

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
July 29, 2005

Minutes of Meeting

The July 29, 2005 regular meeting of the Arkansas Higher Education Coordinating Board was held in Magruder Hall on the campus of Mid-South Community College in West Memphis, Arkansas. Chairman Phil Ford called the meeting to order at 10:00 a.m. with a quorum of Board members present.

Coordinating Board present:

Phil Ford, Chair
Kaneaster Hodges, Vice Chair
Jodie Carter
Col. Jim Creech
Bill Johnson
Dr. Lynda Phillips Johnson
David Leech
Dr. Anne Trussell

Coordinating Board absent:

Betsy Thompson, Secretary
David Damron
Dr. Dan Grant

Department staff present:

Dr. Linda Beene, Director
Dr. Steve Floyd, Deputy Director
Dr. Karen Wheeler, Associate Director of Academic Affairs
Dr. Stanley Williams, Senior Associate Director for Finance
Ron Harrell, Associate Director for Planning and Accountability
Melissa Goff, Coordinator for Financial Aid
Cynthia Moten, Coordinator of Academic Affairs
Jeanne Jones, Coordinator of Institutional Certification
Claudia Griffin, Assistant Coordinator of Academic Affairs
Monieca West, Coordinator of Federal Programs
John Davidson, Financial Manager
Robin Henson, Communications Officer
Vikki Moore, Agency Fiscal Manager
Christina Miller, Coordinator of General Administration
Nichole Abernathy, Administrative Assistant

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

Chairman Ford acknowledged Diane Ayers of Mid-South Community College for her work in preparation for the meeting. He then recognized Dr. Glen Fenter, President of Mid-South Community College, for a welcome. Dr. Fenter introduced the Mayor of West Memphis, Mr. William Johnson.

Mayor Johnson stated that he was elated when he learned that he would have the opportunity to make a presentation to a dear friend that he has known for 30 or more years, Mr. Phil Ford. Mayor Johnson commented that it was no secret that Phil Ford was not born with a silver spoon in his mouth. He joked that he knew Phil back when his only success was the fact that he talked Sandy Keller into marrying him. Adding that he couldn't think of anything Phil started that wasn't successful. "The true judge of a man's character is how he has handled his success." Mayor Johnson presented Phil and Sandy with a proclamation from the city of West Memphis proclaiming Friday, July 29, 2005, as Phil Ford day in West Memphis.

Dr. Beene introduced Lucretia Norris, the Governor's Policy Advisor for Higher Education. Ms. Norris conveyed the Governor's appreciation to Phil Ford for his dedication to the Higher Education Coordinating Board as she read a letter to him from the Governor.

Dr. Linda Beene expressed appreciation to Phil as Chairman of the board. She said that when she learned a year ago that state statutes would not allow Phil to be Chairman for three consecutive terms, the law was changed. She said this demonstrated to Phil just how much he meant to her and everyone else. Dr. Beene asked Mr. Lu Hardin, former director of the Department of Higher Education and the current President of the University of Central Arkansas, to join her in conveying appreciation to Phil. Mr. Hardin thanked Phil for his years of hard work and determination, commenting that Phil has a heart for students and higher education. Mr. Hardin ended by stating that he was fortunate to have had the opportunity to work with Phil Ford over the years and to develop a close friendship with him.

Dr. Beene then congratulated Phil for his perfect 1-0 winning record as the starting pitcher for the Memphis Redbirds baseball team. Admitting that she is limited in baseball knowledge, she asked Phil what people meant when they referred to him as "Rag Arm Phil?" Dr. Beene then presented Phil with his own baseball bat for hitting a homerun for higher education, signed by Governor Mike Huckabee.

Dr. Glen Fenter thanked Phil and Sandy Ford for the positive impact they've had on Crittenden County over the years. Next he thanked AHECB, ADHE staff, Presidents and Chancellors, and everyone else present for being his guest for the Board meeting. He also thanked his talented staff for all of their hard work in preparation for the meeting. Mid-South Community College was one of the original fourteen vocational technical institutes to make the transition to viability by Act 1244 of the 1991 General Assembly. They were labeled the institution with the unlikeliest chance for success. However, In February of 1993, voters approved a four mill property tax increase (an increase of more than 10 percent). Since that time, Mid-South has experienced rapid growth in all areas. Never the less, space and facilities still remain one of the most constricting factors in Mid-South's ability to continue meeting the needs of their region. Dr. Fenter discussed the impact and needs of higher education and focused the Board's attention to an article about a manufacturing plant locating in Canada due to a lack of well-trained workforce. Dr. Fenter concluded by stating that higher education has never been more important to

our individual and collective economic futures than it is today. Again, he thanked everyone for coming to Mid-South Community College.

Kaneaster Hodges asked Dr. Fenter if he would consider using the Higher Education Bond funds allocated to Mid-South Community College to remedy their space and facilities problems.

Dr. Fenter responded by noting that it is still one of many factors to consider and MSCC would have to determine the most suitable equation for moving their region forward.

Dick Trammel complimented Dr. Fenter and Mid-South Community College on their community support, adding that he likes to see people willing to invest in their future.

Chairman Ford thanked Dr. Fenter for his remarks and then introduced new AHECB member, Dick Trammel; Mr. Luke Gordy, the new Director of the Arkansans for Education Reform Foundation; Dr. Steve Franks, the new Chancellor of Southern Arkansas University Tech; Dr. Sally Carder, the new President of National Park Community College; Dr. Alan Rasco, the new President of South Arkansas Community College; and Mr. Gayle Cooper, the interim President for Ozarka College. He then announced that there would be a Public Hearing later in the Board meeting for the consideration of changes to financial aid rules and regulations. Chairman Ford congratulated AHECB member Bill Johnson for his appointment into the UCA Sports Hall of Fame and on his retirement as President of Simmons First National Bank in Conway.

Agenda Item No. 1 Approval of Minutes

David Leech moved to approve the minutes of the April 29, 2005 regular meeting and the June 20, 2005 special meeting. Dr. Anne Trussell seconded the motion, and the Board unanimously approved.

Agenda Item No. 2 Report of the Director

Chairman Ford recognized Dr. Beene for her Director's Report and she began by stating that the next step for the Bond Program would be to set a date for an election. She said Governor Huckabee is very eager to get the proceeds to the institutions and is considering calling a special election. Dr. Beene asked the Presidents and Chancellors to have their planned projects delivered to the Department by August 15 so the election process deadlines could be met.

Dr. Beene announced that the Academic Challenge and STAR application deadlines were extended to July 1 this year and that the income eligibility limits and amount of the Academic Challenge Scholarship were also increased. An information campaign ran during June to make the public aware of these changes. As a result, Dr. Beene said the financial aid division received about 75 applications, 305 calls to the front desk, and 500 calls to the "800" hotline per day, as well as over 254,000 hits to the website in the last two weeks of June. The Star applications also doubled the previous year's count as a result of the campaign.

Dr. Beene mentioned Act 1973 of 2005 sponsored by Senator Gilbert Baker which gives taxpayers the opportunity to deduct up to \$5,000 per year when making contributions to the GIFT Plan. She also discussed the "Redesigning America's High Schools" Initiative sponsored by the National Governor's Association. She explained that the Arkansas Department of Education was awarded a grant of up to \$2 million to build on the momentum created by the 2005 National Education Summit in February. Arkansas held its follow-up meeting in March. The agenda calls on Governors to implement the following five inter-connected strategies: restoring value to the high school diploma; redesigning high schools; giving students the excellent teachers and principals they need; setting goals, measuring progress and holding high schools and colleges accountable; as well as streamlining and improving education governance.

Dr. Beene said the Arkansas proposal demonstrated a commitment to all high school students through focused efforts that included developing college and workplace readiness standards; expanding consistent end-of-course tests; implementing a longitudinal data tracking system; and initiating a communications system that will link partnerships and assure "buy-in". She said the Governor's Office would also promote a mandatory college-prep curriculum and governance to ensure alignment with the state's P-16 commission. She reminded the Board of the Commission for the Coordination of Education Efforts and that it will serve as the basis for the P-16 council in the proposal.

Dr. Beene also discussed the American Diploma Project, funded by Achieve, Inc., The Education Trust, and the Thomas B. Fordham Foundation. She said high school graduation rates have dropped over the last 20 years and only 34% of 9th grade students' graduate "college ready". The goal of the American Diploma Project is to determine the English and mathematics skills that high school graduates need in order to be successful in college and the workplace. Some of the state requirements are to administer a college- and work-ready assessment, require all students to take a college- and work-ready curriculum to earn a high school diploma, and hold high schools and colleges accountable for their success once enrolled.

Dr. Beene concluded her report by announcing that the Department of Finance and Administration has revised the April 25, 2005 forecast for Workforce 2000 funding for 2005-06. The revised forecast represents a significant increase and will give an additional \$2,597,507 to the eighteen two-year colleges that receive

WF 2000 funding. She said it also means an additional \$342,240 to the four technical institutes that merged with universities.

Dr. Beene informed the Board that a summary explanation of the nonformula higher education entities is in their folders as requested at the last meeting.

Dr. Lynda Johnson thanked Dr. Beene, Dr. Wheeler, Melissa Goff, and ADHE staff for their work on aligning graduation requirements for the state of Arkansas with the Academic Challenge Scholarship curriculum.

Report of Committees

David Leech presented the report of the Finance Committee and moved approval of Agenda Items 3-7. Jim Creech seconded the motion, and the Board unanimously approved.

Kaneaster Hodges, in Dr. Dan Grant's absence, presented the report of the Academic Committee and moved to adopt Agenda Items 8-13 and 20-22. Dr. Lynda Johnson seconded the motion, and the Board unanimously approved.

Agenda Item No. 3 Allocation of College Savings Bond Funds

The Arkansas Higher Education Technology and Facility Improvement Act (Act 1282 of 2005) from Governor Huckabee's legislative initiative authorized the Arkansas Higher Education Coordinating Board, in consultation with the Arkansas Development Finance Authority, to refer to the voters a request for the authority to issue up to \$250 million in college savings bonds for the improvement of technology and facilities in higher education. Approximately \$100 million of the issue is to be used to refund/recall existing bonds. The remaining \$150 million is to be allocated to the public institutions of higher education in Arkansas.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the proposed allocation of anticipated college savings bond funds in accordance with Act 1282, the Governor's legislative initiative, and the Governor's request to distribute \$50 million among the two-year colleges, \$10 million for access to the e-Corridor for the universities and medical sciences campus, with the remaining balance distributed to the universities and their entities.

FURTHER RESOLVED, That the Coordinating Board approves the recommended methodology for the distribution of anticipated college savings bond proceeds as described in this agenda item.

FURTHER RESOLVED, That the Coordinating Board has not authorized and shall not authorize the issuance of bonds requiring more than \$24 million in debt service per fiscal year as provided for in the Act.

FURTHER RESOLVED, That the Coordinating Board instructs the Director and ADHE staff to transmit to the Governor and the General Assembly a written plan for technology and facility improvement projects to be funded with the proceeds derived from the sale of the bonds, as described in this agenda item, the need for the projects, the estimated benefits of the projects and the anticipated debt service requirements for the bonds.

FURTHER RESOLVED, That the Director shall and is directed to act as the duly authorized designee of the Chair of the Coordinating Board in requisitioning the proceeds of the bond sales held in the State Treasury and certifying that the funds disbursed thereby are for the payment of project costs of a higher education project duly approved by the Coordinating Board, as reflected in this agenda item.

David Leech thanked Dr. Stanley Williams and staff for their efficient work in providing a formula that everyone accepted. Kaneaster Hodges also thanked Dr. Sugg and Dr. Franklin for their involvement.

Jim Creech moved to recommend Agenda Item 3 to the Full Board for consideration. Dr. Anne Trussell seconded, and the Committee unanimously approved.

Agenda Item No. 4
 Certification of Intercollegiate Athletic
 Revenues and Expenditures for 2005-06

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.

Relevant data follows:

<u>Inst.</u>	<u>2004-05 Athletic Fee</u>	<u>2005-06 Athletic Fee</u>
UAFS	\$5.00	\$6.00
UALR	\$11.00	\$11.75
UAM	\$6.00	\$7.00
UAPB	\$12.70	\$13.70

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Certification of Intercollegiate Athletic Revenues and Expenditures Budgeted for 2005-06 as prepared in accordance with Arkansas Higher Education Coordinating Board uniform accounting standards and definitions for athletic reporting.

Dick Trammel moved to recommend Agenda Item 4 to the Full Board for consideration. Bill Johnson seconded, and the Committee unanimously approved.

Agenda Item No. 5
Economic Feasibility of Bond Issue
University of Arkansas at Fort Smith

University of Arkansas at Fort Smith (UAFS) requests approval of the economic feasibility of plans to issue bonds totaling \$14.5 million with a maximum term of up to 30 years at an estimated annual interest rate of up to 5.5% for auxiliary purposes. Proceeds from the bond issue will be used to acquire a 300-bed apartment complex for \$14.5 million. The University of Arkansas Board of Trustees approved this action at its meeting held on July 21, 2005.

Relevant data follows:

Projected 2005-06 Net Auxiliary Revenues.....	\$1,907,998
Maximum Annual Debt Service (\$1,907,998/120%).....	1,589,998
Existing Debt Service.....	0
Estimated Debt Service for Proposed Bond Issues.....	997,678
Net Auxiliary Revenue Remaining for Additional Debt Service.....	\$ 592,320

The above data demonstrates that University of Arkansas at Fort Smith has sufficient revenue to support a bond issue of approximately \$14.5 million with a term of up to 30 years at an estimated annual interest rate of up to 5.5%.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas at Fort Smith (UAFS) to issue bonds not to exceed \$14.5 million for a period of up to 30 years at an estimated annual interest rate of up to 5.5% for auxiliary purposes.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President of the University of Arkansas System and the Chancellor of the University of Arkansas at Fort Smith of the Coordinating Board's resolution.

Dr. Anne Trussell moved to recommend Agenda Item 5 to the Full Board for consideration. Jim Creech seconded, and the Committee unanimously approved.

Agenda Item No. 6
Economic Feasibility of Bond Issue
University of Arkansas at Pine Bluff

University of Arkansas at Pine Bluff (UAPB), requests approval of the economic feasibility of plans to issue bonds totaling \$21 million with a maximum term of up to 30 years at an estimated annual interest rate of up to 5.5%.

Relevant data follows:

Educational and General Portion	
Budgeted 2005-06 Tuition and Fee Revenue.....	\$12,170,735
Maximum Allowable Debt Service (\$12,170,735 x 25%).....	3,042,684
Existing Debt Service.....	1,086,000
Estimated Debt Service for Proposed Issue.....	619,249
Tuition and Fee Revenue Remaining for Additional Debt Service.....	\$1,337,435
Auxiliary Portion	
Projected 2005-06 Net Auxiliary Revenues.....	\$3,889,844
Maximum Annual Debt Service (\$3,889,844/120%).....	3,241,537
Existing Debt Service.....	455,900
Estimated Debt Service for Proposed Bond Issues.....	825,665
Net Auxiliary Revenue Remaining for Additional Debt Service.....	\$1,959,972

The above data demonstrates that University of Arkansas at Pine Bluff has sufficient revenue to support a bond issue of approximately \$21 million with a term of up to 30 years at an estimated annual interest rate of up to 5.5%.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas at Pine Bluff (UAPB) to issue bonds not to exceed \$21 million for a period of up to 30 years at an estimated annual interest rate of up to 5.5% for both E&G and auxiliary purposes.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President of the University of Arkansas System and the Chancellor of the University of Arkansas at Pine Bluff Coordinating Board's resolution.

Bill Johnson moved to recommend Agenda Item 6 to the Full Board for consideration. Dick Trammel seconded, and the Committee unanimously approved.

Agenda Item No. 7
Economic Feasibility of Bond Issue
University of Central Arkansas

University of Central Arkansas (UCA) requests approval of the economic feasibility of plans to issue bonds totaling \$11 million with a maximum term of up to 20 years at an estimated annual interest rate of up to 5%.

Relevant data follows:

Educational and General Portion	
Budgeted 2005-06 Tuition and Fee Revenue.....	\$47,866,769
Maximum Allowable Debt Service (\$47,866,769 x 25%).....	11,966,692
Existing Debt Service.....	2,001,616
Estimated Debt Service for Proposed Issue.....	303,317
Tuition and Fee Revenue Remaining for Additional Debt Service.....	\$9,661,759
Auxiliary Portion	
Projected 2005-06 Net Auxiliary Revenues.....	\$2,452,626
Maximum Annual Debt Service (\$2,452,626/120%).....	2,043,855
Existing Debt Service.....	1,298,132
Estimated Debt Service for Proposed Bond Issues.....	579,351
Net Auxiliary Revenue Remaining for Additional Debt Service.....	\$ 166,372

The above data demonstrates that University of Central Arkansas has sufficient revenue to support a bond issue of approximately \$11 million with a term of up to 20 years at an estimated annual interest rate of up to 5%.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Central Arkansas (UCA) to issue bonds not to exceed \$11 million for a period of up to 20 years at an estimated annual interest rate of up to 5% for both E&G and auxiliary purposes.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President of the University of Central Arkansas of the Coordinating Board's resolution.

Dr. Anne Trussell moved to recommend Agenda Item 7 to the Full Board for consideration. Jim Creech seconded, and the Committee unanimously approved.

Agenda Item No. 8
Associate of General Studies
NorthWest Arkansas Community College

The administration and Board of Trustees of NorthWest Arkansas Community College (NWACC) request approval to offer an Associate of General Studies degree. NWACC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The NWACC Board approved the proposed degree on June 6, 2005.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Associate of General Studies degree (CIP 24.0102) at NorthWest Arkansas Community College, effective August 2005.

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 NorthWest Arkansas Community College of this approval.

Jodie Carter moved to recommend Agenda Item 8 to the Full Board for consideration. Dr. Johnson seconded, and the Committee unanimously approved.

Agenda Item No. 9
Technical Certificate and Certificate
of Proficiency in Geographic Information Systems
East Arkansas Community College

The administration and Board of Trustees of East Arkansas Community College (EACC) request approval to offer a Technical Certificate and a Certificate of Proficiency in geographic information systems (GIS). EACC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The EACC Board approved the programs on May 19, 2005. The following resolution is presented for Coordinating Board consideration.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Technical Certificate and Certificate of Proficiency in geographic information systems (CIP 45.0702) at East Arkansas Community College, effective August 2005.

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 East Arkansas Community College of the approvals.

Kaneaster Hodges questioned the number of students that the institution is anticipating. Claudia Griffin responded that it is an emerging field.

Jodie Carter moved to recommend Agenda Item 9 to the Full Board for consideration. Dr. Johnson seconded, and the Committee unanimously approved.

Agenda Item No. 10
Bachelor of Science in Forensic Science
Arkansas State University – Jonesboro

The administration and Board of Trustees of the Arkansas State University System (ASU) request approval to offer the Bachelor of Science in forensic science at Arkansas State University--Jonesboro (ASUJ). ASUJ is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The ASU Board approved the proposal on June 9, 2005.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Science in forensic science (CIP 43.0106) at Arkansas State University--Jonesboro, effective January 2006.

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 Arkansas State University of the approval.

Kaneaster Hodges questioned if there is already an existing Masters program in Forensic Science in the state of Arkansas. Cynthia Moten answered no, there is not.

Jodie Carter moved to recommend Agenda Item 10 to the Full Board for consideration. Dr. Johnson seconded, and the Committee unanimously approved.

Agenda Item No. 11
Bachelor of Science in Criminal Justice
Associate of Applied Science in Criminal Justice
University of Arkansas – Fort Smith

The administration and Board of Trustees of the University of Arkansas System

(UA) request approval to offer the Bachelor of Science and the Associate of Applied Science in Criminal Justice at the University of Arkansas--Fort Smith (UAFS). UAFS is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The UA Board approved the proposal on June 3, 2005.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Science and the Associate of Applied Science degrees in Criminal Justice (CIP 43.0103) at the University of Arkansas--Fort Smith, effective Fall 2006.

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--Fort Smith of the approvals.

Kaneaster Hodges questioned why the program's class time was changed. Ms. Moten replied that the new time is designed to be more convenient for working students.

Dr. Johnson moved to recommend Agenda Item 11 to the Full Board for consideration. Jodie Carter seconded, and the Committee unanimously approved.

Agenda Item No. 12
Bachelor of Science in Graphic Design
University of Arkansas – Fort Smith

The administration and Board of Trustees of the University of Arkansas System (UA) request approval to offer the Bachelor of Science in graphic design at the University of Arkansas--Fort Smith (UAFS). UAFS is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The UA Board approved the proposal on June 3, 2005.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Bachelor of Science in graphic design (CIP 50.0402) at the University of Arkansas--Fort Smith, effective Fall 2006.

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--Fort Smith of the approval.

Jodie Carter moved to recommend Agenda Item 12 to the Full Board for consideration. Dr. Johnson seconded, and the Committee unanimously approved.

Agenda Item No. 13
Institutional Certification Advisory
Committee Resolutions

Ms. Jeanne Jones presented the institutional Certification Advisory Committee resolutions.

The Institutional Certification Advisory Committee (ICAC) met on June 28, 2005.

**BAPTIST MISSIONARY ASSOCIATION THEOLOGICAL SEMINARY
EXTENSION CAMPUS, CONWAY, AR**

RESOLVED, That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board decertifies Baptist Missionary Association Theological Seminary Extension Campus to discontinue the offering of the Master of Divinity and Master of Arts in Religion in Conway, Arkansas. This decertification is effective July 29, 2005.

RIO SALADO COLLEGE, TEMPE, AZ

RESOLVED, That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board decertifies Rio Salado College to discontinue the offering of the online Associate of General Studies to Arkansas residents. This decertification is effective July 29, 2005.

CAPELLA UNIVERSITY, MINNEAPOLIS, MN

RESOLVED, That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board grants program recertification to Capella University to offer the following online degree programs: Bachelor of Science in Business, Bachelor of Science in Information Technology, Master of Science in Organization and Management, Master of Business Administration, Master of Science in Information Technology, and Doctor of Philosophy in Organization and Management. The certification is for a period of four years and expires July 29, 2009.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the administration of Capella University that the recertification of these programs require 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 program in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of Capella University 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:

GRACELAND UNIVERSITY, INDEPENDENCE, MO

RESOLVED: That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board grants program recertification to Graceland University offer the following online degree programs: Bachelor of Science in Nursing and the Master of Nursing with tracks in Clinical Nursing Specialist, Family Nurse Practitioner, and Health Care Administration. The recertification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, The Coordinating Board grants initial program certification to Graceland University to offer the following programs: RN-Master of Science in Nursing with tracks in Clinical Nursing Specialist-Family Nursing, Family Nurse Practitioner, and Health Care Administration; and the Post-Graduate Certificate in Family Nurse Practitioner and Health Care Administration. The certification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the administration of Graceland University that the recertification and certification of these programs require 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 program in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of Graceland University 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:

ITT TECHNICAL INSTITUTE, LITTLE ROCK, AR

RESOLVED: That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board grants initial program certification to ITT Technical Institute to offer the following programs: Bachelor of Science

in Business Administration, Bachelor of Science in Business Accounting Technology, and Bachelor of Science in Criminal Justice. The certification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the administration of ITT Technical Institute that the certification of these programs require 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 program in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of ITT Technical Institute 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:

UNIVERSITY OF PHOENIX

RESOLVED: That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board grants initial program certification to the University of Phoenix to offer the following programs: Bachelor of Science in Business, Bachelor of Science in Information Technology, Master of Management, and Master of Business Administration on the new campus in Rogers, Arkansas. The certification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the administration of the University of Phoenix that the certification of these programs require 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 program in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of the University of Phoenix 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:

WEBSTER UNIVERSITY – FORT SMITH

RESOLVED, That pursuant to ACA §6-61-301 the Arkansas Higher Education Coordinating Board grants program recertification to Webster

University-Fort Smith to offer the following degree programs: Master of Business Administration and Master of Arts in Human Resources Management. The recertification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, The Coordinating Board grants initial program certification to Webster University-Fort Smith to offer the Master of Arts in Computer Resources and Information Management. The certification is for a period of two years and expires July 29, 2007.

FURTHER RESOLVED, That the Coordinating Board instructs the Director of the Arkansas Department of Higher Education to notify the administration of Webster University-Fort Smith that the recertification and certification of these programs require 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 program in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of Webster University-Fort Smith 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 Arkansas Code §6-61-301.

Dr. Johnson moved to recommend Agenda Item 13 to the Full Board for consideration. Jodie Carter seconded, and the Committee unanimously approved.

Public Hearing

Phil Ford declared the meeting a public hearing for the review of rules and regulation changes to five financial aid programs. He called on Melissa Goff to present the information.

Agenda Item No. 14
Revised Rules and Regulations
Military Dependent's Scholarship

This agenda item presents revisions to the rules and regulations of the Arkansas Missing in Action/Killed in Action Dependents' Scholarship Program that are necessary to comply with Act 2127 of 2005. The enhancements to the program from this legislation have prompted ADHE staff to recommend renaming the program, "The Military Dependents' Scholarship."

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

FURTHER RESOLVED, That, by the adoption of these rules and regulations presented in this agenda item, the Director of the Arkansas Department of Higher Education or her designee is authorized to promulgate these rules and regulations and to implement them for the 2005-06 academic year.

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 Military Dependents' Scholarship Program.

No public comments were received on this item.

Kaneaster Hodges moved to approve the amendments to the Rules and Regulations for the Missing in Action/Killed in Action Dependent's scholarship. Jodie Carter seconded the motion, and the Board unanimously approved.

Agenda Item No. 15
Revised Rules and Regulations
Arkansas Academic Challenge Scholarship Program

This agenda item presents the revised rules and regulations for the Arkansas Academic Challenge Scholarship Program reflecting recent changes in state law under Acts 1014, 2197, 2011 and 2214 of 2005.

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 administered by the Arkansas Department of Higher Education.

FURTHER RESOLVED, That, by the adoption of these rules and regulations presented in this agenda item, the Director of the Arkansas Department of Higher Education or her designee is authorized to promulgate these rules and regulations and to implement them for the 2005-06 academic year.

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.

No public comments were received on this item.

Jodie Carter expressed concerns over Act 2197 not being attached to diploma requirements for students.

Dr. Lynda Johnson requested that consideration be given to the expectation for students to pass their end of course exams and the issue of unqualified teachers.

David Leech moved to approve the amendments to the Rules and Regulations for the Academic Challenge scholarship. Jodie Carter seconded the motion, and the Board unanimously approved.

Agenda Item No. 16
Revised Rules and Regulations
Arkansas Governor's Scholars Program

This agenda item presents the revised rules and regulations for the Arkansas Governor's Scholars Program, which reflect recent changes in state law under Acts 1014, 1241 and 2197 of 2005.

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 administered by the Arkansas Department of Higher Education.

FURTHER RESOLVED, That, by the adoption of these rules and regulations presented in this agenda item, the Director of the Arkansas Department of Higher Education or her designee is authorized to promulgate these rules and regulations and to implement them for the 2005-06 academic year.

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.

No public comments were received on this item.

Dr. Lynda Johnson asked if there were any criteria for designating Hispanic finalist for the Governor's Scholarship? Melissa Goff commented that while that isn't included in the legislation, they do work hard to directly contact national Hispanic scholars.

Dick Trammel moved to approve the amendments to the Rules and Regulations for the Governor's Scholars program. Kaneaster Hodges seconded the motion, and the Board unanimously approved.

Agenda Item No. 17
Repeal of the Rules and Regulations
Arkansas Student Assistant Grant Program

This agenda item proposes the repeal of the rules and regulations for the Arkansas Student Assistance Grant Program, which is necessary to comply with state law under Act 2142 of 2005. In addition, the 2005 Arkansas General Assembly moved the entire appropriation for the Student Assistance Grant Program into the Arkansas Workforce Improvement Grant Program, which leaves no statutory funding for the program.

RESOLVED, That the Arkansas Higher Education Coordinating Board repeals the rules and regulations presented in this agenda item for the Arkansas Student Assistance Grant Program.

No public comments were received on this item.

Kaneaster Hodges moved to approve the amendments to the Rules and Regulations for the Student Assistance grant. Jodie Carter seconded the motion, and the Board unanimously approved.

Agenda Item No. 18
Revised Rules and Regulations
Arkansas Workforce Improvement Grant

This agenda item presents revisions to the rules and regulations of the Arkansas Workforce Improvement Grant that are necessary to comply with Act 2129 of 2005. Most of these revisions to the prior statute are merely technical in nature. The key revision is the increase in the award amount, which has been raised from \$1,800 per year to \$2,000 per year, primarily to keep pace with rising tuition costs.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the rules and regulations presented in this agenda item for the Arkansas Workforce Improvement Grant Program, to be administered jointly by the Arkansas Department of Higher Education and approved Arkansas Institutions of Higher Education

FURTHER RESOLVED, That, by the adoption of these rules and regulations presented in this agenda item, the Director of the Arkansas Department of Higher Education or her designee is authorized to promulgate these rules and regulations and to implement them for the 2005-06 academic year.

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 Workforce Improvement Grant Program.

Ms. Goff yielded the floor to Dr. Ed Franklin for public comments. Dr. Franklin commended Dr. Beene, Melissa Goff, Senator Broadway, and ADHE staff, for all they've accomplished with the Arkansas Workforce Improvement grant. He added that if Arkansas is going to change our economy, it has to be done by educating our adults.

Kaneaster Hodges moved to approve the amendments to the Rules and Regulations for the Workforce Improvement grant program. Dr. Lynda Johnson seconded the motion, and the Board unanimously approved.

Agenda Item No. 19
Report on 2004 College-Going Rate

Mr. Ron Harrell reported on the 2004 College-Going Rate. The college-going rate measures the proportion of college students enrolling in postsecondary education in the fall semester immediately after finishing high school. Current data are based on the fall 2004 student cohort that enrolled first-time, full-time, and on-campus at an Arkansas public or independent institution after graduating from one of the state's public high schools in spring 2004. Since most college students enroll in college directly after completing high school, the percentage of high school graduates making an immediate transition from high school to college is an indicator of the total proportion that will ever enroll in post-secondary education. The percentage, therefore, reflects the accessibility of higher education as well as students' assessment of the value of attending college when compared to working, entering the military, traveling, or following other pursuits.

Agenda Item No. 20 and 21
Letters of Notification and Letters of Intent

Ms. Cynthia Moten presented the Letters of Notification and the Letters of Intent to the Board. Between April 15, 2005 and July 13, 2005 the Arkansas Department of Higher Education received notice from institutions on programs that do not require Board approval for seven new certificate programs, seven new program options, four new program minors, six name changes, one new location of an existing program, two existing programs offered by distance technology, one reconfiguration of an existing degree, two consolidations of existing programs, one administrative transfer of an existing program, three collaborative programs, one academic reorganization, one new organizational unit, three deleted programs, ten deleted organizational units, and two exemptions from institutional certification, none of which require Board approval. Notification of items requiring Board approval included six certificate programs, one associate degree program, four bachelor's degree programs, and five master's degree programs. During this period the Institutional Certification Advisory Committee received notice of requests for recertification of 33 degree programs and initial certification for 18 degrees. The complete list of these notices appear in the Letters of Notification on pages 20-1 through 20-5 and in the Letters of Intent on pages 21-1 through 21-4 of the agenda book.

Agenda Item No. 22
Report on Annual Review of
Faculty Performance

Arkansas Code Annotated §6-63-104 and Arkansas Higher Education Coordinating Board (Board) policy require that each college and university conduct an annual performance review of faculty members. Pursuant to this Act, the Arkansas Department of Higher Education (ADHE) staff is required to monitor the faculty evaluation processes employed at the various institutions and report to the Coordinating Board and to the Legislative Council each year. Each institution must have on file with ADHE a plan detailing the procedures for faculty evaluation at each institution. Significant amendments to these plans are to be submitted for Board approval. Ms. Moneica West presented the Board with information on this agenda item.

Agenda Item No. 23
Report of Nominating Committee

The Nominating Committee (Chair- Phil Ford, Dr. Dan Grant, Dr. Lynda Johnson, and David Leech) presented a recommendation on the slate of Board officers for 2005-06.

The Nominating Committee nominated David Damron as the Finance Committee Chair, Dr. Dan Grant as the Academic Committee Chair, Dr. Lynda Johnson as Secretary, David Leech as Vice Chair, and Kaneaster Hodges as Chair.

Chairman Ford moved to accept the 2005-2006 nominations. Dick Trammel seconded the motion, and the Board unanimously approved.

Phil Ford thanked everyone for the accolades and kind words and introduced his grandchildren. As he turned over his gavel to Kaneaster Hodges, Phil remarked that it was a privilege and an honor to do so. Chairman Hodges thanked Phil for the outstanding work he has accomplished as Chair.

Announcements

President Rankin and Southern Arkansas University at Magnolia will host the next AHECB meeting on November 4, 2005.

Chairman Hodges opened the floor for public comments, which were none.

Dr. Linda Beene commended ADHE staff for their admirable work.

With no further business, the meeting adjourned at 11:50 a.m.

Nichole Abernathy

APPROVED:

Betsy Thompson, Secretary