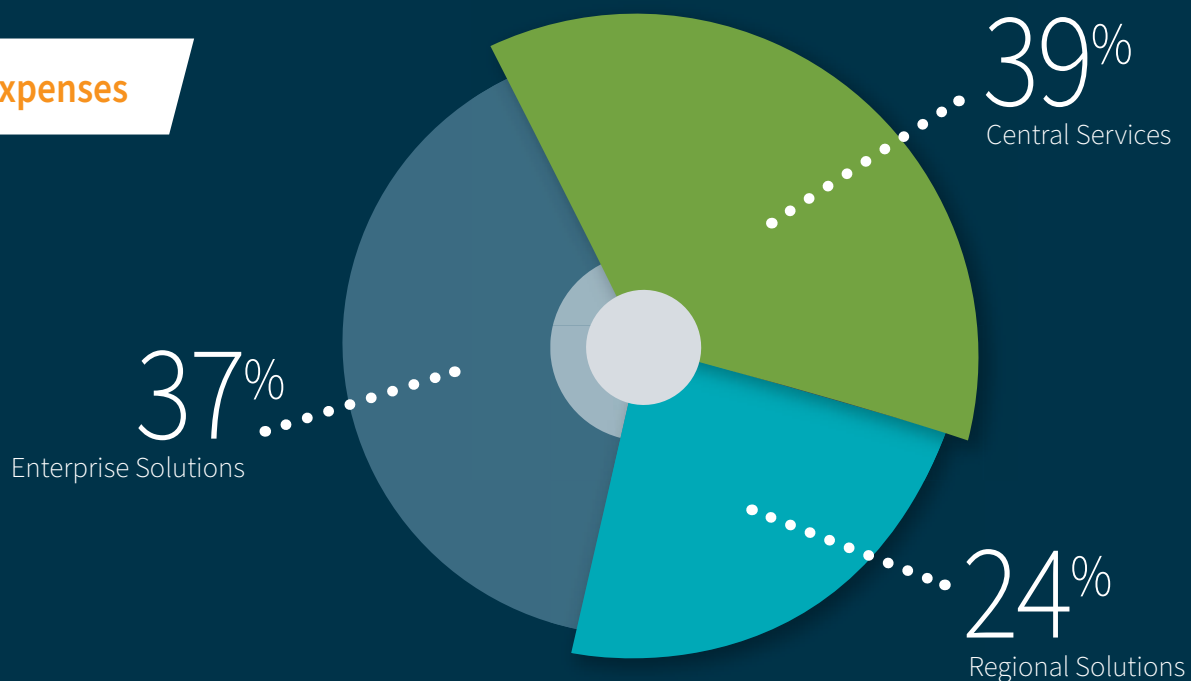
Fiscal year 2024-25

Sourcewell operated on annual revenues of \$136.6 million, a 9.7% increase over the prior fiscal year. The information below represents actual overall revenue and expenses for this fiscal year.

Revenues



Expenses



Stewardship and sustainability

Sourcewell is committed to partnering with public entities to boost student and community success. In 2024-25 we strategically reinvested \$33 million in regional, state, and national services. For fiscal year 2025-26, we budgeted more than \$38 million for strategic reinvestments.

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.

2024-25 -- \$26.3 million spent

2025-26 -- \$31 million budgeted

Strategic statewide services and national partnerships

By working with multiple state associations 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 for Public Procurement (NIGP), fire chiefs associations, and numerous others.

2024-25 -- \$6.7 million spent

2025-26 -- \$7.3 million budgeted



Members of Sourcewell's board of directors and CEO Chad Coquette discuss current initiatives at a monthly board meeting.

Governance

Sourcewell was created by Minnesota state law as a service cooperative to provide programs and services to education and government entities. Sourcewell was established with the statutory purpose to assist public entities in meeting needs that are more efficiently delivered cooperatively than by an entity individually.

As one of nine Minnesota Service Cooperatives established in 1973 by Minnesota Statute § 123A.21, Sourcewell is a local government agency. All Sourcewell employees are government employees.

Sourcewell is governed by an eight-member board made up of local elected officials, including county commissioners, city council members, mayors, and school board members from the five-county service area of Cass, Crow Wing, Morrison, Todd, and Wadena counties. The board is vested with the authority to employ staff, define programs and services, and maintain all other powers necessary to carry out the duties as delegated to it by statute and Sourcewell's members.

Board of directors

Sub-Region I

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



Julia Kicker

julia.kicker@sourcewell-mn.gov

Term expiration: 12/31/2026



Sharon Thiel

sharon.thiel@sourcewell-mn.gov

Term expiration: 12/31/2025

Sub-Region II

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



Sara Nagel

sara.nagel@sourcewell-mn.gov

Term expiration: 12/31/2026



Shannon Pfeiffer

shannon.pfeiffer@sourcewell-mn.gov

Term expiration: 12/31/2027

Sub-Region III

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



Douglas Dahlberg

douglas.dahlberg@sourcewell-mn.gov

Term expiration: 12/31/2028



Chris Kircher

chris.kircher@sourcewell-mn.gov

Term expiration: 12/31/2027

Sub-Region IV

City County Other Governmental Agency (CCOGA) organizations: Cities: Baxter, Brainerd, Breezy Point, Browerville, Clarissa, Crosslake, Emily, Little Falls, Menahga, Nisswa, Pierz, Pine River, Royalton, Sebeka, 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

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Term expiration: 12/31/2025



Greg Zylka

greg.zylka@sourcewell-mn.gov

Term expiration: 12/31/2028

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

- › Board of Trustees
- › School Superintendents Advisory Group
- › Community Solutions Advisory Groups
- › Supplier Advisory Committee
- › Procurement Advisory Committees

Guiding authority

Minnesota State Statute § 123A.21 defines the programs and solutions that Sourcewell may provide to support government, education, and nonprofit entities. Sourcewell programs align within several of these areas:

Administrative Services

- Provide resources and support for efficient operations in regional schools
- Support school workforce recruitment

Community Services

- Administer community funds for large and small projects for local government, nonprofit, and public safety entities
- Reimburse the use of third-party experts to sustain workforce retention and offer communities critical expertise
- Reimburse hourly wages for interns to boost regional workforce development for local government, nonprofit, and public safety entities
- Facilitate and participate in Community Bridgemakers, a collective impact initiative to remove barriers and advance regional opportunities

Curriculum Development

- Create and provide curricular resources for career readiness for students
- Create resources for schools to use in selecting curricular resources

Health and Safety

- Reimburse training for EMS responders, including initial and refresher courses on CPR/AED, Basic First Aid, EMR, and EMT
- Partner with the League of Minnesota Cities to bring Regional Safety Groups to our region

- Partner with the Precision Driving Center for firefighter, EMS, and law enforcement driving training
- Partner with the Minnesota Board of Firefighter Training and Education on firefighter training reimbursements

Planning

- Provide tools and facilitation support for school strategic planning

Procurement

- Offer a nationwide cooperative purchasing program to save government entities time and money on procurement
- Support authorized military installations' procurement strategy domestically, helping them get the supplies and services they need faster and cost-effectively

Professional Development

- Partner with state and regional associations to bring events that support cities, counties, townships, and nonprofit entities in the region
- Offer leadership training and professional development to help educators and school staff grow and empower student success

Risk Management

- Manage a health insurance pool for qualifying public entities across Minnesota
- Offer cooperative contracts nationwide in life insurance, supplemental wellness insurance, and employee wellness programs

Shared Time Programming

- Provide cities with cost-effective, expert community development advisory services
- Offer shared services for family child care and adult foster care licensing
- Manage social services contracts to improve efficiencies across counties
- Provide regional transition services for counties to reduce public costs and increase effectiveness of care for residents
- Provide staffing for career pathways development in schools

Student Academics

- Offer low-incidence disability services by providing access to highly qualified, licensed educators to support student success
- Host and manage student academic programs and conferences

Teaching and Learning Services

- Boost educator and school success through consulting, leadership training, assessment, curriculum offerings, and career and college readiness programs

Technology Planning, Training, and Support Services

- Offer educational software to empower educators with data-driven decision-making to school districts nationwide
- Provide a library of instructional technology for check-out to schools

Get to know us

FAQs about Sourcewell

Q. Who is Sourcewell?

A. We're a service cooperative – a self-funded government organization created by the Minnesota Legislature. Public employees across the U.S. and parts of Canada access our programs and solutions to help them serve their communities well.

Q. Who does Sourcewell serve?

A. We support public agencies with programs and services to help them do more with what they have.

Q. Who are Sourcewell's partners?

A. Our partners include regional organizations like the Region 5 Development Commission and Initiative Foundation. We partner with several state and national organizations and associations, too.

Q. How do you decide what solutions to offer?

A. We listen. This includes advisory councils, surveys, and conversations with community and school leaders. We seek to understand the challenges public agencies face and co-create scalable solutions to support them.

Q. What is your role in central Minnesota?

A. In our assigned service region of Cass, Crow Wing, Morrison Todd, and Wadena counties, we partner with schools, cities, counties, nonprofits, and other government agencies, offering funding, programming, training, and shared services that help them lead strong, healthy communities.

Q. What is your role outside the region?

A. Public agencies across the U.S. and Canada use our solutions to solve challenges, often saving time and money, and making their missions possible. Today our most popular solutions are our cooperative purchasing and Installation Support programs.

Sourcewell: We are driven to serve

Who is Sourcewell?

Sourcewell is a local unit of government and the regional service cooperative for Cass, Crow Wing, Morrison, Todd, and Wadena counties. As a service cooperative, we're a self-funded public government agency 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 also provide procurement support upon request to authorized military installations across the U.S. 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 solutions and career and college readiness
- Military installation support
- Regional low incidence project
- Technology solutions for schools

