

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
Oklahoma State University, Student Union

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Tuesday, February 8, 2022

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 4:30 p.m. on Tuesday, February 8, 2022 in the Regents Conference Room at the State Regents' offices in Oklahoma City, Oklahoma. Notice of the special meeting was filed with the Secretary of State on February 2, 2022. 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, Jeff Hickman, Michael C. Turpen, and Steven Taylor. Regent Hickman called the meeting to order.
3. **MERCER.** Ms. Beth Johnson, Mr. Tim Westrich and Mr. David McMillan, representatives from Mercer, participated in the in-person Committee-of-the-Whole meeting. Mr. Westrich began by commenting on the markets, commenting on the return that was seen in 2021 due to the S&P being up 28.7 percent for the year, non-U.S. developed countries being up 11 percent, and emerging markets and fixed income being down. He stated that markets inside the U.S. did very well but that outside equity markets did not do as well. Mr. Westrich noted that a number of big drivers came from the private market side, with private equity up 54 percent for the year, and illiquid real assets were up 35 percent, and U.S. equity and opportunistic fixed income that was up almost 15 percent for the year.

Ms. Johnson briefly discussed a closed manager, stating that they had the option to take it in cash or in kind. She stated that their recommendation was to take it as cash and that this will be coming into the portfolio and they will be deploying this along with the new bond assets. Ms. Johnson and Mr. Westrich then directed the State Regents to the two new investment manager recommendations, JMI Equity and H/2, and discussed those two recommendations and investments. Ms. Johnson then discussed the deployment of some of the capital from the bond proceeds at the end of January.

Mr. McMillan then provided an update on the global opportunistic and hedge fund portfolios. He stated that in the global opportunistic portfolio, they are trying to beat the equity mark. He then provided an overview of the hedge fund portfolio, stating that their goal is to protect the capital and protect assets.

4. **WORKFORCE DEVELOPMENT.**
 - a. **Oklahoma's Skills Gap.** Mr. Don Morris, Executive Director of Oklahoma Works, presented on the current projected workforce needs of the state. He began by discussing critical occupations, noting that registered nurses has been eclipsed by heavy and tractor-trailer/CDL drivers as the highest occupation currently needed. He also discussed general and operations managers as a critical occupation. Mr. Morris then discussed some of the most critical occupation needs of the state and the education requirements for those occupations.

He then discussed four strategies that they are looking at implementing for 2022. He stated that they are looking at gaps that people are falling through, and they want to start by expanding workforce accessibility through four mobile workforce units that they could use to travel around the state to support other workforce units or take to workforce fairs. Mr. Morris stated that the second key strategy is to continue to enhance workforce services to business through hardware workforce communications with economic leadership, continued momentum with apprenticeship program expansion, and communicating business services. He discussed the importance of connecting state and local workforce boards to build relationships through quarterly and monthly calls and input and expertise sharing. The final strategy that was discussed was a new workforce management system by improving data sharing capabilities and reporting and analysis.

- B. **State System Workforce Development Initiatives.** Status update on FY22 targeted higher education workforce development initiatives. Chancellor Garrett began by stating that there are many things that are going on in Oklahoma with respect to higher ed, including the low cost of attendance, low debt, and increasing STEM and health degree production, but that there are still some significant hurdles to meeting workforce demands. She noted the low ACT scores with Oklahoma averaging 18, making it the fifth lowest in the country. She highlighted low student retention, the low rate of baccalaureate degree production, and other metrics that make it difficult to recruit businesses to the state. Chancellor Garrett highlighted the correlation of income levels with bachelor degree attainment, noting that wealthier populations have higher bachelor degree attainment.

She then discussed data that shows that only 15 percent of high school graduates are college-ready in all four areas of the ACT, with only 10 percent of high school graduates prepared to pursue a STEM field. She noted several factors leading to the shortage of nurses, highlighting faculty issues and clinical opportunities. Chancellor Garrett also mentioned the issue of qualified applicants not being admitted into nursing programs and this could possibly be due to timing issues, faculty shortages, and shortages of clinical opportunities, but that there was not great systemwide data on this problem. She then discussed the initial \$12.9 million that was allocated to Phase I of the targeted workforce initiatives that looks at STEM programming specifically, noting that money was allocated to the large engineering schools and that all other institutions received some funding for STEM for capacity building. Chancellor Garrett stated that they have submitted a systemwide request for ARPA funding for Nursing and Allied Health. She stated that one focus of this request is ramping up nursing faculty production. She concluded her remarks by discussing the teacher shortage issue, noting that the funding that is being spent this year is to increase recruiting of teacher ed candidates.

5. STATE SYSTEM INSTITUTIONS.

- a. **Cameron University.** Update on institutional activities at Cameron University. President John McArthur began by thanking the State Regents for the opportunity to present to them. He stated that currently about one-third of Cameron students are choosing to take courses online, one-third are choosing in-person courses, and one-third are doing a hybrid mix. He noted that the absence of students on campus has allowed Cameron to work on some much needed construction projects. He then discussed projects that have been accomplished through philanthropy or successful grants, such as adding an atrium to their library, renovating their library, adding some items to their campus in Duncan, and a

makeover of their agriculture facilities. He stated that thanks to a multi-year federal grant, Cameron has been able to hire eight new employees to serve as academic success coaches, financial literacy report, and internship finders and minders. President McArthur stated that Cameron has made enormous progress on retention and graduation rates. He also discussed the military community in Lawton and its impact at Cameron University.

- b. **Rogers State University.** Update on institutional activities at Rogers State University. President Larry Rice began thanking the State Regents for the opportunity to present on Rogers State University. He stated that about half of their students take courses online and the other half are face-to-face and that half of their entire student population is non-traditional. He discussed some of the lessons that they learned during COVID, such as delivering content through RSU TV. President Rice then discussed the history and development of Rogers State University. He also discussed Rogers State University's partnership with Pryor Public Schools and how this has increased their concurrent enrollment. He reminded State Regents that Rogers State University is the only state-supported four-year school in the Tulsa metro and he described the student life for traditional students on-campus. He then spoke about their STEM-related programs and stated that they are hopeful that in the coming months they will be able to submit proposals for engineering programs. He discussed Rogers State University's opportunity to offer on-ground classes inside the city limits of Tulsa and their collaborations with Tulsa Community College, OU-Tulsa, and OU.
6. **BUDGET REPORT AND REVENUE 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 report covers the period through December 31, 2021. She stated that the December collections were up 27.9 percent above the estimate, or \$168.4 million, and for the first six-months they are up 19.4 percent above the estimates. She added that general revenue collections are up \$609 million through December and these were driven by individual income tax collections and corporate taxes. She stated that sales tax collections were \$27.6 million above the estimate and gross production collections were up \$80.6 million above the estimates and this was driven by higher oil prices. She stated that at the December Board of Equalization meeting the December estimate for total certified and authorized recurring revenue was projected to be \$9.1 billion and that is an increase of \$700 million from what was actually authorized for expenditure, and that the February meeting is when the final estimates will take place. She stated that the institutions have reported spending \$441.2 million of CARES Act money through December 31, 2021, with 46.8 percent going toward student grants and scholarships and 34.7 percent for reimbursements for lost revenue to the institutions. Ms. Mauck concluded by stating that they had received the Governor's budget book.
7. **LEGISLATIVE UPDATE.** Vice Chancellor for Governmental Relations Dr. Jarett Jobe, began by thanking his fellow OSRHE staff for their support as he started this position. He highlighted the upcoming Higher Education Day at the Capitol and stressed the importance of having the students at the center of these days. He then mentioned some discussions that had been had regarding the budget and the importance of working with the legislature to move the needle and get additional funds. Dr. Jobe stated that it is important to stress to the legislature that higher education is an important piece of workforce development. He stated that there are several bills regarding concurrent enrollment, Oklahoma's Promise, and weapons on campus. Dr. Jobe stressed the importance of strategizing and engaging governing boards, community leaders and business leaders.
8. **TASK FORCE REPORTS.**

- a. **State Regents' Online Education Task Force.** Senior Vice Chancellor for Academic and Student Affairs Dr. Debbie Blanke stated that work continued with the Online Task Force on proctoring grants, virtual reality, training faculty and Quality Matters, where they are teaching faculty how to create high-quality online courses. She stated that the Task Force has done what it needs to do and so they are recommending to the State Regents that they sunset the Online Education Task Force and establish a consistent regular reporting at the April and October Committee-of-the-Whole meetings. It was decided that Dr. Blanke, Chancellor Garrett and Regent Sherry would work on creating a formal recommendation for Regents to vote on it if need be.
- b. **State Regents' Campus Safety and Security Task Force.** Associate Vice Chancellor for Communications Angela Caddell shared results from a survey that was sent out to participants from the Campus Safety and Security Summit in November. She stated that 100 percent of the participants surveyed stated that the information presented at the summit was timely and relevant. She highlighted which sessions of the format were the most well-attended. She noted that 70 percent of those surveyed stated that they enjoyed the virtual format and felt that it allowed more people to participate. Ms. Caddell stated that they are looking at scheduling more crisis intervention training this year. She stated that she has invited a representative from the Oklahoma Highway Safety Office to their next Task Force meeting.

9. **PROPOSED EXECUTIVE SESSION.**

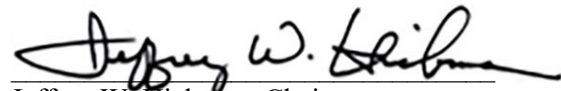
- a. Possible discussion and vote to enter into executive session pursuant to 25 O.S. § 307(B)(4) for confidential communications between the board and its attorneys concerning: (1) Shepherd v. Oklahoma State Regents for Higher Education, et al., CJ-2020-2383, Oklahoma County District Court; and (2) Black Emergency Response Team, et al. v. O'Connor, et al., Case No. CIV-21-1022 in the United States District Court for the Western District of Oklahoma; if the board, with the 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 Turpen 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 Jack Sherry, Courtney Warmington, Jody Parker, Ann Holloway, Jeff Hickman, Michael C. Turpen, and Steven Taylor. Voting against the motion were none.
- b. Enter into executive session.
- c. Open session resumes.
- d. Vote to exit executive session. Regent Holloway made a motion, seconded by Regent Parker, to exit executive session. Voting for the motion were Regents Jack Sherry, Courtney Warmington, Jody Parker, Ann Holloway, Jeff Hickman, Michael C. Turpen, and Steven Taylor. Voting against the motion were none.

10. **“BEST OF HIGHER EDUCATION.”** Regents received the February 2022 update on institutional activities via e-mail on February 8, 2022.

11. **CALENDAR OF EVENTS.** The calendar of events was distributed in written form to the Regents.

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

ATTEST:


Jeffrey W. Hickman, Chair


Steven W. Taylor, Secretary