

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
Research Park, Oklahoma City

MINUTES OF THE
COMMITTEE-OF-THE-WHOLE
Wednesday, March 5, 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, March 5, 2014, in the Pioneer Cellular Event Center at Southwestern Oklahoma State University in Weatherford, 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, Jimmy Harrel, Mike Turpen and John Massey. Regent Harrel called the meeting to order and presided.
3. **LEGISLATIVE UPDATE.** Chancellor Glen Johnson started by saying that he had several good meetings with legislative leadership including President Pro Tempore Brian Bingman, Senator Clark Jolley, Speaker Jeff Hickman, Representative Scott Martin and Representative Lisa Billy to discuss several issues including uses of institutional revolving funds and cost savings and the impact of a five percent budget cut for the state system.

Ms. Hollye Hunt then gave a brief legislative update. Ms. Hunt started by saying there were a few Oklahoma's Promise bills that are working through the process:

- HB 2778 – This bill states that if an Oklahoma's Promise student drops a course they would be required to repay the tuition for that course. Oklahoma State Regents for Higher Education (OSRHE) staff are working with Representative Jadine Nollan on this bill and relaying their concerns to her.
- HB 3211 – This bill would require an Oklahoma's Promise student to complete 30 hours per academic year. Regent Helm asked what the purpose of this bill would be. Ms. Hunt responded saying Speaker Hickman is most likely reviewing data that suggests if students take 30 hours per year, they finish quicker and lower the cost of their education, which would result in a cost savings for the program.

Ms. Hunt also stated that there are several bills regarding tuition waivers for student veterans. Some legislators may not know what tuition waivers are already currently available for those students and Academic Affairs staff is working on gathering that information to provide to the authors of those bills.

Ms. Hunt stated that SJR 47 was not heard in committee. This legislation would have limited the members of the A&M Board of Regents to 16 years of service.

Ms. Hunt stated that the most concerning bill this session is HB 2887, which would allow institutional presidents to establish a policy that allows a concealed or unconcealed weapon on campus. This bill has made it through committee and OSRHE staff are working with the author, Representative John Enns, to relay their concerns to him.

Ms. Hunt stated that none of the accreditation bills concerning theological or faith-based institutions are making it through the process and HB 1840 did not pass. This legislation would have moved OneNet under the control of the State Chief Information Officer.

Ms. Hunt finished by stating that there were several changes to the legislature committee structure.

- BUDGET REPORT.** Ms. Amanda Paliotta, Vice Chancellor for Budget and Finance, Information Technology, Telecommunications, and OneNet, gave a brief budget report. She started by stating that for FY2014, the current collections are holding steady and will come in at about 96 percent of certified numbers. She stated that this is great as the OSRHE budgeted for 95 percent.

Ms. Paliotta also stated that the State Board of Equalization met on February 19th and reviewed the final certification for FY2015 appropriation levels. Although it was thought the deficit would be \$170 million, the board was informed it would actually be \$188 million below FY2014 budgeted levels. The board discussed the possible reasons for the additional decrease and one possible reason could be a decrease in corporate income tax. The board formed a sub-committee to look at the estimates and see what could be causing the downturn in revenue.

- VETERANS.** Dr. Craig Watters, Interim Director for the Oklahoma State University (OSU) Riata Center for Entrepreneurship, gave a brief presentation on the Riata Center. Dr. Watters started by stating that the Riata Center is part of the OSU School of Entrepreneurship and offers a major and minor and masters and doctorate programs. The Veterans program is part of the Riata center and is a year-long program. The program accepts disabled veterans from all wars and is a three phase program – online, residency and follow-up after the first year. The program helps them grow their business by reviewing their business plans, economic plans and feasibility studies.

OSU is currently working to create a consortium with other universities to grow the program on other campuses as well as retain new sources of funding. They recently received funding from Walmart with the caveat that the Riata Center help 100 student veterans go to work for Walmart. They also received funding from the Department of Commerce for job creation and retention.

Dr. Ken Eastman, Interim Dean, School of Business stated that he was very proud of the program and it is a focal point for the school. He stated that the program has passionate faculty and students and they have accomplished a lot in five years.

Dr. Bruce Barringer, Head, School of Entrepreneurship stated that he was very proud of the program and believes the program is good training, regardless of a student's path in life.

- MERCER-HAMMOND.** Mr. Dick Anderson and Ms. Beth Johnson from Mercer-Hammond were present to facilitate a discussion regarding OSRHE current investments. The Regents asked several questions about how the investments are structured and considered several recommendations for new investment managers. After much discussion, the Regents decided to recommend the EnCap Flatrock Midstream III proposal for \$5 million and table the other proposals.
- EXECUTIVE SESSION.** Regent Turpen made a motion, seconded by Regent Holloway, to go into executive session for confidential communications between a public body and its attorneys concerning pending investigations, claims, or actions. Voting for the motion were Regents

White, Helm, Parker, Holloway, Harrel, Turpen, Massey and Stricklin. Voting against the motion were none.

Following executive session discussions, Regents returned to open session.

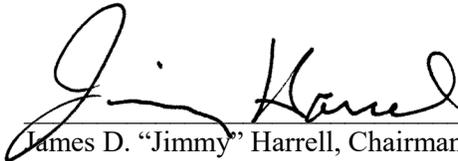
OKLAHOMA COLLEGE ASSISTANCE PROGRAM. Mr. Rick Edington, Executive Director of the Oklahoma College Assistance Program (OCAP), gave a brief update on the program. Mr. Edington restated that one of the unintended consequences of the federal budget agreement was a reduction of fees paid to guarantee agencies, such as OCAP, with regard to rehabilitation of student loans. This significantly reduced the amount of fees and interest OCAP could collect and would reduce staff and services.

Mr. Edington stated that he feels confident that the compromise proposal is moving forward on the House side as there is strong support there. They are making progress on the Senate side and feeling optimistic that that the proposal will pass. He stated that the compromise proposal does not get them back to where they were. It only brings them about halfway, and they would only be able to retain 33 employees but would be able to keep all core programs intact.

Mr. Edington stated that he would keep the Regents informed of any new developments.

8. **“BEST OF HIGHER EDUCATION” REPORT.** Regents received the March 2014 update on institutional activities.
9. **ADJOURNMENT.** With no other items to discuss, the meeting was adjourned.
10. **BUILDING TOUR.** President Randy Beutler gave a brief presentation about the Southwestern Oklahoma State University (SWOSU) Pioneer Cellular Event Center. He stated that idea of the facility came about several years ago and was funded by a sales tax renewal. The center is used as an entertainment venue, for trade shows and basketball tournaments and as a showcase to recruit students. It has also had a great economic impact on the city of Weatherford. The latest basketball tournament alone had a \$250,000 impact on the city. President Beutler gave Chancellor Johnson and the State Regents a tour of the facility.

ATTEST:


James D. “Jimmy” Harrell, Chairman


Toney Stricklin, Secretary