

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
October 30, 2009

Minutes of Meeting

The October 30, 2009, regular meeting of the Arkansas Higher Education Coordinating Board was held at the University of Arkansas – Fort Smith. Chairman Burns called the meeting to order at 10:00 a.m. with a quorum present.

Coordinating Board present:

Bob Burns, Chair
Dr. Charles Allen, Secretary
Sarah Argue
Dr. Joe Bennett
Jodie Carter
Dr. Olin Cook
Bob Crafton
Phil Ford
Dr. Dan Grant
Kaneaster Hodges
Steve Luelf

Coordinating Board absent:

David Leech, Vice Chair

Department staff present:

Dr. Jim Purcell, Director
Dr. Stanley Williams, Deputy Director
Dr. Karen Wheeler, Associate Director
Rick Jenkins, Associate Director for Planning and Accountability
Cynthia Moten, Associate Director of Academic Programs
Brooks Harrington, Assistant Director of Academic Programs
Tara Smith, Coordinator of Financial Aid
Zanette Douglas, Coordinator of Institutional Certification
Dale Ellis, Communications Officer
Forest Boles, Assistant Coordinator of Financial Aid
Nichole Abernathy, Administrative Support

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

Chairman Burns introduced Dr. Paul Beran, Chancellor of the University of Arkansas – Fort Smith (UAFS) for a welcome. Dr. Beran welcomed everyone to the meeting and commented that it was an honor for UAFS to host the Coordinating Board. He said that despite the rain, he was delighted that everyone had the opportunity to see UAFS's beautiful campus. He was also pleased that Coordinating Board members got to see the AREON presentation which

demonstrated some of the technology that is coming to Arkansas as well as the performance by the Jazz Cats, which demonstrated some of the talents of UAFS faculty and students.

Chairman Burns thanked Dr. Beran and the UAFS staff for their hospitality.

Chairman Burns announced that there would be a Public Hearing on the amendments to the rules and regulations of the Arkansas Academic Challenge Scholarship Program.

Agenda Item No. 1
Approval of Minutes

Dr. Dan Grant moved to approve Agenda Item No. 1. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Agenda Item No, 2
Approval of 2010 Coordinating Board
Meeting Schedule

The Arkansas Higher Education Coordinating Board meets quarterly to act upon Board initiatives and to respond to campus proposals. The Board approved the following 2010 schedule for these regular quarterly meetings:

January 29, 2010	Hendrix College Conway
April 30, 2010	Cossatot Community College of the University of Arkansas DeQueen
July 30, 2010	TBD
October 29, 2010	Arkansas State University - Jonesboro

RESOLVED, That the Arkansas Higher Education Coordinating Board agrees to the following dates for regular quarterly meetings during 2010: January 29, April 30, July 30, and October 29.

FURTHER RESOLVED, That the Board expresses its appreciation and accepts the invitations to meet in January at Hendrix College in Conway, in April at Cossatot Community College, in July (location to be determined), and in October at Arkansas State University in Jonesboro.

Phil Ford moved to approve Agenda Item No. 2. Jodie Carter seconded the motion, and the Board unanimously approved.

Agenda Item No. 3
Appointment of Nominating Committee
for 2010-11

Chairman Bob Burns appointed members of the Arkansas Higher Education Coordinating Board nominating committee. The nominating committee will recommend Board officers for 2010-11 at the January 29, 2010 meeting. The members included: Kaneaster Hodges (Chair), David Leech and Bob Crafton.

Agenda Item No. 4
Agency Updates

Dr. Purcell began the agency updates by announcing that ADHE received \$67,531 in budget cuts. He explained that ADHE would handle the cuts by cutting back on travel and using salary and matching on vacant positions. In addition, Financial Aid lost \$956,822 in funds, which will not impact student scholarships this year, and the institutions lost a total of \$15,843,137.

ADHE recently acquired two new staff members; Brinda Berry, Federal Program Manager and Forest Boles, Assistant Coordinator for Student Outreach Services. Dr. Purcell announced that ADHE would receive six new staff positions to help with the lottery scholarship awards. Kaneaster Hodges asked if the new ADHE staff positions would be funded by the lottery proceeds. Dr. Purcell said that they would.

Arkansas is currently 50th in the number of adults with a bachelor's degree or higher, dropping from 19.7% in 2002 to 18.8% in 2008, said Dr. Purcell. He stated that now is the perfect time for the lottery scholarship. He explained that the lottery scholarship is designed to encourage students near college graduation to finish and will encourage adults to enter or return to college. The scholarship will also reward college preparation by encouraging students to take the Smart Core, do well on the ACT/SAT and to maintain good grades. Dr. Purcell announced that he purchased the first lottery ticket for the state of Arkansas on September 28, 2009.

Dr. Purcell explained that ACT 971 of 2009 mandates that colleges and universities set clear, measurable exit standards for remedial courses. The Coordinating Board, in collaboration with state-supported institutions of higher education, shall develop by institution uniform measurable exit standards for remedial courses that are comparable to the ACT or SAT equivalent required for college-level enrollment in credit courses. The law is to be implemented no later than the fall semester of 2010. The Board shall report its progress to the House Committee on Education and the Senate Committee on Education by February 1,

2010. Dr. Purcell explained that approximately 89% of Arkansas's universities and 80% of two-year colleges have identified national exams correlated to the ACT that they will adopt. Non-remediated students graduate at a rate of 58.9% while remediated students graduate at half that rate (29.5%). Sarah Argue asked if Dr. Purcell knew the number of students that have to be remediated more than once. Dr. Purcell said ADHE staff are currently working on such a report for the legislature. Kaneaster Hodges asked if there were schools that could be used as success models. Dr. Purcell said that as soon as the relevant data has been collected, ADHE will be able to identify successful progress. Mr. Luelf commented that the best county in Arkansas has a remediation rate of 33%. Dr. Purcell said that is correct.

Agenda Item No. 5 Report on Program Deletions

Rick Jenkins provided detailed information about program deletions during the 2008-09 academic year. He summarized the number of program deletions for the academic year by level of program and by level of institution. Thirty-seven programs were deleted in 2008-09 compared to 38 deletions in 2006-07 and 42 deletions in 2007-08. Four graduate programs were deleted and the balance of the deletions were at the undergraduate level. Four-year institutions deleted 27 programs while the other 10 deletions were made at two-year institutions.

Dr. Olin Cook asked why Southern Arkansas University is deleting so many BSE degrees. Cynthia Moten explained that SAUM had both BSE and BS degrees in the same areas of study and were merely doing away with the BSEs.

Kaneaster Hodges asked if ADHE tracked these programs before they are deleted. Mr. Jenkins said that ADHE provides a new program productivity report to the board every April. He explained that the programs performance is tracked for three to five years.

Agenda Item No. 6 Report of 2008-09 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.

Athletic revenues and expenditures for 2008-09 for each institution have been collected according to uniform standards and compiled in a summary report.

The 2008-09 total amount of athletic expenditures reported by state-supported universities is \$104,800,442 and two-year colleges is \$285,158. The statewide total is \$105,085,600 an increase of \$4,506,803 (4%) up from \$100,578,797 in 2007-08.

Certified budgeted athletic revenues for 2008-09 totaled \$95,370,564 for all institutions. Total actual expenditures for 2008-09 for all institutions exceeded this certified amount by 10 percent. Actual athletic expenditures varied from the Board of Trustees-certified budgeted revenue by a range of 16 percent over the budgeted amount to 5 percent under the budgeted amount.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Report of 2008-09 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 2008-09 Intercollegiate Athletic Revenues and Expenditures to the Legislative Joint Auditing Committee according to the provisions of Act 245 of 1989.

Kaneaster Hodges asked if the Summary of Intercollegiate Athletic Revenues and Expenditures chart on page 6-3 of the Agenda book is what ADHE would be referring to the Joint Auditing Committee. Dr. Williams said yes. Mr. Hodges asked if ADHE staff saw instances of institutions reporting inaccurately and is it a state-wide problem. Dr. Williams said that while a few institutions have questionable budgets, he and Dr. Purcell have been working with them to reconcile the problems.

Jodie Carter asked that if ADHE only reports to the Joint Auditing Committee that the institutions have complied with the law, who determines whether the reported information is accurate or not. Dr. Williams said that Legislative Audit is supposed to determine whether the information is correct.

Dr. Olin Cook asked what jurisdiction or influence, if any, does the Coordinating Board have in correcting institutional athletic spending. Mr. Hodges said that this appears to be a dragon that won't be slain.

Phil Ford asked where money for athletic scholarships go. Dr. Williams explained that the majority of it goes back to the school via room and board and tuition and fee income on the E&G side.

Dr. Grant commented that the athletic report appears to be an annual exercise in futility. He said that while he enjoys athletics as much as the next person, the board is concerned that in certain aspects of athletics, institutions appear to be spending far too much money.

Jodie Carter stated that the only recourse appears to be to have the legislators address this issue.

Sarah Argue commented that she would be interested to see exactly where the discrepancies are when athletic expenditures are broken down. Her guess is that it is in women's athletics. In terms of what is actually spent, 4% doesn't seem like that huge a number, she said.

Dr. Williams reminded the AHECB members that all they are asked to do is certify that the institutions reported their athletic expenditures.

Dr. Purcell explained that the law restricts spending more than \$1,124,400 in unrestricted educational and general funds used to support intercollegiate athletic programs at state supported institutions of higher education. ADHE has recently started identifying institutions that are spending more than allowed and working with them to resolve it, said Dr. Purcell.

Sarah Argue asked what the circumstances are regarding UALR's transfer of \$1,166,859 in unrestricted E&G funds. Dr. Williams explained that UALR had erroneously reported \$42,500. The revised report showed that they are under the allowed amount.

Dr. Olin Cook moved to approve Agenda Item No. 6. Dr. Charles Allen seconded the motion, and the Board approved. Kaneaster Hodges voted no stating that he does not believe this is an appropriate use of funds.

Agenda Item No. 7 Annual Report of Financial Condition

At its regular meeting on July 25, 2008 the Arkansas Higher Education Coordinating Board requested that the Department of Higher Education compile and present annually to the AHECB a report related to the financial condition of each publicly supported institution of higher education.

Dr. Stanley Williams, ADHE Deputy Director, presented the annual report of financial condition of the state's 33 publicly supported two- and four-year institutions. Dr. Williams pointed out that inequities in funding are increasing, with an almost 40 percent loss in purchasing power per full-time-equivalency (FTE) student in the past 25 years. Dr. Williams said that if you took the growth we had this year alone it would take \$23 million in additional funding just to cover that growth.

Dr. Williams pointed out that per FTE student funding at the two-year college level ranges from a high of \$8,600 to a low of \$2,500 and recommended a minimum level of funding to be set at \$3,000 per FTE student, noting that any change in the

two-year funding formula would have to be introduced in the State Legislature during the 2011 session.

The public policy question of whether or not the citizens of Arkansas, specifically the students and their parents, should subsidize the education of non-Arkansas residents who enroll in distance delivered education outside the state of Arkansas should be addressed, said Dr. Williams. Kaneaster Hodges asked if we were punishing an institution for having out-of-state students. Dr. Williams said no. It is merely keeping students from having to pay higher tuition rates. Dr. Williams stated that other states have similar or identical policies. Mr. Hodges asked that this issue be further researched to make sure that it doesn't interfere with Interstate Commerce clauses. Dr. Dan Grant said it would be difficult to determine what is considered distance education. Dr. Williams said that is true.

Dr. Joe Bennett commented on the fact that UAFS has several students from Oklahoma and other neighboring states. Dr. Williams said that exceptions are made for out-of-state students from contiguous counties, such as they don't have to pay out-of-state tuition.

Steve Luelf asked what the average funding per FTE student for two-year institutions would be if the minimum is \$3,000 and the top institutions receive over \$8,000. Dr. Williams said that the average would be \$5,000. He explained that just because an institution receives over \$8,000 per FTE student, doesn't mean they need that much – just that they were appropriated that much. Dr. Williams stated that there has to be a minimum cost of educating a student.

Bob Crafton made a motion directing Dr. Purcell to begin conversations with institutional leaders and members of the legislature in an effort to introduce a change in funding in the 2011 session. Kaneaster Hodges seconded the motion and the Board unanimously approved.

Sarah Argue commented that the purchasing power for the two-year institutions is currently at \$3,000. If you increase the funding per FTE student to a minimum of \$3,000, the purchasing power will be even lower. Ms. Argue questioned how we account for that being an efficient amount of funding. Dr. Williams said that we have formulas that would address these inequities if they were allowed to operate. Because of restrictions we have, they have not been allowed to operate.

Steve Luelf asked if a resolution should be passed asking members of the legislature to reduce the funding for institutions that are currently around \$8,000 or more per FTE students and their enrollment is not there. Dr. Williams said that if an institution with 20 students loses 20% of their enrollment, they still have 16 students. It is unlikely that they can afford to cut any classes or make any other adjustments.

Mr. Luelf commented that AHECB members have a duty to point out what is fair and equitable whether the legislature acts upon it or not. Dr. Williams stated that ADHE is willing to pursue whatever the board recommends.

Kaneaster Hodges moved to approve Agenda Item No. 7. Jodie Carter seconded the motion and the Board unanimously approved.

Chairman Burns announced a Public Hearing on the amendments to the rules and regulations for five financial aid programs.

Agenda Item No. 8 Arkansas Academic Challenge Scholarship Rules

Due to the passage of a Constitutional Amendment authorizing a statewide lottery for the purpose of funding scholarships, Acts 606 and 1405 of 2009 were passed enabling a statewide lottery for that purpose. According to the legislation, lottery proceeds will be used to help fund the Arkansas Academic Challenge Scholarship. Due to this provision of the legislation, it became necessary to amend the rules governing administration of the Academic Challenge Scholarship to reflect the legislation's intent.

In compliance with the Administrative Procedures Act of 1979, a public hearing was announced in a newspaper of general circulation to discuss the rules and regulations that will govern the Arkansas Academic Challenge Scholarship Program. The hearing will be held on October 30, 2009, in conjunction with a meeting of the Arkansas Higher Education Coordinating Board.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the rules and regulations presented in this agenda item for the Arkansas Academic Challenge Scholarship Program, to be administered jointly by the Arkansas Department of Higher Education and approved Arkansas institutions of Higher Education.

FURTHER RESOLVED, That by the adoption of the rules and regulations presented in this agenda item, the Director of the Arkansas Department of Higher Education or his designee is authorized to promulgate these rules and regulations and to implement them for the 2010-2011 academic year.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education or his designee is authorized to make technical changes and corrections when necessary in the program rules for the Arkansas Academic Challenge Scholarship Program.

Steve Luelf asked if students receiving awards are prioritized equally. Tara Smith said the ranking will be broken down into three categories and everyone will be ranked based on the same criteria.

Kaneaster Hodges asked if the least economically equipped Arkansans would be taken care of by the lottery scholarships. He also asked if students already in college or individuals that have been incarcerated could receive the lottery scholarship. Ms. Smith said that ADHE will now be able to help more students that would not have received help before. However, individuals that are currently incarcerated will not be eligible.

Jodie Carter asked of the 378,534 students that have some college and no degree, how many will need remediation. He also asked how many of the 165,000 students currently enrolled in undergraduate studies would require remediation. He commented that although remediation is a significant problem in Arkansas, it doesn't appear to be a priority. The vast majority of help should go to the ones that need it the most.

Dr. Purcell said that ADHE wants everyone to go to college, the question is how you pick who goes and what can you afford. It is a filtering process and the goal is to help as many people as we can. Unfortunately, 90% of non-traditional students that return to college require some remediation, said Dr. Purcell.

Sarah Argue asked if the Board members could be provided data detailing the correlation between college completion and ACT scores, if there is one. Ms. Smith said yes and there is a correlation.

Ms. Smith announced that no one signed up to speak at the meeting; however, she did receive public comments prior to the meeting. Ms. Smith then summarized through the public comments.

Bob Crafton moved to approve Agenda Item No. 8. Dr. Dan Grant seconded the motion and the Board unanimously approved.

Agenda Item No. 9
Certificate of Proficiency and Technical
Certificate in Petroleum Technology
Arkansas State University - Beebe

The administration and the Board of Trustees of the Arkansas State University System request approval to offer the Certificate of Proficiency and Technical Certificate in Petroleum Technology at Arkansas State University – Beebe (ASUB), effective Fall 2009. ASUB is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The proposed program is within the institution's role and scope.

The petroleum technology program will prepare students for jobs in the gas mining industry. The courses are designed to provide an overview of the petroleum industry; basic first aid and awareness of health, safety and environmental concerns related to working in the petroleum industry; purposes and procedures involved in exploration, drilling, production, transportation, marketing and refining; working knowledge of rig equipment, drilling components and proper procedures of successful drilling; and the skills necessary to handle all categories of load handling. The proposed program will provide occupational training skills and on-the-job experience with an oil rig simulator as well as essential classroom training. Three *new courses* will be added to the curriculum.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves Arkansas State University – Beebe to offer the Certificate of Proficiency and Technical Certificate in Petroleum Technology (CIP 15.0903) effective Fall 2009.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to inform the President and Chair of the Board of Trustees of the Arkansas State University System, and the Chancellor of Arkansas State University – Beebe of the approval.

Agenda Item No. 10

Technical Certificate in Aerospace Cabin Construction Technology and Certificates of Proficiency in Aerospace Cabin Construction Upholstery and Aerospace Composites Arkansas State University - Beebe

The administration and the Board of Trustees of the Arkansas State University System request approval to offer the Technical Certificate in Aerospace Cabin Construction Technology, the Certificates of Proficiency in Aerospace Upholstery, Aerospace Cabinetry, and Aerospace Composites at Arkansas State University – Beebe (ASUB), effective Fall 2009. ASUB is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The proposed program is within the institution's role and scope.

The aerospace cabin construction program is designed to train students in skills needed to construct the panels, furniture, upholstery and other items needed to finish an airplane cabin. Students completing the aerospace upholstery program will gain the specialized skills in aircraft upholstery techniques as well as the tools, materials, supplies, and terminology applied in this industry. Students completing the aerospace cabinetry program will gain skills in designing, manufacturing, and finishing cabinets for aircraft. Students completing the program in aerospace composites will gain skills and knowledge of composite materials used in the aerospace industry. Students also will learn the composition and manufacture of composite materials, adhering composite materials, cutting and fitting composite

materials, and handling composites safely. In addition to the aerospace industry, students completing these programs may find employment in recreational vehicle manufacturing and repair, home building, customized cabinet-making for commercial building, and automotive manufacturing.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves Arkansas State University – Beebe to offer the Technical Certificate in Aerospace Cabin Construction Technology and the Certificates of Proficiency in Aerospace Upholstery, Aerospace Cabinetry, and Aerospace Composites (CIP 48.9999) effective Fall 2009.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to inform the President and Chair of the Board of Trustees of the Arkansas State University System, and the Chancellor of Arkansas State University-Beebe of the approval.

Bob Crafton asked where the students would come from. Cynthia Moten said that the institutions anticipate that the students will be full-time employees that are interested in changing careers. Therefore, they are offering the courses in the evening and on short eight-week cycles.

Agenda Item No. 11
Technical Certificate and Associate of
Applied Science in Aviation Maintenance
Northeastern College

The administration and the Board of Trustees of Arkansas Northeastern College (ANC) request approval to offer the Technical Certificate and the Associate of Applied Science in Aviation Maintenance beginning Spring 2010, pending approval by the Federal Aviation Administration (FAA). ANC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The proposed program is within the institution's role and scope.

The proposed program will provide students with education and training in airframe powerplant inspection and repair, and the aviation industry with certified technicians licensed by the FAA. Graduates will be employed as airframe and powerplant mechanics, repair inspectors, supervisory personnel, and FAA technicians. The FAA requires students in the aviation maintenance program to complete a minimum of 1900 clock/contact hours. Courses have been certified by the FAA and will be taught by certified FAA instructors.

ANC is a member of the Arkansas Aerospace Training Consortium, a partnership of Arkansas two-year institutions that include Arkansas State University-Beebe, Black River Technical College, National Park Community College, Ouachita

Technical College, Rich Mountain Community College, Southern Arkansas University-Tech, and University of Arkansas Community College at Batesville.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Technical Certificate and Associate of Applied Science in Aviation Maintenance (CIP 47.0608) at Arkansas Northeastern College effective Spring 2010, pending approval by the Federal Aviation Administration.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the President and the Chair of the Board of Trustees of Arkansas Northeastern College of the approval.

Agenda Item No. 12
Master of Science in Sport Administration
Arkansas State University - Jonesboro

The administration and the Board of Trustees of the Arkansas State University System request approval for Arkansas State University-Jonesboro (ASUJ) to offer the Master of Science in Sport Administration effective Fall 2010. ASUJ is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The proposed program is within the institution's role and scope.

The proposed master's in sport administration will be housed in the ASUJ Department of Health, Physical Education and Sport Sciences. The degree is designed as a full-time, 30-semester credit hour program that will serve graduate students interested in professional management or administrative opportunities in professional sports, intercollegiate administration, public assembly facilities, media, and sports marketing and management agencies. Admission into the program is inline with existing campus policies: minimum undergraduate GPA of 2.8 with accompanying transcript, official GRE and TOEFL scores, personal statement, and three letters of recommendation.

The goal of the program is to balance theory and practice in order to best prepare each graduate for employment in the field of sport administration. Students will acquire a comprehensive understanding of the management, business, socio-cultural, ethical and legal applications in the administrative capacities within amateur and professional sports environments. Future employment for sport administration graduates would most likely be within intercollegiate athletics, professional sport organizations, sport facilities, corporate sports organizations, and the sports media

RESOLVED, That the Arkansas Higher Education Coordinating Board approves Arkansas State University-Jonesboro to offer the Master of Science in Sport Administration (CIP 31.0504) effective Fall 2010.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to inform the President and Chair of the Board of Trustees of the Arkansas State University System, and the Chancellor of Arkansas State University-Jonesboro of the approval.

Agenda Item No. 13
Certificate of Proficiency and Technical Certificate
in Correctional Law Enforcement
University of Arkansas at Monticello

The administration and the Board of Trustees of the University of Arkansas System request approval for the University of Arkansas at Monticello (UAM) to offer the Certificate of Proficiency and Technical Certificate in Correctional Law Enforcement effective Spring 2010. UAM is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The proposed program is within the institution's role and scope.

The correctional law enforcement (CLE) program will be offered on the UAM-McGehee campus. The program will provide opportunities for learning the knowledge, skills, and technical ability necessary and appropriate for employment in entry-level positions in the field of corrections. Students are provided, through classroom experiences, an overview of various phases of the correctional system including its history, security and control methods, correctional officer health and ethics, and the culture of correctional inmates/offenders. The CLE program will add five *new courses* that have been developed and endorsed by employers in the correctional law enforcement field. The program also will include supervised visits to correctional facilities as well as lab experiences to simulate realistic problems and opportunities. Core courses in language, math, psychology and computer skills have been incorporated into the curriculum using current faculty as have criminal justice courses currently offered at UAM.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the University of Arkansas at Monticello to offer the Certificate of Proficiency and Technical Certificate in Correctional Law Enforcement (CIP 43.0102) effective Spring 2010.

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

of Arkansas System, and the Chancellor of the University of Arkansas at Monticello of the approval.

Agenda Item No. 14
Certificate of Proficiency,
Technical Certificate and Associate of Applied Science
in Advanced Manufacturing Technology
by Distance Technology
East Arkansas Community College

The administration and Board of Trustees of East Arkansas Community College (EACC) request approval to offer the existing Certificate of Proficiency, Technical Certificate and Associate of Applied Science in Advanced Manufacturing Technology by distance technology effective Spring 2010. EACC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and the proposed program is within the role and scope established for the institution.

The advanced manufacturing technology program currently is offered on the EACC campus. The program consists of courses that prepare students to become skilled manufacturing technicians. Students take a core selection of courses in one of the five technical specialties: plastic injection molding, applied engineering, industrial maintenance technology, electronics, or lean technology. Program graduates are prepared for entry-level positions in automotive, automotive-related industries, and other advanced manufacturing companies. Three students have completed the certificate of proficiency and one student has completed the associate degree since the program was implemented in the 2007 academic year.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves East Arkansas Community College to offer the Certificate of Proficiency, Technical Certificate and Associate of Applied Science in Advanced Manufacturing Technology (CIP 15.0613, DC 6719) by distance technology, effective Spring 2010.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President and Chair of the Board of Trustees of East Arkansas Community College of the approval.

Dr. Grant asked if a lack of students in the classroom was the reason EACC was seeking distance technology. Ms. Moten explained that because EACC is trying to better serve the students and industries for which the program was designed, online courses would allow the students to complete coursework at a time that best fits their work schedule.

Dr. Grant commented on the programs low productivity rate. Ms. Moten explained that it is not uncommon for students taking short term programs to take one or two courses and feel they have what they need to go to work. This may not be successful in terms of completing an award; however, the needs of the students are met in terms of providing them with the knowledge they need to succeed in the workforce, said Ms. Moten.

Agenda Item No. 15
Institutional Certification Advisory
Committee Resolutions

The Institutional Certification Advisory Committee (ICAC) met on September 29, 2009, for its regular quarterly meeting. ADHE Executive Staff recommend that the Arkansas Higher Education Coordinating Board approve the following resolutions.

Recognition of Institutional Certification Advisory Committee Members

RESOLVED, That the Arkansas Higher Education Coordinating Board expresses appreciation to Dr. Jeffrey Olson for his service as a member of the Institutional Certification Advisory Committee.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to communicate this appreciation to Dr. Olson.

RESOLVED, That the Arkansas Higher Education Coordinating Board expresses appreciation to Dr. Jack Lassiter for his service as a member of the Institutional Certification Advisory Committee.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to communicate this appreciation to Dr. Lassiter.

Recommendation for Appointment of New Institutional Certification Advisory Committee Members

RESOLVED, That, pursuant to ACA §6-61-302, the Arkansas Higher Education Coordinating Board appoints Dr. Wayne Hatcher as a member of the Institutional Certification Advisory Committee. This term expires December 31, 2014.

FURTHER RESOLVED, That the Coordinating Board expresses appreciation to Dr. Wayne Hatcher for his willingness to serve as a member of the Institutional Certification Advisory Committee.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to communicate this appreciation to Dr. Hatcher.

RESOLVED, That, pursuant to ACA §6-61-302, the Arkansas Higher Education Coordinating Board appoints Dr. Allen Meadors as a member of the Institutional Certification Advisory Committee. This term expires December 31, 2013.

FURTHER RESOLVED, That the Coordinating Board expresses appreciation to Dr. Allen Meadors for his willingness to serve as a member of the Institutional Certification Advisory Committee.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to communicate this appreciation to Dr. Meadors.

RESOLVED, That, pursuant to ACA §6-61-302, the Arkansas Higher Education Coordinating Board appoints Ms. Connie Nelson as a member of the Institutional Certification Advisory Committee. This term expires December 31, 2016.

FURTHER RESOLVED, That the Coordinating Board expresses appreciation to Ms. Connie Nelson for her willingness to serve as a member of the Institutional Certification Advisory Committee.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to communicate this appreciation to Ms. Nelson.

Program Certifications

ITT Technical Institute – Little Rock, Arkansas

Recertification

Associate of Applied Science in Computer Drafting and Design

Associate of Applied Science in Computer Electronic Engineering Technology

Associate of Applied Science in Information Technology – Computer Network Systems

Associate of Applied Science in Information Technology – Software Applications and Programming

Bachelor of Science in Criminal Justice

Bachelor of Science in Construction Management

Initial Certification

Associate of Applied Science in Paralegal Studies

RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants program recertification to ITT Technical Institute, Little Rock, Arkansas, to offer the following degree programs to Arkansas residents: Associate of Applied Science in Computer Drafting and Design, Associate of Applied Science in Computer Electronic Engineering Technology, Associate of Applied Science in Information Technology – Computer Network Systems,

Associate of Applied Science in Information Technology – Software Applications and Programming, Bachelor of Science in Criminal Justice, and Bachelor of Science in Construction Management. The certification is for a period of five years and expires on October 30, 2014.

FURTHER RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants initial program certification to ITT Technical Institute, Little Rock, Arkansas to offer the Associate of Applied Science in Paralegal Studies. The initial certification is for a period of two years and expires on October 30, 2011.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the administration of ITT Technical Institute, Little Rock, Arkansas, 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 ITT Technical Institute, Little Rock, Arkansas, 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.

**Kaplan University – Davenport, Iowa
Initial Certification – Online**

Associate of Applied Science in Health Information Technology
Associate of Applied Science in Human Services
Bachelor of Science in Communication
Bachelor of Science in Criminal Justice
Bachelor of Science in Health and Wellness
Bachelor of Science in Health Science
Bachelor of Science in Paralegal Studies
Bachelor of Science in Health Information Management
Bachelor of Science in Human Services
Bachelor of Science in Liberal Studies
Bachelor of Science in Nutrition Science
Master of Science in Higher Education

RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants initial program certification to Kaplan University, Davenport, Iowa, to offer the following degree programs to Arkansas residents by distance technology: Associate of Applied Science in Health Information Technology, Associate of Applied Science in Human Services, Bachelor of Science in Communication, Bachelor of Science in Criminal Justice, Bachelor of Science in Health and Wellness, Bachelor of Science in Health Science, Bachelor of Science in Paralegal Studies, Bachelor of Science in Health Information Management, Bachelor of Science in Human Services, Bachelor of Science in Liberal Studies, Bachelor of Science in Nutrition Science, and Master of Science in Higher Education. The initial certification is for a period of two years and expires on October 30, 2011.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the administration of Kaplan University, Davenport, Iowa, 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 Kaplan University, Davenport, Iowa, 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.

Strayer University – Washington, D.C.

Initial Certification – Online, Little Rock Campus

Bachelor of Science in Criminal Justice

Master of Science in Human Resource Management

Master of Science in Information Systems

RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to Strayer University, Washington, D.C., to offer the following degree programs to Arkansas residents on the Arkansas campus in Little Rock and by distance technology: Bachelor of Science in Criminal Justice, Master of Science in Human Resource Management, and Master of Science in Information Systems. The initial certification is for a period of two years and expires on October 30, 2011.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Department of Higher Education to notify the administration of Strayer University, Washington, D.C., that 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 Strayer University, Washington, D.C., 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.

University of Phoenix – Phoenix, Arizona
Initial Certification – Online, Little Rock Campus, Rogers Campus
Bachelor of Arts in English
Bachelor of Science in Environmental Science

RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to the University of Phoenix, Phoenix, Arizona, to offer the following degree programs to Arkansas residents on the Arkansas campuses in Little Rock and Rogers, and by distance technology: Bachelor of Arts in English and Bachelor of Science in Environmental Science. The initial certification is for a period of two years and expires on October 30, 2011.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the administration of the University of Phoenix, Phoenix, Arizona, 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 the University of Phoenix, Phoenix, Arizona, 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.

**William Woods University – Fulton, Missouri
Recertification**

Master of Business Administration

Master of Education in Athletics/Activities Administration

FURTHER RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants program recertification to William Woods University, Fulton, Missouri, to offer the following degree programs in Paragould, Arkansas, to Arkansas residents: Master of Business Administration and Master of Education in Athletics/Activities Administration. The certification is for a period of four years and expires on October 30, 2013.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the administration of William Woods University, Fulton, Missouri, 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 William Woods University, Fulton, Missouri, 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.

The Institutional Certification Advisory Committee (ICAC) Report begins on page 15-8 of the Agenda book.

Jodie Carter moved to recommend Agenda Items No. 9-15 to the full Board for consideration. Dr. Joe Bennett seconded and the Committee unanimously approved.

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

The Department of Higher Education received notice from 19 institutions on programs not requiring Board action. Notification was received on 15 programs possibly requiring Board action. During this period, the Institutional Certification Advisory Committee received notice of requests from 14 out-of-state institutions to offer degree programs to Arkansas residents. The program notice list appears in the Letters of Notification on pages 16-1 through 16-9 and in the Letters of Intent on pages 17-1 through 17-4 of the agenda book.

Dr. Grant asked if 99 deleted programs was progress. Ms. Moten said yes, because it shows that the institutions are taking a careful look at their programs to determine if they need to continue or restructure the programs.

Agenda Item No. 18
Economic Feasibility of Bond Issue
University of Arkansas at Little Rock

The University of Arkansas at Little Rock (UALR), requests approval of the economic feasibility of plans to issue bonds totaling \$30 million with a term of up to 25 years at an estimated annual interest rate up to 4.5 percent. Proceeds from the bond issue will be used for auxiliary purposes. The University of Arkansas Board of Trustees approved this action at its meeting held on October 28, 2009.

The auxiliary issue will be approximately \$30 million with an annual debt service of approximately \$2.0 million. The proceeds from this issue will be used to construct and equip a 400-bed student housing complex (\$26 million) and construct a student recreation and sports complex (\$4 million). 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. Additionally, coordinating Board policy requires that a plan be developed for ongoing maintenance for any new facilities constructed with bond proceeds. The University of Arkansas at Little Rock will set aside annually at least 3 percent of housing revenue in a facility renewal fund for ongoing and future maintenance requirements.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas at Little Rock to issue bonds not to exceed \$30 million for a period of up to 25 years at an estimated annual interest rate up to 4.5 percent for auxiliary purposes as requested for the construction of a student housing complex (\$26 million) and a student recreation and sports complex (\$4 million).

Dr. Stanley Williams pointed out that the University of Arkansas Board of Trustees approved this action on Wednesday, October 28, 2009.

Kaneaster Hodges commended UALR for the work they've done to improve since he served on the UA System Board from 1980 to 1990.

Steve Luelf commented that there would only be \$22,000 left over for debt service if UALR were going to do any new projects and asked when that amount would increase. Dr. Williams explained that the debt service is all that is allowed for new projects. The amount of increase will be determined when the previous issues pay out, said Dr. Williams.

Kaneaster Hodges asked if UALR's Board of Visitors were aware of this action. UALR Chancellor Joel Anderson explained that it was this Board that encouraged him to go ahead and take advantage of the low bond rates.

Kaneaster Hodges moved to recommend Agenda Item No. 18 to the full Board for consideration. Dr. Olin Cook seconded and the Committee unanimously approved.

Agenda Item No. 19
Economic Feasibility of Bond
Southern Arkansas University

Southern Arkansas University (SAU) requests approval of the economic feasibility of plans to issue bonds totaling \$10.31 million with a term of 30 years at an estimated average annual interest rate of approximately 4.85 percent. Proceeds from the bond issue will be used for auxiliary purposes. The Southern Arkansas University Board of Trustees approved this action at its meeting held on September 29, 2009.

The auxiliary issue will be \$10.31 million with annual debt service of approximately \$640,000. Proceeds from this issue will be used to refund the 1999, 2001 and 2003 auxiliary issues, and to renovate two residence halls (Harrod and Bussey Hall), the lobby and air conditioning system in W. T. Watson Gymnasium, complete Women's Softball Field and to replace the roof of Auburn Smith Field House, and for other various capital improvements. 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. Additionally, coordinating board policy requires a plan be developed for ongoing maintenance for any new facilities constructed with bond proceeds. Southern Arkansas University has established a facility renewal fund and will set aside no less than 2 percent of total auxiliary profits each year.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Southern Arkansas University (SAU) to issue bonds not to exceed \$10.31 million for a

period of up to 30 years at an estimated average annual interest rate of approximately 4.85 percent for auxiliary purposes as requested by SAU with the proceeds from this issue to be used to refund the 1999, 2001 and 2003 auxiliary issues , and to renovate two residence halls (Harrod and Bussey Hall), the lobby and air conditioning system in W. T. Watson Gymnasium, to complete Women's Softball Field, to replace the roof of Auburn Smith Field House, and for other various capital improvements.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President of Southern Arkansas University of the Coordinating Board's resolution.

Steve Luelf asked Dr. Williams if he was okay with the bond's 30 year term. Dr. Williams commented that while he is philosophically opposed to 30 year terms, they are allowed by state law.

Steve Luelf questioned whether the proposed maintenance would be sufficient. Dr. Williams said he thought it would be.

Dr. Olin Cook moved to recommend Agenda Item No. 19 to the full Board for consideration. Kaneaster Hodges seconded and the Committee unanimously approved.

Agenda Item No. 20
Economic Feasibility of Bond Issue
Ozarka College

Ozarka College (OZC) requests approval of the economic feasibility of plans to issue bonds totaling approximately \$3.6 million with a maximum term of thirty (30) years with an estimated annual interest rate of 4.8 percent. Proceeds from the bond issue will be used for educational and general purposes. The Ozarka College Board of Trustees approved this financing at its meeting on September 17, 2009.

The educational and general issue will be approximately \$3.6 million with an estimated annual debt service of \$248,500. Proceeds will be used to refund the December 1, 2002 bonds and for the construction of a 10,000 square foot facility which will include classrooms, laboratories, student center, and offices at the Mountain View location. Coordinating Board policy regarding debt service provides that a maximum of 25 percent of net tuition and fee revenue may be pledged to educational and general debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Ozarka College to issue bonds for approximately \$3.6 million with a term of up to 30

years at an estimated annual interest rate of 4.8 percent to refund the December 2002 bond issue and for the construction of a 10,000 square foot facility which will include classrooms, laboratories, student center, and offices at the Mountain View location and educational facility at the Mountain View location.

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

Dr. Charles Bennett moved to recommend Agenda Item No. 20 to the full Board for consideration. Kaneaster Hodges seconded and the Committee unanimously approved.

Agenda Item No. 21
Distribution of Mineral Lease Funds

According to the provisions of A.C.A. §6-61-801 through §6-61-808, there is established the Arkansas Research Development Program for providing Arkansas Research Development Program Grants to publicly-supported universities in Arkansas by the Department of Higher Education. Act 1229 of 2007 provides that after the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, the next \$10,000,000, or as much as is collected, is to be transferred to the Higher Education Research Development Fund to be used as provided by law.

“The Arkansas Research Development Fund shall be administered by the Director of the Department of Higher Education..... Funds may be made available for administration of the Arkansas Development Research Program, for purchasing state-of-the-art equipment, for minor renovations of laboratory space, for publication of findings, for employing scientist or research assistants, and for providing any other assistance to scientists in order to develop a continuing research capacity in this state which is recognized as exemplary.”

It was recommended that \$1.0 million be allocated to the University of Arkansas, Fayetteville for expenses associated with the connection and expansion of ARE-ON to all public universities in the state.

RESOLVED, That after review by the Legislative Council, the Director of the Arkansas Department of Higher Education is authorized to distribute the Higher Education Research Development Fund for ARE-ON's annual operating and maintenance costs at such time as the institutions begin to those expenses.

FURTHER RESOLVED, That \$1.0 million be allocated in fiscal year 2010 to the University of Arkansas, Fayetteville for expenses associated with the connection of all public universities to ARE-ON.

Bob Crafton moved to recommend Agenda Item No. 21 to the full Board for consideration. Kaneaster Hodges seconded and the Committee unanimously approved.

Agenda Item No. 22
Revised Line-Item Maximum Recommendations

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.

These recommendations, to be effective July 1, 2010, recognize the varying structures and sizes of institutions, while maintaining reasonable consistency among positions at similar institutions. The primary objective of the ADHE staff was to maintain relative uniformity in titles and line-item maximums for similar positions in comparable institutions, while recognizing the varying missions and structures of institutions, priorities of the new fiscal year, and FTE enrollment growth.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommended maximum salaries Arkansas universities for non-classified positions in academic, administrative, and auxiliary positions for the 2010-11 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 2010-11 fiscal year.

Kaneaster Hodges moved to recommend Agenda Item No. 22 to the full Board for consideration. Dr. Olin Cook seconded and the Committee unanimously approved.

Agenda Item No. 23
Proposed Changes to Higher Education Bond Projects

The Arkansas Higher Education Coordinating Board approved the list of Higher Education Bond Projects on April 27, 2007. The following revisions are requested concerning that list.

North Arkansas College

Old Main Building - Renovation. An amount up to ~~\$500,000~~ **\$745,000** is provided for the renovation of existing classroom facilities totaling approximately 7,000 square feet. With the planned construction of a new allied health center, vacated space within the old main building can be renovated to accommodate more general classroom and support needs.

The institution is requesting to move \$245,000 to the project described above from the Allied Health Center project. The allocation for the Allied Health Center project will be revised to \$1,755,000.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves and endorses the revision to the proposed Higher Education Bond Project as described in this agenda item and that this project is incorporated in the Plan of Implementation.

FURTHER RESOLVED, That the Director is instructed to transmit to the Governor the plan for capital projects for public institutions of higher education to be funded from the proceeds derived from the sale of Higher Education Bonds.

FURTHER RESOLVED, That all requirements and limitations approved for the Higher Education Bond Projects by the Arkansas Higher Education Coordinating Board on November 4, 2005 apply to these changes.

Report of the Committees

Dr. Dan Grant presented the report of the Academic Committee and moved approval of Agenda Items 12-18. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Steve Luelf presented the report of the Finance Committee and moved approval of Agenda Items 21-25. Dr. Joe Bennett seconded the motion and the Board unanimously approved.

Chairman Leech opened the floor for public comments. There were none. He then announced that the next Coordinating Board meeting would be held at Hendrix College in Conway on January 29, 2010.

With no further comments, the meeting adjourned at 11:40 a.m.

APPROVED:

Nichole Abernathy

Dr. Charles Allen, Secretary

MINUTES

JOINT EDUCATION BOARDS
AND TRUSTEE CONFERENCE

November 9, 2009

1. CALL TO ORDER

The Annual Joint Meeting of the Arkansas Higher Education Coordinating Board (AHECB), State Board of Education (SBE), and State Board of Career Education (SBCE) as well as the Annual Meeting of College and University Trustees was called to order by AHECB Chairman Bob Burns at 8:30 a.m. on Monday, November 9, 2009, at the Pulaski Technical College Campus Center.

2. WELCOME AND INTRODUCTIONS

Chairman Burns introduced AHECB members David Leech, Dr. Charles Allen, Sarah Argue, Jodie Carter, Dr. Olin Cook, Bob Crafton, Steve Luelf and Dr. Jim Purcell, Director of the Arkansas Department of Higher Education (ADHE).

Dr. Naccaman Williams, SBE Chair, introduced SBE members Susan Waggener, Toyce Newton, Brenda Gullett, Ben Mays, Sherry Burrow, Jim Cooper, Alice Mahony, Sam Ledbetter and Dr. Tom Kimbrell, Director of the Arkansas Department of Education (ADE).

Jack Justus, SBCE Chair, introduced SBCE members Richard Taylor, Martha Dixon, Phil Taylor, John Riggs, Lucy Ralston and Bill Walker, Director of the Arkansas Department of Career Education (ADCE).

3. LOTTERY SCHOLARSHIP UPDATE

Tara Smith, ADHE Coordinator of Financial Aid, presented an overview of the Arkansas Academic Challenge Scholarship Program (Lottery Scholarship). She explained that the expansion of the Academic Challenge Scholarship Program would provide opportunities for higher education to previously underserved Arkansans (traditional and non-traditional students). The scholarship would be available to all Arkansans regardless of race, gender, family income or course of study. Ms. Smith noted that the Academic Challenge currently serves approximately 8,000 students while the expanded program is projected to serve over 29,000 students.

Ms. Smith explained that the annual award is expected to be at least \$1,250 for 2-year students and \$2,500 for 4-year students (the actual amount will be determined by lottery proceeds and will be announced in 2010). The basic eligibility requirements are that a student must be an Arkansas resident, US

citizen or lawful permanent resident, enroll in an eligible 2- or 4-year college or university or nursing school and pursue a qualified certificate, associate or baccalaureate degree program.

4. STATUS OF REMEDIAL EDUCATION

Dr. Jim Purcell, Director of the Arkansas Department of Higher Education, stated that 43.8% of all Arkansas school districts have a remediation rate higher than 50% and 74.1% have a college-going rate higher than 50%. Students attending Arkansas public colleges must score a 19 on the ACT Math and English tests to avoid mandatory remedial classes.

Dr. Purcell explained that ACT 971 of 2009 mandates that colleges and universities set clear, measurable exit standards for remedial courses. The Board, in collaboration with state-supported institutions of higher education, shall develop by institution uniform measurable exit standards for remedial courses that are comparable to the ACT or SAT equivalent required for college-level enrollment in credit courses to be implemented no later than the fall semester of 2010. The AHECB shall report its progress to the House and Senate Committees on Education by February 1, 2010.

AHECB member David Leech asked if remediated students are required to retake the ACT. Dr. Purcell explained that they are required to take a comparable test.

Dr. Barry Ballard, President of Ouachita Technical College, voiced concern regarding the \$10 per student Compass testing fee stating that the fees add up quickly for an institution.

5. THE HONORABLE MIKE BEEBE, GOVERNOR OF ARKANSAS

Next, Governor Mike Beebe announced a major expansion of Arkansas Works, the Governor's strategic initiative to coordinate education, training and economic development in Arkansas communities. The expansion focuses on providing unemployed and underemployed Arkansans with career training and educational opportunities.

"As communities work hard to attract new business, the State will help ensure that a qualified workforce stands ready to fill those jobs," Governor Beebe said. "The world is quickly changing and Arkansas must accelerate its pace to create careers for our citizens. This effort has something to help every Arkansan, whether you need a job, want to find a better job or want to shift to a new career."

Governor Beebe helped unveil the College and Career Planning System, an online information resource that will help Arkansans locate jobs that fit their interests and help businesses find qualified candidates to meet their workforce

needs. Every Workforce Development Center in Arkansas has personnel prepared to assess job seekers and help them connect with jobs and industries that lead to satisfying careers.

In January, 43 career coaches will be placed in high schools to offer enhanced career guidance to students who want to build careers in Arkansas. The career coaches will be employed by the two-year colleges located in the communities these coaches are placed. Governor Beebe said the state hoped to recruit coaches from national service programs such as Teach for America and City Year, and said the state is looking for coaches with at least a bachelor's degree.

In addition, up to \$8,000 in financial aid may be available, based on the needs of each individual, to help pay for career training and education.

The Governor's Workforce Cabinet will lead the public-private partnership. The Cabinet includes the Arkansas Department of Career Education, Arkansas Department of Workforce Services, Arkansas Department of Higher Education, Arkansas Department of Education, Arkansas Economic Development Commission as well as private partners such as the Arkansas Association of Two-Year Colleges and the Arkansas State Chamber of Commerce.

6. ARKANSAS CAREER COACHES

John Davidson, ADCE Deputy Director of Career and Technical Education, presented additional information regarding the expansion of the Arkansas College and Career Planning System. Mr. Davidson commented that Arkansas cannot prosper in a global economy without a larger population of highly skilled and educated people who can handle demanding jobs and generate new ideas. If Arkansans do not choose the careers of tomorrow, companies will travel to other states where they can find people who are interested in these careers. This pilot program is designed to ensure that all Arkansans have the opportunity and support needed to increase their knowledge, skills, and educational attainment and will prepare students early for the next level of education and or training for a successful career, explained Mr. Davidson. The two components to the pilot program will be the enhancement and expansion of the internet-based college and career planning tool and the establishment of a college and career coaches program working in conjunction with current community college initiatives to target Arkansas's poorest counties.

7. CLOSING REMARKS AND ANNOUNCEMENTS

Bill Walker, ADCE Director, thanked Governor Beebe for his support as well as his directives. He then echoed the importance of the Career Coaches initiative announcing that January 4, 2010, would begin the second phase of the project.

Dr. Tom Kimbrell, ADE Director, thanked the State Board of Education members for attending the meeting and commended the education agencies for working so well together.

Dr. Purcell thanked everyone for participating in the Joint Meeting of the Education Boards and for helping make education a top priority in the state.

ADJOURNMENT OF JOINT MEETING OF EDUCATION BOARDS

Chairman Burns thanked speakers and guests then the meeting of the Joint Boards of Education adjourned at 12:00 p.m.

Chairman Burns announced that the Annual Meeting of College and University Trustees would continue after lunch.

TRUSTEE CONFERENCE (cont.)

8. CAMPUS CLEAN AIR ACT

Hilda Douglas, State Community Interventions Section Chief with the Arkansas Department of Health Tobacco Prevention and Cessation Program, presented information on the Campus Clean Air Act. Act 734 of the 2009 Regular Session creates the Arkansas Clean Air on Campus Act. This act was created to protect students, employees, and visitors at State-supported institutions of higher education from secondhand smoke on campus. Ms. Douglas explained that her main objective was to extend services from the Department of Health to the institutions. She noted that she has already received inquiries from several institutions regarding the implementation and enforcement of the Clean Air Act.

9. CURRENT ISSUES IN HIGHER EDUCATION

Dr. Purcell presented information on the number of Arkansans with a bachelor's degree or higher, noting that Arkansas is down by a percentage point from 2002. Dr. Purcell stated that now is the perfect time for the lottery scholarship. He explained that the lottery scholarship is designed to encourage students near college graduation to finish and will encourage adults to enter or return to college. The scholarship will also reward college preparation by encouraging students to take the Smart Core, do well on the ACT/SAT and to maintain good grades.

10. INSTITUTIONAL FINANCE AND THE 2010 LEGISLATIVE SESSION

Dr. Stanley Williams stated that we must make sure state government continues to do its part to fund higher education, limit the start up of new programs and ensure a net reduction in costs for students. The cause of rising costs in higher education is built into the incentives placed before decision makers, said Dr.

Williams. Since college leaders have nothing to gain by controlling costs and improving efficiency, they don't.

The change in purchasing power of state funding per FTE student has dropped from \$2,207 in 1984-85 to \$1,322 in 2008-09, said Dr. Williams. Typical reactions to the declining funds have been to defer needed maintenance and to replace full-time, well-qualified faculty with marginally qualified adjuncts to save money. Dr. Williams suggested Trustees stay informed by requiring their institutions provide a side-by-side comparison of both the budgeted and actual revenue by source and expenditures by NACUBO function. In order to better understand the financial situation of the institution, it is recommended that certain essential statistics be reported each fall to the board, said Dr. Williams. A partial list of measures that would improve understanding of why costs change in higher education are student credit hours generated per full-time equivalent faculty member, student/faculty ratios, teaching loads per faculty member by course level, average class size by level, student/staff ratios for non-instructional staff and percent of A and B grades awarded.

Sarah Argue asked if stimulus funds could be used to address some of the deferred maintenance. Dr. Williams said yes.

Although funding has been reduced to 98% of "A", it still contains some 2.51% (\$16.7 million) in non-recurring funding from the Revenue Stabilization Reserve which makes it "one-time" money, said Dr. Williams. He then noted that revenue collections for 2011 must increase sufficiently to cover the \$61 million in reserve funds used in the 2010 funding before any new funding is realized. Although ARRA stimulus funds will make up for a portion of the reduced funding, it is one-time money and cannot be used for recurring expenditures.

In closing, Dr. Williams said that higher education has seen difficult times, but none as hard as what we're facing now.

David Leech commented that legislators need to know that tuition is going up because state funding is going down.

11. STUDENT, FACULTY AND STAFF LEGAL ISSUES

American Civil Liberties Union Attorney Holly Dickson provided general information on student, faculty and staff legal issues. Ms. Dickson responded to a variety of questions from the audience and encouraged conference participants to contact her in the future with any questions they might have.

12. IMPACT OF ATHLETICS ON STUDENT SUCCESS

Rick Jenkins, ADHE Associate Director for Planning and Accountability, provided information on athletes' retention and graduation rates. Mr. Jenkins

said that the athletic experience in Arkansas has a positive academic effect on athletes as, in most cases, they demonstrate higher retention and graduation rates than the overall student body. Athletes on scholarship, have higher retention rates than all Arkansas public college students. Football, men's basketball and women's basketball have greater retention rates than that of all students.

Dr. Joel Anderson, Chancellor of the University of Arkansas at Little Rock, commented that UALR has had a lot of success on the athletic field. Not only does UALR basketball coach Steve Shields graduate 94% of his students, but athletics help his students get and stay connected while in college. He said that UALR athletes are not only taught to compete, but when they leave UALR they are prepared to compete in the game of life.

Chris Peterson, UALR Director of Athletics, said that UALR is very committed to the success of their students and often times athletics can be the front porch that gets students in the door. Mr. Peterson implored institutions to fund their athletics with as many scholarships as possible.

ADJOURNMENT OF ANNUAL MEETING OF COLLEGE AND UNIVERSITY TRUSTEES

Chairman Burns thanked speakers and guests then the Annual Trustees Conference adjourned at 3:30 p.m.

Nichole Abernathy

APPROVED:

Dr. Charles Allen, Secretary

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
December 9, 2009**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Monday, December 9, 2009. The purpose of the meeting was to approve the economic feasibility of a bond issue for the University of Arkansas at Little Rock. The meeting convened at 10:00 a.m. with a quorum present.

Coordinating Board present:

Dr. Bob Burns, Chair
David Leech, Vice Chair
Sarah Argue
Jodie Carter
Dr. Olin Cook
Bob Crafton
Dr. Dan Grant
Kaneaster Hodges
Steve Luelf

Coordinating Board absent:

Dr. Charles Allen
Dr. Joe Bennett
Phil Ford

Department staff present:

Dr. Jim Purcell, Director
Dr. Stanley Williams, Deputy Director
Nichole Abernathy, Administrative Support

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

Chairman Burns thanked the Coordinating Board members and guests for participating in the meeting.

Report of the Finance Committee

Steve Luelf presented the report of the Finance Committee and moved approval of Agenda Item No. 1. Dr. Dan Grant seconded the motion and the Board approved. Kaneaster Hodges abstained from voting.

**Agenda Item No. 1
Economic Feasibility of Bond Issue
University of Arkansas, Fayetteville**

The University of Arkansas, Fayetteville requests approval of the economic feasibility of plans to issue bonds not to exceed \$54 million with a term of up to

30 years at an estimated annual interest rate not to exceed 5.5 percent.

Proceeds from the bond issue will be used for E&G and auxiliary purposes. The University of Arkansas Board of Trustees approved this action at its meeting held on November 13, 2009.

The combination E&G and Auxiliary issue will be approximately \$54 million including the cost of issuance with an annual debt service of approximately \$3.4 million. The E&G issue will be approximately \$44 million with an annual debt service of approximately \$2.75 million and a term of 30 years. The Auxiliary issue will be approximately \$10 million with an annual debt service of approximately \$650 thousand and a term of 30 years.

The proceeds from this issue will be used to fund E&G renovation projects in Peabody Hall for the College of Education and Health Professions (\$8.8 million), Phase I of classrooms and teaching laboratories (\$4.2 million), Old Health Center for Nursing and the Speech and Communication Disorders Clinic (\$5.2 million), Bud Walton Hall for the David and Barbara Pryor Center for Arkansas Oral and Visual History and the Center for Space and Planetary Sciences (\$1.8 million), Davis Hall for University Relations (\$4 million), and Utility Tunnel Expansion (\$1.7 million); to construct the Nanoscale Science and Engineering Building (\$17.5 million); and to purchase property and various equipment (\$672 thousand). The proceeds will also be used to fund auxiliary renovation projects in various residence halls (\$5 million) and one fraternity (\$4.5 million).

Coordinating Board policy regarding debt service provides that a maximum of 25 percent of net tuition and fee revenue may be pledged to educational and general debt service. Net tuition and fee revenue is the gross tuition and fee revenue less unrestricted educational and general scholarship expenditures. 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. Additionally, Coordinating Board policy requires that a plan be developed for ongoing maintenance for any new facilities constructed with bond proceeds. The University of Arkansas, Fayetteville has embarked upon a multiyear plan to eliminate deferred maintenance and fund the annual upkeep of all facilities. The comprehensive plan includes a \$10/credit hour facilities fee, and other projected revenue which will cover the Nanoscale Science and Engineering Building and include it in the ongoing planned and preventative maintenance program which covers the campus already. This planned and preventative maintenance program is not reactive as the campus has dealt with facilities in the past but is designed to keep new and renovated buildings fully maintained going forward. The campus went through a complete reorganization of resources moving budget from subsidizing new construction and funding renovation for repurposing facilities to planned and preventative maintenance.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas, Fayetteville to issue bonds not to exceed \$54 million (\$44 million for E&G purposes and \$10 million for Auxiliary purposes) for a period of up to 30 years at an annual interest rate not to exceed 5.5 percent for purposes as requested.

Dr. Olin Cook asked if the \$10 per credit hour facilities fee was included in the \$109 million net tuition and fee revenue. Dr. Williams said that it was.

Bob Crafton asked when the \$10 per credit hour facilities fee would go into effect. UAF Vice Chancellor for Finance and Administration Dr. Don Pederson explained that the current fee is \$4 per credit hour. Over the next few years, \$2 per credit hour will be added until they reach the \$10 per credit hour mark. He explained that the required annual debt service that they are using the facilities fee for only requires less than \$4 that is currently in place. Although the bond issue does not depend on future increases, they do expect those increases to occur.

Steve Luelf asked if the bond issue's 30-year term caused any concern for ADHE. Dr. Williams said that the concern was for residence halls which typically need renovations before the 30 years are up. He said that he doesn't have a problem with the 30 year term for E&G facilities.

Mr. Luelf asked if it is customary to use these funds for fraternities. Dr. Pederson responded that although this has not customarily been done, they are trying to make sure that the facilities are of the quality to provide for a successful environment for their students. He also explained that the bond council has determined that they are allowed to use up to 10 percent of their bond issue for private use.

David Leech moved to recommend Agenda Item No. 1 to the full Board for consideration. Bob Crafton seconded and the Committee approved. (Kaneaster Hodges stated that because he currently serves on the Fayetteville Chancellor's Advisory Board and the Barbara and David Pryor Advisory Board, he would abstain from voting.)

Nichole Abernathy conducted a final roll call, reaffirming the quorum.

In conclusion, Dr. Alan Sugg and Dr. Don Pederson expressed gratitude to the Coordinating Board and Department of Higher Education for their efforts on the bond issue.

With no further comments, the meeting adjourned.

APPROVED:

Nichole Abernathy

Dr. Charles Allen, Secretary