

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
May 29, 2024

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Wednesday, May 29, 2024, via Zoom. Chair Graycen Bigger called the meeting to order at 1:00 a.m., with a quorum present.

Coordinating Board present:

Graycen Bigger, Chair
Dr. Jerry Cash, Vice Chair
Dr. Jim Carr
Dr. Katherine Dudley
Lucas Pointer
Carolyn Rhinehart

Coordinating Board absent:

Chad Hooten
Heather Maxey
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.

Agenda Item No. 1
Economic Feasibility of Loan Issue
University of Arkansas Community College

University of Arkansas Community College at Batesville (UACCB) requests approval of the economic feasibility to secure a loan not to exceed \$3.5 million with a maximum term of ten (10) years at an annual interest rate of approximately 6.5 percent. Proceeds from the loan 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 22-23, 2024.

The E&G issue will be up to \$3.5 million with a combined estimated annual debt service of \$478,921 and a term of ten (10) years. Proceeds from the loan will be used to complete renovations of the recently purchased property at 2210 E. Main Street, located approximately one-third (1/3) mile from the main campus. The debt service on the loan will be supported by sales tax revenue, lease revenue, tuition and fee revenue, and/or any additional revenue generated by the College. Coordinating Board policy regarding debt service for educational and general (E&G) projects provides that sales tax proceeds must be a minimum of 120 percent of the estimated

annual debt service. The policy also states that a maximum of 25 percent of tuition and fee revenue may be pledged to debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas Community College at Batesville to secure a loan in the amount not to exceed \$3.5 million with a maximum term of ten (10) years at an annual interest rate of approximately 6.5 percent as requested by the institution for the E&G project.

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 Community College at Batesville of the Coordinating Board's resolution.

Dr. Jim Carr asked if they still expect to receive an annual interest rate of approximately 6.5 percent.

Dr. Brian Shonk, chancellor of the University of Arkansas Community College at Batesville, said yes. They talked to the bank recently and the interest rate is still at 6.5 percent.

Chair Bigger asked if this is the expansion of an existing program. Dr. Shonk said it is a combination of new and existing programs.

Dr. Carr complimented UACCB on the wonderful job they are doing for Batesville and asked if they have any enrollment projections for this fall as compared to last fall.

Dr. Shonk explained that last fall's numbers were 20 percent higher than the previous years. He noted that he is confident this year's enrollment numbers will be up, he noted that they are a little harder to predict. UACCB is in the process of doing a conversion from their current system, which has caused their timing to be off by a month.

Dr. Jim Carr moved to approve Agenda Item No. 1. Dr. Jerry Cash seconded the motion and the Board unanimously approved.

With no further comments, the meeting was adjourned at 1:10 p.m.

SUBMITTED BY:

Nichole Abernathy

APPROVED:

Dr. Kyle Miller, Secretary