

Kansas Benefits from Participation in MHEC Programs and Services (continued)

8. Kansas students and families have saved nearly \$56.1 million in tuition through the Midwest Student Exchange Program since 1994. In FY14, Kansas residents saved over \$4.2 million.

Potential Savings for Kansas

1. Since the membership is a state membership, not only can higher education institutions use MHEC's purchasing contracts, but school districts, state and local governments, and not-for-profit entities can also use most of the MHEC purchasing contracts.
2. MHEC is a statutorily created entity in each member state. The Compact conducts competitive sourcing events and negotiates contract terms and conditions, thereby allowing flexibility for state and local entities to tailor MHEC contracts to their needs without having to incur the cost of rebidding for the products or services covered in MHEC contracts.

Opportunity for a Midwest Voice from Kansans

1. MHEC policy and research efforts focus on the Midwest. Kansans have participated in numerous MHEC professional development programs and policy initiatives designed to inform decision making and improve practice. For example, they have participated in MHEC's annual policy summits as well as initiatives to improve college readiness, close the educational achievement gap, define postsecondary learning outcomes, improve credit transfer and facilitate student mobility, improve student safety, facilitate stronger connections between education and the workforce, explore the potential impact of Massive Open Online Courses (MOOCs) and open educational resources on colleges and universities, facilitate transition of military servicemembers into postsecondary education and the workforce, and address the long-term human capital needs of the region and nation.
2. The theme for MHEC's 2014 policy summit was *Maximizing Return on Educational Investment: Preserving Access, Promoting Completion, Protecting Quality*. This event, attended by nearly 200 persons, was held in conjunction with the Compact's annual commission meeting on November 16-18 in Milwaukee.
3. The locations of MHEC commission meetings rotate among the member states, showcasing each state's education initiatives to an audience comprised of Midwestern legislators and education leaders. MHEC held its Executive Committee meeting in Topeka in June 2008.
4. All travel and lodging expenses for commissioners who attend Compact meetings are paid by the Midwestern Higher Education Compact.



Kansas Commissioners



Blake Flanders
Vice President for
Workforce Develop-
ment, KS Board of
Regents



Richard E.
Short
President, Short &
Son, Inc.



Marci Francisco
State Senator
Kansas Legislature



Helen
Van Etten
Board Member
KS Board of Regents



Marc Rhoades
Representative
Kansas Legislature



Barbara W.
Ballard
Representative
Kansas Legislature
(Alternate)



Ty A. Masterson
Chair, Senate Ways &
Means Committee,
Kansas Legislature
(Alternate)

2013-14 Kansas

Kansas Key to Shaping the Compact's Initiatives

1. Kansas was the first founding member state to pass authorizing legislation to join the Midwestern Higher Education Compact (MHEC), which was created in 1991.
2. Kansas legislators, members of the Midwestern Legislative Conference of The Council of State Governments, were instrumental in the formation of the compact.
3. Richard Short, Governor Sam Brownback's Commissioner Designee, was elected as MHEC's treasurer during the November 2014 annual commission meeting.
4. Lana Oleen, former Senate Majority Leader, has served as a MHEC commissioner and compact chair, and served as interim president twice.
5. The MHEC Purchasing Initiatives Committee is chaired by Barry Swanson, associate vice provost for operations/chief procurement officer, from the University of Kansas.
6. Over 20 Kansans, including commissioners, commissioner alternates, and members of advisory program committees, provide significant direction for MHEC programs and services.

Kansas Benefits from Participation in MHEC Programs and Services

1. Entities in MHEC member states have saved an estimated \$452 million since 1991 by using MHEC purchasing contracts and the MHEC property insurance program.
2. Kansas received a 68-fold return on its MHEC investment for FY14 when comparing total savings to the state's annual commitment (dues).
3. Kansas higher education institutions, school districts, and state and local governments have achieved cost savings of \$69 million since 1991, by using MHEC's cost savings and student exchange programs.
4. In FY14, education institutions, school districts, state and local governments, and students achieved savings of \$6.4 million.
5. In FY14, over 200 Kansas entities realized nearly \$1.1 million in cost savings by purchasing nearly \$11 million in technology hardware and software.
6. The MHEC property insurance program insures Barton Community College, Benedictine College, Butler Community College, Johnson County Community College, the institutions of the Kansas Association of Community College Trustees, the institutions of the Kansas Board of Regents, the institutions of the Kansas Independent College Association, and Washburn University. Their total property values are over \$11.5 billion, collectively saving over \$2.3 million since 1994 and nearly \$1.2 million in FY14.
7. MHECare, the student health collaborative, provides member institutions with a sustainable student health insurance program and helps institutions support the student learning experience by providing protection from unexpected medical expenses. To date, MHECare provides benefits for thousands of student lives across 45 campuses. The Kansas Board of Regents' institutions began participating in MHECare in fall 2012. They were the first campuses to join the collaborative. Several institutions of the Kansas Independent College Association also participate.

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Midwestern Higher Education Compact

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Summary of State Performance Indicators

Performance Summaries for Target Outcomes			
Indicator Category	Current Score	Trend	Aspirational Score
● Postsecondary Enrollment: General			
Rate of college enrollment directly after high school	66%	Decreasing	72%
Rate of postsecondary enrollment among older adults	7.2%	Decreasing	8%
● Postsecondary Enrollment: Achievement Gap			
Undergraduate enrollment rate of disadvantaged minority students at public four-year institutions	14%	Increasing	21%
Postsecondary enrollment rate among low-income students	34%	Increasing	49%
● Degree Completion: General			
Graduation rate at public two-year colleges	30%	Decreasing	32%
Graduation rate at public four-year colleges	53%	Decreasing	67%
● Degree Completion: Achievement Gap			
Graduation rate by ethnicity at public four-year institutions: average gap between disadvantaged minority students and White students	15 percentage points	Decreasing (gap)	0.5
● System Efficiency			
Credentials awarded per expenditure: Public two-year colleges	3.9	—	4.2
Credentials awarded per expenditure: Public master's universities	2.8	—	2.6
Credentials awarded per expenditure: Public research universities	1.5	—	1.9
○ Degree Quality			

Performance Summaries for Leverage Points			
Indicator Category	Current Score	Trend	Aspirational Score
● Academic Preparation: General			
Percentage of children ages 3 to 4 enrolled in preschool	46%	Stable	93%
Percentage of 8 th grade students scoring at or above proficiency in math	40%	Increasing	55%
Percentage of 8 th grade students scoring at or above proficiency in reading	36%	Decreasing	47%
Percentage of 8 th grade students scoring at or above proficiency in science	35%	—	48%
Rate of high school graduation	85%	Increasing	91%
Percentage of college-bound students who demonstrate college-ready academic achievement: English	72%	—	78%
Percentage of college-bound students who demonstrate college-ready academic achievement: Reading	51%	—	57%
Percentage of college-bound students who demonstrate college-ready academic achievement: Math	51%	—	62%
Percentage of college-bound students who demonstrate college-ready academic achievement: Science	42%	—	52%

● Approximates or exceeds aspirational score ● Moderate need for improvement ● High need for improvement ○ Performance not rated

Performance Summaries for Leverage Points (Continued)			
Indicator Category	Current Score	Trend	Aspirational Score
● Academic Preparation: Achievement Gap			
Percentage of 8 th grade students scoring at or above proficiency in math: Lower vs. Higher income students	30 percentage points	Increasing (gap)	0
Percentage of 8 th grade students scoring at or above proficiency in reading: Lower vs. Higher income students	26 percentage points	Increasing (gap)	0
Percentage of 8 th grade students scoring at or above proficiency in science: Lower vs. Higher income students	(missing data)	(missing data)	0
● Affordability: Middle Class			
Percentage of family income needed to pay for college	23%	Increasing	19%
Monthly savings over 18 years needed to pay for four year of college	\$339	Increasing	\$195
Average student loan debt	\$22,589	—	\$19,982
● Affordability Gap			
Percentage of family income needed to pay for college: Lower vs. Median income families, two-year colleges	13 percentage points	Decreasing (gap)	0
Percentage of family income needed to pay for college: Lower vs. Median income families, four-year colleges	26 percentage points	Increasing (gap)	0
● Effectiveness of Postsecondary Institutions: Four-Year Colleges			
Public four-year effectiveness in promoting degree completion	-0.73	—	1.00
○ Efficiency of Postsecondary Institutions: Four-Year Colleges			
Educational expenditures index	-0.29	—	—

Performance Summaries for Policy Instrument Indicators			
Indicator Category	Current Score	Trend	Aspirational Score
○ Investments (prior to FY 2013)			
Pre-K Expenditures per Student: Percentage actual of ideal	30%	Decreasing	100%
K-12 Expenditures per Student	\$11,765	Decreasing	—
State fiscal support for higher education per \$1,000 of personal income	\$8.37	Increasing	—
State fiscal support for higher education as a percentage of total state revenue	8.6%	Decreasing	—
State appropriations for postsecondary institutions as a proportion of average education and related expenditures	40-56%	—	—
Average award of State Need-based Grant Aid	\$1,737	Increasing	—
State Need-Based Grant Aid: Total State Aid as a percentage of Federal Pell Grant Aid	6%	Decreasing	—
● Policies for Improving Educational Quality: PK-12			
Pre-K policy rating: Percent of standards met	70%	Stable	100%
K-12 policy rating: Percent of standards met	36%	—	100%
● Policies for Improving Educational Quality: Postsecondary			
Postsecondary policy: Student learning outcomes state reporting	0%	Stable	100%



Midwestern Higher Education Compact

Annual Program Savings for Entities and Citizens in MHEC Member States

MHEC Member States	What Member States Pay 2013-2014 (State Commitment)	Total Annual Savings	Computing Hardware Program ¹	Computing Software Program ²	Technology Services Program ⁵	Property Insurance Program ³	Midwest Student Exchange Program ⁴
Illinois	95,000	29,918,149	7,049,636	591,230	37,245	2,951,755	19,288,283
Indiana	95,000	3,099,310	1,891,539	287,627	10,470	82,641	827,033
Iowa	95,000	507,999	490,476	17,524			
Kansas	95,000	6,477,877	975,810	87,621		1,182,460	4,231,985
Michigan	95,000	7,348,948	3,349,677	193,949		404,023	3,401,299
Minnesota	95,000	5,679,822	1,689,592	194,042	9,690	1,669,917	2,116,581
Missouri	95,000	7,343,604	2,019,566	49,200		2,776,844	2,497,994
Nebraska	95,000	4,445,886	223,542	14,828	11,760	857,416	3,338,340
North Dakota	95,000	753,452	230,944	126,856			395,652
Ohio	95,000	1,547,612	1,390,829	115,722	41,060		
South Dakota	95,000	334,705	107,479	58,993		168,233 ⁶	
Wisconsin	95,000	3,780,837	1,439,393	35,823	4,183		2,301,438
Program Totals	\$1,140,000	\$71,238,201	\$20,858,485	\$1,773,415	\$114,407	\$10,093,289	\$38,398,605

Footnotes:

1. Hardware program savings include those from Dell, HP, Juniper, Enterasys, Systemax, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, Arrow/VMWare, and Corel.
3. Based on premium and loss information as of June 30, 2014.
4. Student tuition savings for the academic year 2013-2014.
5. Technology Service program savings include those from Info-Tech Research Group and CampusEAI.
6. In 2009, 2012, and 2013, SD Office of Risk Management requested a quote for property insurance at its six SD Regent institutions. Even though the SD Offices of Risk Management kept its current carrier, they indicated the MHEC quotes saved the institutions \$85,000, \$239,302, and \$168,233, respectively.

Cumulative Savings for Entities and Citizens in MHEC Member States through June 2014

MHEC Member States	Cost Savings Programs				Other Initiatives ⁶	Student Access Midwest Student Exchange Program (Reduced Tuition) ⁵	Cumulative State Savings	What Member States Pay Cumulative (State Commitment)
	Computing Hardware Program ¹	Computing Software Program ²	Technology Services Program ⁴	Property Insurance Program ^{3, 7, 8}				
Illinois Member Since 8/20/1991	63,609,433	4,094,618	61,805	39,708,394	15,672,186	31,410,396	154,556,832	1,674,659
Indiana Member Since 3/14/1996	21,704,038	1,976,909	10,470	440,095	5,358,571	3,081,014	32,571,097	1,501,500
Iowa Member Since 6/6/2005	4,689,166	311,094		201,532	231,371		5,433,164	840,000
Kansas Member Since 4/25/1990	6,212,924	1,461,639		2,310,757	3,025,262	56,060,277	69,070,859	1,672,300
Michigan Member Since 7/24/1990	38,870,866	3,052,290	1,152	15,352,764	43,222,866	30,545,418	131,045,357	1,675,500
Minnesota Member Since 4/26/1990	11,296,579	2,237,459	19,195	15,044,485	10,876,074	12,987,682	52,461,474	1,675,500
Missouri Member Since 5/9/1990	14,082,983	1,415,780		22,645,130	5,484,930	28,132,948	71,761,772	1,675,500
Nebraska Member Since 6/5/1991	3,850,334	954,497	19,985	8,633,341	2,127,919	45,244,648	60,830,724	1,675,500
North Dakota Member Since 4/22/1999	1,077,071	397,760			1,000,822	2,555,991	5,031,644	1,327,500
Ohio Member Since 1/9/1991	23,852,029	2,661,775	41,060	45,000	32,198,285		58,798,148	1,675,500
South Dakota Member Since 3/13/2008	296,698	234,711		492,535			1,023,945	570,000
Wisconsin Member Since 4/18/1994	12,375,467	368,308	4,183		6,747,463	19,322,269	38,817,689	1,535,000
TOTAL	\$201,917,590	\$19,166,839	\$157,850	\$104,874,033	\$125,945,750	\$229,340,643	\$681,402,704	\$17,498,459

Footnotes:

1. Hardware program savings include those from Dell, HP, Lenovo, Juniper, Enterasys, Systemax, Mitel, Sun, and Xerox.
2. Software program savings are from the Novell/MHEC Collaborative Program, Oracle, Corel, Arrow/VMWare, and Open Systems.
3. Based on premium & loss information as of June 30, 2014.
4. Technology Services program savings include those from Info-Tech Research Group and CampusEAI.
5. Student tuition savings through the academic year 2013-2014.
6. Other initiatives are sunsetted programs: office products, telecommunications, equipment maintenance, academic scheduling, interactive video, and APN.
7. Iowa State University asked MHEC to bid their property insurance for FY 2009. The MHEC bid, with a much lower deductible, was \$186,205 less per year than ISU was paying. ISU selected their current carrier at a price of \$858,824 or \$201,532 less than paid in FY 2008.
8. In 2009, 2012, and 2013, SD Office of Risk Management requested a quote for property insurance at its six SD Regent institutions. Even though the SD Offices of Risk Management kept its current carrier, they indicated the MHEC quotes saved the institutions \$85,000, \$239,302, and \$168,233, respectively.

The State Compact Commitment

Midwestern Higher Education Compact



Overview and Purpose

The Midwestern Higher Education Compact (MHEC) is an interstate organization created from statutes enacted in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin to advance education through cooperation and resource sharing. By bringing together a network of higher education leaders, policymakers, students, practitioners, and providers, the compact facilitates closer collaboration, informs policy and improves practice, and achieves significant savings of time, money, and resources. Through MHEC, states have chosen to come together, recognizing that the strength of 12 states working collaboratively drives outcomes that could not be realized independently.

On November 17, 2013, the Compact's governing board unanimously voted to increase the member state Compact Commitment to \$115,000 for FY 2016 and FY 2017. Since FY 2009 (seven years), the state commitment has remained at \$95,000. This \$20,000 increase per state equates to a 2.3% annual increase retroactive to FY 2009. This investment will continue to provide annual savings of \$50-60 million to the states and their citizens.



Cost Savings and Participation by States

- » Since 2009, \$284 million and counting has been saved by citizens and thousands of entities in the 12 states through MHEC. A state's active utilization of MHEC's diverse programs and services can potentially result in substantial savings; the median is a 31-fold return on the MHEC investment when comparing total savings to a state's individual annual commitment.
- » Student participation in the Midwest Student Exchange Program in the 2013-14 school year has increased by 113% from 2008-09, with a 23% average increase in per student savings.
- » New programs and committees has led to an increase in convening of state and campus experts from across the Midwestern region to develop solutions to the challenges faced by higher education and to address these challenges through resource sharing.

Additional resources are needed to successfully maintain and grow the Compact's programs and services in response to its strategic plan, and to insure the long-term sustainability of the organization.

Research and Policy Analysis

- » The Compact's research and policy analysis benefits member states by:
 1. Facilitating collaborative initiatives among member states to advance higher education access, affordability, and quality:
 - » The new Multi-State Collaborative on Military Credit will help veterans by easing their entry into postsecondary education, reducing time to completion, and accelerating entrance into the workforce;
 - » The recent State Authorization Reciprocity Agreement (SARA) will save institutions in member states money while reducing regulatory burden and expanding student opportunity (non-compact states must pay \$50,000 annually to participate in SARA); and
 - » Past collaborative efforts have engaged policymakers and practitioners in member states to improve college readiness, close the educational achievement gap, define postsecondary learning outcomes, improve credit transfer and facilitate student mobility, improve student safety, facilitate stronger connections between education and the workforce, explore the potential of Massive Open Online Courses (MOOCs), and address the long-term human capital needs of the region and nation.
 2. Providing data and analysis to inform policy and improve practice—benchmarking studies, exploration of promising practices, and third-party expert analysis of data, hot topics, and trends; and
 3. Hosting policy summits, forums, and webinars on critical issues facing higher education.

State Commitment Comparison to Other Regional Compacts

At the recommended level of \$115,000, MHEC's annual state commitment and total revenues will continue to be significantly less than other higher education compacts: the Western Interstate Commission for Higher Education (WICHE), and the Southern Regional Education Board (SREB). The New England Board of Higher Education (NEBHE) does not have a uniform level of state commitment, but its average state commitment is \$179,375.

Compact	# State Members	Annual state commitment	Difference from MHEC	Projected total revenues-FY16	Difference from MHEC
MHEC	12	\$115,000	—	\$1,380,000	—
SREB	16	\$193,550	\$78,550 (68%)	\$3,096,800	\$1,716,800
WICHE	15	\$137,000	\$22,000 (19%)	\$2,055,000	\$675,000

A modest increase in the states' investments will address cost increases, expansion, and more long-term stability, while keeping the state commitment significantly below its peers.

Closing

At the close of FY 2015 the commitment will have remained unchanged for a total of seven years. The Compact is a statutorily created efficient regional public service organization, built on the premise that a network of highly skilled individuals creates great potential not only to improve higher education but also to serve the public good while providing resource sharing opportunities.