

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
May 24, 2019**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Friday, May 24, 2019, via conference call hosted at the Arkansas Department of Higher Education. Chair Dr. Jim Carr called the meeting to order at 2:00 p.m., with a quorum present.

Coordinating Board present:

Dr. Jim Carr, Chair
Al Brodell, Vice Chair
Dr. Charles Allen
Lori Griffin
Greg Revels

Coordinating Board absent:

Chris Gilliam, Secretary
Keven Anderson
Dr. Olin Cook
Dr. Michael Stanton

Department staff present:

Dr. Maria Markham, Director
Nick Fuller, Deputy Director
Dr. Jessie Walker, Senior Associate Director for Academic Affairs/Research & Analytics
Ann Clemmer, Senior Associate Director for Governmental Relations
Sonia Hazelwood, Associate Director for Research and Analytics
Alisha Lewis, Associate Director of Communications
Beth Stewart, Senior Research Specialist
Lillian Williams, Program Specialist for Academic Affairs
Nichole Abernathy, Executive Assistant

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

Chairman Carr welcomed presidents and chancellors to the special board meeting and thanked everyone for attending.

Agenda Item No. 1
Economic Feasibility of Bond Issue
University of Arkansas Rich Mountain

The University of Arkansas Community College at Rich Mountain (UA Rich Mountain) requests approval of the economic feasibility of plans to issue bonds not to exceed \$9.58 million with a term of thirty (30) years at an annual interest rate not to exceed 5.50 percent. Proceeds from the bond issue will be used for educational and general (E&G) and auxiliary purposes. The University of Arkansas Board of Trustees approved the economic feasibility of this project at its meeting on May 23, 2019.

The E&G and auxiliary issues will be up to \$9.58 million with an estimated annual debt service of \$673,550 and a term of thirty (30) years. Proceeds will be used to refund the Series 2012 bonds in the amount of \$1,580,000. New funding in the amount of approximately \$8.0 million will be used to construct student housing and expand food service capabilities and for other E&G projects. The debt service on the issue will be supported by revenues derived from tuition & fees, sales and services revenues and all surplus sales and services and auxiliary enterprises revenues derived from, but not limited to, the following: student housing facilities, dining services and food service facilities, the student union, and the bookstore.

Coordinating Board policy regarding debt service for E&G projects provides for a maximum of 25% of tuition and fee revenue and for auxiliary projects provides that annual auxiliary revenues should be no less than 120 percent of the total annual debt service.

ADHE Executive Staff recommended that the Arkansas Higher Education Coordinating Board approve the following resolution:

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas Community College at Rich Mountain to issue bonds not to exceed \$9.58 million with a term of thirty (30) years at an annual interest rate no to exceed 5.50 percent to refund the Series 2012 bonds and to construct student housing and expand food service capabilities and for other E&G projects.

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 Trustees of the University of Arkansas and the Chancellor of the University of Arkansas Community College at Rich Mountain of the Coordinating Board's resolution.

There were no questions.

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

Agenda Item No. 2
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 \$31.05 million with a maximum term of thirty (30) years at an estimated annual interest rate not to exceed 5.50 percent. Proceeds from the bond issue will be used for education and general (E&G) purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on May 23, 2019.

The E&G issue will be up to \$31.05 million with an annual debt service of \$2,062,813 and a term of thirty (30) years. Proceeds from this bond issue will be used to (1) proceed with the renovation of levels 3 and 4 of Mullins Library; (2) proceed with the construction and equipping of an approximately 75,000 sq. ft. Student Success Center; (3) proceed with continued construction of new intramural playing fields and related support structure of approximately 1,350 sq. ft. ; (4) acquire, construct and equipment improvements to the north chilled water plant modernization; and (5) fund the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property if proceeds are available. The debt service on the bond issue will be supported by tuition and fee revenue. Coordinating Board policy regarding debt service for education and general projects provides that a maximum of 25 percent of tuition and fee revenue may be pledged to E&G debt service.

ADHE Executive Staff recommended that the Arkansas Higher Education Coordinating Board approve the following resolution:

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas, Fayetteville to issue bonds in an amount not to exceed \$31.05 million with a term of thirty (30) years at an estimated interest rate not to exceed 5.50 percent for education and general purposes (E&G) to (1) proceed with the renovation of levels 3 and 4 of Mullins Library; (2) proceed with the construction and equipping of an approximately 75,000 sq. ft. Student Success Center; (3) proceed with continued construction of new intramural playing fields and related support structure of approximately 1,350 sq. ft. ; (4) acquire, construct and equipment improvements to the north chilled water plant modernization; and (5) fund the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property if proceeds are available.

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 Trustees of University of Arkansas and the Chancellor of the University of Arkansas, Fayetteville of the Coordinating Board's resolution.

There were no questions.

Lori Griffin moved to approve Agenda Item No. 2. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Agenda Item No. 3
Productivity Funding Policy – Colleges

Act 148 of 2017 repealed the needs-based and outcome-centered funding formulas as prescribed in Arkansas Code § 6-61-210, Arkansas Code § 6-61-224, Arkansas Code § 6-61-228, Arkansas Code § 6-61-229, Arkansas Code § 6-61-230, and Arkansas Code § 6-61-233, and amended Arkansas Code § 6-61-234. The Act directs the Arkansas Higher Education Coordinating Board to adopt policies developed by the Department of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education.

Productivity-based funding is a mechanism to align institutional funding with statewide priorities for higher education by incentivizing progress toward statewide goals. At the same time, such models encourage accountability to students and policymakers by focusing on the success of students through the achievement of their educational goals. The new funding model is built around a set of shared principles developed by institutions and aligned with goals and objectives for post-secondary attainment in our state.

Greg Revels asked how many two-year colleges gave their support for the productivity funding policy.

Dr. Maria Markham explained that the two-year colleges unanimously agreed to the three recommended adjustments.

Are there any unintended consequences that might require further analysis, asked Al Brodell.

Dr. Markham stated that all changes suggested that were related to unintended consequences are included in the recommendation.

Greg Revels moved to approve Agenda Item No. 3. Al Brodell seconded the motion and the Board unanimously approved.

Agenda Item No. 4
Productivity Funding Policy – Universities

Act 148 of 2017 repealed the needs-based and outcome-centered funding formulas as prescribed in Arkansas Code § 6-61-210, Arkansas Code § 6-61-224, Arkansas Code § 6-61-228, Arkansas Code § 6-61-229, Arkansas Code § 6-61-230, and Arkansas Code § 6-61-233, and amended Arkansas Code § 6-61-234. The Act directs the Arkansas Higher Education Coordinating Board to adopt policies developed by the Department of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education.

Productivity-based funding is a mechanism to align institutional funding with statewide priorities for higher education by incentivizing progress toward statewide

goals. At the same time, such models encourage accountability to students and policymakers by focusing on the success of students through the achievement of their educational goals. The new funding model is built around a set of shared principles developed by institutions and aligned with goals and objectives for post-secondary attainment in our state.

There were no questions.

Al Brodell moved to approve Agenda Item No. 4. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Agenda Item No. 5
Bachelor of Science in Agricultural Engineering
University of Arkansas at Pine Bluff

The proposed Bachelor of Science in agricultural engineering degree will be one of two agricultural engineering programs in the state--both at land grant institutions in Arkansas; will be cutting-edge, innovative and market-driven in order to prepare students for today's industry demands. Three options will be offered as a part of the program: (1) Power & Machinery (2) Agricultural Production Systems and (3) Soil and Water Systems. The student and program outcomes for this degree will have positive impacts and implications on the state of Arkansas. Additionally, the program will assist the nation in increasing the number of underrepresented minorities pursuing and successfully completing STEM, more specifically engineering, degrees.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Science in Agricultural Engineering (CIP 14.0301; 120 credit hours) offered by the University of Arkansas at Pine Bluff, effective August 2019.

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 at Pine Bluff of the approval.

Dr. Robert Carr, UAPB Provost and Vice Chancellor for Academic Affairs, provided background information on the proposed Bachelor of Science in agricultural engineering degree.

Chair Jim Carr commented that the number of jobs that would benefit Arkansas was small.

Dr. Robert Carr stated that there are approximately 14,680 jobs in Biological Engineering (BE). The systematic make-up of the approved B.S. in Agricultural Engineering with options in 1) power and machinery 2) agricultural production systems and 3) water and soil systems depending on the option that is chosen by the student will qualify he/she to be hired for jobs in BE.

Lori Griffin moved to approve Agenda Item No. 5. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Agenda Item No. 6
Bachelor of Science in Hospitality and Tourism Management
University of Arkansas at Pine Bluff

The proposed Bachelor of Science in Hospitality and Tourism Management will prepare students for managerial and high-level supervisory positions in restaurant operations, the tourism industry, event planning, hotel administration and other operational and administrative roles.

The program is a direct outgrowth of the proposed casino that will be established by Quapaw Tribe in Pine Bluff. The program is designed to provide future hospitality industries with a pool of qualified candidates and assuring that the region has a trained workforce that is prepared to propel the region in a direction that encourages tourism growth.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Science in Hospitality and Tourism Management (CIP 52.0901, 120 semester credit hours) offered by University of Arkansas at Pine Bluff, effective Fall 2019.

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 University of Arkansas at Pine Bluff of the approval.

Dr. Robert Carr provided background information on the proposed Bachelor of Science in Hospitality and Tourism Management.

There were no questions.

Greg Revels moved to approve Agenda Item No. 6. Al Brodell seconded the motion and the Board unanimously approved.

Agenda Item No. 7
Policy on Tuition and Fees for
Nontraditional Documented Immigrants

Act 844 of 2019 amended Arkansas Code Ann. § 6-60-215 to give a state-supported institution of higher education the discretion to classify students with nontraditional documented immigration status as in-state for purposes of tuition and fees under limited circumstances.

In accordance with A.C.A. §6-60-215, the Arkansas Department of Higher Education (ADHE) will promulgate rules to implement the act.

ADHE Executive Staff recommended that the Arkansas Higher Education Coordinating Board approve the following resolution:

RESOLVED, That all state-supported institutions of higher education wishing to provide in-state tuition to nontraditional documented immigrants under Arkansas Code Ann. § 6-60-215 shall establish a policy in accordance with the Act and submit the policy to the Department.

FURTHER RESOLVED, That the Arkansas Higher Education Coordinating Board approves the policy on tuition and fees for nontraditional documented immigrants.

Chair Carr asked for a description of a nontraditional documented immigrant.

Dr. Markham explained that nontraditional documented immigrant is a student that personally holds or is the child of a person who holds a Federal Form I-766 United States Citizenship and Immigration Services-issued Employment Authorization Document, known popularly as a work permit; The student has verified that he or she is a resident legally present in Arkansas and has immigrated from the Republic of the Marshall Islands; Or, the student's request for an exemption under Deferred Action for Childhood Arrivals has been approved by the United States Department of Homeland Security.

Al Brodell moved to approve Agenda Item No. 7. Greg Revels seconded the motion and the Board unanimously approved.

With no further comments, the meeting adjourned at 2:35 p.m.

Nichole Abernathy

APPROVED:

Chris Gilliam, Secretary