

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
655 Research Parkway, Oklahoma City

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Thursday, May 30, 2019

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 a.m. on Thursday, May 30, 2019, in 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 September 18. 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 Steven W. Taylor. Regent Helm called the meeting to order. Regent Jeff Hickman joined the meeting at 10:40 a.m. Regent Toney Stricklin joined the meeting at 12:40 p.m. Regent Michael C. Turpen was absent.
3. **RECOGNITION.**
 - a. Chancellor Glen D. Johnson introduced University of Central Oklahoma President Don Betz and recognized his 49-years of service to Higher Education, including as president of three senior regional universities in Oklahoma and Wisconsin. President Betz spoke of his years at Northeastern State University and the University of Central Oklahoma and of the important role that higher education plays in today's world.
 - b. Chancellor Glen D. Johnson introduced Northeastern Oklahoma A&M College President Jeff Hale and recognized his 36-year career in education, which began as a teacher in Mustang Public Schools, continued with positions at the University of Oklahoma and Southeastern Oklahoma State University, and culminated with 11 years as president at Northeastern Oklahoma A&M College. President Hale spoke of his years at NEO A&M College and the many advancements the institution saw through those 11 years.
4. **EXECUTIVE SESSION.** Because of scheduling circumstances, the order of items was adjusted to have executive session early. Regent Holloway made a motion, seconded by Regent Lester, 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 White, Helm, Parker, Holloway, Lester, Hickman, and Taylor. Regent Turpen and Stricklin were absent. Voting against the motion were none.
5. **NORTHWESTERN OKLAHOMA STATE UNIVERSITY UPDATE.** President Janet Cunningham from Northwestern Oklahoma State University (NWOSU) gave a brief update on the Doctor of Nursing program at NWOSU. Dr. Shelly Wells, Director of the Charles Morton Share Division of Nursing, and Dr. Pat Thompson, Doctor of Nursing Program (DNP) Director, were also present to provide the update. President Cunningham stated that part of NWOSU's mission is to meet the needs of the communities throughout Northwestern Oklahoma, and one of the critical needs in those communities over the past several years has been rural health care. With the difficulty of recruiting physicians to rural areas, NWOSU identified the need for a Doctor of Advanced Nursing Practice program. In a public/private partnership with the Charles

Morton Share Trust and the Wisdom Family Foundation, a \$5 million endowment was provided to start the milestone program. With encouragement and assistance from Regent Ron White, former Vice Chancellor Blake Sonobe, and Chancellor Glen D. Johnson, the program was initiated with an initial projected graduation class for Spring 2020. Dr. Wells gave details of the on-going success of the DNP program and the work provide by the dedicated faculty. Dr. Thompson provided an update on practicum designed for the students of the program. Regent Helm congratulated NWOSU on the success of the program.

6. **LANGSTON UNIVERSITY UPDATE.** President Kent Smith from Langston University (LU) provided Regents with an update on the Bachelor of Science in Nursing program and the Doctor of Physical Therapy program. President Smith explained that the Bachelor of Science in Nursing program has had steady enrollment with participation at 24 clinical sites across the state. Pass rates have ranged from 70 - 90 percent in the program at the LU campus with equally successful pass rate results at the Tulsa Campus. He explained that the Accreditation Commission for Education in Nursing (ACEN) reaccredited the School of Nursing at LU until 2026. The graduates from LU's program are currently working at over 70 different facilities sites. Some sites include: St. Francis Hospital, Tulsa, OK; Huntsman Cancer Institute, Utah; Integris Intermediate Care, OKC; Treemont Nursing and Rehabilitation, Texas.

He added that the partnership in Ardmore with the University Center of Southern Oklahoma, which began in January 2019, has admitted 14 students. LU now has an articulation agreement with Murray State College to offer nursing. He added that the Ardmore community has been very supportive.

President Smith also addressed LU's Doctor of Physical Therapy program. LU moved into a new facility in summer 2016. Currently, LU has 3 clinical labs, 1 anatomy lab, and 1 gait lab. Plans are to add a simulation lab by Fall 2019 and a virtual reality component to the gait lab by Spring 2020. He stated that over the past 5 years, LU has had a 100 percent employment rate for graduates, with graduates working in rural and urban areas in a variety of clinical settings. LU has over 100 contracts that cover 210 facilities and 11 states. Regent Taylor asked about the number of applications for the program. President Smith explained that they receive 200-250 applications for 15 slots that are available each year.

7. **FISCAL VIABILITY REVIEW.** Chancellor Glen D. Johnson explained that the Task Force on the Future of Higher Education recommended that a fiscal viability review and assessment be conducted for each of the 25 colleges and universities within the State System of Higher Education. Huron Consulting recently completed the first study on Redlands Community College (RCC.) Mr. John Curry and Mr. Collin McWilliams from Huron presented their report on RCC. RCC President Jack Bryant was also present to answer any questions from the Regents.

Mr. McWilliams explained that the report focused on five components – Financial, Operational, Enrollment, Capital, and Strategic. Huron understands that Redlands was in financial turmoil in 2013 and nearing financial insolvency. Through a change in leadership and focus on the future, RCC has taken large steps to address its financial challenges. RCC has made difficult financial decisions, but a focus on student success and strategic planning has allowed the college to offer successful programs, manage expenses, and improve its financial position.

Financial Performance Key Findings include:

- Since 2014, net position has increased by ~\$6.2M with an average growth rate of 14.2% by growing total assets at 6.6% and increasing total liabilities by 2.5% annually over a five-year period.
- Although, on an adjusted GASB 68 and 75 basis, overall financial health is improving, Redlands must consider the impact of being held liable for all pension adjustments.
- Due to limited unrestricted net assets, RCC is heavily reliant on day-to-day operating income, which places the institution in a precarious situation and vulnerable to unforeseen expenditure needs.
- RCC's ability to manage expenses intentionally has allowed the college to see some years of positive operating returns, which has allowed for increases in cash-on-hand and increases of unrestricted net assets.

Operations and Enrollment Key Findings include:

- Adjusted operating revenues (-3.9%) have declined on average at a higher rate than adjusted operating expenses (-3.4%) over the last five years, leading to unstable operating margins.
- Redlands has four main drivers of revenue—state appropriations, tuition and fees, grants and contracts, and auxiliary services. During the period studied, only grants and contracts have shown consistent positive growth (3.3%).
- Net tuition and fees on average has decreased at a rate of -2.2%.
- Redlands is heavily reliant on state appropriations, as on average 33% of its total revenues are funded through the state.
- Auxiliary revenue has decreased significantly (\$1.3M) over the past five years due to declines in enrollment and discontinuing services.
- Redlands was able to significantly reduce their amount of operating expenses on a yearly basis by cutting administrative staff and other positions.
- As tuition at RCC has increased, enrollment at the college has decreased modestly. This could indicate limited pricing flexibility as an opportunity for revenue enhancement.

After completing the analysis of RCC's financial standing, Huron provided the following conclusions:

- a. New or enhanced revenue sources should be identified to maintain the college's financial health and stabilize day-to-day operations.
- b. RCC leadership has been successful in reducing operating expenses since 2013, however, this practice will become unsustainable if operating revenues continue to fall.
- c. Take a conservative approach to large outlays for capital projects in an effort to build reserves.

In closing, Mr. Curry stated that RCC needs to increase their revenue through various methods, such as through tuition, retention, facility rental and partnerships with local private organizations to accomplish goals.

Mr. Curry and the Regents discussed the way forward for future studies. Regent Helm suggested that future analysis of our institutions be a mixture of community colleges, regional universities and research universities. Regent Helm requested that Huron provide their reports to the board 10 days prior to the meeting. President Bryant thanked the Regents for supporting the work that Huron did on the RCC campus. He explained that it was important to the institution to have a clear understanding of their current situation before it can map out a path forward.

8. **BUDGET REPORT AND REVENUE UPDATE.** Ms. Amanda Paliotta, Vice Chancellor for Budget and Finance, gave a brief budget report. She stated that the legislature had appropriated \$802.1 million for the state system of higher education for FY 2020. That is \$25.4 million over FY19 funding. She stated that FY19 revenue is going well and has no concerns.
9. **LEGISLATIVE UPDATE.** Ms. LeeAnna McNally, Vice Chancellor for Governmental Relations, gave a brief legislative report. She stated that Legislature finished their work and the Governor has signed 506 bills into law. Those that higher education watched closely included the following:

House Bill 1921 - Creates the Oklahomans Virtually Everywhere Act of 2019, directing the Oklahoma State Regents for Higher Education, the State Board of Career and Technology Education, the Department of Commerce, and the Office of Management and Enterprise Services to research and develop a proposal to make Oklahoma a leader in virtual presence. OneNet will have the lead in developing this venture.

House Bill 2669 - Creates the nine-member State Revenue Apportionment Evaluation Commission. The bill establishes membership and meeting requirements. The bill requires the commission to analyze the state revenue system with special emphasis on the amount of revenue which is apportioned for purposes other than expenditures from the General Revenue Fund of the State Treasury. The bill requires the commission to prepare a summary, within 120 days after the end of each fiscal year, of the revenue sources which are apportioned to destinations other than the General Revenue Fund.

House Bill 2597 - Makes Oklahoma a constitutional carry state. The bill permits a person at least 21 years of age or older, or 18 years of age but not yet 21 and a member or veteran of the United States Armed Forces, Reserves or National Guard or was discharged under honorable conditions, and who is otherwise not disqualified from the possession or purchase of a firearm under state or federal law and is not carrying the firearm in furtherance of a crime to carry a firearm, concealed or unconcealed, loaded or unloaded. The law continues with higher education exemptions preserved.

House Bill 2292 - Expands eligibility for individuals to attend law enforcement courses and training at technology center schools and higher education institutions.

10. **TASK FORCE REPORTS.**

- a. **Online Education Task Force.** Vice Chancellor for Academic and Student Affairs Debbie Blanke stated that the Online Education Task Force would not have a meeting in May but will meet in June following the State Regents Meeting on June 27, 2019.
- b. **State Regents Campus Safety and Security Task Force.** Associate Vice Chancellor for Communications Angela Caddell provided an update to Regents regarding a potential grant opportunity from the Oklahoma Department of Mental Health and Substance Abuse Services. She explained that the Oklahoma Department of Mental Health and Substance Abuse Services received a \$7 million federal grant to support state opioid response activities. A portion of the funds were allocated for a higher education outreach initiative. The initiative focuses on three areas: training and education, information dissemination, and referral services. Five higher education institutions will be funded a maximum amount of \$50,000 each for the fiscal year 2020. The total grant amount is \$250,000,

subject to the availability of funds. This will be an agenda item for Regents' consideration in June.

11. **“BEST OF HIGHER EDUCATION” REPORT.** Regents received the May 2019 update on institutional activities via e-mail on Wednesday, May 29.

12. **CALENDAR OF EVENTS.**

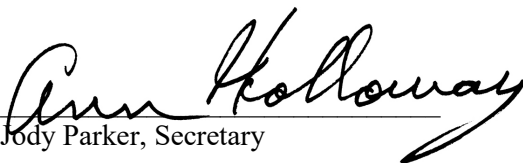
- Wednesday, June 26, 2019 - State Regents Meeting – 10:30 a.m. at the State Regents' Office in Oklahoma City.
- Wednesday, June 26, 2019 – State Regents Dinner – 6:00 p.m. – TBA.
- Thursday, June 27, 2019 – State Regents Meeting – 9:00 a.m. at the State Regents' Office in Oklahoma City.
- Wednesday, September 4, 2019 - State Regents Meeting – 10:30 a.m. at the State Regents' Office in Oklahoma City.
- Wednesday, September 4, 2019 – State Regents Dinner – 6:00 p.m. – TBA.
- Thursday, September 5, 2019 – State Regents Meeting – 9:00 a.m. at the State Regents' Office in Oklahoma City.
- Wednesday, October 23, 2019 - State Regents Meeting – 10:30 a.m. at the State Regents' Office in Oklahoma City.
- Wednesday, October 23, 2019 – State Regents Dinner – 6:00 p.m. – TBA.
- Thursday, October 24, 2019 – State Regents Meeting – 9:00 a.m. at the State Regents' Office in Oklahoma City.

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

ATTEST:



Jay Helm, Chairman



Jody Parker, Secretary