

KANSAS BOARD OF REGENTS



BUSINESS & INDUSTRY ROUNDTABLE

November 10, 2009

Overland Park

★ LEADING HIGHER EDUCATION ★



Why Are We Here?

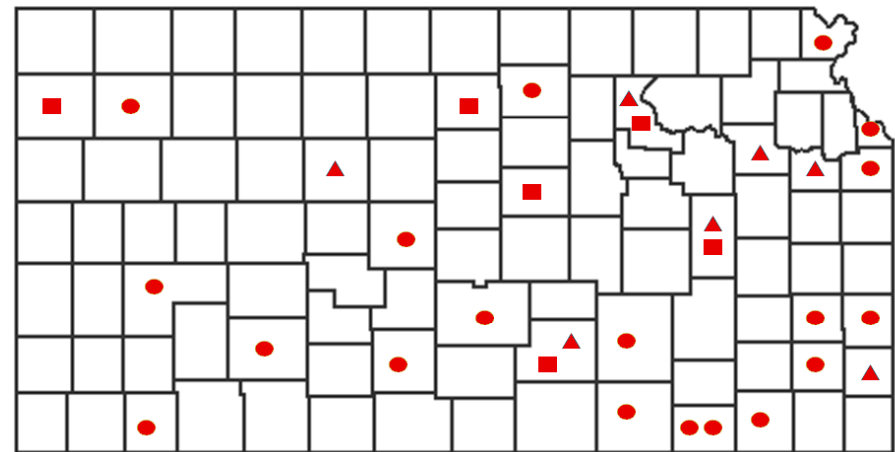
- ★ We're in this together.
- ★ The Kansas economy won't grow without successful businesses.
- ★ Businesses won't reach their full potential without highly-skilled workers.
- ★ The Kansas public higher education system produces the state's workers.
- ★ Policymakers in Topeka must make higher education a priority if Kansas is going to successfully compete in today's increasingly competitive knowledge-based global economy.

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The Kansas Board of Regents System:

- ★ 9 Regents
- ★ 32 Institutions
 - 7 Public Universities
 - 19 Community Colleges
 - 6 Technical Colleges
- ★ 173,531 Students (Fall '08)
- ★ 33,598 Degrees Awarded (AY '08)
- ★ 28,808 Employees (Fall '08)
- ★ \$2.8 Billion Enterprise (FY '08)





Higher Education Is More Important Than Ever Before:

- ★ “As the United States has moved from an industrial economy to a post-industrial, knowledge-based economy, American higher education has emerged as the premier system for preparing the highly skilled workers our nation requires. In the 21st century, America’s ability to produce and disseminate education will increasingly determine its economic competitiveness” (Solutions For Our Future).
- ★ 22 of the nation’s 30 fastest growing occupations require some level of postsecondary education. 7 of the 22 require a 2-year degree or certificate (U.S. Bureau of Labor Statistics).



Societal Benefits:

- ★ “The most widely recognized gains from postsecondary education are the economic benefits that individual graduates receive in terms of greater lifetime income. But it isn’t just the individuals who have gone to college who benefit; the larger society also gains.”
- ★ “Not only do graduates pay more taxes on their typically higher incomes, but they also tend to have better health, rely less on government social programs, are less likely to be incarcerated, and are more likely to engage in civic activities.”



Higher Education Is An Engine For Economic Growth:

- ★ “During the post-war years from 1948 to 1973, it is estimated that education and the innovation that arose from it accounted for 2/3 of the increase in U.S. economic growth. Increasing the nation’s average level of schooling by one year could increase economic growth by 6-15%, adding between \$600 billion to \$1.5 trillion to U.S. economic output” (Solutions For Our Future).
- ★ University technology licensing from 1996 to 2007 resulted in a \$457 billion addition to gross industrial output and at least 279,000 new jobs across the U.S. (Biotechnology Industry Organization).



Higher Education Boosts the Kansas Economy:

★ Millions of Dollars in Cutting Edge Research:

- KSU: National Bio & Agro-Defense Facility
- KU: Cancer Research
- PSU: Polymer Research
- WSU: Composite Research

★ Leveraging The State's Investment:

- In FY08, \$883 million in state funding leveraged \$1.9 billion in funding from other sources.
- For every \$1 Kansas invests in higher education, it receives \$3 in return.

★ Solving the State's Workforce Shortages:

- First 2 years of the Board's Nursing Shortage Initiative produced 873 additional nursing students, exceeding the Legislature's goal by 75%.
- Engineers, Teachers, Pharmacists, etc.



According to a National Association of Manufacturing Study:

- ★ “The vast majority of American manufacturers are experiencing a serious shortage of qualified employees, which in turn is causing significant impact to business and the ability of the country as a whole to compete in a global economy.”
- ★ “More than **80%** of respondents indicated that they are experiencing a shortage of qualified workers overall.”
- ★ **83%** of respondents “indicated that these shortages are currently impacting their ability to serve customers.”
- ★ **74%** of respondents “believe that having a high-performance workforce is the most important driver of future business success.”
- ★ “State and federal government should invest in the capacity of community and technical colleges to prepare individuals for careers in high growth industries.”



The Kansas Workforce is “Maturing:”

★ The Baby Boomers:

- First wave of baby boomers will begin retiring in 2011.
- By 2029, 44% of today’s workforce will have reached retirement age.

★ Most Kansas Counties Are Declining in Population:

- 67 of the state’s 105 counties had population peaks before the 1930s.
- 6 counties have lost population in every decade since 1900.
- From 1990-2000, only 9 Kansas counties grew at or above the national average.

★ The number of Kansas high school graduates is declining.



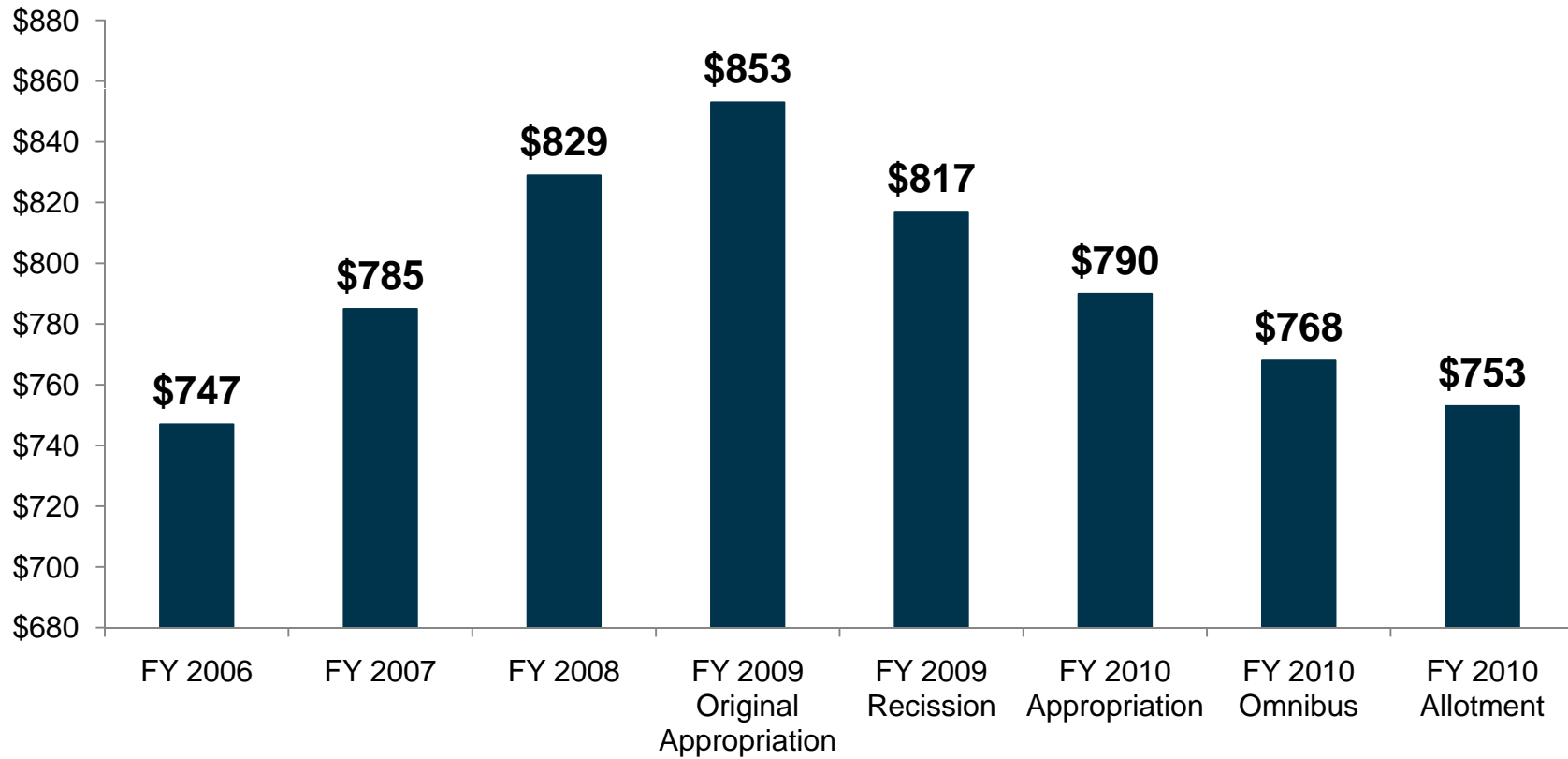
TRENDS...

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We're Operating in FY10 at FY06 Levels...

The State's Higher Education Budget (FY06-FY10):



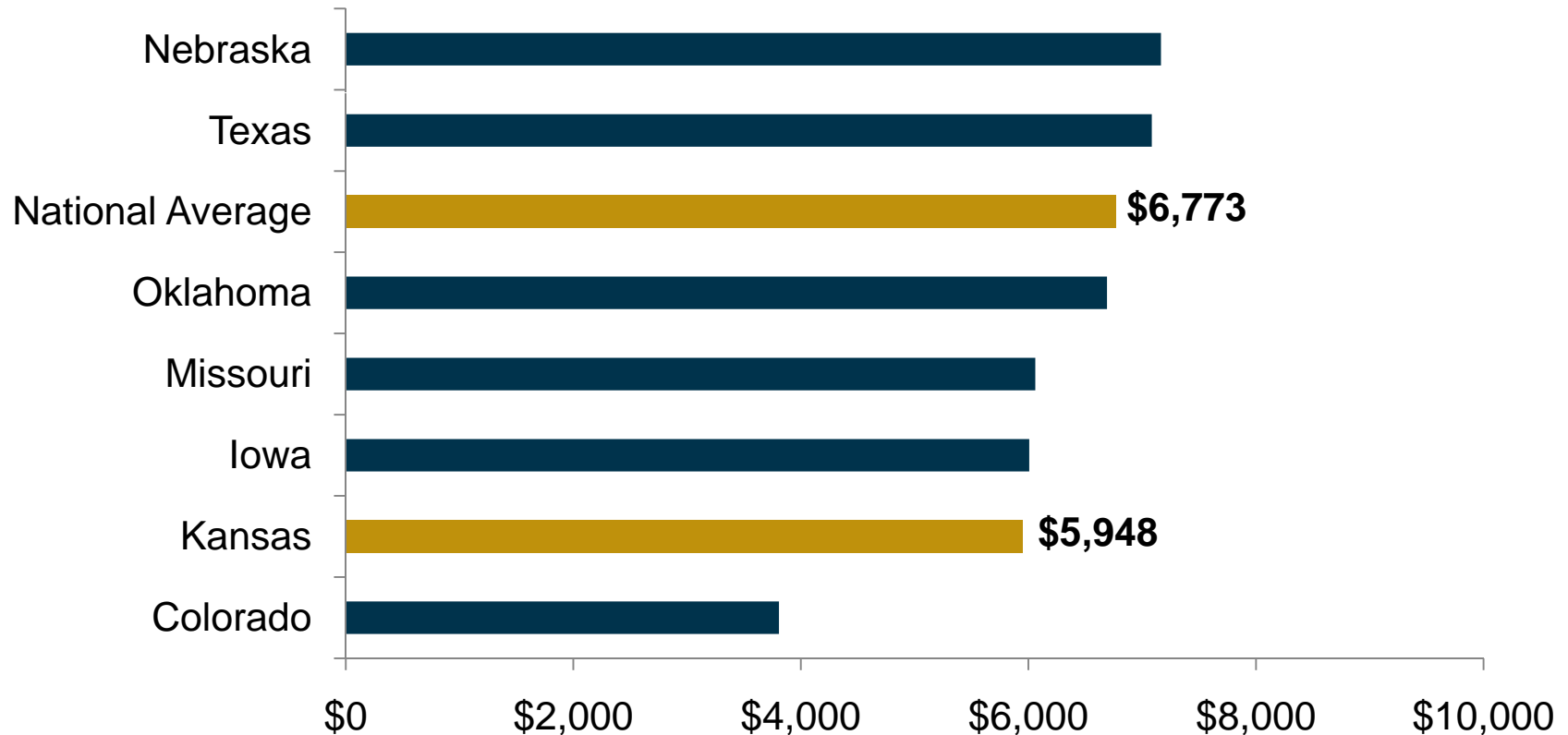
**In Millions*

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How We Compare To The Region...

State & Local Public Higher Education Support per FTE Student (FY07):



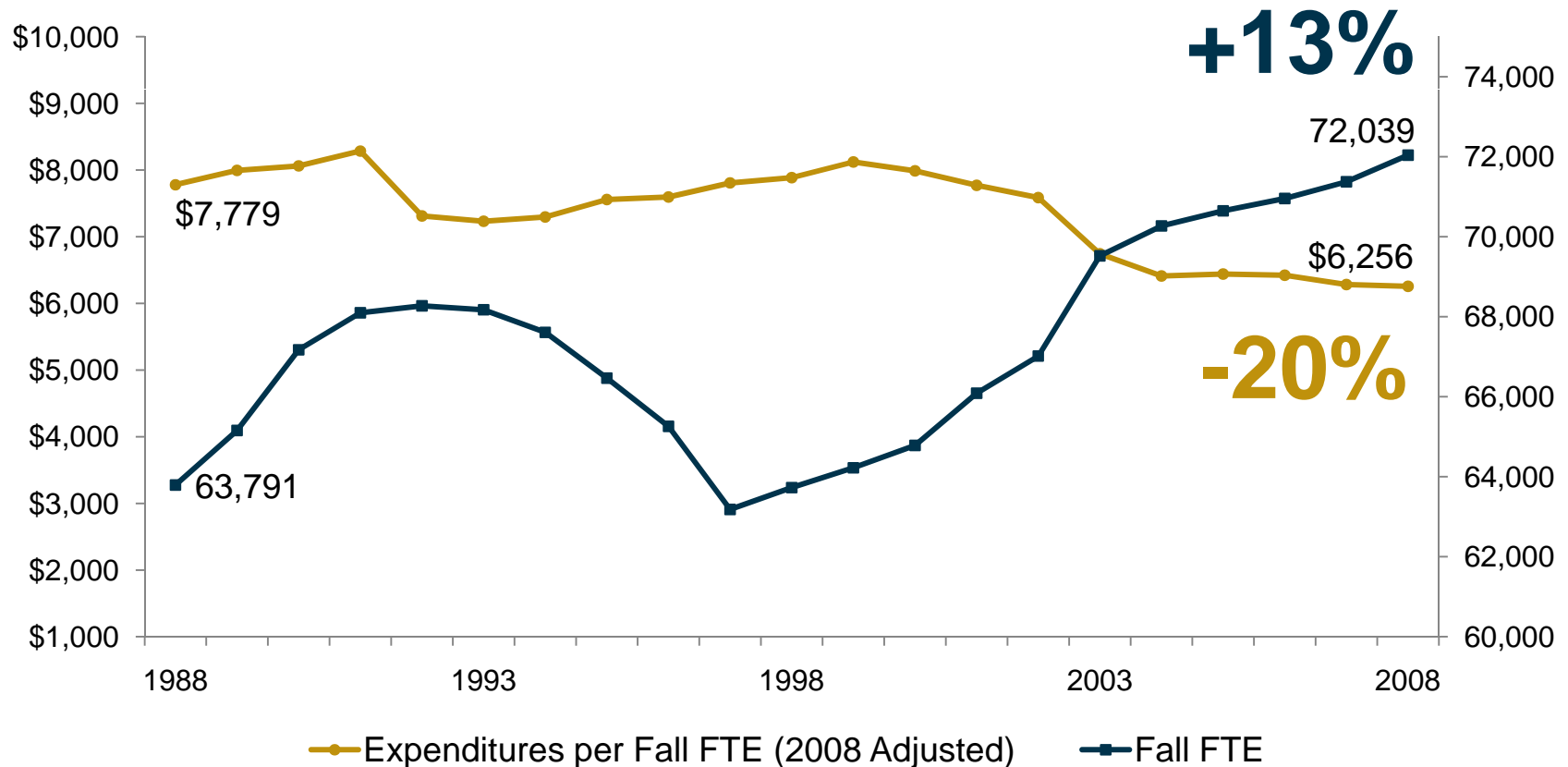
**All 32 Institutions*

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We're Doing More With Less...

State Universities, Funding vs. Enrollment (1988-2008):



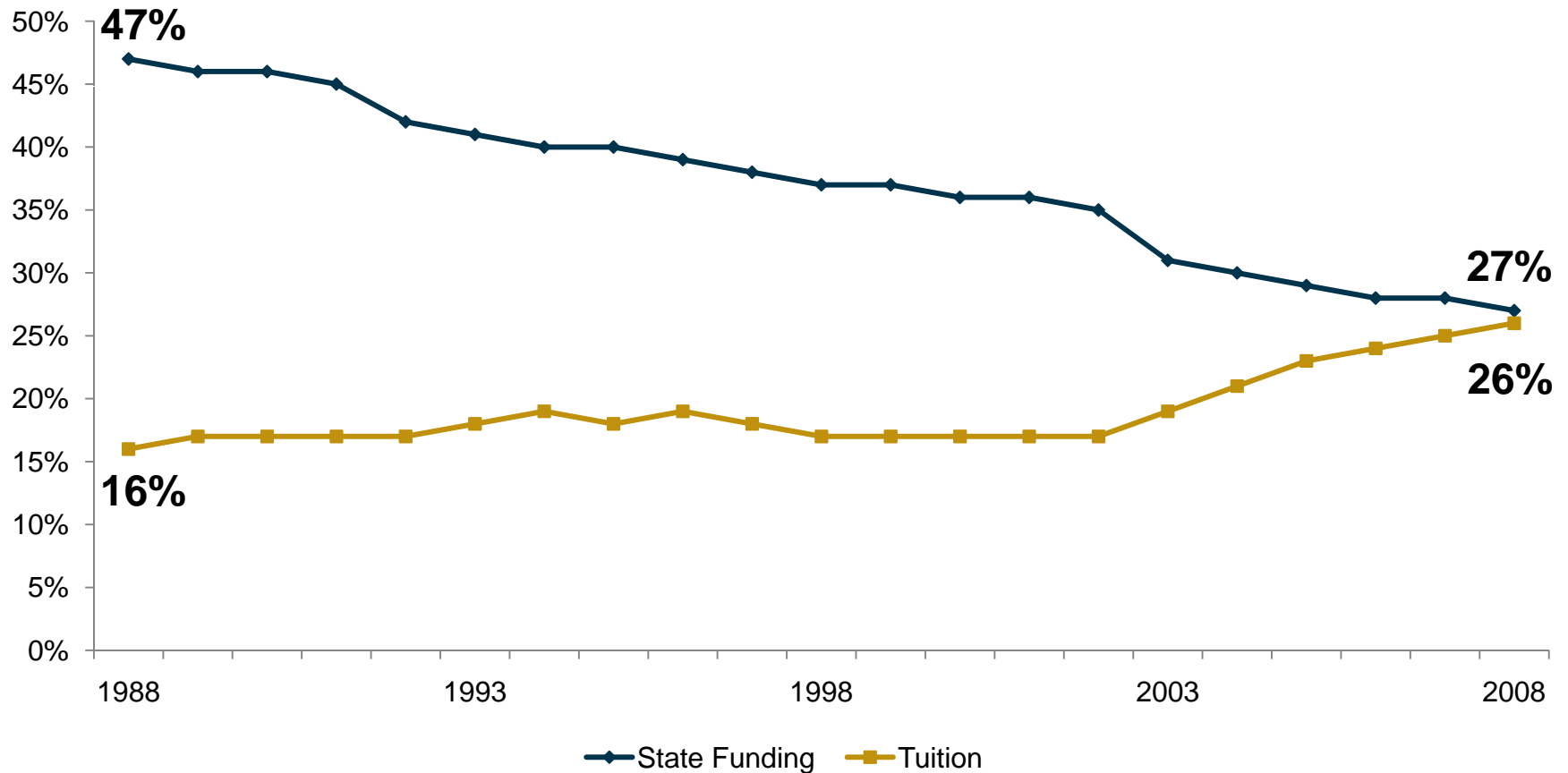
*HEPI-Adjusted

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The Burden Is Shifting...

State University Tuition vs. State Funding (1988-2008):

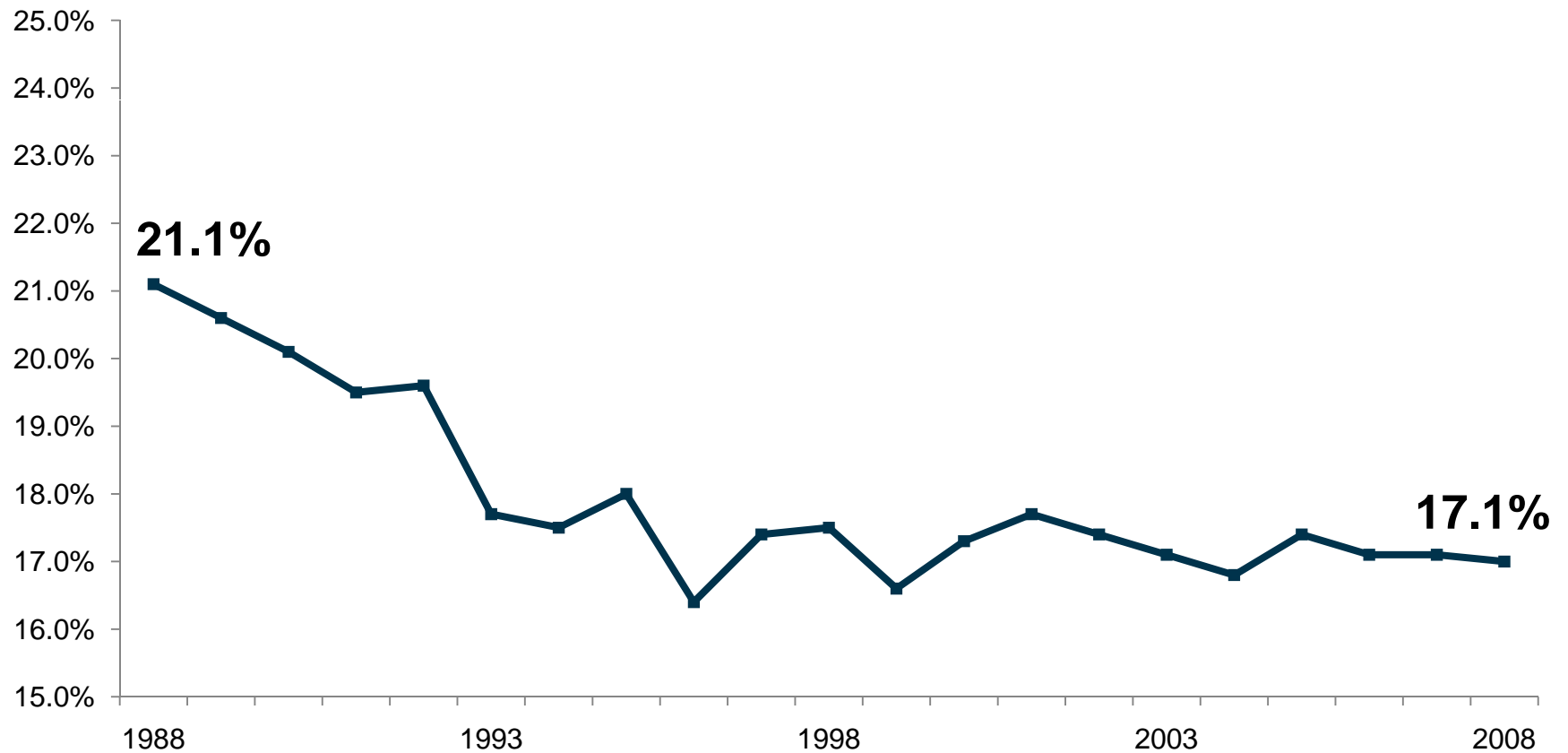


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A Declining State Priority...

Percent of State Budget Dedicated to Higher Education (1988-2008):





Despite State Funding Patterns, Kansans Do Indeed Value Higher Education:

- ★ **91%** of Kansans believe higher education funding should at least be maintained at its current level *(Docking Institute)*.
- ★ Only **6%** of Kansas voters support reducing funding for higher education *(Public Opinion Strategies)*.
- ★ Nearly **75%** of Kansas voters believe that reductions in state support for higher education would put the quality of higher education in the state at risk *(POS)*.
- ★ Kansas voters believe, by a **42% to 7%** margin, that the state should provide a higher percentage of higher education funding *(POS)*.
- ★ By a **55% to 33%** margin, Kansas voters place the responsibility of affordability and accessibility squarely on the shoulders of state government (state funding), rather than on students and their families (tuition) *(POS)*.



If These Trends Continue:

- ★ Are Kansans prepared to ration education? Are Kansans prepared to deny higher education to qualified students?
- ★ Are Kansas businesses prepared to operate in an environment where a constant lack of qualified workers exists?
- ★ Are Kansans prepared to cope with perpetual workforce shortages (nurses, teachers, pharmacists, engineers, health care professionals, etc.)?



In Conclusion:

- ★ We're in this together.
- ★ The Kansas economy won't grow without successful businesses.
- ★ Businesses won't reach their full potential without highly-skilled workers.
- ★ The Kansas public higher education system produces the state's workers.
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We Want To Hear From You...

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