

Approved: 2.14.07
Date

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 A.M. on January 25, 2007 in Room 313-S of the Capitol.

All members were present except:
Representative Barbara Craft- excused

Committee staff present:
Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Ashley Holm, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Janet Henning, Committee Assistant

Conferees appearing before the committee:
Larry Isaak, President, Midwestern Higher Education Compact (MHEC)

The Chair informed Committee members that committee minutes for January 10, 16, 17, and 23, 2007 had been distributed.

Representative Huebert moved the minutes be approved, seconded by Representative Horst. The motion carried on a voice vote.

The Chair recognized former Senator Lana Oleen, Governor's Designee for the Midwestern Higher Education Compact (MHEC), who in turn introduced Larry Isaak, President, MHEC.

Mr. Isaak advised the Compact's charge is to promote interstate cooperation and resource sharing in postsecondary education. The Compact is governed by the Commission which consists of five appointees from each member state including the governor or the governor's designee, a member of each chamber of the state legislature, and two at-large members, one of whom must come from postsecondary education. The work of the Compact is financed largely through member-state obligations, cost savings initiatives and foundation grants. (Attachments #1, #2, #3)

A brief question and answer session followed.

The Chairman adjourned the meeting at 9:40 A.M. The next meeting will be held January 31, 2007.

MHEC in Kansas

January 24, 2007



MIDWESTERN HIGHER EDUCATION COMPACT

Cost Savings ♦ Student Access ♦ Policy Research

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MHEC in Kansas



MHEC's MISSION

**Advancing Midwestern higher education through
interstate cooperation and resource sharing**

CORE FUNCTIONS:

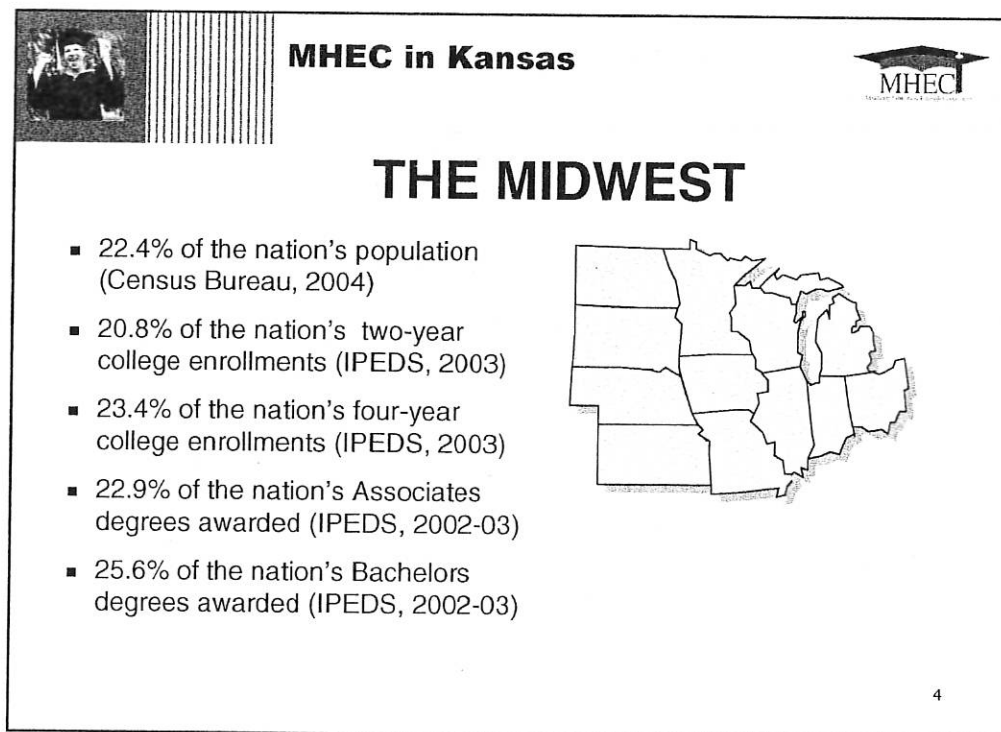
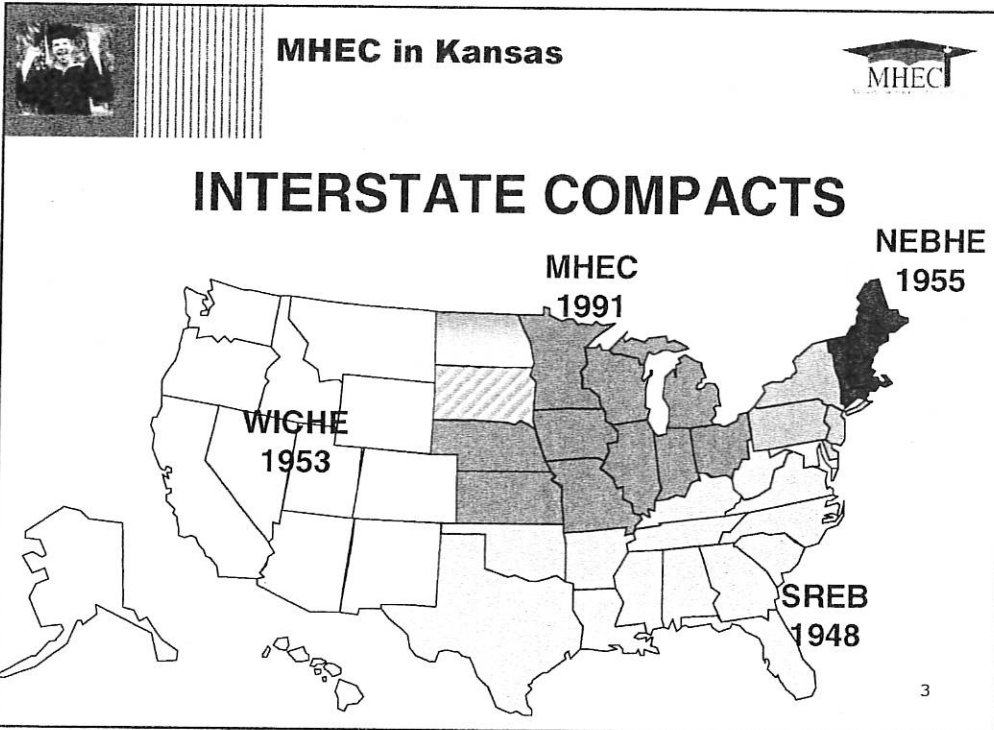
- Cost Savings
- Student Access
- Policy Research

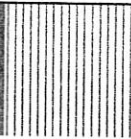
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House Education Committee

Date: 1-25-07

Attachment # 1





THE COMMISSION

- Governs the Compact
- Five Commissioners from each member state
- Acts as an instrumentality of state government in each of the eleven member states
- Serves all sectors of public and private higher education and state government



MHEC OFFICERS



Chair
 William Napier
 Cleveland State University (OH)



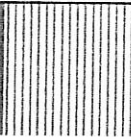
Vice Chair
 Senator Charlie Shields (MO)



Treasurer
 Bill Goetz
 Office of the Governor (ND)



President
 Larry Isaak



MHEC in Kansas



COMMISSIONERS SERVING YOUR STATE

James L. Barone, State Senator

Janice B. DeBauge, Member - Kansas Board of Regents

Lana Oleen, Governor's Designee

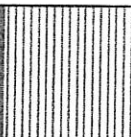
Reginald L. Robinson, President and CEO - Kansas Board of Regents**

Tom Sloan, State Representative**

(Alternate) Barbara W. Ballard, State Representative

(Alternate) Jean Schodorf, State Senator

** Executive Committee Members



MHEC in Kansas



COST SAVINGS

Computing Hardware Programs

NOVELL/MHEC Higher Education Collaborative

MHEC/Office Depot Program

MHEC ATAlliance Programs and Services

Insurance Programs

Other Initiatives



MHEC in Kansas



	<i>05-06 Savings</i>	<i>Cumulative</i>
Cost Savings Programs		
Hardware Program	\$160,734	\$268,874
Software Program	\$71,673	\$258,281
Property Insurance Program	\$41,184	\$231,500
Office Products Program	\$8,194	\$8,801
Telecom & Technology	\$65,788	\$2,563,051
Other Initiatives	N/A	\$291,264
Sub-Total	\$347,573	\$3,621,771
Student Access		
Midwest Student Exchange Program	\$2,664,353	\$27,006,293
Total Savings	\$3,011,926	\$30,628,064
Member State Obligations	\$90,000	\$925,500
Net Savings	\$2,921,926	\$29,702,564

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MHEC in Kansas



STUDENT ACCESS

Midwest Student Exchange Program
 Student Access Advisory Committee

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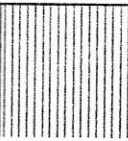
MIDWEST STUDENT EXCHANGE PROGRAM

- Provides reduced tuition for students from KS, MI, MN, MO, NE, ND & WI (Illinois joins in 2007)
- State approval required for institutions to participate
- Institutions' participation voluntary
- 140 campuses open their doors to MSEP students
- Since 1994, 17,000+ students have participated and those students & families have saved \$70.4M



MSEP 2005-06 School Year Campus Participation

State	Total MSEP Enrollment for all Institutions
Kansas	270
Michigan	24
Minnesota	437
Missouri	1,051
Nebraska	140
North Dakota	167
Total	2,089



MHEC in Kansas



**Program Enrollment at Kansas Institutions
by Students Home State of Residence, 2005-06 School Year***

<i>Kansas Institutions</i>	<i>MI</i>	<i>MN</i>	<i>MO</i>	<i>NE</i>	<i>ND</i>	<i>Total Enrollment</i>
Fort Hays State University	1				1	2
Kansas State University		14	19	98	4	135
Pittsburg State University			11	2	1	14
University of Kansas, Lawrence	2	14	34	39		89
Wichita State University		3	12	15		30
Kansas Institution Totals	3	31	76	154	6	270

Enrollment between North Dakota and Minnesota is not calculated because of the existing reciprocity agreement between the states.



MHEC in Kansas



e-TRANSCRIPT INITIATIVE

- The MHEC ETI is a comprehensive intraregional electronic transcript initiative available to all secondary and postsecondary schools, both public and private. **Docufide** was selected as the providing vendor through a full RFP process.

– Core Services

- HS transcripts from member high schools to member colleges
- HS transcripts between member high schools
- college transcripts between member colleges



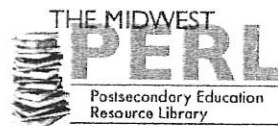
ROUNDTABLES AND FORUMS

- Annual Midwest State Higher Education Executive Officers (SHEEO) Workshop
- The Midwestern Higher Education to Workforce Policy Initiative: Seamless Development of Talent for the 21st Century, October 27-29, 2005
- 2nd Annual Policy Summit: Spellings Commission Report, A Catalyst for Action, November 13-14, 2006
- 3rd Annual Policy Summit, November 5-6, 2007 (Des Moines)

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POLICY RESOURCES

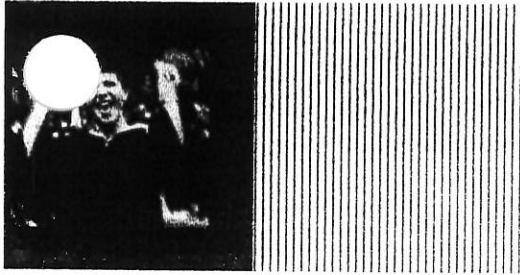


The Midwest PERL <http://perl.mhec.org>

(Postsecondary Education Resource Library)

- Two user-friendly and complementary online databases
- State-level data searchable by state
- Policy resources database searchable by issue, sector & institutional type

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MHEC in Kansas



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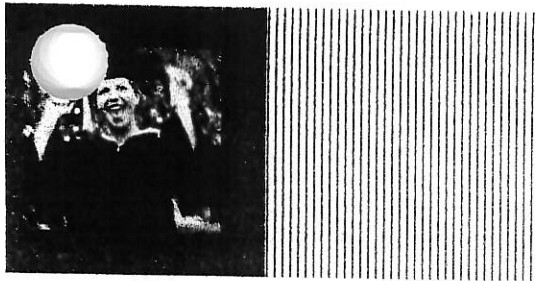
Leading Demographic Indicators: Kansas Compared to other MHEC states and the National Average

	Projected change in total population 2005-2030 ¹	Projected change in under-18 age group 2005-2030 ¹	Projected change in 18-64 age group 2005-2030 ¹	Projected change in over 64 age group 2005-2030 ¹	Population 25 years and over with less than a high school diploma or equivalent (2005) ²	Population 25 years and over with a bachelor's degree or higher (2005) ²	Residents enrolling in college for the first time who do so in other states (2004) ³	Net migration of all first-time degree-seeking undergraduate students (2004) ³
KS	6.9%	1.0%	-3.1%	65.6%	11.3%	28.2%	14%	7.1%
US	23.0%	16.4%	11.5%	94.7%	15.8%	27.2%	17%	3.5%
IA	-0.6%	-8.0%	-10.4%	52.2%	10.4%	23.8%	11%	18.2%
IL	5.8%	1.0%	-2.4%	58.6%	14.3%	29.2%	20%	-9.2%
IN	9.0%	6.6%	-0.3%	60.8%	14.7%	21.3%	12%	10.6%
MI	4.8%	-4.8%	-3.5%	67.0%	13.0%	24.7%	10%	-0.4%
MN	21.9%	17.9%	9.9%	93.4%	9.1%	30.7%	20%	-3.0%
MO	11.5%	5.6%	1.5%	69.1%	15.0%	24.0%	16%	4.0%
ND	-4.5%	-14.1%	-17.0%	62.7%	11.8%	25.5%	29%	18.4%
NE	4.3%	2.5%	-7.3%	61.1%	10.5%	27.3%	17%	0.5%
OH	0.6%	-6.3%	-8.2%	54.9%	13.7%	23.3%	14%	-1.0%
WI	10.7%	2.3%	-0.7%	82.0%	11.2%	25.0%	17%	-1.9%

¹National Center for Higher Education Management Systems. Data from the U.S. Census Bureau

²U.S. Census Bureau, 2005 American Community Survey

³U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2005



MHEC in Kansas



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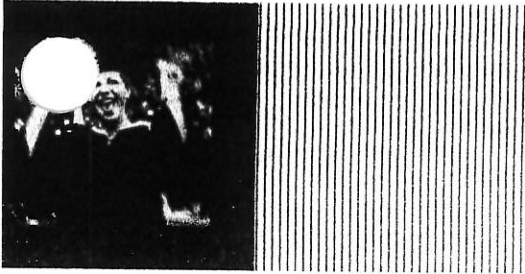
Leading Financial Indicators: Kansas Compared to other MHEC states and the National Average

	Average income of poorest 20% of the population (2003-05) ¹	Effective Tax Rate, 2003 ²	Effective Tax Rate, 1993 ²	Tax revenue per capita (2003) ²	Tax revenue per capita for each 1% of effective taxation ²	% increase in tax revenue, 1993 to 2003 (adjusted for inflation) ²	Children in poverty (2005) ⁴
KS	\$12,848	7.8%	8.7%	\$3,079	\$395	12.9%	15%
U.S.	\$12,168	7.8%	9.0%	\$3,235	\$415	8.0%	19%
IA	\$13,500	7.4%	9.7%	\$2,891	\$391	0.5%	14%
IL	\$12,500	7.7%	8.4%	\$3,200	\$416	10.0%	16%
IN	\$13,374	7.8%	8.2%	\$2,970	\$381	18.6%	17%
MI	\$12,156	8.3%	9.6%	\$3,098	\$373	2.1%	19%
MN	\$16,728	8.5%	10.2%	\$3,672	\$432	9.7%	12%
MO	\$12,799	7.1%	7.4%	\$2,705	\$381	20.0%	19%
ND	\$12,111	7.7%	8.9%	\$2,881	\$374	17.4%	13%
NE	\$13,409	8.1%	8.6%	\$3,312	\$409	21.9%	15%
OH	\$12,319	8.6%	8.4%	\$3,268	\$380	23.7%	19%
WI	\$14,000	8.8%	10.5%	\$3,424	\$389	6.2%	14%

¹National Center for Public Policy and Higher Education, *Measuring Up 2004*.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Tax revenue per capita includes revenue generated through taxation by both state and local governments. The Effective Tax Rate is equal to a state's actual tax revenue divided by its total taxable resources.

³Annie E. Casey Foundation, *Kids Count*, <http://www.aecf.org/kidscount/>.



MHEC in Kansas



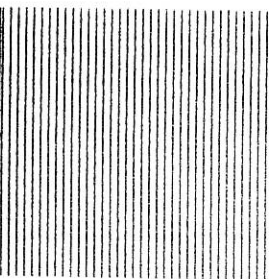
Postsecondary Preparation: Kansas Compared to other MHEC states and "Top Performing" States in the Nation¹

	18-24 year-olds with a high school credential (2002-2004)	9 th to 12 th graders taking at least one upper-level math course (2003-04)	9 th to 12 th graders taking at least one upper-level science course (2003-04)	7 th to 12 th graders in math courses taught by teachers with a major in their field (1999-2000)	7 th to 12 th graders in science courses taught by teachers with a major in their field (1999-2000)	7 th to 12 th graders in academic core courses ³ taught by teachers with a major in their field (1999-2000)
KS	88%	n/a	n/a	56%	77%	70%
Top performing states ²	94%	64%	40%	84%	88%	81%
U.S.	87%	53%	31%	65%	73%	70%
IA	90%	57%	43%	70%	90%	80%
IL	87%	n/a	n/a	63%	87%	70%
IN	89%	47%	30%	71%	82%	79%
MI	90%	35%	23%	63%	78%	66%
MN	92%	46%	29%	88%	88%	92%
MO	88%	54%	35%	51%	70%	66%
ND	95%	53%	34%	76%	81%	73%
NE	90%	61%	37%	84%	82%	80%
OH	86%	60%	28%	75%	65%	61%
WI	91%	61%	38%	69%	86%	81%

¹All data in the table are from the National Center for Public Policy and Higher Education, *Measuring Up 2004*. Data are from the U.S. Census Bureau, the Council of Chief State School Officers, and the U.S. Department of Education's National Center for Education Statistics.

²For this and all subsequent tables, the benchmark for "top performing states" is the median performance level of the top five states on a given indicator (i.e., the third highest scoring state).

³Core courses include: English, Math, Social Studies, and Science.



MHEC in Kansas

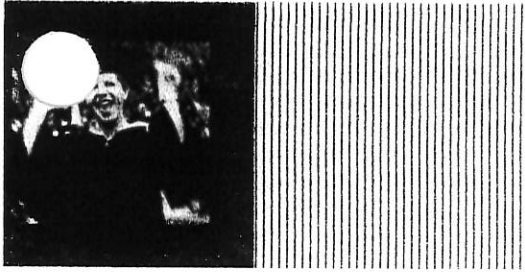


Postsecondary Participation, Persistence, and Completion: Kansas Compared to other MHEC states

	Chance for college by age 19 (2002) ²	18-24 year-olds enrolled in college (2002-04)	25-49 year-olds enrolled part-time in any type of postsecondary education (2003)	First to second year persistence of full-time students at two-year institutions (Fall 2004)	First to second year persistence of full-time students at four-year institutions (Fall 2004)	First-time, full-time students earning a bachelors within 6 years of enrollment (2003-04)	Certificates, degrees, and diplomas awarded at all institutions per 100 undergraduates (2003-04)
KS	50%	38%	4.0%	50%	74%	53%	18
Top performing states	52%	41%	5.1%	62%	82%	64%	20
U.S.	38%	35%	3.9%	53%	77%	55%	17
IA	51%	35%	3.5%	48%	75%	64%	19
IL	42%	35%	4.9%	51%	76%	58%	17
IN	42%	29%	3.2%	54%	76%	55%	18
MI	38%	42%	4.4%	57%	74%	55%	15
MN	53%	38%	3.7%	50%	78%	57%	20
MO	39%	33%	4.0%	51%	73%	56%	18
ND	62%	41%	2.9%	48%	71%	48%	18
NE	48%	37%	4.0%	55%	75%	55%	17
OH	41%	35%	3.2%	51%	73%	54%	17
WI	46%	35%	3.8%	57%	79%	57%	20

¹Information in this table is from the National Center for Public Policy in Higher Education, *Measuring Up 2006*, with data from Thomas Mortenson and *Postsecondary Education OPPORTUNITY*, the U.S. Census Bureau, the National Center for Higher Education Management Systems, and the National Center for Education Statistics.

²"Chance for college" is defined as the relative probability that a student entering ninth grade will finish high school in four years and proceed directly to college.



MHEC in Kansas



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Benefits of Higher Education: Kansas Compared to other MHEC States and the National Average

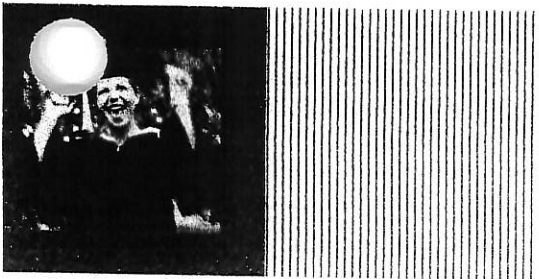
	Population 25-64 years old with a bachelors degree or higher (2002-2004 average) ¹	Difference in unemployment rates for individuals with a bachelors degree vs. a high school credential (2004) ²	Net gain/loss of associates degree holders for every 100 degrees produced in the state (2001-03 average) ³	Difference in median earnings, workers age 25-65 with some college vs. a high school credential (2002-04 average) ¹	Net gain/loss of bachelors degree holders for every 100 degrees produced in the state (2001-03 average) ³	Difference in median earnings, workers age 25-65 with a bachelors degree vs. a high school credential (2002-04 average) ¹	Increased likelihood of volunteerism for individuals with some college or higher vs. a high school credential (2003-05 average) ¹
KS	31%	-4.1%	-1	\$3,500	-5	\$17,000	71%
U.S.	30% ⁴	-2.8%	NA	\$5,000	NA	\$21,000	85%
IA	27%	-3.1%	-5	\$2,000	-19	\$14,000	62%
IL	32%	-2.5%	-4	\$6,000	+7	\$21,800	82%
IN	23%	-2.8%	+9	\$3,000	-12	\$21,000	89%
MI	27%	-7.2%	+3	\$6,000	+1	\$23,000	80%
MN	33%	-2.6%	+10	\$2,200	+15	\$19,000	64%
MO	31%	-3.6%	+14	\$7,000	+2	\$18,000	82%
ND	28%	-2.2%	-11	\$3,000	-34	\$13,000	50%
NE	29%	-3.1%	-2	\$4,000	-6	\$15,000	60%
OH	26%	-2.4%	+2	\$7,000	-5	\$22,000	84%
WI	28%	-5.1%	+2	\$2,000	-7	\$17,000	75%

¹National Center for Public Policy in Higher Education (Data from the U.S. Census Bureau and the U.S. Bureau of Labor Statistics).

²Institute for Higher Education Policy, *The Investment Payoff* (Data from the Current Population Survey, 2004).

³National Center for Higher Education Management Systems (Data from the U.S. Census Bureau).

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MHEC in Kansas



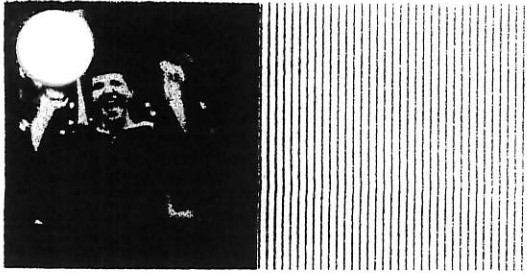
Affordability of Higher Education: Kansas Compared to Other MHEC States and the National Average

	% of average annual family income needed to pay for public 2-year college expenses after financial aid, 2005-06 ¹	% of average annual family income needed to pay for public 4-year college expenses after financial aid, 2005-06 ¹	% of average annual family income needed to pay for private 4-year college expenses after financial aid, 2005-06 ¹	Family share of public higher education operating revenues (2005) ²	Family share of public higher education operating revenues (1995) ²	% of average income needed for the poorest 20% of families to pay listed tuition in the states' lowest-priced colleges, 2005-06 ¹	Average annual per student borrowing of federal undergraduate education loans, 2004-05 ^{1,3}
KS	20%	26%	47%	38%	30%	15%	\$3,377
U.S.	24%	31%	72%	37%	31%	16%	\$3,619
IA	26%	30%	59%	49%	34%	23%	\$3,112
IL	24%	35%	69%	28%	20%	17%	\$3,770
IN	24%	30%	66%	50%	41%	19%	\$3,549
MI	24%	36%	48%	52%	44%	17%	\$3,120
MN	22%	26%	54%	45%	30%	24%	\$3,234
MO	23%	31%	54%	40%	38%	18%	\$3,407
ND	24%	28%	34%	44%	36%	25%	\$3,110
NE	21%	27%	50%	36%	27%	14%	\$3,447
OH	30%	42%	67%	50%	44%	25%	\$3,552
WI	21%	26%	61%	37%	28%	21%	\$3,277

¹National Center for Public Policy and Higher Education, *Measuring Up 2006*. Data from National Center for Higher Education Management Systems, National Center for Education Statistics, and the U.S. Census Bureau.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2005*.

³Figures include both student and parent subsidized and unsubsidized loans, but do not include loans originating from state sources or private loans (including credit card debt). The figure is therefore not an accurate measure of total student borrowing, which is higher than the figures listed. According to College Board, students at all levels in 2005-06 borrowed a total of \$16 billion in private bank loans, compared to \$69 billion in federal loans.



MHEC in Kansas



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Higher Education Funding: Kansas Compared to Other MHEC States and the National Average

	Total State Grant Expenditures (Need and Merit Based) as a Percentage of Higher Education Operating Expenses (2004-05) ³	Percentage of Total Grant Aid Awarded Solely on the Basis of Need (2004-05) ³	State and Local Appropriations for Public Higher Education Operating Expenses per FTE ¹		State and Local Appropriations for Public Higher Education Operating Expenses per capita ¹		State and Local Appropriations for Higher Education as a Percentage of Tax Revenue and Lottery Proceeds (2003) ²		State Need-Based Grant Aid Awarded by Sector, 2004-05 (in millions) ³	
			2005	1995-2005 change	2005	1995-2005 change	2003	1993	Public In-State	Private, Not-for-Profit In-State
KS	2.2%	94.3%	5877	-1.3	319	-3.3	10.1	11.5	n/a ⁴	n/a ⁴
U.S.	11.0%	73.5%	5833	-8.9	243	1.7	7.6	7.6	2,987.1	1481.9
IA	6.9%	99.2%	5069	-31.1	264	-13.7	9.7	10.4	3.4	40.96
IL	13.8%	92.0%	6747	1.7	260	5.3	8.0	7.7	174.1	147.50
IN	19.5%	95.9%	4845	-12.1	226	7.1	7.7	8.3	198.4	62.16
MI	10.3%	46.7%	5297	-18.0	240	-4.8	8.3	8.2	30.0	66.1
MN	10.3%	99.9%	5362	-18.8	248	-14.8	7.1	8.6	73.0	37.6
MO	6.6%	42.5%	5916	-4.0	185	0.5	6.9	7.4	8.4	15.9
ND	0.9%	77.9%	4413	-17.2	317	0.3	11.8	14.3	1.1	0.3
NE	1.6%	100%	5755	-1.6	340	-2.0	11.0	12.3	4.8	2.2
OH	11.4%	66.8%	4365	-14.0	194	0.5	5.9	6.5	91.0	38.6
WI	7.5%	96.1%	5840	-23.1	265	-13.4	8.1	9.1	54.0	24.26

¹State Higher Education Executive Officers, *State Higher Education Finance, FY 2005*. Data is adjusted for regional cost of living, the relative mix of enrollments by institutional type, and 2005 dollars.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Adjusted to 2003 dollars.

³National Association of State Student Grant and Aid Programs.

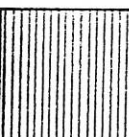
⁴Data by sector not available. Total need-based student aid awarded in Kansas in 2004-05 was \$15.1 million.



SIGNIFICANT KANSAS FACTS

- Third highest percentage of adults with a bachelors degree in the region
- Net gain of enrolled first-year college students, but net loss of degree earners.
- 18-24 year olds enrolled in college at high rates regionally and above national average.
- Effective tax rate equal to the national average in 2003; tax revenue generated per capita per 1% of tax rate below average (\$395 vs. \$415).
- High school credentialing rate declined from 93% in 1992 to 88% in 2004.
- Kansas high school math and science teachers at the low end in the region when considering completion of a college majors in their teaching subject.
- Future population growth slower than the nation; almost zero growth in under-18, and a slight decline in 18-64.

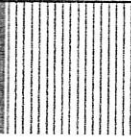
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SIGNIFICANT KANSAS FACTS

- Community college retention and six-year college graduation rate on the low end for the region.
- Near the high end of the region in percent of adults aged 25-49 in college indicating a good system geared to these individuals and/or the need for these individuals to get more education to succeed.
- Individuals in Kansas with a bachelor's degree have 2.0% unemployment rate compared to 6.1% rate for individuals with a high school diploma.
- Kansas public two-year and four-year colleges are the most affordable in the region. Private colleges more affordable in Kansas than in most MHEC states.
- Kansas is a "low tuition, low aid" state.
- Second highest appropriations per FTE in region (after Missouri) and per capita (behind Nebraska).

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POLICY IMPLICATIONS

- The major issue for Kansas for continued economic success is to increase the proportion of its population with college degrees.
 - Requires maintaining affordability, with financial aid matching any increase in tuition.
 - Requires adequate high school preparation, especially in core academic subjects.
 - Requires improved college retention and completion rates.
 - Requires increased college participation by Kansas adults.
 - Requires an economy for young people to remain in Kansas after graduation.

MHEC in
Kansas
2005-06

Responding to Constituents' Needs in a Changing Climate

Midwestern Higher Education Compact



Prepared January 2007

House Education Committee
Date: 1-25-07
Attachment # 2



MHEC in Kansas 2005-06

The Midwestern Higher Education Compact is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing.

COST SAVINGS PROGRAMS	2005-06 Savings	Cumulative
Hardware Program <i>Provides affordable access to computing hardware</i>	\$160,734	\$268,874
Novell/MHEC Higher Education Collaborative <i>Provides affordable access to computing software</i>	\$71,673	\$258,281
Master Property Program <i>Provides property insurance coverage tailored specifically to colleges and universities</i>	\$41,184	\$231,500
Office Products <i>Provides affordable access to office products</i>	\$8,194	\$8,801
American TelEdCommunications Alliance <i>Provides colleges, universities, school districts and nonprofit organizations with worldwide voice, data and video communications services</i>	\$65,788	\$2,563,051
Other Initiatives <i>Programs that have since sunset or become part of other initiatives.</i>	N/A	\$291,264
SUBTOTAL	\$347,573	\$3,621,771
STUDENT ACCESS		
Student Migration <i>Kansas residents receiving a tuition reduction through the Midwest Student Exchange Program</i>	698	8,193
Midwest Student Exchange Program <i>Enables students to attend colleges and universities out-of-state at reduced tuition rates</i>	\$2,664,353	\$27,006,253
Total Savings	\$3,011,926	\$30,628,024
Member State Obligations	\$90,000	\$925,500
Net Savings	\$2,921,926	\$29,702,524

POLICY HIGHLIGHTS

✓ Population 25+ yrs old without a high school credential, 2005	11.3% (15.8%)
✓ Population 18-24 yrs old enrolled in college, 2002-04 avg	38% (35%)
✓ First-time students completing a 4-year degree within 6 yrs, 2003-04	53% (55%)
✓ Population 25+ yrs old with a 4-year degree or higher, 2005	28.2% (27.2%)
✓ % of average income needed to cover 4-yr public college, 2005-06	26% (31%)
✓ % of average income needed to cover 4-yr private college, 2005-06	47% (72%)
✓ Appropriations for public higher education per FTE, 2005	\$5,877 (\$5,833)
✓ Appropriations for public higher education per capita, 2005	\$319 (\$243)
✓ State higher ed appropriations as % of total state revenue, 2003	10.1% (7.6%)
✓ State higher ed appropriations as % of total state revenue, 1993	11.5% (7.6%)
✓ Difference in median earnings, 4-year degree vs. HS, 2002-04 avg	\$17,000 (\$21,000)
✓ Net gain/loss of 4-year degree holders per 100 produced, 2001-03	avg -5 (MHEC avg -6)

KS (National)

COMMISSIONERS

James L. Barone
Senator - State of Kansas
Phone: 785-296-7370
barone@senate.state.ks.us

Janice B. DeBauge
Member - Kansas Board of Regents
Phone: 620-342-9213
jandeb@cableone.net

Lana Oleen
MHEC Commissioner - Midwestern Higher Education Compact
Phone: 785-341-3623
lanaoleen@hotmail.com

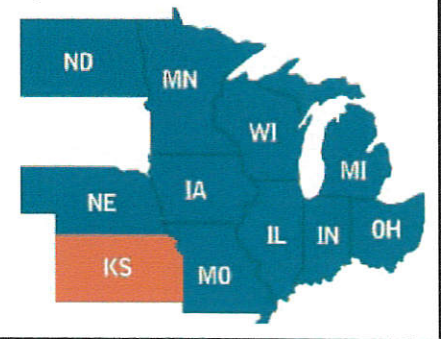
Reginald L. Robinson
President & CEO - Kansas Board of Regents
Phone: 785-296-3423
rrobinson@ksbor.org

Tom Sloan
State Representative - State of Kansas
Phone: 785-296-7677
sloan@house.state.ks.us

Barbara W. Ballard (alternate)
Representative - State of Kansas
Phone: 785-296-7650
ballard@house.state.ks.us

John E. Moore (alternate)
Lieutenant Governor - State of Kansas
Phone: 785-296-2213
john.moore@gov.state.ks.us

Jean Schodorf (alternate)
Senator - State of Kansas
Phone: 785-296-7391
schodorf@senate.state.ks.us



Midwestern Higher Education Compact



Responding to Constituents' Needs in a Changing Climate

KANSAS

Prepared January 2007



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I. Introduction to MHEC

The Midwestern Higher Education Compact (MHEC) was established in 1991. The Compact's charge is to promote interstate cooperation and resource sharing in postsecondary education. MHEC's member states are: **Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.**

The Compact is governed by the Commission. The Commission consists of five appointees from each member state including the governor or the governor's designee, a member of each chamber of the state legislature, and two at-large members, one of whom must come from postsecondary education. **The Kansas Commissioners are: State Senator Jim Barone; Janice DeBauge, Kansas Board of Regents member; Lana Oleen, former senate majority leader for Kansas; Reginald L. Robinson, president and CEO for the Kansas Board of Regents; and State Representative Tom Sloan. Serving Kansas as Commissioner-Alternates are: State Representative Barbara Ballard; Lieutenant Governor John Moore; and State Senator Jean Schordorf.**

The work of the Compact is financed largely through member-state obligations, cost savings initiatives and foundation grants. A small, full-time staff located in Minneapolis administers MHEC's daily operations, programming, and policy-research activities. The Compact's three core functions are:

- cost-savings;
- student access; and
- policy research.

The Compact follows six major goals in carrying out these functions:

- to enhance productivity through reductions in administrative costs;
- to encourage student access, completion and affordability;
- to facilitate public policy analysis and information exchange;
- to facilitate regional academic cooperation and services;
- to promote quality educational programs; and
- to encourage innovation in the delivery of educational services.

The Compact relies upon grassroots involvement to develop and implement its programs. More than two hundred representatives of Midwestern colleges, universities and leadership organizations serve on its program committees and oversee MHEC initiatives. The combined efforts of these committed volunteers, the Commission, and MHEC staff members have produced significant benefits for Midwestern higher education and the students it serves throughout the region. **To date, several hundred institutions and agencies have participated in MHEC programs and partnerships.**

The advancement of education through interstate cooperation is the priority of the Midwestern Higher Education Compact. Through the leadership of the Commission and its President, the Compact continues to be a positive force in creating new opportunities for states,

institutions and students. This report addresses the Compact's efforts in general, and addresses the initiatives impacting Kansas, specifically. The following is a presentation of MHEC's computing initiatives, property insurance program, telecommunications program, programs related to students and faculty, policy research and related activities, internet outreach activities, and other affiliated programs. ***The bottom line is that the cost savings achieved through these programs are significantly greater than the state's annual obligation of \$90,000.*** An explanation of the calculations used to determine the savings is included in the remainder of the report. The calculations are based on reasonable, if not conservative, assumptions.

II. Cost-Savings Initiatives

MHEC's cost-savings initiatives include the following programs: Information Technologies, Master Property Program, and other initiatives. General descriptions of these programs are presented below in addition to specific information related to the cost-savings realized by the Kansas colleges and universities and other entities participating in these programs.

A. Information Technologies

MHEC's Information Technologies programs enable institutions and individuals the opportunity to obtain the most competitive pricing on:

- desktops, laptops, and other hardware and software
- long distance, other telecommunications products and services and online course management systems
- office products

Just over \$300,000 in *annual* technology savings were achieved for Kansas entities in 2005-2006.

Just over \$3 million in *cumulative* technology program savings have been reported for Kansas.

Table 1: Kansas Technology Program Savings

	12-Month Savings	Cumulative Savings
Computing Hardware	\$160,734	\$268,874
Computing Software	\$68,473	\$255,081
Office Products	\$8,194	\$8,801
Telecom & Tech (ATAlliance)	\$65,788	\$2,563,051
Kansas Technology Program Savings Totals	\$303,189	\$3,095,807

Hardware Program

MHEC has contracts with Dell, Gateway, and MPC (and have just recently added Lenovo) for the sale of computer desktops, laptops, servers, training, peripherals and other services. MHEC's contracts offer the Western States Contracting Alliance (WSCA) aggregate pricing discounts on all products, and aggressive pricing on specific computer bundles pre-configured with higher education uses in mind. The WSCA aggregate discounted price is always better than or equal to the educational discounted price. If institutions/state entities are making large purchases of computers, they can get a large order discount that is more aggressive than the WSCA aggregate pricing discounts that are listed. The current WSCA discounts are 10-12 % off of list price for the most frequently purchased products. The pre-configured bundles range from 14-19% discount off of list price. The list price is a constantly moving number. The vendors provide a firm-fixed discount on products and services. The vendors sometimes run limited time specials which are offered to MHEC; the specials do not receive any additional discounting. MHEC receives the lower of the two prices.

On an open-ended contract for a purchase of 1 to 5 computers, the prices offered under the MHEC contract are as good as an institution/state entity will be able to get. Without the MHEC contract, entities may be able to get something less than the list price, but it is unlikely they will get the MHEC pricing. They would also have to incur the costs of entering into their own contract with the vendor. **Using the MHEC contract minimizes the administrative costs of going out to bid and negotiating separate contracts, and provides institutions/state entities with a convenience of “one-stop” shopping.** Through the MHEC contract, all products and services are available to the institution/state entity. There is no need to place multiple purchase orders for various products.

Because the list price is constantly moving, MHEC uses a 9% savings when calculating the savings an institution/state entity achieves when purchasing under the MHEC contract. Overall, most institutions/state entities are achieving savings somewhere in the 9-14% range. Unfortunately, the vendors do not have the ability to cost effectively distinguish the discounts each institution is receiving when submitting their reports. **Since the Hardware Program’s inception in July 2001, Kansas colleges, universities, K-12 schools, state and local governments and other not-for-profit entities have saved a total of \$268,874 under this program.**

MHEC also has an agreement in place with Xerox for the procurement of printers. Because colleges and universities spend such a large sum of money on printing, MHEC’s Hardware Committee conducted an extensive RFP process to identify high quality printers that offer state-of-the-art printing and print management services at greatly reduced pricing. Xerox was selected because their printers offer substantial flexibility in finding networked printing solutions while at the same time saving money on the operational cost side of printing. In addition, Xerox offered significant discounts on the acquisition costs of the printers as well as printer supply items. Through the MHEC contract with Xerox, higher education, state and local governments, K-12 schools and not-for profit entities are able to reduce their overall printing costs.

**Table 2: Hardware Volume Purchased & Savings (in Dollars)
(Breakdown by Sector in Kansas)
July 2005 – June 2006**

Sector Participation	Volume Purchased	Percent of Total Volume	Savings	Percent of Total Savings
Public 4-year	\$404,477	25%	\$38,649	24%
Public 2-year	\$143,099	9%	\$13,215	8%
Private	\$35,145	2%	\$3,163	2%
State/Local	\$265,197	17%	\$29,645	19%
K-12	\$607,454	38%	\$56,147	35%
Other	\$132,981	9%	\$19,915	12%
Kansas Total	\$1,588,353	100%	\$160,734	100%

Table 3: Public 4-Year Colleges and Universities Participating in the Hardware Program

Fort Hays State University	SRS Organizational Development
KS Univ/VP for Institutional Advance	University of Kansas
Kansas State University	University of Kansas Journalism
Kansas State/Women In Engineer	University of Kansas SPLH
KS State Univ/New Student Services	University of Kansas/Research Center
KS State Univ/Soc Anthropology	University of Kansas/NTS
KU Center for Teaching Excellence	University of Kansas Residential Center
KU Civil & Environment Engine	Wichita State University
Pittsburg State University	

Table 4: Public 2-Year Colleges and Universities Participating in the Hardware Program

Barton County Community College	Kansas City Community College
Colby Community College	Northwest Kansas Technical
Garden City Community College	Wichita Area Technical College
Johnson County Community College	

Table 5: Private Colleges and Universities Participating in the Hardware Program

Hesston College	University of Saint Mary
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Table 6: K-12 School Districts Participating in the Hardware Program

Andover Unified School District 385	St Michael's School
ANW Education Cooperative	Stockton USD 271
Central Receiving Dock-USD	Topeka Public Schools USD 501
Chanute Unified School 413	Tri County Special Ed Coop 607
Cheney USD 268	Unified School District 488
GJW of Kansas, Inc.	Unified School District 250
Goessel Unified School Dist	Unified School District 259
Holcomb Consolidated Schools	Unified School District 290
Holcomb High School	Unified School District 338
Kelly Detention Center	Unified School District 368
Kinsley-Offerle USD 347	Unified School District 494
KS State Board Of Education	Unified School District No 284
Maize USD 266	United School District 488
Muncie Christian Schools	USD 257/Safe Base
Northeast Unified School Dist 246	USD 292
Perry USD 343	USD 354
Prince of Peace EEC	USD 482
Riley County Unified School Dist 378	Valley Center Public School 262
St Ann's Elementary School	West Elk Unified District 282
St Joseph Institute-KC	

Table 7: State/Local Governments Participating in the Hardware Program

8th Judicial District Court	Independence Public Library
Atchison County Hwy Dept	Jackson County Court Services
Bonner Springs City Library	Jefferson Co GIS
Bourbon County Emergency Mgmt	Jefferson County Sheriff's Dept
Carbondale City Library	Johnson County Financial Mgmt
Cheyenne County	Kansas Correctional Industries
City of Andover	Kansas Insurance Dept
City of Basehor	Kansas Judicial Branch
City of Baxter Springs	Kansas Law Enforcement
City of Chanute	KS 18th Judicial District
City of Enterprise	KS Board of Cosmetology
City of Eudora	KS Bureau of Investigation
City of Garden City	KS Dept of Administration Disc
City of Gardner	KS Dept of Agriculture
City of Herington	KS Dept of SRS
City of Independence	KS Dept of Transportation
City of Kinsley	KS Dept Wildlife & Parks
City of Lansing	KS Social & Rehabilitation
City of Lawrence	KS Wildlife & Parks
City of Leawood	Lyons Public Library
City of Lenexa	Manhattan Public Library
City of Liberal	McPherson County Emergency Management
City of Melvern	Montgomery County Appraiser
City of Mission Hills	Mound City
City of Olathe	Mulvane Public Library
City of Osawatomie	Neosho County Appraiser
City of Oswego	Osage County Council On Aging
City of Topeka	Osage County Clerks Office
City of Weir	Osborne City
Clark County District Courts	Pioneer Memorial Library
Cloud County Health Dept	Pittsburg Public Library
Crawford Co Sheriff Dept	Pottawatomie County
Doniphan County Clerks Office	Rice County Sheriff's Office
Doniphan County Sheriff Dept	Rural Water District #7
Edwards County Sheriff	Social & Rehab Servs Kansas
Edwardsville Kansas PD	South Central Ks Library System
Ellis County District Court	State Comptroller
Emporia Public Library	State of Kansas Dept of Admin
Grant County Road Dept	State of KS SRS Purchasing
Greeley County Sheriffs Dept.	Thomas County 911
Greenwood County Sheriffs Dept	Wabaunsee County Appraiser
Harper County Clerk	Wichita Regional SRS

Table 8: Other Entities Participating in the Hardware Program

Advanced Orthopedics	Manhattan Surgical
Central Kansas Medical Center	Mercy Health System
Community Hospital of Onaga	Morton County Hospital
Goodland Regional Medical Center	MWKTC
Greenwood County Hospital	Nek-Cap, Inc.
Iroquois Center for Human Dev	Newton Medical Center
Juniper Gardens Children Project	Ninnescah Valley Health System
Kansas Heart Hospital	Stormont Vail Regional Med Center
Kansas Hospital Assoc	University of Kansas Medical Center

Software Program

- *Novell/MHEC Collaborative*

Higher education institutions purchasing Novell software must do so using an Academic License Agreement (ALA). An institution can either purchase a license for the whole campus or alternatively, each department can purchase the software license on its own. If purchasing campus-wide, the ALA price is based on the institution's FTE (Full-Time Equivalent) count. If purchasing by department, the ALA price is calculated using workstation count. The ALA offers institutions different levels of discount depending upon the total FTE or workstation count. The maximum discount an institution can get under an FTE count is 46% if they achieve an FTE count of 100,000 or more; while the maximum discount a department can obtain under the workstation count is 22% if the department has 14,000 or more workstations. There are no other educational discounts for Novell software.

Under the MHEC program, all institutions in the Compact, regardless of their FTE count or workstation count, get the maximum discount Novell offers. Even the largest institutions in MHEC member states are not able to reach the maximum discount levels, and therefore are able to save, at a minimum, 4-6% on their annual license fees over what they were previously paying.

For Fiscal Year 2005-2006, Kansas higher education institutions saved \$68,473 on Novell annual license fees. Since the beginning of the program in 2002, Kansas institutions have realized \$255,081 in cumulative license fee savings, or \$267,481 when estimated cumulative support savings are included as well (Table 9).

Table 9: Savings from Kansas' Participation in the Novell/MHEC Higher Education Collaborative

Kansas Novell/MHEC Collaborative Participants	Savings on Annual License Fees 2005-2006	Cumulative Savings on Annual License Fees	Estimated Support Incident Savings 2005-2006	Cumulative Estimated Support Incident Savings
Total	\$68,473	\$255,081	\$3,200	\$12,400

MHEC determines the savings for institutions by calculating the difference between what institutions would have paid for annual license fees if the MHEC program did not exist and what they currently pay under the MHEC program. Institution must pay 15% of the savings achieved under the program to MHEC to help cover the costs of the program. MHEC subtracts that 15% of the savings from the gross savings to report net savings.

Table 10 shows Kansas institutional member license savings achieved under the Novell/MHEC Higher Education Collaborative during the past fiscal year (July 1, 2005 - June 30, 2006).

Table 10: Kansas Novell/MHEC Higher Education Collaborative Member Savings for License Fees 2005-2006

Institution	Net License Fee Savings
Emporia State University	\$25,530
Kansas State University	\$10,675
University of Kansas Medical Center	\$32,268
Kansas Total	\$68,473

MHEC also offers member institutions reduced pricing on Novell technical support. Traditionally, an institution had to pre-purchase a package of 5-20 telephone support incidents at a price of \$500 per incident. The institution also had to use all of the telephone support incidents it purchased during the year, or the telephone incidents would expire. **Under the MHEC program, the institution saves \$50 per incident by having to pay only \$450 per incident (after the first incident, which is free).** In addition, the institution needs to purchase only one incident at a time, when it is needed, so there is no concern that incidents will expire. **Novell does not offer this technical support option to any other institution or entity. Novell makes this available only through MHEC. Kansas institutions saved an estimated \$12,400 for Novell support incidents since the beginning of the program in 2002.**

A third area of savings for institutions is in the area of training and professional development. Through training and professional development, institutions are able to leverage their existing investments in the Novell software into greater and enhanced uses. **MHEC has negotiated with Novell free and reduced training and professional development classes for the benefit of institutions.** Institutions receive the most advanced technical training Novell offers at a 50% reduction in price. In addition, if the individual attending the advanced technical training class is willing to transfer the knowledge learned at the class to his or her colleagues, the cost of the class is free. In this way valuable technical training is passed on to an even greater number of people at minimum cost. **Traditionally, this is something Novell has not done for any other customer, including Kansas institutions.** MHEC is able to do this by leveraging the large number of institutions across member states that need this training. Without the discount these advanced technical training classes would run anywhere from \$2,000 to \$4,000 per class.

- *Oracle*

Negotiations with Oracle have stretched on through the entire year. A major obstacle for the MHEC Technology Task Force Oracle Committee has been navigating the different personnel and management levels required for a region-wide contract like the one MHEC is working on with Oracle. The Committee believes an attractive agreement for higher education is nearly in place – one which MHEC hopes to be able to announce in early 2007 assuming a few remaining terms can be cleared up.

- *Anti-Virus Software*

MHEC's Technology Task Force Anti-Virus Committee worked throughout the year to conclude an anti-virus RFP process and are in continued negotiation with a single vendor. To this point the Committee has negotiated very favorable terms with a vendor new to the higher education marketplace and has expended extra effort to help the vendor better understand higher education's market sector in order to craft a long term program that will be successful for the vendor and Midwestern higher education. The anti-virus software agreement is also a candidate to be completed in early 2007.

MHEC-ATAlliance Telecommunications Program

MHEC is a founding member of the American TelEdCommunications Alliance (ATAlliance), a program that offers discount pricing for long distance, local and cellular telephone service, Internet access, video services, course management systems and other services.

The MHEC-ATAlliance program along with MHEC's two earlier telecommunications programs have led to considerable savings for member states and their institutions. **Over the course of the program, the MHEC-ATAlliance Program has saved Kansas education, government and nonprofit organizations approximately \$2,563,051. For 2005-2006 the MHEC-ATAlliance estimates savings of approximately \$65,788 for Kansas participants.**

The ATAlliance members – MHEC, the Southern Regional Education Board (SREB), the Western Interstate Commission for Higher Education (WICHE), and MiCTA, a national nonprofit association for telecommunications – share resources in order to provide low-cost access to top-quality educational technology programs and to give education an organized way to exert leadership in building technology policies and standards. (See www.ATAlliance.org.) Kansas' government and public sector organizations, health care, education, and libraries as well as religious and charitable organizations participate in ATAlliance programs as shown in the table below.

Table 11: Current Kansas Higher Education Members in the MHEC-ATAlliance Program

Category	Savings
Public 2- & 4-Year Colleges and Universities	\$56,523
Independent Colleges and Universities	\$9,224
Other Higher Education Organizations	\$41
Government---State and Local	---
K-12 Education	---
Other	---
TOTALS	\$65,788

In 2005-2006 more precision was used in how savings are counted and assigned, reflecting the desire to remain conservative in savings estimates. The accounting change has been accompanied by a real decrease in usage of these contracts. However, the downward trend in telecommunications usage is accompanied by reduced costs per minute by an average of 10% - 30% depending on the state and service provider.

Most, if not all, states already have telecommunications contracts for primary services that are available to state agencies, colleges and schools, and the MHEC-ATAlliance programs are not intended to compete with or supplant successful state programs. Rather, the MHEC-ATAlliance

programs can be complementary to state services, help fill gaps in services or offer other products.

Some services that can be purchased from the ATAlliance contracts may not be available through state contracts. ATAlliance prices may be better than state contracts or may incorporate “value-added” components such as fixed costs for maintenance, upgrades, or contract specifications tailored to educational functions. In some cases, state telecommunications agencies may select a vendor under an ATAlliance contract as its best source.

State agencies and public colleges and universities sometimes need the Request-for-Proposals (RFP) process validated or certified to ensure that an open-bid process is used. As an instrumentality of state government created by identical statutes in its member states, MHEC certifies the RFP process used in order for these public entities to take part in the programs.

In addition to certifying the process and ensuring that state purchasing guidelines are followed, the higher education compacts add the value of their volunteer member expertise. MHEC acts as a facilitator and convener for the region, using the expertise from its committee members and its network of contacts to identify technology needs and priorities, clarify issues, and determine the best course of action, if any. The volunteer experts from MHEC states become advocates for the needs of higher education in the region with respect to a particular product or service.

Office Products Program

MHEC and its ATAlliance partners also jointly sponsor an office products initiative that has the potential to greatly reduce the office supply costs of colleges, universities, state and local governments, and K-12 school districts. **Sales volume for Kansas entities totaled \$73,747 which reflects \$8,194 in savings (Table 12).**

Table 12: Kansas Savings of the MHEC-Office Depot Program in 2005-2006

Category	Sales Volume	Savings
Public 2- & 4-Year Higher Education	---	---
Independent Colleges and Universities	\$33,495	\$3,722
Other Organizations	\$40,252	\$4,472
Kansas Totals	\$73,747	\$8,194

Generally, office supply products represent less than 2 percent of an institution’s purchases, but consume up to 30 percent of the institution’s purchasing resources. In addition to offering significant discounts on office supply products and services, MHEC’s program offers solutions to help institutions streamline their internal processes and redirect people and capital resources to areas where they can produce greater returns.

B. Master Property Program

The Master Property Program (MPP) has brought property insurance benefits to institutions of higher education since 1994. The program was established to broaden property coverage, reduce program costs and encourage improved asset protection strategies for colleges and universities in the Midwestern Higher Education Compact's (MHEC) eleven member states. Currently, higher education institutions in Illinois, Kansas, Michigan, Minnesota, Missouri and Nebraska participate in the program.

In addition, collaboration with the Western Interstate Commission for Higher Education (WICHE) in June 2004 opened up the program to institutions in the West. With this, the Nevada System of Higher Education joined the Master Property Program on July 1, 2004.

The program insures Total Insurable Values (TIV) in excess of \$51.9 billion with 76 campuses participating in the program, comparable in size to a Fortune 500 company. The program also welcomed Carleton College to the program this July 1. Carleton is a private college in Northfield, Minnesota.

- **Program Renewal**

On July 1, the member institutions successfully renewed with Lexington Insurance Company with terms and conditions remaining status quo. Despite backlash from the hurricane season of 2005 and continued losses in the program, members were still able to realize only a 4.28% rate increase at renewal. The Master Property Program remains beneficial to participating institutions, with reduced property insurance premium rates and broad coverage obtained through a manuscript policy tailored to higher education.

- **Overall Premiums**

MHEC's program administrator, Marsh, works nationally with approximately 1,500 institutions of higher education with approximately 150 of those located throughout the Midwest. Based on this experience, it is estimated by Marsh that if most MHEC institutions were to buy outside of the MHEC program, either individually or as part of a group, they would collectively pay about 10% more for risk transfer insurance.

Premium savings for member institutions are calculated by applying Marsh higher education benchmark rates against the member's insured values and modifying the result to reflect losses and catastrophic exposures. The member's current MHEC premium was deducted from the modified benchmark premium to provide the estimated premium savings. Please note that many smaller higher education institutions are subject to much higher rates. The Marsh benchmark median rate for institutions with insured values under \$1 billion is 0.066, while the MHEC average account rate is 0.0326 currently (for all members).

- **Estimated 2006 Savings and Benefits**

Each year, MHEC evaluates the success of the Master Property Program by looking at the program's overall costs, terms, market conditions, deductibles, loss history, catastrophe and/or specialized coverages, and services as compared to a participating institution buying their coverage on an individual basis or part of a smaller group. Eligible MHEC member institutions of the program received dividends of \$2,576,310 in October 2005. Additionally, dividends were declared for the program for a fourth year when the MHEC MPP Oversight Committee returned \$3,086,807 in dividends to eligible member institutions in October 2006.

- **Kansas Savings & Dividend**

Institutions estimated premium savings for the current policy year beginning July 1, 2006 total \$15,391; dividends received by Kansas institutions were \$25,793; with a total savings of \$41,184.

- **Kansas Institution Participating**

Table 13: MPP - Kansas Total Insured Values by Participating Institution

Institution	Total Insured Values
Johnson County Community College	\$197,468,110
Kansas Total TIV	\$197,468,110

- **Program Administration**

MHEC began the Request for Proposal process for third party administrator of MHEC's Programs of Insurance. The RFP was released in late June and the process concluded in October after reviewing responses from eight brokers. Marsh was selected as the winner after a thorough RFP evaluation process, thus MHEC will continue to maintain its current relationship with Marsh as Program Administrator for MHEC's Programs of Insurance. MHEC works primarily with the Cleveland office which has a dedicated team to the higher education market. Additionally MHEC has access to Marsh's network of client advisors throughout the Midwest, West and Marsh's National Higher Education Practice.

III. Student Access

A. Student Access Advisory Committee

The Student Access Advisory Committee is charged with exploring opportunities for student access. Membership is composed of a variety of individuals across the MHEC region, such as college and state higher education administrators, legislators, and MHEC Commissioners. Ken Sauer, associate commissioner for research and academic affairs for the Indiana Commission for Higher Education serves as the chair of SAAC. The committee meets face to face annually to determine the work plan and direction through the coming year. In addition, conference calls are held regularly to keep SAAC actively involved in MHEC's student access activities.

B. e-Transcript Initiative

The most significant accomplishment of SAAC this year has been the establishment of the e-Transcript Initiative, or ETI. The e-Transcript Initiative aims to develop a mechanism to facilitate the transfer of student information between the Midwest's public and private high schools and the Midwest's public and private colleges and universities, as well as among the Midwest's postsecondary institutions.

The Student Access Advisory Committee conducted a thorough RFP process when selecting the e-Transcript Initiative vendor. A review committee was established for this purpose. The Student Access Advisory Committee approved the Review Committee's recommendation of the selection of Docufide as the winning vendor of the Electronic Transcript Initiative RFP. At the June Executive Committee meeting, the Commission approved the selection of Docufide. In late August, President Isaak signed the Master Services Agreement with Docufide, officially launching the e-Transcript Initiative.

MHEC and Docufide are working on several fronts to announce the ETI opportunity to member states. The efforts include holding online webinars open to any interested individuals across the eleven states (secondary and postsecondary), mailing the ETI brochure and pricing sheet to all eleven state superintendents and all state higher education executive officers (SHEEOs), and scheduling face to face presentations with state secondary and postsecondary representatives. The following is a summary of the ETI activities in Kansas to date.

The Kansas Board of Regents has indicated that e-Transcripts are a number one priority for the coming year. Docufide is presented the ETI to Kansas representatives in mid-November 2006. Members of their Transition Council, the System Council of Chief Academic Officers (COCAO) and the Kansas State Department of Education (KSDE) all participated in these ETI presentations. KSDE formally will review and vote on the MHEC ETI on January 10, 2007. The Transition Council, COCAO and the Council of Presidents voted to submit to the board for state funding on January 17, 2007.

C. Midwest Student Exchange Program

The Midwest Student Exchange Program (MSEP) offers reduced tuition rates to students in the states of Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, and Wisconsin. Since 1994, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. The MSEP serves as the Midwest's largest multi-state tuition reciprocity program. Over 125 campuses from the participating states have opened their doors to students at reduced rates. Public institutions enrolling students under the MSEP agree to charge no more than 150% of the in-state resident tuition rate, while private institutions offer a 10% reduction on their tuition rates.

In December 2006, the Illinois Board of Higher Education approved Illinois' participation in the Midwest Student Exchange Program (MSEP). Since campus participation is voluntary, Illinois campuses are now considering their participation in the MSEP.

To market the MSEP Access Navigator, over 23,000 MSEP brochures are being distributed to high schools in the participating states each fall.

In the 2005-06 school year, 51 of the 128 MSEP (40%) participating institutions reported students enrolled under MSEP; a decrease of 2 percent from the previous academic year. Of those 51 institutions, 77 percent (39) reported enrollments of more than five students; an increase of 14 percent from the previous academic year.

Table 14 summarizes the 2005-06 school year campus participation.

Table 14: 2005-06 School Year Campus Participation

State	Number of MSEP Institutions	Number & Percent of MSEP Institutions Enrolling Students Under MSEP	Number & Percent of MSEP Institutions Enrolling More Than Five Students Under MSEP (% Institutions Enrolling Students)	Total MSEP Enrollment for all Institutions
Kansas	6	5 (83%)	4 (80%)	270
Michigan	6	2 (33%)	1 (50%)	24
Minnesota	54	11 (20%)	8 (73%)	437
Missouri	40	17 (43%)	14 (82%)	1,051
Nebraska	11	6 (55%)	6 (100%)	140
North Dakota	11	10 (91%)	6 (60%)	167
Total	128	51 (40%)	39 (77%)	2,089

During the 2005-06 school year, the MHEC states Illinois, Indiana, Iowa, Ohio and Wisconsin were eligible to participate in the MSEP but elected not to participate.

Table 15: Program Enrollment for Students with a Kansas Home State of Residence, 2005-06 School Year

Michigan Institutions	Kansas Residents
Ferris State University	2
Michigan Totals	2
Minnesota Institutions	Kansas Residents
Inver Hills Community College	2
Lake Superior College	2
St. Cloud State University	2
University of Minnesota - Duluth	13
University of Minnesota - Twin Cities	47
Minnesota Totals	66
Missouri Institutions	Kansas Residents
Columbia College	6
Kansas City Metropolitan Community College - Longview	12
Maryville University of Saint Louis	8
Missouri State University	43
Missouri Western State College	78
Northwest Missouri State University	39
Southeast Missouri State University	5
Stephens College	4
Truman State University	37
University of Central Missouri	10
University of Missouri - Columbia	15
University of Missouri - Kansas City	198
University of Missouri - Rolla	84
Webster University	15
Missouri Totals	554
Nebraska Institutions	Kansas Residents
Central Community College - Grand Island	10
Peru State College	10
University of Nebraska - Kearney	20
University of Nebraska - Lincoln	19
University of Nebraska - Omaha	2
Nebraska Totals	61
North Dakota Institutions	Kansas Residents
Bismarck State College	3
Dickinson State University	1
Minot State University	1
University of North Dakota	10
North Dakota Totals	15
Kansas Resident Totals	698

**Table 16: Tuition Savings for Students with a Kansas
Home State of Residence, 2005-06 School Year**

Michigan Institutions	Kansas Residents
Ferris State University	\$ 2,812.50
Michigan Totals	\$ 2,812.50
Minnesota Institutions	Kansas Residents
Inver Hills Community College	\$ 1,654.00
Lake Superior College	\$ 1,150.00
St. Cloud State University	\$ 3,286.00
University of Minnesota - Duluth	\$ 43,154.40
University of Minnesota - Twin Cities	\$ 243,748.67
Minnesota Totals	\$ 292,993.07
Missouri Institutions	Kansas Residents
Columbia College	\$ 3,598.20
Kansas City Metropolitan Community College - Longview	\$ 6,567.00
Maryville University of Saint Louis	\$ 6,800.00
Missouri State University	\$ 51,024.00
Missouri Western State University	\$ 47,280.00
Northwest Missouri State University	\$ 35,110.50
Southeast Missouri State University	\$ 3,510.65
Stephens College	\$ 3,860.00
Truman State University	\$ 28,921.50
University of Central Missouri	\$ 12,354.75
University of Missouri - Columbia	\$ 43,059.14
University of Missouri - Kansas City	\$ 390,387.00
University of Missouri - Rolla	\$ 267,959.35
Webster University	\$ 14,016.50
Missouri Totals	\$ 914,448.59
Nebraska Institutions	Kansas Residents
Central Community College - Grand Island	\$ 2,968.00
Peru State College	\$ 6,630.00
University of Nebraska - Kearney	\$ 15,277.40
University of Nebraska - Lincoln	\$ 59,805.00
University of Nebraska - Omaha	\$ 5,572.00
Nebraska Totals	\$ 90,252.40
North Dakota Institutions	Kansas Residents
Bismarck State College	\$ 4,999.28
Dickinson State University	\$ 2,596.00
Minot State University	\$ 2,024.16
University of North Dakota	\$ 22,050.63
North Dakota Totals	\$ 31,670.07
Kansas Resident Totals Per Semester	\$ 1,332,176.63
Kansas Resident Totals Per Year	\$ 2,664,353.26

**Table 17: Program Enrollment at Kansas Institutions
by Students Home State of Residence, 2005-06 School Year**

Kansas Institutions	MI	MN	MO	NE	ND	Enrollment Totals
Fort Hays State University	1				1	2
Kansas State University		14	19	98	4	135
Pittsburg State University			11	2	1	14
University of Kansas, Lawrence	2	14	34	39		89
Wichita State University		3	12	15		30
Kansas Institution Totals	3	31	76	154	6	270

**Table 18: Participating MSEP Institutions in
Kansas, 2005-06 School Year**

Emporia State University
 Fort Hays State University
 Kansas State University
 Pittsburg State University
 University of Kansas, Lawrence
 Wichita State University

IV. Policy Research and Related Activities Update

In August 2003, the Midwestern Higher Education Compact launched a policy analysis and research initiative to complement its cost-savings and student exchange programs. In this function, MHEC strives to foster dialogues about policy and practice between policymakers and postsecondary education leaders, and to serve as a vehicle for information exchange across the region. This is done through sponsorship of workshops and meetings; publication of policy briefs and research reports; maintenance of an educational policy database; and response to individual requests for policy-related data and information.

The following policy-related initiatives and projects were completed in 2006, or are underway:

Events & Activities

- MHEC/SHEEO Policy Summit, *The Spellings Commission Report, A Catalyst for Action: The roles and responsibilities of states, systems, and institutions in effecting change in higher education* (Indianapolis, November 13-14, 2006).
- Dinner for higher education representatives and friends during the Education Commission of the States National Forum, hosted by MHEC with support of the KnowledgeWorks Foundation (St. Paul, July, 2006).
- Midwestern SHEEO Workshop and Retreat (Chicago, January and November 2006).
- The Midwest PERL (ongoing). Launched in 2004, the Postsecondary Education Resource Library) is an online resource serving as both a web-based data book for the region and a library of policy reports and other resources, searchable by topic/issue, institutional sector (public, private, etc.) and institutional type (2-year, 4-year, etc.). The website averages 10,000 hits monthly from 400 individual visitors. Over half of PERL users return to the site each month, at an average of four visits per user per month.

Policy Briefs & Reports

- *Measuring Up 2006: A National Report Card, A Midwestern Perspective* (Britany Affolter-Caine, Nathan Daun-Barnett, and Chris Rasmussen, anticipated January 2007).
- *Making the Grade: Online Education in the Midwest, 2006* (the Sloan Consortium Survey of Online Learning (I. Elaine Allen and Jeff Seaman, with assistance from Ann Grindland, anticipated January 2007).
- *Average Tuition and Required Fees: A Comparison of Public Colleges and Universities in the Midwest and Beyond* (Chris Rasmussen and Thomas Harnisch, anticipated January 2007).
- *A New Social Compact: How University Engagement Can Fuel Innovation*. Federal Reserve Bank of Chicago Working Papers Series (Larry Isaak with Rick Mattoon and Laura Melle, October 2006).
- *Average Faculty Salaries: A Comparison of Public and Private Institutions in the Midwest and Beyond* (Chris Rasmussen and Gina Johnson, September 2006).
- *2006 Midwestern States Legislative Update* (Ann Grindland, June 2006).
- *Taking Action to Meet New Realities: A Report of the Midwestern Education to Workforce Policy Summit* (Chris Rasmussen, Janet Holdsworth, and Laura Tomaka, April 2006).

- *Feeling the Heat: The Impact of Rising Energy Costs on Colleges and Universities in the Midwest* (Chris Rasmussen and Gina Johnson, February 2006).

Other Publications & Presentations

- Session Discussant, *Higher Education and Civic Engagement: From Local to Global* (Chris Rasmussen, Association for the Study of Higher Education Annual Conference, Anaheim, California, November 2006).
- Panelist, *Positioning a Higher Education System to Lead Economic Growth—The North Dakota Reform*, Federal Reserve Bank of Chicago Conference on Higher Education and Economic Growth (Larry Isaak, October 2006).
- *A Phenomenological Study of the Development of University Educators' Critical Consciousness* (Chris Rasmussen with Lisa Landreman, Patricia King, and Cindy Xinquan Jiang, accepted for publication in the *Journal of College Student Development*, October 2006).
- Testimony to the U.S. Department of Education on the 2006-07 Negotiated Rulemaking Process on Title IV Financial Aid Programs, Chicago (Chris Rasmussen, October 2006).
- Presenters, *Linking College Access Initiatives to State Workforce Development Efforts* National College Access Network Annual Conference (Chris Rasmussen with Joe Rowson, Ed Sarpolus, and Laura Tomaka, September 2006).
- Report to the Midwestern Legislative Conference (Larry Isaak and Pam Schutt, Midwestern Legislative Conference Annual Meeting, August 2006).
- Roundtable Facilitators, *Building Integrated Education-to-Workforce Systems*, Education Commission of the States National Forum (Larry Isaak and Chris Rasmussen, July 2006).
- Panel Moderator, *Reaching the Potential: The Role of Postsecondary Education in Achieving State Policy Priorities*, The Institute for Governors' Education Policy Advisors, sponsored by the Western Interstate Commission for Higher Education and the National Governors Association (Larry Isaak, June 2006).
- Testimony to the Joint Meeting of the House and Senate Higher Education Appropriations Committees, Michigan Legislature (Chris Rasmussen and Pam Schutt, February 2006).
- Written testimony to The Project on Student Loan Debt at The Institute for College Access and Success (Chris Rasmussen, January 2006).

Meeting Attendance & Invited Forum Participation

- Participant, SHEEO workshop on Assessing College Learning (Chris Rasmussen, December 2006).
- Participants, Education to Workforce Policy Initiative state roundtables in Missouri, Nebraska, Michigan, Illinois, South Dakota, and Minnesota (Chris Rasmussen, Larry Isaak, and Ann Grindland, April to November 2006). *The Kansas roundtable will be held January 24-25; Wisconsin and Indiana roundtables are scheduled for the spring.*
- Participant, National Symposium on Student Success, National Postsecondary Education Cooperative (Larry Isaak, November 2006)
- Advisory Panel Participant, *Recession, Retrenchment and Recovery: State Higher Education Funding and Student Financial Aid*, an initiative of the Center for the Study of Education Policy at Illinois State University; the National Association of State Student

- Grant Aid Programs; and the State Higher Education Executive Officers (Larry Isaak, October 2006).
- Participant, State Higher Education Executive Officers Professional Development Conference (Chris Rasmussen, August 2006).
 - Participant, working group on *workforce preparation, economic development, research, and other state/community needs*, SHEEO Access and Excellence Initiative: Strengthening Policy-Making Capacity (Chris Rasmussen, May 2006).
 - Participant, working group on *resources, costs, affordability, and returns on public and private investments*, SHEEO Access and Excellence Initiative: Strengthening Policy-Making Capacity (Larry Isaak, April 2006).
 - Participants, *Access, Opportunity & Affordability: The Future of Higher Education, A Midwest Response to the Secretary of the US Department of Education's Commission on the Future of Higher Education* (Larry Isaak and Chris Rasmussen, March 2006).
 - Participant, panel to review and discuss the development of Minnesota's higher education accountability system, sponsored by the Minnesota Office of Higher Education (Larry Isaak, November 2005 to March 2006).

Policy Research Advisory Committee

The Policy Research Advisory Committee, established in April 2004, consists of one Commissioner from each member state and additional individuals from organizations across the region. The Policy Research Advisory Committee assists the Director of Policy Research in developing and furthering a policy research agenda, and helps to identify policy-related products and services of greatest utility to commissioners and policy makers. The Committee convenes during the annual meeting and occasionally throughout the year via conference call.

The Committee's current membership consists of:

Robert Behning, State Representative, IN
 Brad Burzynski, State Senator, IL
 Robert Downer, Iowa Board of Regents
 Tim Flakoll, State Senator, ND
 Thomas George, Chancellor, University of Missouri-St. Louis (Chair)
 Conway Jeffress, President, Schoolcraft College
 Robert Jones, Senior Vice President for System Administration, University of Minnesota
 Lana Oleen, former MHEC Chair and former Senate Majority Leader, Kansas
 Linda Ray Pratt, Executive Vice President & Provost, University of Nebraska
 David Ponitz, President Emeritus, Sinclair Community College, OH
 Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities

Ex-Officio Members

Debra Bragg, Professor, Educational Organization & Leadership, University of Illinois
 Kate Carey, Executive Director, Ohio Learning Network
 Larry Isaak, President, MHEC
 Mike McCabe, Director, Council of State Governments, Midwest Office
 Ada Simmons, Associate Director, Indiana Education Policy Center, Indiana University

V. Kansas Postsecondary Education and Related Data Trends

The following section provides data on leading indicators and measures related to higher education in Kansas and other states in the MHEC region. This data can assist policymakers in assessing Kansas' readiness to develop the human capital necessary to advance the state's quality of life through both economic development and the growth and maintenance of strong, stable, vibrant communities. Data is provided in the following areas:

- State Demographics and Fiscal Resources
- Postsecondary Preparation and Participation
- Higher Education Funding and Affordability
- Economic and Social Benefits of Higher Education

The tables that follow provide state-specific data for Kansas, for the other 10 states in the MHEC region, and for the nation. Each state possesses a unique social, cultural, economic, and political context which may make certain interstate comparisons difficult or misleading. State-specific data are provided to enable policymakers to benchmark their state's position or performance against others as they see fit or appropriate.

These indicators are not exhaustive, but can be used to help Kansans better understand both the strengths of their state and areas that may need attention in order to position Kansas to compete and thrive in the rapidly evolving knowledge-based economy. Sources for the data that follow include the following:

- Annie E. Casey Foundation
- Council of Chief State School Officers
- Editorial Projects in Education Research Center (published in *Education Week*)
- Institute for Higher Education Policy
- National Association of State Student Grant and Aid Programs
- National Center for Education Statistics, U.S. Department of Education
- National Center for Higher Education Management Systems
- National Center for Public Policy and Higher Education
- *Postsecondary OPPORTUNITY* (Thomas Mortenson)
- State Higher Education Executive Officers
- U.S. Bureau of the Census
- U.S. Bureau of Labor Statistics

Leading Demographic Indicators. Table 19 provides demographic data for Kansas along with data from other MHEC states for comparison purposes. Most striking is the projected population changes anticipated across the region over the next 25 years.

Table 19: Leading Demographic Indicators – Kansas Compared to Other MHEC States and the National Average

	Projected change in total population 2005-2030 ¹	Projected change in under-18 age group 2005-2030 ¹	Projected change in 18-64 age group 2005-2030 ¹	Projected change in over 64 age group 2005-2030 ¹	Population 25 years and over with less than a high school diploma or equivalent (2005) ²	Population 25 years and over with a bachelor's degree or higher (2005) ²	Residents enrolling in college for the first time who do so in other states (2004) ³	Net migration of all first-time degree-seeking undergraduate students (2004) ³
KS	6.9%	1.0%	-3.1%	65.6%	11.3%	28.2%	14%	7.1%
US	23.0%	16.4%	11.5%	94.7%	15.8%	27.2%	17%	3.5%
IA	-0.6%	-8.0%	-10.4%	52.2%	10.4%	23.8%	11%	18.2%
IL	5.8%	1.0%	-2.4%	58.6%	14.3%	29.2%	20%	-9.2%
IN	9.0%	6.6%	-0.3%	60.8%	14.7%	21.3%	12%	10.6%
MI	4.8%	-4.8%	-3.5%	67.0%	13.0%	24.7%	10%	-0.4%
MN	21.9%	17.9%	9.9%	93.4%	9.1%	30.7%	20%	-3.0%
MO	11.5%	5.6%	1.5%	69.1%	15.0%	24.0%	16%	4.0%
ND	-4.5%	-14.1%	-17.0%	62.7%	11.8%	25.5%	29%	18.4%
NE	4.3%	2.5%	-7.3%	61.1%	10.5%	27.3%	17%	0.5%
OH	0.6%	-6.3%	-8.2%	54.9%	13.7%	23.3%	14%	-1.0%
WI	10.7%	2.3%	-0.7%	82.0%	11.2%	25.0%	17%	-1.9%

¹National Center for Higher Education Management Systems. Data from the U.S. Census Bureau

²U.S. Census Bureau, 2005 American Community Survey

³U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2005

As can be seen in the table, the Midwest is expected to grow at a slower rate than the rest of the nation through the year 2030. Kansas's overall rate of growth is projected to fall in the top half of MHEC states, but significantly below the national average. Almost of the growth that will occur will be in the population of individuals 65 and older. The youth population is expected to grow by a scant 1%, and the population of 18-64 year olds—individuals in their prime working years—is projected to actually fall by 3%. This could have significant consequences for the ability of the state to fund the programs and services that will be necessary to support the needs of an aging population.

Kansas ranks among the top states in the region in the percentage of its adult population with a bachelor's degree or higher (and a full percentage point above the national average. Kansas also does well in ensuring that adults obtain high school credentials, as all but 11.3% of Kansans age 25 and over possess a high school diploma or its equivalent. Kansas is a net importer of first-time college students, attracting 107 new students for every 100 Kansans who elect to attend college elsewhere. However, Kansas falls into negative territory in retaining college graduates,

as can be seen in the Benefits table on page 36. Kansas loses 5 individuals with bachelor's degrees for every 100 that are produced in the state. With this loss, the state fails to capture the additional personal income associated with educational credentials (approximately \$17,000 per individual). Multiplied by the number of bachelor's degrees produced by Kansas colleges and universities each year—over 16,000 in 2003-04 alone—the loss of personal income due to the out-migration of educated young adults is more than \$13 million annually. Kansas performs better than Iowa and Nebraska on this measure, but worse than Missouri, which actually gains 2 bachelor's degreed individuals for every 100 degrees produced in the state. Missouri also gains 14 individuals with associate's degrees for every 100 degrees produced in the state, compared to Kansas's figure of -1. This could be a function of a more favorable job climate for individuals with associate's degrees in Missouri—degrees which are often earned in technical and applied fields—particularly in the border crossing metropolitan regions of Kansas City and St. Louis.

Leading Financial Indicators. **Table 20** provides financial data for Kansas along with data from other MHEC states for comparison purposes. Kansas's effective tax rate declined by 0.9% between 1993 and 2003, near the average for MHEC states and slightly below the national average of 1.2%. Not surprisingly, Kansas's increase in tax revenues during the same period was also near the MHEC average, but nearly 5 points above the national benchmark. Kansas's effective tax rate of 7.8% in 2003 was equal to the national average.

**Table 20: Leading Financial Indicators: Kansas
Compared to Other MHEC States and the National Average**

	Average income of poorest 20% of the population (2003-05) ¹	Effective Tax Rate, 2003 ²	Effective Tax Rate, 1993 ²	Tax revenue per capita (2003) ²	Tax revenue per capita for each 1% of effective taxation ³	% increase in tax revenue, 1993 to 2003 (adjusted for inflation) ²	Children in poverty (2005) ⁴
KS	\$12,848	7.8%	8.7%	\$3,079	\$395	12.9%	15%
U.S.	\$12,168	7.8%	9.0%	\$3,235	\$415	8.0%	19%
IA	\$13,500	7.4%	9.7%	\$2,891	\$391	0.5%	14%
IL	\$12,500	7.7%	8.4%	\$3,200	\$416	10.0%	16%
IN	\$13,374	7.8%	8.2%	\$2,970	\$381	18.6%	17%
MI	\$12,156	8.3%	9.6%	\$3,098	\$373	2.1%	19%
MN	\$16,728	8.5%	10.2%	\$3,672	\$432	9.7%	12%
MO	\$12,799	7.1%	7.4%	\$2,705	\$381	20.0%	19%
ND	\$12,111	7.7%	8.9%	\$2,881	\$374	17.4%	13%
NE	\$13,409	8.1%	8.6%	\$3,312	\$409	21.9%	15%
OH	\$12,319	8.6%	8.4%	\$3,268	\$380	23.7%	19%
WI	\$14,000	8.8%	10.5%	\$3,424	\$389	6.2%	14%

¹National Center for Public Policy and Higher Education. Data from U.S. Census Bureau.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2005*. Tax revenue per capita includes revenue generated through taxation by both state and local governments. The Effective Tax Rate is equal to a state's actual tax revenue divided by its total taxable resources.

³Calculated by MHEC using data from the State Higher Education Executive Officers.

⁴Annie E. Casey Foundation.

Some correlation between the change in a state's tax rate and the level of increase in tax revenue is to be expected: States that saw the largest decline in their tax rates from 1993 and 2003 also experienced the smallest increases in tax revenue, with North Dakota and Minnesota departing somewhat from the trend. Kansas ranks in the bottom half of MHEC states in tax revenue generated per capita, which again is correlated to a certain extent with the rate of taxation. However, at \$3,079 per person, Kansas's per capita tax revenue is less than 2% below the regional average of \$3,136. On the related indicator of tax revenue per capita for each 1% of effective taxation—a proxy for the volume of taxable resources in the state—Kansas ranks fourth in the region behind Minnesota, Illinois, and Nebraska, but nearly 5% below the national average. Finally, Kansas's child poverty rate is 15%—4 points below the national benchmark, but higher than four other MHEC states.

Postsecondary Preparation. Table 21 provides data on student academic preparation that reveals how Kansas compares to other states in the MHEC region, as well as “top performing” states in the nation.

Table 21: Postsecondary Preparation: Kansas Compared to other MHEC States and “Top Performing” States in the Nation¹

	18-24 year-olds with a high school credential (2002-2004)	9 th to 12 th graders taking at least one upper-level math course (2003-04)	9 th to 12 th graders taking at least one upper-level science course (2003-04)	7 th to 12 th graders in math courses taught by teachers with a major in their field (1999-2000)	7 th to 12 th graders in science courses taught by teachers with a major in their field (1999-2000)	7 th to 12 th graders in acadamic core courses ³ taught by teachers with a major in their field (1999-2000)
KS	88%	n/a	n/a	56%	77%	70%
Top performing states ²	94%	64%	40%	84%	88%	81%
U.S.	87%	53%	31%	65%	73%	70%
IA	90%	57%	43%	70%	90%	80%
IL	87%	n/a	n/a	63%	87%	70%
IN	89%	47%	30%	71%	82%	79%
MI	90%	35%	23%	63%	78%	66%
MN	92%	46%	29%	88%	88%	92%
MO	88%	54%	35%	51%	70%	66%
ND	95%	53%	34%	76%	81%	73%
NE	90%	61%	37%	84%	82%	80%
OH	86%	60%	28%	75%	65%	61%
WI	91%	61%	38%	69%	86%	81%

¹All data in the table are from the National Center for Public Policy and Higher Education, *Measuring Up 2004*. Data are from the U.S. Census Bureau, the Council of Chief State School Officers, and the U.S. Department of Education's National Center for Education Statistics.

²For this and all subsequent tables, the benchmark for “top performing states” is the median performance level of the top five states on a given indicator (i.e., the third highest scoring state).

³Core courses include: English, Math, Social Studies, and Science.

The selected indicators include high school completion rates, course taking behavior, and teacher qualification. (Research has shown that a student's participation in academically rigorous courses—in particular upper-level mathematics—is an excellent predictor of his or her chance of success in college.)

In Kansas, 88% of 18-24 year olds have earned a high school diploma or the equivalent—a rate above the national average but below all but two other states in the region. Kansas ranks near the bottom of MHEC states in the percentage of high schoolers in math and science classes who are taught by individuals who majored in the subject they are asked to teach (only Missouri does worse on both subjects). Kansas should address this issue by identifying the obstacles to training, recruiting, and compensating competitively qualified math and science teachers, particularly in rural and more sparsely populated areas of the state.

At the county level, Kansas's high school credential rate among 18-24 year olds varies significantly. According to data from the 2000 Census analyzed by the National Center for Higher Education Management Systems, Riley County (96.5%), Douglas County (93.7%), Ellis County (91.3%), and Comanche County (90.9%) lead the state in this measure—probably not surprising given the presence of colleges and universities in the first three of these counties. Hamilton County (45.1%), Pawnee County (45.5%), Grant County (46.5%), and Gray County (47.3%) had the lowest percentage of young adults with a high school credential in 2000—illustrating the critical need for educational outreach and improvement initiatives in southwest Kansas. The counties with the sharpest decline in this measure over the previous decade were Pawnee (-34.3%), Kingman (-20.2%), Greeley (-19.8%), Stanton (-19.4%), and Hamilton (-19.1%).

Participation, Persistence and Completion. **Table 22** reveals how Kansas compares to other MHEC states, as well as “top performing” states in the nation, in the area of student progress through the postsecondary educational pipeline.

Approximately half of Kansas's entering ninth-graders finish high school in four years and proceed directly to college. While on the surface this number may seem low, it is actually fourth highest in the MHEC region and near the average of the nation's top performing states. Kansas also ranks third in the region in its actual college participation rate among 18-24 year olds, overtaking Nebraska for third place between 2002 and 2004. In the 25-49 year old age group, 4% of Kansans are enrolled in some form of postsecondary education (both degree and non-degree programs), ranking Kansas third behind only Illinois and Michigan in this area. This could reflect a greater appreciation for the value and benefits of continuing education among Kansas's residents, fewer barriers to participation (such as cost, location, or the lack of employer provided benefits), or greater mobility of workers (either forced or voluntary) among industries.

While Kansas's college-going rate ranks in the top set of MHEC states, its college retention and completion figures are comparatively low. Kansas ranks among the lower performing MHEC states in the first to second year persistence rate among full-time students at four-year colleges at 74%, and second lowest in the persistence rate at two-year institutions at 50%. Both of these figures are well below the average of the nation's top performing states. Kansas's six-year graduation rate improved by three points between 2002 and 2004, but still ranks second lowest

among MHEC states (and below the national average). This relative disconnect between enrollment and completion of a bachelor's degree program in Kansas merits attention. The rate of postsecondary credentialing in Kansas—a proxy for the relative efficiency of the state's postsecondary system—is near the average for MHEC states.

Table 22: Postsecondary Participation, Persistence, and Completion: Kansas Compared to Other MHEC States and "Top Performing" States in the Nation¹

	Chance for college by age 19 (2002) ²	18-24 year-olds enrolled in college (2002-04)	25-49 year-olds enrolled part-time in any type of postsecondary education (2003)	First to second year persistence of full-time students at two-year institutions (Fall 2004)	First to second year persistence of full-time students at four-year institutions (Fall 2004)	First-time, full-time students earning a bachelors within 6 years of enrollment (2003-04)	Certificates, degrees, and diplomas awarded at all institutions per 100 undergraduates (2003-04)
KS	50%	38%	4.0%	50%	74%	53%	18
Top performing states	52%	41%	5.1%	62%	82%	64%	20
U.S.	38%	35%	3.9%	53%	77%	55%	17
IA	51%	35%	3.5%	48%	75%	64%	19
IL	42%	35%	4.9%	51%	76%	58%	17
IN	42%	29%	3.2%	54%	76%	55%	18
MI	38%	42%	4.4%	57%	74%	55%	15
MN	53%	38%	3.7%	50%	78%	57%	20
MO	39%	33%	4.0%	51%	73%	56%	18
ND	62%	41%	2.9%	48%	71%	48%	18
NE	48%	37%	4.0%	55%	75%	55%	17
OH	41%	35%	3.2%	51%	73%	54%	17
WI	46%	35%	3.8%	57%	79%	57%	20

¹Information in this table is from the National Center for Public Policy in Higher Education, *Measuring Up 2006*, with data from Thomas Mortenson and *Postsecondary Education OPPORTUNITY*, the U.S. Census Bureau, the National Center for Higher Education Management Systems, and the National Center for Education Statistics.

²"Chance for college" is defined as the relative probability that a student entering ninth grade will finish high school in four years and proceed directly to college.

Individual and State-Level Benefits. Table 23 reflects the general economic and social benefits that Kansas and other MHEC states derive from having an educated citizenry. In the areas of personal income, unemployment and public assistance rates, voter participation, and volunteerism, a college degree works significantly to an individual's and to the state's advantage.

As can be seen in the table, the median annual salary for a Kansan with a bachelor's degree is \$17,000 more than an individual with only a high school diploma or equivalent. Even individuals with some college—up to and including an associate's degree—earn more than those without any college, with a median salary difference of \$3,500. This increased earning power benefits not only the individual, but also the state and the public at large through increased tax revenue, additional investment capital, greater charitable giving, and increased consumer

spending. Individuals in Kansas with bachelors degrees also experience much lower rates of unemployment—2.0% for bachelors degree holders in 2004, vs. 6.1% for individuals with a high school diploma. The difference of 4.1 points is the third largest in the MHEC region. The differential is even greater during periods of high overall unemployment.

Table 23: Benefits of Higher Education: Kansas Compared to Other MHEC States and the National Average

	Population 25-64 years old with a bachelors degree or higher (2002-2004 average) ¹	Difference in unemployment rates for individuals with a bachelors degree vs. a high school credential (2004) ²	Net gain/loss of associates degree holders for every 100 degrees produced in the state (2001-03 average) ³	Difference in median earnings, workers age 25-65 with some college vs. a high school credential (2002-04 average) ¹	Net gain/loss of bachelors degree holders for every 100 degrees produced in the state (2001-03 average) ³	Difference in median earnings, workers age 25-65 with a bachelors degree vs. a high school credential (2002-04 average) ¹	Increased likelihood of volunteerism for individuals with some college or higher vs. a high school credential (2003-05 average) ¹
KS	31%	-4.1%	-1	\$3,500	-5	\$17,000	71%
U.S.	30% ⁴	-2.8%	NA	\$5,000	NA	\$21,000	85%
IA	27%	-3.1%	-5	\$2,000	-19	\$14,000	62%
IL	32%	-2.5%	-4	\$6,000	+7	\$21,800	82%
IN	23%	-2.8%	+9	\$3,000	-12	\$21,000	89%
MI	27%	-7.2%	+3	\$6,000	+1	\$23,000	80%
MN	33%	-2.6%	+10	\$2,200	+15	\$19,000	64%
MO	31%	-3.6%	+14	\$7,000	+2	\$18,000	82%
ND	28%	-2.2%	-11	\$3,000	-34	\$13,000	50%
NE	29%	-3.1%	-2	\$4,000	-6	\$15,000	60%
OH	26%	-2.4%	+2	\$7,000	-5	\$22,000	84%
WI	28%	-5.1%	+2	\$2,000	-7	\$17,000	75%

¹National Center for Public Policy in Higher Education (Data from the U.S. Census Bureau and the U.S. Bureau of Labor Statistics).

²Institute for Higher Education Policy, *The Investment Payoff* (Data from the Current Population Survey, 2004).

³National Center for Higher Education Management Systems (Data from the U.S. Census Bureau).

Education also makes a difference in a number of other areas, including voter participation, charitable giving, use of public assistance programs, personal health and wellness, and volunteerism. Across the nation, individuals with some college experience are 85% more likely to participate in volunteer activities than individuals with no college. The difference in Kansas is not as great.

Affordability. **Table 24** reveals how Kansas compares to other MHEC states and the national average on indicators related to the affordability of higher education. These indicators include measures related to the percent of family income needed to pay for college expenses, the change in the percentage of college costs borne by students/families and the state during a recent 10-year period, and the size of the average federal student loan of undergraduate borrowers in 2004-05.

**Table 24: Affordability of Higher Education: Kansas
Compared to Other MHEC States and the National Average**

	% of average annual family income needed to pay for public 2-year college expenses after financial aid, 2005-06 ¹	% of average annual family income needed to pay for public 4-year college expenses after financial aid, 2005-06 ¹	% of average annual family income needed to pay for private 4-year college expenses after financial aid, 2005-06 ¹	Family share of public higher education operating revenues (2005) ²	Family share of public higher education operating revenues (1995) ²	% of average income needed for the poorest 20% of families to pay listed tuition in the states' lowest-priced colleges, 2005-06 ¹	Average annual per student borrowing of federal undergraduate education loans, 2004-05 ^{1,3}
KS	20%	26%	47%	38%	30%	15%	\$3,377
U.S.	24%	31%	72%	37%	31%	16%	\$3,619
IA	26%	30%	59%	49%	34%	23%	\$3,112
IL	24%	35%	69%	28%	20%	17%	\$3,770
IN	24%	30%	66%	50%	41%	19%	\$3,549
MI	24%	36%	48%	52%	44%	17%	\$3,120
MN	22%	26%	54%	45%	30%	24%	\$3,234
MO	23%	31%	54%	40%	38%	18%	\$3,407
ND	24%	28%	34%	44%	36%	25%	\$3,110
NE	21%	27%	50%	36%	27%	14%	\$3,447
OH	30%	42%	67%	50%	44%	25%	\$3,552
WI	21%	26%	61%	37%	28%	21%	\$3,277

¹National Center for Public Policy and Higher Education, *Measuring Up 2006*. Data from National Center for Higher Education Management Systems, National Center for Education Statistics, and the U.S. Census Bureau.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2005*.

³Figures include both student and parent subsidized and unsubsidized loans, but do not include loans originating from state sources or private loans (including credit card debt). The figure is therefore not an accurate measure of total student borrowing, which is higher than the figures listed. According to College Board, students at all levels in 2005-06 borrowed a total of \$16 billion in private bank loans, compared to \$69 billion in federal loans.

Kansas's public and private colleges are more affordable than the national average, as measured by the percentage of annual family income that is required to support one year of attendance (after financial aid is taken into consideration). Kansas ranks first in the region in both 2-year and 4-year public college affordability, and second in the region in private college affordability (although the figure for North Dakota is skewed by the presence of only three private institutions). Kansas families now contribute 38% of all public higher education operating revenues, up from 30% in 1995. This figure is just above the national average, but lower than in all but three other MHEC states (including Nebraska).

The poorest families in Kansas devote an average of 15% of their income to attend the state's lowest-priced colleges—slightly below the national average, and significantly below the regional average of nearly 20% (only Nebraska families contribute less). Kansas's undergraduate students and their families take out an average of \$3,377 annually in federal education loans, an amount just above the regional average. It is important to note that this statistic does not include non-federal private lending such as state loans, loans from family members, credit cards and other bank loans, etc.

Higher Education Funding. Table 25 reveals how Kansas compares to other MHEC states and to the national average on various measures of higher education funding. Kansas is a “low tuition, low aid” state, meaning that tuition levels at public institutions are lower than average, as are appropriation levels for student financial aid programs. In contrast, other states have adopted a “high tuition, high aid” model (Illinois, Minnesota) or a middle ground approach (Missouri, Iowa), which means that in general they provide smaller subsidies to institutions, have higher tuition, and have an increased need to fund student financial aid programs. For this reason, it is misleading to examine a state’s student financial aid effort independent of its institutional subsidy levels and measures of student and family affordability.

**Table 25: Higher Education Funding: Kansas
Compared to other MHEC States and the National Average**

	Total State Grant Expenditures (Need and Merit Based) as a Percentage of Higher Education Operating Expenses (2004-05) ³	Percentage of Total Grant Aid Awarded Solely on the Basis of Need (2004-05) ³	State and Local Appropriations for Public Higher Education Operating Expenses per FTE ¹		State and Local Appropriations for Public Higher Education Operating Expenses per capita ¹		State and Local Appropriations for Higher Education as a Percentage of Tax Revenue and Lottery Proceeds (2003) ²		State Need-Based Grant Aid Awarded by Sector, 2004-05 (in millions) ³	
			2005	1995-2005 change	2005	1995-2005 change	2003	1993	Public In-State	Private, Not-for-Profit In-State
KS	2.2%	94.3%	5877	-1.3	319	-3.3	10.1	11.5	n/a ⁴	n/a ⁴
U.S.	11.0%	73.5%	5833	-8.9	243	1.7	7.6	7.6	2,987.1	1481.9
IA	6.9%	99.2%	5069	-31.1	264	-13.7	9.7	10.4	3.4	40.96
IL	13.8%	92.0%	6747	1.7	260	5.3	8.0	7.7	174.1	147.50
IN	19.5%	95.9%	4845	-12.1	226	7.1	7.7	8.3	198.4	62.16
MI	10.3%	46.7%	5297	-18.0	240	-4.8	8.3	8.2	30.0	66.1
MN	10.3%	99.9%	5362	-18.8	248	-14.8	7.1	8.6	73.0	37.6
MO	6.6%	42.5%	5916	-4.0	185	0.5	6.9	7.4	8.4	15.9
ND	0.9%	77.9%	4413	-17.2	317	0.3	11.8	14.3	1.1	0.3
NE	1.6%	100%	5755	-1.6	340	-2.0	11.0	12.3	4.8	2.2
OH	11.4%	66.8%	4365	-14.0	194	0.5	5.9	6.5	91.0	38.6
WI	7.5%	96.1%	5840	-23.1	265	-13.4	8.1	9.1	54.0	24.26

¹State Higher Education Executive Officers, *State Higher Education Finance, FY 2005*. Data is adjusted for regional cost of living, the relative mix of enrollments by institutional type, and 2005 dollars.

²State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Adjusted to 2003 dollars.

³National Association of State Student Grant and Aid Programs.

⁴Data by sector not available. Total need-based student aid awarded in Kansas in 2004-05 was \$15.1 million.

Kansas awarded approximately \$18 million in student grants and other forms of financial aid in 2004-05, 84% of which was in the form of need-based grants. Kansas distributes over 90% of its grant aid on the sole basis of need, appropriating just under \$1 million for special purpose awards. Although a low tuition/low aid state, Kansas should endeavor to insure that future

increases in public college and university tuition are accompanied by concomitant increases in available financial aid, in order to prevent the continued decreasing affordability of higher education in the state.

In 2003, Kansas devoted 10.1% of its total tax and lottery revenues to higher education. This figure was third highest in the MHEC region, behind only North Dakota and Nebraska, and compares to the national average of 7.6%. In 1993, Kansas devoted 11.5% of its revenues to higher education. The 1.4% drop was the third largest in the region, while the national average did not change during the period.

All but one MHEC state experienced a decline in higher education appropriations per FTE from 1995 to 2005 (in constant 2005 dollars). Kansas experienced the smallest percentage decline of those states whose appropriation levels fell. Per capita appropriations were a slightly different story, with half the MHEC states experiencing increases and half seeing declines. Kansas's decline of 3.3% brought its per capita higher education funding to \$319—second highest in the region behind Nebraska. Kansas's appropriations per FTE in 2005 were higher than in every MHEC state except Illinois and Missouri. Kansas's appropriations per FTE were close to the national average, while the state's appropriations per capita were 31% higher than the national benchmark.

Summary. Kansas ranks quite favorably regionally—and also nationally—on various policy indicators related to higher education. A long history of commitment to education has resulted in the state having high school graduation rates and college degree rates that historically rank among the highest in the region and near the top tier of states nationally. However, Kansas's position relative to other states in high school completion is down, with the state's overall credentialing rate falling from 93% in 1992 to 88% in 2004. This figure could reflect a decline in graduation rates, an influx of new residents without high school credentials, or some combination thereof. Regardless, it is incumbent upon the state to insure that as few residents as possible possess anything less than a high school credential so they can contribute fully to the state's economic and social well-being. This is particularly important given the fact that the median annual salary for Kansans with a bachelor's degree is \$17,000 higher than the salary for residents with only a high school credential.

It is also important for Kansas to increase its overall educational production. Kansas currently enrolls 38% of its own 18-24 year olds in college—a figure that is higher than most MHEC states, but is below the 41% average of the nation's top performing states. Although Kansas has maintained a respectable college-going rate, once in college the state's students persist from first to the second year at rates that rank among the lowest in the region. The state's six-year college graduation rate is the second lowest regionally, and is 11 points lower than the average of the nation's top performing states. (It probably does not help that 23% of Kansas high school science students, and 44% of math students, are taught by individuals who lack appropriate education in the subject area(s) in which they teach. This could lead to a larger number of students struggling in college, or requiring remediation in these subjects, than would otherwise be the case.) Of course, Kansas's colleges and universities are among the most affordable in the region, and therefore many students who are less- or minimally-qualified may choose to enroll and “try out” college, who

Table 26: Chance for Success Index

State	Total points awarded	Rank
Virginia	+22	1
Connecticut	+21	2
Minnesota	+20	3
New Jersey	+19	4
Maryland	+18	5
Massachusetts	+18	5
New Hampshire	+18	5
Wisconsin	+17	8
Nebraska	+16	9
Vermont	+16	9
Iowa	+15	11
Illinois	+14	12
Kansas	+14	12
North Dakota	+14	12
Pennsylvania	+13	15
Colorado	+10	16
South Dakota	+10	16
Delaware	+8	18
New York	+8	18
Rhode Island	+7	20
Utah	+7	20
Washington	+6	22
Maine	+3	23
Wyoming	+2	24
Hawaii	+1	25
Michigan	+1	25
Montana	-1	27
Ohio	-1	27
Alaska	-2	29
Indiana	-3	30
Washington, DC	-4	31
Florida	-4	31
Missouri	-5	33
California	-6	34
Idaho	-7	35
North Carolina	-7	35
Oregon	-7	35
Georgia	-9	38
Arkansas	-10	39
Oklahoma	-11	40
Kentucky	-12	41
South Carolina	-12	41
Nevada	-13	43
West Virginia	-13	43
Alabama	-14	45
Mississippi	-14	45
Tennessee	-14	45
Texas	-15	48
Arizona	-16	49
Louisiana	-16	49
New Mexico	-23	51

otherwise would not choose to do so. This phenomenon could be depressing Kansas's college retention and completion figures.

The 2007 edition of *Quality Counts*, an annual report published by *Education Week*, includes a new "Chance for Success Index," developed by the Editorial Projects in Education Research Center. The index provides a perspective on the importance of education throughout a person's lifetime, and the advantage or disadvantage that accumulates for a state's citizens based on social, economic, and educational factors at various points in time. The index is based on 13 indicators that highlight whether individuals get off to a good start, succeed in school, attend college, and reach crucial educational and economic benchmarks as adults. These indicators include parental education and employment; preschool and kindergarten enrollment; performance in elementary and secondary school; postsecondary participation and attainment; and adult income and employment trends.

As can be seen in the table, states that score in the top 15 on the Chance for Success Index are nearly exclusively in the Midwest, Northeast, and Mid-Atlantic (Virginia's lofty ranking stems largely from high scores in the Washington, DC suburbs). MHEC states occupy 7 of the top 15 spots, while the other 4 MHEC states cluster near the middle. Kansas is one of the top states, tying for 12th in the rankings with fellow MHEC states North Dakota and Illinois. Considering the 13 Chance for Success indicators in chronological order, Kansas starts out strong with scores on family income, parental education, and parental employment that are well above national averages. Kansas's edge slows at the point of preschool enrollment, which falls just below the national average, and kindergarten enrollment, which is five points below the

national benchmark of 75.3%. Kansas students score at above average levels on the National Assessment of Educational Progress (NAEP), leading to strong state performance in high school graduation and postsecondary participation. Kansas's advantage dips at the next step in the life cycle—employment—with only 46.2% of Kansans having annual incomes above the national median. However, Kansans are employed full-time and year-round at a rate more than three points above the national average.

Kansas has chosen to provide good subsidies to its colleges and universities (among the highest in the region), which enable institutions to maintain relatively low tuition levels and limits the need for the state to award much in the way of student financial aid. However, for this “low tuition, low aid” model to continue to work effectively, tuition must be kept low. Any significant increase in tuition levels needs to be accompanied by an equivalent increase in student financial aid in order to insure that college remains affordable for Kansas families. Like the rest of the nation, students and families in Kansas are paying an increasingly higher proportion of higher education operating costs, although the increase in Kansas over the past 10 years has been lower than in most MHEC states. Kansas's funding of public institutions—as measured on a per capita and per FTE basis—has declined slightly since 1995, while higher education operating costs have continued to increase, resulting in a larger share of the financial burden being borne by students and families.

The Midwest region as a whole faces obstacles related to slow population growth and the need to diversify agriculture and manufacturing based economies. While the entire Midwest will confront unfavorable demographic projections over the next 20 years, Kansas's challenges are less acute than in many other MHEC states. Still, Kansas is expected to experience very low to negative growth in the population of individuals age 64 and younger between now and 2025. Unlike some states, Kansas does not enjoy the benefit of being a strong net importer of college graduates, meaning the state must make a concerted effort to develop a highly educated and productive workforce from within its borders. Kansas needs to increase the proportion of high school graduates who earn college degrees or otherwise acquire the skills and training necessary to sustain and grow the state's economy. Investing in adult education—including basic literacy, high school equivalency, career development, and worker retraining—is another way to help build the state's cache of human capital.

Throughout most of the 20th century, people in the Midwest region could rely on high-paying manufacturing jobs, farming, and other skilled- and semi-skilled employment opportunities to sustain state and local economies and enable a comfortable standard of living. As Kansas's policymakers, educational leaders, and citizens have come to realize, those opportunities are much fewer now than they were even in the recent past. Increasing Kansas's postsecondary participation and success rate can help the state build and retain a talent pool that can create jobs and develop an economy that enables Kansas to maintain a high quality of life for its citizens.

VI. e-Information

MHEC continues to evaluate and upgrade its technological capabilities to more efficiently and effectively respond to its constituents' changing needs by providing e-information to its various constituents on cost-savings initiatives, news, policy reports, region-level data and other resources. Primarily this outreach and information-sharing initiative occurs through MHEC's website.

A. MHEC Websites

- **www.mhec.org**

The MHEC website attempts to meet its various constituent's needs whether it be policy makers, higher education leaders, students and families or its commissioners. Highlights of the website are: accessible pdf documents of member state's savings and reports, program highlights, as well as public policy research reports, data and updates. MHEC has various documents available in the publications sections, from program brochure information to Compact documents.

- **www.mhectechnology.org**

This is a purchasing website for the MHEC technology collaborative. The collaborative provides affordable access to computing resources for Midwestern colleges and universities and their faculty, staff and students. This site provides direct access to purchasing hardware, software and telecommunications products and services. This site is currently preparing to go under renovations to make it more user friendly.

- **<http://msep.mhec.org>**

One of MHEC's most accessed areas of its website is the Student Access section, specifically the Midwest Student Exchange Program (MSEP). MHEC has made available online, its program bulletin via the MSEP Access Navigator. Visitors to this site have the ability to enter the home state of residence, degree level and sector and the Access Navigator will produce the available MSEP search results.

- **<http://e2w.mhec.org>**

The Education to Workforce "E2W" website is for The Midwestern Education to Workforce Policy Initiative: Seamless Development of Talent for the 21st Century. The Midwestern Higher Education Compact (MHEC), together with the Council of State Governments' Midwestern Legislative Conference and Midwestern Governors Association, are partners in this unique initiative to advance regional educational and economic development. This site details the initiative components and outlines each of the state efforts in carrying out the initiatives goals

B. Electronic Newsletters & Listservs

MHEC continues to provide a monthly electronic newsletter to the constituents it serves and also posts it in the newsletter archives of the publications section of the MHEC website. The Master Property Program newsletters, student access newsletters, Novell/ MHEC Higher Education Collaborative and telecommunications listservs also provide updates on program happenings.

VII. Conclusion

The Compact is committed to serving its various constituents more effectively and efficiently through collaborations. Responding to constituents' changing needs is even more important than years past because of the changing climate impacting postsecondary education in our Midwest states.

The information presented in this report clearly shows that MHEC's programs and services are aligned with the mission and goals established by the Commission. While MHEC's services have provided Kansas and other Midwest states significant savings, the organization will continue to respond to constituents' needs for new services such as the policy-research function.

What States Pay

MHEC Program Savings for 12 Months

State	What States Pay 2005-2006	What States Save		Where States and Citizens Save					
	Member State Annual State Commitment to MHEC	Total Annual Savings	Net Annual Savings	Computing Hardware Program ²	Computing Software Program ³	Master Property Insurance Program ⁴	Office Products Program	Telecom & Technology ATAlliance Program ⁵	Midwest Student Exchange Program ⁶
Illinois	90,000	6,688,884	6,598,884	4,714,652	414,377	1,073,454	105,530	380,871	NP ⁷
Indiana	90,000	3,648,450	3,558,450	3,055,199	177,212	NP ⁷	85,283	330,756	NP ⁷
Iowa ¹	90,000	248,605	158,605	96,119	27,139	NP ⁷	91,814	33,533	NP ⁷
Kansas	90,000	3,011,926	2,921,926	160,734	71,673	41,184	8,194	65,788	2,664,353
Michigan	90,000	6,642,456	6,552,456	3,123,360	269,368	499,713	15,418	1,425,407	1,309,190
Minnesota	90,000	1,807,956	1,717,956	299,927	178,986	644,655	23,179	17,964	643,245
Missouri	90,000	3,952,662	3,862,662	867,113	95,193	1,035,894	36,423	145,966	1,772,073
Nebraska	90,000	4,411,603	4,321,603	174,352	41,012	778,231	78	81,067	3,336,863
North Dakota	90,000	220,574	130,574	14,721	52,200	NP ⁷	307	0	153,346
Ohio	90,000	3,850,098	3,760,098	2,015,285	395,229	NP ⁷	184,008	1,255,576	NP ⁷
Wisconsin	90,000	845,230	755,230	720,901	25,023	NP ⁷	1,596	97,710	NP ⁷
Program Totals	\$990,000	\$35,328,443	\$34,338,443	\$15,242,363	\$1,747,412	\$4,073,131	\$551,830	\$3,834,638	\$9,879,069

Footnotes:

¹Iowa became a member of MHEC on June 6, 2005.

²Hardware program savings include those from Dell, Gateway, MPC, and Xerox.

³Software program savings are from the Novell/MHEC Collaborative Program.

⁴Based on premium & loss information as of June 30, 2006

⁵ATAlliance estimated savings for joint programs with the three other regional higher education compacts and MiCTA

⁶Student tuition savings for the academic year 2005-2006

⁷Non-participating state for 2005-2006

Cumulative Cost Savings

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Cumulative Savings for MHEC Member States through June 2006

Member States	Cost Savings Programs						Student Access	Savings		
	Computing Hardware Program ²	Computing Software Program ³	Master Property Program (Insurance) ⁴	Office Products Program ⁵	Telecom & Technology ATAlliance Program ⁶	Other Initiatives ⁷	Midwest Student Exchange Program (Reduced Tuition) ⁸	Cumulative STATE GROSS SAVINGS	Cumulative State Commitment Paid through 11/01/2006	Cumulative STATE NET SAVINGS
Illinois IL August 20, 1991	12,148,358	1,640,629	6,633,582	156,846	8,804,474	6,055,215	NA	35,439,104	924,659	34,514,445
Indiana IN March 14, 1996	8,047,473	654,848	NA	121,722	4,523,271	273,308	NA	13,620,622	751,500	12,869,122
Iowa ¹ IA June 6, 2005	96,119	27,139	NA	91,814	33,533	NA	NA	248,605	90,000	158,605
Kansas KS April 25, 1990	268,874	258,281	231,500	8,801	2,563,051	291,264	27,006,293	30,628,064	925,500	29,702,564
Michigan MI April 24, 1990	7,021,298	981,240	5,572,777	26,701	38,331,815	2,457,168	8,617,771	63,008,770	925,500	62,083,270
Minnesota MN April 26, 1990	835,306	469,501	6,319,654	35,712	7,051,706	3,743,565	3,355,958	21,811,402	925,500	20,885,902
Missouri MO May 9, 1990	3,118,528	387,002	7,721,415	42,151	3,807,239	1,399,463	10,800,026	27,275,824	925,500	26,350,324
Nebraska NE June 5, 1991	819,087	122,602	4,057,990	195	1,916,663	115,132	20,252,285	27,283,954	925,500	26,358,454
North Dakota ND April 22, 1999	70,250	109,779	NA	499	971,326	28,800	406,216	1,586,870	577,500	1,009,370
Ohio OH January 9, 1991	4,046,329	1,119,138	45,000	276,308	27,684,910	3,151,531	NA	36,323,216	925,500	35,397,716
Wisconsin WI April 18, 1994	1,189,510	64,182	NA	2,859	5,923,040	620,887	NA	7,800,478	785,000	7,015,478
TOTAL	\$37,661,132	\$5,834,341	\$30,581,918	\$763,608	\$101,611,028	\$18,136,333	\$70,438,549	\$265,026,909	\$8,681,659	\$256,345,250

Footnotes:

¹ Iowa became a member of MHEC on June 6, 2005.

² Hardware program savings include those from Dell, Gateway, MPC, and Xerox.

³ Software program savings are from the Novell/MHEC Collaborative Program.

⁴ Based on premium & loss information as of June 30, 2006

⁵ Office Products Program began January 2005

⁶ ATAlliance estimated savings for joint programs with the other regional higher education compacts and MICTA

⁷ Sunsetted Programs: Academic Position Network, Academic Scheduling, Equipment Maintenance Management, Natural Gas, and MHEC Interactive Video

⁸ Student tuition savings through the academic year 2005-2006