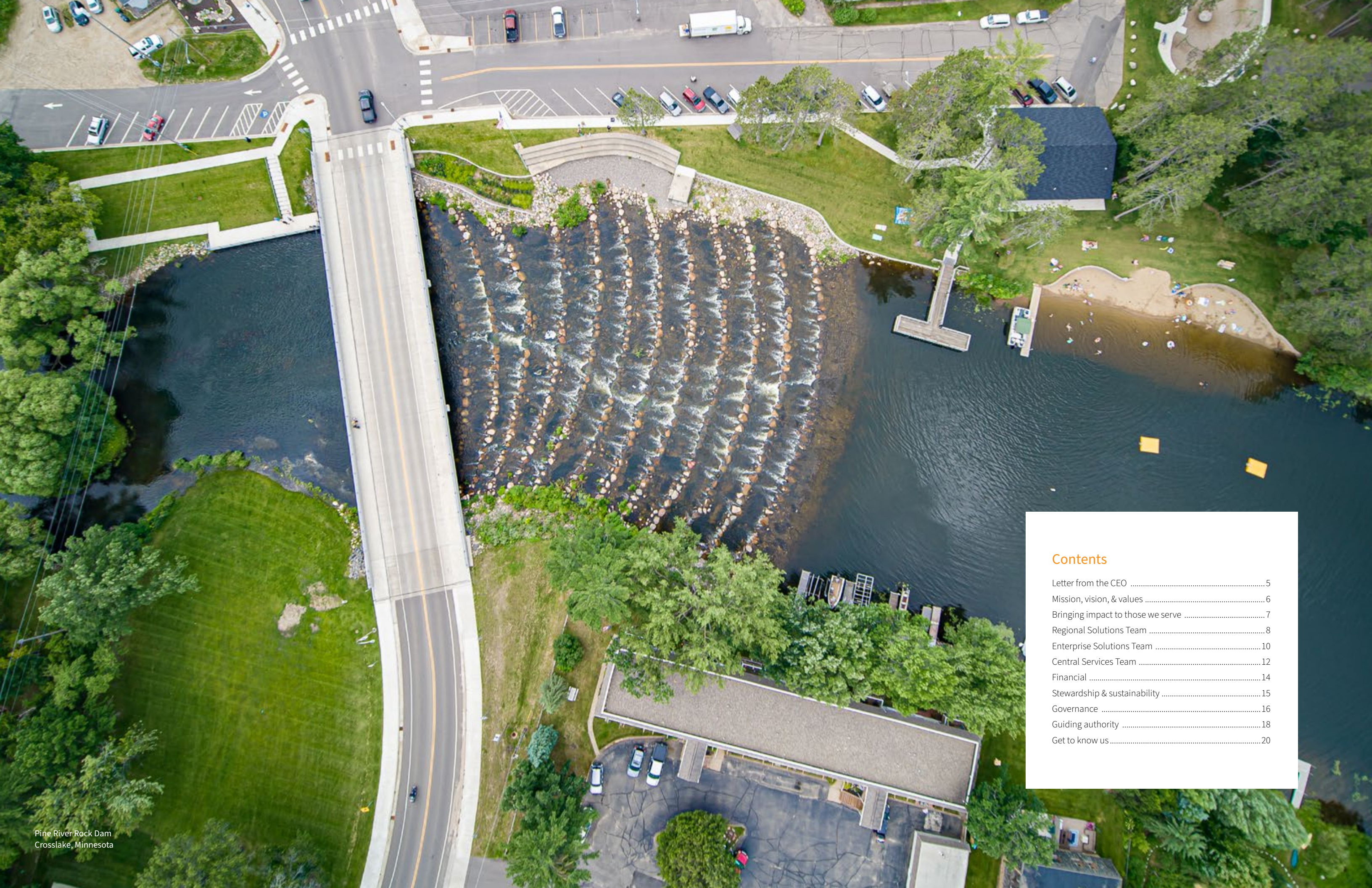


# Transformational Service & Growth

Annual Report 2024



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# Letter from the CEO

Do you remember being a teenager?

Specifically, when your arms and legs were suddenly longer than you remembered, and it took all your focus just to keep your balance? When the way you were accustomed to moving, acting, and existing no longer fit with your new capabilities?

I'm going somewhere with this, I promise.

The past year of growth for Sourcewell surprised everyone...even us. We've been scaling up for years, and this past year marked an even greater acceleration with record numbers. It's a massive accomplishment that would be impossible without the confidence shown in us by the communities we serve.

Even so, growth takes work. It's not just about the work to get there; it's also the work to actually accomplish something with your new size. Growing our scope means we can help more people solve more problems, but it's not enough to just do "more of the same." Growth means nothing if it isn't pointed at something important.

That's why we're focused on learning how to harness this moment of change. We want to lift up our five-county region to face emerging challenges. We want to dive deeper and bring unique marketplace solutions to solve government challenges. We want to make the most of our new capabilities.

Learning how to do all that takes focus, investment, and a dose of healthy disruption, but we're loving the results so far.

Sourcewell isn't a teenager, of course: From our beginnings in the 1970s solving regional education challenges to our added role offering solutions and support for public procurement efficiencies across North America and reinvesting beyond expectations in our five-county community, Sourcewell has nearly 50 years' experience with both growth and change.

We are more than ready to face the work of growing.

As I enter my 12th year at Sourcewell, I couldn't be prouder to look back at our team's foundational work and accomplishments. And I look forward with excitement to my own teen years with the organization as our region faces this period of transformational growth and opportunity.



Dr. Chad Coauette, Ph.D.  
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

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

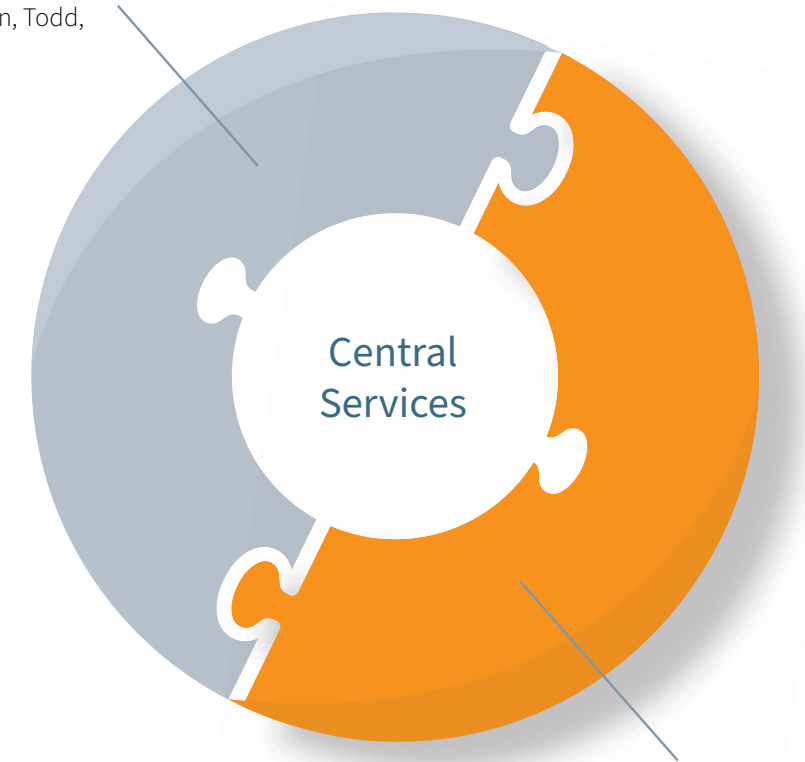
Be a difference maker by providing exceptional service, transforming potential into action, fostering a positive culture, and acting with integrity.

# 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, human resources, 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 Team

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

## Highlights from 2023-24



Piloted the Effective Schools Blueprint to improve work and outcomes in regional schools.



Supported the development of three key Community Bridgemakers subgroups for mental health, social cohesion, and workforce development.



Improved regional data-tracking process, piloted school data dashboards, and completed first step of improved performance measurement process for Community Solutions team.



Progressed strategy for regional mental health initiatives, identifying needs across the prevention-to-crisis continuum.

## What to watch for in 2024-25



Solidifying mental health strategies and projects for implementation.



Completing a pilot for metric and dashboard processes and further expanding data tracking.



Implementing and expanding COMPASS, a collaborative school continuous improvement system between the Minnesota Service Cooperatives (including Sourcewell) and the Minnesota Department of Education.



Continuing work with Community Bridgemakers partners to develop action plans in mental health, social cohesion, and workforce development subgroups.



Improving system integrations between Community and Education Solutions to enhance team coordination and collaboration.



Students at the Young Scientists Conference get practice using actual surgical equipment, operating on a simulated patient and extracting real candy as a sweet reward.




U.S. Army leadership hosted Sourcewell staff and board of directors at the Pentagon in April 2024 for a ceremonial signing of an Intergovernmental Support Agreement (IGSA). The agreement allows Army installations to request Sourcewell's support in procuring the supplies and services they need to remain mission ready.


# Enterprise Solutions Team


Sourcewell provides public agencies throughout the United States and Canada access to hundreds of competitively solicited cooperative contracts. We also provide education technology solutions for schools, procurement support for U.S. Army installations, and emerging solutions for public entities.

## Highlights from 2023-24

 Surpassed \$11 billion in contract sales volume, up 40% from 2022-23.


 Scaled the Installation Support program for U.S. Army installations across the country.


 Managed almost 800 cooperative purchasing contracts.


 Expanded Risk, Benefits, and Insurance contract portfolio to 30 contracts.


 Served more than 40,000 public agencies across North America.

## What to watch for in 2024-25

 Innovating the client experience by accelerating engagement with key accounts while maintaining excellent service to all agencies.

 Growing the Installation Support Program by onboarding all domestic Army installations and signing additional agreements with U.S. Navy, Marine Corps, Air Force, and Army Reserve.

 Adding staff and tools to evolve into the cooperative of choice for contracted suppliers.

 Expanding to further support agencies with Risk, Benefits, and Insurance needs.

# Central Services Team

The teams that make up Central Services act as a shared resource for the Regional Solutions and Enterprise Solutions teams. We ensure synergy and efficiency by providing centralized internal support for the entire organization in areas such as finance, procurement, administration, facilities, human resources, legal and government relations, operations, technology, and marketing.

## Highlights from 2023-24



Earned a ninth consecutive Achievement of Excellence in Procurement™ Award from the National Procurement Institute, Inc.



Installed LED lighting throughout facility, reducing maintenance costs and energy consumption by up to 45% per fixture.



Built and sustained a culturally sustainable multistate workforce, employing Sourcewell team members in over 20 states.



Completed phase one of three-year project for a comprehensive and scalable content management environment.

## What to watch for in 2024-25



Establishing a training and development center of excellence for staff to share knowledge and best practices.



Accelerating completion of a content management environment, condensing years two and three of implementation into a single year.



Establishing a data management center of excellence to empower informed decision-making and predictive analytics.



Deploying impactful artificial intelligence tools across the organization with a focus on Microsoft Copilot and strategic pockets of ChatGPT.



Developing strategic and workforce planning systems and processes.



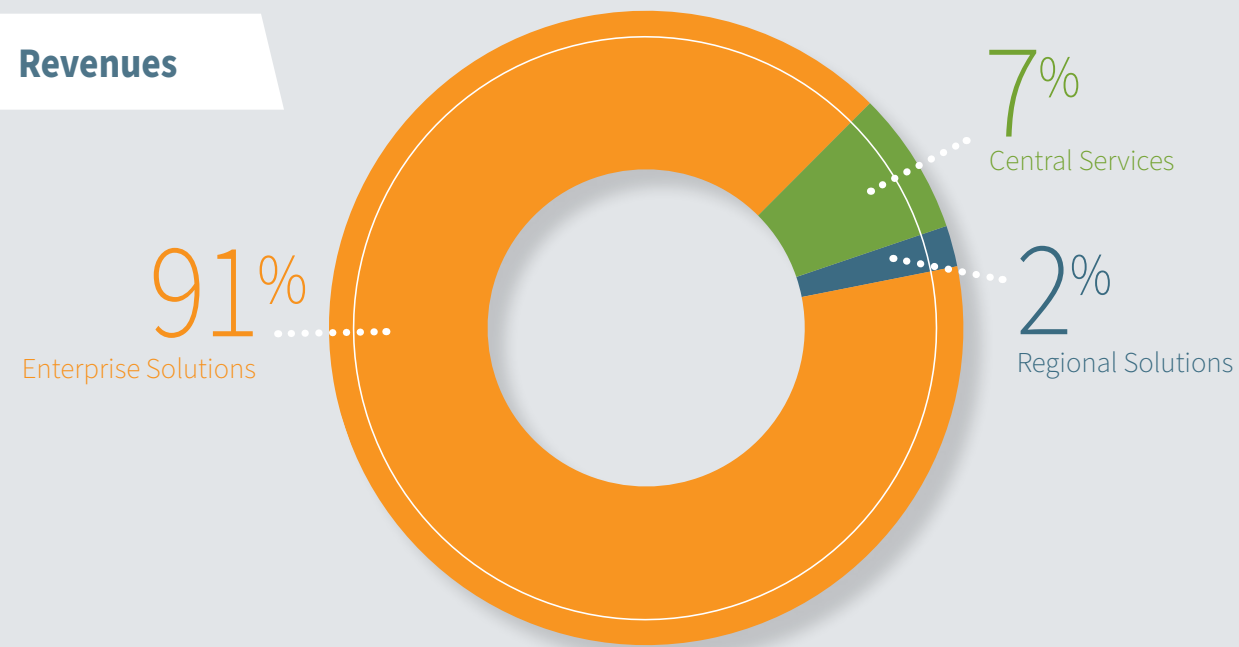
Sourcewell's IT team has risen to meet the challenges of rapid staff growth: Successful onboarding and support set each new employee up for success.

# Financials

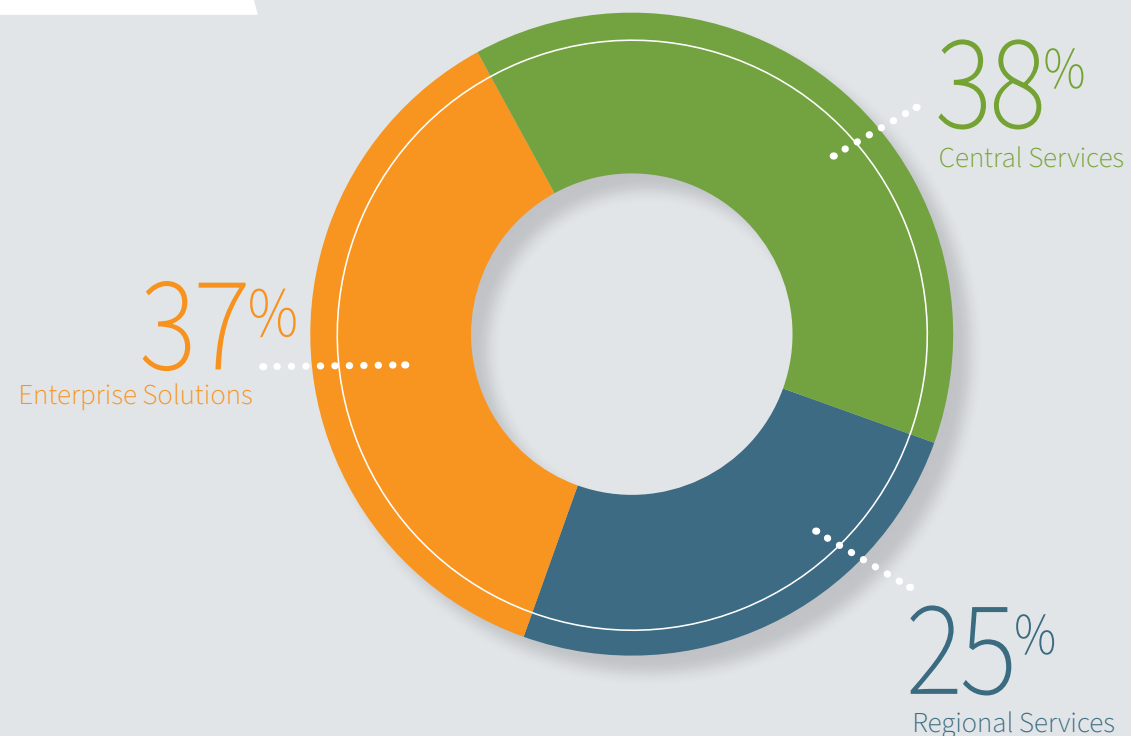
Fiscal year 2023-24

Sourcewell operates on a \$124.3 million budget. The information below represents actual overall revenue and expenses for the fiscal year.

## Revenues



## Expenses



# Stewardship & Sustainability

Sourcewell is committed to partnering with public entities to boost student and community success. In 2023-24, over \$23 million was spent in regional, state, and national services. More than \$36 million has been budgeted for fiscal year 2024-25 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.

**2023-24 — \$18.5 million reinvested**

**2024-25 — \$29.8 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 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.

**2023-24 — \$5.3 million reinvested**

**2024-25 — \$6.5 million budgeted**





Members of the Sourcewell Board of Directors and ex-officios with CEO Chad Coauette in Washington, D.C., for the signing of an intergovernmental support agreement with the U.S. Army.

# 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 public 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. 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](mailto:julia.kicker@sourcewell-mn.gov)  
 Term expiration: 12/31/2026



**Sharon Thiel**  
[sharon.thiel@sourcewell-mn.gov](mailto: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, 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: 12/31/2027



**Sara Nagel**  
[sara.nagel@sourcewell-mn.gov](mailto:sara.nagel@sourcewell-mn.gov)  
 Term expiration: 12/31/2026

### Sub-Region III

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



**Douglas Dahlberg**  
[douglas.dahlberg@sourcewell-mn.gov](mailto:douglas.dahlberg@sourcewell-mn.gov)  
 Term expiration: 12/31/2024



**Chris Kircher**  
[chris.kircher@sourcewell-mn.gov](mailto: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, Long Prairie, 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**  
[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 Council
- › Procurement Advisory Committees
- › Labor Management Committee
- › School Superintendents Advisory Group
- › Supplier Advisory Committee

# 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
- Facilitate and participate in Community Bridgemakers, a collective impact initiative to remove barriers and advance regional opportunities
- Reimburse hourly wages for interns to boost regional workforce development for local government, nonprofit, and public safety entities

## Health & 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 Partnership 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 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 & Learning

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

## Technology

- 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

“This time of growth offers us a tremendous opportunity to serve. I’m eager to witness that transformation to our service and the impact it will have in the region and beyond.”

— Dr. Chad Coquette  
Sourcewell CEO



Since 2014, local nonprofit and government entities like Farms To Food Shelf have used more than \$16 million in funding through Sourcewell to impact central Minnesota communities.

# Get to know us

## FAQs about Sourcewell

### **Q. Who is Sourcewell?**

A. Sourcewell is a service cooperative created by the Minnesota Legislature to empower public employees through dynamic solutions and services that drive effectiveness and impact. From procurement contracts to educational resources, our dynamic hub of solutions and services empowers those we serve to build growing and thriving communities.

### **Q. Whom does Sourcewell serve?**

A. Sourcewell is a self-funded public government agency charged by Minnesota state statute to partner with education, government, and nonprofits to boost student and community success.

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

A. Sourcewell partners with education, government, and nonprofit entities to help them do more together than they could alone on projects and initiatives that fall within the scope of Sourcewell's enabling Minn. Stat. § 123A.2. Within our service region, we frequently partner with Region 5 Development Commission and the Initiative Foundation.

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

A. We invite input through regional advisory councils, surveys, and day-to-day interactions with member entities. We build solutions and offerings alongside them that scale to serve the whole region.

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

A. Sourcewell supports local government, 501(c)3 nonprofit entities, and school districts in Cass, Crow Wing, Morrison, Todd, and Wadena counties in their efforts to serve their communities. We aggregate regional trend data and plan our collaborative support around their identified needs.



The Continuous Improvement Cohort, offered in partnership with the Initiative Foundation, helps local government and nonprofit leaders develop skills and tools to boost their teams' effectiveness.



Blanchard Dam and Soo Line Trail  
Morrison County, Minnesota

# 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 offer a cooperative purchasing program and technology solutions for schools. 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 and Career and College Readiness
- Military Installation Support
- Regional Low Incidence Project
- Insurance and Employee Benefits Administration
- Technology Solutions for Schools

