

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
July 26, 2019**

Minutes of Meeting

The July 26, 2019, regular meeting of the Arkansas Higher Education Coordinating Board (AHECB) was held at the University of Central Arkansas. Chairman Jim Carr called the meeting to order at 9:00 a.m., with a quorum present.

Coordinating Board present:

Dr. Jim Carr, Chair
Al Brodell, Vice Chair
Chris Gilliam, Secretary
Keven Anderson
Dr. Olin Cook
Lori Griffin
Greg Revels
Dr. Michael Stanton

Coordinating Board absent:

Dr. Charles Allen

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, Director of Communications
Lillian Williams, Program Specialist
Alana Boles, Program Director for Private Career and Out-of-State Education
Nichole Abernathy, Executive Assistant

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

Chairman Carr began by thanking President Houston Davis and his wife Jenny for their hospitality on Thursday evening. He then introduced Dr. Davis for a welcome.

Dr. Davis began by thanking everyone for coming to the UCA campus. He then briefly highlighted some of UCA's statistics. He concluded by saying that UCA is a beautiful place to live, to learn and to work!

Chairman Carr thanked Dr. Davis for his welcome. He then introduced Andrea Henderson, Director of Arkansas Community Colleges (ACC) and Dr. Allison Roberts, Higher Education Liaison with the Office of the Governor.

Agenda Item No. 1
Approval of Minutes

Lori Griffin moved to approve Agenda Item No. 1. Al Brodell seconded the motion and the Board unanimously approved.

Agenda Item No. 2
Director's Report

EngageAR Staff

Dr. Markham announced that as part of the Governor's transformation efforts, ADHE has added the EngageAR program. EngageAR's largest focus is AmeriCorps and they consist of five staff members.

Concurrent Credit Convocation

Dr. Cathie Cline, President of East Arkansas Community College (EACC), stated that Concurrent Credit students in her area receive no special recognition at graduations for going the extra mile to prepare for college. EACC came up with the Concurrent Credit Convocation to recognize students' hard work and to also involve and recognize local business partners for their contributions to EACC's Concurrent Credit program.

Earl Young's Team

Earl Young began by stating that every three minutes in the U.S. someone is diagnosed with a blood cancer. For many of these patients, a bone marrow or stem cell transplant is the best chance for survival. Ever since Earl Young won his battle against leukemia, the U.S. Olympic track and field gold medalist has hit the ground running. His mission is to give more blood cancer patients the second chance at life that he was so grateful to receive. His organization, Earl Young's Team, partners with DKMS to raise awareness for the need for more marrow donors in the U.S. by holding registration drives at universities, including his alma mater, Abilene Christian University, and at large companies. To Date, his efforts have helped add nearly 10,000 new potential lifesavers to the bone marrow registry.

Agenda Item No. 3
Academic Challenge Scholarship

In compliance with In accordance with Act 549 of 2019, the proposed amendments to the Arkansas Academic Challenge Scholarship Program rules and regulations were presented to the Arkansas Higher Education Coordinating Board (AHECB) for initial approval.

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 by the Arkansas Department of Higher Education.

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

Keven Anderson asked what the funding impact is since the number of students who qualify will increase.

Jonathan Coleman said the changes should only lead to an additional 250 students per year.

Dr. Michael Stanton moved to approve Agenda Item No. 3. Chris Gilliam seconded the motion and the Board unanimously approved.

Agenda Item No. 4
Arkansas Future Grant Scholarship

In compliance with In accordance with Act 618 of 2019, the proposed amendments to the Arkansas Futures Grant rules and regulations are presented to the Arkansas Higher Education Coordinating Board (AHECB) for initial approval.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the rules and regulations presented in this agenda item for the Arkansas Futures Grant to be administered by the Arkansas Department of Higher Education.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education or her designee is authorized to make technical changes and corrections when necessary in the program rules for the Arkansas Futures Grant.

There were no questions.

Al Brodell moved to approve Agenda Item No. 4. Lori Griffin seconded the motion and the Board unanimously approved.

Agenda Item No. 5
Governor's Scholars Program

In compliance with In accordance with Act 834 of 2019, the proposed amendments to the Arkansas Governor's Scholars Program rules and regulations are presented to the Arkansas Higher Education Coordinating Board (AHECB) for initial approval.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the rules and regulations presented in this agenda item for the Arkansas Governor's Scholars Program to be administered by the Arkansas Department of Higher Education.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education or her designee is authorized to make technical changes and corrections when necessary in the program rules for the Arkansas Governor's Scholars Program.

Greg Revels asked where the funds for the Governor's Distinguished Scholarship comes from.

Jonathan Coleman said that 9 thousand will come from Governor's Distinguished (general revenue) and \$1,000 will come from the Academic Challenge.

Keven Anderson asked if we making up the difference by pulling the funds from multiple sources.

Coleman said that is correct.

Greg Revels moved to approve Agenda Item No. 5. Lori Griffin seconded the motion and the Board unanimously approved.

Agenda Item No. 6
State Teacher Education Program

In accordance with Act 603 of 2019, the proposed amendments to the State Teacher Education Program (STEP) rules and regulations are presented to the Arkansas Higher Education Coordinating Board (AHECB) for initial approval.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the rules and regulations presented in this agenda item for the State Teacher Education Program (STEP) Program to be administered by the Arkansas Department of Higher Education.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education or her designee is authorized to make technical changes and corrections when necessary in the program rules for the State Teacher Education Program (STEP) Program.

There were no questions.

Chris Gilliam moved to recommend the approval of Agenda Item No. 6 to the full Board for consideration. Lori Griffin seconded and the Committee approved.

Agenda Item No. 7
Certification of Intercollegiate
Athletic Budgets for 2019-20

A.C.A. §6-62-805 (Act 366 of 1991) requires each state-supported institution of higher

education to annually certify by June 15 to the Arkansas Higher Education Coordinating Board that its intercollegiate athletic program will generate sufficient revenues to meet expenditures or that any athletic deficit will be met by separate institutional board-sanctioned student athletic fees.

Data, excluding the University of Arkansas, Fayetteville (UAF), indicates that 36.3 percent of athletic program budgets are being funded from student athletic fees, while 18.2 percent comes from athletic generated revenues. Transfers from educational and general funds contribute 18.0 percent of the funding. The remaining 27.5 percent is funded from other auxiliary profits, endowment and investment income, contributions and other athletic income.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Arkansas Tech University to obtain a loan from the College Savings Bond Revolving Loan Fund in an amount not to exceed \$1.1 million with a term of up to fifteen (15) years at an annual interest rate not to exceed 2.44 percent to finance an Energy Performance Project under the guidelines of the Arkansas Energy Performance Contracting (AEPC) Program overseen by the Arkansas Energy Office.

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 Arkansas Tech University of the Coordinating Board's resolution.

Greg Revels asked if the institutions that increased their athletic fees also increased the price of other sales such as tickets and concessions.

UCA President Houston Davis said in addition to raising private funds, they are looking at other ways to increase revenues.

Al Brodell questioned why one of the fees went from non-existent to an increase of \$9 to the student. Is this an accurate portrayal of what is going on?

SAU Tech Chancellor Dr. Jason Morrison said that this is the third year that SAUT has implanted this fee (previously it was listed under a different line item). A portion of the fee does go to student organizations to support clubs and activities.

Chris Gilliam asked if athletic fees were ever decreased. Nick Fuller said no.

Greg Revels expressed concern over the low number of athletic generated revenues. He said he wanted to make sure the board is receiving accurate information. Al Brodell asked what percentage of the E&G budgets are capped.

Nick Fuller explained that initially they were capped at 2%. However, there is a stipulation that the amount can change based on the higher education recommendation.

Keven Anderson asked Fuller to define Other Auxiliary Profits.

Dr. Houston Davis said it includes housing, dining services and other operations.

UCA Vice President for Finance and Administration Diane Newton explained that UCA does have a number of auxiliary units such as housing and food service, all of which are self-supporting. They do use some of those profits towards other auxiliaries, such as athletics, the Post Office and the Student Health Center.

Keven Anderson asked what percentage of UCA's auxiliary profits are being used towards their athletic budgets.

Ms. Newton said she would get ADHE that information.

Keven Anderson asked if the students were getting value from the growing list of athletic fees and asked UAFS to comment.

UAFS Chancellor Dr. Terisa Riley said that students do receive free admission to all athletic events.

If the athletic revenue is 3% of UAFS's total budget, are enough students taking advantage of this benefit.

Dr. Riley said not as many as UAFS would like. They have strategies in place to fill the seats.

Anderson asked if athletic fees weren't mandatory, how many students would pay them voluntarily.

Dr. Riley said she did not know.

Greg Revels said he loves athletics; however, we need to try to be as feasibly responsible as possible.

Al Brodell moved to recommend the approval of Agenda Item No. 7 to the full Board for consideration. Lori Griffin seconded and the Committee approved.

Agenda Item No. 8
Economic Feasibility of Bond for
Southern Arkansas University

Southern Arkansas University (SAU) requests approval of the economic feasibility of plans to issue bonds not to exceed \$15.1 million with a term of twenty (20) years for the educational and general (E&G) and fifteen (15) years for auxiliary purposes at an annual interest rate not to exceed 3.13 percent. Southern Arkansas University Board of Trustees approved this financing at its meeting on May 30, 2019.

The educational and general issue will be approximately \$6.35 million with an annual debt service of \$414,938 and a term of twenty (20) years. Proceeds will be used for capital improvements and to refund the 2013A Series bonds in the amount of approximately \$5,850,000. The debt service on the bond issue will be supported by tuition and fee revenue. Coordinating Board policy regarding debt service for E&G projects provides that a maximum of 25 percent of tuition and fee revenue, net of scholarship expense, may be pledged to E&G debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Southern Arkansas University to issue bonds in an amount not to exceed \$15.1 million with a term of twenty (20) years for the educational and general (E&G) for capital improvements and to refund the 2013A Series bonds. For auxiliary purposes with a term of fifteen (15) years for capital improvements and to refund the 2014 Series bonds. Both issues at an estimated interest rate not to exceed 3.13 percent.

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 Southern Arkansas University of the Coordinating Board's resolution.

Keven Anderson asked how the additional proceeds were being used.

Nick Fuller said he would provide a copy of the amortization schedule for the payback.

Greg Revels moved to recommend the approval of Agenda Item No. 8 to the full Board for consideration. Chris Gilliam seconded and the Committee approved.

Agenda Item No. 9
Economic Feasibility of Bond for
University of Arkansas, Fayetteville

The University of Arkansas, Fayetteville requests approval of the economic feasibility of plans to issue bonds not to exceed \$31.25 million with a maximum term of fifteen (15) years at an estimated annual interest rate not to exceed 4.50 percent. Proceeds from the bond issue will be used for Athletic auxiliary purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on June 17, 2019.

The issue will be up to \$31.25 million with an annual debt service of \$2,861,063 and a term of up to fifteen (15). Proceeds from the issue will be used for (1) acquisition, construction, furnishing and equipping an approximately 25,000, sq. ft. track and field high performance center for men's and women's track and field teams; (2) acquisition, construction, furnishing, and equipping of an approximately 45,000 sq. ft. baseball development center at Baum-Walker Stadium; and (3) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure for athletic purposes, and the acquisition of various equipment for athletic

purposes. Coordinating Board policy regarding debt service for auxiliary projects provides that annual auxiliary revenues should be no less than 120 percent of total annual auxiliary debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas, Fayetteville to issue bonds in an amount not to exceed \$31.25 million with a term of fifteen (15) years at an estimated interest rate not to exceed 4.50 percent for auxiliary purposes for (1) acquisition, construction, furnishing and equipping an approximately 25,000, sq. ft. track and field high performance center for men's and women's track and field teams; (2) acquisition, construction, furnishing, and equipping of an approximately 45,000 sq. ft. baseball development center at Baum-Walker Stadium; and (3) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure for athletic purposes, and the acquisition of various equipment for athletic purposes.

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.

Clayton Hamilton the Deputy Athletic Director and Chief Financial Officer for Razorback Athletics provided additional information on the bond request. He noted that the project would save the institution over 13 million dollars compared to a 30-year amortization.

Greg Revels asked what would happen to the old offices and equipment.

Mr. Hamilton said the old offices would be used as suites for the baseball games to generate additional revenues.

Dr. Olin Cook moved to recommend the approval of Agenda Item No. 9 to the full Board for consideration. Greg Revels seconded and the Committee approved.

Agenda Item No. 10
Economic Feasibility of Loan
for Ozarka College

Ozarka College (OZC) requests approval of the economic feasibility of plans to obtain a loan in an amount not to exceed \$400,000 with a term of up to fifteen (15) years at an annual interest rate not to exceed 4.0 percent. Proceeds from the bond issue will be used for educational and general (E&G) purposes. Ozarka College Board of Trustees approved this financing at its meeting on July 2, 2019.

The E&G issue will be up to \$400,000 with an annual debt service of \$35,505 and a term of up to fifteen (15) years. Proceeds will be used to purchase a facility in Ash Flat (Sharp County) to be used as a Technical Training Center. Coordinating Board policy regarding debt service for E&G projects provides that a maximum of 25 percent of net tuition and fee revenue less unrestricted E&G scholarship expenditures may be pledged to E&G debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Ozarka College to obtain a loan in an amount not to exceed \$400,000, with a term of up to fifteen (15) years at an expected annual interest rate not to exceed 4.0 percent to purchase a facility in Ash Flat (Sharp County) to be used as a Technical Training Center.

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 Ozarka College of the Coordinating Board's resolution.

Dr. Richard Dawe, President of Ozarka College, provided additional information on the loan.

Dr. Michael Stanton asked if this was enough money to set up the Technical Training Center.

Dr. Dawe said, no. However, they do have additional funds that they will use.

Chris Gilliam moved to recommend the approval of Agenda Item No. 10 to the full Board for consideration. Greg Revels seconded and the Committee approved.

Agenda Item No. 11
New Off-Campus Instruction Center
Washington County Location Springdale, AR
Northwest Arkansas Community College

The administration and Board of Trustees of NorthWest Arkansas Community College (NWACC) request Arkansas Higher Education Coordinating Board to recognize an off-campus instructional site in Washington County, to be called the NorthWest Arkansas Community College–Washington County. NWACC is also requesting Coordinating Board approval to offer the following degree programs: Associate of Arts in General Education, Associate of Science in Liberal Arts & Sciences, Associate of Applied Science in Nursing, and the Associate of Applied Science in Health Information Management degrees. The proposed programs can be completed at the off-campus site through a combination of distance, online, and onsite delivery.

RESOLVED, That the Arkansas Higher Education Coordinating Board (AHECB) approves the establishment of NorthWest Arkansas Community

College – Washington County in Springdale, Arkansas, and the offering of selected courses listed above leading to associate degree completion effective immediately, contingent on off-campus center accreditation or recognition by the Higher Learning Commission.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education (ADHE) to inform the President and Chair of the Board of Trustees of NorthWest Arkansas Community College of the approval.

Dr. Ricky Thompkins, Vice President of Learning, provided additional information.

There were no questions.

Agenda Item No. 12
Bachelor of Arts in Arabic
University of Arkansas, Fayetteville

The proposed Bachelor of Arts in Arabic Language and Literature is 120 credit hour program designed to help students achieve high levels of fluency in Arabic languages, literature, and culture while developing tools to think about and engage critically with the Arab world. Students who major in the proposed program will have the opportunity to combine their Arabic language study with Middle East Studies and International and Global Studies, further strengthening and broadening their language and culture studies. The proposed major prepares students for graduate work in comparative literature, literacy and non-literary translation, anthropology, geography, history, political science, international relations, economics, and gender studies. Graduates may pursue job opportunities in the United States or Arab World with organizations such as the Arab American Chamber of Commerce, various Arab embassies and consulates, international banks, American foreign relations, the United States government, and in various businesses or the oil industry.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Arts in Arabic (CIP 16.1101; 120 credit hours) offered by the University of Arkansas, Fayetteville, 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 the University of Arkansas, Fayetteville of the approval.

Dr. Jim Coleman, Provost and Vice Chancellor for Academic Affairs provided additional information.

Chair Carr commended UAF for putting this program together.

There were no questions.

Agenda Item. No. 13
Master of Education in Community College Leadership

The proposed Master of Education in Community College Leadership will be a 100% online 33 credit hour graduate program for individuals who work in community colleges who seek to build their content expertise and improve career mobility. The proposed program focuses on preparing individuals for community college leadership and administrative roles. Prospective students should have a bachelor's degree and some experience working at a community college. Graduates will understand and gain knowledge of the historical development, contemporary challenges and different functions of community colleges.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Master of Education (M.Ed.) in Community College Education (CIP 13.0407; 33 credit hours; 100% online) offered by the University of Arkansas, Fayetteville, 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 the University of Arkansas, Fayetteville of the approval.

Dr. Jim Coleman, Provost and Vice Chancellor for Academic Affairs provided additional information.

Lori Griffin as if there was an internship associated with this program.

Dr. Coleman said, no.

Keven Anderson asked how the curriculum was developed and if other states are doing something similar.

Dr. Terry Martin, Senior Vice Provost for Academic Affairs said this program was tailored after other schools in surrounding states with similar programs.

Agenda Item No. 14
Institutional Certification Advisory Committee

ADHE Executive Staff Recommendation

Initial Program Certification-Distance Technology

RESOLVED, That pursuant to A.C.A. §6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to the institutions listed on pages 1 - 2 to offer the specified degree programs to Arkansas residents for a period of three years through December 31, 2022.

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

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

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

Academy of Art University, San Francisco, California

Pepperdine University, Malibu, California

Initial Program Certification – Arkansas Locations

Spartan College of Aeronautics and Technology, Tulsa, Oklahoma

There were no questions.

Agenda Items No. 15 & 16 Letters of Notification and Letters of Intent

The Director of the Arkansas Department of Higher Education approved institutional requests for new programs not requiring Board action unless further review is requested by the Board. During this period, the Institutional Certification Advisory Committee received notice of requests from out-of-state institutions to offer degree programs to Arkansas residents. The program notice lists appear in the Letters of Notification on pages 15-1 through 15-56 and in the Letters of Intent on pages 16-1 through 16-6 of the agenda book.

Dr. Carr asked if ADHE had the attendance numbers for the out-of-state schools. Alana Boles said that ADHE produces a tuition and enrollment report every January.

Al Brodell asked if ADHE received comments from Arkansas institutions regarding out-of-state programs. Ms. Boles said she has not received any comments from Arkansas institutions.

Carr questioned why Arkansas students would take these classes if they are offered in Arkansas. Dr. Maria Markham explained that many institutions request certification so that if they receive an Arkansas student, the student would be eligible for financial aid at their institution.

Dr. Michael Stanton moved to recommend the approval of Agenda Items No. 11 - 14 to the full Board for consideration. Al Brodell seconded and the Committee approved.

Report of the Committees

Keven Anderson presented the report of the Finance Committee and moved approval of Agenda Items 7 – 10. The board approved.

Lori Griffin presented the report of the Academic Committee and moved approval of Agenda Items 11 – 14. The board approved.

Remarks by Presidents and Chancellors

Dr. Robin Bowen, President of Arkansas Tech University introduced Sheila Jacobs, Academic Affairs Officer for ATU-Ozark Campus and Dr. Barbara Johnson, Vice President for Academic Affairs for the ATU Russellville Campus.

Chair Allen announced that the next Arkansas Higher Education Coordinating Board meeting would be held at the University of Arkansas – Fort Smith on October 25, 2019.

With no further comments, the meeting adjourned at 11:04 a.m.

Nichole Abernathy

APPROVED:

Chris Gilliam, Secretary