

OKLAHOMA'S "RECIPE FOR AFFORDABILITY"



Chancellor Glen D. Johnson

June 27, 2016

The State System/Governance

- **According to the Oklahoma Constitution, Article XIII-A, all institutions of higher education shall be integral parts of a unified system to be known as the State System of Higher Education.**
- **The Oklahoma State System of Higher Education is the State's legal structure for providing public education at the collegiate level.**
- **The State Regents are the constitutional Coordinating Board for the State System.**
- **The State Regents receive appropriations from the legislature in a lump sum.**
- **The State Regents make allocations to all public institutions in accordance with our funding formula and other State Regents priorities.**
- **The State Regents set tuition and fees for the entire higher education system.**
- **System consists of 25 Public Colleges and Universities.**
- **Fall 2015 Enrollment – 180,402 Students.**

Oklahoma

“Recipe for Higher Education Affordability”



- Lower than average cost of living especially in housing and utilities that helps stretch faculty, student and state dollars.
- Oklahoma City’s cost of living is 89% of the national average and housing and utility components are 77% and 89% respectively.
- Oklahoma’s unemployment is at 4.1% while the national average is 5.4%.

Source: Sperling’s Best Places

Add a Healthy Portion of an Effective Legislative

Advocacy Program To Promote Affordability

- Legislative Network
- Council of Presidents
- Legislative Forum
- Regional Legislative Tours and Awards
- Joint Projects such as Governor's STEM Conference done with the Business Roundtable and Department of Commerce
- Regents Education Program
- Sponsorships of the Governor's Cup Business Plan Competition and the Business Partnership Recognition Program
- Higher Ed Day at the State Capitol
- Tailored legislative advocacy pieces such as the Oklahoma's Promise Impact by legislative district
- Research Day at the Capitol



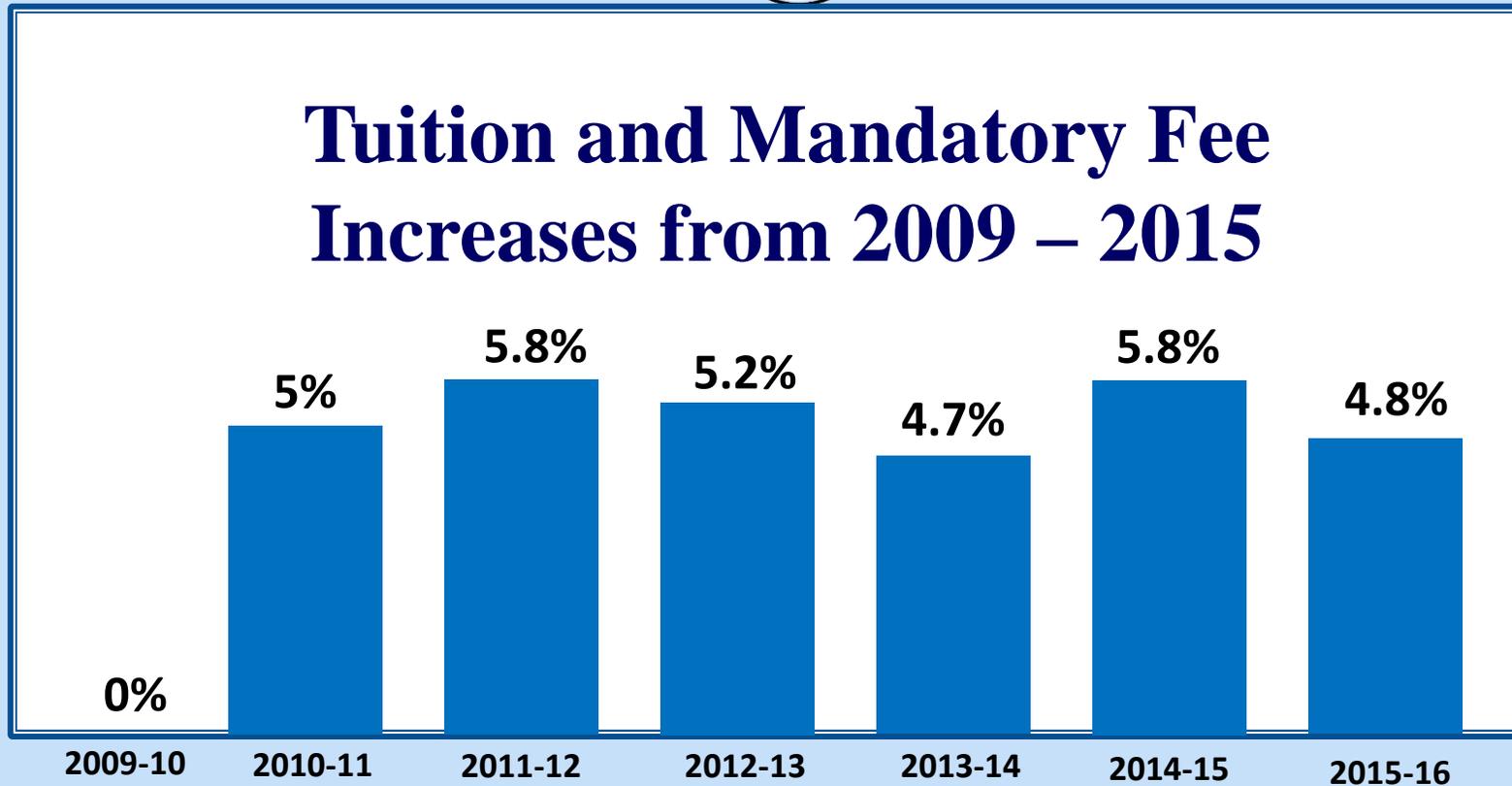
Comprehensive Tuition and Fee Setting Process at the State Regents Level

- The Oklahoma State Regents for Higher Education were granted tuition-setting authority for the entire system in 2003 by the State Legislature.
- The process is rooted in public hearings where citizens, students and faculty provide input into how much, if any, tuition needs to be raised.
- Each campus goes through an information and hearing process to gather input from stakeholders.
- Presidents present their recommendations to their Governing Boards.
- If approved by the Governing Boards, the requests are then considered by the Oklahoma State Regents after a day-long public hearing.
- The process has worked well to make sure any requests are necessary, reasonable and well explained to the public and the governing boards and the State Regents.
- Several institutions have implemented 15-hour flat-rate tuition.

TUITION TRENDS

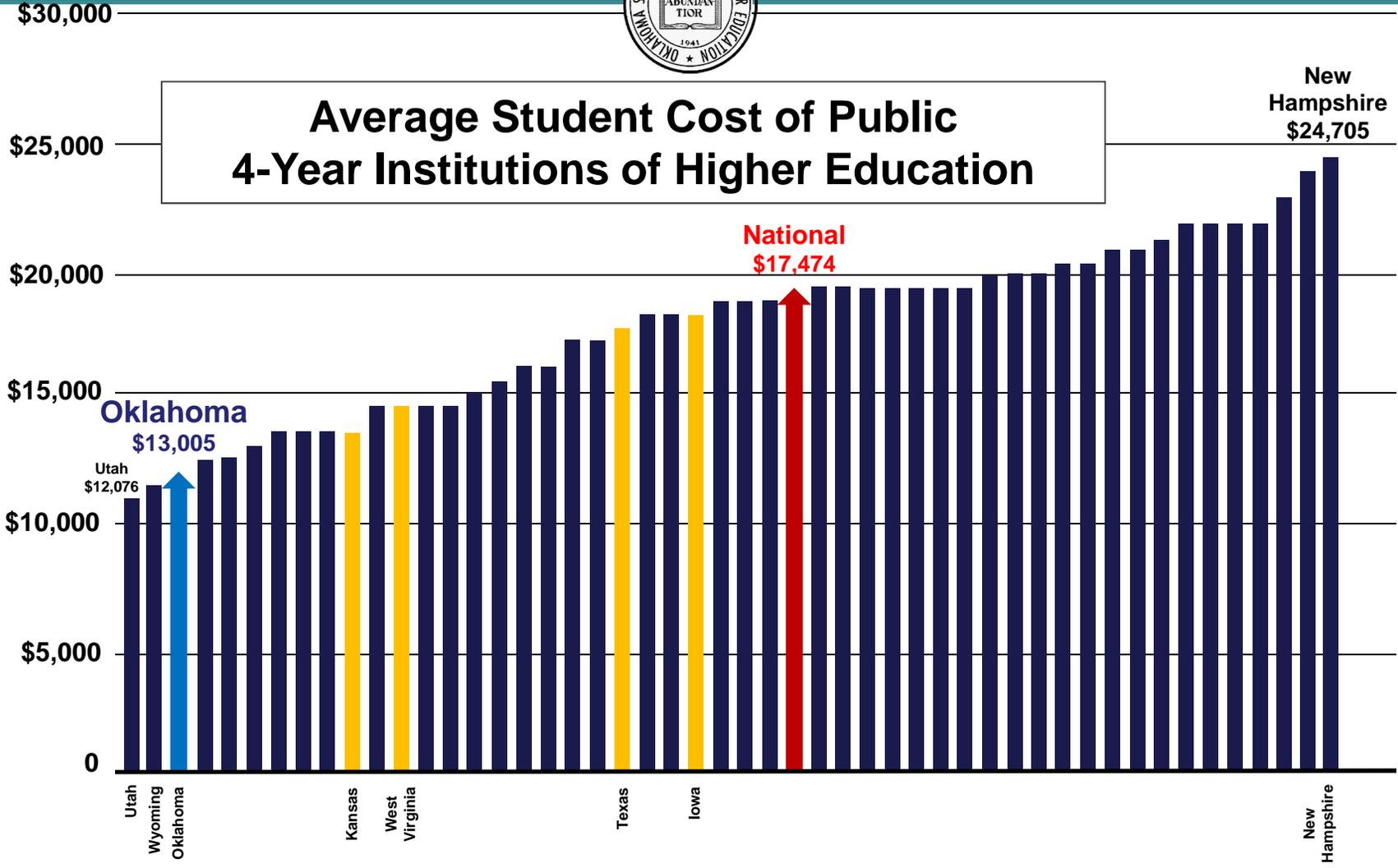


Tuition and Mandatory Fee Increases from 2009 – 2015



Average of 4.5%

TUITION TRENDS



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS, 2013 Digest of Education Statistics)



ENTERPRISING STATES 2015



**Oklahoma Ranks 5th in
College Affordability**

Source: "Enterprising States" – A Project of the US Chamber of Commerce and the National Chamber Foundation

Financial Aid in Oklahoma: Broadly Construed

- Oklahoma's concurrent enrollment program, in which 11th and 12th grade students take credit-earning college courses while still in high school, is a good example of how to lessen both cost and time to degree.
- Our Course Equivalency Project promotes seamless course transfer between institutions and prevents excess cost to students.
- Work has been conducted with Noel-Levitz to analyze how to optimize and leverage financial aid from all sources including tuition waivers, local scholarships, statewide scholarships.
- Examples of financial aid programs include:
 - a. Oklahoma's Promise Scholarship Program
 - b. Oklahoma Tuition Aid Grant Program
 - c. Oklahoma Tuition Equalization Grant

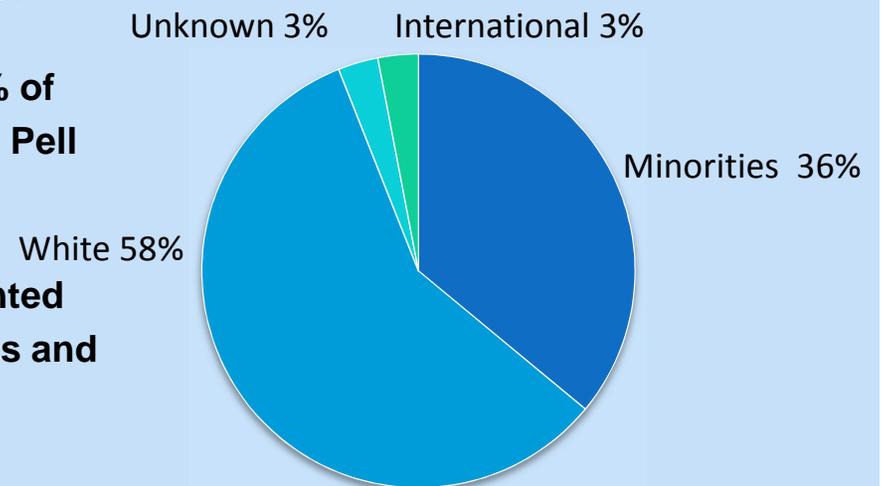
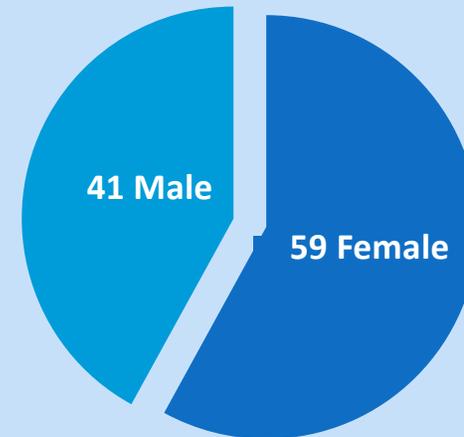
Financial Aid in Oklahoma: Broadly Construed

- From FY2000 to FY2016, state-funded student financial aid increased from \$28 million to \$100.6 million.
- As a percentage of total state appropriations for higher education, student aid increased from 3.6% in FY2000 to 9.8% in FY2016.
- A total of about \$1.35 billion in student financial aid was awarded at state system institutions in 2013-14.
- Of that amount awarded, about 50% was in the form of grants and scholarships and 50% was in the form of student loans.



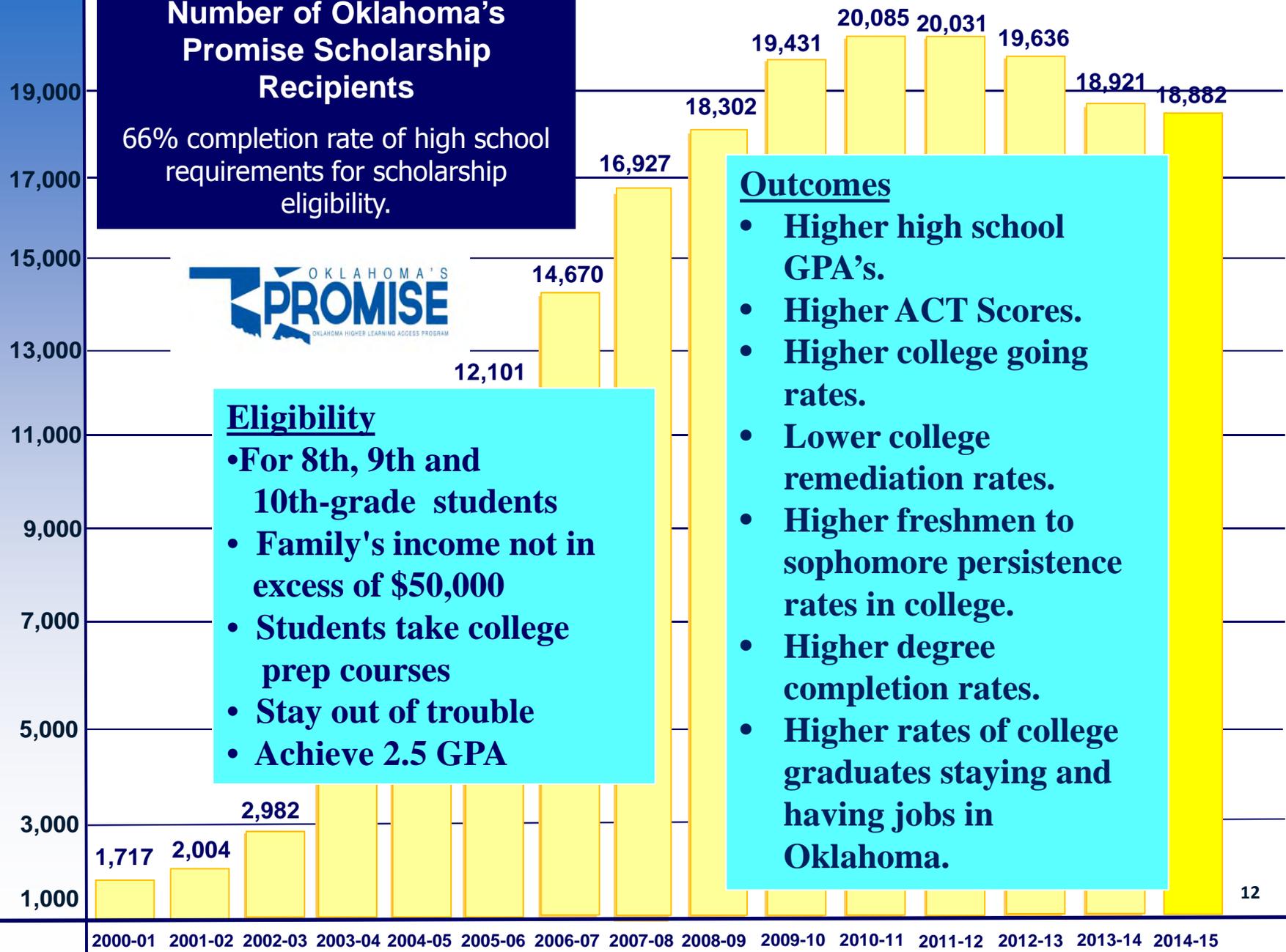
Financial Aid in Oklahoma: Broadly Construed

- About 70% of students enrolled in 2013-14 received some form of financial aid.
- 59% of undergraduate financial aid recipients were female and 41% were male in 2013-14.
- About 36% of financial aid recipients were ethnic minorities or multi-race; 58% were white; 3% of unknown ethnicity; and 3% international students.
- About 70,000 undergraduate students (about 36% of total undergraduate enrollment) received Federal Pell Grants in 2013-14.
- Pell grants totaled about \$248 million and accounted for nearly 40% of the almost \$615 million in grants and scholarships.



Number of Oklahoma's Promise Scholarship Recipients

66% completion rate of high school requirements for scholarship eligibility.



Eligibility

- For 8th, 9th and 10th-grade students
- Family's income not in excess of \$50,000
- Students take college prep courses
- Stay out of trouble
- Achieve 2.5 GPA

Outcomes

- Higher high school GPA's.
- Higher ACT Scores.
- Higher college going rates.
- Lower college remediation rates.
- Higher freshmen to sophomore persistence rates in college.
- Higher degree completion rates.
- Higher rates of college graduates staying and having jobs in Oklahoma.

HIGHER EDUCATION REPORTS



In 2015, 45 percent of Oklahoma graduates, graduated without any student loan debt.

2014 Average Student Debt
\$20,278 Oklahoma State System
\$23,430 Oklahoma
\$28,950 National

Oklahoma's State System Schools are 30% below the national average in student debt.

New Funding from Local and Private Sources

- Since the 2008 recession, our enrollment has increased more than 14,000 students system wide.
- **Enrollment Growth.** At the two-year community college level, most of this enrollment growth has been at our 3 urban two-year campuses – Oklahoma City Community College, Tulsa Community College and Rose State College. (TCC is the largest institution in the state in terms of headcount.)
- **Creative Scholarship Programs.** While these institutions are generally low cost, they have also been very creative in applying local property tax dollars (more than \$40 million among the 3) to create free paths to a two-year degree for many students.
 - a. **TCC's Tulsa Achieves Program** allows all students graduating from high schools in Tulsa county to be eligible for free tuition and fees.
 - b. **OCCC's OKC-GO!** Program allows all graduates from Oklahoma City Public Schools and Western Heights Public Schools to attend OCCC tuition and fees free.
 - c. **Rose State College's A Ticket To Rose Program** provides free tuition and fees to graduates from Carl Albert, Choctaw, Del City, Midwest City and Star Spencer school districts.
- **Endowed Chairs Program.** The Endowed Chairs program is known nationally as one of the most successful public/private partnerships in the country, private donations are matched with state funds to provide endowed chairs, lectureships and research positions at all 25 of the State's higher education institutions.

New Funding from Local and Private Sources

University of Oklahoma and Oklahoma State University

- In addition to enrollment growth at our 3 urban two-year campuses, a large portion of the balance of the enrollment growth has occurred at our two research institutions – the University of Oklahoma and Oklahoma State University.
- Both institutions have been on major private scholarship fundraising campaigns and each raised over \$1 billion in the last 8 years.
- OU just announced a \$500 million dollar campaign with the largest component going to undergraduate scholarships across all academic disciplines.
- Oklahoma State University completed its \$1 billion “Branding Success” Campaign at the end of 2014, which included the \$120 million Pickens Legacy Scholarship that will be matched for a total of \$240 million in student scholarships at Oklahoma State University.

COMPLETE COLLEGE

AMERICA

The Oklahoma Plan

**Focus On
College
Readiness**

**Transform
Remediation**

**Strengthen
Pathways to
College Degrees
and Certificates**

**Increase
Adult Degree
Completion**

**Reward
Performance**

Efficiencies and Cost Saving Initiatives



- **Sports Team and Athletic Facility Reductions**
- **Consolidation of Administrative and Executive Positions**
- **Increased Class sizes**
- **Faculty and Staff Furloughs**
- **Elimination of Faculty positions**
- **Campus Closures**
- **Joint Degree Programs between Institutions**
- **Reducing Scholarships**
- **Combining Campus Sites**
- **Reduction of Summer School Hours**
- **Elimination of Student Workers**
- **Retirement Incentive Programs**
- **Sharing Faculty between Institutions**
- **Travel Reductions**

CHALLENGES MOVING FORWARD

- **Addressing the needs of the adult/part-time students.**
 - a. **Financial Aid and Scholarships.**
 - b. **Path toward Completion.**
- **Addressing the needs of the middle-income group of students.**
 - a. **Financial Aid and Scholarships.**

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