AGENDA ITEM #18:


RECOMMENDATION:

It is recommended that the State Regents approve the formation of a Task Force on the Future of Higher Education to emphasize the state system of higher education’s focus on modernization, efficiencies, and innovations. The Task Force will examine every aspect of system operations, including college degree completion and workforce development initiatives; academic program innovations and online education; system structure; and fiscal solutions, efficiencies and technology to ensure they are properly aligned and defined to best serve the students and the state. The Task Force will present their findings and recommendations to the State Regents for acceptance.

BACKGROUND:

Oklahoma’s future economic growth and prosperity greatly depends on a well-educated workforce. The Georgetown Center for Education and the Workforce reports that by 2020, 67 percent of job vacancies in Oklahoma – or 418,000 jobs – will require a college degree or additional postsecondary education and training. Thirty-seven percent of all Oklahoma jobs will require an associate degree, bachelor’s degree, or higher. Recognizing the need to bridge the skills gap between our current workforce and projected workforce needs, the State Regents have partnered with Governor Mary Fallin through the Complete College America and Oklahoma Works initiatives to increase the number of degrees and certificates awarded in Oklahoma by 67 percent by the year 2023.

The Oklahoma state system of higher education has made significant progress toward meeting Oklahoma’s workforce needs. In the first four years of the Complete College America (CCA) initiative, the number of degrees and certificates earned in Oklahoma has increased by 8,462, surpassing the state benchmark of 6,800. While we have made substantial gains and exceeded these early benchmarks, we acknowledge the growing challenges we face in maintaining this significant momentum. Other CCA states have increased their investment in degree completion initiatives, while Oklahoma has repeatedly surpassed our goals on either flat or reduced budgets. It should be noted that data from the State Higher Education Executive Officers association
(SHEEO) show Oklahoma ranks last among the 33 participating CCA states in state funding support since the initiative began in 2011.

At the same time that Oklahoma requires additional college degree holders to meet current and future workforce needs, our state system colleges and universities have experienced significant cuts in state appropriations. For FY17, the Oklahoma state system of higher education received $805.5 million in state appropriations, representing a $157.5 million, or 16.4 percent, decrease from the FY16 appropriation. In fact, according to the most recent SHEEO report on state fiscal support for higher education, Oklahoma ranks last of the 50 states in the percentage change in state support for higher education from FY16 to FY17.

In effect, our colleges and universities are operating on state support that is less than what was received in 2001, but serving significantly more students at the same time. The negative impacts of the budget cuts experienced by Oklahoma public colleges and universities have included reductions in degree and course offerings; implementation of furlough days; reduction in faculty and staff positions through both attrition and early retirement programs; fewer and reduced scholarship awards; and reductions in professional development and travel.

Despite significant budget cuts, our colleges and universities are making every effort to deliver a high quality education to Oklahoma students at a very affordable cost. The U.S. Chamber of Commerce Foundation ranks Oklahoma higher education as fifth most affordable in the nation, the National Center for Education Statistics reports that the average student cost at a four-year public institution in Oklahoma is fourth-lowest in the nation. Most recently, *U.S. News and World Report* issued its “Best States 2017” rankings in late February 2017 based on data compiled by McKinsey & Company’s Leading States Index and listed Oklahoma as sixth-lowest in the nation for tuition and fees and seventh-lowest for student debt at graduation.

**POLICY ISSUES:**

The Oklahoma State System of Higher Education was created in 1941 by a vote of the people that amended the state's constitution to provide for such a system. The State Regents serve a variety of roles, including prescribing academic standards of higher education, determining functions and courses of study at state colleges and universities, and granting degrees. The State Regents approve allocations for each public college and university, as well as tuition and fees within the limits set by the Oklahoma Legislature, and manage numerous scholarships and special programs.

Additionally, the State Regents operate OneNet, the state’s advanced data network for education and government. The State Regents also manage the Oklahoma College Assistance Program, which provides important college access, borrower education and default prevention programs and services that support students and the financial aid community.

Although the State Regents are the coordinating board of control for all institutions in the Oklahoma state system of higher education, 17 governing boards of regents and boards of trustees are responsible for the operation and management of each state system institution and higher education program.
One of the major responsibilities of the Oklahoma State Regents for Higher Education is to establish goals for the future and to engage in strategic planning activities designed to help our colleges and universities achieve those goals. Planning is implicit in the responsibilities of a coordinating board, and throughout its history, the State Regents have participated in several systematic planning efforts through the use of citizen committees, including Planning for the 70s, Planning for the 80s, and The Citizens’ Commission on the Future of Oklahoma Higher Education in 1996-97.

**ANALYSIS:**

Given the changing landscape of higher education, the Oklahoma State Regents for Higher Education have tasked Chancellor Glen D. Johnson with the formation of a citizens’ Task Force on the Future of Higher Education to undertake an extensive planning initiative that will position the Oklahoma state system of higher education to better meet current and future challenges. The efforts of the Task Force will emphasize the state system’s focus on modernization, efficiencies, and innovation.

The Task Force on the Future of Higher Education will conduct a systematic and thorough review of the current status of higher education in Oklahoma; examine existing initiatives and best practices; and report findings and recommendations on strategies that best support improving quality, access, affordability, and efficiency in the Oklahoma state system of higher education.

**Task Force Priorities**
The work of the Task Force will be conducted through four subcommittees, focusing on the following priorities:

- **College degree completion and workforce development initiatives.**
  Increasing the number of college degree holders in Oklahoma is critical for our state’s future economic success. The State Regents play a key role not only in assisting our colleges and universities’ efforts to increase the number of graduates produced each year through the CCA initiative, but also in ensuring that the academic programs offered at our campuses are linked to business needs and workforce demand. Oklahoma’s five-point degree completion plan, which focuses on improving college readiness, transforming remediation, strengthening pathways to certificates and degrees, increasing adult degree completion, and rewarding performance, has already been identified as a national model by CCA. Participation in CCA strongly complements our state system of higher education’s role as a key partner in Governor Fallin’s Oklahoma Works initiative and the Launch Oklahoma goal of increasing the percentage of working-age Oklahomans with some postsecondary credential, certificate or degree to 70 percent by the year 2025. Questions to consider include: How can we better scale best practices in each of our CCA degree completion plan areas? As we consider restructuring and realignment, what resources and facilities are needed to help our colleges and universities meet their CCA goals? How can we more effectively partner with the business community to produce the graduates needed to meet current and projected workforce needs?
• **Academic program innovations and online education.**

Innovative academic programs, such as the Reach Higher adult degree completion program, have enabled Oklahoma’s colleges and universities to reach non-traditional student populations and collaborate to deliver flexible degree programs. Additionally, joint degree programs, such as the Bachelor of Nursing program offered by East Central University and Southeastern Oklahoma State University, allow colleges and universities to provide educational programs with high employer and student demand without duplication of effort or resources. Related to academic program innovations, the State Regents created the Online Education Task Force in 2012 to develop a coordinated, system-wide approach to online learning as a component of higher education. The work of the Online Education Task Force seeks to eliminate barriers to online education, encourage educational innovation, and maintain academic rigor. Questions to consider include: In what ways can institutions collaborate to leverage existing resources for academic programs? What opportunities exist for the establishment of additional joint degree programs? What online education best practices can be effectively implemented, given the budgetary constraints faced by our colleges and universities? How can online education initiatives be scaled to benefit all public colleges and universities in the state system?

• **System structure.**

The Oklahoma state system of higher education is the state’s legal structure for providing public education at the collegiate level. It is a coordinated system of colleges and universities located throughout the state. The state system is currently comprised of 25 colleges and universities – including two research universities, 10 regional universities, one public liberal arts university, and 12 community colleges – 11 constituent agencies, and two university centers. The state system is coordinated by the Oklahoma State Regents for Higher Education, and each institution is governed by a board of regents. Questions to consider include: How does Oklahoma’s higher education governance structure compare with other states, and which states have efficient and successful systems? Are there opportunities for institutions to engage in consortial arrangements or realignments to reduce costs, deliver programs, and improve student outcomes?

• **Fiscal solutions, efficiencies, affordability, and technology.**

Increasing operational efficiencies and leveraging technology are critical to lowering the costs associated with providing postsecondary education. Oklahoma’s state system of higher education is currently engaged in several cost saving initiatives, including the provision of shared legal services, energy efficiency efforts, and technology purchasing consortiums through the State Regents’ Council on Information Technology. Despite cost saving efforts, the FY16 and FY17 budget cuts have resulted in significant negative impacts to our colleges and universities. Questions to consider include: What is the continued fiscal viability of each public college and university, given the trend of declining state support for higher education? How does the State Regents’ current performance funding formula compare to performance funding models in other states and in what ways could the State Regents performance funding formula be enhanced? What opportunities exist for institutions to leverage joint purchasing contracts in areas such as
printing services, textbooks, insurance, and technology? In what ways can business services be shared by institutions to reduce costs?

**Task Force Membership**
The Task Force will be comprised of the State Regents, private citizens, college and university representatives, and the designees of Governor Mary Fallin, Speaker of the Oklahoma House of Representatives Charles McCall, and Senate President Pro Tempore Mike Schulz. Citizen members of the Task Force will be well-respected Oklahomans who come from a variety of professional and educational backgrounds and represent different geographic regions within the state.

Dr. William Kirwan, Chancellor Emeritus of the University System of Maryland, will serve as lead advisor to the task force. Dr. Kirwan is a senior fellow at the Association of Governing Boards of Universities and Colleges and serves as chair of the National Research Council Board of Higher Education and Workforce and co-chair of the Knight Commission on Intercollegiate Athletics. He previously served as president of The Ohio State University and the University of Maryland, and is a board member of the Maryland Chamber of Commerce, Economic Alliance of Greater Baltimore, and Maryland Business Roundtable for Education, among other organizations. An international speaker and respected author on several key higher education issues, including access, affordability, innovation, economic development and academic transformation, Dr. Kirwan holds baccalaureate, master’s and doctoral degrees in mathematics.