

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.