

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

655 Research Parkway, Oklahoma City

MINUTES

Eight Hundred and Fifth Meeting



April 22, 2020

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**Minutes of the Eight Hundred and Fifth Meeting
of the
Oklahoma State Regents for Higher Education
April 22, 2020**

1. **ANNOUNCEMENT OF FILING OF MEETING NOTICE AND POSTING OF THE AGENDA IN ACCORDANCE WITH THE OPEN MEETING ACT.** The Oklahoma State Regents for Higher Education held a special meeting at 12:00 p.m. on Wednesday, April 22, 2020, via Zoom Video and Teleconference Call. Notice of the original meeting had been filed for April 23, 2020 on November 21, 2019 and was cancelled due to COVID-19. This special meeting was filed with the Secretary of State on April 20, 2020. A copy of the agenda for the meeting had been posted in accordance with the Open Meeting Act.
2. **CALL TO ORDER.** Chairman Jody Parker called the meeting to order and presided. Present for the meeting via Zoom videoconference were State Regents Jody Parker, Michael C. Turpen, Jay Helm, Toney Stricklin, Steven W. Taylor, Ron White, and Dennis Casey. Regent Ann Holloway joined the meeting via teleconference. Regent Jeff Hickman joined meeting in progress via Zoom videoconference at 12:27.
3. **MINUTES OF THE PREVIOUS MEETINGS.** Regent Helm made a motion, seconded by Regent Stricklin, to approve the minutes of the State Regents' special meeting on February 27, 2020. Voting for the motion were Regents Stricklin, White, Helm, Parker, Holloway, Turpen, and Taylor. Regent Casey abstained. Voting against the motion were none.
4. **REPORT OF THE CHAIRMAN.** Chairman Parker commented on the relationships and friendships he has gained through his time serving on the Board of Regents. He commented on his

friendship with Regent Toney Stricklin, stating that he would be reflecting on Regent Stricklin's service later in the meeting.

5. **REPORT OF THE CHANCELLOR.** Chancellor Glen D. Johnson reiterated Chairman Parker's comments on his friendship with Regent Toney Stricklin. Chancellor Johnson provided a report of his activities on behalf of the State Regents since their last meeting. He discussed higher education's response to the COVID-19 crisis and the institutions' transition to virtual format. He noted that in the midst of the pandemic, higher education will be adding 4,800 additional credentialed healthcare workers. Chancellor Johnson commended OneNet on their actions with helping communities' transition to telework and providing connectivity. He mentioned resources that the agency has developed regarding system responses, including a campus response document that is updated daily as well as a frequently asked questions document. In conclusion, Chancellor Johnson highlighted the decline in remediation rates, which is mentioned later in the agenda in the Reports section.

6. **STATE REGENT.** Regent Parker introduced former Representative for District 35, State Regent Dennis Casey, who will be filling the position of former State Regent Andy Lester. Regent Parker provided a brief background of Regent Casey and welcomed him to the State Regents.

7. **FISCAL VIABILITY REVIEWS.** Chancellor Glen D. Johnson explained that this presentation includes the last two cohorts of the 25 colleges and universities within the State System of Higher Education. Mr. Glen McLaurin, Mr. John Curry, and Ms. Lily Leyh-Pierce from the Huron Consulting Group joined the meeting via Zoom videoconference.
 - a. **Rose State College.** Ms. Leyh-Pierce began by stating that RSC has made additions to its academic programs to focus on niche program offerings such as aerospace and has

implemented recent expenditure cuts on non-mission critical items. She mentioned the construction of a new student union, relatively stable enrollment over the past five academic years, and strong academic partnerships with other Oklahoma institutions.

- **Financial Assessment.** RSC's total net position has improved from \$52.2 million in FY14 to \$58.8 million in FY18 (12.6 percent), driven by increases in the institution's expendable resources. The college's above target primary reserve ratio contributed to an overall CFI score of 2.04 in FY18, which is well above the minimum threshold for financial health of 1.0.
- **Operational Assessment.** The institution's EBIDA margins have been above 10 percent in each of the past four years, illustrating the university's strong operating margins and its ability to generate cash through operations. RSC generates several unique revenue streams, including tax revenue received from its community educational technical district and fees associated with its partnership with local EPIC charter schools. The College remains focused on strategies to enhance the student experience as it remains below the Oklahoma community college average for first-year retention and three-year graduation rates. Improvements in adjusted operating revenues were driven mainly through increases in net tuition (10.2 percent average annually) and ad valorem tax revenue received (7.8 percent average annually). Total enrollment has remained flat over the past five academic years with increases in concurrent students being offset by smaller incoming freshmen classes.
- **Capital and Debt.** Rose State has a significant debt burden and its overall leverage has increased in recent fiscal years. However, a current debt service coverage ratio of above 100 percent indicates the institution's ability to meet current debt service obligations through operations. Capital investments have been focused on enhancing the student experience, with significant investments in on-campus housing, a new student union, and renovations of the college's wellness center.

- Strategic Plan. Assuming continued strong operating results, RSC will have the opportunity to address items within its detailed, actionable strategic plan which runs through academic year 2022.

President Jeanie Webb stated that their experience with Huron has shown RSC their strengths and what areas they need to improve upon and touches on areas that may not be covered by their yearly audit. She discussed Rose State's Foundation and money that is currently being raised to assist students affected by COVID-19. She mentioned that a facility fees will cover the new student union. She stated that RSC's programs are very strong and that she is excited to see what new things they will be able to do once COVID-19 is behind them. President Webb discussed persistency and the efforts RSC is implementing to deal with the student population in the metro area and constant shifting populations and the jumping of students between the various options in the Oklahoma City metro area.

- b. **Oklahoma Panhandle State University.** Ms. Leyh-Pierce stated that after a period of enrollment declines through academic year 2017, OPSU has seen recent increases, driven through new academic programs and expanded athletic offerings. She mentioned that the university has undergone a period of investment in capital and academic needs which has resulted in spend down of reserves and going forward, OPSU intends to focus on sustainability and rebuild its expendable reserves. She added that a combination of flat net tuition revenue and declining state appropriation revenue created the need to create and implement cost reduction strategies. She stated that as the university has dealt with budget cuts, it has focused investment in academic programs towards its historically popular programs.

- Financial Assessment. OPSU's total net position has improved from \$12.8 million in FY14 to \$14.4 million in FY18, with a majority of the increase coming in FY15. Capital projects were financed through a mix of debt issuances and private donations.

Net investment in capital assets grew in the past five years, largely due to the university's declining debt balance. The university has undertaken a period of academic and capital investment, which has reduced expendable reserves. This strategy, along with declining operating margins, have substantially reduced its CFI score to well below the threshold for financial health at 0.04 in FY18.

- **Operational Assessment.** The university's EBIDA margins were negative in the past two fiscal years; continued negative margins will limit the university's debt service coverage ratio and its ability to invest in strategic initiatives. Reductions in state appropriations and minimal changes in net tuition revenue have resulted in reductions in adjusted operating margins, despite coinciding expense cutting strategies. The university has maintained significantly negative adjusted operating margins in the past five years, at -13.8 percent in FY18. The university has increased first-year retention and six-year graduation rates and is above regional university averages in both rates. Continued focus on new financial aid grants and student services are opportunities for further improvement in this area.
- **Capital and Debt.** Despite recent capital investment, the university's rate of depreciation has outpaced that of its capital investment, resulting in steadily increasing average age of facilities, up to 21.9 years in FY18. Negative cash generated from operations in each of the past two years, combined with increasing capital investment contributed to a -\$243,000 reduction in the university's cash reserves over the five-year period.
- **Strategic Plan.** The university has enacted a new strategic plan, running through academic year 2023, focused on four strategic goals – student learning, resource optimization, graduate production, and life-long learning – with numerous underlying key performance indicators.

President Tim Faltyn stated that OPSU feels good about where they are, and noted that

things seem to be on an upward trend based on the CFI. President Faltyn stated that Huron worked very well with OPSU on helping them understand where the institution is and where they need to go. He mentioned that Huron worked well with OPSU to help them understand the calculation of their CFI score and to make sure that it reflected their improvements. He briefly discussed the composition of the student body and that this increase in diversity, with the Hispanic student population making up about 28 percent of the student population, has provided OPSU with opportunities for additional federal dollars and grants as the only Hispanic-serving institution in the state of Oklahoma. He stated that OPSU started focusing on programs that they were best at, which has helped with enrollment. He concluded by stating that OPSU has raised \$16 million and that the foundation sits at \$14.8 million and that he sees momentum going forward. President Faltyn noted that OPSU is growing less and less dependent on the state appropriations out of necessity, but that the area that has been hurt by these cuts is student services.

- c. **Southeastern Oklahoma State University.** Ms. Leyh-Pierce began by stating that SEOSU's emphasis on online enrollment and cost reduction strategies has improved its financial and operational standing, especially in the last two fiscal years. She discussed that the institution has undergone a period of significant leadership turnover, including losing three vice presidents through attrition and its retirement incentive. She added that the university implemented a number of compensation cost reduction strategies, and that an institutional emphasis on cost avoidance has come at the expense of capital investment and the university understands its current deferred maintenance balance will need to be addressed in coming years. She stated that despite being the most cost-intensive, specialty programs are an important draw for enrollment and that the university's prioritization of online programming has changed the composition of its student body. She concluded by mentioning SEOSU's partnership with ECU and their move to a new joint ERP system with NWOSU and SWOSU, which is expected to generate meaningful annual savings

and efficiencies.

- **Financial Assessment.** SEOSU's total net position has improved by \$8.7 million in the past five fiscal years, with materially positive operating results in the past two years driven by increasing net tuition revenue. The university's continued pay downs of long-term debt, coupled with depreciation expense outpacing investment, have resulted in a flat net investment in capital assets. Improving operating margins and growth in expendable reserves have continually improved the institution's overall CFI score over the past four fiscal years, rising to 2.82 in FY18, well above the threshold for financial health. Forecasted increases in the institution's score assume continued net tuition revenue growth and paydowns of the university's det balance, substantially improving its viability ratio.
- **Operational Assessment.** The university's margins before interest and depreciation have been above 10.0 percent in the past two fiscal years. Assuming stable operating results, the university will have funds to devote towards capital needs after a period of conservative investment. Growth in enrollment and net tuition revenue has allows the institution to achieve positive adjusted operating results, despite significant state funding reductions. SEOSU's growth in enrollment has been driven largely through online programs, including the university's rapidly expanding MBA offering. Financial difficulties during FY14-15 resulted in various expense management initiatives by the university, contributing to a -1.16 percent average annual decline in total expenses over the past five fiscal years.
- **Capital and Debt.** Operational funds devoted toward paydowns of SEOSU's long-term debt have contributed to declining leverage and a debt service coverage ration of above 100 percent in the past three fiscal years. The university has remained committed to improving its cash reserves, which have grown by \$12.9 million in the past three fiscal years.

SEOSU Interim President Bryon Clark stated that they their foundation has \$5 million in cash and \$24 million in investments and \$5 million in capital. He stated that currently they were not sure what the impact of the markets has had on their investments. President Clark stated that the insight from Huron regarding how SEOSU can better position themselves for the future was immeasurable. He added that as the institution moves forward, it's always good to know where they come from but it is always good to have a vision for the future and some predictions.

- d. **Southwestern Oklahoma State University.** Ms. Leyh-Pierce began by stating that SWOSU achieved record enrollment in the Fall of 2017 thanks to expanded athletic programs and the university's location in a growing metropolitan area. She stated that state appropriation cuts drove the university to close several low enrollment programs and place emphasis on programs that will improve students' employment opportunities. She added that the university is currently moving to a new joint ERP system with NWOSU and SEOSU, which is expected to generate meaningful annual savings and efficiencies. She stated that while SWOSU's six-year graduation rate is above the regional university average, retention of students and faculty is an institutional priority moving forward, intended to further improve its graduation metric.
- **Financial Assessment.** SWOSU's total net position has improved from \$66.6 million in FY14 to \$78.9 million in FY18, with materially positive operating results driven by increasing net tuition revenue. Capital projects were financed through a mix of debt issuances and unrestricted funds. As a result, the university's unrestricted net position declined -14.5 percent to \$16.0 million over the five-year period, despite positive results. The university's declining debt balance along with improving expendable resources have contributed to improvements in its viability ratio. These improvements have been offset with slightly declining operating margins resulting in declines in its overall CFI score, though it was positioned well above the minimum

threshold for financial health in FY18, at 2.51.

- **Operational Assessment.** Sustaining strong EBIDA margins (9.3 percent in FY18) will allow the institution to devote funds toward strategic priorities while continuing to build reserves in coming fiscal years. Reductions in state operations and operating grants and contracts have been mitigated by growth in enrollment and net tuition revenue, allowing SWOSU to maintain positive adjusted operating margins. Total enrollment has improved 3.1 percent in the past five fiscal years due to the university's location in a growing metropolitan area as well as its strong academic programs and commitment to the student experience. The university has substantially increased first-year retention and six-year graduation rates and is above regional university averages in both rates. Continued focus on new financial aid grants and student services provide opportunities for improvement.
- **Capital and Debt.** SWOSU's debt balance and leverage have both declined over the past five fiscal years, which combined with positive adjusted income has contributed to a debt service coverage ratio above 200 percent in each of the past four fiscal years. Positive cash generated from operations in each of the past five years has allowed SWOSU to grow cash reserves from \$21.3 million to \$28.8 million (35.2 percent).
- **Strategic Plan.** The university has enacted a new strategic plan, running through academic year 2023, focused on four overarching strategic goals.

President Randy Beutler began by discussing SWOSU's foundation and that the downward trend in the foundation may be due to investments in the market, but that the rate has gone back up and that donations to the foundation have increased dramatically within the last year and that they are now sitting around \$25 million. He discussed the student population and that they are working to increase the diversity of the population. President Beutler added that the Huron experience has provided him the guidance to focus on specific issues

that might not be highlighted in an audit. He mentioned SWOSU's efforts to reduce their debt load and that their event center, which opened in 2014, was around a \$26 million project and that it has already returned around \$20 million. He discussed wanting to get part of the city sales tax to the university and that their plan is to dedicate that additional funding to their healthcare programs. President Beutler discussed student housing updates and that SWOSU currently does not have a lot of debt tied up in the dorms.

e. **Cameron University.** Ms. Leyh-Pierce began by stating that Cameron has experience a challenging five-year period, with declining enrollment and reductions in state funding limiting its financial flexibility. The institution eliminated upwards of 100 positions in recent years through a combination of terminations and attrition. She mentioned Cameron's 2008 centennial and their significant capital investment during that year. She stated that the university remains focused on improving its academic strengths and catering towards the labor demands of its region but mentioned that the limitations of internet in their region has affected their ability to offer online courses.

- **Financial Assessment.** Cameron's total net position has improved slightly from \$56.4million in FY14 to \$57.2 million in FY18 driven by increases in the institution's expendable resources. Limited investment in capital assets, coupled with positive EBIDA results, have allowed the institution to grow its unrestricted net position from \$7.4 million to \$11.2 million. The university's minimal and declining debt balance, along with improving expendable resources, has contributed to improvements in its viability ratio. These improvements have raised Cameron's CFI score to 1.69 in FY18, above the suggested minimum of 1.0.
- **Operational Assessment.** While positive over the past five years, the institution's EBIDA margin was relatively low at 5.3 percent in FY18. Further declines will constrain the institution's ability to invest in its strategic campus initiatives. Reductions in the university's major revenues, including state appropriations (-22.3

percent), grants and contracts (-16.2 percent), and net tuition (-2.5 percent) have spurred corresponding expense management strategies which have largely centered around compensation and benefits with a gross reduction of roughly 100 positions. The university has substantially increased first-year retention and six-year graduation rates. Cameron has focused on implementing strategies to enhance the overall student experience (development of a new student union, for instance), and has avoided expense reductions that would reduce student services. Total enrollment has declined dramatically in the past six years (-6.6 percent average annually). The university remains strategically focused on concurrent and online enrollment as levers to stabilize/reverse this trend.

- Capital and Debt. Cameron's debt balance and leverage have both declined over the past five fiscal years, though its debt service coverage ratio has been below 100 percent over the past three years. Forecasted declines in minimum debt service may allow for an opportunity to further build reserves.
- Strategic Plan. The university recently enacted a new strategic plan, running through academic year 2023. However, continued low EBIDA margins may constrain investment in the goals outline within the plan.

President John McArthur began by discussing internet connections in Lawton, Duncan, and Altus, but mentioned that the smaller rural towns have difficulties with internet access. He mentioned their work with OneNet and discussions with providers to try to resolve this problem in order to help student. President McArthur stated that the additional set of eyes and having another point of view was very helpful, particularly with the idea of facility age versus quality of construction. He stated that this has helped him in making priorities for deferred maintenance. President McArthur also mentioned that looking at operation revenues, the experience with Huron has helped him look at the concept of student retention versus student recruitment and how CU assigns value to both.

f. **Langston University.** Ms. Leyh-Pierce stated that Langston recently undertook an administrative restructuring and eliminated AVP positions at its Tulsa and Oklahoma City campuses, thereby generating recurring annual savings of nearly \$250,000. She stated that their lack of online programming has created challenges, particularly in light of recent events with COVID-19. She stated that the university has undergone a period of investment in the student experience, improving its student success measures despite state appropriation declines that have placed pressure on the university's financial resources. She added that the university has invested heavily in student recruitment, and also offers in-state tuition rates to academically qualified out-of-state students in order to improve the institution's student profile.

- **Financial Assessment.** Langston's change in net position has been positive in each of the last four fiscal years, improving 13.9 percent in total to \$109.2 million over the same period. Construction of capital assets and paydowns of debt materially increased the university's net investment in capital assets in FY15 and FY16. The university's declining debt balance has markedly improved its viability ratio. This has coincided with moderate improvements in results from operations, growing the institution's total CFI score to 2.07 in FY18, compared to 1.97 in FY14.
- **Operational Assessment.** Sustaining strong EBIDA margins (8.2 percent in FY18) will allow the institution to devote funds toward strategic priorities while continuing to meet debt requirements and capital needs. Langston's shift to a targeted recruiting strategy, with the goal of attracting a higher-quality student, has increased the overall average ACT/SAT score of incoming classes after academic year 2012. The university has also significantly improved its six-year graduation rate, which reached 31.0 percent in academic year 2018. State appropriation declines have led to reductions in force through attrition and the elimination of positions, resulting in an average annual compensation and benefit expenditure decline of -4.1 percent over the

past five fiscal years.

- **Capital and Debt.** Langston's debt balance and leverage have both declined over the past five fiscal years, which in combination with improving adjusted income, has moved the institution's debt service coverage ratio above 100 percent in the past two fiscal years. The university has experienced negative changes in its overall cash balance in the past four fiscal years, though its unrestricted cash reserves have declined by only \$0.08 million through spend down of restricted funds, allowing for similar financial flexibility when compared to FY14.
- **Strategic Plan.** The university's most recent strategic plan, enacted in 2017, runs through academic year 2022 and focuses on five overarching goals including increased academic success of students with diverse backgrounds as well as academic portfolio expansion.

President Kent Smith began by stating that Langston had a very positive experience with Huron and that it was helpful to receive the information in a way that they could synthesize it. He stated that Langston's Foundation is at \$5 million, the endowment is at \$45 million and that alumni giving is at an all-time high. President Smith mentioned that 80 percent of the student population resides on-campus and that the online format and closure of housing has been a real challenge for the students. He stated that this challenge has caused Langston to focus on what services they can provide to students online. President Smith concluded by stating that the credit the institution is issuing to students who had to move out of their on-campus housing due to COVID-19 would be around a \$1.6 million hit to the institution. In regard to the dorms, President Smith stated that depending on enrollment, if they are forced to continue online only Langston can sustain debt payments for the next one to two years.

- g. **Oklahoma City Community College.** Ms. Leyh-Pierce stated that OCCC has experienced a period of exciting accomplishments over the past five years, with efficient

use of dwindling resources even in the light of negative enrollment trends. She mentioned the college increasing its in-state tuition in order to increase total revenues from tuition and fees and partially offset total credit hour declines. Despite growth in net tuition, the college has employed a conservative operating strategy and reduced its total operating expenditures by \$8.3 million over the past five years. She stated that the college has continued to invest in capital assets and campus maintenance over the past five years. She added that OCCC has modified its academic portfolio by eliminating underperforming programs and diverting those funds to programs with greater potential that are designed to support the local community.

- Financial Assessment. OCCC's total net position has improved from \$80.5 million in FY14 to \$115.7 million in FY18, with materially positive operating results driven by improved operating revenues of 9.6 percent and a decrease in operating expenses of 10.3 percent. The college has grown its unrestricted cash reserves by over \$14 million and its cash reserves restricted for capital projects by over \$11 million during this time period. OCCC's improving expendable resource along with a declining debt balance and lower operating expenses have contributed to improvements in its primary reserve and viability ratios, which has led to a CFI Score of 4.41 in FY18.
- Operational Assessment. High EBIDA margins of 17.3 percent in FY17 and 17.0 percent in FY18 will allow the institution to devote funds toward strategic priorities while continuing to build reserves in coming fiscal years. Reductions in state appropriations and auxiliary revenues have been mitigated by growth of 14.9 percent in income from operational and building levy funds and increases in tuition and fees revenues of 29.0 percent. Total enrollment has declined by over 15.0 percent since academic year 2014, but the college has been able to increase tuition revenues by increasing tuition rates by 26.5 percent in FY14. The college has remained below the average of peer schools in both its retention and 3-year graduation rates.

- **Capital and Debt.** OCCC's debt and leverage have both declined over the past five fiscal years; combined with increased cash reserves restricted for capital projects, this advantageous debt position gives the school flexibility for funding future strategic initiatives. The college's investments in its capital assets and new construction projects have led to a decrease in the average age of facilities from 12.5 years in FY14 to 10.7 years in FY18.
- **Strategic Plan.** OCCC has enacted a new annual plan and accompanied roadmap focused on three overarching strategic goals.

President Jerry Steward stated that OCCC found working with Huron beneficial and the process let OCCC know what areas they need to focus on and also how they rank with their peers. He mentioned OCCC's increase in enrollment for the spring semester, however he did note that the future of enrollment is uncertain with the COVID-19 pandemic. Speaking of the college's response to the current COVID-19 crisis, President Steward noted OCCC's maintenance of services to students as well as the college's support for employees, mentioning hotlines for both students and employees in addition to a food pantry. President Steward discussed OCCC's forced cuts in response to a decrease in appropriations, including cutting staffing positions, reducing non-personnel costs every year, increasing the effectiveness of utilities. He mentioned canceling an arts festival, closing an aquatics center and a child development center, things that may have been popular but were not part of OCCC's core mission. He concluded that the money saved from these canceled events and closed buildings was then able to be used for OCCC's core mission and briefly mentioned the college's capital projects.

- h. **Northeastern State University.** Ms. Leyh-Pierce began by stating that NSU has experienced a period of growth over the past five years. She stated that NSU saw an increase in total credit hour production in academic years 2017 and 2018 related to an increasing full-time student percentage, despite overall flat enrollment. She stated that

despite growth in net tuition revenue, the university has employed conservative operating strategy in the past five years, including reducing operating foreach of its academic units. The university has invested significantly in construction and renovation of capital assets in the five-year time frame analyzed. She concluded that NSU has worked internally and with an outside consulting firm to optimize its academic offerings, including the sunseting of select programs.

- **Financial Assessment.** The university's change in net position shifted positive in FY18, improving by \$2.6 million, after declines in each of the previous three years. Significant construction of capital assets during FY14 and FY15 materially increased the university's net investment in capital assets, but also contributed to a material decline in its unrestricted balance. The university's declining debt balance, along with improving expendable resources, have contributed to improvements in its viability ratio, coinciding with improving results from operations, growing the institution's total CFI score to 1.78 in FY18.
- **Operational Assessment.** Sustaining strong EBIDA margins (9.1 percent in FY18) will allow the institution to devote funds toward strategic priorities while continuing to meet debt requirements and capital needs. Reductions in state appropriations have been offset by continued growth in operating revenues, driven mainly through net tuition revenue growth, though adjusted margins remained negative at -3.0 percent in FY18. The university has reviewed its academic offerings and has invested and seen growth in its online graduate offerings, which helped to grow the university's total credit hour production in 2017 and 2018, despite flat enrollment. The university has substantially increased its six-year graduation rate, emphasizing its continued focus on the student experience, though it remains just below the average of all other regional universities.
- **Capital and Debt.** NSU's debt balance and leverage have both declined over the past

five fiscal years, which in combination with improving adjusted income have moved the institution's debt service coverage ratio above 100% in the past two fiscal years. The university's changes in cash balance have fluctuated significantly from year to year. Improving results from operations and a less aggressive capital strategy resulted in a \$3.0 million positive change in FY18.

- **Strategic Plan.** The university has enacted a new strategic plan, running through academic year 2023, focused on six overarching strategic goals.

President Steve Turner stated that NSU found the Huron experience very insightful. He stated that NSU's accomplishments occurred in spite of a reduction in appropriations, which positively reflected NSU's employees. Regarding NSU's response to COVID-19 and their situation in the event that on-campus classes cannot resume in the fall, President Turner stated that NSU has done a lot to reduce debt and build cash, and that they feel they will be able to operate and meet debt service requirements for a couple of years if necessary. He stated that this may mean that they have to delay the start of certain projects and move funds to debt service, but that NSU would make it through in the event that courses remain online for a while. President Turner then discussed NSU's various campuses and the respective programs that each campus focuses on.

- i. **University of Central Oklahoma.** Ms. Leyh-Pierce mentioned that UCO has a number of national recognized programs including its forensic science institute, nursing, contemporary music, and graphic design offerings. She added that the university has invested significantly in the construction and renovation of capital assets in FY14-18. She stated that UCO has grown each of its major revenue streams outside of state appropriations over the past five years, allowing the institution to maintain faculty and staff levels through FY18. She stated that the university has limited academic and community partnerships and recently added a position specifically focused on building relationships with local high schools and private local industries to foster growth in this

area. She concluded that while enrollment has declined over the five-year period FY14-FY18, UCO has maintained strong operating cash flow margins and a large cash balance, positioning the institution to weather subsequent downturns.

- **Financial Assessment.** The university's change in net position has been increasingly positive since FY14, demonstrating consistently improving margins. Significant construction of capital assets during the five-year period materially increased the university's net capital asset value, but also constrained growth in unrestricted net position. After FY18, the institution experienced a large decline in CFI score during FY19 as funds shifted from restricted expendable to net investment in capital in conjunction with operating performance declines.
- **Operational Assessment.** Strong EBIDA margins through FY18 further reflected the institution's financial stability, which will enable the institution to focus on academic investments after a recent period of intensive capital investment. Reductions in state appropriations have been offset by continued growth in other operating revenue streams, driven mainly through net tuition revenue growth; adjusted margins remained positive through FY18. The university's enrollment declined -11.7 percent from academic year 2013 to 2018 as a result of falling international enrollment, a low unemployment rate within the state, and an overall lower population of college-age students. UCO's student success metrics have been stable through academic year 2017 and are just above the regional university average in first-year retention rate and six-year graduation rate.
- **Capital and Debt.** UCO's debt balance has grown significantly, which has supported capital investment but also materially increased leverage. The university's operational risk associated with increasing leverage has been mitigated by a strong debt service coverage ratio in the past two fiscal years. The university's change in cash balance has fluctuated significantly from year to year but has remained positive

and provided the institution a level of financial flexibility.

- Strategic Plan. The university's current strategic plan runs through academic year 2020 and focuses on five high-level visions for the institution with an emphasis on a student-centered culture.

President Patti Neuhold-Ravikumar stated that the UCO felt that Huron's analysis aligned with their own internal annual analysis, that there was nothing that caught them off guard that they were not already aware of, and that they were appreciative of the extra set of eyes. Regarding COVID-19, President Neuhold-Ravikumar discussed UCO's response and stated that the institution has refunded around \$1 million in housing and meal plans. She mentioned that there are still students remaining on campus, including many international students that the institution is still supporting, and that those students are helping defray the costs. She stated that those students remaining have been moved into housing that provides more opportunities for social distancing. President Neuhold-Ravikumar highlighted the decline in enrollment and stated that this challenge is due in part to a decline in teacher education programs and an international student decline and stated they are trying different recruitment strategies including online recruitment. She mentioned UCO's need to compensation of benefits for employees and that they will likely have to put this off in light of the COVID-19 crisis, but that it is a pressing need for the institution. President Neuhold-Ravikumar also discussed UCO's retention strategies.

In conclusion, Mr. Curry stated that Huron is currently working on creating summary presentations to look at each of the critical indicators and put each institution on them to see where each institution was. Mr. Curry added that thanks to the fiscal estimates from the reports, the institutions have a good idea of how they were positioned prior to COVID-19 and that this would aid them in their response to the crisis. Mr. Curry added that his team was very thankful for the cooperation they received from the institutions. He concluded by stating that in response to the current COVID-19 crisis, the first priority of institutions should be to protect cash flow, and that he expects that there

will be an increase in online programs for around a year. He stated that in the end, most students will want an on-campus college experience and he believes that this will come back.

8. **NEW PROGRAMS.**

- a. Regent Turpen made a motion, seconded by Regent Taylor, to approve a request from Oklahoma State University to offer the Doctor of Philosophy in Petroleum Engineering. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- b. University of Oklahoma.
 - (1) Regent Turpen made a motion, seconded by Regent Taylor, to approve a request from the University of Oklahoma to offer the Master of Arts in Human Resource Studies, the Master of Clinical Mental Health Counseling in Clinical Mental Health Counseling, and the Graduate Certificate in Drug Policy Management. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
 - (2) Regent Turpen made a motion, seconded by Regent Taylor, to approve a request from the University of Oklahoma to offer the Graduate Certificate in Criminal Justice Administration. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen and Taylor. Voting against the motion were none.
- c. Regent Turpen made a motion, seconded by Regent Holloway, to approve a request from East Central University to offer the Master of Arts in Criminal Justice Administration. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- d. Northeastern State University.

- (1) Regent Turpen made a motion, seconded by Regent Holloway, to approve a request from Northeastern State University to offer the Certificate in Business Analytics, the Certificate in Human Resources Management, the Certificate in International Business, the Graduate Certificate in Data Analytics, the Graduate Certificate in Healthcare Administration Leadership, and the Graduate Certificate in Operations Leadership. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- (2) Regent Turpen made a motion, seconded by Regent Holloway, to approve a request from Northeastern State University to offer the Graduate Certificate in Nursing Education, the Graduate Certificate in Nursing Informatics, the Graduate Certificate in Administrative Leadership in Nursing, and the Graduate Certificate in Higher Education Administration. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- e. Regent Turpen made a motion, seconded by Regent Helm, to approve a request from Rogers State University to offer the Bachelor of Science in Allied Health Sciences. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- f. Regent Turpen made a motion, seconded by Regent Holloway, to approve a request from the University of Central Oklahoma to offer the Graduate Certificate in Food Quality and Safety. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- g. Regent Turpen made a motion, seconded by Regent Hickman, to approve a request from Murray State College to offer the Associate in Science in Health Science. Voting for the

motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

- h. Regent Turpen made a motion, seconded by Regent Helm, to approve a request from Rose State College to offer the Certificate in Aerospace Technology. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- i. Regent Turpen made a motion, seconded by Regent Helm, to approve a request from Tulsa Community College to offer the Associate in Applied Science in Applied Technology, the Certificate in Commercial Pilot, the Certificate in Flight Instructor, the Certificate in Private Pilot, the Certificate in Manufacturing Production Technician I, the Certificate in Industrial Maintenance Technician, the Certificate in Quality and Inspection Technician I, the Certificate in AutoCAD Professional, and the Certificate in Aerospace Drafting. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen and Taylor. Voting against the motion were none.

9. **PROGRAM DELETIONS.**

- a. Regent Turpen made a motion, seconded by Regent Helm, to approve the following requests for program deletions: a request from Oklahoma State University to delete the Bachelor of Science in Sports and Coaching Science, and a request from Redlands Community College to delete the Associate in Applied Science in Emergency Medical Technology, the Certificate in Emergency Medical Technology Basic, the Certificate in Emergency Medical Technology Paramedic, the Certificate in Emergency Medical Technology Intermediate, the Certificate in Enology, and the Certificate in Viticulture. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

- b. Regent Turpen made a motion, seconded by Regent Taylor, to approve the following request for program deletion: a request from Northeastern State University to delete the Certificate in Driver and Safety Education. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

10. **INSTITUTIONAL STUDENT ASSESSMENT PLANS.**

- a. Regent Turpen made a motion, seconded by Regent Helm, to approve changes to the Assessment Plans for Southwestern Oklahoma State University and Western Oklahoma State College as required by the Assessment and Remediation policy. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.
- b. Regent Turpen made a motion, seconded by Regent Holloway, to approve changes to the Student Assessment Plans for State System Institutions as required by the Assessment and Remediation Policy. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

11. **TEACHER EDUCATION.** The Regents reviewed the posting of revisions to the Teacher Education policy. This item was for posting only.

12. **COURSE EQUIVALENCY PROJECT.** Regent Turpen made a motion, seconded by Regent White, to approve the system faculty's 2020-2021 Course Equivalency Project. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

13. **POLICY.**

- a. The Regents reviewed proposed policy revisions to the Institutional Admission and Retention and Concurrent Enrollment policies. This item was for posting only.
- b. Regent Turpen made a motion, seconded by Regent Helm, to approve a request from Oklahoma State University to allow certain non-degree seeking students to take up to 15 hours of coursework. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

14. **STATE AUTHORIZATION.**

- a. Regent Turpen made a motion, seconded by Regent Taylor, to authorize three out-of-state private institutions to operate in Oklahoma. The institutions requesting authorization were Strayer University, Marian University, and John Brown University. Voting for the motion via a roll call vote were Regents Stricklin, White, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion was Regent Helm. The motion passed.
- b. Regent Turpen made a motion, seconded by Regent Taylor, to re-authorize ten out-of-state private institutions to operate in Oklahoma. The institutions requesting authorization were: American Public University System, Aquinas Institute of Theology, Columbia College, Embry Riddle University, Newman University, Saint Paul School of Theology, Southeastern University, Southwestern Assemblies of God University, Spartan College of Aeronautics and Technology, and The University of Akron. Voting for the motion via a roll call vote were Regents Stricklin, White, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion was Regent Helm. The motion passed.

14.1 **RULE REVISION.** Regent Turpen made a motion, seconded by Regent Holloway, to adopt

permanent rule revisions for the Oklahoma's Promise – Oklahoma Higher Learning Access Program (Oklahoma's Promise) and complete the permanent rulemaking process as required by the Oklahoma Administrative Procedures Act. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

15. **TUITION.**

- a. The Regents reviewed the posting of requested Academic Service Fee Changes and Peer Limits for Tuition and Mandatory Fees for 2020. This item was for posting only.
- b. The Regents reviewed the announcement of the public hearing on fees and tuition, scheduled for Friday, May 29, 2020 at 9:00 a.m. This item was for posting only.

16. **POLICY.** Regent Stricklin made a motion, seconded by Regent Hickman, to approve an ongoing exception to policy to waive four fees at Connors State College for off-campus courses. The fees requested to be waived were the Student Activity Fee, Student Union Fee, Student Senate Fee, and Cultural and Recreational Fee. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

17. **INVESTMENTS.** Regent Parker made a motion, seconded by Regent Turpen, to approve new investment managers and the allocation of funds for the Endowment Trust Fund. The committee's recommendation is for K5 Private Investors - \$7 million and for DFJ Growth Fund IV - \$7 million. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

18. **COMPLIANCE AUDIT REPORT.** Regent Helm made a motion, seconded by Regent White,

to accept the Compliance Audit Report. This is a report on activities supported by the State Regents' Endowment Trust Fund. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

19. **CONSENT DOCKET.** Regent Helm made a motion, seconded by Regent White, to approve the following consent docket items:

- a. Programs.
 - (1) Program Modifications. Approval of March institutional requests.
 - (2) Program Modifications. Approval of April institutional requests.
- b. Suspensions.
 - (1) Approval of March institutional requests.
 - (2) Approval of April institutional requests.
- c. Reinstatement. Ratification of approved institutional request to reinstate a suspended degree program.
- d. Reconciliation. Approval of institutional request.
- e. Academic Nomenclature. Ratification of institutional request.
- f. High School Courses for College Admission. Ratification of a request to approve a high school course for college admission.
- g. Electronic Delivery.
 - (1) University of Oklahoma. Approval to offer the Master of Human Relations in Human Relations via electronic delivery.
 - (2) Cameron University.
 - (a) Approval to offer the Bachelor of Science in Sports and Exercise Science via electronic delivery.
 - (b) Approval to offer the Associate in Applied Science in Criminal Justice, the

Bachelor of Science in Criminal Justice, the Associate in Science in Business, the Bachelor of Business Administration in Business Administration, the Master of Education in Reading, and the Master of Science in Behavioral Sciences via electronic delivery.

- (3) Northeastern State University. Approval to offer the Bachelor of Science in Criminal Justice, the Bachelor of Science in Homeland Security, the Bachelor of Science in Legal Studies, and the Bachelor of Business Administration in International Business Management.
 - (4) University of Central Oklahoma. Approval to offer the Bachelor of Science in Nursing, the Master of Science in Nursing and the Master of Music in Music via electronic delivery.
 - (5) Redlands Community College. Approval to offer the Associate in Arts in General Studies, the Associate in Arts in Criminal Justice, the Associate in Applied Science in Child Development, and the Certificate in Child Development via electronic delivery.
- h. State Authorization Reciprocity Agreement. Ratification of institutional requests to renew participation in the State Authorization Reciprocity Agreement.
- i. Operations.
- (1) Ratification of purchases in excess of \$25,000 for FY2020.
 - (2) Personnel. Ratification of appointments of the Assistant Comptroller and the Executive Director of Campus Compact and Director of Student Affairs and Diversity.
- j. Non-Academic Degrees. Ratification of request from Tulsa Community College to award an honorary degree.
- k. Resolution. Approval of a resolution honoring an outgoing member.

Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway,

Casey, Hickman, Turpen, and Taylor. Voting against the motion were none.

Chairman Parker read the resolution honoring former State Regent Toney Stricklin. State Regents provided comments and thanked Regent Toney Stricklin for his years of service, support for students and veterans alike, and his commitment to higher education for the State of Oklahoma. Chancellor Johnson provided comments and thanked Regent Toney Stricklin for his service to the board. Former State Regent Toney Stricklin then provided remarks, reflecting on his time as a State Regent and thanking his former colleagues.

20. **REPORTS.** Regent White made a motion, seconded by Regent Turpen, to accept the following reports:

- a. Programs. Current Status Report on program requests.
- b. Report. Acceptance of Financial and Long-Term Viability Assessments – Connors State College; Northeastern Oklahoma A&M College; Northern Oklahoma College; Rogers State University; and The University of Oklahoma.
- c. Annual Reports.
 - (1) Oklahoma College Savings Plan. Annual Program Update for 2019.
 - (2) Academic Scholars Program. Year End Report for 2018-2019.
 - (3) State Regents' Policy Reporting Requirements Survey.
 - (4) Institutional Supplemental Pension Report, FY 2020.
 - (5) Oklahoma High School Indicators Project.
 - (a) High School to College-Going Rates by High School Site.
 - (b) Developmental Education Rates of College Freshmen by High School Site.
 - (c) Headcount, Semester Hours and GPD by High School Site.

Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none

21. **REPORT OF THE COMMITTEES.**

- a. Academic Affairs and Social Justice and Student Services Committees. The Academic Affairs and Social Justice and Student Services Committees had no additional items for Regents' action.
- b. Budget and Audit Committee. The Budget and Audit Committee had no additional items for Regents' action.
- c. Strategic Planning and Personnel and Technology Committee. The Strategic Planning and Personnel and Technology Committee had no additional items for Regents' action.
- d. Investment Committee. The Investment Committee had no additional items for Regents' action.

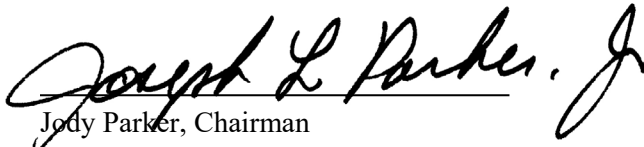
22. **EXECUTIVE SESSION.** Regent White made a motion, seconded by Regent Hickman, to enter executive session for confidential communications between the board and its attorneys concerning pending investigations, claims, or actions. Voting for the motion via a roll call vote were Regents Stricklin, White, Helm, Parker, Holloway, Casey, Hickman, Turpen, and Taylor. Voting against the motion were none

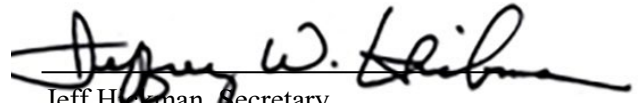
Following executive session discussions, Regents returned to open session.

23. **ANNOUNCEMENT OF NEXT REGULAR MEETING.** Regent Parker announced that the next regular meetings are scheduled to be held Thursday, May 28, 2020 at 10:30 a.m. and Friday, May 29, 2020 at 9 a.m. for a Tuition Hearing and 10 a.m. for the regular meeting at the State Regents Office in Oklahoma City.

24. **ADJOURNMENT.** With no additional items to address, the meeting was adjourned.

ATTEST:


Jody Parker, Chairman


Jeff Hickman, Secretary