

OSRHE – College Access Program

House A & B Education area,

As most of you are aware, the Budget Control Act of 2011 mandated that the deficit had to be reduced by \$1.2 trillion over the next ten years. A super committee was formed for this purpose. The committee failed to reach an agreement on these reductions and so, unless other federal legislation intervenes, there will be an automatic sequestration of federal funds on January 1, 2013. The Speaker-Elect of the Oklahoma House of Representatives will be conducting an interim study (IS12-088) on this topic on October 16<sup>th</sup>. With this in mind, and assuming this was taken into consideration during your budget request process, we are asking for the following information from each agency impacted by the sequestration:

- 1.) What agency programs will be directly or indirectly affected if the automatic sequestration takes place? For CACGP funds, here is a list of programs affected:
  1. professional development retreats for high school counselors
  2. scholarships for adult college students
  3. OKcollegestart.org
  4. professional development of faculty for Reach Higher
  5. expansion of Achieving the Dream
- 2.) If these programs are matching fund programs, what amounts will be lost both due to the sequestration and potential loss of matching funds? Matches to these federal funds is state funds; therefore, there is no loss.
- 3.) What will the broader impact be of these reductions in programs (e.g. FTEs, cost-sharing programs, reduction of services)? 3 FTEs support OKcollegestart.org, services to high school counselor will be significantly diminished, reimbursements to institutions that awarded scholarships to adult students will be cancelled
- 4.) Assuming no additional state funding is available, what are your plans to maintain mission-critical programs and which programs will be altered significantly or eliminated if the sequestration takes place? All of the above programs will be eliminated.
- 5.) List and describe any alternative funding sources your agency is considering (e.g. carryover, revolving funds, other sources of funding). Carryover funds from last year can be used to cover some programmatic costs.
- 6.) What amount of federal funding received by your agency is classified as non-exempt discretionary or non-exempt mandatory and will be subject to sequester? Don't know the answer to this question.
- 7.) Feel free to add any additional information you believe relevant to the topic at hand.

Please provide your response by Friday, October 5, 2012. Thank you.

OSRHE – Gear Up Program

House A & B Education area,

As most of you are aware, the Budget Control Act of 2011 mandated that the deficit had to be reduced by \$1.2 trillion over the next ten years. A super committee was formed for this purpose. The committee failed to reach an agreement on these reductions and so, unless other federal legislation intervenes, there will be an automatic sequestration of federal funds on January 1, 2013. The Speaker-Elect of the Oklahoma House of Representatives will be conducting an interim study (IS12-088) on this topic on October 16<sup>th</sup>. With this in mind, and assuming this was taken into consideration during your budget request process, we are asking for the following information from each agency impacted by the sequestration:

- 1.) What agency programs will be directly or indirectly affected if the automatic sequestration takes place? The Federal GEAR UP grant program.
- 2.) If these programs are matching fund programs, what amounts will be lost both due to the sequestration and potential loss of matching funds? An 8.2% cut would mean a \$820,000 a year/\$4,920,000 total loss over the remaining six years of the grant project.
- 3.) What will the broader impact be of these reductions in programs (e.g. FTEs, cost-sharing programs, reduction of services)? Reduction in services to schools that support both federal and state school reform initiatives. Reduction in participation in national projects and research that evaluate college access programs and procedures.
- 4.) Assuming no additional state funding is available, what are your plans to maintain mission-critical programs and which programs will be altered significantly or eliminated if the sequestration takes place? Oklahoma GEAR UP will seek approval for a project adjustment from the U.S.D.O.E. that will include both reduction in services, monies and support to the current GEAR UP school sites.
- 5.) List and describe any alternative funding sources your agency is considering (e.g. carryover, revolving funds, other sources of funding). There are no other sources being considered.
- 6.) What amount of federal funding received by your agency is classified as non-exempt discretionary or non-exempt mandatory and will be subject to sequester? GEAR UP is non-exempt discretionary and there is six years left in this grant which comes to \$30,000,000.
- 7.) Feel free to add any additional information you believe relevant to the topic at hand.

Please provide your response by Friday, October 5, 2012. Thank you.

OSRHE – TANF and Scholars for Excellence Programs

House A & B Education area,

As most of you are aware, the Budget Control Act of 2011 mandated that the deficit had to be reduced by \$1.2 trillion over the next ten years. A super committee was formed for this purpose. The committee failed to reach an agreement on these reductions and so, unless other federal legislation intervenes, there will be an automatic sequestration of federal funds on January 1, 2013. The Speaker-Elect of the Oklahoma House of Representatives will be conducting an interim study (IS12-088) on this topic on October 16<sup>th</sup>. With this in mind, and assuming this was taken into consideration during your budget request process, we are asking for the following information from each agency impacted by the sequestration:

- 1.) What agency programs will be directly or indirectly affected if the automatic sequestration takes place?

**Scholars Program (Funded through OKDHS contract)**

- 2.) If these programs are matching fund programs, what amounts will be lost both due to the sequestration and potential loss of matching funds?

**N/A**

- 3.) What will the broader impact be of these reductions in programs (e.g. FTEs, cost-sharing programs, reduction of services)?

**In checking with the OKDHS contract manager for the Scholars program, there is a possibility that there would be a loss of \$33 million in the child care development funds to OKDHS. This could directly impact our contracts for the program. There are a total of 15 fulltime staff at the community colleges and 6 fulltime staff at the Regents for the Scholars program. If we do have a reduction in our contracts we would deal with it as we did for FY11 contract reductions and make decisions at the state level as to what program(s)/staff and/or services to reduce/eliminate to best continue the scholarship and services the community college scholar coordinators and Regents scholars program staff provide to child care practitioners.**

- 4.) Assuming no additional state funding is available, what are your plans to maintain mission-critical programs and which programs will be altered significantly or eliminated if the sequestration takes place?

**We would restructure the scholarship for the Scholars program and perhaps eliminate some of the bachelor's pilot scholarship slots, reduce the amount that the scholarship pays which is currently 70% of tuition/fees and 100% of books. Depending on the amount of the contract reduction, there could also be a possibility of having to eliminate one more of the community college's scholars program.**

5.) List and describe any alternative funding sources your agency is considering (e.g. carryover, revolving funds, other sources of funding).

**None I am aware of.**

6.) What amount of federal funding received by your agency is classified as non-exempt discretionary or non-exempt mandatory and will be subject to sequester?

**\$2,424,215 (total amount of both Scholars program contracts with OKDHS)**

7.) Feel free to add any additional information you believe relevant to the topic at hand.

**Although TANF is exempt from sequestration, there still could be a cut to our TANF contract with OKDHS b/c those funds can be used in other areas- childcare for example. There are a total of 49 full-time staff and 9 part-time staff at the community colleges' TANF programs. If there is a reduction to our contract, we will determine at the state level (myself and my OKDHS counterpart) how to handle the cuts (eliminate a program, ask programs that are heavily staffed to cut staff, etc.) in an effort to best serve the state's TANF recipients. This is how we handled the last contract reduction (5%) for the programs for FY11 and it worked well.**

Please provide your response by Friday, October 5, 2012. Thank you.

**Oklahoma Teacher Connection (OTC)  
Federal Teacher Quality State Grants**

House A & B Education area,

As most of you are aware, the Budget Control Act of 2011 mandated that the deficit had to be reduced by \$1.2 trillion over the next ten years. A super committee was formed for this purpose. The committee failed to reach an agreement on these reductions and so, unless other federal legislation intervenes, there will be an automatic sequestration of federal funds on January 1, 2013. The Speaker-Elect of the Oklahoma House of Representatives will be conducting an interim study (IS12-088) on this topic on October 16<sup>th</sup>. With this in mind, and assuming this was taken into consideration during your budget request process, we are asking for the following information from each agency impacted by the sequestration:

- 1.) What agency programs will be directly or indirectly affected if the automatic sequestration takes place? No Child Left Behind - Title II, Part A Improving Teacher Quality State Grants.
- 2.) If these programs are matching fund programs, what amounts will be lost both due to the sequestration and potential loss of matching funds? These programs are not matching fund programs; however, if funds were sequestered, the potential loss might be approximately \$776,838, the average yearly amount of funds allotted from 2010-2012.
- 3.) What will the broader impact be of these reductions in programs (e.g. FTEs, cost-sharing programs, reduction of services)? There is one FTE who facilitates the Title II Improving Teacher Quality State Grants. Sixty percent of this individual's salary, as well as 100% of the grant operation costs, come from Title II federal funds. The department would potentially lose an FTE and all subsequent programs coordinated by this person.
- 4.) Assuming no additional state funding is available, what are your plans to maintain mission-critical programs and which programs will be altered significantly or eliminated if the sequestration takes place? If the sequestration takes place, our department will not be able to maintain the Improving Teacher Quality Grant program and the program will be eliminated.
- 5.) List and describe any alternative funding sources your agency is considering (e.g. carryover, revolving funds, other sources of funding). There are no alternative funding sources at this time.
- 6.) What amount of federal funding received by your agency is classified as non-exempt discretionary or non-exempt mandatory and will be subject to sequester? Unknown at this time.
- 7.) Feel free to add any additional information you believe relevant to the topic at hand. The Title II Improving Teacher Quality State Grants operate to increase teacher

content and pedagogical knowledge, thereby improving teacher effectiveness in classrooms. The focus of Oklahoma ITQ grants is to use scientifically based methods to improve teacher quality, school accountability, and core content knowledge leading to increased student academic Achievement. These grant programs are integrated with the Common Core standards and are designed to show positive academic impact in the areas of Mathematics, Science, Reading and Language Arts.

Please provide your response by Friday, October 5, 2012. Thank you.

OSRHE – EPSCoR Research Program

House A & B Education area,

As most of you are aware, the Budget Control Act of 2011 mandated that the deficit had to be reduced by \$1.2 trillion over the next ten years. A super committee was formed for this purpose. The committee failed to reach an agreement on these reductions and so, unless other federal legislation intervenes, there will be an automatic sequestration of federal funds on January 1, 2013. The Speaker-Elect of the Oklahoma House of Representatives will be conducting an interim study (IS12-088) on this topic on October 16<sup>th</sup>. With this in mind, and assuming this was taken into consideration during your budget request process, we are asking for the following information from each agency impacted by the sequestration:

- 1.) What agency programs will be directly or indirectly affected if the automatic sequestration takes place?

EPSCoR/IDeA

Research and development programs will undoubtedly be affected and this will, in turn, negatively affect students through the loss of training opportunities critical to development of the next generation of scientists and engineers. We would expect the projected cuts to impact programs throughout Oklahoma through direct cuts to budgets of existing grants and contracts, as well as lower success rates on new applications for grants and contracts. Estimates from the American Association for the Advancement of Science (AAAS) suggest Oklahoma overall would stand to lose \$185 million in federal R&D funding over the next 5 years, much of it from loss of DoD discretionary R&D funds.

Currently, Oklahoma receives an aggregate amount of \$20 million each year in federal R&D funding through the Experimental Program to Stimulate Competitive Research (EPSCoR) and Institutional Development Award (IDeA) programs. This encompasses parallel programs administered by the National Institutes of Health, National Science Foundation, National Aeronautics and Space Administration, and the Department of Energy designed to build competitive infrastructure for science and technology in the state. Approximately half this amount flows through programs that receive some matching through the OSRHE, and half flows directly to institutions in the state, primarily through the Centers of Biomedical Research Excellence (CoBRE) program, which is part of the IDeA program.

Since FY 2007, the five-year award total for Oklahoma EPSCoR is approximately \$119.5 million in aggregate funding. A significant portion of this total is used to support the development of new research scientists, the training of graduate students, undergraduate research experiences, and introduction of K-12 students to opportunities for careers in science and engineering. Program activities impact nearly every publicly-supported institution of higher education in the state.

The projected level of cuts in federal R&D programs, by agency, is given in the table below (Source: AAAS). Based on a 7.6% across-the-board cut, over a 5-year period, Oklahoma would lose just over \$9 million in critical program development funds from EPSCoR/IDeA.

Note that, for many of the agencies, cuts in R&D budgets may be greater than these estimates because R&D is more discretionary than core activities. Until a post-sequestration budget process has been completed, it is unknown whether individual agencies would spread the cuts proportionately across their program portfolios; it is more likely that resetting of priorities in a new budget scenario would result in disproportionate cuts and possibly elimination of certain programs. Disproportionate cuts to the EPSCoR and IDeA programs will impact Oklahoma to an even greater extent through loss of funds critical to building needed science and technology infrastructure in the state.

| <b>Estimated R&amp;D Cuts Under Balanced Sequestration, FY 2013-2017</b> |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>(budget authority in millions of constant 2012 dollars)</i>           |                |                |                |                |                |                |                |
|  | 2013           | 2014           | 2015           | 2016           | 2017           | Total Cut      | 5-Year Percent |
| <b>Dept of Defense</b>   | -6,928         | -6,818         | -6,696         | -6,585         | -6,495         | -33,524        | -9.1%          |
| <b>HHS</b>   | -2,528         | -2,429         | -2,333         | -2,241         | -2,155         | -11,685        | -7.6%          |
| <i>NIH</i>   | -2,439         | -2,343         | -2,251         | -2,162         | -2,079         | -11,274        | -7.6%          |
| <b>Dept of Energy</b>  | -972           | -944           | -916           | -889           | -865           | -4,585         | -8.2%          |
| <b>Natl Sci Foundation</b>   | -456           | -438           | -421           | -404           | -388           | -2,106         | -7.6%          |
| <b>NASA</b>  | -763           | -733           | -704           | -676           | -650           | -3,527         | -7.6%          |
| <b>Dept of Agr</b>   | -189           | -182           | -175           | -168           | -161           | -875           | -7.6%          |
| <b>Dept of Commerce</b>  | -103           | -98            | -95            | -91            | -87            | -474           | -7.6%          |
| <b>Dept of the Interior</b>  | -65            | -62            | -60            | -57            | -55            | -299           | -7.6%          |
| <b>EPA</b>   | -46            | -44            | -43            | -41            | -39            | -213           | -7.6%          |
| <b>Homeland Security</b>   | -50            | -48            | -46            | -44            | -43            | -232           | -7.6%          |
| <b>Total R&amp;D Cut</b>   | <b>-12,099</b> | <b>-11,796</b> | <b>-11,488</b> | <b>-11,196</b> | <b>-10,939</b> | <b>-57,519</b> | <b>-8.4%</b>   |

Source: AAAS estimates of R&D, based on CBO and OMB analyses of the Budget Control Act. Constant dollar conversions based on OMB's GDP deflators from the FY 2013 budget.

- 2.) If these programs are matching fund programs, what amounts will be lost both due to the sequestration and potential loss of matching funds?
- 3.) What will the broader impact be of these reductions in programs (e.g. FTEs, cost-sharing programs, reduction of services)?

Based on information from the U.S. Department of Commerce, Bureau of Economic Analysis, applying Type II final demand multipliers we project a \$9 million cut in R&D spending would impact the Oklahoma economy by roughly \$19.7 million (output multiplier of 2.1871) and result in the loss of 216 jobs (employment multiplier of 24.0). More

important even than this is the loss of opportunity for hundreds of students impacted by reduced R&D training opportunities. The lifetime output of those future scientists and engineers will be lost to Oklahoma and its industries.

- 4.) Assuming no additional state funding is available, what are your plans to maintain mission-critical programs and which programs will be altered significantly or eliminated if the sequestration takes place?
- 5.) List and describe any alternative funding sources your agency is considering (e.g. carryover, revolving funds, other sources of funding).
- 6.) What amount of federal funding received by your agency is classified as non-exempt discretionary or non-exempt mandatory and will be subject to sequester?

Sponsored programs, with the exception of USDA program funds, are awarded on a competitive basis. The awarding of these grants or contracts is strictly at the purview of the Federal Agency. We believe any Sponsored Program will be subject to Federal sequestration.

- 7.) Feel free to add any additional information you believe relevant to the topic at hand.

More broadly, Oklahoma received \$1.8 billion in federal R&D contracts in FY 2011, and Oklahoma colleges and universities received \$336 million, including grants. These contracts impact aerospace, energy, bioscience, information science and other major sectors of the Oklahoma economy. By far the largest of the federal agencies for Oklahoma R&D investment is the Department of Defense, where discretionary R&D funding is projected to be cut by over 9% under the sequestration.

Based on a projected overall loss of \$185 million in federal R&D funds, Oklahoma would lose roughly \$400 million (output multiplier of 2.1871) and 4,500 jobs (employment multiplier of 24.0) from its economy.

Everyone who has looked at the issue of Oklahoma's economic future agrees that we must improve in the area of education in science, technology, engineering and math (the STEM disciplines) in order to assure that we have a workforce in the state capable of advancing our role in energy, aerospace, bioscience and agriculture, information sciences and other critical economic sectors. Beyond directly supporting the state's industries, R&D activity in our colleges and universities is an important part of the training for our future scientists and engineers which we cannot afford to lose.

Please provide your response by Friday, October 5, 2012. Thank you.