Oklahoma Higher Education Funding Formula

February 4, 2026

Agenda

I. Guiding Principles

II. Model Framework

- Components and Metrics

- Implementation

III. Three-Tiered Model

- Results

IV. Increasing Funding Under the Proposed Model

V. Feedback and Discussion

History of Formula Funding

- The current performance-based funding formula was adopted in 2012. Metrics included:
  - Graduation rates, degree target completion, awards, gateway courses, retention, Pell retention, program certification.
- The formula has only been used to drive new funds, peaking with $29 million in FY24.

OSRHE Guiding Principles in Performance Funding

- Reflect and support the Blueprint 2030 strategic plan
- Align and complement state priorities and initiatives
- Provide evidence-based incentives to improve access and success for all students
- Strive for a model that is sustainable, consistent and reliable
- Use metrics based on available, reliable and consistent data
- Establish a model that acknowledges the varied mission and structure among system institutions
- Be simple to understand and communicate
- Provide rationale for increased funding
- Involve stakeholder input

Proposed Framework for Oklahoma

CORE COSTS

- Sector Tiers
- Current Base adjustment

ENROLLMENT

- FTE
- Headcount
- Adult
- Pell
- Academically Underprepared

RETENTION & SUCCESS

- Progression
- Completion
- Transfer

OPPORTUNITY

Completions by:
- Pell
- Adult
- Academically Underprepared

WORKFORCE

Completions in:
- STEM
- Critical Occupations

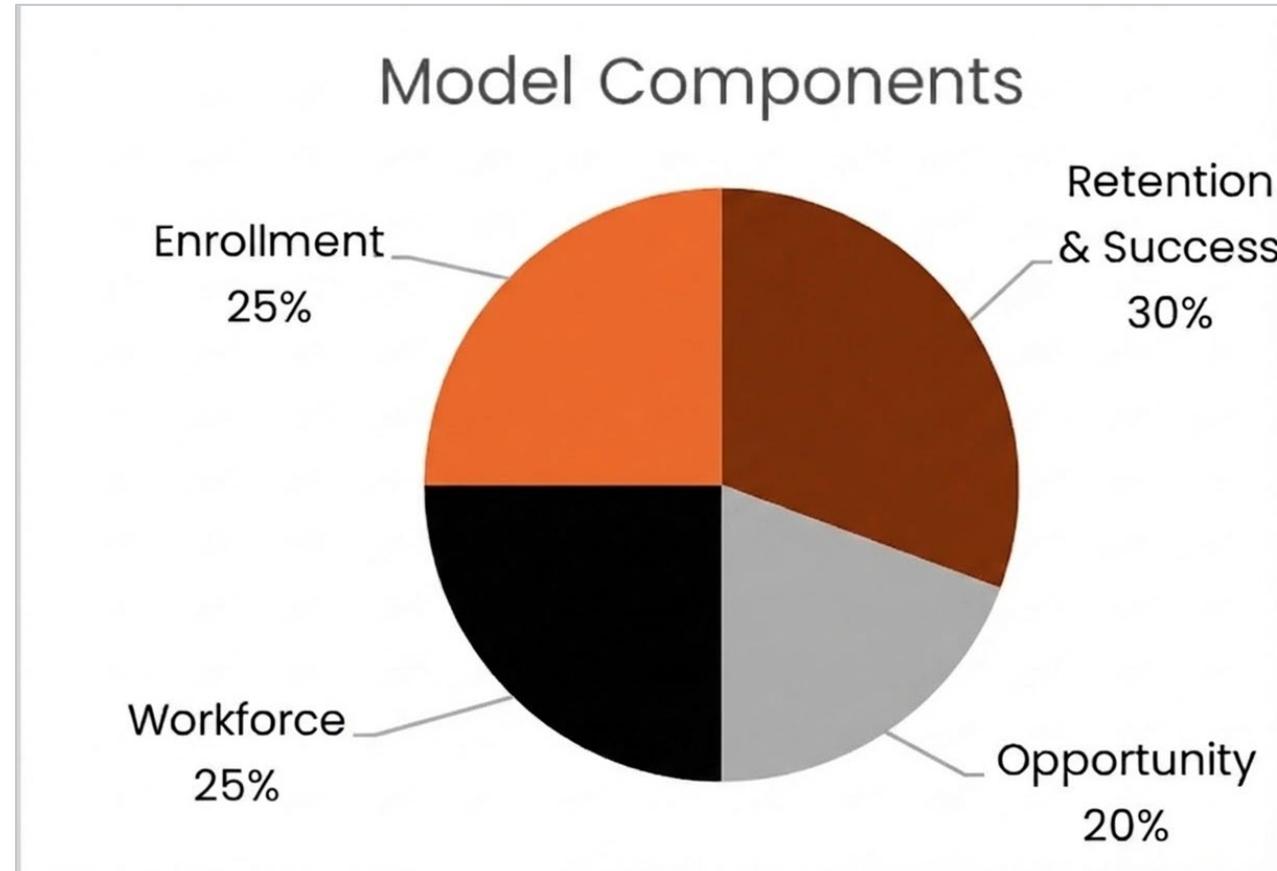Employment Metrics:
- Employment
- Median Income

New Model Framework

Enrollment:
Headcount = 14%
FTE = 14%
Adult = 14%
Pell = 14%
Underprepared = 14%
Grad Headcount = 14%
Grad FTE = 14%

Workforce:
STEM completions = 40%,
Critical Occ completions = 40%
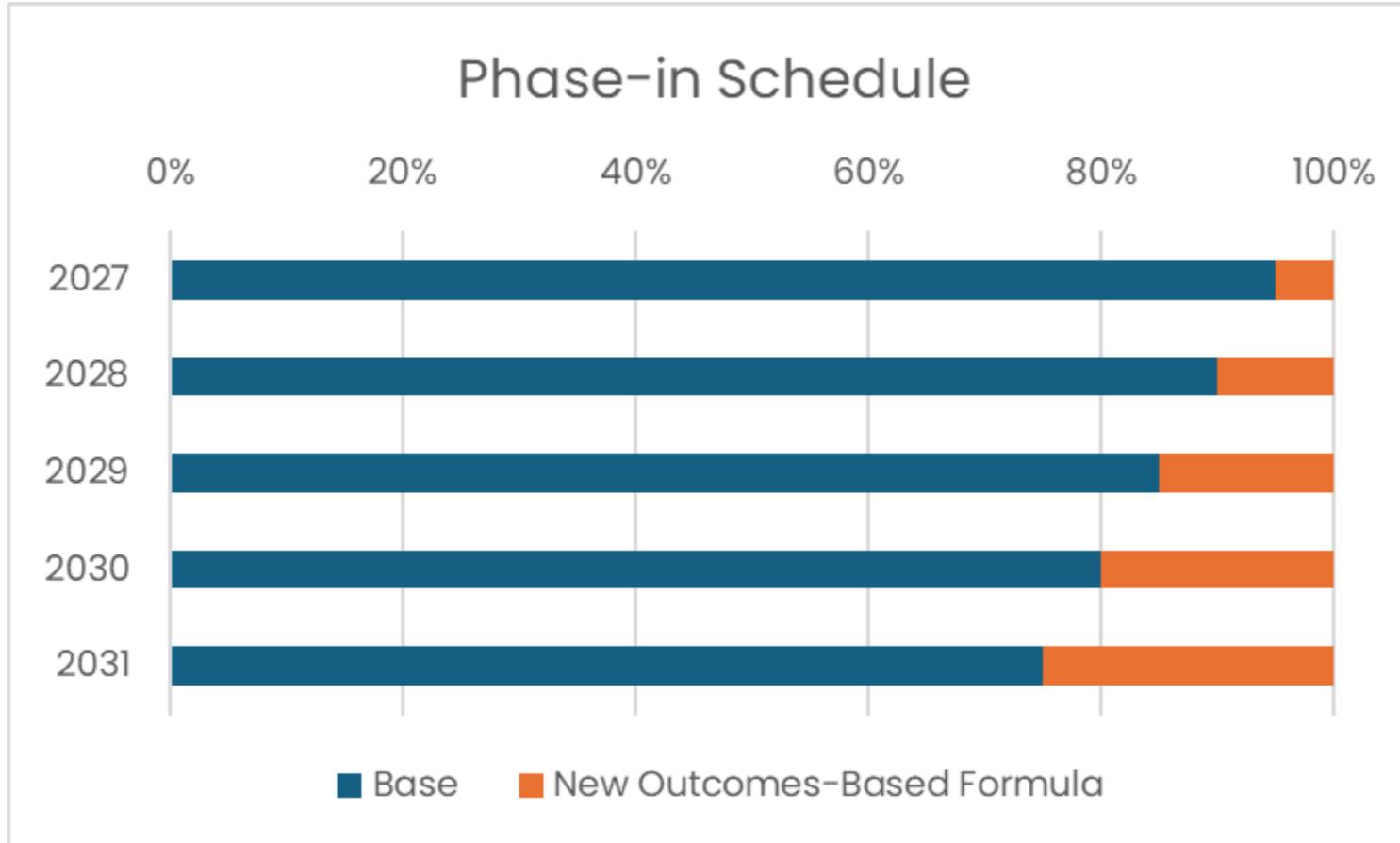Employed = 10%
Wages = 10%

Retention:
Retention = 20%
Credit accumulation = 20%
Transfer (2yr -> 4yr) = 20%
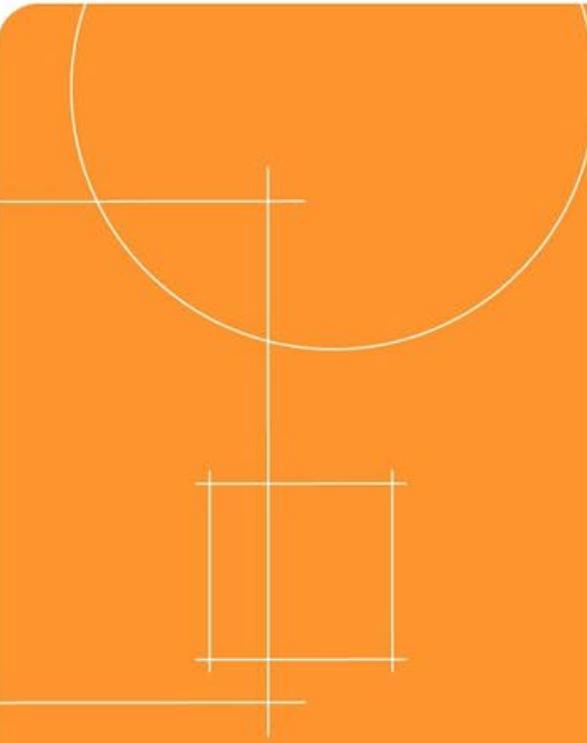On-time Completions = 20%
Graduate completions = 20%

Opportunity:
Adult completions = 33%
Pell completions = 33%
Underprepared completions = 33%

Model Components

Enrollment 25%
Retention & Success 30%
Opportunity 20%
Workforce 25%

Model Implementation

Phase-in Schedule

Start with model accounting for 5% of total appropriations, scaling up to 25% by Year 5.
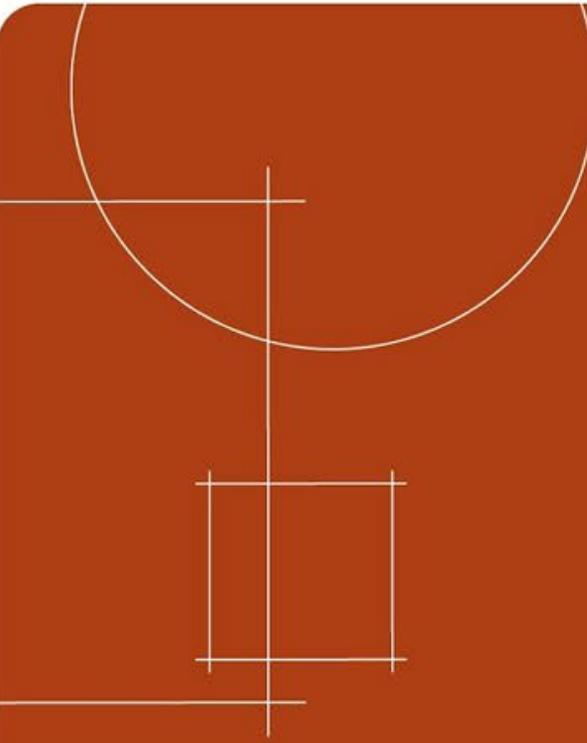
Three-Tiered Model

Three-Tiered Model

A three-tier model to acknowledges unique missions of institutions.

Using the split from FY 2024 appropriations, each institution competes for a share of its respective tier's total funding.

Proposed Distribution by Sector	
Community Colleges	$164,898,101
Regionals	$204,080,978
Flagships	$252,112,609
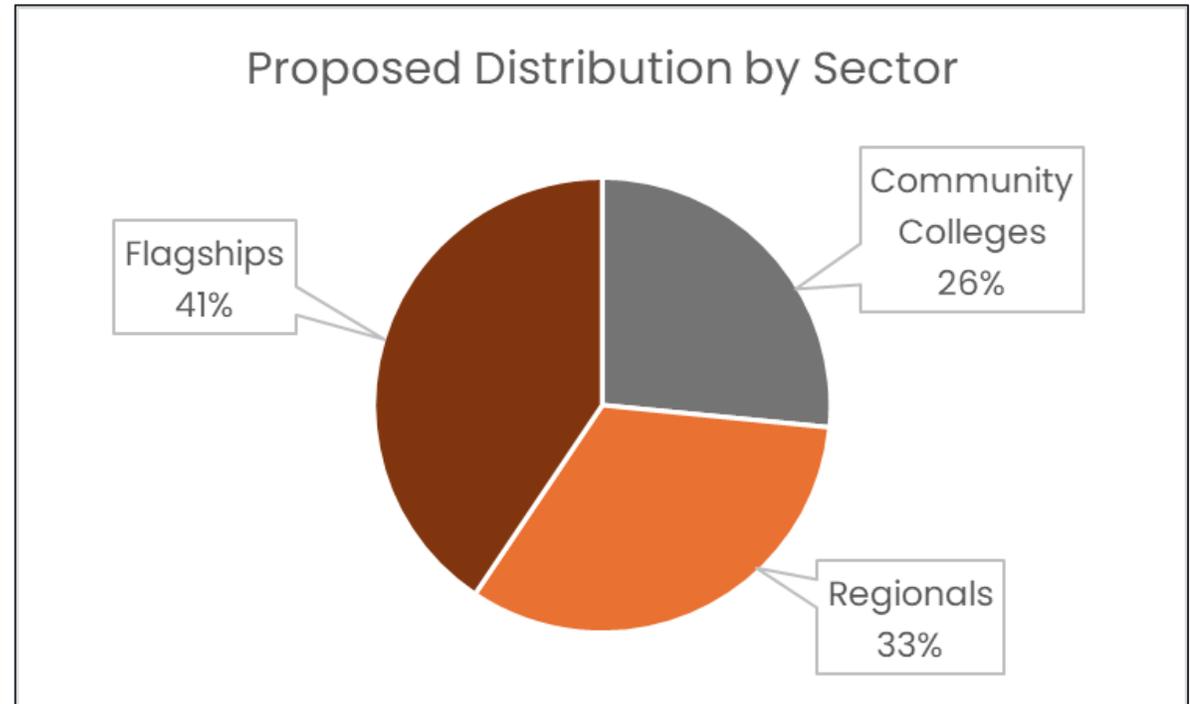
Proposed Distribution by Sector

Flagships 41%

Community Colleges 26%

Regionals 33%

Three-Tiered Model Results

Three-Tiered Model Results

- Results show the share of appropriations for each institution after one year using the proposed model.
- The model uses FY24 budget data and 3-year average academic performance data (FY21-23).
- As new funding and budget data become available, the model will produce different results.
- No institution would receive a 2% reduction or greater.

% of Appropriations - 2-Year Institutions

% of Appropriations (y-axis, 0% to 25%)

Institutions (x-axis): Carl Albert, Connors, Eastern Oklahoma, Murray, Northeastern A&M, Northern, Oklahoma City CC, OSU - OKC, OSU Inst. Of Tech, Redlands, Rose, Seminole, Tulsa, Western

Legend: ■ FY24 ■ Year 1 Phase-in
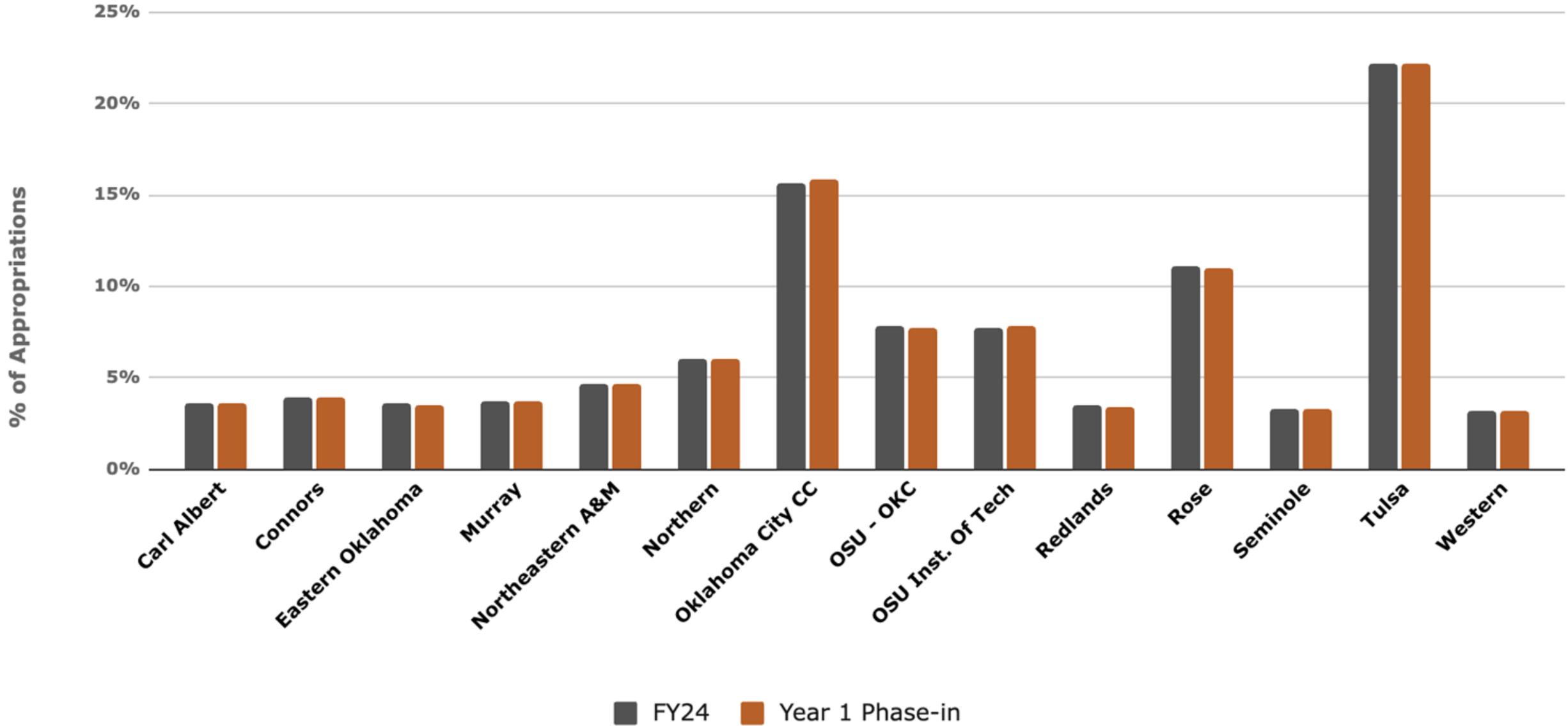
% of Appropriations - 4-Year Institutions
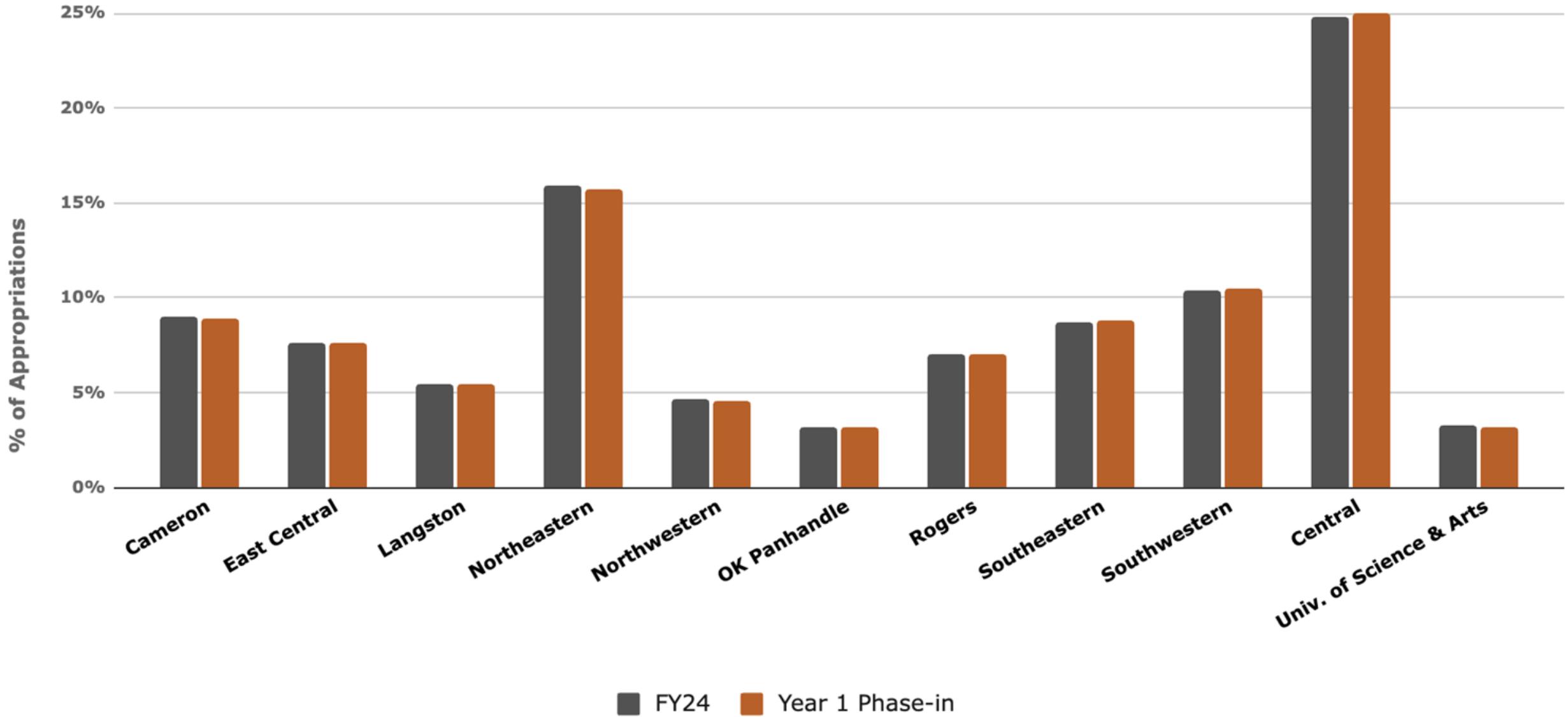
% of Appropriations - R1 Institutions
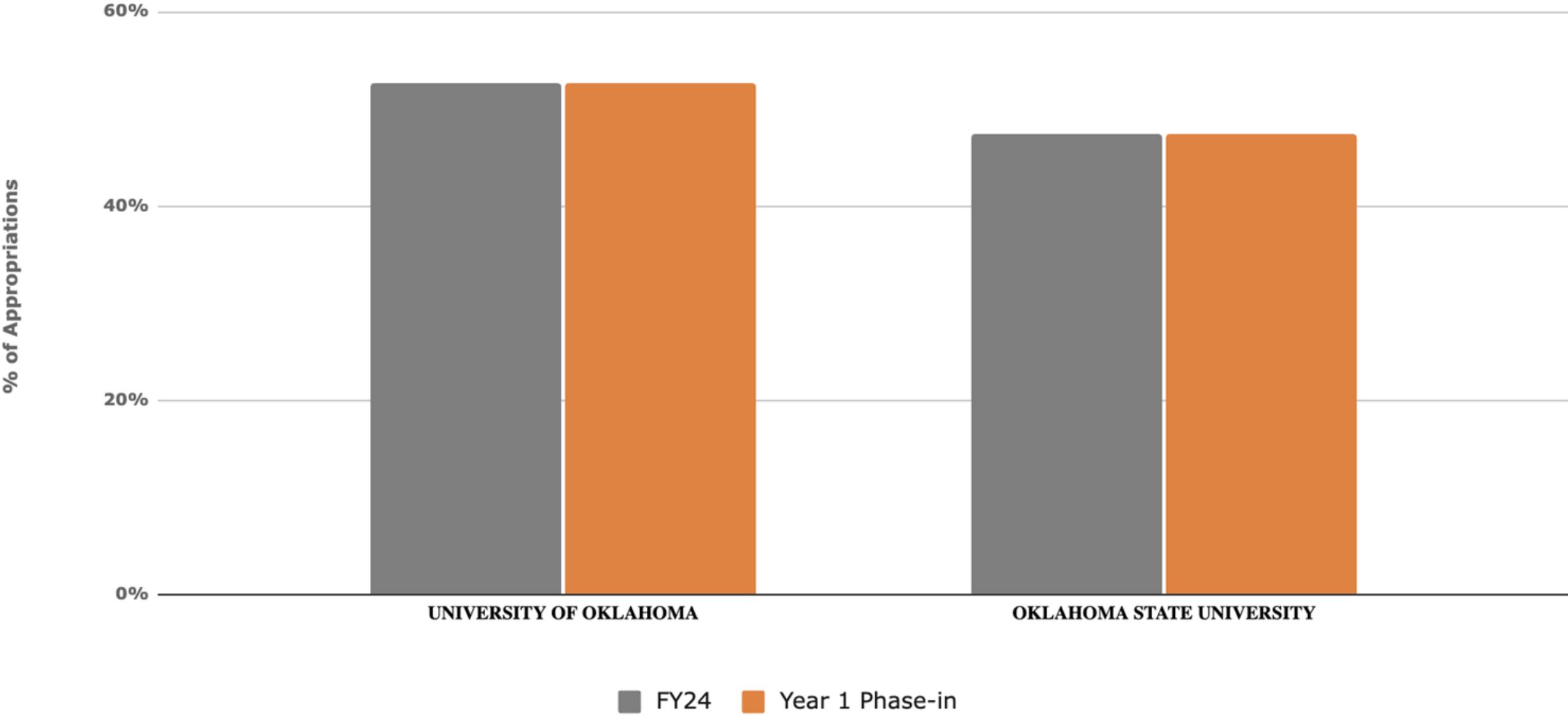
	1 -year % Change from FY 24
CARL ALBERT STATE COLLEGE	0.53%
CONNORS STATE COLLEGE	1.00%
EASTERN OKLAHOMA STATE COLLEGE	−1.35%
MURRAY STATE COLLEGE	−0.71%
NORTHEASTERN OKLAHOMA A&M COLLEGE	−1.39%
NORTHERN OKLAHOMA COLLEGE	−0.14%
OKLAHOMA CITY COMMUNITY COLLEGE	0.84%
OKLAHOMA STATE UNIVERSITY - OKLAHOMA CITY	−0.41%
OSU INSTITUTE OF TECHNOLOGY-OKMULGEE	1.14%
REDLANDS COMMUNITY COLLEGE	−1.29%
ROSE STATE COLLEGE	−0.98%
SEMINOLE STATE COLLEGE	−0.69%
TULSA COMMUNITY COLLEGE	0.38%
WESTERN OKLAHOMA STATE COLLEGE	−0.14%

	1-year % Change from FY24
CAMERON UNIVERSITY	-0.87%
EAST CENTRAL UNIVERSITY	-0.38%
LANGSTON UNIVERSITY	-0.25%
NORTHEASTERN STATE UNIVERSITY	-1.00%
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	-0.21%
OKLAHOMA PANHANDLE STATE UNIVERSITY	0.09%
ROGERS STATE UNIVERSITY	0.25%
SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	0.40%
SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	0.75%
UNIVERSITY OF CENTRAL OKLAHOMA	0.86%
UNIVERSITY OF SCIENCE AND ARTS OF OKLAHOMA	-1.76%

	1-year % Change from FY24
UNIVERSITY OF OKLAHOMA	-0.04%
OKLAHOMA STATE UNIVERSITY	0.05%

Cost of Hold Harmless

Annual Cost of Hold Harmless	1-Year
Community Colleges	-$597,309
Regionals	-$707,772
R1 Institutions	-$58,377
Total	**-$1,363,459**

Hold Harmless = Sum of institutional reductions, or cost to level-fund all institutions.

Share of Each Component & FY24 - 2-years

	Enrollment (25%)	Retention & Success (30%)	Opportunity (20%)	Workforce (25%)	FY 24
CARL ALBERT STATE COLLEGE	3.5%	3.1%	7.2%	3.0%	3.6%
CONNORS STATE COLLEGE	4.1%	4.3%	6.9%	3.9%	3.9%
EASTERN OKLAHOMA STATE COLLEGE	2.4%	2.5%	4.0%	1.9%	3.6%
MURRAY STATE COLLEGE	3.0%	3.4%	2.4%	3.7%	3.7%
NORTHEASTERN OKLAHOMA A&M COLLEGE	3.4%	3.7%	3.6%	2.9%	4.7%
NORTHERN OKLAHOMA COLLEGE	4.5%	5.2%	8.6%	5.9%	6.0%
OKLAHOMA CITY COMMUNITY COLLEGE	20.8%	22.0%	9.1%	18.8%	15.7%
OKLAHOMA STATE UNIVERSITY - OKLAHOMA CITY	9.1%	7.3%	4.1%	7.5%	7.8%
OSU INSTITUTE OF TECHNOLOGY-OKMULGEE	5.3%	6.0%	18.5%	10.7%	7.8%
REDLANDS COMMUNITY COLLEGE	2.2%	3.0%	3.1%	2.1%	3.5%
ROSE STATE COLLEGE	10.9%	9.2%	6.4%	8.7%	11.1%
SEMINOLE STATE COLLEGE	2.6%	2.9%	3.6%	2.4%	3.3%
TULSA COMMUNITY COLLEGE	25.9%	24.8%	18.0%	25.3%	22.1%
WESTERN OKLAHOMA STATE COLLEGE	2.2%	2.8%	4.5%	3.2%	3.2%

Share of Each Component & FY24 - Regionals

	Enrollment (25%)	Retention & Success (30%)	Opportunity (20%)	Workforce (25%)	FY 24
CAMERON UNIVERSITY	8.0%	7.6%	8.4%	5.9%	9.0%
EAST CENTRAL UNIVERSITY	6.3%	5.8%	8.2%	8.5%	7.6%
LANGSTON UNIVERSITY	3.9%	5.2%	10.4%	2.2%	5.5%
NORTHEASTERN STATE UNIVERSITY	15.6%	13.1%	2.4%	17.6%	15.9%
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	4.1%	4.5%	6.0%	3.4%	4.6%
OKLAHOMA PANHANDLE STATE UNIVERSITY	3.1%	3.5%	3.2%	3.2%	3.2%
ROGERS STATE UNIVERSITY	6.9%	7.6%	7.2%	7.8%	7.0%
SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	12.2%	8.3%	9.2%	8.2%	8.7%
SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	10.6%	11.6%	12.9%	13.1%	10.4%
UNIVERSITY OF CENTRAL OKLAHOMA	27.3%	29.8%	30.0%	29.1%	24.8%
UNIVERSITY OF SCIENCE AND ARTS OF OKLAHOMA	2.1%	3.0%	2.2%	1.1%	3.2%

Share of Each Component & FY24 - Flagships
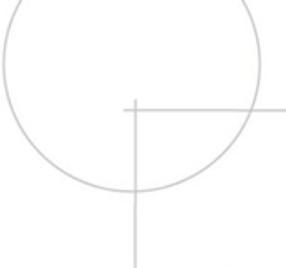
	Enrollment (25%)	Retention & Success (30%)	Opportunity (20%)	Workforce (25%)	FY 24
UNIVERSITY OF OKLAHOMA	51.7%	52.1%	52.5%	52.7%	52.7%
OKLAHOMA STATE UNIVERSITY	48.3%	47.9%	47.5%	47.3%	47.3%

Increasing Funding Under the Proposed Model

- **Institutions can increase recruitment efforts** to improve enrollment, especially for priority populations.
- Institutions can **better serve their students** to increase retention and success.
  - Invest in student supports.
  - Provide adequate resources and supports to serve the unique needs of priority populations.
- Institutions can **expand access to STEM and critical occupation fields** to improve workforce outcomes, including strengthening career services and employer partnerships.
- Institution's funding increases when **new state dollars are invested.**

Feedback and Discussion

- Does the overall structure of the funding model align with state and OSRHE goals and priorities?
- How well does the model balance stability and incentives for performance?
- Do the metrics effectively incentivize improved access, retention, completion, and post-graduation outcomes?
- Does the model appropriately account for differences in institutional mission, size, and student populations?
- Is the model easy to understand and explain to different stakeholders?