

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Memo

To: Presidents
From: Chancellor Glen D. Johnson
Date: Tuesday, September 21, 2010
Subject: Analysis of Impact on Higher Education from SQ 744

In response to several inquiries for information concerning the possible fiscal impact which the passage of State Question 744 would have on the State System of Higher Education, we have provided the attached table which compiles a three year scenario using the following assumptions:

1. The Total Three Year Cost of SQ 744 equals \$1.5 billion;
2. Oklahoma State Regents appropriation is approximately 15.6 percent of total State Appropriations;
3. No additional growth revenue or revenue increases would be available to offset the SQ 744 cost.

Under these assumptions, the total cost to the State System of Higher Education would be approximately \$78.0 million each year, with a three year cumulative total (FY'12 through FY'14) of \$234.0 million.

Over this three year cumulative time period (FY'12 through FY'14), this reduction in funding would equate to approximately:

1. \$210.4 million to Institutions, Constituent Agencies and Learning Centers;
2. \$9.0 million to financial aid programs;
3. \$11.5 million for special programs; and
4. \$3.1 million for governance and operations.

It is important to note that these figures are based upon the assumptions noted in the first paragraph of this memo.

These figures should be used for planning and educational purposes only. As you know, our respective legal counsels have advised us that this information should not to be used for any public campaign or in public materials with the purpose of advocating for or against the passage of SQ 744.

Please let me know if you have any questions.

Affect of State Question 744 on Individual Institutions of Higher Education Three Year Analysis (FY'12-14)

	FY12 Total State Appropriated Funds - 2011	FY12 Estimated State Appropriations	FY12 SQ 744 Year 1 Reduction	FY13 Estimated State Appropriation	FY13 SQ 744 Year 2 Reduction	FY14 Estimated State Appropriation	FY14 SQ 744 Year 3 Reduction	FY14 to FY14 \$ Change	FY14 to FY14 % Change
University of Oklahoma:									
OU, Norman	124,806,767	114,490,694	(10,316,073)	104,174,621	(10,316,073)	99,858,548	(10,316,073)	(90,948,220)	-24.8%
Mesonet	1,465,064	1,343,967	(121,097)	1,222,871	(121,097)	1,101,774	(121,097)	(963,291)	-24.8%
Technology Transfer Office	326,023	299,075	(26,948)	272,127	(26,948)	245,180	(26,948)	(80,844)	-24.8%
OU Initiatives	2,290,628	2,101,393	(189,335)	1,911,958	(189,335)	1,722,623	(189,335)	(568,005)	-24.8%
Oklahoma Museum of Natural History	2,905,515	2,665,356	(240,159)	2,425,197	(240,159)	2,185,037	(240,159)	(720,478)	-24.8%
Sutton Aviary Research Center	459,323	421,357	(37,966)	383,391	(37,966)	345,425	(37,966)	(113,898)	-24.8%
Center of Educational Excellence	225,731	207,128	(18,603)	188,465	(18,603)	169,802	(18,603)	(55,989)	-24.8%
Subtotal, OU:	132,479,112	121,528,870	(10,950,241)	110,578,629	(10,950,241)	99,628,348	(10,950,241)	(32,850,724)	-24.8%
OU Health Sciences Center	85,497,117	78,430,236	(7,066,881)	71,363,356	(7,066,881)	64,296,475	(7,066,881)	(21,200,642)	-24.8%
Nursing & Allied Health - Tulsa	1,872,975	1,718,161	(154,813)	1,563,348	(154,813)	1,408,535	(154,813)	(464,440)	-24.8%
Nursing - OKC	551,076	487,180	(63,897)	443,283	(63,897)	399,386	(63,897)	(131,691)	-24.8%
Nursing Lawton	189,970	174,268	(15,702)	158,566	(15,702)	142,863	(15,702)	(47,107)	-24.8%
Allied Health	462,977	424,663	(38,314)	386,349	(38,314)	348,135	(38,214)	(114,792)	-24.8%
Geriatrics Matching Funds	499,154	457,896	(41,258)	416,638	(41,258)	375,379	(41,258)	(123,275)	-24.8%
Pharmacy - Distance Learning	869,799	797,905	(71,894)	726,010	(71,894)	654,116	(71,894)	(215,683)	-24.8%
George Nigh Rehabilitation Center Salary Support	335,299	307,583	(27,715)	279,870	(27,715)	252,155	(27,715)	(83,144)	-24.8%
Subtotal, OUHSC:	90,258,917	82,797,893	(7,461,024)	75,337,469	(7,461,024)	67,877,045	(7,461,024)	(22,381,272)	-24.8%
OU Tulsa	7,993,042	7,332,267	(660,776)	6,671,691	(660,776)	6,011,015	(660,776)	(1,982,027)	-24.8%
OU Law Center	5,795,474	5,316,441	(479,033)	4,837,408	(479,033)	4,358,376	(479,033)	(1,437,098)	-24.8%
TOTAL, OU:	236,525,945	216,975,971	(19,550,974)	197,425,197	(19,550,974)	177,874,824	(19,550,974)	(58,651,122)	-24.8%
Oklahoma State University:									
OSU, Stillwater	116,843,959	107,186,063	(9,657,896)	97,528,166	(9,657,896)	87,870,270	(9,657,896)	(28,973,689)	-24.8%
Technology Transfer Office	326,023	299,075	(26,948)	272,127	(26,948)	245,180	(26,948)	(80,844)	-24.8%
Fire Service Training Program	1,652,194	1,515,630	(136,564)	1,379,065	(136,564)	1,242,501	(136,564)	(409,693)	-24.8%
Subtotal, OSU:	118,822,176	109,000,768	(9,821,409)	99,179,359	(9,821,409)	89,379,950	(9,821,409)	(29,442,216)	-24.8%
OSU Agriculture Experiment Station	25,861,046	23,773,303	(2,087,743)	21,585,920	(2,087,743)	19,448,336	(2,087,743)	(6,412,750)	-24.8%
Cooperative Extension Division	28,260,752	25,921,821	(2,338,931)	23,582,890	(2,338,931)	21,242,959	(2,338,931)	(7,017,793)	-24.8%
OSU Center for Health Sciences	13,721,226	12,587,879	(1,133,347)	11,452,933	(1,133,347)	10,318,786	(1,133,347)	(3,402,440)	-24.8%
School of Veterinary Medicine	10,561,603	9,689,621	(871,982)	8,815,637	(871,982)	7,942,654	(871,982)	(2,618,982)	-24.8%
OSU, Oklahoma City	30,821,929	9,927,861	(894,468)	9,032,993	(894,468)	8,138,124	(894,468)	(2,683,403)	-24.8%
OSU Technical Branch, Okmulgee	13,997,250	12,803,394	(1,193,856)	11,649,939	(1,193,856)	10,496,283	(1,193,856)	(3,460,966)	-24.8%
Mid-America Industrial Park-Pryor	81,506	74,769	(6,737)	68,032	(6,737)	61,295	(6,737)	(20,211)	-24.8%
Subtotal, TB-OKM	14,038,756	12,879,363	(1,159,393)	11,719,971	(1,159,393)	10,559,578	(1,159,393)	(3,481,177)	-24.8%
OSU-Tulsa	11,028,277	10,116,720	(911,557)	9,205,162	(911,557)	8,293,605	(911,557)	(2,734,672)	-24.8%
Subtotal, OSU-Tulsa:	11,028,277	10,116,720	(911,557)	9,205,162	(911,557)	8,293,605	(911,557)	(2,734,672)	-24.8%
TOTAL, OSU:	233,115,407	213,846,936	(19,268,471)	194,578,464	(19,268,471)	175,509,993	(19,268,471)	(57,605,414)	-24.8%
University of Central Oklahoma	51,603,512	47,338,154	(4,265,359)	43,072,795	(4,265,359)	38,807,437	(4,265,359)	(12,796,076)	-24.8%
TOTAL, UCO:	51,603,512	47,338,154	(4,265,359)	43,072,795	(4,265,359)	38,807,437	(4,265,359)	(12,796,076)	-24.8%

	Total State Appropriated Funds - 2011	FY12 Estimated State Appropriations	FY12 SQ 744 Year 1 Reduction	FY13 Estimated State Appropriation	FY13 SQ 744 Year 2 Reduction	FY14 Estimated State Appropriation	FY14 SQ 744 Year 3 Reduction	FY11 to FY14 \$ Change	FY11 to FY14 % Change
University of Science & Arts of Okla	7,203,904	6,608,455	(595,448)	6,013,007	(595,448)	5,417,558	(595,448)	(1,786,345)	-24.8%
3rd Trimester Waivers	46,346	42,515	(3,831)	38,684	(3,831)	34,853	(3,831)	(11,492)	-24.8%
TOTAL, USAO:	7,250,250	6,650,970	(599,279)	6,051,691	(599,279)	5,452,412	(599,279)	(1,797,838)	-24.8%
Carl Albert State College	6,140,570	5,633,013	(507,557)	5,125,455	(507,557)	4,617,898	(507,557)	(1,522,671)	-24.8%
Kerr Conference Center	98,570	90,423	(8,147)	82,275	(8,147)	74,128	(8,147)	(24,442)	-24.8%
TOTAL, CASC:	6,239,140	5,723,435	(515,705)	5,207,731	(515,705)	4,692,026	(515,705)	(1,547,114)	-24.8%
Honors State College	6,475,614	5,940,364	(535,251)	5,405,113	(535,251)	4,869,862	(535,251)	(1,605,752)	-24.8%
Muskogee Branch Campus	137,438	126,078	(11,360)	114,717	(11,360)	103,357	(11,360)	(34,080)	-24.8%
TOTAL, CSC:	6,613,052	6,066,441	(546,611)	5,519,830	(546,611)	4,973,220	(546,611)	(1,639,832)	-24.8%
Eastern Oklahoma State College	6,325,989	5,803,106	(522,883)	5,280,222	(522,883)	4,757,339	(522,883)	(1,568,650)	-24.8%
TOTAL, EOSC:	6,325,989	5,803,106	(522,883)	5,280,222	(522,883)	4,757,339	(522,883)	(1,568,650)	-24.8%
Murray State College	5,588,404	5,126,487	(461,917)	4,664,569	(461,917)	4,202,652	(461,917)	(1,385,751)	-24.8%
TOTAL, MSC:	5,588,404	5,126,487	(461,917)	4,664,569	(461,917)	4,202,652	(461,917)	(1,385,751)	-24.8%
Northeastern Oklahoma A&M College	8,680,214	7,962,739	(717,475)	7,245,264	(717,475)	6,527,789	(717,475)	(2,152,425)	-24.8%
TOTAL, NEOAMC:	8,680,214	7,962,739	(717,475)	7,245,264	(717,475)	6,527,789	(717,475)	(2,152,425)	-24.8%
Northern Oklahoma College									
Tonkawa	8,453,354	7,754,631	(698,724)	7,055,907	(698,724)	6,357,184	(698,724)	(2,096,171)	-24.8%
Enid	1,285,344	1,179,102	(106,242)	1,072,860	(106,242)	966,618	(106,242)	(318,725)	-24.8%
TOTAL, NOC:	9,738,698	8,933,732	(804,965)	8,128,767	(804,965)	7,323,802	(804,965)	(2,414,896)	-24.8%
Redlands Community College	5,789,029	5,310,529	(478,500)	4,832,029	(478,500)	4,353,529	(478,500)	(1,435,500)	-24.8%
One-Time Capital Funds	491,142	450,546	(40,596)	409,950	(40,596)	369,354	(40,596)	(121,788)	-24.8%
Total, Redlands:	6,280,171	5,761,075	(519,096)	5,241,979	(519,096)	4,722,883	(519,096)	(1,557,288)	-24.8%
Seminole State College - Campus Operations	5,812,091	5,331,685	(480,406)	4,851,279	(480,406)	4,370,872	(480,406)	(1,441,219)	-24.8%
TOTAL, SSC:	5,812,091	5,331,685	(480,406)	4,851,279	(480,406)	4,370,872	(480,406)	(1,441,219)	-24.8%
Western Oklahoma State College	5,592,908	5,130,618	(462,289)	4,668,329	(462,289)	4,206,039	(462,289)	(1,386,868)	-24.8%
TOTAL, WOSC:	5,592,908	5,130,618	(462,289)	4,668,329	(462,289)	4,206,039	(462,289)	(1,386,868)	-24.8%
Oklahoma City Community College	24,166,772	22,169,235	(1,997,537)	20,171,697	(1,997,537)	18,174,160	(1,997,537)	(5,992,612)	-24.8%
TOTAL, OCCC:	24,166,772	22,169,235	(1,997,537)	20,171,697	(1,997,537)	18,174,160	(1,997,537)	(5,992,612)	-24.8%
Rose State College - Campus Operations	20,249,901	18,576,118	(1,673,783)	16,902,335	(1,673,783)	15,228,552	(1,673,783)	(5,021,349)	-24.8%
TOTAL, ROSE:	20,249,901	18,576,118	(1,673,783)	16,902,335	(1,673,783)	15,228,552	(1,673,783)	(5,021,349)	-24.8%
Fulsa Community College - Campus Operations	35,273,086	32,357,541	(2,915,545)	29,441,996	(2,915,545)	26,526,451	(2,915,545)	(8,746,635)	-24.8%
TOTAL, TCC:	35,273,086	32,357,541	(2,915,545)	29,441,996	(2,915,545)	26,526,451	(2,915,545)	(8,746,635)	-24.8%
Ardmore Higher Education Program	680,063	623,851	(56,212)	567,640	(56,212)	511,428	(56,212)	(168,635)	-24.8%
TOTAL, Ardmore HEC:	680,063	623,851	(56,212)	567,640	(56,212)	511,428	(56,212)	(168,635)	-24.8%
Section 13 Offset Funds (see attached schedule)	9,859,132	9,044,212	(814,920)	8,229,292	(814,920)	7,414,372	(814,920)	(2,444,760)	-24.8%
OSF Charges	146,915	134,772	(12,143)	122,628	(12,143)	110,485	(12,143)	(36,430)	-24.8%
Teacher Residency Program	1,844,051	1,691,628	(152,423)	1,539,205	(152,423)	1,386,783	(152,423)	(457,268)	-24.8%
Juartz Mountain	1,177,794	1,080,442	(97,352)	983,090	(97,352)	885,738	(97,352)	(292,057)	-24.8%
Yonca City Learning Site	687,599	630,764	(56,834)	573,930	(56,834)	517,096	(56,834)	(170,503)	-24.8%
Institutions, Constituent Agencies, Centers & Learning Sites Subtotal	848,596,190	778,454,317	(70,141,873)	708,312,444	(70,141,873)	638,170,571	(70,141,873)	(210,425,619)	-24.8%

	Total State Appropriated Funds - 2011	FY12 Estimated State Appropriations	FY12 SQ 744 Year 1 Reduction	FY13 Estimated State Appropriation	FY13 SQ 744 Year 2 Reduction	FY14 Estimated State Appropriation	FY14 SQ 744 Year 3 Reduction	FY11 to FY14 \$ Change	FY11 to FY14 % Change
Governance & Operations Support:									
State Regents' Core Operations	7,193,982	6,599,354	(594,628)	6,004,725	(594,628)	5,410,097	(594,628)	(1,783,885)	-24.8%
Regents' IT	1,611,362	1,478,172	(133,189)	1,344,983	(133,189)	1,211,794	(133,189)	(399,568)	-24.8%
OneNet	1,197,671	1,098,675	(98,995)	999,680	(98,995)	900,685	(98,995)	(296,985)	-24.8%
Minority Teacher Recruitment Center	410,960	376,992	(33,968)	343,023	(33,968)	309,055	(33,968)	(101,905)	-24.8%
Scholarship Administration	648,572	594,963	(53,609)	541,355	(53,609)	487,746	(53,609)	(160,826)	-24.8%
Governance & Operations Support Subtotal	11,062,546	10,148,156	(914,390)	9,233,767	(914,390)	8,319,377	(914,390)	(2,743,169)	-24.8%
Financial Aid Programs:									
Academic Scholars Program	8,049,149	7,383,836	(665,313)	6,718,522	(665,313)	6,053,209	(665,313)	(1,995,940)	-24.8%
Chiropractic Scholarships	39,291	36,044	(3,248)	32,796	(3,248)	29,548	(3,248)	(9,743)	-24.8%
Concurrent Enrollment Tuition Waiver for HS Seniors	2,455,710	2,252,730	(202,980)	2,049,750	(202,980)	1,846,770	(202,980)	(608,940)	-24.8%
George & Donna Nigh Scholarships	68,760	63,076	(5,683)	57,393	(5,683)	51,710	(5,683)	(17,050)	-24.8%
National Guard Tuition Waiver Program	2,009,372	1,843,285	(166,087)	1,677,197	(166,087)	1,511,110	(166,087)	(498,262)	-24.8%
Oklahoma Tuition Aid Grant Program	18,927,327	17,962,863	(1,564,464)	15,798,399	(1,564,464)	14,233,935	(1,564,464)	(4,693,392)	-24.8%
Oklahoma Tuition Equalization Program (Private Schools)	3,578,751	3,282,945	(295,807)	2,987,138	(295,807)	2,691,332	(295,807)	(887,420)	-24.8%
Prospective Teacher Scholarships	98,228	90,109	(8,119)	81,990	(8,119)	73,871	(8,119)	(24,358)	-24.8%
Regional University Scholarships	1,035,823	950,206	(85,617)	864,588	(85,617)	778,971	(85,617)	(256,852)	-24.8%
Tulsa Reconciliation Scholarships	49,114	45,055	(4,060)	40,995	(4,060)	36,935	(4,060)	(12,179)	-24.8%
Sub-Total Financial Aid Programs	36,311,527	33,310,148	(3,001,379)	30,308,770	(3,001,379)	27,307,391	(3,001,379)	(9,004,136)	-24.8%
Other Special Programs:									
Adult Degree Completion Program (new)	491,142	450,546	(40,596)	409,950	(40,596)	369,354	(40,596)	(121,788)	-24.8%
Brain Gain 2010/Targeted Program Enhancements	2,184,291	2,003,745	(180,546)	1,823,200	(180,546)	1,642,654	(180,546)	(541,637)	-24.8%
Endowed Chairs Program	12,179,798	11,173,060	(1,006,738)	10,166,322	(1,006,738)	9,159,585	(1,006,738)	(3,020,213)	-24.8%
EPSCoR/Research	3,388,334	3,108,450	(280,084)	2,828,366	(280,084)	2,548,282	(280,084)	(840,084)	-24.8%
Grant Programs/Economic Dev/OEIS	434,219	398,328	(35,891)	362,437	(35,891)	326,546	(35,891)	(107,673)	-24.8%
Jane Brooks School - USAO	26,559	24,364	(2,195)	22,168	(2,195)	19,973	(2,195)	(6,586)	-24.8%
Debt Service	19,601,613	17,981,415	(1,620,198)	16,361,217	(1,620,198)	14,741,019	(1,620,198)	(4,860,594)	-24.8%
Office of Accountability	701,986	643,962	(58,024)	585,939	(58,024)	527,915	(58,024)	(174,071)	-24.8%
Scholar-Leadership Program	300,463	275,628	(24,835)	250,793	(24,835)	225,957	(24,835)	(74,506)	-24.8%
Statewide Literacy Program	71,932	65,986	(5,946)	60,040	(5,946)	54,095	(5,946)	(17,837)	-24.8%
Student Preparation Program	1,153,899	1,058,522	(95,377)	963,145	(95,377)	867,768	(95,377)	(286,131)	-24.8%
Summer Academies Program	589,370	540,655	(48,715)	491,940	(48,715)	443,225	(48,715)	(146,146)	-24.8%
System Shared Resources									
OneNet Higher Education User Fees	3,089,398	2,834,039	(255,358)	2,578,681	(255,358)	2,323,322	(255,358)	(766,075)	-24.8%
Academic Library Databases	402,736	369,448	(33,288)	336,159	(33,288)	302,870	(33,288)	(99,866)	-24.8%
System Legal services	51,727	47,451	(4,276)	43,176	(4,276)	38,900	(4,276)	(12,827)	-24.8%
System Safety, Health & Environmental Resource Cente	66,668	61,157	(5,511)	55,647	(5,511)	50,136	(5,511)	(16,532)	-24.8%
Internet/NLR	1,502,158	1,377,995	(124,163)	1,253,832	(124,163)	1,129,669	(124,163)	(372,489)	-24.8%
Teacher Shortage Incentive Program	395,558	362,863	(32,695)	330,167	(32,695)	297,472	(32,695)	(98,086)	-24.8%
Sub-Total Other Special Programs	46,632,049	42,777,613	(3,854,435)	38,923,178	(3,854,435)	35,068,743	(3,854,435)	(11,563,306)	-24.8%
Capital and Master Lease	1,063,718	975,795	(87,923)	887,872	(87,923)	799,949	(87,923)	(263,769)	-24.8%
TOTAL Allocation	943,666,030	865,666,030	(78,000,000)	787,666,030	(78,000,000)	709,666,030	(78,000,000)	(234,000,000)	-24.8%

Guidelines for OSRHE and State System Officials (Including Regents)
and Employees Regarding State Question 744

I. In your capacity as an OSRHE or State System official (including Regents) or employee, you must comply with a statute and an Ethics Commission rule that prohibit you from using state money, state resources or state time to support or oppose State Question 744 (SQ744). In your state official/employee capacity, you are limited to making statements of fact which stop short of advocating for a "Yes" or "No" vote. For example, a statement of fact could include the following:

- 1) if SQ744 is approved, and
- 2) if there is not an increase in State revenue to pay for the cost of implementing SQ744, and
- 3) if all State agencies share equally in any budget cuts caused by implementing SQ744,
then
 - 1) the budget of the OSRHE /institution will be decreased a certain percentage or dollar amount, and
 - 2) that decrease will result in fewer instructors, classrooms and other resources being available at a time when enrollment is rising, and
 - 3) that will result in fewer students enrolling, staying in school, or graduating.

II. In your capacity as a private citizen, you can make statements of fact as provided under I. above, but in addition you can also advocate for a "Yes" or "No" vote. Prudent steps should be taken to ensure that you are seen to be acting as a private citizen in doing so, and not as an OSRHE or State System official (including Regents) or employee. Here are some examples:

Things You Can and Can't Do When Acting as a Private Citizen

- Can donate money from personal funds
 - Can use personal resources and personal time to plan, organize and participate in events
 - Can serve on a committee if it is clear that your participation will not require use of your state official/employee position, state resources or state time
 - Can issue personal statements to the public if it does not constitute a use of your state official/employee position, state resources or state time
 - Can participate in fund-raising if it does not result in a use of your state official/employee position, state resources or state time
 - Limit yourself to statements of fact concerning the issue without advocating for a "Yes" or a "No" vote if it is unclear to you whether you will be seen to be speaking in your personal capacity or in your state official/employee capacity
- Preface your personal statements to the public with a clear disclosure that it is a personal statement, such as, "Speaking as a private citizen, ..."
- Can't use or make in-kind contributions from state resources (including use of equipment or buildings)
 - Can't use your state official/employee position, state resources or state time to plan and organize
 - Can't use your state official/employee position, state resources or state time to participate in events
 - Can't use the time of state employees, or require a state employee to use personal resources or personal time, to plan, organize or participate in events
 - Can't serve on a committee if it is clear that your participation will require use of your state official/employee position, state resources or state time