

OKLAHOMA'S "RECIPE FOR AFFORDABILITY"



Chancellor Glen D. Johnson

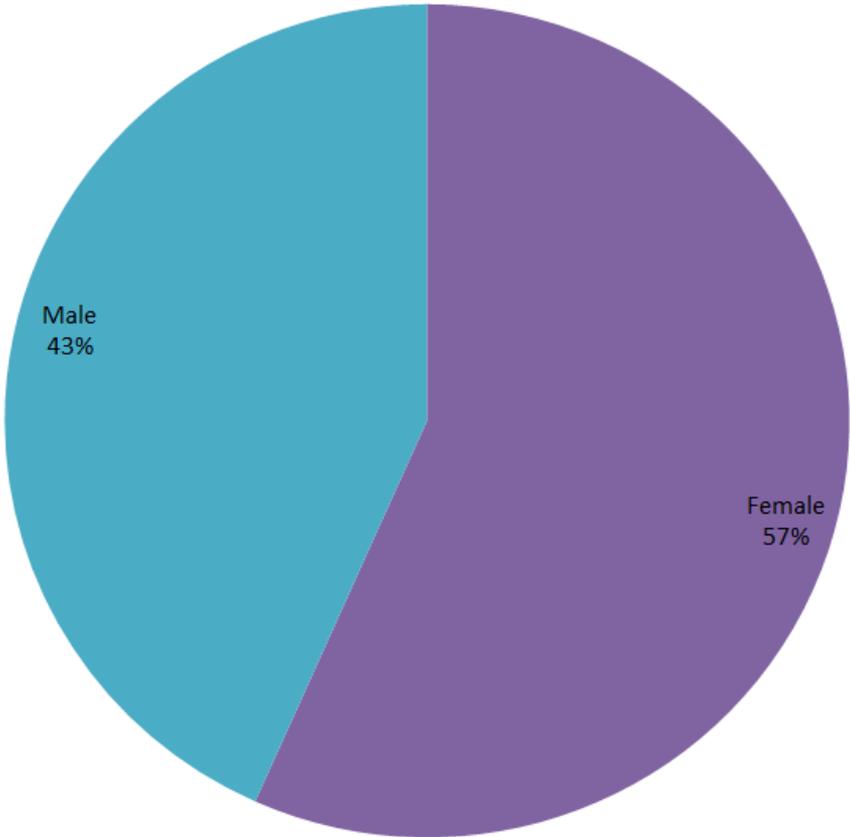
December 8, 2014

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 2014 Enrollment – 182,010 Students.**

Oklahoma -Demographics

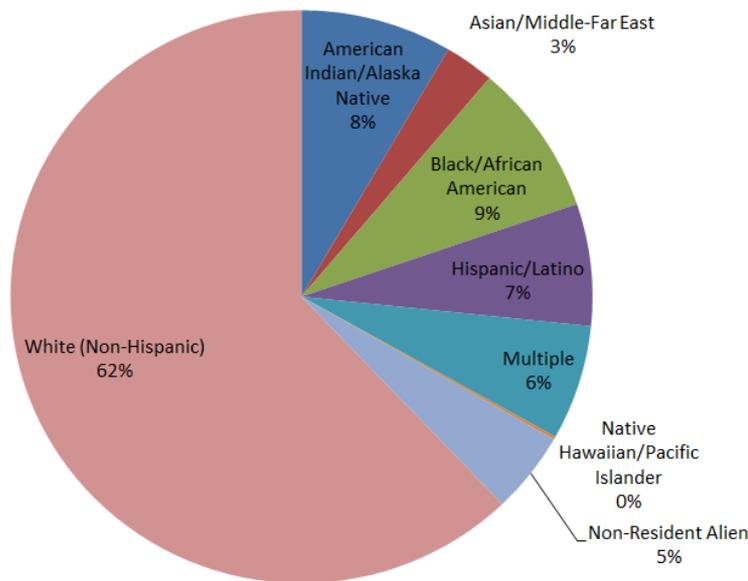
Public Institutions 2013-2014 FALL Semester
Enrollments by Gender



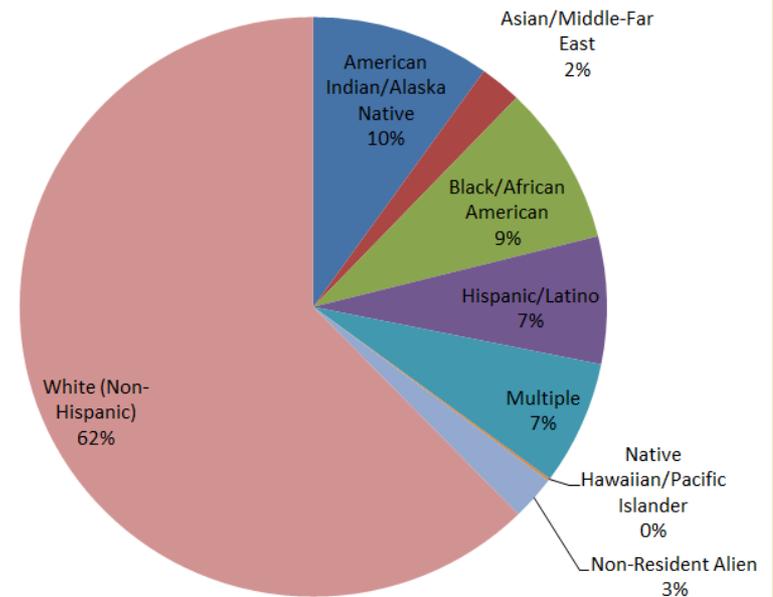
Oklahoma

Demographics – Enrollments by Gender and Ethnicity

Public Institutions 2013-2014 Fall Semester
Male Enrollment by Ethnicity



Public Institutions 2013-2014 Fall Semester
Female Enrollment by Ethnicity



Oklahoma

“Recipe for Higher Education Affordability”



- Favorable Economic Climate.
- Lower than average cost of living especially in housing and energy that helps stretch faculty, student and state dollars.
- Oklahoma City’s cost of living is 90.4% of the national average and housing and energy components are 82% and 87% respectively.
- Oklahoma’s unemployment is at 4.5% while the National average is 5.8%.

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



Does the Legislative Advocacy Work?

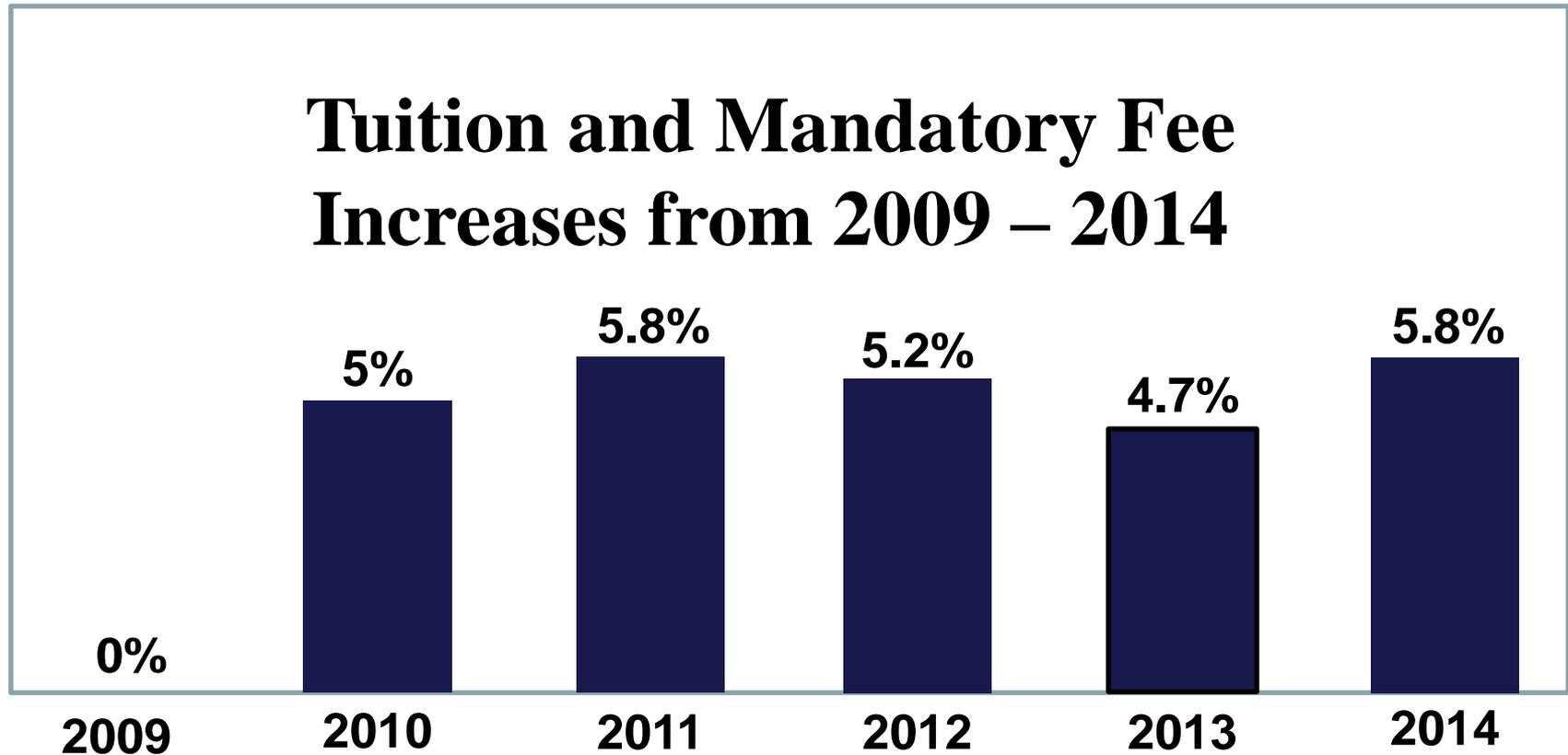
- Transfer of tuition-setting authority from the Legislature to the State Regents in 2003.
- Although Oklahoma has seen a decline in state support for higher education over the last 2 decades, that decline has been slower than the national average.
- Examples include:
 - a. Higher Education getting \$68 million of stimulus funding in 2009 earmarked for campuses. (Governor Brad Henry)
 - b. Maintained funding in our base when the stimulus funds ran out.
 - c. \$450 million higher education bond issue supported by both the Governor and the Legislature.
- Other victories included \$145 million to match a backlog of endowed chairs funding and this past year restoring \$50 million in proposed cuts from the Governor's budget.
- In 2007, legislation was passed to provide a dedicated funding source for Oklahoma's Promise Scholarships.

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.
- 15-hour Flat Tuition.

TUITION TRENDS

Tuition and Mandatory Fee Increases from 2009 – 2014



Average of 4.4%

Forbes



The Best and Worst States
for Recent Grads Since
the Recession

*Forbes lists
Oklahoma as 2nd in
the Nation.*

*...tuition increases
have been marginal,
household income
has grown, and
unemployment has
remained low.*



ENTERPRISING STATES 2014

**Nationally, Oklahoma
is Ranked:**

- 5th in College Affordability
- 17th in STEM Job Growth

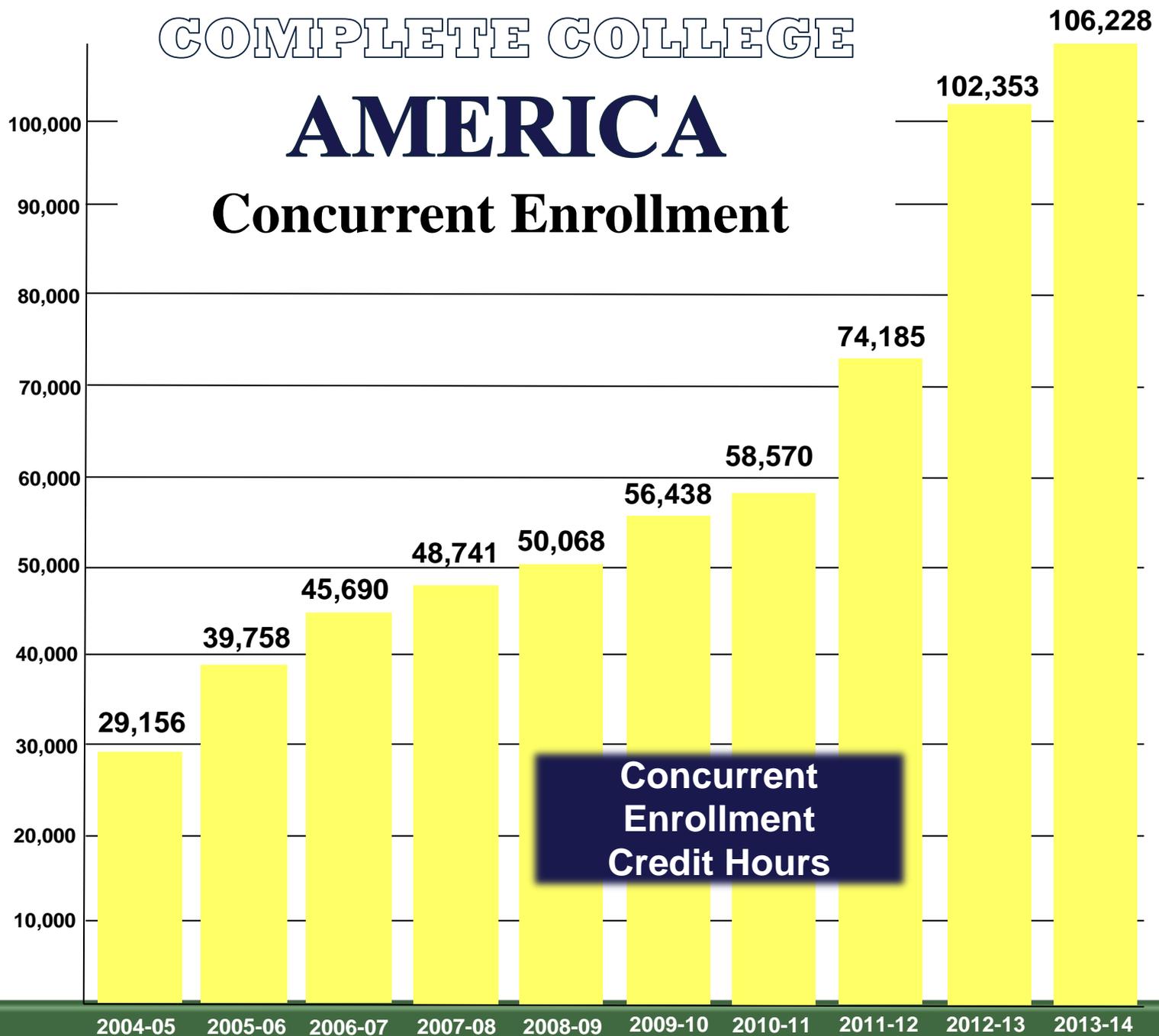
Financial Aid: Broadly Construed

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

COMPLETE COLLEGE

AMERICA

Concurrent Enrollment



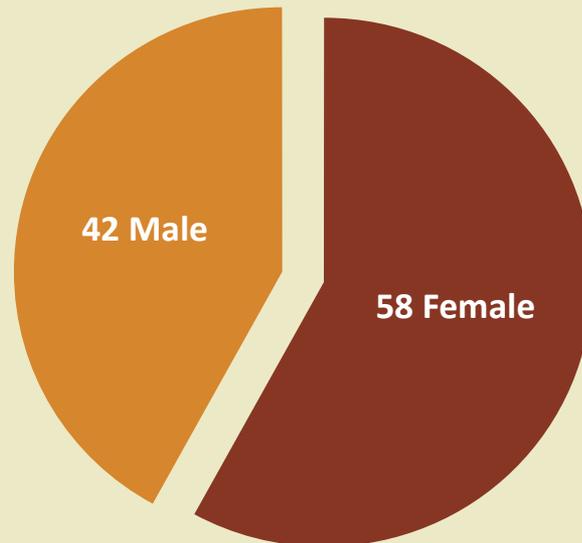
Financial Aid: Broadly Construed



- From FY2000 to FY2015, state-funded student financial aid increased from \$28 million to \$100 million.
- As a percentage of total state appropriations for higher education, student aid increased from 3.6% in FY2000 to 9.6% in FY2015.
- Student aid never experienced budget reductions during the 15-year period from FY2000 to FY2015, even when higher education experience budget cuts in FY2004, FY2010, and FY2011.
- A total of about \$1.4 billion in student financial aid was awarded at state system institutions in 2012-13.
- 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: Broadly Construed – continued

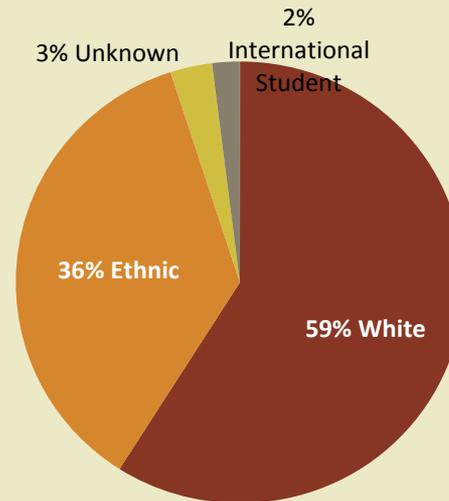
- About 70% of students enrolled in 2012-13 received some form of financial aid.
- 58% of undergraduate financial aid recipients were female and 42% were male.



Financial Aid: Broadly Construed – continued

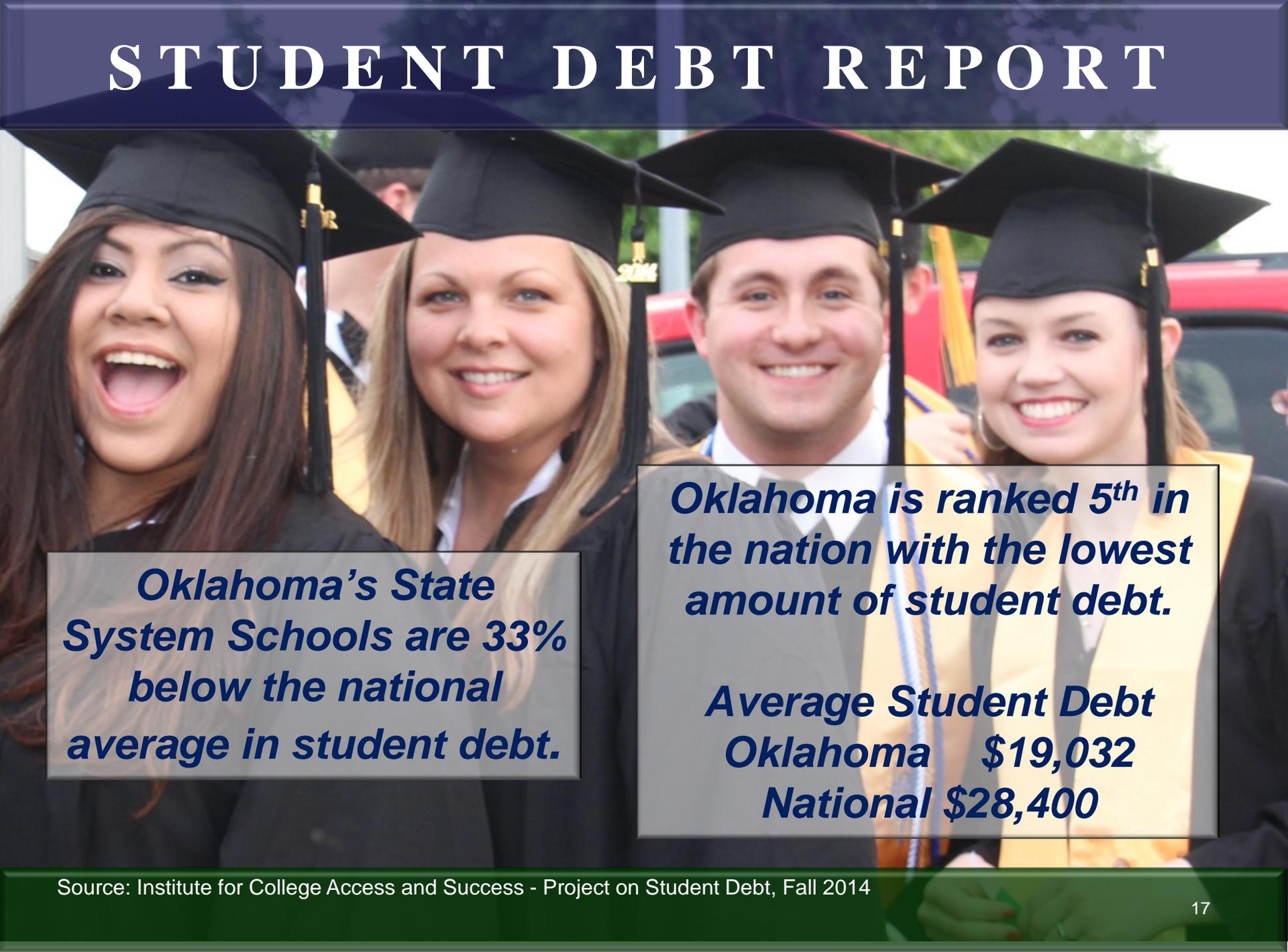


- About 36% of financial aid recipients were ethnic minorities or multi-race; 59% were white; 3% of unknown ethnicity; and 2% international students.



- About 77,000 undergraduate students (about 38% of total undergraduate enrollment) received Federal Pell Grants in 2012-13.
- Pell grants totaled about \$265 million and accounted for nearly 40% of the almost \$700 million in grants and scholarships.

STUDENT DEBT REPORT

A photograph of four graduates in black caps and gowns with yellow stoles. From left to right: a woman with long dark hair is laughing with her mouth wide open; a woman with blonde hair is smiling; a man with short brown hair is smiling; and a woman with dark hair is smiling. They are standing outdoors, possibly at a graduation ceremony.

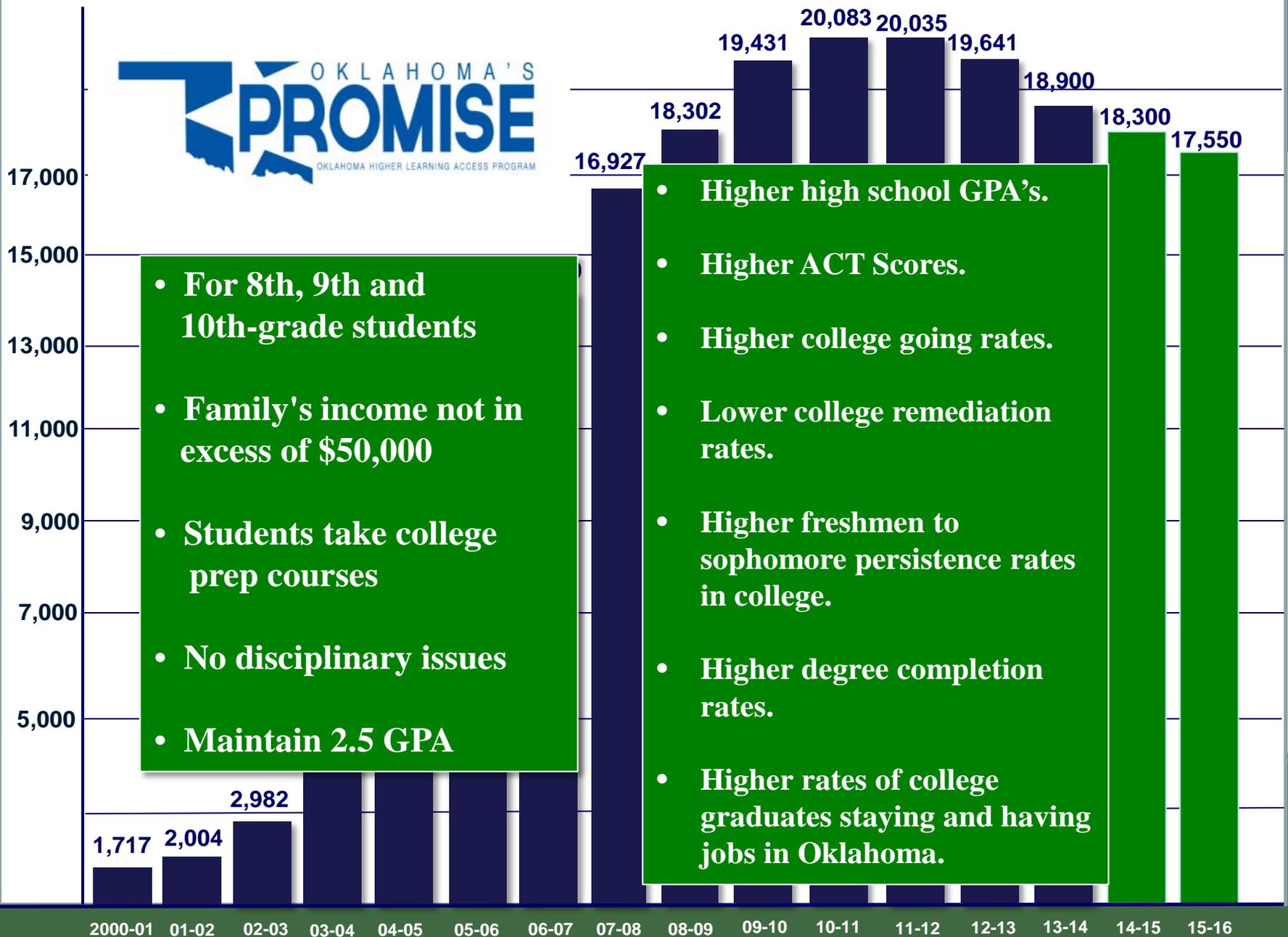
Oklahoma's State System Schools are 33% below the national average in student debt.

Oklahoma is ranked 5th in the nation with the lowest amount of student debt.

Average Student Debt
Oklahoma \$19,032
National \$28,400

Oklahoma College Assistance Program

- Helping students manage finances responsibly – Financial Literacy.
- Keeping student debt to manageable levels and default prevention on loans.
- In 2013, 47 percent of Oklahoma graduates, graduated without any student loan debt.



- For 8th, 9th and 10th-grade students
- Family's income not in excess of \$50,000
- Students take college prep courses
- No disciplinary issues
- Maintain 2.5 GPA

- 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.

New funding from local and private sources

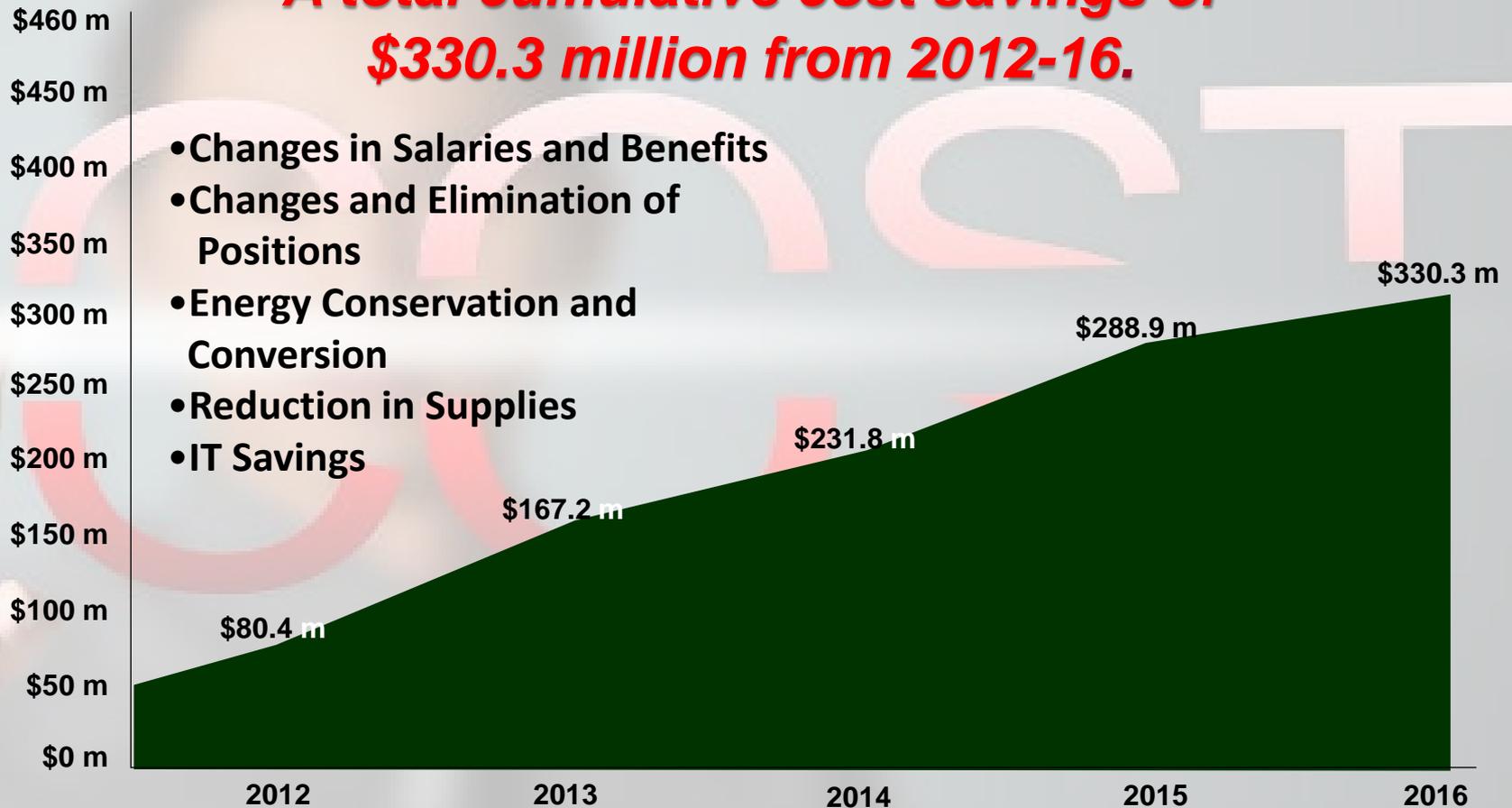
- Since the 2008 recession, our enrollment has increased more than 14,000 students system wide.
- Enrollment Growth. At the two-year community college level, most of this enrollment growth has been at our 3 urban two-year campuses – Oklahoma City Community College, Tulsa Community College and Rose State 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 – known nationally as one of the most successful public/private partnerships in the country, where 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.

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 will complete its \$1 billion “Branding Success” Campaign at the end of 2014, including the \$120 million Pickens Legacy Scholarship which will be matched for a total of \$240 million in student scholarships at Oklahoma State University.

Cost Savings Initiatives in Energy and Information Technology

A total cumulative cost savings of \$330.3 million from 2012-16.



College Completion as an Academic as a Well as an Affordability Initiative

- Efficient college completion is another ingredient in our affordability recipe. Students completing on time save money for students, parents, and the higher education system.

- **Our plan focuses on 5 elements:**
 - a. **Readiness:** Getting students not only ready for college but in many cases starting college with credit hours from concurrent and AP courses under their belt.

 - b. **Reforming Remediation:** Reducing and accelerating remediation is key component of completing on time and increasing affordability.

 - c. **Pathways to Success:** Better advising and intrusive advising helps students complete on time, save money by reducing excess courses and the ability to move into the workforce faster.

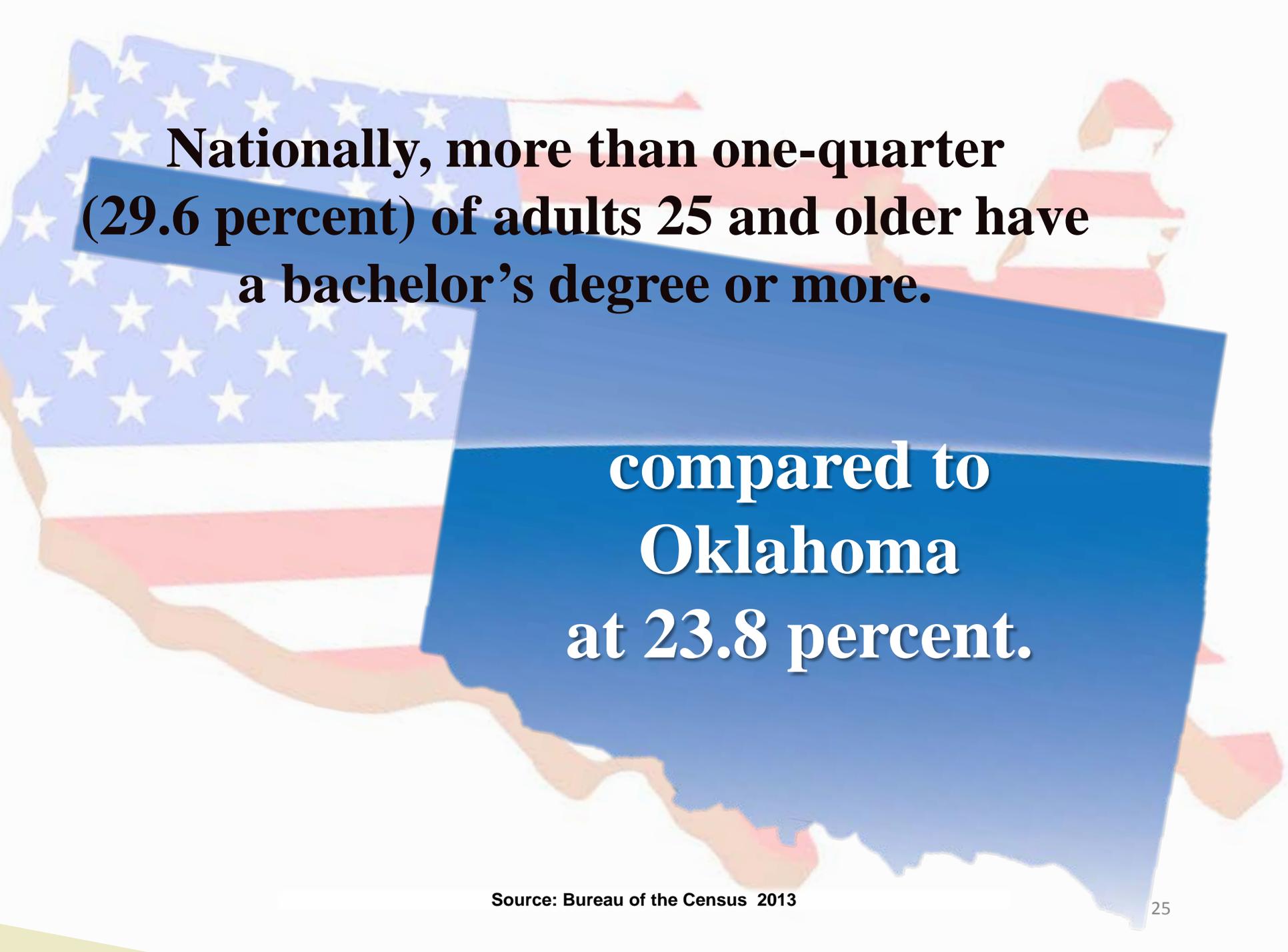
 - d. **Adult Degree Completion :** Provides efficient and affordable avenues for adult students to finish degrees and earn more.

 - e. **Performance Funding:** Encourages all our campuses to emphasize the affordability and completion agenda.

CHALLENGES MOVING FORWARD

- **Need to address the needs of the adult/part-time students.**
 - a. **Financial Aid and Scholarships.**
 - b. **Path toward Completion.**

- **Need to address the needs of the middle-income group of students.**
 - a. **Financial Aid and Scholarships.**



**Nationally, more than one-quarter
(29.6 percent) of adults 25 and older have
a bachelor's degree or more.**

**compared to
Oklahoma
at 23.8 percent.**

JOB OPENINGS BY OCCUPATION AND EDUCATION LEVEL (IN THOUSANDS)

OCCUPATION	Less than high school	High school diploma	Some college/ no degree	Associate's degree	Bachelor's degree	Master's degree or better
Managerial and Professional Office	3	19	27	10	40	16
STEM	1	2	5	2	9	3
Social Sciences	0	0	0	0	1	1
Community Services and Arts						5
Education						1
Healthcare Professional and Technical						7
Healthcare Support						0
Food and Personal Services						1
Sales and Office Support	8	51	57	15	31	5
Blue Collar	24	69	36	10	10	1
TOTAL	58	193	170	62	135	51

67% of all jobs created in Oklahoma by 2020 will require some college, a long-term certificate or a college degree.

37% of all jobs created in Oklahoma by 2020 will require an associate's degree, bachelor's degree or higher.

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