OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
655 Research Park in Oklahoma City, Oklahoma

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Wednesday, April 15, 2026

1. **ANNOUNCEMENT FILING OF MEETING NOTICE AND POSTING OF THE AGENDA IN ACCORDANCE WITH THE OPEN MEETING ACT.** The Oklahoma State Regents for Higher Education held a regular meeting at 1:00 p.m. on Wednesday, April 15, 2026, at the Presbyterian Health Foundation Conference Center in Oklahoma City, Oklahoma Notice of the meeting had been filed with the Secretary of State on October 14, 2025, and amended on April 2, 2026. A copy of the agenda for the meeting had been posted in accordance with the Open Meeting Act.

2. **CALL TO ORDER.** Chair Courtney Warmington called the meeting to order at 1:00 p.m. and presided. Present for the meeting were State Regents Ken Levit, Jack Sherry, Steven W. Taylor, Dennis Casey, Courtney Warmington, Phillip Mitchell "Mitch" Adwon and Jeffrey W. Hickman. Regents Dustin J. Hilliary and Michael C. Turpen were absent.

3. **STATE REGENTS PERFORMANCE FUNDING FORMULA.** Discussion and update on progress toward the development of a new performance funding formula. Chair Warmington thanked Regent Hickman for his leadership in chairing the Funding Formula Committee for the past several years and expressed appreciation for his service alongside Regents Casey and Taylor. Chair Warmington introduced HCM Strategists consultants Tom Allison, Director of State Policy and Finance, and Brenae Smith, Associate Director. They provided a walkthrough of the latest iteration of the model and shared updates based on feedback received through the stakeholder engagement process. Chancellor Sean Burrage also thanked Regent Hickman for his service and work on the committee and board. Chancellor Burrage noted that most institutional funding has historically been driven by base allocations with limitations, including that the model does not account for enrollment changes and does not provide a meaningful pathway for institutions to increase funding when the overall higher education budget remains flat. He explained that the proposed model is intended to address those challenges by more closely aligning a portion of funding with enrollment, student success, and workforce outcomes while maintaining institutional stability through phased implementation and funding guardrails. He noted that no institution would experience more than a two percent reduction in funding in a single year and that only five percent of total appropriations would initially be subject to the model, gradually increasing over time. Chancellor Burrage stated that a clear outcomes-based model better positions higher education to demonstrate value and advocate for future investment. Director Allison reviewed the timeline for development of the new formula. In February 2026, OSRHE hosted engagement sessions with institutional councils and legislators. HCM developed recommended changes based on stakeholder feedback and circulated a proposal package to the Funding Formula Committee. Director Allison noted that the goal is for the Regents to consider the new model and begin implementation with future budget allocations following passage of the state budget. Regent Taylor commented that discussions regarding development of a new funding formula had actually been ongoing for approximately two years. Director Allison explained that Oklahoma has used the current performance-based funding formula since 2012, though it has only been used to distribute new appropriations, peaking at $29 million in FY24. He reviewed the guiding principles of the proposed model, stating that it is intended to support the Blueprint 2030 strategic plan, align with state priorities and initiatives, provide evidence-based incentives to improve student access and success,

create a sustainable and consistent model, and strengthen the state system's ability to advocate for increased funding. Director Allison reviewed the proposed framework for the model, which includes five primary components: core costs, enrollment, retention and success, opportunity, and workforce. Enrollment measures include first-time enrollment, headcount, adult students, Pell recipients, and academically underprepared students. Retention and success measures include student progression, transfer outcomes, on-time completions, and total completions. Opportunity measures focus on completions among Pell, adult, and academically underprepared students. Workforce measures include STEM and critical occupation completions, employment outcomes, and median wages of graduates employed in Oklahoma. Retention and success account for 30 percent of the framework, enrollment and workforce each account for 25 percent, and opportunity accounts for 20 percent.

Regent Hilliary entered the meeting at 1:50 p.m.

Director Allison stated that the proposed model aligns with Governor Stitt's Executive Order 2026-08 regarding workforce and economic development alignment. He noted that the Executive Order also references research and development, innovation, technology transfer, intellectual property, affordability, system efficiency, and measurable return on investment for students. Director Allison stated that the formula would initially apply only to main campuses. Regent Hickman commented that funding formulas for constituent agencies would likely be considered in a future phase. Director Allison reviewed the phased implementation schedule, beginning with five percent of appropriations subject to the model in year one and increasing to 25 percent by year five. He also reviewed stakeholder feedback received from institutions and Regents. Concerns raised included institutional mission differences, the use of current base funding, and the impact of peer performance on institutional funding outcomes. Director Allison noted that the addition of enrollment measures and total completions, in addition to on-time completions, helped address some stakeholder concerns. Some institutions also suggested consideration of delaying implementation until FY28. Associate Director Smith reviewed the proposed three-tier institutional structure consisting of community colleges, regional universities, and flagship institutions. She explained that the model utilizes FY26 budget data and a three-year average of academic performance data from FY23 through FY25. She noted that no major institutional funding shifts are expected during the first year of implementation. Associate Director Smith stated that the estimated annual cost of a hold harmless provision to level-fund institutions would be approximately $1.7 million. Associate Director Smith also discussed ways institutions could improve outcomes under the proposed model, including strengthening recruitment efforts, increasing student retention and completion through student support services, and expanding STEM and critical occupation programs to improve workforce outcomes and employer partnerships. Regent Casey emphasized the importance of ensuring institutional funding stability. Director Allison responded that institutions should continue to receive increases in funding under the model, although increases may vary among institutions. Regent Hickman stated that the intent of the new funding formula was for it to be reviewed and adjusted as needed over time. Regent Warmington requested discussion comparing implementation with a year-one hold harmless provision versus delaying implementation until FY28. Director Allison discussed political and policy considerations associated with implementation timing and stated that a hold harmless provision may not be necessary if additional state appropriations are provided in FY28. Regent Taylor stated his support for implementing the model with the June 2026 allocations but expressed opposition to including a hold harmless provision. Regent Hilliary commented that a performance-based model may strengthen future legislative support for higher education funding. Regent Warmington also asked whether there were recurring concerns raised by stakeholders, and Director Allison discussed comments related to access metrics and the potential for future refinement of those measures.

4. **NATIONAL HIGHER EDUCATION TRNEDS.** Update and discussion on national trends and strategic issues in higher education, including, but not limited to, financial sustainability, academic innovations, degree policy, and workforce alignment. Senior Fellow and Consultant for the Association of Governing Boards Dr. Carlton Brown presented on the changing landscape in higher education. Top strategic issues for boards are reaffirming roles and responsibilities, developing and supporting higher education leaders, improving student access and success, ensuring institutional vitality, managing uncertainty, and renewing higher education's purpose.

The Regents meeting briefly recessed at 2:40 p.m. due to a fire alarm. The meeting reconvened at 2:52 p.m. Present for the meeting were Regents Levit, Sherry, Taylor, Casey, Warmington, Hilliary, and Hickman. Regents Adwon and Turpen were absent.

Dr. Brown discussed several factors contributing to stress on higher education business models, including thinning operating margins, deferred maintenance, increasing costs, limited student ability to pay, cash flow concerns, declining investment returns, and liquidity challenges. He also discussed demographic changes affecting higher education, including a declining K-12 student population and increasing student diversity. Dr. Brown noted that approximately 43.1 million adults in the United States have some college credit but no degree. Dr. Brown discussed the evolving and increasingly blurred roles among higher education institutions. He noted the continued growth of early college and concurrent enrollment programs, universities offering associate degree programs, and community colleges offering bachelor's degrees. He also discussed the increasing involvement of regional entities and businesses in developing educational programs, as well as the growth of online learning opportunities offered through major corporations. He stated that these developments contribute to changing perceptions regarding the traditional role of higher education. Dr. Brown also discussed competency-based education and the continued reliance on the traditional credit hour model. He noted that some employers no longer require college degrees for certain occupations. Potential responses discussed included relaxing credit transfer policies, expanding competency-based education models, strengthening industry alignment, developing stackable and integrated credentials, and expanding opportunities for experiential learning credit. At the conclusion of the presentation, Dr. Brown discussed considerations related to offering 90-hour bachelor's degree programs, including performance expectations, industry connectivity, personalization, support services, transferability, and compatibility with graduate and professional education pathways. He also discussed questions related to instructional delivery models, including competency-based versus credit-hour structures, expanded coaching and professional development support, internships and practica opportunities, industry integration, general education requirements, and online learning. Dr. Brown and the Regents also discussed the continued importance of traditional in-person learning opportunities alongside online education offerings.

5. **ADJOURN.** With no other items to discuss, the meeting was adjourned.

ATTEST:

C. Warmington

Courtney Warmington, Chair

Steven Taylor

Steven W. Taylor, Secretary