



**OKLAHOMA STATE REGENTS
FOR HIGHER EDUCATION**

Improving our future by degrees

Special Regents Meeting

November 4, 2021

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
Research Park, Oklahoma City

A G E N D A

655 Research Parkway
PHF Conference Center
Oklahoma City, Oklahoma
Thursday, November 4, 2021 – 10:30 a.m.
Chair Jeffrey W. Hickman, Presiding

1. **Announcement of filing of meeting notice and posting of the agenda in accordance with the Open Meeting Act.**
2. **Call to Order.** Roll call and announcement of quorum.
3. **Comments.** Introductory comments from Chair. (No Action, No Discussion.)
4. **FY 2023 Systemwide Budget Request.** Presentation of the FY 2023 Budget Request for the State System of Higher Education, the 2022 Public Agenda, and the 2022 Legislative Agenda.
5. **Comments from Presidents.** Select members of the Council of Presidents will provide comments regarding the FY 2023 Systemwide Budget Request.
6. **E&G Budget Needs for FY2023-FY2025.** Approval of FY2023 System-Wide Appropriations Request. Page 1.
7. **2022 Public Agenda.** Approval of the State Regents' 2022 Public Agenda. Page 11.
8. **2022 Legislative Agenda.** Approval of the State Regents' 2022 Legislative Agenda. Page 13.
9. **Announcement of Next Regular Meeting – the next meetings of the State Regents are scheduled to be held on Thursday, December 9, 2021 at 1:00 p.m. and Friday, December 10, 2021 at 9:00 a.m. at the State Regents' Office in Oklahoma City.**
10. **Adjournment.**

Meeting of the
Oklahoma State Regents for Higher Education
November 4, 2021

AGENDA ITEM #6:

E&G Budget Needs for FY2023-FY2025.

SUBJECT: Approval of FY2023- FY2025 System-Wide Appropriations Request.

RECOMMENDATION:

It is recommended that the State Regents approve a request for state appropriations for FY2023 in the amount of \$897.9 million, representing an increase of \$85.2 million, or 10.5 percent, for support of the Oklahoma State System of Higher Education.

BACKGROUND:

Pursuant to Article 13-A, §2 of the Oklahoma Constitution and state budget law O.S. 62 §34.36, the State Regents are required to determine a budget needs recommendation for presentation annually to the Oklahoma Legislature and the Governor. In 2016, the Legislature adopted a change in the law (S.B. 1030) to extend the submission of budget requests from one fiscal year to three fiscal years; thus, this recommendation covers the period of FY2023 through FY2025, using the FY2022 appropriation as the base year.

It is recommended that the State Regents approve a budget request for approximately \$897.9 million in total funding for FY2023 operations. This is an increase of approximately \$85.2 million above the current FY2022 level of \$812.8 million for operations. The estimated incremental increase for FY2024 is \$62.8 million for a total appropriation of \$960.7 million. The estimated incremental increase for FY2025 is \$67.3 million for a total appropriation of \$1,028 million.

ANALYSIS:

The State Regents have a constitutional duty under Article 13-A, §2 of the Oklahoma Constitution and state budget law O.S. 62 §34.36 to determine and recommend to the Oklahoma Legislature and the Governor each year a budget that states the needs of Oklahoma State System of Higher Education. Each year, the state system colleges and universities complete and submit to the State Regents a Budget Needs Survey that outlines each institution's budget needs for the upcoming fiscal year. According to the aggregated Budget Needs Surveys for FY23, state system colleges and universities have requested an additional \$468.3 million above the FY22 state appropriation. In prioritizing the needs of the State System as submitted by our colleges and universities, the State Regents have developed an FY23 Budget Need Proposal of \$85.2 million (10.5%) above the current FY22 state appropriation of \$812.8 million.

The FY23 Budget Need Proposal is outlined in three separate sections: (1) Critical-Demand Workforce Development Initiatives, (2) System Operations, and (3) Student Success and College Degree Completion Initiatives.

The primary focus of the State Regents with the FY23 Budget Need Proposal is to support the link between college degree attainment and workforce development in Oklahoma's key industry sectors. According to the most recent data currently available from the U.S. Census Bureau, only 26.8% of Oklahomans age 25

and older have earned a Bachelor's degree or higher, compared to 36.0% percent nationally. At the same time, Oklahoma has a 13% credential gap projected by 2027 in terms of workers having the skills and credentials needed to meet projected workforce demands. This means that 650,000 additional Oklahomans will need postsecondary education credentials to meet the future workforce needs of Oklahoma's employers. In an effort to align workforce development efforts with the Oklahoma's most critical education and training needs, the Oklahoma Office of Workforce Development has developed a list of "100 Critical Occupations" that are vital the economic growth and wealth generation in Oklahoma. Given that the majority of these "100 critical occupations" will require a postsecondary degree of some type, Oklahoma's state system of higher education plays a significant role in providing the educated workforce needed to meet current and future employer needs and promoting the economic vitality of our state.

Further, this funding request will support student success and college degree completion initiatives while addressing current operating budget obligations that support Oklahoma's colleges and universities in their efforts to ensure students have access to quality higher education opportunities. The following initiatives support the strategic objectives of excellence, efficiency and effective delivery of higher education programs and services.

I. CRITICAL WORKFORCE DEVELOPMENT INITIATIVES:	\$40.01 MILLION
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In its most recent strategic plan for 2019-2022, the Governor's Council on Workforce and Economic Development (GCWED) concluded that Oklahoma is facing sizable skill gaps in critical demand occupations in Oklahoma's key industry sectors at both state and local levels and that Oklahoma's current educational attainment levels do not meet the state's current and future workforce demands (<https://oklahomaworks.gov/wp-content/uploads/2019/09/GCWED-Strategic-Plan-2019-22-FINAL.pdf>).

Oklahoma's public colleges and universities are uniquely positioned to assist in the state's efforts to align Oklahoma's educational attainment levels with workforce needs, as urgently called for by the GCWED and the Oklahoma Department of Commerce, and targeted increases in state fiscal support for higher education are needed to produce the graduates needed meet these workforce demands. The State Regents' FY23 system-wide budget request includes investments in strategic initiatives that align with Oklahoma's projected workforce needs in the science, technology, engineering, and mathematics (STEM) fields, teacher education, and adult degree completion.

A. STEM Workforce Development

Nationally, the number of all jobs requiring science, technology, engineering and mathematics (STEM) knowledge and expertise represented 23% of the total U.S. workforce in 2019 (National Science Foundation, *The STEM Labor Force of Today: Scientists, Engineers, and Skilled Technical Workers*, August 2021). According to the Education Commission of the States, STEM jobs are expected to increase in Oklahoma by 8% by the year 2027, and STEM workers have significantly higher average earnings (\$32.54/hour) compared to other occupations (\$16.91/hours) as well as lower rates of unemployment. To remain competitive in an increasingly knowledge-based economy, Oklahoma must increase its number of credentialed workers in critical STEM fields. Unfortunately, the Milken Institute's 2020 State Technology and Science Index ranks Oklahoma as last (50th) in the nation in terms of STEM education and training based on the proportion of the state's population holding bachelor's degrees or higher, the number of STEM degrees awarded, state fiscal support per student, technology and broadband access, and standardized test scores among high school students. To meet Oklahoma's current and future STEM workforce needs, the State Regents' FY23 system-wide budget request includes funding for initiatives designed to increase the production of STEM graduates.

i. Engineering/STEM Workforce Needs (Phase II): \$12.9 million

The Oklahoma Department of Commerce has identified an increased need in the number of qualified engineers in Oklahoma to meet projected workforce demands in the state’s target and complementary industry sectors that are responsible for wealth generation and economic growth – Aerospace and Defense; Agriculture and Bioscience; Renewable and Traditional Energy; Information and Financial Services; Transportation and Logistics; Automotive; Manufacturing; Construction; Health Care; Education; and Creative Industries (<https://oklahomaworks.gov/wp-content/uploads/2020/06/State-Briefing-2020.pdf>).

Employment projections from the Oklahoma Employment Security Commission show that Oklahoma will need an estimated total 18,620 qualified engineers to meet workforce needs by the year 2028, which represents a 5.5% increase from 2018. Additionally, petroleum engineers, electrical engineers, civil engineers, and mechanical engineers are among the top 20 highest paying occupations included on the Oklahoma Department of Commerce’s list of “100 Critical Occupations” needed to support the state’s target and complementary industry sectors (<https://oklahomaworks.gov/oklahoma-workforce-data/critical-occupations>).

Despite the need of additional qualified engineers in Oklahoma to meet projected workforce demands, the National Science Foundation’s *Science and Engineering State Indicators* project, which provides information regarding state trends in science and engineering education and workforce development, currently ranks Oklahoma as 41st in the nation in terms of the number of bachelor’s degrees conferred in science and engineering per 1,000 traditional college-age students (17.21) and 35th for science and engineering degrees as a percentage of total higher education degrees conferred (29.9%) (<https://www.ncses.nsf.gov/indicators>). In order to meet Oklahoma’s engineering workforce needs, the number of graduates in engineering and engineering-related degree programs produced by Oklahoma’s state system institutions must increase. Over the last decade, the number of STEM degrees conferred in Oklahoma has increased by 43%, and during the 2020-21 academic year, 11,490 students were enrolled in state system institutions pursuing engineering degrees, with over 1,700 engineering-related degrees being awarded at all levels during that same academic year.

Given Oklahoma’s projected skills gap in engineering, the State Regents have made it a priority to increase the number of engineering and STEM graduates produced by state system colleges and universities. At their meeting on May 28, 2021, the State Regents allocated a total of \$12.9 million in new funding for FY22 to state system institutions for the development and expansion of initiatives designed to increase the production of engineering and engineering-related degrees in Oklahoma. Of this funding, a total of \$5 million was allocated to both the University of Oklahoma (OU) and Oklahoma State University (OSU) given their status as the state system’s primary producers of bachelor-level engineering degrees. During the 2020-21 academic year, a total of 3,482 students were enrolled in engineering degree programs at all levels at OU while OSU served 3,124 engineering students. As a result of the funding allocated to these institutions, OU projects to graduate an additional 190 engineers in three years and nearly double its research capacity within six years, and OSU expects to increase enrollment by at least 500 students by 2025, with a growth potential up to 750 in that time frame.

To further accelerate the growth of highly qualified engineers to support the intellectual capital needs of Oklahoma’s businesses and industries, the State Regents are requesting an additional \$12.9 million in state appropriations for FY23 to again provide targeted funding to state system institutions to support engineering and STEM-related degree programs. Sustainable funding for the development of academic programs at all levels in multiple engineering specialties, as well as computer science, at state system institutions can advance workforce development

efforts to meet the industry demands in Oklahoma. Included in this funding request is a total of \$10.5 million to be provided to the three state system institutions that currently offer bachelor-level engineering programs (the University of Oklahoma – \$5 million; Oklahoma State University – \$5 million; and the University of Central Oklahoma – \$500,000). Additionally, this funding request includes a total of \$2.4 million to provide \$100,000 to each of the remaining 22 institutions and two technical branches (OSU-OKC and OSU-IT) in the state system to develop and expand initiatives that support engineering, engineering technology and other STEM fields that feed the student pipeline for engineering and other high-demand STEM occupations in Oklahoma. Funding provided through this initiative can be used as deemed appropriate by each institution to support engineering and STEM programs, including but not limited to: additional faculty positions to increase to capacity for engineering students; new or developing bachelor-level programs with emphases on software engineering and engineering technology, computer science, cybersecurity, mathematics, data analytics, and other STEM fields; technology to increase access to online courses to expand access to STEM programs for students; and student success centers and advisement, mentoring, and academic tutoring services, all of which are paramount to increasing student success rates in engineering and STEM-related programs.

ii. Nursing Workforce Needs: \$10 million

In 2004, the State Regents embarked on a health care workforce development initiative, appropriating \$5 million to support registered nursing (RN) and allied health care education. This investment resulted in the production of 300 more registered nurses, 130 allied health professionals, and 20 additional Master of Science prepared nurses for nursing faculty development (Oklahoma Works Professions in Oklahoma Issue Compilation Brief, August 2018). According to Governor’s Council on Workforce and Economic Development Health Workforce Subcommittee’s reporting in the briefing document, the total full-time equivalent of RNs saw a growth rate of 1.5 by 2016. The committee referenced the education and training investment and linked it with the increased production of RNs in Oklahoma by 2016. Despite these positive outcomes, Oklahoma still ranks 46th in the nation in terms of nurses per capita according to data from the national Health Resources & Services Administration’s Bureau of Health Workforce. Further, employment projections from the Bureau of Labor Statistics and the Oklahoma Employment Security Commission show that the number of RNs needed in Oklahoma to meet workforce demands is expected to increase from 35,490 in 2018 to 38,720 by the year 2028, an increase of by 9.1%.

While Oklahoma’s state system institutions produced over 2,500 degrees at all levels in nursing during the 2020-21 academic year, Oklahoma Works notes that current pre-licensure nursing education capacity is not meeting demand in Oklahoma. Issues identified by Oklahoma Works in meeting Oklahoma’s nursing workforce needs include: the inability of nursing education programs to meet increased demands due to lack of nursing faculty in Oklahoma; the relatively low percentage of RNs prepared at the Bachelor of Science in Nursing (BSN) degree level; and the limited capacity of Oklahoma’s graduate nursing education programs for the preparation of Advanced Practice Registered Nurses [Certified Nurse Practitioners (CNP), Clinical Nurse Specialists (CNS), Certified Nurse Midwives (CNM), and Certified Registered Nurse Anesthetists (CRNA)].

The \$4.16 million investment in nursing initiatives provided by the State Regents to state system institutions for FY22, although less than 17 years ago, initiated a new phase in responding to Oklahoma’s nursing shortage. An additional \$10 million in new funding is requested for FY23 to solidify the foundation needed for increase state system capacity to deliver nursing education programs that will help meet the critical shortage of RNs in

Oklahoma. This funding request will provide flexibility to colleges and universities to address their respective institutional needs with regard to nursing programs, such as support for qualified faculty recruitment and retention to expand the number of nursing students served.

iii. Physician Residency Capacity Expansion: \$10 million

Oklahoma currently ranks 48th in the nation in the number of active physicians per capita (206.7 /100,000). according to the latest report from the Association of American Medical Colleges (AAMC, Oklahoma Physician Workforce Profile, 2019). The Oklahoma State Department of Health's 2020 map of Primary Health Care Professional Shortage Areas in Oklahoma shows that 72 of Oklahoma's 77 counties is currently experiencing a health professional shortage of some type.

Strategies to improve Oklahoma's physician supply through strengthening graduate medical education (GME) is critical to improving health outcomes for our citizens. Investments in funding for physician faculty teaching time, the cost of resident labor, as well as program administration costs such as recruitment, accreditation, and malpractice insurance, are needed to increase the capacity of the University of Oklahoma Health Sciences Center (OUHSC) and the Oklahoma State University Center for Health Sciences (OSUCHS) to produce additional qualified physicians in Oklahoma.

This funding request will help fund the expansion of graduate medical education capacity at OUHSC and OSUCHS, providing support for the vital infrastructure needed for medical preparation programs across the state. The goals of this initiative are to provide additional physician residency slots in Oklahoma, to help incentivize physicians to continue their post-residency practice within the state, and to strengthen the foundation of these programs to meet the growing demand for healthcare professionals.

iv. STEM Summer Academies: (\$300,000)

The STEM education pipeline begins in elementary school and extends through the collegiate level into the workforce, and challenges to producing graduates to meet Oklahoma's workforce needs fall at every level of the STEM education pipeline. To assist in preparing Oklahoma's K-12 students to pursue degrees in critical STEM fields, the State Regents fund annual STEM Summer Academies. These academies engage K-12 students in STEM programs on college and university campuses with the ultimate goal of increasing interest, preparation for, and enrollment in collegiate degree programs in critical STEM shortage subject areas. STEM Summer Academies have a proven role in the development of early student interest in STEM fields that is necessary for success in the academic rigor required for such degree programs as engineering, computer science, mathematics, and medical professions. To further expand this important STEM education pipeline initiative, the State Regents are requesting an additional \$300,000 in funding for FY23 to increase the number of grants provided by the State Regents to state system institutions for the delivery of STEM from 25 to 35 academies each year.

B. Initiatives to Address the Teacher Education Shortage: \$4.514 million

Currently more than 40% of Oklahoma college graduates majoring in education are either out-of-the profession or have moved out-of-state within five years after graduation. Additionally, the number of college students in Oklahoma choosing to major in education declined 35% from the 2015-16 academic year to the 2019-20 academic year. Oklahoma's teacher shortage is especially pronounced among secondary math and science teachers, which affects our STEM education-to-workforce pipeline. Additional funding is needed to support programs to recruit, develop and graduate more highly qualified students to address the critical shortage of certified teachers in the state. Accordingly, the State Regents are requesting an additional \$4.5 million in funding for FY23 for initiatives that support

the production of qualified graduates to meet Oklahoma’s education workforce needs. Of this funding, \$1.014 million will be directed toward the Teacher Shortage Employment Incentive Program (TSEIP), which incentivizes teacher education graduates in science and mathematics to remain in the education field in Oklahoma, which helps address the critical shortage of teachers in Oklahoma’s K-12 schools. This increase in support for TSEIP will allow the State Regents to fund the statutory award amount to math and science teachers that have committed to and completed five years of teaching math or science in K-12 schools. Due to budget reductions, the current award amount is only \$8,200, while the statutory award amount should be \$20,279. The FY23 budget request for \$4.5 million for teacher education initiatives also provides \$3.3 million for funding to support teacher workforce development through the recruitment, retention and graduation of teacher candidates in high demand subject areas, such as math, science and special education. This funding will also be used to support course development that enhances the experiences and knowledge of individuals seeking to enter the teaching profession from diverse occupations through alternative education pathways to ensure high-quality preparation to enter Oklahoma classrooms. In addition, funding will support specific training in best practices for teacher education students with regard to online and virtual instruction delivery methods. Finally, an additional \$200,000 is requested for FY23 to support Oklahoma Teacher Connection, which is a division of the Oklahoma State Regents whose mission is to recruit, retain and place teachers throughout Oklahoma’s K-12 schools. The requested funding will be used to restore the reach and impact of this program to fund 86 pre-collegiate grant programs and 13 collegiate grant programs, impacting thousands of students, teachers and faculty statewide. These programs have demonstrated positive outcomes for teacher recruitment and retention efforts and reveal a high rate of success in several categories including the pursuit of postsecondary degrees, specifically in teacher education, the development of effective classroom skills, and increased professional and academic achievement for students in educator preparation programs.

C. Adult Degree Completion (Reach Higher) and Workforce Re-Entry Scholarships: \$2.3 Million

According to the National Student Clearinghouse’s report, *Some College, No Degree: A 2019 Snapshot for the Nation and 50 States*, approximately 2 million people each year enter postsecondary education for the first time in the United States, and one-third of these students do not earn a formal credential within eight years. The “some college, no degree” population is an important strategy for addressing state workforce needs, and over 370,000 Oklahomans had “some college, no degree” in 2018 (National Student Clearinghouse). For these adults, earning a college degree or certificate is critical to not only gain employment but also meet the state’s workforce needs in high-demand areas. To encourage Oklahoma’s “some college, no degree” adults to return to higher education to complete their degree, the State Regents launched the Reach Higher adult degree completion program in 2007. Reach Higher is designed to help adults who have earned some college credit complete a degree, and directs students to degree programs aligned with Oklahoma’s critical occupations. With an increase in funding, this program will increase outreach and recruitment of these targeted students and equip our colleges and universities in supporting the unique needs of adult students returning to college after pauses in their enrollment. Additionally, adult students face unique challenges in attending college, whether it’s initial enrollment or returning to college to finish a degree. Common barriers to adult degree attainment include lack of disposable income to cover the costs of tuition, fees, and books, which increases the need to obtain student loans; child care and family obligations; and part-time or full-time employment obligations. As Oklahoma’s adult students contend with these barriers, prioritizing educational expenses is difficult. Past research on financial needs for Oklahoma students found that scholarships of up to \$1,000 per semester were significantly related to motivating students to finish their college degree. To address these needs, the State Regents are requesting \$2.3 million in funding for FY23 to provide scholarship funds to the 22 state system colleges and universities participating in the Reach Higher adult degree completion program to target approximately 1,500 adult students near degree completion or needing industry-recognized micro-credentials or certificates to increase employment opportunities. Several states including Texas, Kansas, Arkansas, New Mexico, Indiana and Kentucky have already

implemented similar adult and workforce ready grants and scholarship programs. Funding adult scholarships will help our state better address the needs of adult learners and reach its goal of increasing the number of degree-holders in our state to fill the critical skills gap demands of employers.

SYSTEM OPERATIONS:

\$34.3 MILLION

A. Campus Operational Support Needs: \$30.0 million

The FY23 system-wide budget request includes \$30 million to support campus operational needs, including increased obligations for health insurance, utilities, risk management costs, retirement, library acquisitions, equipment, supplies, etc.

B. Deferred Maintenance and Infrastructure – Section 13 Offset Program: \$3.0 million

The State Regents are requesting an additional \$3.0 million for FY23 to fund campus infrastructure improvements, laboratory and equipment upgrades, and required deferred maintenance projects to ensure the health and safety of students and faculty at our campuses, as well as the stabilization of the Section 13 Offset Program. This additional funding will allow colleges and universities to address deferred maintenance needs and capital upgrades.

C. State System Shared Services, Innovations and Online Educational Resources: \$800,000

The FY23 system-wide budget request includes support for innovations in state system shared services, including the continued implementation of the SAS Data Analytics platform to provide the State Regents with powerful predictive analytics capabilities needed for data-driven decision-making and the development and expansion of a more robust database for the Oklahoma’s Promise scholarship program to more efficiently and effectively administer this key college access program. Additionally, this request supports the State Regents’ role in coordinating online education delivery in the state system, including funding for professional development, proctoring and course accessibility. Finally, funding will be used to support the development and implementation of open educational resources (OER) at colleges and universities. The OER initiative will identify high-enrollment course sections, such as common general education courses for all students, that could exclusively use digital or other instructional materials that are free of charge to students to improve college affordability for students and families and expand college access for underserved student populations.

D. System Innovations, Collaboration and Efficiency Incentive Grants: \$500,000

The State Regents’ 2018 Task Force on the Future of Higher of Education recommended the development and implementation of collaborations and partnerships among colleges and universities as a strategy for improving long-term institutional fiscal viability and to promote more efficient use of limited state resources. In 2021, the State Regents partnered with Huron Consulting to launch a Collaborations & Innovations pilot project to identify opportunities for increased collaborations and partnerships. Aligning with the results of this project and the recommendations from the Task Force on the Future of Higher Education, \$500,000 in additional funding is request. This funding request is to provide incentive grant opportunities to our institutions to develop and implement special programs that capitalize upon effective collaborations and cost-savings initiatives throughout the state system.

A. Concurrent Enrollment Tuition Waiver Program: \$4.0 million

Concurrent enrollment is a key initiative sponsored by the Oklahoma State Regents for Higher Education (OSRHE) and Oklahoma's public colleges and universities designed to increase the percentage of Oklahomans with a college degree or certificate to meet the state's current and future workforce needs. The concurrent enrollment tuition waiver program allows qualified juniors and seniors to earn college and credit while still in high school, which strengthens student preparation, reduces family college costs, and decreases the time required to complete a degree. Through concurrent enrollment, qualified high school students receive a tuition waiver from state system institutions for concurrent college enrollment coursework, up to a maximum of nine credit hours during the junior year and up to 18 credit hours as a senior. In the last academic year, there were over 14,500 students enrolled in concurrent courses, generating more than 141,362 credit hours. Currently, Oklahoma's public colleges and universities are reimbursed for the cost of providing high school senior concurrent enrollment tuition waivers. For FY22, the State Regents received a 5.5% increase in state appropriations to higher education, enabling 100% reimbursement to colleges and universities for the provision of concurrent enrollment tuition waivers to high school seniors. However, current funding levels allow for only 11% reimbursement to Oklahoma's colleges and universities for the provision of concurrent college enrollment tuition waivers to high school juniors. Inadequate funding for concurrent college enrollment ultimately results in diminished capacity for colleges and universities to provide this valuable service to high school seniors and juniors, and limits expansion of concurrent college enrollment opportunities in Oklahoma. The FY23 system-wide budget request includes an additional \$4.0 million to provide the estimated funding needed to fully reimburse institutions for concurrent enrollment tuition waivers to both high school seniors and juniors.

B. Student Enrollment, Retention and Graduation Assistance: \$6.85 million

The FY23 system-wide budget request includes additional funding for scholarship programs administered through the State Regents that are designed to support student access and remove of financial barriers with the goal of degree completion. The recommendations for increased funding include:

i. Need-Based Financial Aid Program: \$4.9 Million

The FY23 system-wide budget request includes an additional \$4.9 million for need-based financial aid scholarship programs administered by the State Regents, including the Oklahoma Tuition Aid Grant (\$4.0 million) and the Oklahoma Tuition Equalization Grant (\$900,000). In an effort to better align the provision of need-based financial aid with institutional college degree completion and student success needs, statutory changes made to Oklahoma Tuition Aid Grant (OTAG) during the 2021 legislative session provide institutions with additional flexibility to award these scholarships based on criteria including, but not limited to, full-time or part-time enrollment status; undergraduate or graduate enrollment status; unmet financial need; continuous enrollment; nearness to completion of a degree or certificate; enrollment in an academic program aligned with the state's critical workforce needs; eligibility for other state or institutional student financial aid; and available state funding. This additional funding would provide approximately 2,950 additional OTAG awards that can be utilized by our institutions under the newly revised award structure to fill strategic gaps in access to student financial aid.

ii. Regional University Baccalaureate Scholarship Program: \$250,000

The Regional University Baccalaureate Scholarship program enables 11 participating public universities to provide up to four years of scholarship support to academically-promising Oklahoma students enrolled in a baccalaureate program. The FY23 system-wide budget request includes an additional \$250,000 for the Regional University Baccalaureate Scholarship program to provide 80 additional institutional scholarships, allowing each participating institution to increase the total number of scholarships awarded each year from the current level of 10 to 15.

iii. Academic Scholars Program: \$1.7 million

The FY23 system-wide budget request includes an additional \$1.7 million for the Academic Scholars Program to provide up to a total of 400 additional institutional nominee awards for Oklahoma resident students and potential for the adjustment of award levels, some of which have not been changed in over 20 years. The Academic Scholars program, established by the state Legislature and governor in 1988, provides scholarships to academically outstanding students who attend an Oklahoma college or university. Academic Scholars receive a scholarship to help cover the cost of room, board, tuition, books and incidental fees for up to eight semesters. The actual value of the scholarship varies based on the institution the scholar chooses to attend.

A summary of the budget need request is provided in the following chart.

**Oklahoma State Regents for Higher Education
FY23 System-Wide Budget Need**

FY22 BASE APPROPRIATION	\$812,819,822
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FY23 SYSTEM-WIDE BUDGET NEED

CRITICAL WORKFORCE DEVELOPMENT INITIATIVES	\$40,014,000
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- A. STEM Workforce Development
 - i. Engineering/STEM Workforce Needs (Phase II) – \$12.9 million
 - ii. Nursing Workforce Needs – \$10 million
 - iii. Physician Residency Capacity Expansion – \$10 million
 - iv. Pre-Collegiate STEM Summer Academies – \$300,000

 - B. Initiatives to Address the Teacher Education Shortage – \$4.514 million

 - C. Adult Degree Completion (Reach Higher) & Workforce Re-Entry – \$2.3 million
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II. SYSTEM OPERATIONS	\$34,300,000
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- A. Campus Operational Support Needs – \$30 million

 - B. Deferred Maintenance for Campus Infrastructure (Section 13 Offset) – \$3 million

 - C. State System Shared Services, Innovations and Online Education Resources – \$800,000

 - D. System Innovation, Collaboration, and Efficiency Incentive Grants – \$500,000
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III. STUDENT SUCCESS AND COLLEGE DEGREE COMPLETION	\$10,850,000
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- A. Concurrent Enrollment Program – \$4 million

 - B. Student Enrollment, Retention, and Graduation Assistance
 - i. Need-Based Financial Aid Programs – \$4.9 million
 - ii. Regional University Baccalaureate Scholarship Program – \$250,000
 - iii. Academic Scholars Program – \$1.7 million
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FY23 TOTAL BUDGET NEED	\$897,983,822
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Difference from FY22 State Appropriations (\$)	\$85,164,000
Difference from FY22 State Appropriations (%)	10.5%

FY24 Projected System-Wide Budget Need - \$960.7 million
 FY25 Projected System-Wide Budget Need - \$1,028 million