

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Research Park, Oklahoma City

MINUTES OF THE COMMITTEE-OF-THE-WHOLE Wednesday, January 31, 2018

1. **ANNOUNCEMENT OF FILING OF MEETING NOTICE AND POSTING OF THE AGENDA IN ACCORDANCE WITH THE OPEN MEETING ACT.** The Committee-of-the-Whole met at 10:30 a.m. on Wednesday, January 31, 2018, in the Regents Conference Room at the State Regents' offices in Oklahoma City, Oklahoma. Notice of the meeting was filed with the Secretary of State on October 12, 2017. A copy of the agenda had been posted as required by the Open Meeting Act.
2. **CALL TO ORDER.** Participating in the meeting were Regents Ron White, Jay Helm, Jody Parker, Ann Holloway, Andy Lester and John Massey. Regent Jeff Hickman joined the meeting at 10:45 a.m. and Regent Mike Turpen entered the meeting at 12:20 p.m. Regent White called the meeting to order and presided.
3. **MERCER HAMMOND.** Ms. Beth Johnson, Mr. Tim Westrich, and Mr. Anthony Brown from Mercer-Hammond were present in person to discuss the Oklahoma State Regents for Higher Education's (OSRHE) current investments and market environment. Ms. Johnson and Mr. Westrich discussed the current market environment, investment returns and investment manager recommendations. Mr. Westrich stated that the OSRHE Endowment had a 16 percent return through November 30, 2017. He stated that it was a combination of good managers and a great market environment. He finished by stating that the United States market is up 40 percent since the 2016 presidential election.

Ms. Johnson finished by discussing the new investment manager below:

- a. IronPoint IV– \$7 million.
4. **BUDGET REPORT AND REVENUE UPDATE.** Vice Chancellor for Budget and Finance Amanda Paliotta stated that the Board of Equalization (BOE) met in December and gave a preliminary FY19 budget gap of approximately \$156 million. She stated that for now the OSRHE budget is holding steady and the February BOE meeting will provide much more information on the state's overall financial position.
5. **EMPLOYMENT OUTCOMES REPORT.** Vice Chancellor for Strategic Planning and Analysis and Workforce and Economic Development Tony Hutchison gave a brief presentation on the 2017 Employment Outcomes Report. Vice Chancellor Hutchison stated that with staff retirements and changes in process, this report has been updated and improved. The process of comparing and matching data with the Unitized Data System (UDS), the Oklahoma Employment Security Commission (OESC), and the Oklahoma Tax Commission has been improved, allowing OSRHE staff to gather employment data quarterly rather than a two to three year window. This has also allowed the use of median annual salaries instead of average salaries as a more precise measurement and allowed the development of a new tableau dashboard to filter this information and create reports.

Vice Chancellor Hutchison highlighted the following areas of the report:

- For 2009-2010 Oklahoma resident graduates: after five years, 80 percent of associate degree graduates and 77 percent of bachelor's degree graduates are employed.

- For 2013-2014 Oklahoma resident graduates: after one year, 89 percent of associate degree graduates and 87 percent of bachelor's degree graduates are employed.
- 2009-10 graduates are employed in the top six fields of study five years after graduation: health professions, business management and administration, education, liberal arts or general studies, social sciences and STEM.
- The median annual salary of bachelor's degree graduates employed in Oklahoma five years after graduation is \$41,460, increasing every year from year one after graduation.
- Graduates with engineering, computer science and other technical degrees consistently earn higher median annual salaries, with engineering having the highest median annual salary at \$75,182.

6. **LEGISLATIVE UPDATE.** Vice Chancellor for Governmental Relations Todd Pauley gave a brief update on legislative activity. He stated that the State Regents will present Senator Roger Thompson with a Distinguished Service Award at the State Regents meeting on February 1, 2018. He also stated that the first legislative tour was held on January 16, 2018 at Northern Oklahoma College in Enid and another will be held at Oklahoma City Community College on Friday, February 2, 2018. Additionally, 2018 Higher Education Day at the State Capitol is scheduled for Tuesday, February 13, 2018.

Vice Chancellor Pauley also highlighted the following legislation:

- HB 2815 and SB 951– both bills state that no agency can enter into a private attorney contract without approval from the Attorney General.
- SB 1366 – this bill creates a state employee compensation task force.
- HB 2883 and HB2557– both bills set the maximum salary for full-time agency employees at \$120,000 and requires that salary and performance bonuses be approved by the Legislature.
- HB 2893 – this bill sets the maximum salary of agency employees to be no greater than the Governor's salary.
- HB 3587 – this bill states that the Governor will have the power to remove any gubernatorial appointment on any agency, board or commission at any time.
- SB 1391 – this bill requires every state agency to reduce its administrative cost by 10 percent within 30 days of the measure passing.
- HB 3054 – this bill states that education agencies should be exempt from the IT Consolidation Act.
- SB 924 – this bill would require an audit for every agency that requests an increase in funding relative to its current fiscal year request.
- SB 876 – this bill would replace agency legislative liaisons with auditors.
- SJR 48 – this resolution would put to a vote of the people a constitutional amendment requiring a line item budget of the State System of Higher Education.
- HB 2918 – this bill would allow concealed carry without a license.
- HB 2951 – this bill removes language requiring a license and updates definition for proper use of a firearm.
- SB 957 – this bill adds “places of worship” to places where citizens have a right to use defensive force.
- SB 1159 – this bill states that no public college, tech center, or university can deny the ability to carry a concealed handgun by a citizen with a valid license.
- SB 1214 – this bill creates the “Firearms Freedom Act” which is an exemption from federal gun law.

- SB 1225 – this bill prohibits public money from being used to promote gun control.
- SB 889 – this bill would lower the Oklahoma’s Promise second income check amount from \$100,000 to \$75,000 beginning in 2023-2024.
- HB 3591 – this bill would require that all other grants and scholarships be exhausted prior to the Oklahoma’s Promise award being administered.

7. **EXECUTIVE SESSION.** Regent Helm made a motion, seconded by Regent Holloway, to enter executive session for confidential communications between the board and its attorneys concerning pending investigations, claims, or actions. Voting for the motion were Regents Helm, Parker, Holloway, Lester, Hickman, Turpen, Massey and White. Voting against the motion were none.

Following executive session discussions, Regents returned to open session.

8. **TASK FORCE REPORTS.**

- Online Education Task Force.** Vice Chancellor for Academic Affairs Debbie Blanke stated that the next meeting of the Online Education Task Force will be February 1, 2018 and they will discuss the 2018 Learning Innovations Summit and seeking external funding for the continued work of the Council for Online Learning Excellence.
- State Regents Safety and Security Task Force.** Associate Vice Chancellor Angela Caddell updated the Regents on the status of the Campus Safety and Security Task Force. She stated that the task force is currently preparing for the 2018 Campus Safety and Security Summit on November 1, 2018 at the Reed Center in Midwest City. She stated that the Midwest City Police Department will conduct a live shooter exercise and the Summit will also have concurrent sessions focusing on business continuity for long term disaster impacts, drug abuse recognition, active shooter training, earthquake preparedness and sexual assault education and awareness.

9. **“BEST OF HIGHER EDUCATION” REPORT.** Regents received the January 2018 update on institutional activities via e-mail.

10. **CALENDAR OF EVENTS.** Chancellor Johnson discussed several upcoming events:

- Tuesday, February 13, 2018 – Higher Education Day at the State Capitol – 2:00 p.m. in the House Chamber of the State Capitol.
- Wednesday, March 28, 2018 – State Regents Meeting - 10:30 a.m. at the State Regents Office in Oklahoma City.
- Wednesday, March 28, 2018 – State Regents Dinner – 6 p.m. – TBD.
- Thursday, March 29, 2018 – Distinguished Service Award Reception and Presentation to Representative Scott Martin – 8:30 a.m. – Reception will be held in the Library Conference Room followed by the award presentation in the State Regents Conference Room at 9 a.m.
- Thursday, March 29, 2018 – State Regents Meeting – 9:15 a.m. at the State Regents Office in Oklahoma City.
- Wednesday, April 25, 2018 – State Regents Meeting - 10:30 a.m. at the State Regents Office in Oklahoma City.

- Wednesday, April 25, 2018 – State Regents Dinner – 6 p.m. – TBD.
- Thursday, April 26, 2018 – State Regents Meeting – Tuition Hearing - 9 a.m. at the State Regents Office in Oklahoma City.
- Thursday, April 26, 2018 – State Regents Meeting – 10 a.m. at the State Regents Office in Oklahoma City.
- Thursday, May 24, 2018 – State Regents Meeting - 10:30 a.m. at the State Regents Office in Oklahoma City.
- Thursday, May 24, 2018 – State Regents Dinner – 6 p.m. – TBD.
- Friday, May 25, 2018 – State Regents Meeting - 9 a.m. at the State Regents Office in Oklahoma City.

11. **ADJOURNMENT.** With no other items to discuss, the meeting was adjourned.

ATTEST:



Ron White, Chairman



Jody Parker, Secretary