

**Arkansas State University
Board of Trustees
May 10, 2002**

The Arkansas State University Board of Trustees met on Friday, May 10, 2002 at 10:00 a.m. in the Board Room on the 8th floor of the Dean B. Ellis Library on the Jonesboro campus. Mr. Richard Bell, Chair of the Board of Trustees, called the meeting to order at 10:07 a.m. Other Board members present were Mr. John Paul Hammerschmidt, Vice Chair; Mr. Mike Medlock, Secretary; and Colonel Dallas Wood. Ms. Florine Bingham was absent. Mr. Carlton Cross, Director of Youth and College Ministries, from the First United Methodist Church in Jonesboro, Arkansas, delivered the invocation.

Upon motion by Mr. Medlock, second by Mr. Hammerschmidt, the minutes of the March 8, 2002, meeting were approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell then asked Dr. Wyatt to deliver the President's report. Dr. Wyatt welcomed everyone to the board meeting. He relayed that it was a happy day in the life of the university because there would be opportunities for everyone to see new developments on the Jonesboro campus, to see projects completed, and to see projects taking form. As a culmination of the day's events, ASU-Jonesboro will graduate approximately 1,000 students. Commencements have taken place at ASU-Beebe and ASU-Newport, and

ASU-Mountain Home=s ceremony is scheduled for Monday, May 13. The evidence across the scope of the university system indicates that students are doing well in their studies.

Dr. Wyatt stated that within the system, there has been a need for an individual who could assist each of the campuses to define greater capabilities in the area of diversity. He introduced Dr. Glen Jones of Arkadelphia, who will be joining the President=s staff in July to aid in these efforts. Dr. Jones will help each campus understand their capabilities within the institution, address the issues of diversity, and assist in implementing plans and programs. In addition, he will serve as a representative of the university on diversity issues on state and regional levels. As a former faculty member at ASU-Jonesboro, Dr. Jones has done some important work on the Jonesboro campus and throughout the state, and the university welcomes his return.

Over the past several months, Dr. Wyatt remarked, an effort had been undertaken to revise the way courses are listed, structured, and recorded. With the assistance of the Registrars= office, Admissions= office, and academic support units, there has been an attempt to understand how to implement a system through which students will be engaged with university course activity. The concept is to create a common numbering of courses throughout the ASU campuses, which will permit students to have absolute transference and recognition of courses from one campus to another. Although it is unusual to see the development of this type of system, this will be a great benefit to our students.

Dr. Wyatt explained that work is in progress to extend the information technology and computing resources from one campus to another. This effort has been initiated due to the need to move data efficiently and effectively throughout the system. Mr. Mark Hoeting, Director of Information and Technology Services at ASU-Jonesboro, and other

staff members have been working with the two-year campuses to understand how to improve the technological exchanges between the different locations. While progress has been made, plans must be further developed and perfected to assure a seamless process in terms of data and information management.

Dr. Wyatt reported that all of the ASU campuses have been dealing with the issue of budget management over the last six months. Discussions have been primarily in response to the revenue shortfall at the state level and the way state agencies are managing the revenue situation. He complimented the budget managers of all the campuses for their effective and efficient operation of activities. Budget management for each campus flows through many offices, and every budget area of the university has to be responsive to the circumstances. The university has been able to find ways to manage the budget during the year, and with the news of reductions at the end of the budget year, it has been particularly challenging. Dr. Wyatt expressed his appreciation for the efforts that have been made that will allow the university to get through the remaining fiscal year.

Dr. Wyatt noted several objectives of budget management which include:

- X Assuring students of services and activities
- X Retaining the current employee group of the institution

The first objective has been met as students continue their activities and courses throughout all the campuses of Arkansas State University. Secondly, ways have been found to secure employment for everyone employed on the ASU campuses. Dr. Wyatt stressed that while these objectives have been met, issues continue to be addressed and ways found to build the university's programs within the budget constraints.

Dr. Wyatt stated that another area of discussion has been to identify a common pricing structure for activities and courses offered on the ASU campuses, and today=s agenda includes resolutions which will assist with that effort. He commended the chancellors for their excellent work in understanding and responding to the marketing conditions on each campus.

Dr. Wyatt then introduced Dr. Eugene McKay, Chancellor of ASU-Beebe, for his report. Dr. McKay reported that the North Central Accreditation team visited ASU-Beebe on April 1 through April 3. He expressed his thanks to Dr. Wyatt and Mr. Bell for their participation and work with the team. The team unanimously voted to recommend that the next visit be in 10 years with no focus reports or follow-up activities. In addition, ASU-Beebe received another perfect financial audit. Mr. Jerry Carlisle, Vice Chancellor for Fiscal Affairs, and his staff deserve much of the credit. Finally, Dr. McKay shared that he had been working with the president and the board of Foothills Technical Institute toward a possible merger. On May 7, the board of Foothills voted to enter into discussions with ASU. On June 18, ASU-Beebe will present a plan to the Foothills board for consideration.

Mr. Bell stated his belief in fiscal responsibility, and that ASU-Beebe=s audit was certainly a fine example. He also commented that he was impressed with the work of Dr. McKay and his staff regarding accreditation. This effort was a major undertaking, and done in a very professional way.

Dr. Wyatt then asked Chancellor Ed Coulter for the ASU-Mountain Home report. Dr. Coulter relayed that the Flag Court had been dedicated, and was made possible by the donations of ASU-Mountain Home faculty and staff. He reported that commencement will

be Monday, May 13, at 7:00 p.m., with Senator Dale Bumpers as the speaker. Dr. Coulter noted that at the ceremony there will be announcements of good news for the university and ASU-Mountain Home. He then extended compliments to the ASU Orchestra for their performance at the recent Spring concert. On April 24, the ASUMH administrators hosted a staff appreciation luncheon for their outstanding support staff. He mentioned that ASU-Mountain Home also is involved with the accreditation process, and commended ASU-Beebe and ASU-Newport for their good reports. Dr. Coulter then extended thanks to Congressman Hammerschmidt and Dr. Wyatt for their assistance with the Washington, D.C. reception. The attendance was great, and the staff of the different agencies were very appreciative. He also reported that ASUMH would be receiving 23 original letters from the Wolfe House, the most historic house in Arkansas. The letters will be housed on the campus to be preserved and protected.

Dr. Coulter concluded his report by interjecting his hope that the institutions that are trying to meet the state=s mandates would someday be rewarded through the funding process.

Dr. Wyatt next asked Dr. Larry Williams, Chancellor for ASU-Newport, for his report. Dr. Williams began his report by saying that this was the first meeting of the board after becoming an initially accredited, stand-alone institution. He gave credit to the quality faculty members, exceptional support staff, and the excellent leadership of Mr. Bell and President Wyatt. In addition to receiving the recommendation of the Higher Learning Commission that ASU-Newport be initially accredited for five years with no focus visits, the campus received the first institutional stand-alone financial audit without exception.

Dr. Williams commented there are several exciting things happening in Jackson County. A task force of community leaders has been organized who will be asking the Quorum Court for a special election. The election would be held on September 10 to seek a dedicated revenue stream in support of the campus. These leaders not only have given guidance, but have agreed to financially support this effort by paying for the election. No cost would be assessed to the members of the community within the county. Dr. Williams sees this effort as the first step in providing additional funding for the institution from the local constituents.

The Newport campus commencement was held on May 4 with Senator Jack Critcher as the speaker. Dr. Williams noted that according to statics provided by the Arkansas Department of Higher Education, ASU-Newport is the newest stand-alone institution of all the community colleges in the state, and graduates the largest

number of students with certificates of any of the two-year colleges. In addition, ASU-Newport ranked 14 out of 23 institutions with students completing associate degrees. Dr. Williams then distributed a brochure containing economic impact information as it related to Jackson County and the university. This information will be used as a communication tool to help the community better understand the role of the campus, not only from an educational perspective, but from the economic, social, recreational, and cultural perspective it provides to Jackson County.

Mr. Bell complimented Dr. Williams on his leadership in the accreditation process and commended the staff for the excellent work done. Dr. Wyatt added that the objectives for this effort had been completed in 18 months, which included the selection and appointment of a chancellor for the campus, a threshold requirement for enrollment of students, and a successful accreditation review. Through extraordinary efforts, all of these have been accomplished, and Dr. Wyatt extended his thanks to Dr. Williams and his colleagues.

Dr. Wyatt then directed the board's attention to the Jonesboro campus. Recently, members of the faculty and staff were recognized for retirement purposes and service contributions to the university. He particularly noted that this group of faculty and staff were able to interact with students and others with a great degree of capability and stability. With respect to the search for Vice Chancellor for Research and Academic Affairs, there has been some disappointment. Dr. Wyatt reported that one candidate, who was a very viable candidate, accepted appointment to the University of Nebraska. Another candidate from Delaware, who recently visited the Jonesboro campus and with colleagues at the

Arkansas Bioscience Research Institute in Little Rock, tragically died upon his return home. Dr. Wyatt has extended sympathy to the family. The search will continue in the academic areas. As a collateral activity, Dr. Wyatt noted that plans have been developed for the new Biosciences Research Institute building. Dr. Rick McDaniel and members of the research faculty have developed remarkable and stunning building plans. He complimented all those who have had input into this effort. Dr. Wyatt also noted that this facility would not have been possible, nor would the research initiative be realized, or would funding materialize, without the support of individuals such as Representative Jerry Allison. He recognized and thanked Representative Allison and other elected officials for their support.

Dr. Wyatt stated that recent information may have an effect upon the development of the budgets for ASU-Jonesboro and the ASU System. With this new information, further review and possible modifications may be necessary, so the budgets will be presented to the board at a later date. It is important to note that no salary changes are anticipated, and the individuals listed in the budgets will continue at the same salary level.

Dr. Wyatt stated that the Vice Presidents would answer any questions regarding material from ASU-Jonesboro which had been provided earlier to the board. He added that Mr. Jennus Burton, Vice President for Finance and Administration, was absent due to a family emergency.

Dr. Wyatt then asked Dr. Rick Stripling, Vice Chancellor for Student Affairs, to explain the purpose of the coffee cups that were given to the board members. Dr. Stripling stated that the cups represent the changing history of Arkansas State University. The cups depict a picture of the mobile homes, which are located on the Jonesboro campus. The mobile homes have provided housing for families for 40 to 50 years. The picture on the

cup changes when a hot liquid is poured into it, and the new family housing unit design appears. The new design concept will be on display as part of the groundbreaking activities following the board meeting.

Dr. Wyatt then introduced Dr. John Beineke, Dean of the College of Education, for a special report. Dr. Beineke thanked the board for allowing him to present the College of Education report and their activities. He then played a video titled, "Education Matters," which was produced with no state funds or faculty money. The College of Education is very fortunate in having a group of faculty and administrators who raise money through grants. The 10 minute video, available on CD ROM, will be used in many ways, such as enticing others to provide grants to the university, and as a recruiting tool for students and faculty.

Dr. Wyatt added that the video mentioned only briefly the off-campus activities of the College of Education. He stated that when a need is expressed in the educationally depressed areas of the state, efforts by the College of Education have been quickly organized and solutions determined. Another activity of the college is the extension of programs to the two-year campuses of Arkansas State University. Recently, through the extension of course offerings at ASU-Beebe and ASU-Mountain Home, students attending classes on the Beebe campus graduated with ASU-Jonesboro degrees. Dr. Wyatt thanked Dr. Beineke for his efforts to address needs of the local communities.

Dr. Wyatt next introduced Dr. Bob Bennett, President of the Staff Senate. Dr. Bennett thanked the board on behalf of the faculty for providing him with the opportunity to share faculty concerns about the growing deficit of the athletic budget and its impact on academic programs. He stated that he would not express all the faculty concerns, since

these were presented to Colonel Dallas Wood in a meeting with Faculty Senate leaders on May 2, 2002. Dr. Bennett stressed that the faculty believes the continuing athletic deficit is impairing the academic mission of the university. The faculty of Arkansas State University-Jonesboro respectfully request that the board provide information on its strategy to evaluate the athletic program for its continuance under Division I-A. Dr. Bennett concluded by sharing that the faculty wants to work with the Board of Trustees and President Wyatt to resolve this issue.

Mr. Bell thanked Dr. Bennett for his report and assured him that Colonel Wood had given him a thorough report of the meeting. He also added that two representatives of the board attended the meeting, "Athletics versus Academics: A Zero Sum Game." Mr. Bell stressed that the board is not isolated from the matter, and that they are listening to the concerns of the faculty. He stated that he was somewhat amazed that with a budget of \$140 million dollars for all the campuses, athletics represents a component of only a few percentage points. Mr. Bell stated that as a graduate of a top-tiered academic university, which also is a top-tiered athletic institution, it is possible to have both. One of the goals is to allow students coming to the Jonesboro campus to have a well-rounded university experience. During their college careers, students' leadership skills will be developed through the involvement of extracurricular activities, which also includes athletics. Mr. Bell commented that a balance must be found to address how the program fits into the broader goal of the university, and given time this would be accomplished. He remarked that he had asked Dr. Wyatt to look at the budget again, because the university does not want to have an unresolved athletic deficit a year from now. Mr. Bell concluded that the Board of

Trustees continues to advocate ASU=s participation at NCAA Division I-A.

Colonel Wood responded that Dr. Bennett was most professional when he visited his home recently to discuss the budget issue. He acknowledged there is a current deficit that must be resolved, but emphasized a solution would be found.

Mr. Bell then proceeded to Item IV, the Consent Agenda. He stated that Dr. Wyatt had visited with each board member, individually, prior to the meeting to review the material being considered.

The first item of consideration was Resolution 02-12, Approving the Fiscal Year 2002-2003 Operating Budgets of ASU-Beebe, ASU-Mountain Home, and ASU-Newport, and Authority to Execute the Budgets During the Next Fiscal Year.

Upon motion by Mr. Hammerschmidt, second by Mr. Medlock, Resolution 02-12 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-13, Approving Tuition Rates for the Jonesboro, Beebe, Mountain Home, Newport, and Heber Springs Campuses of Arkansas State University for Fiscal Year 2002-2003, was next presented by Mr. Bell.

Upon motion by Mr. Medlock, second by Mr. Hammerschmidt, Resolution 02-13 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-14, Approving Tuition Rates for General Education Courses and Technical Programs for the ASU Technical Center Beginning Fall 2002, was then presented by Mr. Bell. Dr. Wyatt stated that work on the budget was done by Mr. Keith Steele, Director of the ASU Technical Center, and his community advisory committee, who formerly had responsibility for the management of the institution. This is the first budget to have been recommended from the committee since merging the Technical Center with ASU. He noted that this resolution is with the

consensus and recommendation of those who live and work in Marked Tree, and who are in support with that institution.

Upon motion by Colonel Wood, second by Mr. Medlock, Resolution 02-14 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell presented Resolution 02-15, Approving Promotional Expenditures for the Campuses of Arkansas State University.

Upon motion by Mr. Hammerschmidt, second by Mr. Medlock, Resolution 02-15 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-16, Approving ASU-Jonesboro Summer 2002 Private Athletic Camp Agreements was next presented by Mr. Bell.

Upon motion by Colonel Wood, second by Mr. Hammerschmidt, Resolution 02-16 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-17, Authorizing ASU-Jonesboro to Dissolve the Tenure Moratorium, was the next item for consideration by the board. Dr. Wyatt stated that Dr. Rick McDaniel, Interim Vice Chancellor for Academic Affairs, was on hand to answer questions if further explanation was needed.

Upon motion by Colonel Wood, second by Mr. Medlock, Resolution 02-17 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell then presented Resolution 02-18, Authorizing ASU-Jonesboro to Offer a New Emphasis, Pre-Veterinary, in the Bachelor of Science in Agriculture-Animal Science, for consideration by the board.

Upon motion by Mr. Hammerschmidt, second by Mr. Medlock, Resolution 02-18 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-19, Approving ASU-Jonesboro to Offer a Master of Science in Exercise Science, was presented by Mr. Bell.

Upon motion by Mr. Medlock, second by Colonel Wood, Resolution 02-19 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell next presented Resolution 02-20, Approving ASU-Jonesboro to Offer a New Emphasis, Agricultural Communications, in the Bachelor of Science in Agricultural Education.

Upon motion by Colonel Wood, second by Mr. Hammerschmidt, Resolution 02-20 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

The next item for consideration was Resolution 02-21, Authorizing ASU-Jonesboro to Offer a New Emphasis, Community College Administration, in the Specialist in Community College Teaching.

Upon motion by Mr. Medlock, second by Colonel Wood, Resolution 02-21 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-22, Authorizing Discussion of Possible Merger Between ASU-Beebe and Foothills Technical Institute was then presented by Mr. Bell. Mr. Bell noted that Dr. McKay had previously given a report on the possibility of the merger.

Upon motion by Mr. Hammerschmidt, second by Colonel Wood, Resolution 02-22 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Next Mr. Bell introduced Resolution 02-23, Authorizing ASU-Beebe (including ASU-Heber Springs and the Little Rock Air Force Base Center), ASU-Mountain Home, and ASU-Newport to Offer the Associate of Arts in Teaching Degree.

Upon motion by Mr. Medlock, second by Colonel Wood, Resolution 02-23 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Resolution 02-24, Approving Engagement of Bond Counsel and to Borrow Funds to Purchase Land for ASU-Heber Springs Campus, was the last resolution to be considered by the board under the Consent Agenda.

Upon motion by Colonel Wood, second by Mr. Medlock, Resolution 02-24 was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell then moved to the next item on the agenda, Review of the Audit Findings for the Jonesboro, Beebe, Mountain Home, and Newport Campuses.

Dr. Wyatt commented that the reports indicated that the financial affairs are well managed, and there is extraordinary fiscal management present on each campus. The auditors from the state have found no audit exceptions. The Joint Legislative Auditing Committee asked that the audit findings be reviewed with the board each year. The management of the budgets extends to many individuals throughout the institution, and it is only because of their efforts that the university is able to have audit findings of this significance. Dr. Wyatt remarked that the findings would be the envy of almost any state agency, including other universities. Mr. Hammerschmidt commented that he served on four corporate audit committees, and that he had never seen an audit that did not have an exception. He congratulated all the chancellors and their colleagues for this magnificent performance. Mr. Bell concurred by adding that a perfect audit was the best example of financial integrity.

Mr. Bell then stated that the board would recess for Executive Session and reconvene to vote on any action items discussed during that time.

Upon motion by Mr. Medlock, second by Colonel Wood, the board recessed into Executive Session at 11:08 a.m.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell reconvened the board at 12:37 p.m.

Upon motion by Mr. Medlock, second by Mr. Hammerschmidt, the academic appointments for all campuses of Arkansas State University were approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Upon motion by Colonel Wood, second by Mr. Hammerschmidt, the non-academic appointments for all campuses were approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Upon motion by Mr. Hammerschmidt, second by Mr. Medlock, tenure for all campuses was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Upon motion by Mr. Hammerschmidt, second by Colonel Wood, promotions for all campuses were approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mr. Bell then directed the board to Other Business under Agenda Item VIII. Dr. Wyatt remarked that the Jonesboro campus has a committee which considers the awarding of honorary doctorate degrees, and that Mr. Townsend Wolfe had been recommended by him to receive such a degree. Mr. Wolfe, who is Director and Chief Curator of the Arkansas Arts Center, has had a distinguished career in Little Rock, and the university has benefitted greatly from that association. On April 22, the Honorary Doctorate Committee considered the nomination of Mr. Wolfe, and unanimously recommended that he be awarded the Honorary Doctor of Fine Arts degree.

Upon motion by Mr. Medlock, second by Mr. Hammerschmidt, the conferring of an

Honorary Doctor of Fine Arts degree to Mr. Townsend Wolfe was approved.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Upon motion by Mr. Melock, second by Mr. Hammerschmidt, the board adjourned at
12:37 p.m.

Ayes: Bell, Hammerschmidt, Medlock, and Wood

Nays: None

Absent: Bingham

Mike Medlock, Secretary

Richard Bell, Chair

EXECUTIVE SUMMARY

Contact: Dr. Les Wyatt @ 972-3030

ACTION ITEM: Arkansas State University (ASU) requests approval of the fiscal year 2002-2003 operating budgets of ASU-Beebe, ASU-Mountain Home, and ASU-Newport and authority to execute the budgets during the next fiscal year.

ISSUE: The Board of Trustees, by policy, must approve the University=s operating budgets for each fiscal year. The operating budgets establishes expenditure levels for certain categories of expense, including salaries, supplies and services, and capital expenditures. Moreover, the budgets establish sound fiscal policy by which the University manages its annual fiscal affairs.

ARKANSAS STATE UNIVERSITY-BEEBE**BACKGROUND:**

The ASU-Beebe Planning Committee has the charge of compiling the annual operating budget for the campus. The process begins in January and is completed in time to seek approval from the Chancellor, the President, and the Board of Trustees.

In past years, the campus used a planning process whereby the Planning Committee reviewed department requests for full-time salaries, part-time faculty, part-time labor, supplies and services, and capital outlay. The committee also would review revenue projections, requests for increase or addition of fees, technology enhancements, and consideration of improvement to facilities.

This year the process was shortened. Consideration was first given to moderate raises for all employees and non-controllable increases of institutional expenses. A tuition increase was considered to replace lost state revenues and to provide technology funds. New allocations of dollars into other expenditure categories were not awarded.

The priority areas for ASU-Beebe=s 2002-2003 operating budget were:

- X Provide 2.6% salary increases for all employees;
- X Provide salary equity adjustments for mid-level faculty members;
- X Provide additional tuition revenue by increasing the tuition rates by \$6 per credit hour;
- X Maintain spending categories for extra labor salaries and supplies & services at the current level, and;
- X Award capital outlay only from QIF funds.

The proposed budget includes a reduction in budget of \$151,457 as a result of the Wednesday, April 17, 2002, revised revenue projections from the Department of Finance and Administration. This revised forecast will be parked as an overall budget reduction and actual budgeting reduction strategies will be worked out over the next two months.

The Arkansas State University-Beebe budget is \$13,569,431 for Educational and General operations and \$1,644,901 for Auxiliary operations.

EXECUTIVE SUMMARY
3030

Contact: Dr. Les Wyatt @ 972-

ARKANSAS STATE UNIVERSITY-MOUNTAIN HOME

BACKGROUND:

The 2002-2003 budget structure is based upon the effort to meet the needs of the continuing growth of student enrollment. The budget planning process took into account the necessity of increasing the number of staff to serve the growing student population. New faculty and new programs are being added to broaden the program offerings.

Arkansas State University-Mountain Home is committed to improvements in learning by providing quality instruction, increased employee salaries, excellent facilities, and meeting the needs of the community and service area.

Financial concepts are as follows:

- X The estimated income for the 2002-2003 fiscal year is \$5,767,792 (10%). The anticipated increase will be generated from a growing credit hour enrollment coupled with an increase in cost of tuition per credit hour (from \$50 per credit hour to \$56 per credit hour), advanced studies host fees (enrollment growth), and a 50% increase of private funds;
- X Personnel: The budget expenditures reflect the employment of three additional faculty members, the promotion of one classified position, the addition of three classified positions, and the addition of two professional staff positions, (Counselor and Director of Financial Aid);
- X Salaries: Faculty salaries were increased by 2.6%. Classified salary increases were calculated at 2.6%. Professional personnel salaries increased at the discretion of the Chancellor based on other comparable two-year institutions;
- X Instructional Supplies and Services: The expenditure budget was increased by 85% to offset the increasing cost of technology, and;
- X Capital Outlay: Funds for equipment were not included in the budget in an effort to increase salaries/promotions and miscellaneous costs. Essential equipment for the 2002-2003 fiscal year will be purchased from the Perkins Grant and transfers from supplies and services.

The proposed budget includes a reduction in budget of \$180,934 as a result of the Wednesday, April 17, 2002, revised revenue projections from the Department of Finance and Administration. This revised forecast will be parked as an overall budget reduction and actual budgeting reduction strategies will be worked out over the next two months.

The Arkansas State University-Mountain Home budget is \$ 5,767,792 for Educational and General operations. Auxiliary Operations are only budgeted for income. There are no Auxiliary Operations expenses anticipated.

EXECUTIVE SUMMARY
3030

Contact: Dr. Les Wyatt @ 972-

ARKANSAS STATE UNIVERSITY-NEWPORT

BACKGROUND:

Arkansas State University-Newport began 2002-2003 budget development in December 2001. The campus has a budget team that worked with the fiscal officer to distribute budget requests, determine budget priorities, and compile data concerning budget issues. The budget was submitted to the Chancellor for approval prior to being forwarded to the President and the Board of Trustees.

Several budget considerations revolve around the stand-alone status granted Arkansas State University-Newport at the beginning of the current biennium. The campus completed its executive staff with the addition of a chancellor in November 2001, however, other necessary positions remain unfilled until additional funding is acquired. Arkansas State University-Beebe continues to provide services for this campus since additional funding was not provided by the state for this purpose.

The priority areas for ASU-Newport's 2002-2003 operating budget were:

- X Provide a 2.6% salary increase for all employees;
- X Raise tuition from \$50 per credit hour to \$56 per credit hour for residents and from \$85 per credit hour to \$95 per credit hour for non-residents, and;
- X Provide funding for a Director of Computer Services.

As a result of the Wednesday, April 17, 2002, revised revenue projections from the Department of Finance and Administration, the Arkansas State University-Newport budget was reduced \$38,176. This reduction will be taken from unallocated fund sources for fiscal year 2003.

The Arkansas State University-Newport budget is \$4,280,923 for Educational & General operations and \$231,500 for Auxiliary Operations.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University is authorized to execute the fiscal year 2002-2003 budget for ASU-Beebe, ASU-Mountain Home, and ASU-Newport in the amount of \$23,618,146 as summarized on the Attachment for Education and General Expenses, and \$ 1,876,401 for Auxiliary Operations.

Mike Medlock, Secretary

Richard Bell, Chair

EXECUTIVE SUMMARY

Contact: Leslie Wyatt 972-3030

ACTION ITEM: Arkansas State University - Jonesboro (ASUJ) requests authority to increase tuition for the fiscal year 2002-2003 an average of 6.9%. The two-year campuses within the ASU System (ASU-Mountain Home, ASU-Beebe, and ASU-Newport) requests authority to increase tuition for fiscal year 2002-2003 an average of 12%.

ISSUE: Arkansas State University has many competing priorities and needs required to assist in raising the quality of the institution on several levels. ASU wishes to provide sorely needed resources to meet Higher Learning Commission (HLC) accreditation purposes, to make improvements in teaching and instruction, and to continue improvements funded in last year=s budget in many initiatives designed to benefit our students directly and indirectly. Moreover, ASU students demand increased services and better quality services and the cost of these services increase each year.

BACKGROUND:**ARKANSAS STATE UNIVERSITY-JONESBORO:**

ASU-Jonesboro requires approximately 6.9% more in tuition for the 2002-2003 fiscal year to replace state appropriations reductions enforced for 2002-2003, and to supplement other revenues to support the budget needs for the year. The summary of new tuition rates is as follows (based on a 12-hour load):

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Resident Undergraduate	\$1,344	\$1,428	6.25%
Resident Graduate	\$1,692	\$1,800	6.38%
Non-Resident Undergraduate	\$3,432	\$3,672	6.99%
Non-Resident Graduate	\$4,260	\$4,560	7.04%

	<u>Regular Term</u>	<u>Summer Term</u>
<u>Undergraduate:</u>		

Arkansas Resident per hour	\$119	\$119
Arkansas Non-Resident Additional Fee per hour	\$187	\$187

Graduate:

Arkansas Resident per hour	\$150	\$150
Arkansas Non-Resident Additional Fee per hour	\$230	\$230

EXECUTIVE SUMMARY

Contact: Leslie Wyatt 972-3030

	<u>Regular Term</u>	<u>Summer Term</u>
<u>Off-Campus Courses, including distance learning classes, per hour:</u>		
Arkansas Resident Undergraduate	\$150	\$150
Arkansas Resident Graduate	\$172	\$172
Additional Fee, Non-Resident Undergraduate	\$187	\$187
Additional Fee, Non-Resident Graduate	\$230	\$230

ARKANSAS STATE UNIVERSITY-BEEBE:

Arkansas State University-Beebe requires an increase of 12% in tuition for the 2002-2003 fiscal year. This increase is needed to supplement state appropriations and other revenues used to support the budget needs for the year. The summary of new tuition rates follows (based on a 12 hour load):

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Resident Undergraduate	\$ 600	\$ 672	12%
Non-Resident Undergraduate	\$1,020	\$1,140	11.8%
		<u>Regular Term</u>	<u>Summer Term</u>
<u>Off-Campus Courses per hour:</u>		\$58	\$58

ARKANSAS STATE UNIVERSITY-MOUNTAIN HOME:

Arkansas State University-Mountain Home requires an increase of 12% in tuition for the 2002-2003 fiscal year. This increase is needed to supplement state appropriations and other revenues used to support the budget needs for the year. The summary of new tuition rates follows (based on a 12-hour load):

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Resident Undergraduate	\$ 600	\$ 672	12%
Non-Resident Undergraduate	\$ 912	\$ 912	0%

Arkansas State University
 Board of Trustees
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EXECUTIVE SUMMARY

Contact: Leslie Wyatt 972-3030

ARKANSAS STATE UNIVERSITY-NEWPORT:

Arkansas State University-Newport requires an increase of 12% in tuition for the 2002-2003 fiscal year. This increase is needed to supplement state appropriations and other revenues used to support the budget needs for the year. The summary of new tuition rates follows (based on a 12 hour load):

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Resident Undergraduate	\$ 600	\$ 672	12%
Non-Resident Undergraduate	\$1,020	\$1,140	11.8%
		<u>Regular</u>	<u>Summer</u>
		<u>Term</u>	<u>Term</u>
<u>Off-Campus Courses per hour:</u>		\$61	\$61

RECOMMENDATION/RESOLUTION

Be it resolved that Arkansas State University-Jonesboro is authorized to increase tuition an average of 6.9%. Arkansas State University-Beebe, Arkansas State University-Mountain Home and Arkansas State University-Newport is authorized to increase tuition on average of 12%.

 Mike Medlock, Secretary

 Richard Bell, Chair

Arkansas State University
Board of Trustees
May 10, 2002
Resolution 02-14
Contact: Dr. Leslie Wyatt 870-972-3030

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Technical Center (ASUTC) requests authority to increase general education course tuition to \$56 per credit hour and technical program course tuition to \$40 per credit hour beginning Fall semester 2002.

ISSUE: Arkansas State University-Technical Center (ASUTC) has many competing priorities and needs required to assist in raising the quality of the institution on several levels. ASUTC needs to increase tuition to align the current tuition rates with other institutions within the surrounding area.

BACKGROUND:

ASUTC requires a tuition increase for general education courses to \$56 per credit hour beginning in the Fall 2002 semester. This increase in tuition would enable ASUTC tuition to be comparable to the other two-year campuses within the Arkansas State University System and other institutions within the surrounding area. ASUTC also requires a tuition increase for the technical program courses to \$40 per credit hour. This increase in tuition is required to replace Workforce 2000 fund reductions enforced for 2002-2003.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Technical Center is authorized to increase general education course tuition to \$56 per credit hour and technical program course tuition to \$40 per credit hour beginning Fall semester 2002.

Mike Medlock, Secretary

Richard Bell, Chair

ASU Board of Trustees
 May 10, 2002
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EXECUTIVE SUMMARY

Contact: Jennus L. Burton (910-8200)

ACTION ITEM: Arkansas State University requests Board approval to establish amounts for promotional expenditures for the 2002-2003 fiscal year for all campuses.

ISSUE: The Board of Trustees must approve amounts for expenditures for promotional items on the ASU campuses as required by ACT 823 of 1993.

BACKGROUND:

- X In the normal course of operations, personnel of the various university campuses use special printed products in recruiting and promoting programs. Generally, these programs may be determined by the Department of Finance and Administration as promotional items within the meaning of Act 823 of 1993.
- X The ASU Board of Trustees must recommend to the Department of Finance and Administration amounts to be established for expenditures for promotional items for the 2002-2003 fiscal year.
- X The following amounts are being requested for each of the campuses:

Arkansas State University - Jonesboro	\$80,000
Arkansas State University - Beebe	20,000
Arkansas State University - Mountain Home	10,000
Arkansas State University - Newport	10,000
Arkansas State University - Beebe/ASTI	10,000
Arkansas State University - Heber Springs	10,000
Arkansas State University Technical Center	25,000

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University is authorized to budget and expend the amounts for promotional items identified herein.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
 Board of Trustees Meeting
 May 10, 2002
 Resolution 02-16
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EXECUTIVE SUMMARY

Contact: Jennus Burton 910-8200

ACTION ITEM: Arkansas State University-Jonesboro requests approval of Summer 2002 private athletic camp agreements.

ISSUE: Arkansas State University-Jonesboro wishes to contract with certain athletic personnel to conduct various private athletic camps on the Jonesboro campus. These camps are designed to bring future students to Arkansas State University-Jonesboro due to their exposure to its facilities and personnel while engaged in program activities. Additionally, funds are generated and paid to ASU-Jonesboro to cover the use of its facilities and auxiliary services.

BACKGROUND:

- # Act 707 of 1981 entitled AN ACT TO SAFEGUARD THE STATE'S INTEREST IN INSTITUTION-OWNED FACILITIES; AND FOR OTHER PURPOSES, empowers the Boards of Trustees of the state institutions of higher learning to grant permission to employees of such institutions to conduct, on and in campus facilities, certain outside work for private compensation (as described in the Act) which are to be engaged in only after they have discharged fully, their employment responsibilities to such institutions.
- # The Act grants the Board the non-delegable duty to make express findings of fact as follows:
 - X the activity in question involves no conflict of interest with the mission and purpose of the institution itself;
 - X the activity proposed would bring to the campus a significant number of persons who are potentially future students who might tend to enroll on that campus as a result of their exposure to its facilities and its personnel while engaged in this activity; and
 - X the contemplated activity will, as a part thereof, generate funds to be paid to the state institution for housing, meals, and for the use of other institutional resources which will produce significant revenues in support of the auxiliary functions of the particular campus serving its enrolled students.
- # The following contracts comply with Act 707 of 1981.

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EXECUTIVE SUMMARY

Contact: Jennus Burton 910-8200

The 2002 contracts are with the following individuals:

Bill Bethea (Head Baseball Coach)

June 3 B 6, 2002; June 10 B 13, 2002; June 17 B 20, 2002; June 24 B 27, 2002

Brian Boyer (Head Women=s Basketball Coach)

June 20 B 29, 2002; July 7 B 10, 2002

Craig Cummings (Head Volleyball Coach)

July 10 B 12, 2002; July 23 B 25, 2002

Steve Roberts (Head Football Coach)

June 23 B 26, 2002

Dickey Nutt (Head Men=s Basketball Coach)

July 12 B 15, 2002; July 28 B August 1, 2002

Ken Hefner (Head Soccer Coach)

June 3 B 7, 2002; June 9 B 13, 2002; June 16 B 20, 2002

RECOMMENDATION/RESOLUTION

Be it resolved that Arkansas State University-Jonesboro is authorized to enter into the agreements submitted, for the purpose of allowing certain athletic personnel to conduct private athletic camps on and in the Jonesboro campus facilities.

Mike Medlock, Secretary

Richard Bell, Chair

ARKANSAS STATE UNIVERSITY
Board of Trustees
May 10, 2002
Resolution 02-17

EXECUTIVE SUMMARY

Contact: Rick McDaniel 870-972-2030

ACTION ITEM: Arkansas State University-Jonesboro requests Board approval to dissolve the tenure moratorium and the conditions under which a moratorium is placed on tenure.

ISSUE: The Board of Trustees must approve the nullification of the university policy, AConditions Under Which a Moratorium is Placed on Tenure,@ regarding limitations on effective dates of faculty tenure appointments.

BACKGROUND:

- X The vast majority of educational institutions do not create a holding pool for faculty who are qualified to receive tenure and have been approved for tenure to be effective at some future date.
- X The university has no practical need to limit tenure percentages in departments to 75 percent or less.
- X The American Association of University Professors (AAUP) has voiced concerns about a 75 percent tenure moratorium rule.
- X The Higher Learning Commission of the North Central Association has voiced concerns regarding the university=s use of a 75 percent tenure moratorium policy.
- X There are possible legal ramifications that may be argued regarding holding in a tenure pool faculty who are qualified for tenure and have been approved by the university to receive tenure effective at some future date.
- X The university=s faculty tenure pool is empty and holds no faculty for the upcoming academic year 2002-2003, this will be a prime opportunity to dissolve the tenure pool.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is authorized to dissolve the tenure moratorium and the conditions under which a moratorium is placed on tenure.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
 Board of Trustees
 May 10, 2002
 Resolution 02-18
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Contact: Dr. Rick McDaniel (972-2030)

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Jonesboro requests approval to offer a new emphasis, Pre-Veterinary, in the Bachelor of Science in Agriculture/Animal Science beginning August 2002.

ISSUE: The Board of Trustees must approve the offering of any new degree or any new option of an existing degree prior to submission to the Arkansas Higher Education Coordinating Board.

BACKGROUND:

The purpose is to establish an alternative core and emphasis area for students majoring in Animal Science with intentions of applying to veterinary school. Pre-veterinary students recognize the importance of working towards a degree simultaneously while fulfilling qualifications for admission to veterinary schools. However, many of the courses that these students must complete to qualify for veterinary school admission do not fulfill the degree requirements of the BSA. Satisfying both degree and veterinary school admission requirements can become cumbersome and expensive for these students. In many cases, students majoring in Animal Science complete an additional 20 or more hours in order to fulfill the various requirements for veterinary schools. With an alternative core, pre-veterinary students can satisfy requirements for veterinary schools, gain valuable knowledge and experience with animals, expand their knowledge of the basic sciences, and complete a degree with only 129 hours. Furthermore, students can earn a degree without having to use all their free elective hours to meet the pre-veterinary requirements. The proposed curriculum should make the student more competitive in the admission process, and enhance their ability to be successful veterinary students. Of course, not all students that take the pre-veterinary course will be accepted to veterinary school. However, if a student completes the proposed pre-veterinary course they will be adequately qualified to enter graduate programs in animal science, biology, or other related areas. Students in this emphasis area will be required to have a GPA of 3.25 to graduate.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is approved to offer the Pre-Veterinary Emphasis Area in the Bachelor of Science in Agriculture/Animal Science beginning August 2002.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
 Board of Trustees
 May 10, 2002
 Resolution 02-19

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Jonesboro requests approval to offer a Master of Science in Exercise Science beginning August 2002.

ISSUE: The Board of Trustees must approve the offering of any new degree or any new option of an existing degree prior to submission to the Arkansas Higher Education Coordinating Board.

BACKGROUND:

Currently this program is offered at Arkansas State University-Jonesboro as a Master of Science degree in Physical Education. A name change to Master of Science degree in Exercise Science is being requested based on the non-pedagogical content of this program. The name change is being requested to better reflect the content of the program and to describe the true nature of the program to prospective students. This degree plan is not intended for teachers of physical education. The Master of Science in Education degree in Physical Education is designed for the physical education teacher who wishes to pursue a graduate degree. The Master of Science degree in Exercise Science is a 33 credit hour graduate degree program with 3 hours of electives and a required graduate project or thesis.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is approved to offer the Master of Science in Exercise Science beginning August 2002.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
Board of Trustees
May 10, 2002
Resolution 02-20

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Jonesboro requests approval to offer a new emphasis, Agricultural Communications, within the Bachelor of Science in Agriculture-Agricultural Education beginning August 2002.

ISSUE: The Board of Trustees must approve the offering of any new degree or any new option of an existing degree prior to submission to the Arkansas Higher Education Coordinating Board.

BACKGROUND:

Agricultural Education and Agricultural Communications are very closely related. Both involve the transfer of ideas/information from one person to others in written and oral forms, and from one individual to individuals or groups. In addition, communication skills are emphasized in the FFA, which is a significant component of agricultural education. In many colleges and universities, Agricultural Communications is resident with Agricultural Education. From time to time, students express an interest in Agricultural Communications careers but do not desire to student teach or complete the other requirements of teacher education. This option would allow them the flexibility to direct their course work in the area of Agricultural Communications, which would better prepare them for careers in that field.

RECOMMENDATION/RESOLUTION

Be it resolved that Arkansas State University-Jonesboro is approved to offer a new emphasis area, Agricultural Communications, within the Bachelor of Science in Agriculture-Agricultural Education beginning August 2002.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
Board of Trustees
May 10, 2002
Resolution 02-21

Contact: Dr. Rick McDaniel @ (972-2030)

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Jonesboro requests the authority to offer a Specialist in Community College Teaching with an emphasis in Community College Administration beginning Summer 2002.

ISSUE: The Board of Trustees must approve the offering of any new degree or any new option of an existing degree prior to submission to the Arkansas Higher Education Coordinating Board.

BACKGROUND:

Arkansas State University-Jonesboro currently offers the Specialist in Community College Teaching (SCCT) degree in 14 emphasis areas (i.e., teaching fields). This is a sixth-year intermediate degree to prepare teachers for the unique setting of a community college. The program consists of 60 credit hours beyond the Bachelor=s degree (30 credit hours above the Master=s degree). A request is being made to add an emphasis area in community college administration. This request is being made to accommodate significant interest by students who hold a Master=s degree in various fields of study, but who have now decided they would like to work in community college administration (and possibly pursue a doctoral degree in Educational Leadership). This emphasis area will include the same core (12 credit hours) of community courses as required in the other 14 areas, and it can be added with existing personnel and without adding any new courses.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is authorized to offer a new emphasis area, Community College Administration within the Specialist in Community College Teaching, beginning Summer 2002.

Mike Medlock, Secretary

Richard Bell, Chair
Arkansas State University
Board of Trustees
May 10, 2002
Resolution 02-22

Contact : Dr. Eugene McKay 501-882-8356

EXECUTIVE SUMMARY

ACTION ITEM: Arkansas State University-Beebe requests the authority to enter into discussions with Foothills Technical Institute about a possible merger between Arkansas State University-Beebe and Foothills Technical Institute.

ISSUE: The Arkansas State University Board of Trustees must give its approval for discussions to take place about a possible merger between Arkansas State University-Beebe and Foothills Technical Institute.

BACKGROUND:

The chancellor of ASU-Beebe and the president of Foothills Technical Institute have had discussions about the possible merger of Foothills Technical Institute with ASU-Beebe.

The Foothills Technical Institute Board of Directors has authorized the president of Foothills Technical Institute to work with the chancellor of ASU-Beebe to develop a plan to merge.

The Arkansas State University Board of Trustees must approve all mergers with Arkansas State University campuses.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Beebe is authorized to enter into discussions with Foothills Technical Institute about a possible merger between Arkansas State University-Beebe and Foothills Technical Institute.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
Board of Trustees
May 10, 2002

Resolution 02-23
 Contact: Dr. Vicki Wicker 501-882-8272
 Dr. Ruth Couch 501-882-8230

EXECUTIVE SUMMARY

ACTION ITEM: ASU Beebe (including ASU-Heber Springs and the Little Rock Air Force Base Center), Mountain Home, and Newport request the authority to offer the Associate of Arts in Teaching degree on its campuses,

ISSUE: The Arkansas State University Board of Trustees must approve all new degree programs before they can be submitted to the Arkansas Higher Education Coordinating Board.

BACKGROUND:

The purpose of offering the program is to accommodate students who wish to enter university-transfer programs in teacher education. The offering will give students an opportunity to participate in a state-wide transfer agreement, which will strengthen their programs of study and expedite their transfer process.

The program should make instruction more consistent across the state and should eventually help to alleviate the shortage of teachers, which is a state-wide concern.

Adequate physical, fiscal, and human resources will be available on the campuses of Beebe (including Heber Springs, and the Little Rock Air Force Base Center), Mountain Home, and Newport,

RECOMMENDATIONS/RESOLUTIONS:

Be it resolved that ASU Beebe (including ASU-Heber Springs and the Little Rock Air Force Base Center), Mountain Home, and Newport are authorized to offer the Associate of Arts in Teaching degree on its campuses.

Mike Medlock, Secretary

Richard Bell, Chair

Arkansas State University
 Board of Trustees
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 Resolution 02-24
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EXECUTIVE SUMMARY

Contact: Jennus L. Burton (910-8200)

ACTION ITEM: Arkansas State University requests approval to engage bond counsel and to borrow

funds for the purpose of purchasing land in Heber Springs to be used for the ASU-Heber Springs campus.

ISSUE:

In order to finance the cost of property located in Heber Springs and recently acquired by the Arkansas State University Foundation, the university seeks permission to borrow up to \$1,000,000 and engage bond counsel to structure either a long term bond issue, or other short term tax-exempt financing opportunities, which may be converted to a bond issue in the future.

BACKGROUND:

- P Long range plans for the university include owning the property located at Sugarloaf Mountain in Heber Springs, Cleburne County, Arkansas. The ASU Foundation acquired the property from the two previous owners on March 1, 2002 and March 5, 2002.
- P The property is configured with 232.19 acres with frontage on Arkansas Highway 110. The site has utilities already located through the site and, thus, the cost of development will be less in the long term as ASU develops fully the new campus required for higher education classes to be provided in Heber Springs and Cleburne County.
- P The Board approved, at its March 8, 2002 meeting, a financing plan for ASU to acquire and finance high priority properties located in Jonesboro contiguous to the ASU-Jonesboro campus. The March 8, 2002 financing authority would allow short-term borrowings from a local bank until a sizable amount not to exceed \$6 million is accumulated. Once the critical mass is achieved, the university would take out the short term borrowing with a long-term tax-exempt bond issue. This structure would provide for the lowest, most cost effective financing structure and allow the university to be able to service the annual debt service.
- P ASU would like to add the \$1 million necessary to purchase the Heber Springs property in this cost-effective financing strategy. In a meeting on March 13, 2002 with the University's financial advisor, Stephens Inc., this financing structure was recommended.
- P The Heber Springs property acquisition and annual debt would be serviced by using the following revenue sources:
 - A private gift pledge of \$200,000;
 - State General Improvement revenues of \$340,000 predicted to flow from the original \$400,000 appropriation through fiscal year ending June 30, 2003; and
 - millage collections from Cleburne County.

Arkansas State University
Board of Trustees
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EXECUTIVE SUMMARY

Contact: Jennus L. Burton (910-8200)

- P Two of these three revenue sources not required to fully pay the property annual debt service would be available to assist with the ongoing operating costs of the ASU-Heber Springs campus.
- P Since the university is investing in future growth, and does not currently have the resources in reserve to purchase all the land that could become available as targets of opportunity, ASU recommends distributing potential costs over a 20 or 30 year period, much the same as would be done for any long term capital project.
- P An estimate of Heber Springs land valuation for the total purchase is \$1 million. The University's financing strategy will be to use a line of credit for a reasonable time, e.g., up to five years, then a longer term financing mechanism will be employed, such as tax-exempt 20-year or 30-year fixed rate bonds. Long term, the property will be in the University land bank for future campus expansion purposes in Heber Springs.
- P This financing plan will also require the approval of the Arkansas Department of Higher Education Coordinating Board. If the Board of Trustees approves this plan, then ASU will seek the ADHE Board approval at its next regularly scheduled meeting.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University is authorized to move forward with financing the purchase of 232.19 acres of land located in Heber Springs, Cleburne County, Arkansas which the President deems necessary to complete the long range goal of the university. The university is also authorized to secure bond counsel to assist with the structure of the debt instrument and obtain the necessary tax-exempt financing to acquire the land, and to issue debt in support of the purchase.

Mike Medlock, Secretary

Richard Bell, Chair

**ARKANSAS STATE UNIVERSITY
BOARD OF TRUSTEES**

RESOLUTION

A Resolution Conferring upon Mr. Townsend Wolfe the Honorary Degree
Doctor of Fine Arts

WHEREAS, the Board of Trustees of Arkansas State University adopted procedures for the conferring of honorary degrees by Arkansas State University; and

WHEREAS, the procedures adopted by the Board provide that honorary degrees are conferred to create a significant and lasting tribute to individuals whose contributions to humanity give new understanding to knowledge of our world, ourselves, and our past, present, and future, and who have demonstrated outstanding achievement and serve as an example of excellence to the student body and to others in the University community; and

WHEREAS, such procedures require that nominations for such a degree be reviewed and approved by the Honorary Doctorate Committee and to further receive the unanimous recommendation of the Vice Chancellor for Academic Affairs and the President; and

WHEREAS, Mr. Townsend Wolfe, has been duly nominated and his nomination has been properly reviewed and recommended by the Honorary Doctorate Committee, the Interim Vice Chancellor for Academic Affairs and the President of the University.

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Arkansas State University that Mr. Townsend Wolfe shall be granted the honorary degree, Doctor of Fine Arts, which said degree shall be conferred during Commencement Exercises on May 10, 2002.

DULY ADOPTED AND APPROVED, this 10th day of May 2002.

Leslie Wyatt, President

Richard Bell, Chair

John Paul Hammerschmidt, Vice Chair

Mike Medlock, Secretary

Florine Bingham, Member

Dallas Wood, Member

