

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Research Park, Oklahoma City

MINUTES OF THE COMMITTEE-OF-THE-WHOLE Thursday, September 5, 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 10:00 a.m. on Thursday, September 5, 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 Toney Stricklin, Ron White, Jay Helm, Jody Parker, Ann Holloway, Andy Lester, Michael C. Turpen, and John Massey. Regent Hickman was absent. Regent Helm called the meeting to order.
3. **MERCER HAMMOND.** Ms. Beth Johnson, Mr. Tim Westrich and Mr. Dave McMillan from Mercer were present to discuss the Oklahoma State Regents for Higher Education's (OSRHE) current investments and market environment. Mr. Westrich stated that for the one-year period ending in July, the endowment performance was up 7.4 percent and was driven by strong returns from U.S. equity and private equity.

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

- a. Freeman Spogli Equity Partners VIII – \$7 million.
 - b. Maverick Capital – \$10 million.
 - c. Cider Mill Investments Offshore Fund - \$8.6 million.
 - d. Criterion Vista Offshore - \$6.2 million.
 - e. Lombard Odier 1798 UK Small Cap - \$6.2 million.
 - f. Cevian Capital II, Limited - \$6.2 million.
4. **DELETED ITEM.**
 5. **OKLAHOMA'S PROMISE UPDATE.** President Stephen Pruitt and Dr. Cheryl Blanco, Vice President for Postsecondary Education, Southern Regional Education Board (SREB) gave a brief overview of the SREB Oklahoma's Promise Program Performance Review. President Pruitt began by commending Oklahoma for inviting a third party to evaluate the Oklahoma's Promise program and is very happy to begin his tenure at SREB conducting this study.

Dr. Blanco gave a brief overview of the report and began by thanking Chancellor Glen D. Johnson and Mr. Bryce Fair, Associate Vice Chancellor for Scholarships and Grants, for their assistance with the review. She stated that SREB was charged with reviewing five areas: state and OSRHE degree-completion goals, program structure, program outcomes, program administration, and coordination with other financial aid. Dr. Blanco stated that while Oklahoma's Promise enrollment has declined, the percentage of students completing the program requirements has increased. Additionally, Oklahoma's Promise has had more than 80,000 recipients since the program began, and on all outcome measures, Oklahoma's Promise students outperform non-Oklahoma's Promise students, which is a strong indication that the program is doing what it was designed to do. Dr. Blanco went on to say that certain aspects of the program structure and administration make it a unique program including: readiness for college-level

courses, enrolling students in junior high when they start planning their college path, and allowing students to start college within three years of their high school graduation.

Dr. Blanco also reviewed the programs strengths and challenges, stating that the strengths include: students are completing program requirements in high school, students are outperforming non-Promise students on most measures, and the structure is rigorous and efficient. Challenges include: decreasing enrollments, public awareness of the program, and the cost of attendance.

Dr. Blanco finished by reviewing the final recommendations:

- Continue funding levels that support all eligible students;
- Clearly link program contributions to the educational attainment goal;
- Strengthen enrollment activities;
- Review and strengthen current marketing and administrative strategies;
- Research students not completing college degrees;
- Promote concurrent enrollment for Promise students; and
- Provide more specific information on types, amounts, and sources of financial aid that Promise students receive.

Chancellor Johnson thanked President Pruitt and Dr. Blanco for their work on the report and their presentation.

6. **ONENET UPDATE.** Mr. Von Royal, Executive Director of OneNet, gave a brief update on OneNet's operations and projects. Mr. Royal began by introducing the OneNet leadership team: Robert Nordmark, Chief Technology Officer; Sonja Wall, Director of OneNet and OCAN Services; April Goode, Director of OneNet Strategic Planning and Communications; Chris Kosciuk, Chief Information Security Officer; Brian Burkhardt, Director of Network Systems; Ami Layman, Director of Administration; Randy Crosby, Director of Network Infrastructure; and Sky Pettett, Director of Network Services. Mr. Royal thanked the OneNet team for their hard work.

Mr. Royal stated that the five key OneNet initiatives are: operational efficiencies, public and private engagements, research and education network development, technology initiatives, and communications outreach. The mission of OneNet is to advance technology across the state and OneNet is committed to serving Oklahoma as the leading internet and network service. OneNet connects over 1,200 entities including K-12 districts, tribal agency sites, vocational technology centers, libraries, hospitals and government agency sites.

Mr. Royal stated that the major operational challenge facing OneNet is being a non-appropriated state agency and therefore relying on service fees, e-rate, research funding, and higher education reimbursement. The OneNet leadership team developed a strategic plan to become more efficient in delivering services while still offering a high quality product and, as a result, reduced the cost of annual circuit expenditures by eleven percent or \$1.2 million. Additionally, OneNet implemented Salesforce, a services relations management system that improves the speed and efficiency of OneNet's service repair process.

OneNet also has a number of other initiatives, including: 1) integrating virtual reality, distance learning, augmented reality and gamification to increase student engagement, creativity and comprehension; 2) using Zoom to expand access to digital education; 3) continuing the work of the Oklahoma Community Anchor Network to expand last-mile services to rural communities; 4) working with tribal partners to better serve their citizens; and 5) continuing the #YouUseOneNet public awareness campaign to encourage users to share where they use OneNet.

7. **HIGHER EDUCATION DISTINGUISHED SERVICE AWARD.** The State Regents presented a distinguished service award to Senator Ervin Yen. Chancellor Johnson introduced Senator Yen and he gave a few brief remarks.
8. **EXECUTIVE SESSION.** Regent Parker made a motion, seconded by Regent Helm, 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, Turpen, Massey and Stricklin. Voting against the motion were none.

Following executive session discussions, Regents returned to open session.

9. **BUDGET REPORT AND REVENUE UPDATE.** Ms. Amanda Paliotta, Vice Chancellor for Budget and Finance, gave a brief budget report. She stated that the current fiscal year budget is very positive and on track; however, the July collections did come in a bit below estimates. Additionally, a \$370 million deposit was made into the state's Rainy Day Fund and work on the FY20 fiscal year has already begun. Regent Helm asked if there was any word of a mid-year failure and Vice Chancellor Paliotta stated that it is a very low chance.
10. **LEGISLATIVE UPDATE.** Ms. LeeAnna McNally, Vice Chancellor for Governmental Relations, gave a brief legislative report. She began by stating that Speaker Charles McCall approved 50 interim studies, and Vice Chancellor McNally is monitoring a few that could potentially impact revenue streams to higher education institutions. Additionally, she stated that the structure of the legislature will be very different next year, with 51 new members and several members will have 2 years or less experience.

11. TASK FORCE REPORTS.

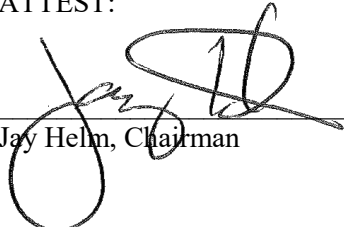
- a. **Online Education Task Force.** Vice Chancellor for Academic Affairs Debbie Blanke stated that the Online Education Task Force will meet on September 6, 2018, and will discuss the academic consortium and the work of the Council of Online Learning Excellence.
 - b. **State Regents' Function Change and Mission Expansion Subcommittee.** Chancellor Johnson stated that the first meeting of this subcommittee was held on August 22, 2018, and had very good participation. Most of the meeting was centered around background information, such as terms, a chronology of function change requests, the potential impact of institutional mergers on function change/mission expansion requests, and a review of the Task Force on the Future of Higher Education Report. The next meeting will be October 3, 2018.
 - c. **State Regents Campus 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 Campus Safety and Security Summit will be held on November 1, 2018, at the Reed Center in Midwest City. The Summit will cover topics such as cybersecurity, active shooter, earthquake preparedness, drill exercises, mental health services, and business continuity. Summit registration will open in September.
12. **"BEST OF HIGHER EDUCATION" REPORT.** Regents received the September 2018 update on institutional activities via e-mail.

13. CALENDAR OF EVENTS. Chancellor Johnson discussed several upcoming events:


- Wednesday, September 19, 2018 – 2018 Legal Issues in Higher Education Conference – 8:45 a.m. at the University of Oklahoma in Norman.
- Tuesday, October 9, 2018 – Regents Education Program Annual Conference – 8 a.m. at the PHF Conference Center in Oklahoma City.
- Wednesday, October 24, 2018 - State Regents Meeting – 10:30 a.m. at the State Regents Office in Oklahoma City.
- Wednesday, October 24, 2018 – State Regents Dinner – 6:00 p.m. – TBD.
- Thursday, October 25, 2018 – Higher Education Distinguished Service Award Reception and Presentation to Representative Kevin Wallace – 8:30 a.m. at the State Regents Office in Oklahoma City.
- Thursday, October 25, 2018 – State Regents Meeting – 9:00 a.m. at the State Regents Office in Oklahoma City.
- Tuesday, October 30, 2018 – Governor Fallin’s Annual STEM Summit – Time TBD at the Cox Convention Center in Oklahoma City.
- Thursday, November 8, 2018 - State Regents Special Budget Meeting for FY20 Budget Request – 10:30 a.m. at the State Regents Office in Oklahoma City.
- Tuesday, November 13, 2018 – State Regents’ Fall Legislative Forum – 9:00 a.m. at the *Jeaneen and Bob Naifeh Family & Bud Wilkinson Event Center (formerly Jim Thorpe Museum), located at 4040 N. Lincoln Boulevard in Oklahoma City.*
- Wednesday, December 5, 2018 - State Regents Meeting – 10:30 a.m. at the State Regents Office in Oklahoma City.
- Wednesday, December 5, 2018 – State Regents Dinner – 6:00 p.m. – Oklahoma Golf and Country Club.
- Thursday, December 6, 2018 – Higher Education Distinguished Service Award Reception and Presentation to Representative Harold Wright – 8:30 a.m. at the State Regents Office in Oklahoma City.
- Thursday, December 6, 2018 – State Regents Meeting – 9:00 a.m. at the State Regents Office in Oklahoma City.

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

ATTEST:



Jay Helm, Chairman



Ann Holloway, Secretary