

Key Indicators of Accountability 2004

A Report on Public Higher Education in Oklahoma



Oklahoma State Regents for Higher Education

Student success is the key to boosting Oklahoma's intellectual capital and improving the quality of the workforce needed to compete in the 21st century economy.



Introduction

Since 2000, the Oklahoma State Regents for Higher Education have provided detailed information on the state of public higher education in Oklahoma to assure Oklahomans that their higher education system is held to the highest level of accountability. This 2004 report—a summary of 50 different accountability measures that the State Regents report every two years—is based on accessing and analyzing an unprecedented amount of information.

The ultimate accountability measure of education is the success of students. Student success is the basis of Oklahoma’s intellectual capital and is the key to improving the quality of the workforce needed to compete in our complex 21st century society. In actuality, the measures in this report represent Oklahoma’s efforts to prepare its citizens for actively participating in America’s democratic society and for successfully competing in today’s knowledge-based global economy.

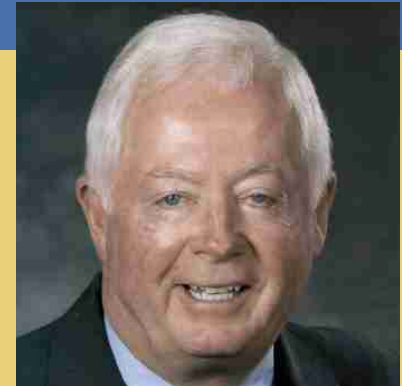
By identifying areas of progress as well as areas that require additional work, this report is part of the continuous process of building a nationally competitive system of public higher education. Summarized below are three key findings.

- **College attendance and graduation rates are up. More students are attending Oklahoma public universities and colleges, and they are more likely to graduate.**
- **High school students need better preparation. There is some progress in preparing high school students for higher education, but more needs to be done to increase the success of these students when they reach college.**
- **Students now spend more to go to college. Because our public colleges and universities are receiving less state support, students and families are now responsible for a larger portion of higher education costs.**

For the first time, the information used to compile this report is now available in extensive detail to all Oklahoma citizens on our Web site at www.okhighered.org. Between now and the release of the 2006 report, this information will be updated regularly. We encourage all Oklahomans to periodically review the Web site for the most current information and to read the online version of this report.

The State Regents are determined to increase the civic engagement and intellectual strength of Oklahoma and to increase the quality of life for all of our citizens. As we all work together to build our state’s economy and create new jobs, a high-quality, accountable and efficient higher education system will continue to play an increasingly vital role in our state’s future.

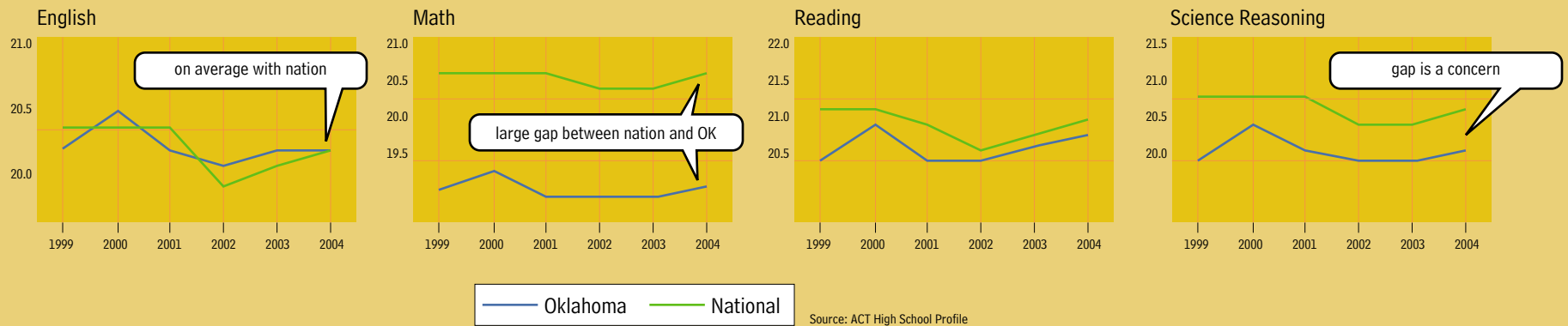
Paul G. Risser
Chancellor



Preparation of High School Students

College courses prepare students for the changing workplace and are much more demanding than high school classes. To be successful when they get to college, students must prepare by taking rigorous courses throughout their schooling, especially in high school. The ACT test is one national-level measure of a student's readiness for college. The graphs below show how Oklahoma high school students perform on the ACT and have generally improved since 2002.

4A: Average Oklahoma ACT Subject Test Scores Compared to National Scores



ACT studies indicate that students who score 19 or higher are more likely to be successful in college than those who score below 19. As indicated below, a significant number of Oklahoma high school students are not prepared to be successful when they enter college.

- **68 percent of high school seniors are ready to be successful in college English.**
- **32 percent of high school seniors are ready to be successful in college algebra.**
- **24 percent of high school seniors are ready to be successful in college biology.**

If entering high school students are not prepared to be successful in college, they must take remedial classes when they begin college. Remediation rates vary among research and regional universities and community colleges. For example, in 2003 (the most current data available), 13.2 percent of the first-year students at the two research universities required remediation as compared to 35.1 percent at the regional universities and 51.8 percent at the community colleges. Students who are required to take one or more remedial courses are less likely to graduate from college than those who do not require remedial courses.

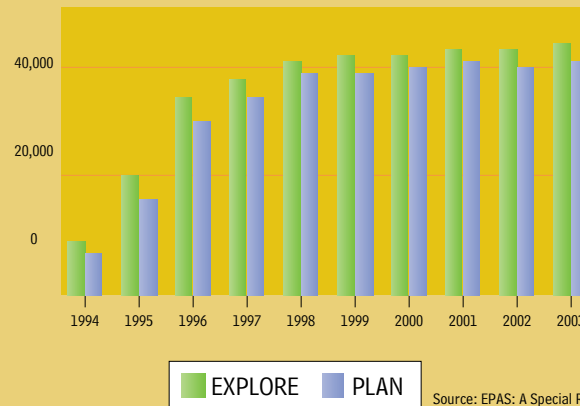
Preparation of High School Students (continued)

The State Regents offer a number of very substantial programs to help students better prepare for college. Among the most significant of these statewide programs are:

- The Oklahoma Higher Learning Access Program (OHLAP), offering scholarships to qualifying students who complete the required high school curriculum.
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), offering scholarships and other encouragement toward college attendance.
- The Oklahoma Educational Planning and Assessment System (EPAS), assessing student performance in preparation for college.

The Oklahoma EPAS program operates across the state and is based on the ACT. Under the EPAS program, middle school and high school students take tests (assessments) in key academic areas that gauge their college readiness. The three assessment tools are the eighth-grade EXPLORE test, the 10th grade PLAN test and the ACT in the 11th or 12th grade. Participation in EPAS by school districts is voluntary, but participation rates have increased dramatically since the program began in 1994. Today, nearly 500 school districts and 85,000 eighth and 10th graders have participated (see graph below).

5A: Oklahoma Educational Planning and Assessment System (EPAS) Student Participation



Source: EPAS: A Special Report 2003-2004, ACT, Inc.

The State Regents' EPAS, GEAR UP and OHLAP programs are all designed to help students become better prepared for college and to encourage and facilitate college admission and enrollment. With these programs in place, Oklahoma is realizing some successes. The percentage of high school students who potentially will need remediation in college decreased from 1996 to 2004 in English, reading and science. Math remediation increased slightly, however, despite a modest increase in math scores on the ACT during the last eight years. Math performance gains remain a high priority for State Regents' student preparation efforts. National comparisons show that additional efforts need to be made, particularly in science and, to a lesser extent, reading.

Information on 16 additional measures of high school student performance is available at www.okhighered.org/04accountability.

College Attendance

Oklahoma can celebrate an increasing number of students attending its public colleges and universities. Our college enrollment is at record levels. Enrollment has increased 7 percent since 1998 and by almost 20,000 students in the last five years (see graph 6A). The increasing numbers of college students is important. As shown on the next page, Oklahoma has too few college graduates among its citizens.

through 12th-grade students and their parents revealed that most of these students have future plans to attend college, and their parents expect them to do so. And yet, more than 40 percent do not enroll in college directly from high school (see graph 6B). According to the National Center for Educational Statistics, Oklahoma’s college-going rate is seven percentage points lower than the national average. Thus, the State Regents’ programs that help prepare high school students for college and encourage college participation—OHLAP, GEAR UP and EPAS—are very important.

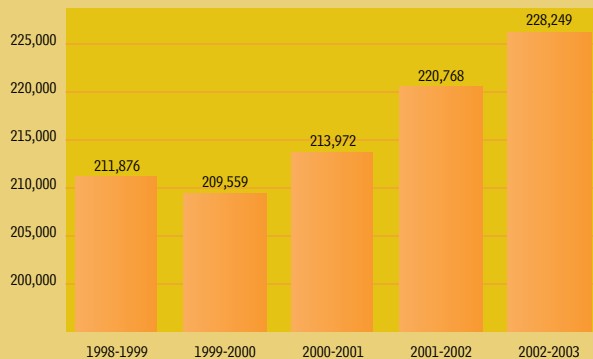
Fortunately, unlike the college-going rate directly from high school, the college going-rate among Oklahoma adults is quite strong. One of every four students enrolled in Oklahoma colleges and universities is over the age of 30. Our state outpaces the nation in adult learners aged 25 to 49 enrolled part-time in higher education. According to the most recent data, 3.1 percent of 25- to 49-year-olds attend college part-time in Oklahoma compared to the national average of 2.7 percent (see graph 6C).

Adult education is increasingly crucial to the economic success of our families and state, particularly as our nation moves toward a more knowledge-based, global economy. The current enrollment patterns indicate that too few students go directly to college from high school, but as they get older and participate in the changing workplace, they recognize the value of obtaining a college education.

Information on 10 additional college attendance measures is available online at www.okhighered.org/04accountability.

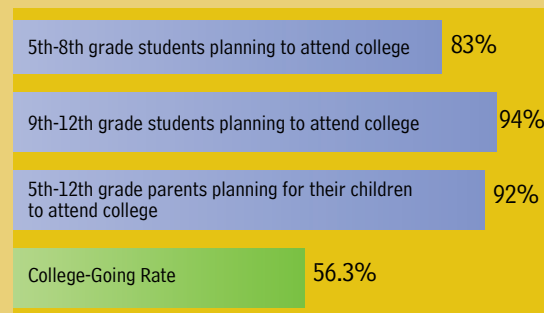


**6A: Enrollment in Oklahoma Public Colleges and Universities
Five-Year Trend (Annual Unduplicated Headcount)**



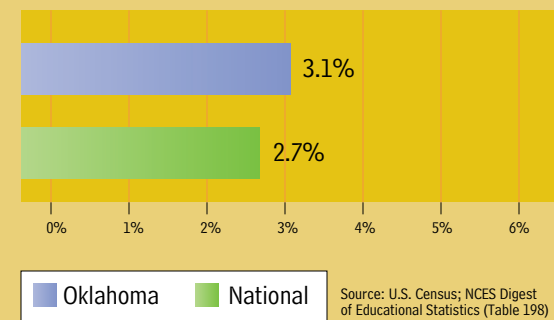
Source: Student Data Report, OSRHE

6B: Intention to Attend College and Actual College Attendance Among Oklahoma High School Students



Source: ACT, Inc.; High School to College-Going Rate Report, OSRHE

6C: 25- to 49-Year-Olds Enrolled Part-Time in Higher Education (2001)



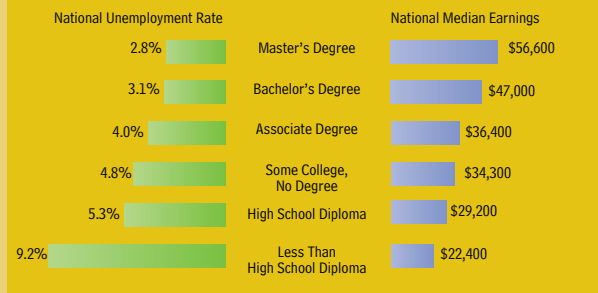
Source: U.S. Census; NCES Digest of Educational Statistics (Table 198)

Benefits of Higher Education

Higher education benefits the person, our state and society in general.

- **Individual** - Higher levels of education increase earnings potential and decrease job instability. A college graduate will earn an average of \$1 million more than a high school graduate over a lifetime and is less likely to be unemployed (see graph 7A).
- **Oklahoma** - Research indicates that states with high levels of education enjoy better economic returns and a better quality of life. Workers with more education earn higher incomes, which result in more tax revenue for the state. In addition, the state's costs for social programs are reduced because college graduates are less likely to need unemployment or public assistance payments and are less likely to be incarcerated.
- **Society** - College graduates are more likely to vote in elections, volunteer in their communities and make charitable contributions.

7A: Education Pays...



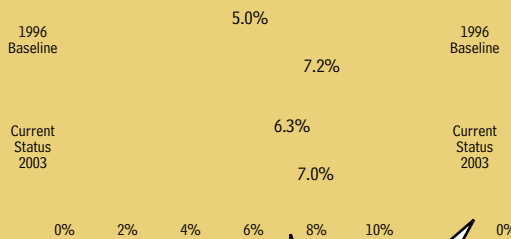
Source: Employment Securities Commission 2002 Unemployment Rate / 2001 Median Earnings

As businesses and industries look to Oklahoma as a possible site for relocation or expansion, the education level of their potential workforce is key in the ultimate decision of whether to bring or create more jobs in our state. Oklahoma currently ranks 42nd among the 50 states in the number of adults 25 years and older with at least a bachelor's degree. Although Oklahoma lags behind the national average in the proportion of college graduates in its population, since 2000 our state has increased the percentage of adults with a bachelor's or associate degree at a faster rate than the national average.

In 2004, Oklahoma public colleges and universities graduated 1,049 more students than in 2002. The latest State Regents' Employment Outcomes Report found that 89 percent of associate degree graduates and 86 percent of bachelor's degree graduates remain in Oklahoma one year after graduation. However, those figures dropped to 76 percent and 67 percent, respectively, after five years. Although the majority of college graduates remain in Oklahoma, many of those in technical fields of study, such as engineering and computer science, are leaving the state for better employment opportunities (see graphs 7B-7E).

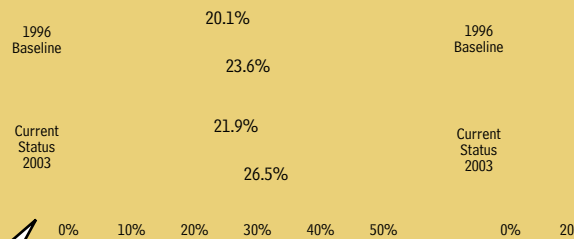
Information on five additional benefits of higher education measures is available online at www.okhighered.org/04accountability.

7B: Percent of State Population 25 Years or Older With Associate Degree



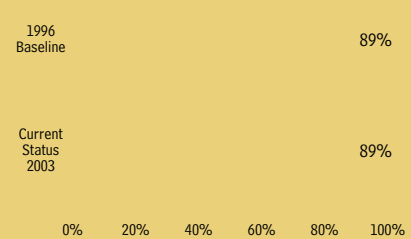
Source: U.S. Census Bureau, American Community Survey

7C: Percent of State Population 25 Years or Older With Bachelor's Degree or Higher



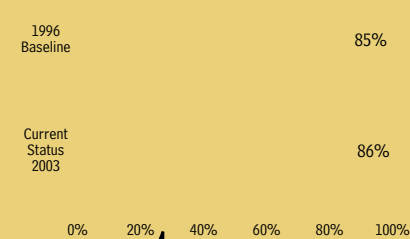
Oklahoma National

7D: Employment Rates of (Oklahoma Resident) Associate Degree Graduates After One Year



Source: OSRHE Employment Outcomes Report

7E: Employment Rates of (Oklahoma Resident) Bachelor's Degree Graduates After One Year



Affordability

Oklahoma’s public colleges and universities continue to be among the most affordable in the region and nation. Resident tuition and fees at our two research universities are lowest among the universities in the Big 12 athletic conference (except Baylor University, a private institution). Oklahoma’s regional universities are ranked 11th and the community colleges are 13th among the nation’s most affordable institutions (Source: Measuring Up 2004, the National Center for Public Policy and Higher Education).

In 2003, the state Legislature granted authority to higher education governing and coordinating boards to establish tuition and mandatory fee (fees charged to all students) rates subject to the approval of the State Regents. In granting this institutional responsibility, the Legislature mandated that tuition and mandatory fees at Oklahoma institutions must remain below the average of a designated group of peer (comparable) institutions. Peer groups of institutions have been established for the regional universities and community colleges (the Big 12 conference, without Baylor, is the peer group for the two research universities). Chart 8A shows that the tuition and mandatory fee rates at all of our institutions are well below the statutory limits.

Recent increases in tuition have been necessary, in large part, because of significant decreases in state appropriations. As a result, the share of the primary academic budget provided by tuition revenues is now 36.1 percent, while the share of state appropriations has fallen to 50.3 percent. Various other sources (e.g. gifts, donations and some grants, but excluding sponsored research and other programs) provide the remaining 13.6 percent of the primary academic budget (see page 11 for additional information about sponsored research funding). The decline in state support also comes at a time of record college enrollment, creating major budgetary problems for Oklahoma’s institutions (see graphs 8B & 8C below).

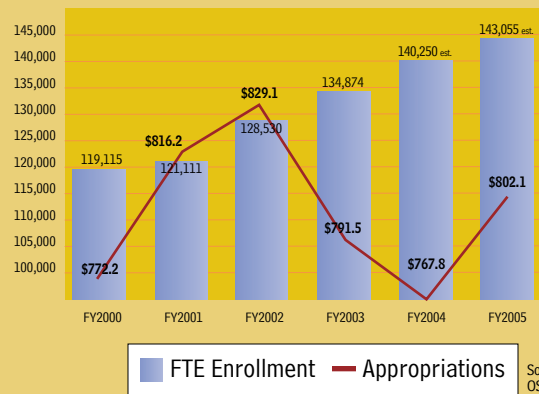
The state’s economy has also affected average family incomes. Lower family incomes and higher tuition have resulted in an increase in the average percentage of income needed to pay for college, although we still remain below the national average.

8A: Comparing Undergraduate Tuition and Mandatory Fee Increases With Peers

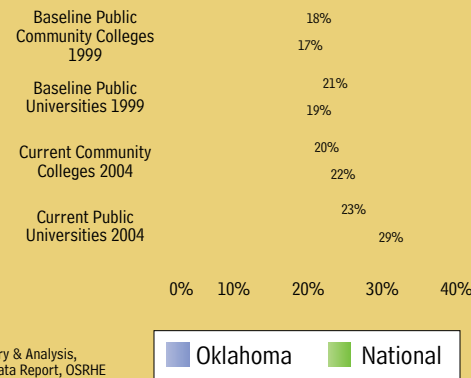
| Tier | FY 2005 Oklahoma Average | FY 2005 Peer Average | % Less Than Peer Average |
|-----------------------|--------------------------|----------------------|--------------------------|
| Research Universities | \$4,105 | \$4,534 | 9.4 |
| Regional Universities | \$3,009 | \$3,527 | 14.7 |
| Community Colleges | \$2,041 | \$2,697 | 24.3 |

Source: FY 2004-2005 Tuition Impact Analysis Report, OSRHE

8B: State Appropriations Have Not Kept Up With Enrollment Increases
Higher Education State Funding and FTE Enrollment, 2000-2005



8C: Percent of Income Needed to Pay for College



Sources: E&G Summary & Analysis, OSRHE and Student Data Report, OSRHE

Source: Measuring Up 2004: State-by-State Report Card for Higher Education

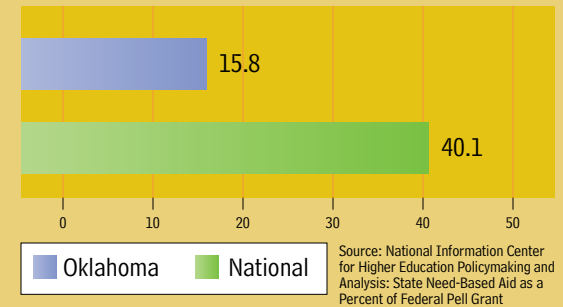
Affordability (continued)

Student financial aid has never been more important in helping families afford college. The most recent studies show that more than half (54.6 percent) of all students in the state system receive some form of financial aid. The total amount of state-supported financial aid continues to increase, mostly to keep pace with the significant increases in students enrolled in OHLAP. Overall, however, the state's commitment to providing aid for low-income students is well below the national average.

Nationally, states spend an average of about \$40 for every \$100 in federal student financial aid (Pell Grants) that low-income students receive. In Oklahoma, those students receive nearly \$16 in state aid for every \$100 in Pell Grants. Chart 9A shows the significant difference in state investment in student aid.

Information on seven additional affordability measures is available online at www.okhighered.org/04accountability.

9A: State Investment in Need-Based Aid Compared to Federal Investment



Degree Completion

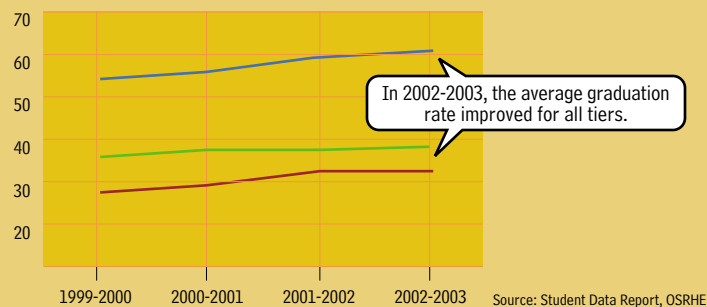
Oklahoma's college graduation rates of full-time students continue to improve. Six-year graduation rates of entering freshmen at the research universities increased from 54.7 percent in 2000 to 60.2 percent in 2003. Regional universities increased from 35.7 percent to 38.3 percent, and three-year graduation rates at the community colleges increased from 28.5 percent to 32.8 percent during the same period. Graduation rates vary by type of institution due to selectivity and mission; therefore, community colleges have the lowest graduation rates primarily due to open admissions policies (see graph 9B).

The number of degrees awarded at state colleges and universities has increased since the inception of the Brain Gain initiative in 1999 (see graph 9C). The initiative includes performance funding where the State Regents allocate a portion of state appropriations according to the institution's performance in student retention and number of degrees produced.

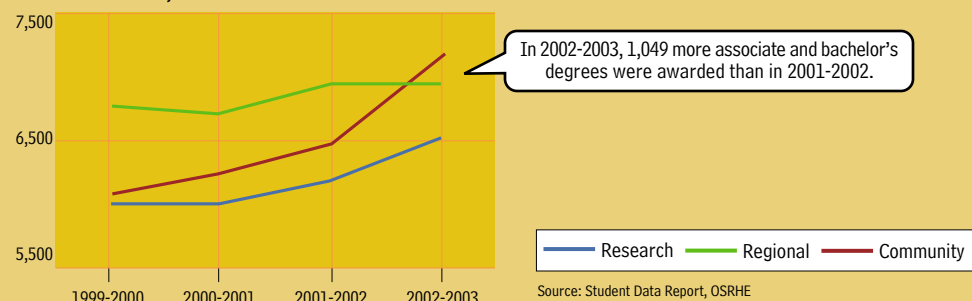
In 2004, the State Regents developed Brain Gain improvement grants to assist state colleges and universities with initiatives that would further increase student retention and degrees earned at their institutions.

Information on 12 additional degree completion measures is available online at www.okhighered.org/04accountability.

9B: Six-Year Within-State Graduation Rates, 1999-2000 to 2002-2003



9C: Degrees From Oklahoma Public Colleges and Universities, 1999-2000 to 2002-2003



Resources and Funding

Public colleges and universities are funded through a combination of many sources, the best known of which is state support – tuition and fees. Another major source of the total funding picture is sponsored programs from the federal government and other sources.

When all sources of revenue are considered, tuition and fees accounted for 27.5 percent of revenues in 2003, up from 26.8 percent in 1996. This compares to about 27.9 percent nationally (see graph 10A).

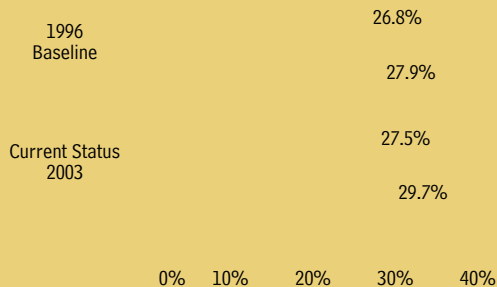
The proportion of the state’s support of higher education budgets has declined since 1996. That year, 62 percent of institutional budgets were funded from state appropriations, whereas for FY 2005, only 50.3 percent of institutional budgets were covered by state funds. As a result, tuition has increased to meet the loss of state funding (see graph 10B).

It should be noted that state appropriation per student in Oklahoma is \$852 less than the national average. This major gap in funding has a profound impact on our ability to educate our students (see graph 10C).

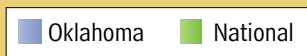
Information on five additional resources and funding measures is available online at www.okhighered.org/04accountability.



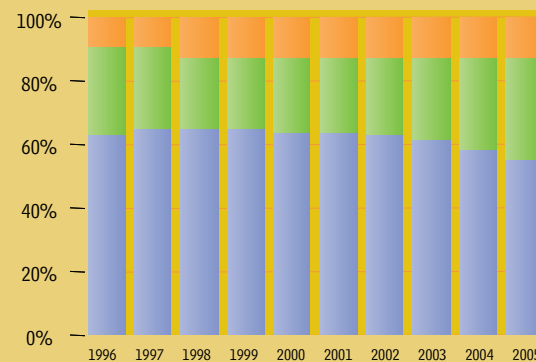
10A: Tuition and Fees as a Percentage of Educational and General Revenue (Including Sponsored Programs)



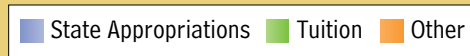
Source: State Higher Education Executive Officers, State Higher Education Finance, FY 2003



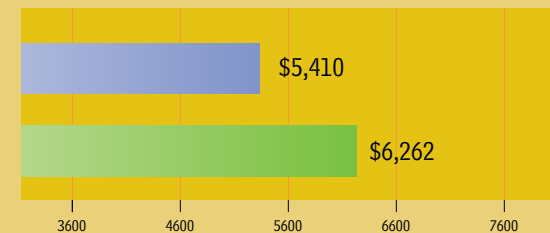
10B: Oklahoma Public College and University Budgets — The Relationship Between State Appropriations to Higher Education and Tuition



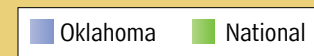
Source: OSRHE



10C: State Appropriations per FTE Student



Source: State Higher Education Executive Officers using state and local appropriations for public higher education (less research, agriculture and medical appropriations)/Full-time-equivalent enrollment.



Research

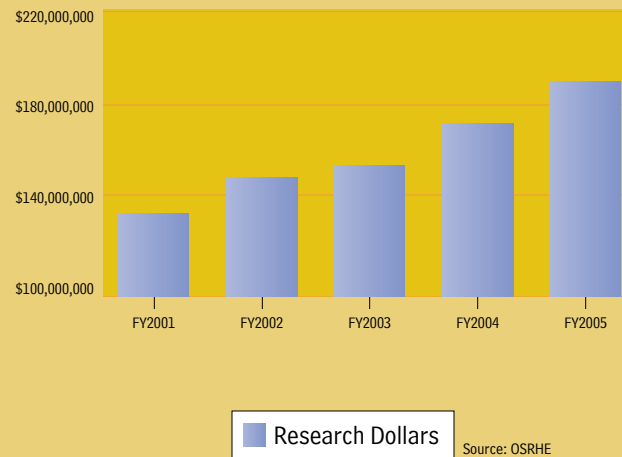
The word “research” often conjures up images of white coats and test tubes, and certainly that kind of activity is increasing at Oklahoma’s public colleges and universities. But research also includes a wide range of subject matter, such as teaching methods, social problems, meaning and interpretation of art and literature, and of course, discovery that results in new knowledge and inventions. Students who are engaged in the various forms of research strengthen their analytical and problem-solving skills, thus making them better adapted to today’s rapidly changing job market and the global economy.



The research conducted at state institutions often creates new businesses that produce new products and services that are key to improving economic development in our state. Some of the research conducted on our campuses is supported by grants and contracts from agencies in Washington, D.C., and elsewhere. As a strong indication of Oklahoma’s increasing research strength, sponsored research at Oklahoma’s public colleges and universities has increased significantly since 2001 (see graph 11A).

Despite the increasing research strength at our colleges and universities, Oklahoma’s share of federal research and development funding for sponsored research is about \$55 *per capita*, compared to the national average of \$269 *per capita*. If Oklahoma had a greater number of researchers and adequate facilities and equipment to bring the level of sponsored research dollars to the national average, an additional \$738 million would be brought to the state every year. Even by conservative estimates, this increased revenue for Oklahoma would have a total annual economic impact of more than \$1.3 billion and create an estimated 35,500 jobs.

11A: Growth in Sponsored Research at Oklahoma Public Colleges and Universities, FY 2001 - FY 2005





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