



# Oklahoma State Regents for Higher Education

**FY 2025 Budget Hearing Presentation**

**Submitted by: Chancellor Allison D. Garrett**



# Allison D. Garrett, Chancellor

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The **Oklahoma State Regents for Higher Education (OSRHE)** is the **coordinating board for the Oklahoma State System of Higher Education**, which is comprised of:

- 25 colleges and universities;
- 11 constituent agencies; and
- 1 university center (University Center at Ponca City).

Founded in **1941** by a vote of the people, the primary functions and responsibilities of the OSRHE are to:

- **Prescribe academic standards** for higher education in Oklahoma;
- **Determine functions and courses of study** at state colleges and universities;
- **Grant degrees** and other forms of academic recognition;
- **Develop an annual system-wide budget request** to Governor and Legislature;
- **Allocate funds** appropriated by the state Legislature to state system institutions and programs;
- **Set tuition and fees**, within limits prescribed by the Legislature; and
- **Administer special programs** (e.g., Oklahoma's Promise, scholarships, OneNet, Oklahoma College Assistance Program, Inspired to Teach, Concurrent Enrollment, Reach Higher, GEAR UP)

# Agency Vision, Mission and Core Values

- **VISION:** Coordinate Oklahoma's public colleges and universities in promoting and developing innovative, effective, and efficient strategies that produce college graduates with the skills needed to compete in a global, knowledge-based economy.
- **MISSION:** Build a nationally competitive system of higher education that provides educational programs and services universally recognized for excellence, expand frontiers of knowledge and enhance the quality of life for Oklahoma citizens.
- **VALUES:** The OSRHE, Chancellor, and state higher education leaders promote **excellence** in instruction, public service, and research, as well as maximize the use of available resources in the **efficient** and **effective** delivery of higher education programs and services.





# Accomplishments

## Top accomplishments for FY 2023 – FY 2024

- 1) **Blueprint 2030.** - Completed the strategic planning process which will guide our state system over the next several years. The plan emphasizes the key role that the State System of Higher Education provides in producing the state's workforce and reflects the State Regents' commitment to leading a responsive, forward-thinking and data-driven state system.
- 2) **Degree and Certificate Production.** State system institutions conferred 36,979 degrees & certificates during the 2021-22 academic year, which represents a 3.0% increase over the last five years. Looking at the last decade, degree and certificate production across the state system increased more than 8%.
- 3) **Meeting Oklahoma's Critical Workforce Needs.** At our state system institutions:
  - Bachelor's degree production in critical STEM disciplines increased more than 42% over the last 10 years, and production increased 24% at all degree levels.
  - Degree production in health professions increased more than 15% in the last 10 years, and nursing degree production increased over 26%.
- 4) **Nationally Recognized College Affordability.** Data from the National Center for Education Statistics show Oklahoma universities have the 8th-lowest cost of attendance in the nation.
- 5) **Employment Outcomes.** Students who learn here, earn here.
  - 96% of Oklahomans — and nearly 58% of non-resident students — who graduate from a state system college or university remain and work in the state one year after graduation.
  - Of STEM graduates from our state system colleges and universities, 95% of Oklahomans — and 64% of non-resident students — remain and work in the state one year after graduation.
  - More than 96% of Oklahoma's Promise graduates remain and work in the state one year after graduation, and over 91% are still employed in the state five years later.
- 6) **Return on Investment.** Georgetown University Center on Education and the Workforce data show Oklahoma state system institutions generate an average return on investment of nearly \$870,000 per graduate over a career lifetime.



# Challenges

## Top Challenges (current & upcoming years)

- 1) Enrollment Demographics.** State System colleges and universities must adapt to demographic changes in Oklahoma's high school-to-college pipeline over the next decade, with projected enrollment declines and an increasing number of non-traditional students with greater need for student support services, including first-generation, minority or adult student populations.
- 2) College Preparedness.** For the last year's graduating class, less than 10% of Oklahoma's annual high school graduating class met all four ACT college readiness benchmarks, compared to approximately 15% nationally. For the high school graduating class of 2023, only 5.6% meet STEM readiness benchmarks.
- 3) State System Capacity for Increasing Degree Production in High Demand Fields.** Oklahoma must expand degree production in fields of study linked to high demand workforce needs, such as engineering and other STEM-related fields, nursing, medicine, and teacher education in addition to increasing the ability to attract and retain qualified faculty.



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
<b>Continued Exploration of the Shared Services Concept for Systemwide Operations</b>	Planned for FY2024 and beyond.				
<b>Updated Purchasing Policy to provide for additional shared contracts and purchasing consortia</b>	OSRHE completed the APA process to update policy to provide for system-wide contract negotiations to provide savings on economy of scale purchases	Contracted per unit savings			
<b>Master Lease Program</b>	Allows institutions to achieve cost savings when financing the acquisition of real property, capital upgrades and equipment.	Administrative cost consolidation and efficiencies			
<b>Update the Policy Manual of the State Regents</b>	This project is currently being conducted to remove outdated requirements, to allow for use of modern technology and to adopt current best practices.	Administrative consolidation and efficiencies			

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 26 Target
1	Modernizing Our Education and Workforce System – Advanced Offerings	Increase in number of middle and high school students receiving STEM exploration opportunities annually. NOTE: The number of students served annually is based on available funding.	817*	576	641	641
2	Modernizing Our Education and Workforce System – College Preparedness	Increase in number of students participating in concurrent enrollment at state system institutions annually.	14,542	15,211	15,515	16,142
3	Modernizing Our Education and Workforce System – Need-Based Aid	Increase in the percentage of Pell-eligible students who receive the Oklahoma Tuition Aid Grant annually.	28%	29%	30%	32%
4	Modernizing Our Education and Workforce System – Need-Based Aid	Increase in percentage of eligible students who enroll in the Oklahoma's Promise scholarship program.	42%	46%	47%	49%
5	Modernizing Our Education and Workforce System – Workforce Training	Increase in number of micro-credentials awarded by state system institutions annually.	894	2,280	7,500	15,000
6	Modernizing Our Education and Workforce System – Postsecondary Education – Degrees and Certificates	Increase in number of degrees and certificates awarded by state system institutions annually.	37,123	36,947	37,316	38,067
7	Modernizing Our Education and Workforce System – Postsecondary Education - STEM and Critical Occupations	Increase in number of degrees and certificates aligned with STEM and critical occupations by state system institutions annually.	34,118	34,030	34,370	35,061





# Projects for FY 2024 - 2025

## Projects

- 1) Align higher education programs with workforce demand with a goal to produce 100,000 degrees and other credentials in STEM/Critical Occupations by 2030.
- 2) Develop a robust statewide communication and outreach plan to engage employers.
- 3) Better connect students to the workforce through increased availability of engaged learning opportunities.
- 4) Increase FAFSA completion of high school seniors.
- 5) Evaluate systemwide adoption of a Common Application to simplify and streamline the college admission process for students.
- 6) Promote seamless transfer opportunities for students.
- 7) Develop and implement a systemwide plan to identify, re-engage and support Oklahoma's adult learners.
- 8) Strengthen online education and use technology to improve student success. (*e.g.*, predictive analytics/early warning systems, virtual support services, open educational resources)
- 9) Support institutional consolidations and collaborations.
- 10) Establish a shared services center to reduce institutional administrative costs and maximize efficiencies.
- 11) Incentivize institutional performance through a new performance funding formula.

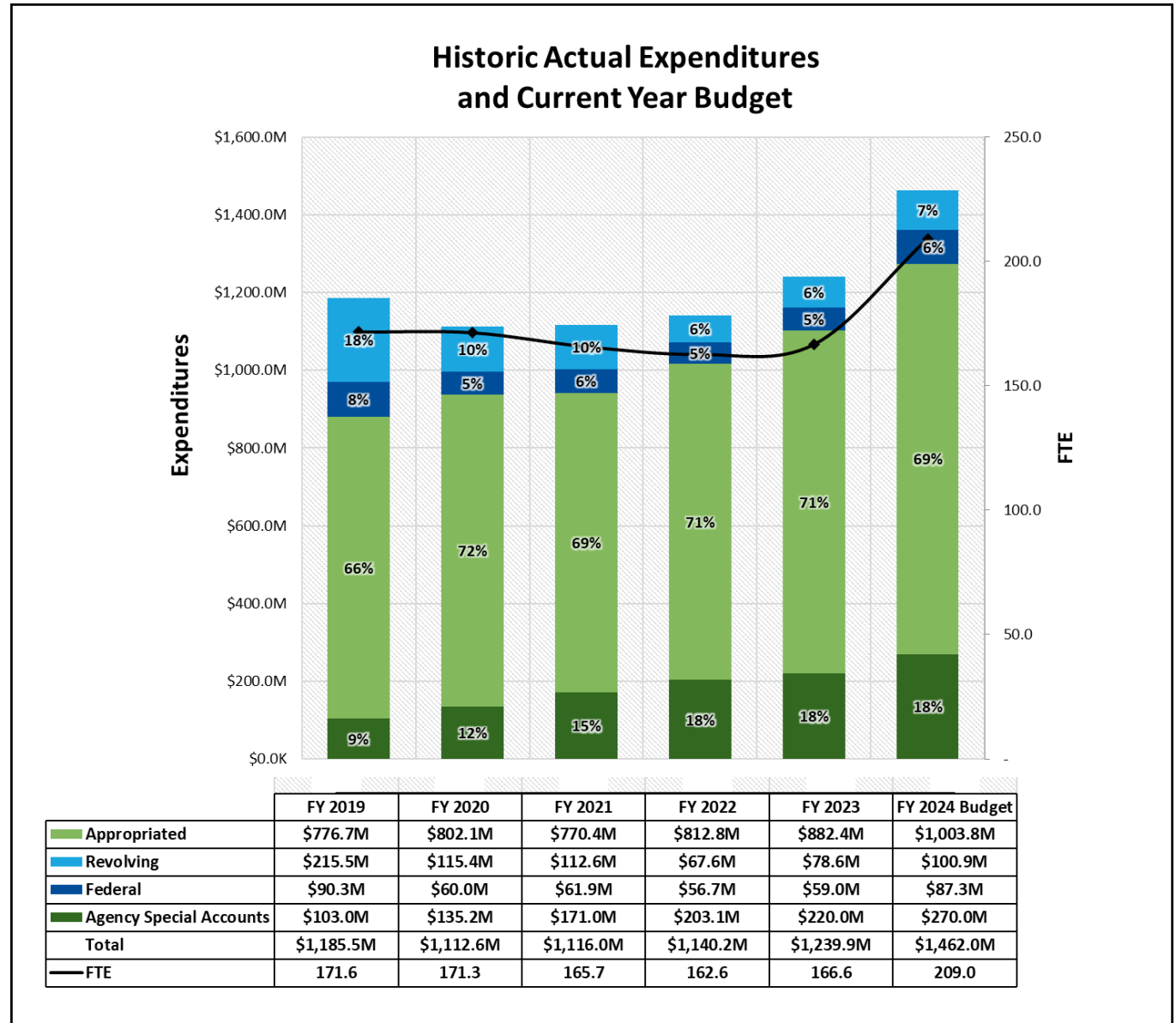




# Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

## Explanation of Significant Changes and Trends

- ❖ Higher Education received an increase in state appropriations for FY24 in the amount of \$130.4 million, or 14.9% from the previous year.
- ❖ The federal moratorium on student loan processing has expired resulting in an increase budgeted in the federal category due to anticipated increase in repayment activity for our student loan program.
- ❖ The FY24 budget includes increases to two scholarship programs. The supplemental increase in appropriations for the Oklahoma National Guard Educational Incentive was annualized and the second infusion of capital was allocated to the Inspired to Teach program.





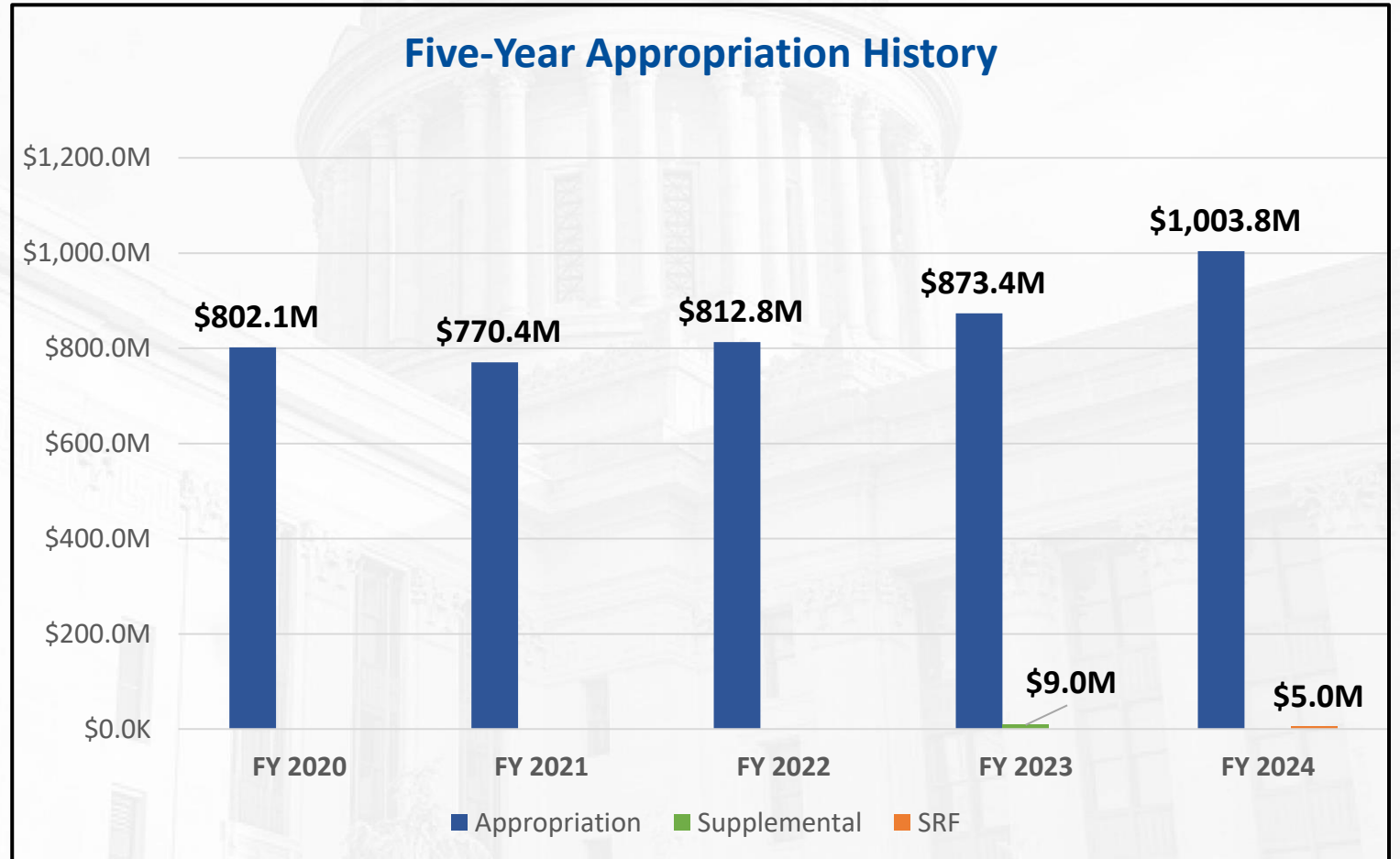
# FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
<b>Total FTE</b>	209
<b>Supervisor FTE</b>	49
<b>Supervisors to Total FTE Ratio (%)</b>	23.44%

Note: Currently 169 positions are filled for FY24

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$802,070,058
FY 2021	\$770,414,742
FY 2022	\$812,816,581
FY 2023	\$882,405,812
FY 2024	\$1,008,794,375



\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



# Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$91,635	\$557,219	\$690,579	\$932,925

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$4,732,723.59	\$6,393,675.96	\$9,879,287.23	\$12,568,799.36

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
#210	OSRHE Revolving Fund	\$13,627,488
#		\$
#		\$
#		\$
#		\$
#		\$
	<b>Total Current Unrestricted Fund Cash balance:</b>	\$

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
<b>FY 2024</b>	Any carryover that becomes available will be targeted for expenditure on State Regents' priorities to include technology upgrades to support upgrades in security measures to protect the network with increased remote connectivity. Key priorities include modernization of systemwide databases and conversion to updated data platforms. We are finalizing phase one of this project continuing from FY2023 and moving into phase two that is projected for implementation over the next 15-18 months.
<b>FY 2025</b>	Emphasis will be given to shared services for the state system to achieve long-term efficiencies. Initial investment in a support infrastructure will likely be required as areas of service are identified.
<b>FY 2026</b>	



*Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.*



# FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2022</b>				
Increased support to colleges and universities	\$28,490,199	Yes	Yes	
Increased support for financial aid programs administered through OSRHE	\$3,518,124	Yes	Yes	
Endowed Chairs 2021 Bond Debt Obligations	\$10,400,000	Yes	Yes	
	\$			
	\$			
	\$			
	\$			
	\$			
<b>Total adjustment</b>	<b>\$42,408,323</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2023</b>				
Increased support for the concurrent enrollment program	\$4,000,000	Yes	Yes	
Implementation of the Future Teacher Scholarship and Employment Incentive Program – Inspired to Teach	\$16,928,500	Yes	Yes	
Development of the Hunger Pantry Project	\$200,000	Yes	Yes	
Critical Workforce Development Initiatives	\$11,500,000	Yes	Yes	
Increased support for financial aid programs administered by OSRHE	\$6,104,100	Yes	Yes	
Initial funding for the Oklahoma National Guard Educational Assistance Program	\$9,000,000	Yes	Yes	
Increase to the Section 13 Offset Program	\$2,070,000	Yes	Yes	
Increased support to colleges, universities, and system programs	\$19,783,389	Yes	Yes	
<b>Total adjustment</b>	<b>\$69,585,989</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
<b>FY 2024</b>				
Faculty Salary Programs	\$48,900,000	Yes	Yes	
Annualization of the Oklahoma National Guard Educational Assistance Program	\$12,000,000	Yes	Yes	
Increased support for Engineering Programs	\$20,000,000	Yes	Yes	
Increased support for the Inspired to Teach Program	\$16,158,393	Yes	Yes	
Student Health Services Grant Program	\$4,000,000	Yes	Yes	
Increased support for colleges, universities and system programs	\$29,330,170	Yes	Yes	
	\$			
	\$			
<b>Total adjustment</b>	\$130,388,563			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	Inspired to Teach Program	\$8,500,000	Final installment to fully fund the program
2	Concurrent Enrollment	\$975,817	On-going
3	Critical Workforce Initiatives	\$41,500,000	On-going
4	Institutional Excellence and Student Success Initiatives	\$71,422,054	On-going
5	Capitalization of a Capital Revolving Liquidity Fund	\$200,000,000	One-time





# (1) Budget Request

<b>Name of Request – Inspired to Teach Program</b>	
Type: Operating	\$8,500,000
<p>The “Inspired to Teach” program offers qualified Oklahoma students an opportunity to earn scholarships as they complete education degrees and employment benefits as they complete years of service within Oklahoma’s PK-12 schools. This funding will ensure the ability to meet demand of the benefits provided through the program for teacher candidates and those employed after graduation and licensure. Funding is intended to reach the targets for full funding.</p>	



# (2) Budget Request

<b>Name of Request – Concurrent Enrollment Waiver Program</b>	
Type: Operating	\$975,817
<p>The concurrent enrollment tuition waiver program continues to have an increase in participation. In FY22 the program saw 14,636 students enrolled and generated over 141,300 credit hours. This funding request will provide reimbursement for tuition waivers provided to all qualified high school senior and junior students and provide resources for any program adjustments resulting from the review by the working group.</p>	



# (3) Budget Request

<b>Name of Request – Critical Workforce Initiatives</b>	
Type: Operating	\$ 41,500,000
<p>The State Regents’ FY25 system-wide budget request includes investments in strategic initiatives that align with Oklahoma’s projected workforce needs in Healthcare, Science, Technology, Engineering, and Math (STEM) fields, and adult degree completion.</p> <ul style="list-style-type: none"><li>• STEM-Related Degree Fields - \$11,500,000</li><li>• Healthcare Workforce Development - \$20,000,000</li><li>• Adult Degree Completion (Reach Higher) Student Initiatives - \$10,000,000</li></ul>	



# (4) Budget Request

<b>Name of Request – Institutional Excellence and Student Success Initiatives</b>	
Type: Operating	\$71,422,054
Request for funding in specific areas that support campus operations and/or investment in student success.	
<ul style="list-style-type: none"><li>• Performance-based allocations to address operating obligations - \$40,672,054 million</li><li>• Risk Management Cost Increase - \$12.5 million (Property and Casualty insurance premium increases)</li><li>• Student Success and Support Services - \$12.5 million</li><li>• State System Collaboration and Consolidation Assistance Fund - \$5.0 million</li><li>• State System Shared Services for Innovation and Education Resources - \$750,000</li></ul>	





# (5) Budget Request

<b>Name of Request – Deferred Maintenance and Capital Needs</b>	
Type: One-time	\$200,000,000
<p>Deferred maintenance and capital needs are present at every system institution. The funding request contemplates one-time capitalization of a revolving liquidity facility structure which will provide resources for institutions to access through application and could also be utilized to fund high priority needs. Funds are to be allocated for deferred maintenance and other capital projects based on a priority structure. Allocation arrangements will include payback schedules to ensure funds will be available over time under a revolving liquidity model. Anticipated uses of allocated funds include deferred maintenance, Americans with Disabilities Act (ADA) compliance requirements, campus security, cyber security and other special circumstances. (O.S. 70, Section 3211)</p>	



