

The seal of the State of Arkansas is centered in the background. It features a central figure holding a torch and a scroll, surrounded by a circular border with the text "GREAT SEAL OF THE STATE OF ARKANSAS".

Arkansas Higher Education Coordinating Board

Special Meeting

October 25, 2012

Arkansas Department of Higher Education
114 East Capitol Ave., Little Rock, Arkansas 72201 (501) 371-2000

ARKANSAS HIGHER EDUCATION COORDINATING BOARD SPECIAL MEETING

**Thursday, October 25, 2012
4:00 p.m.**

Arkansas State University-Heber Springs

AGENDA

1. Report on Program Deletions (Mr. Rick Jenkins)
2. Report on Intercollegiate Athletic Revenues and Expenditures for 2011-12 (Ms. Tara Smith)
3. Maintenance Report (Ms. Smith)
4. Bond/Loan Feasibility Update (Ms. Smith)
5. Institutional Certification Advisory Committee (ICAC) Report (Ms. Alana Boles)

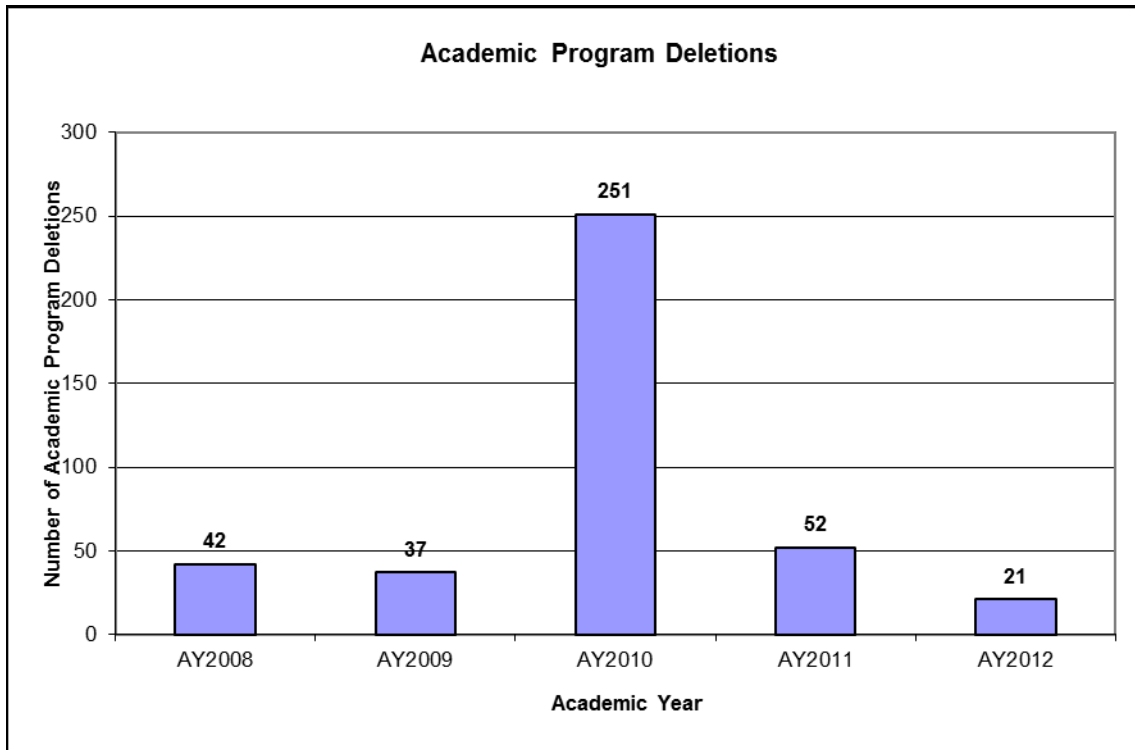
REPORT ON PROGRAM DELETIONS
Academic Year 2011-2012

- Attachment 5-1: Summary of Academic Program Deletions at Arkansas Public Institutions Academic Years 2008-2012
- Attachment 5-2: Academic Programs Deleted or Phased Out at Arkansas Public Colleges and Universities for Academic Year 2012 (2011-2012)
- Attachment 5-3: Academic Programs Deleted or Phased Out at Arkansas Public Colleges and Universities for Academic Year 2011 (2010-2011)
- Attachment 5-4: Academic Programs Deleted or Phased Out at Arkansas Public Colleges and Universities for Academic Year 2010 (2009-2010)
- Attachment 5-5: Academic Programs Deleted or Phased Out at Arkansas Public Colleges and Universities for Academic Year 2009 (2008-2009)
- Attachment 5-6: Academic Programs Deleted or Phased Out at Arkansas Public Colleges and Universities for Academic Year 2008 (2007-2008)

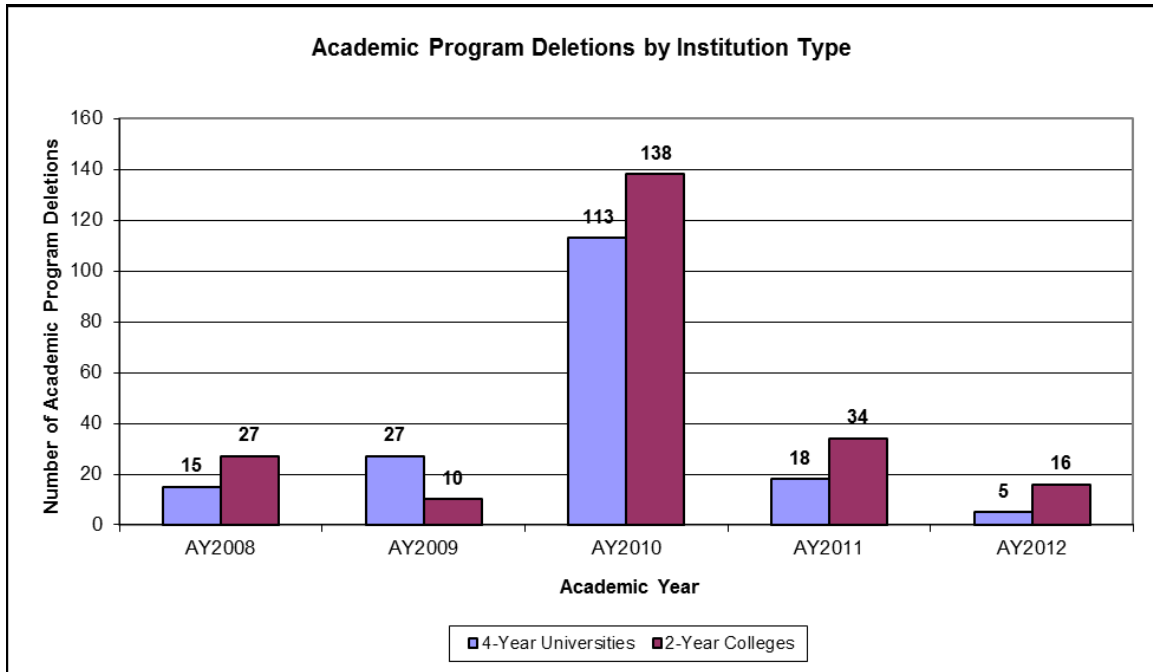
This report provides summary and detailed information about program deletions during Academic Year 2012 (2011-12).

Attachment 5-1 summarizes the number of program deletions for the academic year by level of program and by level of institution for the last five academic years.

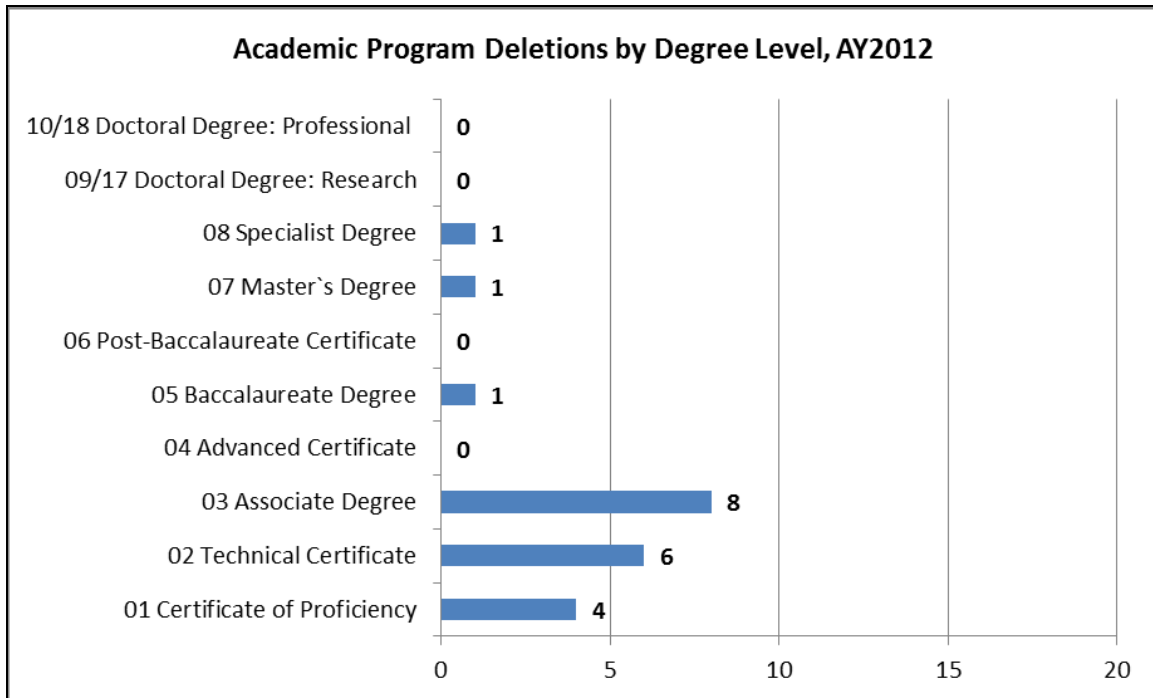
Twenty-one (21) programs were deleted in AY2011-12 as compared to 52 in AY2010-2011, 251 deletions in AY2009-10, 37 deletions in AY2008-09, and 42 deletions in AY2007-08.



The 251 program deletions in AY2010 were primarily due to the implementation of program viability standards that were approved in 2008.



The majority of program deletions occurred at the 2-Year Colleges.



The majority of program deletions occurred at the undergraduate level in the Career/Technical Education (CTE) fields.

REPORT OF 2011-2012 INTERCOLLEGIATE ATHLETIC REVENUES AND EXPENDITURES

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.

Athletic revenues and expenditures for 2011-12 for each institution have been collected according to uniform standards and compiled in a summary report that follows this agenda item. An explanation of the reporting format follows:

1. The athletic report details revenues and expenditures for each institution.
2. Athletic revenues will match athletic expenditures unless there is an ending fund balance.
3. Act 366 of 1991 (A.C.A. § 6-62-804) prohibits athletic deficits. A designated athletic fee must be charged to the students by the institution if athletic-generated revenues (i.e., ticket sales, media/tournament/bowl, concessions/program sales, and game guarantees), foundations/clubs and other private gifts, other athletic income, auxiliary profits, and the allowable educational and general transfer do not cover the total expenditures for athletics.
4. In accordance with the uniform reporting and auditing of intercollegiate athletic expenditures of state-supported institutions of higher education, maintenance of facilities expenditures related to all intercollegiate teams and spirit groups, excluding bands, shall be reported as actual costs of operating such athletic facilities or a proration of actual costs based on athletic usage (A.C.A. § 6-62-807).

The 2011-12 total amount of athletic expenditures reported by state-supported universities is \$134,236,381 and two-year colleges is \$478,278. The statewide total is \$134,714,659 – an increase of \$10,492,881 (8.45%) from \$124,221,778 in 2010-11. The University of Arkansas, Fayetteville accounted for 60.4 percent of the increase.

A comparison of 2011-12 actual expenditures to 2011-12 budgeted revenues certified to the Coordinating Board in July 2011 is also illustrated at the bottom of

the summary chart. Certified budgeted revenues for 2011-12 totaled \$119,564,801 for all institutions. Total actual expenditures for 2011-12 for all institutions exceeded this budgeted amount by 12.7 percent. Actual expenditures varied from the Board of Trustees-certified budgeted revenue by a range of 18 percent over the budgeted amount to 6 percent under the budgeted amount.

The following resolution is presented for the Board's consideration:

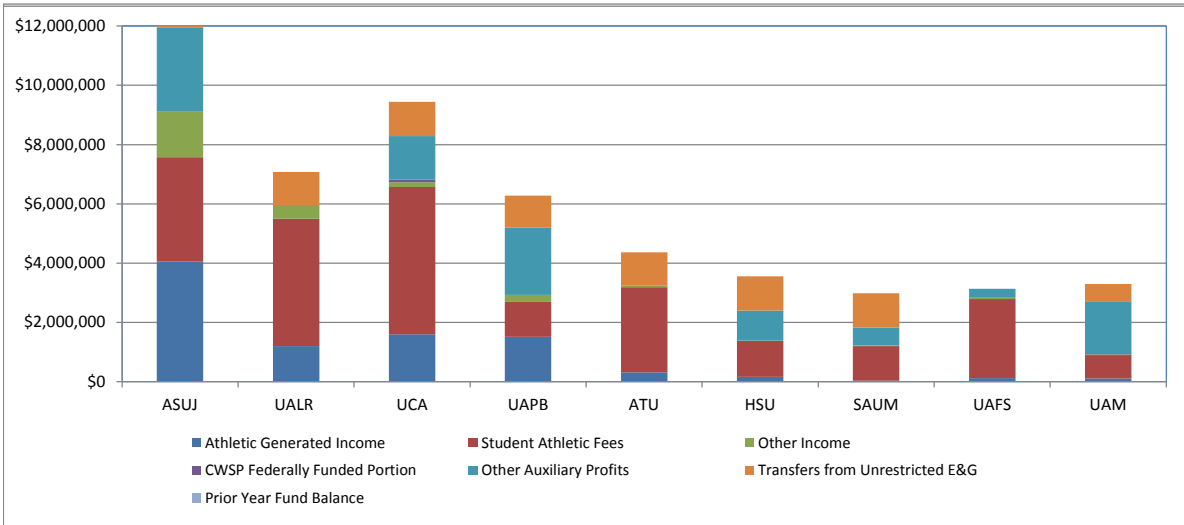
RESOLVED, That the Arkansas Higher Education Coordinating Board accepts the Report of 2011-12 Intercollegiate Athletic Revenues and Expenditures as prepared in accordance with Arkansas Higher Education Coordinating Board uniform accounting standards and definitions for athletic reporting.

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.

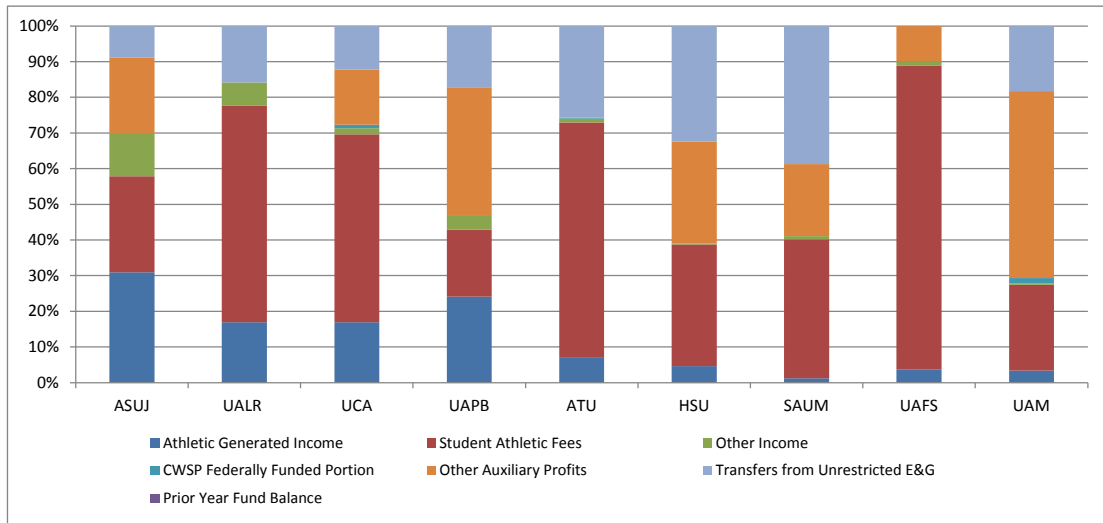
Summary of Intercollegiate Athletic Revenues and Expenditures, 2011-12

INSTITUTIONS		UAF	ASUJ	UALR	UCA	UAPB	ATU	HSU	SAUM	UAFS	UAM	4-yr TOTAL	CCCUA	NAC	MSCC
R E V E N U E S	Ticket Sales	\$38,167,868	\$1,296,962	\$465,696	\$417,505	\$580,759	\$195,587	\$27,446	\$27,605	\$22,354	\$35,874	\$41,237,655	\$0	\$10,750	\$1,379
	Media/Tournament/Bowl	\$22,220,951	\$333,375	\$310,685	\$74,473	\$0	\$0	\$12,991	\$0	\$0	\$0	\$22,952,475	\$0	\$0	\$0
	Concessions/Program Sales	\$973,728	\$97,330	\$11,951	\$17,277	\$81,626	\$0	\$20,522	\$9,433	\$44,699	\$0	\$1,256,566	\$18,368	\$0	\$0
	Game Guarantees	\$13,500	\$2,245,200	\$104,570	\$814,805	\$853,449	\$36,000	\$98,250	\$253	\$11,800	\$75,308	\$4,253,135	\$0	\$0	\$600
	Foundations/Clubs & Other Private Gifts	\$9,460,978	\$84,237	\$308,696	\$276,825	\$0	\$81,166	\$7,234	\$0	\$38,491	\$0	\$10,257,627	\$0	\$0	\$25,000
	Student Athletic Fees	\$0	\$3,521,922	\$4,295,375	\$4,973,184	\$1,175,220	\$2,873,863	\$1,210,341	\$1,159,872	\$2,666,434	\$790,993	\$22,667,204	\$0	\$0	\$0
	Other Income	\$10,953,741	\$1,545,768	\$463,596	\$154,605	\$242,699	\$46,190	\$9,395	\$26,715	\$42,334	\$14,144	\$13,499,187	\$0	\$1,960	\$0
O T H E R F I N A N C I N G S O U R C E S	CWSP Federally Funded Portion	\$9,700	\$0	\$0	\$92,466	\$0	\$12,642	\$0	\$0	\$0	\$48,604	\$163,412	\$0	\$0	\$0
	CWSP Fed. Portion as % Total CWSP	80%	0%	0%	100%	0%	75%	0%	0%	0%	100%	84%	0%	0%	0%
	Other Auxiliary Profits	\$0	\$2,816,638	\$0	\$1,462,407	\$2,265,192	\$0	\$1,016,154	\$601,861	\$308,530	\$1,726,818	\$10,197,599	\$0	\$172,710	\$0
	Transfers from Unrestricted E&G	\$0	\$1,154,142	\$1,118,625	\$1,154,142	\$1,078,234	\$1,124,400	\$1,154,142	\$1,154,142	\$0	\$600,000	\$8,537,827	\$22,654	\$130,851	\$94,006
	Prior Year Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Other Funds/Balance Forward (Inclusive of Interfund Borrowing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Revenues for Athletics		\$81,800,466	\$13,095,573	\$7,079,194	\$9,437,688	\$6,277,179	\$4,369,848	\$3,556,475	\$2,979,881	\$3,134,642	\$3,291,741	\$135,022,687	\$41,022	\$316,271	\$120,985
E X P E N D I T U R E S	Salaries	\$18,911,990	\$3,108,693	\$2,264,772	\$2,058,933	\$1,580,454	\$885,128	\$937,717	\$583,053	\$852,900	\$689,418	\$31,873,058	\$14,645	\$79,534	\$36,217
	Budgeted FTE Positions	252.5	67	41	41.99	42	22.28	20.35	13.02	18.65	14.65	533	0.71	2.2	1.2
	Fringe Benefits	\$4,939,636	\$890,677	\$564,623	\$632,908	\$483,607	\$282,122	\$308,504	\$221,937	\$250,147	\$229,380	\$8,803,541	\$1,274	\$20,360	\$8,964
	Fringe Benefits as a % of Salaries	26.1%	28.7%	24.9%	30.7%	30.6%	31.9%	32.9%	38.1%	29.3%	33.3%	27.6%	8.7%	25.6%	24.8%
	Extra Help	\$1,849,759	\$259,099	\$152,257	\$241,162	\$134,922	\$153,547	\$0	\$181,277	\$61,216	\$54,604	\$3,087,843	\$0	\$150	\$14,620
	CWSP	\$12,125	\$0	\$0	\$92,466	\$0	\$16,856	\$21,055	\$4,209	\$0	\$48,604	\$195,315	\$0	\$0	\$0
	Game Guarantees	\$3,574,319	\$590,010	\$0	\$177,550	\$0	\$13,500	\$0	\$0	\$13,500	\$3,000	\$4,371,879	\$0	\$0	\$0
	Athletic Scholarships	\$6,031,738	\$3,462,575	\$1,876,239	\$2,850,844	\$1,627,288	\$1,233,263	\$1,457,985	\$965,103	\$1,038,968	\$786,946	\$21,330,949	\$0	\$45,977	\$0
	Medical Insurance/Injury Claims	\$898,388	\$11,957	\$21,105	\$125,966	\$141,050	\$394,938	\$0	\$180,546	\$55,179	\$310,460	\$2,139,589	\$0	\$22,998	\$6,080
	Travel	\$9,349,452	\$1,988,849	\$1,005,414	\$1,311,588	\$710,404	\$315,857	\$244,698	\$383,239	\$427,043	\$222,876	\$15,959,420	\$5,097	\$54,899	\$30,200
	Equipment	\$607,753	\$33,562	\$28,582	\$5,179	\$13,684	\$0	\$36,498	\$8,250	\$0	\$0	\$733,509	\$0	\$0	\$0
	Concessions/Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,740	\$33,399	\$0	\$47,139	\$295	\$0	\$0
	M & O	\$11,414,259	\$1,846,764	\$864,714	\$894,794	\$940,493	\$319,076	\$426,064	\$234,311	\$242,306	\$474,887	\$17,657,668	\$19,711	\$17,318	\$17,336
	Facilities	\$15,110,133	\$873,925	\$225,454	\$389,990	\$68,822	\$289,009	\$105,078	\$114,199	\$76,272	\$301,544	\$17,554,426	\$0	\$30,752	\$7,568
Debt Service	\$6,711,354	\$29,461	\$76,034	\$374,455	\$571,106	\$195,649	\$0	\$90,016	\$0	\$105,308	\$8,153,383	\$0	\$0	\$0	
Other Expenses	\$1,829,223	\$0	\$0	\$51,855	\$5,349	\$44,935	\$18,876	\$0	\$73,213	\$64,714	\$2,088,165	\$0	\$44,283	\$0	
OTHER FINANCING USES	Transfers to Other Funds/Accounts	\$0	\$0	\$0	\$230,000	\$0	\$0	\$0	\$0	\$10,499	\$0	\$240,499	\$0	\$0	\$0
Total Expenditures for Athletics		\$81,240,129	\$13,095,573	\$7,079,194	\$9,437,688	\$6,277,179	\$4,143,880	\$3,556,475	\$2,979,881	\$3,134,642	\$3,291,741	\$134,236,381	\$41,022	\$316,271	\$120,985
Fund Balance		\$560,338	\$0	\$0	\$0	\$0	\$225,968	\$0	\$0	\$0	\$0	\$786,306	\$0	\$0	\$0
2011-12 Budgeted Revenue Certified July 2011		\$68,957,442	\$12,077,194	\$6,704,109	\$8,905,142	\$6,200,366	\$3,990,245	\$3,444,848	\$2,541,926	\$3,350,456	\$2,946,396	\$119,118,124	\$0	\$318,177	\$128,500
% Difference Between Expenditures & Budgeted Revenue		18%	8%	6%	6%	1%	4%	3%	17%	-6%	12%	13.0%	N/A	-1%	-6%

Institution	ASUJ	UALR	UCA	UAPB	ATU	HSU	SAUM	UAFS	UAM
Athletic Generated Income	\$4,057,103	\$1,201,598	\$1,600,885	\$1,515,834	\$312,753	\$166,443	\$37,291	\$117,344	\$111,182
Student Athletic Fees	\$3,521,922	\$4,295,375	\$4,973,184	\$1,175,220	\$2,873,863	\$1,210,341	\$1,159,872	\$2,666,434	\$790,993
Other Income	\$1,545,768	\$463,596	\$154,605	\$242,699	\$46,190	\$9,395	\$26,715	\$42,334	\$14,144
CWSP Federally Funded Portion	\$0	\$0	\$92,466	\$0	\$12,642	\$0	\$0	\$0	\$48,604
Other Auxiliary Profits	\$2,816,638	\$0	\$1,462,407	\$2,265,192	\$0	\$1,016,154	\$601,861	\$308,530	\$1,726,818
Transfers from Unrestricted E&G	\$1,154,142	\$1,118,625	\$1,154,142	\$1,078,234	\$1,124,400	\$1,154,142	\$1,154,142	\$0	\$600,000
Prior Year Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	13,095,573	7,079,194	9,437,688	6,277,179	4,369,848	3,556,475	2,979,881	3,134,642	3,291,741



Institution	ASUJ	UALR	UCA	UAPB	ATU	HSU	SAUM	UAFS	UAM
Athletic Generated Income	30.98%	16.97%	16.96%	24.15%	7.16%	4.68%	1.25%	3.74%	3.38%
Student Athletic Fees	26.89%	60.68%	52.69%	18.72%	65.77%	34.03%	38.92%	85.06%	24.03%
Other Income	11.80%	6.55%	1.64%	3.87%	1.06%	0.26%	0.90%	1.35%	0.43%
CWSP Federally Funded Portion	0.00%	0.00%	0.98%	0.00%	0.29%	0.00%	0.00%	0.00%	1.48%
Other Auxiliary Profits	21.51%	0.00%	15.50%	36.09%	0.00%	28.57%	20.20%	9.84%	52.46%
Transfers from Unrestricted E&G	8.81%	15.80%	12.23%	17.18%	25.73%	32.45%	38.73%	0.00%	18.23%
Prior Year Fund Balance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals	100%	100%	100%	100%	100%	100%	100%	100%	100%



REPORT ON AHECB POLICY FOR MAINTENANCE OF NEW FACILITIES

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.

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.

Approved Bonds/Loans from July 2011 to October 2012

Institution	Date of AHECB Approval	Approved Maximum Total of Issue	Approved Terms	Date of Issue	Actual Amount of Issue	Actual Terms	Project	Type of Project
ATU	7/29/2011	\$12,505,000	30 yrs/ 5.25%	Series 2011A - 11/15/11 & Series 2012A - 4/24/12	\$7,600,000 - Series 2011A & \$4,905,000 - Series 2012A	Series 2011A - 30yrs/ 4.94% & Series 2012A 30yrs/ 4.15%	Auxiliary purposes to construct a new five-story 64,170 square foot residence hall.	Auxiliary
PTC	9/8/2011	\$71,000,000	30 yrs/ 4.65%	9/29/2011	\$69,485,000	30 yrs/ 4.67%	E&G purposes to refund approximately \$26million in existing debt & to construct and equip a 100,000 square foot Fine and Performing Arts/Humanities Center and a 30,000 square foot Culinary Arts and Hospitality Management Center.	E&G
UACCH	10/28/2011	\$1,100,000	10 yrs/ .20%	3/27/2012	\$1,100,000	10 yrs/ .20%	E&G purposes to assist in the construction of an Instruction Services Center at Texarkana, AR.	E&G
UAFS	10/28/2011	\$2,200,000	10 yrs/ 0.00%	2/29/2012	\$2,166,500	10 yrs/ 0.00%	Loan - E&G purposes to fund infrastructure upgrades on the UAFS campus, including the creation of a central energy plant to provide district cooling and district heating to various campus facilities and a campus lighting retrofit.	E&G
UCA	10/2/2011	\$15,500,000	30 yrs/ 5.50%	6/7/2012	\$15,500,000	30 yrs/ 4.00%	Auxiliary purposes in the expansion of the Health, Physical Education and Recreation Center (HPER).	Auxiliary
ASUJ	1/27/2012	\$19,640,000	30 yrs/ 5.50%	3/1/2012	\$6,580,000 - Series 2012A, \$6,965,000 - Series 2012B & \$3,635,000 - Series 2012C	Series 2012A - 30 yrs/ 4.81%, Series 2012B - 30 yrs/ 3.63% & Series 2012C - 25 yrs/ 3.40%	Auxiliary purposes of acquiring, constructing and equipping new housing facilities including Greek housing facilities and a new honors dormitory and for improvements to Kays Hall dormitory including heating, ventilation and air conditioning (HVAC) system.	Auxiliary
ASUN	1/27/2012	\$2,000,000	15 yrs/ 4.00%	7/23/2012	\$1,500,000	15 yrs/ 3.75%	E&G purposes to fund the construction of a classroom building on the Arkansas State University - Newport Technical Center - Jonesboro campus.	E&G
MSCC	4/3/2012	\$19,500,000	30 yrs/ 3.75%	8/1/2012	\$18,510,000	30 yrs/ 3.64%	E&G purposes to refund Series 2007 bond issue and to use balance of proceeds in the acquisition, construction, equipping and furnishing a Wellness Center and FEMA Storm Shelter at the college.	E&G
UALR	4/3/2012	\$16,000,000	25 yrs/ 4.50%	4/26/2012	\$14,880,000	25 yrs/ 3.85%	Auxiliary purposes to acquire a 420-bed apartment complex located adjacent to the university's sports and recreation complex.	Auxiliary
UAMS	4/3/2012	\$10,650,000	30 yrs/ 4.25%	Not issued	Not issued	Not issued	Auxiliary purposes to acquire Central Arkansas Radiation Therapy Institute's Facilities and equipment located on the campus of UAMS.	Auxiliary
ATU	4/27/2012	\$1,500,000	30 yrs/ 5.00%	7/12/2012	\$1,500,000	30 yrs/ 4.16%	Auxiliary purposes to construct, equip and rehabilitate various athletic facilities on the campus of Arkansas Tech University in Russellville, Arkansas.	Auxiliary
SAUM	4/27/2012	\$6,000,000	30 yrs/ 5.00%	9/1/2012	\$5,000,000	30 yrs/ 1.00%-4.00%	Auxiliary purposes for the construction of a 60 bed apartment complex and for other auxiliary purposes.	Auxiliary
SAUT	4/27/2012	\$6,000,000	30 yrs/ 5.00%	9/6/2012	\$5,000,000	30 yrs/ 3.81%	E&G purposes to acquire, construct, and equip a multipurpose student facility and to make additional renovations to educational and general facilities on the East-Camden campus.	E&G
RMCC	6/21/2012	\$6,700,000	30 yrs/ 4.95%	8/28/2012	General Obligation Refunding & Improvement Bonds - \$4,830,000 and Student Tuition & Fee Revenue Bonds - \$1,870,000	General Obligation Refunding & Improvement Bonds - 30 yrs/ 3.68% and Student Tuition & Fee Revenue Bonds - 30 yrs/ 3.74%	E&G purposes to retire existing debt and construct library, classroom, lab and meeting space on the campus of Rich Mountain Community College in Mena, Arkansas.	E&G
UAF	6/21/2012	\$72,000,000	30 yrs/ 5.50%	9/13/2012	\$60,540,000	30 yrs/ 3.85%	Various E&G and auxiliary purposes.	E&G/Auxiliary
UAMS	6/21/2012	\$60,000,000	7 yrs/ 2.00%	6/21/2012	\$60,000,000	7 yrs/ 1.66%	Loan - To acquire the Epic integrated clinical information system.	Auxiliary
UAMS	6/21/2012	\$9,500,000	10 yrs/ 2.00%	6/21/2012	\$9,500,000	5 yrs/ 1.91%	Loan - For acquiring the Central Arkansas Radiation Therapy Institute's assets located on the campus of UAMS.	Auxiliary
NAC	7/27/2012	\$3,500,000	25 yrs/ 4.75%	8/23/2012	\$3,500,000	25 yrs/ 3.40%	E&G purposes to construct, equip and furnish a science building.	E&G
UCA	7/27/2012	\$12,500,000	24 yrs/ 4.50%	9/25/2012	\$11,910,000	24 yrs/ 3.47%	Auxiliary purposes to purchase Bear Village, a 600-bed apartment complex owned by the UCA Foundation and leased by UCA.	Auxiliary

Agenda Item No. 5
Higher Education Coordinating Board
October 25, 2012

**ANNUAL REPORT OF INSTITUTIONAL CERTIFICATION
ADVISORY COMMITTEE**

An update will be given 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.