

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
July 29, 2022

Minutes of Meeting

The July 29, 2022, regular meeting of the Arkansas Higher Education Coordinating Board (AHECB) was held at the Arkansas State University Three Rivers Saline County Career and Technical Campus. Chair Al Brodell called the meeting to order at 9:00 a.m., with a quorum present.

Coordinating Board present:

Al Brodell, Chair
Keven Anderson, Vice Chair
Dr. Jim Carr
Kelley Erstine (via zoom)
Andy McNeill (via zoom)
Dr. Kyle Miller (via zoom)
Greg Revels

Coordinating Board absent:

Graycen Bigger, Secretary
Dr. Jerry Cash
Lori Griffin
Chad Hooten

Department staff present:

Dr. Maria Markham, Director
Nick Fuller, Assistant Director for Finance
Mason Campbell, Interim Chief Academic Officer
Sonia Hazelwood, Assistant Director for Research and Analytics
Alisha Lewis, Assistant Director for Operations
Alana Boles, Associate Director for Academic Affairs
Nichole Abernathy, Executive Assistant

Presidents, chancellors, institutional representatives, members of the press, and guests were also present.

Chair Brodell began by thanking everyone for participating in the meeting. He then introduced Dr. Steve Rook, chancellor of Arkansas State University Three Rivers (ASUTR), for a welcome.

Dr. Rook began by welcoming everyone to the Saline County Career and Technical Campus (SCCTC). The SCCTC building is an example of the partnerships between ASUTR, Saline County Leadership, Community Support, local superintendents, and local business leaders, said Dr. Rook. ASUTR is a comprehensive, public, two-year institution of higher education in Malvern providing accessible, high-value associate degrees and certificates in a quality academic environment that is focused on both student success and the economic development needs of the communities it serves. The College offers more than 50 programs of study in academic, career and technical disciplines to approximately 3,500 credit, non-credit, adult education (three sites—Hot

Spring, Clark, and Grant Counties) and workforce students, while serving the culturally and economically diverse populations in the five-county service area of Hot Spring, Saline, Clark, Grant, and Dallas Counties.

Agenda Item No. 1
Approval of Minutes

Dr. Jim Carr moved to approve Agenda Item No. 1. Greg Revels seconded the motion and the Board unanimously approved.

Agenda Item No. 2
Director's Report

ADHE Staff Changes

Ashley Clayborn began on May 2 as a program specialist for Financial Aid.

College intern Aurora King began on June 6 as support staff for financial aid.

Mason Campbell is currently serving as Interim Chief Academic Officer.

Institutional Changes

Dr. Todd Shields is the next chancellor of Arkansas State University and will take over in mid-August. Dr. Shields replaced Dr. Kelly Damphousse.

Dr. Ana Hunt has been named Interim chancellor of the University of Arkansas Pulaski Technical College. Dr. Hunt took over for Chancellor Ellibee on June 30.

Summer Travels

In April of this year, Dr. Markham committed to revisiting each campus to see up-close and personal the issues that are affecting them. Markham currently has visited 13 campuses and attended numerous conferences and meetings out of state.

Regional workforce Grants

Passed into law in 2015, the Workforce Initiative Act Regional Workforce Grant Program was created to provide a statewide, comprehensive structure that enables students in Arkansas universities, community colleges and secondary centers to participate in career and technical education programs developed with input from area employers. This July, 24 institutions were awarded a total of \$15,886,540 in Regional Workforce Grant (RWG) funds in support of their programs in Advanced Manufacturing or Transportation.

Role and Scope Review

Legislation requires that ADHE review the Role and Scope policy every five years, said Dr. Markham. This year's state-wide review will be performed by the Lumina Foundation in consultation with reviewers from across the state. The process is estimated to take six months to complete. Once completed, any recommendations will be presented to the Coordinating Board.

Funding Review

The five-year productivity review is underway and will be presented to the board in October.

RN to BSN Collaboration

Dr. Thillainatarajan (Thilla) Sivakumaran, Vice Chancellor for Enrollment Management and Global Outreach for Arkansas State University, Jonesboro (ASUJ), discussed the RN to BSN between ASUJ and ASU's two-year institutions. He explained that ASU System two-year institutions were looking at options to bring bachelor's degrees to their campus from ASU-Jonesboro to meet their local industry needs. To do so, a hybrid program was created that allows students to stay at a two-year institution and earn a four-year degree after they finish their associate degree.

Agenda Item No. 3
Rules Governing the Governor's
Higher Education Transition Scholarship

In compliance with Act 215 of 2021, the rules for the Governor's Higher Education Transition Scholarship Program were presented to the Arkansas Higher Education Coordinating Board (AHECB) for adoption, pending approval of the Administrative Rules Subcommittee of the Arkansas Legislative Council.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the proposed rules presented in this agenda item for implementation of the Governor's Higher Education Transition Scholarship Program, pending approval of the Administrative Rules Subcommittee of the Arkansas Legislative Council.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education or her designee is authorized to make technical changes and corrections, when necessary, in the rules to implement the Governor's Higher Education Transition Scholarship Program.

There were no questions.

Keven Anderson moved to approve Agenda Item No. 3. Dr. Jim Carr seconded the motion and the Board unanimously approved.

Agenda Item No. 4
Report on Annual Review of Faculty Performance

Arkansas Code Annotated §6-63-104 and Arkansas Higher Education Coordinating Board (AHECB) policy require that each college and university conduct an annual performance review of faculty members. Pursuant to this statute, Arkansas Division of Higher Education (ADHE) staff is required to monitor the faculty evaluation processes adopted at public institutions, and make a report to the Coordinating Board and Legislative Council each year. Each institution must have on file with ADHE a plan detailing the procedures for faculty evaluation at each institution. Institutions are required to submit a report to ADHE that describes the process followed during the academic year.

There were no questions.

Agenda Item No. 5
Certification of Intercollegiate Athletic Budgets

A.C.A. §6-62-805 (Act 366 of 1991) requires each state supported institution of higher education to annually certify by June 15 to the Arkansas Higher Education Coordinating Board that its intercollegiate athletic program will generate sufficient revenues to meet expenditures or that any athletic deficit will be met by separate institutional board sanctioned student athletic fees.

A.C.A. §6-62-804 requires that any student athletic fees assessed must be clearly defined in all publications and institutional board minutes, and listed separate and distinct from tuition or other student fees on student tuition and fee statements. All institutions assessing a student athletic fee have certified to the Department compliance with this requirement and have submitted copies of their student fee billing statements illustrating the disclosure of the athletic fee to each student.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Certification of Intercollegiate Athletic Revenues and Expenditures Budgeted for 2022-23 as prepared in accordance with Arkansas Higher Education Coordinating Board uniform accounting standards and definitions for athletic reporting.

Greg Revels questioned whether the board has any authority to change the accounting standards for Intercollegiate Athletic budgets. Director Markham said that the board would have to change the policy.

Chair Brodell asked how many institutions max out their transfer limits. Nick Fuller said he would provide the exact number to the board at the October meeting.

Greg Revels moved to recommend the approval of Agenda Item No. 5 to the full Board for consideration. Chair Brodell seconded and the committee approved.

Agenda Item No. 6
Productivity-Based Funding Distribution

A.C.A. §6-61-234 directs the Arkansas Higher Education Coordinating Board (AHECB) to adopt polices developed by the Arkansas Division of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education.

For the universities, an increase in funding is recommended for those institutions with productivity increases for a total change in university funding of \$4,754,444. In addition to this new funding, institutions with productivity declines will have an amount reduced and then reallocated to the institutions who showed an increase. 4 out of the 10 universities reflected increases for FY2024 resulting in a reallocation of \$2,464,809.

For the two-year colleges, an increase in funding is recommended for those institutions with productivity increases for a total change in two-year college funding of \$1,585,422. In addition to this new funding, \$454,527 was reallocated from 5 institutions to 15 of the other two-year colleges. There were 2 institutions that received a reallocation of funds while also having a decline in productivity. This was due to the restriction on any institution being capped at receiving 5% less funding than they received when compared to initial funding from 5 years prior.

This distribution recommendation results in a total increase of \$6,339,867 with only \$614,490 of that request being for new general revenue funds.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommendation for distribution of productivity funding to the Arkansas public institutions of higher education in the 2023-24 fiscal year as included in Table A.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to prepare appropriate documents for transmission to the Governor and the General Assembly of the 2023-24 productivity funding distribution recommendation of the Arkansas Higher Education Coordinating Board.

FURTHER RESOLVED, That should any errors of a technical nature be found in this recommendation, the Director of the Arkansas Division of Higher Education is authorized to make appropriate corrections consistent with the policy established by the Board's action on these recommendations.

There were no questions.

Greg Revels moved to recommend the approval of Agenda Item No. 6 to the full Board for consideration. Chair Brodell seconded and the committee approved.

Agenda Item No. 7
Operating Recommendations

A.C.A. §6-61-234 (Act 148 of 2017) directs the Arkansas Higher Education Coordinating Board (AHECB) to adopt polices developed by the Arkansas Division of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education.

For the universities, an increase in funding is recommended for those institutions with productivity increases for a total change in university funding of \$4,754,705.

For the two-year colleges, an increase in funding is recommended for those institutions with productivity increases for a total change in two-year college funding of \$1,585,822.

For the non-formula entities, the recommendation is for a 7.0% increase based on the CPI index and a recommendation of full funding of Operations and Program Enhancement requests which combined would require an additional \$50.1 million, of which \$29.2 million would be for the University of Arkansas for Medical Sciences (UAMS).

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommendations for state funding of the educational and general operations of Arkansas public institutions of higher education in the 2023-25 Biennium as included in Tables A, B, C, D and E.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to prepare appropriate documents for transmission to the Governor and the General Assembly of the 2023-25 operating recommendations of the Arkansas Higher Education Coordinating Board.

FURTHER RESOLVED, That should any errors of a technical nature be found in these recommendations, the Director of the Arkansas Division of Higher Education is authorized to make appropriate corrections consistent with the policy established by the Board's action on these recommendations.

There were no questions.

Greg Revels moved to recommend the approval of Agenda Item No. 7 to the full Board for consideration. Chair Brodell seconded and the committee approved.

Agenda Item No. 8
Personal Services Recommendations
for Non-Classified Personnel

A.C.A. §6-61-209 requires the Arkansas Higher Education Coordinating Board to present a consolidated budget request from the state-supported colleges and universities to the General Assembly and the Governor prior to each regular session of the General Assembly. As part of this process, the quantity of positions, titles, grades, and line-item maximum salaries for all administrative, academic, and auxiliary positions at each Arkansas public institution of higher education have been reviewed, and changes are recommended.

Institutions of higher education, apart from UAMS, have 28,094 positions currently authorized. For the 2023-25 Biennium, institutions have requested a net new request of (1,142) positions. ADHE staff recommends the net decrease of (1,142) positions, for a total recommendation of 26,952 positions (a 2.9 percent decrease). UAMS currently has 11,559 authorized positions and submitted a request that does not change this total. ADHE staff recommends the current level of 11,559 positions.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommended number of positions, titles, grades, and maximum salaries for positions in academic, administrative, and auxiliary positions for the 2023-25 Biennium as recommended by staff.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to make technical corrections consistent with Coordinating Board action.

FURTHER RESOLVED, That the Coordinating Board requests the Director to transmit the Personal Services recommendations to the Governor and the General Assembly for consideration for the 2023-25 Biennium.

Keven Anderson asked how many unfilled positions are there currently. Nick Fuller said there are currently just under 8,000 unfilled positions out of the 28,004 currently authorized.

Chair Brodell moved to recommend the approval of Agenda Item No. 8 to the full Board for consideration. Allan Bohn seconded and the committee approved.

Agenda Item No. 9
Recommendations for State Funding
of Capital Projects

The Recommendations for State Funding will be presented at a later date to ensure adequate review of project requests before recommendations are made to the Arkansas Higher Education Coordinating Board.

Agenda Item No. 10
Economic Feasibility of Bond Issue
Arkansas Tech University

Arkansas Tech University (ATU) requests approval of the economic feasibility of plans to issue bonds not to exceed \$29.8 million with a term of thirty (30) years at an annual interest rate of approximately 6.0 percent. Proceeds from the bond issue will be used for auxiliary purposes. Arkansas Tech University Board of Trustees approved this financing at its meeting on June 16, 2022.

The auxiliary issue will be up to \$29.8 million with an annual debt service of \$2,144,400 and a term of up to thirty (30) years. Proceeds will be used to construct a new facility (Student Union and Recreation Center). The annual debt service payment will be supported by student union and recreation student fee revenue. Coordinating Board policy regarding debt service for auxiliary projects provides those annual auxiliary revenues should be no less than 120 percent of total annual auxiliary debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Arkansas Tech University to issue bonds not to exceed \$29.8 million with a term of thirty (30) years at an annual interest rate of approximately 6.0 percent to construct a new facility (Student Union and Recreation Center).

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of Arkansas Tech University of the Coordinating Board's resolution.

Dr. Robin Bowen, President of Arkansas Tech University, provided additional information regarding this request.

Greg Revels moved to recommend the approval of Agenda Item No. 10 to the full Board for consideration. Chair Brodell seconded and the committee approved.

Keven Anderson and Chair Brodell voiced concerns regarding the Association of Physical Plant Administrators (APPA) recommendation that \$1.25 per gross square foot be set aside for auxiliary facilities.

Chair Brodell moved to recommend that ADHE staff evaluate the current APPA recommendation so that the Coordinating Board can decide if the rate is sufficient or needs to be increased. Greg Revels seconded and the committee approved.

Agenda Item No. 11
Economic Feasibility of Bond Issue
North Arkansas College

North Arkansas College requests approval of the economic feasibility to issue bonds not to exceed \$1.9 million with a term of twenty (20) years and an interest rate of approximately 5.0 percent. Proceeds from the issue will be used for educational & general (E&G) purposes. The North Arkansas College Board of Trustees approved this financing at its meeting on July 14, 2022.

The E&G bond issue will not exceed \$1.9 million with an annual debt service of \$141,088 and a term of twenty (20) years. Proceeds will be used for the construction of a new Center for Robotics and Manufacturing Innovation instructional facility. Coordinating Board policy regarding debt service for projects financed by local tax or millage provides that annual net millage revenue should be no less than 120 percent of the total annual debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for North Arkansas College to issue special obligation (millage) bonds in an amount not to exceed \$1.9 million with a term of twenty (20) years at an estimated annual interest rate of approximately 5.0 percent for the construction of a new Center for Robotics and Manufacturing Innovation instructional facility.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to notify the Chair of the Board of Trustees of North Arkansas College and the President of North Arkansas College of the Coordinating Board's resolution.

Richard Stipe, Vice President for Finance and Administration, provided additional information.

Dr. Jim Carr asked if NAC is confident about the 5.0 percent interest rate. Stipe said that the underwriters are confident that the interest rate is still viable.

Keven Anderson asked if NAC had looked for unoccupied space that could potentially be used to house the Robotics and Manufacturing Innovation instructional facility instead of constructing a new center. Stipe said they did but this was the best option.

Greg Revels moved to recommend the approval of Agenda Item No. 11 to the full Board for consideration. Chair Brodell seconded and the committee approved.

Agenda Item No. 12
Economic Feasibility of Bond Issue
University of Arkansas at Pine Bluff

University of Arkansas at Pine Bluff (UAPB), requests approval of the economic feasibility of plans to issue bonds not to exceed \$17 million with a maximum term of up to thirty (30) years at an estimated annual interest rate of approximately 5.25%. Proceeds from the bond issue will be used for auxiliary purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on May 26, 2022.

The Auxiliary issue will be approximately \$17 million with annual debt service of \$1,513,900. Proceeds from the issue will be used to construct a student engagement center. This student center will house an infirmary, fitness center, counseling services, office of admissions, office of recruitment, career services center, and other student-centered offices/programs. In addition, as funds are available, proceeds will be used for other capital improvements and infrastructure for UAPB. Coordinating Board policy regarding debt service for auxiliary projects provides that annual net auxiliary revenues should be no less than 120 percent of the total annual auxiliary debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas at Pine Bluff (UAPB) to issue bonds not to exceed \$17 million with a maximum term of up to thirty (30) years at an estimated annual interest rate of approximately 5.25%. Proceeds from the bond issue will be used for auxiliary purposes to construct a student engagement center. This student center will house an infirmary, fitness center, counseling services, office of admissions, office of recruitment, career services center, and other student-centered offices/programs. In addition, as funds are available, proceeds will be used for other capital improvements and infrastructure for UAPB.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of University of Arkansas and the Chancellor of the University of Arkansas at Pine Bluff of the Coordinating Board's resolution.

Dr. Laurence Alexander, Chancellor of the UAPB, provided additional information.

Keven Anderson asked why UAPB is requesting to construct a Student Engagement Center versus using an existing location. Dr. Alexander explained that UAPB's current Student Union was built in 1951 and the student population was only a fraction of what it is currently. The current building will still be used for student activities; however, it is no longer adequate for the institution's current needs. A new student union will be a game changer, said Dr. Alexander.

Greg Revels moved to recommend the approval of Agenda Item No. 12 to the full Board for consideration. Chair Brodell seconded and the committee approved.

In the absence of an Academic Committee quorum, Dr. Jim Carr called for a meeting of the Committee of the Whole.

Agenda Item No. 13
Associate of Applied Science in Industrial Technology
Arkansas State University – Beebe

The proposed Associate of Applied Science in Industrial Technology is 60 credit hours and will be housed at the ASU Beebe Searcy campus. The program consists of 15 semester hours of general education, 36 credit hours of Industrial Technology core, and 9 semester hours of electives from applicable career and technical education courses. This program will complement the institution's Certificate of Proficiency and Technical Certificate in Industrial Technology.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Associate of Applied Science in Industrial Technology (CIP 47.0105; 60 credit hours) at Arkansas State University Beebe, effective Fall 2022.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Division of Higher Education to inform the President and Chair of the Board of Trustees of Arkansas State University of the approval.

Dr. Jason Goodner, Vice Chancellor for Academics, provided additional information.

There were no questions.

Agenda Item No. 14
Master of Science in Product Innovation
University of Arkansas, Fayetteville

The Master of Science in Product Innovation is a 30-credit hour program designed to prepare students to market new products. Students will develop business models and work on needs-based product design, development, and testing.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Master of Science in Product Innovation (CIP 50.0404; 30 credit hours) at the University of Arkansas Fayetteville, effective Summer 2023.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Division of Higher Education to inform the President and Chair of the Board of Trustees of the University of Arkansas of the approval.

Dr. Terry Martin, Vice Chancellor for Academic Affairs, provided additional information.

There were no questions.

Agenda Item No. 15
Institutional Certification Advisory Committee

Initial Program Certification-Distance Technology

RESOLVED, That pursuant to A.C.A. §6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to the institutions listed on pages 1 - 3 to offer the specified degree programs to Arkansas residents for a period of three years through December 31, 2025.

FURTHER RESOLVED, That the Director of the Arkansas Division of Higher Education is authorized to notify the administration of said institutions that the certification of the degree programs requires the institution to notify the Arkansas Division of Higher Education whenever any of the following occurs: (1) major reorganization of the controlling body; (2) changes in the charter or incorporation documents of the institution; or (3) changes in the method of operation of the institution's programs in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of said institutions that any advertisement or published materials using the name of the Arkansas Higher Education Coordinating Board or the Arkansas Division of Higher Education must contain the following statement:

Arkansas Higher Education Coordinating Board certification does not constitute an endorsement of any institution or program. Such certification merely indicates that certain criteria have been met as required under the rules and regulations implementing institutional and program certification as defined in A.C.A. §6-61-301.

Initial Program Certifications – Distance Technology

Chamberlain University, Chicago, Illinois

National University, La Jolla, California

Northcentral University, San Diego, California

University of Southern California, Los Angeles, California

University of St. Augustine for Health Sciences, San Marcos, California

Walden University, Minneapolis, Minnesota

There were no questions.

Graycen Bigger moved to recommend the approval of Agenda Items No. 13 – 15 to the full Board for consideration. Dr. Jerry Cash seconded and the Committee approved.

Agenda Items No. 16 & 17
Letters of Notification and Letters of Intent

The Director of the Arkansas Department of Higher Education approved institutional requests for new programs not requiring Board action unless further review is requested by the Board. During this period, the Institutional Certification Advisory Committee received notice of requests from out-of-state institutions to offer degree programs to Arkansas residents. The program notice lists appear in the Letters of Notification on pages 16-1 through 16-36 and in the Letters of Intent on pages 17-1 through 17-7 of the agenda book.

There were no questions.

Report of the Committees

Keven Anderson presented the report of the Finance Committee and moved approval of Agenda Items 5 – 12. Greg Revels seconded and the board approved.

Dr. Jim Carr presented the report of the Academic Committee and moved approval of Agenda Items 13 – 15. Keven Anderson seconded and the board approved.

Remarks by Presidents and Chancellors

Chair Brodell announced the next Arkansas Higher Education Coordinating Board meeting would be held on October 28, 2022, at the University of Arkansas Community College at Morrilton.

With no further comments, the meeting adjourned at 10:52 a.m.

Nichole Abernathy

APPROVED:

Graycen Bigger, Secretary