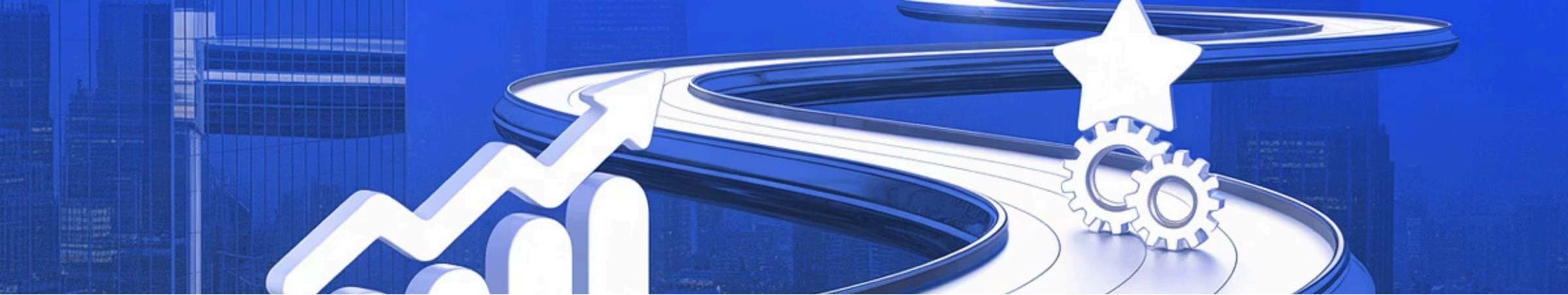


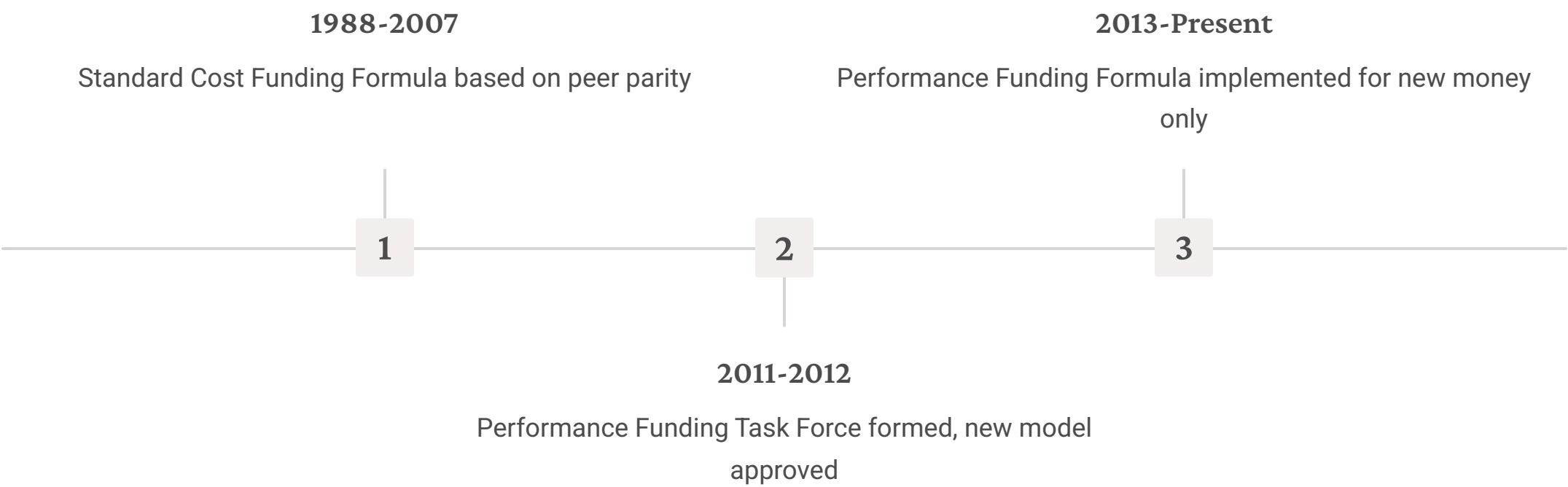
Oklahoma Higher Education Funding Formula Review

Evaluating and revising outcomes-based funding to align with state priorities
and institutional effectiveness





Evolution of Oklahoma's Funding Approach



The Shift to Performance-Based Funding 2012

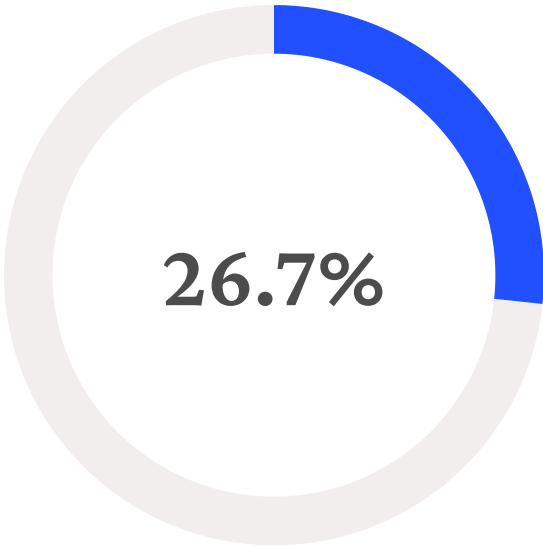
From Cost to Outcomes

Driven by Governor Fallin's "Complete College America" initiative

- Replaced peer factor with performance metrics
- Applied only to new appropriated funds
- Institutions held harmless on base budgets
- 10% minimum set aside for equity adjustments

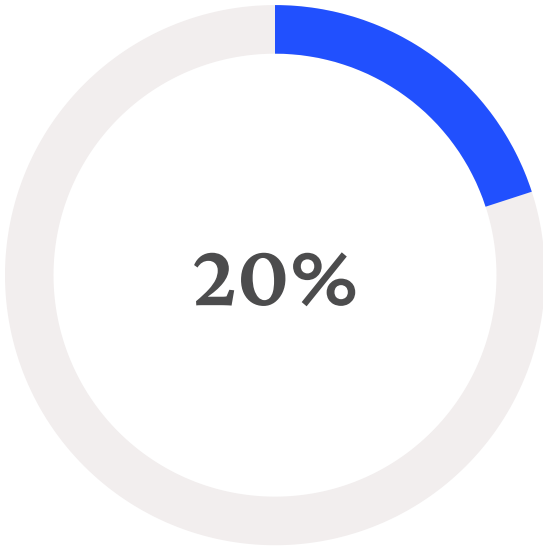


Current Performance Measures



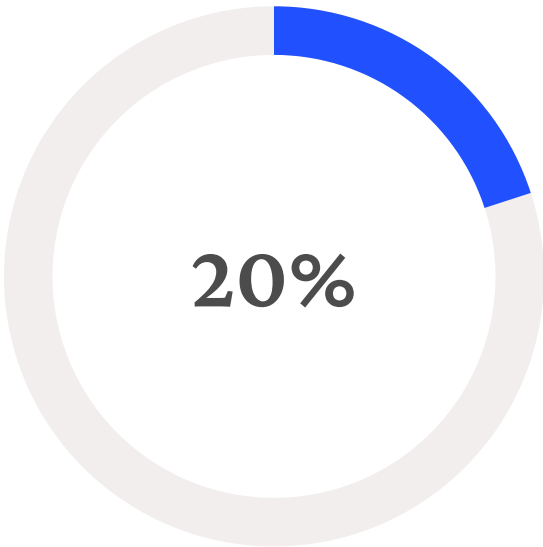
Graduation Rates

Highest weighted metric



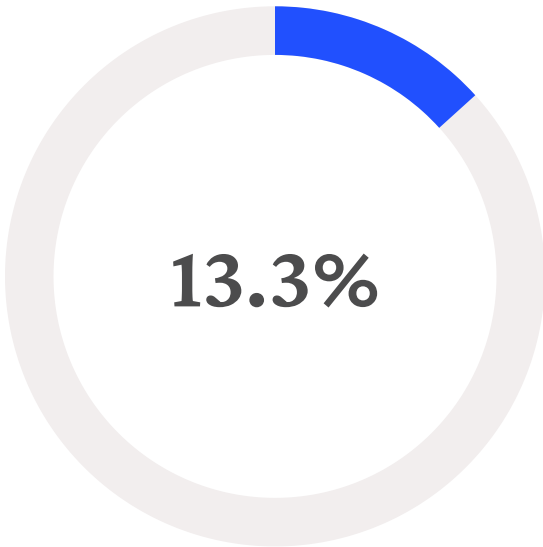
Degree Target Completion

CCA goals



Certificates & Degrees

Total conferred



Gateway Course Passage

Within 24 hours

Total multiplier points: 0.75 across all performance measures



The Challenge

Insufficient Funding

Not enough new money allocated to recuperate 2010s budget cuts

Limited Impact

Formula portion too small to drive institutional behavior or aspirational change

Key Design Questions for New Formula

1

Base Funding Allocation

What percentage through outcomes-based formula? 0-10%, 10-25%, 25-50%, or 50%+?

2

Component Distribution

How to balance Core Costs, Enrollment, Retention & Success, Opportunity, and Workforce?

3

Adjustments

Should formula include adjustments for rural institutions or student demographics?

4

Implementation Timeline

Ideal runway: next year, two years, or phased approach?

Possible Components & Metrics

Enrollment & Retention

- Headcount vs. FTE prioritization
- One-year retention rates
- Students accumulating 24 credits
- Transfer to 4-year institutions

Success & Completion

- Completions within 150% time
- Transfer student completions
- High-priority credentials

Opportunity & Equity

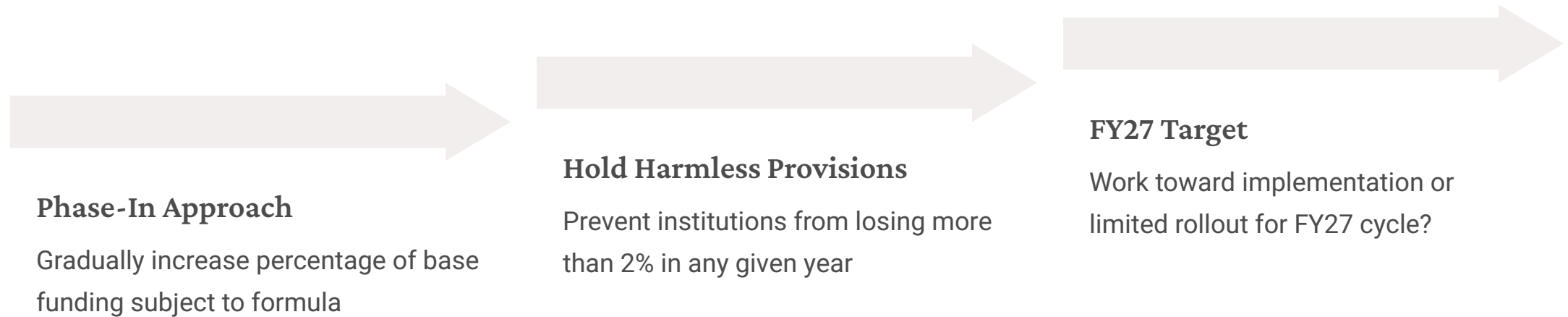
- Pell recipients
- Adult learners
- Academically underprepared students

Workforce Development

- Job placement rates
- STEM, nursing, teaching degrees
- Critical occupations



Implementation Strategies



❏ **Louisiana Model:** Only 25% of funding at risk, with 5% annual increases over five years

Critical Challenges Ahead

Data Quality & Infrastructure

Smaller institutions lack resources for robust data collection. Audits may be necessary.

Funding Adequacy

Disparity in funding per FTE. Need operational baseline to ensure adequate resources.

Stakeholder Engagement

Must involve presidents and Regents. Formula must be easy to explain for support.

Political Realities

Better formula doesn't guarantee more funding.



The Path Forward



Define Goal of Update

Define overarching goal to justify implementation effort



Flexibility

Adapt to changing priorities and economic conditions



Blueprint 2030 Alignment

Support strategic plan for workforce-ready graduates