

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
September 21, 2015

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Monday, September 21, 2015. The purpose of the meeting was to consider the economic feasibility of loan issue for Arkansas State University - Jonesboro. The meeting convened at 3:30 p.m. with a quorum present.

Coordinating Board present:

Bob Crafton, Chair
 Horace Hardwick, Vice Chair
 Dr. Jim Carr
 Dr. Olin Cook
 Florine Milligan
 Ben Pickard
 Greg Revels

Coordinating Board absent:

Dr. Charles Allen
 Chris Gilliam
 Sherrel Johnson
 Sam Sicard
 Dr. Michael Stanton

Department staff present:

Dr. Brett Powell, Director
 Harold Criswell, Senior Associate Director of Administration and Finance
 Tara Smith, Senior Associate Director for Institutional Finance
 Nichole Abernathy, Executive Assistant

Presidents, chancellors, other institutional representatives, and guests were also present.

Chairman Crafton thanked the Coordinating Board members and guests for participating on the call. Because there weren't enough Finance Committee members for a quorum, the Board went into a committee of the whole.

Agenda Item No. 1
 Economic Feasibility of Loan Issue
 Arkansas State University - Jonesboro

Arkansas State University-Jonesboro requests approval of the economic feasibility of plans to obtain a loan not to exceed \$8.0 million with a term of up to eight (8) years at an annual interest rate not to exceed 5.0 percent. Proceeds from the loan will be used for educational and general purposes. Arkansas State University Board of Trustees approved this financing at its meeting on August 27, 2015.

The New York Institute of Technology (NYIT) will lease the renovated space to provide a new Doctor of Osteopathy program. Revenues generated by the NYIT

program will ultimately reimburse ASUJ for the entire renovation cost. The full cost of the project is estimated at \$12,600,000.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Arkansas State University-Jonesboro to obtain a loan not to exceed \$8.0 million with a term of up to eight (8) years at an expected annual interest rate not to exceed 5.0 percent to renovate and modernize Wilson Hall including the reconfiguration of building infrastructure for new laboratories and learning environments and safety, technology, and ADA improvements.

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 Arkansas State University System, and the Chancellor of Arkansas State University – Jonesboro of the Coordinating Board's resolution.

Chairman Crafton asked if the existing debt service was an annual debt service. Tara Smith said yes.

Horace Hardwick referenced the language "Revenues generated by the NYIT program will ultimately reimburse ASUJ for the entire renovation cost," and questioned what that meant. Dr. Charles Welch said that ASUJ would receive revenues from the NYIT for approximately 6 ½ years that will ultimately far exceed the total cost of the project. Welch noted that in three years, the revenues would cover the full debt service. The rest will be straight additional revenues to the university for as long as they remain on our campus.

Greg Revels moved to recommend Agenda Item No. 1 to the Full Board for consideration. Horace Hardwick seconded, and the Committee unanimously approved.

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

Report of the Committee

Horace Hardwick presented the report of the Finance Committee and moved approval of Agenda Item 1. Florine Milligan seconded the motion and the Board unanimously approved.

Nichole Abernathy conducted a final roll call, reaffirming the quorum.

Chairman Crafton thanked everyone for participating in the meeting and announced that the next meeting would be October 30, 2015, at the Department of Higher Education in Little Rock.

With no further comments, the meeting adjourned at 3:41 p.m.

APPROVED:

Nichole Abernathy

Sherrel Johnson, Secretary