

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
October 30, 2015**

Minutes of Meeting

The October 30, 2015, regular meeting of the Arkansas Higher Education Coordinating Board (AHECB) was held at the Arkansas Department of Higher Education (ADHE) in Little Rock, Arkansas. Chairman Crafton called the meeting to order at 8:30 a.m. with a quorum present.

Coordinating Board present:

Bob Crafton, Chair
Dr. Jim Carr
Dr. Olin Cook
Chris Gilliam
Florine Milligan
Ben Pickard
Greg Revels
Dr. Michael Stanton

Coordinating Board absent:

Dr. Charles Allen
Horace Hardwick, Vice Chair
Sherrel Johnson, Secretary
Sam Sicard

Department staff present:

Dr. Brett Powell, Director
Harold Criswell, Senior Associate Director of Administration and Finance
Ann Clemmer, Senior Associate Director for Academic Affairs
Dr. Tim Atkinson, Senior Associate Director for Research and Technology
Tara Smith, Senior Associate Director for Institutional Finance
Jake Eddington, Program Specialist for Institutional Finance
Lillian Williams, Program Specialist for Academic Affairs
Angela Lasiter, Program Specialist for Academic Affairs
Delores Logan, Program Specialist for Academic Affairs
Alana Boles, Program Specialist for Academic Affairs
Nichole Abernathy, Executive Assistant

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

Chairman Crafton began the meeting by asking for a moment of silence for all of the U.S. Troops overseas.

He then introduced new AHECB member Dr. Michael Stanton from Greenbrier and welcomed him to his first meeting of the Coordinating Board.

Chairman Crafton announced that because of term limits, Mary Ann Salmon and Sarah Argue were no longer on the Coordinating Board. Their terms expired on May 1, 2015. Crafton then presented them with an engraved vase and flowers on

behalf of the Coordinating Board and thanked them both for their service to higher education. After a standing ovation from the audience, Salmon and Argue addressed the crowd. Salmon said that she thoroughly enjoyed being on the board and asked everyone to keep up the good work. Argue said that she was very privileged to have served on the Coordinating Board and proud of the work that was done.

Agenda Item No. 1
Approval of Minutes

Greg Revels moved to approve Agenda Item No. 1. Florine Milligan seconded the motion and the Board unanimously approved.

Agenda Item No. 2
Appointment of Nominating Committee

Chairman Bob Crafton appointed members of the Arkansas Higher Education Coordinating Board nominating committee. The nominating committee will recommend Board officers for 2016-17 at the January 29, 2016 meeting. The members included: Ben Pickard (Chair), Dr. Charles Allen and Chris Gilliam. Chris Gilliam moved to approve Agenda Item No. 2. Dr. Jim Carr seconded the motion and the Board unanimously approved.

Agenda Item No. 3
2016 Coordinating Board Meeting Schedule

The Arkansas Higher Education Coordinating Board meets quarterly to act upon Board initiatives and to respond to campus proposals.

RESOLVED, That the Arkansas Higher Education Coordinating Board agrees to the following dates for regular quarterly meetings during 2016: January 29, April 22, July 29, and October 28.

FURTHER RESOLVED, That the Board expresses its appreciation and accepts the invitations to meet in January at the Arkansas Department of Higher Education in Little Rock, in April at National Park College in Hot Springs, in July at the Arkansas Department of Higher Education in Little Rock, and in October at the Arkansas Department of Higher Education in Little Rock.

Greg Revels moved to approve Agenda Item No. 3. Dr. Olin Cook seconded the motion and the Board unanimously approved.

Agenda Item No. 4
Agency Updates

ForwARd Arkansas

First, Jared Henderson with the Winthrop Rockefeller Foundation presented information about ForwARd Arkansas. ForwARd Arkansas is a strategic partnership of the Winthrop Rockefeller Foundation, Walton Family Foundation and Arkansas Board of Education that aims to prepare every Arkansas student for success in college and the workplace. To achieve this vision, ForwARd is working to create a holistic plan for P-16 education aimed at dramatically improving student achievement, closing the achievement gap and helping Arkansas become a leading state in the quality of education we provide.

Florine Milligan asked Henderson if there was any collaboration with the SEED (Supporting Effective Educator Development) Grant program. Henderson said, not at this time. They would like for conversations to begin so that collaborations could begin.

Chairman Crafton asked Henderson what are his expectations from the Higher Education Coordinating Board. Henderson said he would like for the board as individuals and in their role as leaders to follow-up with ForwARd Arkansas specifically on some of the recommendations that are most relevant to higher education. Henderson said that he would ask that we continue to have conversations with the AHECB and that those conversations can continue to get increasingly focused on how to make them a reality.

Dr. Jim Carr asked where Arkansas ranks. Henderson said that the goal is for Arkansas to rank number five in twenty five years.

ADHE Staff Changes

Dr. Powell began by announcing that Rick Jenkins, ADHE Research and Technology Program Specialist, recently transferred to the University of Arkansas for Medical Sciences. Delores Logan, Academic Affairs Program Specialist, would be retiring on November 13 after 35 years with the agency.

Institutional Leadership Changes

Dr. Karla Hughes will begin on January 15 as the new Chancellor for the University of Arkansas at Monticello. Dr. Joseph Steinmetz will begin on January 1 as the new Chancellor for the University of Arkansas, Fayetteville. After over 50 years with Arkansas State University – Beebe, Dr. Eugene McKay will retire as Chancellor on January 15.

Annual Trustees Conference

Powell announced that the Annual Trustees Conference will be held on Monday, December 7, 2015, at the Pulaski Technical College Campus Center in North Little Rock. The conference will begin at 9:00 a.m. and will conclude by 5:00 p.m.

Workforce Grants

ADHE has awarded 21 planning grants totaling \$1,427,657. The funding will be disbursed in mid-October, said Powell. The implementation grant proposals are due June 1, 2016.

Chairman Crafton asked where the 1.4 million came from. Powell said that Governor Hutchinson was able to fund the grants. However, funds will need to be raised for the implementation process. That will have to happen during the fiscal session.

Agenda Item No. 5
Prevention of Unplanned Pregnancies
on Campuses

Act 943 of 2015 requires the Arkansas Higher Education Coordinating Board (AHECB) to develop an action plan to address the prevention of unplanned pregnancy. The work shall be a collaborative effort with all public universities and community colleges and will focus on older teens (18 and 19 years old) who are unmarried. Act 943 requires this action plan to be developed and presented to the Legislative Council no later than November 3, 2015.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the prevention of unplanned pregnancies on college and university campuses action plan as described in this agenda item in implementing the provisions of Act 943 of 2015.

FURTHER RESOLVED, That the Arkansas Higher Education Coordinating Board shall report on the status of the action plan annually to the chair of both House and Senate Public Health, Welfare and Labor and the chair of both Senate and House Education Committees.

Dr. Powell said that while this agenda item is different from the work that ADHE typically does, it is about eliminating barriers to success for Arkansas students. So in that aspect, it is like the work we are currently doing on the Master Plan. Powell then introduced Representatives Robin Lundstrum and Deborah Ferguson who helped sponsor Act 943.

Lundstrum began by thanking ADHE staff and the working group for their work on the action plan. Hopefully we can put together a recipe for how institutions deal with teen pregnancy throughout the state, she said.

Chris Gilliam asked if the action plan addressed both males and females. Lundstrum said yes.

Crafton asked if the group had determined what materials would be presented at orientation. Lundstrum said, no. That would be left up to the institutions to determine. As long as it is in line with good decision making.

Dr. Jim Carr moved to approve Agenda Item No. 5. Dr. Olin Cook seconded the motion and the Board unanimously approved.

Agenda Item No. 6
Higher Education Master Plan

A.C.A. § 6-61-205 states that in order to promote a coordinated system of higher education in Arkansas and to assure an orderly and effective development of each of the publicly supported institutions of higher education, the Arkansas Higher Education Coordinating Board shall have the power and duty to accept responsibility for continuous master planning.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Closing the Gap 2020: A Master Plan for Arkansas Higher Education as prepared in accordance with A.C.A. § 6-61-205.

Florine Milligan said that she was very impressed with ForwARd Arkansas and the Higher Education Master Plan. However, she wondered if it were possible for ADHE to report on the current, past and future status of higher education in Arkansas. Milligan also asked if Arkansas looked at Mississippi's best practices. Powell said that ADHE has data and a baseline and does plan to track Arkansas's progress.

Florine Milligan moved to approve Agenda Item No. 6. Dr. Jim Carr seconded the motion and the Board unanimously approved.

Agenda Item No. 7
Report on Academic Program Deletions

Dr. Tim Atkinson provided detailed information about program deletions during the 2014-15 academic year. He summarized the number of program deletions for the academic year by level of program and by level of institution.

There were no questions.

Greg Revels moved to go into a Committee of the Whole, due to a lack of quorum on the finance committee. Chris Gilliam seconded the motion and the Board unanimously approved.

Agenda Item No. 8
Operating Recommendations
for 2016-17 Fiscal Year

A.C.A. §6-61-224 establishes the process and key components for formula development for funding public institutions of higher education.

At its April 27, 2014 meeting, the Arkansas Higher Education Coordinating Board approved the funding models for the two-year colleges, universities, and the technical centers (former technical institutes merged with universities). These models had been developed in conjunction with presidents and chancellors after meetings and revisions. The funding models were used to develop the comparative needs of Arkansas institutions of higher education in terms of the average funding levels of schools in the SREB region.

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 2016-17 fiscal year as included in Tables A, B, C, D and E.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to prepare appropriate documents for transmission to the Governor and the General Assembly of the 2016-17 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 Department 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.

Florine Milligan moved to recommend the approval of Agenda Item No. 8 to the full Board for consideration. Chris Gilliam seconded and the Committee approved. Dr. Olin Cook abstained from voting.

Agenda Item No. 9
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, and line-item maximum salaries for all non-classified administrative,

academic, and auxiliary positions at each Arkansas public institution of higher education have been reviewed, and changes are recommended.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommended number of positions, titles, and maximum salaries for non-classified positions in academic, administrative, and auxiliary positions for the 2016-17 fiscal year as recommended by staff.

FURTHER RESOLVED, That the Director of the Arkansas Department 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 2016-17 fiscal year.

There were no questions.

Chris Gilliam moved to recommend the approval of Agenda Item No. 9 to the full Board. Florine Milligan seconded and the Committee approved.

Agenda Item No. 10
Report of 2014-15 Intercollegiate Athletic
Revenues and Expenditures

Act 245 of 1989 (A.C.A. §6-62-106) directed the Coordinating Board to develop and establish uniform accounting standards and procedures for reporting revenues and expenditures. Based on these standard definitions and formats, the Coordinating Board is to collect the financial data and provide a uniform report of each institution's athletic revenues and expenditures for the previous fiscal year to the Legislative Joint Auditing Committee and the public by November of each year.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Report of 2014-15 Intercollegiate Athletic Revenues and Expenditures as prepared in accordance with Arkansas Higher Education Coordinating Board uniform accounting standards and definitions for athletic reporting.

FURTHER RESOLVED, That the Coordinating Board authorizes the Director to transmit the Report of 2014-15 Intercollegiate Athletic Revenues and Expenditures to the Legislative Joint Auditing Committee according to the provisions of A.C.A. §6-62-106.

Ben Pickard commented that he is all for intercollegiate athletics, but institutions have to stop sticking it to students.

Chris Gilliam moved to recommend the approval of Agenda Item No. 10 to the full Board. Dr. Jim Carr seconded and the Committee approved.

Agenda Item No. 11
Bond/Loan Feasibility Update

Chandra Robinson presented this update which consisted of the actual terms for bond and loan issues receiving AHECB approval that occurred from June 2014 through October 2015. This update was requested by the AHECB during the July 30, 2010 quarterly meeting.

There were no questions.

Agenda Item No. 12
Maintenance Report

The AHECB policy for maintenance of new facilities, passed October 29, 2010, states that a report on the amount transferred to plant funds would be presented annually at the October Board meeting. This policy was proposed to ensure that in the future all newly constructed or purchased facilities would have a source of funding for maintenance of the new facility. Institutions seeking approval of a loan or a bond issue for the construction or purchase of a new facility must provide for the maintenance of that facility by transferring annually to plant funds an amount as recommended by the Association of Physical Plant Administrators of Universities and Colleges (APPA). This is currently \$2.50 per gross square foot for an educational and general facility or \$1.25 per gross square foot for an auxiliary facility. A lower rate per gross square foot for a specific building/facility can be approved with appropriate justification.

It is the expectation that the institution provide for the long term maintenance of the facility for which the funds were accrued. Funds may be utilized for facility renovation and upkeep including upgrade or replacement of equipment and furnishings of the designated building. These funds will be transferred to the plant fund annually and shall begin in the fiscal year following the completion and occupancy of the facility and will continue as long as the building is in use. The funds can also be used for critical and deferred maintenance of the institution. This report includes the status of the FY2013-14 and FY2014-15 maintenance transfers.

There were no questions.

Agenda Item No. 13
Institutional Certification Advisory Committee

Initial Program Certification-Distance Technology

RESOLVED, That pursuant to ACA § 6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to the institutions listed on pages 1-4

to offer the specified degree programs to Arkansas residents for a period of three years through December 31, 2018.

FURTHER RESOLVED, That the Director of the Arkansas Department 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 Department 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 Department 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 Arkansas Code § 6-61-301.

Bryant and Stratton College, Orchard Park, New York
Columbia Southern University, Orange Beach, Alabama
Georgetown University, Washington, D.C.
Johns Hopkins University, Baltimore, Maryland
Simmons College, Boston, Massachusetts
University of Cincinnati, Cincinnati, Ohio
Vista College, Richardson, Texas

Initial Program Certification - Arkansas Campus

Baptist Health College Little Rock, Little Rock, Arkansas

New Institutions – Distance Technology

International Sports Science Association College of Exercise Science, Carpinteria, California
Northwestern University, Evanston, Illinois
Waldorf College, Forest City, Iowa

Florine Milligan moved to recommend Agenda Item No. 13 to the full Board for consideration. Ben Pickard seconded and the Committee approved.

Agenda Items No. 14 & 15
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 14-1 through 14-57 and in the Letters of Intent on pages 15-1 through 15-16 of the agenda book.

Report of the Committees

Dr. Robin Bowen, President of Arkansas Tech University, distributed data to the Coordinating Board that showed what she believes are inequities in the funding formula. Bowen stated that she was the only president or chancellor that voted no on the funding recommendations. Whether you consider overall enrollment or FTE enrollment, ATU receives the least funds per student, said Bowen. ATU receives at least 26 million dollars less than UCA, UALR, and ASUJ, each year. My biggest fear is that I don't have the money for the policemen that I need, the faculty that I need or the nurses that I need. We are underfunded, but asked to perform equally. In closing, Bowen respectfully asked the Coordinating Board to vote no on the funding formula recommendations.

Dr. Jim Carr asked why there was such a discrepancy. Dr. Bowen said that she believes that ATU grew during an inopportune time. ATU grew when the funding was flat. All we can do now is ask that any additional funding that comes forward not be given across the board but be used to try to address this gross disparity.

Dr. Charles Welch, President of the Arkansas State University System, said that all of the institutions understand the challenges that ATU is facing. He noted that eight of the ten publicly funded institutions are under 40 percent. Only two institutions are above that figure, UAPB and HSU. He noted that both of these institutions have not received any new money in over five years. Yet, both institutions are trying to serve populations that are in critical need. In regards to the per FTE funds, I would argue that all FTE's are not the same, unfortunately, said Welch. To go to a straight FTE funding would disincentivize the programs that policy makers believe are the most important – workforce education. Welch said that he is personally very excited about the efforts of Dr. Powell and the words of Governor Hutchinson regarding a new funding formula. Welch ended by saying while he sympathizes with ATU and understands their concerns, he has to look at this from a larger perspective.

Dr. Olin Cook said that when he began in higher education there wasn't a funding formula. However, a big problem with the funding formula was made when it was codified. The funding decisions should rest with the Coordinating Board, said Cook.

Greg Revels presented the report of the Finance Committee and moved approval of Agenda Items 8 - 10. Florine Milligan seconded the motion and the Board approved. Dr. Olin Cook abstained from voting.

Dr. Olin Cook presented the report of the Academic Committee and moved approval of Agenda Item 13. Florine Milligan seconded the motion and the Board approved.

Remarks by Presidents and Chancellors

Chairman Crafton announced that the Annual Trustees Conference would be on December 7 at Pulaski Technical College in North Little Rock.

The next Coordinating Board meeting would be hosted by the Department of Higher Education on January 29, 2016.

With no further comments, the meeting adjourned at 11:06 a.m.

Nichole Abernathy

APPROVED:

Sherrel Johnson, Secretary