

Meeting of the
OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
September 9, 2021

AGENDA ITEM #14:

Oklahoma Tuition Aid Grant.

SUBJECT: Approval of changes to the Oklahoma Tuition Aid Grant based on the passage of HB 1821.

RECOMMENDATION:

It is recommended that the State Regents approve changes to the Oklahoma Tuition Aid Grant for 2022-2023 based on statutory amendments approved in HB 1821 of the 2021 legislative session.

BACKGROUND:

The 1971 Oklahoma Legislature enacted the Oklahoma Higher Education Tuition Aid Act authorizing the establishment of a need-based state tuition aid grant program. Congress also provided federal incentive matching funds to states to assist them in providing grants to students. However, Congress discontinued those federal matching funds in 2011-2012. Through 2021-2022, the Oklahoma Tuition Aid Grant (OTAG) program awarded grants of up to \$1,000 per academic year for attendance at public institutions and \$1,300 per year at private non-profit institutions. The \$1,000 maximum award for students attending public institutions had been not been increased since 1982. In 2019-2020, about 18,200 students received OTAG awards totaling \$16.3 million. The State Regents allocated \$15 million in FY2022 state funding to the program.

At the request of the State Regents, the Oklahoma Legislature approved HB 1821 during the 2021 session. The goal of the amendments is to allow the State Regents to modify the program to enhance student retention and graduation rates. The bill passed the House 94-2 and the Senate 44-1. The effective date of the bill is November 1. Changes approved by the State Regents would be effective for the 2022-2023 academic year.

POLICY ISSUES:

The proposed OTAG changes are intended to support the State Regents' goal to increase the number of college graduates in Oklahoma.

ANALYSIS:

Currently, the OTAG grant is awarded directly by the State Regents to lower-income students on a "first-come, first-served" basis without regard to other financial aid the student is receiving (federal Pell Grants, Oklahoma's Promise, Academic Scholars Program, Regional Baccalaureate Scholarship, tuition waivers, foundation scholarships, other scholarships, etc.). To increase student retention and graduation rates, it is

recommended that OTAG awardees be selected by the institution based on the student's overall financial need and other priority factors.

HB 1821 Amendments (see attached copy of the bill)

The statutory amendments in HB 1821 included the following changes:

- Deleted the statutory mandate that "all" eligible students "shall" be awarded an OTAG grant.
- Deleted the statutory provision that prohibited the State Regents from increasing the maximum annual OTAG award amount unless funding was sufficient to award at least the same number of students as the previous academic year.
- Added priority factors that may be considered in awarding the OTAG grant, including unmet financial need, continuous enrollment, nearness to completion of a degree or certificate, state employment needs, and eligibility for other student financial aid.

Recommended Program Changes

1) Student Eligibility

- a. Current Program, 2021-2022: Students must complete the Free Application for Federal Student Aid (FAFSA). The FAFSA calculates an "Expected Family Contribution" (EFC; how indicates much the student's family is expected to pay out-of-pocket for the student's college expenses). Students with an EFC of 1,700 or below are eligible if they met the application submission deadline (February 5, 2021 for the 2021-2022 academic year).
- b. Recommended Change for 2022-2023:
 - i. Students must be eligible to receive the federal Pell Grant (about one-third of state system students; about double the size of the current pool of eligible students)
 - ii. Awarding priorities administered by the college or university:
 - students with the most unmet financial need
 - students nearest to completing a degree or certificate
 - students in programs meeting high-demand employment needs
 - students who have remained continuously enrolled
 - students not currently receiving other state financial aid (in 2019-2020, nearly 42% of OTAG recipients also received Oklahoma's Promise)

2) Award Levels (annual)

- a. Current Program, 2021-2022:
 - i. State system/career technology centers: \$200 - \$1,000 (unchanged since 1982)
 - ii. Private/independent colleges: \$200 - \$1,300
- b. Recommended Change for 2022-2023:
 - i. Community colleges (public and private)/career technology: \$200 - \$1,500
 - ii. Regional universities (public and private): \$200 - \$2,000
 - iii. Research universities (public and private): \$200 - \$3,000

3) Allocation of Program Funds

- a. Current Program, 2021-2022: Funding follows the students that are awarded by the State Regents on a first-come, first-served basis.
- b. Recommended Change for 2022-2023: Allocate program funding for FY2022-2023 based on the percentage of total OTAG funding that went to students at each participating institution in 2019-2020 (see attached table).

It is recommended that the State Regents consider leaving the funding allocation percentages stable for the first three or four years as institutions become more familiar with the program changes. Eventually, a more dynamic allocation formula will be necessary to ensure that the allocation of OTAG funding reflects the most current proportion of total Pell-eligible students enrolled at each institution.

Attachments

An Act

ENROLLED HOUSE
BILL NO. 1821

By: McBride and Hasenbeck of
the House

and

Pemberton and Stephens of
the Senate

An Act relating to higher education; amending 70 O.S. 2011, Sections 626.4, 626.7 and 626.8, which relate to the Oklahoma Higher Education Tuition Aid Act; modifying process for awarding state tuition aid grants; permitting annual award of grants; removing prohibition to increase the annual maximum award amount; altering administration procedures for the grants; including factors to use in determining participation priorities; and providing an effective date.

SUBJECT: Higher education

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 2011, Section 626.4, is amended to read as follows:

Section 626.4 State tuition aid grants shall be awarded ~~to all eligible applicants~~ without any limitation on the number to be awarded in any year other than the amount of appropriations available therefor. The institution involved may appropriately schedule work to permit recipients to earn the amount of said tuition grants.

Definitions of full-time and part-time undergraduate and graduate students shall be established by the Oklahoma State Regents for Higher Education.

SECTION 2. AMENDATORY 70 O.S. 2011, Section 626.7, is amended to read as follows:

Section 626.7 A college tuition aid grant ~~shall~~ may be awarded annually to each eligible, qualified full-time or part-time undergraduate or graduate student enrolled in a curriculum leading to a degree or certificate in an institution of collegiate grade or postsecondary institution providing a program of training to prepare students for employment in a recognized occupation in Oklahoma approved or accredited by the Oklahoma State Regents for Higher Education or appropriate postsecondary agency in accordance with the following:

1. Eligibility. Each full-time or part-time resident student will be eligible to receive a grant in an amount as provided in paragraph 2 of this section. The Oklahoma State Regents for Higher Education shall determine by rules and regulations the maximum number of semesters a student may be eligible for grants. No student shall be eligible for grants unless the student maintains such minimum standards of academic performance as are required by the institution in which the student is enrolled.

In the event a student for any reason ceases to continue to be enrolled during the course of an academic year, the student shall cease to be eligible for tuition aid.

2. Amount of grant. The amount of tuition aid grant to any student under this act for any semester shall represent a percentage not greater than seventy-five percent (75%) of the tuition and enrollment fees normally charged to residents of the State of Oklahoma by the institution of attendance. The Oklahoma State Regents for Higher Education shall determine by rules the annual maximum award amount based on an annual assessment of funds availability. ~~The State Regents shall not increase the annual maximum award amount unless funding is sufficient to serve at least the same number of students as the previous academic year.~~

~~For the 2000-2001 academic year and each academic year thereafter, the percentage of aid shall be based on a need analysis system that is consistent with federal student financial aid regulations. The Oklahoma State Regents for Higher Education shall set an annual award payment schedule based upon a maximum grant of seventy-five percent (75%) of tuition and fees with grants based on lower percentages of tuition and fees being awarded to students who demonstrate lower financial need.~~

~~Any student who receives an award for the 1999-2000 academic year shall not be denied additional awards because of inability to meet the financial standards established in this act as long as other eligibility criteria continue to be met and as long as the award status of the student is renewed on an annual basis. The Oklahoma State Regents for Higher Education are authorized to establish procedures to determine the financial need of the student under the standards used during the 1999-2000 academic year until the initial degree requirements are met by the student.~~

Financial assistance received under this act will be considered as part of a student's financial aid package.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 626.8, is amended to read as follows:

Section 626.8 The Oklahoma State Regents for Higher Education may adopt rules and regulations, prescribe and provide appropriate forms for application and employ such persons, contract for such services and make such additional expenditures as may be necessary or appropriate for effectuating the provisions of this act.

The Oklahoma State Regents for Higher Education are hereby authorized to determine priorities for participation in this tuition aid program by based upon factors including, but not limited to, full-time, or part-time enrollment status, undergraduate and or graduate students enrollment status, unmet financial need, continuous enrollment, nearness to completion of a degree or certificate, state employment needs, eligibility for other state and institutional student financial aid and based on available state funding.

SECTION 4. This act shall become effective November 1, 2021.

2019-20 OTAG Award Payments
\$ Amount & % of Payments, by Institution

	2019-20 Actual OTAG Payments	% of 2019-20 Actual Payments
STATE SYSTEM RESEARCH UNIVERSITIES		
OKLAHOMA STATE UNIVERSITY	\$1,911,978	11.75%
UNIVERSITY OF OKLAHOMA	\$1,720,500	10.57%
OU-HSC	\$57,000	0.35%
Subtotal - Research Universities	\$3,689,478	22.67%
STATE SYSTEM REGIONAL UNIVERSITIES		
CAMERON UNIVERSITY	\$594,399	3.65%
EAST CENTRAL UNIVERSITY	\$411,186	2.53%
LANGSTON UNIVERSITY	\$190,500	1.17%
NORTHEASTERN STATE UNIVERSITY	\$847,978	5.21%
NORTHWESTERN OKLAHOMA STATE UNIV	\$173,740	1.07%
OKLAHOMA PANHANDLE STATE UNIVERSITY	\$52,000	0.32%
ROGERS STATE UNIVERSITY	\$447,500	2.75%
SOUTHEASTERN OKLAHOMA STATE UNIV	\$319,000	1.96%
SOUTHWESTERN OKLAHOMA STATE UNIV	\$469,634	2.89%
UNIV OF CENTRAL OKLAHOMA	\$1,566,000	9.62%
UNIV OF SCIENCE & ARTS OF OKLAHOMA	\$129,365	0.79%
Subtotal - Regional Universities	\$5,201,302	31.95%
STATE SYSTEM COMMUNITY COLLEGES		
CARL ALBERT STATE COLLEGE	\$263,970	1.62%
CONNORS STATE COLLEGE	\$252,500	1.55%
EASTERN OKLAHOMA STATE COLLEGE	\$195,500	1.20%
MURRAY STATE COLLEGE	\$186,500	1.15%
NORTHEASTERN OKLAHOMA A & M COLLEGE	\$203,843	1.25%
NORTHERN OKLAHOMA COLLEGE	\$353,000	2.17%
OKLAHOMA CITY COMMUNITY COLLEGE	\$913,000	5.61%
OKLAHOMA STATE UNIV, OKLA CITY	\$461,750	2.84%
OKLAHOMA STATE UNIVERSITY IT-OKMULGEE	\$306,000	1.88%
REDLANDS COMMUNITY COLLEGE	\$102,000	0.63%
ROSE STATE COLLEGE	\$468,441	2.88%
SEMINOLE STATE COLLEGE	\$224,000	1.38%
TULSA COMMUNITY COLLEGE	\$1,219,500	7.49%
WESTERN OKLAHOMA STATE COLLEGE	\$110,500	0.68%
Subtotal - Community Colleges	\$5,260,504	32.32%
Subtotal - State System	7 \$14,151,284	86.94%

INDEPENDENT COLLEGES & UNIVERSITIES		
BACONE COLLEGE	\$47,450	0.29%
COLLEGE OF THE MUSCOGEE NATION	\$23,000	0.14%
COMMUNITY CARE COLLEGE	\$111,150	0.68%
FAMILY OF FAITH COLLEGE	\$0	0.00%
MID-AMERICA CHRISTIAN UNIVERSITY	\$165,750	1.02%
OKLAHOMA BAPTIST UNIVERSITY	\$220,350	1.35%
OKLAHOMA CHRISTIAN UNIVERSITY	\$84,500	0.52%
OKLAHOMA CITY UNIVERSITY	\$97,500	0.60%
OKLAHOMA WESLEYAN UNIVERSITY	\$99,450	0.61%
ORAL ROBERTS UNIVERSITY	\$233,350	1.43%
RANDALL UNIVERSITY	\$40,300	0.25%
SOUTHERN NAZARENE UNIVERSITY	\$206,050	1.27%
SOUTHWESTERN CHRISTIAN UNIVERSITY	\$64,350	0.40%
UNIVERSITY OF TULSA	\$282,100	1.73%
Subtotal - Independent Colleges	\$1,675,300	10.29%
CAREER TECHNOLOGY CENTERS		
AUTRY TECHNOLOGY CENTER	\$11,995	0.07%
CADDO KIOWA VOC TECH CENTER	\$5,050	0.03%
CANADIAN VALLEY TECHNOLOGY CENTER	\$16,940	0.10%
CENTRAL OKLAHOMA TECHNOLOGY CENTER	\$16,586	0.10%
CHISHOLM TRAIL TECHNOLOGY CENTER	\$3,000	0.02%
EASTERN OK COUNTY TECHNOLOGY CENTER	\$5,340	0.03%
FRANCIS TUTTLE TECHNOLOGY CENTER	\$38,157	0.23%
GORDON COOPER TECHNOLOGY CENTER	\$17,072	0.10%
GREAT PLAINS TECHNOLOGY CENTER	\$5,500	0.03%
GREEN COUNTRY AREA VOC TECH SCHOOL	\$7,875	0.05%
HIGH PLAINS TECHNOLOGY CENTER	\$4,329	0.03%
INDIAN CAPITAL TECHNOLOGY CENTER	\$47,250	0.29%
KIAMICHI TECHNOLOGY CENTER	\$50,092	0.31%
MERIDIAN TECHNOLOGY CENTER	\$13,347	0.08%
METRO TECHNOLOGY CENTER	\$27,836	0.17%
MID-AMERICA TECHNOLOGY CENTER	\$1,000	0.01%
MID-DEL TECHNOLOGY CENTER	\$3,500	0.02%
MOORE-NORMAN TECHNOLOGY CENTER	\$17,400	0.11%
NORTHEAST TECHNOLOGY CENTER	\$26,300	0.16%
NORTHWEST TECHNOLOGY CENTER	\$1,395	0.01%
PIONEER TECHNOLOGY CENTER	\$7,183	0.04%
PONTOTOC TECHNOLOGY CENTER	\$8,872	0.05%
RED RIVER TECHNOLOGY CENTER	\$5,000	0.03%
SOUTHERN OKLAHOMA TECHNOLOGY CENTER	\$9,400	0.06%
SOUTHWEST TECHNOLOGY CENTER	\$8,500	0.05%
TULSA TECHNOLOGY CENTER	\$72,564	0.45%
WES WATKINS TECHNOLOGY CENTER	\$6,068	0.04%
WESTERN OKLAHOMA TECHNOLOGY CENTER	\$13,823	0.08%
Subtotal - Career Technology Centers	\$451,374	2.77%
	\$16,277,958	100.00%