

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
Research Park, Oklahoma City

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Wednesday, January 29, 2014

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 29, 2014, 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 December 11, 2013. 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, Ike Glass, Jimmy Harrel, Mike Turpen and John Massey. Regent Harrel called the meeting to order and presided.
3. **STATE ENERGY CONTRACT.** Mr. Rick Krysiak, Director of the State Energy Program, gave a brief presentation on the Oklahoma Facilities Energy Program. Mr. Krysiak started by saying the program was created by SB1096 in the 2012 legislative session. The program provides for cost savings on energy in state government. He stated that the key components of SB1096 are:
 - a. Benchmark energy use in all state facilities;
 - b. Target of 20 percent energy reduction by 2020;
 - c. Program must be fully funded from the savings;
 - d. Provide for an initial fee free period; and
 - e. Obtain energy star certification.

A statewide contract was awarded to ES2 of Oklahoma City, which has experience with behavior based energy conservation programs. This is a state program but owned at the agency level and ES2 will be assisting agencies with establishing their baseline, implementing behavior based conservation programs in facilities, and improving operations of existing building systems. Mr. Krysiak stated that initial implementation of the program will consist of educating agency heads on program benefits, implementing energy accounting software, and determining Energy Manager statuses. An Energy Manager is a full-time dedicated position needed to make the program sustainable and are trained and will work with building occupants and agency heads. Mr. Krysiak stated that once an agency has signed up for the program, they will have a 12 month initial fee-free period to generate savings initially to pay for future costs.

Ms. Amanda Paliotta, Vice Chancellor for Budget and Finance, Information Technology, Telecommunications, and OneNet also stated that the initial launch of the program will happen relatively quickly. Mr. Krysiak will be speaking to the Council of Presidents, Council of Business Officers and the Council of IT Professionals within the next three weeks to let them know that the program is coming soon.

4. **AFFORDABLE CARE ACT.** President Gerard Clancy, President of the University of Oklahoma – Tulsa gave a brief presentation on the Affordable Care Act. President Clancy started by stating that there are a huge number of forces and pressure points working against each other in healthcare, including:
 - a. Runaway increases in health care costs;

- b. Out of balance supply and demand;
- c. Number of different reforms underway since 2009;
- d. New technology pushing efficiency but also increasing costs; and
- e. Health of your city and state as an economic development factor.

He stated that the United States spends almost twice as much on healthcare than other developed countries and the outcomes are not positive. The demand for physicians in the United States far exceeds the supply and the Oklahoma age-adjusted death rate has only improved 12% since 1979. Every state in the nation has improved more than Oklahoma. President Clancy went on to say that Oklahoma City, Tulsa and Lawton are all in the bottom 30 cities in the nation in overall health system performance. In regards to reform, President Clancy stated that there will be a focused effort on workflow and efficiencies, heading towards a much safer and much more crowded healthcare environment. Some of the reasons people may not like health reform include:

- a. It has an impact on all of us and it is very personal;
- b. Test of power between states and federal government;
- c. Mandates;
- d. Interface between religion, business and government; and
- e. Unintended consequences.

President Clancy also said that the federal health care reform legislation is actually three pieces of legislation rolled out over eight years. Federal agencies are being pushed hard to make these changes and they are not keeping up.

Now, healthcare payment models are based on volume. The more patients you have, the more you get paid. In the future, it will be based on outcomes. There will be penalties for bad care, re-hospitalizations, etc. Additionally, the ability for hospitals to charge for overpriced procedures, hospital supplies and other items is going to be changed. There will be a big push to have pricing transparency.

President Clancy wrapped up his presentation by answering questions from several Regents and stated that Oklahoma has some work to do to catch up with other states.

5. **BUDGET REPORT.** Ms. Paliotta gave a brief budget report. She started by stating that the budget outlook has solidified since the last report. For the current fiscal year the revenue totals for the first half of the year do not look great; however, there is approximately \$256 million on hand to help smooth out the deficits. With that available and if revenues continue to come in as expected for the rest of the fiscal year, we will probably hit 97-98 percent of our budgeted estimate.

Governor Fallin's budget recommendations for FY 2015 will be coming out soon and compared to FY 2014, it looks like there will be decline of \$170 million for legislative appropriations. This will most likely mean a flat budget with no new dollars.

Ms. Paliotta answered questions from several Regents and stated she will have another report at the March 5, 2014 meeting.

6. **WHITE HOUSE SUMMIT ON HIGHER EDUCATION.** Chancellor Johnson stated that the Oklahoma State Regents for Higher Education (OSRHE) was invited to the White House Summit on College Access on January 16, 2014. Oklahoma received an invitation due to their participation in Complete College America (CCA), and Ms. Hollye Hunt attended the summit for Oklahoma.

Ms. Hunt stated that the main focus of the summit was on degree completion, affordability, and the importance of access to college. The agenda was very packed and had panels all morning before the President and First Lady spoke at 11:15 a.m. They were introduced by a student who was in the Superdome during Hurricane Katrina and could not read at 14 years old. He finally decided he needed help and he contacted his 5th grade teacher. Now he is on a full university scholarship. Ms. Hunt stated that this student best encapsulates what the President is asking higher education officials to do because access is so important that it can't be overshadowed.

The speakers presented on how to break down college barriers, matching students with the right college, making sure families can fill out FAFSA forms, eliminating application fees and more advising for high school students.

Ms. Hunt stated that her breakout session included the President of the University of Texas at Austin, the President of the University of California-Berkeley, and the former President of Amherst College. She stated that a lot of them are doing the same things we are doing and the main theme was how difficult access is due to financial constraints.

7. 2014 ANNUAL STAFF RETREAT UPDATE.

- a. Chancellor Johnson stated that every year, the OSRHE holds a staff retreat that includes senior officers and directors, approximately 30 people throughout the agency. The focus of this year's retreat was more specifically on where we are and where we need to go. The facilitator this year was Mr. Dane Linn, Vice President of Education and Workforce at the Business Roundtable.

Staff reviewed the OSRHE's top three goals: to increase the number of college graduates, providing college access, and an ongoing effort to address online education as a platform and tool. From there, staff discussed some key components of the Oklahoma CCA plan including college readiness, GEAR UP, remediation, pathways to college and the Reach Higher program. The Oklahoma CCA goal over the next 12 years is to increase the number of college graduates by 67 percent. Our goal for year one was to gain 1,700 college graduates and we surpassed that goal.

The staff retreat closed by looking over the budget and noted that all new money is tied to degree completion in some way:

1. Tracking completion goals;
 2. Concurrent enrollment;
 3. Oklahoma Tuition Aid Grant;
 4. Oklahoma Tuition Equalization Grant;
 5. Adult degree completion; and
 6. Proposal of ten additional summer academies.
- b. Mr. Tony Hutchison, Vice Chancellor for Strategic Planning, Analysis and Workforce and Economic Development, stated that Mr. Linn wanted the staff retreat to be very data driven. He thought it would be good to remind staff of how we got in to the CCA initiative to begin with and share some Oklahoma specific data. Mr. Hutchison stated that a review of workforce data done by Georgetown University shows a dip in total job openings from 2007-2010 but pretty strong growth in the coming years. Jobs by occupation show an emphasis on STEM jobs and social sciences at a 19 percent growth rate and 23 percent growth rate, respectively. Jobs by industry show a 34 percent growth rate in mining and oil and gas extraction and a 28 percent growth rate in healthcare and social assistance. By the year 2020, 62 percent of employees will need some college or certificate for their job level.

Staff also had breakout sessions arranged around each of the CCA initiatives and discussed the priorities, challenges and successes of each initiative.

8. **EXECUTIVE SESSION.** Regent Massey made a motion, seconded by Regent Parker, to go into executive session for confidential communications with attorneys concerning pending investigations, claims, or actions and to discuss the employment of the Assistant Vice Chancellor for Academic Affairs, the Director of Workforce and Economic Development Projects and the Director of Student Performance Data Projects. Voting for the motion were Regents White, Helm, Parker, Holloway, Glass, Harrel, Turpen, Massey and Stricklin. Voting against the motion were none.

Following executive session discussions, Regents returned to open session.

9. **POLICY – STATE AUTHORIZATION.** Regents reviewed proposed permanent rules for the state authorization of private higher education institutions operating in the state. These proposed rules will establish a process of authorization for institutions that operate educational programs in Oklahoma. Chancellor Johnson stated that the United States Department of Education (USDE) has stated that “licensure by means of accreditation” is no longer sufficient for the authorization of private for-profit and private non-profit institutions to operate and has asked each state to establish rules seeking to establish greater oversight of these institutions. The rules will establish a process for authorization, which eliminates the previous practice for authorization by means of accreditation.

10. **TASKFORCE REPORTS.**

- a. **Online Education Task Force.** Dr. Blake Sonobe, Vice Chancellor for Academic Affairs, gave a brief update on the work of the Online Education Task Force. Dr. Sonobe gave a report on an SREB meeting he recently attended with Mr. José Dela Cruz. The meeting focused on the State Authorization Reciprocity Agreement (SARA). He stated that fundamentally the OSRHE’s intent is to join SARA sometime in late fall. Staff will most likely have the policies and procedures completed by late summer and can then apply to become a member of SARA. Then Oklahoma institutions can apply to the OSRHE as the member state for acceptance into SARA. They would then have reciprocity with other states that have joined.

At the next Online Education Task Force meeting, Dr. Sonobe will give this same report and Northwestern Oklahoma State University will also give a detailed report on what exactly an online program looks like and what processes they go through.

- b. **State Regents Campus Safety and Security Task Force.** Ms Angela Caddell, Interim Director of Communications, gave a brief update on the work of the State Regents Campus Safety and Security Task Force. Ms. Caddell stated that the task force last met in December and has three work groups currently working on projects.

The Campus Best Practices workgroup is working on finalizing best practice compilations for each of the key security topics: guns on campus, campus threat assessment, drug, alcohol and mental health counseling, cyber security, weather safety, Title IX and Clery Act reporting compliance, and student travel. The compendium for each issue will include a set of original documents, notes, summary and best practices recommendations. This information will be available on the State Regents website in spring 2014.

The Issue Monitoring Advocacy and Research workgroup will be working closely with Ms. Hollye Hunt, Associate Vice Chancellor for Governmental Relations, on the composition of the legislature with respect to the State Regents view of no guns on campus.

The Training and Plan Development workgroup met to develop an assessment tool to help identify training needs on campus with respect to campus safety and security. They hope the results of this survey will drive campus training needs going forward.

The task force continues to work with Dr. Roger Webb, a consultant to the task force, and their next full meeting will be February 5, 2014.

11. **LEGISLATIVE UPDATE.** Ms. Hollye Hunt gave a brief legislative update. Ms. Hunt started by saying this was the first legislative report since the beginning of the session. Last year there were 4-5 bills that wanted to take back the tuition setting authority and there is nothing like that this year. She also stated last year there were several bills that wanted to dismantle Oklahoma's Promise and this year there is only one bill to increase the income limit for the program, which is great.

Senator Jim Halligan has filed a joint resolution that would limit the Regents on the OSU A&M Board to 16 years of service. Ms. Hunt stated that this is a bill to watch, because if it continues to move through the process, most likely other boards will be added to the bill.

Representative John Enns has filed HB 2887 which would allow any person with a valid hand gun license to carry their weapon on campus. Ms. Hunt stated that this is a bill to watch and the OSRHE would not be in support of this bill.

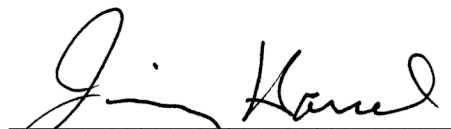
Ms. Hunt finished by saying that all of the legislative tours are wrapped up and there are still three Distinguished Service Awards to be given to Governor Fallin, President Pro Tempore Brian Bingman and Representative Scott Martin.

Chancellor Johnson stated that the legislative tours had the best turnout of any tours since they began and the legislative tour at Krebs, Oklahoma had over 100 participants with 10 legislators. The tours are very effective and he thanked the Regents who attended.

Regent Massey also thanked Chancellor Johnson for his op-ed piece in the Daily Oklahoman. He stated that the article tells the story of what the OSRHE is really all about and what we are trying to accomplish.

12. **"BEST OF HIGHER EDUCATION" REPORT.** Regents received the January 2014 update on institutional activities.
13. **ADJOURNMENT.** With no other items to discuss, the meeting was adjourned.

ATTEST:


James D. "Jimmy" Harrell, Chairman


Toney Stricklin, Secretary