

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

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Wednesday, October 20, 2021

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 1:00 p.m. on Wednesday, October 20, 2021 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 13, 2021. 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 Jack Sherry, Courtney Warmington, Jody Parker, Ann Holloway, Dennis Casey, Jeff Hickman, Michael C. Turpen, and Steven Taylor. Regent Hickman called the meeting to order.
3. **HIGHER EDUCATION DISTINGUISHED SERVICE AWARD.** Chancellor Glen D. Johnson and the State Regents presented Representative Chris Kannady with the Higher Education Distinguished Service Award for his support during the 2020 legislative session and thanked him for his service. Representative Kannady provided remarks.
4. **MERCER UPDATE.** Chancellor Glen D. Johnson introduced Ms. Beth Johnson, Mr. Tim Westrich and Mr. Matt Reckamp from Mercer. Regent Taylor, Chair of the Investment Committee, reflected on the work that had been done on the portfolio with Mercer this past year to achieve a 27 percent return.

Mr. Westrich began by discussing the markets, stating that for Q3, the markets were relatively flat and did not change the overall year-to-date picture much. He stated that the Dow Jones total stock market was down 10 basis points, global equity markets were down 1.1, the SNP was slightly positive, and non-U.S. developed markets were slightly negative. He added that outside of the U.S., emerging markets were down a little over 8 percent, but that overall everything was fairly flat. Mr. Westrich stated that year-to-date, U.S. equity markets were up close to 15 percent, fixed income markets were still flat but that they've seen a little bit of return in the trends this month, particularly in the large cap space where growth has outpaced value. He concluded by stating that overall things were shaping up well although they were relatively flat in Q3.

Ms. Johnson stated that the value of the portfolio was sitting just above \$950 million. She then discussed some of the changes they have made to the portfolio. She noted that the expected closing of the bonds on Endowed Chairs is November 18 and that Mercer will have a plan on how to invest the \$161.1 million when it comes in. She added that the State Regents will not execute on this plan until after their December meeting.

Mr. Reckamp then discussed the two private equity funds that that they are recommending OSRHE commit to. He stated that these are both growth equity funds. He discussed both Great Hill Equity Partners Fund VIII, noting that the State Regents have invested in them before. He also discussed Lead Edge Capital Fund VI, stating that because they had a little more risk associated with, their recommendation is a smaller allocation to it.

Ms. Johnson then provided newer Regents with a brief background of Mercer's work with the OSRHE and their partnership. She then discussed Mercer's responsibilities and duties and that all decisions are in the hands of the State Regents.

5. **ENDOWED CHAIRS.** Interim Vice Chancellor for Budget and Finance Sheri Mauck provided an update on the status of the 2021 Endowed Chairs bond issuance. Ms. Mauck began by discussing the history and significant milestones of the Endowed Chairs program, noting that the Oklahoma legislature appropriated funding for the purpose of establishing an endowed chairs program in Spring 1988, and the State Regents adopted a policy to establish the endowed chairs program in October 1988. She then stated the definition of the endowment trust. Ms. Mauck stated that the purpose of the program was to enhance the quality of higher education in Oklahoma by providing state funds as a match for private donations for endowed chairs, distinguished professorships, visiting professorships, and enhance educational opportunities for students. She then discussed the requirements for the endowment accounts and described the various levels. She discussed the current timeline of the Endowed Chairs Bond issuance, series 2021, stating that they anticipate the closing of the bonds and proceeds to be available to OSRHE for investment on November 18, 2021. She concluded by stating that the current portfolio has 1035 accounts, 513 chairs, 349 professorships, and 173 lectureships, and that there will be 912 pending new accounts.

6. **AMERICAN RESCUE PLAN ACT (ARPA) PANDEMIC RELIEF FUNDING.** Dr. Tom McKeon began by providing an update on the Joint Committee on Pandemic Relief Funding, stating that the chairs of the committee stressed that they are looking for proposals that focus on community engagement, tap into multiple funding sources, that the projects address the impacts of COVID-19, and how the projects will support the most vulnerable populations in Oklahoma. He then discussed how the proposals can be submitted. He stated that there are two working groups of the Joint Committee that have been active. Chancellor Johnson then provided comments on his presentation at the Workforce & Economic Development Working Group on September 20 and September 23 regarding the impact of COVID-19 on Oklahoma's education systems.

Dr. McKeon then discussed the ARPA Proposal Submission Portal. He mentioned the establishment of the Council of Presidents' Task Force on Pandemic Relief Funding to assist in the process of developing system-wide proposals to the Joint Committee on Pandemic Relief Funding for consideration. He concluded by discussing the Task Force's meeting on Wednesday, October 6, 2021.

Vice Chancellor for Administration Kylie Smith then presented State Regents with the process that the Council of Presidents' Task Force on Pandemic Relief Funding is using to identify system-wide funding needs. She stated that the Task Force had brainstormed on broad, overarching funding categories based on system-wide needs and had identified: nursing and allied health, workforce development, teacher education, online education, broadband, and campus infrastructure. She noted that these categories will be modified based on a review of the institutional survey results. Ms. Smith stated that after finalizing system-wide funding proposal categories, the next step would be to form working groups to develop proposals for each category. She added that Senator Roger Thompson reiterated that there was not a rush to submit proposals and that the Joint Committee would prefer to have one proposal that is system-wide, rather than several individual proposals.

Ms. Smith stated that after finalizing system-wide funding proposal categories, the next step would be to coordinate with the Joint Committee and advise them of the potential system-wide

funding proposals that are under development. She stated that they would facilitate funding proposal working group meetings with Guidehouse and 929 Strategies to receive feedback. She stated that throughout this process they will be in communication with the State Regents and Presidents. She stated each funding proposal working group will submit a draft proposal to the COP Task Force for review prior to submission and that it will then be available to State Regents and all Presidents for one last review. She concluded by discussing the funding proposal submission process. There was then a brief discussion about the timeline of the proposals.

7. **PROPOSED EXECUTIVE SESSION.**

- a. This item was taken out of order after the Calendar of Events. Possible discussion and vote to enter into executive session pursuant to Title 25, Oklahoma Statutes, Section 307(B)(4) for confidential communications between the board and its attorneys concerning *Shepherd v. Oklahoma State Regents for Higher Education*, CJ-2020-2383, Oklahoma County District Court, with advice of its attorney, determines that disclosure will seriously impair the ability of the board to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest. Regent Casey made a motion, seconded by Regent Parker 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 Sherry, Warmington, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- b. Enter into executive session.
- c. Open session resumes.
- d. Vote to exit executive session. Regent Turpen made a motion, seconded by Regent Taylor to exit executive session. Voting for the motion were Regents Sherry, Warmington, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

8. **BUDGET REPORT AND REVENUE UPDATE.** This item was taken out of order after the ARPA update. Interim Vice Chancellor for Budget and Finance Sheri Mauck provided State Regents with a budget and revenue update. She began by stating that the actual revenue collections for September were above the estimates by 18.3 percent, which represents \$103.9 million for general revenue. She added that it was a very healthy start to the fiscal year and very encouraging to see. She noted that individual income tax collections and corporate taxes posted 20 percent above September estimates, sales tax collections were 20.3 percent above the estimate, and gross production collections are 77.8 percent above the estimates. She highlighted that the State Treasurer's office reported that September crude oil prices per barrel averaged \$72.49, which is the highest average since November 2014.

9. **LEGISLATIVE UPDATE.** Dr. Tom McKeon, Governmental Relations and Workforce Development Coordinator, provided State Regents with the legislative update. Dr. McKeon highlighted some of the interim studies, discussing how they have prioritized them. He began by discussing an interim study by Representative Danny Williams regarding distance learning and looking at the history of distance learning, and that he's very interested in looking at ways distance learning can be expanded in Oklahoma, particularly to populations that normally would not be able to physically attend a college and university. Dr. McKeon noted that he and Senior Vice Chancellor for Academic and Student Affairs Dr. Debbie Blanke presented at this study and gave an overview of distance learning, highlighting the Reach Higher program.

Dr. McKeon noted an upcoming interim study by Representative Avery Frix on OTRS and anticipated legislation that will move it from a pension program to a defined contribution plan. He stated that Representative Frix has a desire to have it remain as a pension program and he added that Oklahoma Panhandle State University President Tim Faltyn and Northeastern Oklahoma A&M College President Kyle Stafford would be presenting at this interim study. He then discussed an interim study by Representative Logan Phillips, noting that Executive Director of OneNet and Higher Education Chief Information Officer Von Royal presented at the study and it was aimed at getting a better understanding of broadband assets that are owned by the State of Oklahoma. He stated that there is a great effort by OMES to map the broadband infrastructure through the state.

Dr. McKeon then discussed Representative Melissa Provenzano and Senator Mary Boren's study on FAFSA, adding that a representative from OCAP presented at this study. He then discussed Representative John Waldron's study related to teacher certification, recruitment and retention and looking at the teacher shortage in Oklahoma. He discussed a joint study by Representative Rhonda Baker and Senator Adam Pugh looking at the pandemic's impact on learning loss, noting that so far they do not really know the long-term learning loss impact of the pandemic. Dr. McKeon highlighted a interim study by Representative Brian Hill on Oklahoma's economic diversification and the growing workforce gap, noting that Chancellor Johnson and Chairman Hickman presented at this study. Chairman Hickman and Chancellor Johnson then provided comments on the presentation.

Dr. McKeon then discussed an upcoming study by Senator Kim David on the National Guard Tuition Waiver and a study by Senator Mary Boren on supporting pregnant women expectant fathers in high school, career tech, and college with improved accommodations.

Dr. Debbie Blanke discussed her presentation at the Concurrent Enrollment Task Force meeting on October 2. She stated that the next meeting is December 14, 2021.

Dr. McKeon concluded by providing an update on the Distinguished Service Award schedule and discussed recent movemet with the federal budget package, noting that President Biden originally put out a \$3.5 trillion budget but that there have been several changes. He then discussed some of the areas impacting education within this budget.

10. **TASK FORCE REPORTS.**

- a. **Online Education Task Force.** Senior Vice Chancellor for Academic and Student Affairs Debbie Blanke began by stating that the Online Consortium of Oklahoma (OCO) which is a membership organization, has had 17 renewals so far out of 25. She stated that the Council for Online Learning Excellence, which has 111 members from 31 different organizations institutions across the state, are collaborating to make sure that there is good professional development and accessibility. She added that they just created a new committee that's going to work on student success and that they also were approached by the Connecticut State System to share how they have developed their council and how they integrate everyone. She added that it nice to be recognized as a model for other states to look at. Dr. Blanke added that they are continuing work with the American Association of Colleges and Universities and their Open Educational Resources (OER) Institute and that Oklahoma was selected to join that team, so they are working continuously with them.

Dr. Blanke added that they have been extended an invitation by the DOERS Consortium, a consortium of 27 other states systems and organizations that work on large scale open educational resources for system-type groups. She then discussed work they have done with trying to find some opportunity for managed contracts for proctoring. She noted that they had four different vendors come to provide information to the institutions and that they selected two of those to move forward to try to create managed contracts. Dr. Blanke concluded by discussing badging with the online consortium.

- b. **State Regents Campus Safety and Security Task Force.** Associate Vice Chancellor for Communications Angela Caddell provided an update on the Campus Safety and Security Task Force. Ms. Caddell began by stating that the virtual campus safety and security summit will kickoff Monday, November 1 and that the keynote address would be followed by a series of 12 virtual workshops. She stated that these workshops will begin November 2 and conclude November 17. She then discussed some of the topics the workshops will cover topics. She highlighted that since this event became virtual, they no longer have costs associated with facilities or catering and they are offering the summit free of charge.

Ms. Caddell highlighted that they have received *CLEET* accreditation for the content, so the campus law enforcement community will be eligible to receive up to 12 hours of mandatory continuing education credit for participating in the summit. She stated that because the summit is free and accredited, they are encouraging the campuses to allow as many of their staff to participate as possible. Ms. Caddell added that the last check of registrations showed that nearly every state system institution had at least one or two representatives registered for parts of the summit, as well as five private institutions and eight technology centers. She added that they will continue their biannual summit rotation from this fall with the hopes that they are able to have an in-person day of learning again in 2023. She concluded by stating that the next task force meeting will be Wednesday, November 3, 2021.

11. **“BEST OF HIGHER EDUCATION.”** Regents received the October 2021 update on institutional activities via e-mail on Wednesday, October 20, 2021.
12. **CALENDAR OF EVENTS.** The calendar of events was distributed in written form to the Regents.
13. **ADJOURNMENT.** With no other items to discuss, the meeting was adjourned.

ATTEST:

Jeffrey W. Hickman, Chair

Steven W. Taylor, Secretary