

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
April 13, 2018**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Friday, April 13, 2018. The purpose of the meeting was to consider the economic feasibility of bond issue for National Park College. The meeting convened at 1:00 p.m., with a quorum present.

Coordinating Board present:

Dr. Charles Allen, Chair
Dr. Jim Carr, Vice Chair
Keven Anderson
Al Brodell
Dr. Olin Cook
Chris Gilliam
Lori Griffin

Coordinating Board absent:

Sam Sicard
Sherrel Johnson
Greg Revels
Dr. Michael Stanton

Department staff present:

Dr. Maria Markham, Director
Nick Fuller, Deputy Director
Dr. Jessie Walker, Senior Associate Director for Academic Affairs
Chandra Robinson, Program Coordinator for Institutional Finance
Nichole Abernathy, Executive Assistant

Presidents, chancellors, other institutional representatives, and guests also participated.

Chair Allen thanked the Coordinating Board members and guests for participating on the call.

Nichole Abernathy conducted a roll call to confirm there was a quorum.

**Agenda Item No. 1
Economic Feasibility of Bond Issue
National Park College**

National Park College (NPC) requests approval of the economic feasibility of plans to issue bonds not to exceed \$10 million with a term of up to thirty (30) years at an annual interest rate not to exceed 4.50 percent. Proceeds from the bond issue will be used for educational and general (E&G) purposes. The National Park College Board of Trustees approved this financing at its meeting on January 24, 2018. The E&G issue will be up to \$10 million with an annual debt service of

\$1,205,375 and a term of up to thirty (30) years. Proceeds, along with those from the \$14 million bond issue approved by the AHECB on February 16, 2018, will be used to refund Series 2004 and Series 2008 bond issues, fund the construction of a new student commons building, new marine technology building, expansion of the west parking lot, construction of a new student campus entrance and certain improvements to the Fisher Campus Center to add instructional space. The improvements will allow National Park College to educate more students, increase the number of graduates and credentials. As well as positively impact the educational attainment levels in Garland County and the State of Arkansas. Coordinating Board policy regarding debt service for projects financed by local tax or millage provides that annual net millage revenue should be no less than 120 percent of the total annual debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for National Park College to issue bonds in a total amount, including this request as well as the prior \$14 million approved in February, not to exceed \$24 million, with a term of up to thirty (30) years at an expected annual interest rate not to exceed 4.50 percent to refund Series 2004 and Series 2008 bond issues, fund the construction of a new student commons building, new marine technology building, expansion of the west parking lot, construction of a new student campus entrance and certain improvements to the Fisher Campus 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 National Park College of the Coordinating Board's resolution.

President of National Park College Dr. John Hogan said that NPC is refunding two bond issues and issuing a single bond for \$24 million. He thanked the coordinating board for their promptness in hearing this agenda.

Keven Anderson requested the interest rate on the bonds being paid off.

Dr. Hogan said the interest rate was well above the current rate of 4.50 percent. NPC will save almost \$700,000 during the life of the financing.

Dr. Jim Carr moved to recommend Agenda Item No. 1 to the full board for consideration. Keven Anderson seconded and the Committee approved.

Report of the Committee

Al Brodell presented the report of the Finance Committee and moved approval of Agenda Item 1. Chris Gilliam seconded and the board approved.

Remarks by Presidents and Chancellors

There were none.

Dr. Maria Markham announced that the productivity-based funding model has been added to the Coordinating Board agenda. ADHE committed to addressing non-credit workforce training within the second year of the funding model. The two-year colleges have decided how they want to move forward with this process and Markham will present the amendment to the model at the next regular AHECB meeting on April 20.

Chair Allen thanked everyone for participating in the special meeting and announced that the next regular meeting would be April 20, 2018 at the Arkansas Department of Higher Education in Little Rock.

With no further comments, the meeting adjourned at 1:12 p.m.

Nichole Abernathy

APPROVED:

Sam Sicard, Secretary