

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
June 29, 2023

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Thursday, June 29, 2023, via Zoom. Chair Graycen Bigger called the meeting to order at 9:00 a.m., with a quorum present.

Coordinating Board present:

Graycen Bigger, Chair
Dr. Jim Carr, Secretary
Keven Anderson
Al Brodell
Dr. Jerry Cash
Kelley Erstine
Andy McNeill

Coordinating Board absent:

Chad Hooten
Dr. Kyle Miller

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

Chair Bigger welcomed presidents and chancellors to the special board meeting and thanked everyone for attending. She then introduced Commissioner of Higher Education, Dr. Ken Warden, and welcomed him to his first Coordinating Board meeting.

Commissioner Warden thanked the Coordinating Board for welcoming him to the Division of Higher Education and his first board meeting. He said that while traveling the state visiting the institutions, he also had the privilege of meeting all of the AHECB members in person. He then thanked them for their service and said he looked forward to working with them.

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

The University of Arkansas, Fayetteville (UAF) requests approval of the economic feasibility of plans to issue bonds not to exceed \$65 million with a term of no longer than thirty (30) years at an annual interest rate of approximately 6.50 percent. Proceeds from the bond issue will be used for educational and general (E&G) purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on May 25, 2023.

The combined E&G issue will be up to \$65 million with a maximum annual debt service of \$5,009,238 and a term of thirty (30) years. Proceeds from this bond issue will be used for (1) the acquisition, construction, furnishing, and equipping of the Institute for Integrative and Innovative Research, (2) the acquisition, construction, furnishing, and equipping of the

Multi-User Silicon Carbide Research and Fabrication Facility, and (3) 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 for the Fayetteville Campus.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas, Fayetteville to issue bonds not to exceed \$65 million with a term not to exceed thirty (30) years at an annual interest rate of approximately 6.50 percent as requested by the Institution for various E&G projects.

FURTHER RESOLVED, That the Commissioner of the Arkansas Division of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of University of Arkansas System and the Chancellor of the University of Arkansas, Fayetteville of the Coordinating Board's resolution.

Dr. Jim Carr voiced concerns regarding UAF taking on an additional \$65 million in debt. Nick Fuller said that UAF will use some of the funds to pay off older bonds.

Michael White, Associate Vice Chancellor for Financial Affairs, said they are in the process of refunding some partial bond issues. Several past series of bonds are being offered at a Tender Offering, which will allow banks the opportunity to solicit the loan holders to voluntarily refund those loans, said Mr. White.

Chair Bigger noted that the bond would be repaid by tuition and fee revenue and questioned if fee revenue would be increased to help cover this bond.

Michael White said there is an increase in the facilities fee and it will help cover this bond.

With no further comments, the meeting was adjourned at 9:24 a.m.

SUBMITTED BY:

Nichole Abernathy

APPROVED:

Dr. Jim Carr, Secretary