

# HIGHER EDUCATION:

## Oklahoma's Road to Jobs and Prosperity



Chancellor Glen D. Johnson

March 10, 2015

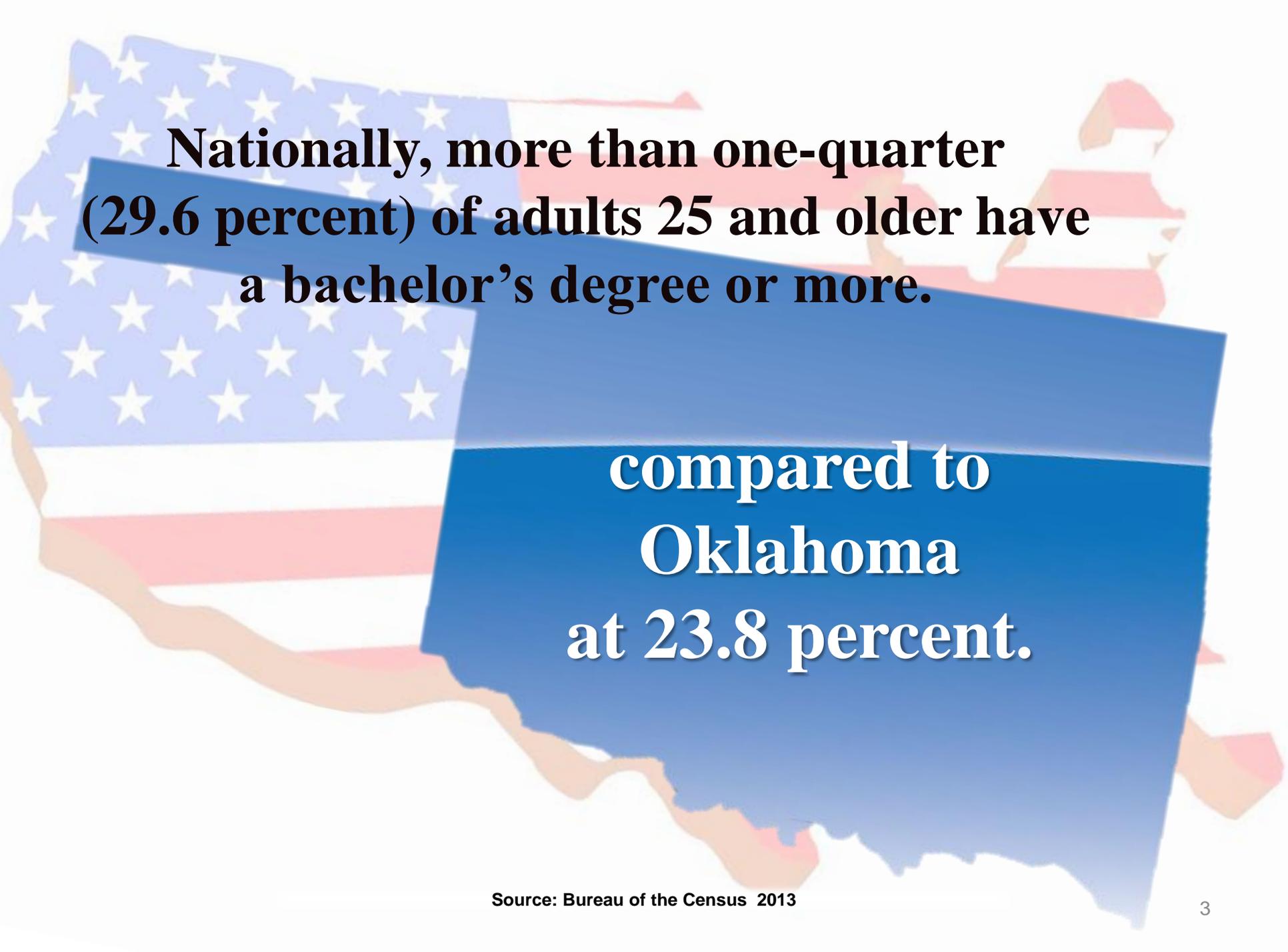
# COMPLETE COLLEGE

## AMERICA



*“Over the Last Two Decades, the United States has declined in Degree Completion From 1<sup>st</sup> in the World to 16<sup>th</sup> in the World”*

**Organization for Economic Cooperation and Development**



**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.**

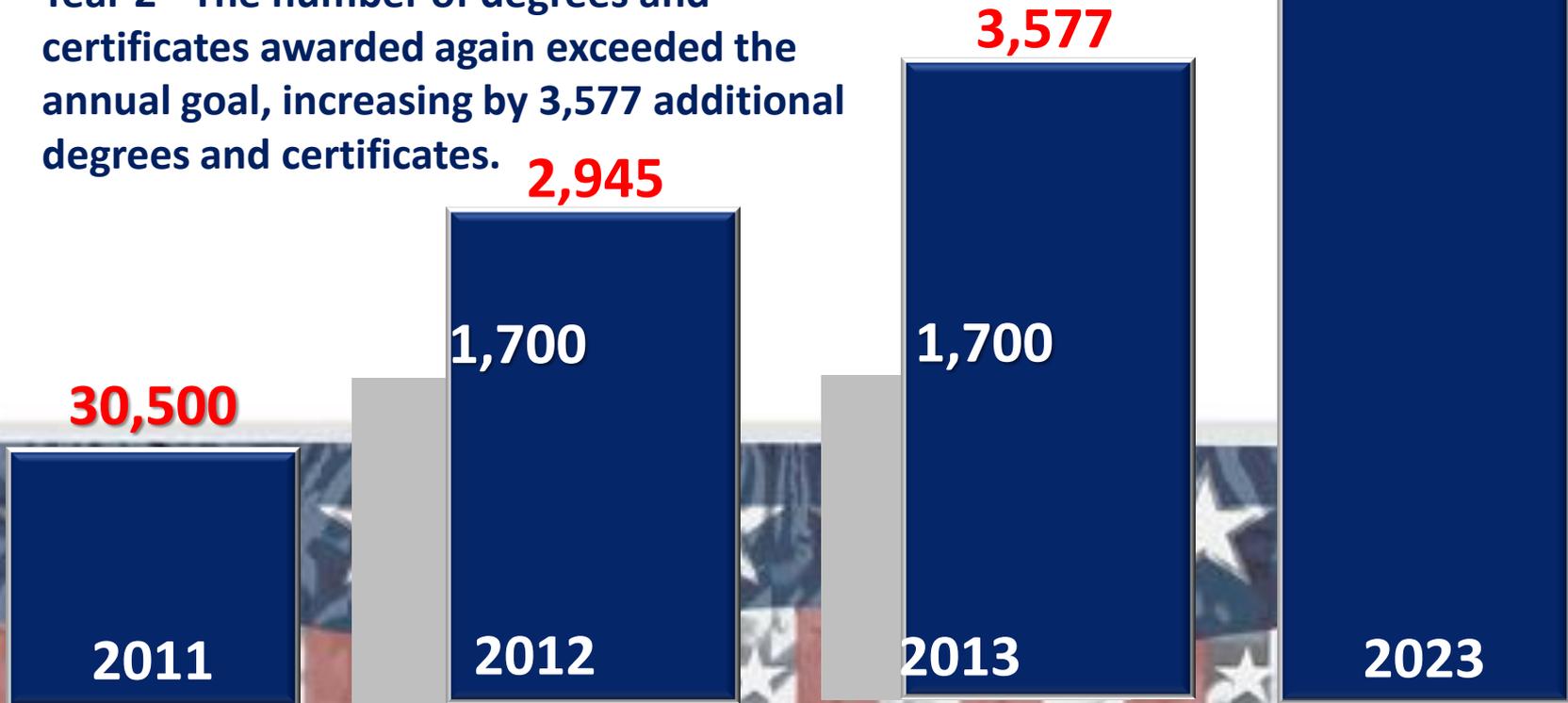
50,900

# COMPLETE COLLEGE

## AMERICA

Year 1 - The number of degrees and certificates awarded exceeded the annual goal, increasing by 2,945 additional degrees and certificates.

Year 2 - The number of degrees and certificates awarded again exceeded the annual goal, increasing by 3,577 additional degrees and certificates.



# Degrees Conferred at Public Institutions in STEM

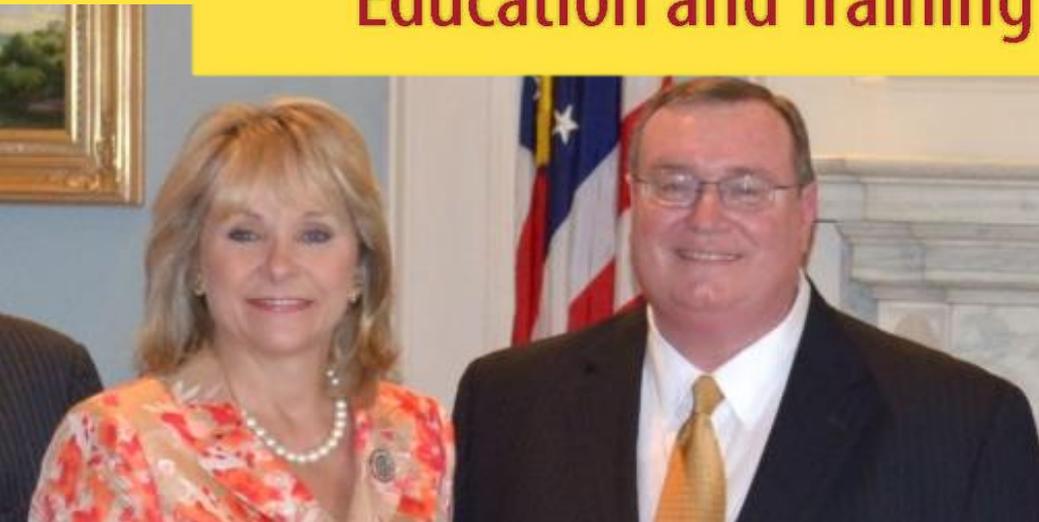
## Five Year Trend by Field of Study

Field of Study	2009-10	2010-11	2011-12	2012-13	2013-14	One Year Difference	Five Year Difference
AGRICULTURE	365	372	442	421	510	21.1%	39.7%
NATURAL RESOURCES	71	81	92	100	103	3.0%	45.1%
COMPUTER & INFO SCIENCE	429	540	786	763	833	9.2%	94.2%
ENGINEERING	1,171	1,197	1,349	1,418	1,405	-0.9%	20.0%
ENGINEERING TECHNOLOGY	746	789	811	917	923	0.7%	23.7%
FOODS & NUTRITION	148	128	156	158	141	-10.8%	-4.7%
BIOLOGICAL & BIOMEDICAL	994	1,034	1,066	1,029	1,094	6.3%	10.1%
MATHEMATICS	151	199	214	235	252	7.2%	66.9%
MULTI/INTERDISCIPLINARY STUDIES	67	89	94	69	58	-15.9%	-13.4%
PHYSICAL SCIENCES	472	470	531	574	533	-7.1%	12.9%
SCIENCE TECHNOLOGIES / TECHNICIANS	2	3	1	0	0	0.0%	-100.0%
PROTECTIVE SERVICES	27	30	61	46	85	84.8%	214.8%
AERONAUTICS/AEROSPACE SCI & TECH.	95	112	106	101	113	11.9%	18.9%
HEALTH PROFESSIONS	38	34	49	44	52	18.2%	36.8%
ACTUARIAL SCIENCE	3	10	6	12	14	16.7%	366.7%
<b>Totals</b>	<b>4,779</b>	<b>5,088</b>	<b>5,764</b>	<b>5,887</b>	<b>6,116</b>	<b>3.9%</b>	<b>28.0%</b>



# Oklahoma Works

Education and Training for Tomorrow's Jobs



## 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	0	0	0	0	0	0
Education	0	0	0	0	0	0
Healthcare Professional and Technical	0	0	0	0	0	0
Healthcare Support	0	0	0	0	0	0
Food and Personal Services	0	0	0	0	0	0
Sales and Office Support	8	51	57	15	31	5
Blue Collar	24	69	36	10	10	1
<b>TOTAL</b>	<b>58</b>	<b>193</b>	<b>170</b>	<b>62</b>	<b>135</b>	<b>51</b>

**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.**

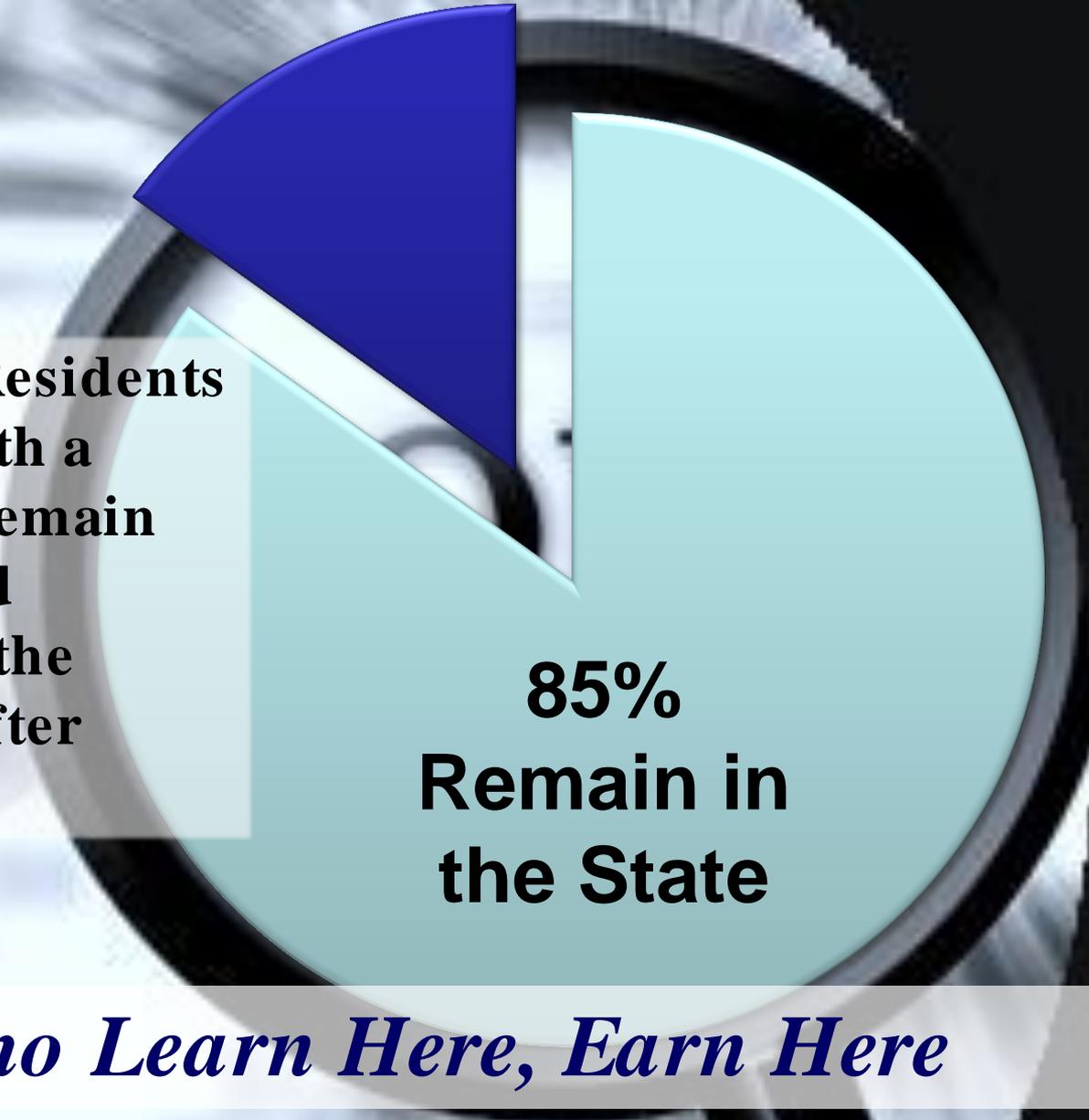


# Link Academic Programs to the needs of Business

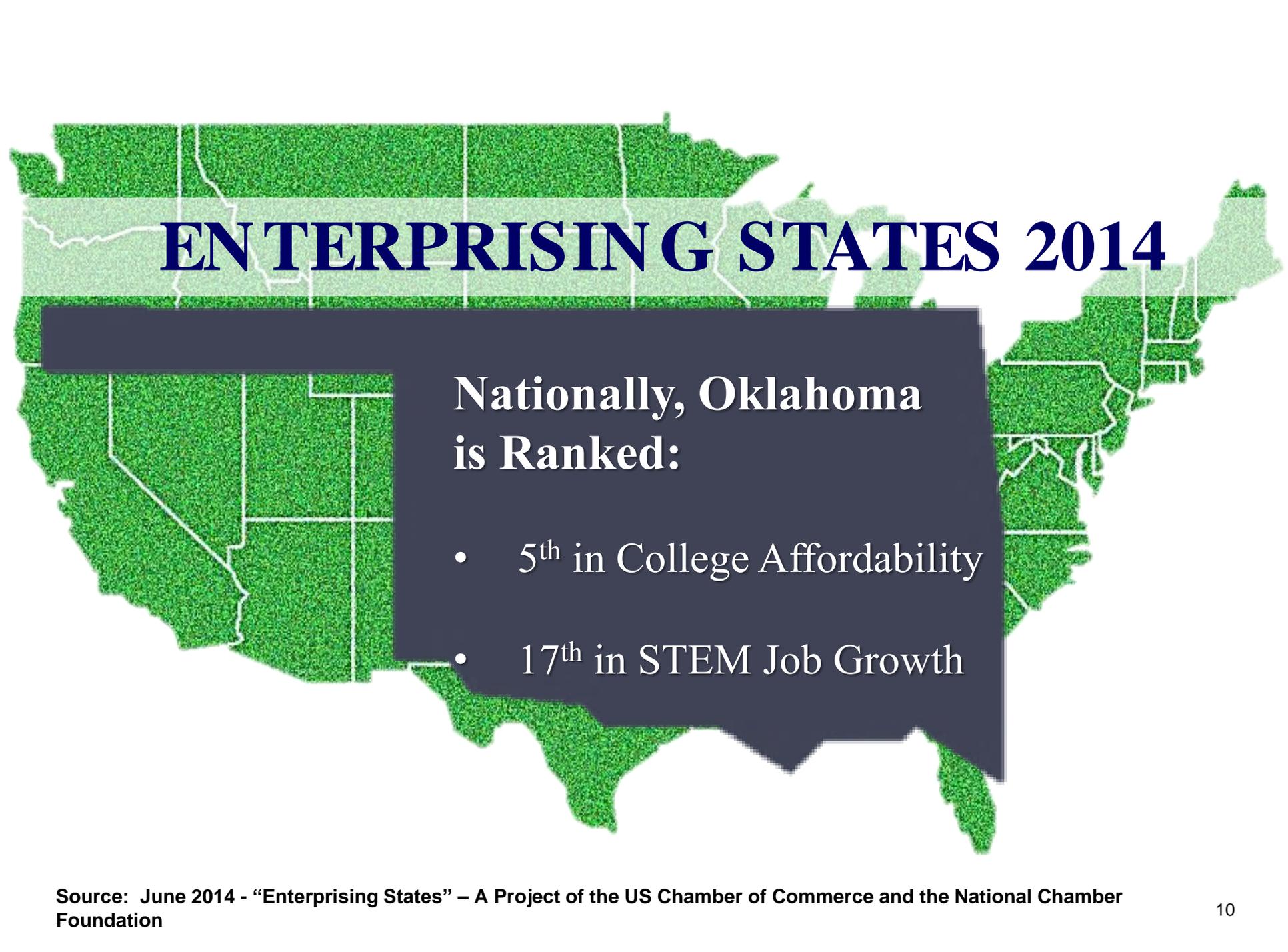
- Energy
- Healthcare, Allied Health and Nursing
- Engineering
- Business
- Aviation and Aerospace
- Wind Turbine Technology
- Health Information Management
- Management Information Systems



**Percent of Oklahoma Residents  
Who Graduate with a  
Bachelor's Degree Remain  
In the State and  
are Employed In the  
State One Year After  
Graduation**



***Students Who Learn Here, Earn Here***



# ENTERPRISING STATES 2014

**Nationally, Oklahoma  
is Ranked:**

- 5<sup>th</sup> in College Affordability
- 17<sup>th</sup> in STEM Job Growth

# 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 shouting 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.

*In 2013, 47 percent of Oklahoma graduates, graduated without any student loan debt.*

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

*Oklahoma is Ranked 5<sup>th</sup> in the Nation with the lowest amount of student debt.*

<i>Average Student Debt</i>	
<i>Oklahoma</i>	<i>\$19,032</i>
<i>National</i>	<i>\$28,400</i>

# Forbes



The Best and Worst States  
for Recent Grads Since  
the Recession

*Forbes lists  
Oklahoma as 2<sup>nd</sup> in  
the Nation.*

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



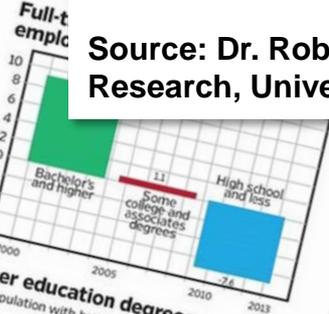
# Earnings growth driven primarily by workers with college degree, University of Oklahoma researchers find



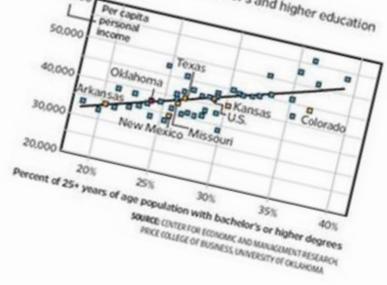
A new University of Oklahoma study released... earnings growth in the United States... workers with at least...

- From 2000-2013, real earning in the US grew by \$1 Trillion among workers with at least some college.
- 93.1 percent of the earnings growth came from workers with a college degree

Source: Dr. Robert Dauffenbach, Center for Economic Management Research, University of Oklahoma



**Higher education degrees**  
Adult population with bachelor's and higher education degrees.



Also from 2000 to 2013, real earnings fell by about \$250 billion for high school graduates and people without high school diplomas, resulting in a net \$750 billion real earnings gain to the overall economy.

The study found that Oklahoma lags significantly behind the rest of the nation in the percentage of adults with at least a bachelor's degree at 23.8 percent, compared with the national average of 28.6 percent.

The study calls for public policy makers to pay closer attention to the importance of higher education for economic development as states compete for jobs and employers, Dauffenbach said.

"I think the ability of states to have a college-educated, knowledge-based workforce is going to be one of the principal foci of economic development," Dauffenbach said.

Source: March 21, 2014, The Oklahoman

# HIGHER EDUCATION REPORTS



**OETA and the University of Oklahoma Public  
Opinion Learning Laboratory Survey  
Higher Education ties with the Oklahoma National  
Guard as the *#1 Top Valued Service in Oklahoma.***



# Impact Analysis

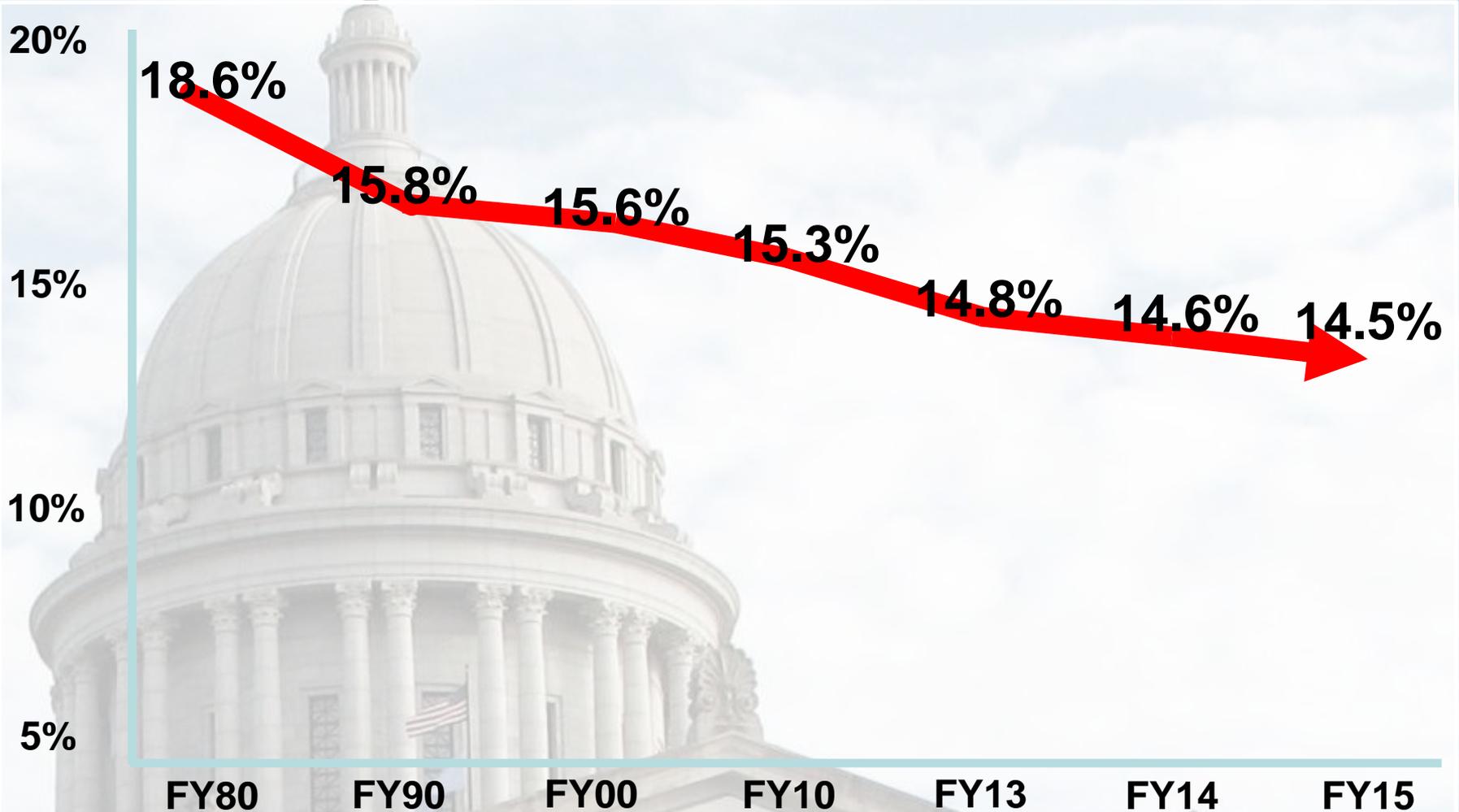


# SYSTEM OVERVIEW

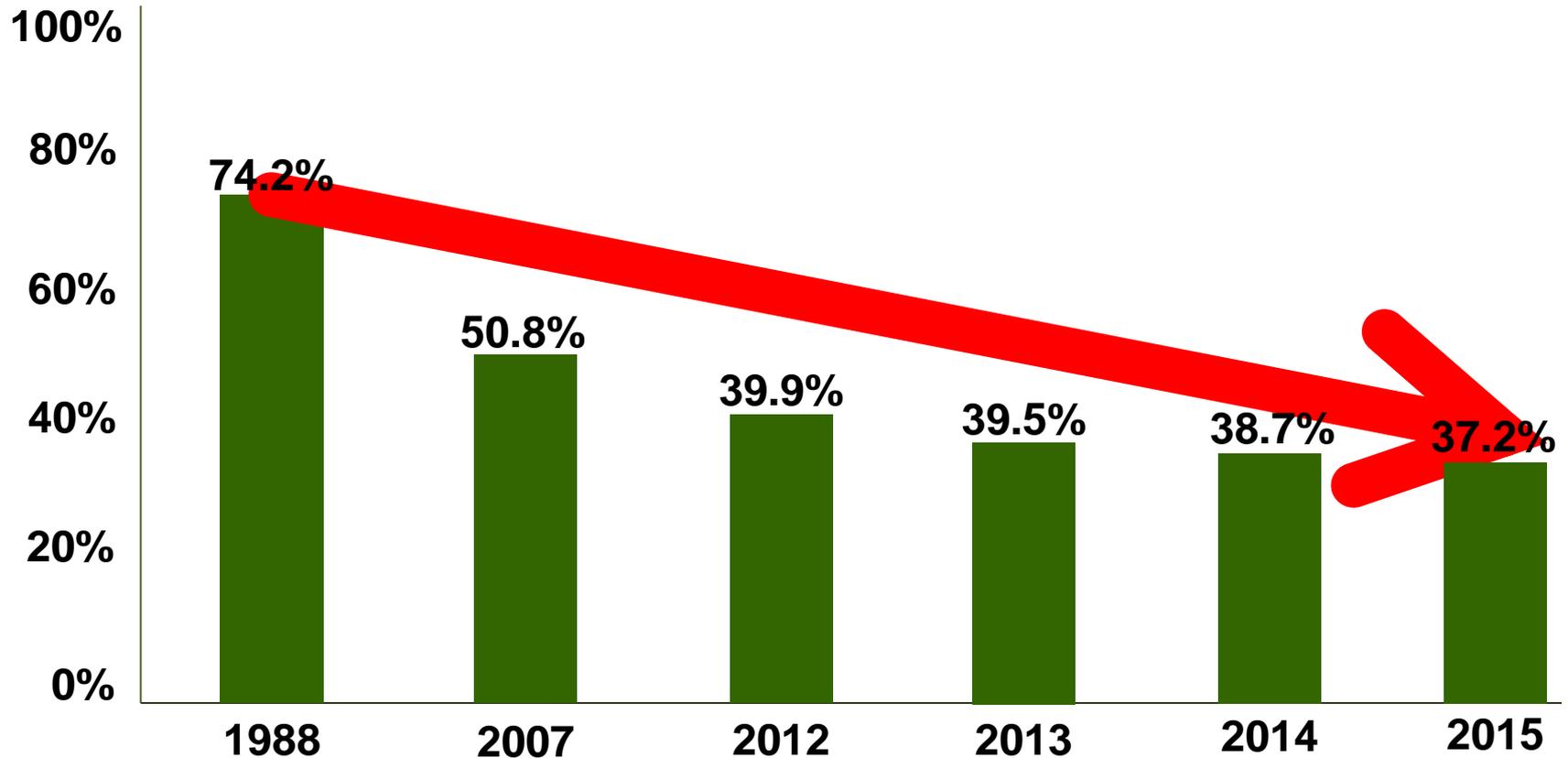


**6% Reduction over a 8-Year Cycle**

# Higher Education's Percent of Oklahoma Total State Appropriations



# State Appropriations as a percent of Total Higher Education Budget



# Budget Reduction

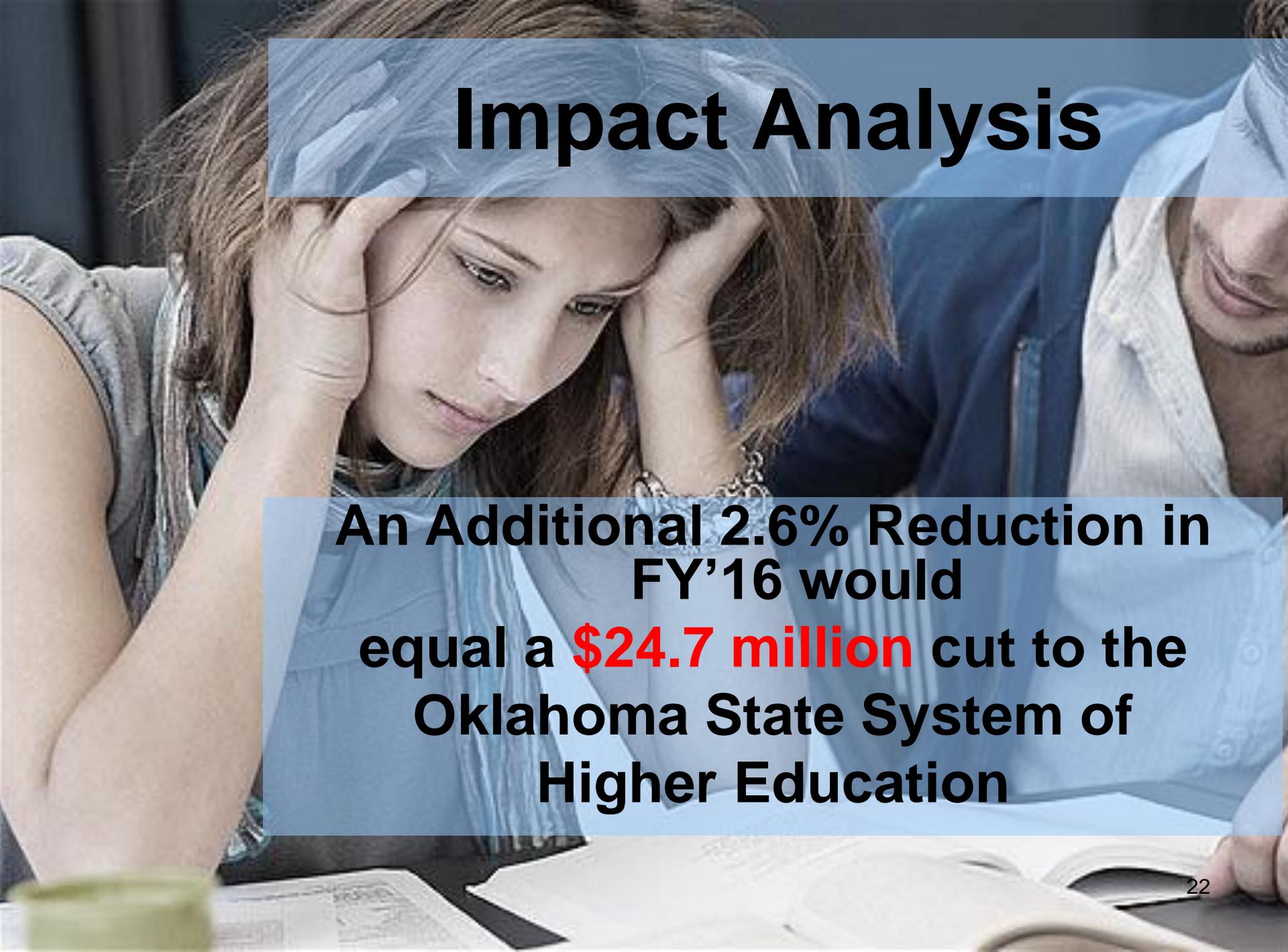
	<b>Budget Reduction</b>		<b>Budget Reduction Holding Debt Service Harmless</b>
<b>I.</b>	<b>2.5%</b>	<b>=</b>	<b>2.6%</b>
<b>II.</b>	<b>5.0%</b>	<b>=</b>	<b>5.3%</b>
<b>III.</b>	<b>7.5%</b>	<b>=</b>	<b>7.9%</b>

# Scenario I.

# FY2016 B U D G E T CUTS AT 2.6%

## What It Means To Your Institution

OU System	\$6,455,519	CASC	\$ 171,439
OSU System	\$6,370,665	CSC	\$ 181,225
UCO	\$1,409,395	EOSC	\$ 172,945
ECU	\$ 466,281	MSC	\$ 153,983
NSU	\$ 980,480	NEO A&M	\$ 237,029
SEOSU	\$ 497,903	NOC	\$ 271,950
SWOSU	\$ 603,498	OCCC	\$ 672,814
CU	\$ 575,559	RCC	\$ 170,033
NWOSU	\$ 270,602	RSC	\$ 554,083
LU	\$ 519,022	SSC	\$ 159,221
USAO	\$ 197,189	TCC	\$ 976,184
OPSSU	\$ 192,191	WOSC	\$ 153,510
RSU	\$ 373,311		

A photograph of a woman with long brown hair, wearing a grey sleeveless top, sitting at a desk with her hands on her head, looking down with a stressed expression. A man in a light blue shirt is partially visible to her right, looking towards her. The background is dark and out of focus.

# Impact Analysis

An Additional 2.6% Reduction in  
FY'16 would  
equal a **\$24.7 million** cut to the  
Oklahoma State System of  
Higher Education



# Impact Analysis

## Institutions and Constituent Agencies = -\$23.2 million

- \$10.2 million reduction in Academic Programs including:
  - Elimination of 102 academic courses
  - Faculty reduction of 79.5 FTE (Minimum)
- \$9.1 million reduction in Institutional Operations and Student Services
  - Staff reduction of 55.0 FTE (Minimum)
- \$1.7 million reduction in Complete College America and STEM Initiatives (Reduction of STEM graduates and other high demand degrees.)
- \$1 million reduction in Scholarships
- \$900,000 in Technology and Deferred Maintenance



# Impact Analysis

**Financial Aid Programs = -\$1.0 million**

## **Across-the-Board Reductions**

- **Academic Scholars**  
(Cut = \$220,074 – negatively impacting 61 scholarship recipients.)
- **Concurrent Enrollment**  
(Cut = \$91,480 - negatively impacting 209 students.)
- **National Guard Tuition Waiver**  
(Cut = \$50,540 - negatively impacting 2,067 guard members receiving the waiver.)
- **Oklahoma Tuition Aid Grant**  
(Cut = \$505,066 – negatively impacting 505 grant recipients.)
- **Oklahoma Tuition Equalization Grant**  
(Cut = \$90,014 – negatively impacting 45 grant recipients.)

\*Excludes Oklahoma's Promise Scholarships



# Impact Analysis

## Governance, Special Programs and Shared Services = -\$500,000

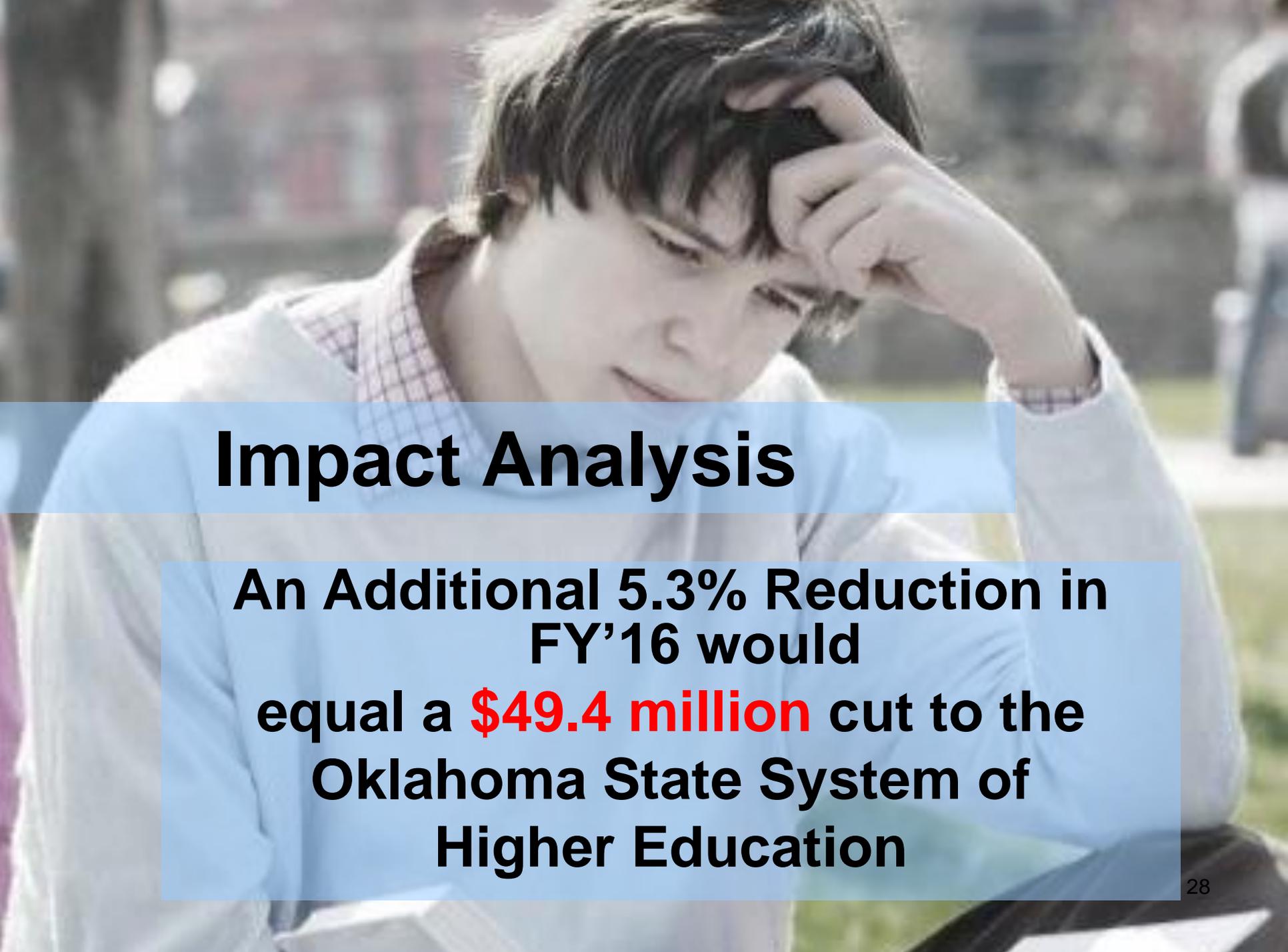
- STEM Summer Academies on college and university campuses
- Student Preparation
- EPSCoR
- Library Databases
- System Legal Services

# Scenario II.

# FY2016 B U D G E T C U T S AT 5.3%

## What It Means To Your Institution

OU System	\$12,911,038	CASC	\$ 342,878
OSU System	\$12,741,330	CSC	\$ 362,451
UCO	\$ 2,818,790	EOSC	\$ 345,889
ECU	\$ 932,562	MSC	\$ 307,967
NSU	\$ 1,960,960	NEO A&M	\$ 474,058
SEOSU	\$ 995,806	NOC	\$ 543,900
SWOSU	\$ 1,206,997	OCCC	\$ 1,345,628
CU	\$ 1,151,119	RCC	\$ 340,067
NWOSU	\$ 541,204	RSC	\$ 1,108,166
LU	\$ 1,038,044	SSC	\$ 318,442
USAO	\$ 394,378	TCC	\$ 1,952,369
OPSSU	\$ 384,381	WOSC	\$ 307,020
RSU	\$ 746,623		



# Impact Analysis

**An Additional 5.3% Reduction in  
FY'16 would  
equal a **\$49.4 million** cut to the  
Oklahoma State System of  
Higher Education**



# Impact Analysis

## Institutions and Constituent Agencies = -\$46.3 million

- \$20.4 million reduction in Academic Programs including:
  - Elimination of 204 academic courses
  - Faculty reduction of 161.5 FTE (Minimum)
- \$18.7 million reduction in Institutional Operations and Student Services
  - Staff reduction of 114.5 FTE (Minimum)
- \$2.3 million reduction in Complete College America and STEM Initiatives (Reduction of STEM graduates and other high demand degrees.)
- \$1.8 million reduction in Scholarships
- \$1.5 million in Technology and Deferred Maintenance



# Impact Analysis

## Financial Aid Programs = -\$2 million

### **Across-the-Board Reductions**

- Academic Scholars  
(Cut = \$440,148 – negatively impacting 122 scholarship recipients.)
- Concurrent Enrollment  
(Cut = \$182,965 - negatively impacting 419 students.)
- National Guard Tuition Waiver  
(Cut = \$101,081 - negatively impacting 2,067 guard members receiving the waiver.)
- Oklahoma Tuition Aid Grant  
(Cut = \$1,010,132m – negatively impacting 1,010 grant recipients.)
- Oklahoma Tuition Equalization Grant  
(Cut = \$180,028 – negatively impacting 90 grant recipients.)

\*Excludes Oklahoma's Promise Scholarships



# Impact Analysis

## Governance, Special Programs and Shared Services = -\$1 million

- STEM Summer Academies on college and university campuses.
- Student Preparation
- EPSCoR
- Library Databases
- System Legal Services

# Scenario III.

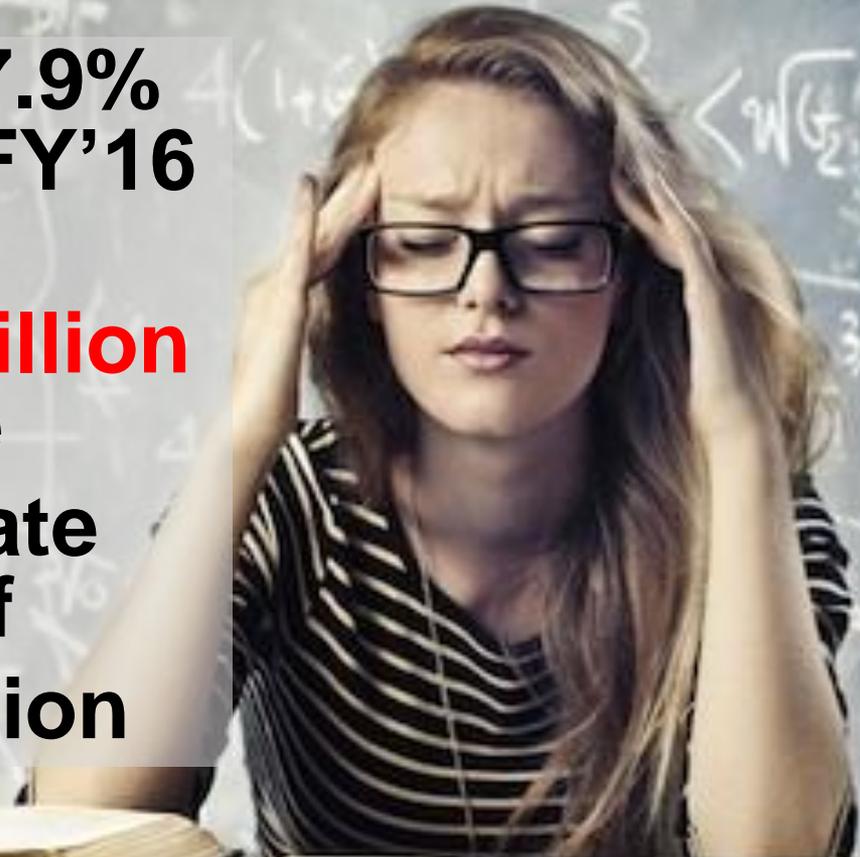
# 2016 B U D G E T C U T S AT 7.9%

## What It Means To Your Institution

OU System	\$19,366,557	CASC	\$ 514,318
OSU System	\$19,111,995	CSC	\$ 543,676
UCO	\$ 4,228,185	EOSC	\$ 518,834
ECU	\$ 1,398,844	MSC	\$ 461,950
NSU	\$ 2,941,439	NEO A&M	\$ 711,087
SEOSU	\$ 1,493,709	NOC	\$ 815,849
SWOSU	\$ 1,810,495	OCCC	\$ 2,018,443
CU	\$ 1,726,678	RCC	\$ 510,100
NWOSU	\$ 811,806	RSC	\$ 1,662,250
LU	\$ 1,557,066	SSC	\$ 477,663
USAO	\$ 591,567	TCC	\$ 2,928,553
OPSC	\$ 576,572	WOSC	\$ 460,530
RSU	\$ 1,119,934		

# Impact Analysis

An Additional 7.9%  
Reduction in FY'16  
would  
equal a **\$74.1 million**  
cut to the  
Oklahoma State  
System of  
Higher Education



# Impact Analysis

## Institutions and Constituent Agencies = -\$69.5 million

- \$26.7 million reduction in Academic Programs including:
  - Elimination of 305 academic courses
  - Faculty reduction of 202.5 FTE (Minimum)
- \$29.4 million reduction in Institutional Operations and Student Services
  - Staff reduction of 165.5 FTE (Minimum)
- \$3.5 million reduction in Complete College America and STEM Initiatives. (Reduction of STEM graduates and other high demand degrees.)
- \$2.2 million reduction in Scholarships
- \$2.0 in Technology and Deferred Maintenance



# Impact Analysis

## Financial Aid Programs = -\$3 million

### **Across-the-Board Reductions**

- Academic Scholars  
(Cut = \$660,222 – negatively impacting 183 scholarship recipients.)
- Concurrent Enrollment  
(Cut = \$274,447 - negatively impacting 626 students.)
- National Guard Tuition Waiver  
(Cut = \$151,621 - negatively impacting 2,067 guard members receiving the waivers.)
- Oklahoma Tuition Aid Grant  
(Cut = \$1.5m – negatively impacting 1,515 grant recipients.)
- Oklahoma Tuition Equalization Grant  
(Cut = \$270,042 – negatively impacting 135 grant recipients.)

\*Excludes Oklahoma's Promise Scholarships



# Impact Analysis

## Governance, Special Programs and Shared Services = -\$1.5 million

- STEM Summer Academies on college and university campuses.
- Student Preparation
- EPSCoR
- Library Databases
- System Legal Services





# Higher Education Reserve Funds

- 1. Our Public system of Higher Education's Accrediting body, the Higher Learning Commission, requires each institution to maintain sufficient reserves to sustain and properly fund campus academic programs.**
- 2. The overwhelming majority of encumbered expenditures includes:**
  - Long-term Building Commitments/Debt Service
  - Safety and Security initiatives
  - Technology Enhancements
- 3. The State Regents policy requires 8.3% of Campus funds placed in reserve for unanticipated expenditures due to emergencies:**
  - 2013 Tornado Damage at Redlands Community College and Oklahoma City Community College
  - 2007 Flood Damage at Northeastern Oklahoma A&M College
  - Fire Damage at Oklahoma City Community College

**The State system of Higher Education is currently \$28.5 million below minimum reserve requirements.**



# Impact Analysis

Oklahoma State Regents  
for Higher Education  
Chancellor Glen D. Johnson

March 10, 2015