

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Regular Quarterly Meeting
April 26, 2013**

Minutes of Meeting

The April 26, 2013, regular meeting of the Arkansas Higher Education Coordinating Board was held at the University of Arkansas Community College at Hope. Chairman Allen called the meeting to order at 8:30 a.m. with a quorum present.

Coordinating Board present:

Dr. Charles Allen, Chair
Kaneaster Hodges, Vice Chair
Sarah Argue, Secretary
Dr. Joe Bennett
Dr. Olin Cook
Bob Crafton
Horace Hardwick
Sherrel Johnson
Dr. Tim Langford
Florine Milligan
Greg Revels

Coordinating Board absent:

Mary Anne Salmon

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
Chandra Robinson, Program Coordinator for Institutional Finance
Callan Callaway, Program Coordinator for Institutional Finance
Nichole Abernathy, Administrative Support

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

Chairman Allen introduced Chris Thomason, Chancellor for the University of Arkansas Community College at Hope (UACCH), for a welcome. Chancellor Thomason began by thanking everyone for coming to UACCH. He then showed a brief video of the development of Hempstead Hall. Chancellor Thomason stated that over the last few years, UACCH has experienced record growth in enrollment and retention rates and most importantly, record graduation rates.

Chairman Allen thanked Chancellor Thomason for his welcome.

Agenda Item No. 1
Approval of Minutes

Kaneaster Hodges moved to approve Agenda Item No. 1. Bob Crafton seconded the motion and the Board unanimously approved.

Agenda Item No. 2
Agency Updates

Interim Director Shane Broadway began by announcing that financial aid coordinator Scott Zielstra had resigned. Next, he said that Dr. Laurence Alexander had been selected as the new Chancellor for the University of Arkansas at Pine Bluff and will begin on July 1, 2013. Dr. Tom Jones is the new President for Williams Baptist College and will begin on June 1, 2013.

Next, Broadway outlined a few higher education legislative bills. HB1295 changed the Academic Challenge Scholarship award amounts to: Universities - \$2,000 for first year, \$3,000 for second year, \$4,000 for third year and \$5,000 for fourth year, Colleges - \$2,000 first year, \$2,000 second year. SB997 thoroughly defines an Arkansas resident and HB1838 creates the Council on Postsecondary Education and Career Readiness.

Broadway announced that the federally-funded Career Pathways Initiative (CPI) program would face a budget reduction the next fiscal year.

Agenda Item No. 3
Economic Feasibility of Bond Issue
Arkansas Tech University

Arkansas Tech University requests approval of the economic feasibility of plans to issue bonds not to exceed \$1.75 million with a term of thirty (30) years at an annual interest rate not to exceed 5.25 percent. Proceeds from the bond issue will be used to renovate and expand Chambers Cafeteria on the campus of Arkansas Tech University. The Arkansas Tech University Board of Trustees approved this financing at its meeting on March 28, 2013.

In accordance with board policy, Arkansas Tech University will sustain a building maintenance fund to be supported by housing revenue. These funds will be held in a separate account for the maintenance of the new facilities by transferring annually to plant funds based on the APPA recommendation. The institution will reserve a minimum of \$1.25 per square foot of the facility, annually, for ongoing maintenance issues. Based on 36,997 gross square feet, \$46,246 will be transferred annually.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Arkansas Tech

University to issue bonds in an amount not to exceed \$1.75 million with a term of thirty (30) years at an estimated interest rate of 5.25 percent to renovate and expand the Chambers Cafeteria.

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 Tech University of the Coordinating Board's resolution.

Kaneaster Hodges moved to recommend Agenda Item No. 3 to the full Board for consideration. Horace Hardwick seconded and the Committee approved.

Agenda Item No. 4
Economic Feasibility of Bond Issue
Cossatot Community College of the U of A

Cossatot Community College of the University of Arkansas requests approval of the economic feasibility of plans to issue bonds in an amount not to exceed \$4.15 million with a maximum term of thirty (30) years at an annual interest rate not to exceed 4.0 percent. Proceeds from the bond issue will be used for the purpose of acquiring certain properties, improvements, and educational facilities in Howard County, Arkansas through the exercise of an option to purchase under an Arkansas State Lease and Option Agreement. This agreement, dated 2005, allowed First Security Leasing, Inc. to finance the cost of building the Howard County campus. The Lease Purchase Agreement, then, allowed Cossatot Community College of the University of Arkansas to make lease payments on the property and facilities. The issuance of bonds is a means to refinance this debt at a lower interest rate. The University of Arkansas Board of Trustees approved this financing at its meeting on April 5, 2013.

The above data demonstrates that Cossatot Community College of the University of Arkansas has tuition and fee revenue to support a bond issue of approximately \$4.15 million with a term of thirty (30) years at an annual interest rate not to exceed 4.0 percent.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the issuance of bonds for Cossatot Community College of the University not to exceed to \$4.15 million with a term of thirty (30) years at an annual interest rate not to exceed 4.0 percent to fund the option to purchase the Howard County facilities under the Arkansas State Lease and Option Agreement.

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 the University of Arkansas System and the Chancellor of Cossatot Community College of the University of Arkansas of the Coordinating Board's resolution.

Kaneaster Hodges questioned why Cossatot's interest rate was not to exceed 4.0 percent while ATU's rate was not to exceed 5.25 percent.

Callan Callaway said that anytime there are bonds issued to refinance previously approved bonds, board policy dictates that rate has to be lower than the previously approved rate.

Dr. Steve Cole, Chancellor of Cossatot Community College said that Cossatot had a preliminary bond hearing with Moody's and the actual rate that was discussed was 3.20 percent.

David Underwood, ATU Associate Vice President said the market is up and they do not expect this to be more than 4.1 percent.

Director Broadway said that ADHE staff will provide an update of the actual bond rates at the October board meeting.

Kaneaster Hodges moved to recommend Agenda Item No. 4 to the full Board for consideration. Sherrel Johnson seconded and the Committee approved.

Agenda Item No. 5
Economic Feasibility of Loan
University of Central Arkansas

University of Central Arkansas requests approval of the economic feasibility of plans to secure a loan not to exceed \$3 million with a term of up to fifteen (15) years at an expected annual interest rate of 5.0 percent. Proceeds from the loan will be used to defease debt held by the University of Central Arkansas Foundation. The University of Central Arkansas Board of Trustees approved this action at its meeting held on April 5, 2013.

In accordance with board policy, the University of Central Arkansas will sustain a building maintenance fund to be supported by auxiliary revenue. These funds will be held in a separate account for the maintenance of the new facilities by transferring annually to plant funds based on the APPA recommendation. The current APPA recommendation is \$1.25 per gross square foot for auxiliary facilities. Based on an estimated total of 13,523 square feet, \$16,904 will be transferred annually.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Central Arkansas to secure a loan not to exceed \$3 million with a term of fifteen (15) years at an estimated annual interest rate of 5.0 percent to defease debt held by the University of Central Arkansas Foundation for projects benefitting the university.

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 the University of Central Arkansas of the Coordinating Board's resolution.

Kaneaster Hodges commended the UCA leadership for getting the university out of a lot of financial difficulty from the past.

Kaneaster Hodges moved to recommend Agenda Item No. 5 to the full Board for consideration. Florine Milligan seconded and the Committee approved.

Agenda Item No. 6
Performance Based Funding
(Outcomes-Centered) Results

Act 1203 of 2011 repealed Arkansas Code § 6-61-223 and amended §6-61-224, §6-61-228, §6-61-229, and §6-61-230. The act directed the Department of Higher Education to develop an outcomes-centered component of the funding formula for colleges and universities by December 31, 2011. The Department of Higher Education, in conjunction with the presidents, chancellors and key staff at the universities and colleges and the Executive Director and key staff at the Arkansas Association of Two-Year Colleges, developed the outcomes-centered component of the funding formula that was approved by the Arkansas Higher Education Coordinating Board on December 2, 2011. The funding recommendations are now based on the need component of student enrollment and the output components of student success and other performance measures. The proportion of the funding recommendation begins with five percent based on outcomes-centered measures in 2013-14, increasing by five percent each year to reach 25 percent in 2017-18. The results for the performance based funding will be distributed when finalized.

RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the report of the Performance Based Funding (Outcomes-Centered) Results as prepared in accordance with the Arkansas Higher Education Coordinating Board performance measures.

Sarah Argue asked if there is any indication from the legislature that we will get funding up to 70 percent, moving forward.

Director Broadway said he believes there is a commitment from several legislatures.

Tara Smith noted that all of the institutions scored well and therefore none of them would be losing any of their funding.

Bob Crafton asked why there were only ten universities listed and not eleven. Ms. Smith explained that UAMS is not part of the performance funding and therefore was not counted.

Argue commented that if it wasn't for the 5 compensatory points, there were several institutions that wouldn't have scored high enough.

Sherrel Johnson moved to recommend the approval of the review of Agenda Item No. 6 to the full Board for consideration. Florine Milligan seconded and the Committee approved.

Agenda Item No. 7

Associate of Applied Science in Health Information Management
 Technical Certificate in Health Information Management
 NorthWest Arkansas Community College

Health Information Technicians and Coders are employed in entry-level positions in hospitals, medical clinics, long-term healthcare facilities, hospices, and other healthcare facilities and industries to organize and manage health information data by ensuring its quality, accuracy, accessibility, and security in both paper and electronic systems. Medical coders will be able to use their skills gained in various classification systems to code and categorize patient information for reimbursement purposes, standardization, and retrieval of statistical analysis. Medical coding further involves assigning alphanumeric and numeric digits to corresponding descriptions of patient diagnoses and treatments.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Technical Certificate in Health Information Management-Coding (CIP 51.0707, 32 semester credit hours) and the Associate of Applied Science in Health Information Management (CIP 51.0707; 60-61 semester credit hours) at NorthWest Arkansas Community College, effective Fall 2013.

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 the approval.

Agenda Item No. 8

Cosmetology Technical Certificate
 Rich Mountain Community College

The cosmetology program is designed to train students for careers as a cosmetologist by providing theoretical and practical instruction to qualify for licensure by the Arkansas Department of Health, Section of Cosmetology. The students will become knowledgeable in hygiene, sanitation, hairdressing, manicuring, aesthetics, salesmanship, shop management, and shop department. One full-time instructor and one part-time instructor will be employed; and 18 *new courses* will be added to the curriculum which has been designed in accordance with Arkansas licensure requirements for cosmetology programs.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Cosmetology Technical Certificate (CIP 12.0401, 42 semester

credit hours) at Rich Mountain Community College, effective Fall 2013; contingent on program approval by the Arkansas Department of Health, Section of Cosmetology.

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 Rich Mountain Community College of the approval; and that all cosmetology program materials must state clearly that cosmetology students will not be trained in or perform physiotherapy as its relates to the practice of physical therapy. Program continuation is contingent on RMCC meeting and maintaining program licensure requirements of the Arkansas Department of Health, Section of Cosmetology.

Agenda Item No. 9
Bachelor of Fine Arts in Game,
Animation, and Simulation Design
Southern Arkansas University - Magnolia

The graphics and animation once limited to children's books and television shows, are now a major component of our favorite shows, commercials, books, homework assignments and work presentations in all settings including medical, police, and military. The Bachelor of Fine Arts (BFA) in Game, Animation and Simulation is designed to provide students the skills and knowledge necessary to design, develop and produce multi-media projects that will deliver the information formerly presented in one-dimensional written form to the entertainment, commercial, educational, criminal justice, medicine, and national security fields.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the offering of the Bachelor of Fine Arts in Game, Animation and Simulation (CIP 50.0411; 122 semester credit hours) at Southern Arkansas University-Magnolia, effective Fall 2013.

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 Southern Arkansas University of the approval.

Agenda Item No. 10
Doctor of Philosophy in Epidemiology
University of Arkansas for Medical Sciences

The University of Arkansas for Medical Sciences (UAMS) proposes to offer the state's first Ph.D. degree in Epidemiology. Arkansas and Mississippi are the only states in the South that do not have a doctoral program in Epidemiology. Epidemiology is the study of how frequently different diseases and other health outcomes occur in human populations, and how they are distributed in various groups within the population, including health disparities. Epidemiology further

studies the causes of diseases and health outcomes such as cancer, cardiovascular diseases, diabetes, and obesity, and identifies the factors that influence their occurrence.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the Doctor of Philosophy in Epidemiology (CIP 26.1309, 50 semester credit hours required beyond the master's degree for a total of 90-92 semester credit hours) at the University of Arkansas for Medical Sciences, effective Fall 2013.

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 for Medical Sciences of the approval.

Sherrel Johnson commented that the College of Public Health was setup as a result of the Tobacco Settlement funds.

Agenda Item No. 11
Institutional Certification Advisory Committee Resolutions

Initial Program Certification-Distance Technology

RESOLVED, That pursuant to ACA §6-61-301, the Arkansas Higher Education Coordinating Board grants initial certification to the institutions listed on pages 2-5 to offer the specified degree programs to Arkansas residents for a period of three years through December 31, 2016.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the administration of said institutions that the certification of the degree programs requires 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 programs in Arkansas.

FURTHER RESOLVED, That the Coordinating Board instructs the Director to notify the administration of said institutions 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.

American Sentinel University, Aurora, Colorado

Argosy University, Orange, California

Arizona State University, Scottsdale, Arizona

Bryan University, Springfield, Missouri

Franklin University, Columbus, Ohio

Jones International University, Centennial, Colorado

National American University, Rapid City, South Dakota

Nova Southeastern University, Fort Lauderdale, Florida

Savannah College of Art and Design, Savannah, Georgia

South University, Savannah, Georgia

University of Southern California, Los Angeles, California

**Initial Program Certification-Distance Technology
New Institutions**

American University, Washington, D.C.

National University, La Jolla, California

Trident University International, Cypress, California

University of Missouri, Columbia, Missouri

University of New Haven, West Haven, Connecticut

Florine Milligan asked if there have been any collaboration between economic development needs and the program development in regards to employment of Arkansas graduates.

Cynthia Moten explained that as a part of the program approval process, the institutions made contact with employers to determine their needs. Therefore, the program proposals are basically need based. If it is a short term need, then we know the program will be of short duration. But overall, we get responses from several employers. These employers also give us input so that the curriculum can

be designed in a manner that when a student graduates, he or she is ready to go to work said Moten.

Dr. Olin Cook moved to recommend Agenda Items No. 7 – 11 to the full Board for consideration. Florine Milligan seconded and the Committee approved.

Agenda Items No. 12 & 13 Letters of Notification and Letters of Intent

The Department of Higher Education received notice from 13 institutions on new programs not requiring Board action unless further review is requested by the Board. During this period, the Institutional Certification Advisory Committee received notice of requests from 76 out-of-state institutions to offer degree programs to Arkansas residents. The program notice list appears in the Letters of Notification on pages 12-1 through 12-36 and in the Letters of Intent on pages 13-1 through 13-19 of the agenda book.

Dr. Tim Langford commented that as a physician trying to implement electronic records in his office, he wanted to commend NWACC for starting a health information management program. There is a huge need for this in Arkansas he said.

Report of the Committees

Bob Crafton presented the report of the Finance Committee and moved approval of Agenda Items 3 - 6. Kaneaster Hodges seconded the motion and the Board approved.

Sarah Argue presented the report of the Academic Committee and moved approval of Agenda Items 7 - 11. Florine Milligan seconded the motion and the Board unanimously approved.

During the Thursday special meeting, due to time constraints, Rick Jenkins was unable to present all of his reports. At this time, Chairman Allen asked him to complete his presentation.

Agenda Items No. 3 - 4 Annual Report on Retention and Graduation of Intercollegiate Athletes Annual Report on Productivity of Recently Approved Programs

In Academic Year 2012, 3,098 students participated in athletics at the 13 institutions. In AY2008 there were 2,752 students participating in athletics. Many students receive scholarships to participate in athletics. The majority of students participating in athletics receive a partial scholarship (58.2 percent) and a small portion (16.6 percent) received a full scholarship. Retention rates are higher for the student

athlete as compared to all students. Student athletes at 4-Year Universities are retained at higher rates than student athletes at 2-Year Colleges.

Degree productivity of certificate and associate degree programs approved by the Coordinating Board in 2008-09 (after three years) and baccalaureate and graduate degree programs approved by the Coordinating Board in 2006-2007 (after five years) was presented to the Coordinating Board.

Chairman Allen asked what sport provided the most full ride scholarships. Broadway said that would be football.

Chairman Allen opened the floor for public comments. There were none. Dr. Charles Allen announced that the next Coordinating Board meeting would be hosted by the Department of Higher Education in Little Rock on July 26, 2013.

With no further comments, the meeting adjourned at 10:45 a.m.

Nichole Abernathy

APPROVED:

Sarah Argue, Secretary