

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:45 p.m. on January 16, 2008, in Room 123-S of the Capitol.

Committee members absent: John Vratil- excused  
Barbara Allen- absent  
Anthony Hensley- absent  
Carolyn McGinn- excused

Committee staff present: Sharon Wenger, Kansas Legislative Research Department  
Carol Toland, Kansas Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Matt Todd, Revisor of Statutes  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Lana Oleen, Governor's designee for Midwestern Higher Education Compact  
Larry A. Isaak, President, Midwestern Higher Education Compact

**Overview of Midwestern Higher Education Compact (MHEC) in Kansas**

Lana Oleen, Governor's designee for MECH, noted that Kansas' MHEC commissioners include Senator Schodorf, who serves as a commissioner on the Executive Committee, and Senator Marci Francisco, who serves as her alternate. On the House side, Representative Barbara Ballard serves as commissioner, and Representative Clay Aurand serves as her alternate. In addition, two commissioners represent the Kansas Board of Regents – Reginald Robinson, President and CEO, and Vice Chairman Donna Shank. Noting that the MECH office is located in Minneapolis, Minnesota, she introduced the MECH President, Larry A. Isaak.

Mr. Isaak discussed the following topics:

- MHEC membership
- The 55-member commission
- MHEC finances
- MHEC's mission
- Cost savings programs
- Midwest student exchange program
- MHEC intraregional electronic transcript initiative
- Policy research
- Annual state visits
- Demographic indicators in MHEC states
- Postsecondary preparation in MHEC states and the national average
- Postsecondary participation, persistence, and completion in MHEC states and the top performing states in the nation
- Benefits of higher education in MHEC states and the national average
- Affordability of higher education in MHEC states and the national average
- Student grants and loans in MHEC states and in the nation. (Attachment 1)

For the Committee's information, Mr. Isaak distributed copies of a booklet entitled, "Annual MHEC Report to the States 2006-07" and a portfolio which included a list of all commissioners in the 11 MHEC states, a copy of K.S.A. 72-60b01 relating to MHEC, and pamphlets on cost savings and student access. Copies can be obtained from MHEC, 1300 South Second Street, Suite 130, Minneapolis, Minnesota 55454.

On behalf of Capt. Adam Johnson, Senator Schodorf moved to introduce a bill concerning the ROTC service scholarship, seconded by Senator Lee. The motion carried.

The meeting was adjourned at 2:25 p.m. The next meeting is scheduled for January 17, 2008.

SENATE EDUCATION COMMITTEE  
GUEST LIST

DATE: January 16, 2008

| NAME            | REPRESENTING   |
|-----------------|--|
| Lana Oleen      | MHEC   |
| Pam Schutt      | MHEC   |
| Larry Isaack    | MHEC   |
| Tom Black       | Johnson County Community College                       |
| LARRY BERG      | KACCT  |
| Mike Reecht     | GBBA   |
| CHRIS HOWE      | De Administration Purchases                            |
| Effie Swanson   | Senator Derek Schmidt                                  |
| Courtney George | ESU Student Body President <sup>+ KBOR SAC</sup> Chair |
| Aaron Otto      | Gov. Office  |
| JOESPH G STILES | GRAND LODGE OF KANSAS FREEMASONS                       |
| TERRY FORSYTH   | KNEA   |
| Austin Hayden   | Hein Law Firm  |
| Bob Vancrum     | Blue Valley USD  |
| Tom Kutz        | KASB   |
| Val DeFevo      | SQE  |
| John Beveland   | PIZZAR, SMITH & ASSOC.                                 |
|                 |  |
|                 |  |

**MHEC in Kansas**  
January 16, 2008



**MIDWESTERN HIGHER  
EDUCATION COMPACT**

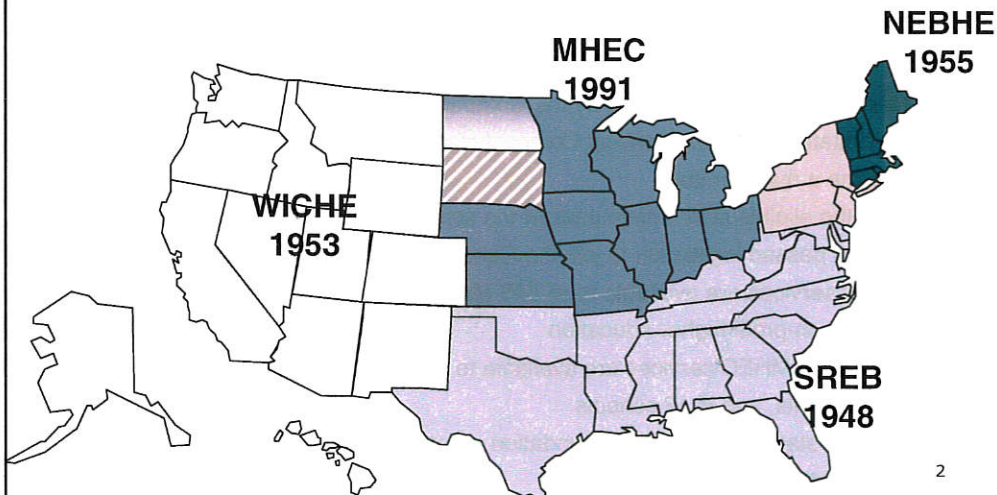
Cost Savings ♦ Student Access ♦ Policy Research



**MHEC in Kansas**



**Interstate Compacts**



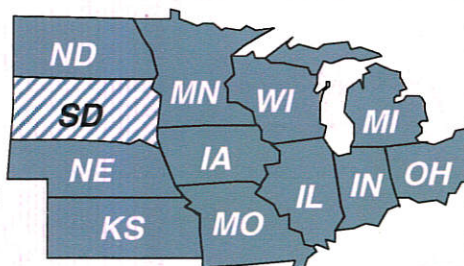
Senate Education Committee  
1-16-08  
Attachment 1



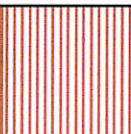
## MHEC in Kansas

### *The Midwest*

- 21.9% of the nation's population (Census Bureau, 2006)
- 21.3% of the nation's two-year college enrollments (IPEDS, 2005)
- 24.7% of the nation's four-year college enrollments (IPEDS, 2005)
- 23.3% of the nation's Associates degrees awarded (IPEDS, 2004-05)
- 24.8% of the nation's Bachelors degrees awarded (IPEDS, 2004-05)



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## MHEC in Kansas

### *MHEC Membership*

- Created by CSG's Midwest Legislative Conference in the early 1990's
  - MHEC reports annually at CSG-Midwest annual meeting
- MHEC region is similar to Council of State Governments-Midwest
- 12 eligible states are defined by the Compact statutes
- Each state must pass identical Compact statutory language to become a member state
- 11 of the eligible states have passed the statute to join the compact
- Kansas passed legislation to join the Compact in 1990
- MHEC services are available to all 846 Midwest institutions of public and private non-profit higher education
- Several of MHEC services are available to all state and local governments, and K-12 schools
- Member state commitments, foundation grants, and program income finance MHEC activities

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## MHEC in Kansas

### *The Commission*

- MHEC is uniquely governed by a 55-member commission of legislators, governor's representatives, and higher education leaders.
- Two Commissioners are appointed by each state's Legislature and generally three are appointed by each state's governor, one of which must be from higher education.
- The MHEC Commission Chair rotates annually between a legislator and non-legislator.
- The Commission meets annually.
- The Commission's Executive Committee meets semi-annually.
- Meeting locations rotate among member states.
- Commissioner travel to meetings is paid by MHEC.



## MHEC in Kansas

### *MHEC Leadership*



**Chair**  
 Senator Charlie Shields  
 Missouri State Senate



**Immediate Past Chair**  
 William Napier  
 Cleveland State University (OH)



**Vice Chair**  
 Bill Goetz, Chancellor,  
 North Dakota University System





**Past Chair-2006**  
 Senator Teresa Lubbers (IN)  
 Indiana Senate



**Treasurer**  
 Robert Downer, Regent  
 Board of Regents, State of Iowa

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**MHEC in Kansas**



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***Commissioners Serving Your State***

Barbara W. Ballard, State Representative  
 Lana Oleen, Governor's Designee  
 Reginald L. Robinson, President and CEO - Kansas Board of Regents\*\*  
 Jean Schodorf, State Senator\*\*  
 Donna Shank, Member - Kansas Board of Regents  
 Clay Aurand, State Representative (Alternate)  
 Marci Francisco, State Senator (Alternate)

\*\* Executive Committee Members

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**MHEC in Kansas**

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***MHEC Finances***

- The compact's financial position is strong
- Total FY08 annual budget of \$1.88 million
- FY08 Revenues:
  - State membership commitment      \$990,000 (53%)
  - Cost saving program revenue      \$649,000 (34%)
  - Grants and miscellaneous      \$249,000 (13%)
- The annual state commitment will be \$95,000 from July 1, 2008, through June 30, 2011:
  - The state commitment will be frozen for three years
  - The state commitment is changed only if deemed necessary by the commission, not automatically every year

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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

All core functions are led by advisory committees of commissioners and/or experts from campuses in participating states. About 150 persons from across the region participate in these committees.



## **MHEC in Kansas**



### ***Cost Savings Programs***

#### **Technology**

- Hardware (Dell, HP, Lenovo, Gateway, MPC, Xerox)
- Software (Oracle, Trend Micro, Novell)
- Telecommunications (telephone, network, internet, video, etc.)

#### **Property Insurance**

Insures over 100 campuses nationwide with property values of \$57.8 billion.  
Insures one Kansas community college campus with property values of \$273M.

#### **Other**

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## MHEC in Kansas

### Cost Savings Programs

- Saved \$31.9 million in FY07
- Saved \$226.5 million since 1991
- MHEC statutes allow entities to use the MHEC contracts
- Programs available to:
  - Public and private non-profit higher education institutions including tribal colleges and technical colleges
  - State government
  - Local governments:
    - School districts, counties, cities



## MHEC in Kansas

### Cost Savings Programs

| State  | Higher Education | K-12           | Government/Other | Total Savings |
|--------|------------------|----------------|------------------|---------------|
| IA     | \$99,039         | \$264,501      | \$20,999         | \$373,939     |
| IL     | \$3,831,090      | \$2,946,357    | \$1,408,934      | \$8,186,381   |
| IN     | \$1,999,152      | \$285,755      | \$444,680        | \$2,729,587   |
| KS     | \$422,420        | \$159,940      | \$30,041         | \$612,401     |
| MI     | \$3,767,165      | \$2,035,412    | \$2,918,379      | \$8,720,956   |
| MN     | \$1,456,711      | \$183,541      | \$62,869         | \$1,703,121   |
| MO     | \$3,041,845      | \$426,638      | \$68,654         | \$3,537,137   |
| ND     | \$64,536         | \$3,553        | \$3,213          | \$71,302      |
| NE     | \$1,024,362      | \$48,914       | \$40,848         | \$1,114,124   |
| OH     | \$633,138        | \$397,121      | \$2,041,214      | \$3,071,473   |
| WI     | \$663,358        | \$436,880      | \$301,387        | \$1,401,625   |
| Totals | \$16,992,817     | \$7,188,612.00 | \$7,340,618.00   | \$31,522,047  |

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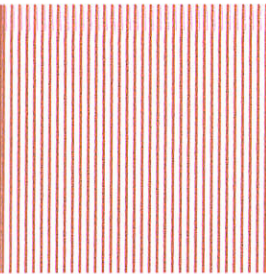


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# MHEC in Kansas

## MHEC Program Savings for 12 Months

| State                 | What States Pay<br>2006-2007                          | What States Save           |                          | Where States and Citizens Save                |   |   |                               |   |   |
|-----------------------|---|----------------------------|--------------------------|---|---|---|-------------------------------|---|---|
|                       |   |                            |                          | Cost Savings Programs                         |   |   |                               |   | Student Access                            |
|                       | Member<br>State Annual<br>State Commitment<br>to MHEC | Total<br>Annual<br>Savings | Net<br>Annual<br>Savings | Computing<br>Hardware<br>Program <sup>1</sup> | Computing<br>Software<br>Program <sup>1</sup> | Master<br>Property<br>Insurance<br>Program <sup>1</sup> | Office<br>Products<br>Program | Telecom &<br>Technology<br>Alliance<br>Program <sup>1</sup> | Midwest<br>Student<br>Exchange<br>Program |
| Illinois              | 90,000  | 8,266,839                  | 8,176,839                | 5,340,772                                     | 374,998                                       | 1,895,417   | 80,458                        | 575,193   | NP <sup>2</sup>                           |
| Indiana               | 90,000  | 2,802,765                  | 2,712,765                | 2,180,409                                     | 182,085                                       | NP <sup>1</sup>   | 73,177                        | 367,093   | NP <sup>1</sup>                           |
| Iowa <sup>3</sup>     | 90,000  | 421,786                    | 331,786                  | 275,736                                       | 40,026  | NP <sup>1</sup>   | 47,847                        | 58,177  | NP <sup>2</sup>                           |
| Kansas                | 90,000  | 3,545,528                  | 3,455,528                | 286,756                                       | 131,163                                       | 58,440  | 26,104                        | 136,042   | 2,907,023                                 |
| Michigan              | 90,000  | 10,520,252                 | 10,430,252               | 3,988,609                                     | 302,295                                       | 2,022,869   | 0                             | 2,407,182   | 1,799,297                                 |
| Minnesota             | 90,000  | 2,357,107                  | 2,267,107                | 359,121                                       | 126,641                                       | 1,185,164   | 12,896                        | 32,195  | 641,091                                   |
| Missouri              | 90,000  | 5,464,554                  | 5,374,554                | 940,190                                       | 201,004                                       | 2,194,209   | 34,343                        | 201,734   | 1,893,073                                 |
| Nebraska              | 90,000  | 4,344,658                  | 4,254,658                | 145,130                                       | 34,895  | 838,224   | 53                            | 95,876  | 3,230,481                                 |
| North Dakota          | 90,000  | 250,621                    | 160,621                  | 43,450  | 27,853  | NP <sup>1</sup>   | 197                           | 0   | 179,121                                   |
| Ohio                  | 90,000  | 3,193,569                  | 3,103,569                | 1,840,055                                     | 267,939                                       | NP <sup>1</sup>   | 122,097                       | 963,439   | NP <sup>1</sup>                           |
| Wisconsin             | 90,000  | 2,535,959                  | 2,445,959                | 1,176,165                                     | 25,644  | NP <sup>1</sup>   | 860                           | 199,817   | 1,133,474                                 |
| <b>Program Totals</b> | <b>\$990,000</b>                                      | <b>\$43,703,639</b>        | <b>\$42,713,639</b>      | <b>\$16,576,433</b>                           | <b>\$1,714,544</b>                            | <b>\$8,194,322</b>                                      | <b>\$398,032</b>              | <b>\$5,036,749</b>  | <b>\$11,783,560</b>                       |

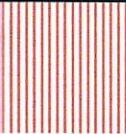


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# MHEC in Kansas

## Cumulative Savings through June 2007

| Member States                               | Cost Savings Programs                   |   |  |                                      |  |                                | Student Access  | Savings                        |   |                              |
|---|---|---|--|--------------------------------------|--|--------------------------------|---|--------------------------------|---|------------------------------|
|   | Computing Hardware Program <sup>1</sup> | Computing Software Program <sup>1</sup> | Master Property Program (Insurance) <sup>1</sup> | Office Products Program <sup>1</sup> | Telecom & Technology Alliance Program <sup>1</sup> | Other Initiatives <sup>1</sup> | Midwest Student Exchange Program (Reduced Tuition) <sup>2</sup> | Cumulative STATE GROSS SAVINGS | Cumulative State Commitment Paid through 11/01/2007 | Cumulative STATE NET SAVINGS |
| <b>Illinois</b><br>IL August 20, 1991       | 17,489,130                              | 2,015,627                               | 8,528,999  | 237,304                              | 9,379,667  | 6,055,215                      | NA  | 43,705,943                     | 1,014,659   | 42,691,284                   |
| <b>Indiana</b><br>IN March 14, 1996         | 10,227,882                              | 836,933                                 | NA   | 194,899                              | 4,890,364  | 273,308                        | NA  | 16,423,387                     | 841,500   | 15,581,887                   |
| <b>Iowa</b> <sup>3</sup><br>IA June 6, 2005 | 371,855                                 | 67,165                                  | NA   | 139,661                              | 91,710   | NA                             | NA  | 670,391                        | 180,000   | 490,391                      |
| <b>Kansas</b><br>KS April 25, 1990          | 555,630                                 | 389,444                                 | 289,940  | 34,905                               | 2,699,093  | 291,264                        | 29,913,315  | 34,173,592                     | 1,015,500   | 33,158,092                   |
| <b>Michigan</b><br>MI April 24, 1990        | 11,009,907                              | 1,283,535                               | 7,595,646  | 26,701                               | 40,738,997   | 2,457,168                      | 10,417,068  | 73,529,022                     | 1,015,500   | 72,513,522                   |
| <b>Minnesota</b><br>MN April 26, 1990       | 1,194,427                               | 596,142                                 | 7,504,819  | 48,608                               | 7,083,901  | 3,743,565                      | 3,997,049   | 24,168,510                     | 1,015,500   | 23,153,010                   |
| <b>Missouri</b><br>MO May 9, 1990           | 4,058,718                               | 588,006                                 | 9,915,624  | 76,494                               | 4,008,973  | 1,399,463                      | 12,693,099  | 32,740,378                     | 1,015,500   | 31,724,878                   |
| <b>Nebraska</b><br>NE June 5, 1991          | 964,217                                 | 157,497                                 | 4,896,214  | 248                                  | 2,012,539  | 115,132                        | 23,482,767  | 31,628,613                     | 1,015,500   | 30,613,113                   |
| <b>North Dakota</b><br>ND April 22, 1999    | 113,700                                 | 137,632                                 | NA   | 696                                  | 971,326  | 28,800                         | 585,337   | 1,837,491                      | 667,500   | 1,169,991                    |
| <b>Ohio</b><br>OH January 9, 1991           | 5,886,424                               | 1,387,077                               | 45,000   | 398,405                              | 28,648,349   | 3,151,531                      | NA  | 39,516,785                     | 1,015,500   | 38,501,285                   |
| <b>Wisconsin</b><br>WI April 18, 1994       | 2,365,675                               | 89,826                                  | NA   | 3,719                                | 6,122,857  | 620,887                        | 1,133,474   | 10,336,437                     | 875,000   | 9,461,437                    |
| <b>TOTAL</b>                                | <b>\$54,237,565</b>                     | <b>\$7,548,885</b>                      | <b>\$38,776,240</b>                              | <b>\$1,161,640</b>                   | <b>\$106,647,777</b>                               | <b>\$18,136,333</b>            | <b>\$82,222,109</b>   | <b>\$308,730,548</b>           | <b>\$9,671,659</b>                                  | <b>\$299,058,889</b>         |



## MHEC in Kansas



| KANSAS SAVINGS:                  | 06-07 Savings | Cumulative   |
|----------------------------------|---------------|--------------|
| <b>Cost Savings Programs</b>     |               |              |
| Hardware Program                 | \$286,756     | \$555,630    |
| Software Program                 | \$131,163     | \$389,444    |
| Property Insurance Program       | \$58,440      | \$289,940    |
| Office Products Program          | \$26,104      | \$34,905     |
| Telecom & Technology             | \$136,042     | \$2,699,093  |
| Other Initiatives                | N/A           | \$291,264    |
| Sub-Total                        | \$638,505     | \$4,260,276  |
| <b>Student Access</b>            |               |              |
| Midwest Student Exchange Program | \$2,907,023   | \$29,913,315 |
| <b>Total Savings</b>             | \$3,545,528   | \$34,173,591 |
| <b>Member State Obligations</b>  | \$90,000      | \$1,015,500  |
| <b>Net Savings</b>               | \$3,455,528   | \$33,158,091 |

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## MHEC in Kansas



### *Student Access*

- Midwest Student Exchange Program
- Student Access Advisory Committee

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## MHEC in Kansas

### *Midwest Student Exchange Program*

- Provides reduced tuition for students from KS, MI, MN, MO, NE, ND & WI
- State approval required for institutions to participate
- Institutions' participation voluntary
- 140+ campuses open their doors to MSEP students
- Since 1994, 22,913 students have participated and those students & families have saved \$82.2 million
- Information sent to 22,000 high school counselors



## MHEC in Kansas

### *Midwest Student Exchange Program*

| <b>MSEP 2006-07 School Year<br/>Campus Participation</b> |   |
|--|---|
| <b>State</b>   | <b>Total MSEP<br/>Enrollment for all<br/>Institutions</b> |
| <b>Kansas</b>  | 254   |
| <b>Michigan</b>  | 54  |
| <b>Minnesota</b>   | 439   |
| <b>Missouri</b>  | 1,022   |
| <b>Nebraska</b>  | 188   |
| <b>North Dakota</b>                                      | 373   |
| <b>Wisconsin</b>   | 101   |
| <b>Total</b>   | 2,431   |

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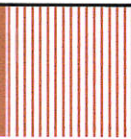


## MHEC in Kansas

### *Program Enrollment at Kansas Institutions by Students Home State of Residence, 2006-07 School Year\**

| Kansas Institutions              | MI       | MN        | MO        | NE         | ND       | WI       | Total Enrollment |
|----------------------------------|----------|-----------|-----------|------------|----------|----------|------------------|
| Fort Hays State University       |          |           |           |            | 1        |          | 1                |
| Kansas State University          |          | 14        | 28        | 82         | 4        | 2        | 130              |
| Pittsburg State University       |          |           | 16        | 2          | 1        |          | 19               |
| University of Kansas, Lawrence   | 1        | 7         | 29        | 34         |          | 1        | 72               |
| Wichita State University         |          | 4         | 13        | 15         |          |          | 32               |
| <b>Kansas Institution Totals</b> | <b>1</b> | <b>25</b> | <b>86</b> | <b>133</b> | <b>6</b> | <b>3</b> | <b>254</b>       |

\*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 in 2006 as the providing vendor through a full RFP process.
  - Three states already using the contract:
    - Indiana, Minnesota, Nebraska
  - Core Services
    - HS transcripts from member high schools to member colleges
    - HS transcripts between member high schools
    - College transcripts between member colleges



## MHEC in Kansas



### Policy Research

- Policy Briefs and Special Reports
  - Financial Aid, Faculty Salaries, Tuition & Fees, Online Learning, Legislative Updates
- The Midwestern Education to Workforce Policy Initiative
  - Three-year Lumina Foundation grant ending 1/31/08
  - Roundtables held in 13 project states (MHEC + KY/SD)
- Annual Policy Summits
  - 2005: Taking Action to Meet New Realities (E2W kick-off event)
  - 2006: The Spellings Commission Report: A Catalyst for Action
  - 2007: Economic Growth and the Seamless Development of Talent (E2W capstone event)
  - 2008: Where are we Now? 25 years after *A Nation at Risk* and *Involvement in Learning* (tentative)



## MHEC in Kansas



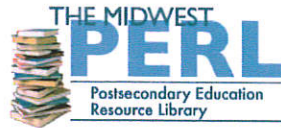
### Policy Research

- Roundtables & Forums
  - Annual Midwest SHEEO Workshop
  - Data Quality Campaign Regional Meeting (early 2008)
  - “Difficult Dialogues” (Making Opportunity Affordable partner initiative)
- Special report on Midwest energy costs (2006-07)
- Annual report about on-line learning in the Midwest
- Regular updates on legislation or governing board policies being considered in the Midwest
- Track over 40 policy indicators for each state
- Best Practices Series
- Available for special presentations and facilitation to states
- Respond to special requests for information



## MHEC in Kansas

### *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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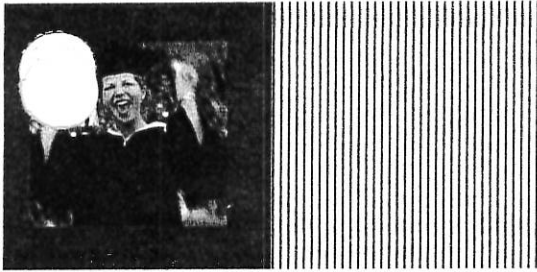


## MHEC in Kansas

### *State Visits*

- Annual state visits
  - Presentation of special state report to legislative committees, governor/staff, governing and coordinating boards
- Available to legislative committees, governors, higher education boards, institutions and others for special reports on higher education issues including facilitation and presentations

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## MHEC in Kansas

# Demographic Indicators – MHEC States and the National Average

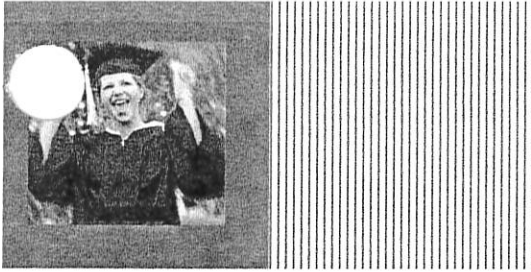
|    | Projected change in total population 2005-2030 <sup>1</sup> | Projected change in under-18 age group 2005-2030 <sup>1</sup> | Projected change in 18-64 age group 2005-2030 <sup>1</sup> | Projected change in over-64 age group 2005-2030 <sup>1</sup> | Population 25 years and over with <i>less than</i> a high school diploma or equivalent (2006) <sup>2</sup> | Population 25 years and over with a bachelor's degree or higher (2006) <sup>2</sup> | Residents enrolling in college for the first time who do so in other states (2004) <sup>2</sup> | Net migration of all first-time degree-seeking undergraduate students (2004) <sup>3</sup> |
|----|---|---|--|--|--|---|---|---|
| IA | -0.6%   | -8.0%   | -10.4%   | 52.2%  | 11.1%  | 24.0%   | 11%   | 18.2%   |
| IL | 5.8%  | 1.0%  | -2.4%  | 58.6%  | 15.0%  | 28.9%   | 20%   | -9.2%   |
| IN | 9.0%  | 6.6%  | -0.3%  | 60.8%  | 14.8%  | 21.7%   | 12%   | 10.6%   |
| KS | 6.9%  | 1.0%  | -3.1%  | 65.6%  | 11.5%  | 28.6%   | 14%   | 7.1%  |
| MI | 4.8%  | -4.8%   | -3.5%  | 67.0%  | 12.8%  | 27.4%   | 10%   | -0.4%   |
| MN | 21.9%   | 17.9%   | 9.9%   | 93.4%  | 9.3%   | 30.4%   | 20%   | -3.0%   |
| MO | 11.5%   | 5.6%  | 1.5%   | 69.1%  | 15.2%  | 24.3%   | 16%   | 4.0%  |
| ND | -4.5%   | -14.1%  | -17.0%   | 62.7%  | 11.9%  | 25.6%   | 29%   | 18.4%   |
| NE | 4.3%  | 2.5%  | -7.3%  | 61.1%  | 10.5%  | 26.9%   | 17%   | 0.5%  |
| OH | 0.6%  | -6.3%   | -8.2%  | 54.9%  | 13.8%  | 26.6%   | 14%   | -1.0%   |
| WI | 10.7%   | 2.3%  | -0.7%  | 82.0%  | 11.6%  | 25.1%   | 17%   | -1.9%   |
| US | 23.0%   | 16.4%   | 11.5%  | 94.7%  | 15.9%  | 27.0%   | 17%   | 3.5%  |

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

<sup>2</sup> U.S. Census Bureau, 2006 American Community Survey.

<sup>3</sup> U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2006.





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## MHEC in Kansas

# Financial Indicators – MHEC States and the National Average

|    | Effective tax rate, 2004 <sup>1</sup> | Effective tax rate, 1994 <sup>1</sup> | Tax revenue per capita (2004) <sup>1</sup> | Tax revenue per capita for each 1% of effective taxation <sup>2</sup> | Percent increase in tax revenue, 1994 to 2004 (adjusted for inflation) <sup>1</sup> | Average income of poorest 20% of the population (2004) <sup>3</sup> | Children in poverty (2006) <sup>4</sup> | State New Economy Index rank 2007 <sup>5</sup> | State New Economy Index rank 2002 <sup>5</sup> |
|----|---------------------------------------|---------------------------------------|--|---|---|---|---|--|--|
| IA | 7.3%                                  | 8.4%                                  | \$3,070                                    | \$421   | 11.0%   | \$13,500  | 14%                                     | 38   | 40   |
| IL | 7.6%                                  | 7.7%                                  | \$3,383                                    | \$445   | 19.5%   | \$12,500  | 17%                                     | 16   | 19   |
| IN | 7.3%                                  | 7.7%                                  | \$2,997                                    | \$411   | 17.8%   | \$13,374  | 18%                                     | 31   | 32   |
| KS | 8.2%                                  | 8.2%                                  | \$3,380                                    | \$412   | 23.0%   | \$12,848  | 16%                                     | 34   | 30   |
| MI | 8.4%                                  | 9.0%                                  | \$3,229                                    | \$384   | 7.4%  | \$12,156  | 18%                                     | 19   | 22   |
| MN | 7.9%                                  | 9.2%                                  | \$3,627                                    | \$459   | 15.6%   | \$16,728  | 12%                                     | 11   | 14   |
| MO | 7.1%                                  | 6.7%                                  | \$2,833                                    | \$399   | 27.4%   | \$12,799  | 19%                                     | 35   | 28   |
| ND | 7.6%                                  | 8.4%                                  | \$2,984                                    | \$393   | 24.6%   | \$12,111  | 13%                                     | 37   | 47   |
| NE | 8.4%                                  | 8.1%                                  | \$3,570                                    | \$425   | 31.8%   | \$13,409  | 14%                                     | 28   | 36   |
| OH | 8.4%                                  | 7.9%                                  | \$3,385                                    | \$403   | 28.5%   | \$12,319  | 19%                                     | 29   | 27   |
| WI | 8.8%                                  | 9.7%                                  | \$3,607                                    | \$410   | 14.0%   | \$14,000  | 15%                                     | 30   | 37   |
| US | 7.8%                                  | 8.2%                                  | \$3,434                                    | \$440   | 19.2%   | \$12,168  | 18%                                     | n/a  | n/a  |

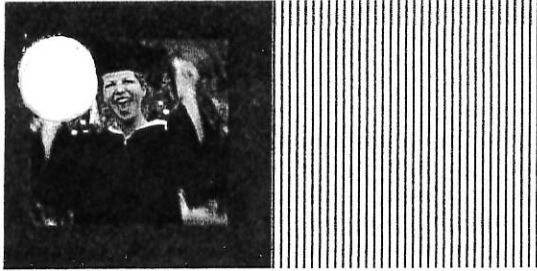
<sup>1</sup> State Higher Education Executive Officers, State Higher Education Finance, FY 2006. Tax revenue per capita includes revenue generated through taxation by both state and local governments. The Effective Tax Rate is equal to a state's actual tax revenue divided by its total taxable resources.

<sup>2</sup> Calculated by MHEC using data from the State Higher Education Executive Officers.

<sup>3</sup> National Center for Public Policy and Higher Education. Data from U.S. Census Bureau.

<sup>4</sup> Annie E. Casey Foundation.

<sup>5</sup> Ewing Marion Kauffman Foundation, 2007 State New Economy Index.



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## MHEC in Kansas

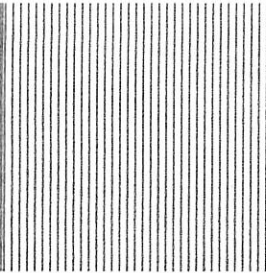
# Postsecondary Preparation – MHEC States and the National Average

|                               | 18-24 year-olds with a high school credential (2002-04) | 9th to 12th graders taking at least one upper-level math course (2003-04) | 9th to 12th graders taking at least one upper-level science course (2003-04) | 8th graders scoring at or above "proficient" on the National Assessment of Educational Progress (NAEP) <sup>1</sup> |                |                |                | 7th to 12th graders in academic core courses taught by teachers with a major in their field <sup>2</sup> (1999-2000) |
|-------------------------------|---|---|--|---|----------------|----------------|----------------|--|
|                               |   |   |  | Mathematics (2007)  | Reading (2007) | Science (2005) | Writing (2002) |  |
| <b>IA</b>                     | 90%   | 57%   | 43%  | 35%   | 36%            | n/a            | 27%            | 80%  |
| <b>IL</b>                     | 87%   | n/a   | n/a  | 31%   | 30%            | 27%            | n/a            | 70%  |
| <b>IN</b>                     | 89%   | 47%   | 30%  | 35%   | 31%            | 29%            | 26%            | 79%  |
| <b>KS</b>                     | 88%   | n/a   | n/a  | 40%   | 35%            | n/a            | 32%            | 70%  |
| <b>MI</b>                     | 90%   | 35%   | 23%  | 29%   | 28%            | 35%            | 24%            | 66%  |
| <b>MN</b>                     | 92%   | 46%   | 29%  | 43%   | 37%            | 39%            | 25%            | 92%  |
| <b>MO</b>                     | 88%   | 54%   | 35%  | 30%   | 31%            | 33%            | 27%            | 66%  |
| <b>ND</b>                     | 95%   | 53%   | 34%  | 41%   | 32%            | 43%            | 24%            | 73%  |
| <b>NE</b>                     | 90%   | 61%   | 37%  | 35%   | 35%            | 36%            | 32%            | 80%  |
| <b>OH</b>                     | 86%   | 60%   | 28%  | 35%   | 36%            | 35%            | 38%            | 61%  |
| <b>WI</b>                     | 91%   | 61%   | 38%  | 37%   | 33%            | 39%            | n/a            | 81%  |
| <b>Top States<sup>3</sup></b> | 94%   | 64%   | 40%  | 41%   | 39%            | 41%            | 41%            | 81%  |
| <b>US</b>                     | 87%   | 53%   | 31%  | 31%   | 29%            | 27%            | 30%            | 70%  |

<sup>1</sup> National Center for Education Statistics, *National Assessment of Educational Progress*. All other data in the table are from the National Center for Public Policy and Higher Education, *Measuring Up 2006*, which is based on data from the U.S. Census Bureau, the Council of Chief State School Officers, and the National Center for Education Statistics.

<sup>2</sup> Core courses include English, math, social studies, and science.

<sup>3</sup> 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).



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## MHEC in Kansas

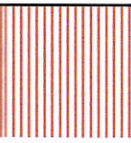
# Postsecondary Participation, Persistence, and Completion – MHEC States and “Top Performing” States in the Nation

|                   | Chance for college by age 19 (2002) <sup>2</sup> | 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 2003) | First to second year persistence of full-time students at four-year institutions (Fall 2003) | First-time, full-time students earning a bachelor's degree within 6 years of enrollment (2003-04) | Certificates, degrees, and diplomas awarded at all institutions per 100 undergraduates (2003-04) |
|-------------------|--|---|--|---|--|---|--|
| 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   |
| KS                | 50% <sup>3</sup>                                 | 38%   | 4.0%   | 50%   | 74%  | 53%   | 18   |
| MI                | 38%  | 42%   | 4.4%   | 57%   | 74%  | 55%   | 15   |
| MN                | 53%  | 38%   | 3.7%   | 50%   | 78%  | 57%   | 20   |
| MO                | 39%  | 34%   | 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   |
| <b>Top States</b> | <b>52%</b>                                       | <b>41%</b>                                    | <b>5.1%</b>  | <b>62%</b>  | <b>82%</b>   | <b>64%</b>  | <b>20</b>  |
| <b>US</b>         | <b>38%</b>                                       | <b>35%</b>                                    | <b>3.9%</b>  | <b>53%</b>  | <b>77%</b>   | <b>55%</b>  | <b>17</b>  |

<sup>1</sup>Information 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.

<sup>2</sup>“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. The statistic accounts for out-of-state college enrollment but does not adjust for students’ out-of-state migration during the high school years.

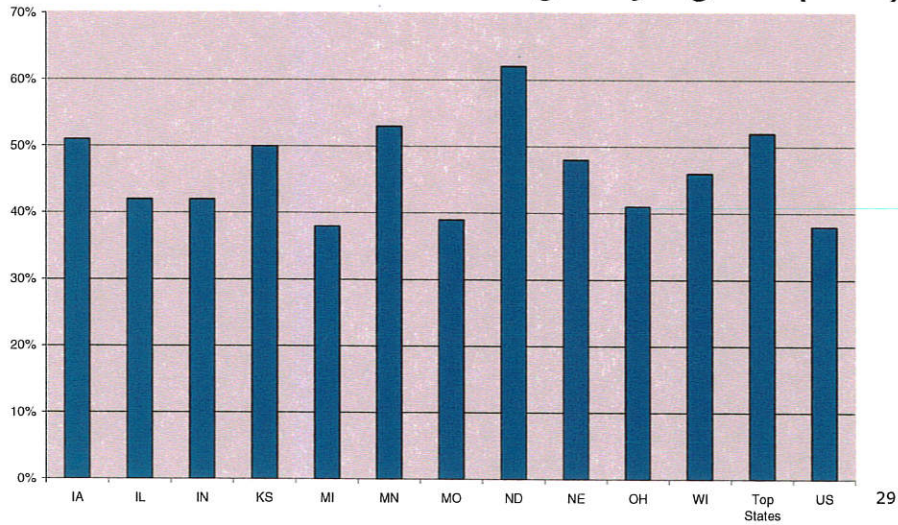
<sup>3</sup>Due to data limitations the statistic provided for Kansas is from 2000.



### MHEC in Kansas



#### *“Chance for College” by Age 19 (2002)*



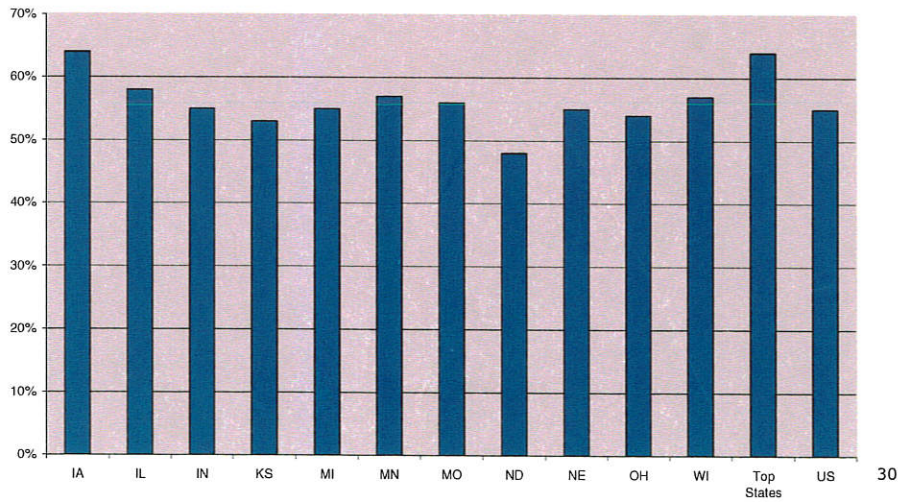
29



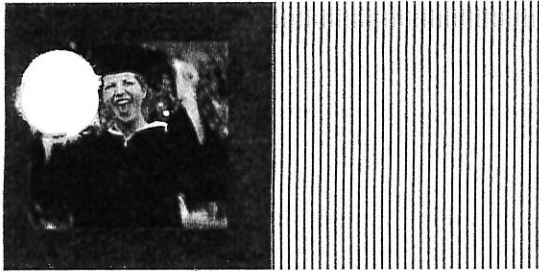
### MHEC in Kansas



#### *First-time, Full-time Students Earning a Bachelor's Degree Within Six Years of Enrollment, 2003-04*



30



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## MHEC in Kansas

# Benefits of Higher Education – MHEC States and the National Average

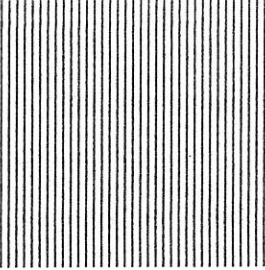
|    | Population 25-64 years olds with a bachelor's degree or higher (2002-2004 average) <sup>1</sup> | Total unemployment rate March 2004 <sup>2</sup> | Percentage of population age 25 and older in the labor force who were not employed in March 2004 |                           |                                | Net gain/loss of associate's degree holders for every 100 degrees produced in the state (2001-03 average) <sup>4</sup> | Difference in median earnings, workers age 25-65 with some college vs. a high school credential (2002-04 average) <sup>1</sup> | Net gain/loss of bachelor's degree holders for every 100 degrees produced in the state (2001-03 average) <sup>4</sup> | Difference in median earnings, workers age 25-65 with a bachelor's degree vs. a high school credential (2002-04 average) <sup>1</sup> |
|----|---|---|--|---------------------------|--------------------------------|--|--|---|---|
|    |   |   | High School diploma <sup>3</sup>   | Some college <sup>3</sup> | Bachelor's Degree <sup>3</sup> |  |  |   |   |
| IA | 27%   | 4.9%  | 4.1%   | 3.3%                      | 1.0%                           | -5   | \$2,000  | -19   | \$14,000  |
| IL | 32%   | 6.4%  | 6.6%   | 4.0%                      | 4.1%                           | -4   | \$6,000  | +7  | \$21,800  |
| IN | 23%   | 5.6%  | 4.7%   | 5.1%                      | 1.9%                           | +9   | \$3,000  | -12   | \$21,000  |
| KS | 31%   | 5.0%  | 6.1%   | 4.5%                      | 2.0%                           | -1   | \$3,500  | -5  | \$17,000  |
| MI | 27%   | 7.7%  | 10.1%  | 5.5%                      | 2.9%                           | +3   | \$6,000  | +1  | \$23,000  |
| MN | 33%   | 5.0%  | 5.6%   | 5.7%                      | 2.9%                           | +10  | \$2,200  | +15   | \$19,000  |
| MO | 31%   | 5.3%  | 5.5%   | 4.8%                      | 1.9%                           | +14  | \$7,000  | +2  | \$18,000  |
| ND | 28%   | 3.8%  | 2.8%   | 4.5%                      | 0.5%                           | -11  | \$3,000  | -34   | \$13,000  |
| NE | 29%   | 3.9%  | 3.7%   | 3.4%                      | 0.6%                           | -2   | \$4,000  | -6  | \$15,000  |
| OH | 26%   | 6.2%  | 5.4%   | 4.9%                      | 3.0%                           | +2   | \$7,000  | -5  | \$22,000  |
| WI | 28%   | 6.2%  | 7.6%   | 3.8%                      | 2.6%                           | +2   | \$2,000  | -7  | \$17,000  |
| US | 30%   | 6.0%  | 5.9%   | 4.8%                      | 3.0%                           | n/a  | \$5,000  | n/a   | \$21,000  |

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

<sup>2</sup> U.S. Bureau of Labor Statistics.

<sup>3</sup> Institute for Higher Education Policy, The Investment Payoff (Data from the Current Population Survey, 2004). Some college includes credentials up to and including the associate's degree.

<sup>4</sup> National Center for Higher Education Management Systems (Data from the U.S. Census Bureau).



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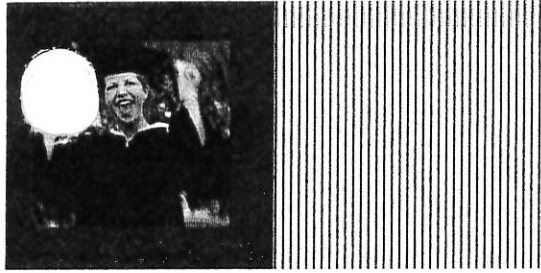
## MHEC in Kansas

# Affordability of Higher Education – 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 <sup>1</sup> | % of average annual family income needed to pay for public 4-year college expenses after financial aid, 2005-06 <sup>1</sup> | % of average annual family income needed to pay for private 4-year college expenses after financial aid, 2005-06 <sup>1</sup> | Family share of public higher education operating revenues (2006) <sup>2</sup> | Family share of public higher education operating revenues (2001) <sup>2</sup> | Family share of public higher education operating revenues (1996) <sup>2</sup> | Family share of public higher education operating revenues (1991) <sup>2</sup> |
|----|--|--|---|--|--|--|--|
| IA | 26%  | 30%  | 59%   | 48.0%  | 35.2%  | 33.3%  | 30.9%  |
| IL | 24%  | 35%  | 69%   | 29.3%  | 19.4%  | 20.8%  | 18.9%  |
| IN | 24%  | 30%  | 66%   | 49.7%  | 41.4%  | 40.7%  | 35.0%  |
| KS | 20%  | 26%  | 47%   | 38.4%  | 28.4%  | 30.2%  | 26.0%  |
| MI | 24%  | 36%  | 48%   | 53.5%  | 40.8%  | 43.8%  | 39.8%  |
| MN | 22%  | 26%  | 54%   | 44.2%  | 28.6%  | 29.6%  | 26.2%  |
| MO | 23%  | 31%  | 54%   | 40.1%  | 26.8%  | 39.5%  | 32.8%  |
| ND | 24%  | 28%  | 34%   | 44.9%  | 30.7%  | 34.6%  | 34.9%  |
| NE | 21%  | 27%  | 50%   | 34.2%  | 32.8%  | 27.4%  | 25.0%  |
| OH | 30%  | 42%  | 67%   | 52.7%  | 40.3%  | 43.7%  | 39.5%  |
| WI | 21%  | 26%  | 61%   | 37.4%  | 27.5%  | 29.1%  | 30.5%  |
| US | 24%  | 31%  | 37%   | 36.1%  | 29.2%  | 31.7%  | 26.1%  |

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

<sup>2</sup> State Higher Education Executive Officers, State Higher Education Finance, FY 2006.



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## MHEC in Kansas

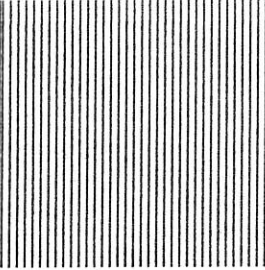
# Student Grants and Loans in MHEC States and the Nation

|    | Average annual per student borrowing of federal undergraduate education loans (2004-05) <sup>1</sup> | Public 4-year institutions and private non-profit 4-year institutions average debt <sup>2</sup> | State rank <sup>2</sup> | Public 4-year institutions and private non-profit 4-year institutions proportion with debt <sup>2</sup> | State rank <sup>2</sup> | Total state grant expenditures (need- and merit based) as a percentage of higher education operating expenses (2005-06) <sup>3</sup> | Percentage of total grant aid awarded solely on the basis of need (2005-06) <sup>3</sup> | State need-based grant aid awarded by sector, 2005-06 (in millions) <sup>3</sup> |                                   |
|----|--|---|-------------------------|---|-------------------------|--|--|--|-----------------------------------|
|    |  |   |                         |   |                         |  |  | Public in-state  | Private, not-for-profit, in-state |
| IA | \$3,112  | \$22,926  | 6                       | 74%   | 2                       | 6.9%   | 99.3%  | \$3.4  | \$45.0                            |
| IL | \$3,770  | \$17,650  | 38                      | 52%   | 36                      | 14.5%  | 92.8%  | \$193.6  | \$143.8                           |
| IN | \$3,549  | \$21,179  | 9                       | 58%   | 24                      | 20.1%  | 97.9%  | \$208.3  | \$70.0                            |
| KS | \$3,377  | \$17,617  | 39                      | 57%   | 26                      | 2.0%   | 99.2%  | \$7.3  | \$7.7                             |
| MI | \$3,234  | \$21,169  | 10                      | 60%   | 20                      | 10.0%  | 44.9%  | \$27.8   | \$62.6                            |
| MN | \$3,120  | \$23,375  | 5                       | 72%   | 3                       | 9.6%   | 99.9%  | \$74.3   | \$35.8                            |
| MO | \$3,407  | \$18,635  | 27                      | 66%   | 12                      | 4.9%   | 60.9%  | \$10.2   | \$15.4                            |
| ND | \$3,110  | \$20,644  | 14                      | 66%   | 11                      | 0.9%   | 80.1%  | \$1.1  | \$0.4                             |
| NE | \$3,447  | \$19,198  | 25                      | 64%   | 16                      | 1.8%   | 100.0%   | \$6.1  | \$2.3                             |
| OH | \$3,552  | \$20,525  | 15                      | 65%   | 13                      | 10.5%  | 72.1%  | \$10.3   | \$1.4                             |
| WI | \$3,277  | \$19,536  | 23                      | 64%   | 15                      | 8.3%   | 96.6%  | \$62.4   | \$28.1                            |

<sup>1</sup> National 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. Figures include both student and parent subsidized and unsubsidized loans, but they 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 the College Board, students at all levels in 2006-07 borrowed at total of \$17 billion in private bank loans, compared to \$60 billion in federal loans.

<sup>2</sup> Project on Student Debt, *Student Debt and the Class of 2006*. Data includes all student loans generated by or processed through institutions but does not include other private borrowing that is conducted by students independent of their institutions. Rankings are based on 45 states with sufficient data plus the District of Columbia.

<sup>3</sup> National Association of State Student Grant Aid Programs.



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## MHEC in Kansas

# Higher Education Funding – MHEC States and the National Average

|    | State and local appropriations for public higher education operating expenses per FTE |                  |                  | State and local appropriations for higher education as a percentage of tax revenue and lottery profits |       | Total higher education support per capita |                  |                  |
|----|---|------------------|------------------|--|-------|---|------------------|------------------|
|    | 2006  | 2001-2006 change | 1996-2006 change | 2004   | 1995  | 2006                                      | 2001-2006 change | 1996-2006 change |
| IA | \$5,535   | -32.4%           | -29.2%           | 8.6%   | 9.1%  | \$277                                     | -28.2%           | -16.2%           |
| IL | \$6,506   | -31.2%           | -8.2%            | 7.2%   | 6.9%  | \$258                                     | -18.6%           | 0.4%             |
| IN | \$4,858   | -17.7%           | -16.9%           | 7.2%   | 7.0%  | \$227                                     | -8.4%            | 3.1%             |
| KS | \$5,480   | -30.0%           | -12.3%           | 9.0%   | 10.2% | \$340                                     | -5.9%            | 0.0%             |
| MI | \$5,329   | -34.1%           | -27.9%           | 7.2%   | 7.6%  | \$250                                     | -20.8%           | -6.0%            |
| MN | \$5,797   | -35.8%           | -23.6%           | 6.6%   | 7.1%  | \$264                                     | -17.4%           | -12.1%           |
| MO | \$6,032   | -35.8%           | -12.5%           | 6.3%   | 6.3%  | \$184                                     | -28.3%           | -7.6%            |
| ND | \$4,644   | -19.3%           | -18.0%           | 10.5%  | 10.6% | \$338                                     | -1.5%            | 1.5%             |
| NE | \$6,862   | 13.0%            | 10.9%            | 9.1%   | 10.6% | \$365                                     | 4.7%             | 1.1%             |
| OH | \$4,281   | -40.5%           | -26.1%           | 5.5%   | 5.9%  | \$195                                     | -19.5%           | -5.1%            |
| WI | \$5,911   | -22.0%           | -29.3%           | 7.1%   | 7.9%  | \$270                                     | -15.6%           | -13.0%           |
| US | \$6,325   | -16.5%           | -5.6%            | 6.8%   | 6.9%  | \$260                                     | -7.7%            | 5.4%             |

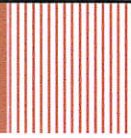
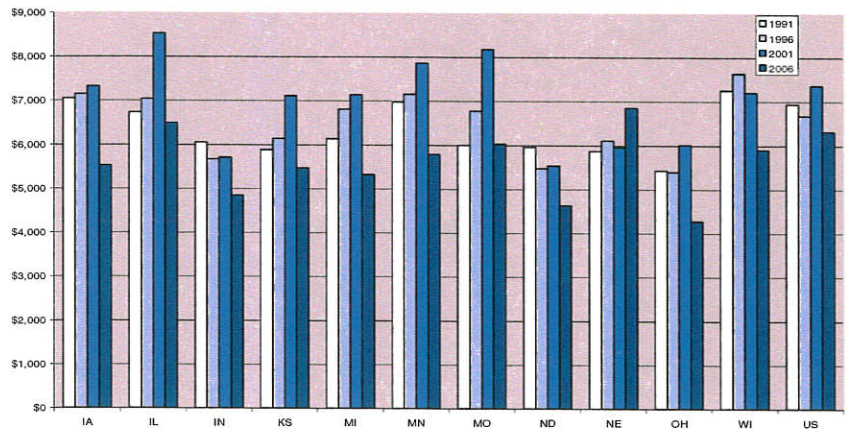
<sup>1</sup>All data in the table are from State Higher Education Executive Officers, State Higher Education Finance, FY06. FTE data are adjusted for regional cost of living, the relative mix of enrollments by institutional type, and 2006 dollars. Higher Education Support is the state and local tax and non-tax support for public and independent higher education, including research, agricultural, and medical appropriations.





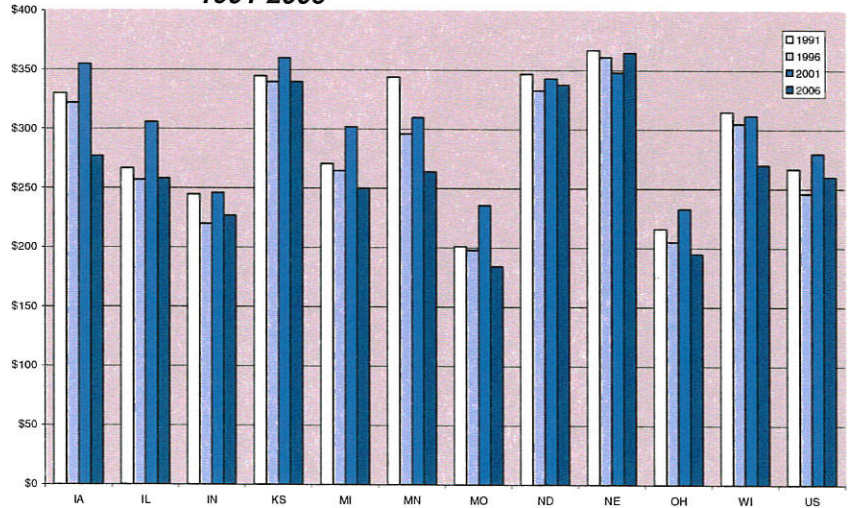
### MHEC in Kansas

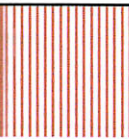
#### State and Local Appropriations for Public Higher Education Operating Expenses per FTE, 1991-2006



### MHEC in Kansas

#### State and Local Higher Education Support per Capita, 1991-2006





## MHEC in Kansas



### *Policy Facts*

- Future population growth slower than the nation; almost zero growth in the under-18 demographic, and a slight decline in 18-64 year olds.
- Third highest percentage of adults with a bachelor's degree in the region.
- Net gain of enrolled first-year college students, but net loss of degree earners.
- Effective tax rate the same in 2004 as in 1994 (8.2%), near the median of MHEC states.
- Tax revenue generated per capita per 1% of effective taxation below national average (\$412 vs. \$440).

37



## MHEC in Kansas



### *Policy Facts*

- High school credentialing rate declined from 93% in 1992 to 88% in 2004.
- Kansas high school math and science teachers among the least qualified in the region when considering completion of a college major in their teaching subject.
- Among the top states regionally and above the national average in the percentage of 18-24 year olds enrolled in college.
- Community college retention on the low end for the region.
- Six-year college graduation rate second lowest in the region.

38

1-24



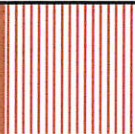
## MHEC in Kansas



### *Policy Facts*

- Near the high end of the region in the percent of adults aged 25-49 in college, indicating a system geared to these individuals and/or the need for these individuals to obtain more education to succeed.
- Individuals in Kansas with a bachelor's degree have a 2.0% unemployment rate compared to a 6.1% rate for individuals with a high school diploma.
- Kansas's public two-year and four-year colleges are the most affordable in the region. Private colleges are more affordable in Kansas than in most MHEC states.
- Kansas is a "low tuition, low aid" state (\$18.8 million in aid in 2004-05).

39



## MHEC in Kansas



### *Policy Facts*

- Inflation adjusted appropriations for public higher education operating expenses per FTE decreased 30% between 2001 and 2006.
- FTE appropriation of \$5,480 in 2006 puts Kansas in the lower half of MHEC states; national average is \$6,325.
- Total higher education support per capita is third highest in the region after Nebraska and North Dakota.

40

1-25