

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
October 25, 2012

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Thursday, October 25, 2012, at the Arkansas State University-Beebe, Heber Springs Campus. Chairman Cook called the meeting to order at 4:00 p.m. with a quorum present.

Coordinating Board present:

Dr. Olin Cook, Chair
Dr. Charles Allen, Vice Chair
Sarah Argue, Secretary
Bob Crafton
Kaneaster Hodges
Sherrel Johnson
Florine Milligan

Coordinating Board absent:

Dr. Joe Bennett
Horace Hardwick
David Leech
Dr. Tim Langford

Department staff present:

Shane Broadway, Interim Director
Harold Criswell, Interim Deputy Director
Cynthia Moten, Associate Director for Academic Programs
Rick Jenkins, Associate Director for Planning and Accountability
Tara Smith, Senior Associate Director for Finance
Nichole Abernathy, Administrative Support

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

Chairman Cook thanked presidents and chancellors for attending the Special Board meeting.

Agenda Item No. 1
Report on Program Deletions

Rick Jenkins provided detailed information about program deletions during the 2011-12 academic year. He summarized the number of program deletions for the academic year by level of program and by level of institution.

Agenda Item No. 2
Report on Intercollegiate Athletic Revenues
and Expenditures for 2011-12

Act 245 of 1989 (A.C.A. §6-62-106) directed the Coordinating Board to develop and establish uniform accounting standards and procedures for reporting revenues and expenditures. Based on these standard definitions and formats, the Coordinating Board is to collect the financial data and provide a uniform report of each institution's athletic revenues and expenditures for the previous fiscal year to the Legislative Joint Auditing Committee and the public by November of each year.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Report of 2011-12 Intercollegiate Athletic Revenues and Expenditures as prepared in accordance with Arkansas Higher Education Coordinating Board uniform accounting standards and definitions for athletic reporting.

FURTHER RESOLVED, That the Coordinating Board authorizes the Director to transmit the Report of 2011-12 Intercollegiate Athletic Revenues and Expenditures to the Legislative Joint Auditing Committee according to the provisions of Act 245 of 1989.

Dr. Renaldo Hemphill discussed the increases in the amount of athletic and E&G transfers. He said the question is, how we maximize the return on the educational dollar.

Agenda Item No. 3
Maintenance Report

The AHECB policy for maintenance of new facilities, passed October 29, 2010, states that a report on the amount transferred to plant funds would be presented annually at the October Board meeting. This policy was proposed to ensure that in the future all newly constructed or purchased facilities would have a source of funding for maintenance of the new facility. Institutions seeking approval of a loan or a bond issue for the construction or purchase of a new facility must provide for the maintenance of that facility by transferring annually to plant funds an amount as recommended by the Association of Physical Plant Administrators of Universities and Colleges (APPA). This is currently \$2.50 per gross square foot for an educational and general facility or \$1.25 per gross square foot for an auxiliary facility. A lower rate per gross square foot for a specific building/facility can be approved with appropriate justification.

It is the expectation that the institution provide for the long term maintenance of the facility for which the funds were accrued. Funds may be utilized for facility renovation and upkeep including upgrade or replacement of equipment and furnishings of the designated building. These funds will be transferred to the plant fund annually and shall begin in the fiscal year following the completion and

occupancy of the facility and will continue as long as the building is in use. No new facilities have met the requirements stated above; therefore, there are no transfers to report at this time.

Sherrel Johnson asked if a report would be available in February. Ms. Smith said that the agency will still be in the moving process so hopefully after that.

Bob Crafton asked if the current rates are the same ones we've been using. Tara Smith said they are the same.

Agenda Item No. 4
Bond/Loan Feasibility Update

This update consists of the actual terms for bond and loan issues receiving AHECB approval that occurred from July 2011 through October 2012. This update was requested by the AHECB during the July 30, 2010, quarterly meeting.

Kaneaster Hodges asked if all of the bonds are tax free and if institutions are required by law to bid them out. Ms. Smith said the answer to both questions was yes.

Agenda Item No. 5
Institutional Certification Advisory Committee
(ICAC) Report

Alana Boles presented an update on the number of Arkansas residents pursuing academic degrees offered by out-of-state and for-profit institutions certified to operate in Arkansas under Arkansas Code Annotated §6-61-301.

Dr. Olin Cook asked if there was any way we could prevent out-of-state institutions from coming to Arkansas. Ms. Boles explained that the Coordinating Board had to approve them.

Florine Milligan asked why so many out-of-state institutions want to come to Arkansas. Ms. Boles said that because of new federal regulations, we are only now aware of how many institutions there are.

Kaneaster Hodges asked if they are continuing to grow and if so, at what rate. Ms. Boles said 12,352 institutions last year. Rick Jenkins said there are 178,000 total out-of-state institutions.

With no further comments, the meeting adjourned at 5:09 p.m.

APPROVED:

Nichole Abernathy

Sarah Argue, Secretary