

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Memo

To: Secretary of Budget Mike Mazzei
From: Chancellor Glen D. Johnson
Date: Monday, April 13, 2020
Subject: Impact of 3% Budget Reduction for FY21 on Oklahoma's State System of Higher Education

Secretary Mazzei,

Thank you for the opportunity to respond to the impact that a 3% budget reduction for FY21 would have on Oklahoma's state system of higher education. We have surveyed each institution within our state system regarding this issue and have prepared the summary below for your information.

As you review this information, the State Regents, College and University Presidents, and I would like to underscore the severe disruption that has been experienced by our colleges and universities as well as Oklahoma's students as a result of COVID-19. While federal stimulus funding has been designated through the CARES Act to support Oklahoma's students and higher education institutions in an effort to ease some of the financial strains caused by the COVID-19 pandemic, it is important to note that Oklahoma higher education has experienced a 16.7 percent decline in state appropriations over the last five (5) years. This is coupled with the increasing mandatory operational costs, such as risk management insurance, health insurance, utilities, etc., that have been absorbed by our state system of higher education each year. Despite cuts in state appropriations and increases in mandatory costs, Oklahoma's state system of higher education has been committed to providing a top-quality educational experience to our students at a very affordable price, with an average annual tuition and mandatory fees increase of only 4.68 percent over the last 11 years.

Oklahoma's state system colleges and universities face unprecedented uncertainties in FY21 as a result of the COVID-19 pandemic. For example, in an effort to continue mitigating the spread of COVID-19 by maintaining social distancing practices, the vast majority of colleges and universities have already announced that physical campuses will remain closed during the Summer 2020 session with summer courses taught through virtual/distance/online learning formats. Decisions regarding campus operations for Fall 2020 and the types of enrollment options safely available to students have not yet been determined but will be based on guidance

received from the Centers for Disease Control and Prevention, the Governor, and the Oklahoma State Department of Health.

Undoubtedly, a key concern for colleges and universities is the impact of COVID-19 on summer and fall enrollments, which have a significant impact on institutional revenues. Additionally, it should be noted that residential institutions have lost a significant source of funding in keeping campus housing and food services closed to all but those students who have no other feasible housing alternative and providing pro-rated refunds to students who leave campus housing prior to the semester's end as a result of COVID-19. Additionally, pro-rated refunds will be provided to students for meal plans. The uncertainty facing our higher education system due to COVID-19, coupled with additional cuts in state appropriations, would provide challenges to our state system of higher education's ability to serve Oklahoma's students and produce the graduates needed to meet Oklahoma's current and future workforce demands. As an example, Oklahoma higher education institutions will add 4,840 more credentialed health care workers to the state's health care workforce in Spring 2020. This includes 1,787 registered nurses, 692 doctors, 793 public health specialists, and 1,568 allied health professionals. These graduates will immediately join our state's current health care workforce during the COVID-19 crisis.

Budget Reduction Impact Summary

- A 3% budget reduction would result in a \$24.1 million cut in state appropriations to Oklahoma's state system of higher education for FY21.

Colleges/Universities/Constituent Agencies

- Higher education institutions and constituent agencies would experience a \$22.4 million cut in state appropriations for FY 21. This would result in:
 - The elimination of academic programs;
 - A reduction in faculty and adjunct positions;
 - A reduction in staff positions;
 - A reduction in funding for deferred maintenance needs and campus health/safety upgrades;
 - A reduction in professional development and academic support services; and
 - A negative impact on student college degree completion efforts.

Oklahoma State Regents for Higher Education

- The Oklahoma State Regents for Higher Education would experience a \$1.7 million cut in state appropriations for FY 21.
 - Financial aid and scholarship programs and scholarship programs administered by the State Regents would experience a \$1.2 million cut in state appropriations for FY21. This would result in:
 - Reduced scholarship capacity in all scholarship categories;
 - Loss of 450 grants to students for the Oklahoma Tuition Aid Grant (OTAG);
 - Loss of 40 grants to students for the Oklahoma Tuition Equalization Grant (OTEG);

- Loss of two (2) scholarships in the Prospective Teacher Scholarship Program;
 - Loss of seven (7) scholarships in the Regional University Baccalaureate Scholars program;
 - Loss of one (1) scholarship in the Tulsa Reconciliation Scholars program and the William P. Willis Scholarship program;
 - Loss of 48 scholarships in the Academic Scholars program; and
 - Decreased ability to support waivers for the Concurrent Enrollment and National Guard programs.
- State Regents' Governance, Special Programs and Shared Resources would experience a \$500,000 cut in state appropriations. This would result in:
 - A reduction in the number of grants for STEM Summer Academies that the State Regents are able to award;
 - A reduction in the ability of the State Regents to support Pre-ACT testing efforts for K-12 students;
 - A reduction in the ability to effectively deliver adult degree completion initiatives through the Reach Higher program;
 - A reduction in the State Regents' ability to support research and development projects through the Established Program to Stimulate Competitive Research (EPSCoR), which limits the ability to attract federal research funding in the state of Oklahoma;
 - An impaired ability to upgrade and implement predictive analytics on a system-wide basis, which negatively impacts database sharing resources and data-based policymaking decisions;
 - A reduction in travel for professional development as well as a reduction in funding for agency supplies; and
 - A delay in filling vacant positions deemed critical to meeting the State Regents' mission.

Specific Institutional Response Summaries

Research Universities

- University of Oklahoma - Norman
 - Restrictive hiring freeze across both faculty and staff positions
 - Delay of planned projects to address deferred maintenance
 - Paused all new offerings to graduate assistants without confirmed external funding
- University of Oklahoma Health Sciences Center
 - Restrictive hiring freeze across both faculty and staff positions
 - Delay of planned projects to address deferred maintenance

- University of Oklahoma – College of Law
 - Delayed hiring of open staff positions
 - Only mission-critical travel to be funded
 - Combination of course sections
 - Elimination of on-campus component of online programs

- University of Oklahoma – Tulsa
 - Moving certain positions to funding of non-state appropriations
 - Leaving some unfilled graduate assistant positions vacant
 - Reducing various maintenance and operations expenses
 - Leaving certain positions unfilled

- Oklahoma State University
 - Curtail replacement of departing tenure track faculty
 - Increases class sizes adversely affecting student/faculty ratios as a factor in rankings and reputation
 - Reduce travel, equipment and capital expenditures

- Oklahoma State University Agricultural Experiment Station / Oklahoma State University Cooperative Extension Division
 - Possible staffing reductions
 - Leave unfilled vacancies

- Oklahoma State University – Oklahoma City
 - Hiring freeze remains in place
 - Reduced travel and supplies

- Oklahoma State University Institute of Technology
 - Closure of academic programs serving critical workforce needs
 - Reduction in the number of students OSUIT can serve
 - Impacts recruitment and retention of faculty in workforce-oriented programs
 - Negative impacts on students' time-to-completion of credentials

- Oklahoma State University – Tulsa
 - Reduction in academic staff positions
 - Reduction in administrative position

- Oklahoma State University Center for Health Sciences
 - Reduction in travel expense
 - Reduction in adjunct faculty positions
 - Delay filling vacant positions

- Oklahoma State University Veterinary Medicine
 - Limit the ability to hire critical faculty

- Negative impact on the operation of the Oklahoma Animal Disease Diagnostic (OADD) Laboratory that served 75 counties and 40 states in FY2019. This lab is currently conducting COVID-19 testing on human samples
- A stagnant faculty numbers and caseload demands, could impact accreditation status
- Response to the COVID-19 pandemic has already caused financial challenges due to the decrease of hospital revenues

Regional Universities

- University of Central Oklahoma
 - Elimination possibly 21 FTE positions of both faculty and staff
 - Negative impact for students in time-to-degree completions and cost
- East Central University
 - Elimination of the nursing program on the Durant Campus
- Northeastern State University
 - Reduction in workforce
 - Reduction in course sections
 - Reduction in staff positions
 - Delay for students in time-to-completion efforts
- Northwestern Oklahoma State University
 - Reduction in faculty, staff and student work positions
 - Elimination of 32 course sections
 - Implications on time-to-degree
- Rogers State University
 - Layoffs of at least 6.5 FTE of non-faculty personnel
 - Elimination of 20 student positions in the Nursing program
 - Return to furloughs for employees who were also furloughed in FY17, FY18 and FY19
 - Continued deferment of deferred maintenance projects
- Southeastern Oklahoma State University
 - Reduction in four FTE faculty positions
 - Reduction in five FTE staff positions
 - Reduction of course sections
 - Catastrophic effects on persistence, retention and graduation rates
- Southwestern Oklahoma State University
 - Reduction in nine FTE positions
 - Fewer class sections
 - Reduction in academic support functions with negative impact on students

- Affect negatively the ability to meet Higher Learning Commission accreditation standards
- Cameron University
 - Elimination of six faculty positions
 - Elimination of services and program to students
 - Negative impact for scholarships available to students
- Langston University
 - Restrictive hiring freeze in both faculty and staff positions
 - Reduction in travel and supply expenditures
 - Larger class sizes
 - Reduced contracted services resulting in increased demand on existing faculty and staff
- Oklahoma Panhandle State University
 - Negative impacts to instructional effectiveness through delays in filling vacant positions.
 - Possible furloughs
 - Reduction in course offerings

Public Liberal Arts University

- University of Science and Arts of Oklahoma
 - Complete freeze on hiring any vacant faculty and institutional support positions
 - Reduction in adjunct faculty to support under-staffed regular faculty
 - Reduction in summer class offerings
 - Curtailment of student degree completion and increased costs to students
 - Reduction and erosion of student advising, counseling enrollment and financial aid services
 - Financial burdens on staff compensation after six-years of no salary adjustments
 - Continued unaddressed physical plant and infrastructure deterioration due to lack of resources
 - Serious destructive impact on the living and working moral of students, faculty, staff and their families

Community Colleges

- Carl Albert State College
 - Limit the ability to improve student services
 - Delays to campus infrastructure projects
 - Increase the use of reserve funds to cover mission-critical costs
- Connors State College
 - Hiring freeze in all vacant positions
 - Restricted only to mission-critical travel and supply expenses

- Fewer course sections with effects on concurrent enrollment and correctional center offerings
- Inability to consider salary plans in critical shortage workforce programs such as Nursing
- Possible furloughs

- Eastern Oklahoma State College
 - Inability to cover a critical shortage respiratory therapy program at the end of federal grant period
 - Increases reliance on tuition revenue

- Murray State College
 - Faculty, staff and program eliminations
 - Limit the ability to expand critical programs to support workforce demands such as Nursing and Manufacturing Technology programs.
 - Negative impact to deferred maintenance projects

- Northern Oklahoma College
 - Reduction of one full-time faculty position
 - Reduction of one full-time professional staff position
 - Reduction of one full-time staff position
 - Reduction of approximately twelve instructional facilitators

- Northeastern Oklahoma A&M College
 - Additional reduction in faculty and staff
 - Particular impact to nursing and business faculty
 - Potential layoffs
 - Reduction in course offerings
 - Reduction in student support positions

- Oklahoma City Community College
 - Reduction in marketing efforts resulting in likely loss in enrollments
 - Potential cuts in administrative support operations
 - Reductions in facility management and operations
 - Potential reductions in critical support division FTE's in Bursars Office, Legal Counsel and Police Departments
 - Reduction in course offerings
 - Reduction in faculty positions
 - Reduction in critical workforce support programs such as Automotive Technicians and Nursing
 - Reduction in student affairs services and divisions
 - Reduction in community outreach programs

- Rose State College
 - Closure of three academic programs
 - Elimination student support services

- Elimination of administrative support position
- Negative impact to students and military support services
- Redlands Community College
 - Elimination of three staff positions
 - Reduction in already limited travel budget for professional development opportunities
- Seminole State College
 - Delayed filling current vacant positions
 - Increased reliance on adjunct faculty
 - Loss of student service support position
- Tulsa Community College
 - Suspension of planned academic and student services equipment refresh
 - Suspension of professional development opportunities
 - Negative impact of services to students
- Western Oklahoma State College
 - Reduction in custodial staff
 - Reduction in public safety budget
 - Delayed filling of vacant faculty positions
 - Limit course section offerings
 - Extended time-to-degree and college completion rates adversely affected
 - Reduction in scholarships to students
 - Use of part-time athletics director that could lead to compliance issues
 - Limit the ability to upgrade technology equipment and servers

Higher Education Centers

- University Center at Ponca City
 - Reduced hours of operations resulting in limiting access for students
 - Reduction in hourly employees
- University Center of Southern Oklahoma
 - Reduction in positions
 - Possible closure of the facility when coupled with other anticipated revenue reduction due to COVID-19 impacts.

Please let me know if you have any questions.

Thank you.

Glen

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